

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

Local Operating Subsidy Program LOSP Contract

Prepared By: Omar Masry

Loan Committee Date: August 5, 2022

Borrower/Grantee Name: 681 Florida Housing Associates, L.P., a California limited partnership

Sponsor Name(s): Mission Economic Development Agency (MEDA) and Tenderloin Neighborhood Development Corporation (TNDC)

Project Name: Casa Adelante¹ at 681 Florida Street

Project Address: 681 Florida Street

Number of Units/Beds: 130 units (include 39 LOSP supported units)

Amount of Funds Requested: *Local Operating Subsidy Program (LOSP)*
up to \$451,459 for Year 1 budget²
up to \$9,382,902 for 15 years

Amount of Funds Recommended: up to \$9,382,902

¹ The name "Casa Adelante" is used at multiple MEDA-operated affordable housing communities elsewhere in San Francisco. Casa Adelante approximately translates to "Home Forward."

² Pro-rated for the 2022 calendar year to \$188,108, based on an August 2022 assumed in-service date.

1. SUMMARY

1.1. Request Summary

MEDA and TNDC (“Sponsors”) request up to \$9,382,902 in General Funds from the Local Operating Subsidy Program (“LOSP”) to subsidize operations of 39 units at Casa Adelante at 681 Florida Street. Sponsors have formed 681 Florida Housing Associates, L.P., a California limited partnership (“Partnership”), which will be the Grantee of the LOSP operating subsidies.

The nine-story new construction housing building will feature 130 units, including one manager’s unit, ranging in size from studios to three-bedroom units. Thirty percent of the 130 overall affordable units will be set aside as 39 permanent supportive housing units (PSH) for adults and families previously experiencing homelessness. Casa Adelante at 681 Florida Street (“Project”) is under construction and expected to achieve TCO and be ready for lease up in August 2022.

When this Project was approved for bridge and permanent gap financing by Loan Committee on August 7, 2020, the operating budget estimated first year operating expenses of \$419,539 for LOSP supported units and \$987,520 for non-LOSP supported units (Total for all 130 units: \$1,407,059 – Per Unit Per Annum [PUPA] \$10,824 - LOSP Subsidy \$334,374).

The overall first year operating budget as part of this LOSP request is now \$514,895 for LOSP supported units and \$1,154,488 for non-LOSP supported units (Total for all 130 units: \$1,669,383 – PUPA \$12,841 – LOSP Subsidy \$451,459 - pro-rated to \$188,108 for an August 2022 in-service date).

This current overall operating budget, for all 130 units, represents an approximately 18% increase in overall first year operating costs, as compared to the 2020 operating budget, which is discussed further below.

1.2. Project Overview

1.2.1. Site

The Project site is City-owned and has a ground lease with the Partnership. The Partnership owns the improvements on the land. The nine-story building is currently completing construction and is expected to open August 2022.

1.2.2. Financial Structure Background

The City acquired the affordable site from Podell Company on May 11, 2018. On August 7, 2020, the Citywide Affordable Housing Committee approved \$33,826,507 in permanent gap financing and \$1,250,000 in funds to bridge an anticipated Affordable Housing Program (“AHP”) loan with Federal Home Loan Bank. The AHP Bridge Loan has been repaid to MOHCD.

The Project is financed with a mix of funds as shown in the table below.

The Sponsor intends to evaluate opportunities to review and achieve additional cost savings (currently estimated at \$5.5 million) through savings from direct contracts, soft and hard contingencies, savings on construction loan interest, and by possibly forgoing or modifying the permanent loan, shown below. The Sponsors will review such changes separately with MOHCD at permanent loan conversion. Additional soft loan funds from the City are not anticipated.

Permanent Sources and Uses Summary for Development*

Permanent Sources	Amount	Terms
MOHCD – Gap	\$33,826,507	57 yrs. 0% Res Rec
HCD – MHP	\$14,706,000	55 yrs. @ 3.0%
FHLB – AHP	\$1,250,000	0%
Permanent Loan	\$3,050,000	20 yrs. @ 3.45%
Podell (Developer)	\$961,849	0%
LIHTC Tax Credit Equity	\$33,912,411	\$0.885 per Credit
General Partner Equity	\$100	
Deferred Developer Fee	\$2,537,146	
Total	\$90,244,013	

*The original sources and uses associated with the 2020 MOHCD gap loan was similar to the table above; though the prior total was \$90,337,308; the permanent loan was estimated at a higher amount of \$3,260,000; tax credit equity was estimated at a lower amount of \$33,796,286; and the deferred developer fee was estimated at a lower amount of \$2,536,566.

1.2.3 Design

The building is U-shaped with a network of interior and exterior shared spaces. The main entry on Florida Street will provide private access to the housing lobby for building residents and a separate, atrium-like entrance on Florida will provide access to the Arts/PDR space. The Project also includes a two-bedroom mobility unit that opens to the third-floor courtyard that will be used for Family Day Care.

The design concept and program addressed three goals: 1) foster a safe home for families and an inclusive environment; 2) offer resident and community amenities including onsite services; and 3) create an accessible, affordable place for arts-focused production. Additionally, it was important to include as many units as feasible, while providing multi-functional open space, a unit

mix emphasizing larger family sizes, and flexibly designed Arts/PDR space to accommodate a variety of potential uses.

The exterior permanent art will include six murals and an ornamental gate at the commercial space entrance.

The tables shown below provide a square footage breakdown, and income restrictions by unit type.

Square Footage Breakdown

Avg Unit SF by type:	Studio -340 sf 1-bedroom - 520 sf 2-bedroom - 810 sf 3-bedroom - 1,150 sf
Residential SF:	89,660 sf (units only)
Circulation SF:	20,820 sf (residential circulation, covered exterior – egress, elevator shaft)
Common Area SF:	11,130 sf (community room, lobby, offices, laundry room, utility)
Arts/PDR Commercial Space:	9,250 sf
Open Space:	Levels 3 (2,810 SF) and 9 (2,410 SF)
Building Total SF:	136,080

Unit Sizes and Income Restrictions

UNIT SIZE	MAXIMUM INCOME LEVEL			
NON-LOTTERY	No. of Units	MOHCD	TCAC and MHP	Tenant Assistance Payment Notes
1 BR – [LOSP]	18	25% MOHCD AMI	20% TCAC AMI	LOSP Supported. Estimated Tenant Paid Monthly Rent: \$250
2 BR – [LOSP]	17	25% MOHCD AMI	20% TCAC AMI	LOSP Supported. Estimated Tenant Paid Monthly Rent: \$250
3 BR – [LOSP]	4	25% MOHCD AMI	20% TCAC AMI	LOSP Supported. Estimated Tenant Paid Monthly Rent: \$250
Sub-Total	39			
LOTTERY				
0 BR	12	35% MOHCD AMI	30% TCAC AMI	
0 BR	2	40% MOHCD AMI	35% TCAC AMI	
0 BR	4	50% MOHCD AMI	40% TCAC AMI	

0 BR	5	60% MOHCD AMI	50% TCAC AMI	
0 BR	21	85% MOHCD AMI	70% TCAC AMI	
Sub-Total	44			
1 BR	2	35% MOHCD AMI	30% TCAC AMI	
1 BR	2	40% MOHCD AMI	35% TCAC AMI	
1 BR	1	50% MOHCD AMI	40% TCAC AMI	
1 BR	3	60% MOHCD AMI	50% TCAC AMI	
1 BR	4	85% MOHCD AMI	70% TCAC AMI	
Sub-Total	12			
2 BR	5	35% MOHCD AMI	30% TCAC AMI	
2 BR	5	40% MOHCD AMI	35% TCAC AMI	
2 BR	3	50% MOHCD AMI	40% TCAC AMI	
2 BR	3	60% MOHCD AMI	50% TCAC AMI	
2 BR	8	85% MOHCD AMI	70% TCAC AMI	
Sub-Total	24			
3 BR	3	35% MOHCD AMI	30% TCAC AMI	
3 BR	2	40% MOHCD AMI	35% TCAC AMI	
3 BR	2	50% MOHCD AMI	40% TCAC AMI	
3 BR	1	60% MOHCD AMI	50% TCAC AMI	
3 BR	2	85% MOHCD AMI	70% TCAC AMI	
Sub-Total	10			
STAFF UNITS				
1 BR	1			
TOTAL	130			
PROJECT AVERAGE AMI		49% MOHCD		
AVERAGE AMI FOR LOTTERY UNITS ONLY		60% MOHCD		

1.2.4. Commercial Space

Carnival San Francisco is a 501(c)3 non-profit organization (affiliated with Cultura y Arte Nativa de Las Americans, or CANA), which was awarded via a competitive RFP (issued September 2018), for the right to develop and enter into a lease for the 9,250 sf commercial space (designated as: Production, Distribution & Repair, or “PDR”) on the ground floor of the Project.

