

UpdateSan 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

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**MEMORANDUM**

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**DATE:** SEPTEMBER 17, 2021  
**TO:** CITYWIDE AFFORDABLE HOUSING LOAN COMMITTEE  
**FROM:** RYAN VANZUYLEN, PROJECT MANAGER  
**RE: 4200 GEARY BOULEVARD PRELIMINARY GAP REQUEST FOR MHP APPLICATION FINANCING PURPOSES**

**SOURCES OF FUNDS:**

2019 GO Bond (Committed predevelopment funds)	\$ 3,171,831
AHF Inclusionary (Committed predevelopment funds)	\$ 302,782
AHP Inclusionary ( <u>New</u> Bridge Loan)	\$ 1,250,000
2019 GO Bonds – Senior Low Income ( <u>New</u> MOHCD gap funding)	\$12,023,412
<b>Total</b>	<b>\$16,748,025</b>

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**Summary of Request**

On behalf of 4200 Geary Associates, L.P., Tenderloin Neighborhood Development Corporation requests a preliminary MOHCD gap commitment of up to \$16,748,025 to support the 4200 Geary application for the California Department of Housing and Community Development (HCD) Multifamily Housing Program (MHP) financing to leverage \$20 million for the proposed 98 unit senior housing development. The preliminary gap request to MOHCD is for a total City contribution up to \$16,748,025 (\$171K / unit) not including acquisition costs. This includes a request for a commitment of a bridge loan in the amount of \$1,250,000 to cover a Federal Home Loan Bank Affordable Housing Program (AHP) loan for the State of California's Multifamily Housing Program (MHP) application due on September 20, 2021. Loan Committee approved predevelopment and acquisition funds in January 2021 and a preliminary gap loan in anticipation of an application for HCD Infill Infrastructure Grant (IIG) funds in July 2021.

While the funding request has decreased since July 2021, this memo updates Loan Committee on the MOHCD loan amount, rent restrictions, resident population, and addition of Veterans Affairs Supportive Housing (VASH) vouchers as a rental subsidy to the project. This new memo also

removes IIG as a funding source which is explained below in Updated Sources and Uses. The addition of ten VASH vouchers, based on the San Francisco Housing Authority (SFHA) project based voucher value, facilitates ten more veteran referrals and additional subsidy from FMR rents that allows the sponsor to lower maximum rents for the remaining 37 lottery units from 60% MOHCD AMI to 50% MOHCD AMI. Additionally, there will be 2 FTE social workers for the building, exceeding MOHCD's policy to provide adequate services to significant numbers of non-homeless and extremely low income (ELI) households. A full gap loan evaluation and updated budget will be presented to Loan Committee for review and approval prior to construction start based on hard cost bid numbers, and the team is undertaking cost containment measures to bring down the gap cost to MOHCD.

## **Background**

4200 Geary (the "Project") is a new construction 98-unit development in the Richmond District of San Francisco, located on the corner of 6<sup>th</sup> Avenue and Geary Boulevard. The Project will include 98 units for seniors that are low-income, including formerly homeless or veterans at risk of homelessness. TNDC was awarded funding under the 2019 Affordable Multifamily Rental Housing Notice of Funding Availability (NOFA) that was issued on December 27, 2019. Loan Committee approved a preliminary loan amount of \$28,870,442 in July 2021 for a State of California's Infill Infrastructure Grant (IIG) and MHP application.

In July 2021, TNDC was in discussion with the United States Department of Veterans Affairs and the San Francisco Housing Authority about the feasibility of including VASH (Veterans Affairs Supportive Housing) vouchers to the project. TNDC has since secured a commitment for ten project-based VASH vouchers which facilitated adding ten veteran referrals to the resident population, lowering maximum rents on 37 units from 60% MOHCD AMI to 50% MOHCD AMI, and lowering the estimated MOHCD gap loan commitment. Since the VASH units will convert to a project based unit, these will carry SFHA project based voucher values rather than VASH voucher values.

Other activities the Sponsor has completed since July 2021:

- Continued value engineering process;
- Reduced GP Equity to \$500k to align project capital plan with current CDLAC scoring.

Sponsor plans to submit an application to the California Debt Allocation Committee (CDLAC) for tax-exempt bonds and 4% tax credits in February 2022.

## **1. Financing Plan**

Please see the chart below for updated sources and uses.

**A. Updated Sources and Uses**

<b>Acquisition/ Predevelopment Sources</b>	<b>Amount</b>	<b>Terms</b>	<b>Status</b>
MOHCD	\$14,538,982	55 yrs. @ 0-3% Res Rec	Closed*
<b>Total</b>	\$14,538,982		

<b>Permanent Sources</b>	<b>Amount</b>	<b>Terms</b>	<b>Status</b>
MOHCD – Gap*	\$15,498,025	55 yrs. @ 0-3% Res Rec	This Request
HCD - MHP	\$20,000,000	55 yrs, .42% payment; 3%	Pending Request
GP Equity	\$500,000	n/a	This Request
Tax Credit Equity	\$31,648,692	\$0.94	Future Commitment
AHP	\$1,250,000	n/a	Future Commitment
Deferred Fee	\$887,864	n/a	This Request
<b>Total</b>	\$69,784,581		

<b>Uses</b>	<b>Amount</b>	<b>Per Unit</b>	<b>Per SF</b>
Hard Costs	\$52,708,360	\$537,840	\$663
Soft Costs	\$12,758,431	\$130,188	\$160
Reserves	\$625,886	\$6,387	\$8
Developer Fee/Costs	\$3,691,983	\$37,673	\$46
<b>Total</b>	\$69,784,581	\$712,088	\$877

\*Note: The acquisition cost of the land was \$11,064,369 and is not budgeted to the Limited Partnership project budget.

Based on recent discussions with HCD, the sponsor believes that in order to receive the maximum points for project readiness in the MHP application the project must have been awarded funds for other HCD programs for which it applied. HCD has not provided clear guidance on this issue yet. Since IIG awards will not be made public until October, the project risks losing points in the MHP application which would no longer make it competitive. In an abundance of caution, the sponsor is withdrawing its IIG application and is requesting \$20 million in MHP funds instead of \$17.5 million seen in the July 2021 loan memo. The sponsor believes requesting \$20 million will not make the project any less competitive for MHP funds.

The sponsor also believes that this MHP application cannot include land acquisition costs since TNDC will be entering into an option to ground lease at closing. While TNDC currently holds title to the site they will transfer the land to MOHCD at closing. The sponsor does not want to show the acquisition amount in the MHP application as it needs to model what structure will be in place at

closing. The consideration is that if the land transfer results in a smaller MOHCD gap loan at closing, from the reduction in acquisition costs, then HCD may reduce their committed funds accordingly.

**Comparison with Previous Sources and Uses presented during July 2021 Loan Committee**

Acquisition/ Predevelopment Sources	Current Request Amount	Previous Request Amount	Difference
MOHCD	\$14,538,982	\$14,538,982	0
<b>Total</b>	\$14,538,982	\$14,538,982	0

Permanent Sources	Current Amount	Previous Amount	Difference
MOHCD – Gap	\$15,498,025	\$16,556,073	(\$1,058,048)
HCD - MHP	\$20,000,000	\$17,500,000	
HCD - IIG	\$0	\$1,250,000	
GP Equity	\$500,000	\$3,221,113	(\$2,721,113)
Tax Credit Equity	\$31,648,692	\$32,204,535	(\$555,843)
AHP	\$1,250,000	\$1,250,000	0
Deferred Fee	\$887,864	\$1,021,113	(\$133,249)
<b>Total</b>	\$69,784,581	\$73,002,834	(\$3,218,253)

Uses	Current Amount	Previous Amount	Per Unit
Hard Costs	\$52,708,360	\$53,016,162	(\$307,802 )
Soft Costs	\$12,758,431	\$12,947,987	(\$189,556)
Reserves	\$625,886	\$494,253	\$131,633
Developer Fee/Costs	\$3,691,983	\$6,544,432	(\$2,852,449)
<b>Total</b>	\$69,784,581	\$73,002,834	(\$3,218,253)

Uses	Current Per Unit	Previous Per Unit	Difference	Current Per SF	Previous Per SF	Difference
Hard Costs	\$537,840	\$540,981	(\$3,141)	\$663	\$665	(\$2)
Soft Costs	\$130,188	\$132,122	(\$1,934)	\$160	\$162	(\$2)
Reserves	\$6,387	\$5,043	\$1,344	\$8	\$6	\$2
Developer Fee/Costs	\$37,673	\$66,780	(\$29,107)	\$46	\$82	(\$36)
<b>Total</b>	\$712,088	\$744,926	(\$32,838)	\$877	\$915	(\$38)

**B. Permanent Sources Evaluation Narrative**

**MOHCD Gap Loan:** The Sponsor requests \$12,023,412 additional funds for a total gap request of \$15,498,025, which is a reduction of \$1,058,048 from the amount requested in July 2021. This does not include acquisition costs of \$11,064,369.

**MHP:** MHP provides permanent financing for affordable new construction, rehabilitation, and preservation of permanent and transitional rental housing for households with incomes at or below the state's 60% AMI. HCD issued a NOFA for the MHP in July 2021 and the Sponsor will submit an application in September 2021 for MHP in the amount of \$20 million.

MHP is very competitive. Of the \$175MM available in the 2020 MHP NOFA, Round 3, \$52.5MM (or 20%) was available for projects in Northern California.

The 2020 MHP NOFA stated that projects must receive a minimum point score of 90 points to be considered for a funding award, and outlines a maximum scoring of 115 points, with a bonus point offered to fully formed Borrower entities, bringing the maximum possible score to 116 points. The 2021 Round will be highly competitive, and the tie-breaker for awarding funds is solely based on a project's average AMI of MHP Assisted units. This funding round prioritizes extremely low-income housing in its design and seeks to award a higher level of funding to High Resource areas as shown on the TCAC/HCD Opportunity Area Map. Using these guidelines, the Sponsor expects to score the maximum 115 points if the project includes more units at lower AMI tiers. In order to achieve this, the Sponsor lowered the AMI tiers for the LOSP units from 30% MOHCD AMI to 15% MOHCD and/or TCAC AMI, lowered the AMI tiers for lottery units from 60% AMI to 50% AMI, and lowered AMI tiers for ten Senior Operating Subsidy (SOS) units from 20% AMI to 15% AMI. TNDC anticipates that the revised AMI mix will have a tiebreaker of 28.14%, an improvement over the tiebreaker for the project approved during the July 2 Loan Committee, which was 32.99%.

Please see Section 2 for further explanation of the proposed revisions to the income restrictions.

**Tax Credits:** The Sponsor anticipates applying for 4% tax credits in the first? round of 2022 and has assumed pricing of 0.94 for 4% federal credits. This estimated pricing is consistent with other projects with a majority of the building offering permanently supportive housing units (30 for homeless, 30 for ELI).

**Construction Loan:** Sponsor assumes 30 month term at 3.25% interest rate. TNDC is not expecting a portion of the loan at a taxable interest rate.

**AHP:** The Sponsor proposes to apply for \$12,755 per unit, totaling \$1.25 million, which is the current maximum award. The project team anticipates they will submit an application in early 2022. Based on preliminary scoring, the team expects a score of at least 75.40 which is a competitive score based on the lowest score submitted in the last round of 2021 applications. The MOHCD gap loan amount includes a portion that will bridge the AHP funds until these funds are available.

**General Partner (GP) Equity:** The Sponsor includes a GP equity amount of \$500,000.

**C. Permanent Uses Evaluation**

<b>Development Budget</b>		
<b>Underwriting Standard</b>	<b>Meets Standard? (Y/N)</b>	<b>Notes</b>
Hard Cost per unit are within standards	Y	Hard costs are \$537,840/unit and \$663 PSF. This is approximately 2% lower than the MOHCD average of \$677 PSF for comparable projects.
Construction Hard Cost Contingency is at least 5% (new construction)	N	Hard Cost Contingency is 4.7%.
Architecture and Engineering Fees are within standards	Y	Total project architecture and engineering fees are \$2,522,236.
Construction Management Fees are within standards	Y	The Construction Management Fee is \$40,000.
Developer Fee is within standards	Y	Total PM Dev Fee: \$1,100,000 Total At-Risk Dev Fee is: \$1,100,000 GP Equity is: \$500,000 Deferred Dev Fee is: \$887,864 Commercial Dev Fee is: \$104,120 Total Dev Fee is: \$3,691,983
Soft Cost Contingency is 5% or 10% per standards	Y	Soft Cost Contingency is 6%.
Capitalized Operating Reserves are a minimum of 3 months	N	Capitalized Operating Reserve is less than three months of operating expenses and debt service. Operating reserve is \$306,348 and three months of operating expenses and debt service is \$350,486.
Capitalized Replacement Reserves are not included	N/A	N/A

**2. Updated Affordability Restriction & VASH**

The site will serve low-income and extremely low-income seniors, including formerly homeless seniors and seniors who are veterans. Twenty of the 98 units will serve formerly homeless seniors in units subsidized by LOSP, 30% or 30 units will serve extremely low-income seniors subsidized

through the SOS program, and 10% or 10 units will serve formerly homeless low-income veterans. The remainder (37 units) will serve seniors at 50% MOHCD AMI. The AMI levels for the LOSP units have been reviewed and approved by the Department of Homelessness and Supportive Housing (HSH). HSH notes that with AMI levels at 15% MOHCD AMI the Department can only refer Social Security Income (SSI) or County Adult Assistance Program (CAAP) recipients as any other income sources would likely be over-income. Also HSH could not refer two-person households to the one bedroom units unless they have only one income or are both on CAAP. The AMI levels and services plan for the SOS units will need to be reviewed and approved by the Department of Disability and Aging Services (DDAS).

The January 22, 2021, Loan Committee approval assumed 30% MOHCD AMI for the LOSP units. The Sponsor has proposed reducing the LOSP units' MOHCD AMIs to 15% in order to make the project more competitive for MHP. The project has been underwritten to show that the rent paid is approximately 15% and 25% MOHCD AMI, but the total contract rent collected in the SOS units will be based on rental income set at rents set at 60% MOHCD AMI.

UNIT SIZE		MAXIMUM INCOME LEVEL		
<u>NON-LOTTERY</u>	No. of Units	MOHCD	TCAC/HCD	Subsidies
		Regulatory	Regulatory	
STUDIO	2	50% MOHCD AMI	40% TCAC AMI	VASH
STUDIO	10	15% MOHCD AMI	15% TCAC AMI	LOSP
<b>Sub-Total</b>	<b>12</b>			
1 BR	8	50% MOHCD AMI	40% TCAC AMI	VASH
1 BR	10	15% MOHCD AMI	15% TCAC AMI	LOSP
<b>Sub-Total</b>	<b>18</b>			
<u>LOTTERY</u>				
STUDIO	14	50% MOHCD AMI	40% TCAC AMI	
STUDIO	7	15% MOHCD AMI	15% TCAC AMI	SOS
STUDIO	8	25% MOHCD AMI	20% TCAC AMI	SOS
<b>Sub-Total</b>	<b>29</b>			
1 BR	23	50% MOHCD AMI	40% TCAC AMI	
1 BR	8	15% MOHCD AMI	15% TCAC AMI	SOS
1 BR	7	25% MOHCD AMI	20% TCAC AMI	SOS
<b>Sub-Total</b>	<b>38</b>			

<b>STAFF UNITS</b>				
	1 BR	1		
	<b>TOTAL</b>	<b>98</b>		
	<b>PROJECT AVERAGE</b>		<b>33.51%</b>	<b>27.89%</b>
	<b>AVERAGE FOR LOTTERY UNITS ONLY</b>		<b>36.57%</b>	<b>29.93%</b>

4200 Geary will include Senior Operating Subsidy (SOS) units pending the September 2021 Board of Supervisors approval of the funds and the State’s execution of a Standard Agreement. Under the SoS program approach, MOHCD pipeline projects serving seniors are automatically eligible for a 15-year contract providing operating subsidies for seniors at 15% and 25% AMI. The Year 1 SOS subsidy is anticipated to be \$359,928.

The Year 1 LOSP subsidy is anticipated to be \$191,184.

Project-based VASH vouchers have 15-year contracts with one automatic 15-year extension. If the subsidy ends for any reason, the expectation is that the units would revert to the most restrictive AMI limit for that unless other operating subsidies can be found.

MOHCD staff worked with the sponsor to revise unit mix so that the project will include a higher number of units serving households at 50% MOHCD AMI, and no units at 60% MOHCD AMI, which satisfies condition #5 from the previous July 2021 loan memo.

**A. Operating Budget updates based on new affordability restrictions**

<b>Operating Proforma</b>		
<b>Underwriting Standard</b>	<b>Meets Standard? (Y/N)</b>	<b>Notes</b>
Debt Service Coverage Ratio stays above 1:1 through Year 17	Y	DSCR is at 2.7 at Year 1 and 1.5 at Year 17.
Debt Service Coverage Ratio stays above 1.00:1 for entirety of projected 20-year cash flow.	Y	DSCR stays above 1.00:1 through Year 20.
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	Expenses escalation factor is 3.5%
Base year operating expenses per unit are reasonable per comparables	Y	Total Operating Expenses are \$12,762 per unit which is similar to comparable projects that include LOSP. Four other senior projects with comparable total and LOSP units (990 Polk, Mission Creek, Parkview, and Armstrong Place) averaged approximately \$12,221 per unit per year.
Property Management Fee is at allowable HUD Maximum	Y	Total Property Management Fee is \$79,968 or \$68 PUPM.
Property Management staffing level is reasonable per comparables	N	<p>Staffing costs at \$527,832 per year. This amounts to \$5,386 per unit per year. The breakdown of property staff is as follows:</p> <ul style="list-style-type: none"> <li>• GM = 1 FTE</li> <li>• AGM = 1 FTE</li> <li>• Night Manager = 0.4 FTE</li> <li>• Maintenance = 2 FTE</li> <li>• Janitorial = 1.5 FTE</li> <li>• Social workers = 1.0 FTE site coordinator, 1.0 FTE social worker</li> </ul> <p>While MOHCD has concerns that these staffing costs are high, we believe they are reasonable because of the ten additional homeless units and SOS units.</p> <p>The staffing plan is also subject to further review by the Department of Homelessness and Supportive Housing (HSH) and the Department of Aging and Adult Services (DDAS).</p>

Asset Management and Partnership Management Fees meet standards	Y	Annual AM Fee is \$21,900/yr. Annual PM Fee is \$20,000/yr.
Replacement Reserve Deposits meet or exceed TCAC minimum standards	Y	Replacement Reserves are \$500 per unit per year per HCD requirements.
Limited Partnership Asset Management Fee meets standards	Y	LP Asset Management Fee is \$5,000 below-the-line.

The decision to reduce rents for non-rent subsidized units from 60% MOHCD AMI to 50% MOHCD AMI, facilitated by the VASH contract, makes the project vulnerable to negative trending cashflow. In making the decision to reduce AMI levels, MOHCD staff is working with the sponsor to keep long-term financial feasibility in mind and address this negative trend.

**3. Services Budget updates**

TNDC will be the sole service provider for tenants at 4200 Geary. Supportive services include: Intakes and Assessments, Case Management, Supportive Counselling, Individualized Service Planning, Crisis Intervention, Mediation, Housing Stabilization and Eviction Prevention. Two (2) FTE social workers will be on site which is an increase of .8 FTE from the July 2, 2021, preliminary loan approval. One (1) FTE will serve the LOSP units and one (1) FTE will serve the remaining units, which include 10 veterans and 30 SOS households.

The staffing plan is pending review by HSH. The San Francisco Department of Disability and Aging Services (DDAS) will also review the services plan prior to final gap loan.

The VA Medical Center (VAMC) will provide off-site services to tenants that are associated specifically with the weekly counseling sessions, medication monitoring, individual therapy, money management, assistance with benefits counseling and advocacy, and coordinated referrals for outside services (e.g., medical, dental, vision, psychological assessments, neuropsychological testing, benefits). Tenants living in VASH units will also have access to substance and alcohol abuse treatment and counseling services directly from the VA. The VA provides a shuttle service to tenants who ask for or require this service, and VA case managers will perform wellness checks at the property as needed. All tenants living in VASH units will be able to access and receive services by TNDC social workers on a voluntary basis.

Households referred for the project-based VASH units will have a case manager assigned to them through the VA. However, since these services are not always maintained over time, and it is anticipated that the ELI SOS households will have overlapping services needs with the LOSP referred households, staff recommends funding additional services at a ratio of 1:77 units rather than 1:100 units as is the underwriting standard.

Due to added transition reserves required by HCD, the sponsor has removed front desk coverage entirely to allow for adequate cashflow. MOHCD staff will work with sponsor to add front desk

coverage prior to final gap loan. While 2 FTE social workers and overhead will cost \$278,936 total, after deducting payments from HSH and TNDC, MOHCD will only need to contribute \$146,000 in the first year.

Staff Position	Employed	FTE	Residents Served	Staff to Resident Ratio	Funding Source
Social Worker	TNDC	1 FTE	20 PSH (studio and 1 BR)	1:20	HSH
Social Worker	TNDC	1 FTE	Remaining units, including 30 SOS and 10 VASH	1:77	Operating Budget
<b>Total</b>		<b>2 FTE</b>			

**4. LOAN CONDITIONS**

Loan conditions are held over from the January 22, 2021, and July 2, 2021, loan evaluations and must be met by the time of Loan Committee’s approval of gap financing in early 2022.

1. Sponsor to provide MOHCD with detailed monthly updates on Community Outreach completed, outcomes achieved related to racial equity goals, and commercial-use programming (this may be included in the standard MOHCD monthly report form).
2. Sponsor will provide operating and development budgets that meet MOHCD underwriting guidelines and commercial space policy requirements.
3. 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.
4. Sponsor to work with MOHCD staff and project’s General Contractor to Value Engineer construction budget with the goal of reducing construction costs to \$600 PSF inclusive of contractor contingency, bid contingency and escalation to start of construction.
5. Sponsor will provide signed LOI from commercial tenants prior to MOHCD’s gap loan closing.
6. Sponsor will provide MOHCD with information outlining cost containment, efficiencies and innovation strategies to reduce overall project costs and maximize efficiency of MOHCD gap loans.
7. Sponsor will provide conforming capitalized operating reserves in final budget.
8. Sponsor will provide Commercial Space Plan to MOHCD no less than 90 days prior to Loan Committee date for gap loan.
9. Sponsor to work with MOHCD and HSH to establish the LOSP budget and income restrictions for the referrals from Coordinated Entry.
10. Sponsor will provide for MOHCD review any Request for Proposals (RFPs) for equity investors before it is finalized and released for investors.
11. Sponsor will provide for MOHCD review all raw financial data from developer or financial consultant prior to selection.

12. Sponsor will provide for MOHCD review and approval all selected investors.
13. Sponsor will provide for MOHCD review and approval all Letters of Intent from financial partners.
14. Sponsor will submit a services plan for units subsidized by SOS to DDAS.
15. Sponsor to work with MOHCD staff with goal of increasing hard cost contingency to 5%.

Post-closing:

16. Sponsor will provide initial draft marketing plan within 2 months of anticipated TCO, outlining the affirmative steps TNDC will take to market the project to the City's preference program participants, including COP Holders, Displaced Tenants, and Neighborhood Residents, as well as how the marketing is consistent with the Mayor's Racial Equity statement and promotion of positive outcomes for African American San Franciscans.

**5. LOAN COMMITTEE MODIFICATIONS**

**LOAN COMMITTEE RECOMMENDATION**

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

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

\_\_\_\_\_  
Eric D. Shaw, Director  
Mayor’s Office of Housing  
Date: \_\_\_\_\_

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

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

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

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

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

\_\_\_\_\_  
Anna Van Degna, Director  
Controller’s Office of Public Finance  
Date: \_\_\_\_\_

- Attachments: Attachment A – Cost Comparison Chart  
Attachment B – Updated Permanent Sources and Uses  
Attachment C – 1<sup>st</sup> Year Operating Budget and Cashflow  
Attachment D – July 2, 2021 Preliminary Gap Loan Evaluation Updated

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

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**From:** Shaw, Eric (MYR)  
**Sent:** Friday, September 17, 2021 11:31 AM  
**To:** Chavez, Rosanna (MYR)  
**Subject:** 4200 Revised Commitment

I approve

Eric D. Shaw  
Director/ Interim Director HopeSF

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

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

## Chavez, Rosanna (MYR)

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**From:** Hewson, Elizabeth (HOM)  
**Sent:** Friday, September 17, 2021 11:31 AM  
**To:** Chavez, Rosanna (MYR); Shaw, Eric (MYR)  
**Cc:** Menjivar, Salvador (HOM)  
**Subject:** 4200 Geary Revised Commitment

On behalf of Salvador Menjivar, I cast a Yes vote for the 4200 Geary revised commitment.

Thanks,  
Elizabeth



**Elizabeth Hewson (she/her)**

Manager of Supportive Housing Programs

San Francisco Department of Homelessness and Supportive Housing

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

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## Chavez, Rosanna (MYR)

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**From:** Oerth, Sally (CII)  
**Sent:** Friday, September 17, 2021 11:29 AM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR); Vanzuylen, Ryan (MYR)  
**Subject:** 4200 Geary revised commitment - 9.17.21 Loan Committee

I approve the revised loan commitment for the 4200 Geary project, as presented at the 9.17.21 Loan Committee



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

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

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

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**From:** Pereira Tully, Marisa (CON)  
**Sent:** Friday, September 17, 2021 11:28 AM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR)  
**Subject:** 4200 Geary Revised Commitment

Approve

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

**Attachment A**

Please see following page.

