

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

MEMORANDUM

DATE: June 24, 2022
TO: Citywide Affordable Housing Loan Committee
FROM: Sarah Nusser, Senior Project Manager
RE: **2550 Irving - Preliminary Gap Request for HCD Multifamily Housing Program (MHP) and Infill Infrastructure Grant Program (IIG) Application Purposes**

Existing MOHCD Sources

Acquisition/Predev Loan	\$13,378,718	GO Bond 2019
	<u>\$898,798</u>	CPMC Funds
	\$14,277,516	

Existing Land Costs to be Excluded from the Project

Acquisition/Holding Costs	\$9,228,500	GO Bond 2019
Site Prep Costs*	<u>\$2,085,000</u>	GO Bond 2019
	\$11,313,500	

*To be reimbursed by IIG program

Preliminary Gap Request

\$13,795,869 GO Bond 2019

Preliminary Total MOHCD Funding for Project

\$16,759,885

Summary of Request

On behalf of 2550 Irving Associates, L.P., Tenderloin Neighborhood Development Corporation (TNDC) requests a preliminary MOHCD gap commitment of up to \$13,795,869 to support the 2550 Irving application for California Department of Housing and Community Development (HCD) Multifamily Housing Program (MHP) and Infill Infrastructure Grant Program (IIG) financing. If successfully awarded funding, TNDC will leverage over \$38M for the proposed 90-unit family affordable housing development and for site prep costs. HCD's Super NOFA application, which includes the MHP and

IIG programs, is due July 12, 2022. The preliminary gap request to MOHCD is for a total City contribution up to \$16,759,885 (\$186K / unit) for the project (ie. excluding lands costs). This includes a MOHCD bridge loan of \$1M to cover the AHP amount for the MHP and IIG application, as TNDC will apply next year for AHP when the project is more competitive. With non-reimbursable land costs, the total preliminary City contribution is up to \$25,988,385 (\$288K / unit). Inclusive of the AHP bridge loan, this is \$880K less than the projected City contribution at Predevelopment Request. With this preliminary gap commitment from MOHCD, TNDC will be in a very good position to apply for critical State financing from HCD, for which it expects to be highly competitive.

Loan Committee approved an acquisition and predevelopment loan in the amount of \$14,277,516 in April 2021, and that Loan Committee evaluation is attached for your reference (see Attachment F). This memo updates Loan Committee on the project design, project status and the preliminary proposed total budget. A full gap loan evaluation and updated budget will be presented to Loan Committee for review and approval prior to construction start (estimated April 2024) and based on a more developed design and construction drawings.

Background

2550 Irving, located in the Sunset neighborhood (District 4), will provide 90 units of affordable housing for families, including 22 units for families experiencing homelessness and a proposed 15 units for veterans experiencing homelessness. TNDC was awarded funding to acquire the site in September 2020 under their response to MOHCD's "NOFA for Acquisition and Predevelopment Financing for Affordable Multifamily Housing, Supported by the 2019 General Obligation Housing Bond – Proposition A." Proposition A's mandate is to create new affordable, low-income units and to *serve vulnerable populations in those districts that have been "underserved" by new affordable housing production*. According to the April 2021 San Francisco Housing Balance Report, District 4 is experiencing the greatest impact of housing loss including affordable housing loss of all of the City's supervisorial districts. Furthermore, 2550 Irving responds to the State's policy priorities of developing affordable family housing, including housing for those experiencing homelessness, in high resource areas.

After being awarded funding to develop the project, TNDC conducted an extensive community engagement effort throughout 2021, and its design team, led by Pyatok Architects, advanced the design of the project and submitted its Project Application to San Francisco Planning for approval. TNDC closed on its MOHCD acquisition and predevelopment loan and acquired the site in November 2021. Over the next 22 months, TNDC will be applying for state financing, conducting site prep work (ie. demolition of the existing building and infrastructure work), advancing project design, and engaging community in placemaking and public art design.

Update on Project Status

1. Design and Target Population

The project is located at the corner of Irving Street and 26th Avenue on a 19,125 s.f. parcel. The building is proposed as Type I with 7 stories and is 107,821 gross s.f. The project will consist of 90 units, including 9 studios, 34 one-bedroom apartments, 23 two-bedrooms, 24 three-bedrooms, including a 1 one-bedroom manager's unit. Twenty-two of the units will house families who have experienced homelessness, and 15 one-bedroom units will be for veterans who have experienced homelessness. The design proposes 18 vehicular parking spaces (1 stall per 5 units) made possible by providing a groundfloor parking garage with a 2-level parking stacker system. The project will also include 90 bike parking spaces. The building's groundfloor will include an approximately 1,600 s.f. community-serving space (community room, lounge, kitchen, office, and meeting room), which TNDC envisions being a resource for neighborhood groups in addition to building residents. The project has no commercial space. Building amenities also include a laundry room, 24-7 front desk coverage, on-site property management and social workers, a street level courtyard, rooftop open space and garden, and public art.

The project was initially designed to include 98 units. However, shortly before acquiring the site, TNDC discovered a PG&E utility easement from 1923 and an existing underground power line running across the property in the North-South direction. The proposed project cannot be built on top of these conditions, and TNDC worked with PG&E to get preliminary approval to reroute the conduit along the edge of the property and relocate the easement to the northern boundary of the property (this infrastructure work, in addition to demolishing the existing building, will need to occur before construction closing can take place). The discovery of the easement necessitated a partial re-design of the project, including the addition of a 10-foot side yard along the northern property boundary to accommodate the easement; the loss of the family childcare apartment to accommodate the side yard; and the loss of eight (8) total units down to 90 total. In spite of the loss of total units, the project is still meeting the needs of families by providing over 50% 2- and 3-BR units.

The project design (currently at 100% Schematic Design Drawings (SD)) was advanced over the course of 2021 based on the constraints of the site and local planning and building code, financial and operational feasibility, and an extensive year-long community engagement and visioning process.

Entitlements. TNDC submitted its Project Application to San Francisco Planning ("Planning") for SB-35 Affordable Housing Streamlined Approval on December 3, 2021. In April 2022, Planning, TNDC, and the Indian Canyon Mutsun Band of Costanoan Ohlone People entered into an Agreement Regarding the Treatment of Potential Tribal Cultural Resources at the site, which is part of the required process for achieving SB-35 eligibility. And, on May 2, 2022, TNDC submitted its Site Permit. Planning issued the project's SB-35 eligibility letter on May 26, 2022 and issued the project approvals required for the HCD Super NOFA application on June 13, 2022.

Target Population and Unit Type. TNDC proposes subsidizing 15 units with Veterans Affairs Supportive Housing (VASH) vouchers for veterans experiencing homelessness. TNDC was encouraged to look into serving veterans at the site by vets in the

neighborhood and because of the close proximity of the Veterans Administration (VA) hospital. In June 2021, the VA issued a letter to TNDC supporting the project and the conversion of 15 of the San Francisco Housing Authority’s (SFHA) tenant-based VASH vouchers into project-based vouchers for 2550 Irving. On March 14, 2022, SFHA issued an award letter for the VASH vouchers. The VASH vouchers will be placed on 1BR units, and the subsidy is based on SFHA’s published Project Based Voucher (PBV) Payment Standard. The subsidy also helps support project feasibility.

Additionally, as was proposed at Predevelopment Request, 25% of the project’s units will serve families experiencing homelessness and will be subsidized by the Local Operating Subsidy Program (LOSP). The remaining units will serve families at a range of affordability needs – 30%, 40%, 50%, 65%, and 75% MOHCD AMI – through the City’s affordable housing application portal (DAHLIA) and will be subject to the City’s preferences per Chapter 47 of the Admin Code. The average MOHCD AMI for the project is 45%, including VASH and LOSP units, and 52% excluding VASH and LOSP units.

Unit Type	Unit Count	Maximum % MOHCD AMI	Rent, Operating Subsidy
Studio	3	30%	None
Studio	2	40%	None
Studio	4	50%	None
Total Studios	9		
1BR	3	30%	None
1BR	3	40%	None
1BR	5	50%	None
1BR	2	65%	None
1BR	8	40%	VASH
1BR	4	50%	VASH
1 BR	3	65%	VASH
1 BR	5	25%	LOSP
Total 1 BRs	33		
2BR	3	30%	None
2BR	1	40%	None
2BR	1	50%	None
2BR	4	65%	None
2BR	5	75%	None
2BR	8	25%	LOSP
2BR	1	50%	LOSP
Total 2 BRs	23		
3BR	3	30%	None
3BR	1	40%	None

3BR	1	50%	None
3BR	4	65%	None
3BR	7	75%	None
3BR	7	25%	LOSP
3BR	1	50%	LOSP
Total 3 BRs	24		
1BR	1	Unrestricted	None
Total MGR's Units	1		
TOTAL:	90		

2. Financing Plan

The project's financing structure remains largely unchanged. TNDC proposes to pursue tax exempt bonds and a 4% tax credit allocation, with soft financing from HCD and MOHCD. The very small mortgage of \$230K assumed at the project's Predevelopment Request has been eliminated due to the decrease in project income with eight fewer units. The City will purchase the land from TNDC, and at construction closing, the project will be subject to the standard MOHCD ground lease, including \$15,000 annual ground lease payment.

The project's Total Development Cost, \$1.065M/unit, is very high and has increased since Predevelopment Request when it was \$863K/unit (excluding acquisition). The reasons for these high costs are many – including the cost of developing in a high resource area – and are further discussed below in Sections 5 and 6. In spite of these high costs, MOHCD's investment in 2550 Irving is a priority, as it aligns with state housing policy and addresses geographic equity goals. Furthermore, the projected MOHCD gap/unit is 31% lower than comparable projects, and 2550 Irving is expected to be highly leveraged.

TNDC will apply to CDLAC/CTCAC in the New Construction-Extremely Low Income/Very Low Income (ELI/VLI) set-aside, and the project is expected to score full points on the application because it serves families in a high resource area. According to MOHCD staff's analysis of the last three CDLAC allocation rounds, 2550 Irving would have been funded in each round. However, in 2023, when TNDC expects to submit its CDLAC/CTCAC application, more developers will have had the opportunity to acquire and entitle projects in high resource areas, meaning the CDLAC tie-breaker could come into play. The tie-breaker is expected to favor projects with large rent savings benefits and lower allocation asks. San Francisco projects generally perform well in the first category, and the project's high allocation ask will be significantly mitigated by the new "Resource Discount Factor" which adjusts the allocation ask downward for projects built in areas with high prevailing wages as well as projects that are Type I (see further discussion of project costs vis-à-vis the tie-breaker below). TNDC plans to submit its CDLAC/CTCAC application in the second of two rounds in 2023, as it needs sufficient time to complete site prep work – ie. demolishing the vacant building onsite and

completing the PG&E infrastructure work referenced in Section 1 – before closing on construction financing.

As for the upcoming HCD application for MHP and IIG funds, 2550 Irving is also expected to be highly competitive because the project will serve both large families and households experiencing homelessness in a high resource area. The project has a self-score of 111 out of 113 points. The two points it won't receive are for projects selected under State Executive Order N-06-19 to enter into a ground lease with the State on excess state-owned property.

Because of the project's high costs, the development budget – when including the acquisition and site prep costs – exceeds the CDLAC allocation per unit limits, making it impossible to meet the federal 50% test (which requires that at least 50% of project costs are funded by the CDLAC bond proceeds) as well as jeopardizing the project's competitiveness. TNDC has proposed to address this by excluding the land costs from the project. The costs to acquire the site will be paid for by MOHCD, as they typically are when MOHCD takes ownership of the land (usually at construction closing) and ground leases it to TNDC. The site prep costs, about \$2M, will be bridged by MOHCD during predevelopment and reimbursed by IIG funds at construction close. In order to exclude these costs from the project, a TNDC-affiliated entity other than 2550 Irving Associates, L.P. must carry out the site prep work and own the land while the site prep work is being conducted. The best approach to this will be determined before demolition commences.

Finally, TNDC learned via its community engagement work that there is a lack of community meeting space in the Sunset. As a result, TNDC is proposing that the community-serving space be made available to neighborhood groups in addition to building residents and TNDC staff. Specifically, TNDC envisions the community room, lounge, and kitchen being primarily for building residents, however, there would be some set times each month that it would be available for neighborhood groups to hold larger gatherings or community-serving programming. The meeting room would be used by TNDC staff during the day and be available to neighborhood groups on a reservation basis on nights and weekends. Tax credit rules require that all building costs included in basis be for the benefit of building residents only; therefore, the space would have to be treated as commercial space and the buildout costs would have to be excluded from tax credit basis. The 1,600 s.f. community space is projected to cost \$828K to develop. The removal of this cost from basis results in a \$432K loss of equity to the project, which must be covered by other sources. MOHCD staff supports this request due to the elimination of the commercial space and childcare unit at the project (per Section 1) – two community-serving amenities – and as a way to create a strong connection between the neighborhood and the building. The community-serving space will provide a significant benefit to the community in addition to the building residents. Furthermore, this proposal does not result in a higher MOHCD gap request from TNDC compared to the projected gap at Predevelopment Request.

3. Site Activity and Predevelopment Period Construction

TNDC acquired the site in November 2021, and the site's tenant – the Police Credit Union – vacated the site in March 2022. Since then, TNDC has secured the site, including installing fencing at the driveways and additional security measures and security patrols. TNDC has begun conducting due diligence at the site as well as destructive testing related to the demolition and infrastructure work. Guzman Construction Group was procured as TNDC's General Contractor in January 2022 and is working on a plan for the demolition and infrastructure scope (ie. site prep work) that must take place during the predevelopment period. The site prep work is expected to commence in the Fall/Winter of 2022 and will last approximately 10 months. Guzman's plan will include pro-active measures for minimizing the impact of the site prep work on neighbors. Additionally, before this predevelopment period construction activity takes place, TNDC will host a Meet-the-Contractor event for neighboring residents and businesses, and a system will be established for neighbors to contact the GC with any concerns.

Environmental Studies. At Predevelopment Request, MOHCD conditioned TNDC's acquisition of the site on the California Department of Toxic Substance Control's (DTSC) approval of TNDC's proposed response plan. This occurred on September 2021, before TNDC acquired the site in November 2021. From July 12 through August 13, 2021, DTSC conducted a public participation process to keep neighbors informed about site conditions and provide an opportunity to comment on TNDC's response plan through a public comment period. Environmental investigations had found PCE present in soil vapor above environmental screening levels for residential use. (PCE was not detected in the soil or groundwater above their respective screening levels.) This is a common occurrence in urban areas. As discussed at Predevelopment Request, TNDC's response plan requires the installation of a Vapor Intrusion Mitigation System (VIMS) under the foundation of the project and trench dams along underground utility corridors to ensure residents are not impacted by the PCE present in the soil vapor. The costs of these mitigation measures are included in the project budget. The project budget also includes a capitalized reserve for VIMS inspections/testing (\$30K), which will be done to ensure the system is working and are required to be more frequent in the first two years of operation. The operating budget includes \$19K/year for ongoing and long-term annual inspections/testing.

With the introduction of VASH vouchers to the project, the federal government requires a National Environmental Policy Act (NEPA) Environmental Assessment (EA) to be conducted. An EA is a comprehensive study that identifies environmental impacts of a land development action. MOHCD manages the preparation of NEPA EAs, and 2550 Irving's EA is nearing completion and will be made available for public comment this Summer.

Procurement. San Francisco's Contract Monitoring Division (CMD) approved TNDC's professional services procurement plan in May 2021. The plan includes a 20% Small Business Entity (SBE) participation goal. Since then, TNDC has procured many members of its design and due diligence team, including Waypoint Consulting as Owner's Representative. TNDC has currently achieved a 28.3% SBE participation goal.

Before the project goes out to bid, CMD will establish an SBE participation goal for the construction work.

4. Community Engagement

TNDC initiated its community engagement process in January 2021 to inform the design and programming of 2550 Irving. Below is a list of the community meetings and events held by TNDC from January 2021 to January 2022.

- 1/16/2021: TNDC hosts Mid-Sunset community meeting for immediate neighbors
- 1/23/2021: TNDC hosts 2550 Irving Street Town Hall
- March 2021: TNDC begins hosting weekly virtual office hours
- 3/11/2021 – 3/15/2021: TNDC holds three (3) Sunset Community Conversations to gather resident input used to develop project's Guiding Principles
- April – October 2021: TNDC holds six (6) tabling sessions at neighborhood farmers markets and community events
- 4/26/21: TNDC holds Community Meeting & Design Input Workshop
- 5/26/21: TNDC holds shadow study meeting with immediate neighborhoods
- 6/12/21: TNDC holds shadow study meeting with immediate neighborhoods
- 7/9/21: TNDC leads affordable housing tour for project interest list
- 7/22/21: California DTSC conducts public meeting in relation to proposed environmental remediation plan for the site
- 9/23/21: TNDC holds Community Meeting & Design Input Workshop
- 1/11/22: TNDC holds Community Update on project design and next steps

In December 2020, TNDC created a website for the project - <https://www.2550irving.com/> - which includes ways to contact TNDC via phone and email, a form for getting on TNDC's project interest list, presentations from past events, and project drawings and due diligence, including site permit drawings, transportation analyses, and communications from DTSC.

In addition to the meetings and events above, TNDC has held over one hundred meetings and check-ins with community leaders and community groups and responded to inquiries about the project via email and phone. Throughout the course of 2021, a diverse range of stakeholders have voiced their desires for the project. In December 2021, TNDC issued a "Design Narrative" to summarize the input received through its community planning process and how it responded to that input in addition to explaining its framework for the project's design and programming (see Attachment G).

In spite of TNDC's efforts, the Mid Sunset Neighborhood Association (MSNA) sued TNDC to stop the project, claiming that TNDC was required to compromise on the scale of the building. After hearing arguments from MSNA and TNDC in January 2021, the Superior Court of the State of California, County of SF upheld its tentative denial of MSNA's requested injunction. On May 18, 2022, the same Court granted TNDC's

motion to dismiss all litigation stemming from the lawsuit. MSNA has 30 days to amend their original complaint.

Moving forward, TNDC's community outreach and engagement efforts are now focused on a public art and placemaking process. Additionally, TNDC will focus on community building efforts to ensure the development is successfully incorporated into the neighborhood and to help integrate the future tenants into the neighborhood. TNDC is distributing regular email updates to keep all those on the project interest list informed of project developments.

5. Construction Specialist's Evaluation

The 2550 Irving lot is relatively small, but benefits from having frontage along three streets, which allows the building to maintain an efficient double-loaded corridor layout. The team studied various construction typologies, and determined that an all-concrete building would be the most cost effective, largely due to how expensive insurance has become for wood-framed buildings and the volatility in the lumber market at the time this decision was made. The project's small-size and all-concrete combination make it fairly unusual within the MOHCD / OCII portfolio, hence the small number of comparable projects. The design currently assumes a fairly high number (1:20 ratio) of parking spaces given the number of units, utilizing a puzzle-style parking stacker system with pits, which increases the complexity and cost of the foundation design. Also in the site preparation budget is the realigning of an existing and unusual underground PG&E conduit that bisects the site. The existing overhead utility lines along Irving are assumed to remain in place. It's possible that these will need to be undergrounded, which would further increase the construction cost, but for now the team is optimistic, based on prior precedent, that they can avoid that work. The design includes a residential roof deck, as well as space for urban agriculture, as is now typical on all TNDC projects. Given the prominent location of the entrance to a commercial corridor, and the height of the building relative to its neighbors, the building skin is on the more expensive side, with a significant amount of thin brick veneer. These factors, along with the rapidly escalating construction cost environment were due to a variety of factors (supply chain issues, commodity prices, inflation, fuel costs, etc.) and resulted in construction costs for this building being roughly 32% more expensive per-unit, 19% more per-bedroom, and 15% more per-SF than the few comparable projects in the MOHCD / OCII portfolio. Based upon industry forecast, specifically data issued by Engineering News Record (ENR), which tracks cost data both regionally and nationally, some of the rapid material cost escalation seen in the last 18 months approaches a 12-30% annual increase (eg. concrete, steel, lumber, asphalt) which has driven higher-than-anticipated project hard cost escalation. While some commodity costs are leveling out (eg. lumber) others, particularly those affected by the war in Ukraine (including petroleum-based materials), are expected to remain volatile for the near future. However, there are some early indicators that this escalation and volatility might be leveling off, particularly as higher interest rates and uncertainty about commercial and office space markets have begun to stall market rate development, contributing to more competitive bidding and stabilization of prices for both labor and materials. As a result,

the pricing reflected here is a snap-shot in time that is indicative of the current market, and errs on the side of caution when projecting costs to the anticipated construction start date. MOHCD and the Project Team are committed to continuing to collaborate on cost reduction and containment strategies. Current pricing is based on Guzman's 100% SD hard cost estimate. Guzman is in the process of producing a Value Engineering (VE) list and cost containment strategy.

6. Updated Sources and Uses Summary Sources and Uses Narrative

Predevelopment Sources	Amount	Terms	Status
MOHCD	\$14,277,516	3% Def until land is transferred or funds are repaid	Committed
Bridge Loan - TBD	\$3,225,228	36 months / 2-4% Def	TNDC currently talking to lenders. Loan will support unforeseen infrastructure costs and increased legal, design, and community engagement costs.
Total	\$17,502,744		

Permanent Sources	Amount	Terms	Status
MOHCD	\$15,759,885	57 yrs @ 0-3% / Res Rec	This Request
LIHTC Equity	\$43,114,822	.95 cents per credit	Not Committed
HCD - MHP	\$30,339,523	5 yrs @ 3% / Res Rec w/.42% hard debt payment	Not Committed
HCD - IIG	\$5,711,792	Grant	Not Committed
AHP	\$1,000,000	15 years @ 0% / Def	This Request includes bridging this amount for purposes of MHP/IIG applications
GP Equity	\$100	Equity	Not Committed
Total	\$95,926,122		

Permanent Uses	Amount	Per Unit	Per SF
Acquisition	\$0	\$0	\$0.00
Hard Costs	\$70,979,265	\$788,659	\$658.31
Soft Costs	\$21,322,141	\$236,913	\$197.75
Reserves	\$1,424,616	\$15,829	\$13.21
Developer Fee	\$2,200,100	\$24,446	\$20.41
Total	\$95,926,122	\$1,065,846	\$889.68

Permanent Sources Evaluation Narrative: TNDC proposes to use the following sources to permanently finance the project:

- 4% Tax Credit Equity: TNDC has priced tax credit equity at .95/credit based on recent investor proposals at current projects.

- HCD MHP Loan (\$30,339,523): TNDC proposes to maximize its request for MHP loan financing while still remaining competitive. The MHP loan is structured as a residual receipts loan with a small, annual hard debt payment.
- HCD IIG Grant (\$5,711,792): TNDC will apply for IIG financing, which is structured as a grant, for all eligible costs associated with the project. There are \$5.7M in eligible project costs. TNDC will apply for a total of \$7.7M in IIG funds in order to also pay for the site prep costs being excluded from the project.
- AHP (\$1,000,000): The project is expected to be highly competitive for AHP because it serves large families, families experiencing homelessness, and is in a high resource area. TNDC will apply for AHP in 2023.
- General Partner Equity (\$100): TNDC must minimize GP Equity to reduce project costs for CDLAC/CTCAC application. \$100 is the minimum required contribution.
- MOHCD Loan (\$15,759,885): MOHCD's permanent financing for the project is \$175K/unit, which is 31% less than comparable projects. If TNDC is not awarded AHP funds, the MOHCD permanent loan would increase by \$1M and the per unit subsidy amount would come to \$186K.
- Construction Loan (\$48,604,744): While not a permanent source, the construction loan assumptions include a 32-month term and a 6.08% interest rate.

Permanent Uses Evaluation:

Development Budget		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Hard Cost per unit are within standards	N	\$788K/unit which is 32% more than comparable projects due to use of brick veneer on exterior, parking, infrastructure work, project delays/timing, inflation, and supply chain/cost of fuel issues.
Hard Cost Contingencies	Y	Includes 2% each for design, bid, and plan check contingencies; 9% for escalation (over 22 months); and a 5% hard cost contingency.
Total Soft Cost per unit are within standards	N	\$277K/unit which is 53% higher than comparable projects due to its location in a high resource area (ie. increased legal fees, community engagement expenses, and design fees) and inflation's impact on construction loan interest.

Architecture and Engineering Fees are within standards	Y	A/E Fees are appropriate for the services provided.
Construction Management Fees are within standards	Y	Construction Management Fee is \$206,030, assuming two years of predev and 20 months of construction.
Developer Fee is within standards, see also disbursement chart below	Y	Total Dev Fee is proposed at \$2.2M. Total At-Risk Dev Fee is \$1.1M.
Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is 10% when not including construction loan interest, construction loan origination fee, and CDLAC/CTCAC fees.
Capitalized Operating Reserves are a minimum of 3 months	Y	Capitalized Operating Reserve is equal to 3 months of operations.
Other Reserves are reasonable	Y	Includes a \$150K reserve for the parking stacker system based on the projected cost of parts replacement for items not covered by warranty/maintenance agreement for a 30-year term. Also includes a \$30K reserve for VIMS inspections due to the number of required inspections in the first two years of operations.

Proposed Developer Fee Disbursement Schedule		
Payment Milestone	% of Project Mgmt Fee	Amount
PM: At Acquisition and closing of predevelopment financing	30%	\$330,000
PM: At Submission of HCD application	15%	\$165,000
PM: At Submission of CDLAC/CTCAC application	15%	\$165,000
PM: At Construction Closing	20%	\$220,000
PM: During Construction	20%	\$220,000
PM: At Project Close Out	10%	\$110,000
Total PM Fee		\$1,100,000
At Risk: Qualified Occupancy	20%	\$220,000
At Risk: Perm Loan Closing	50%	\$550,000

At Risk: Project Closeout	30%	\$330,000
Total At Risk Fee		\$1,100,000
Deferred Developer Fee		\$0
Total Developer Fee	100%	\$2,200,000

TNDC has agreed to forgo Deferred Developer Fee to reduce project costs. All but required GP Equity (\$100) has been eliminated to reduce project costs.

7. Operating Budget

The operating budget decreased slightly from \$1.36M at Predevelopment Request to \$1.35M. However, due to the decrease in total units, the Per Unit Per Annum (PUPA) operating expenses have increased from \$13,922 PUPA at Predevelopment Request to \$15,000 PUPA. There are few opportunities for cost savings as a result of reducing the number of units in the building from 98 to 90.

The operating budget includes 2.4 FTE desk clerk coverage, with 50% of those costs allocated to LOSP units. The budget also includes \$34.7K/year (or \$385 PUPA) for parking stacker maintenance. Although neither has parking, good comps for this project are Eddy & Taylor (113 units including 30 LOSP units and 5 Section 811 units) and 455 Fell (108 units including 33 LOSP units), two recently-built, similarly-sized family housing projects with about 30% special needs units:

- Eddy & Taylor Operating Cost for CY 2020: \$1,764,025 or \$15,610 per unit. These costs presumably would increase around 3.5% per year to around \$16,722 / unit in 2022.
- 455 Fell Operating Cost for CY 2020: \$1,495,645 or \$13,848 per unit. These costs presumably would increase around 3.5% per year to around \$14,834 / unit in 2022.

The average of these two comps, when escalated, is \$15,778 PUPA, which is similar to the 2550 Irving operating budget PUPA.

The staffing plan, approved by MOHCD staff, is detailed in the table below, and it will be revisited at final gap commitment. The plan below does not include compliance staff, which must be paid for from property management fees.

Type	FTE's	Budget	Notes
General Manager Salary	1	\$68,000	1 General Manager
Assistant General Manager	1	\$48,000	1 Assistant General Manager (AGM)

Desk Clerk Salaries (TNDC Employees)	2.4	\$114,840	(Full-time desk coverage with AGM)
Janitor & Cleaning Payroll	1.5	\$64,000	1.5 FTE Custodians
Maintenance Payroll	1	\$64,480	1 FTE Maintenance Supervisor
Assistant Facilities Manager		\$13,141	Allocation of salary for manager whose job description includes working directly with onsite staff

The non-LOSP operating budget cashflows through Year 19. The LOSP subsidy is currently budgeted at \$14,971 per unit in year 1.

8. Services Budget

The Support Services Plan for the MHP application is now being drafted. TNDC, MOHCD, and HSH met in March 2022 to discuss the project’s target populations, building staffing, and services plan. TNDC will be providing 1.5 FTE Social Workers to support the LOSP and general population households, and they have extensive experience providing services to families who have experienced homelessness. Social Workers employed by the VA will provide direct services support to veterans living in the VASH-subsidized units. The HSH services contract will provide an estimated \$148K/year to fund 1 FTE Social Worker and services start-up costs. The operating budget will provide \$62K/year to fund .5FTE Social Worker.

9. Status of Predevelopment Loan Conditions

- a. Prior to disbursement of funds for acquisition, Sponsor shall:
 - (a) Provide an appraisal supporting the acquisition cost,
 - (b) Refine the community outreach plan in collaboration with MOHCD, and specifically focus on access to housing through the City’s housing lottery preferences, including COP Holders, Displaced Tenants, and Neighborhood Residents,
 - (c) Complete environmental due diligence and receive approval for the proposed response plan from Department of Toxic Substance Control.

Complete.

- b. Sponsor to provide MOHCD with detailed monthly updates on Community Outreach completed and commercial-use programming (this may be included in the standard MOHCD monthly report form).

Completed to date and ongoing. Commercial-use programming is now N/A.

- c. Sponsor will provide for MOHCD review any Request for Proposals (RFPs) for equity investors before it is finalized and released for investors.
- d. Sponsor will provide for MOHCD review all raw financial data from developer or financial consultant prior to selection.
- e. Sponsor will provide for MOHCD review and approval all selected investors.
- f. Sponsor will provide for MOHCD review and approval all Letters of Intent from financial partners.

Not expected to occur until late 2023.

Recommended prior to financing gap:

- a. Sponsor shall provide MOHCD with information outlining cost containment, efficiencies and innovation strategies to reduce overall project costs and maximize efficiency of MOHCD gap loans.
- b. Sponsor will provide operating and development budgets that meet MOHCD underwriting guidelines and if commercial space is included, MOHCD commercial underwriting policy requirements.
- c. Sponsor to 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.
- d. Sponsor to work with MOHCD and HSH to establish the LOSP budget and income restrictions for the referrals from Coordinated Entry.

Ongoing.

10. Staff Recommendation

- 1. Staff recommends approval of issuance of a MOHCD commitment letter in connection with the sponsor's MHP and IIG application.

11. New Conditions Prior to Gap Financing

None.

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 and Community Development

Date: _____

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

Thor Kaslofsky, Executive Director
Office of Community Investment and Infrastructure

Date: _____

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

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

Date: _____

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

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

Date: _____

Attachments:

Attachment A – Project Renderings and Floorplans

Attachment B – Updated Cost Comparison Chart

Attachment C – Updated Permanent Sources and Uses

Attachment D – Update 1st Year Operating Budget and Cashflow

Attachment E – Updated Schedule

Attachment F – April 2021 Loan Evaluation

Attachment G – TNDC’s 2550 Irving Design Narrative

Chavez, Rosanna (MYR)

From: Shaw, Eric (MYR)
Sent: Friday, June 24, 2022 11:55 AM
To: Chavez, Rosanna (MYR)
Subject: Preliminary Gap Loan Commitment - 2550 Irving

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

Chavez, Rosanna (MYR)

From: Menjivar, Salvador (HOM)
Sent: Friday, June 24, 2022 4:14 PM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR)
Subject: 2550 IRVING

I approve TNDC request for preliminary gap financing in the amount of up to \$16,759,885 for purposes of applying for State Multifamily Housing Program (MHP) and Infill Infrastructure Grant (IIG) funds for the development at 2550 Irving - a proposed 90-unit family affordable housing development in the Sunset, including 22 units for families experiencing homelessness and 15 units for veterans experiencing homelessness.

Best,

salvador



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

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Chavez, Rosanna (MYR)

From: Colomello, Elizabeth (CII)
Sent: Friday, June 24, 2022 11:53 AM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR)
Subject: Preliminary Gap Loan Request for 2550 Irving

Hi Rosie-
I approve the subject request on behalf of OCII.
Thanks-
Elizabeth



Elizabeth Colomello
Housing Program Manager

📍 One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
📞 415.749-2488, Cell 415.407-1908
🏠 www.sfocii.org

Chavez, Rosanna (MYR)

From: Katz, Bridget (CON)
Sent: Friday, June 24, 2022 11:53 AM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR)
Subject: Preliminary Gap Loan Commitment - 2550 Irving

Approve

Bridget Katz

Development Finance Specialist, Office of Public Finance

Controller's Office | City & County of San Francisco

Office Phone: (415) 554-6240

Cell Phone: (858) 442-7059

E-mail: bridget.katz@sfgov.org

Attachment A – Project Renderings and Floorplans

See attached.

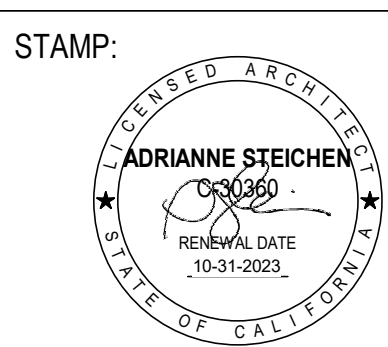


TNDC
201 Eddy Street
San Francisco, CA
94102



IRVING AND 27TH LOOKING EAST

2550 IRVING ST
2550 Irving Street
San Francisco, CA 94122



REVISION SCHEDULE	
NO.	ISSUE
1	DATE

JOB NUMBER: 1941
DRAWN BY: AG, CA
CHECKED BY: AS, SP
ISSUE DATE: 04/27/2022
SCALE:
TITLE:
RENDERINGS

SHEET:
G2.10



IRVING AND 26TH LOOKING NORTHWEST



IRVING AND 27TH LOOKING NORTHEAST

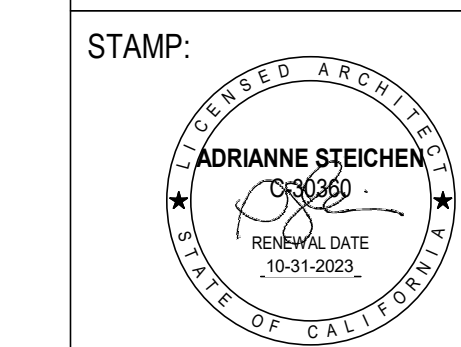


IRVING AND 27TH LOOKING EAST



IRVING AND 26TH LOOKING WEST

2550 IRVING ST
 2550 Irving Street
 San Francisco, CA 94122



REVISION SCHEDULE	
NO.	ISSUE
1	04/27/2022

JOB NUMBER: 1941
 DRAWN BY: AG, CA
 CHECKED BY: AS, SP
 ISSUE DATE: 04/27/2022
 SCALE:
 TITLE:
RENDERINGS

SHEET:
G2.11



ENTRY PORTAL ALONG IRVING



ENTRY PORTAL THROUGH GATE ALONG IRVING

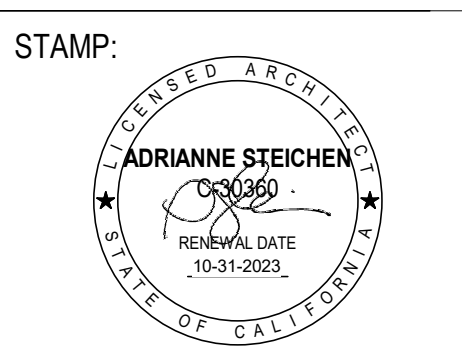


LINCOLN AND 27TH LOOKING SOUTH



IRVING AND 27TH LOOKING EAST

2550 IRVING ST
 2550 Irving Street
 San Francisco, CA 94122



REVISION SCHEDULE	
NO.	DATE
1	04/27/2022

JOB NUMBER: 1941
 DRAWN BY: AG, CA
 CHECKED BY: AS, SP
 ISSUE DATE: 04/27/2022
 SCALE:
 TITLE:
RENDERINGS

SHEET:
G2.12



FIRE-RESISTANCE RATING REQ. FOR BLDG. ELEMENTS (HOURS)

(PER CBC TABLES 601, 602, 705.8; *NOTE: SEE PLANS AND DETAILS FOR ADDITIONAL INFORMATION I.E. SHAFT ENCLOSURES)

BUILDING ELEMENT	TYPE I-B	TYPICAL ASSEMBLY / DETAIL
PRIMARY STRUCTURAL FRAME	2	
BEARING WALLS	2	
NON-BEARING WALLS & PARTITIONS - EXTERIOR W/ FIRE SEPERATION DISTANCE LESS THAN 20FT	1	
NON-BEARING WALLS & PARTITIONS - EXTERIOR W/ FIRE SEPERATION DISTANCE GREATER THAN 20FT	0	
NON-BEARING WALLS & PARTITIONS - INTERIOR	0	
FLOOR CONSTRUCTION	2	
ROOF CONSTRUCTION	1	

HEIGHT AND AREA

THE BUILDING IS MIXED-OCCUPANCY. OCCUPANCIES ARE R-2, S-2, A-3, AND B AND ARE CONSERATED. THE CONSTRUCTION TYPE IS I-B. THE BUILDING IS EQUIPPED THROUGHOUT WITH AN AUTOMATIC SPRINKLER SYSTEM INSTALLED IN ACCORDANCE WITH CBC 903.3.1.3.

PER CBC 508.3.2, THE MAXIMUM ALLOWABLE BUILDING AREA, HEIGHT, AND NUMBER OF STORIES SHALL BE BASED ON THE MOST RESTRICTIVE ALLOWANCES FOR THE NONSEPERATED OCCUPANCY GROUPS UNDER CONSIDERATION.

PER CBC TABLE 504.3, THE MOST RESTRICTIVE MAXIMUM BUILDING HEIGHT IS 160 FT. THE BUILDING IS 73FT HIGH WITH AN OCCUPIED ROOF. **COMPLIES**

PER CBC TABLE 504.4, THE MOST RESTRICTIVE MAXIMUM ALLOWABLE NUMBER OF STORIES IS 11. THE BUILDING IS 7 STORIES WITH AN OCCUPIED ROOF. **COMPLIES**

PER CBC TABLE 506.2, THE MOST RESTRICTIVE ALLOWABLE AREA FACTOR (A_i) IS 237,000 SQUARE FEET.

TOTAL BUILDING AREA SHALL BE SUCH THAT THE AGGREGATE SUM OF THE RATIOS OF THE ACTUAL AREA OF EACH STORY DIVIDED BY THE ALLOWABLE AREA OF SUCH STORIES, DETERMINED IN ACCORDANCE WITH EQUATION 5-3 SHALL NOT EXCEED TWO.