The Project has been subdivided into three separate air rights parcels, which includes two non-contiguous commercial spaces, and with the residential units in a third separate air rights parcel. All parcels will be owned by the

Partnership during construction, and at permanent conversion the two commercial parcels will be transferred to a commercial entity affiliated with the development team (not including Carnaval) members.

The Sponsors have signed a letter of intent with Carnaval, and a lease is nearing completion and execution. Space programming is envisioned to include artist spaces, makers spaces, and other related art and culture workshops. The Office of Economic and Workforce Development (OEWD) is assisting with grants for final tenant improvements and to support sub-tenants within the Carnaval area. Continued fundraising is in progress and will affect the possible opening date of the commercial space, which is estimated in 2023.

Due to the commercial space being a separate condo, the income or loss of this space does not affect the residential units at all, nor this space require LOSP subsidy.

1.2.5. Supportive Services Spaces & Property Management Offices

The supportive services spaces on the ground floor include three staff offices for three (3) FTE social workers. Together, the three rooms make up 324 square feet of services space.

TNDC will provide overall property management for all residential units and will also provide staff for supportive services for both LOSP supported units and non-LOSP units.

2. OPERATING BUDGET SUMMARY

2.1. Annual Operating Budget

Annual operating expenses, before reserves and fees, are budgeted at \$12,841 PUPA in Year 1 (\$1,669,383 in total expenses, which includes \$514,895 in LOSP-supported unit expense and \$1,154,488 in non-LOSP unit expenses), for all 130 units. Please see Attachment B for a first-year operating budget.

The original operating budget reviewed by the Loan Committee in August 2020 budgeted a \$10,824 PUPA (\$1,407,059 in total expenses and \$419,539 in LOSP-supported unit expenses) in Year 1, before reserves and fees for all 130 units.

The approximately 18% increase in overall operating costs, as compared to the August 2020 estimate, is due primarily to substantial increases in insurance premiums, administrative overhead, changes in maintenance and repair estimates and increased utilities.

For example, estimated overall electricity costs for the building and 39 LOSP-supported units (residents of the remaining units not supported by LOSP will pay for their own electricity usage) increased from \$60,915 to \$83,700 due to both electricity rate increases and a switch to all-electric appliances in lieu of a mix of

electric and natural gas fueled appliances. See the comparison table below.

**Sample Comparison of Operating Expenses by PUPA at
 2020 Gap Loan and Current LOSP Request**

Expense Category	2020 Gap Loan	2022 LOSP
Insurance	\$651	\$1,423
Administration	\$715	\$956
Utilities (Electric & Water)	\$2,187	\$2,565
Maintenance & Repair	\$2,707	\$3,667

The proposed staffing plan (not including support services staff as detailed in Section 4) represents an overall building property management staff (8.8 FTE) to unit/household ratio of 1 to ~14.72, which appears similar to other buildings with a comparable number of overall units and similar number of LOSP-supported units.

Salaries for property management and maintenance staff total \$423,720 for the 8.8 FTE in the first year. The overall number of FTEs is similar to that projected in 2020 during the gap loan request. However, the original request included off-site staff (home office salaries of \$22,858) that are no longer included, and overall salaries have increased since the gap loan request to provide competitive wages. For example, the combined salaries for the general manager and assistant general manager were originally estimated at \$101,000 per year and are now projected at a combined amount of \$117,000.

Property Staffing Chart

(not including Supportive Services Staff – See Section 4)

Title	FTE	Annual Salary Expenses
General Manager	1	\$68,000
Assistant Manager	1	\$49,000
Front Desk Clerks	2.4	\$99,840
Night Manager/Building Attendant*	0.4	\$7,200
Maintenance Technician	2	\$116,480
Custodians	2	\$83,200
Total FTEs and Expenses	8.8	\$423,720

*This salary expense is akin to an additional pay incentive provided to an existing staff member (position to be determined) to be available and on-call during non-business hours.

The proposed operating budget assumes salaries for front desk clerk costs are prorated at 70% for the 39 LOSP-supported units. This higher ratio of salaries (for front-desk clerks only) funded primarily by the LOSP subsidy is in line with

similar recent LOSP approvals at other MOHCD portfolio projects and is justified by the increased demand for front desk services typically associated with LOSP-supported units.

These overall operating expenses are nearly 9% lower than the average of four comparable partially supportive housing projects (*100% overall affordable housing developments that feature a smaller portion of permanently supportive [“PSH”] units, that are typically LOSP-subsidized*) in MOHCD’s portfolio. See Section 3.2 for an analysis of these expenses against similar LOSP-supported properties.

Factors that tend to result in lower operating expenses here (across the overall LOSP portfolio) include fewer central office costs passed through the Project, and efficiencies created by larger unit counts and larger LOSP unit counts, which in turn results in more efficient staffing (FTE) ratios.

2.2. Income

Tenant rents for the 39 LOSP subsidized units are assumed at \$250 per unit, per month (per recent input from HSH and the Sponsor), and tenants will pay no more than 30% of their income in rent per LOSP policy. The LOSP subsidized units in the Project are income restricted as follows:

Unit Type	Number of LOSP Units	Proposed Avg. Sq. Ft.	Assumed Rent	Max MOHCD % AMI	Max TCAC % AMI	Max AHP % AMI	Rent or Operating Subsidies
1 BR	18	520	\$250	25%	20%	50%	LOSP
2 BR	17	810	\$250	25%	20%	50%	LOSP
3 BR	4	1,150	\$250	25%	20%	50%	LOSP
Total	39						

The Project’s MOHCD loan is the most income restrictive and restricts the 39 LOSP supported units to 25% MOHCD AMI.

LOSP Subsidy: The LOSP subsidy in the Year 1 Operating Budget is proposed at \$451,459 (\$12,841 PUPA), and pro-rated to \$188,108 based on an August 2022, in-service date. The subsidy increases approximately 3.5% each year and is affected by the difference between costs and tenant paid income.

Effective Gross Income: Between tenant rents, the LOSP subsidy, and assumed vacancy loss, the effective gross income for Year 1 is \$2,056,918 (\$565,594 for LOSP units and \$1,491,325 for non-LOSP units).

2.3. Annual Operating Expenses Evaluation

Property operations will be funded through tenant rents and the proposed LOSP subsidy contract, and expenses are proportionally split as 30% LOSP and 70% Non-LOSP, with the exception of the front desk coverage. Supportive services

staff for the 39 LOSP supported units will be primarily supported through a separate contract between the Developers and HSH (see Section 4 below).

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	The DSCR is 1.113 in Year 1 and declines to below 1 in Year 8 and declines further to 0.76 in Year 15. The Sponsor is evaluating the possibility of utilizing construction and contingency savings and modifying/removing the permanent loan, in order to improve cash flow, so as to bring the DSCR within standard.
Debt Service Coverage Ratio stays above 1.00:1 for entirety of projected 20-year cash flow	N	See above.
Vacancy meets TCAC Standards	Y	Vacancy is budgeted at 5%
Annual Income Growth is increased at 2.5% per year for non-LOSP income and 1% per year for LOSP tenant income	Y	Income escalation factor is 1% for LOSP supported units, given the target population and historic increases in SSI/SSDI (social security disability) benefits. Income escalation factor is 2.5% for non-LOSP supported units.
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 \$12,841 per unit before reserves. This is approximately 13% lower than the average of the three comparable projects.
Property Management Fee is at allowable HUD Maximum	Y	Total Property Management Fee is \$92,040 (\$27,612 for 39 LOSP supported units), which is \$59 per unit per month (PUPM) and is lower than the HUD maximum of \$81 PUPM.
Property Management staffing level is reasonable per comparables	Y	The staffing budget is similar to other projects, with respect to unit size.
Asset Management and Partnership Management Fees meet standards	Y	Annual AM Fee is \$23,460 /yr. (2022 start year). Annual PM Fee is \$13,418/yr. (2022 start year) Both fees are pro-rated for LOSP supported units and meet the AM fee limits and falls below the combined fee limit of \$46,910.
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	N	LP Asset Management Fee is proposed at \$8,500 / year. Standard maximum is \$5,000 / year. Wells Fargo is requiring an \$8,500 investor services fee that escalates 3.5% per year.