# Affordable Multifamily Housing New Construction Cost Comparison

Updated		9/10/21																
PROJECTS COMPLETED						Building Square Footage				Total Project Costs								
Project Name	Address	Lot sqft	Comp. Date	# of Units	# of BR <sup>1</sup>	Res. <sup>2</sup>	Non-Res.	Total	Acq. Cost <sup>3</sup>	Constr. Cost <sup>4</sup>	Soft Cost	Total Dev. Cost w/land	Local Subsidy <sup>5</sup>	Total Dev. Cost w/land	Notes on Financing	Comments		
95 Laguna Senior	95 Laguna	14,300	May-19	75	82	59,785	7,316	67,101	\$ 5,912,000	\$ 34,594,382	\$ 11,343,750	\$ 51,250,132	\$ 21,234,000	\$ 46,238,132	0% LHTC	7 Story - 5 stories Type III over 2 stories Type IA + Community Services space (Open House)		
1296 Showwell Senior	1296 Showwell	11,697	Jan-20	94	94	66,153	-	66,153	\$ 631,096	\$ 48,286,144	\$ 5,854,962	\$ 54,772,204	\$ 27,812,014	\$ 55,941,106	0% LHTC HOME AHP	Type IA/B stories 1st PUC served Affordable Hsg. including low-side metering, resilient seismic damper		
735 Davis Senior Housing	735 Davis	10,165	May-21	53	54	46,143	1,267	47,410	\$ -	\$ 32,541,721	\$ 11,866,307	\$ 44,388,119	\$ 18,525,949	\$ 44,388,119	0% LHTC	Type IIA & V over Type I Podium (5-6 stories) - Senior		
<b>Completed Projects:</b>		<b>Average:</b>	<b>12,044</b>	<b>75</b>	<b>77</b>	<b>57,360</b>	<b>2,858</b>	<b>60,218</b>	<b>1,947,699</b>	<b>38,574,082</b>	<b>9,615,036</b>	<b>50,136,818</b>	<b>22,523,988</b>	<b>48,189,119</b>				
PROJECTS UNDER CONSTRUCTION						Building Square Footage				Total Project Costs								
Project Name	Address	Lot sqft	Comp. Date	# of Units	# of BR <sup>1</sup>	Res. <sup>2</sup>	Non-Res.	Total	Acq. Cost <sup>3</sup>	Constr. Cost <sup>4</sup>	Soft Cost	Total Dev. Cost w/land	Local Subsidy <sup>5</sup>	Total Dev. Cost w/land	Notes on Financing	Comments		
Casa de la Misión	3001 24th Street	6,715	Sep-21	45	45	26,439	1,239	27,678	\$ 3,225,000	\$ 17,046,794	\$ 7,106,021	\$ 27,393,815	\$ 1,313,694	\$ 26,155,815	0% LHTC & private donation	Type V over Type I podium		
33 Colton (Members Union DA)	33 Colton	7,780	Jul-22	88	86	47,989	-	47,989	\$ 171,057	\$ 34,599,058	\$ 16,721,274	\$ 51,780,410	\$ 2,700,000	\$ 51,616,913	0% LHTC MHP, AHP, STIM GM	Type IIA over Type I podium and basement, 6 stories, constrained site, efficiency studios		
<b>Under Construction:</b>		<b>Average:</b>	<b>7,248</b>	<b>71</b>	<b>71</b>	<b>37,204</b>	<b>620</b>	<b>37,824</b>	<b>1,696,349</b>	<b>25,972,716</b>	<b>11,913,646</b>	<b>39,884,719</b>	<b>2,631,847</b>	<b>37,886,364</b>				
PROJECTS IN PREDEVELOPMENT						Building Square Footage				Total Project Costs								
Project Name	Address	Lot sqft	Start Date (anticipated)	# of Units	# of BR <sup>1</sup>	Res. <sup>2</sup>	Non-Res.	Total	Acq. Cost <sup>3</sup>	Constr. Cost <sup>4</sup>	Soft Cost	Total Dev. Cost w/land	Local Subsidy <sup>5</sup>	Total Dev. Cost w/land	Notes on Financing	Comments		
266 4th Street	266 4th Street	8,400	Apr-22	70	99	60,515	1,580	62,095	\$ 133,100	\$ 49,982,213	\$ 13,943,417	\$ 64,058,730	\$ 15,629,817	\$ 63,926,630	0% Credits, AHSC, St. Credits	Type I, 8 stories over MJUI substation tunnel, structurally complex, small footprint		
Parcel U	75 Haight Street	5,583	Mar-22	63	63	44,327	3,349	47,676	\$ 37,439	\$ 35,540,522	\$ 6,722,044	\$ 52,300,005	\$ 24,572,585	\$ 52,262,586	0% Fed & St. Credits, MHP	Type I, 7 stories over full basement, constrained site + childcare, (60% CD est. dated 10/19/20)		
180 Jones Street	180 Jones Street	4,853	Feb-22	70	70	34,963	3,304	38,167	\$ 100,000	\$ 35,746,770	\$ 17,578,296	\$ 53,425,066	\$ 15,200,000	\$ 53,323,066	0% LHTC + MHP	Type I - 9 stories small very tight site (studio) (80% CD est. 3/26/21)		
Laguna Florida Senior	375 Laguna Florida Blvd	200	Feb-24	204	204	212,000	13,000	225,000	\$ 15,000	\$ 97,750,000	\$ 20,222,441	\$ 117,987,441	\$ 47,272,441	\$ 117,972,441	0% Credits, IG, HCD, AHP	Type III over I, 7 stories		
The Valley	240 Van Ness	18,313	Jul-22	109	141	94,021	1,369	95,390	\$ 9,846,500	\$ 82,022,138	\$ 22,300,363	\$ 106,989,001	\$ 26,618,912	\$ 94,222,469	0% LHTC, IG, AHSC	5 stories of Type II over 5 stories of Type I, Innovative CAR Cities Initiative + Universal design		
<b>In Predevelopment</b>		<b>Average:</b>	<b>44,790</b>	<b>102</b>	<b>115</b>	<b>89,141</b>	<b>4,516</b>	<b>93,658</b>	<b>#REF!</b>	<b>\$ 56,208,329</b>	<b>\$ 18,132,898</b>	<b>\$ 76,367,635</b>	<b>\$ 25,658,751</b>	<b>\$ 74,341,227</b>				
<b>ALL PROJECTS</b>		<b>Average:</b>	<b>9,526</b>	<b>83</b>	<b>88</b>	<b>61,235</b>	<b>2,665</b>	<b>63,900</b>	<b>#REF!</b>	<b>\$ 40,251,709</b>	<b>\$ 13,220,527</b>	<b>\$ 55,363,055</b>	<b>\$ 16,738,195</b>	<b>\$ 53,472,237</b>				

SUBJECT PROJECT      4200 Geary      16,738      Feb-22      98      98      78,364      1,165      79,529      \$ 11,064,290      \$ 52,568,360      \$ 16,809,543      \$ 80,442,193      \$ 26,859,168      \$ 73,052,761      4% Credits; HCD MHP, AHP, Private Loan

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	Comp. Date	Acq/Unit	Acq/BR	Acq/lot sqft	Const/Unit	Const/BR	Const/lot sqft	Soft/Unit	Soft/BR	Soft/lot sqft	Gross TDC/Unit	Gross TDC/BR	Gross TDC/lot sqft	Subsidy / unit	Leveraging <sup>7</sup>	
95 Laguna Senior	May-19	63,443	81,122	390	\$ 441,701	\$ 425,541	\$ 520	\$ 143,592	\$ 136,136	\$ 169	\$ 648,736	\$ 628,002	\$ 764	\$ 268,785	58.6%	
1296 Showwell Sr	Jan-20	8,841	8,841	71	\$ 513,682	\$ 513,682	\$ 730	\$ 60,150	\$ 60,150	\$ 420	\$ 582,663	\$ 582,663	\$ 828	\$ 266,672	49.2%	
735 Davis Senior Housing	May-21	-	-	-	\$ 613,995	\$ 602,624	\$ 667	\$ 223,517	\$ 219,376	\$ 290	\$ 837,512	\$ 822,002	\$ 936	\$ 349,546	58.3%	
<b>Completed Projects:</b>		<b>Average:</b>	<b>36,142</b>	<b>34,982</b>	<b>211</b>	<b>\$ 523,126</b>	<b>\$ 513,949</b>	<b>\$ 645</b>	<b>\$ 142,423</b>	<b>\$ 139,292</b>	<b>\$ 280</b>	<b>\$ 689,644</b>	<b>\$ 676,562</b>	<b>\$ 843</b>	<b>\$ 304,735</b>	<b>55%</b>

PROJECTS UNDER CONSTRUCTION		Acquisition				Construction			Soft Costs			Total Development Cost (Incl. Land)			Subsidy	
Project Name	Comp. Date	Acq/Unit	Acq/BR	Acq/lot sqft	Const/Unit	Const/BR	Const/lot sqft	Soft/Unit	Soft/BR	Soft/lot sqft	Gross TDC/Unit	Gross TDC/BR	Gross TDC/lot sqft	Subsidy / unit	Leveraging <sup>7</sup>	
Casa de la Misión	Jan-21	71,667	71,667	480	\$ 378,884	\$ 378,884	\$ 616	\$ 157,912	\$ 157,912	\$ 257	\$ 638,463	\$ 638,463	\$ 899	\$ 28,193	95.2%	
33 Colton	Jan-22	1,789	1,789	22	\$ 363,496	\$ 363,496	\$ 727	\$ 174,180	\$ 174,180	\$ 349	\$ 539,465	\$ 539,465	\$ 1,069	\$ 28,646	94.7%	
<b>Under Construction:</b>		<b>Average:</b>	<b>36,728</b>	<b>36,728</b>	<b>251</b>	<b>\$ 371,190</b>	<b>\$ 371,190</b>	<b>\$ 672</b>	<b>\$ 166,046</b>	<b>\$ 166,046</b>	<b>\$ 303</b>	<b>\$ 573,964</b>	<b>\$ 573,964</b>	<b>\$ 1,034</b>	<b>\$ 28,920</b>	<b>95%</b>

PROJECTS IN PREDEVELOPMENT		Acquisition				Construction			Soft Costs			Total Development Cost (Incl. Land)			Subsidy	
Project Name	Start Date (anticipated)	Acq/Unit	Acq/BR	Acq/lot sqft	Const/Unit	Const/BR	Const/lot sqft	Soft/Unit	Soft/BR	Soft/lot sqft	Gross TDC/Unit	Gross TDC/BR	Gross TDC/lot sqft	Subsidy / unit	Leveraging <sup>7</sup>	
4th and Folsom	Apr-22	1,901	1,344	16	\$ 714,033	\$ 524,671	\$ 803	\$ 189,182	\$ 140,843	\$ 225	\$ 915,133	\$ 617,088	\$ 1,033	\$ 221,283	73.5%	
Parcel U	Mar-22	594	594	7	\$ 564,135	\$ 564,135	\$ 745	\$ 265,429	\$ 265,429	\$ 391	\$ 830,199	\$ 830,199	\$ 1,097	\$ 390,041	53.0%	
180 Jones Street	Feb-22	1,420	1,420	21	\$ 510,688	\$ 510,688	\$ 937	\$ 251,099	\$ 251,099	\$ 461	\$ 763,189	\$ 763,189	\$ 1,400	\$ 217,143	71.5%	
Laguna Florida Senior	Feb-22	75	74	74	\$ 488,750	\$ 479,167	\$ 434	\$ 101,112	\$ 99,130	\$ 30	\$ 689,937	\$ 678,370	\$ 524	\$ 236,362	69.9%	
The Valley	Jul-22	80,326	80,326	538	\$ 569,910	\$ 436,673	\$ 690	\$ 233,673	\$ 157,440	\$ 233	\$ 833,018	\$ 697,198	\$ 987	\$ 236,028	72.9%	
<b>In Predevelopment</b>		<b>Average:</b>	<b>18,867</b>	<b>14,655</b>	<b>145</b>	<b>\$ 569,319</b>	<b>\$ 499,743</b>	<b>\$ 714</b>	<b>\$ 204,099</b>	<b>\$ 182,788</b>	<b>\$ 272</b>	<b>\$ 792,285</b>	<b>\$ 697,196</b>	<b>\$ 1,008</b>	<b>\$ 260,373</b>	<b>67%</b>
<b>All Projects:</b>		<b>AVERAGE</b>	<b>30,579</b>	<b>28,788</b>	<b>202</b>	<b>\$ 487,878</b>	<b>\$ 461,627</b>	<b>\$ 677</b>	<b>\$ 170,856</b>	<b>\$ 162,709</b>	<b>\$ 285</b>	<b>\$ 685,297</b>	<b>\$ 649,237</b>	<b>\$ 962</b>	<b>\$ 198,009</b>	<b>72.3%</b>

**Attachment B**

Please see following page.



**Attachment C**

Please see following page.

**Application Date:** 9/20/21  
**Total # Units:** 98  
**First Year of Operations** (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2025

Non-LOSP Units	
LOSP Units	Units
20	78
LOSP/non-LOSP Allocation	
20%	80%

**Project Name:** 4200 Geary  
**Project Address:** 4200 Geary Blvd  
**Project Sponsor:** Tenderloin Neighborhood Development Corporation

INCOME	LOSP	non-LOSP	Total	Comments	Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)
Residential - Tenant Rents	67,200	806,820	874,020	Links from 'New Proj - Rent & Unit Mix' Worksheet				
Residential - Tenant Assistance Payments (Non-LOSP)	0	527,280	527,280	Links from 'New Proj - Rent & Unit Mix' Worksheet		0.00%	100.00%	Approved By (reqd)
Residential - LOSP Tenant Assistance Payments	191,184		191,184					
Commercial Space			27,600	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%				
Miscellaneous Rental Income	0	0	0	Links from 'Utilities & Other Income' Worksheet				
Supportive Services Income	0	0	0	Links from 'Utilities & Other Income' Worksheet	Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)
Interest Income - Project Operations	0	0	0	Links from 'Utilities & Other Income' Worksheet	Supportive Services Income	0.00%	100.00%	
Laundry and Vending	1,223	4,892	6,115	Links from 'Utilities & Other Income' Worksheet	Projected LOSP Split	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
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			7,757	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)
Withdrawal from Capitalized Reserve (deposit to operating account)	0	0		Withdrawal from Capitalized Reserve (deposit to operating account)				
<b>Gross Potential Income</b>	<b>259,607</b>	<b>1,338,992</b>	<b>1,633,957</b>					
Vacancy Loss - Residential - Tenant Rents	(3,360)	(40,341)	(43,701)	Vacancy loss is 5% of Tenant Rents.				
Vacancy Loss - Residential - Tenant Assistance Payments	0	(26,364)	(26,364)	Vacancy loss is 5% of Tenant Assistance Payments.				
Vacancy Loss - Commercial			(20,700)	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%				
<b>EFFECTIVE GROSS INCOME</b>	<b>256,247</b>	<b>1,272,287</b>	<b>1,543,192</b>	<b>PUPA: 15,747</b>				

**OPERATING EXPENSES**

Management		Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)			
Management Fee	16,321	63,647	79,968	1st Year to be set according to HUD schedule; Property Management Fee	Management Fee	20.41%	79.59%	
Asset Management Fee	4,470	17,430	21,900		Asset Management Fee	20.41%	79.59%	
<b>Sub-total Management Expenses</b>	<b>20,791</b>	<b>81,077</b>	<b>101,868</b>	<b>PUPA: 1,039</b>				
<b>Salaries/Benefits</b>		<b>Alternative LOSP Split</b>	<b>LOSP</b>	<b>non-LOSP</b>	<b>Approved By (reqd)</b>			
Office Salaries	0	0	0	Desk Clerk salaries at 1.00 FTE	Office Salaries	0.00%	100.00%	
Manager's Salary	24,533	95,697	120,230	GM and AGM + night manager	Manager's Salary	20.41%	79.59%	
Health Insurance and Other Benefits	12,898	49,516	62,213		Health Insurance and Other Benefits	20.41%	79.59%	
Other Salaries/Benefits	2,984	11,638	14,622	General office salaries, combined total for 403(b) Plan under benefits	Other Salaries/Benefits	20.41%	79.59%	
Administrative Rent-Free Unit	1,470	5,730	7,200		Administrative Rent-Free Unit	20.41%	79.59%	
<b>Sub-total Salaries/Benefits</b>	<b>41,885</b>	<b>162,551</b>	<b>204,236</b>	<b>PUPA: 2,084</b>				

Administration		Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)			
Advertising and Marketing	0	0	0					
Office Expenses	1,622	6,488	8,110	Combined total for Office supplies and office equipment lease or rental				
Office Rent	222	890	1,112	Screening and other renting expenses	Projected LOSP Split	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Legal Expense - Property	1,200	4,800	6,000		Legal Expense - Property	20.00%	80.00%	
Audit Expense	2,646	10,582	13,228					
Bookkeeping/Accounting Services	2,234	8,938	11,172		Projected LOSP Split	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Bad Debts	364	1,457	1,821		Bad Debts	20.00%	80.00%	
Miscellaneous	9,411	37,646	47,057	Combined total for printing, computers/software, telephone & communication, subscription & dues.				
<b>Sub-total Administration Expenses</b>	<b>17,700</b>	<b>70,800</b>	<b>88,500</b>	<b>PUPA: 903</b>				

Utilities		Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)			
Electricity	8,649	34,595	43,243	All electric building	Electricity	20.00%	80.00%	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Water	18,054	72,216	90,271	Includes Water & Sewer				
Gas	0	0	0					
Sewer	0	0	0					
<b>Sub-total Utilities</b>	<b>26,703</b>	<b>106,811</b>	<b>133,514</b>	<b>PUPA: 1,362</b>				

Taxes and Licenses		Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)			
Real Estate Taxes	3,209	12,514	15,723		Real Estate Taxes	20.41%	79.59%	
Payroll Taxes	5,794	22,592	28,386		Payroll Taxes	20.41%	79.59%	
Miscellaneous Taxes, Licenses and Permits	1,376	1,593	1,879					
<b>Sub-total Taxes and Licenses</b>	<b>9,379</b>	<b>36,610</b>	<b>45,988</b>	<b>PUPA: 469</b>				

Insurance		Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)			
Property and Liability Insurance	34,155	136,621	170,776	Type III (wood) building insurance expense				
Fidelity Bond Insurance	0	0	0		Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)
Worker's Compensation	6,518	25,416	31,934		Worker's Compensation	20.41%	79.59%	
Director's & Officers' Liability Insurance	0	0	0					
<b>Sub-total Insurance</b>	<b>40,673</b>	<b>162,037</b>	<b>202,710</b>	<b>PUPA: 2,068</b>				

Maintenance & Repair		Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)			
Payroll	36,247	141,349	177,596	Combined total for Janitor & Cleaning Payroll and Maintenance Payroll and Asst. Facilities Manager	Payroll	20.41%	79.59%	
Supplies	5,002	20,009	25,012		Supplies	20.00%	80.00%	(LOSP-specific expenses must be tracked at entry level in project's accounting)
Contracts	7,472	29,136	36,608	Combined total for Exterminating/Contract, Grounds Contract, Maintenance Contract, and Elevator	Contracts	20.41%	79.59%	
Garbage and Trash Removal	6,496	25,985	32,482		Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)
Security Payroll/Contract	0	0	0		Security Payroll/Contract	20.41%	79.59%	
HVAC Repairs and Maintenance	2,148	8,593	10,741					
Vehicle and Maintenance Equipment Operation and Repairs	192	770	962	Vehicle & Transportation				
Miscellaneous Operating and Maintenance Expenses	7,350	29,401	36,751	Combined total for Life Safety Equipment, Fire Systems, Staff Work Clothes, Plumbing Repairs,				
<b>Sub-total Maintenance &amp; Repair Expenses</b>	<b>64,908</b>	<b>255,242</b>	<b>320,151</b>	<b>PUPA: 3,267</b>				

Supportive Services		Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)			
Supportive Services	0	146,000	146,000	2.00 FTE Social Workers (one site coordinator, one social worker)	Supportive Services	0.00%	100.00%	
<b>Commercial Expenses</b>			7,757	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%				

<b>TOTAL OPERATING EXPENSES</b>	<b>221,838</b>	<b>1,021,128</b>	<b>1,250,724</b>	<b>PUPA: 12,762</b>				
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Reserves/Ground Lease Base Rent/Bond Fees		Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)			
Ground Lease Base Rent	3,000	12,000	15,000	Ground lease with MOHCD				
Bond Monitoring Fee	500	2,000	2,500	Provide additional comments here, if needed.				
Replacement Reserve Deposit	10,001	38,999	49,000		Replacement Reserve Deposit	20.41%	79.59%	
Operating Reserve Deposit	0	0	0		Operating Reserve Deposit	20.41%	79.59%	
Other Required Reserve 1 Deposit	0	0	0		Other Required Reserve 1 Deposit	20.41%	79.59%	
Other Required Reserve 2 Deposit	0	0	0					
Required Reserve Deposits, Commercial			718	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%				
<b>Sub-total Reserves/Ground Lease Base Rent/Bond Fees</b>	<b>13,501</b>	<b>52,999</b>	<b>67,218</b>	<b>PUPA: 686</b>				

<b>TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)</b>	<b>235,339</b>	<b>1,074,128</b>	<b>1,317,942</b>	<b>PUPA: 13,448</b>	Mn DSCR: 1.09 Mortgage Rate: 5.00%
<b>NET OPERATING INCOME (INCOME minus OP EXPENSES)</b>	<b>20,908</b>	<b>198,160</b>	<b>225,250</b>	<b>PUPA: 2,298</b>	Term (Years): 30 Supportable 1st Mortgage Pmt: 206,651 Supportable 1st Mortgage Amt: \$3,207,942

Application Date: 9/20/21  
 Total # Units: 98  
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2025

LOSP Units	Non-LOSP Units
20	78
LOSP/non-LOSP Allocation	
20%	80%

Project Name: 4200 Geary  
 Project Address: 4200 Geary Blvd  
 Project Sponsor: Tenderloin Neighborhood Development Corporation

Proposed 1st Mortgage Amt: \$20,000,000

DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)	LOSP	Non-LOSP	Units	Comments	Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)
Hard Debt - First Lender	0	0	0	Provide additional comments here, if needed.	Hard Debt - First Lender			
Hard Debt - Second Lender (HCD Program 0.42% pymnt, or other 2nd Lender)	17,144	66,856	84,000	HCD - MHP	Hard Debt - Second Lender (HCD Program 0.42% pymnt, or other 2nd Lender)	20.41%	79.59%	
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	0	0	Provide additional comments here, if needed.	Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			
Hard Debt - Fourth Lender	0	0	0	Provide additional comments here, if needed.	Hard Debt - Fourth Lender			
Commercial Hard Debt Service			0	from "Commercial Op. Budget" Worksheet; Commercial to Residential allocation: 100%				
<b>TOTAL HARD DEBT SERVICE</b>	<b>17,144</b>	<b>66,856</b>	<b>84,000</b>	<b>PUPA: 857</b>				

CASH FLOW (NOI minus DEBT SERVICE)	3,764	131,304	141,250	
Commercial Only Cash Flow			6,182	
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)	1,236	4,946		Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)

AVAILABLE CASH FLOW: 5,000 LOSP, 136,250 Non-LOSP, 141,250 Total  
 USES OF CASH FLOW BELOW (This row also shows DSCR): 2.68

USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL				
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	0	0		
Partnership Management Fee (see policy for limits)	4,000	16,000	20,000	2nd
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	1,000	4,000	5,000	1st
Other Payments	0	0		
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	0	0		Provide additional comments here, if needed.
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)	0	0		Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	0	29,412	29,412	Def. Develop. Fee split: 25%
Deferred Developer Fee (Enter amt <= Max Fee)				Deferred Developer Fee (Enter amt <= Max Fee)
				0.00%
				100.00%

TOTAL PAYMENTS PRECEDING MOHCD: 5,000 LOSP, 49,412 Non-LOSP, 54,412 Total  
 PUPA: 555

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD): 0 LOSP, 86,838 Non-LOSP, 86,838 Total

**Residual Receipts Calculation**  
 Does Project have a MOHCD Residual Receipt Obligation? Yes  
 Will Project Defer Developer Fee? Yes  
 Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1: 50%  
 % of Residual Receipts available for distribution to soft debt lenders in Yr 1: 50%

Project has MOHCD ground lease? Yes  
 Max Deferred Developer Fee Amt (Use for data entry above. Do not link.): 58,125  
 Sum of DD F from LOSP and non-LOSP: 29,412  
 Ratio of Sum of DDF and calculated 50%: 1.976229093

Soft Debt Lenders with Residual Receipts Obligations	(Select lender name/program from drop down)	Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OCII - Soft Debt Loans	All MOHCD/OCII Loans payable from res. recs	\$26,562,394	46.76%
MOHCD/OCII - Ground Lease Value or Land Acq Cost	Acquisition Cost	\$10,239,290	18.03%
HCD (soft debt loan) - Lender 3	HCD - MHP	\$20,000,000	35.21%
Other Soft Debt Lender - Lender 4			0.00%
Other Soft Debt Lender - Lender 5			0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE			
MOHCD Residual Receipts Amount Due	56,262	56,262	50% of residual receipts, multiplied by 64.79% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	56,262	56,262	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 repymt.

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE: 30,576

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE			
HCD Residual Receipts Amount Due		30,576	50% of residual receipts, multiplied by 35.21% -- HCD - MHP's pro rata share of all soft debt
Lender 4 Residual Receipts Due		0	
Lender 5 Residual Receipts Due		0	
<b>Total Non-MOHCD Residual Receipts Debt Service</b>		<b>30,576</b>	

REMAINDER (Should be zero unless there are distributions below): (0)  
 Owner Distributions/Incentive Management Fee: 0  
 Other Distributions/Uses: 0  
**Final Balance (should be zero): 0**



**Attachment D**

Please see following page.

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

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**MEMORANDUM**

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**DATE:** JULY 2, 2021  
**TO:** CITYWIDE AFFORDABLE HOUSING LOAN COMMITTEE  
**FROM:** JONATHAN GAGEN, PROJECT MANAGER  
**RE:** **4200 GEARY BOULEVARD PRELIMINARY GAP REQUEST FOR IIG APPLICATION FINANCING PURPOSES**

**SOURCES OF FUNDS:**

2019 GO Bond (Committed acquisition/predevelopment funds)	\$14,236,200
AHF Inclusionary (Committed acquisition/predevelopment funds)	\$302,782
AHF Inclusionary (Bridge Loan)	\$1,250,000
2019 GO Bonds – Senior Low Income (New MOHCD gap funding)	\$13,081,460
<b>Total</b>	<b>\$28,870,442</b>

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**Summary of Request**

4200 Geary is a new construction 98-unit project in the Richmond District of San Francisco, located on the corner of 6<sup>th</sup> Avenue and Geary Boulevard, currently being developed by the Tenderloin Neighborhood Development Corporation (TNDC or the “Sponsor”). The former mortuary will be redeveloped demolished and replaced by a new Type III/I residential building at 7 stories. The project will provide permanent affordable housing in the Westside for low income and formerly homeless seniors that is consistent with the 2019 General Obligation Housing Bond framework, as well as the City’s Consolidated Plan, and Master Plan Housing Element. The proposed project will provide 98 affordable units (46 studios and 52 1-bedrooms), with 20% of units serving formerly homeless seniors, and 30% of units serving extremely low-income seniors. The formerly homeless senior population will be supported by the Local Operating Subsidy Program (LOSP) and the extremely low-income senior population will be supported by the City’s Senior Operating Subsidy (SOS). The remaining 47 units will serve low income seniors at 60% MOHCD AMI. TNDC was selected to develop the project through the 2019 Affordable Multifamily Rental Housing Notice of Funding Availability (NOFA). TNDC is in discussion with the United States Department of

Veterans Affairs and the San Francisco Housing Authority to discuss the feasibility of including Veterans Affairs Supportive Housing (VASH) vouchers.

The proposed project includes a 1,197 square foot ground floor commercial space, which is expected to include a community-serving use. The total building area will be 79,727 square feet. The residential entry is situated along 6th Avenue, where a spacious lobby will connect and open up to a community room and private, landscaped courtyard. Other tenant amenities include common restrooms, kitchen (within the community room), and a laundry room that opens up to the courtyard. TNDC will provide on-site property management and tenant services in two ground floor tenant services offices and a property management suite. Subject to timing of financing awards from the State of California, construction is now anticipated to begin in November 2022 and completion is expected to occur in November 2024.

TNDC has proposed a financing plan that includes a gap loan from MOHCD, 4% tax credit equity, loans from the State of California's Infill Infrastructure Grant (IIG) and Multifamily Housing Program (MHP), a Federal Home Loan Bank Affordable Housing Program (AHP) loan, and General Partner (GP) equity. The borrowing entity is 4200 Geary Associates, L.P.

The Sponsor is requesting up to \$28,870,442 in funding at this preliminary gap request. This is inclusive of the \$14,538,982 of funding MOHCD provided as an acquisition/predevelopment loan, along with \$1.25 million in bridge funds that will bridge the AHP loan until the AHP funds are disbursed. Approval of this loan will make the Project's application competitive for the project's IIG application. MOHCD staff will need to provide an update to this memo when the MHP NOFA is available to assess any changes to the project structure resulting from incorporating updated MHP guidelines.

### **Progress Update**

The project's acquisition and predevelopment loan request was presented before Loan Committee on January 22, 2021. Since then, the Sponsor has obtained approval for the acquisition and predevelopment loan from the San Francisco Board of Supervisors, and has moved forward with design and value engineering (VE). The project is now at 95% CD.

### **IIG Program**

The Sponsor will submit an application to HCD for IIG in the amount of \$7.5 million by the due date of Monday, July 12, 2021. Should the Project not receive an IIG award this round and IIG funds are still available, TNDC will re-apply to the next or evaluate applying for another HCD source.

HCD released the IIG – Round 7 Notice of Funding Availability (NOFA) on May 12, 2021 with \$160MM in funds (the "2021 IIG NOFA" or the "Program"). Of the \$160MM available, \$40MM (or 25%) is made available to projects in Northern California. Funding for this NOFA was provided by the Veterans and Affordable Housing Bond Act of 2018 (Proposition 1). IIG provides permanent financing to promote infill housing development by providing financial assistance for capital improvement projects that are an integral part of or necessary to facilitate the development of a Qualifying Infill Project (QIP) or a Qualifying Infill Area (QIA). Eligible improvements include development or rehabilitation of parks or open space, water, sewer or other utility service

improvements, streets, roads, parking structures, transit linkages, transit shelters, traffic mitigation features, sidewalks, and streetscape improvements. IIG award recipients are required to complete construction of the housing units no more than 3 years after award.

The 2021 IIG NOFA states the total grant award to any QIP is limited to \$7.5 million and applications must receive a minimum point score of 210 out of 250 points to be considered for a funding award. The Program will be highly competitive—for example, requiring a tax-credit reservation letter to maximize leveraged funding commitment points in the scoring. Applications will receive 10 additional tiebreaker points for having the lowest ratio between the requested grant amount to the allowable maximum grant; and 3 additional tiebreaker points for each previously awarded QIP developed by the applicant that received a certificate of occupancy by the NOFA deadline.

With a project score of 230 out of 250 points, the Sponsor expects that the project will be moderately competitive. Based on preliminary scoring, the project lost points because it lacked a leveraged funding commitment in the form of a reservation letter from the Tax Credit Allocation Committee (TCAC).

### **Multifamily Housing Program**

MHP provides permanent financing for affordable new construction, rehabilitation, and preservation of permanent and transitional rental housing for households with incomes at or below the state's 60% Area Median Income (AMI). The Sponsor anticipates that HCD will issue a NOFA for the MHP Program in July 2021. Based on guidelines from previous rounds of MHP funding, the Sponsor has sized 4200 Geary's MHP request at \$17.5 million. The request is high and will require further review by MOHCD staff. MOHCD staff expect to present an updated preliminary gap request closer to the deadline for MHP funding applications.