EQUATION 5-3: $A_i = [A + (NS \times H)]$

A_i = ALLOWABLE AREA

A = TABULAR AREA

NS = NON-SPRINKLERED AREA

H = FRONTAGE INCREASE FACTOR = NOT USED

LEVEL 1:
ACTUAL AREA / ALLOWABLE AREA = 14,562 SF / 237,000 SF = 0.06

LEVEL 2:
ACTUAL AREA / ALLOWABLE AREA = 14,781 SF / 237,000 SF = 0.06

LEVEL 3:
ACTUAL AREA / ALLOWABLE AREA = 14,781 SF / 237,000 SF = 0.06

LEVEL 4:
ACTUAL AREA / ALLOWABLE AREA = 14,781 SF / 237,000 SF = 0.06

LEVEL 5:
ACTUAL AREA / ALLOWABLE AREA = 14,781 SF / 237,000 SF = 0.06

LEVEL 6:
ACTUAL AREA / ALLOWABLE AREA = 14,781 SF / 237,000 SF = 0.06

LEVEL 7:
ACTUAL AREA / ALLOWABLE AREA = 14,781 SF / 237,000 SF = 0.06

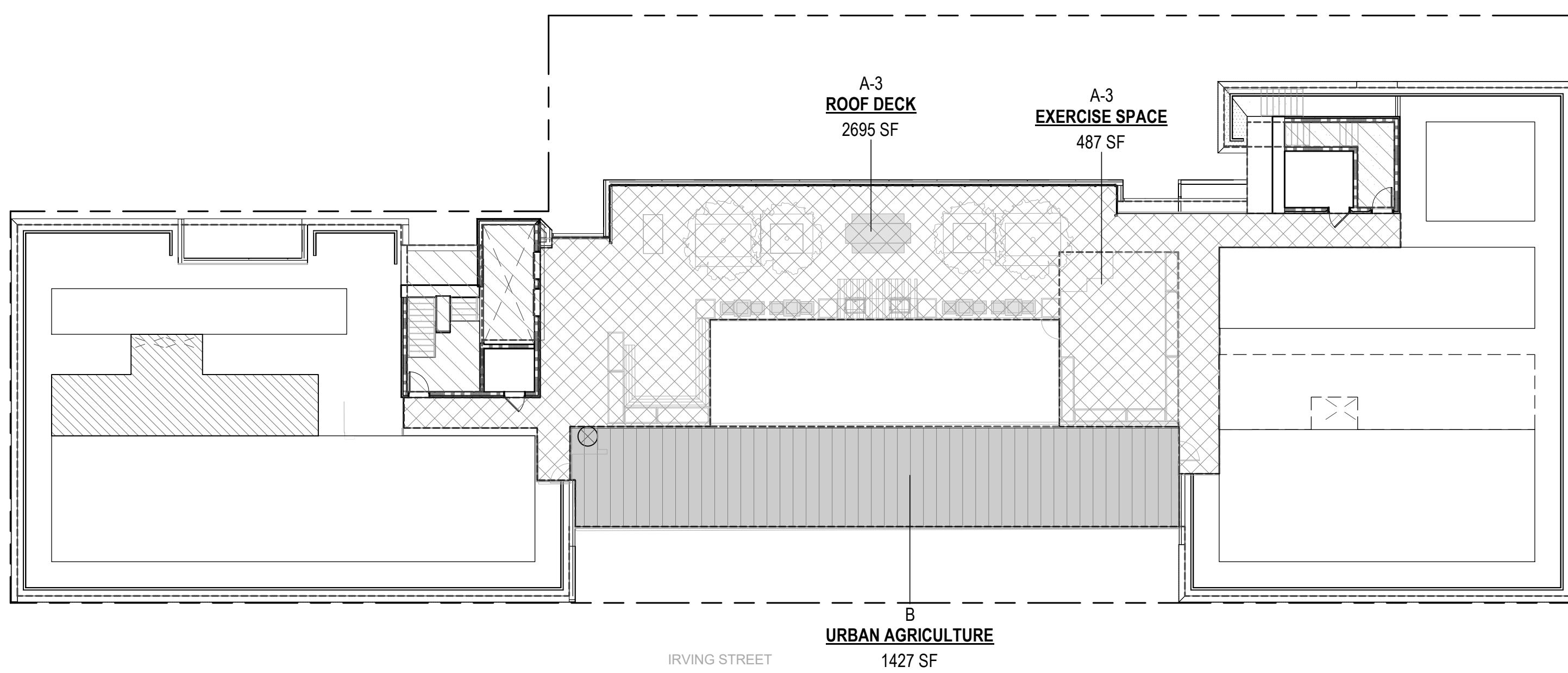
AGGREGATE SUM OF THE RATIOS = 0.42 **COMPLIES**

AN OCCUPIED PORTION OF THE ROOF INCLUDES OCCUPANT GROUP A-3 AND B USES SPACES. PER CBC 503.1.4, THE OCCUPIED ROOF AREAS SHALL NOT CONTRIBUTE TO BUILDING AREAS.

SEPARATION

PER CBC 420.2 FIRE PARTITIONS CONSTRUCTED PER CBC 708 SHALL SEPERATE DWELLING UNITS.

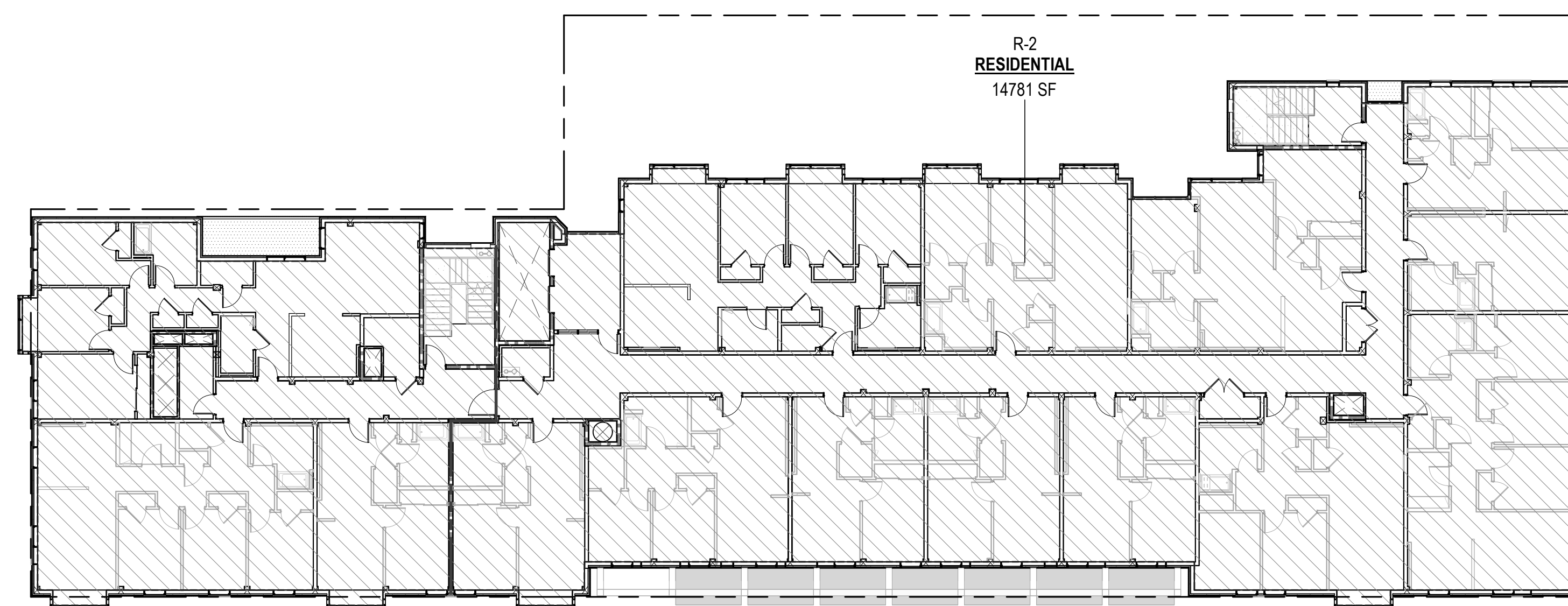
PER CBC 420.3 HORIZONTAL ASSEMBLIES CONSTRUCTED PER CBC 711 SHALL SEPERATE DWELLING UNITS AND DWELLING UNITS FROM CONTIGUOUS OCCUPANCIES.



IRVING STREET
URBAN AGRICULTURE
1427 SF

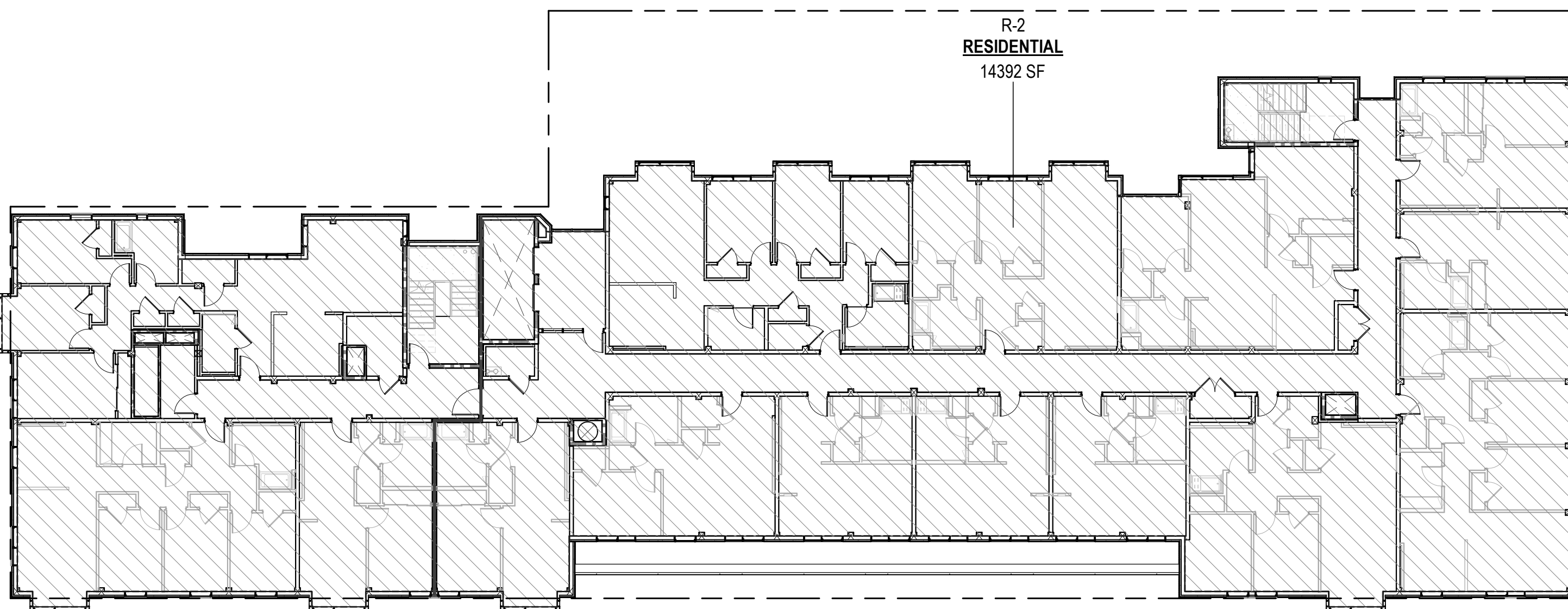
NOTE: OCCUPIED ROOF

ROOF AREA PLAN
1/16" = 1'-0"



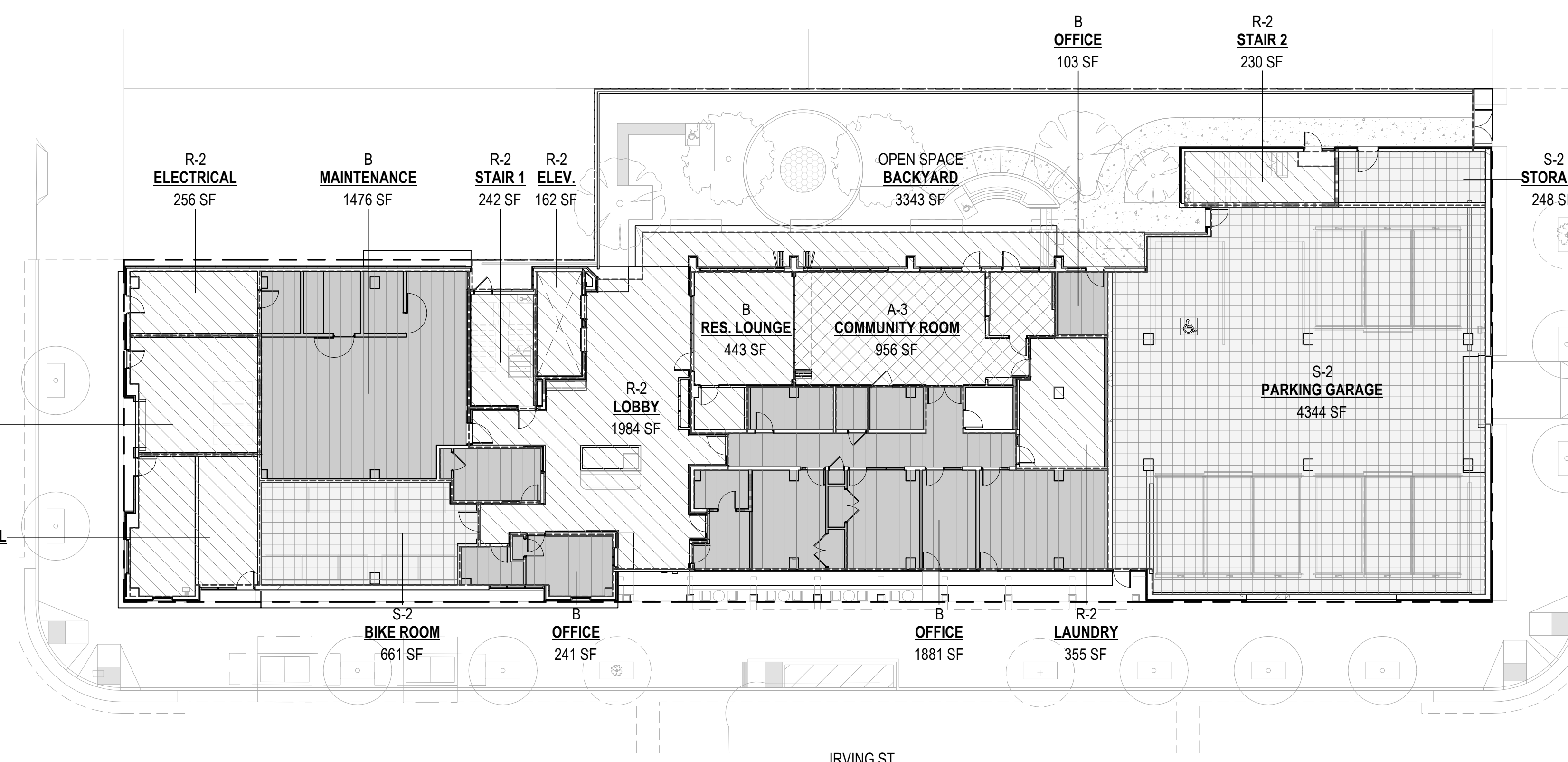
R-2
RESIDENTIAL
14781 SF

LEVEL 2-6 AREA PLAN
1/16" = 1'-0"



R-2
RESIDENTIAL
14392 SF

LEVEL 7 AREA PLAN
1/16" = 1'-0"



LEVEL 1 AREA PLAN
1/16" = 1'-0"

BUILDING AREA SCHEDULE		
Name	Occupant Group	Area
LEVEL 1		
COMMUNITY ROOM	A-3	956 SF
MAINTENANCE	B	1,476 SF
OFFICE	B	2,226 SF
RES. LOUNGE	B	443 SF
ELECTRICAL	R-2	779 SF
ELEV.	R-2	162 SF
LAUNDRY	R-2	355 SF
LOBBY	R-2	1,984 SF
STAIR 1	R-2	242 SF
STAIR 2	R-2	230 SF
TRASH	R-2	456 SF
BIKE ROOM	S-2	661 SF
PARKING GARAGE	S-2	4,344 SF
STORAGE	S-2	248 SF
		14,562 SF
LEVEL 2		
RESIDENTIAL	R-2	14,781 SF
		14,781 SF
LEVEL 3		
RESIDENTIAL	R-2	14,781 SF
		14,781 SF
LEVEL 4		
RESIDENTIAL	R-2	14,781 SF
		14,781 SF
LEVEL 5		
RESIDENTIAL	R-2	14,781 SF
		14,781 SF
LEVEL 6		
RESIDENTIAL	R-2	14,781 SF
		14,781 SF
LEVEL 7		
RESIDENTIAL	R-2	14,392 SF
		14,392 SF
BUILDING AREA TOTAL		102,858 SF

SYMBOLS LEGEND

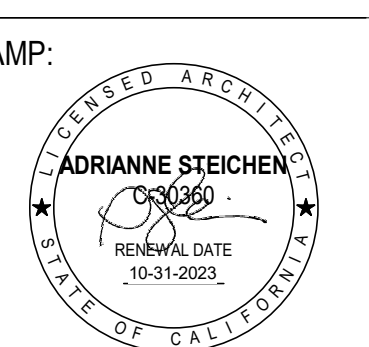
OCCUPANCY GROUPS

- GROUP S-2, PARKING GARAGE
- GROUP R-2, RESIDENTIAL
- GROUP B, BUSINESS / SMALL ASSEMBLY SPACE
- GROUP A-3, COMMUNITY

LINE TYPES

- PROPERTY LINE

2550 IRVING ST
2550 Irving Street
San Francisco, CA 94122



REVISION SCHEDULE
NO. | ISSUE | DATE

JOB NUMBER: 1941
DRAWN BY: AD
CHECKED BY: Checker
ISSUE DATE: 04/27/2022
SCALE: As Indicated
TITLE: CODE SUMMARY

SHEET:

G3.01

Attachment B – Updated Cost Comparison Chart

See attached.

Affordable Multifamily Housing New Construction Cost Comparison

Updated 6/16/2022
Review Instructions tab before beginning

	Acquisition by Unit/Bed/SF			Construction by Unit/Bed/SF			Soft Costs By Unit/Bed/SF			Total Development Cost (Incl. Land)			Subsidy	
	Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/ sq.ft	Soft/unit	Soft/BR	Soft/ sq.ft	Gross TDC/unit	Gross TDC/BR	Gross TDC/ sq.ft	Subsidy / unit	Leveraging %
Delta of Subject and Comparable Projects	\$ 82,307	\$ 43,554	\$ 330	\$ 189,876	\$ 71,850	\$ 87	\$ 95,969	\$ 43,269	\$ 58	\$ 368,152	\$ 158,673	\$ 209	\$ (77,580)	121.1%
Delta Percentage	192%	165%	127%	32%	19%	15%	53%	39%	34%	45%	31%	27%	-31%	175%
2550 Irving	\$ 125,206	\$ 69,991	\$ 589	\$ 788,659	\$ 440,865	\$ 658	\$ 277,187	\$ 154,949	\$ 231	\$ 1,191,051	\$ 665,805	\$ 994	\$ 175,110	85.3%
Comparable Projects	Average: \$ 42,898	\$ 26,437	\$ 259.24	\$ 598,783	\$ 369,015	\$ 572	\$ 181,219	\$ 111,680	\$ 173	\$ 822,900	\$ 507,132	\$ 786	\$ 252,690	69.3%

Costs lower than comparable average (within 10%) Costs higher than comparable average (within 10%)

	Lot sq.ft	Completion/ start date	# of Units	# of BR ¹	Building Square Footage			Total Project Costs			Total Dev. Cost w/land	Local Subsidy	Total Dev. Cost w/o land	Notes on Financing	Building Type	Stories	Comments
					Res. ²	Non-Res. Sq. ft.	Total sq. ft.	Acq. Cost ³	Constr. Cost ⁴	Soft Cost							
ALL PROJECTS	Average: 35,156		122	191	118,161	14,677	130,330	\$ 2,662,250	\$ 72,691,060	\$ 19,327,381	\$ 94,586,891	\$ 27,460,169	\$ 91,925,411				
Comparable Projects Completed (filtered)	Average: 17,265		94	155	84,180	19,009	103,189	11,117,010	56,415,753	11,604,908	79,137,670	22,927,955	68,020,661				
Comparable Projects Under Construction (filtered)	Average: 18,953		119	193	104,818	17,918	122,736	989,493	61,717,877	25,180,407	87,887,777	33,113,254	86,898,284				
Comparable Projects In Predevelopment (filtered)	Average: 10,778		71	113	68,258	3,290	71,548	\$ 76,550	\$ 51,920,738	\$ 14,680,776	\$ 66,678,064	\$ 15,722,786	\$ 66,601,514				
Total Comparable Projects	Average: 15,665		95	154	85,752	13,406	99,157	\$ 4,061,018	\$ 56,684,789	\$ 17,155,363	\$ 77,901,170	\$ 23,921,331	\$ 73,840,153				
2550 Irving	19,125	Apr-24	90	161	107,821	-	107,821	\$ 11,268,500	\$ 70,979,265	\$ 24,946,857	\$ 107,194,622	\$ 15,759,885	\$ 95,926,122	MHP & IIG	Type IA	7	
Delta of Subject and Comp Project Averages	3,460		-5	7	22,069	-13,406	8,664	\$7,207,482	\$14,294,476	\$7,791,494	\$29,293,452	(\$8,161,446)	\$22,085,969				
Delta Percentage	22%		-5%	5%	26%	-100%	9%	177%	25%	45%	38%	-34%	30%				

PROJECTS COMPLETED				Building Square Footage			Total Project Costs			Total Dev. Cost w/land	Local Subsidy ⁵	Total Dev. Cost w/o land	Notes on Financing	Building Type	Stories	Comments			
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR ¹	Res. ²	Non-Res.	Total	Acq. Cost ³								Constr. Cost ⁴	Soft Cost	
Mission Family Housing	1036 Mission	15,200	Oct-18	88	134	92,462	6,955	99,417	\$ 5,551,029	\$ 48,052,321	\$ 6,583,453	\$ 60,186,803	\$ 17,704,400	\$ 54,635,774	2	HCD Loans (MHP)	Type IB	9	
Eddy and Taylor Family Housing	222 Taylor	22,344	Jun-19	113	211	108,440	21,086	129,526	\$ 9,300,000	\$ 66,320,301	\$ 14,837,450	\$ 90,457,750	\$ 22,187,436	\$ 81,157,760	2	HCD Loans (MHP)	Type IB	8	Extensive PG&E regional switch required
490 South Van Ness	490 S. Van Ness Avenue	14,250	Apr-21	81	121	51,639	28,985	80,624	\$ 18,500,000	\$ 54,874,637	\$ 13,393,811	\$ 86,768,448	\$ 28,892,030	\$ 88,288,448			Type IA	7+	Over partial basement
Completed Projects:	Average:	33,590		105	172	101,201	17,338	118,539	3,658,905	65,896,480	12,790,887	81,903,556	23,698,722	78,244,651					

PROJECTS UNDER CONSTRUCTION				Building Square Footage			Total Project Costs			Total Dev. Cost w/land	Local Subsidy ⁵	Total Dev. Cost w/o land	Notes on Financing	Building Type	Stories	Comments			
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR ¹	Res. ²	Non-Res.	Total	Acq. Cost ³								Constr. Cost ⁴	Soft Cost	
500 Turk Street (555 Larkin)	500 Turk Street	18,906	Mar-22	108	186	82,805	26,586	109,391	\$ 1,883,895	\$ 54,251,461	\$ 29,815,020	\$ 85,920,376	\$ 32,400,000	\$ 84,066,481	HCD AHSC Loan	Type I	8	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	5,400+/- PDR	
Under Construction:	Average:	39,901		148	210	132,686	18,045	143,208	3,041,662	77,437,727	25,188,597	105,667,985	31,980,212	102,626,323					

PROJECTS IN PREDEVELOPMENT				Building Square Footage			Total Project Costs			Total Dev. Cost w/land	Local Subsidy	Total Dev. Cost w/o land	Notes on Financing	Building Type	Stories	Comments			
Project Name	Address	Lot sq.ft	Start Date (anticipated)	# of Units	# of BR ¹	Res. ²	Non-Res.	Total	Acq. Cost ³								Constr. Cost ⁴	Soft Cost	
268 4th Street	268 4th Street	8,400	Apr-22	70	99	69,515	1,580	62,095	\$ 133,100	\$ 49,982,213	\$ 13,943,417	\$ 64,058,730	\$ 15,629,817	\$ 83,925,630	4% Credits, AHSC	Type I	8	footprint	
160 Freelon	160 Freelon	13,155	May-24	72	127	76,000	5,000	81,000	\$ 20,000	\$ 53,859,263	\$ 15,418,134	\$ 69,297,397	\$ 15,815,754	\$ 69,297,397	4% Credits, MHP, AH	Type I assumed -- or Type III	7	No design yet. No pkg. (10/19/21 loan eval est)	
In Predevelopment	Average:	32,379		114	191	120,595	8,648	129,243	\$ 1,286,183	\$ 74,738,973	\$ 20,002,660	\$ 96,189,133	\$ 26,721,572	\$ 94,905,258					

Attachment C – Updated Permanent Sources and Uses

See attached.

Application Date: 5/20/22
 Project Name: 2550 Irving
 Project Address: 2550 Irving Street
 Project Sponsor: Tenderloin Neighborhood Development Corporation

LOSP Project

SOURCES	15,789,885	43,114,822	30,339,523	5,711,792	1,000,000	100	-	-	-	-	95,826,122	Comments
					FHLBSF - Anip							
					GP Equity							

USEE

Name of Sources:	MOHCD/OCH	LHFC Equity	HCD - MHP	HCD - IIG	FHLBSF - Anip	GP Equity						
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	0	0	0	0	0

CONSTRUCTION (HARD COSTS)

Unit Construction/Rehab	5,550,998	10,919,870	30,339,523		1,000,000								
Commercial Shell Construction		528,817											47,810,391
Demolition													628,817
Environmental Remediation				2,474,494									2,474,494
Onsite Improvements/Landscapes													450,000
Offsite Improvements													1,575,651
Infrastructure Improvements				450,000									450,000
Parking				1,076,055									1,076,055
GC Bond Premium/GC Insurance/GC Taxes	1,248,527												1,248,527
GC Overhead & Profit	1,689,975												1,689,975
GC General Conditions		2,534,622											2,534,622
Sub-total Construction Costs	8,489,500	14,283,309	30,339,523	4,500,749	1,000,000	0	0	0	0	0	0	0	56,672,481
Design Contingency (remove at DD)		2,807,990		189,838									2,997,828
Bid Contingency (remove at bid)		2,807,990		189,838									2,997,828
Plan Check Contingency (remove/reduce during Plan Review)		2,807,990		189,838									2,997,828
Hard Cost Construction Contingency		3,060,065		313,233									3,373,298
Sub-total Construction Contingencies	0	17,484,036	0	492,749	0	0	0	0	0	0	0	0	17,976,784
TOTAL CONSTRUCTION COSTS	8,489,500	26,767,345	30,339,523	5,392,497	1,000,000	0	0	0	0	0	0	0	76,679,265

Construction Item costs as a % of hard costs
 2.1%
 2.9%
 4.3%
 5.1%
 5.1%
 5.8%

SOFT COSTS

Architecture & Design

Architect design fees	1,783,160												
Design Submittals to the Architect (incl. Fees)													1,783,160
Architect Construction Admin		503,028											503,028
Reimbursables		71,136											71,136
Additional Services		200,000											200,000
Sub-total Architect Contract	2,557,324	0	0	0	0	0	0	0	0	0	0	0	2,557,324
Other Third Party design consultants (not included under Architect contract)													1,043,000
Sub-total Architecture & Design	2,607,322	821,000	0	172,000	0	0	0	0	0	0	0	0	3,600,322

See MOHCD A&E Fee Guidelines: <http://sfmohcd.org/documents/reports-and-forms>
 Dry Utilities (\$172,000), Archeological (\$65,000), LEED (\$20,000), Low Voltage (\$50,000), Peer Review, street space permit, expedite, etc (\$250,000), Traffic (\$10,000), Commissioning (\$86,000), DTSC (\$160,000), Special Inspections (\$200,000), Civil (\$50,000)

Engineering & Environmental Studies

Survey	50,000												
Geotechnical studies		175,000											175,000
Phase I & II Reports		450,000											450,000
CEQA / Environmental Review consultants		65,000											65,000
NEPA / IGS Review		65,000											65,000
CNA/PNA (rehab only)													0
Other environmental consultants													0
Total Engineering & Environmental Studies	746,000	0	0	0	0	0	0	0	0	0	0	0	746,000

Financing Costs

Construction Financing Costs													
Construction Loan Origination Fee		68,500											68,500
Construction Loan Interest		8,529,272											8,529,272
Title & Recording		60,000											60,000
CDLAC & CDLAC fees		1,004,507											1,004,507
Bond Issuer Fees													0
Other Bond Cost of Insurance													40,000
Sub-total Const. Financing Costs	0	9,702,279	0	0	0	0	0	0	0	0	0	0	9,702,279
Permanent Financing Costs													0
Permanent Loan Origination Fee													0
Credit Enhance. & Appl. Fee													0
Title & Recording													0
Sub-total Perm. Financing Costs	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Financing Costs	0	9,702,279	0	0	0	0	0	0	0	0	0	0	9,702,279

Includes CDLAC and CDLAC fees

Legal Costs

Borrower Legal fees	108,000												
Land Use / CEQA Attorney fees		90,000											90,000
Tax Credit Counsel		90,000											90,000
Bond Counsel													0
Construction Lender Counsel													0
Permanent Lender Counsel		30,000											30,000
Legal Fees Prebid		520,000											520,000
Total Legal Costs	0	748,000	0	0	0	0	0	0	0	0	0	0	748,000

Other Development Costs

Appraisal	15,000												
Market Study		15,000											15,000
Insurance		227,789		1,082,950									1,310,739
Prospect Taxes		532,986											532,986
Accounting / Audit		60,000											60,000
Organizational Costs		22,500											22,500
Settlement / Permit Fees		1,506,183											1,506,183
Marketing / Rent-up		203,000											203,000
Furnishings		303,050											303,050
PGE / Utility Fees		443,105		156,895									600,000
TCAC App / Alloc / Monitor Fees		82,693											82,693
Financial Consultant fees		65,000											65,000
Construction Management fees / Owner's Rep		206,030											206,030
Security during Construction													0
Relocation													0
Other Construction Costs: Not In Contract		150,000											150,000
1% SFAC - Required Expenditure		150,758											150,758
Community Engagement & Events		170,000											170,000
Total Other Development Costs	1,723,063	3,532,981	0	156,895	0	0	0	0	0	0	0	0	5,412,939

\$2,000/Unit. See MOHCD UIW Guidelines on: <http://sfmohcd.org/documents/reports-and-forms>

Total Soft Cost Contingency as % of Total Soft Costs
 5.9%

Soft Cost Contingency

Contingency (Arch, Eng, Fin, Legal & Other Dev)	1,118,601												
TOTAL SOFT COSTS	5,076,385	15,822,861	0	328,895	0	0	0	0	0	0	0	0	21,322,141

Should be either 10% or 5% of total soft costs.

RESERVES

Operating Reserves	492,875												
Replacement Reserves													492,875
Tenant Improvements Reserves													0
Lease-Up Reserve		751,741											751,741
Parking Stacker and VIMS Inspection Reserve		180,000											180,000
Other (specify)													0
TOTAL RESERVES	0	1,424,616	0	0	0	0	0	0	0	0	0	0	1,424,616

DEVELOPER COSTS

Developer Fee - Cash-out Paid at Milestones	1,100,000												
Developer Fee - Cash-out At Risk		1,100,000											1,100,000
Commercial Developer Fee										100			100
Developer Fee - GP Equity (also show as source)													0
Developer Fee - Deferred (also show as source)													0
Development Consultant Fees													0
Other (specify)													0
TOTAL DEVELOPER COSTS	2,200,000	0	0	0	0	0	0	0	0	100	0	0	2,200,100

Need MOHCD approval for this cost. N/A for most projects

TOTAL DEVELOPMENT COST

Development Cost/Unit by Source	15,789,885	43,114,822	30,339,523	5,711,792	1,000,000
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Attachment D – Update 1st Year Operating Budget and Cash Flow

See attached.

Application Date: **5/20/2022**
 Total # Units: **90**
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): **2026**

Non-LOSP Units	
LOSP Units	Non-LOSP Units
22	68

Project Name: **2550 Irving**
 Project Address: **2550 Irving Street**
 Project Sponsor: **Tenderloin Neighborhood Development Corporation**

Correct errors noted in Col N!

INCOME	LOSP/non-LOSP Allocation		Total	Comments
	24%	76%		
Residential - Tenant Rents	66,000	1,085,340	1,151,340	Links from 'New Proj. - Rent & Unit Mix' Worksheet
Residential - Tenant Assistance Payments (Non-LOSP)	0	280,116	280,116	Links from 'New Proj. - Rent & Unit Mix' Worksheet
Residential - LOSP Tenant Assistance Payments	329,374	0	329,374	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Commercial Space	0	0	0	Links from 'Utilities & Other Income' Worksheet
Residential Parking	0	0	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Rent Income	0	0	0	Links from 'Utilities & Other Income' Worksheet
Supportive Services Income	0	0	0	Supportive Services Income
Interest Income - Project Operations	0	0	0	Links from 'Utilities & Other Income' Worksheet
Laundry and Vending	2,246	7,114	9,360	Links from 'Utilities & Other Income' Worksheet
Tenant Charges	0	0	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Residential Income	0	0	0	Links from 'Utilities & Other Income' Worksheet
Other Commercial Income	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Withdrawal from Capitalized Reserve (deposit to operating account)	0	0	0	Withdrawal from Capitalized Reserve (deposit)
Gross Potential Income	397,620	1,372,570	1,770,190	
Vacancy Loss - Residential - Tenant Rents	(3,419)	(64,489)	(67,908)	Vacancy loss is 5.9% of Tenant Rents.
Vacancy Loss - Residential - Tenant Assistance Payments	0	(28,012)	(28,012)	Vacancy loss is 10% of Tenant Assistance Payments.
Vacancy Loss - Commercial	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
EFFECTIVE GROSS INCOME	394,201	1,280,069	1,674,270	PUPA: 18,603

OPERATING EXPENSES				
Management				
Management Fee	18,144	57,456	75,600	1st Year to be set according to HUD schedule.
Asset Management Fee	5,630	17,830	23,460	Asset Management Fee
Sub-total Management Expenses	23,774	75,286	99,060	PUPA: 1,101

Salaries/Benefits				
Office Salaries	57,420	57,420	114,840	desk clerks
Manager's Salary	31,811	100,734	132,545	GM, AGM, night manager, office salaries-general
Health Insurance and Other Benefits	13,286	42,073	55,360	Health Insurance and Other Benefits
Other Salaries/Benefits	2,752	8,714	11,466	Other Salaries/Benefits
Administrative Rent-Free Unit	0	0	0	Administrative Rent-Free Unit
Sub-total Salaries/Benefits	105,269	208,942	314,211	PUPA: 3,491

Administration				
Advertising and Marketing	0	0	0	
Office Expenses	9,468	29,981	39,449	
Office Rent	0	0	0	
Legal Expense - Property	7,077	22,411	29,488	Legal Expense - Property
Audit Expense	2,777	8,795	11,572	
Bookkeeping/Accounting Services	2,462	7,798	10,260	
Bad Debts	6,899	21,847	28,746	
Miscellaneous	4,413	13,973	18,386	Tech Support & Maint., Professional Fees, Training
Sub-total Administration Expenses	33,096	104,805	137,901	PUPA: 1,532

Utilities				
Electricity	8,962	28,381	37,344	Electricity
Water	36,403	115,277	151,680	
Gas	0	0	0	
Sewer	0	0	0	
Sub-total Utilities	45,366	143,658	189,024	PUPA: 2,100

Taxes and Licenses				
Real Estate Taxes	670	2,121	2,790	Real Estate Taxes
Payroll Taxes	6,421	20,333	26,754	Payroll Taxes
Miscellaneous Taxes, Licenses and Permits	590	1,869	2,460	
Sub-total Taxes and Licenses	7,681	24,323	32,004	PUPA: 356

Insurance				
Property and Liability Insurance	30,000	95,000	125,000	
Fidelity Bond Insurance	0	0	0	
Worker's Compensation	3,669	11,619	15,288	Worker's Compensation
Director's & Officers' Liability Insurance	0	0	0	
Sub-total Insurance	33,669	106,619	140,288	PUPA: 1,559

Maintenance & Repair				
Payroll	34,085	107,936	142,021	Asst. Facilities Mgr., Janitor, Maintenance
Supplies	14,354	45,456	59,810	Supplies
Contracts	7,227	22,887	30,114	Exterminating, Grounds, Maint., Elevator
Garbage and Trash Removal	21,038	66,622	87,660	
Security Payroll/Contract	0	0	0	Security Payroll/Contract
HVAC Repairs and Maintenance	1,073	3,398	4,471	Repairs, Vehicle & Transportation
Vehicle and Maintenance Equipment Operation and Repairs	2,318	7,339	9,657	Repairs, Vehicle & Transportation
Miscellaneous Operating and Maintenance Expenses	9,307	29,472	38,779	VIMS Maint. & Inspections, Parking Stackers
Sub-total Maintenance & Repair Expenses	89,403	283,109	372,512	PUPA: 4,139

Supportive Services	0	65,002	65,002	Program and Social Services
Commercial Expenses	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%

TOTAL OPERATING EXPENSES 338,259 1,011,744 1,350,003 PUPA: 15,000

Reserves/Ground Lease Base Rent/Bond Fees				
Ground Lease Base Rent	3,600	11,400	15,000	Ground lease with MOHCD Provide additional comments here, if needed.
Bond Monitoring Fee	600	1,900	2,500	
Replacement Reserve Deposit	10,800	34,200	45,000	Replacement Reserve Deposit
Operating Reserve Deposit	0	0	0	Operating Reserve Deposit
Other Required Reserve 1 Deposit	0	0	0	Other Required Reserve 1 Deposit
Other Required Reserve 2 Deposit	0	0	0	Other Required Reserve 2 Deposit
Required Reserve Deposits, Commercial	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	15,000	47,500	62,500	PUPA: 694

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees) 353,259 1,059,244 1,412,503 PUPA: 15,694

NET OPERATING INCOME (INCOME minus OP EXPENSES) 40,943 220,824 261,767 PUPA: 2,909

DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)				
Hard Debt - First Lender	30,582	96,844	127,426	HCD - MHP Provide additional comments here, if needed.
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Len)	0	0	0	Provide additional comments here, if needed.
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	0	0	Provide additional comments here, if needed.
Hard Debt - Fourth Lender	0	0	0	Provide additional comments here, if needed.
Commercial Hard Debt Service	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
TOTAL HARD DEBT SERVICE	30,582	96,844	127,426	PUPA: 1,416

CASH FLOW (NOI minus DEBT SERVICE)	10,360	123,981	134,341	
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Commercial Only Cash Flow 0
 Allocation of Commercial Surplus to LOSP/non-LOSP (residual income) 0

AVAILABLE CASH FLOW 10,360 123,981 134,341

USES OF CASH FLOW BELOW (This row also shows DSCR.) 2,065

USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL				
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	9,160	29,008	38,168	
Partnership Management Fee (see policy for limits)	0	0	0	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	1,200	3,800	5,000	
Other Payments	0	0	0	Other Payments
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	0	0	0	Provide additional comments here, if needed.
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)	0	0	0	Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt => Max Fee from cell I130)	0	0	0	Def. Develop. Fee split: 0%
TOTAL PAYMENTS PRECEDING MOHCD	10,360	32,808	43,168	PUPA: 480

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	0	91,173	91,173	
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Residual Receipts Calculation
 Does Project have a MOHCD Residual Receipt Obligation? **Yes** Project has MOHCD ground lease? **Yes**
 Will Project Defor Developer Fee? **No**
 Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1: **33%**
 % of Residual Receipts available for distribution to soft debt lenders in **67%**
 Sum of DD F from LOSP and non-LOSP:
 Ratio of Sum of DDF and calculated 50%:

Soft Debt Lenders with Residual Receipts Obligations	(Select lender name/program from drop down)	Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OOII - Soft Debt Loans	All MOHCD/OOII Loans payable from res. recs.	\$30,339,523	43.92%
MOHCD/OOII - Ground Lease Value or Land Acq Cost	Acquisition Cost	\$8,403,500	12.16%
HCD (soft debt loan) - Lender 3	HCD - MHP	\$30,339,523	43.92%
Other Soft Debt Lender - Lender 4			0.00%
Other Soft Debt Lender - Lender 5			0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE				
MOHCD Residual Receipts Amount Due	34,088	34,088	67% of residual receipts, multiplied by 56.08% - MOHCD's pro rata share of all soft debt	
Proposed MOHCD Residual Receipts Amount to Loan Repayment	34,088	34,088	Enter/override amount of residual receipts proposed for loan repayment.	
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	0	0 If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repaymt.	