Contracts: – This line item in the amount of \$35,564 covers Year 1 exterminating contract and supplies, grounds contract and supplies, maintenance contracts, and elevator services contract.

Total Annual Operating Expenses before debt and reserves: \$1,669,383 (\$12,841 PUPA).

2.4. 20-Year Cash Flow

- Tenant rental income is escalated at 1% for LOSP supported units which are formerly homeless households largely living on governmental assistance income with a very low historic rate of increase. Tenant rental income is escalated at 2.5% for all other units.
- Residential vacancy rate is 5%.
- All operating expenses are escalated at 3.5%.

3. OPERATING COSTS COMPARATIVE ANALYSIS

To evaluate the proposed budget for the Project under a new LOSP contract and its relative cost to supportive housing projects of similar size, MOHCD staff compared the Project’s proposed operating expenses to the operating expenses of other family supportive housing projects in MOHCD’s portfolio.

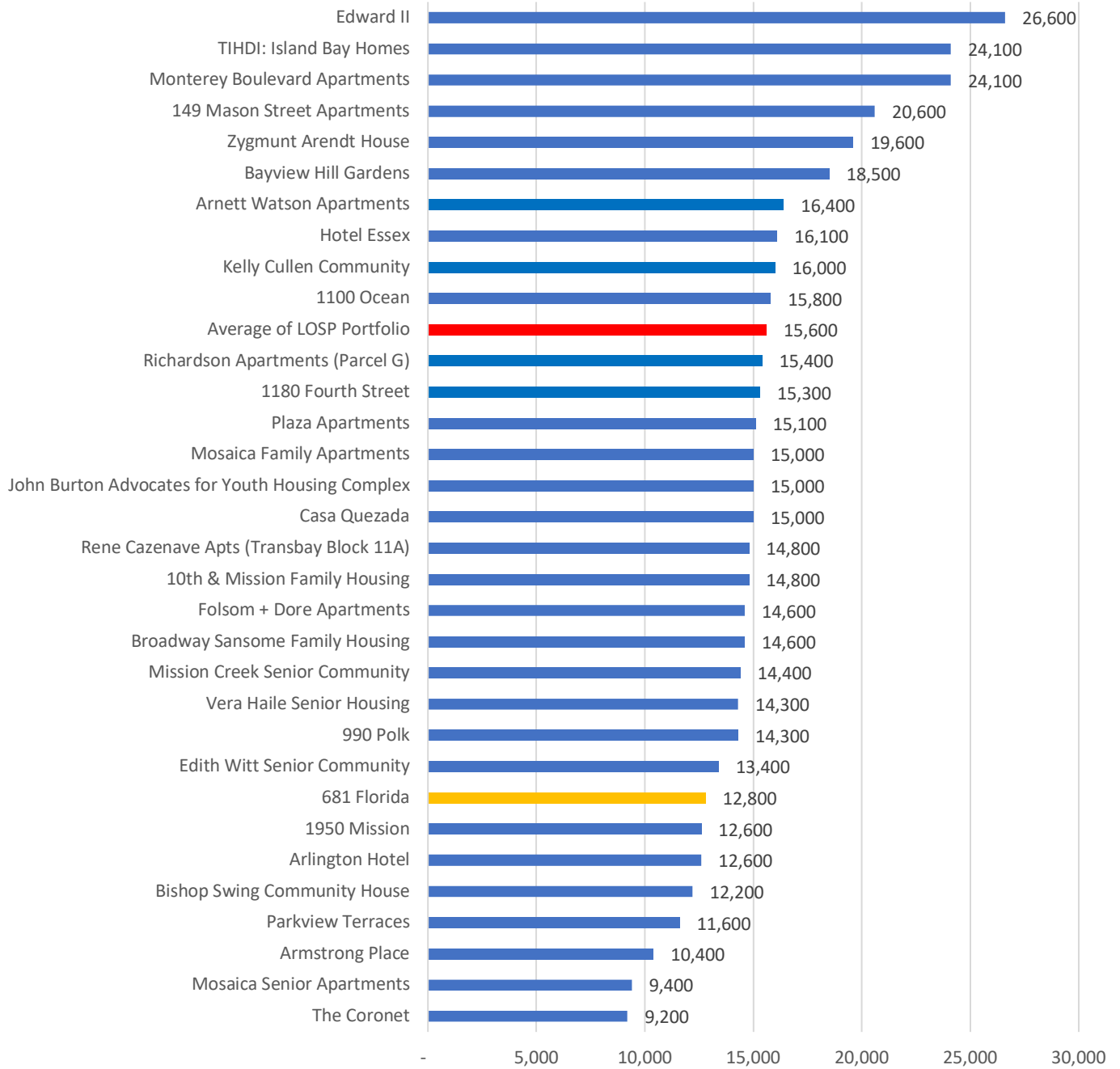
3.1. Comparison with Other Supportive Housing

In 2018, there were a total of 32 LOSP funded supportive housing projects in the MOHCD portfolio. Total operating expenses (before replacement reserve deposits and hard debt service) for these projects, escalated from 2018 to 2022, averaged \$15,600 per unit per annum (“PUPA”), with a range from \$9,200 to \$26,600 PUPA.

One of the primary determinants of PUPA operating expenses is project size, with PUPA operating expenses higher for smaller and scattered site buildings and lower for larger buildings.

With proposed operating expenses rounded to \$12,800 PUPA, the Project is well below the average (\$15,600) across the existing LOSP portfolio.

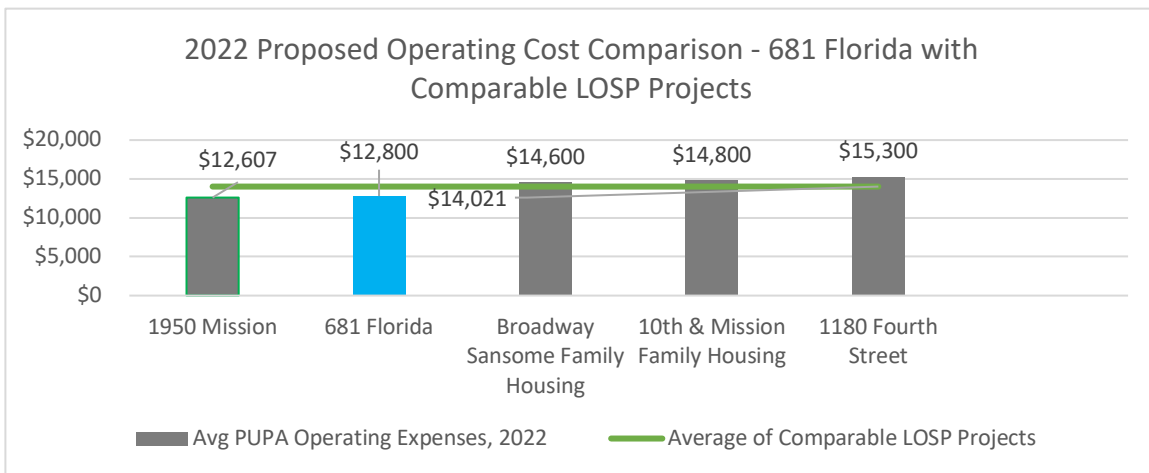
Estimated 2022 PUPA Operating Expenses of LOSP Projects, based on 2018 Operating Expenses



3.2. Comparison to Other Similar Sized Partially Supportive Housing Projects

Because the percentage of supportive units and overall project scale vary so widely, it is appropriate to review expenses in comparison to similar projects with a comparable overall building size, percentage of PSH units, and mix of bedroom sizes that are not primarily studios or SROs.