The program is very competitive. Of the \$175 million available in the 2020 MHP NOFA, Round 3, \$52.5MM (or 20%) was available for projects in Northern California.

The 2020 MHP NOFA stated that projects must receive a minimum point score of 90 points to be considered for a funding award, and outlined a maximum scoring of 115 points, with a bonus point offered to fully formed Borrower entities, bringing the maximum possible score to 116 points. The program will be highly competitive, and the tie-breaker for awarding funds is solely based on a project's average AMI of MHP Assisted units. This funding round prioritizes extremely low-income housing in its design and seeks to award a higher level of funding to High Resource areas. Using these guidelines, TNDC expects to score the maximum 115 points if the project includes more units at lower AMI tiers. In order to achieve this, TNDC has proposed lowering the AMI tiers for the LOSP units from 30% AMI to 15% AMI. TNDC anticipates that the revised AMI mix will have a tiebreaker of 32.99%. The Sponsor will be required to demonstrate financial feasibility of changes to the AMI mix. Any changes to the AMIs of the LOSP units must be approved by HSH. The tiebreaker for the project AMI mix approved at the January 22 Loan Committee is expected to be 34.54%.

Please see Section 5 for further explanation of the proposed revisions to the AMI mix.

## **Background**

In response to Proposition A, which San Francisco voters approved in November 2019, MOHCD released a Notice of Funding Availability (NOFA) for Affordable Multifamily Rental Housing targeting 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:

- Provide funding to create new affordable homes, especially for San Francisco's growing senior populations;
- Serve extremely low income households. While the NOFA asked for project proposals with a maximum AMI of 80% MOHCD AMI and a maximum average of 60% MOHCD AMI, the Bond will allocate \$200 million to serve extremely low-income households at 30% AMI or below. 4200 Geary's project proposal assumes the units subsidized by LOSP and SOS will be rented at 30% AMI or less, and will meet this requirement of the Bond.
- Address concerns of geographic equity by creating new affordable, low-income units to serve vulnerable populations in underserved districts through new affordable housing production. As mentioned above, this includes District 1.

In order to expand their work outside of the Tenderloin and adjacent neighborhoods, TNDC responded to this NOFA in January 2020 after discussions with local community organizations. The proposed project meets the goals of the NOFA due to the site's location in District 1 and its programming as senior housing.

TNDC began due diligence during the acquisition stage, testing for physical and financial feasibility throughout 2019 and into 2020, and acquired the property with a loan from the San Francisco Housing Accelerator Fund (HAF) in May 2020. MOHCD committed \$14,538,982 in acquisition and predevelopment funding in April 2021. Of this loan, the Sponsor used approximately \$11 million to pay down the HAF acquisition loan and associated closing costs.

## **Update on Project Status**

### **1. Permitting**

The Sponsor submitted a site permit application in October 2020 and is expecting site permit approval in June 2021. In addition, the Sponsor submitted an application for ministerial approvals from the Planning Department through SB 35. The Planning Department issued Notice of Final Approval on January 20, 2021. Entitlements are a requirement of the HCD applications.

### **2. Design**

The proposed design makes an efficient use of the site, and the apartments, common areas, and office / service spaces are all typical for a senior building of this size. The budget presented here assumes some value engineering, but the team is still evaluating a number of other options that

could further reduce costs. The contingencies have been reduced to a level that is appropriate for the stage of the drawings, and includes a 5% escalation, assuming that bidding occurs in under a year, which might be low if financing issues cause a significant delay in the bid/construction dates. Total construction costs are at \$540,981 per unit and \$665 per SF. This exceeds MOHCD’s previously stated requirement to achieve \$600 per SF inclusive of contractor contingency, bid contingency and escalation to the start of construction, but is reduced from the January 2021 construction cost of \$709 per SF. Ongoing design and approval of the permanent power design by PUC and PG&E is a substantial cost risks on the horizon, as is coordination with MTA which will be responsible for building the sidewalk bulb-out at the new 38 Geary BRT bus stop which is planned in front the parcel.

Of the project’s total awarded architect, design, and professional services contracts to date, by percentage of amount of SBE/LBE/MBE contract divided by total project contract dollars, the project team has achieved the following:

- SBE: 64%
- LBE: 77%
- MBE: 55%

The project’s architect, YA Studio, is an SBE/LBE/MBE. This is their first affordable housing project as the lead architect. When securing bids, TNDC will work closely with Nibbi Brothers General Contractors and the San Francisco Contract Monitoring Division (CMD) to meet SBE/LBE/MBE hiring goals. Nibbi has worked with the CMD, CityBuild, and many other similar economic opportunity programs to obtain the highest possible number of S/LBE and local hires on projects.

### 3. Updated Sources and Uses Summary

Acquisition/ Predevelopment Sources	Amount	Terms	Status
MOHCD	\$14,538,982	55 yrs. @ 0-3% Res Rec	Committed
<b>Total</b>	\$14,538,982		

Permanent Sources	Amount	Terms	Status
MOHCD – Gap (inclusive of committed acquisition and predevelopment funding)	\$27,620,442	55 yrs. @ 0-3% Res Rec	This Request

HCD - MHP	\$17,500,000	55 yrs, .42% payment; 3%	Future Request
HCD - IIG	\$1,250,000	n/a	Future Request
GP Equity	\$3,221,113	n/a	Future Commitment – please see MOHCD staff recommendation below to reduce GP equity to make project more competitive for tax credits.
Tax Credit Equity	\$32,204,535	\$0.91	Future Commitment
AHP	\$1,250,000	n/a	Future Commitment
Deferred Fee	\$1,021,113		This Request
<b>Total</b>	<b>\$84,067,203</b>		

Uses	Amount	Per Unit	Per SF
Acquisition Costs	\$11,064,369	\$112,902	\$139
Hard Costs	\$53,016,162	\$540,981	\$665
Soft Costs	\$12,947,987	\$132,122	\$162
Reserves	\$494,253	\$5,043	\$6
Developer Fee/Costs	\$6,544,432	\$66,780	\$82
<b>Total</b>	<b>\$84,067,203</b>	<b>\$857,829</b>	<b>\$1,054</b>

#### 4. Sources and Uses Narrative

##### a. Permanent Sources Evaluation Narrative:

MOHCD Gap Loan: The Sponsor has request an additional \$13,081,460 of 2019 GO Bonds funds for a total gap request of \$27,620,442. MOHCD staff is working on determining the of costs that are ineligible to be funded by 2019 GO Bonds and will add an additional source of funding to cover ineligible costs.

Tax Credits: The Sponsor anticipates applying for 4% tax credits in the second round of 2022 and has assumed pricing of 0.91 for 4% federal credits. Recent changes to the CDLAC competitive scoring in 2020, dissuades projects in high cost cities like San Francisco from seeking state tax credits and is therefore removed as a source. The project is located in a High Resource area.

AHP: The Sponsor proposes to apply for \$12,755 per unit, totaling \$1.25 million, the current maximum award. The project team anticipates they will submit an application in early-2022. Based on preliminary scoring, the team expects a score of at least 75.40, which is a competitive score. The MOHCD gap loan amount includes a portion that will bridge the AHP funds until these funds are available.

General Partner (GP) Equity: The Sponsor will contribute a GP equity amount of \$3,221,113. MOHCD staff recommends that the Sponsor reduce this amount to lower the Project's CDLAC tiebreaker score.

IIG: see above

MHP: see above

Permanent Uses Evaluation:

<b>Development Budget</b>		
<b>Underwriting Standard</b>	<b>Meets Standard? (Y/N)</b>	<b>Notes</b>
Hard Cost per unit are within standards	N	Hard costs are \$540,981/unit and \$665 PSF. This is approximately 1% higher than the MOHCD average of \$659 PSF for comparable projects. MOHCD will require that the Sponsor continue to work to reduce construction costs to \$600 PSF.
Construction Hard Cost Contingency is at least 5% (new construction)	Y	Hard Cost Contingency is 5%.
Architecture and Engineering Fees are within standards	Y	Total project architecture and engineering fees are \$2,522,236.
Construction Management Fees are within standards	Y	The Construction Management Fee is \$100,000. This includes 20 months of predevelopment and 22 months of construction at \$5,000 per month.
Developer Fee is within standards, see also disbursement chart below	Y	Total Dev Fee: \$1,100,000 Total Cash Fee is: \$1,100,000 Total At-Risk Dev Fee is: \$2,200,000
Soft Cost Contingency is 5% or 10% per standards	Y	Soft Cost Contingency is 5%.
Capitalized Operating Reserves are a minimum of 3 months	Y	Capitalized Operating Reserve is equal to three months of operating expenses and debt service.
Capitalized Replacement Reserves are not included	N/A	N/A



b. Developer Fee:

<b>Developer and Commercial Developer Fee Disbursement Schedule</b>		
<b>Payment Milestone</b>	<b>% of Project Mgmt Fee</b>	<b>Amount</b>
PM Fee: At closing of initial pre-development financing	15%	\$165,000
PM Fee: Predevelopment	35%	\$385,000
Site Permit Approval	15%	\$165,000
Submission of HCD funding application	10%	\$110,000
Submission of joint CDLAC and TCAC application	10%	\$110,000
PM Fee: Construction Close	20%	\$220,000
PM Fee: During or at End of Construction	20%	\$220,000
PM Fee: At Project Close Out	10%	\$110,000
<b><i>Total Project Management Fee</i></b>	<b>100%</b>	<b>\$1,100,000</b>
At Risk: 95% Leased up and Draft Cost Certification	20%	\$220,000
At Risk: Permanent Loan Closing/Conversion (Final Cost Certification Audit)	50%	\$550,000
At Risk: Project Close Out (Placed-In-Service application; 100% lease-up; City approval of sponsor's project completion report and documents; and City acceptance of final cost certification.)	30%	\$330,000
<b><i>Total At Risk</i></b>	<b>100%</b>	<b>\$1,100,000</b>
<b><i>Total Commercial Space Developer Fee</i></b>		<b>\$102,206</b>
<b>Total Cash-Out Developer Fee</b>		<b>\$2,302,206</b>
<b>Deferred Developer Fee</b>		<b>\$1,021,113</b>
<b>GP Equity</b>		<b>\$3,221,113</b>
<b>Total Developer Fee</b>		<b>\$6,544,432</b>

**5. Unit Mix**

The site will serve low income and extremely low income seniors. 20% of the 98 units will serve formerly homeless seniors in units subsidized by LOSP and 30% will serve extremely low income seniors subsidized through the Senior Operating Subsidy (SOS) program. The remainder will serve seniors at 60% MOHCD AMI. The AMI levels for the LOSP will need to be reviewed and approved by HSH.

The January 22 Loan Committee approval assumed 30% AMI for the LOSP units. The Sponsor has proposed reducing the LOSP unit AMIs to 15% in order to make the project more competitive for MHP. This is pending review by HSH. The tenant share of the rent in the SOS units will be 20% MOHCD AMI but the rents will be set at 60% AMI.

Unit Type	Proposed Number of Units	Max. % MOHCD AMI	Rent or Operating Subsidy
Studio	8	15%	LOSP
1BR	12	15%	LOSP
Studio	15	60%	SOS*
1BR	15	60%	SOS*
Studio	18	60%	
1BR	29	60%	
1BR**	1	N/A	
Total Units Income Average	98	53.8%	

The Year 1 SOS subsidy is anticipated to be \$30,855. MOHCD staff will work with TNDC and HSH staff to ensure that the AMI levels for the LOSP units meet HSH's requirements.

## 6. Operating Budget updates

Operating Proforma		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Debt Service Coverage Ratio stays above 1:1 through Year 17	N	DSCR is close to 3.00 at Year 1 and 1.09 at Year 17. The delta between Year 1 and Year 17 is typical for buildings with a large percentage of studio apartments due to the lower starting rents as compared to family developments. Additionally, the high operating expenses will make it difficult for the project sponsor to size a substantial permanent loan. MOHCD will continue to request that the Sponsor review feasibility of permanent debt but acknowledges that permanent debt may be infeasible for the project.

Debt Service Coverage Ratio stays above 1.00:1 for entirety of projected 20-year cash flow.	N	DSCR goes below 1.00:1 after 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	Expenses escalation factor is 3.5%
Base year operating expenses per unit are reasonable per comparables	Y	Total Operating Expenses are slightly higher than average at \$13,167 per unit but are similar to comparable projects that include LOSP. The total operating expenses for 735 Davis, another 100% senior project, are approximately \$14,200 per unit per year.
Property Management Fee is at allowable HUD Maximum	Y	Total Property Management Fee is \$79,968 or \$68 PUPM.
Property Management staffing level is reasonable per comparables	N	<p>Staffing costs are \$366,530 per year. This amounts to \$3,740 per unit per year. The breakdown of property staff is as follows:</p> <ul style="list-style-type: none"> <li>• General office and front desk = 2.4 FTE front desk (coverage is M-F: 7 pm-3 am; Sat.: 5:30 PM to 3 AM; Sunday: 7 AM to 3:30 PM) <ul style="list-style-type: none"> <li>• GM = 1 FTE</li> <li>• AGM = 1 FTE</li> </ul> </li> <li>• Night Manager = 0.4 FTE</li> <li>• Maintenance = 2 FTE</li> <li>• Janitorial = 1.5 FTE</li> </ul> <p>While MOHCD has concerns that these staffing costs are high, these costs are lower than 990 Polk, a 110-unit senior building with staffing costs at approximately \$4,070 per unit based on the</p>

		<p>project’s 2019 Asset Management Report.</p> <p>The staffing plan is also subject to further review by HSH and the Department of Disability and Aging Services (DAS).</p>
Asset Management and Partnership Management Fees meet standards	Y	<p>Annual AM Fee is \$21,900/yr.</p> <p>Annual PM Fee is \$22,260/yr.</p>
Replacement Reserve Deposits meet or exceed TCAC minimum standards	Y	<p>Replacement Reserves are \$500 per unit per year per HCD requirements.</p>
Limited Partnership Asset Management Fee meets standards	Y	<p>LP Asset Management Fee is \$5,000 below-the-line.</p>

**7. Services Budget updates**

TNDC will be the sole service provider for tenants at 4200 Geary. Supportive services include: Intakes and Assessments, Case Management, Supportive Counselling, 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. MOHCD staff recommends increasing the social worker staff coverage for the non-LOSP units to .8 FTE, which is the maximum allowable per MOHCD underwriting guidelines.

The staffing plan and the AMI levels for the LOSP units is pending review by HSH. The San Francisco Department of Disability and Aging Services (DAS) will also review the services plan.

**8. Next Steps**

The Sponsor will be submitting a joint application to HCD on July 18, 2021 requesting up to \$1,250,000 in funds through HCD’s IIG program. MOHCD will be providing a commitment letter per the Loan Committee’s recommendation.

MOHCD staff will present another request to Loan Committee in late-summer 2021 in advance of the project’s MHP application. The project’s final gap request is expected to go before Loan Committee in 2022.

**9. Staff Recommendation**

Staff recommends approval of the commitment letter to HCD for the Sponsor’s IIG application.

## 10. LOAN CONDITIONS

These loan conditions are held over from the January 22, 2021 predevelopment loan approval and must be met by the time of Loan Committee's approval of gap financing in early-2022.

1. Sponsor to provide MOHCD with detailed monthly updates on Community Outreach completed, outcomes achieved related to racial equity goals, and commercial-use programming (this may be included in the standard MOHCD monthly report form).
2. Sponsor will provide operating and development budgets that meet MOHCD underwriting guidelines and commercial space policy requirements.
3. 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.
4. Sponsor to work with MOHCD staff and project's General Contractor to Value Engineer construction budget with the goal of reducing construction costs to \$600 PSF inclusive of contractor contingency, bid contingency and escalation to start of construction.
5. Sponsor to work with MOHCD staff to revise unit mix so that the project will include a higher number of units serving households at 50% MOHCD AMI.
6. Sponsor to work with MOHCD and HSH staff to review unit mix for LOSP units to insure program compatibility.
7. Sponsor will provide signed LOI from commercial tenants prior to MOHCD's gap loan closing.
8. Sponsor will provide MOHCD with information outlining cost containment, efficiencies and innovation strategies to reduce overall project costs and maximize efficiency of MOHCD gap loans.
9. Sponsor to work with MOHCD staff to revise project cash flow so that it meets MOHCD's underwriting requirement of a Debt Service Coverage Ratio between 1.10:1 and 1.15: 1 at year 15.
10. Sponsor will provide Commercial Space Plan to MOHCD no less than 90 days prior to Loan Committee date for gap loan.
11. Sponsor to work with MOHCD and HSH to establish the LOSP budget and income restrictions for the referrals from Coordinated Entry.
12. Sponsor will provide for MOHCD review any Request for Proposals (RFPs) for equity investors before it is finalized and released for investors.
13. Sponsor will provide for MOHCD review all raw financial data from developer or financial consultant prior to selection.
14. Sponsor will provide for MOHCD review and approval all selected investors.
15. Sponsor will provide for MOHCD review and approval all Letters of Intent from financial partners.

Post-closing:

16. Sponsor will provide initial draft marketing plan within 2 months of anticipated TCO, outlining the affirmative steps TNDC will take to market the project to the City's preference program participants, including COP Holders, Displaced Tenants, and Neighborhood

Residents, as well as how the marketing is consistent with the Mayor's Racial Equity statement and promotion of positive outcomes for African American San Franciscans.

New Loan Conditions

17. Sponsor will submit a services plan for units subsidized by SOS to DAS.
18. Sponsor will be required to submit an updated MHP preliminary score and financing plan when MHP guidelines have been released.
19. Sponsor will be required to reduce GP equity contribution prior to gap loan Loan Committee.

**11. LOAN COMMITTEE MODIFICATIONS**

**LOAN COMMITTEE RECOMMENDATION**

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

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

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

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

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

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

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

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

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

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

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

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

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

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

---

**From:** Shaw, Eric (MYR)  
**Sent:** Friday, July 2, 2021 12:19 PM  
**To:** Chavez, Rosanna (MYR)  
**Subject:** 4200 Geary Preliminary Gap Request

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, July 2, 2021 1:21 PM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR)  
**Subject:** FUNDING COMMITMENT FOR THE 4200 GEARY IIG

I approve Tenderloin Neighborhood Development Corporation requests for a preliminary gap commitment to support the 4200 Geary application for the California Department of Housing and Community Development (HCD) Infill Infrastructure Grant Program to MOHCD for a City contribution for up to \$27,700,771.

Best,

salvador



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

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## Chavez, Rosanna (MYR)

---

**From:** Colomello, Elizabeth (CII)  
**Sent:** Friday, July 2, 2021 12:08 PM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR); Oerth, Sally (CII)  
**Subject:** 4200 Geary Preliminary Gap Request

Hi Rosie-

Confirming that I am voting in favor of the subject request before Loan Committee on behalf of OCII.

Thanks-

Elizabeth



**Elizabeth Colomello**  
**Senior Development Specialist**

---

📍 One South Van Ness Avenue, 5th Floor  
San Francisco, CA 94103  
📞 415.701-5518, Cell 415.407-1908  
🏠 [www.sfocii.org](http://www.sfocii.org)

---

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

---

**From:** Pereira Tully, Marisa (CON)  
**Sent:** Friday, July 2, 2021 12:07 PM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR)  
**Subject:** Preliminary Funding Commitment for 4200 Geary IIG Application

Approve

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

Attachments: Attachment A - Updated Family Cost Comparison Chart

Attachment B - Updated Permanent Sources and Uses

Attachment C - 1<sup>st</sup> Year Operating Budget and Cashflow

Attachment D - January 22, 2021 Acquisition/Predevelopment Loan Evaluation

**Attachment A**

Please see following page.



**Attachment B**

Please see following page.

Application Date: 6/1/21 # Units: 88
Project Name: 4200 Geary # Bedrooms: 88
Project Address: 4200 Geary Blvd # Beds:
Project Sponsor: Tenderlon Neighborhood Development Corporation

LOSP Project

Summary table with columns: SOURCES, Name of Source, MCHCD/COP, LIHTC Equity, HCD - MHP, HCD - HG, GP Equity, Deferred Fee, AIP, Total Sources, Comments

USES

ACQUISITION

Table for ACQUISITION with rows: Acquisition cost or value, Legal / Closing costs / Broker's Fee, Holding Costs, Transfer Tax

CONSTRUCTION (HARD COSTS)

Table for CONSTRUCTION (HARD COSTS) with rows: Unit Construction/Rehab, Commercial Shell Construction, Demolition, Environmental Remediation, etc.

Construction fee line costs as a % of hard costs
1.4%
2.8%
4.1%
0.0%
1.3%
1.3%
0.9%

SOFT COSTS

Architecture & Design

Table for Architecture & Design with rows: Architect design fees, Design Subconsultants to the Architect, etc.

Engineering & Environmental Studies

Table for Engineering & Environmental Studies with rows: Survey, Geotechnical studies, Phase I & II Reports, etc.

Financing Costs

Table for Financing Costs with rows: Construction Financing Costs, Construction Loan Origination Fee, Construction Loan Interest, etc.

Legal Costs

Table for Legal Costs with rows: Borrower Legal fees, Land Use / CEQA Attorney fees, etc.

Other Development Costs

Table for Other Development Costs with rows: Appraisal, Market Study, Insurance, Property Taxes, etc.

RESERVES

Table for RESERVES with rows: Operating Reserves, Replacement Reserves, Tenant Improvements Reserves, etc.

DEVELOPER COSTS

Table for DEVELOPER COSTS with rows: Developer Fee - Cash-out Paid at Milestones, Developer Fee - Cash-out At Risk, etc.

TOTAL DEVELOPMENT COST

Summary row for TOTAL DEVELOPMENT COST

Summary row for TOTAL SOFT COSTS

Summary row for TOTAL SOFT COSTS

Summary row for TOTAL SOFT COSTS

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Summary row for TOTAL SOFT COSTS

Summary row for TOTAL SOFT COSTS



**Attachment C**

Please see following page.



MOHCD Proforma - 20 Year Cash Flow Summary

4200 Geary

Total # Units:	98	LOSP Units		Non-LOSP Units		Year 1		Year 2		Year 3		Year 4		Year 5		Year 6		LOSP	
		20	78																
		20.00%	80.00%	% annual inc LOSP	% annual increase	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total		LOSP
<b>INCOME</b>																			
Residential - Tenant Rents																			
Residential - Tenant Assistance Payments (Non-LOSP)																			
Residential - LOSP - Tenant Assistance Payments																			
Commercial Space																			
Other Income																			
<b>Gross Potential Income</b>																			
Vacancy Loss - Residential - Tenant Rents																			
Vacancy Loss - Residential - Tenant Assistance Payments																			
Vacancy Loss - Commercial																			
<b>EFFECTIVE GROSS INCOME</b>																			
<b>OPERATING EXPENSES</b>																			
Management																			
Salaries/Benefits																			
Administration																			
Utilities																			
Taxes and Licenses																			
Maintenance & Repair																			
Supportive Services																			
Commercial Expenses																			
<b>TOTAL OPERATING EXPENSES</b>																			
<b>Reserves/Ground Lease Base Rent/Bond Fees</b>																			
Ground Lease Base Rent																			
Bond Mortgage Fee																			
Replacement Reserve Deposit																			
Other Required Reserve 1 Deposit																			
Other Required Reserve 2 Deposit																			
Required Reserve Deposits, Commercial																			
<b>Sub-total Reserves/Ground Lease Base Rent/Bond Fees</b>																			
<b>TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees)</b>																			
<b>NET OPERATING INCOME (INCOME minus OP EXPENSES)</b>																			
<b>DEBT SERVICE/MUST PAY PAYMENTS (hard debt/amortized loans)</b>																			
<b>DEBT - First Lender</b>																			
<b>DEBT - Second Lender (HCD Program 0.42% term, or other 2nd Lender)</b>																			
<b>DEBT - Third Lender (Other HCD Program, or other 3rd Lender)</b>																			
<b>DEBT - Fourth Lender</b>																			
<b>Commercial Hard Debt Service</b>																			
<b>TOTAL HARD DEBT SERVICE</b>																			
<b>CASH FLOW (NOI minus DEBT SERVICE)</b>																			
<b>USES OF CASH FLOW BELOW (This row also shows DSCR)</b>																			
<b>USES THAT PRECEED MOHCD DEBT SERVICE IN WATERFALL</b>																			
Deferred Developer Fee (Enter amt <= Max Fee from row 131)																			
"Below-the-line" Asset Mgt Fee (uncommon in new projects, see policy)																			
Platform Management Fee (see policy for limits)																			
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)																			
Other Payments																			
Non-amortizing Loan Pmt - Lender 1																			
Non-amortizing Loan Pmt - Lender 2																			
<b>TOTAL PAYMENTS PRECEDING MOHCD</b>																			
<b>RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)</b>																			
Does Project have a MOHCD Residual Receipt Obligation?																			
Will Project Defeat Developer Fee?																			
1st Residual Receipts Split - Lender/Deferred Developer Fee																			
<b>MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>																			
MOHCD Residual Receipts Amount Due																			
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease																			
Proposed MOHCD Residual Receipts Amount to Replacement Reserve																			
<b>REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>																			
<b>NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>																			
HCD Residual Receipts Amount Due																			
Lender 4 Residual Receipts Due																			
Lender 5 Residual Receipts Due																			
<b>Total Non-MOHCD Residual Receipts Debt Service</b>																			
<b>REMAINDER (should be zero unless there are distributions below)</b>																			
Owner Distributions/Incentive Management Fee																			
Other Distributions/Items																			
<b>Final Balance (should be zero)</b>																			
<b>RR Running Balance</b>																			
<b>OR Running Balance</b>																			
<b>Other Required Reserve 1 Running Balance</b>																			
<b>Other Required Reserve 2 Running Balance</b>																			
<b>DEFERRED DEVELOPER FEE - RUNNING BALANCE</b>																			
Developer Fee Startups Balance																			
Deferred Developer Fee Earned in Year																			
<b>Developer Fee Remaining Balance</b>																			





MOHCD Proforma - 20 Year Cash Flow Summary

4200 Geary

Total # Units:	LOSP		Non-LOSP		Year 20		
	Units	Units	Units	Units			
	98	20	78	2044	LOSP	non-LOSP	Total
	20.00%	80.00%					
	% annual inc. LOSP	% annual increase					
<b>INCOME</b>							
Residential - Tenant Rents	1.0%	2.5%	61,185	1,520,431	1,601,616		
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a	-	629,037	629,037		
Residential - LOSP Tenant Assistance Payments	n/a	n/a	435,117	-	435,117		
Commercial Space	n/a	2.5%	-	-	-		
Other Income			-	-	-		
<b>Gross Potential Income</b>			<b>518,267</b>	<b>2,157,289</b>	<b>2,675,546</b>		
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	(4,059)	(16,222)	(80,081)		
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a	-	(31,450)	(31,450)		
Vacancy Loss - Commercial	n/a	n/a	-	-	-		
<b>EFFECTIVE GROSS INCOME</b>			<b>514,197</b>	<b>2,845,616</b>	<b>2,564,013</b>		
<b>OPERATING EXPENSES</b>							
Management	3.5%	3.5%	39,971	155,870	195,841		
Salaries/Benefits	3.5%	3.5%	130,227	507,529	638,056		
Administration	3.5%	3.5%	35,593	138,373	173,966		
Utilities	3.5%	3.5%	61,336	205,344	266,680		
Taxes and Licenses	3.5%	3.5%	19,862	77,525	97,387		
Insurance	3.5%	3.5%	80,285	319,674	399,959		
Maintenance & Repair	3.5%	3.5%	123,602	491,979	615,582		
Supportive Services	3.5%	3.5%	-	56,421	56,421		
Commercial Expenses			-	-	-		
<b>TOTAL OPERATING EXPENSES</b>			<b>479,877</b>	<b>1,992,016</b>	<b>2,471,893</b>		
<b>RESERVES/GROUND LEASE BASE RENT/BOND FEES</b>							
Ground Lease Base Rent			3000	12000	15,000		
Bond Monies/Fee			600	2400	2,500		
Replacement Reserve Deposit			10000.9	38999.1	49,000		
Operating Reserve Deposit			0	0	0		
Other Required Reserve 1 Deposit			0	0	0		
Other Required Reserve 2 Deposit			0	0	0		
Required Reserve Deposits - Commercial			0	0	0		
<b>Sub-total Reserves/Ground Lease Base Rent/Bond Fees</b>			<b>13,501</b>	<b>52,999</b>	<b>66,500</b>		
<b>TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)</b>			<b>493,378</b>	<b>2,045,016</b>	<b>2,538,393</b>		
<b>NET OPERATING INCOME (INCOME minus OP EXPENSES)</b>			<b>20,820</b>	<b>4,900</b>	<b>25,620</b>		
<b>DEBT SERVICE/MUST PAY PAYMENTS (hard debt/amortized loans)</b>							
1st Debt - First Lender			-	-	-		
Hard Debt - Second Lender (HCD Program 0.42% term, or other 2nd Lender)			15,001	58,499	73,500		
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			-	-	-		
Hard Debt - Fourth Lender			-	-	-		
Commercial Hard Debt Service			-	-	-		
<b>TOTAL HARD DEBT SERVICE</b>			<b>15,001</b>	<b>58,499</b>	<b>73,500</b>		
<b>CASH FLOW (NOI minus DEBT SERVICE)</b>			<b>5,818</b>	<b>(53,698)</b>	<b>(47,880)</b>		
<b>USES OF CASH FLOW BELOW (This row also shows DSCR)</b>							
<b>USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL</b>							
Deferred Developer Fee (Enter amt <= Max Fee from row 131)			-	-	0.348		
"Below-the-line" Asset Mgt Fee (uncommon in new projects, see policy)	3.5%	3.5%	-	-	42,795		
Partnership Management Fee (see policy for limits)	3.5%	3.5%	8,559	34,236	42,795		
Investor Success Fee (aka "LP Asset Mgt Fee") (see policy for limits)			1,000	4,000	5,000		
Other Payments			-	-	-		
Non-amortizing Loan Pmt - Lender 1			-	-	-		
Non-amortizing Loan Pmt - Lender 2			-	-	-		
<b>TOTAL PAYMENTS PRECEDING MOHCD</b>			<b>9,559</b>	<b>38,236</b>	<b>47,795</b>		
<b>RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)</b>				<b>(76,972)</b>	<b>(85,675)</b>		
Does Project have a MOHCD Residual Receipt Obligation?				Yes			
Will Project Defeat Developer Fee?				Yes			
1st Residual Receipts Split - Lender/Deferred Developer Fee				56% / 50%			
<b>MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>							
MOHCD Residual Receipts Amount Due			68.39%	-	-		
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			-	-	-		
Proposed MOHCD Residual Receipts Amount to Replacement Reserve			-	-	-		
<b>REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>							
<b>NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>							
HCD Residual Receipts Amount Due			31.61%	-	-		
Lender 4 Residual Receipts Due			0.00%	-	-		
Lender 5 Residual Receipts Due			0.00%	-	-		
<b>Total Non-MOHCD Residual Receipts Debt Service</b>							
<b>REMAINDER (Should be zero unless there are distributions below)</b>							
Owner Distributions/Incentive Management Fee			-	-	-		
Other Distributions/Uses			-	-	-		
<b>Final Balance (should be zero)</b>							
<b>RR Running Balance</b>					<b>880,000</b>		
<b>OR Running Balance</b>							
<b>Other Required Reserve 1 Running Balance</b>							
<b>Other Required Reserve 2 Running Balance</b>							
<b>DEFERRED DEVELOPER FEE - RUNNING BALANCE</b>							
Developer Fee Start-up Balance					999,806		
Deferred Developer Fee Earned in Year					-		
<b>Developer Fee Remaining Balance</b>					<b>999,806</b>		

**Attachment D**

Please see following page.