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE 57,085

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE				
HCD Residual Receipts Amount Due	26,694	67% of residual receipts, multiplied by 43.92% - HCD - MHP's pro rata share of all soft debt		
Lender 4 Residual Receipts Due	0			
Lender 5 Residual Receipts Due	0			
Total Non-MOHCD Residual Receipts Debt Service	26,694			

REMAINDER (Should be zero unless there are distributions below)				
Owner Distributions/Incentive Management Fee	30,391	100% of Borrower share of 33% of residual receipts		
Other Distributions/Uses	0			
Final Balance (should be zero)	0			

Application Date: 5/20/2022
 Total # Units: 90
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2026

INCOME			
Residential - Tenant Rents		non-LOSP	Approved By (reqd)
Residential - Tenant Assistance Payments (Non-LOSP)	0.00%	100.00%	
Residential - LOSP Tenant Assistance Payments			
Commercial Space			
Residential Parking			
Miscellaneous Rent Income	LOSP	non-LOSP	Approved By (reqd)
Supportive Services Income			
Interest Income - Project Operations			
Laundry and Vending	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Tenant Charges			
Miscellaneous Residential Income			
Other Commercial Income	LOSP	non-LOSP	Approved By (reqd)
Withdrawal from Capitalized Reserve (deposit to operating account)			(to operating account)
Gross Potential Income			
Vacancy Loss - Residential - Tenant Rents			
Vacancy Loss - Residential - Tenant Assistance Payments			
Vacancy Loss - Commercial			
EFFECTIVE GROSS INCOME			

OPERATING EXPENSES			
Management			
Management Fee	LOSP	non-LOSP	Approved By (reqd)
Asset Management Fee			
Sub-total Management Expenses			
Salaries/Benefits			
Office Salaries	50.00%	50.00%	Approved By (reqd)
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	24.00%	76.00%	
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	24.00%	76.00%	
Miscellaneous			
Sub-total Administration Expenses			
Utilities			
Electricity	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Water	24.00%	76.00%	
Gas			
Sewer			
Sub-total Utilities			
Taxes and Licenses			
Real Estate Taxes			Approved By (reqd)
Payroll Taxes			
Miscellaneous Taxes, Licenses and Permits			
Sub-total Taxes and Licenses			
Insurance			
Property and Liability Insurance			
Fidelity Bond Insurance	LOSP	non-LOSP	Approved By (reqd)
Worker's Compensation			
Director's & Officers' Liability Insurance			
Sub-total Insurance			
Maintenance & Repair			
Payroll	LOSP	non-LOSP	Approved By (reqd)
Supplies	24.00%	76.00%	(LOSP-specific expenses must be tracked at entry level in project's)
Contracts			
Garbage and Trash Removal	LOSP	non-LOSP	Approved By (reqd)
Security Payroll/Contract			
HVAC Repairs and Maintenance			
Vehicle and Maintenance Equipment Operation and Repairs			
Miscellaneous Operating and Maintenance Expenses			
Sub-total Maintenance & Repair Expenses			
Supportive Services	LOSP	non-LOSP	Approved By (reqd)
Commercial Expenses	0.00%	100.00%	

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

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

NET OPERATING INCOME (INCOME minus OP EXPENSES)			
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)			
Hard Debt - First Lender	LOSP	non-LOSP	Approved By (reqd)
Hard Debt - Second Lender (HCD Program 0.42% pymt. or other 2nd Lender)	42% pymt. or other 2nd Lender		
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	n, or other 3rd Lender		
Hard Debt - Fourth Lender			
Commercial Hard Debt Service			
TOTAL HARD DEBT SERVICE			

CASH FLOW (NOI minus DEBT SERVICE)			
Commercial Only Cash Flow			
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)	non-LOSP (residual income)		
AVAILABLE CASH FLOW			
USES OF CASH FLOW BELOW (This row also shows DSCR.)			
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL			
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)			
Partnership Management Fee (see policy for limits)			
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	LOSP	non-LOSP	Approved By (reqd)
Other Payments			
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)			lender in comments field
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)			
Deferred Developer Fee (Enter amt => Max Fee from cell I130)	0.00%	100.00%	
TOTAL PAYMENTS PRECEDING MOHCD			

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)

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

Soft Debt Lenders with Residual Receipts Obligations			
MOHCD/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			
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE			
HCD Residual Receipts Amount Due			
Lender 4 Residual Receipts Due			
Lender 5 Residual Receipts Due			
Total Non-MOHCD Residual Receipts Debt Service			
REMAINDER (Should be zero unless there are distributions below)			
Owner Distributions/Incentive Management Fee			
Other Distributions/Uses			
Final Balance (should be zero)			

2550 Irving

Total # Units:	LOSP		Non-LOSP													
	Units	Units														
	24.00%	76.00%														
			Year 1 2026			Year 2 2027			Year 3 2028							
			LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total		
INCOME																
Residential - Tenant Rents	2.5%	2.5%	66,000	1,085,340	1,151,340	67,600	1,112,474	1,180,124	69,341	1,140,285	1,209,627	71,075	-	-		
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	2.5%	-	280,116	280,116	-	287,119	287,119	-	294,297	294,297	-	-	-		
Residential - LOSP Tenant Assistance Payments	n/a	n/a	329,374	-	329,374	339,791	-	339,791	350,712	-	350,712	-	-	362,032		
Commercial Space	n/a	2.5%	-	-	-	-	-	-	-	-	-	-	-	-		
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%	2,246	7,114	9,360	2,303	7,291	9,594	2,360	7,474	9,834	2,419	-	-		
Tenant Charges	2.5%	2.5%	-	-	-	-	-	-	-	-	-	-	-	-		
Miscellaneous Residential Income	2.5%	2.5%	-	-	-	-	-	-	-	-	-	-	-	-		
Other Commercial Income	n/a	2.5%	-	-	-	-	-	-	-	-	-	-	-	-		
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	-	-	-	-	-	-	-	-	-	-	-	-		
Gross Potential Income			397,620	1,372,970	1,770,190	409,743	1,406,884	1,816,627	422,413	1,442,056	1,864,469	435,525				
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	(3,419)	(64,489)	(67,908)	(3,383)	(65,624)	(69,006)	(3,467)	(67,074)	(70,481)	(3,354)				
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a	-	(28,012)	(28,012)	-	(28,012)	(28,012)	-	(28,012)	(28,012)	-				
Vacancy Loss - Commercial	n/a	n/a	-	-	-	-	-	-	-	-	-	-				
EFFECTIVE GROSS INCOME			394,201	1,280,969	1,674,270	406,361	1,336,904	1,743,265	418,946	1,370,327	1,789,273	431,972				
OPERATING EXPENSES																
Management																
Management Fee	3.5%	3.5%	18,144	57,456	75,600	18,779	59,467	78,246	19,436	61,548	80,985	20,117				
Asset Management Fee	3.5%	3.5%	5,630	17,830	23,460	5,827	18,454	24,281	6,031	19,100	25,131	6,243				
Sub-total Management Expenses			23,774	75,286	99,060	24,607	77,921	102,527	25,468	80,648	106,116	26,359				
Salaries/Benefits																
Office Salaries	3.5%	3.5%	57,420	57,420	114,840	59,430	59,430	118,859	61,510	61,510	123,019	63,663				
Manager's Salary	3.5%	3.5%	31,811	100,734	132,545	32,924	104,260	137,184	34,077	107,909	141,985	35,269				
Health Insurance and Other Benefits	3.5%	3.5%	13,286	42,073	55,360	13,751	43,546	57,297	14,233	45,070	59,303	14,719				
Other Salaries/Benefits	3.5%	3.5%	2,752	8,714	11,466	2,848	9,019	11,868	2,948	9,335	12,283	3,051				
Administrative Rent-Free Unit	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-				
Sub-total Salaries/Benefits			105,269	208,942	314,211	108,953	216,255	325,208	112,767	223,824	336,591	116,714				
Administration																
Advertising and Marketing	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-				
Office Expenses	3.5%	3.5%	9,468	29,981	39,449	9,799	31,030	40,829	10,142	32,116	42,258	10,497				
Office Rent	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-				
Legal Expense - Property	3.5%	3.5%	7,077	22,411	29,488	7,325	23,196	30,521	7,581	24,007	31,589	7,847				
Audit Expense	3.5%	3.5%	2,777	8,795	11,572	2,874	9,103	11,977	2,975	9,421	12,396	3,079				
Bookkeeping/Accounting Services	3.5%	3.5%	2,462	7,798	10,260	2,549	8,071	10,619	2,638	8,353	10,991	2,730				
Bad Debts	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-				
Miscellaneous	3.5%	3.5%	4,413	13,973	18,386	4,567	14,462	19,030	4,727	14,969	19,896	4,892				
Sub-total Administration Expenses			33,096	104,805	137,901	34,255	108,473	142,728	35,454	112,270	147,723	36,695				
Utilities																
Electricity	3.5%	3.5%	8,962	28,381	37,344	9,276	29,374	38,651	9,601	30,403	40,003	9,937				
Water	3.5%	3.5%	36,403	115,277	151,680	37,677	119,311	156,989	38,996	123,487	162,483	40,361				
Gas	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-				
Sewer	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-				
Sub-total Utilities			45,366	143,658	189,024	46,953	148,686	195,639	48,597	153,890	202,487	50,298				
Taxes and Licenses																
Real Estate Taxes	3.5%	3.5%	670	2,121	2,790	693	2,195	2,888	717	2,272	2,989	742				
Payroll Taxes	3.5%	3.5%	6,421	20,333	26,754	6,646	21,045	27,891	6,878	21,782	28,660	7,119				
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%	590	1,869	2,460	611	1,935	2,546	632	2,002	2,635	654				
Sub-total Taxes and Licenses			7,681	24,323	32,004	7,950	25,175	33,125	8,228	26,056	34,284	8,516				
Insurance																
Property and Liability Insurance	3.5%	3.5%	30,000	95,000	125,000	31,050	98,325	129,375	32,137	101,766	133,903	33,262				
Fidelity Bond Insurance	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-				
Worker's Compensation	3.5%	3.5%	3,669	11,619	15,288	3,798	12,026	15,823	3,931	12,447	16,377	4,068				
Director's & Officers' Liability Insurance	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-				
Sub-total Insurance			33,669	106,619	140,288	34,848	110,351	145,198	36,067	114,213	150,280	37,330				
Maintenance & Repair																
Payroll	3.5%	3.5%	34,085	107,936	142,021	35,278	111,714	146,992	36,513	115,624	152,137	37,791				
Supplies	3.5%	3.5%	14,354	45,456	59,810	14,857	47,046	61,903	15,377	48,693	64,070	15,915				
Contracts	3.5%	3.5%	7,227	22,897	30,114	7,490	23,688	31,168	7,742	24,517	32,259	8,013				
Garbage and Trash Removal	3.5%	3.5%	21,038	66,622	87,660	21,775	68,953	90,728	22,537	71,367	93,904	23,328				
Security Payroll/Contract	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-				
HVAC Repairs and Maintenance	3.5%	3.5%	1,073	3,398	4,471	1,111	3,517	4,627	1,149	3,640	4,789	1,190				
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%	2,318	7,339	9,657	2,399	7,596	9,995	2,483	7,862	10,345	2,570				
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%	9,307	29,472	38,779	9,633	30,503	40,136	9,970	31,571	41,541	10,319				
Sub-total Maintenance & Repair Expenses			89,403	283,109	372,512	92,532	283,018	385,550	95,771	303,273	399,044	99,123				
Supportive Services																
Commercial Expenses			-	65,002	65,002	-	67,277	67,277	-	69,632	69,632	-				
TOTAL OPERATING EXPENSES			338,259	1,011,744	1,350,003	350,098	1,047,155	1,397,253	362,351	1,083,806	1,446,157	375,033				
RESERVES/GROUND LEASE BASE RENT/BOND FEES																
PUPA (w/o Reserves/GL Base Rent/Bond Fees)																
Ground Lease Base Rent			3,600	11,400	15,000	3,600	11,400	15,000	3,600	11,400	15,000	3,600				
Bond Monitoring Fee			600	1,900	2,500	600	1,900	2,500	600	1,900	2,500	600				
Replacement Reserve Deposit			10,800	34,200	45,000	10,800	34,200	45,000	10,800	34,200	45,000	10,800				
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			15,000	47,600	62,500	15,000	47,600	62,500	15,000	47,600	62,500	15,000				
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)			353,259	1,059,344	1,412,503	365,098	1,094,655	1,459,753	377,351	1,131,406	1,508,657	390,033				
NET OPERATING INCOME (INCOME minus OP EXPENSES)																
			40,943	220,624	261,767	41,263	242,249	283,512	41,595	239,021	280,616	41,938				
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)																
Hard Debt - First Lender			30,582	96,844	127,426	30,582	96,844	127,426	30,582	96,844	127,426	30,582				
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			30,582	96,844	127,426	30,582	96,844	127,426	30,582	96,844	127,426	30,582				
CASH FLOW (NOI minus DEBT SERVICE)																

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Total # Units:	LOSP		Non-LOSP		2029		2030			2031			2032	
	24.00%	76.00%	22	68										
	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)		non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP
INCOME														
Residential - Tenant Rents	2.5%	2.5%			1,168,792	1,239,867	72,852	1,198,012	1,270,864	74,673	1,227,963	1,302,636	76,544	1,258,862
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	2.5%			307,654	301,654	-	309,196	309,196	-	316,926	316,926	-	324,849
Residential - LOSP Tenant Assistance Payments	n/a	n/a			-	-	-	-	-	-	-	-	-	-
Commercial Space	n/a	2.5%	From 'Commercial Op. Budget Worksheet, Commercial to Residential allocation: 100%		-	362,032	373,765	-	373,765	385,926	-	385,926	398,531	
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%			7,661	10,080	2,480	7,852	10,332	2,542	8,048	10,590	2,605	8,250
Tenant Charges	2.5%	2.5%			-	-	-	-	-	-	-	-	-	
Miscellaneous Residential Income	2.5%	2.5%			-	-	-	-	-	-	-	-	-	
Other Commercial Income	n/a	2.5%			-	-	-	-	-	-	-	-	-	
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable		-	-	-	-	-	-	-	-	-	
Gross Potential Income					1,478,707	1,913,633	449,096	1,515,060	1,964,156	463,740	1,552,937	2,016,077	477,676	1,591,760
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy, annual incrementing usually not appropriate		(58,440)	(61,993)	(3,643)	(59,907)	(63,545)	(3,734)	(61,398)	(65,132)	(3,827)	(62,933)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a			(15,083)	(15,083)	-	(15,460)	(15,460)	-	(15,846)	(15,846)	-	(16,242)
Vacancy Loss - Commercial	n/a	n/a			-	-	-	-	-	-	-	-	-	
EFFECTIVE GROSS INCOME					1,404,585	1,836,557	445,453	1,439,700	1,885,153	459,407	1,475,692	1,935,099	473,849	1,512,584
OPERATING EXPENSES														
Management														
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule		63,702	83,819	20,821	65,932	86,753	21,549	68,240	89,789	22,304	70,638
Asset Management Fee	3.5%	3.5%	per MOHCD policy		19,768	26,011	6,461	20,460	26,921	6,687	21,176	27,863	6,821	21,917
Sub-total Management Expenses					83,470	109,830	27,282	86,392	113,674	28,237	89,416	117,652	29,225	92,545
Salaries/Benefits														
Office Salaries	3.5%	3.5%			63,663	127,325	65,897	65,891	131,762	68,197	66,197	136,394	70,584	70,584
Manager's Salary	3.5%	3.5%			111,686	146,955	36,504	115,595	152,098	37,781	119,614	157,422	39,104	123,828
Health Insurance and Other Benefits	3.5%	3.5%			46,648	61,378	15,246	48,280	63,527	15,780	49,970	65,750	16,332	51,719
Other Salaries/Benefits	3.5%	3.5%			9,662	12,713	3,158	10,000	13,158	3,268	10,350	13,618	3,363	10,712
Administrative Rent-Free Unit	3.5%	3.5%			-	-	-	-	-	-	-	-	-	
Sub-total Salaries/Benefits					231,658	348,371	120,799	239,766	360,564	125,027	248,157	373,184	129,402	256,843
Administration														
Advertising and Marketing	3.5%	3.5%			-	-	-	-	-	-	-	-	-	
Office Expenses	3.5%	3.5%			33,241	43,738	10,864	34,404	45,268	11,245	35,808	46,533	11,638	36,854
Office Rent	3.5%	3.5%			-	-	-	-	-	-	-	-	-	
Legal Expense - Property	3.5%	3.5%			24,848	32,694	8,121	25,717	33,838	8,406	26,618	35,023	8,700	27,549
Audit Expense	3.5%	3.5%			9,751	12,830	3,167	10,092	13,279	3,299	10,445	13,744	3,414	10,611
Bookkeeping/Accounting Services	3.5%	3.5%			8,645	11,375	2,826	8,948	11,774	2,925	9,261	12,186	3,027	9,585
Bad Debts	3.5%	3.5%			24,222	31,871	7,917	25,070	32,987	8,194	25,948	34,141	8,451	26,856
Miscellaneous	3.5%	3.5%			15,493	20,385	5,064	16,035	21,098	5,241	16,596	21,837	5,424	17,177
Sub-total Administration Expenses					116,199	152,894	37,979	120,266	158,245	39,308	124,476	163,784	40,684	128,832
Utilities														
Electricity	3.5%	3.5%			31,467	41,404	10,285	32,568	42,853	10,645	33,708	44,353	11,017	34,888
Water	3.5%	3.5%			127,809	168,170	41,774	132,283	174,056	43,236	136,913	180,148	44,749	141,705
Gas	3.5%	3.5%			-	-	-	-	-	-	-	-	-	
Sewer	3.5%	3.5%			-	-	-	-	-	-	-	-	-	
Sub-total Utilities					159,276	209,574	52,059	164,851	216,909	53,880	170,621	224,501	55,766	176,592
Taxes and Licenses														
Real Estate Taxes	3.5%	3.5%			2,351	3,094	768	2,433	3,202	795	2,519	3,314	823	2,607
Payroll Taxes	3.5%	3.5%			22,544	29,663	7,368	23,333	30,701	7,626	24,150	31,776	7,893	24,995
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%			2,073	2,727	677	2,145	2,823	701	2,220	2,921	726	2,298
Sub-total Taxes and Licenses					26,968	35,484	8,814	27,912	36,726	9,123	28,899	38,011	9,442	29,900
Insurance														
Property and Liability Insurance	3.5%	3.5%			105,328	138,590	34,426	108,015	143,440	35,631	112,830	148,461	36,878	116,779
Fidelity Bond Insurance	3.5%	3.5%			-	-	-	-	-	-	-	-	-	
Worker's Compensation	3.5%	3.5%			12,882	16,950	4,210	13,333	17,544	4,358	13,800	18,158	4,510	14,283
Director's & Officers' Liability Insurance	3.5%	3.5%			-	-	-	-	-	-	-	-	-	
Sub-total Insurance					118,210	155,540	38,636	122,348	160,984	39,989	126,630	166,618	41,388	131,062
Maintenance & Repair														
Payroll	3.5%	3.5%			119,671	157,462	39,113	123,859	162,973	40,482	128,194	168,677	41,899	132,681
Supplies	3.5%	3.5%			50,397	66,312	16,472	52,161	68,633	17,048	53,987	71,035	17,645	55,876
Contracts	3.5%	3.5%			25,375	33,388	8,294	26,263	34,557	8,584	27,162	35,766	8,884	28,134
Garbage and Trash Removal	3.5%	3.5%			73,865	97,190	24,142	76,490	100,592	24,987	79,126	104,113	25,862	81,695
Security Payroll/Contract	3.5%	3.5%			-	-	-	-	-	-	-	-	-	
HVAC Repairs and Maintenance	3.5%	3.5%			3,767	4,957	1,231	3,899	5,130	1,274	4,036	5,310	1,319	4,177
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%			8,137	10,707	2,660	8,422	11,081	2,753	8,717	11,469	2,849	9,022
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%			32,676	42,995	10,880	33,820	44,499	11,054	35,003	46,057	11,441	36,228
Sub-total Maintenance & Repair Expenses					313,888	413,011	102,592	324,874	427,466	106,163	336,245	442,427	109,899	348,013
Supportive Services														
Commercial Expenses	3.5%	3.5%	From 'Commercial Op. Budget Worksheet, Commercial to Residential allocation: 100%		72,069	72,069	-	74,592	74,592	-	77,202	77,202	-	79,904
TOTAL OPERATING EXPENSES					1,121,739	1,496,772	388,159	1,161,000	1,549,159	401,745	1,201,635	1,603,380	415,806	1,243,692
PUPA (w/ Reserves/GL Base Rent/Bond Fees)														
Reserves/Ground Lease Base Rent/Bond Fees														
Ground Lease Base Rent					11,400	15,000	3,600	11,400	15,000	3,600	11,400	15,000	3,600	11,400
Bond Monitoring Fee					1,900	2,500	600	1,900	2,500	600	1,900	2,500	600	1,900
Replacement Reserve Deposit					34,200	45,000	10,800	34,200	45,000	10,800	34,200	45,000	10,800	34,200
Operating Reserve Deposit					-	-	-	-	-	-	-	-	-	
Other Required Reserve 1 Deposit					-	-	-	-	-	-	-	-	-	
Other Required Reserve 2 Deposit					-	-	-	-	-	-	-	-	-	
Required Reserve Deposits, Commercial			From 'Commercial Op. Budget Worksheet, Commercial to Residential allocation: 100%		-	-	-	-	-	-	-	-	-	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees					47,500	62,500	15,000	47,500	62,500	15,000	47,600	62,500	15,000	47,500
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)					1,169,239	1,559,272	403,159	1,208,500	1,611,659	416,745	1,249,135	1,665,880	430,806	1,291,192
PUPA (w/ Reserves/GL Base Rent/Bond Fees)														
NET OPERATING INCOME (INCOME minus OP EXPENSES)					235,346	277,285	42,294	231,200	273,494	42,662	226,557	269,219	43,043	221,392
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)														
Hard Debt - First Lender														
Hard Debt - First Lender			Enter comments re: annual increase, etc.		96,844	127,426	30,582	96,844	127,426	30,582	96,844	127,426	30,582	96,844
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.		-	-	-	-	-	-	-	-	-	
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.		-	-	-	-	-	-	-	-	-	
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.		-	-	-	-	-	-	-	-	-	
Commercial Hard Debt Service			From 'Commercial Op. Budget Worksheet, Commercial to Residential allocation: 100%		-	-	-	-	-	-	-	-	-	
TOTAL HARD DEBT SERVICE					96,844	127,426	30,582	96,844	127,426	30,582	96,844	127,426	30,582	96,844
CASH FLOW (NOI minus DEBT SERVICE)					138,502	149,859	11,712	134,356	146,068	12,080	129,714	141,793	12,460	124,549
Commercial Only Cash Flow														
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)					-	-	-	-	-	-	-	-	-	
AVAILABLE CASH FLOW					138,502	149,859	11,712	134,356	146,068	12,080	129,714	141,793	12,460	124,549
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		32,161	42,318	10,512	33,287	43,799	10,880	34,452	45,332	11,260	35,658
Partnership Management Fee (see														

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Total # Units:	LOSP		Non-LOSP		Year 8			Year 9			Year 10			
	Units	Units	Units	Units	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	
	24.00%	76.00%												
INCOME														
Residential - Tenant Rents	2.5%	2.5%			1,335,201	78,453	1,290,128	1,368,581	80,415	1,322,381	1,402,796	82,425	1,355,441	1,437,866
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	2.5%			324,849	-	332,970	332,970	-	341,294	341,294	-	349,828	349,828
Residential - LOSP Tenant Assistance Payments	n/a	n/a			388,531	411,595	-	411,595	425,136	-	425,136	439,169	-	439,169
Commercial Space	n/a	2.5%			-	-	-	-	-	-	-	-	-	-
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%			10,855	2,670	8,456	11,126	2,737	8,667	11,404	2,805	8,884	11,689
Tenant Charges	2.5%	2.5%			-	-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%			-	-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%			-	-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a			-	-	-	-	-	-	-	-	-	-
Gross Potential Income					2,069,436	492,719	1,631,554	2,124,273	506,287	1,672,343	2,180,630	524,400	1,714,151	2,238,551
Vacancy Loss - Residential - Tenant Rents	n/a	n/a			(86,760)	(3,923)	(64,508)	(68,429)	(4,021)	(66,119)	(70,140)	(4,121)	(67,772)	(71,893)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a			(16,242)	-	(16,648)	(16,648)	-	(17,055)	(17,055)	-	(17,491)	(17,491)
Vacancy Loss - Commercial	n/a	n/a			-	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME					1,986,433	488,796	1,550,399	2,039,195	504,266	1,589,159	2,093,425	520,278	1,628,888	2,149,166
OPERATING EXPENSES														
Management														
Management Fee	3.5%	3.5%			92,932	23,084	73,100	96,194	23,892	75,659	99,551	24,728	78,307	103,035
Asset Management Fee	3.5%	3.5%			28,838	7,163	22,684	29,848	7,414	23,478	30,892	7,674	24,300	31,974
Sub-total Management Expenses					121,770	30,248	95,784	126,032	31,306	99,137	130,443	32,402	102,607	135,009
Salaries/Benefits														
Office Salaries	3.5%	3.5%			141,168	73,054	73,054	146,109	75,611	75,611	151,222	78,258	78,258	156,515
Manager's Salary	3.5%	3.5%			162,932	40,472	128,162	168,634	41,889	132,648	174,536	43,555	137,290	180,645
Health Insurance and Other Benefits	3.5%	3.5%			88,051	16,904	53,529	70,433	17,496	55,403	72,898	18,108	57,342	75,450
Other Salaries/Benefits	3.5%	3.5%			14,095	3,501	11,087	14,588	3,624	11,475	15,099	3,751	11,877	15,627
Administrative Rent-Free Unit	3.5%	3.5%			-	-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits					386,245	133,932	265,832	399,764	138,619	275,137	413,756	143,471	284,768	428,237
Administration														
Advertising and Marketing	3.5%	3.5%			-	-	-	-	-	-	-	-	-	-
Office Expenses	3.5%	3.5%			48,493	12,046	38,144	50,190	12,467	39,479	51,046	12,904	40,867	53,765
Office Rent	3.5%	3.5%			-	-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%			36,249	9,004	28,513	37,518	9,319	29,211	38,831	9,646	30,544	40,190
Audit Expense	3.5%	3.5%			14,225	3,533	11,189	14,723	3,657	11,581	15,238	3,785	11,995	15,771
Bookkeeping/Accounting Services	3.5%	3.5%			12,812	3,133	9,921	13,054	3,243	10,268	13,510	3,366	10,627	13,983
Bad Debts	3.5%	3.5%			35,336	8,778	27,796	36,573	9,085	28,768	37,853	9,403	29,775	39,178
Miscellaneous	3.5%	3.5%			22,601	5,614	17,778	23,392	5,811	18,400	24,211	6,014	19,044	25,058
Sub-total Administration Expenses					169,516	42,108	133,341	175,449	43,582	138,008	181,890	45,107	142,839	187,946
Utilities														
Electricity	3.5%	3.5%			45,905	11,403	36,109	47,512	11,802	37,373	49,174	12,215	38,681	50,896
Water	3.5%	3.5%			186,453	46,315	146,664	192,979	47,936	151,798	199,734	49,614	157,110	206,724
Gas	3.5%	3.5%			-	-	-	-	-	-	-	-	-	-
Sewer	3.5%	3.5%			-	-	-	-	-	-	-	-	-	-
Sub-total Utilities					232,358	57,718	182,773	240,491	59,738	189,170	248,908	61,829	195,791	257,620
Taxes and Licenses														
Real Estate Taxes	3.5%	3.5%			3,430	852	2,698	3,550	882	2,792	3,674	913	2,890	3,803
Payroll Taxes	3.5%	3.5%			32,888	8,169	25,870	34,039	8,455	26,775	35,231	8,751	27,712	36,464
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%			3,024	751	2,378	3,129	777	2,462	3,239	805	2,548	3,352
Sub-total Taxes and Licenses					39,342	9,772	30,946	40,719	10,114	32,029	42,144	10,468	33,150	43,619
Insurance														
Property and Liability Insurance	3.5%	3.5%			153,857	38,168	120,867	159,035	39,504	125,097	164,601	40,887	129,475	170,362
Fidelity Bond Insurance	3.5%	3.5%			-	-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%			18,793	4,668	14,783	19,451	4,832	15,300	20,132	5,001	15,836	20,836
Director's & Officers' Liability Insurance	3.5%	3.5%			-	-	-	-	-	-	-	-	-	-
Sub-total Insurance					172,450	42,837	135,649	178,486	44,336	140,397	184,733	45,888	145,311	191,198
Maintenance & Repair														
Payroll	3.5%	3.5%			174,581	43,366	137,325	180,691	44,884	142,132	187,015	46,555	147,106	193,561
Supplies	3.5%	3.5%			73,522	18,263	57,832	76,095	18,902	59,856	78,758	19,964	61,957	81,515
Contracts	3.5%	3.5%			37,018	9,195	29,118	38,314	9,517	30,138	39,859	9,850	31,192	41,043
Garbage and Trash Removal	3.5%	3.5%			107,757	26,787	84,761	111,528	27,704	87,728	115,431	28,673	90,798	119,472
Security Payroll/Contract	3.5%	3.5%			-	-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance	3.5%	3.5%			5,496	1,365	4,323	5,688	1,413	4,474	5,887	1,462	4,631	6,093
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%			11,871	2,949	9,337	12,286	3,052	9,664	12,716	3,159	10,002	13,161
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%			47,689	11,841	37,496	49,337	12,255	38,809	51,064	12,684	40,167	52,851
Sub-total Maintenance & Repair Expenses					457,912	113,745	360,194	473,939	117,726	372,800	490,527	121,847	385,849	507,695
Supportive Services	3.5%	3.5%			79,904	-	82,701	82,701	-	85,596	85,596	-	88,591	88,591
Commercial Expenses														
TOTAL OPERATING EXPENSES					1,659,498	430,359	1,287,221	1,717,580	445,422	1,332,274	1,777,696	461,012	1,378,903	1,839,915
RESERVES/GROUND LEASE BASE RENT/BOND FEES														
Ground Lease Base Rent					15,000	3,600	11,400	15,000	3,600	11,400	15,000	3,600	11,400	15,000
Bond Monitoring Fee					2,500	600	1,900	2,500	600	1,900	2,500	600	1,900	2,500
Replacement Reserve Deposit					45,000	10,800	34,200	45,000	10,800	34,200	45,000	10,800	34,200	45,000
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					62,500	15,000	47,500	62,500	15,000	47,500	62,500	15,000	47,500	62,500
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)					1,721,998	445,359	1,334,721	1,780,080	460,422	1,379,774	1,840,196	476,012	1,426,403	1,902,415
NET OPERATING INCOME (INCOME minus OP EXPENSES)					264,435	43,437	215,678	259,115	43,845	209,385	253,230	44,267	202,484	246,751
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)														
Hard Debt - First Lender					127,426	3								

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Total # Units:	LOSP		Non-LOSP		Year 11				Year 12			Year 13			LOSP
	24.00%	76.00%	2036				2037			2038					
	Units	Units	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total				
90	22	68													
	% annual inc	% annual increase	Comments (related to annual inc assumptions)												
INCOME	2.5%	2.5%													
Residential - Tenant Rents	n/a	n/a	84,486	1,389,327	1,473,813	86,598	1,424,060	1,510,658	88,763	1,459,662	1,548,424	90,982			
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	2.5%	-	358,572	358,572	-	367,536	367,536	-	376,500	376,500	-			
Residential - LOSP Tenant Assistance Payments	n/a	n/a	453,714	-	453,714	468,788	-	468,788	484,410	-	484,410	500,601			
Commercial Space	n/a	2.5%	-	-	-	-	-	-	-	-	-	-			
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%	2,876	9,106	11,982	2,947	9,334	12,281	3,021	9,567	12,588	3,097			
Tenant Charges	2.5%	2.5%	-	-	-	-	-	-	-	-	-	-			
Miscellaneous Residential Income	2.5%	2.5%	-	-	-	-	-	-	-	-	-	-			
Other Commercial Income	n/a	2.5%	-	-	-	-	-	-	-	-	-	-			
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	-	-	-	-	-	-	-	-	-	-			
Gross Potential Income			541,075	1,757,005	2,298,080	558,333	1,800,930	2,359,263	576,194	1,845,954	2,422,148	594,679			
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	(4,224)	(69,466)	(73,691)	(4,330)	(71,203)	(75,533)	(4,438)	(72,963)	(77,421)	(81,949)			
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a	-	(17,929)	(17,929)	-	(18,377)	(18,377)	-	(18,825)	(18,825)	-			
Vacancy Loss - Commercial	n/a	n/a	-	-	-	-	-	-	-	-	-	-			
EFFECTIVE GROSS INCOME			536,851	1,669,610	2,206,461	554,003	1,711,350	2,265,354	571,756	1,754,134	2,325,890	590,130			
OPERATING EXPENSES															
Management															
Management Fee	3.5%	3.5%	25,594	81,047	106,641	26,490	83,884	110,374	27,417	86,820	114,237	28,376			
Asset Management Fee	3.5%	3.5%	7,942	25,150	33,093	8,220	26,031	34,251	8,508	26,442	35,450	8,806			
Sub-total Management Expenses			33,536	106,198	139,734	34,710	109,915	144,625	35,925	113,762	149,686	37,182			
Salaries/Benefits															
Office Salaries	3.5%	3.5%	80,997	80,997	161,993	83,831	83,831	167,663	86,766	86,766	173,531	89,802			
Manager's Salary	3.5%	3.5%	44,872	142,095	186,968	46,443	147,069	193,512	48,068	152,216	200,284	49,751			
Health Insurance and Other Benefits	3.5%	3.5%	18,742	59,349	78,090	19,398	61,426	80,824	20,077	63,576	83,652	20,779			
Other Salaries/Benefits	3.5%	3.5%	3,882	12,292	16,174	4,018	12,723	16,740	4,158	13,168	17,326	4,304			
Administrative Rent-Free Unit	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-			
Sub-total Salaries/Benefits			148,492	294,733	443,225	153,680	305,049	458,738	159,069	315,725	474,794	164,636			
Administration															
Advertising and Marketing	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-			
Office Expenses	3.5%	3.5%	13,355	42,291	55,646	13,823	43,771	57,594	14,306	45,303	59,610	14,807			
Office Rent	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-			
Legal Expense - Property	3.5%	3.5%	9,983	31,613	41,596	10,333	32,720	43,052	10,694	33,865	44,559	11,068			
Audit Expense	3.5%	3.5%	3,918	12,406	16,323	4,055	12,840	16,895	4,197	13,289	17,486	4,344			
Bookkeeping/Accounting Services	3.5%	3.5%	3,473	10,999	14,473	3,596	11,384	14,973	3,721	11,783	15,504	3,851			
Bad Debts	3.5%	3.5%	9,732	30,818	40,549	10,072	31,896	41,969	10,425	33,013	43,438	10,790			
Miscellaneous	3.5%	3.5%	6,224	19,711	25,935	6,442	20,401	26,843	6,668	21,115	27,783	6,901			
Sub-total Administration Expenses			46,686	147,838	194,524	48,320	153,012	201,332	50,011	158,368	208,379	51,761			
Utilities															
Electricity	3.5%	3.5%	12,642	40,034	52,677	13,085	41,436	54,521	13,543	42,886	56,429	14,017			
Water	3.5%	3.5%	3,473	10,999	14,473	3,596	11,384	14,973	3,721	11,783	15,504	3,851			
Gas	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-			
Sewer	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-			
Sub-total Utilities			63,593	202,644	266,636	66,233	209,736	275,969	68,551	217,077	285,628	70,980			
Taxes and Licenses															
Real Estate Taxes	3.5%	3.5%	945	2,991	3,936	978	3,096	4,074	1,012	3,204	4,216	1,047			
Payroll Taxes	3.5%	3.5%	9,058	28,882	37,740	9,375	29,686	39,061	9,703	30,725	40,428	10,042			
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%	833	2,637	3,470	862	2,729	3,591	892	2,825	3,717	923			
Sub-total Taxes and Licenses			10,835	34,310	45,145	11,214	35,511	46,725	11,607	36,754	48,361	12,013			
Insurance															
Property and Liability Insurance	3.5%	3.5%	42,318	134,007	176,325	43,799	138,697	182,496	45,332	143,552	188,884	46,919			
Fidelity Bond Insurance	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-			
Worker's Compensation	3.5%	3.5%	6,176	16,390	21,566	5,357	16,964	22,320	5,544	17,557	23,102	5,738			
Director's & Officers' Liability Insurance	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-			
Sub-total Insurance			47,494	150,397	197,890	49,156	155,661	204,817	50,876	161,109	211,985	52,657			
Maintenance & Repair															
Payroll	3.5%	3.5%	48,080	152,255	200,335	49,783	157,584	207,347	51,505	163,099	214,604	53,308			
Supplies	3.5%	3.5%	20,248	64,119	84,368	20,957	66,364	87,321	21,690	68,686	90,377	22,450			
Contracts	3.5%	3.5%	10,195	32,284	42,479	10,592	33,414	43,966	10,921	34,584	45,505	11,303			
Garbage and Trash Removal	3.5%	3.5%	29,677	93,976	123,653	30,715	97,266	127,991	31,790	100,670	132,460	32,903			
Security Payroll/Contract	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-			
HVAC Repairs and Maintenance	3.5%	3.5%	1,514	4,793	6,306	1,567	4,961	6,527	1,621	5,134	6,756	1,678			
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%	3,269	10,353	13,622	3,384	10,715	14,099	3,502	11,090	14,592	3,625			
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%	13,128	41,373	54,701	13,588	43,028	56,816	14,063	44,534	58,597	14,556			
Sub-total Maintenance & Repair Expenses			126,112	399,353	525,465	130,525	413,331	543,956	135,094	427,797	562,891	139,822			
Supportive Services	3.5%	3.5%	-	91,692	91,692	-	94,901	94,901	-	98,223	98,223	-			
Commercial Expenses			-	-	-	-	-	-	-	-	-	-			
TOTAL OPERATING EXPENSES			477,147	1,427,165	1,904,312	493,847	1,477,116	1,970,963	511,132	1,528,815	2,039,947	529,021			
RESERVES/GROUND LEASE BASE RENT/BOND FEES															
PUPA (w/o Reserves/GL Base Rent/Bond Fees)															
Ground Lease Base Rent			3,600	11,400	15,000	3,600	11,400	15,000	3,600	11,400	15,000	3,600			
Bond Monitoring Fee			600	1,900	2,500	600	1,900	2,500	600	1,900	2,500	600			
Replacement Reserve Deposit			10,800	34,200	45,000	10,800	34,200	45,000	10,800	34,200	45,000	10,800			
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			15,000	47,500	62,500	15,000	47,500	62,500	15,000	47,500	62,500	15,000			
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)			492,147	1,474,665	1,966,812	508,847	1,524,616	2,033,463	526,132	1,576,315	2,102,447	544,021			
NET OPERATING INCOME (INCOME minus OP EXPENSES)															
			44,704	194,945	239,649	45,156	186,735	231,891	45,624	177,819	223,443	46,109			
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)															
Hard Debt - First Lender			30,582	96,844	127,426	30,582	96,844	127,426	30,582	96,844	127,426	30,582			
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			30,582	96,844	127,426	30,582	96,844	127,426	30,582	96,844	127,426	30,582			
CASH FLOW (NOI minus DEBT SERVICE)															
Commercial Only Cash Flow			14,122	98,101	112,223	14,574	89,891	104,465	15,042	80,975	96,017	15,526			
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)			-	-	-	-	-	-	-	-	-	-			
AVAILABLE CASH FLOW															