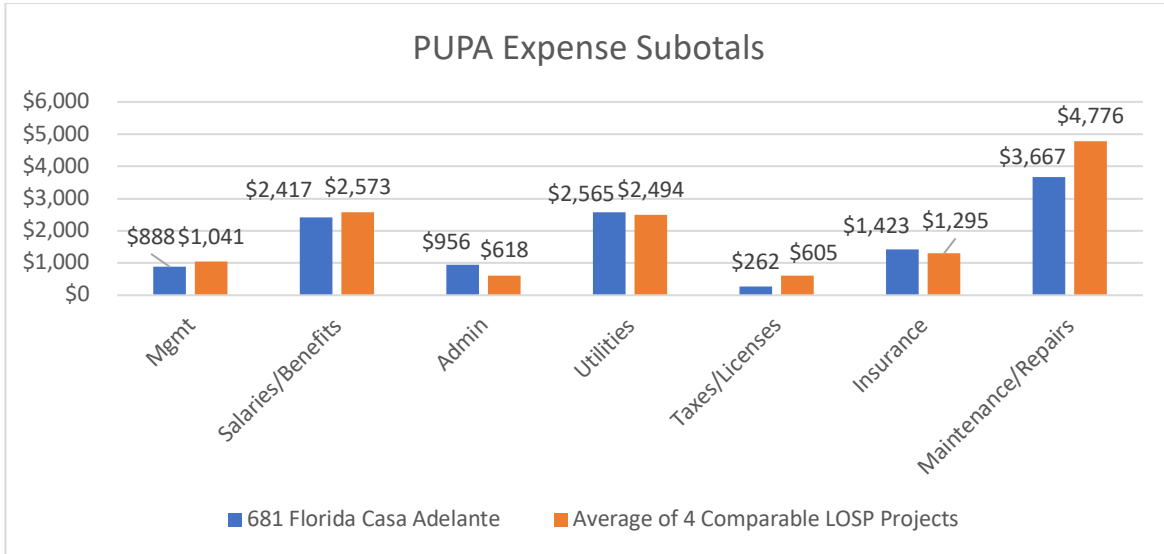
As shown in the chart below, Casa Adelante at 681 Florida features lower operating costs, on a per unit basis, than the average (\$14,021 across the smaller subset of comparable projects) of four other partially supportive housing (LOSP-subsidized) family projects, such as 1950 Mission (La Fenix), 10th & Mission Family Housing, 1180 Fourth Street, and Broadway Sansome Family Housing.



- 1950 Mission (La Fenix) – 157 units including 40 PSH units
- 681 Florida (Casa Adelante) – 130 units including 39 PSH units
- Broadway Sansome Family Housing – 75 units including 37 PSH units
- 10th & Mission Family Housing – 136 units including 44 PSH units
- 1180 Fourth Street – 150 units including 50 PSH units

3.3. Subcategories of Operating Expenses

Compared to the four comparable supportive housing (LOSP-subsidized) projects (at similar percentages of unit totals), costs at Casa Adelante at 681 Florida Street are similar or lower for management expenses, salaries, utilities, taxes/licenses, and maintenance/repairs. Expenses are comparably higher for administrative and insurance expenses due in part to higher insurance premiums in the last two years, and increases in program expenses associated with administrative expenses, such as property management training.



4. SUPPORT SERVICES EVALUATION

4.1. Support Services Plan and Budget

Through a direct contract with HSH, the Sponsors (through TNDC) will provide supportive services to the 39 LOSP supported units for homeless and formerly homeless families.

The Services Plan includes two (2) FTE social workers, providing on-site services and funded by a separate HSH-administered contract to serve the 39 LOSP supported units. The overall Project budget also includes one (1) FTE social worker to provide support services to the 89 non-LOSP supported units (not including one manager’s unit).

Given possible language needs, and as some residents of non-LOSP supported units may sometimes require a higher level of assistance, TNDC will, as needed, utilize all three (3) FTE social workers to serve the entire building. HSH is in support of this proposed services delivery model.

This provides an approximately 1:19.5 case management ratio for the 39 LOSP supported units which is more than the minimum 1:25 case management worker to unit ratio recommended by HSH. The case management to unit ratio of 1:89 for the 89 non-LOSP supported units (not including one managers' unit), slightly exceeds the MOHCD recommended ratio of 1:100 for non-LOSP supported units. This ratio is warranted given providing ~.89 FTE is not considered feasible by service providers.

Programming Staffing:

TNDC will provide 2 FTE Master's level Social Workers/Site Coordinators and 1 FTE Master's level Social Worker to oversee all aspects of services delivery for the LOSP families. This ensures that the 1:25 case management ratio is exceeded for LOSP households. For the non-LOSP households, TNDC will provide 1 FTE Master's level Social Worker (or a 1:90 service connection ratio – not including manager's unit). This means that services are slightly over-funded based on MOHCD's standard 1:100 service connection ratio for non-LOSP households.

Supervision:

An off-site Family Program Manager (0.21 FTE) will provide supervision to the Social Worker/Site Coordinator and is responsible for the oversight of support services for families in a portfolio of TNDC buildings.

Service Delivery Model:

The Sponsors will provide clinical case management, one-on-one direct services, on-site TNDC will complete an intake and assessment for each family at move-in and will offer the following services based on need: case management, culturally inclusive referrals and linkages, crisis intervention and conflict resolution, benefits counseling and advocacy, wellness checks, vocational and educational related services, housing stabilization and eviction prevention, behavioral health counseling, community building, and fostering independence and self-sufficiency, among others. In particular, TNDC services staff will help tenants break the cycle of homelessness and find stability by providing housing retention and eviction prevention services; linking tenants to medical, mental health and substance abuse services; and assisting tenants to increase their income by accessing public benefits and linking them to employment and training programs in the community. TNDC services providers collaborate routinely with both HSH-funded therapists, providing on-site visits, and collaboration with property management in order to achieve services-related goals.

Service Budget.

The current proposed services budget is \$435,786 / year for the overall building. This figure includes the salary and benefits (\$86,187) for one (1) FTE social worker provided by TNDC, typically serving non-LOSP supported units and is from the Project's operating budget. The remaining \$349,599 is covered through

a separate contract between TNDC and HSH. This results in a per unit annual cost of \$8,964 for the 39 LOSP-supported units.

HSH has reviewed the services plan and budget and has confirmed that it is appropriate for the building and target population.

Year 1 Supportive Services Budget

Expenditures	Total Budget	HSH Costs	Project Costs
Salaries for 3 FTE Social Workers*	\$277,364	\$210,979	\$66,385
Benefits	\$75,432	\$55,630	\$19,802
Operating Expenses**	\$82,990	\$82,990	\$0
TOTAL	\$435,786	\$349,599	\$86,187

***This amount includes 1 FTE equivalent social worker (salary and benefits of \$86,187) for non-LOSP supported units that will be paid for out of the property operating budget*

***Food bank, program expenses, telephone, supplies, administrative fees and other expenses*

4.2. HSH Assessment of Service Plan and Budget

This Project is a public-private partnership, with HSH, to provide additional permanent exits from homelessness. Through the Coordinated Entry process HSH will refer people experiencing homelessness with the highest vulnerabilities to Casa Adelante's 39 Permanent Supportive Housing (PSH) units.

HSH is in process of developing the support services agreement with TNDC. The proposed services plan reflects best practices to provide participant-centered services through a trauma-informed, harm reduction approach. The services budget reflects similar supportive housing projects serving a similar target population that have opened within the past year.

5. CONCLUSION

MOHCD staff recommend approval of the request in full. The proposed operating budget has appropriate staffing, and the costs appear justified.

6. RECOMMENDED CONDITIONS

None.

7. LOAN COMMITTEE MODIFICATIONS

LOAN COMMITTEE RECOMMENDATION

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

APPROVE. DISAPPROVE. TAKE NO ACTION.

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

Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

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

Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

Thor Kaslofsky, Executive Director
Office of Community Investment and Infrastructure

Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

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

Date: _____

- Attachments:
- A. LOSP Program Description
 - B. 1st Year Operating Budget
 - C. 20-Year Operating Pro Forma
 - D. LOSP Funding and Disbursement Schedule A
 - E. Casa Adelante at 681 Florida Ownership and Lease Structure Diagram

Chavez, Rosanna (MYR)

From: Shaw, Eric (MYR)
Sent: Friday, August 5, 2022 12:43 PM
To: Chavez, Rosanna (MYR)
Subject: 681 Florida (Casa Adelante) LOSP Request

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

Chavez, Rosanna (MYR)

From: Guttirez, Alan (HOM)
Sent: Friday, August 5, 2022 11:29 AM
To: Chavez, Rosanna (MYR)
Cc: Menjivar, Salvador (HOM); Shaw, Eric (MYR)
Subject: LOSP Contract for 681 Florida

Hi Rosanna,

On behalf of Salvador Menjivar, I am voting YES to the LOSP contract for 681 Florida.