**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

4200 Geary Boulevard

\$14,538,982 Acquisition/Predevelopment Loan  
(\$11,064,369 Acquisition Loan and \$3,474,613  
Predevelopment Loan)

Evaluation of Request for:	Acquisition/Predevelopment Loan
Loan Committee Date:	January 22, 2021
Prepared By:	Jonathan Gagen
Source of Funds Recommended:	AHF Inclusionary Funds - \$14,462,005
NOFA/PROGRAM/RFP:	2019 Affordable Multifamily Rental Housing NOFA
Total Previous City Funds Committed:	N/A



Applicant/Sponsor Name:

Tenderloin Neighborhood Development  
Corporation

### **EXECUTIVE SUMMARY**

#### **Sponsor Information:**

Project Name:	4200 Geary	Sponsor(s):	Tenderloin Neighborhood Development Corporation (TNDC)
Project Address (w/ cross St):	4200 Geary Blvd (6 <sup>th</sup> Ave)	Ultimate Borrower Entity:	4200 Geary Associates, L.P.

#### **Project Summary:**

4200 Geary is a new construction project in the Richmond District of San Francisco, located on the corner of 6<sup>th</sup> Avenue and Geary Boulevard. The former mortuary will be redeveloped into a Type III/I residential building at 7 stories. The project will provide permanent affordable housing in the Westside for low income and formerly homeless seniors that is consistent with the 2019 General Obligation Housing Bond framework, as well as the City's Consolidated Plan, and Master Plan Housing Element. The proposed project will provide 98 affordable units (46 studios and 52 1-bedrooms), with 20% of units serving formerly homeless seniors, and 30% of units serving extremely low-income seniors. The formerly homeless senior population will be supported by the Local Operating Subsidy Program (LOSP) and the extremely low-income senior population will be supported by the City's Senior Operating Subsidy (SOS). The remaining units will serve low income seniors at 60% MOHCD AMI. The ground floor will also include approximately 1,369 SF of commercial retail space along Geary Boulevard, which is planned to be nonprofit community serving use. 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):	0.39 acres/16,738 SF
Number of Units:	98	Architect:	Y.A. Studio
Total Residential Area:	83,109 sf	General Contractor:	Nibbi Brothers
Total Commercial Area:	2,442 sf	Property Manager:	Tenderloin Neighborhood Development Corporation
Total Building Area:	85,551 sf	Supervisor and District:	Supervisor Connie Chan (D1)
Land Owner:	4200 Geary Associates, L.P.		
Total Development Cost (TDC):	\$90,374,412	Total Acquisition Cost:	\$11,064,369
TDC/unit:	\$922,188	TDC less land cost/unit:	\$809,286
Loan Amount Requested:	\$14,462,005	Request Amount / unit:	\$147,571
HOME Funds?	N	Parking?	TBD

**PRINCIPAL DEVELOPMENT ISSUES**

- **Permanent budget assumptions.** While this request is for approval of the acquisition and predevelopment loans, the Sponsor has presented a permanent budget that does not meet all of the City’s policy goals as articulated in the NOFA. In particular, the project’s hard costs are high. The Sponsor will need to continue to work with MOHCD to refine the budget so it meets MOHCD’s underwriting guidelines and lower project costs. MOHCD has tied developer fee disbursements to TNDC’s ability to achieve milestones tied to reducing project costs. Please see Sections 4.4, 4.7 and 6.5.1.
- **State funding assumptions (MHP, credits and bonds).** The State Department of Housing and Community Development (HCD) plans to revise Multifamily Housing Program (MHP) guidelines to synchronize with latest TCAC and CDLAC regulation changes. TNDC will need to track how MHP changes could impact the \$20 million maximum request. Please see Section 6.5.1.
- **Meeting MOHCD’s racial equity goals with community outreach and marketing.** As part of the developer selection process, MOHCD is requiring TNDC to provide a detailed marketing plan that addresses the City’s racial equity goals related to housing access, as well as a separate racial equity plan that addresses community outreach. Please see recommended conditions of loan approval.

**SOURCES AND USES SUMMARY**

<b>PREDEVELOPMENT SOURCES</b>	<b>AMOUNT</b>	<b>TERMS</b>	<b>STATUS</b>
MOHCD Acquisition Loan	\$11,064,369	3 yrs @ 3.00% Res Rec	This Request
MOHCD Predevelopment Loan	\$3,474,613	3 yrs @ 3.00% Res Rec	This Request

<b>PERMANENT SOURCES</b>	<b>AMOUNT</b>	<b>TERMS</b>	<b>STATUS</b>
MOHCD Gap	\$27,791,624	55 yrs @ 3.00% / Res Rec	Not Committed
LIHTC Equity	\$37,737,969	\$0.95 per credit pricing	Not Committed
HCD MHP	\$20,000,000	55 years @ .42% plus 3% residual receipts	Not Committed
AHP	\$1,250,000	55 years @ 0%	Not Committed

GP Equity	\$2,897,409	N/A	Not Committed
Deferred Fee	\$697,409	N/A	Not Committed
<b>TOTAL</b>	\$90,374,412		

<b>USES</b>	<b>AMOUNT</b>	<b>Per Unit</b>	<b>Per SF</b>
Acquisition	\$11,064,369	\$112,902	\$133
Hard Costs	\$60,680,584	\$619,190	\$730
Soft Costs	\$12,100,123	\$123,471	\$146
Developer Fee	\$5,919,819	\$60,406	\$71.23
Reserves	\$609,516	\$6,220	\$7
<b>TOTAL</b>	\$90,374,412	\$922,188	\$1,087

## 1. BACKGROUND

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

In response to Proposition A, which San Francisco voters approved in November, 2019, MOHCD released a Notice of Funding Availability (NOFA) for Affordable Multifamily Rental Housing targeting 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 included the following:

- Proposition A aimed to provide funding to create new affordable homes, especially for San Francisco's growing senior populations;
- While the NOFA asked for project proposals with a maximum AMI of 80% MOHCD AMI and a maximum average of 60% MOHCD AMI, the Bond will allocate \$200 million to serve extremely low-income households (30% AMI or less). 4200 Geary's project proposal assumes the units subsidized by LOSP and SOS will be rented at 30% AMI or less, and will meet this requirement of the Bond.
- Addressing concerns of geographic equity by investing in affordable housing in districts that have not benefited significantly from new affordable housing production.

The NOFA sought proposals from development teams that addressed Proposition A's mandate to create new affordable, low-income units to serve vulnerable populations in underserved districts through new affordable housing production. As mentioned above, this includes District 1.

In order to expand their work outside of the Tenderloin and adjacent neighborhoods, TNDC responded to this NOFA in January 2020 after

discussions with local community organizations. The proposed project meets the goals of the NOFA due to the site’s location in District 1 and its programming as senior housing.

TNDC began due diligence during the acquisition stage, testing for physical and financial feasibility, throughout 2019 and into 2020, and closed on the acquisition of the property with an acquisition loan from the San Francisco Housing Accelerator Fund in May 2020.

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

Borrower entity is 4200 Geary Associates, L.P. TNDC is the manager of the LP’s general partner, 4200 Geary LLC.

TNDC was founded in 1981 with the acquisition of a single property and a commitment to creating permanently affordable homes for low-income San Franciscans. Over its 37-year history, TNDC has developed, owned, and managed 3,674 units, with another 263 under construction and 1,129 in predevelopment, totaling 5,066 units in total.

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

Below is a list of TNDC staff assigned to 4200 Geary along with the percentage of their total workload that will be dedicated to this project:

- Colleen Ma (Project Manager) – 30%
- Nicole Guzman (Assistant Project Manager) – 30%
- Christopher Cummings (Associate Director of Housing Development) – 10%
- Katie Lamont (Senior Director of Housing Development) – 4%

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

Site Description	
Zoning:	NCD – Geary Boulevard Neighborhood Commercial District
Maximum units allowed by current zoning (N/A if rehab):	Can only allow approximately 28 units (1 unit per 600 sf lot area). Project proposes 98.
Number of units added or removed (rehab only, if applicable):	N/A
Seismic (if applicable):	Seismic Zone 4

Soil type:	According to the Phase I report by Harris and Lee Environmental Sciences, LLC, dated November 18, 2019: Soil type: Urban Land, Class D – very slow infiltration rates, soils are clayey, have a high water table, or are shallow to an impervious layer
Environmental Review:	Phase I: November 18, 2019. Please see Section 2.4 for the findings.  Limited Phase II: March 5, 2020 <i>Full Phase II and Maher Application in progress</i>  EIR Dates: N/A
Adjacent uses (North):	Zoned for Neighborhood Commercial District and Low Density Residential. Single family residential and multifamily apartment buildings surround the project site to the North
Adjacent uses (South):	Zoned for Neighborhood Commercial District and Low Density Residential. Single family residential homes, multifamily apartment buildings, local restaurants and small businesses surround the project site to the South
Adjacent uses (East):	Zoned for Neighborhood Commercial District and Low Density Residential. Single-family residential, multifamily apartment buildings, and restaurants/commercial uses surround the project site to the East, including a parking lot and KFC.
Adjacent uses (West):	Zoned for Neighborhood Commercial District and Low Density Residential. Local businesses and restaurants along Geary Blvd, including Peekadoodle (preschool) and an Enterprise Rent a Car
Neighborhood Amenities within 0.5 miles:	<p>Grocery Stores:</p> <ul style="list-style-type: none"> <li>• Smart &amp; Final</li> <li>• Safeway</li> <li>• M &amp; K Market</li> <li>• Richmond New May Wah Supermarket</li> <li>• First Korean Market</li> <li>• Lien Hing Supermarket</li> </ul> <p>Schools:</p> <ul style="list-style-type: none"> <li>• George Peabody Elementary School</li> <li>• Roosevelt Middle School</li> </ul> <p>Healthcare:</p> <ul style="list-style-type: none"> <li>• Kaiser Permanente Medical center</li> </ul> <p>Places of worship:</p> <ul style="list-style-type: none"> <li>• St. James Episcopal Church</li> <li>• Good News Korean Church of SF</li> <li>• Park Presidio United Methodist</li> <li>• Star of the Sea Church</li> <li>• Christ Church at Park Presidio</li> </ul>
Public Transportation within 0.5 miles:	1 – California 1BX – California B Express 1AX – California A Express 2 – Clement

	<p>5 – Fulton 5R – Fulton Rapid 21 – Hayes 28R – 19th Avenue Rapid 28 – 19th Avenue 33 – Ashbury/18th 31 – Balboa 31AX – AX Balboa A Express 31BX – Balboa B Express 38BX – Geary B Express 38R – Geary Rapid 38 – Geary 44 – O’Shaughnessy 91 3rd Street/19th Avenue Owl</p>
Article 34:	Not Exempt. In progress.
Article 38:	<p>Not Exempt</p> <p>4200 Geary Blvd is within the Exposure Zone Map Area for 2020</p>
Accessibility:	<p>Project proposes the below:</p> <ul style="list-style-type: none"> <li>• # of mobility units – 43 units (44%)</li> <li>• # of adaptable units – 35 units (36%)</li> </ul>
Green Building:	<p>Project proposes to meet or exceed Green Point Rated Multifamily Platinum level and Title 24 by 15% or more. Green Point Rated Program – Target: 154 points</p>
Recycled Water:	Exempt
Storm Water Management:	<p>SCP Pre-Application meeting took place on September 17, 2020. The anticipated submittal date for the Stormwater Control Plan is 12/14/2020.</p>

2.1. Zoning.

The site is currently zoned Neighborhood Commercial with 3+ commercial stories (NC-3) with a 40-X height limit. Planning code will allow for an additional 5’ of ground floor height for an active ground floor, and the building has been designed to meet the conditions of the Affordable Housing Bonus Program (AHBP), which will allow for an additional 30’ of building height and an additional 3 stories of residential use. At 7 stories and 78’, the project is at the maximum allowable height.

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

2.3. Local/Federal Environmental Review.

No federal funds are included as part of the project so no NEPA review will be required. The project’s SB-35 application will cover CEQA approval.

2.4. Environmental Issues.

- Phase I/II Site Assessment Status and Results. Soil and groundwater sampling

- Following compounds were **not detected** in any of the soil or groundwater samples:
  - VOCs
  - PCBs
  - TPHg
  - Asbestos
- Potential/Known Hazards.

Formaldehyde, cobalt, copper, vanadium, and zinc were found in groundwater. The risk posed by formaldehyde in soil appears to be minimal based on limited soil sampling. The maximum reported concentration of formaldehyde in soil of 44 mg/kg is below the DTSC screening level of 50 mg/kg for commercial/industrial soil

#### 2.5. Adjacent uses and neighborhood amenities.

4200 Geary Boulevard is located on a transit-rich corner at 6<sup>th</sup> Avenue and Geary Boulevard. The project site is located near 6 grocery stores, 5 places of worship, 1 hospital, and they are all within a half mile radius; residents are able to take public transit or walk 10-15 minutes to access these amenities. There will also be opportunities for intergenerational community building, with a middle school and high school nearby.

#### 2.6. Green Building.

Please see above. As was indicated in the NOFA, MOHCD seeks to maximize the overall sustainability of selected projects through the integrated use of “green” building elements in compliance with local and state ordinances. In order to address this requirement the building will feature: photovoltaic system, high-efficiency irrigation system, water efficient fixtures and high-efficiency lighting fixtures and ENERGY STAR appliances. MOHCD staff will work to ensure these green building components do not add to the overall project cost.

### 3. OTHER ENTITLEMENTS ISSUES

#### 3.1. Community Support.

In early discussions, Supervisor Fewer, with whom the Sponsor first conferred about this project, expressed support at the conceptual phase, and connected the Sponsor to several community organizations based in the neighborhood. Supervisor Fewer and her office staff conducted several studies, including the District 1 Community Needs Assessment, which highlighted the growing population of low income seniors in District 1, and the lack of affordable housing there.

Other organizations that have expressed positive feedback on the project include: Richmond District Rising, a community Senior Roundtable, the Richmond

Community Coalition, and the Planning Association of the Richmond. These community organizations have expressed an interest in the sustainability features and design of the building, the Urban Agriculture program, and the community serving programming planned for the ground floor commercial space.

Outreach efforts to neighborhood organizations started in Q1 of 2020. During these meetings, the Owner and Architect team introduced the project, providing a general overview of the preliminary concept design for the building and the programming of the residential and commercial spaces. During these community meetings, the Sponsor conducted a Q&A portion, answering questions related to financing, services for seniors, proposed income and rent levels, green/sustainable elements of the building, and parking.

- Richmond District Rising (Monthly Meetings) on February 3, 2020, and April 13, 2020
- Senior Roundtable meeting on February 20, 2020
- Richmond Community Coalition on March 12, 2020
- Planning Association of the Richmond on April 6, 2020 and June 1, 2020

TNDC hosted a virtual general community meeting on October 26, 2020 from 6-8 p.m. TNDC targeted residents within a 300 foot radius from 4200 Geary, and the District Supervisor advertised the meeting in the publication, “The Richmond Review.” TNDC also invited community members to register for the community meeting through 4x6 postcards that were mailed out the week of October 5<sup>th</sup>. Additionally, an online copy of the mailer was distributed through the community organizations described above to encourage members to register for the community meeting. The community meeting provided a general overview of the project and included a Q&A session. While community members were generally supportive of the project, some expressed concerns about the building’s height. While translation services were not planned for the Zoom meeting due to logistical issues, TNDC provided community members with translated fact sheets and Q&A sheets in Chinese and Russian.

Neighborhood notification is required under Prop. I. The Sponsor posted the Prop I sign in September, 2020.

#### 4. DEVELOPMENT PLAN

- 4.1. Site Control. TNDC has acquired the project site with a Housing Accelerator Fund (HAF) loan as of May 12, 2020. Funds from MOHCD for acquisition and predevelopment will be used to pay down the HAF loan and accrued interest, and ownership of the site will be transferred to MOHCD at construction loan closing. The ground lease will be subject to MOHCD’s ground lease policy and is anticipated to have a 99-year term.



- 4.1.1. Proposed Property Ownership Structure TNDC will own and hold the site during predevelopment. Prior to construction, the site will be transferred to the City. Improvements built upon the site will be owned by the partnership entity.
- 4.2. Proposed Design. The residential entry is situated along 6th Avenue, a spacious lobby will connect and open up to a community room and private, landscaped courtyard. Other tenant amenities include a bike storage room, common restrooms, kitchen (within the community room), and a laundry room that opens up to the courtyard. TNDC will provide on-site property management and tenant services in two ground floor tenant services offices and a property management suite. About 1,369 sf of commercial space is planned along Geary Boulevard. Urban agriculture will be featured in the West-facing upper courtyard and the East-facing upper courtyard will be available to tenants and programs. The site will have no on-site parking. The overall building design efficiently stacks units and maximizes the number of studio and one bedroom units possible.

Avg Unit SF by type:	Studio avg sf: 350 sf 1-brdm avg sf: 690 sf
Residential SF:	79,993 sf
Circulation SF:	9,216 sf
Parking Garage SF:	N/A
Common Area SF:	2,374 sf
Building Total SF:	81,362 sf
Retail:	1,399 sf

4.3. Proposed Rehab Scope. N/A

4.4. Construction Supervisor/Construction Specialist’s evaluation. The proposed design makes an efficient use of the site, and the apartments, common areas, and office / service spaces are all typical for a Senior building of this size. Other than a switch from all-concrete construction to a mix of wood over concrete, the Value Engineering efforts to date have been fairly minimal, and the budget currently carries a relatively high amount in design/bid/plan-check/hard cost contingencies, as well as a robust allowance for COVID related construction protocols that might not remain in effect when construction starts. One driver for the high design/bid/plan-check/hard contingencies is the accommodate design changes tied to primary switchgear for PUC/PG&E service. MOHCD staff will continue to monitor contingencies to ensure they are sized properly. All told, these add up to over \$10 million and contribute to the project currently being about 15%-30% more expensive than comparable projects on a per-unit, - bedroom, and - sf basis. Lowering and eventually eliminating many of these contingencies as the design progresses should help bring the cost down, but it is likely that some significant VE efforts will need to be made. The team is

considering using factor-built bathroom “pods” as a cost saving measure, which has great potential to lower cost, but it is unclear if there is sufficient time to navigate the union and permitting challenges that these pods would present without causing schedule delays. Total construction costs are at \$619,190 per unit and \$709 per SF. MOHCD will require that the Sponsor work with the General Contractor to bring construction costs down to \$600 per SF inclusive of contractor contingency, bid contingency and escalation to the start of construction.

- 4.5. Commercial Space. The proposed ground floor commercial space is oriented along Geary Boulevard, is approximately 1,369 SF and will serve a community serving nonprofit tenant. The Sponsor will work with community stakeholders to identify a tenant and determine an appropriate use. If there is significant interest in the site, the Sponsor will select a commercial tenant through a Requests for Proposals process.

Tenants will pay a base rent of \$2/SF and prorated Common Area Maintenance (CAM) expenses. TNDC will refine the commercial fee structure based on further research on local commercial market conditions gathered during the predevelopment phase.

TNDC has proposed that MOHCD funds finance warm shell tenant improvements if commercial space is confirmed as a nonprofit community serving use. TNDC’s initial commercial space plan conforms with MOHCD’s commercial underwriting guidelines. MOHCD staff will continue to review the commercial space assumptions prior to gap loan approval.

- 4.6. Service Space. The service space will include two offices, both of which will be approximately 230 SF. The ground floor will include a 1,734 SF community room. Service space will be programmed in coordination with the City’s Department of Homelessness and Supportive Services (HSH) as part of programming and service plan review. 1.5 FTE social workers will be on site to serve all tenants on a voluntary basis, and both offices will be located on the ground floor. Please see Section 8.1 for additional information about the proposed services plan.

- 4.7. Target Population The site will serve low income and extremely low income seniors. 20% of the 98 units will serve formerly homeless seniors (LOSP), 30% will serve extremely low income seniors (Senior Operating Subsidy), and the remainder will serve seniors at 60% MOHCD AMI. TNDC’s initial plan included units at 75% MOHCD AMI and 85% AMI. In response to MOHCD’s concern about marketing of these higher AMI units, TNDC reduced the higher tiers so that the highest tier will be 60% MOHCD AMI. The AMI levels for the LOSP and SOS units will need to be reviewed and approved by HSH. MOHCD

staff will work with TNDC and HSH staff to ensure that the AMI levels for the LOSP units. meet HSH’s requirements.

4.8. Marketing & Occupancy Preferences

MOHCD’s marketing policies and procedures will be applied to all units except the on-site manager’s unit. The following preferences will apply:

1. Certificate of Preference Program
2. Displaced Tenants Housing Preference
3. Neighborhood Residential Housing Preference
4. Live/Work in San Francisco

4.9. Relocation.

The current tenant, a mortuary, will vacate the site by December 2020. The Sponsor is exploring the potential for an interim commercial tenant for both income generation for the project and continued site activation.

5. DEVELOPMENT TEAM

<b>Development Team</b>			
<b>Consultant Type</b>	<b>Name</b>	<b>SBE/LBE</b>	<b>Outstanding Procurement Issues</b>
Architect	Y.A. Studio	Y – SBE/LBE/MBE	N
Landscape Architect	Miller Company	Y – LBE/MICRO	N
JV/other Architect	N/A	N/A	N/A
General Contractor	Nibbi Brothers	N	N
Owner’s Rep/Construction Manager	Waypoint Consulting	N	N
Financial Consultant	California Housing Partnership Corporation	N	N
Joint Trench	Urban Design Consulting Engineers (UDCE)	Y – LBE/MBE	N
Legal	Gubb & Barshay	N	N
Property Manager	Tenderloin Neighborhood Development Corporation	N	N
Services Provider	Tenderloin Neighborhood Development Corporation	N	N
MEP Consultant	E350	Y - LBE	N

5.1. Outstanding Procurement Issues.

None.

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 of payment of costs no earlier than December 1, 2019, so long as these costs are deemed acceptable and correspond to the predevelopment budget attached herein.

6.3. Fulfillment of Loan Conditions. N/A

6.4. Proposed Predevelopment Financing

6.4.1. Predevelopment Sources Evaluation Narrative

The Sponsor requests a \$11,064,396 acquisition loan and \$3,397,639 predevelopment loan, funded by 2019 GO Bond Proceeds but bridges with Affordable Housing Fund funds. The acquisition loan will pay off the Sponsor's HAF loan and fund holding costs incurred since site acquisition.

6.4.2. Predevelopment Uses Evaluation:

<b>Predevelopment Budget</b>		
<b>Underwriting Standard</b>	<b>Meets Standard? (Y/N)</b>	<b>Notes</b>
Acquisition Cost is based on appraisal	Y	Acquisition Cost, not including closing fees and holding costs, amounts to \$10,500,000. The Sponsor provided an appraisal dated December 23, 2019, which includes an as-is value of \$10,050,000.
Architecture and Engineering Fees are within standards	Y	Architecture and Engineering fees are \$17,563 per unit. As a comparison, 730 Stanyan Street's architecture and engineering fees amounted to \$23,643 per unit.
Bid Contingency is at least 5% of total hard costs	N	Sponsor did not include bid contingency as part of the predevelopment loan request
Escalation amount is commensurate with time period until expected construction start, not to exceed 15%	Y	Sponsor included \$125,000 in escalation.
Construction Management Fees are within standards	Y	The construction management fee during predevelopment is \$70,000 and assumes an 20 month preconstruction period.
Developer Fee is within standards	Y	Total cash-out developer fee during predevelopment is \$550,000
Soft Cost Contingency is 10% per standards	N	Soft Cost Contingency is 5.3% of soft costs excluding acquisition costs
Financing Costs are reasonable	N/A	The predevelopment budget does not include financing fees

**6.5. Potential Proposed Permanent Financing**

The proposed permanent financing is being presented to demonstrate the project’s overall feasibility for predevelopment loan approval but is not intended to be presented for Loan Committee approval at this time. It is anticipated that the Sponsor will bring a gap commitment loan request to the Committee in 2022. Prior to Loan Committee for the project’s gap commitment, TNDC will be required to present a budget addressing the concerns listed below in Section 6.5.1.

**6.5.1. Permanent Sources Evaluation Narrative:**

As was required in the NOFA, the permanent budget anticipates state funding along with MOHCD gap financing. The current budget assumes a Multifamily Housing Program (MHP) loan from the State of California’s Department of Housing and Community Development (HCD). Securing the expected funding sources will be challenging due to changing regulations at the state level and increased competition for these funding sources and may lead to a delay in the project’s construction start.