2550 Irving

Total # Units:	LOSP		Non-LOSP		Year 14		Year 15			Year 16			Year 17	
	24.00%	76.00%	Units	Units	2039	2040	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP
	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)		non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP
INCOME														
Residential - Tenant Rents	2.5%	2.5%			1,496,153	1,587,135	93,296	1,533,557	1,626,813	95,988	1,571,896	1,667,484	97,977	1,611,193
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	2.5%			386,143	386,143	-	395,797	395,797	-	405,691	405,691	-	415,834
Residential - LOSP Tenant Assistance Payments	n/a	n/a			-	-	-	517,380	517,380	534,768	-	534,768	552,788	-
Commercial Space	n/a	2.5%	from 'Commercial Op. Budget Worksheet, Commercial to Residential allocation: 100%		-	500,801	-	-	-	-	-	-	-	-
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%			9,806	12,903	3,174	10,051	13,225	3,253	10,303	13,556	3,335	10,560
Tenant Charges	2.5%	2.5%			-	-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%			-	-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%			-	-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable		-	-	-	-	-	-	-	-	-	-
Gross Potential Income					1,892,102	2,486,781	613,810	1,939,405	2,553,215	633,609	1,997,890	2,621,499	654,101	2,037,587
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy, annual incrementing usually not appropriate		(74,808)	(79,357)	(4,663)	(76,678)	(81,341)	(4,779)	(78,592)	(83,374)	(4,899)	(80,560)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a			(19,307)	(19,307)	-	(19,790)	(19,790)	-	(20,285)	(20,285)	-	(20,782)
Vacancy Loss - Commercial	n/a	n/a			-	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME					1,797,988	2,388,118	609,147	1,842,937	2,452,084	628,830	1,899,011	2,517,841	649,202	1,936,236
OPERATING EXPENSES														
Management														
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule		89,859	118,235	29,370	93,004	122,373	30,398	96,259	126,656	31,461	99,628
Asset Management Fee	3.5%	3.5%	per MOHCD policy		27,885	36,690	8,114	28,861	37,975	9,433	29,871	39,304	9,763	30,616
Sub-total Management Expenses					117,743	154,925	38,483	121,864	160,348	39,830	126,130	165,960	41,224	130,544
Salaries/Benefits														
Office Salaries	3.5%	3.5%			89,802	179,605	92,945	92,945	185,891	96,199	96,199	192,397	99,565	99,565
Manager's Salary	3.5%	3.5%			157,544	207,294	51,492	163,058	214,550	53,294	168,765	222,059	55,159	174,672
Health Insurance and Other Benefits	3.5%	3.5%			65,801	86,580	21,507	68,104	89,611	22,259	70,488	92,747	23,038	72,955
Other Salaries/Benefits	3.5%	3.5%			13,229	17,333	4,454	14,106	18,560	4,610	14,599	19,210	4,772	15,170
Administrative Rent-Free Unit	3.5%	3.5%			-	-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits					326,776	491,412	170,386	338,213	508,611	176,362	350,050	526,413	182,535	362,302
Administration														
Advertising and Marketing	3.5%	3.5%			-	-	-	-	-	-	-	-	-	-
Office Expenses	3.5%	3.5%			46,889	61,696	15,325	48,530	63,855	15,862	50,229	66,090	16,417	51,987
Office Rent	3.5%	3.5%			-	-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%			35,050	46,119	11,456	36,277	47,733	11,857	37,547	49,403	12,272	38,861
Audit Expense	3.5%	3.5%			13,755	18,098	4,496	14,236	18,732	4,653	14,734	19,387	4,816	15,250
Bookkeeping/Accounting Services	3.5%	3.5%			12,195	16,048	3,996	12,622	16,608	4,125	13,064	17,189	4,270	13,521
Bad Debts	3.5%	3.5%			34,168	44,958	11,168	35,364	46,531	11,558	36,602	48,160	11,963	37,883
Miscellaneous	3.5%	3.5%			21,854	28,755	7,143	22,619	29,761	7,393	23,410	30,803	7,651	24,230
Sub-total Administration Expenses					163,911	215,672	53,573	169,647	223,220	55,448	175,585	231,033	57,389	181,731
Utilities														
Electricity	3.5%	3.5%			44,387	58,404	14,508	45,940	60,448	15,015	47,548	62,564	15,541	49,213
Water	3.5%	3.5%			180,288	237,221	58,926	186,598	245,524	60,988	193,129	254,117	63,123	199,888
Gas	3.5%	3.5%			-	-	-	-	-	-	-	-	-	-
Sewer	3.5%	3.5%			-	-	-	-	-	-	-	-	-	-
Sub-total Utilities					224,675	295,625	73,433	232,538	305,972	76,003	240,677	316,681	78,663	249,101
Taxes and Licenses														
Real Estate Taxes	3.5%	3.5%			3,317	4,364	1,084	3,433	4,517	1,122	3,553	4,675	1,161	3,677
Payroll Taxes	3.5%	3.5%			31,801	41,843	10,394	32,914	43,307	10,758	34,066	44,823	11,134	35,258
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%			2,924	3,847	958	3,026	3,981	989	3,132	4,121	1,024	3,241
Sub-total Taxes and Licenses					38,041	50,053	12,433	39,372	51,805	12,868	40,750	53,619	13,319	42,176
Insurance														
Property and Liability Insurance	3.5%	3.5%			148,576	195,495	48,561	153,776	202,337	50,260	159,158	209,419	52,020	164,729
Fidelity Bond Insurance	3.5%	3.5%			-	-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%			18,172	23,910	5,939	18,808	24,747	6,147	19,466	25,613	6,362	20,147
Director's & Officers' Liability Insurance	3.5%	3.5%			-	-	-	-	-	-	-	-	-	-
Sub-total Insurance					166,748	219,405	54,500	172,584	227,084	56,408	178,624	235,032	58,382	184,876
Maintenance & Repair														
Payroll	3.5%	3.5%			168,808	222,115	55,173	174,716	229,889	57,105	180,831	237,935	59,103	187,160
Supplies	3.5%	3.5%			71,090	93,540	23,235	73,579	96,814	24,049	78,154	100,202	24,890	78,819
Contracts	3.5%	3.5%			35,794	47,097	11,699	37,047	48,746	12,108	38,343	50,452	12,532	39,685
Garbage and Trash Removal	3.5%	3.5%			104,193	137,096	34,955	107,940	141,895	38,247	111,614	146,861	39,480	115,521
Security Payroll/Contract	3.5%	3.5%			-	-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance	3.5%	3.5%			5,314	6,992	1,737	5,500	7,237	1,798	5,692	7,490	1,861	5,892
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%			11,478	15,103	3,752	11,880	15,631	3,883	12,296	16,178	4,019	12,726
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%			46,093	60,648	15,065	47,706	62,771	15,992	49,376	64,968	16,138	51,104
Sub-total Maintenance & Repair Expenses					442,770	582,992	144,716	458,267	602,983	149,781	474,306	624,087	155,023	490,907
Supportive Services	3.5%	3.5%			101,661	101,661	-	105,219	105,219	-	108,901	108,901	-	112,713
Commercial Expenses			from 'Commercial Op. Budget Worksheet, Commercial to Residential allocation: 100%		-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES					1,582,223	2,111,345	547,537	1,637,705	2,185,242	566,701	1,695,024	2,261,725	586,536	1,754,350
RESERVES/GROUND LEASE BASE RENT/BOND FEES														
Reserves/Ground Lease Base Rent/Bond Fees														
Ground Lease Base Rent					11,400	15,000	3,600	11,400	15,000	3,600	11,400	15,000	3,600	11,400
Bond Monitoring Fee					1,900	2,500	600	1,900	2,500	600	1,900	2,500	600	1,900
Replacement Reserve Deposit					34,200	45,000	10,800	34,200	45,000	10,800	34,200	45,000	10,800	34,200
Operating Reserve Deposit					-	-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit					-	-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit					-	-	-	-	-	-	-	-	-	-
Required Reserve Deposits, Commercial			from 'Commercial Op. Budget Worksheet, Commercial to Residential allocation: 100%		-	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees					47,500	62,500	15,000	47,500	62,500	15,000	47,500	62,500	15,000	47,500
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)					1,629,823	2,173,845	562,537	1,685,205	2,247,742	581,701	1,742,524	2,324,225	601,536	1,801,850
NET OPERATING INCOME (INCOME minus OP EXPENSES)														
NET OPERATING INCOME (INCOME minus OP EXPENSES)					168,164	214,273	46,610	157,732	204,342	47,129	146,486	193,615	47,666	134,386
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)														
Hard Debt - First Lender			Enter comments re: annual increase, etc.		96,844	127,426	30,582	96,844	127,426	30,582	96,844	127,426	30,582	96,844
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.		-	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.		-	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender	</													

Attachment E – Updated Schedule

No.	Performance Milestone	Estimated or Actual Date	Notes
A	Prop I Noticing (if applicable)	6/24/21	Complete
1.	Acquisition/Predevelopment Financing Commitment	7/20/21	Complete
2.	Site Acquisition	11/19/21	Complete
3.	Development Team Selection		
a.	Architect	9/1/20	Complete
b.	General Contractor	12/20/21	Complete
c.	Owner's Representative	7/28/21	Complete
d.	Property Manager	8/15/21	Complete
e.	Service Provider	8/15/21	Complete
4.	Design		
a.	Submittal of Schematic Design & Cost Estimate	3/16/22	Complete
b.	Submittal of Design Development & Cost Estimate	8/15/22	
c.	Submittal of 50% CD Set & Cost Estimate	10/15/22	
d.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	3/15/23	
5.	Environ Review/Land-Use Entitlements		
a.	SB 35 Application Submission	12/3/21	Complete
b.	CEQA Environ Review Submission	N/A	CEQA Exempt
c.	NEPA Environ Review Submission	11/1/21	
d.	CUP/PUD/Variances Submission	N/A	
6.	PUC/PG&E		
a.	Temp Power Application Submission	4/29/22	Application to PUC, then PG&E who will

			reject due to project being WDT
b.	Perm Power Application Submission	11/30/22	
7.	Permits		
a.	Building / Site Permit Application Submitted	5/2/22	
b.	Addendum #1 Submitted	12/1/22	
c.	Addendum #2 Submitted	1/31/23	
8.	Request for Bids Issued	4/15/23	
9.	Service Plan Submission	5/30/25	
a.	Preliminary	2/15/24	
b.	Final	2/15/24	
10.	Additional City Financing		
a.	Preliminary Gap Financing Application	6/24/22	
b.	Gap Financing Application	12/15/23	
11.	Other Financing		
a.	HCD Application	6/28/22	
b.	Construction Financing RFP	4/23/23	
c.	AHP Application	3/15/23	
d.	CDLAC Application	9/15/23	
e.	TCAC Application	9/15/23	
f.	Other Financing Application	N/A	
g.	LOSP Funding Request	9/30/25	
12.	Closing		
a.	Construction Loan Closing	4/10/24	
b.	Conversion of Construction Loan to Permanent Financing	12/15/26	
13.	Construction		
a.	Notice to Proceed	4/15/24	

b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	11/30/25	
14.	Marketing/Rent-up		
a.	Marketing Plan Submission	1/15/25	
b.	Commence Marketing	4/15/25	
c.	95% Occupancy	6/15/26	
15.	Cost Certification/8609	6/15/27	
16.	Close Out MOH/OCII Loan(s)	12/15/26	

Attachment F – April 2021 Loan Evaluation

See attached.

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

2550 Irving Street
\$14,277,516 Acquisition/Predevelopment Loan
(\$9,284,000 Acquisition Loan and \$4,993,516
Predevelopment Loan)

Evaluation of Request for:	Acquisition/Predevelopment Loan
Loan Committee Date:	April 2, 2021
Prepared By:	Jacob Noonan, Senior Project Manager
Source of Funds Recommended:	2019 GO Bond Proceeds and CPMC Funds
NOFA/PROGRAM/RFP:	2019 Affordable Multifamily Rental Housing NOFA
Total Previous City Funds Committed:	N/A
Applicant/Sponsor Name:	Tenderloin Neighborhood Development Corporation (TNDC)

EXECUTIVE SUMMARY

Sponsor Information:

Project Name:	2550 Irving	Sponsor(s):	TNDC
Project Address (w/ cross St):	2550 Irving Street (26th and 27 th Avenues) 94122	Ultimate Borrower Entity:	2550 Irving Associates L.P.

Project Summary:

2550 Irving is a new construction project proposed in District 4 of San Francisco. The site is a through corner lot fronting on Irving Street from 26th to 27th Avenues. The former credit union (The Police Credit Union, TPCU) building and surface parking lot will be redeveloped into a Type III/I mixed use residential building. The project will provide permanent affordable housing in for lower income individuals and families consistent with the 2019 General Obligation Affordable Housing Bond, and City two-year budget, Consolidated Plan and Master Plan Housing Element. As envisioned, the project will provide 98 affordable apartments (12 studio, 32 1-bedroom, 29 2-bedroom, 25 3-bedroom). Thirty-one apartments will serve low income households (70%-80% MOHCD AMI). The remaining 66 apartments will serve very low income households (25%-50% MOHCD AMI). Twenty-five of the apartments will be reserved for individuals and families who have experienced homelessness, supported by the Local Operating Subsidy Program (LOSP). There will be one on-site manager's apartment. TNDC was selected to develop the project through the 2019 Affordable Multifamily Rental Housing Notice of Funding Availability (NOFA).

Project Description:

Construction Type:	Type III/I	Project Type:	New Construction
Number of Stories:	7	Lot Size (acres and sf):	0.44 acres/19,125 SF
Number of Units:	98	Architect:	Pyatok Architects, Inc.
Total Residential Area:	105,391 SF	General Contractor:	TBD
Total Commercial Area:	2,228 SF	Property Manager:	Tenderloin Neighborhood Development Corporation
Total Building Area:	107,619 SF	Supervisor and District:	Mar (D4)

Landowner:	2550 Irving Associates, L.P.		
Total Development Cost (TDC):	\$94,064,992	Total Acquisition Cost:	\$9,486,500
TDC/unit:	\$959,847	TDC less land cost/unit:	\$863,046
Loan Requested:	\$14,277,516	Request Amount / unit:	\$145,689
HOME Funds?	N	Parking:	TBD, 11 spaces min

PRINCIPAL DEVELOPMENT ISSUES

- High development costs. Total Development Cost/unit is estimated at \$959,847, while other comparative projects in predevelopment currently average \$831,500. The higher per unit estimated development costs are attributed to higher land costs and higher construction costs to build the larger family units planned. However, total development cost per bedroom estimated for 2550 Irving is \$531,441, below the average for comparative buildings in predevelopment of \$579,336. (See Attachment H)
- Cost containment. Opportunities to limit development and operation costs will be assessed and integrated in project design and construction management during predevelopment and prior to gap financing. (See Sections 4.4 and 4.5)
- Predevelopment costs are higher than average to provide expanded community education and engagement, allow for demolition of existing structure during predevelopment, and environmental review.
- Converting the site to residential use. Studies detected Tetrachloroethene (PCE), which is a common drycleaner contaminant, in soil vapor at concentrations exceeding environmental screening levels. The issue is remedied using a Vapor Intrusion Mitigation System (VIMS) to ensure residential use of the site is safe for future residents. (See Section 2.4)
- Community support and community opposition. The site has been the focus of local protests and calls to action by community members and associations opposing the envisioned project concerned that affordable housing and the project will degrade quality of life and property values. Developing broad and specific outreach and education, and meaningful opportunities for community input during project design and development could help ameliorate community concerns and enhance community support. (See Section 3)
- Achieving geographic equity. There are unmet needs for affordable housing in all districts across San Francisco, and especially in districts experiencing significant displacement pressures but which have traditionally been underserved by new affordable housing production. Developing new housing, especially 100% affordable housing is key to Mayor Breed's housing plan and COVID-19 recovery strategy. The

housing envisioned at 2550 Irving exemplifies efforts to invest in high resource neighborhoods in need of affordable housing. (See Section 1.1 and Section 2.5)

- Competitiveness for state tax exempt bond funding. Recent changes in state programs target state affordable housing investment in large family projects in high resource neighborhoods. 2550 Irving scores high for state bond funding, potentially resulting in the project being more competitive. (See 6.5.2)

SOURCES AND USES SUMMARY

Predevelopment Sources	Amount	Terms	Status
MOHCD Loan	\$9,284,000 (Acquisition)	3 yrs @ 3.00% Residual Receipts	This Request
	\$4,993,516 (Predevelopment)		
	\$14,277,516 (Total)		

Permanent Sources	Amount	Terms	Status
MOHCD Gap Loan	\$25,618,912	55 yrs @ 3.00% Residual Receipts	Not Committed
LIHTC Equity	\$38,136,064	\$0.95 per credit pricing	Not Committed
MHP (HCD)	20,000,000	3.00%	Not Committed
IIG (HCD)	4,883,078	55 yrs @ 0%	Not Committed
AHP (FHLB)	1,250,000	55 yrs @ 0%	Not Committed
GP Equity	3,200,000	N/A	Not Committed
Deferred Interest	746,938	N/A	This Request

Uses	Amount	Per Unit	Per SF
Acquisition	\$9,284,000	\$94,735	\$86
Hard Costs	\$62,022,139	\$632,879	\$576
Soft Costs	\$15,957,611	\$162,833	\$148
Developer Fee	\$5,400,000	\$55,102	\$50
Total	\$94,019,992	\$959,388	\$874

1. BACKGROUND

1.1. Project History Leading to This Request.

Affordable housing is needed throughout San Francisco and this is recognized in the City's current two-year budget, which focuses on equity and accountability through, among other actions, investing in neighborhoods and communities that have been traditionally overlooked and are in need of affordable housing. In 2019, Mayor Breed and Board of Supervisors President Norman Yee convened a working group to craft an affordable housing bond for the November 2019 ballot. The Board of Supervisors and the working group identified geographic balance as one of the priorities for the bond. Specifically, the priority was to fund new lower income and senior housing projects in Districts 1, 2, 4, 7, and 8, neighborhoods that either experienced limited affordable housing production or experienced both limited affordable housing production and high levels of displacement.

The family housing envisioned at 2550 Irving addresses City goals for improving geographical equity, assuring all San Franciscans have an opportunity to live in communities with good access to parks and recreation areas, schools, and shopping. The building will provide needed family housing, including a specific percentage of units allocated for individuals and families who have experienced homelessness. The allocation advances a goal of the Department of Homelessness and Supportive Housing Five-Year Strategic Framework for ending family homelessness and is in line with MOHCD practice. The new housing will be leased in accordance with the neighborhood preference policy which provides a preference for a portion of the total number of units not filled through the coordinated entry system (typically 25% to 40% of non-LOSP funded units in a building) to current District 4 residents and residents living within a half mile of the property. MOHCD has required TNDC to implement an affirmative marketing strategy targeted to residents in the communities surrounding the development that may result in a larger pool of residents within the building's general lottery lease up.

There is a community need in District 4 for affordable housing and a need for affordable family housing. The District has experienced an increase both in rent rates, and median home sales prices. Rents have increased up to 40%, while the median house sales price in 2019 was \$1,500,000, a 105% increase since 2012.¹ Leading up to the current high housing costs, a Board of Supervisor report in 2013 estimated at the time approximately 40% of District 4 residents were rent burdened.² High rent burden is directly associated with increased risk of displacement.

District 4 also has one of the highest concentrations in the city of families with children. A 2014 Supervisor report found there to be approximately 12,000

¹ Compass, San Francisco Home Prices, Market Trends & Conditions, December 2019,

<https://www.bayareamarketreports.com/trend/san-francisco-home-prices-market-trends-news>

² City and County of San Francisco Board of Supervisors, Analysis of Tenant Displacement in San Francisco, October 2013, <https://sfbos.org/sites/default/files/FileCenter/Documents/47040-BLA%20Displacement%20103013.pdf>

children in the District³, which is the third highest concentration of children out of the 11 supervisorial districts.⁴ High rent burden and high concentration of families with children indicates the affordable housing need in District 4 is primarily for family housing (buildings with 1-, 2-, and 3-bedroom units).

There has been limited development of housing and affordable housing in District 4 over the last ten years, while the District has lost affordability. On April 25, 2015, the Board of Supervisors passed Ordinance No. 53-15 requiring the San Francisco Planning Department to monitor and report bi-annually on the Housing Balance between new market rate housing and new affordable housing production. “Housing Balance” as the proportion of all new affordable housing units to the total number of all new housing units for a 10-year “Housing Balance Period”, accounting for any loss of units removed from “protected status” meaning from rent control.

Housing Balance Report No. 10 – January 1, 2010 to December 31, 2019
 San Francisco Planning Department

Table 1B
Expanded Cumulative Housing Balance Calculation, 2010 Q1 – 2019 Q4

BoS Districts	Net New Affordable Housing Built	Acquisitions & Rehabs and Small Sites Completed	RAD Program and Hope SF Replacement Units	Units Removed from Protected Status	Total Entitled & Permitted Affordable Units	Total Net New Units Built	Total Entitled & Permitted Units	Expanded Cumulative Housing Balance
BoS District 1	234	21	144	(456)	-	416	278	-8.2%
BoS District 2	99	25	251	(277)	29	982	365	9.4%
BoS District 3	257	112	576	(273)	244	1,027	504	59.8%
BoS District 4	26	-	-	(449)	10	64	168	-178.0%
BoS District 5	763	710	806	(311)	97	1,613	1,446	67.5%
BoS District 6	3,280	1,462	560	(141)	2,116	15,118	10,008	29.0%
BoS District 7	124	-	109	(219)	-	555	1,118	0.8%
BoS District 8	325	74	330	(577)	27	1,465	413	9.5%
BoS District 9	209	196	268	(600)	800	947	1,943	30.2%
BoS District 10	1,723	-	436	(274)	1,362	5,663	4,530	31.9%
BoS District 11	41	21	-	(374)	131	160	415	-31.5%
TOTALS	7,081	2,621	3,480	(3,951)	4,816	28,010	21,188	28.6%

From 2010 to 2020, 26 net new affordable housing units and 64 total net new units were built in District 4. In the same period 449 rent controlled units were removed from the rental market.

The most recent Housing Balance Report, dated March 9, 2020, covers the 10-year period from January 1, 2014 and ending December 31, 2020. During this period the expanded Citywide Cumulative Housing Balance was 28.6%, although this varies by Supervisor district. Distribution of the expanded Cumulative Housing Balance over the 11 Board of Supervisor Districts ranged from -178% in

³ Office of Supervisor Katy Tang, Resilient Sunset Preparedness Guide, September 2016, https://sfbos.org/sites/default/files/Resilient_Sunset_Preparedness_Guide.pdf

⁴ Office of Supervisor Katy Tang, The Sunset District Blueprint, July 2014, https://sfbos.org/sites/default/files/FileCenter/Documents/49717-final_sunset_blueprint_compressed.pdf

District 4 to 68% in District 5. This variation, especially with negative housing balances, was due to the larger number of units permanently withdrawn from rent control protection relative to the number of total net new units and net affordable units built in those districts. Although some other Districts experienced greater loss of rent controlled units, District 4 saw the least amount of new affordable housing created. Therefore the relative impact of housing loss in District 4 to lack of housing created has resulted in the greatest negative housing balance of the 11 districts. (See Table 1B on previous page)

The loss of affordable rental housing in District 4 disproportionately affects lower income households. Along with the Shirly Chisholm Village, 2550 Irving will be one of the first new affordable housing buildings on the westside in years. MOHCD manages the lease up of rental, and sale and re-sale of ownership affordable housing through a web-based management system (DAHLIA). As of the writing of this report there are no affordable rentals available in District 4 and only four ownership units available (One new unit, the other three re-sales).

2550 Irving will provide 98 permanently affordable apartments serving rent burdened lower income individuals and families, some of whom will have experienced homelessness.

1.2. Applicable NOFA/RFQ/RFP. (See Attachment E for Threshold Eligibility Requirements and Ranking Criteria)

On November 5, 2019, San Francisco voters approved Proposition A, authorizing issuance of \$600,000,000 in General Obligation Bonds for Affordable Housing (2019 GO Bonds). The Bond Report captures the expenditure categories and priorities that were determined by the working group and includes acquisition and predevelopment funding for lower income and senior housing production (\$15,000,000 each) in the underserved supervisorial districts.

On December 27, 2019 MOHCD released a Notice of Funding Availability (NOFA) for Affordable Multifamily Rental Housing targeting districts traditionally underserved by affordable housing. The NOFA provided funding for affordable housing development activities including acquisition and predevelopment costs for new housing projects that will serve lower income families and vulnerable populations in Districts 1, 2, 4, 7, and 8.

Proposition A, along with MOHCD's NOFA, aimed to address San Francisco's well-documented and severe housing affordability crisis by meeting several goals. These goals include the following:

- Address geographic equity by investing in affordable housing in districts that have not benefited significantly from new affordable housing production previously,
- Fund new affordable housing, including for San Francisco's lower and middle working class,
- Create new housing opportunities for those in greatest need. While the NOFA asked for proposals with a maximum 80% MOHCD AMI (area median

income) and a maximum average of 60% MOHCD AMI, the Bond allocated \$200 million to serve extremely low-income households (30% AMI or less).

On January 30, 2020, TNDC submitted a proposal for 2550 Irving that met the goals of Proposition A and the NOFA. The proposal targets lower income families by providing a mix of 1-bedroom, 2-bedroom, and 3-bedroom apartments serving households earning in ranges between 25% and 80% MOHCD AMI (Area Median Income). Twenty-five percent of apartments will have 3-bedrooms. Apartments subsidized by the Local Operating Subsidy Program (LOSP) could be rented at 25% AMI or less, subject to confirmation by HSH.

On September 14, 2020, MOHCD notified TNDC its proposal for 2550 Irving would be considered for acquisition and predevelopment funding. The 2550 Irving project meets the goals of the NOFA and Proposition A by providing lower income family housing in a district that has traditionally been underserved by new affordable housing production.

1.3. Borrower/Grantee Profile. (See Attachment B for Borrower Org Chart; See Attachment C for Developer Resume and Attachment D for Asset Management

- Borrower entity is 2550 Irving Associates, L.P. TNDC is the manager of the LP's general partner, 2550 Irving GP LLC.
- Joint Venture Partnership: No

1.4. Project Management Capacity and Relevant Experience. TNDC was founded in 1981 with the acquisition of a single property and a commitment to creating permanently affordable homes for low-income San Franciscans. Over its 40-year history, TNDC has developed, owned, and managed 3,674 units, with another 263 under construction and 1,129 in predevelopment, totaling 5,066 units in total.

TNDC's in-house Property Management, Tenant Services, Asset Management, Accounting, and Community Organizing teams will ensure the Project's transition from development and construction into leasing and stabilized operations.

1.5. Project Staffing. Below is a list of TNDC staff members assigned to 2550 Irving along with the percentage of total workload dedicated. Jackson Rabinowitsh is the project manager for TNDC and Hermandeep Kaur is assistant project manager supporting Jackson. Shreya Shah provides guidance to Jackson and Hermandeep and on the project on a daily basis. Katie Lamont provides high-level guidance to the team along with executive support and advocacy.

- Jackson Rabinowitsh (Project Manager): 50%
- Hermandeep Kaur (Assistant Project Manager): 30%
- Shreya Shah (Associate Director of Housing Development): 20%
- Katie Lamont (Senior Director of Housing Development): 5%

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

Site Description	
Zoning: (See Section 2.1)	NCD 40-X
Maximum units allowed by current zoning (N/A if rehab):	unlimited
Number of units added or removed (rehab only, if applicable):	N/A
Seismic (if applicable):	Seismic Zone 4
Soil type:	Dune Sand Deposits
Local/Federal Environmental Review (See Section 2.3)	The streamlined approval process under SB 35 governs the scope of CEQA analysis. SB 35 review is currently underway. As envisioned the project does not use federal funds and NEPA is not required.
Environmental Studies (See Section 2.4)	Phase I: February 8, 2019. See Section 2.4 for findings. Limited Phase II: June, 2019 – August, 2019 <i>DTSC Application in process</i> <i>Maher Application pending</i>
Adjacent uses (North):	Single family residential
Adjacent uses (South):	Mixed use commercial and multifamily
Adjacent uses (East):	Single family residential/ commercial surface parking
Adjacent uses (West):	Single and multifamily residential
Amenities within 0.5 miles: (See Section 2.5 for a discussion of local amenities, See Attachment E for a map)	<p>Parks and Recreation Areas</p> <ul style="list-style-type: none"> • Golden Gate Park • Sunset Playground • Ocean Park Health Center <p>Schools and Libraries</p> <ul style="list-style-type: none"> • Sunset Branch Library • Jefferson Elementary School • Jefferson Child Development Center Preschool • Lawton Alternative School

	<ul style="list-style-type: none">• Wah Mei School• Kumon Math. Reading. Success. <p>Places of Worship</p> <ul style="list-style-type: none">• 19th Avenue Baptist Church• 19th Avenue Chinese Baptist Church• 19th Avenue Japanese Baptist Church• The Meeting Place of The Church of San Francisco• The Church of Jesus Christ of Latter-day Saints• Cornerstone Evangelical Baptist Church• Church of Scientology• San Francisco Mandarin Baptist Church• Calvary United Methodist Church <p>Grocery Stores</p> <ul style="list-style-type: none">• Sunset Super• Irving Seafood Market <p>Restaurants</p> <ul style="list-style-type: none">• Uncle Benny's Donut & Bagel• Salon De Hong Kong• Micado Restaurant• Quickly• Yuanbao Jiaozi Chinese Dumpling Restaurant• Que Huong Vietnamese Deli• Sushi Uma• ITea• Wok Station• Guangdong Barbecue Restaurant <p>Exercise and Fitness</p> <ul style="list-style-type: none">• Raise the Bar Fitness• American Gymnastics Club• Nomad Cyclery• Elevation Bike Co. <p>General Neighborhood Commercial</p> <ul style="list-style-type: none">• Cutting Corner Hair Design• City Cuts Beauty Salon• Postal Depot• The Animal Connection Pet Shop• Olson's Cleaners 3 Hr. Service
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	<ul style="list-style-type: none"> • Irving Housewares & Gifts • Sunset Music • Actnet Service & Maintenance • Laundrapalooza Coin Laundry • WB Plumbing Supply • All Bay Properties Inc Notary • Asia Pacific Groups Real Estate & Loans <p>Banking and Financial Services</p> <ul style="list-style-type: none"> • Sterling Bank & Trust • Chase Bank • HSBC Bank • Wells Fargo Bank • East West Bank • Citibank • Bank of America • US Bank • First Republic Bank <p>Medical and Pharmacy</p> <ul style="list-style-type: none"> • Walgreens Pharmacy • S.F. Eye Care • Lau Chiropractic • James G. Nickolopoulos, D.P.M Foot Clinic • Sunset Dental Care • California Center of Dental Aesthetics & Implantology • Sunset Family Dental • Oriental Natural Healing Center
Public Transportation within 0.5 miles:	<ul style="list-style-type: none"> • N – Judah light rail • 29 Sunset • 7 Haight/Noriega • 28 19th Avenue
Article 34:	Not Exempt. Will be complete by loan closing.
Article 38:	Exempt – Not in Air Pollutant Exposure Zone area per 2020 map
Accessibility:	<p>Project proposes the below:</p> <ul style="list-style-type: none"> • # of mobility units – 15 units (15%) • # of adaptable units – 83 units (all other units)

	<ul style="list-style-type: none"> # of units with Hearing or Visually Impaired (HVI) features – 9 units (10%)
Green Building: (See Section 2.6)	Green Building program will comply with Title 24 and the City’s green building requirements. As envisioned the project will align with ILFI (International Living Future Institute’s) or LEED certification program requirements
Recycled Water:	Exempt
Storm Water Management:	SWM Plan being developed. Not submitted and not PUC approved

2.1. Zoning. The project is located in the Irving Street Neighborhood Commercial District (NCD) and the 40-X Height and Bulk District. The State Density Bonus Law exempts 100% affordable projects from density limits and provides up to three additional stories of height, or 33 feet, above the zoned height limit. A 100% affordable project in a 40-X Zoning District may be up to 73 feet in height.

2.2. Probable Maximum Loss. N/A - new construction

2.3. Local/Federal Environmental Review. Project is subject to SB 35, which determines application of the California Environmental Quality Act (CEQA) to this project. There are no federal funds anticipated in the project at this time and therefore the National Environmental Protection Act (NEPA) does not apply.

2.4. Environmental Studies. Studies conducted by AllWest on behalf of the current owner, and by Path Forward on behalf of TNDC detected Tetrachloroethene (PCE), a common dry-cleaning contaminant in soil vapor at concentrations exceeding environmental screening levels. No contaminants were found in the soil. The likely source is past dry-cleaning operations at nearby properties. With oversight by the California Department of Toxic Substances Control (DTSC), Path Forward, the project’s environmental consultant, has designed a Vapor Intrusion Mitigation System (VIMS) to remedy the issue ensuring residential use of the site is safe for future residents. DTSC will conduct a public participation process for the review of the designed system and operations and maintenance plan; the associated costs are included in the project’s operating budget. Existing investigations and the remedy plan proposed will likely satisfy Maher requirements and further testing and mitigation beyond currently has been completed is unlikely to be required.

No known hazards are present at the site, however due to the age of the existing building, the Phase I Environmental Site Assessment recommended performing further testing for asbestos containing materials (ACM) and lead based paint (LBP) assessments. ACM and LBP are presumed present at the site, and TNDC will conduct testing and mitigate these materials prior to or concurrent with

demolition. Also recommended in the Phase I ESA was an Underground Storage Tank (UST) survey, which was conducted by AllWest May 15, 2019, finding the site clear of USTs.

2.5. Adjacent uses and neighborhood amenities. (See the chart in Section 2 for a list of amenities within half mile of the property and Attachment E for a map)

This area is recognized as a “high amenity, high resource area” by SF Planning. 2550 Irving is located at the end of a commercial corridor and in close proximity to neighborhood serving businesses representing a wide range of services and products meeting daily shopping needs. The site is one block from Golden Gate Park and in close proximity to schools and recreation areas. Proximity to nearby schools, library, and recreational areas was factored in to TNDC’s early assessment of the site for family housing. District 4 has a high concentration of children, and local schools rank number 3 in the SFUSD system. In addition to the many nearby activities available to families in Golden Gate Park, Ocean Beach is under a mile and half from the site and is easily accessible by the N-Judah light rail. The surrounding mid-Sunset neighborhood offers many restaurants, grocery stores, active lifestyle, and cultural activities. The proximity of a concentration of amenities improves the project’s competitiveness for state funding and lessens the need to include commercial or community serving space in the project.

2.6. Green Building. The green building program is currently being developed and will comply with the City’s green building requirements and state title 24. In addition, the green building program will be designed to maximize scoring purposes of tax credit and other state funding programs. As envisioned the project will be all-electric and include photovoltaic systems to offset electrical load. As a means of integrating green building design and innovation the project has been accepted into the International Living Future Institute’s Living Building Challenge which takes a holistic approach to environmental sustainability. Depending on participation cost the building could either be enrolled in this program or in LEED (Leadership in Energy and Environmental Design) or may follow the guidelines without enrollment as a means of evaluating and recognizing the envisioned green building standards that will be incorporated while containing costs.

3. COMMUNITY SUPPORT

2550 Irving has been the focus of local community groups and neighbors. To date the property has been the site of protests and MOHCD has received several email communications opposing the project as envisioned. Community engagement is underway and additional meetings are planned in April through June. So far, two community meetings have been held jointly by TNDC and the District Supervisor, Gordon Mar, and three community workshops well held by TNDC and the project architect. In February 2021 the Supervisor and representatives from MOHCD participated in a neighborhood meeting sponsored by the Mid Sunset Neighborhood Association (MSNA). In March, TNDC and the project architect, Pyatok, held four

workshops as a first step in engaging the community in visioning for the project (see Section 3.1.) Concerns and issues raised by opponents have included creating affordable housing at the site, the proposed size and height of the building, the amount of parking, and the number of units reserved for formerly homeless individuals and families. Externally to the project, opponents have raised concerns over impacts on local transit and parking.

Recognizing community concerns and providing opportunities for input in design of the building and visioning for the commercial space will help ameliorate concerns. TNDC is currently developing an engagement program assuring that neighbors and interested community members, groups and stakeholders can access current information on the project, upcoming community activities, and ways to provide input. TNDC's community engagement is discussed in greater detail in Section 3.2.

3.1. Prior Outreach. TNDC and the project architect, Pyatok, began community outreach in October 2020 and have met with several community-based organizations, community groups, immediate neighbors, school principals, faith leaders, and influential individuals. TNDC has also held two virtual community meetings in partnership with Supervisor Mar, on January 16th, 2021 with more than 150 community members attending, and on January 23rd, 2021 with more than 300 community members attending.

In March three online events were held (March 11, 13, and 15). The goal of the events was to gather feedback from residents on their vision for the Sunset neighborhood. The events were structured as workshops and titled "Sunset Community Conversations." Each covered the same material and format. The intention of holding multiple meetings was to provide as much opportunity for community members to participate as possible. Feedback received from the workshops was on visioning and what community members saw as important aspects of the neighborhood. Information received in the workshops will be used to develop the guiding principles for the building.

Organizations who have expressed support for the project include Faith In Action, the District 4 Youth and Family Network, and D4ward. Organizations who have expressed opposition to the project, key issues summarized in the beginning of Section 3, include the SF Sunset Community Alliance Association and the Mid-Sunset Neighborhood Association.

3.2. Future Outreach. TNDC in close coordination with MOHCD and Supervisor Mar's office is developing extensive community engagement following the events that have occurred between January and end of March. Additional events similar in structure to the Community Conversations held in March are being developed for April, May, and June. TNDC and Pyatok will continue engaging the community in educational programming and opportunities to influence aspects of the development, including public realm, building styles, and visioning and programming for the ground floor commercial area.

Concurrently with the Sunset Community Conversations, three community updates are planned, each spaced approximately one month apart to provide information on the project and opportunities for community input as the

visioning and guiding principles are formed. If public health orders allow, opportunities will be provided to tour existing affordable housing buildings offering members of the community the chance to experience affordable housing in person.

TNDC will leverage local community groups that have engaged in the past to ensure community activities occur in a culturally sensitive way. The two community-based organizations, Faith In Action and D4 Youth and Family Network, are comprised of broad constituencies, including schools, churches, and community centers representing both the Sunset community and communities that have been historically marginalized in San Francisco. TNDC representatives are in regular contact with these groups and regularly engage their input while designing community meeting programs and feedback opportunities to ensure content is not culturally biased.

TNDC will integrate input received from the community conversations, monthly project updates, and any other community engagement during the project design phase. Current information on the project and progress will be available and kept up to date on the project website (www.2550irving.com) and communications will be sent to everyone who has signed up for notices on the project interest list when major milestones are reached.

TNDC will develop a marketing plan which will include affirmative marketing to the community assuring local residents are aware and able to sign up for opportunities in the new building. TNDC will also work with District 4 community partners ensuring housing opportunities reach a wide range of individuals and families with diverse backgrounds.

- 3.3. Proposition I. Proposition I will be required for this project. Noticing has not occurred but will be posted at least 30 days prior to predevelopment loan closing.

4. DEVELOPMENT PLAN

- 4.1. Site Control. TNDC has entered into a purchase and sale agreement (PSA) with The Police Credit Union, who is the current owner of the property, and will purchase the site with funds from this loan. The PSA was signed October 12, 2021 and sets the purchase price \$9,000,000. Total acquisition cost includes the purchase price, buyer's legal fees, and title transfer tax. The agreement required an initial deposit at the beginning of the agreement and an additional deposit following a 100-day feasibility period. The initial closing date is [insert date], 30-days following the expiration of the feasibility period. The closing date can be extended two times with additional deposits. The Police Credit Union has the option to lease back use of the site from TNDC for 30-months following transfer of the property.

- 4.1.1. Proposed Property Ownership Structure The project will be owned, developed, and operated by a Limited Partnership (2550 Irving Associates, L.P.) with TNDC as the manager of the managing general partner, 2550 Irving GP LLC. At construction closing, the site will be transferred to the

City and County of San Francisco and the partnership will enter into a long-term ground lease with MOHCD. The Limited Partnership will construct and own the improvements.

- 4.2. Proposed Design. The architectural design and look will consider community feedback. The described square footage for the building and uses within the building are preliminary and may change through the design process. As envisioned, the building entry will be located on Irving Street, leading to a lobby containing the residents' mail area, a receptionist desk, and elevator. The ground floor will contain a multipurpose room, rear courtyard, laundry room, bicycle parking, two resident services offices, two property management offices, a maintenance office, a car parking garage, utility rooms, and other back of house functions. The southwest (Irving and 27th Avenue) corner of the building would have a commercial space, which based on neighborhood needs and community input received during site design process could serve as neighborhood commercial or community services space.

Conceptual Building Square Footage (SF) by Use

Avg Unit SF by type:	Studio average sf:	419
	1-bedroom average sf:	567
	2-bedroom average sf:	891
	3-bedroom average sf:	1,175
Residential SF:	75,873	
Circulation SF:	15,327	
Parking Garage SF:	4,710	
Common Area SF:	4,170	
Commercial Area SF:	2,228	
Building Total SF:	107,618	

- 4.3. Proposed Rehab Scope. N/A

- 4.4. Construction Supervisor/Construction Representative's evaluation. The project is early in the design process, and as currently presented is a feasibility of what is allowable on the site per code. The design makes efficient use of the lot to maximize units while allowing at-grade indoor and outdoor common areas, parking, and service areas. The design envisioned minimizes amount of soil removed from the site, which will contain costs. The project would likely be either Type V or Type III wood construction over two Type I concrete floors but could also explore an all Type I light-weight steel frame (Pueblo or similar) or a

Type IV CLT structure as a possible cost saving and/or more environmentally sustainable design approach.

- 4.5. Cost Containment. Opportunities to reduce Total Development Cost per unit below \$959,388 will be explored and assessed during predevelopment. Higher per unit development costs are to be expected because of the higher land costs and higher per unit construction cost for the project given the number of units with multiple bedrooms. Even so, measures will be explored to contain and reduce costs prior to gap financing.
- 4.6. Commercial Space. As envisioned, the building could include a ground floor space of approximately 2,228 square feet, fronting on Irving Street for community serving or commercial retail use. Whether a space is included and what the envisioned use will be determined prior to gap funding.
- 4.7. Service Space. The building will include two property management offices and a front reception area in the lobby. Two resident service offices/meeting rooms will provide private areas for one-on-one and family resident support.
- 4.8. Target Population. The building will serve lower income families. As envisioned, 25 apartments in the building will be set aside for families who have experienced homelessness.
- 4.9. Marketing & Occupancy Preferences. The 25 units for families who have experienced homelessness will be leased through the Coordinated Entry program. MOHCD's marketing policies and procedures will be applied to the remaining units except the on-site manager's unit. Residents will be selected through a City-managed lottery system that has four preference groups that have been designated by the Board of Supervisors. The following preferences will apply:
 - Certificate of Preference Program
 - Displaced Tenants Housing Preference
 - Neighborhood Residential Housing Preference
 - Live or Work in San FranciscoResidents who live in District 4 or within half mile of the property may receive a neighborhood residential housing preference. Between 25% and 40% of units in the building not filled through the coordinated entry system could be filled using this local preference, depending on what state funding sources are secured for the project.
- 4.10. Relocation. Following TNDC's purchase of the site the current owner will lease back and continue occupying the space until at least the first quarter of 2022, at which time, the owner will move its operations to another location. The owner does not intend to continue maintaining this location for operations and had planned to relocate prior to placing the site on the market.

5. DEVELOPMENT TEAM

Development Team			
Consultant Type	Name	SBE/LBE	Outstanding Procurement Issues
Architect	Adrienne Steichen, Pyatok Architects	N	N
Landscape Architect	TBD	TBD	N
JV/other Architect	N/A	N/A	N
General Contractor	TBD	TBD	N
Owner's Rep/Construction Manager	TBD	TBD	N
Financial Consultant	California Housing Partnership Corporation	N	N
Other Consultant	Name	N/A	N
Legal	Gubb & Barshay	N	N
Environmental Counsel:	Farella, Braun + Martel		

5.1. Outstanding Procurement Issues. The Contract Monitoring Division at MOHCD has provided TNDC a 20% Small Business Enterprise participation goal for the project. The goal is currently not being met; however, TNDC intends to meet the goal as additional vendors are brought under contract.

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 (this project and historical for the project):

No prior MOHCD/OCII funding has been awarded to this project.