In partnership,
Alan



Alan Guttirez (he/him)

Manager of Housing Subsidy Programs
San Francisco Department of Homelessness and Supportive Housing
alan.guttirez@sfgov.org | #: 415.933.0586

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Chavez, Rosanna (MYR)

From: Colomello, Elizabeth (CII)
Sent: Friday, August 5, 2022 11:29 AM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR); Kaslofsky, Thor (CII)
Subject: 681 Florida (Casa Adelante) LOSP Request

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



Elizabeth Colomello
Housing Program Manager

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

Chavez, Rosanna (MYR)

From: Katz, Bridget (CON)
Sent: Friday, August 5, 2022 11:27 AM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR)
Subject: LOSP Contract for 681 Florida

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
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Attachment A: LOSP Program Description

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

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

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

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

Attachment B: 1st Year Operating Budget

Attachment B: 1st Year Operating Budget

MOHCD Proforma - Year 1 Operating Budget

Application Date: 7/11/22
Total # Units: 130
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2022

Project Name: 681 Florida
Project Address: 681 Florida St
Project Sponsor: TNDC and MEDA

LOSP Units	Non-LOSP Units	
	30%	70%
39	91	

INCOME	LOSP/non-LOSP Allocation		Total	Comments	Alternative LOSP Split
	LOSP	non-LOSP			
Residential - Tenant Rents	117,000	1,562,484	1,679,484	Links from 'New Proj - Rent & Unit Mix' Worksheet	
Residential - Tenant Assistance Payments (Non-LOSP)	0	0	0	Links from 'New Proj - Rent & Unit Mix' Worksheet	Residential - Tenant Assistance Payments (Non-LOSP)
Residential - LOSP Tenant Assistance Payments	451,459	0	451,459		
Commercial Space	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 0%	
Residential Parking	0	0	0	Links from 'Utilities & Other Income' Worksheet	
Miscellaneous Rent Income	0	0	0	Links from 'Utilities & Other Income' Worksheet	Alternative LOSP Split
Supportive Services Income	0	0	0	Links from 'Utilities & Other Income' Worksheet	Supportive Services Income
Interest Income - Project Operations	0	0	0	Links from 'Utilities & Other Income' Worksheet	
Laundry and Vending	2,535	5,915	8,450	Links from 'Utilities & Other Income' Worksheet	Projected LOSP Split
Tenant Charges	0	0	0	Links from 'Utilities & Other Income' Worksheet	Tenant Charges
Miscellaneous Residential Income	450	1,050	1,500	Links from 'Utilities & Other Income' Worksheet	
Other Commercial Income	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 0%	Alternative LOSP Split
Withdrawal from Capitalized Reserve (deposit to operating account)	0	0	0		Withdrawal from Capitalized Reserve (deposit to operating account)
Gross Potential Income	571,444	1,569,449	2,140,893		
Vacancy Loss - Residential - Tenant Rents	(5,850)	(78,124)	(83,974)	Vacancy loss is 5% of Tenant Rents.	
Vacancy Loss - Residential - Tenant Assistance Payments	0	0	0	#DIV/0!	
Vacancy Loss - Commercial	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 0%	
EFFECTIVE GROSS INCOME	565,594	1,491,325	2,056,918	PUPA: 15,822	

OPERATING EXPENSES					
Management					
Management Fee	27,612	64,428	92,040	1st Year to be set according to HUD schedule.	Alternative LOSP Split
Asset Management Fee	7,038	16,422	23,460	2022 MOHCD level	Management Fee
Sub-total Management Expenses	34,650	80,850	115,500	PUPA: 888	Asset Management Fee
Salaries/Benefits					
Office Salaries	0	0	0		Alternative LOSP Split
Manager's Salary	35,100	81,900	117,000	1 FTE General Manager (\$69,000), 1 FTE Assistant Manager (\$49,000)	Manager's Salary
Health Insurance and Other Benefits	29,216	68,171	97,387	Includes 403b plan and 0.4 FTE night manager benefit	Health Insurance and Other Benefits
Other Salaries/Benefits	69,888	29,952	99,840	Front desk, 2.4 FTE Desk Clerks	Other Salaries/Benefits
Administrative Rent-Free Unit	0	0	0		Administrative Rent-Free Unit
Sub-total Salaries/Benefits	134,204	180,023	314,227	PUPA: 2,417	

Administration					
Advertising and Marketing	531	1,239	1,770	Screening	
Office Expenses	9,305	21,711	31,015	Office supplies, equipment, lease/rental, postage, printing, computers/software, telephone and	
Office Rent	0	0	0		Projected LOSP Split
Legal Expense - Property	2,606	6,080	8,686		Legal Expense - Property
Audit Expense	3,342	7,797	11,139		
Bookkeeping/Accounting Services	4,446	10,374	14,820		Projected LOSP Split
Bad Debts	4,900	10,500	15,000		Bad Debts
Miscellaneous	12,569	29,328	41,897	Payroll service expenses and program expense, program expense here is NOT related to services	
Sub-total Administration Expenses	37,298	87,028	124,326	PUPA: 956	
Utilities					
Electricity	25,110	58,590	83,700	This is a PV building	Projected LOSP Split
Water	74,919	174,811	249,730	Water and sewer - Building Service & AI LOSP-Funded Units	Electricity
Gas	0	0	0		
Sewer	0	0	0		
Sub-total Utilities	100,029	233,401	333,430	PUPA: 2,565	

Taxes and Licenses					
Real Estate Taxes	418	976	1,394	Residential only.	Alternative LOSP Split
Payroll Taxes	9,470	22,096	31,565		Real Estate Taxes
Miscellaneous Taxes, Licenses and Permits	327	763	1,090		Payroll Taxes
Sub-total Taxes and Licenses	10,215	23,834	34,049	PUPA: 262	

Insurance					
Property and Liability Insurance	47,385	110,566	157,951		
Fidelity Bond Insurance	0	0	0		Alternative LOSP Split
Worker's Compensation	8,117	18,939	27,056		Worker's Compensation
Director's & Officers' Liability Insurance	0	0	0		
Sub-total Insurance	55,502	129,505	185,007	PUPA: 1,423	

Maintenance & Repair					
Payroll	59,904	139,776	199,680	2 FTE Custodians (\$83,200 for both), 2 FTE Maintenance (\$116,480 for both)	Alternative LOSP Split
Supplies	8,689	20,274	28,963		Payroll
Contracts	10,669	24,895	35,564	Exterminating contract (\$9,027.37), Grounds contract (\$8,437.98), Maintenance contract (\$7,000).	Supplies
Garbage and Trash Removal	41,087	95,870	136,957		Contracts
Security Payroll/Contract	327	0	0		Alternative LOSP Split
HVAC Repairs and Maintenance	2,672	6,235	8,908		Security Payroll/Contract
Vehicle and Maintenance Equipment Operation and Repairs	211	491	702		
Miscellaneous Operating and Maintenance Expenses	19,765	46,118	65,883	Security equipment, fire systems, carpet cleaning & replacement, staff work clothes, plumbing	
Sub-total Maintenance & Repair Expenses	142,997	333,660	476,657	PUPA: 3,667	

Supportive Services	0	86,187	86,187	1 FTE gen pop social worker II (\$66,385 in salary) - 2 FTE LOSP social workers (\$78,209 for site)	Alternative LOSP Split
Commercial Expenses	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 0%	Supportive Services

TOTAL OPERATING EXPENSES	514,895	1,154,488	1,669,383	PUPA: 12,841	
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Reserves/Ground Lease Base Rent/Bond Fees					
Ground Lease Base Rent	4,500	10,500	15,000	Ground lease with MOHCD	Provide additional comments here, if needed.
Bond Monitoring Fee	1,144	2,669	3,813		
Replacement Reserve Deposit	19,500	45,500	65,000		Alternative LOSP Split
Operating Reserve Deposit	0	0	0		Replacement Reserve Deposit
Other Required Reserve 1 Deposit	0	0	0		Operating Reserve Deposit
Other Required Reserve 2 Deposit	0	0	0		Other Required Reserve 1 Deposit
Required Reserve Deposits, Commercial	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 0%	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	25,144	58,669	83,813	PUPA: 645	