**Permanent Uses Evaluation:**

<b>Development Budget</b>		
<b>Underwriting Standard</b>	<b>Meets Standard? (Y/N)</b>	<b>Notes</b>
Hard Cost per unit are within standards	N	Hard costs are \$619,190/unit and \$709 PSF. This is higher than the MOHCD average of \$549 PSF. MOHCD staff will require that the Sponsor reduce construction costs to \$600 PSF. Please see Section 4.4 for additional explanation.
Construction Hard Cost Contingency is at least 5% (new construction) or 15% (rehab)	Y	Hard Cost Contingency is 5%
Architecture and Engineering Fees are within standards	Y	Total project architecture and engineering fees are \$2,476,716
Construction Management Fees are within standards	N	The construction management fee at \$180,000 is high and exceeds MOHCD’s policy
Developer Fee is within standards, see also disbursement chart below	Y	Total Dev Fee is \$5,919,819 Total Cash Fee is \$1,100,000 Total At-Risk Dev Fee is \$1,100,000
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 equal to 3 months of operating expense and debt service
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<b>Developer Fee Disbursement Schedule</b>		
<b>Payment Milestone</b>	<b>% of Project Mgmt Fee</b>	<b>Amount</b>
Acquisition/Close of Predevelopment Financing	15%	<b>\$165,000</b>
Approval Schematic Design/Site Plan	15%	<b>\$165,000</b>
Preliminary Gap Loan Approval Prior Submission of HCD Funding Application	10%	<b>\$110,000</b>
Submission of Joint CDLAC and TCAC Application	10%	<b>\$110,000</b>
At Construction Closing	20%	<b>\$220,000</b>
At Construction Completion	20%	<b>\$220,000</b>
Project Close-Out (Placed-in-Service application)	10%	<b>\$110,000</b>
<i>Total Project Management Fee</i>	<i>100%</i>	<i>\$1,100,000</i>
95% Leased Up and Draft Cost Cert	20%	<b>\$220,00</b>
Permanent Loan Closing	50%	<b>\$550,000</b>
Project Close Out	30%	<b>\$330,000</b>
<i>At-Risk</i>	<i>100%</i>	<i>\$1,100,000</i>
Total Cash Developer Fee	100%	<b>\$2,220,000</b>
Commercial Developer Fee		<b>\$125,000</b>
Deferred Fee		<b>\$697,409</b>
GP Equity		<b>\$2,897,409</b>
<b>Total Developer Fee</b>		<b>\$5,919,819</b>

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

7.1. Annual Operating Budget

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

7.2. Income

Unit Type	Proposed Number of Units	Max. % MOHCD AMI	Rent or Operating Subsidy
Studio	8	30%	LOSP
1BR	12	30%	LOSP
Studio	15	60%	SOS*
1BR	15	60%	SOS*
Studio	18	60%	
1BR	29	60%	
1BR**	1	N/A	
Total Units Income Average	98	53.8%	

\* Year 1 SOS subsidy is anticipated to be \$30,855

\*\*Manager's Unit

7.3. Annual Operating Expenses Evaluation.

Operating Proforma		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Debt Service Coverage Ratio is between minimum 1.10:1 and maximum 1.15:1 at year 15	N	DSC is high at 2.67 in Year 1 and 1.7 at Year 15. Please see related loan condition.
Debt Service Coverage Ratio stays above 1.00:1 for entirety of projected 20-year cash flow	N	DSC goes below 1.00:1 after Year 11
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	Expenses escalation factor is 3.5%
Base year operating expenses per unit are reasonable per comparables	Y	Total Operating Expenses are slightly higher at \$13,218 per unit but are similar to comparable

		projects that include LOSP. The total operating expenses for 735 Davis, another 100% senior project, were approximately \$14,200 per unit per year.
Property Management Fee is at allowable HUD Maximum	Y	Total Property Management Fee is \$79,968 or \$68 PUPM
Property Management staffing level is reasonable per comparables	N	<p>Staffing costs at \$470,366 per year are high. This amounts to \$4,800 per unit per year. The breakdown of property staff is as follows:</p> <ul style="list-style-type: none"> <li>• General office and front desk = 1.25 FTE front desk</li> <li>• GM = 1 FTE</li> <li>• AGM = 1 FTE</li> <li>• Night Manager = 0.4 FTE</li> <li>• Maintenance = 2 FTE</li> <li>• Janitorial = 1.5 FTE</li> </ul> <p>While 100% senior housing often requires high staffing costs, MOHCD staff does not approve these staffing costs.</p>
Asset Management and Partnership Management Fees meet standards	Y	Annual AM Fee is \$21,900/yr Annual PM Fee is \$22,260/yr
Replacement Reserve Deposits meet or exceed TCAC minimum standards	Y	Replacement Reserves are \$500 per unit per year
Limited Partnership Asset Management Fee meets standards	Y	LP Asset Management Fee is \$5,000/yr

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

8. SUPPORT SERVICES

8.1. Services Plan. TNDC will be the sole service provider for tenants at 4200 Geary. Supportive services include: Intakes and Assessments, Case Management, Supportive Counselling, 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. Total services at 1.2 is \$154,200. The Sponsor is assuming that HSH will provide a total of \$87,460 for the 20 LOSP units via an HSH services grant. This is based on HSH’s Tier 4 funding level for 2020-2021 and is subject to review and approval by HSH. The remaining \$66,740 will be funded by project operations.

8.3. HSH Assessment of Service Plan and Budget. Pending receipt of the final Service Plan and Budget.

9. THRESHOLD ELIGIBILITY REQUIREMENTS

Category	Possible Points	4200 Geary
<b>EXPERIENCE (subtotal):</b>	<b>40</b>	<b>37</b>
<b>Developer (20 pts)</b>	<b>20</b>	<b>19</b>
<ul style="list-style-type: none"> <li>➤ Experience with the following:                             <ul style="list-style-type: none"> <li>○ Completing projects on time and on budget</li> <li>○ Obtaining competitive financing terms</li> <li>○ Developing Type V/I or III/I construction</li> <li>○ Developing for low-income families, including senior and formerly homely residents</li> </ul> </li> <li>➤ Building community support through outreach</li> <li>➤ Current staff capacity and experience to take on this project type</li> </ul>		
<b>Owner (10 pts)</b>	<b>10</b>	<b>9</b>
<ul style="list-style-type: none"> <li>➤ Track record successfully owning housing financed with Low-Income Housing Tax Credits</li> <li>➤ Experience owning affordable housing for low-income families and formerly homeless households</li> <li>➤ Current asset management structure, staffing and portfolio</li> <li>➤ Capacity for assuming asset management of an expanded portfolio once the development is complete</li> </ul>		

<p><b>Property Manager (5 pts)</b></p> <ul style="list-style-type: none"> <li>➤ Experience property managing for low-income families, including senior and formerly homeless residents</li> <li>➤ Experience achieving high rates of housing retention</li> <li>➤ Implementing low barrier tenant selection policies</li> <li>➤ Contributing to long-term sustainability of the development</li> <li>➤ Achieving cost efficiencies in operations</li> </ul>	<b>5</b>	<b>5</b>
<p><b>Service Providers (5 pts)</b></p> <ul style="list-style-type: none"> <li>➤ Experience delivering services to low-income families, including senior and formerly homeless households</li> <li>➤ Experience linking residents to the City’s safety net of services</li> <li>➤ Working with property management to achieve high rates of housing retention</li> <li>➤ Supporting positive outcomes for residents around health and economic mobility</li> <li>➤ If applicable, provides explanation for service contracts terminated prematurely within the last 5 years</li> </ul>	<b>5</b>	<b>5</b>
<b>VISION (subtotal):</b>	<b>60</b>	<b>51</b>
<p><b>Program Concept (30 pts)</b></p> <ul style="list-style-type: none"> <li>➤ Describes vision for a development program at this site, while best achieving the project goals, and includes: <ul style="list-style-type: none"> <li>○ A residential program and other envisioned uses;</li> <li>○ Indicates how the proposed uses and amenities will enhance the lives of the proposed target population and the surrounding neighborhood.</li> </ul> </li> <li>➤ Indicates particular groups served by the programs and spaces (tots, children, teens, young adults, adults, elderly, disabled etc.).</li> </ul>	<b>30</b>	<b>26</b>
<p><b>Community Engagement Strategy (10 pts)</b></p> <ul style="list-style-type: none"> <li>➤ Describes community engagement strategy and includes: <ul style="list-style-type: none"> <li>○ The team’s philosophy on community engagement;</li> <li>○ Process for establishing and/or building positive relationships with surrounding neighbors and the larger community;</li> <li>○ Efforts designed to engage all interested community members, including monolingual</li> </ul> </li> </ul>	<b>10</b>	<b>8</b>

<p>non-English speaking members of the community;</p> <ul style="list-style-type: none"> <li>○ How the Development Team intends to comply with the City’s Language Access Ordinance.</li> </ul> <p>➤ 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>		
<p><b>Finance and Cost Containment Approach (10 pts)</b></p> <ul style="list-style-type: none"> <li>➤ Describes the Development Team’s financing approach to the project.</li> <li>➤ Includes the Team’s process for structuring the project and controlling development costs.</li> <li>➤ Includes innovative strategies intended to minimize MOHCD’s projected capital gap financing.</li> <li>➤ Describes any innovative (i.e. non-standard, routine or commonly used) direct or indirect cost-cutting strategies relevant to overall development, construction or operating expenses.</li> </ul>	<b>10</b>	<b>8</b>
<p><b>Commitment to MOHCD’s Racial Equity Framework (10 pts)</b></p> <ul style="list-style-type: none"> <li>➤ 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.</li> <li>➤ 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 communities to pursue opportunities at the proposed site</li> </ul>	<b>10</b>	<b>10</b>
<p>➤ <b>TOTAL POSSIBLE POINTS</b></p>	<b>100</b>	<b>89</b>
	<b>Possible Points</b>	

## 10. RANKING CRITERIA

TNDC’s proposal for 4200 Geary met the NOFA’s goal to serve a vulnerable population, in this case senior residents, in a community that has not seen significant affordable housing production. The panel recommended that MOHCD move forward with the project proposal and request for acquisition takeout financing. While TNDC was the sole respondent and the NOFA did not require a minimum score as a threshold, the panel determined that TNDC provided a strong proposal and scored it accordingly.

## 11. STAFF RECOMMENDATIONS

### 11.1. Proposed Loan/Grant Terms

Financial Description of Proposed Loan	
Loan Amount:	\$14,462,005
Loan Term:	55 years
Loan Maturity Date:	2077 (assumes the loan will close in March, 2021)
Loan Repayment Type:	Residual Receipts
Loan Interest Rate:	3%

### 11.2. Recommended disbursement conditions/schedule

1. Sponsor to provide MOHCD with detailed monthly updates on Community Outreach completed, outcomes achieved related to racial equity goals, and commercial-use programming (this may be included in the standard MOHCD monthly report form).
2. Sponsor will provide operating and development budgets that meet MOHCD underwriting guidelines and commercial space policy requirements.
3. 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.
4. Sponsor to work with MOHCD staff and project’s General Contractor to Value Engineer construction budget with the goal of reducing construction costs to \$600 PSF inclusive of contractor contingency, bid contingency and escalation to start of construction.
5. Sponsor to work with MOHCD staff to revise unit mix so that the project will include a higher number of units serving households at 50% MOHCD AMI.
6. Sponsor will provide signed LOI from commercial tenants prior to MOHCD’s gap loan closing.
7. Sponsor will provide MOHCD with information outlining cost containment, efficiencies and innovation strategies to reduce overall project costs and maximize efficiency of MOHCD gap loans.

8. Sponsor to work with MOHCD staff to revise project cash flow so that it meets MOHCD's underwriting requirement of a Debt Service Coverage Ratio between 1.10:1 and 1.15: 1 a year 15.
9. Sponsor will provide Commercial Space Plan to MOHCD no less than 90 days prior to Loan Committee date for gap loan.
10. Sponsor to work with MOHCD and HSH to establish the LOSP budget and income restrictions for the referrals from Coordinated Entry.
11. Sponsor will provide for MOHCD review any Request for Proposals (RFPs) for equity investors before it is finalized and released for investors.
12. Sponsor will provide for MOHCD review all raw financial data from developer or financial consultant prior to selection.
13. Sponsor will provide for MOHCD review and approval all selected investors.
14. Sponsor will provide for MOHCD review and approval all Letters of Intent from financial partners.

Post-closing:

15. Sponsor will provide initial draft marketing plan within 2 months of anticipated TCO, outlining the affirmative steps TNDC will take to market the project to the City's preference program participants, including COP Holders, Displaced Tenants, and Neighborhood Residents, as well as how the marketing is consistent with the Mayor's Racial Equity statement and promotion of positive outcomes for African American San Franciscans.

## 12. LOAN COMMITTEE MODIFICATIONS

N/A

LOAN COMMITTEE RECOMMENDATION

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

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

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

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

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

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

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

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

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

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

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

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

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

## Chavez, Rosanna (MYR)

---

**From:** Shaw, Eric (MYR)  
**Sent:** Wednesday, January 27, 2021 8:26 PM  
**To:** Chavez, Rosanna (MYR)  
**Subject:** 4200 Geary Acquisition

I approve

Eric D. Shaw  
Director

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

## Chavez, Rosanna (MYR)

---

**From:** Menjivar, Salvador (HOM)  
**Sent:** Wednesday, January 27, 2021 9:15 AM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR)  
**Subject:** PREDEVELOPMENT FINANCING FOR 4200 GEARY BOULEVARD

I approve TNDC (through 4200 Geary Associates, L.P.) request for \$14,538,982 in acquisition and predevelopment financing for 4200 Geary Boulevard.



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

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

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## Chavez, Rosanna (MYR)

---

**From:** Oerth, Sally (CII)  
**Sent:** Friday, January 22, 2021 1:38 PM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR); Gagen, Jonathan (MYR)  
**Subject:** 4200 Geary Acq/Predev Loan - 1.22.21 Loan Committee

I approve the 4200 Geary Acquisition and Predevelopment Loan, presented at the 1/22/21 Loan Committee.



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

---

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

---

## Chavez, Rosanna (MYR)

---

**From:** Katz, Bridget (CON)  
**Sent:** Friday, January 22, 2021 1:38 PM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR)  
**Subject:** 4200 Geary

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](mailto:bridget.katz@sfgov.org)

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

**Attachment A: Project Milestones and Schedule**

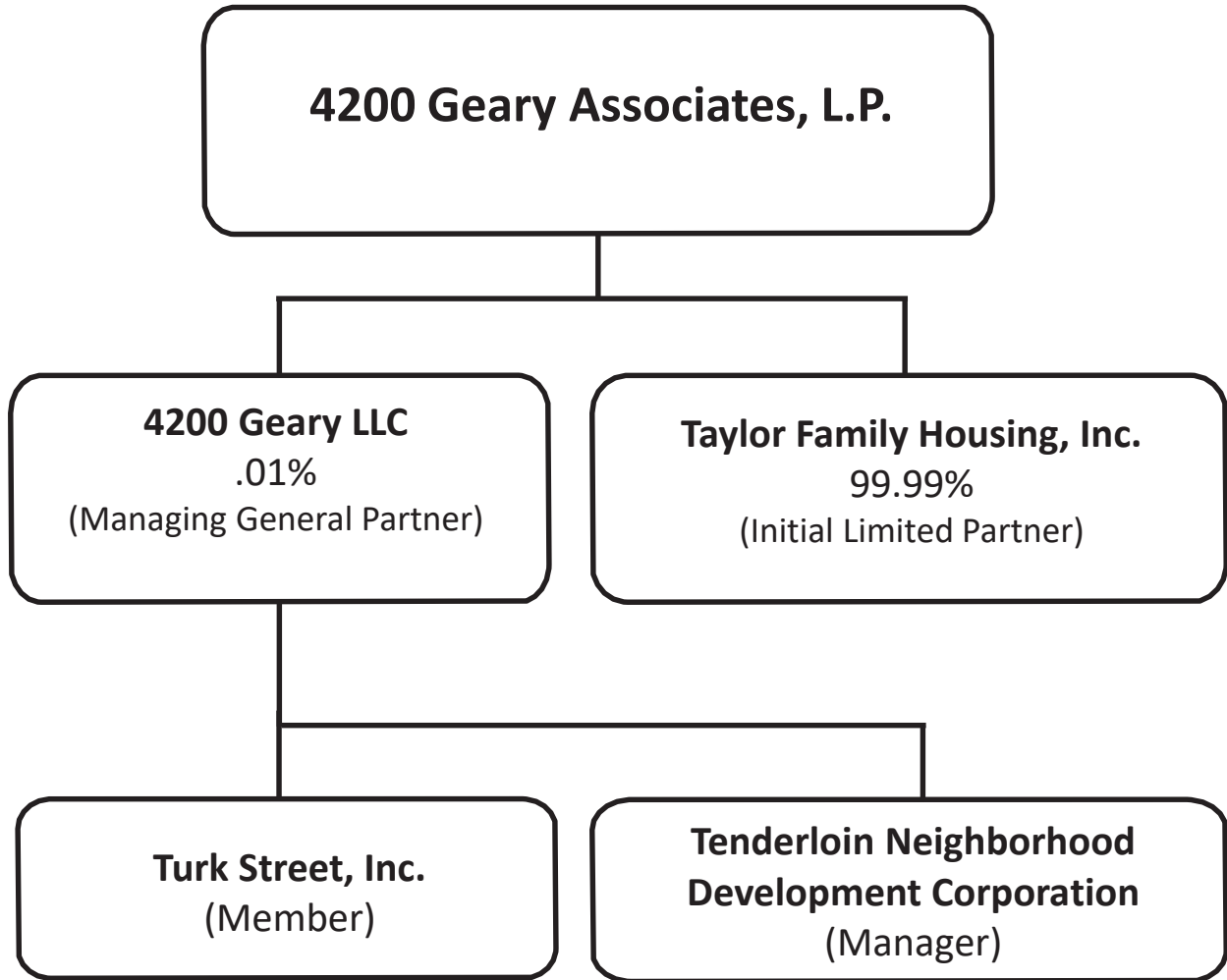
No.	Performance Milestone	Estimated or Actual Date	Contractual Deadline
A.	Prop I Noticing (if applicable)		
1.	Acquisition/Predev Financing Commitment	<u>10/10/2019</u>	
2.	Site Acquisition	<u>05/13/2020</u>	_____
3.	Development Team Selection		
a.	Architect	<u>4/23/2020</u>	
b.	General Contractor	<u>08/12/2020</u>	
c.	Owner's Representative	<u>06/04/2020</u>	
d.	Property Manager	<u>01/04/2021</u>	
e.	Service Provider	<u>01/04/2021</u>	
4.	Design		
a.	Submittal of Schematic Design & Cost Estimate	<u>08/13/2020</u>	_____
b.	Submittal of Design Development & Cost Estimate	<u>12/11/2020</u>	
c.	Submittal of 50% CD Set & Cost Estimate	<u>02/12/2021</u>	
d.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	<u>11/05/2021</u>	
5.	Environ Review/Land-Use Entitlements		
a.	CEQA Environ Review Submission	<u>N/A</u>	
b.	NEPA Environ Review Submission	<u>N/A at this time</u>	
c.	CUP/PUD/Variances Submission	<u>N/A</u>	
6.	Permits		
a.	Building / Site Permit Application Submitted	<u>09/11/2020</u>	_____
b.	Addendum #1 Submitted	<u>02/12/2021</u>	
c.	Addendum #2 Submitted	<u>05/14/2021</u>	
7.	Request for Bids Issued	<u>11/08/2021</u>	
8.	Service Plan Submission		
a.	Preliminary	_____	
b.	Interim	_____	
c.	Update	_____	

9.	Additional City Financing		
a.	Predevelopment Financing Application #2	_____	
b.	Gap Financing Application	<u>09/24/2021</u>	
10.	Other Financing		
a.	MHP Application	<u>03/01/2021</u>	
b.	Construction Financing RFP	_____	
c.	AHP Application	_____	
d.	CDLAC Application	_____	
e.	TCAC Application	_____	
f.	HUD 202 or 811 Application	_____	
g.	Other Financing Application	_____	
11.	Closing		
a.	Construction Closing	<u>02/22/2022</u>	
b.	Permanent Financing Closing	<u>02/22/2022</u>	
12.	Construction		
a.	Notice to Proceed	<u>02/22/2022</u>	_____
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	<u>01/01/2024</u>	_____
13.	Marketing/Rent-up		
a.	Marketing Plan Submission	<u>01/01/2024</u>	_____
b.	Commence Marketing	<u>02/01/2024</u>	
c.	95% Occupancy	<u>04/01/2024</u>	_____
14.	Cost Certification/8609	<u>02/01/2025</u>	
15.	Close Out MOH/OCII Loan(s)	<u>09/01/2024</u>	

**Attachment B: Borrower Org Chart**

Please see attached.

**4200 Geary  
Project Organizational Chart  
Until Closing (May 8, 2020)**



### **Attachment C: Developer Resume**

**Colleen Ma** is a Project Manager with TNDC Housing Development. She joined TNDC in 2017 and has helped to manage acquisition, new construction, and rehabilitation projects in various phases of development, lease up, and close out. Prior to her time at TNDC, Colleen worked at Mercy Housing Lakefront in Chicago to analyze portfolio performance, delivery of social services, and conduct research on housing outcomes. She previously worked in social services as a case manager and housing coordinator in San Francisco, as well as in community organizing with public housing tenants and the unhoused in Los Angeles. Colleen holds a Master's in Urban Planning and Policy from the University of Illinois at Chicago and a Bachelor's in Geography/Environmental Studies from the University of California, Los Angeles.

**Nicole Guzman** is an Assistant Project Manager with TNDC Housing Development. She joined TNDC in 2019 and has helped manage several rehabilitation projects. Prior to her time at TNDC, Nicole worked at Mission Economic Development Agency (MEDA) as a Project Assistant and managed new construction projects. Nicole holds a Master's in Urban Planning from San Jose State University. She was also a part of the 2018-2019 Bay Area Housing Internship Program (BAHIP) Cohort.

**Christopher Cummings** is an Associate Director of Housing Development at TNDC. Chris joined TNDC in 2013 as a project manager, and brings over ten years of professional experience in affordable housing development and consulting. At TNDC, he oversees acquisition, new construction and portfolio recapitalization. Prior to TNDC, he worked at Diamond and Associates, an affordable housing developer in Philadelphia, and Recap Real Estate Advisors in Boston, where he worked on strategic capital planning projects for existing affordable housing assets, including comprehensive portfolio planning for several large public housing authorities. Chris holds a Masters of City Planning from the University of Pennsylvania and a Bachelor's in Architectural Studies from College of the Holy Cross.

**Katie Lamont** is a Senior Director of Housing Development at TNDC. 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 nine 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. She began her career working in fair housing at Housing Opportunities Project for Excellence in Miami, Florida. Katie earned a Master in Urban Planning from the University of California, Los Angeles, and a Bachelor's in American Civilization from Brown University.



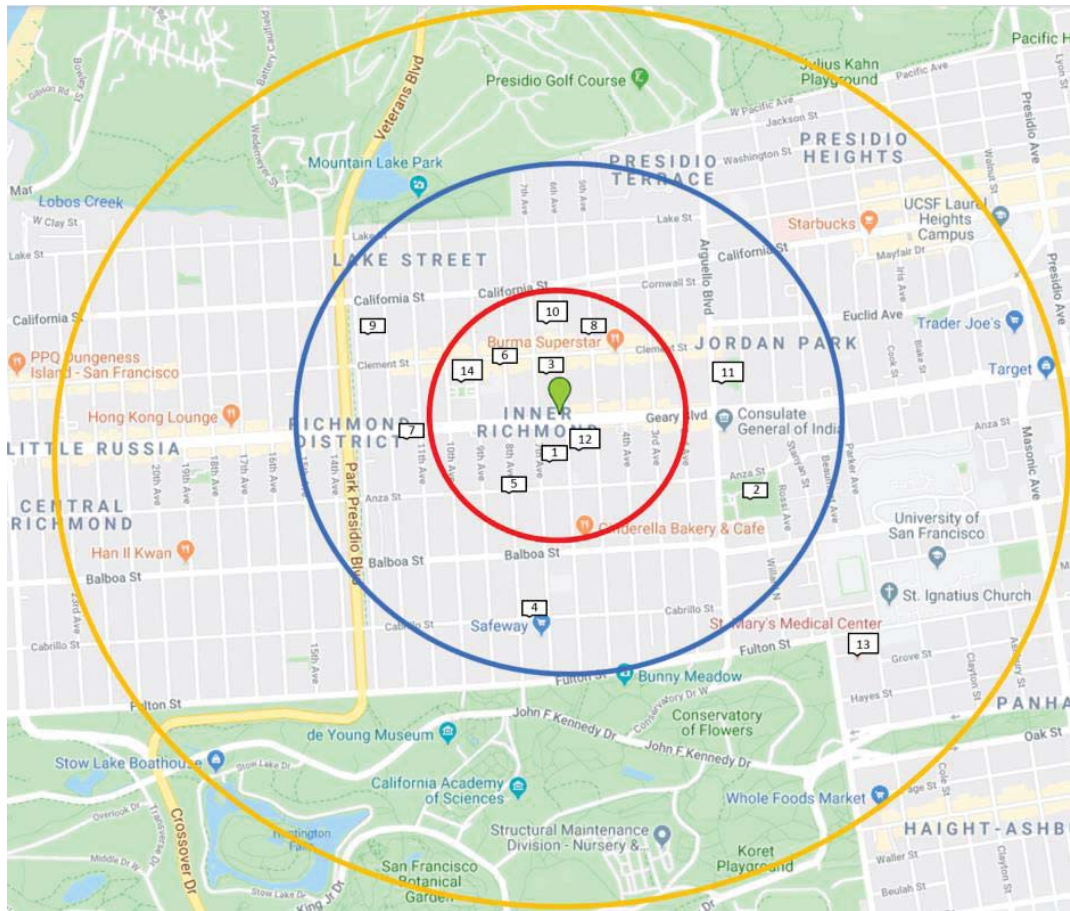
### **Attachment D: Asset Management Evaluation of Project Sponsor**

TNDC has 42 projects in its portfolio, with an additional 17 projects in the pipeline including recapitalization. The average units per project ranges from 75-120.

There are three full-time employees. The department is headed by the Senior Asset Manager with two Asset Managers reporting to the Senior Asset Manager, 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 Recapitalizaion 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: Site Map with amenities



#### **Map amenities:**

##### **1. Site Amenities**

Map source: Google Maps

Inner red circle is 1/4 mile radius, blue circle is 1/2 mile radius, and the outer yellow circle is a 1 mile radius.

**Project is located within 1/2 mile of a park or recreational facility:**

- #1: Muriel Leff Mini Park – within 1/4 mile
- #2: Angelo J. Rossi Playground – within 1/2 mile

**Project within close proximity of groceries and other essential shopping needs 1/2 mile or 1/4 mile:**

- #3: Smart & Final – within 1/4 mile
- #4: Safeway – within 1/2 mile
- #5: M & K Market – within 1/4 mile
- #6: Richmond New May Wah Supermarket - within 1/4 mile
- #7: First Korean Market - within 1/2 mile
- #8: Lien Hing Supermarket – within 1/4 mile

**1 mile from a hospital:**

- #12: Kaiser Permanente Medical center – within 1/4 mile

#13: St. Mary's Medical Center – within 1 mile

**1/2 mile of a public library:**

#14: Richmond/Senator Milton Marks Branch Library – within ¼ mile

**Attachment F: Elevations and Floor Plans**

Please see attached.