6.2. Disbursement Status. The project has incurred costs dating back to December 1, 2019 shortly before MOHCD released the original NOFA. Staff requests Loan Committee approval for payment of costs no earlier than December 1, 2019 so long as the costs are deemed acceptable and correspond with the predevelopment budget attached.

6.3. Fulfillment of Loan Conditions. N/A

6.4. Proposed Predevelopment Financing

6.4.1. Predevelopment Sources Evaluation Narrative

The Sponsor requests a \$9,426,500 acquisition loan and \$5,556,467 predevelopment loan, funded by 2019 GO Bond Proceeds to purchase the 2550 Irving site and complete the predevelopment activities discussed in this report and attachments.

6.4.2. Predevelopment Uses Evaluation:

Predevelopment Budget		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Acquisition Cost is based on appraisal	Y	Prior to funding TNDC shall provide an appraisal supporting the acquisition cost.
Holding costs are reasonable	Y	The PSA allows the current owner to lease back the property for 30 months. The Police Credit Union is expected to do this until Q1 of 2022. Monthly rent is \$5,000/month during the term of the lease. Once the property is vacated, holding costs will be incurred for fencing and drive-by security. TNDC anticipates the costs to be minimal and income from rent received will cover.
Construction Management Fees are within standards	Y	Construction management is \$84,000, which using MOHCD underwriting guidelines assumes approximately 24 months predevelopment
Developer Fee is within standards	Y	\$550,000, which is 50% of cash out project management developer fee included in predevelopment budget, available in four milestones 15% at acquisition/predevelopment, 15% at close of predevelopment financing, 10% at HCD funding application, 10% at CDLAC and TCAC application.
Soft Cost Contingency is 10% per standards	Y	\$449,291, which is 10% of soft cost

6.5. Proposed Permanent Financing. Proposed permanent financing is only for demonstrating feasibility in advance of the Loan Committee’s consideration of the acquisition and predevelopment loan approval. Permanent financing is not being presented for Loan Committee approval at this time. It is anticipated TNDC will return with a gap commitment loan request to the Loan Committee in 2022. Prior to this TNDC will be required to present a budget addressing any concerns listed below in the permanent sources evaluation narrative below.

6.5.1. Permanent Sources Evaluation Narrative:

Borrower proposes to use the following sources to permanently finance the project. As was required in the NOFA, the permanent budget anticipates state funding along with MOHCD gap financing. The current budget anticipates receiving Multifamily Housing Program (MHP) and Infill Infrastructure Grant (IIG) funds from the State of California’s Department of Housing and Community Development (HCD). Based on recent experiences, securing state funding could be challenging due to changing regulation and increased competition, and could delay start of construction.

- 4% Tax Credit Equity (\$38,136,064): Equity Investor TBD, Pricing: 0.950
- MHP Loan (\$20,000,000): TBD
- IIG Grant (\$4,883,078): TBD
- MOHCD Loan (\$25,618,912: 0.0%-3.0%
- AHP (\$1,250,000): Federal Home Loan Bank San Francisco (FHLBSF), terms TBD
- Interim Use Income (\$5,000/month): Interim use income is anticipated at least through the beginning of 2022 from lease-back agreement with the current owner. Income received is anticipated to cover holding costs.
- Deferred Developer Fee \$0
- General Partner Equity (\$3,200,000):
- Deferred Interest (\$746,938):

Total Sources: \$94,019,992

6.5.2. CDLAC Tax-Exempt Bond Application:

High per unit cost is a principal development issue for 2550 Irving, which has unit cost estimated to be \$959,388. Recent development projects in San Francisco which have also had high per unit development costs have faced challenges securing tax exempt bonds and credits. For example, of the five projects applying in the most recent funding round, no projects were awarded. This is not unique to San Francisco, other jurisdictions in the Bay Area have also faced challenges. Recent changes in TCAC and CDLAC scoring favors projects in areas with lower development costs, and in areas considered by HUD to be “high” or “highest” resource areas based on proximity to good schools, parks and open spaces, and access to transit and shopping among other factors. Unlike the five projects that were recently not awarded tax credits and bonds, 2550 Irving is located within a high resource area and so would currently achieve the full 120-

point self-score, potentially making the project more competitive for state tax credit and bond funding.

TNDC’s financial consultant estimates total equity raised from 4% federal tax credits at just over \$38,136,064, using a pricing assumption of \$0.95 per dollar of federal credit. This pay-in assumption reflects the strength and experience of the developer, the size of the project, and its location in San Francisco. The assumption is backed by TNDC’s recent experience in securing tax credit investments.

CDLAC Self-Score	
Opportunity Map Resource Level	High Resource
TCAC Housing Type (new construction only)	Large Family
Bond Allocation Request Amount	\$38,136,064
Total Self-Score (out of 120 points)	120 points
Tiebreaker Score	\$211,032

6.5.3 Commercial Space Sources and Uses Narrative. Whether commercial space is included will be determined prior to request for gap financing.

6.6 Permanent Uses Evaluation:

Development Budget		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Hard Cost per unit is within standards	Y	Hard costs are \$632,879/unit and \$576 PSF. Per unit costs are slightly higher than comparative projects currently in predevelopment (Average \$628,852); however, Per Square Foot cost is lower (Average \$611). The higher per unit cost and lower PSF cost is likely because of the high number of multi-

		bedroom units in the project. When compared to costs averaged over last five years, per unit and PSF costs are higher than average (\$582,776 and \$549 PSF). Therefore, cost containment will be a focus during predevelopment.
Construction Hard Cost Contingency is at least 5% (new construction) or 15% (rehab)	Y	Hard Cost Contingency is 5.5%
Architecture and Engineering Fees are within standards	Y	Total project architectural and engineering fees are: \$3,705,075.
Construction Management Fees are within standards	Y/N	Construction management fee is \$199,471 which assumes 40 months construction
Developer Fee is within standards, see also disbursement chart below	Y	Total Developer Fee: \$5,400,000 Total Cash Fee: \$1,100,000 Total At risk: 1,100,000 GP Equity: \$3,200,000
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 is \$401,103, which is more than 3 months of operating expenses and debt service.

6.7 Developer Fee Evaluation:

Total Developer Fee:	\$5,400,000	
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"):	\$ 0	
Amount of Fee Deferred (the "Deferred Fee"):	\$0	

Amount of General Partner Equity Contribution (the “GP Equity”):	\$3,200,000	
Milestones for Disbursement of that portion of Developer Fee remaining and payable for Project Management	Amount Paid at Milestone	Percentage Project Management Fee
Acquisition/Predevelopment Loan Funding	\$165,000	15%
Project Management Fee portion 1 of 3: Predevelopment – Close of predevelopment financing	\$165,000	15%
Project Management Fee portion 2 of 3: Predevelopment – Submission of HCD funding application	\$110,000	10%
Project Management Fee portion 3 of 3: Predevelopment – Submission of joint CDLAC and TCAC application	\$110,000	10%
Construction close	\$220,000	20%
During Construction (disbursed upon request depending on percent construction completion) or completion of construction	\$220,000	20%
Project close-out – Placed-in-service; 100% lease up; City approval of sponsor’s project completion report and documents; and City acceptance of final cost certification	\$110,000	10%
Milestones for Disbursement of that portion of Developer Fee defined as At-Risk Fee		Percentage At Risk Fee
95% lease up and draft cost certification	\$220,000	20%
Permanent conversion	\$550,000	50%
Project close-out	\$330,000	30%

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

7.1. Annual Operating Budget. The attached operating budget is provided to demonstrate overall feasibility for the project and is not 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 (DSCR) is minimum 1.1:1 in Year 1 and stays above 1:1 through Year 17	N	DSCR drops below 1.1 at end of year 16. DSCR: 2.566 at Year 1 0.997 at Year 17 TNDC will adjust the operating budget to maintain 1.1:1 DSCR through Year 17
Vacancy meets TCAC Standards	Y	Vacancy is 5%
Annual Income Growth is increased at 2.5% per year	Y	Income escalation factor is 2.5%
Annual Operating Expenses are increased at 3.5% per year	Y	Expense escalation factor is 3.5%
Base year operating expenses per unit are reasonable per comparables		Total Operating Expenses are \$12,572 per unit. This is slightly lower than comparable projects with LOSP. For example, Total Operating Expenses at 730 Stanyan Street, a 100% affordable family housing development, are expected to be \$14,983.
Property Management Fee is at allowable <u>HUD Maximum</u>	Y	To be set according to HUD schedule Estimated Total Property Management Fee is \$67
Property Management staffing level is reasonable per comparables	Y	<ul style="list-style-type: none"> ○ 1 FTE General Manager ○ 1 FTE Assistant Manager ○ 2.4 FTE Desk Clerks
Asset Management and Partnership Management Fees meet standards	Y	Annual AM/PM Fee is \$30,631/yr (3.5% annual increase)
Replacement Reserve Deposits meet or exceed TCAC minimum standards	Y	Replacement Reserves deposits are \$500 per unit per year. TCAC minimum standard is \$300 per unit per year for new construction projects

Limited Partnership Asset Management Fee meets standards	Y	Year 1: \$5,000 (3.5% annual increase)
--	---	---

7.3. Capital Needs Assessment & Replacement Reserve Analysis. N/A

7.4. Income Restrictions for All Sources.

UNIT SIZE			<u>MAXIMUM INCOME LEVEL</u>	
<u>NON-LOTTERY</u>	No. of Units		MOHCD	TCAC
Studio – LOSP	0		25% MOHCD AMI	20% TCAC AMI
2BD – LOSP	11		25% MOHCD AMI	20% TCAC AMI
3BD – LOSP	8		25% MOHCD AMI	20% TCAC AMI
Sub-Total	25			
<u>LOTTERY</u>				
Studio	9	30	40% MOHCD AMI	30% TCAC AMI
1BR	7		40% MOHCD AMI	30% TCAC AMI
3 BR	3		40% MOHCD AMI	30% TCAC AMI
Sub-Total	19			
Studio	3		50% MOHCD AMI	40% TCAC AMI
1 BR	9		50% MOHCD AMI	40% TCAC AMI
2 BR	7		50% MOHCD AMI	40% TCAC AMI
3 BR	3		50% MOHCD AMI	40% TCAC AMI
Sub-Total	22			
1 BR	6		70% MOHCD AMI	55% TCAC AMI
2 BR	3	70% MOHCD AMI	55% TCAC AMI	
3 BR	3	70% MOHCD AMI	55% TCAC AMI	
Sub-Total	12			
1 BR	3	80% MOHCD AMI	60% TCAC AMI	

2 BR	8	80% MOHCD AMI	60% TCAC AMI
3 BR	8	80% MOHCD AMI	60% TCAC AMI
Sub-Total	19		
<u>STAFF UNITS</u>			
1 BR	1	N/A	N/A
TOTAL	98		
PROJECT AVERAGE		39.2%	

7.5. MOHCD Restrictions

Unit Size	No. of Units	Maximum Income Level
1 BR	3	80% of Median Income
2 BR	8	80% of Median Income
3 BR	8	80% of Median Income
1 BR	6	70% of Median Income
2 BR	3	70% of Median Income
3 BR	3	70% of Median Income
STUDIO	3	50% of Median Income
1 BR	9	50% of Median Income
2 BR	7	50% of Median Income
3 BR	3	50% of Median Income
STUDIO	9	40% of Median Income
1 BR	7	40% of Median Income
3 BR	3	40% of Median Income
1 BR	6	25% of Median Income
2 BR	11	25% of Median Income
3 BR	8	25% of Median Income

8. SUPPORT SERVICES

8.1. Services Plan. TNDC will be the sole service provider. Support services will include intakes and assessments, case management, supportive counseling, individualized service planning, crisis intervention, mediation, housing stabilization and eviction prevention. 1 FTE social worker will be on site to serve the LOSP units and .20 FTE social worker will serve the remaining units. Services offices will be located on the ground floor.

8.2. Service Budget.

Annual service budget proposed is \$101,616 which assumes \$6,477 per unit annually in HSH funding based on Tier V family funding for 2020-2021 and is subject to review and approval by HSH.

8.3. HSH Assessment of Service Plan and Budget.

Prior to requesting gap financing, Sponsor will provide the final Service Plan and Budget to be assessed by HSH concurrently with MOHCD evaluation of the gap request in preparation for recommendation to loan committee.

9. STAFF RECOMMENDATIONS

9.1. Proposed Loan/Grant Terms

Financial Description of Proposed Loan	
Loan Amount:	\$14,277,516
Loan Term:	55 years
Loan Maturity Date:	2077
Loan Repayment Type:	Residual Receipts
Loan Interest Rate:	3%
Date Loan Committee approves prior expenses can be paid:	December 1, 2019

9.2. Recommended disbursement conditions/schedule

- a) Prior to disbursement of funds for acquisition, Sponsor shall:
 - a. Provide an appraisal supporting the acquisition cost,
 - b. Refine the community outreach plan in collaboration with MOHCD, and specifically focus on access to housing through the City's housing lottery preferences, including COP Holders, Displaced Tenants, and Neighborhood Residents.

- c. Complete environmental due diligence and receive approval for the proposed response plan from Department of Toxic Substance Control.
- b) Sponsor to provide MOHCD with detailed monthly updates on Community Outreach completed and commercial-use programming (this may be included in the standard MOHCD monthly report form).
- c) Sponsor will provide for MOHCD review any Request for Proposals (RFPs) for equity investors before it is finalized and released for investors.
- d) Sponsor will provide for MOHCD review all raw financial data from developer or financial consultant prior to selection.
- e) Sponsor will provide for MOHCD review and approval all selected investors.
- f) Sponsor will provide for MOHCD review and approval all Letters of Intent from financial partners.

9.3. Recommended prior to financing gap

- a) Sponsor shall provide MOHCD with information outlining cost containment, efficiencies and innovation strategies to reduce overall project costs and maximize efficiency of MOHCD gap loans.
- b) Sponsor will provide operating and development budgets that meet MOHCD underwriting guidelines and if commercial space is included, MOHCD commercial underwriting policy requirements.
- c) Sponsor to 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.
- d) Sponsor to work with MOHCD and HSH to establish the LOSP budget and income restrictions for the referrals from Coordinated Entry.

10. LOAN COMMITTEE MODIFICATIONS

N/A

LOAN COMMITTEE RECOMMENDATION

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

APPROVE. DISAPPROVE. TAKE NO ACTION.

_____ Date: _____

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

APPROVE. DISAPPROVE. TAKE NO ACTION.

_____ Date: _____

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

APPROVE. DISAPPROVE. TAKE NO ACTION.

_____ Date: _____

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

APPROVE. DISAPPROVE. TAKE NO ACTION.

_____ Date: _____

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

Chavez, Rosanna (MYR)

From: Shaw, Eric (MYR)
Sent: Friday, April 2, 2021 11:48 AM
To: Chavez, Rosanna (MYR)
Subject: 2550 Irving Predevelopment

I approve

Eric D. Shaw
Director

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

Chavez, Rosanna (MYR)

From: Menjivar, Salvador (HOM)
Sent: Monday, April 5, 2021 10:41 AM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR)
Subject: FINANCING FOR 2550 IRVING ST

I support TNDC requests for \$14,277,516 in acquisition and predevelopment financing for 2550 Irving Street.

Best,

salvador



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

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Chavez, Rosanna (MYR)

From: Oerth, Sally (CII)
Sent: Friday, April 2, 2021 11:47 AM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR); Noonan, Jacob (MYR)
Subject: 2550 Irving Predevelopment - 4.2.21 Loan Committee

I approve the 2550 Irving Acquisition and Predevelopment Loan funding, as presented at the 4/2/21 Loan Committee.



Sally Oerth
Interim Executive Director

📍 One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103

📞 415.749.2588

🏠 www.sfocii.org

Chavez, Rosanna (MYR)

From: Katz, Bridget (CON)
Sent: Friday, April 2, 2021 11:45 AM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR)
Subject: 2550 Irving Predevelopment

Approve

Bridget Katz

Development Finance Specialist, Office of Public Finance
Controller's Office | City & County of San Francisco
Office Phone: (415) 554-6240
Cell Phone: (858) 442-7059
E-mail: bridget.katz@sfgov.org

- Attachments:
- A. Project Milestones/Schedule
 - B. Borrower Org Chart
 - C. Developer Resumes
 - D. Asset Management Analysis of Sponsor
 - E. Threshold Eligibility Requirements and Ranking Criteria
 - F. Site Map with amenities
 - G. Elevations and Floor Plans, if available
 - H. Comparison of City Investment in Other Housing Developments
 - I. Sources and Uses
 - J. Development Budget
 - K. 1st Year Operating Budget
 - L. 20-year Operating Pro Forma

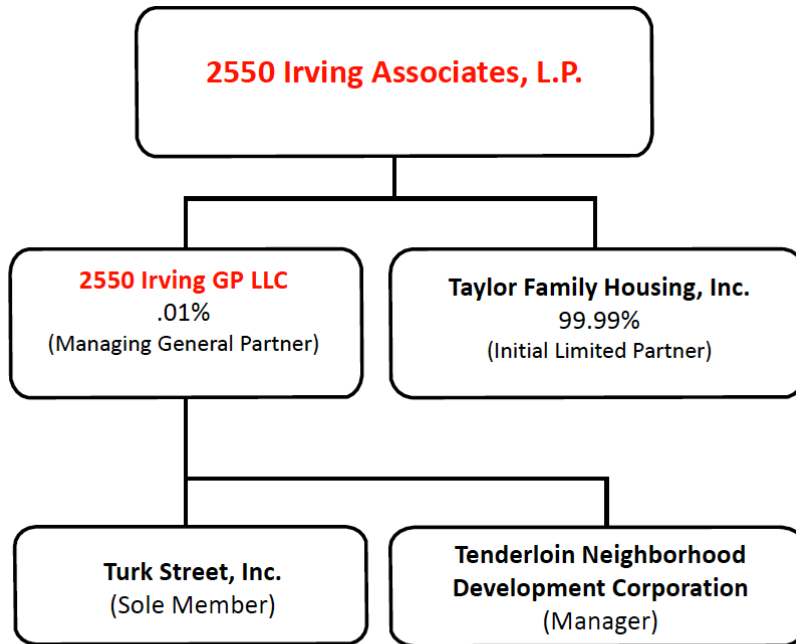
Attachment A: Project Milestones and Schedule

No.	Performance Milestone	Estimated or Actual Date	Notes
<i>A</i>	Prop I Noticing (if applicable)		
1.	Acquisition/Predevelopment Financing Commitment	TBD	Requires BOS Approval
2.	Site Acquisition	(By 8/7/2021)	45 days after financing commitment
3.	Development Team Selection		
a.	Architect	9/1/20	Architect was brought on early for feasibility and community engagement
b.	General Contractor	9/1/21	
c.	Owner's Representative	7/15/21	
d.	Property Manager	8/15/21	
e.	Service Provider	8/15/21	
4.	Design		
a.	Submittal of Schematic Design & Cost Estimate	9/1/21	
b.	Submittal of Design Development & Cost Estimate	1/15/22	
c.	Submittal of 50% CD Set & Cost Estimate	5/15/22	
d.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	1/15/23	
5.	Environ Review/Land-Use Entitlements		
a.	SB 35 Application Submission	6/15/21	
b.	CEQA Environ Review Submission	N/A	SB-35/CEQA Exempt
c.	NEPA Environ Review Submission (possible)	5/1/21	No funding requirement, may complete for potential rent subsidy
d.	CUP/PUD/Variances Submission	N/A	
6.	PUC/PG&E		
a.	Temp Power Application Submission	2/15/22	
b.	Perm Power Application Submission	3/15/22	
7.	Permits		

a.	Building / Site Permit Application Submitted	7/15/21	
b.	Addendum #1 Submitted	5/15/22	
c.	Addendum #2 Submitted	8/15/22	
8.	Request for Bids Issued	1/15/23	
9.	Service Plan Submission		
a.	Preliminary		
b.	Final		
10.	Additional City Financing		
a.	Preliminary Gap Financing Application	10/15/21	
b.	Gap Financing Application	11/30/22	
11.	Other Financing		
a.	HCD Application	2/15/22	
b.	Construction Financing RFP	11/1/2022	
c.	AHP Application	3/15/23	
d.	CDLAC Application	8/15/2022	
e.	TCAC Application	8/15/2022	
f.	Other Financing Application		
g.	LOSP Funding Request		
12.	Closing		
a.	Construction Loan Closing	4/10/23	
b.	Conversion of Construction Loan to Permanent Financing	8/31/25	
13.	Construction		
a.	Notice to Proceed	4/30/23	
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	11/15/24	
14.	Marketing/Rent-up		
a.	Marketing Plan Submission	8/15/24	
b.	Commence Marketing	5/15/24	
c.	95% Occupancy	3/31/25	
15.	Cost Certification/8609	1/31/26	
16.	Close Out MOH/OCII Loan(s)	10/31/25	

Attachment B: Borrower Org Chart

**2550 Irving
Organizational Chart**



Attachment C: Developer Resume

Katie Lamont (Sr. Director of Housing Development)

Katie Lamont joined TNDC in April 2012 as Director of Housing Development. She is responsible for leading the housing development team as it carries out all phases of development from feasibility through acquisition, predevelopment, construction, and completion. Prior to joining TNDC, Katie worked 9 years for Eden Housing, most recently as Associate Director of Real Estate Development, where she supervised junior staff, led new business development activity, worked on policy, and managed her own project teams implementing all aspects of affordable housing development, including mixed-use and mixed-tenure developments and joint ventures with homebuilders and service providers. Prior to joining Eden in 2003, Katie was a project manager at the Los Angeles Community Design Center, now Abode Communities. She began her career working in fair housing at Housing Opportunities Project for Excellence in Miami, Florida. Katie earned a Master's degree in Urban Planning from the University of California, Los Angeles, and a Bachelor of Arts in American Civilization from Brown University.

Shreya Shah (Associate Director of Housing Development)

Shreya Shah joined TNDC in Feb 2021 as Associate Director of Housing Development. Shreya brings over 7 years of experience in affordable housing development to the team. She has been responsible for all aspects of the development process including acquisition, entitlements, securing financing, loan closings and construction management, among others. Shreya has experience managing projects of all sizes ranging from 25 units to 150 units, with budgets ranging from \$3 million to \$120 million. Before TNDC, Shreya worked as a Sr. Project Manager at EAH Housing (San Rafael, CA) and as a Development Officer for Avesta Housing (Portland, ME). She holds a MBA in Sustainability from Antioch University, Master of Science in Real Estate Development from Columbia University and a Bachelor of Science in Civil-Construction from CEPT University.

Jackson Rabinowitsh (Project Manager)

Jackson Rabinowitsh joined TNDC in February 2020 as Project Manager. Jackson has developed affordable housing projects in five Bay Area while working with Habitat for Humanity, Hello Housing, Santa Clara County Housing Authority, and TNDC. He has managed all aspects of homeownership and rental housing projects, pilots, small-scale rehabs, scattered-site acquisition/rehabs, and new construction projects, financed by LIHTC, federal programs, State programs, and local innovation funds. Prior to development, Jackson worked in property management and compliance for BRIDGE Housing. Jackson earned a Psychology degree from the University of Colorado.

Hermandeep Kaur (Assistant Project Manager)

Hermandeep Kaur joined TNDC in June 2018 through the Non-Profit Housing Association of Northern California Bay Area Housing Internship Program. She was promoted to Assistant Project Manager after graduating from San Francisco State University with a Bachelor of Arts in Liberal Studies and Urban Studies and Planning. She has experience managing different types of projects including acquisition rehab and transit-oriented development. Hermandeep has collaborated with project teams to successfully achieve milestones such as entitlements, construction completion, and loan closings.

Attachment D: Asset Management Evaluation of Project Sponsor

TNDC has 35 years of experience developing both family and supportive housing in San Francisco. TNDC's current housing portfolio includes 43 residential and residential mixed-use buildings, with an additional 17 buildings in the pipeline including recapitalization. The average units per project range from 75 to 120. TNDC asset management team includes four full-time employees. The department is headed by the Director of Asset Management with three Asset Managers reporting to the Director of Asset Management, who reports to the CFO.

Each of the three employees in the Asset Management Department have a set number of projects in the portfolio. Each is responsible for developing asset management plans for each property, as well as managing the needs and requests of the partner and/or lender in each of the properties, examining opportunities related to the rental structure/operating subsidies, and developing, when necessary, partner exit strategies and/or resyndication and refinancing strategies for those projects that are approaching Year 15.

Members of the Asset Management Department work closely with other TNDC departments. Each project in development in the Housing Development Department has a multidisciplinary "interdepartmental team" to help inform rehab or new construction scopes in which one or more members of asset management participates. Additionally, TNDC has a Recapitalization Workgroup, in which all members of the Asset Management Department attend in order to update senior staff members and the Housing Development Department about asset management plans, partner exit strategies and other asset management related activities, challenges and opportunities.

Attachment E: Threshold Eligibility Requirements and Ranking Criteria

On December 27, 2019, MOHCD issued a Notice of Funding Availability (NOFA). The goal of the NOFA is to promote the development of permanent affordable housing for low-income seniors and low and moderate income families, including homeless households, in districts that are experiencing significant displacement pressures but which have traditionally been underserved by new affordable housing production. Specifically, MOHCD intends to provide funding for acquisition and predevelopment funding needs for the development of new, permanent affordable housing in Districts 1, 2, 4, 7 and 8. Funding for these activities comes from the 2019 Proposition A General Obligation Bond.

San Francisco voters approved Proposition A in 2019 in order to address the City's well-documented and severe housing affordability crisis. The specific goals of Proposition A are to:

- Create new affordable homes, especially for our growing senior populations;
- Accelerate the rebuilding of distressed public housing sites for some of the City's most vulnerable residents;
- Preserve affordability in existing housing at risk of market-rate conversion or loss due to physical disrepair;
- Protect San Franciscans living in apartments at risk of displacement, including those covered by rent-control;
- Expand rental and homeownership opportunities for the City's middle-income residents and workforce, including educators, first responders, non-profit workers, and service industry employees. Set a goal for \$200M of the Bond's funds to serve extremely low-income households earning 30% AMI or less.

In addition, Proposition A places an importance on "geographic equity" in its investments in affordable housing, recognizing that certain districts are experiencing a loss of affordability through vacancy de-control of rent stabilized housing stock, Ellis Act evictions, owner move-ins, and other forms of displacement, or have not benefited significantly from new affordable housing production.

This NOFA specifically addresses Proposition A's mandate to create new affordable, low-income units and to serve vulnerable populations in those districts that have been "underserved" by new affordable housing production.

MOHCD held a pre-submission conference on January 9, 2020. Prospective respondents were able to submit questions up until January 16, and MOHCD posted questions and responses online shortly after the deadline.

One developer, Tenderloin Neighborhood Development Corporation (TNDC), submitted responses to the NOFA on January 30, 2020. TNDC's two proposals requested funding for a proposed senior housing project located at 4200 Geary Boulevard and a proposed

family project located at 2550 Irving Street. MOHCD did not hold interviews and proceeded to scoring of the responses.

In order to review and score the proposals, MOHCD convened a selection panel comprised of two representatives from MOHCD and one representative from the Office of Community Investment and Infrastructure. Panelists' fields of expertise included construction /design and affordable housing finance. Panelists also reviewed proposals based on the eligibility criteria outlined in the NOFA. This included the criteria listed below.

1. Proposals must demonstrate *site control* as evidenced by appropriate documentation. The proposed purchase price must be reasonable in comparison to other sites in the neighborhood and in comparison to other affordable housing sites in the City. Prior to any disbursement of funds for acquisition, an appraisal supporting the acquisition cost will be required. Sites must be located in Districts 1, 2, 4, 7 or 8.
2. Proposals must include the opportunity for the City to eventually own the land as ground lessor under a long-term ground lease structure or some other land dedication/subdivision mechanism that will insure long-term affordable housing as the primary use of the land.
3. Proposals must demonstrate financial feasibility. The project must be financially feasible, including realistic development and operating budget projections that conform to industry standards, including TCAC minimum standards. Each proposed financing source must be realistic, compatible with MOHCD and all other committed or proposed funding sources, and appropriate for the proposed housing. Applicant must demonstrate that there is a reasonable likelihood that all identified development sources will be secured in a timely manner.
4. Proposals must demonstrate – through provision of specific examples of inputs used for estimating - that the project's total development budget, as well as its specific line items, are comparable to recent and similar projects, to industry standards and are compliant with funding source regulations, MOHCD policy and most recent underwriting guidelines. Cost per unit, per square foot (land area and building space), per bed or bedroom will be examined relative to total development cost, City subsidy and construction cost.
5. Proposals must propose the maximum use of available, non-local funds to achieve the highest reasonable financial leveraging of capital resources for the predevelopment, construction and permanent phase. The amount of City funds requested per unit and the actual or proposed level of funds to be leveraged from other sources will be examined.
6. Displacement or relocation that is required as a condition of site control is highly discouraged, though in some cases may be justified. Proposals that include any displacement/relocation (including any relocation of commercial uses) must include a full relocation plan and budget.
7. Must budget for a supportive service component that is appropriate for the needs of the anticipated tenant population, assuming at least 20% homeless.

8. Must include a community engagement plan that demonstrates the capacity to generate necessary neighborhood support for the proposed development. Include any evidence of support expressed to date for the project, as well as plans for community engagement going forward.
9. Must express a commitment to pursue racial equity consistent with MOHCD’s racial equity goals, as follows: through its policies, programs, resource allocation, and practices, MOHCD is committed to working in partnership with communities, organizations and those that have been most harmed by racial inequity especially Black, Brown, Indigenous and other San Franciscans of Color to: protect against displacement; shape where they live and work; create thriving neighborhoods; and, celebrate diverse cultures and unlock economic prosperity.
10. Ability for the project to make use of streamlined entitlements through SB 35 is highly desired.

NOFA Proposal

Development Team	2550 Irving Street
Developer	TNDC
Owner (GP)	TNDC
Property Manager	TNDC
Service Provider	TNDC
Homeless Service Provider	TNDC
Construction Manager	Waypoint Consulting
Architect	PYATOK architecture + urban design

NOFA Scoring Criteria

Category	Possible Points	2550 Irving Street
EXPERIENCE (subtotal):	40	37
Developer (20 pts)	20	19
<ul style="list-style-type: none"> ➤ Experience with the following: <ul style="list-style-type: none"> ○ Completing projects on time and on budget ○ Obtaining competitive financing terms ○ Developing Type V/I or III/I construction ○ Developing for low-income families, including senior and formerly homely residents ➤ Building community support through outreach ➤ Current staff capacity and experience to take on this project type 		

<p>Owner (10 pts)</p> <ul style="list-style-type: none"> ➤ Track record successfully owning housing financed with Low-Income Housing Tax Credits ➤ Experience owning affordable housing for low-income families and formerly homeless households ➤ Current asset management structure, staffing and portfolio ➤ Capacity for assuming asset management of an expanded portfolio once the development is complete 	10	9
<p>Property Manager (5 pts)</p> <ul style="list-style-type: none"> ➤ Experience property managing for low-income families, including senior and formerly homeless residents ➤ Experience achieving high rates of housing retention ➤ Implementing low barrier tenant selection policies ➤ Contributing to long-term sustainability of the development ➤ Achieving cost efficiencies in operations 	5	4
<p>Service Providers (5 pts)</p> <ul style="list-style-type: none"> ➤ Experience delivering services to low-income families, including senior and formerly homeless households ➤ Experience linking residents to the City’s safety net of services ➤ Working with property management to achieve high rates of housing retention ➤ Supporting positive outcomes for residents around health and economic mobility ➤ If applicable, provides explanation for service contracts terminated prematurely within the last 5 years 	5	5
VISION (subtotal):		
<p>Program Concept (30 pts)</p> <ul style="list-style-type: none"> ➤ Describes vision for a development program at this site, while best achieving the project goals, and includes: <ul style="list-style-type: none"> ○ A residential program and other envisioned uses; ○ Indicates how the proposed uses and amenities will enhance the lives of the proposed target population and the surrounding neighborhood. ➤ Indicates particular groups served by the programs and spaces (tots, children, teens, young adults, adults, elderly, disabled etc.). 	30	26

<p>Community Engagement Strategy (10 pts)</p> <ul style="list-style-type: none"> ➤ Describes community engagement strategy and includes: <ul style="list-style-type: none"> ○ The team’s philosophy on community engagement; ○ Process for establishing and/or building positive relationships with surrounding neighbors and the larger community; ○ Efforts designed to engage all interested community members, including monolingual non-English speaking members of the community; ○ How the Development Team intends to comply with the City’s Language Access Ordinance. ➤ Describes the Team’s approach to achieving entitlements for the project expeditiously and the Team’s approach to maintaining and building community relationships after entitlements have been achieved and the development is in operations. 	<p>10</p>	<p>8</p>
<p>Finance and Cost Containment Approach (10 pts)</p> <ul style="list-style-type: none"> ➤ Describes the Development Team’s financing approach to the project. ➤ Includes the Team’s process for structuring the project and controlling development costs. ➤ Includes innovative strategies intended to minimize MOHCD’s projected capital gap financing. ➤ Describes any innovative (i.e. non-standard, routine or commonly used) direct or indirect cost-cutting strategies relevant to overall development, construction or operating expenses. 	<p>10</p>	<p>4</p>
<p>Commitment to MOHCD’s Racial Equity Framework (10 pts)</p> <ul style="list-style-type: none"> ➤ Describes capacity and strategies for effectively implementing MOHCD’s Housing Preferences, including neighborhood preference, to meet the goals of the program and ensure that residents of surrounding neighborhood will have maximum opportunity to access housing at the development. ➤ Describes proposed outreach strategies to engage communities that have traditionally lacked access to affordable housing opportunities in San Francisco, and how such strategies will support these 	<p>10</p>	<p>10</p>

communities to pursue opportunities at the proposed site		
➤ TOTAL POSSIBLE POINTS	100	85
	Possible Points	2550 Irving Street

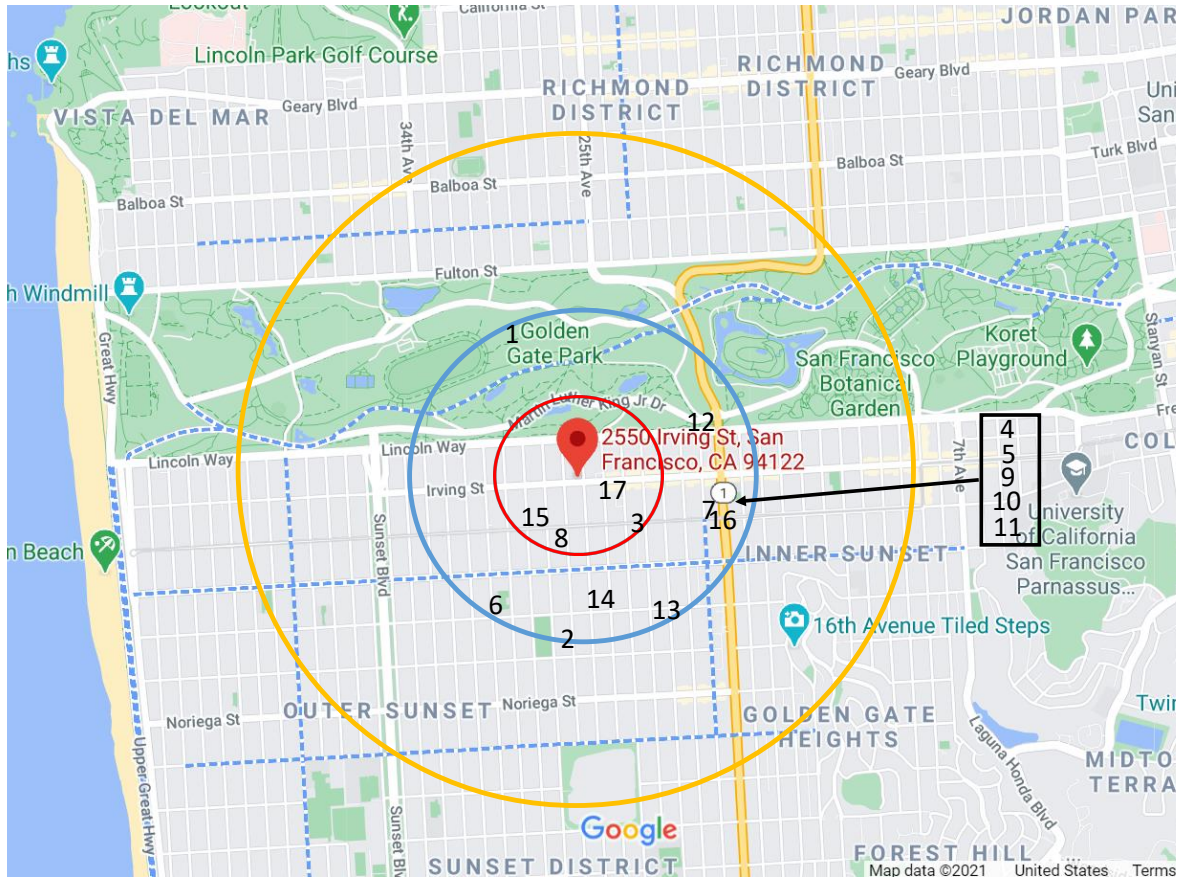
Recommendation

TNDC scored well for their response regarding experience as a developer, property manager and service provider. They also provided a strong response to the NOFA’s prompt on racial equity. District 4 has a severe shortage of housing for low income residents at risk of displacement, and the proposal for 2550 Irving will provide affordable housing in a community that has seen little affordable housing development. TNDC’s proposal noted only 10 entitled and permitted units were produced in District 4 from Quarter 3, 2009 to Quarter 2, 2019. Despite the strong scores in these categories, TNDC will need to make substantial revisions to the budget and cost containment response before MOHCD can move this forward to Loan Committee for request for approval of a Predevelopment Loan.

MOHCD staff further recommends that the following conditions be considered for the initial predevelopment loan:

- TNDC to complete further environmental due diligence.
- TNDC to refine financial plan to ensure that project offers some units at 30% AMI, as well as includes at least 25% 3-bedroom units and other family serving amenities
- TNDC to refine community outreach plan to specifically focus on access to housing through the City’s housing lottery preferences.

Attachment F: Site Map with amenities



- 1** Golden Gate Park
- 2** Sunset Rec Center
- 3** Ocean Park Health Center

- 4** Sunset Branch Library
- 5** Jefferson Elementary School
- 6** Lawton Alternative School
- 7** Wah Mei School
- 8** Kumon Math. Reading. Success.

- 9** 19th Avenue Baptist Church
- 10** 19th Avenue Chinese Baptist Church
- 11** 19th Avenue Japanese Baptist Church
- 12** The Meeting Place of The Church of San Francisco
- 13** The Church of Jesus Christ of Latter-day Saints
- 14** Cornerstone Evangelical Baptist Church
- 15** San Francisco Mandarin Baptist Church
- 16** Calvary United Methodist Church

- 17** Sunset Super

Map provides 1/4 Mile, 1/2 Mile, and 1 Mile radius concentric circles around the project site.

Numbers on the map correspond to the amenities listed to the left.

A comprehensive list of neighborhood amenities is provided in Section 2. A discussion of local amenities is provided in Section 2.5.