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	540,039	1,213,157	1,753,196	PUPA: 13,486	
NET OPERATING INCOME (INCOME minus OP EXPENSES)	25,555	278,168	303,723	PUPA: 2,336	

DEBT SERVICE/MUST PAY PAYMENTS (*hard debt/amortized loans)					
Hard Debt - First Lender	0	211,236	211,236	Parm Loan	Provide additional comments here, if needed.
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)	18,530	43,236	61,765	HCD - MHP	Provide additional comments here, if needed.
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	0	0		Provide additional comments here, if needed.
Hard Debt - Fourth Lender	0	0	0		Provide additional comments here, if needed.
Commercial Hard Debt Service	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 0%	Alternative LOSP Split
TOTAL HARD DEBT SERVICE	18,530	254,472	273,001	PUPA: 2,100	

CASH FLOW (NOI minus DEBT SERVICE)					
Commercial Only Cash Flow	0	0	0		
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)	0	0	0		Allocation of Commercial Surplus to LOSP/non-LOSP
AVAILABLE CASH FLOW	7,025	23,696	30,721		

USES OF CASH FLOW BELOW (This row also shows DSCR.)					
USES THAT PRECEED MOHCD DEBT SERVICE IN WATERFALL					
"Below-the-line" Asset Mgt Fee (uncommon in new projects, see policy)	0	0	0		
Partnership Management Fee (see policy for limits)	4,025	9,393	13,418	Asset and Partnership management fee, 2nd	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	2,550	5,950	8,500	1st	Alternative LOSP Split
Other Payments	450	1,050	1,500	Trustee fee	Other Payments
Non-amortizing Loan Pmt - Lender 1 (select lender in comments field)	0	0	0		Provide additional comments here, if needed.
Non-amortizing Loan Pmt - Lender 2 (select lender in comments field)	0	0	0		Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt <= Max Fee from call H30)	0	3,652	3,652	Def. Develop. Fee split: 50%	Provide additional comments here, if needed.
TOTAL PAYMENTS PRECEDING MOHCD	7,025	20,045	27,070	PUPA: 208	

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	(0)	3,651	3,651		
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Residual Receipts Calculation					
Does Project have a MOHCD Residual Receipt Obligation?	Yes	Project has MOHCD ground lease?		Yes	
Will Project Defer Developer Fee?	Yes				
Max. Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:	50%	Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):		3,652	Sum of DD F from LOSP and non-LOSP.
% of Residual Receipts available for distribution to soft debt lenders in Yr 1:	50%				Ratio of Sum of DDF and calculated 50%.

Soft Debt Lenders with Residual Receipts Obligations				Distrib. of Soft Debt Loans
	(Select lender name/program from drop down)	Total Principal Amt		
MOHCD/OClI - Soft Debt Loans	All MOHCD/OClI Loans payable from res. recs	\$33,826,507	69.48%	
MOHCD/OClI - Ground Lease Value or Land Acq Cost	Ground Lease Value	\$150,000	0.31%	
HCD (soft debt loan) - Lender 3	HCD - MHP	\$14,706,000	30.21%	
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	2,548	2,548	50% of residual receipts, multiplied by 69.79% -- MOHCD's pro rata share of all soft debt		
Proposed MOHCD Residual Receipts Amount to Loan Repayment	0	0	Enter/override amount of residual receipts proposed for loan repayment.		
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repaymt.		

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE	1,103	Total Resid Receipts due not allocated, please revise F142			
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NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE					
HCD Residual Receipts Amount Due	1,103	1,103	50% of residual receipts, multiplied by 30.21% -- HCD - MHP's pro rata share of all soft debt		
Lender 4 Residual Receipts Due	0	0			
Lender 5 Residual Receipts Due	0	0			
Total Non-MOHCD Residual Receipts Debt Service	1,103				

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

Application Date: 7/11/22
 Total # Units: 130
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2022

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

OPERATING EXPENSES			
Management			
Management Fee	LOSP	non-LOSP	Approved By (reqd)
Asset Management Fee	30.00%	70.00%	
Sub-total Management Expenses	30.00%	70.00%	
Salaries/Benefits			
Office Salaries	LOSP	non-LOSP	Approved By (reqd)
Manager's Salary	30.00%	70.00%	
Health Insurance and Other Benefits	30.00%	70.00%	
Other Salaries/Benefits	70.00%	30.00%	
Administrative Rent-Free Unit	30.00%	70.00%	
Sub-total Salaries/Benefits			

Administration			
Advertising and Marketing			
Office Expenses			
Office Rent	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Legal Expense - Property	30.00%	70.00%	
Audit Expense			
Bookkeeping/Accounting Services	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Bad Debts	30.00%	70.00%	
Miscellaneous			
Sub-total Administration Expenses			

Utilities			
Electricity	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Water	30.00%	70.00%	
Gas			
Sewer			
Sub-total Utilities			

Taxes and Licenses			
Real Estate Taxes	LOSP	non-LOSP	Approved By (reqd)
Payroll Taxes	30.00%	70.00%	
Miscellaneous Taxes, Licenses and Permits	30.00%	70.00%	
Sub-total Taxes and Licenses			

Insurance			
Property and Liability Insurance			
Fidelity Bond Insurance	LOSP	non-LOSP	Approved By (reqd)
Worker's Compensation	30.00%	70.00%	
Director's & Officers' Liability Insurance			
Sub-total Insurance			

Maintenance & Repair			
Payroll	LOSP	non-LOSP	Approved By (reqd)
Supplies	30.00%	70.00%	(LOSP-specific expenses must be tracked at entry level in project's accounting)
Contracts	30.00%	70.00%	
Garbage and Trash Removal	LOSP	non-LOSP	Approved By (reqd)
Security Payroll/Contract	30.00%	70.00%	
HVAC Repairs and Maintenance			
Vehicle and Maintenance Equipment Operation and Repairs			
Miscellaneous Operating and Maintenance Expenses			
Sub-total Maintenance & Repair Expenses			

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

TOTAL OPERATING EXPENSES			
Reserves/Ground Lease Base Rent/Bond Fees			
Ground Lease Base Rent			
Bond Monitoring Fee	LOSP	non-LOSP	Approved By (reqd)
Replacement Reserve Deposit	30.00%	70.00%	
Operating Reserve Deposit	30.00%	70.00%	
Other Required Reserve 1 Deposit	30.00%	70.00%	
Other Required Reserve 2 Deposit			
Required Reserve Deposits, Commercial			
Sub-total Reserves/Ground Lease Base Rent/Bond Fees			

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)
 NET OPERATING INCOME (INCOME minus OP EXPENSES)

DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)			
Hard Debt - First Lender	LOSP	non-LOSP	Approved By (reqd)
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)	0.00%	100.00%	
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	30.00%	70.00%	
Hard Debt - Fourth Lender			
Commercial Hard Debt Service			
TOTAL HARD DEBT SERVICE			

CASH FLOW (NOI minus DEBT SERVICE)			
Commercial Only Cash Flow			
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)	LOSP (residual income)		

AVAILABLE CASH FLOW			
USES OF CASH FLOW BELOW (This row also shows DSCR.)			
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL			
"Below-the-line" Asset Mgt Fee (uncommon in new projects, see policy)			
Partnership Management Fee (see policy for limits)			
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	LOSP	non-LOSP	Approved By (reqd)
Other Payments			
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)			
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)			
Deferred Developer Fee (Enter amt <= Max Fee from cell H130)	0.00%	100.00%	

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

Residual Receipts Calculation
 Does Project have a MOHCD Residual Receipt Obligation?
 Will Project Defer Developer Fee?
 Max. Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1: 3.652
 % of Residual Receipts available for distribution to soft debt lenders in Yr 1: 0.999928395