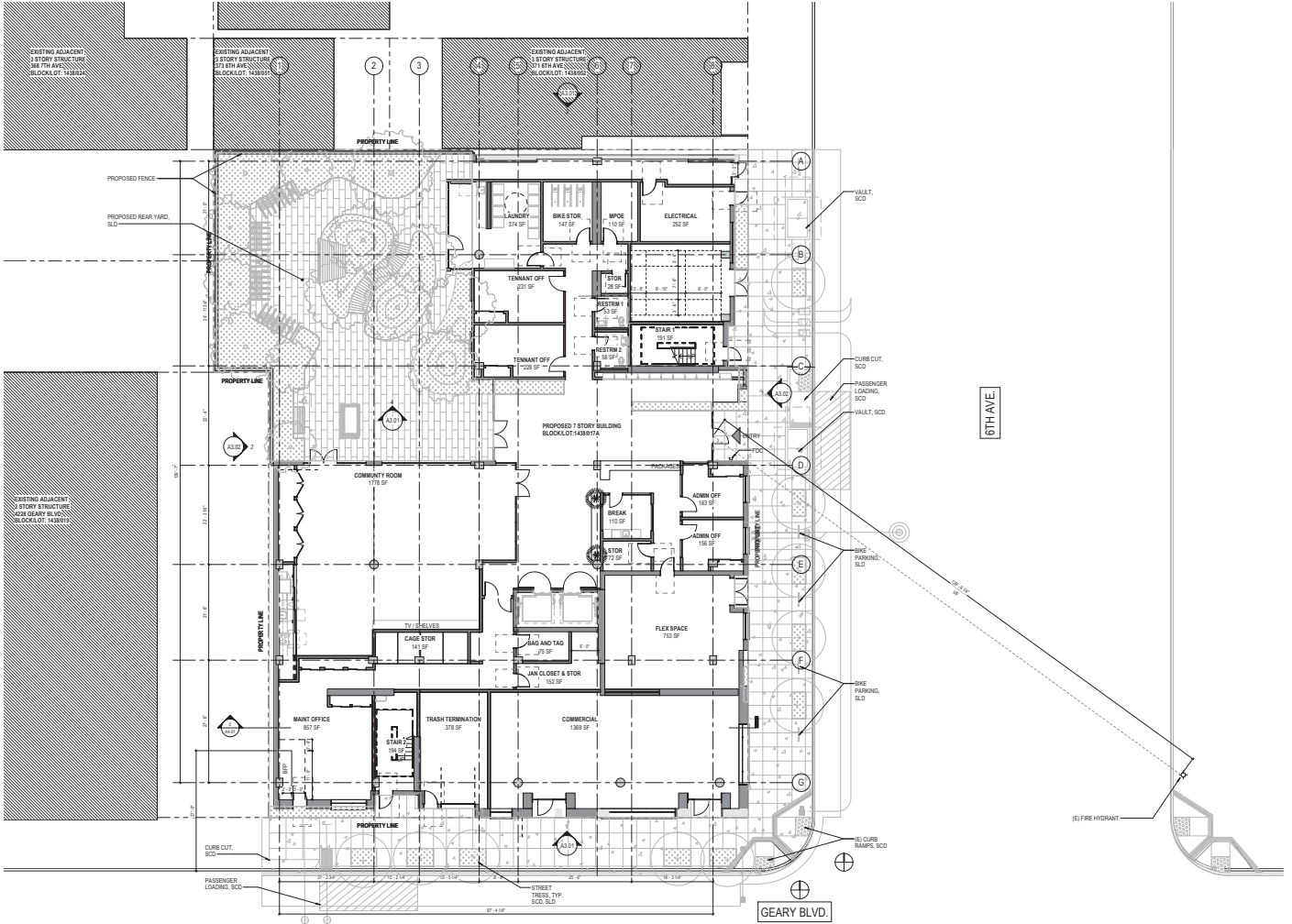


REVISIONS	NO.	DESCRIPTION	DATE

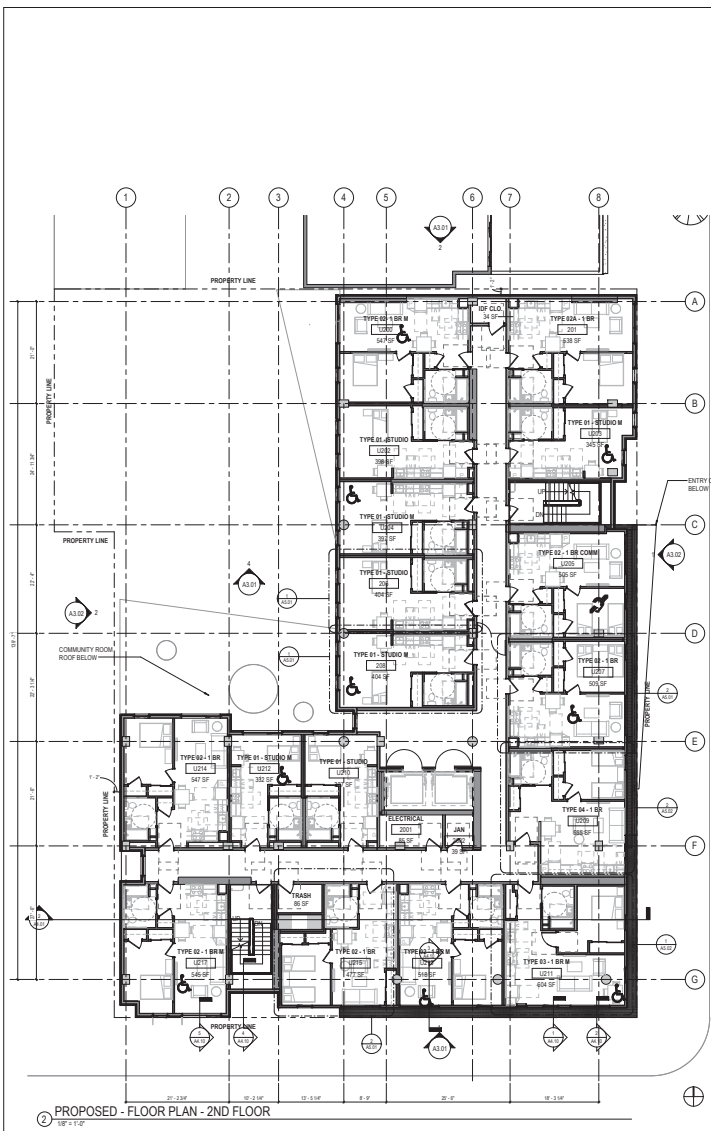
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ISSUE: SITE PERMIT  
 ISSUE DATE: 09/11/2020  
 TEAM: YAP/POPHOFF/JOHNSON  
 SHEET NO.

**A1.03**



PROPOSED SITE PLAN  
 1/8" = 1'-0"



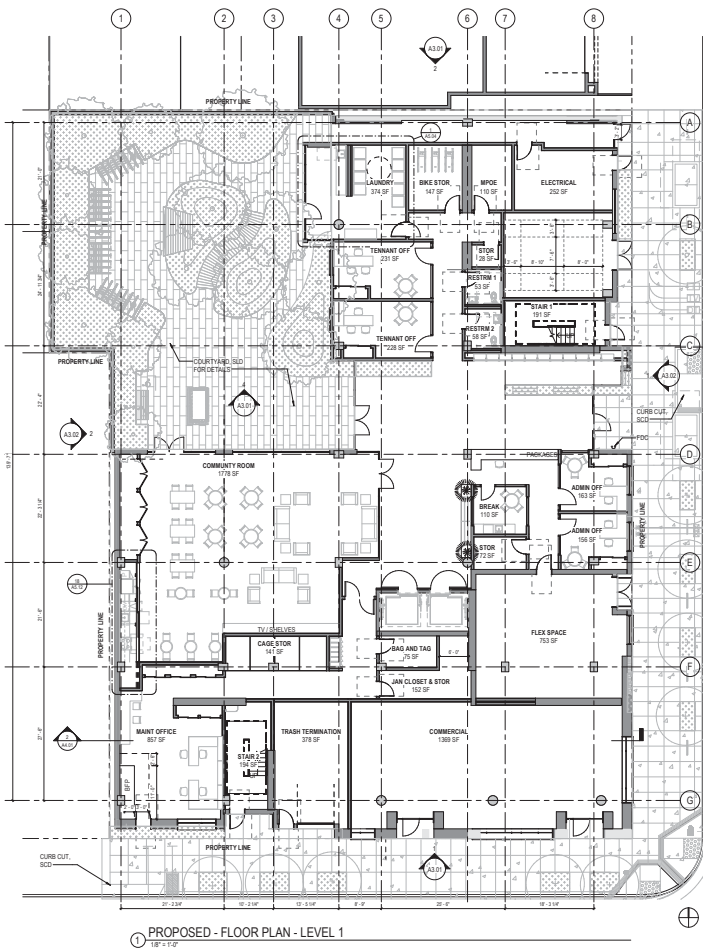
**GENERAL FLOOR PLAN NOTES:**

1. SEE SCHEDULES G101 AND G102 FOR ADDITIONAL WALL RATING INFORMATION. SEE ALSO PROJECT DATA FOR ADDITIONAL RATING REQUIREMENTS BASED ON CONSTRUCTION NOTES.
2. ALL EXTERIOR WALLS ARE DIMENSIONED FROM F.O. SHEATHING OR CONCRETE S/C.
3. ALL INTERIOR WALLS ARE DIMENSIONED FROM F.O. FINISH.
4. ALL DOORS ADJACENT TO WALLS ARE 4" FROM FACE OF LAMB TO FACE OF FINISH OF ADJACENT WALL U.O.N.
5. SEE ALSO G103 FOR PARTITION AND HORIZONTAL ASSEMBLY.
6. TYPE L SERIES SHEETS FOR LIFE SAFETY INFORMATION.
7. SEE G104 FOR ACCESSIBILITY COMPLIANCE NOTES AND DETAILS.
8. SEE G104 FOR ACCESSIBILITY DIMENSIONS AND CLEARANCES AT TOILET ROOMS AND BATHROOMS.
9. ALL SPOT ELEVATIONS FROM T.O. CONC. OR T.O. GYPSUM CEMENT, UNLESS OTHERWISE NOTED.

**WALL LEGEND:**

PARTITION AS SCHEDULED

SEE PROJECT DATA G102 AND LIFE SAFETY G101 FOR SHEETS FOR ADDITIONAL HORIZONTAL AND VERTICAL ASSEMBLY REQUIREMENTS



**ED 13-01**  
100% AFFORDABLE HOUSING VIA MOHCD



**Y.A. studio**  
ARCHITECTS  
OFFICE: 4200 GEARY BLVD. #100 SAN FRANCISCO, CA 94118  
STUDIO: 1000 MARKET STREET, SAN FRANCISCO, CA 94102

**PROJECT**  
4200 GEARY  
SAN FRANCISCO, CA 94118



REVISIONS	NO.	DESCRIPTION	DATE

**TITLE:** PROPOSED - FLOOR PLAN - LEVEL 1 & 2

**ISSUE:** SITE PERMIT  
**ISSUE DATE:** 09/11/2020

**TEAM:** YAP/POPOV/ALUJAN  
**SHEET NO.:** **A2.01**



REVISIONS	NO.	DESCRIPTION	DATE

TITLE: PROPOSED - FLOOR PLAN - TYP FLOOR & LEVEL 5  
ISSUE: SITE PERMIT  
ISSUE DATE: 09/11/2020  
TEAM: YAPPOPOULOU  
SHEET NO.

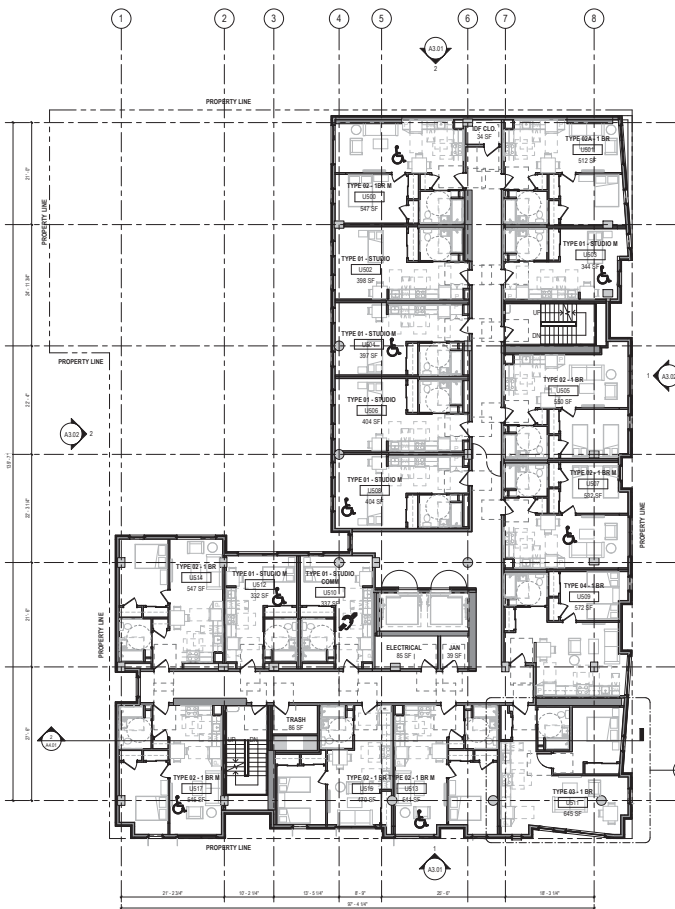
**GENERAL FLOOR PLAN NOTES:**

- SEE CROSS SECTIONS Q1-01 AND Q1-02 FOR ADDITIONAL WALL RATING INFORMATION. SEE ALSO PROJECT DATA FOR ADDITIONAL RATING REQUIREMENTS BASED ON CONSTRUCTION NOTES.
- ALL EXTERIOR WALLS ARE DIMENSIONED FROM F.O. SHEATHING OR CONCRETE I.O.M.
- ALL INTERIOR WALLS ARE DIMENSIONED FROM F.O. FINISH.
- ALL DOORS ADJACENT TO WALLS ARE 4" FROM FACE OF LAMB TO FACE OF FINISH OF ADJACENT WALL I.O.M.
- SEE ALSO A3.03 FOR PARTITION AND HORIZONTAL ASSEMBLY.
- TYPE L SERIES SHEETS FOR LIFE SAFETY INFORMATION.
- SEE Q2.04 FOR ACCESSIBILITY COMPLIANCE NOTES AND DETAILS.
- SEE Q2.04 FOR ACCESSIBILITY DIMENSIONS AND CLEARANCES AT TOILET ROOMS AND BATHROOMS.
- ALL FLOOR ELEVATIONS FROM I.O. CONC. OR T.O. GYPSUM CEMENT, UNLESS OTHERWISE NOTED.

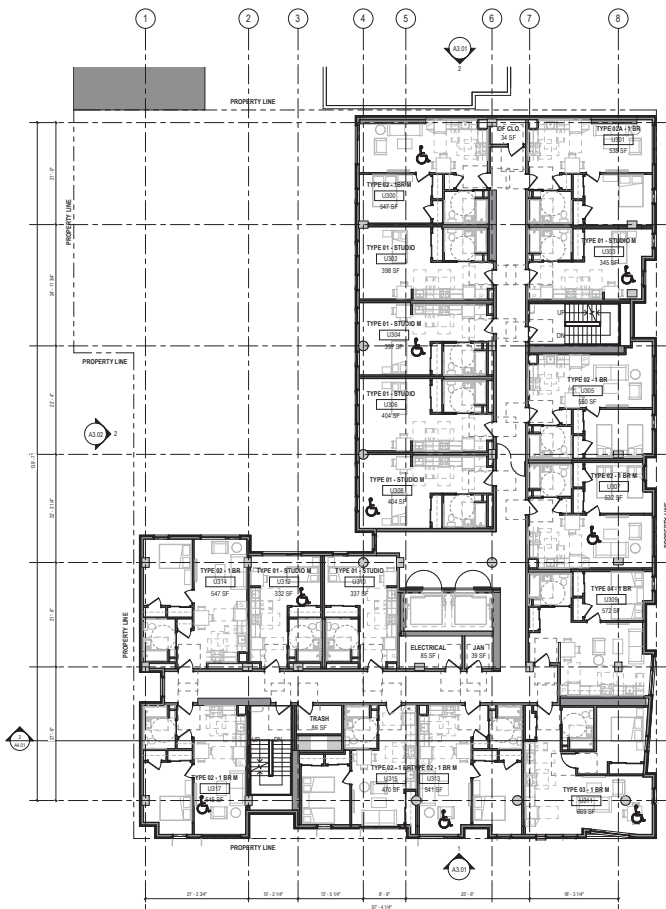
**WALL LEGEND:**

PARTITION AS SCHEDULED

SEE PROJECT DATA Q2.02 AND LIFE SAFETY Q1.01 DX SHEETS FOR ADDITIONAL HORIZONTAL AND VERTICAL ASSEMBLY REQUIREMENTS



2 PROPOSED - FLOOR PLAN - LEVEL 5  
1/8" = 1'-0"



1 PROPOSED - FLOOR PLAN - LEVEL 3 (LEVEL 4 SIM.)  
1/8" = 1'-0"



REVISIONS	NO.	DESCRIPTION	DATE

TITLE: PROPOSED - FLOOR PLAN - LEVEL 6 & 7  
ISSUE: SITE PERMIT  
ISSUE DATE: 09/11/2020  
TEAM: YAPPOPOULOU  
SHEET NO.

**A2.03**  
©YA, 2020

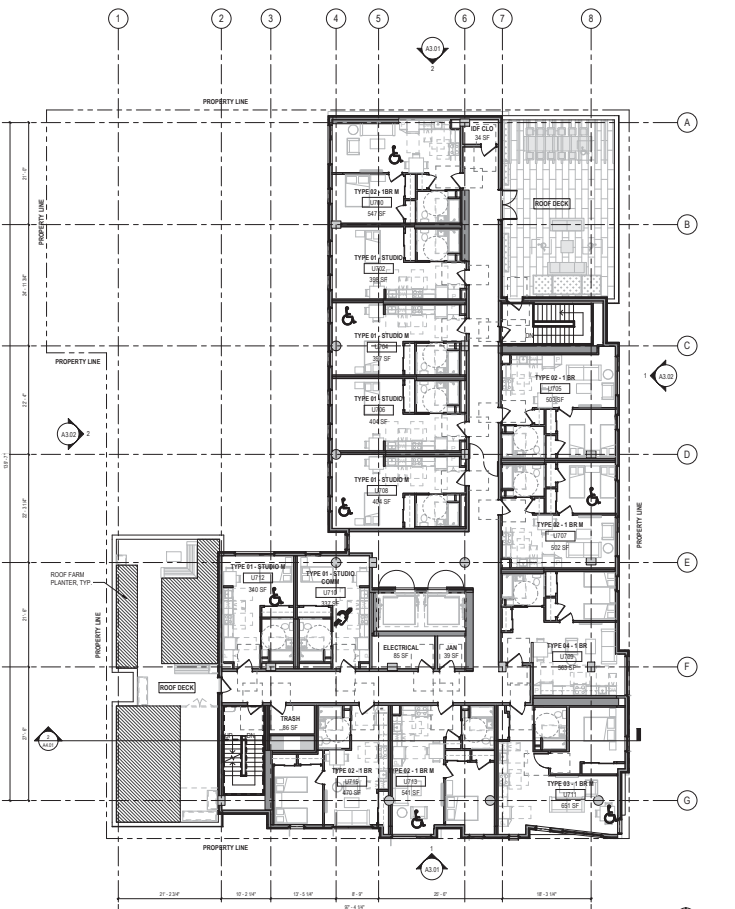
**GENERAL FLOOR PLAN NOTES:**

- SEE CROSS DIAGRAMS 01-01 AND 01-02 FOR ADDITIONAL WALL RATING INFORMATION. SEE ALSO PROJECT DATA FOR ADDITIONAL RATING REQUIREMENTS BASED ON CONSTRUCTION NOTES.
- ALL EXTERIOR WALLS ARE DIMENSIONED FROM F.O. SHEATHING OR CONCRETE S/C.
- ALL INTERIOR WALLS ARE DIMENSIONED FROM F.O. FINISH.
- ALL DOORS ADJACENT TO WALLS ARE 4" FROM FACE OF JAMB TO FACE OF FINISH OF ADJACENT WALL U.O.N.
- SEE ALSO 01-03 FOR PARTITION AND HORIZONTAL ASSEMBLY.
- TYPE L-SERIES SHEETS FOR LIFE SAFETY INFORMATION.
- SEE 02-04 FOR ACCESSIBILITY COMPLIANCE NOTES AND DETAILS.
- SEE 02-04 FOR ACCESSIBILITY DIMENSIONS AND CLEARANCES AT TOILET ROOMS AND BATHROOMS.
- ALL FLOOR ELEVATIONS FROM T.O. CONC. OR T.O. GYPSUM CEMENT, UNLESS OTHERWISE NOTED.

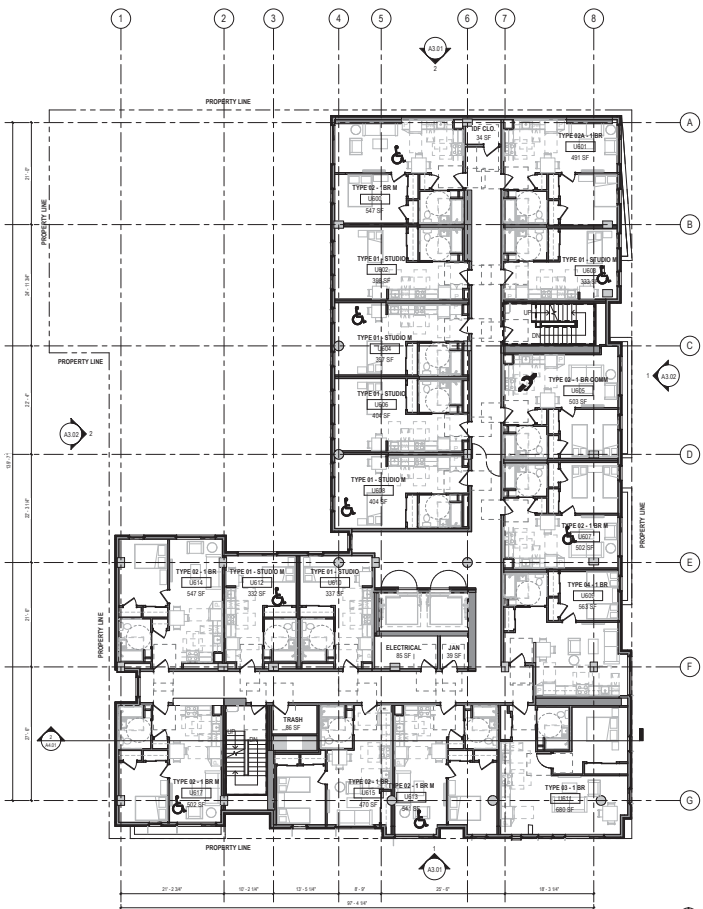
**WALL LEGEND:**



SEE PROJECT DATA 02-02 AND LIFE SAFETY 01-01 OR SHEETS FOR ADDITIONAL HORIZONTAL AND VERTICAL ASSEMBLY REQUIREMENTS.



PROPOSED - FLOOR PLAN - LEVEL 7  
1/8" = 1'-0"



PROPOSED - FLOOR PLAN - LEVEL 6  
1/8" = 1'-0"



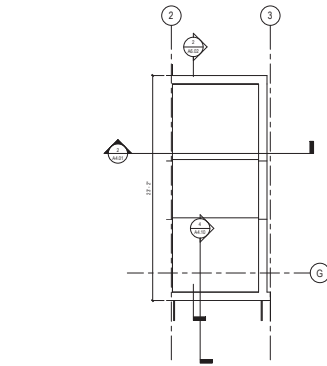
**GENERAL FLOOR PLAN NOTES:**

1. SEE CROSS DIAGRAMS Q1-D1 AND Q1-D2 FOR ADDITIONAL WALL RATING INFORMATION. SEE ALSO PROJECT DATA FOR ADDITIONAL RATING REQUIREMENTS BASED ON CONSTRUCTION NOTES.
2. ALL EXTERIOR WALLS ARE DIMENSIONED FROM F.O. SHEATHING OR CONCRETE I.C.M.
3. ALL INTERIOR WALLS ARE DIMENSIONED FROM F.O. FINISH.
4. ALL DOORS ADJACENT TO WALLS ARE 4" FROM FACE OF JAMB TO FACE OF FINISH OF ADJACENT WALL I.O.M.
5. SEE ALSO A3.03 FOR PARTITION AND HORIZONTAL ASSEMBLY.
6. TYPE L SERIES SHEETS FOR LIFE SAFETY INFORMATION.
7. SEE Q3.04 FOR ACCESSIBILITY COMPLIANCE NOTES AND DETAILS.
8. SEE Q3.04 FOR ACCESSIBILITY DIMENSIONS AND CLEARANCES AT TOILET ROOMS AND BATHROOMS.
9. ALL FLOOR ELEVATIONS FROM F.O. CONC. OR T.O. GYPSUM CEMENT, UNLESS OTHERWISE NOTED.

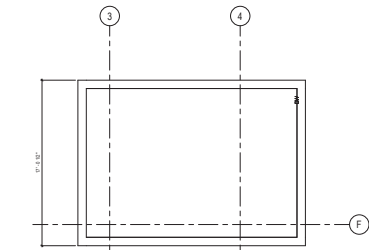
**WALL LEGEND:**

———— PARTITION AS SCHEDULED

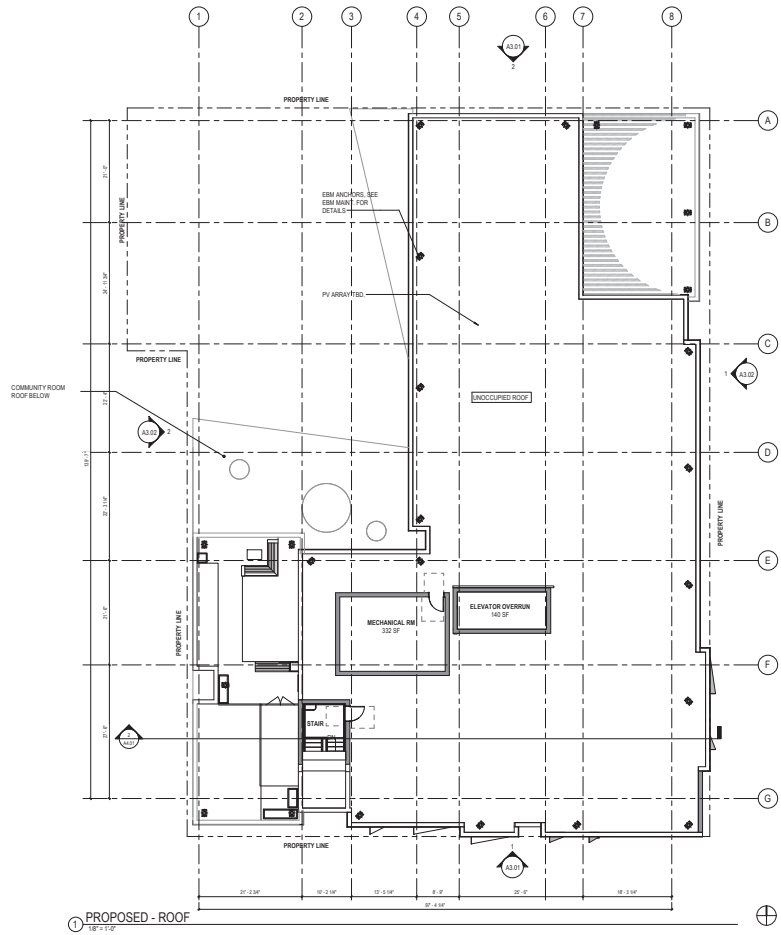
SEE PROJECT DATA Q3.05-DX AND LIFE SAFETY Q1.01-DX SHEETS FOR ADDITIONAL HORIZONTAL AND VERTICAL ASSEMBLY REQUIREMENTS.