Attachment G: Elevations and Floor Plans

Elevations and Floor Plans will be developed with
community input following loan approval

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

Affordable Multifamily Housing New Construction Cost Comparison

Updated 3/26/21		PROJECTS COMPLETED											Building Square Footage											Total Project Costs											Comments										
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR'	Res.²	Non-Res.	Total	Acq. Cost3	Const. Cost4	Soft Cost	Total Dev. Cost w/land	Local Subsidy5	Total Dev. Cost w/o land	Notes on Financing	Comments																													
95 Laguna Senior	95 Laguna	14,300	May-19	79	82	69,796	7,316	67,101	\$ 5,012,000	\$ 31,175,716	\$ 11,343,750	\$ 49,651,466	\$ 21,234,000	\$ 44,517,466	7% LHTC	7 Story - 5 stories Type III over 2 stories Type IA + Community Services space (Open House)																													
Hunters View Phase II - B1 & 11	227-229 West Point Rd	82,703	May-17	107	239	117,023	23,867	140,890	\$ -	\$ 60,115,237	\$ -	\$ 69,387,240	\$ 19,737,243	\$ 89,274,483	HCD Loans (MHP & IG)	Mixed Townhome stepping downslope and Type II-V over Type I flats w/IG																													
Transway 7 - Nalain Gubb Comm	222 Beale Street	29,209	Oct-18	120	208	118,261	5,000	123,261	\$ 35,000	\$ 61,851,201	\$ 16,314,468	\$ 78,200,676	\$ 25,960,000	\$ 104,160,676	HCD ANHC Loan	3 Building - Type I Podium, 4-8 stories (Pueblo structural system) + plus childcare shell																													
Mission Family Housing	1036 Mission	15,200	Oct-18	69	131	52,462	6,964	59,412	\$ 5,561,029	\$ 41,796,462	\$ 6,930,453	\$ 53,928,944	\$ 17,704,400	\$ 41,189,544	HCD Loans (MHP & TOD)	Type II - 9 story																													
Mission Bay SE East	626 Mission Bay Blvd. No.	63,250	Nov-18	143	278	162,000	9,719	171,790	\$ 148,125	\$ 80,961,721	\$ 15,222,907	\$ 96,332,753	\$ 35,750,000	\$ 132,082,753	HCD ANHC Loan	Type IA & V over Type I podium, 41 plus spaces, Mission Bay soils and infrastructure																													
Pedro Block X (Vertical)	25th and Connecticut	30,000	Sep-19	72	139	86,569	28,952	115,521	\$ 20,700	\$ 61,332,336	\$ 12,766,230	\$ 74,119,266	\$ 17,693,000	\$ 91,812,266		Type IA & V over Type I Podium (4-6 stories) stepped w/ topography, No in/rat, Cost																													
Eddy & Taylor Family Housing	222 Taylor	29,344	Jun-19	113	211	108,440	129,620	\$ 27,694,810	\$ 9,300,000	\$ 67,694,810	\$ 14,837,250	\$ 81,292,260	\$ 22,187,426	\$ 103,479,686	HCD Loans (MHP & TOD)	Type II - 8 story, extensive PG&E regional switch required																													
Completed Projects:	Average:	36,775	103	164	106,373	14,698	121,071	\$ 3,326,444	\$ 56,792,350	\$ 12,324,224	\$ 71,993,276	\$ 22,638,025	\$ 69,636,681																																

PROJECTS UNDER CONSTRUCTION		Building Square Footage											Total Project Costs											Comments										
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR'	Res.²	Non-Res.	Total	Acq. Cost3	Const. Cost4	Soft Cost	Total Dev. Cost w/land	Local Subsidy5	Total Dev. Cost w/o land	Notes on Financing	Comments																		
490 South Van Ness	490 S. Van Ness Avenue	14,290	Apr-21	81	121	51,639	28,995	80,634	\$ 43,847,993	\$ 43,847,993	\$ 13,363,811	\$ 57,211,804	\$ 28,992,030	\$ 86,203,834		Type IA - 7 stories over partial basement																		
1950 Folson Street	1950 Folson	29,047	May-21	143	226	138,624	15,063	153,687	\$ 8,407,380	\$ 73,760,332	\$ 25,816,512	\$ 107,984,224	\$ 46,711,498	\$ 154,695,722		Mixed Type - Type VA (townhomes) and 8 story Type I over Podium																		
735 Davis Senior Housing	735 Davis	10,166	Mar-21	53	54	48,143	1,257	47,400	\$ 29,049,657	\$ 11,846,397	\$ 40,896,054	\$ 18,525,949	\$ 59,422,003		Type IA & V over Type I Podium (5-6 stories) - Senior																			
88 Broadway - Family Housing	88 Broadway	38,152	Mar-21	125	231	140,719	8,700	149,970	\$ 49,949,528	\$ 21,768,226	\$ 112,120,162	\$ 172,837,916	\$ 27,868,678	\$ 200,706,238		Type IA & V over Type I Podium (5-6 stories) - family																		
891 China Basin (MB South SW)	891 China Basin St.	49,437	Mar-21	152	294	178,050	7,098	185,148	\$ 93,817,452	\$ 27,507,082	\$ 121,124,534	\$ 47,361,600	\$ 137,886,134	HCD IG Grant	Type III podium and Type I podium on mezz. w/ incl. 28 parking spaces, 4,640 of child care space																			
53 Colton (Plumbers Union DA)	53 Colton	7,780	Jul-22	96	96	47,969	-	47,969	\$ 34,866,633	\$ 16,721,274	\$ 51,587,907	\$ 1,750,000	\$ 53,337,907	4% Fed & State HCD MHP, AHP, \$10M GM Cont.	Type IA over Type I podium and basement, 6 stories, constrained site, efficiency studios																			
Under Construction:	Average:	24,810	108	169	100,484	12,221	110,665	\$ 10,494,769	\$ 57,405,501	\$ 20,473,884	\$ 84,875,888	\$ 28,691,640	\$ 77,879,385																					

PROJECTS IN PREDEVELOPMENT		Building Square Footage											Total Project Costs											Comments										
Project Name	Address	Lot sq.ft	Start Date (anticipated)	# of Units	# of BR'	Res.²	Non-Res.	Total	Acq. Cost3	Const. Cost4	Soft Cost	Total Dev. Cost w/land	Local Subsidy	Total Dev. Cost w/o land	Notes on Financing	Comments																		
TI Parcel G3.1	Treasure Island G3.1	49,697	Jul-21	138	321	140,803	52,000	192,803	\$ 25,000	\$ 100,337,596	\$ 21,841,279	\$ 122,203,895	\$ 33,014,900	\$ 155,218,795	HCD ANHC Loan	Type IA and VB over Type I in 3 to 7 stories stepped + 26 plus and Youth Activity (100% DD 6/20 not incl. VEI)																		
Sunnyvale Block 3B	1780	73,000	Feb-22	170	307	187,000	30,000	217,000	\$ 40,002	\$ 135,628,816	\$ 31,463,707	\$ 167,132,524	\$ 33,942,584	\$ 201,075,108	4% Credits, HCD IG & ANHC	Type IA 5 story, 30 sq ft of commercial, includes infrastructure costs																		
Pedro Block B	125th and Connecticut	74,311	Aug-20	197	348	225,011	43,314	268,325	\$ 128,614,820	\$ 39,517,025	\$ 180,131,845	\$ 267,648,865	\$ 122,657,040	\$ 390,305,905	4% Credits, HCD IG & ANHC	Type IA over Type IA 5-6 stories, 95 plus + childcare & park, over 111,920 sq. ft. incl. Infra of \$19MM																		
Parcel U	78 Haight Street	5,583	Jun-21	63	63	44,427	3,348	47,676	\$ 24,643	\$ 35,540,522	\$ 16,703,273	\$ 51,288,438	\$ 22,282,224	\$ 73,570,662	5% Fed Credits & SL Credits	Type I 7 stories over full basement, constrained site + childcare. (80% CD est. dated 10/19/20)																		
800 7th Street (Imly, 811 Brannan)	800 7th Street	37,800	Apr-22	208	290	176,756	5,000	181,756	\$ 10,000	\$ 109,516,856	\$ 43,082,239	\$ 152,609,095	\$ 44,692,243	\$ 197,301,338	Fed & SL Credits, HCD IG	Type I 8 stories (100% DD pricing dated 2/21)																		
Hunters View Ph 3 Block 14 & 17	855 & 853 Hunters View Dr.	39,355	Oct-21	118	296	112,541	3,861	116,402	\$ 99,238,826	\$ 23,887,877	\$ 123,126,703	\$ 37,756,027	\$ 160,882,730	4% Credits, HCD MHP	Type II A over Type I 5-6 stories with Comm (Community svlg) spaces & SF Pkg spaces (35% CD 8/20)																			
730 Sharyan	730 Sharyan	37,813	Dec-21	120	203	124,710	20,000	144,710	\$ -	\$ 79,633,590	\$ 13,959,549	\$ 93,593,139	\$ 34,326,853	\$ 127,919,992	4% Credits, HCD MHP	Type I over Type I 7 stories, TI space, no parking, Urban Agriculture 100% DD est dated 2/21/21																		
4200 Geary	4200 Geary	16,738	Feb-22	98	98	70,593	13,907	84,500	\$ 11,064,369	\$ 33,417,868	\$ 16,629,458	\$ 61,111,725	\$ 35,513,038	\$ 96,624,763	4% Credits, HCD MHP, AHP, Private Loan	Type III over Type I 7 stories, TI space, no parking, Urban Agriculture 100% DD est dated 2/21/21																		
Laguna Honda Senior	573 Laguna Honda Blvd	18,313	Feb-28	107	117	212,000	1,100	213,100	\$ 15,000	\$ 97,740,000	\$ 17,720,000	\$ 112,460,000	\$ 47,272,411	\$ 159,732,411	4% Credits, IG, HCD, AHP	Type I over 11 stories																		
The Kelsey	240 Van Ness	18,313	Jul-22	107	117	86,283	1,369	87,652	\$ 64,775,739	\$ 3,310,225	\$ 88,085,964	\$ 13,616,000	\$ 101,701,964	5% LHTC, IG, ANHC, Large Sponsor Loan	5 stories of Type III over 3 stories of Type I																			
In Predevelopment	Average:	39,157	138	226	144,069	17,295	161,364	\$ 1,118,886	\$ 90,054,444	\$ 25,062,690	\$ 116,688,936	\$ 31,303,932	\$ 115,570,050																					

ALL PROJECTS	Average:	33,561	116	193	116,975	14,738	131,034	\$ 4,984,100	\$ 68,054,101	\$ 19,290,299	\$ 91,156,707	\$ 27,611,199	\$ 87,495,373		
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SUBJECT PROJECT	2550 Irving Street	19,125	Apr-23	98	177	105,390	2,228	107,618	\$ 9,284,000	\$ 62,022,139	\$ 15,972,611	\$ 94,064,992	\$ 25,618,912	\$ 84,578,492	MOHCD: 4% LHTC, HCD - IIG, MHP, AHP	Type I, 7 stories, TI space, 11 parking spaces
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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/sg.ft²	Soft/Unit	Soft/BR	Soft/sg.ft²	Gross TDC/Unit	Gross TDC/BR	Gross TDC/sg.ft²	Subsidy/Unit	Leveraging %																																									
95 Laguna Senior	May-19	63,443	61,122	350	\$ 419,949	\$ 404,282	\$ 484	\$ 143,592	\$ 138,338	\$ 169	\$ 626,981	\$ 604,042	\$ 738	\$ 268,765	57.1%																																									
Hunters View Phase II - B1 & 11	May-17	-	-	-	\$ 591,825	\$ 251,528	\$ 607	\$ 26,654	\$ 28,755	\$ 66	\$ 546,074	\$ 250,563	\$ 489	\$ 164,460	71.6%																																									
Nalain Gubb Comm (TBT)	Oct-18	292	198	-	\$ 515,407	\$ 297,361	\$ 822	\$ 135,964	\$ 136,445	\$ 132	\$ 651,672	\$ 376,963	\$ 634	\$ 213,000	61.9%																																									
Mission Family Housing	Oct-18	63,090	41,428	365	\$ 474,649	\$ 311,907	\$ 420	\$ 74,812	\$ 49,130	\$ 66	\$ 612,841	\$ 402,462	\$ 542	\$ 201,186	67.2%																																									
Mission Bay SE	Nov-18	1,036	537	2	\$ 566,166	\$ 283,340	\$ 471	\$ 106,454	\$ 55,155	\$ 81	\$ 617,656	\$ 349,032	\$ 471	\$ 290,000	62.9%																																									
Pedro Block X (Vertical)	Sep-19	289	149	1	\$ 851,638	\$ 441,240	\$ 531	\$ 185,080	\$ 177,300	\$ 111	\$ 1,029,434	\$ 533,292	\$ 642	\$ 245,727	76.1%																																									
Eddy & Taylor Family Housing	Jun-19	82,301	44,078	416	\$ 510,459	\$ 273,389	\$ 465	\$ 131,329	\$ 70,300	\$ 115	\$ 724,991	\$ 387,793	\$ 632	\$ 199,340	72.9%																																									
Completed Projects:	Average:	30,075	21,081	175	\$ 557,234	\$ 324,764	\$ 470	\$ 122,297	\$ 74,574	\$ 107	\$ 709,593	\$ 420,406	\$ 606	\$ 222,768	68%																																									

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/sg.ft²	Soft/Unit	Soft/BR	Soft/sg.ft²	Gross TDC/Unit	Gross TDC/BR	Gross TDC/sg.ft²	Subsidy/Unit	Leveraging %																																									
490 South Van Ness	Apr-21	228,396	152,893	1,298	\$ 538,894	\$ 380,727	\$ 541	\$ 165,356	\$ 110,693	\$ 169	\$ 932,615	\$ 624,312	\$ 937	\$ 356,692	61.8%																																									
1950 Folson Street	May-21	58,788	31,261	289	\$ 515,807	\$ 326,373	\$ 479	\$ 178,130	\$ 143,347	\$ 169	\$ 723,299	\$ 476,561	\$ 700	\$ 280,664	56.7%																																									
735 Davis Senior Housing	Mar-21	-	-	-	\$ 548,107	\$ 537,367	\$ 613	\$ 223,517	\$ 613	\$ 219,378	\$ 717,824	\$ 757,334	\$ 893	\$ 349,546	54.7%																																									
88 Broadway - Family Housing	Mar-21	119,200	67,421	390	\$ 655,695	\$ 314,307	\$ 488	\$ 222,096	\$ 125,033	\$ 188	\$ 896,981	\$ 507,331	\$ 783	\$ 223,289	75.1%																																									
891 China Basin (MB South SW)	Mar-21	-	-	-	\$ 815,934	\$ 318,427	\$ 508	\$ 180,968	\$ 93,582	\$ 140	\$ 796,872	\$ 411,988	\$ 654	\$ 311,590	60.9%																																									
Sunnyvale Block B	Feb-22	226	122	1	\$ 767,817	\$ 414,767	\$ 655	\$ 185,080	\$ 182,219	\$ 140	\$ 983,132	\$ 511,109	\$ 770	\$ 191,338	74.9%																																									
53 Colton	Jun-22	1,789	1,789	22	\$ 363,498	\$ 363,498	\$ 727	\$ 174,180	\$ 174,180	\$ 349	\$ 539,465	\$ 539,465	\$ 1,080	\$ 28,646	94.7%																																									
Under Construction:	Average:	81,682	51,885	400	\$ 582,241	\$ 378,579	\$ 565	\$ 190,043	\$ 133,283	\$ 202	\$ 810,629	\$ 546,923	\$ 822	\$ 256,244	69%																																									

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/sg.ft²	Soft/Unit	Soft/BR	Soft/sg.ft²	Gross TDC/Unit	Gross TDC/BR	Gross TDC/sg.ft²	Subsidy/Unit	Leveraging %																																									
TI Parcel G3.1	Jul-21	81	78	1	\$ 727,084	\$ 312,678	\$ 600	\$ 188,270	\$ 88,011	\$ 113	\$ 885,635	\$ 380,697	\$ 634	\$ 229,238	73.0%																																									
Sunnyvale Block 3B	Feb-22	226	122	1																																																				

Attachment I: Sources and Uses

Application Date: 3/2/21 # Units: 98
 Project Name: 2550 Irving # Bedrooms: 177
 Project Address: 2550 Irving Street # Beds:
 Project Sponsor: Tenderloin Neighborhood Development Corporation LOSP Project

SOURCES	14,277,516	746,938	-	-	-	-	Total Sources	15,024,454	Comments
Name of Sources:	MOHCD/OCII	Deferred Interest							

USES

ACQUISITION

Acquisition cost or value	9,000,000						9,000,000	
Legal / Closing costs / Broker's Fee	224,000						224,000	
Holding Costs	60,000						60,000	12 months assumed after TPCU vacates property between acquisition closing and construction closing
Transfer Tax							0	
TOTAL ACQUISITION	9,284,000	0	0	0	0	0	9,284,000	

CONSTRUCTION (HARD COSTS)

Unit Construction/Rehab							0	
Commercial Shell Construction							0	
Demolition	519,250						519,250	Precon Services & Demo
Environmental Remediation							0	
Onsite Improvements/Landscaping							0	
Offsite Improvements							0	
Infrastructure Improvements							0	
Parking							0	
GC Bond Premium/GC Insurance/GC Taxes							0	0.0%
GC Overhead & Profit							0	0.0%
CG General Conditions							0	0.0%
Sub-total Construction Costs	519,250	0	0	0	0	0	519,250	
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	519,250	0	0	0	0	0	519,250	

Construction line item costs as a % of hard costs

SOFT COSTS

Architecture & Design

Architect design fees	1,638,450						1,638,450	This includes the fees related to extensive community engagement during the conceptual and schematic design process. See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)							0	
Architect Construction Admin							0	
Reimbursables							0	
Additional Services	50,000						50,000	
Sub-total Architect Contract	1,688,450	0	0	0	0	0	1,688,450	
Other Third Party design consultants (not included under Architect contract)							0	
	223,500						223,500	Dry Utilities (\$45,000), Historic building analysis (\$2,500), Archeological (\$40,000), LEED (\$30,000), Low Voltage (\$30,000), EBM (\$20,000), Peer Review, street space permit, expeditor, etc (\$56,000)
Total Architecture & Design	1,911,950	0	0	0	0	0	1,911,950	

Engineering & Environmental Studies

Survey	50,000						50,000	
Geotechnical studies	125,000						125,000	
Phase I & II Reports	200,000						200,000	
CEQA / Environmental Review consultants							0	
NEPA / 106 Review	25,000						25,000	
CNA/PNA (rehab only)							0	
Other environmental consultants	20,000						20,000	Craig Communications (DTSC Public Participation Consultant)
Total Engineering & Environmental Studies	420,000	0	0	0	0	0	420,000	

Financing Costs

Construction Financing Costs								
Construction Loan Origination Fee							0	
Construction Loan Interest							0	
Title & Recording	25,000						25,000	
CDLAC & CDIAC fees							0	
Bond Issuer Fees							0	
Other Bond Cost of Issuance							0	
MOHCD Loan Fees & Deferred Interest	155,000	746,938					901,938	
Sub-total Const. Financing Costs	180,000	746,938	0	0	0	0	926,938	
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	180,000	746,938	0	0	0	0	926,938	

Legal Costs

Borrower Legal fees	0						0	
Land Use / CEQA Attorney fees	10,000						10,000	
Tax Credit Counsel	0						0	
Bond Counsel	0						0	
Construction Lender Counsel	0						0	
Permanent Lender Counsel	0						0	
Owner Legal	40,000						40,000	
Total Legal Costs	50,000	0	0	0	0	0	50,000	

Other Development Costs

Appraisal	15,000						15,000	
Market Study	15,000						15,000	
Insurance	25,000						25,000	
Property Taxes	284,548						284,548	
Accounting / Audit							0	
Organizational Costs	15,000						15,000	
Entitlement / Permit Fees							0	
Marketing / Rent-up							0	
Furnishings							0	
PGE / Utility Fees	589,470						589,470	\$2,000/unit; See MOHCD U/W Guidelines: http://sfmohcd.org/documents-reports-and-forms
TCAC App / Alloc / Monitor Fees	1,000						1,000	
Financial Consultant fees	55,000						55,000	
Construction Management fees / Owner's Rep	84,000						84,000	
Security during Construction							0	
Relocation							0	
Community Engagement Consultant	100,000						100,000	
Other (specify)							0	
Other (specify)							0	
Total Other Development Costs	1,184,018	0	0	0	0	0	1,184,018	

Total Soft Cost Contingency as % of Total Soft Costs 4.0%

Soft Cost Contingency

Contingency (Arch, Eng, Fin, Legal & Other Dev)	178,298						178,298	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	3,924,266	746,938	0	0	0	0	4,671,204	

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

Development Cost/Unit by Source	14,277,516	746,938	0	0	0	0	15,024,454	
Development Cost/Unit as % of TDC by Source	145,689	7,622	0	0	0	0	153,311	
	95.0%	5.0%	0.0%	0.0%	0.0%	0.0%	100.0%	

Acquisition Cost/Unit by Source

	91,837	0	0	0	0	0	91,837	
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Construction Cost (inc Const Contingency)/Unit By Source

	5,298	0	0	0	0	0	5,298	
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Construction Cost (inc Const Contingency)/SF

	4.82	0.00	0.00	0.00	0.00	0.00	4.82	
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Possible non-eligible GO Bond/COP Amount:

	898,798							
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City Subsidy/Unit

	145,689							
--	---------	--	--	--	--	--	--	--

Tax Credit Equity Pricing:

	0.95							
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Construction Bond Amount:

	48,769,417							
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Construction Loan Term (in months):

	29							
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Construction Loan Interest Rate (as %):

	4.78%							
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Application Date: 3/2/21 # Units: 98
 Project Name: 2550 Irving # Bedrooms: 177
 Project Address: 2550 Irving Street # Beds:
 Project Sponsor: Tenderloin Neighborhood Development Corporation LOSP Project

SOURCES	25,618,912	230,000	38,136,064	20,000,000	1,250,000	4,883,078	3,200,000	746,938	94,064,992	Comments
Name of Sources: MOHCD/OCI	Commercial Loan	LIHTC Equity	HCD MHP	FHLB AHP	HCD IIG	GP Equity	Deferred Interest			

USES

ACQUISITION	9,000,000								9,000,000	
Acquisition cost or value	9,000,000								9,000,000	
Legal / Closing costs / Broker's Fee	224,000								224,000	
Holding Costs	60,000								60,000	
Transfer Tax	202,500								202,500	
TOTAL ACQUISITION	9,486,500	0	0	0	0	0	0	0	9,486,500	

CONSTRUCTION (HARD COSTS)

Unit Construction/Rehab	4,975,494		14,728,456	20,000,000	1,250,000				40,953,950	Include FF&E
Commercial Shell Construction	1,448,388	212,700							1,662,088	
Demolition	519,250								519,250	Included in Unit Construction
Environmental Remediation	150,000								150,000	
Onsite Improvements/Landscaping									0	
Offsite Improvements									0	
Infrastructure Improvements						3,580,145			3,580,145	HOPE SF/OCI costs for streets etc.
Parking						1,322,933			1,322,933	
GC Bond Premium/GC Insurance/GC Taxes			739,789						739,789	
GC Overhead & Profit			1,598,311						1,598,311	
GC General Conditions			2,475,000						2,475,000	
Sub-total Construction Costs	7,094,132	212,700	19,541,556	20,000,000	1,250,000	4,883,078	0	0	52,981,466	
Design Contingency (remove at DD)			913,321						913,321	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Bid Contingency (remove at bid)			5,238,614						5,238,614	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			2,888,738						2,888,738	5% new construction / 15% rehab
Sub-total Construction Contingencies	0	0	9,040,673	0	0	0	0	0	9,040,673	
TOTAL CONSTRUCTION COSTS	7,094,132	212,700	28,582,229	20,000,000	1,250,000	4,883,078	0	0	62,022,139	

SOFT COSTS

Architecture & Design	1,638,450								1,638,450	See MOHCD A&E Fee Guidelines: http://smohcd.org/documents-reports-and-forms
Architect design fees	1,638,450								1,638,450	Included above
Design Subconsultants to the Architect (incl. Fees)									0	
Architect Construction Admin	539,240								539,240	
Reimbursables	138,885								138,885	
Additional Services	200,000								200,000	
Sub-total Architect Contract	2,486,575	0	0	0	0	0	0	0	2,486,575	
Other Third Party design consultants (not included under Architect contract)										Dry Utilities (\$55,000), Historic building analysis (\$2,500), Archaeological (\$40,000), LEED (\$50,000), Low Voltage (\$100,000), EBM (\$20,000), Commissioning (\$68,000), Peer Review, street space permit, expediter, etc (\$200,000), Special Inspections (\$200,000)
Total Architecture & Design	3,235,075	0	0	0	0	0	0	0	3,235,075	

Engineering & Environmental Studies	50,000								50,000	
Survey	50,000								50,000	
Geotechnical studies	175,000								175,000	
Phase I & II Reports	200,000								200,000	
CEQA / Environmental Review consultants									0	
NEPA / I06 Review	25,000								25,000	
CNA/PNA (rehab only)									0	
Other environmental consultants	20,000								20,000	Craig Communications (DTSC Public Participation Consultant)
Total Engineering & Environmental Studies	470,000	0	0	0	0	0	0	0	470,000	

Financing Costs	478,501	0	5,445,126	0	0	0	0	746,938	6,670,565	
Construction Loan Origination Fee			407,004						407,004	
Construction Loan Interest	25,000		4,945,043						4,970,043	
Title & Recording			70,000						70,000	Acc/predev and construction closing
CDLAC & CDLAC fees			23,078						23,078	
Bond Issuer Fees	135,668								135,668	
Other Bond Cost of Issuance	162,833								162,833	
MOHCD Loan Fees & Deferred Interest	155,000							746,938	901,938	
Sub-total Const. Financing Costs	478,501	0	5,445,126	0	0	0	0	746,938	6,670,565	
Permanent Financing Costs	2,300		2,300						4,600	
Permanent Loan Origination Fee									0	
Credit Enhance. & Appl. Fee									0	
Title & Recording	15,000	15,000							30,000	
Sub-total Perm. Financing Costs	17,300	17,300	0	0	0	0	0	0	34,600	
Total Financing Costs	495,801	17,300	5,445,126	0	0	0	0	746,938	6,705,165	

Legal Costs	63,092	0	236,908	0	0	0	0	0	300,000	
Borrower Legal fees			30,000						30,000	
Lend User / CEQA Attorney fees	10,000								10,000	
Tax Credit Counsel			50,000						50,000	
Bond Counsel			90,000						90,000	
Construction Lender Counsel			40,000						40,000	
Permanent Lender Counsel			10,000						10,000	
Owner Legal Fees - Construction & Perm	53,092		15,908						70,000	
Total Legal Costs	63,092	0	236,908	0	0	0	0	0	300,000	

Other Development Costs	2,214,006	0	1,582,882	0	0	0	0	0	3,796,888	
Appraisal	15,000								15,000	
Market Study	15,000								15,000	
Insurance	25,000		1,152,495						1,177,495	
Property Taxes	284,548								284,548	
Accounting / Audit			50,000						50,000	
Organizational Costs	15,000								15,000	
Entitlement / Permit Fees	941,866		78,092						1,019,958	
Marketing / Rent-up			114,824						114,824	
Furnishings										\$2,000/unit, See MOHCD UIW Guidelines on: http://smohcd.org/documents-reports-and-forms
PGE / Utility Fees	610,822								610,822	
TCAC App / Alloc / Monitor Fees	67,770								67,770	
Financial Consultant fees	55,000		30,000						85,000	
Construction Management fees / Owner's Rep	84,000		115,471						199,471	
Security during Construction									0	Included in other consultants
Relocation									0	
Community Engagement Consultant	100,000								100,000	
Construction Lender Inspection			42,000						42,000	
Other (specify)									0	
Total Other Development Costs	2,214,006	0	1,582,882	0	0	0	0	0	3,796,888	

Soft Cost Contingency	360,306	0	1,090,177	0	0	0	0	0	1,450,483	Should be either 10% or 5% of total soft costs.
Contingency (Arch, Eng, Fin, Legal, & Other Dev)	360,306	0	1,090,177	0	0	0	0	0	1,450,483	
TOTAL SOFT COSTS	6,838,280	17,300	8,355,093	0	0	0	0	746,938	15,957,611	16.9%

RESERVES

Operating Reserves			480,496						480,496	
Replacement Reserves									0	
Tenant Improvements Reserves									0	
Lease-Up Reserve			317,143						317,143	
Capitalized Operating Subsidy Reserve			401,103						401,103	
Other (specify)									0	
TOTAL RESERVES	0	0	1,198,742	0	0	0	0	0	1,198,742	

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									0	
Developer Fee - GP Equity (also show as source)						3,200,000			3,200,000	
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	2,200,000	0	0	0	0	3,200,000	0	0	5,400,000	

TOTAL DEVELOPMENT COST	25,618,912	230,000	38,136,064	20,000,000	1,250,000	4,883,078	3,200,000	746,938	94,064,992	
Development Cost/Unit by Source	261,417	2,347	389,144	204,082	12,755	49,827	32,653	7,622	959,847	
Development Cost/Unit as % of TDC by Source	27.2%	0.2%	40.5%	21.3%	1.3%	5.2%	3.4%	0.8%	100.0%	

Acquisition Cost/Unit by Source	91,837	0	0	0	0	0	0	0	91,837	
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Construction Cost (inc Const Contingency)/Unit By Source	72,389	2,170	291,655	204,082	12,755	49,827	0	0	832,879	
Construction Cost (inc Const Contingency)/SF	65.92	1.98	265.59	185.84	11.62	45.37	0.00	0.00	576.32	

*Possible non-eligible GO Bond/COP Amount:	7,323,680
City Subsidy/Unit	261,417

Tax Credit Equity Pricing:	0.950
Construction Bond Amount:	48,769,417
Construction Loan Term (in months):	29 months
Construction Loan Interest Rate (as %):	4.78%

Attachment J: Development Budget

**2550 Irving Street
Affordable Housing Project**

Owner: TNDC
Start Date: Unknown - Priced in "Todays" Dollars
Architect: Pyatok
***Duration:** 20 Months Option 1
 20 Months Option 2
 18 Months Option 3

Option 1					
All Concrete Structure					
Line Item	Line Item Description	Quantity	UOM	Unit Rate	Extension
Demolition & Structure					
01	Hazardous Materials Abatement	0	LS	\$0.00	\$0
02	Building & Site Demolition	19,125	SITE	\$18.00	\$344,250
03	Earthwork	2,160	CY	\$250.00	\$539,972
04	Shoring, Underpinning & Soil Grouting	300	SF	\$80.00	\$24,000
05	Drilled Piers, Caissons, Tie Downs & Piles	13,885	SF	\$40.00	\$555,400
06	Structural Concrete	108,570	SFED	\$75.00	\$8,142,750
07	Masonry / CMU	0	GSF	\$0.00	\$0
08	Structural Steel, Metal Stairs, & Misc. Iron	107,618	GSF	\$10.00	\$1,076,180
09	Rough Carpentry, CLT / Mass Timber	107,618	GSF	\$1.25	\$134,523
Subtotal Demolition and Structure					\$10,817,075
Exterior Skin					
10	Exterior Glazing	14,424	SF	\$130.00	\$1,875,088
11	Exterior Siding / Skin	43,271	SF	\$55.00	\$2,379,919
12	Roofing & Waterproofing	107,618	GSF	\$9.00	\$968,562
13	Sheet Metal, Flashing, Louvers & Exp Jts	107,618	GSF	\$9.50	\$1,022,371
14	Exterior Building Maintenance System	1	LS	\$165,000.00	\$165,000
15	Caulking & Sealants	94	UNIT	\$1,200.00	\$112,800
Subtotal Exterior Skin					\$6,523,739
Interiors & Equipment					
16	Gypcrete / Topping Slab	0	SF	\$0.00	\$0
17	Metal Stud Framing & Drywall	94	UNIT	\$52,000.00	\$4,888,000
18	Insulation & Firestopping	107,618	GSF	\$3.50	\$376,663
19	Finish Carpentry	94	UNIT	\$13,000.00	\$1,222,000
20	Doors, Frames & Hardware; Smoke Containment	94	UNIT	\$12,000.00	\$1,128,000
21	Overhead Coiling Doors	1	LS	\$65,000.00	\$65,000
22	Tile & Stone	107,618	GSF	\$0.75	\$80,714
23	Acoustical Ceilings & Wall Panels	3,500	SF	\$12.00	\$42,000
24	Flooring - Carpet, Resilient, Wood, Polished Conc, Epoxy	94	UNIT	\$8,000.00	\$752,000
25	Painting & Wall Coverings	107,618	GSF	\$7.50	\$807,135
26	Misc. Specialties & Equipment	107,618	GSF	\$1.80	\$193,712
27	Pest Control - Pigeons, Bedbugs	1	LS	\$20,000.00	\$20,000
28	Signage	94	UNIT	\$850.00	\$79,900
29	Toilet & Bath Accessories	94	UNIT	\$1,250.00	\$117,500
30	Kitchen Equipment	94	UNIT	\$3,000.00	\$282,000
31	Trash Chutes & Compactors	7	FLR	\$14,000.00	\$98,000
32	Window Treatments	94	UNIT	\$1,200.00	\$112,800
33	Elevators	2	EA	\$320,000.00	\$640,000
Subtotal Interiors & Equipment					\$10,905,424
Mechanical, Electrical, Plumbing & Sprinkler Systems					
34	Fire Protection System	107,618	GSF	\$8.00	\$860,944
35	Plumbing	94	UNIT	\$38,000.00	\$3,572,000
36	HVAC	94	UNIT	\$18,000.00	\$1,692,000
37	Electrical, Telephone & Data	94	UNIT	\$72,000.00	\$6,768,000
38	Solar Panels - Photovoltaic	1	LS	\$250,000.00	\$250,000
Subtotal Mechanical, Electrical, Plumbing & Sprinkler Systems					\$13,142,944
Site Work, Utilities & Landscaping					
39	Asphalt Paving & Striping	3	STR	\$30,000.00	\$90,000
40	Site Concrete	1	LS	\$625,000.00	\$625,000
41	Landscape, Irrigation & Site Furnishings	1	LS	\$450,000.00	\$450,000
42	Site Utilities	1	LS	\$850,000.00	\$850,000
Subtotal Sitework, Utilities & Landscaping					\$2,015,000
General Requirements, Logistics & Phasing					
43	Personnel Hoist	11	MOS	\$55,000.00	\$605,000
44	Crane Service	11	MOS	\$68,000.00	\$748,000
45	Scaffold	107,618	GSF	\$4.00	\$430,472
46	Site Security	1	LS	\$55,000.00	\$55,000
47	Final Cleaning	107,618	GSF	\$1.00	\$107,618
48	General Requirements	20	MOS	\$25,000.00	\$500,000
49	COVID Mitigation Measures	0	LS	\$0.00	\$0
Subtotal General Requirements, Logistics & Phasing					\$2,446,090
SUBTOTAL					\$45,850,272

**Option 2			
5-Stories Type III Over 2-Story Podium			
Quantity	UOM	Unit Rate	Extension
Demolition & Structure			
0	LS	\$0.00	\$0
19,125	SITE	\$18.00	\$344,250
1,543	CY	\$250.00	\$385,694
300	SF	\$80.00	\$24,000
13,885	SF	\$35.00	\$485,975
30,709	SFED	\$100.00	\$3,070,900
0	GSF	\$0.00	\$0
107,618	GSF	\$12.00	\$1,291,416
78,785	GSF	\$66.00	\$5,199,810
Subtotal Demolition and Structure			\$10,802,045
Exterior Skin			
14,424	SF	\$130.00	\$1,875,088
43,271	SF	\$55.00	\$2,379,919
107,618	GSF	\$9.00	\$968,562
107,618	GSF	\$9.50	\$1,022,371
1	LS	\$165,000.00	\$165,000
94	UNIT	\$1,200.00	\$112,800
Subtotal Exterior Skin			\$6,523,739
Interiors & Equipment			
63,024	SF	\$4.00	\$252,096
94	UNIT	\$47,000.00	\$4,418,000
107,618	GSF	\$2.50	\$269,045
94	UNIT	\$13,000.00	\$1,222,000
94	UNIT	\$12,000.00	\$1,128,000
1	LS	\$65,000.00	\$65,000
107,618	GSF	\$0.75	\$80,714
3,500	SF	\$12.00	\$42,000
94	UNIT	\$8,000.00	\$752,000
107,618	GSF	\$7.75	\$834,040
107,618	GSF	\$1.80	\$193,712
1	LS	\$20,000.00	\$20,000
94	UNIT	\$850.00	\$79,900
94	UNIT	\$1,250.00	\$117,500
94	UNIT	\$3,000.00	\$282,000
7	FLR	\$14,000.00	\$98,000
94	UNIT	\$1,200.00	\$112,800
2	EA	\$320,000.00	\$640,000
Subtotal Interiors & Equipment			\$10,606,806
Mechanical, Electrical, Plumbing & Sprinkler Systems			
107,618	GSF	\$8.00	\$860,944
94	UNIT	\$38,000.00	\$3,572,000
94	UNIT	\$18,000.00	\$1,692,000
94	UNIT	\$72,000.00	\$6,768,000
1	LS	\$250,000.00	\$250,000
Subtotal Mechanical, Electrical, Plumbing & Sprinkler Systems			\$13,142,944
Site Work, Utilities & Landscaping			
3	STR	\$30,000.00	\$90,000
1	LS	\$625,000.00	\$625,000
1	LS	\$450,000.00	\$450,000
1	LS	\$850,000.00	\$850,000
Subtotal Sitework, Utilities & Landscaping			\$2,015,000
General Requirements, Logistics & Phasing			
11	MOS	\$55,000.00	\$605,000
11	MOS	\$68,000.00	\$748,000
107,618	GSF	\$4.00	\$430,472
1	LS	\$55,000.00	\$55,000
107,618	GSF	\$1.00	\$107,618
20	MOS	\$25,000.00	\$500,000
0	MOS	\$0.00	\$0
Subtotal General Requirements, Logistics & Phasing			\$2,446,090
SUBTOTAL			\$45,536,625

**Option 3				
6-Story CLT (Post & Beam) Over 1-Story Podium				
Quantity	UOM	Unit Rate	Extension	Comments / Assumptions
Demolition & Structure				
0	LS	\$0.00	\$0	Assume None, Existing Building Looks New
19,125	SITE	\$18.00	\$344,250	Demo Existing 2-Story Structure, Sidewalks & Pavings
1,851	CY	\$250.00	\$462,833	Based on 30" Mat Opt. 1, 18" Mat Opt. 2, 24" Mat Opt. 3 + 12" for Grade Change, etc. Non-Haz Off Haul
300	SF	\$80.00	\$24,000	Allow for Minor at North/East PL, Layback Excavation Elsewhere
13,885	SF	\$35.00	\$485,975	Allow for DDC's, Need Geotech Report to Confirm
14,948	SFED	\$165.00	\$2,466,420	Option 3 Incl's Core Walls to Roof - Assume 100' / Floor @ 24" Thick
0	GSF	\$0.00	\$0	Assume None
107,618	GSF	\$12.00	\$1,291,416	Option 2 & 3 Includes Higher Rate for Some Embedded Structural Steel
93,733	GSF	\$56.00	\$5,249,048	Option 3 Based on Post & Beam System with 6.875" CLT Decking
Subtotal Demolition and Structure			\$10,323,942	
Exterior Skin				
14,424	SF	\$130.00	\$1,875,088	Based on Aluminum Windows & Storefront, Pricing Includes Misc Interior Glazing
43,271	SF	\$55.00	\$2,379,919	Included on "Premium" Level Skin at Street Facades & "Economy" Level at Courtyard Elevations
107,618	GSF	\$9.00	\$968,562	Includes VMS System with Vent Piping to Roof, & Exterior Fluid Applied Waterproofing
107,618	GSF	\$9.50	\$1,022,371	
1	LS	\$165,000.00	\$165,000	Based on Davit System
94	UNIT	\$1,200.00	\$112,800	Includes Some Level of IPM Caulking at Units
Subtotal Exterior Skin			\$6,523,739	
Interiors & Equipment				
78,785	SF	\$10.50	\$827,243	CLT Structure Includes 3" Reinforced Topping Slab
94	UNIT	\$50,000.00	\$4,700,000	
107,618	GSF	\$3.50	\$376,663	Includes Exterior Rigid Insulation for Option 1 & 3, Assume Not Required for Option 2
94	UNIT	\$13,000.00	\$1,222,000	Includes Common Area Casework, Millwork, etc.
94	UNIT	\$12,000.00	\$1,128,000	
1	LS	\$65,000.00	\$65,000	Allow for (1) Garage Doors & Roll Up Doors at Trash Room, etc.
107,618	GSF	\$0.75	\$80,714	Allow at Public Restroom, Misc Tile at Common Spaces. Assume No Residential Unit Tile
3,500	SF	\$12.00	\$42,000	Allow at Office, Service Spaces, etc.
94	UNIT	\$8,000.00	\$752,000	LVP Flooring in Units
107,618	GSF	\$7.25	\$780,231	
107,618	GSF	\$1.80	\$193,712	Allow for Mailbox, Bike Racks, Entry Mat, etc
1	LS	\$20,000.00	\$20,000	Allow for Minor Bird Control, etc.
94	UNIT	\$850.00	\$79,900	
94	UNIT	\$1,250.00	\$117,500	Includes Common Bathroom Toilet Partitions
94	UNIT	\$3,000.00	\$282,000	Includes Common Kitchen (Non Commercial) Appliances, Excl's Washer/Dryers
7	FLR	\$14,000.00	\$98,000	Includes Compactor
94	UNIT	\$1,200.00	\$112,800	Including Common Space Shades
2	EA	\$320,000.00	\$640,000	Based on Gen2 3500 MRL, 350 fpm, 8 Stops (Including Roof Stops)
Subtotal Interiors & Equipment			\$11,517,762	
Mechanical, Electrical, Plumbing & Sprinkler Systems				
107,618	GSF	\$8.00	\$860,944	Includes Fire Pump
94	UNIT	\$38,000.00	\$3,572,000	Based on Central HW System, Excludes Unit Floor Drains & Reclaimed Water
94	UNIT	\$18,000.00	\$1,692,000	Based on Forced OA from Rooftop Fan, MERV 13 Filter, Exhaust to Roof
94	UNIT	\$72,000.00	\$6,768,000	Includes Electric Heat
1	LS	\$250,000.00	\$250,000	Allowance for PV System Only
Subtotal Mechanical, Electrical, Plumbing & Sprinkler Systems			\$13,142,944	
Site Work, Utilities & Landscaping				
3	STR	\$30,000.00	\$90,000	Allow for Overlay to Medium Only
1	LS	\$625,000.00	\$625,000	New Sidewalks, Planter Walls, Rooftop Pavers, etc.
1	LS	\$450,000.00	\$450,000	Allowance for New Trees, Shrubs, Green Roofs, etc.
1	LS	\$850,000.00	\$850,000	Excludes PG&E Fees or Overhead Line Removal
Subtotal Sitework, Utilities & Landscaping			\$2,015,000	
General Requirements, Logistics & Phasing				
9	MOS	\$55,000.00	\$495,000	
9	MOS	\$68,000.00	\$612,000	Tower Crane
107,618	GSF	\$3.50	\$376,663	
1	LS	\$55,000.00	\$55,000	Allow for Camera's Only, No Live Guard
107,618	GSF	\$1.00	\$107,618	
20	MOS	\$35,000.00	\$700,000	Weather & Finish Protection, Offsite Staging / Coordination, etc. for CLT
0	MOS	\$0.00	\$0	Not Anticipated at Construction Start
Subtotal General Requirements, Logistics & Phasing			\$2,346,281	
SUBTOTAL			\$45,869,668	