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

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

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE

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

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

Attachment C: 20-year Operating Proforma

Attachment C: 20-year Operating Proforma

MOHCD Proforma - 20 Year Cash Flow Summary

681 Florida

Total # Units:	LOSP Units		Non-LOSP Units		Year 1			Year 2			Year 3			Year 4			Year 5		
	39	91	2022			2023			2024			2025			2026				
	30.00%	70.00%	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	
INCOME																			
Residential - Tenant Rents	1.0%	2.5%	117,000	1,562,484	1,679,484	118,170	1,601,546	1,719,716	119,352	1,641,585	1,760,936	120,545	1,682,624	1,803,170	121,751	1,724,690	1,846,441	122,968	
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a	451,459	-	451,459	467,985	-	467,985	485,583	-	485,583	503,827	-	503,827	522,738	-	522,738	542,341	
Commercial Space	n/a	2.5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gross Potential Income			571,444	1,569,449	2,140,893	589,214	1,608,685	2,197,899	608,071	1,648,902	2,256,974	627,587	1,690,125	2,317,712	647,784	1,732,378	2,380,162	668,686	
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	(5,850)	(78,124)	(83,974)	(5,909)	(80,077)	(85,986)	(5,968)	(82,079)	(88,047)	(6,027)	(84,131)	(90,158)	(6,086)	(66,234)	(92,322)	(6,148)	
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vacancy Loss - Commercial	n/a	n/a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
EFFECTIVE GROSS INCOME			565,594	1,491,325	2,056,918	583,306	1,528,608	2,111,914	602,104	1,566,823	2,168,927	621,559	1,605,994	2,227,553	641,696	1,646,144	2,287,840	662,538	
OPERATING EXPENSES																			
Management	3.5%	3.5%	34,650	80,850	115,500	35,863	83,680	119,543	37,118	86,809	123,726	38,417	89,640	128,057	39,762	92,777	132,539	41,153	
Salaries/Benefits	3.5%	3.5%	134,204	180,023	314,227	138,901	186,324	325,225	143,763	192,845	336,608	148,794	199,594	348,389	154,002	206,580	360,582	159,392	
Administration	3.5%	3.5%	37,298	87,028	124,326	38,603	90,074	128,677	39,954	93,227	133,181	41,353	96,490	137,842	42,800	99,867	142,667	44,298	
Utilities	3.5%	3.5%	100,029	233,401	333,430	103,530	241,570	345,100	107,154	250,025	357,179	110,904	258,776	369,680	114,786	267,833	382,619	118,803	
Taxes and Licenses	3.5%	3.5%	10,215	23,834	34,049	10,572	24,669	35,241	10,942	25,532	36,474	11,325	26,426	37,751	11,722	27,351	39,072	12,132	
Insurance	3.5%	3.5%	55,502	129,505	185,007	57,445	134,038	191,482	59,455	138,729	198,184	61,536	143,584	205,121	63,690	148,610	212,300	65,919	
Maintenance & Repair	3.5%	3.5%	142,997	333,660	476,657	148,002	345,338	493,340	153,182	357,425	510,607	158,543	369,934	528,478	164,092	382,882	546,974	169,836	
Supportive Services	3.5%	3.5%	-	86,187	86,187	-	89,204	89,204	-	92,326	92,326	-	95,557	95,557	-	98,902	98,902	-	
Commercial Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL OPERATING EXPENSES			514,895	1,154,488	1,669,383	532,916	1,194,895	1,727,811	551,568	1,236,716	1,788,284	570,873	1,280,001	1,850,874	590,854	1,324,802	1,915,655	611,533	
RESERVES/GROUND LEASE BASE RENT/BOND FEES																			
Ground Lease Base Rent			4500	10500	15,000	4500	10500	15,000	4500	10500	15,000	4500	10500	15,000	4500	10500	15,000	4500	
Bond Monitoring Fee			1143.9	2669.1	3,813	1143.9	2669.1	3,813	1143.9	2669.1	3,813	1143.9	2669.1	3,813	1143.9	2669.1	3,813	1143.9	
Replacement Reserve Deposit			19500	45500	65,000	19500	45500	65,000	19500	45500	65,000	19500	45500	65,000	19500	45500	65,000	19500	
Operating Reserve Deposit			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Required Reserve 1 Deposit			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Required Reserve 2 Deposit			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Required Reserve Deposits, Commercial			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees			25,144	58,669	83,813	25,144	58,669	83,813	25,144	58,669	83,813	25,144	58,669	83,813	25,144	58,669	83,813	25,144	
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)			540,039	1,213,157	1,753,196	558,060	1,253,564	1,811,624	576,712	1,295,385	1,872,097	596,017	1,338,671	1,934,687	615,997	1,383,471	1,999,468	636,677	
NET OPERATING INCOME (INCOME minus OP EXPENSES)			25,555	278,168	303,723	25,246	275,044	300,290	25,392	271,438	296,829	25,543	267,323	292,866	25,699	262,673	288,372	25,860	
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)																			
Hard Debt - First Lender			-	211,236	211,236	-	211,236	211,236	-	211,236	211,236	-	211,236	211,236	-	211,236	211,236	-	
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			18,530	43,236	61,765	18,530	43,236	61,765	18,530	43,236	61,765	18,530	43,236	61,765	18,530	43,236	61,765	18,530	
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Hard Debt - Fourth Lender			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Commercial Hard Debt Service			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL HARD DEBT SERVICE			18,530	254,472	273,001	18,530	254,472	273,001	18,530	254,472	273,001	18,530	254,472	273,001	18,530	254,472	273,001	18,530	
CASH FLOW (NOI minus DEBT SERVICE)			7,025	23,696	30,721	6,716	20,572	27,288	6,862	16,966	23,828	7,013	12,851	19,865	7,169	8,201	15,371	7,331	
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)			-	3,652	3,652	-	2,450	2,450	-	477	477	-	-	-	-	-	-	-	
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	4,025	9,393	13,418	4,166	9,721	13,888	4,312	10,062	14,374	4,463	10,414	14,877	4,619	10,778	15,397	4,781	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	2,550	5,950	8,500	2,550	5,950	8,500	2,550	5,950	8,500	2,550	5,950	8,500	2,550	5,950	8,500	2,550	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			450	1,050	1,500	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Payments			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Non-amortizing Loan Pmnt - Lender 1			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Non-amortizing Loan Pmnt - Lender 2			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL PAYMENTS PRECEDING MOHCD			7,025	20,045	27,070	6,716	18,121	24,838	6,862	16,489	23,351	7,013	16,364	23,377	7,169	16,728	23,897	7,331	
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)			(0)	3,651	3,651	0	2,451	2,451	(0)	477	477	0	(3,512)	(3,512)	(0)	(8,527)	(8,527)	(0)	
Does Project have a MOHCD Residual Recept Obligation? Yes																			
Will Project Defer Developer Fee? Yes																			
1st Residual Receipts Split - Lender/Deferred Developer Fee 50% / 50%																			
MOHCD RESIDUAL RECEIPTS DEBT SERVICE																			
MOHCD Residual Receipts Amount Due			69.79%	2,548	1,710	333	-	-	-	-	-	-	-	-	-	-	-	-	
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				1,103	740	144													
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE																			
HCD Residual Receipts Amount Due			30.21%	1,103	740	144	-	-	-	-	-	-	-	-	-	-	-	-	
Lender 4 Residual Receipts Due			0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Lender 5 Residual Receipts Due			0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Non-MOHCD Residual Receipts Debt Service				1,103	740	144													
REMAINDER (Should be zero unless there are distributions below)				0	0	0													
Owner Distributions/Incentive Management Fee			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Distributions/Uses			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Final Balance (should be zero)				-	-	-													
RR Running Balance				65,000	130,000	195,000							260,000			325,000			

681 Florida

	Total # Units:	Non-LOSP Units		Year 1			Year 2			Year 3			Year 4			Year 5			LOSP
		LOSP Units	Non-LOSP Units	2022			2023			2024			2025			2026			
		39	91	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	
	130	30.00%	70.00%																
INCOME		% annual inc LOSP	% annual increase																
Developer Fee Starting Balance						2,536,566			2,532,914			2,530,464			2,529,987			2,529,987	
Deferred Developer Fee Earned in Year						3,652			2,450			477			-			-	
Developer Fee Remaining Balance						2,532,914			2,530,464			2,529,987			2,529,987			2,529,987	