② T.O. PENTHOUSE STAIR ROOF  
1/8" = 1'-0"



③ T.O. PENTHOUSE MECH ROOM  
1/8" = 1'-0"



① PROPOSED - ROOF  
1/8" = 1'-0"

**ED 13-01**  
100% AFFORDABLE HOUSING VIA MOHCD



**Y.A. studio**

PROJECT: 4200 GEARY  
SAN FRANCISCO, CA 94118  
OWNER: YAP WOP KUIAN INC. 100% AFFORDABLE HOUSING DEVELOPMENT  
301 EDDY STREET, SAN FRANCISCO, CA 94102

PROJECT: 4200 GEARY  
SAN FRANCISCO, CA 94118



REVISIONS	NO.	DESCRIPTION	DATE

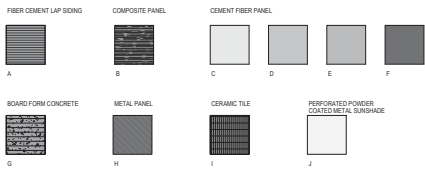
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ISSUE: SITE PERMIT  
ISSUE DATE: 09/11/2020  
TEAM: YAP WOP KUIAN

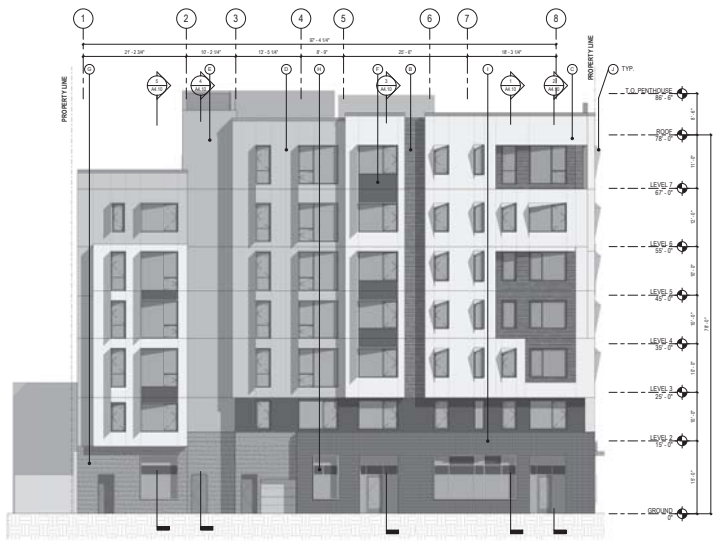
SHEET NO. **A2.04**

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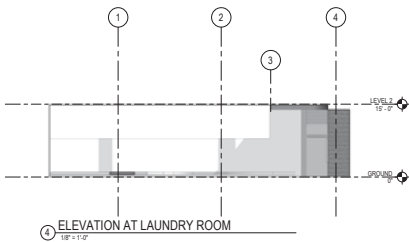
**MATERIAL LEGEND:**



PROPOSED - NORTH ELEVATION  
1/8" = 1'-0"



PROPOSED - SOUTH ELEVATION  
1/8" = 1'-0"



ELEVATION AT LAUNDRY ROOM  
1/8" = 1'-0"

**ED 13-01**  
100% AFFORDABLE HOUSING VIA MOHCD



Y.A. studio

PROJECT: 4200 GEARY, SAN FRANCISCO, CALIFORNIA 94118  
OWNER: YAPPOPARTIUM, OFFICE OF AFFORDABLE HOUSING DEVELOPMENT, 371 6TH AVENUE, SAN FRANCISCO, CALIFORNIA 94103

PROJECT: 4200 GEARY, SAN FRANCISCO, CALIFORNIA 94118



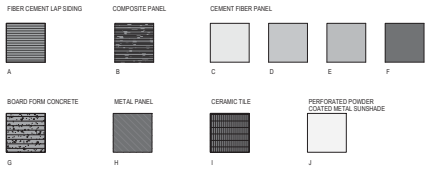
REVISIONS	NO.	DESCRIPTION	DATE

TITLE: BUILDING ELEVATIONS - SOUTH AND NORTH  
ISSUE: SITE PERMIT  
ISSUE DATE: 09/11/2020  
TEAM: YAPPOPARTIUM

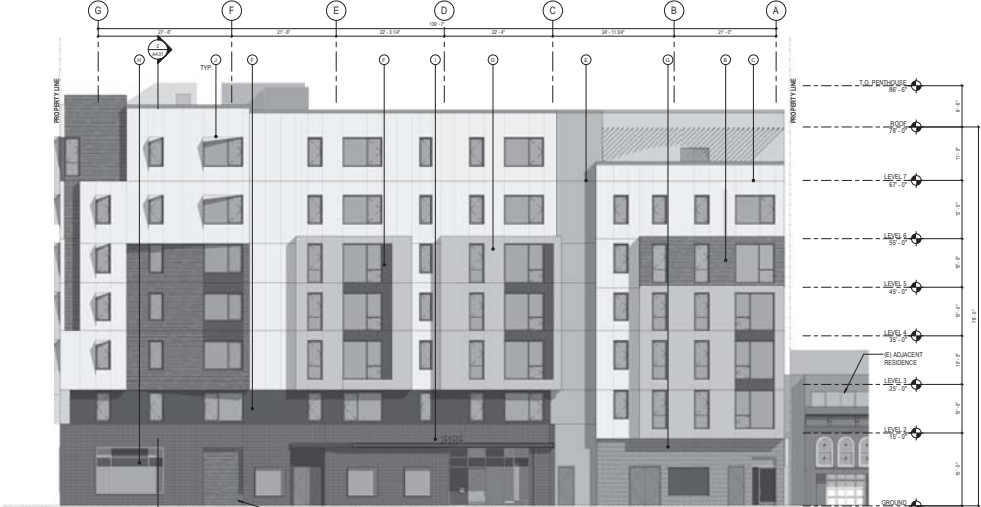
SHEET NO. **A3.01**

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**MATERIAL LEGEND:**



PROPOSED - WEST ELEVATION  
1/8" = 1'-0"



PROPOSED - EAST ELEVATION  
1/8" = 1'-0"

**ED 13-01**  
100% AFFORDABLE HOUSING VIA MOHCD



**YA.ya.studio**  
ARCHITECTURE  
OFFICE 200 CALIFORNIA STREET, SUITE 200  
SAN FRANCISCO, CA 94102  
WWW.YA.YA.STUDIO.COM

PROJECT: 4200 GEARY  
SAN FRANCISCO, CALIFORNIA  
19111  
OWNER: SAN FRANCISCO HOUSING DEVELOPMENT CORPORATION  
301 EDDY STREET, SAN FRANCISCO, CALIFORNIA



REVISIONS	NO.	DESCRIPTION	DATE

TITLE: BUILDING ELEVATIONS - EAST AND WEST  
ISSUE: SITE PERMIT  
ISSUE DATE: 09/11/2020  
TEAM: YAPWOP/ARQUIMUN  
SHEET NO.

**A3.02**

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

Affordable Multifamily Housing New Construction Cost Comparison

Table with columns for Project Name, Address, Let sq ft, Compl. Date, # of Units, Building Square Footage, Total Project Costs, Total Dev. Cost w/land, Local Subsidy, Total Dev. Cost w/o land, Notes on Financing, and Comments.

Table with columns for Project Name, Address, Let sq ft, Start Date, # of Units, Building Square Footage, Total Project Costs, Total Dev. Cost w/land, Local Subsidy, Total Dev. Cost w/o land, Notes on Financing, and Comments.

Summary table for ALL PROJECTS with columns: ALL PROJECTS, Average, 40,881, 117, 209, 122,588, 19,665, 140,349, \$ 3,020,765, \$ 72,326,725, \$ 18,755,101, \$ 93,800,845, \$ 24,351,174, \$ 91,721,111. Includes SUBJECT PROJECT 4200 Geary.

Table with columns for Project Name, Comp. Date, Acquisition by Unit/Bed/SF, Construction by Unit/Bed/SF, Soft Costs by Unit/Bed/SF, Total Development Cost (incl. Land), and Subsidy. Includes Completed Projects and In Predevelopment.

Table with columns for Project Name, Comp. Date, Acquisition, Construction, Soft Costs, Total Development Cost (incl. Land), and Subsidy. Includes Completed Projects and In Predevelopment.

Table with columns for Project Name, Start Date (anticipated), Acquisition, Construction, Soft Costs, Total Development Cost (incl. Land), and Subsidy. Includes Completed Projects and In Predevelopment.

Average summary row for ALL PROJECTS with columns: ALL PROJECTS, AVERAGE, 17,230, 9,863, 84, \$ 676,242, \$ 360,413, \$ 536, \$ 159,850, \$ 99,325, \$ 157, \$ 789,161, \$ 469,598, \$ 702, \$ 203,574, 74.3%.

**Attachment H: Sources and Uses**

Application Date: 11/28/20 # Units: 98  
 Project Name: 4200 Geary # Bedrooms: 98  
 Project Address: 4200 Geary Blvd # Beds:  
 Project Sponsor: Tenderlich Neighborhood Development Corporation

LOSP Project

		Total Sources					Comments
SOURCES	14,538,982	-	-	-	-	-	14,538,982
USES	Name of Sources:	MOHCD/COP					

ACQUISITION							
Acquisition cost or value	10,900,000	0	0	0	0	0	10,900,000
Legal / Closing costs / Broker's Fee	95,780	0	0	0	0	0	95,780
Holding Costs	468,589	0	0	0	0	0	468,589
Transfer Tax	0	0	0	0	0	0	0
<b>TOTAL ACQUISITION</b>	<b>11,064,369</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,064,369</b>

CONSTRUCTION (HARD COSTS)							
Unit Construction/Rehab	125,000	0	0	0	0	0	125,000
Commercial Shell Construction		0	0	0	0	0	0
Demolition		0	0	0	0	0	0
Environmental Remediation		0	0	0	0	0	0
Onsite Improvements/Landscaping		0	0	0	0	0	0
Offsite Improvements		0	0	0	0	0	0
Infrastructure Improvements		0	0	0	0	0	0
Parking		0	0	0	0	0	0
GC Bond Premium/GC Insurance/GC Taxes		0	0	0	0	0	0
GC Overhead & Profit		0	0	0	0	0	0
GC General Conditions		0	0	0	0	0	0
Sub-total Construction Costs	125,000	0	0	0	0	0	125,000
Design Contingency (remove at CO)		0	0	0	0	0	0
Bid Contingency (remove at bid)		0	0	0	0	0	0
Plan Check Contingency (remove/reduce during Plan Review)		0	0	0	0	0	0
Hard Cost Construction Contingency		0	0	0	0	0	0
Sub-total Construction Contingences	0	0	0	0	0	0	0
<b>TOTAL CONSTRUCTION COSTS</b>	<b>125,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>125,000</b>

Construction line item costs as a % of hard costs

SOFT COSTS							
Architecture & Design							
Architect design fees	838,900	0	0	0	0	0	838,900
Design Subcontractors to the Architect (incl. Fees)	719,070	0	0	0	0	0	719,070
Architect Construction Admin	15,000	0	0	0	0	0	15,000
Reimbursables	0	0	0	0	0	0	0
Additional Services	0	0	0	0	0	0	0
Sub-total Architect Contract	1,572,970	0	0	0	0	0	1,572,970
Other Third Party design consultants (not included under Architect contract)	148,250	0	0	0	0	0	148,250
<b>Total Architecture &amp; Design</b>	<b>1,721,220</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,721,220</b>
Engineering & Environmental Studies							
Survey	20,000	0	0	0	0	0	20,000
Geotechnical studies	153,891	0	0	0	0	0	153,891
Phase I & II Reports	69,875	0	0	0	0	0	69,875
CEQA / Environmental Review consultants	0	0	0	0	0	0	0
NEPA / IIR Review	0	0	0	0	0	0	0
CM/PRM (rehab only)	0	0	0	0	0	0	0
Other environmental consultants	41,945	0	0	0	0	0	41,945
<b>Total Engineering &amp; Environmental Studies</b>	<b>285,481</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>285,481</b>

Financing Costs							
Construction Financing Costs							
Construction Loan Origination Fee	0	0	0	0	0	0	0
Construction Loan Interest	0	0	0	0	0	0	0
Title & Recording	0	0	0	0	0	0	0
CDLAC & CDJAC fees	0	0	0	0	0	0	0
Bond Issuer Fees	0	0	0	0	0	0	0
Other Bond Cost of Issuance	0	0	0	0	0	0	0
Other Lender Costs (specify)	0	0	0	0	0	0	0
Sub-total Const. Financing Costs	0	0	0	0	0	0	0
Permanent Financing Costs							
Permanent Loan Origination Fee	0	0	0	0	0	0	0
Credit Enhance. & Appl. Fee	0	0	0	0	0	0	0
Title & Recording	0	0	0	0	0	0	0
Sub-total Perm. Financing Costs	0	0	0	0	0	0	0
<b>Total Financing Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Legal Costs							
Borrower Legal fees	0	0	0	0	0	0	0
Land Use / CEQA Attorney fees	0	0	0	0	0	0	0
Tax Credit Counsel	0	0	0	0	0	0	0
Bond Counsel	0	0	0	0	0	0	0
Construction Lender Counsel	0	0	0	0	0	0	0
Permanent Lender Counsel	0	0	0	0	0	0	0
Other Legal (specify)	0	0	0	0	0	0	0
<b>Total Legal Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Other Development Costs							
Appraisal	31,500	0	0	0	0	0	31,500
Market Study	20,000	0	0	0	0	0	20,000
Insurance	0	0	0	0	0	0	0
Property Taxes	123,900	0	0	0	0	0	123,900
Accounting / Audit	0	0	0	0	0	0	0
Organizational Costs	15,000	0	0	0	0	0	15,000
Entitlement / Permit Fees	15,000	0	0	0	0	0	15,000
Marketing / Rent-up	2,000	0	0	0	0	0	2,000
Furnishings	0	0	0	0	0	0	0
PGE / Utility Fees	130,000	0	0	0	0	0	130,000
TCAC App / Alloc / Monitor Fees	39,512	0	0	0	0	0	39,512
Financial Consultant fees	50,000	0	0	0	0	0	50,000
Construction Management fees / Owner's Rep	70,000	0	0	0	0	0	70,000
Security during Construction	0	0	0	0	0	0	0
Restoration	0	0	0	0	0	0	0
Other consultants - Historic and Archeological	42,500	0	0	0	0	0	42,500
	0	0	0	0	0	0	0
<b>Total Other Development Costs</b>	<b>539,412</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>539,412</b>

Soft Cost Contingency							
Contingency (Arch. Eng. Fin. Legal & Other Dev)	253,500	0	0	0	0	0	253,500
<b>TOTAL SOFT COSTS</b>	<b>2,789,613</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,789,613</b>

Total Soft Cost Contingency as % of Total Soft Costs 18.9%

RESERVES							
Operating Reserves	0	0	0	0	0	0	0
Replacement Reserves	0	0	0	0	0	0	0
Tenant Improvements Reserves	0	0	0	0	0	0	0
Other (specify)	0	0	0	0	0	0	0
Other (specify)	0	0	0	0	0	0	0
Other (specify)	0	0	0	0	0	0	0
<b>TOTAL RESERVES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

DEVELOPER COSTS							
Developer Fee - Cash-out Paid at Milestones	550,000	0	0	0	0	0	550,000
Developer Fee - Cash-out At Risk	0	0	0	0	0	0	0
Commercial Developer Fee	0	0	0	0	0	0	0
Developer Fee - GP Equity (also show as source)	0	0	0	0	0	0	0
Developer Fee - Deferred (also show as source)	0	0	0	0	0	0	0
Development Consultant Fees	0	0	0	0	0	0	0
Other (specify)	0	0	0	0	0	0	0
<b>TOTAL DEVELOPER COSTS</b>	<b>550,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>550,000</b>

TOTAL DEVELOPMENT COST	14,538,982	0	0	0	0	0	14,538,982
Development Cost/Unit by Source	148,357	0	0	0	0	0	148,357
Development Cost/Unit as % of TDC by Source	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Acquisition Cost/Unit by Source	107,143	0	0	0	0	0	107,143
Construction Cost (inc Const Contingency)/Unit by Source	1,276	0	0	0	0	0	1,276
Construction Cost (inc Const Contingency)/SF	1.57	0.00	0.00	0.00	0.00	0.00	1.57
*Possible non-eligible GO Bond/COP Amount:	315,900						
City Subsidy/Unit	148,357						
Tax Credit Equity Pricing:	0.880						
Construction Bond Amount:	52,215,750						
Construction Loan Term (in months):	30						
Construction Loan Interest Rate (as %):	3.77%						

**Attachment I: Development Budget**



Application Date: 1/28/20 # Units: 98  
 Project Name: 4200 Geary # Bedrooms: 98  
 Project Address: 4200 Geary Blvd # Beds:  
 Project Sponsor: Tenderbin Neighborhood Development Corporation

LOSP Project

SOURCES	Total Sources							Comments
	Name of Sources:	MOHCD/CCL	LHFC Equity	HCD-MRP	AHP	GP Equity	Deferred Fee	
	27,791,824	37,737,969	20,000,000	1,250,000	2,897,409	697,409	-	90,374,412 (split project at 4% rate)
USES								

ACQUISITION	Acquisition cost or value								
	10,500,000							10,500,000	\$500,000 is TMDC equity for acq
	Legal / Closing costs / Broker's Fee	95,780						95,780	Acq closing costs with HAF (notary, cogency, title recording), closing extension and seller fee, HAF legal
	Holders Costs	468,526						468,526	Loan fees, interest through end of March 2021
	Transfer Tax	0						0	
	<b>TOTAL ACQUISITION</b>	<b>11,064,306</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,064,306</b>	

CONSTRUCTION (HARD COSTS)	Unit Construction/Rehab								
	1,997,240	21,478,894	20,000,000	1,250,000				44,726,134	
	Commercial Shell Construction	795,375						795,375	Commercial Shell AND TI (warm shell) costs
	Demolition	306,730						306,730	
	Environmental Remediation	60,000						60,000	
	Onsite Improvements/Landscaping	0						0	
	Offsite Improvements	0						0	
	Infrastructure Improvements	0						0	
	Parking	3,148,915						3,148,915	ESCALATION at 5% of hard costs, not including contingencies (\$2.6M) + COVID 19 cleaning and safety fees from Nibs (ES28K)
	GC Bond Premium/IGC Insurance/IGC Taxes	1,777,996						1,777,996	1.5%
	GC Overhead & Profit	1,395,156						1,395,156	2.8%
	CG General Conditions	1,899,571						1,899,571	3.8%
	Sub-total Construction Costs	2,792,615	28,987,736	20,000,000	1,250,000	0	0	53,024,351	
	Design Contingency (remove at DD)	1,777,996						1,777,996	DBPC totals 12% of hard costs, split in thirds
	Bid Contingency (remove at bid)	1,777,996						1,777,996	DBPC totals 12% of hard costs, split in thirds
	Plan Check Contingency (remove/reduce during Plan Review)	1,777,996						1,777,996	DBPC totals 12% of hard costs, split in thirds
	Hard Cost Construction Contingency	2,322,246						2,322,246	5% new construction / 15% rehab
	Sub-total Construction Contingencies	0	7,666,233	0	0	0	0	7,666,233	
	<b>TOTAL CONSTRUCTION COSTS</b>	<b>2,792,615</b>	<b>36,653,969</b>	<b>20,000,000</b>	<b>1,250,000</b>	<b>0</b>	<b>0</b>	<b>60,690,584</b>	

SOFT COSTS	Architects & Design								
	Architect design fees	838,900						838,900	See MOHCD A&E Fee Guidelines: http://hfhncd.org/documents-reports-and-forms
	Design Subconsultants to the Architect (incl. Fees)	719,070						719,070	Structural, Civil/Sewerwater, Joint trench, MEP, landscape, urban agriculture, waterproofing, acoustic, EBM, trash,
	Architect Construction Admin	413,100						413,100	
	Reimbursables	78,843						78,843	
	Additional Services	18,554						18,554	
	Sub-total Architect Contract	2,148,466	0	0	0	0	0	2,148,466	
	Other Third Party design consultants (not included under Architect contract)	329,250						329,250	Spec reproduction, Low Voltage, Commissioning, Special inspections
	<b>Total Architects &amp; Design</b>	<b>2,477,716</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,477,716</b>	
	<b>Engineering &amp; Environmental Studies</b>								
	Survey	40,000						40,000	
	Geotechnical studies	153,961						153,961	
	Phase I & II Reports	69,875						69,875	
	CEQA / Environmental Review consultants	0						0	
	NEPA / IIS Review	0						0	
	CNA/PNA (rehab only)	0						0	
	Other environmental consultants	41,945						41,945	OPR (\$27,945) + Title 24 (\$14,000)
	<b>Total Engineering &amp; Environmental Studies</b>	<b>305,941</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>305,941</b>	
	<b>Financing Costs</b>								
	Construction Loan Origination Fees	391,618						391,618	Assuming 0.75%
	Construction Loan Interest	2,917,410						2,917,410	
	Title & Recording	70,000						70,000	
	CD, CA, & COCAC fees	17,500						17,500	
	Bond Issuer Fees	557,653						557,653	Bank expenses, bank counsel, financial advisor, issuer fee, bond counsel, trustee fee, annual issuer fee, annual monitoring fee, CCI Contingency
	Other Bond Cost of Issuance	0						0	
	Construction Lender Inspection	57,500						57,500	Assumes \$1,250/mo for 22 months
	Sub-total Const. Financing Costs	4,011,681	0	0	0	0	0	4,011,681	
	<b>Permanent Financing Costs</b>								
	Permanent Loan Origination Fee	0						0	
	Credit Enhance & Appl. Fee	0						0	
	Title & Recording	0						0	
	Sub-total Perm. Financing Costs	0	0	0	0	0	0	0	
	<b>Total Financing Costs</b>	<b>4,011,681</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,011,681</b>	
	<b>Legal Costs</b>								
	Borrower Legal fees	20,000						20,000	Predev, entitlement, construction
	Land Use / CEQA Attorney fees	0						0	
	Tax Credit Counsel	90,000						90,000	Gubb & Barshay
	Bond Counsel	0						0	Included in cost of issuance fees
	Construction Lender Counsel	40,000						40,000	
	Permanent Lender Counsel	0						0	
	Predev legal fees	0						0	
	<b>Total Legal Costs</b>	<b>150,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>150,000</b>	
	<b>Other Development Costs</b>								
	Appraisal	31,500						31,500	
	Market Study	20,000						20,000	
	Insurance	1,159,438						1,159,438	Liability and Builder's Risk
	Property Taxes	247,955						247,955	Property taxes anticipated to be incurred during predev
	Accounting / Audit	60,000						60,000	
	Organizational Costs	22,500						22,500	
	Entitlement / Permit Fees	1,019,338						1,019,338	Zoning and Planning Fees and Building Permit Fees
	Marketing / Rent-up	120,000						120,000	Leasing Office (\$20K), Marketing at \$10/unit, and Community Outreach
	Furnishings	247,000						247,000	\$2,500/unit- See MOHCD UJW Guidelines on: http://hfhncd.org/documents-reports-and-forms
	PGE / Utility Fees	608,822						608,822	All utility fees
	TCAC App / Alloc / Monitor Fees	79,652						79,652	
	Financial Consultant fees	62,500						62,500	Inclusive of 20 months of predev (\$70K) + 22 months of construction at \$50K/month
	Construction Management fees / Owner's Rep	180,000						180,000	Assumes 3 months of security at end of construction
	Security during Construction	15,000						15,000	
	Reclamation	0						0	
	Other Construction Costs: Not in Contract	100,000						100,000	Not in contract
	Other consultants: Historic, Archeo, and other	62,500						62,500	
	<b>Total Other Development Costs</b>	<b>4,056,245</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,056,245</b>	Total Soft Cost Contingency as % of Total Soft Costs: 16.8%
	<b>Soft Cost Contingency</b>								
	Contingency (Arch, Eng, Fin, Legal & Other Dev)	1,100,000	0	0	0	0	0	1,100,000	Should be either 10% or 5% of total soft costs
	<b>TOTAL SOFT COSTS</b>	<b>12,100,123</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,100,123</b>	

RESERVES	Operating Reserves								
	323,571							323,571	
	Replacement Reserves	0						0	
	Tenant Improvements Reserves	0						0	
	Lease Up Reserve	285,946						285,946	
	Other (specify)	0						0	
	Other (specify)	0						0	
	<b>TOTAL RESERVES</b>	<b>609,516</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>609,516</b>	

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	125,000						125,000	
	Developer Fee - GP Equity (also show as source)	2,897,409						2,897,409	
	Developer Fee - Deferred (also show as source)	697,409						697,409	
	Development Consultant Fees	0						0	Need MOHCD approval for this cost, NIA for most projects
	Other (specify)	0						0	
	<b>TOTAL DEVELOPER COSTS</b>	<b>1,225,000</b>	<b>1,100,000</b>	<b>0</b>	<b>0</b>	<b>2,897,409</b>	<b>697,409</b>	<b>5,919,819</b>	

TOTAL DEVELOPMENT COST	Development Cost/Unit by Source								
	27,791,824	37,737,969	20,000,000	1,250,000	2,897,409	697,409	0	90,374,412	
	283,588	385,081	204,082	12,755	29,565	7,116	0	922,188	
	30.8%	41.8%	22.1%	1.4%	3.2%	0.8%	0.0%	100.0%	

Acquisition Cost/Unit by Source							
107,143	0	0	0	0	0	0	107,143
Construction Cost (inc Const Contingency)/Unit By Source	26,496	373,657	204,082	12,755	0	0	819,190
Construction Cost (inc Const Contingency)/SF	35.07	469.09	251.14	15.70	0.00	0.00	791.96

\*Possible non-eligible GO Bond/COP Amount: 4,995,579  
 City Subsidy/Unit: 283,588

Tax Credit Equity Pricing: 0.980  
 Construction Bond Amount: \$2,215,750  
 Construction Loan Term (in months): 30 months  
 Construction Loan Interest Rate (as %): 3.77%

Application Date: 11/28/20 # Commercial Spaces: 1  
 Project Name: 4200 Geary  
 Project Address: 4200 Geary Blvd  
 Project Sponsor: Tenderlon Neighborhood Development Corporation

COMMERCIAL SPACE	Commercial Use - Description	Space 1	Space 2	Space 3	Space 4	Space 5	Page Total Building Costs in Commercial Budget
	Nonprofit use						
	Gross SF	1,150					1,150 Total Commercial SF

SOURCES	Name of Sources:	1,475,036	-	-	-	-	Total Sources	1,475,036	Comments
	MOHCD								This commercial breakout is included as a part of the existing farm sources and uses

**USES**

**ACQUISITION**

Acquisition cost or value	151,624						151,624	
Legal / Closing costs / Broker's Fee	159						159	
Holding Costs	7,261						7,261	
Transfer Tax	729						729	
<b>TOTAL ACQUISITION</b>	<b>159,773</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>159,773</b>	

**CONSTRUCTION (HARD COSTS)**

Unit Construction/Rehab									0
Commercial Warm Shell Construction	126,500						126,500		See MOHCD Commercial Underwriting Guidelines: <a href="http://fmohcd.org/documents-reports-and-forms">http://fmohcd.org/documents-reports-and-forms</a>
Commercial Cold Shell Construction	668,875						668,875		
Damelson	4,429						4,429		
Environmental Remediation	866						866		
Onsite Improvements/Landscaping									0
Offsite Improvements									0
Infrastructure Improvements									0
Parking	45,471						45,471		ESCALATION - commercial share of 5% escalation + COVID fees
GC Bond Premium/GC Insurance/GC Taxes	10,433						10,433		1.2%
GC Overhead & Profit	20,147						20,147		2.4%
CG General Conditions	29,907						29,907		3.2%
<i>Sub-total Construction Costs</i>	<i>903,719</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>903,719</i>		
Design Contingency (remove at DD)	25,675						25,675		Commercial share of contingency
Bid Contingency (remove at bid)	25,675						25,675		Commercial share of contingency
Plan Check Contingency (remove/reduce during Plan Review)	25,675						25,675		Commercial share of contingency
Hard Cost Construction Contingency	33,534						33,534		4.0%
<i>Sub-total Construction Contingencies</i>	<i>110,559</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>110,559</i>		
<b>TOTAL CONSTRUCTION COSTS</b>	<b>1,014,278</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,014,278</b>		

Construction line item costs as a % of hard costs

**SOFT COSTS**

<b>Architecture &amp; Design</b>	22,498						22,498		Includes share of consultants
Architecture design fees									0
Architecture design fees for Schematic Drawings for tenant-paid tenant improvements									0
Design Subconsultants to the Architect (incl. Fees)									5,965
Architect Construction Admin	5,965						5,965		
Reimbursables	1,139						1,139		
Additional Services	1,423						1,423		
<i>Sub-total Architect Contract</i>	<i>31,025</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>31,025</i>		
Other Third Party design consultants (not included under Architect contract)	6,465						6,465		
<b>Total Architecture &amp; Design</b>	<b>37,489</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>37,489</b>		
<b>Engineering &amp; Environmental Studies</b>	3,806						3,806		
Survey	578						578		
Geotechnical studies	2,219						2,219		
Phase I & II Reports	1,009						1,009		
CEQA / Environmental Review consultants									0
NEPA / 106 Review									0
CNA/PNA (rehab only)									0
Other environmental consultants									0
<b>Total Engineering &amp; Environmental Studies</b>	<b>3,806</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,806</b>		
<b>Financing Costs</b>	52,386						52,386		
<b>Construction Financing Costs</b>	433						433		
Construction Loan Origination Fee									433
Construction Loan Interest	36,981						36,981		
Title & Recording	1,011						1,011		
CD/LAC & CD/LAC fees									0
Bond Issuer Fees									0
Other Bond Cost of Issuance	13,961						13,961		
Other Lender Costs (specify)									0
<i>Sub-total Const. Financing Costs</i>	<i>52,386</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>52,386</i>		
<b>Permanent Financing Costs</b>									
Permanent Loan Origination Fee									0
Credit Enhance. & Appl. Fee									0
Title & Recording									0
Commercial Loan Origination Fee									0
<i>Sub-total Perm. Financing Costs</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>		
<b>Total Financing Costs</b>	<b>52,386</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>52,386</b>		
<b>Legal Costs</b>	2,563						2,563		
Borrower Legal fees	289						289		
Land Use / CEQA Attorney fees									0
Tax Credit Counsel	1,300						1,300		
Bond Counsel									0
Construction Lender Counsel	578						578		
Permanent Lender Counsel									0
Lender inspection	397						397		
<b>Total Legal Costs</b>	<b>2,563</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,563</b>		
<b>Other Development Costs</b>	65,060						65,060		
Appraisal	455						455		
Market Study	289						289		
Insurance	16,743						16,743		
Property Taxes	3,581						3,581		Incurred during predev
Accounting / Audit	866						866		
Organizational Costs	325						325		
Entitlement / Permit Fees	14,720						14,720		Zoning and planning fees
Marketing / Lease-up	316						316		Community outreach
Furnishings									0
PGE / Utility Fees	8,792						8,792		
TCAC App / Alloc / Monitor Fees									0
Financial Consultant fees	1,191						1,191		
Construction Management fees / Owner's Rep	2,599						2,599		
Security during Construction									0
Relocation									0
Other consultants	15,183						15,183		
Other (specify)									0
<b>Total Other Development Costs</b>	<b>65,060</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>65,060</b>		
<b>Soft Cost Contingency</b>	14,680						14,680		
Contingency (Arch, Eng, Fin, Legal & Other Dev)									9.1%
<b>TOTAL SOFT COSTS</b>	<b>175,984</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>175,984</b>		

Total Soft Cost Contingency as % of Total Soft Costs

**RESERVES**

Operating Reserves									0
Replacement Reserves									0
Tenant Improvements Reserves									0
Commercial Lease-Up Reserves									0
Other (specify)									0
<b>TOTAL RESERVES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		

**DEVELOPER COSTS**

Commercial Developer Fee - Cash-out Paid at Milestones	125,000						125,000		
Other (specify)									0
Other (specify)									0
<b>TOTAL DEVELOPER COSTS</b>	<b>125,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>125,000</b>		

**TOTAL DEVELOPMENT COST**

Development Cost/SF by Source	1,475,036						1,475,036	
Development Cost/Unit as % of TDC by Source	1,263							
Acquisition Cost/SF by Source	139						139	
Construction Cost (inc. Const Contingency)/SF By Source	882							
Construction Cost (inc. Const Contingency)/SF	881.98						12.74	

Commercial Loan Amount: N/A  
 Commercial Loan Term (in years): N/A  
 Commercial Interest Rate (as %): N/A

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

Application Date: 11/20/20 2024
Year of Study: 2024
Fiscal Year: 2024

Project Name: 4500 Grand
Project Address: 4500 Grand Blvd
Project Sponsor: Tendonier Neighborhood Development Corporation

Table with columns: INCOME, Description, Amount, PUPAL, Comments. Includes rows for Rental Income, Other Income, and Total Income.