General Conditions		20	MOS	\$115,000.00	\$2,300,000		20.0	MOS	\$115,000.00	\$2,300,000		18.0	MOS	\$115,000.00	\$2,070,000		
Escalation / Bid Contingency	0.00%				\$0					\$0					\$0		Priced in "Todays Dollars", Suggested Owner Carry 4% - 5% per Annum
Contractor's Contingency	2.00%				\$963,005					\$956,733					\$958,793		
Design Development Contingency	0.00%				\$0					\$0					\$0		Owner to Carry, Suggest 10% - 15% at this Stage, Potentially Higher for CLT Due to Uncertainty
Insurance & Safety Program	0.77%				\$378,172					\$375,709					\$376,518		Assume OCIP, for CCIP ~2%
General Contractor's Fee	3.50%				\$1,732,201					\$1,720,917					\$1,724,624		Pending Further Negotiations
General Contractor Bond	0.65%				\$332,954					\$330,785					\$331,497		
Preconstruction Fee					\$0					\$0					\$0		Separate Agreement, if Any
GRAND TOTAL					\$51,556,604					\$51,220,769					\$51,331,102		
Enclosed Building Area	GSF				107,618					107,618					107,618		
Quantity of Residential Units	EA				94					94					94		
Unit Density	GSF / UNIT				1,145					1,145					1,145		
\$ / GSF	\$ / GSF				\$479.07					\$475.95					\$476.98		
\$ / UNIT	\$ / UNIT				\$548,475					\$544,902					\$546,076		

Costs Not Included and Assumed by Owner: Design Fees, Permits, Utility Fees, Testing & Inspections, Builder's Risk Insurance
Pricing Based on Pyatok's Plans Dated 12/3/20
*Construction Durations Pending Geotech Report, Sub Input, etc.
**Builder's Risk Premiums Higher for Options 2 & 3

Building Areas:	Enclosed Area (GSF)	Open Space / Decks	GSF Area's Based on "2550 Irving Option L1_SF AREA TABULATION" Provided by TNDc on 12/15/20
Level 1	13,885	5,186	Courtyard, Entry Court, Perimeter Landscape
Level 2	14,948	-	
Level 3	15,761	-	
Level 4	15,761	-	
Level 5	15,761	-	
Level 6	15,761	-	
Level 7	15,289	-	
Roof Penthouse	452	3,144	Open Space Roof Deck
Total	107,618	8,330	GSF
Total Constructed Area	115,948	GSF	
Site Area	19,125	SF	

Unit Type:	Unit Count
Studio	18
1 Bed	24
2 Bed	28
3 Bed	24
Total	94
	EA

Exterior Façade Area:	LF	Height	Area
Ground Floor	700	13	9,100
Residential Floors	700	60	42,000
Penthouse	90	15	1,350
	Subtotal		52,450 SF
	10% for Soffits, etc.		5,245 SF
	Total Exterior Façade		57,695 SF
	Glazing	14,424 SF, Assume 25% of Skin	
	Skin	43,271 SF, Assume 75% of Skin	

Attachment K: 1st Year Operating Budget

Application Date: 3/2/21
 Total # Units: 98
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2025

Project Name: 2550 Irving
 Project Address: 2550 Irving Street
 Project Sponsor: Tenderloin Neighborhood Development Corporation

Non-LOSP Units	
LOSP Units	Units
25	73

LOSP/non-LOSP Allocation	
26%	74%

INCOME	LOSP	non-LOSP	Total	Comments	
Residential - Tenant Rents	86,400	1,283,172	1,369,572	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
Residential - LOSP Tenant Assistance Payments	312,508		312,508		
Commercial Space			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
Residential Parking	0	0	0	Links from 'Utilities & Other Income' Worksheet	
Miscellaneous Rent Income	0	0	0	Links from 'Utilities & Other Income' Worksheet	Alternative LOSP Split
Supportive Services Income	0	0	0	Links from 'Utilities & Other Income' Worksheet	Supportive Services Income
Interest Income - Project Operations	0	0	0	Links from 'Utilities & Other Income' Worksheet	
Laundry and Vending	1,590	4,525	6,115	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			53,472	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	Alternative LOSP Split
Withdrawal from Capitalized Reserve (deposit to operating account)	0	0	0		Withdrawal from Capitalized Reserve (deposit to
Gross Potential Income	400,498	1,287,697	1,741,668		
Vacancy Loss - Residential - Tenant Rents	(4,320)	(64,159)	(68,479)	Vacancy loss is 5% of Tenant Rents.	
Vacancy Loss - Residential - Tenant Assistance Payments	0	0	0	#DIV/0!	
Vacancy Loss - Commercial			(28,736)	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
EFFECTIVE GROSS INCOME	396,178	1,223,539	1,646,453	PUPA: 16,801	

OPERATING EXPENSES					
Management					
Management Fee	20,580	58,572	79,152	1st Year to be set according to HUD schedule.	Alternative LOSP Split
Asset Management Fee	5,694	16,206	21,900		Management Fee
Sub-total Management Expenses	26,274	74,778	101,052	PUPA: 1,031	Asset Management Fee

Salaries/Benefits					
Office Salaries	1,724	4,906	6,629		Alternative LOSP Split
Manager's Salary	61,890	178,150	239,040		Manager's Salary
Health Insurance and Other Benefits	16,902	48,105	65,007		Health Insurance and Other Benefits
Other Salaries/Benefits	3,839	10,927	14,766		Other Salaries/Benefits
Administrative Rent-Free Unit	0	0	0		Administrative Rent-Free Unit
Sub-total Salaries/Benefits	84,355	240,087	324,442	PUPA: 3,311	

Administration					
Advertising and Marketing	468	1,331	1,799		
Office Expenses	8,099	23,052	31,151		
Office Rent	0	0	0		Projected LOSP Split
Legal Expense - Property	3,727	10,607	14,334		Legal Expense - Property
Audit Expense	3,439	9,789	13,228		
Bookkeeping/Accounting Services	2,875	8,183	11,058		Projected LOSP Split
Bad Debts	3,961	11,272	15,233		Bad Debts
Miscellaneous	4,701	13,380	18,081	IT support/maintenance, professional fees, training	
Sub-total Administration Expenses	27,270	77,614	104,884	PUPA: 1,070	

Utilities					
Electricity	10,654	30,322	40,975		Projected LOSP Split
Water	37,415	106,489	143,904		Electricity
Gas	0	0	0	All-electric building	
Sewer	0	0	0	Included in Water line	
Sub-total Utilities	48,069	136,810	184,879	PUPA: 1,887	

Taxes and Licenses					
Real Estate Taxes	865	2,463	3,328		Alternative LOSP Split
Payroll Taxes	7,678	21,853	29,531		Real Estate Taxes
Miscellaneous Taxes, Licenses and Permits	397	1,131	1,528		Payroll Taxes
Sub-total Taxes and Licenses	8,941	25,446	34,387	PUPA: 351	

Insurance					
Property and Liability Insurance	45,500	129,500	175,000		
Fidelity Bond Insurance	0	0	0		Alternative LOSP Split
Worker's Compensation	8,638	24,585	33,223		Worker's Compensation
Director's & Officers' Liability Insurance	0	0	0		
Sub-total Insurance	54,138	154,085	208,223	PUPA: 2,125	

Maintenance & Repair					
Payroll	34,234	97,436	131,670		Alternative LOSP Split
Supplies	4,397	12,516	16,913		Payroll
Contracts	17,241	49,070	66,311		Supplies
Garbage and Trash Removal	16,125	45,896	62,021		Contracts
Security Payroll/Contract	0	0	0		Alternative LOSP Split
HVAC Repairs and Maintenance	3,504	9,972	13,475		Security Payroll/Contract
Vehicle and Maintenance Equipment Operation and Repairs	168	478	646		
Miscellaneous Operating and Maintenance Expenses	2,743	7,806	10,549	VIMS O&M	
Sub-total Maintenance & Repair Expenses	78,412	223,173	301,585	PUPA: 3,077	

Supportive Services	26,420	75,196	101,616	Assumes \$6,477 PUPA HSH funding at Tier V family for FY 21-22	Alternative LOSP Split
Commercial Expenses			3,300	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	Supportive Services
TOTAL OPERATING EXPENSES	353,878	1,007,190	1,364,368	PUPA: 13,922	

Reserves/Ground Lease Base Rent/Bond Fees					
Ground Lease Base Rent	3,900	11,100	15,000	Ground lease with MOHCD	Provide additional comments here, if needed.
Bond Monitoring Fee	850	1,850	2,500		Alternative LOSP Split
Replacement Reserve Deposit	12,740	36,260	49,000		Replacement Reserve Deposit
Operating Reserve Deposit	0	0	0		Operating Reserve Deposit
Other Required Reserve 1 Deposit	0	0	0		Other Required Reserve 1 Deposit
Other Required Reserve 2 Deposit	0	0	0		
Required Reserve Deposits, Commercial			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	17,290	49,210	66,500	PUPA: 679	

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	371,168	1,056,400	1,430,868	PUPA: 14,601	
NET OPERATING INCOME (INCOME minus OP EXPENSES)	25,011	167,138	215,585	PUPA: 2,200	

DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)					
Hard Debt - First Lender	0	0	0		Alternative LOSP Split
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)	21,840	62,160	84,000	HCD - MHP	Provide additional comments here, if needed.
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	0	0		Hard Debt - Second Lender (HCD Program 0.42
Hard Debt - Fourth Lender	0	0	0		Hard Debt - Third Lender (Other HCD Program,
Commercial Hard Debt Service			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	Hard Debt - Fourth Lender
TOTAL HARD DEBT SERVICE	21,840	62,160	84,000	PUPA: 857	

CASH FLOW (NOI minus DEBT SERVICE)					
Commercial Only Cash Flow			23,436		
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)	6,093	17,343			Allocation of Commercial Surplus to LOSP/non-
AVAILABLE CASH FLOW	9,264	122,321	131,585		

USES OF CASH FLOW BELOW (This row also shows DSCR.)					
USES THAT PRECEED MOHCD DEBT SERVICE IN WATERFALL					
"Below-the-line" Asset Mgt Fee (uncommon in new projects, see policy)	7,964	22,867	30,631	2nd	
Partnership Management Fee (see policy for limits)	0	0	0	Included in above	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	1,300	3,700	5,000	1st	
Other Payments	0	0	0		Alternative LOSP Split
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	0	0	0		Other Payments
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)	0	0	0		Non-amortizing Loan Pmnt - Lender 1 (select le
Deferred Developer Fee (Enter amt <= Max Fee from call H30)	0	0	0	Def. Develop. Fee split: 0%	Provide additional comments here, if needed.
TOTAL PAYMENTS PRECEDING MOHCD	9,264	26,367	35,631	PUPA: 364	Deferred Developer Fee (Enter amt <= Max Fee

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	(0)	95,954	95,954		
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Residual Receipts Calculation
 Does Project have a MOHCD Residual Receipt Obligation? **Yes** Project has MOHCD ground lease? **Yes**
 Will Project Defer Developer Fee? **No**
 Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1: **33%**
 % of Residual Receipts available for distribution to soft debt lenders in Yr 1: **67%**

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

Soft Debt Lenders with Residual Receipts Obligations				Distrib. of Soft Debt Loans
(Select lender name/program from drop down)			Total Principal Amt	
MOHCD/OClI - Soft Debt Loans		All MOHCD/OClI Loans payable from res. recs	\$38,136,064	57.21%
MOHCD/OClI - Ground Lease Value or Land Acq Cost		Acquisition Cost	\$8,521,500	12.78%
HCD (soft debt loan) - Lender 3		HCD - MHP	\$20,000,000	30.00%
Other Soft Debt Lender - Lender 4				0.00%
Other Soft Debt Lender - Lender 5				0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE					
MOHCD Residual Receipts Amount Due		44,776	44,776	67% of residual receipts, multiplied by 70% -- MOHCD's pro rata share of all soft debt	
Proposed MOHCD Residual Receipts Amount to Loan Repayment		44,776	44,776	Enter/override amount of residual receipts proposed for loan repayment.	
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		0	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repaymt.	

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE			51,178		
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NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE					
HCD Residual Receipts Amount Due		19,193	19,193	67% of residual receipts, multiplied by 30% -- HCD - MHP's pro rata share of all soft debt	
Lender 4 Residual Receipts Due		0	0		
Lender 5 Residual Receipts Due		0	0		
Total Non-MOHCD Residual Receipts Debt Service			19,193		

REMAINDER (Should be zero unless there are distributions below)					
Owner Distributions/Incentive Management Fee			31,985	100% of Borrower share of 33% of residual receipts	
Other Distributions/Uses			0		
Final Balance (should be zero)			0		

Application Date: 3/2/21
 Total # Units: 98
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2025

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

OPERATING EXPENSES			
Management			
Management Fee	LOSP	non-LOSP	Approved By (reqd)
Asset Management Fee			
Sub-total Management Expenses			
Salaries/Benefits			
Office Salaries	LOSP	non-LOSP	Approved By (reqd)
Manager's Salary			
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	26.00%	74.00%	
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	26.00%	74.00%	
Miscellaneous			
Sub-total Administration Expenses			
Utilities			
Electricity	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Water	26.00%	74.00%	
Gas			
Sewer			
Sub-total Utilities			

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

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

Maintenance & Repair			
Payroll	LOSP	non-LOSP	Approved By (reqd)
Supplies	26.00%	74.00%	(LOSP-specific expenses must be tracked at entry level in project's accounting)
Contracts			
Garbage and Trash Removal	LOSP	non-LOSP	Approved By (reqd)
Security Payroll/Contract			
HVAC Repairs and Maintenance			
Vehicle and Maintenance Equipment Operation and Repairs			
Miscellaneous Operating and Maintenance Expenses			
Sub-total Maintenance & Repair Expenses			

Supportive Services	LOSP	non-LOSP	Approved By (reqd)
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)			
Hard Debt - First Lender	LOSP	non-LOSP	Approved By (reqd)
Hard Debt - Second Lender (HCD Program 0.42% pymt. or other 2nd Lender)	0.00%	100.00%	
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	3% pymt. or other 2nd Lender		
Hard Debt - Fourth Lender			
Commercial Hard Debt Service			
TOTAL HARD DEBT SERVICE			

CASH FLOW (NOI minus DEBT SERVICE)			
Commercial Only Cash Flow			
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)	LOSP (residual income)		
AVAILABLE CASH FLOW			
USES OF CASH FLOW BELOW (This row also shows DSCR.)			
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL			
"Below-the-line" Asset Mgt Fee (uncommon in new projects, see policy)			
Partnership Management Fee (see policy for limits)			
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	LOSP	non-LOSP	Approved By (reqd)
Other Payments			
Non-amortizing Loan Pmt - Lender 1 (select lender in comments field)		nder in comments field)	
Non-amortizing Loan Pmt - 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
 Does Project have a MOHCD Residual Receipt Obligation?
 Will Project Defer Developer Fee?
 Max. Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1: 0
 % of Residual Receipts available for distribution to soft debt lenders in Yr 1: #VALUE!

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

MOHCD RESIDUAL RECEIPTS DEBT SERVICE	
MOHCD Residual Receipts Amount Due	
Proposed MOHCD Residual Receipts Amount to Loan Repayment	
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE

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

REMAINDER (Should be zero unless there are distributions below)
 Owner Distributions/Incentive Management Fee
 Other Distributions/Uses
Final Balance (should be zero)

Attachment L: 20-year Operating Proforma

	Total # Units:		Comments (related to annual inc assumptions)	Year 1 2025			Year 2 2026			LOSP
	LOSP Units	Non-LOSP Units		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	
	98	25 73								
		26.00% 74.00%								
INCOME	% annual inc LOSP	% annual increase		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP
Other Reserve 2 Withdrawals										
Other Reserve 2 Interest										
<i>Other Required Reserve 2 Running Balance</i>										

2550 Irving

Total # Units: LOSP Units 98, Non-LOSP Units 25, 73
 26.00%, 74.00%

INCOME	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Year 3 2027		Year 4 2028		Year 5 2029		
				non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP
Residential - Tenant Rents	1.0%	2.5%		1,348,133	1,436,269	89,018	1,381,636	1,470,854	89,908	1,416,382
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments	n/a	n/a		-	336,352	348,938	-	348,938	361,987	-
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%		4,754	6,425	1,712	4,873	6,585	1,755	4,995
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%	-	56,179	-	-	57,583	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-	-	-
Gross Potential Income				1,352,887	1,835,225	439,668	1,386,709	1,883,961	453,651	1,421,377
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(67,407)	(71,813)	(4,451)	(69,092)	(73,543)	(4,495)	(70,819)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a		-	(28,090)	-	-	(28,792)	-	-
EFFECTIVE GROSS INCOME				1,285,480	1,735,322	435,217	1,317,617	1,781,626	449,155	1,350,558

OPERATING EXPENSES	% annual inc LOSP	% annual increase	Comments	Year 3 2027	Year 4 2028	Year 5 2029
Management						
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule	62,744	84,790	22,817
Asset Management Fee	3.5%	3.5%	per MOHCD policy	17,360	23,460	6,313
Sub-total Management Expenses				80,105	108,249	29,130

Salaries/Benefits	% annual inc LOSP	% annual increase	Comments	Year 3 2027	Year 4 2028	Year 5 2029
Office Salaries	3.5%	3.5%		5,255	7,101	1,911
Manager's Salary	3.5%	3.5%		188,696	254,994	68,619
Health Insurance and Other Benefits	3.5%	3.5%		51,531	69,637	18,739
Other Salaries/Benefits	3.5%	3.5%		11,705	15,818	4,257
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-
Sub-total Salaries/Benefits				257,187	347,551	93,526

Administration	% annual inc LOSP	% annual increase	Comments	Year 3 2027	Year 4 2028	Year 5 2029
Advertising and Marketing	3.5%	3.5%		1,426	1,927	519
Office Expenses	3.5%	3.5%		24,694	33,370	8,980
Office Rent	3.5%	3.5%		-	-	-
Legal Expense - Property	3.5%	3.5%		11,363	15,355	4,132
Audit Expense	3.5%	3.5%		10,486	14,170	3,813
Bookkeeping/Accounting Services	3.5%	3.5%		8,766	11,846	3,188
Bad Debts	3.5%	3.5%		12,075	16,318	4,391
Miscellaneous	3.5%	3.5%		14,333	19,369	5,212
Sub-total Administration Expenses				83,142	112,354	30,235

Utilities	% annual inc LOSP	% annual increase	Comments	Year 3 2027	Year 4 2028	Year 5 2029
Electricity	3.5%	3.5%		32,481	43,893	11,812
Water	3.5%	3.5%		114,074	154,154	41,483
Gas	3.5%	3.5%		-	-	-
Sewer	3.5%	3.5%		-	-	-
Sub-total Utilities				146,555	198,047	53,294

Taxes and Licenses	% annual inc LOSP	% annual increase	Comments	Year 3 2027	Year 4 2028	Year 5 2029
Real Estate Taxes	3.5%	3.5%		2,638	3,665	959
Payroll Taxes	3.5%	3.5%		23,409	31,634	8,513
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		1,211	1,637	440
Sub-total Taxes and Licenses				27,259	36,836	9,913

Insurance	% annual inc LOSP	% annual increase	Comments	Year 3 2027	Year 4 2028	Year 5 2029
Property and Liability Insurance	3.5%	3.5%		138,724	187,464	50,447
Fidelity Bond Insurance	3.5%	3.5%		-	-	-
Worker's Compensation	3.5%	3.5%		26,336	35,589	9,577
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-
Sub-total Insurance				165,060	223,054	60,024

Maintenance & Repair	% annual inc LOSP	% annual increase	Comments	Year 3 2027	Year 4 2028	Year 5 2029
Pavrol	3.5%	3.5%		104,376	141,048	37,956
Supplies	3.5%	3.5%		13,407	18,118	4,875
Contracts	3.5%	3.5%		52,565	71,034	19,115
Garbage and Trash Removal	3.5%	3.5%		49,164	66,438	17,879
Security Payroll/Contract	3.5%	3.5%		-	-	-
HVAC Repairs and Maintenance	3.5%	3.5%		10,682	14,435	3,884
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		512	692	186
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		8,362	11,300	3,041
Sub-total Maintenance & Repair Expenses				239,068	323,065	86,937

Supportive Services	3.5%	3.5%		80,552	108,854	29,293
Commercial Expenses			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	3,535	-

TOTAL OPERATING EXPENSES PUPA (w/o Reserves/GL Base Rent/Bond Fees) 1,078,928 1,461,545 392,351 1,116,690 1,512,699 406,083 1,155,774

Reserves/Ground Lease Base Rent/Bond Fees	Year 3 2027	Year 4 2028	Year 5 2029
Ground Lease Base Rent	11,100	15,000	3,900
Bond Monitoring Fee	1,850	2,500	650
Replacement Reserve Deposit	36,260	49,000	12,740
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	49,210	66,500	17,290

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees) 1,128,138 1,528,045 409,641 1,165,900 1,579,199 423,373 1,204,984

NET OPERATING INCOME (INCOME minus OP EXPENSES) 157,343 207,277 25,577 151,717 202,427 25,782 145,573

DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)	Year 3 2027	Year 4 2028	Year 5 2029
Hard Debt - First Lender	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% p/mt, or other 2nd Lender)	62,160	84,000	21,840
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	-	-	-
Hard Debt - Fourth Lender	-	-	-
Commercial Hard Debt Service	-	-	-
TOTAL HARD DEBT SERVICE	62,160	84,000	21,840

CASH FLOW (NOI minus DEBT SERVICE)	Year 3 2027	Year 4 2028	Year 5 2029
Commercial Only Cash Flow	95,183	123,277	3,737
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)	18,170	24,554	6,535
AVAILABLE CASH FLOW	113,353	123,277	10,271

USES OF CASH FLOW BELOW (This row also shows DSCR.) DSCR: 2.468 2.41

USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL	Year 3 2027	Year 4 2028	Year 5 2029
Below-the-line Asset Mgt Fee (uncommon in new projects, see policy)	24,281	32,813	8,830
Partnership Management Fee (see policy for limits)	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	3,964	5,356	1,441
Other Payments	-	-	-
Non-amortizing Loan Pmnt - Lender 1	-	-	-
Non-amortizing Loan Pmnt - Lender 2	-	-	-
Deferred Developer Fee (Enter amt <= Max Fee from row 131)	108,306	108,306	107,291
TOTAL PAYMENTS PRECEDING MOHCD	136,551	146,475	107,291

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD) (23,198) (23,198) 0 (28,369) (28,369) 0 (36,868)

Does Project have a MOHCD Residual Receipt Obligation? Yes No
 Will Project Defer Developer Fee? 67% / 33%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE	Dist. Soft Debt Loans	217,423	324,714
MOHCD Residual Receipts Amount Due	70.00%	-	-
Proposed MOHCD Residual Receipts Amount to Loan Repayment	-	-	-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	-	-	-

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE	30.00%	0.00%	0.00%
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/Loans
 Final Balance (should be zero)

REPLACEMENT RESERVE - RUNNING BALANCE	RR Running Balance	RR Balance/Unit
Replacement Reserve Starting Balance	98,000	147,000
Replacement Reserve Deposits	49,000	49,000
Replacement Reserve Withdrawals (ideally tied to CNA)	-	-
Replacement Reserve Interest	-	-
RR Running Balance	147,000	196,000

OPERATING RESERVE - RUNNING BALANCE	OR Running Balance	OR Balance as a % of Prior Yr Op Exps + Debt Service
Operating Reserve Starting Balance	-	0.0%
Operating Reserve Deposits	-	-
Operating Reserve Withdrawals	-	-
Operating Reserve Interest	-	-
OR Running Balance	-	0.0%

OTHER REQUIRED RESERVE 1 - RUNNING BALANCE	Other Required Reserve 1 Running Balance
Other Reserve 1 Starting Balance	-
Other Reserve 1 Deposits	-
Other Reserve 1 Withdrawals	-
Other Reserve 1 Interest	-
Other Required Reserve 1 Running Balance	-

OTHER RESERVE 2 - RUNNING BALANCE	Other Reserve 2 Running Balance
Other Reserve 2 Starting Balance	-
Other Reserve 2 Deposits	-
Other Reserve 2 Running Balance	-

	Total # Units:		Comments (related to annual inc assumptions)	Year 3 2027		Year 4 2028			Year 5 2029	
	LOSP Units	Non-LOSP Units		non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP
	98	25								
		73								
		26.00%								
		74.00%								
INCOME	% annual inc LOSP	% annual increase								
Other Reserve 2 Withdrawals										
Other Reserve 2 Interest										
<i>Other Required Reserve 2 Running Balance</i>										

	Total # Units:				Year 6 2030			Year 7 2031		
	LOSP Units	Non-LOSP Units			LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
	98	25	73							
		26.00%	74.00%							
INCOME	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
Other Reserve 2 Withdrawals										
Other Reserve 2 Interest										
<i>Other Required Reserve 2 Running Balance</i>										

2550 Irving

Total # Units:		LOSP Units		Non-LOSP Units		Year 8 2032			Year 9 2033		
		98	25	73	73						
		26.00%		74.00%							
INCOME	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	
Residential - Tenant Rents	1.0%	2.5%		92,632	1,525,288	1,617,921	93,559	1,563,420	1,656,979	94,494	
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-	-	-	-	-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		404,086	-	404,086	419,161	-	419,161	434,788	
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%		1,890	5,379	7,269	1,937	5,514	7,451	1,986	
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%	-	-	63,561	-	-	63,561	-	
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-	-	-	
Gross Potential Income				498,608	1,530,667	2,029,275	514,657	1,568,934	2,148,741	531,268	
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(4,632)	(76,264)	(80,896)	(4,678)	(78,171)	(82,849)	(4,725)	
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	
Vacancy Loss - Commercial	n/a	n/a		-	-	(31,781)	-	-	(32,575)	-	
EFFECTIVE GROSS INCOME				493,976	1,454,403	1,947,498	509,979	1,490,763	2,033,317	526,543	
OPERATING EXPENSES											
Management											
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule	26,183	74,521	100,703	27,099	77,129	104,228	28,048	
Asset Management Fee	3.5%	3.5%	per MOHCD policy	7,244	20,619	27,863	7,498	21,340	28,838	7,760	
Sub-total Management Expenses				33,427	95,139	128,566	34,597	98,469	133,066	35,808	
Salaries/Benefits											
Office Salaries	3.5%	3.5%		2,193	6,241	8,434	2,270	6,460	8,729	2,349	
Manager's Salary	3.5%	3.5%		78,742	224,111	302,853	81,498	231,955	313,453	84,350	
Health Insurance and Other Benefits	3.5%	3.5%		21,504	61,203	82,707	22,256	63,345	85,602	23,035	
Other Salaries/Benefits	3.5%	3.5%		4,884	13,902	18,786	5,055	14,389	19,444	5,232	
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	
Sub-total Salaries/Benefits				107,323	305,458	412,781	111,079	316,149	427,228	114,967	
Administration											
Advertising and Marketing	3.5%	3.5%		595	1,694	2,289	616	1,753	2,369	637	
Office Expenses	3.5%	3.5%		10,305	29,328	39,633	10,665	30,355	41,020	11,038	
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	
Legal Expense - Property	3.5%	3.5%		4,742	13,495	18,237	4,908	13,968	18,875	5,079	
Audit Expense	3.5%	3.5%		4,376	12,454	16,830	4,529	12,890	17,419	4,667	
Bookkeeping/Accounting Services	3.5%	3.5%		3,658	10,411	14,069	3,796	10,775	14,561	3,918	
Bad Debts	3.5%	3.5%		5,039	14,342	19,381	5,215	14,844	20,059	5,398	
Miscellaneous	3.5%	3.5%		5,981	17,023	23,004	6,190	17,619	23,809	6,407	
Sub-total Administration Expenses				34,695	98,747	133,442	35,909	102,203	138,112	37,166	
Utilities											
Electricity	3.5%	3.5%		13,554	38,577	52,132	14,029	39,928	53,956	14,520	
Water	3.5%	3.5%		47,602	135,484	183,086	49,268	140,226	189,494	50,993	
Gas	3.5%	3.5%		-	-	-	-	-	-	-	
Sewer	3.5%	3.5%		-	-	-	-	-	-	-	
Sub-total Utilities				61,157	174,061	235,218	63,297	180,153	243,450	65,512	
Taxes and Licenses											
Real Estate Taxes	3.5%	3.5%		1,101	3,133	4,234	1,139	3,243	4,382	1,170	
Payroll Taxes	3.5%	3.5%		9,769	27,803	37,572	10,111	28,776	38,887	10,464	
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		505	1,439	1,944	523	1,489	2,012	541	
Sub-total Taxes and Licenses				11,375	32,375	43,750	11,773	33,508	45,281	12,185	
Insurance											
Property and Liability Insurance	3.5%	3.5%		57,889	164,760	222,649	59,915	170,527	230,442	62,012	
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	
Worker's Compensation	3.5%	3.5%		10,990	31,279	42,269	11,375	32,374	43,748	11,773	
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	
Sub-total Insurance				68,879	196,039	264,918	71,289	202,901	274,190	73,785	
Maintenance & Repair											
Pavroll	3.5%	3.5%		43,555	123,966	167,521	45,080	128,304	173,384	46,658	
Supplies	3.5%	3.5%		5,595	15,923	21,518	5,791	16,481	22,271	5,993	
Contracts	3.5%	3.5%		21,935	62,431	84,366	22,703	64,616	87,319	23,498	
Garbage and Trash Removal	3.5%	3.5%		20,516	58,392	78,908	21,234	60,436	81,670	21,977	
Security Payroll/Contract	3.5%	3.5%		-	-	-	-	-	-	-	
HVAC Repairs and Maintenance	3.5%	3.5%		4,457	12,687	17,144	4,613	13,131	17,744	4,775	
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		214	608	822	221	629	851	229	
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		3,490	9,932	13,421	3,612	10,279	13,891	3,738	
Sub-total Maintenance & Repair Expenses				99,762	283,938	383,700	103,254	293,876	397,130	106,868	
Supportive Services	3.5%	3.5%		33,614	95,670	129,284	34,790	99,019	133,809	36,008	
Commercial Expenses			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	4,199	-	-	4,345	-	
TOTAL OPERATING EXPENSES				450,231	1,281,428	1,735,857	465,989	1,326,278	1,796,612	482,299	
RESERVES/GROUND LEASE BASE RENT/BOND FEES											
Ground Lease Base Rent				3,900	11,100	15,000	3,900	11,100	15,000	3,900	
Bond Monitoring Fee				650	1,850	2,500	650	1,850	2,500	650	
Replacement Reserve Deposit				12,740	36,260	49,000	12,740	36,260	49,000	12,740	
Operating Reserve Deposit				-	-	-	-	-	-	-	
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	
Required Reserve Deposits/Commercial			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				17,290	49,210	66,500	17,290	49,210	66,500	17,290	
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				467,521	1,330,638	1,802,357	483,279	1,375,488	1,863,112	499,589	
NET OPERATING INCOME (INCOME minus OP EXPENSES)				26,455	123,765	177,803	26,699	115,275	170,204	26,954	
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)											
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	
Hard Debt - Second Lender (HCD Program 0.42% pymt. or other 2nd Lender)			Enter comments re: annual increase, etc.	21,840	62,160	84,000	21,840	62,160	84,000	21,840	
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				21,840	62,160	84,000	21,840	62,160	84,000	21,840	
CASH FLOW (NOI minus DEBT SERVICE)											
Commercial Only Cash Flow				4,615	61,605	93,803	4,859	53,115	86,204	5,114	
Allocation of Commercial Surplus to LOSP/Non-LOSP (residual income)				-	-	27,582	-	-	28,230	-	
AVAILABLE CASH FLOW				4,615	61,605	121,385	4,859	53,115	114,434	5,114	
USES OF CASH FLOW BELOW (This row also shows DSCR.)			DSCR:			2.117			2.026		
USES THAT PRECEED MOHCD DEBT SERVICE IN WATERFALL											
"Below-the-line" Asset Mgt Fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	10,133	28,839	38,971	10,487	29,848	40,335	10,854	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	-	-	-	-	-	-	-	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	3.5%	3.5%	per MOHCD policy no annual increase	1,654	4,707	6,361	1,712	4,872	6,584	1,772	
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				11,786	33,546	45,332	12,199	34,720	46,919	12,626	
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				(0)	48,470	48,470	(0)	39,285	39,285	(0)	
Does Project have a MOHCD Residual Receipt Obligation? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No											
Will Project Defer Developer Fee? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No											
Residual Receipts split for all years. - Lender/Owner 67% / 33%											
MOHCD RESIDUAL RECEIPTS DEBT SERVICE											
MOHCD Residual Receipts Amount Due						608,292			608,292		
Proposed MOHCD Residual Receipts Amount to Loan Repayment	70.00%					22,618			18,332		
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease						22,618			18,332		
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE											
HCD Residual Receipts Amount Due	30.00%					9,695			7,858		
Lender 4 Residual Receipts Due	0.00%					-			-		
Lender 5 Residual Receipts Due	0.00%					-			-		
Total Non-MOHCD Residual Receipts Debt Service						9,695			7,858		
REMAINDER (Should be zero unless there are distributions below)						16,157			13,095		
Owner Distributions/Incentive Management Fee						16,157			13,095		
Other Distributions/Loans						-					

	Total # Units:		Comments (related to annual inc assumptions)	Year 8 2032			Year 9 2033			LOSP
	LOSP Units	Non-LOSP Units		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	
	98	25 73								
		26.00% 74.00%								
INCOME	% annual inc LOSP	% annual increase		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP
Other Reserve 2 Withdrawals										
Other Reserve 2 Interest										
<i>Other Required Reserve 2 Running Balance</i>										

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Total # Units:		LOSP Units		Non-LOSP Units		Year 10 2034		Year 11 2035		Year 12 2036	
		98	25	73							
		26.00%	74.00%								
INCOME	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	
Residential - Tenant Rents	1.0%	2.5%		1,602,508	1,697,000	95,438	1,642,569	1,738,008	96,394	1,683,633	
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-	-	-	-	-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		-	434,788	450,987	-	450,987	467,778	-	
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%		5,657	7,637	2,035	5,793	7,828	2,086	5,938	
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%	-	66,779	-	-	68,449	-	-	
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-	-	-	
Gross Potential Income				1,608,157	2,206,204	548,461	1,648,361	2,265,271	566,258	1,689,570	
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(80,125)	(84,850)	(4,772)	(82,128)	(86,900)	(4,820)	(84,182)	
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	
Vacancy Loss - Commercial	n/a	n/a		-	(33,390)	-	-	(34,224)	-	-	
EFFECTIVE GROSS INCOME				1,528,032	2,087,965	543,689	1,566,233	2,144,147	561,438	1,605,389	
OPERATING EXPENSES											
Management											
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule	79,828	107,876	29,029	82,622	111,652	30,045	85,514	
Asset Management Fee	3.5%	3.5%	per MOHCD policy	22,087	29,847	8,032	22,860	30,892	8,313	23,660	
Sub-total Management Expenses				101,915	137,724	37,061	105,482	142,544	38,359	109,174	
Salaries/Benefits											
Office Salaries	3.5%	3.5%		6,686	9,035	2,431	6,920	9,351	2,516	7,162	
Manager's Salary	3.5%	3.5%		240,074	324,424	87,303	248,476	335,779	90,358	257,173	
Health Insurance and Other Benefits	3.5%	3.5%		65,562	88,598	23,842	67,857	91,699	24,676	70,232	
Other Salaries/Benefits	3.5%	3.5%		14,892	20,125	5,416	15,413	20,829	5,605	15,953	
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	
Sub-total Salaries/Benefits				327,214	442,181	118,991	338,667	457,658	123,156	350,520	
Administration											
Advertising and Marketing	3.5%	3.5%		1,814	2,452	660	1,878	2,538	693	1,844	
Office Expenses	3.5%	3.5%		31,477	42,456	11,425	32,517	43,942	11,825	33,656	
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	
Legal Expense - Property	3.5%	3.5%		14,456	19,538	5,257	14,962	20,220	5,441	15,486	
Audit Expense	3.5%	3.5%		13,341	18,028	4,851	13,808	18,659	5,021	14,291	
Bookkeeping/Accounting Services	3.5%	3.5%		11,152	15,071	4,056	11,543	15,598	4,198	11,947	
Bad Debts	3.5%	3.5%		15,363	20,761	5,587	15,901	21,488	5,782	16,457	
Miscellaneous	3.5%	3.5%		18,235	24,643	6,631	18,874	25,505	6,863	19,534	
Sub-total Administration Expenses				105,780	142,946	38,467	109,482	147,949	39,813	113,314	
Utilities											
Electricity	3.5%	3.5%		41,325	55,845	15,028	42,771	57,799	15,554	44,268	
Water	3.5%	3.5%		145,134	196,126	52,778	150,213	202,991	54,625	155,471	
Gas	3.5%	3.5%		-	-	-	-	-	-	-	
Sewer	3.5%	3.5%		-	-	-	-	-	-	-	
Sub-total Utilities				186,459	251,971	67,805	192,985	260,790	70,179	199,739	
Taxes and Licenses											
Real Estate Taxes	3.5%	3.5%		3,356	4,536	1,221	3,474	4,694	1,263	3,595	
Payroll Taxes	3.5%	3.5%		29,783	40,248	10,831	30,826	41,656	11,210	31,905	
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		1,541	2,083	560	1,595	2,155	580	1,651	
Sub-total Taxes and Licenses				34,681	46,866	12,612	35,895	48,506	13,053	37,151	
Insurance											
Property and Liability Insurance	3.5%	3.5%		176,495	238,507	64,182	182,673	246,855	66,429	189,066	
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	
Worker's Compensation	3.5%	3.5%		33,507	45,280	12,185	34,680	46,864	12,611	35,893	
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	
Sub-total Insurance				210,002	283,787	76,367	217,352	293,719	79,040	224,959	
Maintenance & Repair											
Payroll	3.5%	3.5%		132,795	179,453	48,291	137,443	185,734	49,981	142,253	
Supplies	3.5%	3.5%		17,058	23,051	6,203	17,655	23,857	6,420	18,272	
Contracts	3.5%	3.5%		66,878	90,375	24,320	69,218	93,538	25,171	71,641	
Garbage and Trash Removal	3.5%	3.5%		62,557	84,528	22,747	64,740	87,487	23,543	67,006	
Security Payroll/Contract	3.5%	3.5%		-	-	-	-	-	-	-	
HVAC Repairs and Maintenance	3.5%	3.5%		13,590	18,365	4,942	14,066	19,008	5,115	14,558	
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		652	880	237	674	911	245	698	
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		10,639	14,377	3,869	11,012	14,880	4,004	11,397	
Sub-total Maintenance & Repair Expenses				304,162	411,029	110,808	314,807	425,415	114,479	325,826	
Supportive Services	3.5%	3.5%		102,484	138,492	37,268	106,071	143,339	38,573	109,784	
Commercial Expenses			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	4,498	-	-	4,655	-	-	
TOTAL OPERATING EXPENSES				1,372,697	1,859,494	499,180	1,420,742	1,924,576	516,651	1,470,468	
RESERVES/GROUND LEASE BASE RENT/BOND FEES											
Real Estate Base Rent				11,100	15,000	3,900	11,100	15,000	3,900	11,100	
Bond Monitoring Fee				1,850	2,500	650	1,850	2,500	650	1,850	
Replacement Reserve Deposit				36,260	49,000	12,740	36,260	49,000	12,740	36,260	
Operating Reserve Deposit				-	-	-	-	-	-	-	
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	
Required Reserve Deposits/Commercial			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				49,210	66,500	17,290	49,210	66,500	17,290	49,210	
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				1,421,907	1,925,994	516,470	1,469,952	1,991,076	533,941	1,519,678	
NET OPERATING INCOME (INCOME minus OP EXPENSES)											
NET OPERATING INCOME				106,125	161,971	27,220	96,281	153,070	27,497	85,711	
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)											
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	
Hard Debt - Second Lender (HCD Program 0.42% pymt. or other 2nd Lender)			Enter comments re: annual increase, etc.	62,160	84,000	21,840	62,160	84,000	21,840	62,160	
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				62,160	84,000	21,840	62,160	84,000	21,840	62,160	
CASH FLOW (NOI minus DEBT SERVICE)											
Commercial Only Cash Flow				43,965	77,971	5,380	34,121	69,070	5,657	23,551	
Allocation of Commercial Surplus to LOSP/Non-LOSP (residual income)				-	28,892	-	-	29,569	-	-	
AVAILABLE CASH FLOW				43,965	106,863	5,380	34,121	98,639	5,657	23,551	
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	30,893	41,747	11,234	31,974	43,208	11,627	33,093	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	-	-	-	-	-	-	-	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	3.5%	3.5%	per MOHCD policy no annual increase	5,043	6,814	1,834	5,219	7,053	1,898	5,402	
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				35,936	48,561	13,068	37,193	50,261	13,525	38,495	
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				29,410	29,410	0	18,809	18,809	-	7,450	
Does Project have a MOHCD Residual Receipt Obligation? Yes											
Will Project Defer Developer Fee? No											
Residual Receipts split for all years. - Lender/Owner 67% / 33%											
MOHCD RESIDUAL RECEIPTS DEBT SERVICE											
MOHCD Residual Receipts Amount Due						608,292		608,292			
Proposed MOHCD Residual Receipts Amount to Loan Repayment	70.00%				13,724			8,777			
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease					13,724			8,777			
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE											
HCD Residual Receipts Amount Due	30.00%				5,883			3,762			
Lender 4 Residual Receipts Due	0.00%				-			-			
Lender 5 Residual Receipts Due	0.00%				-			-			
Total Non-MOHCD Residual Receipts Debt Service					5,883			3,762			
REMAINDER (Should be zero unless there are distributions below)											
Owner Distributions/Incentive Management Fee					9,803			6,270			
Other Distributions/Uses					9,803			6,270			
Final Balance (should be zero)					-			-			