Table with columns: OPERATING EXPENSES, Description, Amount, PUPAL, Comments. Includes rows for Management, Sub-site Management Expenses, and Other Expenses.

Table with columns: OPERATING EXPENSES, Description, Amount, PUPAL, Comments. Includes rows for Sub-site Administration Expenses, Other Expenses, and Total Operating Expenses.

Table with columns: OPERATING EXPENSES, Description, Amount, PUPAL, Comments. Includes rows for Land and Contingency, Other Expenses, and Total Operating Expenses.

Table with columns: OPERATING EXPENSES, Description, Amount, PUPAL, Comments. Includes rows for Maintenance & Repair, Other Expenses, and Total Operating Expenses.

Table with columns: OPERATING EXPENSES, Description, Amount, PUPAL, Comments. Includes rows for Maintenance & Repair, Other Expenses, and Total Operating Expenses.

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Table with columns: OPERATING EXPENSES, Description, Amount, PUPAL, Comments. Includes rows for Maintenance & Repair, Other Expenses, and Total Operating Expenses.

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



MOHCD Proforma - 20 Year Cash Flow Summary

4200 Geary

Total # Units:	88	20	78	Year 7	Year 8			Year 9			Year 10			Year 11			Year 12			Year 13				
					2020		2021		2022		2023		2024		2025		2026		2027		2028		2029	
					LOSP Units	Non-LOSP Units	LOSP Units	Non-LOSP Units	LOSP Units	Non-LOSP Units	LOSP Units	Non-LOSP Units	LOSP Units	Non-LOSP Units	LOSP Units	Non-LOSP Units	LOSP Units	Non-LOSP Units	LOSP Units	Non-LOSP Units	LOSP Units	Non-LOSP Units	LOSP Units	Non-LOSP Units
					% annual inc LOSP	% annual increase	% annual inc LOSP	% annual increase	% annual inc LOSP	% annual increase	% annual inc LOSP	% annual increase	% annual inc LOSP	% annual increase	% annual inc LOSP	% annual increase	% annual inc LOSP	% annual increase	% annual inc LOSP	% annual increase	% annual inc LOSP	% annual increase	% annual inc LOSP	% annual increase
INCOME																								
Residential - Tenant Rents	2.5%	2.5%	1,083,873	1,123,454	71,321	1,110,859	1,182,291	73,104	1,138,744	1,211,848	74,932	1,167,212	1,242,144	76,805	1,196,393	1,273,198	78,729	1,226,302	1,305,028	80,693	1,256,950			
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a	429,388	429,388	-	440,123	440,123	-	451,126	451,126	-	462,404	462,404	-	473,964	473,964	-	485,813	485,813	-	497,959			
Residential - LOSP Tenant Assistance Payments	n/a	n/a	-	253,796	282,320	-	293,226	271,159	-	271,159	-	280,328	-	289,528	-	298,833	-	299,692	-	299,692	-	309,915		
Commercial Space	n/a	2.5%	-	27,324	-	-	28,007	-	-	28,707	-	-	29,424	-	-	30,166	-	-	-	30,914	-	-		
Other Income	n/a	n/a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Gross Potential Income	n/a	n/a	1,518,934	1,871,054	335,995	1,556,907	1,920,088	348,734	1,595,830	1,970,296	356,785	1,635,726	2,021,935	368,283	1,676,619	2,074,982	380,621	1,718,534	2,129,470	392,253	1,761,498			
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	(64,196)	(51,873)	(3,366)	(55,548)	(56,116)	(3,655)	(56,537)	(60,552)	(3,747)	(56,581)	(62,107)	(3,840)	(59,620)	(63,960)	(3,936)	(61,315)	(65,251)	(4,035)	(62,849)			
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a	(21,469)	(21,469)	-	(22,058)	(22,058)	-	(22,656)	(22,656)	-	(23,254)	(23,254)	-	(23,851)	(23,851)	-	(24,449)	(24,449)	-	(25,048)			
Vacancy Loss - Commercial	n/a	n/a	-	-	-	(7,002)	(7,002)	-	(7,177)	(7,177)	-	-	-	-	-	(7,352)	-	-	-	(7,527)	-	-		
EFFECTIVE GROSS INCOME	n/a	n/a	1,443,271	1,795,081	331,528	1,479,353	1,811,666	342,059	1,516,337	1,879,965	353,039	1,554,245	1,929,352	364,363	1,593,191	1,980,984	376,685	1,632,529	2,032,159	388,219	1,673,752			
OPERATING EXPENSES																								
Management	3.5%	3.5%	99,666	125,222	26,450	103,158	129,605	27,376	108,765	134,141	28,334	110,802	138,836	29,325	114,369	143,895	30,352	118,372	148,724	31,414	122,515			
Salaries/Benefits	3.5%	3.5%	286,442	359,889	76,017	296,458	372,485	78,078	306,844	385,522	81,432	317,584	399,015	84,282	328,099	412,981	87,232	340,204	427,435	90,285	352,111			
Administration	3.5%	3.5%	87,031	109,789	22,519	90,078	113,997	23,508	93,200	116,938	24,503	96,493	120,917	25,498	99,071	124,936	26,494	103,366	130,208	28,746	108,984			
Utilities	3.5%	3.5%	131,298	164,122	33,973	135,893	169,867	35,162	140,650	175,812	36,393	145,572	181,965	37,667	150,667	188,334	38,985	155,941	194,826	40,350	161,399			
Taxes and Licenses	3.5%	3.5%	45,034	55,569	11,339	46,810	58,549	12,357	48,242	60,599	12,789	49,930	62,719	13,237	51,676	64,915	13,700	53,466	67,187	14,189	55,359			
Insurance	3.5%	3.5%	167,978	209,972	43,464	173,851	217,321	44,985	179,942	224,927	46,560	186,240	232,800	48,190	192,758	240,948	49,876	199,505	249,381	51,622	208,487			
Maintenance & Repair	3.5%	3.5%	315,987	399,215	82,901	327,046	409,047	84,071	338,493	423,364	87,842	350,340	438,182	90,918	362,802	453,518	94,098	375,293	469,391	97,392	388,428			
Supportive Services	3.5%	3.5%	89,043	89,043	-	89,912	89,912	-	87,884	87,884	-	80,960	80,960	-	84,143	84,143	-	87,438	87,438	-	90,849			
Commercial Expenses	n/a	n/a	-	8,154	-	-	8,439	-	-	8,734	-	-	9,040	-	-	9,357	-	-	9,684	-	-			
TOTAL OPERATING EXPENSES	n/a	n/a	1,215,477	1,509,973	296,364	1,258,019	1,562,822	306,737	1,302,049	1,617,521	317,473	1,347,821	1,674,134	328,584	1,394,788	1,732,729	340,085	1,443,605	1,793,374	351,888	1,494,131			
Reserves/Ground Lease Base Rent/Bond Fees																								
Ground Lease Base Rent																								
Bond Monthly Fee																								
Replacement 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 (w/ Reserves/GL Base Rent/Bond Fees)																								
NET OPERATING INCOME (INCOME minus OP EXPENSES)																								
DEBT SERVICE/MUST PAY PAYMENTS (Hard debt/amortized loans)																								
1st Debt - First Lender																								
1st Debt - Second Lender (HCD Program 0-2% term, or other 2nd Lender)																								
1st Debt - Third Lender (Other HCD Program, or other 3rd Lender)																								
1st Debt - Fourth Lender																								
Commercial Hard Debt Service																								
TOTAL HARD DEBT SERVICE																								
CASH FLOW (NOI minus DEBT SERVICE)																								
USES OF CASH FLOW BELOW (This row also shows DSCR)																								
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL																								
Deferred Developer Fee (Enter amt <= Max Fee from row 131)																								
Below-the-line Asset Mgt Fee (uncommon in new projects, see policy)																								
Partnership Management Fee (see policy for limits)																								
Inventory Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)																								
Other Payments																								
Non-amortizing Loan Pmt - Lender 1																								
Non-amortizing Loan Pmt - Lender 2																								
TOTAL PAYMENTS PRECEDING MOHCD																								
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)																								
Does Project have a MOHCD Residual Receipt Obligation?																								
Will Project Defeat Developer Fee?																								
1st Residual Receipts Split - Lender/Deferred Developer Fee																								
MOHCD RESIDUAL RECEIPTS DEBT SERVICE																								
MOHCD Residual Receipts Amount Due																								
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease																								
Proposed MOHCD Residual Receipts Amount to Replacement Reserve																								
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/Loans																								
Final Balance (should be zero)																								
RR Running Balance																								
OR Running Balance																								
Other Required Reserve 1 Running Balance																								
Other Required Reserve 2 Running Balance																								
DEFERRED DEVELOPER FEE - RUNNING BALANCE																								
Developer Fee Starting Balance																								
Deferred Developer Fee Earned in Year																								
Developer Fee Remaining Balance																								

MOHCD Prelim - 20 Year Cash Flow Summary

4200 Geary

Total # Units:	LOSP Units		Non-LOSP Units		Year 14			Year 15			Year 16			Year 17			Year 18			Year 19			Year 20																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
	08	78	78	78	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
	% annual inc LOSP	% annual increase	% annual inc LOSP	% annual increase	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
Residential - Tenant Rents	n/a	n/a	2.5%	2.5%	1,337,653	62,711	1,274,942	1,371,085	64,778	1,306,304	1,405,372	66,898	1,333,608	1,440,506	69,070	1,367,449	1,476,519	91,297	1,422,138	1,513,432	93,580	1,457,688	1,551,268	95,863	1,493,551	1,582,973	98,146	1,530,406	1,621,726	100,410	1,567,768	1,657,579	102,674	1,604,642	1,700,433	104,929	1,642,471	1,739,561	107,192	1,680,962	1,777,162	110,000	1,719,262	1,819,562	112,813	1,758,475	1,861,562	115,625	1,797,198	1,910,062	118,427	1,836,325	1,959,562	121,000	1,875,825	2,000,062	123,192	1,913,825	2,049,562	125,313	1,954,325	2,090,062	127,417	1,993,825	2,131,562	129,674	2,033,825	2,172,562	131,875	2,074,325	2,214,062	134,271	2,115,325	2,254,562	136,913	2,156,325	2,295,062	139,000	2,197,325	2,295,062	141,227	2,238,325	2,336,062	143,556	2,280,325	2,336,062	145,929	2,321,325	2,336,062	148,313	2,363,325	2,336,062	150,813	2,406,325	2,336,062	153,313	2,448,325	2,336,062	155,813	2,493,325	2,336,062	157,929	2,531,325	2,336,062	160,143	2,572,325	2,336,062	162,625	2,611,325	2,336,062	164,929	2,651,325	2,336,062	167,813	2,731,325	2,336,062	170,625	2,811,325	2,336,062	173,813	2,891,325	2,336,062	177,143	2,971,325	2,336,062	180,813	3,051,325	2,336,062	184,813	3,131,325	2,336,062	188,813	3,211,325	2,336,062	193,813	3,291,325	2,336,062	198,813	3,371,325	2,336,062	203,813	3,451,325	2,336,062	208,813	3,531,325	2,336,062	213,813	3,611,325	2,336,062	218,813	3,691,325	2,336,062	223,813	3,771,325	2,336,062	228,813	3,851,325	2,336,062	233,813	3,931,325	2,336,062	238,813	4,011,325	2,336,062	243,813	4,091,325	2,336,062	248,813	4,171,325	2,336,062	253,813	4,251,325	2,336,062	258,813	4,331,325	2,336,062	263,813	4,411,325	2,336,062	268,813	4,491,325	2,336,062	273,813	4,571,325	2,336,062	278,813	4,651,325	2,336,062	283,813	4,731,325	2,336,062	288,813	4,811,325	2,336,062	293,813	4,891,325	2,336,062	298,813	4,971,325	2,336,062	303,813	5,051,325	2,336,062	308,813	5,131,325	2,336,062	313,813	5,211,325	2,336,062	318,813	5,291,325	2,336,062	323,813	5,371,325	2,336,062	328,813	5,451,325	2,336,062	333,813	5,531,325	2,336,062	338,813	5,611,325	2,336,062	343,813	5,691,325	2,336,062	348,813	5,771,325	2,336,062	353,813	5,851,325	2,336,062	358,813	5,931,325	2,336,062	363,813	6,011,325	2,336,062	368,813	6,091,325	2,336,062	373,813	6,171,325	2,336,062	378,813	6,251,325	2,336,062	383,813	6,331,325	2,336,062	388,813	6,411,325	2,336,062	393,813	6,491,325	2,336,062	398,813	6,571,325	2,336,062	403,813	6,651,325	2,336,062	408,813	6,731,325	2,336,062	413,813	6,811,325	2,336,062	418,813	6,891,325	2,336,062	423,813	6,971,325	2,336,062	428,813	7,051,325	2,336,062	433,813	7,131,325	2,336,062	438,813	7,211,325	2,336,062	443,813	7,291,325	2,336,062	448,813	7,371,325	2,336,062	453,813	7,451,325	2,336,062	458,813	7,531,325	2,336,062	463,813	7,611,325	2,336,062	468,813	7,691,325	2,336,062	473,813	7,771,325	2,336,062	478,813	7,851,325	2,336,062	483,813	7,931,325	2,336,062	488,813	8,011,325	2,336,062	493,813	8,091,325	2,336,062	498,813	8,171,325	2,336,062	503,813	8,251,325	2,336,062	508,813	8,331,325	2,336,062	513,813	8,411,325	2,336,062	518,813	8,491,325	2,336,062	523,813	8,571,325	2,336,062	528,813	8,651,325	2,336,062	533,813	8,731,325	2,336,062	538,813	8,811,325	2,336,062	543,813	8,891,325	2,336,062	548,813	8,971,325	2,336,062	553,813	9,051,325	2,336,062	558,813	9,131,325	2,336,062	563,813	9,211,325	2,336,062	568,813	9,291,325	2,336,062	573,813	9,371,325	2,336,062	578,813	9,451,325	2,336,062	583,813	9,531,325	2,336,062	588,813	9,611,325	2,336,062	593,813	9,691,325	2,336,062	598,813	9,771,325	2,336,062	603,813	9,851,325	2,336,062	608,813	9,931,325	2,336,062	613,813	10,011,325	2,336,062	618,813	10,091,325	2,336,062	623,813	10,171,325	2,336,062	628,813	10,251,325	2,336,062	633,813	10,331,325	2,336,062	638,813	10,411,325	2,336,062	643,813	10,491,325	2,336,062	648,813	10,571,325	2,336,062	653,813	10,651,325	2,336,062	658,813	10,731,325	2,336,062	663,813	10,811,325	2,336,062	668,813	10,891,325	2,336,062	673,813	10,971,325	2,336,062	678,813	11,051,325	2,336,062	683,813	11,131,325	2,336,062	688,813	11,211,325	2,336,062	693,813	11,291,325	2,336,062	698,813	11,371,325	2,336,062	703,813	11,451,325	2,336,062	708,813	11,531,325	2,336,062	713,813	11,611,325	2,336,062	718,813	11,691,325	2,336,062	723,813	11,771,325	2,336,062	728,813	11,851,325	2,336,062	733,813	11,931,325	2,336,062	738,813	12,011,325	2,336,062	743,813	12,091,325	2,336,062	748,813	12,171,325	2,336,062	753,813	12,251,325	2,336,062	758,813	12,331,325	2,336,062	763,813	12,411,325	2,336,062	768,813	12,491,325	2,336,062	773,813	12,571,325	2,336,062	778,813	12,651,325	2,336,062	783,813	12,731,325	2,336,062	788,813	12,811,325	2,336,062	793,813	12,891,325	2,336,062	798,813	12,971,325	2,336,062	803,813	13,051,325	2,336,062	808,813	13,131,325	2,336,062	813,813	13,211,325	2,336,062	818,813	13,291,325	2,336,062	823,813	13,371,325	2,336,062	828,813	13,451,325	2,336,062	833,813	13,531,325	2,336,062	838,813	13,611,325	2,336,062	843,813	13,691,325	2,336,062	848,813	13,771,325	2,336,062	853,813	13,851,325	2,336,062	858,813	13,931,325	2,336,062	863,813	14,011,325	2,336,062	868,813	14,091,325	2,336,062	873,813	14,171,325	2,336,062	878,813	14,251,325	2,336,062	883,813	14,331,325	2,336,062	888,813	14,411,325	2,336,062	893,813	14,491,325	2,336,062	898,813	14,571,325	2,336,062	903,813	14,651,325	2,336,062	908,813	14,731,325	2,336,062	913,813	14,811,325	2,336,062	918,813	14,891,325	2,336,062	923,813	14,971,325	2,336,062	928,813	15,051,325	2,336,062	933,813	15,131,325	2,336,062	938,813	15,211,325	2,336,062	943,813	15,291,325	2,336,062	948,813	15,371,325	2,336,062	953,813	15,451,325	2,336,062	958,813	15,531,325	2,336,062	963,813	15,611,325	2,336,062	968,813	15,691,325	2,336,062	973,813	15,771,325	2,336,062	978,813	15,851,325	2,336,062	983,813	15,931,325	2,336,062	988,813	16,011,325	2,336,062	993,813	16,091,325	2,336,062	998,813	16,171,325	2,336,062	1,003,813	16,251,325	2,336,062	1,008,813	16,331,325	2,336,062	1,013,813	16,411,325	2,336,062	1,018,813	16,491,325	2,336,062	1,023,813	16,571,325	2,336,062	1,028,813	16,651,325	2,336,062	1,033,813	16,731,325	2,336,062	1,038,813	16,811,325	2,336,062	1,043,813	16,891,325	2,336,062	1,048,813	16,971,325	2,336,062	1,053,813	17,051,325	2,336,062	1,058,813	17,131,325	2,336,062	1,063,813	17,211,325	2,336,062	1,068,813	17,291,325	2,336,062	1,073,813	17,371,325	2,336,062	1,078,813	17,451,325	2,336,062	1,083,813	17,531,325	2,336,062	1,088,813	17,611,325	2,336,062	1,093,813	17,691,325	2,336,062	1,098,813	17,771,325	2,336,062	1,103,813	17,851,325	2,336,062	1,108,813	17,931,325	2,336,062	1,113,813	18,011,325	2,336,062	1,118,813	18,091,325	2,336,062	1,123,813	18,171,325	2,336,062	1,128,813	18,251,325	2,336,062	1,133,813	18,331,325	2,336,062	1,138,813	18,411,325	2,336,062	1,143,813	18,491,325	2,336,062	1,148,813	18,571,325	2,336,062	1,153,813	18,651,325	2,336,062	1,158,813	18,731,325	2,336,062	1,163,813	18,811,325	2,336,062	1,168,813	18,891,325	2,336,062	1,173,813	18,971,325	2,336,062	1,178,813	19,051,325	2,336,062	1,183,813	19,131,325	2,336,062	1,188,813	19,211,325	2,336,062	1,193,813	19,291,325	2,336,062	1,198,813	19,371,325	2,336,062	1,203,813	19,451,325	2,336,062	1,208,813	19,531,325	2,336,062	1,213,813	19,611,325	2,336,062	1,218,813	19,691,325	2,336,062	1,223,813	19,771,325	2,336,062	1,228,813	19,851,325	2,336,062	1,233,813	19,931,325	2,336,062	1,238,813	20,011,325	2,336,062	1,243,813	20,091,325	2,336,062	1,248,813	20,171,325	2,336,062	1,253,813	20,251,325	2,336,062	1,258,813	20,331,325	2,336,062	1,263,813	20,411,325	2,336,062	1,268,813	20,491,325	2,336,062	1,273,813	20,571,325	2,336,062	1,278,813	20,651,325	2,336,062	1,283,813	20,731,325	2,336,062	1,288,813	20,811,325	2,336,062	1,293,813	20,891,325</



MOHCD Proforma - 20 Year Cash Flow Summary

4200 Geary

Total # Units:	LOSP		Non-LOSP		Year 20		
	98	20	78	78	2043		
		20.00%	80.00%		% annual inc. LOSP	% annual increase	Total
<b>INCOME</b>							
Residential - Tenant Rents		2.5%	2.5%		95,919	1,484,130	1,580,049
Residential - Tenant Assistance Payments (Non-LOSP)		n/a	n/a		-	581,816	581,816
Residential - LOSP Tenant Assistance Payments		n/a	n/a		382,390	-	382,390
Commercial Space		n/a	2.5%		-	-	37,666
Other Income					-	-	-
<b>Gross Potential Income</b>					<b>480,264</b>	<b>2,093,667</b>	<b>2,611,797</b>
Vacancy Loss - Residential - Tenant Rents		n/a	n/a		(4,796)	(14,707)	(19,502)
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a		-	(28,568)	(28,568)
Vacancy Loss - Commercial		n/a	n/a		-	-	(8,416)
<b>EFFECTIVE GROSS INCOME</b>					<b>475,468</b>	<b>1,989,565</b>	<b>2,493,292</b>
<b>OPERATING EXPENSES</b>							
Management		3.5%	3.5%		39,868	155,874	195,841
Salaries/Benefits		3.5%	3.5%		114,867	447,983	562,851
Administration		3.5%	3.5%		34,028	136,119	170,142
Utilities		3.5%	3.5%		61,336	205,344	266,680
Taxes and Licenses		3.5%	3.5%		13,041	70,631	83,672
Insurance		3.5%	3.5%		65,677	262,709	328,387
Maintenance & Repair		3.5%	3.5%		123,909	484,189	618,099
Supportive Services		3.5%	3.5%		-	128,408	128,408
Commercial Expenses					-	-	12,752
<b>TOTAL OPERATING EXPENSES</b>					<b>447,827</b>	<b>1,900,952</b>	<b>2,361,531</b>
<b>RESERVES/GROUND LEASE BASE RENT/BOND FEES</b>							
Ground Lease Base Rent					3000	12000	15,000
Bond Monies/Fee					388	1562	1,950
Replacement Reserve Deposit					10000	39000	49,000
Operating Reserve Deposit					0	0	0
Other Required Reserve 1 Deposit					0	0	0
Other Required Reserve 2 Deposit					0	0	0
Required Reserve Deposits, Commercial					200	800	1,000
<b>Sub-total Reserves/Ground Lease Base Rent/Bond Fees</b>					<b>13,398</b>	<b>52,592</b>	<b>65,990</b>
<b>TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees)</b>					<b>461,225</b>	<b>1,953,544</b>	<b>2,427,521</b>
<b>NET OPERATING INCOME (INCOME minus OP EXPENSES)</b>					<b>14,243</b>	<b>36,620</b>	<b>65,761</b>
<b>DEBT SERVICE/MUST PAY PAYMENTS (hard debt/amortized loans)</b>							
1st Debt - First Lender					-	-	-
Hard Debt - Second Lender (HCD Program 0.42% term, or other 2nd Lender)					17,143	66,657	84,000
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)					-	-	-
Hard Debt - Fourth Lender					-	-	-
Commercial Hard Debt Service					-	-	-
<b>TOTAL HARD DEBT SERVICE</b>					<b>17,143</b>	<b>66,657</b>	<b>84,000</b>
<b>CASH FLOW (NOI minus DEBT SERVICE)</b>					<b>(2,899)</b>	<b>(30,437)</b>	<b>(18,239)</b>
<b>USES OF CASH FLOW BELOW (This row also shows DSCR)</b>							
<b>USES THAT PRECEED MOHCD DEBT SERVICE IN WATERFALL</b>					<b>DSCR:</b>		<b>0.78</b>
Deferred Developer Fee (Enter amt <= Max Fee from row 131)					-	-	-
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)		3.5%	3.5%		-	-	-
Partnership Management Fee (see policy for limits)		3.5%	3.5%		-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)					-	-	-
Other Payments					-	-	-
Non-amortizing Loan Pmt - Lender 1					-	-	-
Non-amortizing Loan Pmt - Lender 2					-	-	-
<b>TOTAL PAYMENTS PRECEDING MOHCD</b>							
<b>RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)</b>					<b>0</b>	<b>(19,239)</b>	<b>(18,239)</b>
<b>Does Project have a MOHCD Residual Receipt Obligation?</b>							
Will Project Defeat Developer Fee?					Yes		
1st Residual Receipts Split - Lender/Deferred Developer Fee					56% / 44%		
<b>MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>							
MOHCD Residual Receipts Amount Due					65.54%		
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease					-	-	-
Proposed MOHCD Residual Receipts Amount to Replacement Reserve					-	-	-
<b>REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>							
<b>NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>							
HCD Residual Receipts Amount Due					34.46%		
Lender 4 Residual Receipts Due					0.00%		
Lender 5 Residual Receipts Due					0.00%		
<b>Total Non-MOHCD Residual Receipts Debt Service</b>							
<b>REMAINDER (Should be zero unless there are distributions below)</b>							
Owner Distributions/Incentive Management Fee					-	-	-
Other Distributions/Uses					-	-	-
<b>Final Balance (should be zero)</b>							
<b>RR Running Balance</b>							<b>980,000</b>
<b>OR Running Balance</b>							<b>-</b>
<b>Other Required Reserve 1 Running Balance</b>							<b>-</b>
<b>Other Required Reserve 2 Running Balance</b>							<b>-</b>
<b>DEFERRED DEVELOPER FEE - RUNNING BALANCE</b>							
Developer Fee Startup Balance							<b>640,808</b>
Deferred Developer Fee Earned in Year							<b>-</b>
<b>Developer Fee Remaining Balance</b>							<b>640,808</b>

**Attachment L: Sponsor Audit Findings**

# City and County of San Francisco



*London Breed, Mayor*

# Human Services Agency

Department of Human Services  
Department of Aging and Adult Services  
Office of Early Care and Education

*Trent Rhorer, Executive Director*

May 23, 2019

Don Falk  
Executive Director  
Tenderloin Neighborhood Development Corporation  
201 Eddy Street  
San Francisco, CA 94102

**Subject: Fiscal Monitoring of HSA Grants for Tenderloin Neighborhood Development Corp for FY18-19**

<b>Department/Program</b>	<b>Contract Name/Description</b>
HSA	320-330 Clementina-RAD Seniors
HSA	430 Turk-RAD Seniors
HSA	939-951 Eddy - RAD Seniors
HSA	1251 Turk Rosa Parks - RAD Seniors

Dear Mr. Falk:

This letter conveys the results of the Citywide fiscal and compliance desk audit monitoring conducted on 05/03/2019.

The fiscal monitoring included the review of the following documents:

1. Agency-wide budget and cost allocation plan
2. Board minutes
3. Recent 990 form
4. Recent DE 9, DE 9C, and 941 reports
5. Most recent audited financial statements
6. Financial reports, balance sheets, and profit loss statements
7. Supporting documentation for invoices for two current year billing months
  - A. For 430 Turk RAD:
    - NCPHS-Office Supplies - \$690.02
    - Utilities - \$474.60
  - B. For the 939 Eddy RAD:
    - NCPHS – Rent \$28.22

The compliance monitoring included the review of the following documents:

1. Board roster, bylaws, meeting minutes

We are pleased to report that there were no findings identified in our fiscal and compliance monitoring.

Monitoring staff also reviewed governance practices (based on Section 3 of the Standard Monitoring Form: Board of Director Best Practices). While governance best practice results are not classified as “findings” for the purposes of this Monitoring Report Letter, they are important indicators of healthy nonprofit agencies. We are pleased to report that your agency is also in conformance with all governance best practices.

Please extend our appreciation to your staff for their preparation in advance of the monitoring and assistance during the process. We thank you for your work in serving the San Francisco community.

Sincerely,

A handwritten signature in black ink, reading "Esperanza Zapien". The signature is written in a cursive style with a large, looping initial "E".

Esperanza Zapien  
Senior Contract Manager  
Human Services Agency

cc: Paul Carney – TNDC-Fiscal Officer  
Lisa Blakely – TNDC- Board President  
Ofelia Trevino – HSA Program Manager