	Total # Units:		Comments (related to annual inc assumptions)	Year 10 2034		Year 11 2035			Year 12 2036	
	LOSP Units	Non-LOSP Units		non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP
	98	25								
		73								
		26.00%								
		74.00%								
INCOME	% annual inc LOSP	% annual increase								
Other Reserve 2 Withdrawals										
Other Reserve 2 Interest										
<i>Other Required Reserve 2 Running Balance</i>										

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INCOME	Total # Units: LOSP Units		Non-LOSP Units		Comments (related to annual inc assumptions)	Total	Year 13 2037			Year 14 2038		
	98	25	73	26.00%			74.00%	LOSP	non-LOSP	Total	LOSP	non-LOSP
Residential - Tenant Rents	1.0%	2.5%				1,780,027	97,358	1,725,724	1,823,081	98,331	1,768,867	1,887,198
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a				-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments	n/a	n/a				467,778	485,182	485,182	503,221	-	503,221	-
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%				8,024	2,138	6,086	8,224	2,192	6,238	8,430
Tenant Charges	2.5%	2.5%				-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%				-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%				70,160	-	-	71,914	-	-	73,712
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a			Link from Reserve Section below, as applicable	-	-	-	-	-	-	-
Gross Potential Income						2,325,988	584,678	1,731,810	2,388,401	603,744	1,775,105	2,452,560
Vacancy Loss - Residential - Tenant Rents	n/a	n/a			Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(89,001)	(4,868)	(86,286)	(91,154)	(4,917)	(88,443)	(93,360)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a				-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				(35,080)	-	-	(35,957)	-	-	(36,898)
EFFECTIVE GROSS INCOME						2,201,907	579,810	1,645,523	2,261,290	598,827	1,686,662	2,322,345
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%			1st Year to be set according to HUD schedule	115,560	31,097	88,507	119,604	32,185	91,605	123,790
Asset Management Fee	3.5%	3.5%			per MOHCD policy	31,973	8,604	24,488	33,092	8,905	25,345	34,251
Sub-total Management Expenses						147,533	39,701	112,995	152,697	41,091	116,950	158,041
Salaries/Benefits												
Office Salaries	3.5%	3.5%				9,678	2,604	7,413	10,017	2,696	7,672	10,368
Manager's Salary	3.5%	3.5%				347,531	93,521	266,174	359,695	96,794	275,490	372,284
Health Insurance and Other Benefits	3.5%	3.5%				94,908	25,540	72,690	98,230	26,434	75,234	101,668
Other Salaries/Benefits	3.5%	3.5%				21,558	5,801	16,511	22,312	6,004	17,089	23,093
Administrative Rent-Free Unit	3.5%	3.5%				-	-	-	-	-	-	-
Sub-total Salaries/Benefits						473,676	127,466	362,788	490,254	131,927	375,486	507,413
Administration												
Advertising and Marketing	3.5%	3.5%				2,628	707	2,012	2,718	732	2,082	2,814
Office Expenses	3.5%	3.5%				45,480	12,239	34,833	47,071	12,667	36,052	48,719
Office Rent	3.5%	3.5%				-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%				20,927	5,632	16,028	21,680	5,829	16,589	22,418
Audit Expense	3.5%	3.5%				19,312	5,197	14,791	19,988	5,379	15,309	20,688
Bookkeeping/Accounting Services	3.5%	3.5%				16,144	4,344	12,365	16,709	4,496	12,798	17,294
Bad Debts	3.5%	3.5%				22,240	5,985	17,033	23,018	6,194	17,630	23,824
Miscellaneous	3.5%	3.5%				26,398	7,104	20,219	27,322	7,352	20,926	28,278
Sub-total Administration Expenses						153,127	41,207	117,280	158,487	42,649	121,385	164,034
Utilities												
Electricity	3.5%	3.5%				59,822	16,098	45,818	61,916	16,662	47,421	64,083
Water	3.5%	3.5%				210,095	56,537	160,912	217,449	58,515	166,544	225,060
Gas	3.5%	3.5%				-	-	-	-	-	-	-
Sewer	3.5%	3.5%				-	-	-	-	-	-	-
Sub-total Utilities						269,918	72,635	206,730	279,365	75,177	213,966	289,143
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%				4,859	1,307	3,721	5,029	1,353	3,852	5,205
Payroll Taxes	3.5%	3.5%				43,114	11,602	33,021	44,823	12,008	34,177	46,185
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%				2,231	600	1,709	2,309	621	1,768	2,390
Sub-total Taxes and Licenses						50,204	13,510	38,451	51,961	13,983	39,797	53,780
Insurance												
Property and Liability Insurance	3.5%	3.5%				255,495	68,754	195,683	264,437	71,160	202,532	273,692
Fidelity Bond Insurance	3.5%	3.5%				-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%				48,505	13,053	37,150	50,202	13,509	38,450	51,959
Director's & Officers' Liability Insurance	3.5%	3.5%				-	-	-	-	-	-	-
Sub-total Insurance						303,999	81,806	232,833	314,639	84,669	240,982	325,652
Maintenance & Repair												
Payroll	3.5%	3.5%				192,234	51,730	147,232	198,962	53,541	152,385	205,926
Supplies	3.5%	3.5%				24,692	6,645	18,912	25,357	6,877	19,574	26,451
Contracts	3.5%	3.5%				96,812	26,052	74,148	100,200	26,964	76,744	103,707
Garbage and Trash Removal	3.5%	3.5%				90,549	24,367	69,351	93,718	25,220	71,779	96,998
Security Payroll/Contract	3.5%	3.5%				-	-	-	-	-	-	-
HVAC Repairs and Maintenance	3.5%	3.5%				19,673	5,294	15,068	20,382	5,479	15,595	21,074
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%				943	254	722	976	263	748	1,010
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%				15,401	4,144	11,796	15,940	4,290	12,209	16,498
Sub-total Maintenance & Repair Expenses						440,305	118,486	337,230	455,716	122,633	349,033	471,666
Supportive Services	3.5%	3.5%				148,356	39,923	113,626	153,549	41,320	117,603	158,923
Commercial Expenses						4,818	-	-	4,987	-	-	5,161
TOTAL OPERATING EXPENSES						1,991,936	534,734	1,521,934	2,061,654	553,449	1,575,202	2,133,812
RESERVES/GROUND LEASE BASE RENT/BOND FEES												
Ground Lease Base Rent						15,000	3,900	11,100	15,000	3,900	11,100	15,000
Bond Monitoring Fee						2,500	650	1,850	2,500	650	1,850	2,500
Replacement Reserve Deposit						49,000	12,740	36,260	49,000	12,740	36,260	49,000
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						66,500	17,290	49,210	66,500	17,290	49,210	66,500
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)						2,058,436	552,024	1,571,144	2,128,154	570,739	1,624,412	2,200,312
NET OPERATING INCOME (INCOME minus OP EXPENSES)						143,470	27,786	74,379	133,136	28,088	62,250	122,033
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)												
Hard Debt - First Lender					Enter comments re: annual increase, etc.	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt. or other 2nd Lender)					Enter comments re: annual increase, etc.	84,000	21,840	62,160	84,000	21,840	62,160	84,000
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						84,000	21,840	62,160	84,000	21,840	62,160	84,000
CASH FLOW (NOI minus DEBT SERVICE)												
Commercial Only Cash Flow						59,470	5,946	12,219	49,136	6,248	90	38,033
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)						30,262	-	-	30,970	-	-	31,695
AVAILABLE CASH FLOW						89,732	5,946	12,219	80,106	6,248	90	69,728
USES OF CASH FLOW BELOW (This row also shows DSCR.)					DSCR:	1.708			1.585			1.453
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	44,720	12,034	34,251	46,286	12,455	35,450	47,906
Partnership Management Fee (see policy for limits)	3.5%	3.5%			per MOHCD policy	-	-	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	3.5%	3.5%			per MOHCD policy no annual increase	7,300	1,964	5,591	7,555	2,033	5,787	7,820
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						52,020	13,999	39,842	53,841	14,489	41,237	55,725
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)						7,450	(8,053)	(27,623)	26,270	(8,241)	(21,147)	(85,997)
Does Project have a MOHCD Residual Receipt Obligation?					Yes							
Will Project Defer Developer Fee?					No							
Residual Receipts split for all years. - Lender/Owner					67% / 33%							
<												

	Total # Units:				Year 13 2037			Year 14 2038		
	LOSP Units	Non-LOSP Units			LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
	98	25	73							
		26.00%	74.00%							
INCOME	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
Other Reserve 2 Withdrawals										
Other Reserve 2 Interest										
<i>Other Required Reserve 2 Running Balance</i>										

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Total # Units: LOSP Units 98, Non-LOSP Units 25, 73, 26.00%, 74.00%

INCOME	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Year 15 2019			Year 16 2020			LOSP
				LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	
Residential - Tenant Rents	1.0%	2.5%		99,315	1,813,088	1,912,403	100,308	1,858,416	1,958,723	101,311
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a								
Residential - LOSP Tenant Assistance Payments	n/a	n/a		521,917	-	521,917	541,294	-	541,294	561,376
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%		2,247	6,394	8,641	2,303	6,554	8,857	2,360
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%		-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-	-	-
Gross Potential Income				623,478	1,819,483	2,518,515	643,904	1,864,970	2,586,317	665,047
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(4,966)	(90,654)	(95,620)	(5,015)	(92,211)	(97,936)	(5,066)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a		-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME				618,512	1,728,828	2,385,118	638,889	1,772,049	2,449,659	659,981
OPERATING EXPENSES										
Management										
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule	33,312	94,811	128,123	34,478	98,129	132,607	35,685
Asset Management Fee	3.5%	3.5%	per MOHCD policy	9,217	26,233	35,449	9,539	27,151	36,690	45,558
Sub-total Management Expenses				42,529	121,044	163,572	44,017	125,280	169,297	81,243
Salaries/Benefits										
Office Salaries	3.5%	3.5%		2,790	7,941	10,731	2,888	8,219	11,106	2,989
Manager's Salary	3.5%	3.5%		100,182	285,132	385,314	103,888	295,112	398,800	107,317
Health Insurance and Other Benefits	3.5%	3.5%		27,359	77,868	105,226	28,316	80,593	108,909	29,308
Other Salaries/Benefits	3.5%	3.5%		6,214	17,687	23,902	6,432	18,306	24,738	6,657
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-
Sub-total Salaries/Benefits				136,545	388,628	525,173	141,324	402,230	543,554	146,270
Administration										
Advertising and Marketing	3.5%	3.5%		757	2,155	2,912	784	2,230	3,014	811
Office Expenses	3.5%	3.5%		13,110	37,314	50,424	13,569	39,620	52,189	14,044
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		6,033	17,170	23,202	6,244	17,771	24,014	6,482
Audit Expense	3.5%	3.5%		5,567	15,845	21,412	5,762	16,400	22,162	5,964
Bookkeeping/Accounting Services	3.5%	3.5%		4,654	13,246	17,900	4,817	13,709	18,526	4,985
Bad Debts	3.5%	3.5%		6,411	18,247	24,658	6,635	18,885	25,521	6,868
Miscellaneous	3.5%	3.5%		7,610	21,658	29,268	7,876	22,416	30,292	8,152
Sub-total Administration Expenses				44,142	125,634	169,775	45,686	130,031	175,717	47,286
Utilities										
Electricity	3.5%	3.5%		17,245	49,081	66,326	17,848	50,799	68,647	18,473
Water	3.5%	3.5%		60,564	172,373	232,937	62,683	178,406	241,089	64,877
Gas	3.5%	3.5%		-	-	-	-	-	-	-
Sewer	3.5%	3.5%		-	-	-	-	-	-	-
Sub-total Utilities				77,809	221,454	299,263	80,532	229,205	309,737	83,350
Taxes and Licenses										
Real Estate Taxes	3.5%	3.5%		1,401	3,986	5,387	1,450	4,128	5,576	1,500
Payroll Taxes	3.5%	3.5%		12,428	35,373	47,802	12,863	36,611	49,475	13,314
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		643	1,830	2,473	666	1,894	2,560	689
Sub-total Taxes and Licenses				14,472	41,190	55,662	14,979	42,632	57,610	15,503
Insurance										
Property and Liability Insurance	3.5%	3.5%		73,651	209,621	283,272	76,228	216,958	293,186	78,896
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		13,992	39,796	53,778	14,472	41,188	55,660	14,978
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-
Sub-total Insurance				87,643	249,417	337,049	90,700	258,146	348,846	93,875
Maintenance & Repair										
Pavroll	3.5%	3.5%		55,415	157,719	213,134	57,354	163,239	220,593	59,362
Supplies	3.5%	3.5%		7,118	20,259	27,377	7,367	20,968	28,335	7,625
Contracts	3.5%	3.5%		27,908	79,430	107,337	28,884	82,210	111,094	29,895
Garbage and Trash Removal	3.5%	3.5%		26,102	74,291	100,393	27,016	76,891	103,907	27,961
Security Payroll/Contract	3.5%	3.5%		-	-	-	-	-	-	-
HVAC Repairs and Maintenance	3.5%	3.5%		5,671	16,141	21,812	5,870	16,706	22,575	6,075
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		272	774	1,046	281	801	1,082	291
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		4,440	12,636	17,076	4,595	13,078	17,673	4,756
Sub-total Maintenance & Repair Expenses				126,925	361,249	488,174	131,368	373,892	505,260	135,965
Supportive Services	3.5%	3.5%		42,766	121,719	164,485	44,263	125,979	170,242	45,812
Commercial Expenses			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	5,342	-	-	5,529	-
TOTAL OPERATING EXPENSES				572,820	1,630,334	2,208,495	592,869	1,687,395	2,285,793	613,619
RESERVES/GROUND LEASE BASE RENT/BOND FEES										
Ground Lease Base Rent				3,900	11,700	15,000	3,900	11,700	15,000	3,900
Bond Monitoring Fee				650	1,850	2,500	650	1,850	2,500	650
Replacement Reserve Deposit				12,740	36,260	49,000	12,740	36,260	49,000	12,740
Operating Reserve Deposit				-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-
Required Reserve Deposits/Commercial			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				17,290	49,210	66,500	17,290	49,210	66,500	17,290
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				590,110	1,679,544	2,274,995	610,159	1,736,605	2,352,293	630,909
NET OPERATING INCOME (INCOME minus OP EXPENSES)				28,402	49,284	110,122	28,730	35,443	97,367	29,072
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)										
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt. or other 2nd Lender)			Enter comments re: annual increase, etc.	21,840	62,160	84,000	21,840	62,160	84,000	21,840
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				21,840	62,160	84,000	21,840	62,160	84,000	21,840
CASH FLOW (NOI minus DEBT SERVICE)				6,562	(12,876)	26,122	6,890	(26,717)	13,367	7,232
Commercial Only Cash Flow				-	-	32,436	-	-	33,193	-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				8,433	24,002	-	8,630	24,563	-	8,832
AVAILABLE CASH FLOW				14,996	11,127	26,122	15,521	(2,154)	13,367	16,064
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	12,891	36,691	49,582	13,343	37,975	51,318	13,810
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	-	-	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	3.5%	3.5%	per MOHCD policy no annual increase	2,104	5,989	8,093	2,178	6,199	8,377	2,254
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				14,996	42,680	57,676	15,521	44,174	59,694	16,064
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				0	(31,553)	(31,553)	(0)	(46,328)	(46,328)	0
Does Project have a MOHCD Residual Receipt Obligation? Yes										
Will Project Defer Developer Fee? No										
Residual Receipts split for all years. - Lender/Owner 67% / 33%										
MOHCD RESIDUAL RECEIPTS DEBT SERVICE										
MOHCD Residual Receipts Amount Due						608,292				
Proposed MOHCD Residual Receipts Amount to Loan Repayment	70.00%									
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease										
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE										
HCD Residual Receipts Amount Due	30.00%									
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						686,000			735,000	
Replacement Reserve Deposits						49,000			49,000	
Replacement Reserve Withdrawals (ideally tied to CNA)										

INCOME	Total # Units:		Comments (related to annual inc assumptions)	Year 15 2039			Year 16 2040			LOSP
	LOSP Units	Non-LOSP Units		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	
	98	25 73								
Other Reserve 2 Withdrawals										
Other Reserve 2 Interest										
<i>Other Required Reserve 2 Running Balance</i>										

	Total # Units:		Comments (related to annual inc assumptions)	Year 17 2041		Year 18 2042			Year 19 2043	
	LOSP Units	Non-LOSP Units		non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP
	98	25								
		73								
		26.00%								
		74.00%								
INCOME										
Other Reserve 2 Withdrawals										
Other Reserve 2 Interest										
<i>Other Required Reserve 2 Running Balance</i>										

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	Total # Units:		Non-LOSP Units		Comments (related to annual inc assumptions)	Total	Year 20		Total
	98	25	73	73			LOSP	non-LOSP	
	26.00%	74.00%							
	% annual inc LOSP	% annual increase							
INCOME									
Residential - Tenant Rents	1.0%	2.5%				2,104,858	104,381	2,051,343	2,155,724
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a				-	-	-	-
Residential - LOSP Tenant Assistance Payments	n/a	n/a				603,754	626,104	-	626,104
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%				9,538	2,542	7,234	9,778
Tenant Charges	2.5%	2.5%				-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%				-	-	-	-
Other Commercial Income	n/a	2.5%				83,398	-	-	85,483
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a			Link from Reserve Section below, as applicable	-	-	-	-
Gross Potential Income						2,801,348	733,026	2,058,577	2,877,087
Vacancy Loss - Residential - Tenant Rents	n/a	n/a			Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(105,233)	(5,219)	(102,567)	(107,786)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a				-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				(41,899)	-	-	(42,742)
EFFECTIVE GROSS INCOME						2,654,416	727,807	1,956,010	2,726,559
OPERATING EXPENSES									
Management									
Management Fee	3.5%	3.5%			1st Year to be set according to HUD schedule	147,024	39,564	112,606	152,170
Asset Management Fee	3.5%	3.5%			per MOHCD policy	40,679	10,947	31,156	42,103
Sub-total Management Expenses						187,703	50,511	143,762	194,273
Salaries/Benefits									
Office Salaries	3.5%	3.5%				12,314	3,314	9,431	12,745
Manager's Salary	3.5%	3.5%				442,157	118,584	338,648	457,632
Health Insurance and Other Benefits	3.5%	3.5%				120,750	32,494	92,482	124,976
Other Salaries/Benefits	3.5%	3.5%				27,428	7,381	21,007	28,388
Administrative Rent-Free Unit	3.5%	3.5%				-	-	-	-
Sub-total Salaries/Benefits						602,648	162,173	461,568	623,741
Administration									
Advertising and Marketing	3.5%	3.5%				3,342	899	2,559	3,459
Office Expenses	3.5%	3.5%				57,863	15,571	44,317	59,888
Office Rent	3.5%	3.5%				-	-	-	-
Legal Expense - Property	3.5%	3.5%				26,825	7,165	20,392	27,557
Audit Expense	3.5%	3.5%				24,571	6,612	18,819	25,431
Bookkeeping/Accounting Services	3.5%	3.5%				20,540	5,527	15,732	21,259
Bad Debts	3.5%	3.5%				28,295	7,614	21,671	29,285
Miscellaneous	3.5%	3.5%				33,585	9,038	25,723	34,761
Sub-total Administration Expenses						194,821	52,426	149,213	201,640
Utilities									
Electricity	3.5%	3.5%				76,111	20,481	58,293	78,774
Water	3.5%	3.5%				267,300	71,930	204,725	276,656
Gas	3.5%	3.5%				-	-	-	-
Sewer	3.5%	3.5%				-	-	-	-
Sub-total Utilities						343,411	92,412	263,018	355,430
Taxes and Licenses									
Real Estate Taxes	3.5%	3.5%				6,182	1,664	4,735	6,398
Payroll Taxes	3.5%	3.5%				54,854	14,761	42,012	56,773
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%				2,838	764	2,174	2,938
Sub-total Taxes and Licenses						63,873	17,188	48,921	66,109
Insurance									
Property and Liability Insurance	3.5%	3.5%				325,061	87,474	248,964	336,438
Fidelity Bond Insurance	3.5%	3.5%				-	-	-	-
Worker's Compensation	3.5%	3.5%				61,711	16,607	47,265	63,871
Director's & Officers' Liability Insurance	3.5%	3.5%				-	-	-	-
Sub-total Insurance						386,772	104,080	296,229	400,309
Maintenance & Repair									
Payroll	3.5%	3.5%				244,576	65,815	187,320	253,136
Supplies	3.5%	3.5%				31,416	8,454	24,061	32,515
Contracts	3.5%	3.5%				123,172	33,146	94,337	127,483
Garbage and Trash Removal	3.5%	3.5%				115,203	31,001	88,234	119,235
Security Payroll/Contract	3.5%	3.5%				-	-	-	-
HVAC Repairs and Maintenance	3.5%	3.5%				25,030	6,735	19,170	25,906
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%				1,200	323	919	1,242
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%				19,595	5,273	15,008	20,280
Sub-total Maintenance & Repair Expenses						560,191	150,747	429,050	579,798
Supportive Services	3.5%	3.5%				188,751	50,793	144,564	195,357
Commercial Expenses					from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	6,130	-	-	6,344
TOTAL OPERATING EXPENSES						2,534,299	680,330	1,936,325	2,623,000
RESERVES/GROUND LEASE BASE RENT/BOND FEES									
Ground Lease Base Rent						15,000	3,900	11,100	15,000
Bond Monitoring Fee						2,500	650	1,850	2,500
Replacement Reserve Deposit						49,000	12,740	36,260	49,000
Operating Reserve Deposit						-	-	-	-
Other Required Reserve 1 Deposit						-	-	-	-
Other Required Reserve 2 Deposit						-	-	-	-
Required Reserve Deposits/Commercial					from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees						66,500	17,290	49,210	66,500
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)						2,600,799	697,620	1,985,535	2,689,500
NET OPERATING INCOME (INCOME minus OP EXPENSES)						53,616	30,187	(29,525)	37,059
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)									
Hard Debt - First Lender					Enter comments re: annual increase, etc.	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt. or other 2nd Lender)					Enter comments re: annual increase, etc.	84,000	21,840	62,160	84,000
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						84,000	21,840	62,160	84,000
CASH FLOW (NOI minus DEBT SERVICE)									
Commercial Only Cash Flow						(30,384)	8,347	(91,685)	(46,941)
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)						35,569	-	-	36,397
AVAILABLE CASH FLOW						(30,384)	9,463	(26,934)	(46,941)
USES OF CASH FLOW BELOW (This row also shows DSCR.)					DSCR:	0.638		0.441	
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	56,897	15,311	43,577	58,888
Partnership Management Fee (see policy for limits)	3.5%	3.5%			per MOHCD policy	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)					per MOHCD policy no annual increase	9,287	2,499	7,113	9,613
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						66,184	17,810	50,690	68,501
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)						(96,568)	(0)	(115,441)	(115,441)
Does Project have a MOHCD Residual Receipt Obligation?	Yes								
Will Project Defer Developer Fee?	No								
Residual Receipts split for all years. - Lender/Owner	67% / 33%								
MOHCD RESIDUAL RECEIPTS DEBT SERVICE									
MOHCD Residual Receipts Amount Due						-	-	-	-
Proposed MOHCD Residual Receipts Amount to Loan Repayment	70.00%					-	-	-	-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease						-	-	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE									
HCD Residual Receipts Amount Due	30.00%					-	-	-	-
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/Loans						-	-	-	-
Final Balance (should be zero)						-	-	-	-
REPLACEMENT RESERVE - RUNNING BALANCE									
Replacement Reserve Starting Balance						882,000	-	-	931,000
Replacement Reserve Deposits						49,000	-	-	49,000
Replacement Reserve Withdrawals (ideally tied to CNA)						-	-	-	-
Replacement Reserve Interest						-	-	-	-
RR Running Balance						931,000	-	-	980,000
OPERATING RESERVE - RUNNING BALANCE					RR Balance/Unit	\$9,500	-	-	\$10,000
Operating Reserve Starting Balance						-	-	-	-
Operating Reserve Deposits						-	-	-	-
Operating Reserve Withdrawals						-	-	-	-
Operating Reserve Interest						-	-	-	-
OR Running Balance						-	-	-	-
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE					OR Balance as a % of Prior Yr Op Exps + Debt Service	0.0%	-	-	0.0%
Other Reserve 1 Starting Balance						-	-	-	-
Other Reserve 1 Deposits						-	-	-	-
Other Reserve 1 Withdrawals						-	-	-	-
Other Reserve 1 Interest						-	-	-	-
Other Required Reserve 1 Running Balance						-	-	-	-
OTHER RESERVE 2 - RUNNING BALANCE									
Other Reserve 2 Starting Balance						-	-	-	-
Other Reserve 2 Deposits						-	-	-	-

	Total # Units:				Year 20 2044		
	LOSP Units	Non-LOSP Units			LOSP	non-LOSP	Total
	98	25	73				
		26.00%	74.00%				
INCOME	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Total	LOSP	non-LOSP	Total
Other Reserve 2 Withdrawals							
Other Reserve 2 Interest							
<i>Other Required Reserve 2 Running Balance</i>							

Attachment G – TNDC’s 2550 Irving Design Narrative

See attached.

November 9, 2021

To: Supervisor Gordon Mar, District 4
Director Eric Shaw, Mayor's Office of Housing and Community Development

From: Sr. Director of Housing Development Katie Lamont, TNDC

RE: 2550 Irving Design Narrative

Dear Supervisor Mar and Director Shaw,

I'm writing to provide an overview of our design framework for 2550 Irving Street, as well as a summary of the input received through our community-focused planning process and how we have responded to that input. A wide array of stakeholders have shared their hopes and dreams related to design. We're balancing these inputs with site constraints, financing requirements, and operational feasibility and will continue to make changes to the design to reflect community input through the end of this month. Please continue to direct members of the public who reach out to you with ideas and questions about the proposed affordable housing to our website, office hours, and community meetings.

Background and Need

TNDC is an affordable housing developer, owner, property manager, and service provider with a 40-year history serving the City of San Francisco. We develop communities where people from a range of income levels, family structures, and backgrounds live as neighbors and locate them in places where transit, parks, schools, libraries, grocery stores, pharmacies, and other services are within easy walking distance. We are following State and local housing policy direction to expand affordable housing opportunities in parts of the City where there is need and demand, but little previous investment.

There is a huge unmet need for affordable homes in the Sunset. In the last year, there were 4,400 applications for affordable housing from the Sunset. Due to the severe lack of housing, only 35 of these received placements anywhere in the City. Between 2011 and 2020, only 17 new affordable homes were built in the Sunset.

2550 Irving is an exciting opportunity to finally bring necessary affordable family homes to the Sunset. Located at the western end of the Irving Street commercial corridor, the building will serve as a transition between commercial and residential areas. Our goal is to design a building that will be an asset to the neighborhood and contribute to the City and community's need for safe, affordable homes for families.

Design Narrative and Evolution

When we design buildings, we work with our architect, internal partners who lead property management and tenant services, city planners, and community members to creatively balance these four influences:

- *Site constraints*, including the interplay of land use, planning requirements, and building codes
- *Neighborhood vision*, including community needs and aspirations
- *Financial constraints*, including State and local policy implemented through funding priorities
- *Best practices in affordable housing design and operations* based on our experience

Since late 2020, TNDC has been meeting with many community-based organizations in the Sunset, including the District 4 Youth & Family Network, the Westside Affordable Housing Cohort, the Mid Sunset Neighborhood Association, and the Westside Community Coalition, in an effort to better understand the community, to build guiding relationships, and to inform a year-long community engagement and design process. In March 2021, we held “community conversations” with key leaders and community members that centered on developing a deeper understanding of the strengths, assets, challenges, and values of the Sunset community. Through a combination of numerous town halls, interactive community meetings, and deep listening sessions, the community defined a set of design guiding principles which have been the foundation of our design objectives.

The seven Design Guiding Principles are:

1. Ensure a Community-Informed Development
2. Reflect the Existing Built Environment in the Design
3. Prioritize Sunset Families and their Needs
4. Minimize Development Impacts
5. Design Places to Gather & Foster Community Building
6. Optimize All Modes of Transportation, Parking and Mobility
7. Incorporate Green Design

These Design Guiding Principles, along with the site’s physical constraints, influence our building design.

Building Form and Materials

Reflecting the Existing Built Environment in the Design: From the beginning of our outreach efforts, community members have voiced that the Sunset’s existing built environment should be reflected in the design for 2550 Irving. This has been the driving guiding principle of the overall building design and individual elements.

The shape of the 2550 Irving property, which runs the length between 26th and 27th Avenues and is 90 feet deep on 26th and 60 feet on 27th, along with the planning code and consistency with other Irving Street treatments, guides us to orient the building’s front towards Irving.

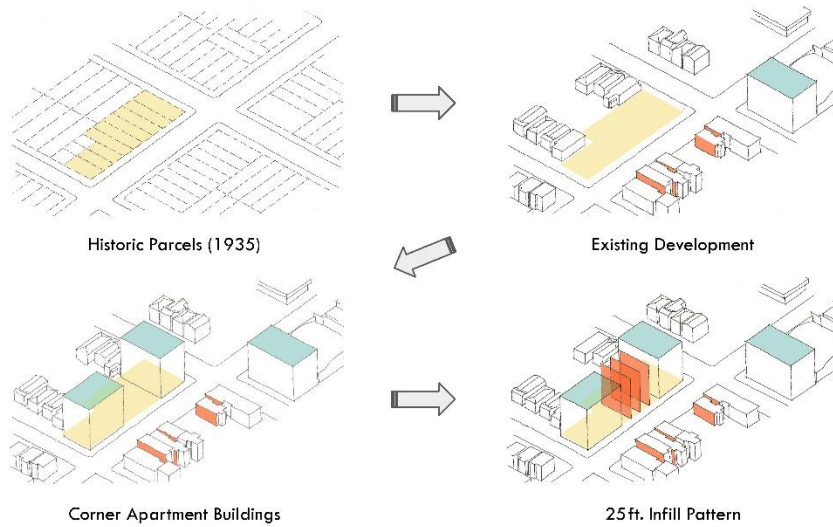
The building’s proposed design reflects the existing Sunset neighborhood street pattern of 25 ft and 30 ft mid-block frontages along with 60 ft x 90 ft corner parcels. The design breaks the block-long parcel down into three primary portions using the following scale and pattern: two corner apartment-sized forms -



one each at both the 26th and 27th avenues corners – plus a third, middle section whose facade articulation follows the pattern of smaller neighborhood 25 ft wide parcels to infill the rest of the building.

These images were all shared through a variety of community meetings and presentations in 2021.

Building Scale



We also heard from immediate neighbors concerned about the building height and expressing a desire to decrease the number of stories. To address this concern, the middle section of the building has been designed to reduce the perceived height and scale by setting back the top floor, creating a step-down at the building edge along Irving Street and breaking up the Irving Street façade by using distinct materials.

Conceptual Rendering: 27th & Irving, looking east



As part of our community meetings, we asked community members about architectural elements and features that made the Sunset unique. We also studied various apartment buildings in the Sunset and throughout San Francisco. At these meetings and over the course of the project's development, we shared pictures of architectural elements from these buildings and received feedback regarding building styles, façade materials, articulation of bays, rooflines, and preferred building entry design elements. The input received shaped the proposed building façade.

At the September 23, 2021 community meeting, we received additional supportive comments and suggestions for modifications regarding outdoor benches, the entryway, façade treatments, and public art, among others that we are working to incorporate into our next version of the design.

Conceptual Rendering: Irving Street



Ground Floor Design & Interaction with the Public Realm

The proposed design for the building balances existing site constraints with the Design Guiding Principles and essential operational requirements, while creating an open and welcoming street façade.

Minimizing Development Impacts; Working within Existing Site Constraints: Irving is a pedestrian focused street that neighbors travel to access the commercial district. We've worked with a respected transportation consultant to reduce pedestrian and traffic conflicts by locating essential services such as trash and electrical room on the 27th Avenue side street and parking garage access on 26th Avenue.

Design Places to Gather & Foster Community Building: Throughout the community engagement process we have heard Sunset residents emphasize the need to create spaces that foster community building and are welcoming not only to the building tenants but also to the surrounding community. To that end, we've designed the ground floor to be the heart of the building. As people flow through the green entry into the lobby, past staff offices and the mail area, on their way to the elevators or to the community room, laundry room, or outdoor play area, they encounter spaces and furnishings that encourage gathering. Here tenants come together and build relationships with staff and their neighbors.

In addition to these community building spaces, we also need to locate community maintaining spaces, like a maintenance workshop, janitor's closet, trash collection, utility meters, and bicycle parking on the ground floor. In response to requests from the community, we have also included a parking garage which requires a significant amount of ground floor area. Together, these uses take up the whole ground floor, leaving no room for ground floor apartments. Best practices recommend against street-facing at grade ground floor apartments, since they don't allow for privacy.

Our design locates green open space on the ground level off the community room and main lobby. This allows easy access for residents to enjoy natural elements as part of their daily route. The rear yard open space serves a dual purpose: as community space and to set the building back from the property line, thus addressing a request from immediate neighbors that we minimize shadow impacts on homes located to the north.

We love the neighbors' idea of providing additional recreational areas on the roof and are exploring the potential for urban agriculture, which would promote healthy eating and environmental consciousness, and other healthy living uses in the available space left after mechanical equipment and solar panels are laid out.

Incorporating Green Design: We've heard from community members that they would like to see green features and plantings incorporated into the street experience and building exterior. The Irving Street building entryway is designed to have clear lines of sight from the street through to the outdoor green spaces, creating an appealing pedestrian experience and first impression of the building. The green residential entryway and interactive spaces at the 26th and 27th Avenue corners will build connectivity with neighbors and pedestrians. We will incorporate sustainable design elements throughout the building and the site, including landscaping with drought-tolerant native species.



Community-Serving Uses

During our April community meeting, we requested ideas for community-serving uses that could be located on the ground floor. Two ideas emerged as most popular; first to incorporate a community-serving meeting room and second to incorporate a childcare facility. We are meeting with the Sunset Chinese Cultural District to explore how a community meeting room could be used to support the emerging District.

Apartment Design

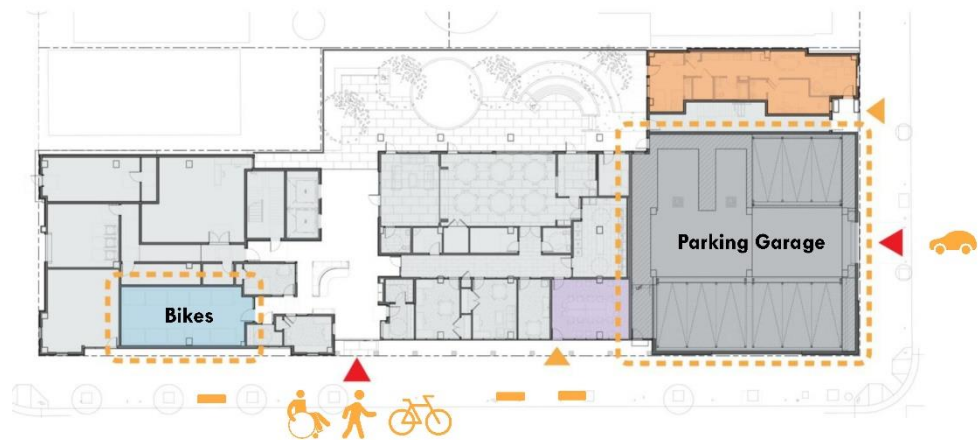
Prioritizing Sunset Families and Their Needs: We received a tremendous amount of feedback about the desire for family housing due to the family-friendly nature of the Sunset. Early in the community engagement process, we heard a strong desire from the community for creating homes which allow intergenerational households to live comfortably and thrive. Our proposed apartment home layout supports space for families to share time together, with the kitchen, living area, and dining space sized so families can spend time comfortably. Each bedroom will have a closet and be sized to accommodate a small desk to further ensure comfortable multi-use living. There will also be a bulk storage space attached to the larger apartments. The arrangement of apartments into the floor plan considers important practical and operational factors, like access to natural light and ventilation, accessibility for people with disabilities, and stacking plumbing and mechanical lines for economic efficiency.

A programmatic goal is to provide at least 25% 3-bedrooms and 25% 2-bedrooms, which is driven by community need and State policy as expressed through its financing rules.

Parking & Improved Mobility

Optimize All Modes of Transportation, Parking and Mobility; Minimize Development Impacts: The building is located one block from the N-Judah and the 29-bus line and will provide indoor residential bike parking. Hearing that these transit lines and biking options don't work for everyone, we're providing a parking garage that is not required by Planning and exploring the use of a parking stacker system to optimize the number of parking spaces.

Hearing the concerns of immediate neighbors, TNDC hired transportation consultant Fehr & Peers to conduct a parking and mobility study to look specifically at project access and transportation mode split. The study confirmed it advisable to locate the garage on 26th Avenue in order to minimize pedestrian and bicycle conflicts and to improve safety for everyone overall, regardless of their mode of transport. The study noted no anticipated turning or waiting conflicts for cars entering the parking lot on the east side of 26th Avenue, which is currently



being used for shoppers at Sunset Super. The study also suggested creating a Drop-off/Pick-up Zone on Irving Street to help alleviate traffic concerns for deliveries, ride-share access, etc. which we plan to incorporate.

Financial Constraints

Affordable housing developments use multiple layers of financing from local and State resources. More than 50% of 2550 Irving's costs are financed through extremely competitive State processes. These programs favor developments which use State resources efficiently while creating the highest public benefit, in other words, serving people with the highest need and lowest incomes in amenity-rich neighborhoods.

To address the current housing crisis, State funding programs also aim to create the maximum number of homes at the most efficient cost. A greater number of apartments creates economies of scale for construction costs and building operations. Since the amount of rent collected from the development is limited due to its affordable nature, there is a minimum number of apartments required to bring in enough rent to cover ongoing operational expenses.

As a result, it is important for 2550 Irving to be structured with the maximum number of apartments for low-income families. This State policy direction aligns with the comments of many speakers at the July 2021 Board of Supervisors hearing, who asked that the City build the most homes possible serving people with the lowest incomes possible. This objective also aligns with Mayor Breed's COVID-19 recovery strategy and TNDC's mission to provide affordable housing for people with low-incomes.

Next Steps

We are truly appreciative of all stakeholder engagement and thank you for your part in facilitating constructive community input. Here is a summary of design and program elements we are further studying in response to feedback from the September 23rd community meeting, focus group meetings, and other forums:

- Increasing setbacks at the property line abutting neighboring homes
- Adding architectural interest to the north façade
- Adding larger apartments in lieu of studios
- Modifying the family childcare apartment
- Eliminating planter benches along Irving Street
- Incorporating culturally inclusive public art in partnership with the Chinese Cultural District

We are so thrilled with this incredible opportunity to provide affordable family housing in an amenities, parks, and transportation rich neighborhood where families will thrive. The level of community involvement and the diverse opinions expressed by Sunset community members are indicative of the civic engagement that will ensure that all Sunset families' needs are addressed. 2550 Irving will be the first ever 100% affordable family housing for the Sunset and the engagement process we've facilitated together has revealed the community's priorities for additional investments needed in District 4. We are excited to have worked with your offices and the community to understand the Sunset's values and where additional opportunities exist. TNDC looks forward to being a long-term partner and representative for the families who will soon call 2550 Irving their home.