681 Florida

INCOME	Total # Units:	LOSP Units		Non-LOSP Units		Year 6		Year 7		Year 8		Year 9		Year 10		Year 11	
		39	91	2027		2028		2029		2030		2031		2032			
		30.00%	70.00%	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	
Developer Fee Starting Balance	130																
Deferred Developer Fee Earned in Year		% annual inc LOSP	% annual increase														
Developer Fee Remaining Balance																	
				2,529,987	2,529,987	2,529,987	2,529,987	2,529,987	2,529,987	2,529,987	2,529,987	2,529,987	2,529,987	2,529,987	2,529,987	2,529,987	2,529,987

681 Florida

Total # Units:	LOSP Units		Non-LOSP Units		Year 12				Year 13			Year 14			Year 15			Year 16		
	39	91	2033				2034			2035			2036			2037				
	30.00%	70.00%	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total		
INCOME																				
Residential - Tenant Rents	1.0%	2.5%	2,129,352	130,533	2,050,114	2,180,648	131,839	2,101,367	2,233,206	133,157	2,153,901	2,287,058	134,488	2,207,749	2,342,237	135,833	2,262,943	2,398,776		
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Residential - LOSP Tenant Assistance Payments	n/a	n/a	651,612	675,908	-	675,908	701,086	-	701,086	727,178	-	727,178	754,215	-	754,215	782,231	-	782,231		
Commercial Space	n/a	2.5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Gross Potential Income			2,793,701	810,358	2,059,253	2,869,611	836,939	2,110,734	2,947,674	864,450	2,163,503	3,027,952	892,921	2,217,590	3,110,511	922,387	2,273,030	3,195,417		
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	(106,468)	(6,527)	(102,506)	(109,032)	(6,592)	(105,066)	(111,660)	(6,658)	(107,695)	(114,353)	(6,724)	(110,387)	(117,112)	(6,792)	(113,147)	(119,939)		
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Vacancy Loss - Commercial	n/a	n/a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
EFFECTIVE GROSS INCOME			2,687,233	803,831	1,956,747	2,760,578	830,347	2,005,666	2,836,013	857,792	2,055,808	2,913,599	886,197	2,107,203	2,993,399	915,596	2,159,883	3,075,479		
OPERATING EXPENSES																				
Management	3.5%	3.5%	162,924	50,588	118,039	168,627	52,359	122,170	174,528	54,191	126,446	180,637	56,088	130,871	186,959	58,051	135,452	193,503		
Salaries/Benefits	3.5%	3.5%	443,248	195,934	262,828	458,762	202,791	272,027	474,818	209,889	281,548	491,437	217,235	291,402	508,637	224,839	301,601	526,439		
Administration	3.5%	3.5%	175,374	54,454	127,058	181,512	56,359	131,505	187,865	58,332	136,108	194,440	60,374	140,872	201,246	62,487	145,802	208,289		
Utilities	3.5%	3.5%	470,336	146,039	340,758	486,798	151,151	352,685	503,836	156,441	365,029	521,470	161,916	377,805	539,721	167,583	391,028	558,612		
Taxes and Licenses	3.5%	3.5%	48,030	14,913	34,798	49,711	15,435	36,016	51,451	15,975	37,276	53,252	16,535	38,581	55,115	17,113	39,931	57,044		
Insurance	3.5%	3.5%	260,971	81,031	189,073	270,105	83,868	195,691	279,558	86,803	202,540	289,343	89,841	209,629	299,470	92,985	216,966	309,951		
Maintenance & Repair	3.5%	3.5%	672,371	208,771	487,133	695,904	216,078	504,183	720,261	223,641	521,829	745,470	231,468	540,093	771,562	239,570	558,996	798,566		
Supportive Services	3.5%	3.5%	121,575	-	125,830	125,830	-	130,234	130,234	-	134,793	134,793	-	139,510	139,510	-	144,393	144,393		
Commercial Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
TOTAL OPERATING EXPENSES			2,354,829	751,731	1,685,517	2,437,248	778,041	1,744,511	2,522,552	805,273	1,805,568	2,610,841	833,457	1,868,763	2,702,221	862,628	1,934,170	2,796,798		
RESERVES/GROUND LEASE BASE RENT/BOND FEES																				
Ground Lease Base Rent			15,000	4500	10500	15,000	4500	10500	15,000	4500	10500	15,000	4500	10500	15,000	4500	10500	15,000		
Bond Monitoring Fee			3,813	1143.9	2669.1	3,813	1143.9	2669.1	3,813	1143.9	2669.1	3,813	1143.9	2669.1	3,813	1143.9	2669.1	3,813		
Replacement Reserve Deposit			65,000	19500	45500	65,000	19500	45500	65,000	19500	45500	65,000	19500	45500	65,000	19500	45500	65,000		
Operating Reserve Deposit			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Other Required Reserve 1 Deposit			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Other Required Reserve 2 Deposit			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Required Reserve Deposits, Commercial			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Sub-total Reserves/Ground Lease Base Rent/Bond Fees			83,813	25,144	58,669	83,813	25,144	58,669	83,813	25,144	58,669	83,813	25,144	58,669	83,813	25,144	58,669	83,813		
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)			2,438,642	776,875	1,744,187	2,521,061	803,185	1,803,180	2,606,365	830,417	1,864,238	2,694,654	858,601	1,927,432	2,786,034	887,772	1,992,839	2,880,611		
NET OPERATING INCOME (INCOME minus OP EXPENSES)			248,591	26,957	212,561	239,517	27,162	202,486	229,649	27,375	191,570	218,945	27,595	179,770	207,366	27,824	167,044	194,867		
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)																				
Hard Debt - First Lender			211,236	-	211,236	211,236	-	211,236	211,236	-	211,236	211,236	-	211,236	211,236	-	211,236	211,236		
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			61,765	18,530	43,236	61,765	18,530	43,236	61,765	18,530	43,236	61,765	18,530	43,236	61,765	18,530	43,236	61,765		
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Hard Debt - Fourth Lender			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Commercial Hard Debt Service			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
TOTAL HARD DEBT SERVICE			273,001	18,530	254,472	273,001	18,530	254,472	273,001	18,530	254,472	273,001	18,530	254,472	273,001	18,530	254,472	273,001		
CASH FLOW (NOI minus DEBT SERVICE)			(24,410)	8,427	(41,911)	(33,484)	8,633	(51,985)	(43,353)	8,846	(62,902)	(54,056)	9,066	(74,701)	(65,635)	9,294	(87,428)	(78,134)		
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)	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Partnership Management Fee (see policy for limits)	3.5%	3.5%	18,927	5,877	13,713	19,590	6,083	14,193	20,276	6,296	14,690	20,985	6,516	15,204	21,720	6,744	15,736	22,480		
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			8,500	2,550	5,950	8,500	2,550	5,950	8,500	2,550	5,950	8,500	2,550	5,950	8,500	2,550	5,950	8,500		
Other Payments			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Non-amortizing Loan Pmnt - Lender 1			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Non-amortizing Loan Pmnt - Lender 2			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
TOTAL PAYMENTS PRECEDING MOHCD			27,427	8,427	19,663	28,090	8,633	20,143	28,776	8,846	20,640	29,485	9,066	21,154	30,220	9,294	21,686	30,980		
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)			(51,837)	(0)	(61,574)	(61,574)	(0)	(72,128)	(72,128)	(0)	(83,541)	(83,541)	(0)	(95,855)	(95,855)	(0)	(109,114)	(109,114)		
Does Project have a MOHCD Residual Receipt Obligation? Yes																				
Will Project Defer Developer Fee? Yes																				
1st Residual Receipts Split - Lender/Deferred Developer Fee 50% / 50%																				
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/Uses			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Final Balance (should be zero)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
RR Running Balance			715,000	-	-	780,000	-	-	845,000	-	-	910,000	-	-	975,000	-	-	1,040,000		
OR Running Balance																				

681 Florida

INCOME	Total # Units:	LOSP Units		Non-LOSP Units		Year 12			Year 13			Year 14			Year 15			Year 16			
		39	91	2033			2034			2035			2036			2037					
		30.00%	70.00%	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total		
Developer Fee Starting Balance	130					2,529,987			2,529,987			2,529,987			2,529,987			2,529,987			2,529,987
Deferred Developer Fee Earned in Year						-			-			-			-			-			-
Developer Fee Remaining Balance						2,529,987			2,529,987			2,529,987			2,529,987			2,529,987			2,529,987

681 Florida

Total # Units:	LOSP Units		Non-LOSP Units		Year 17			Year 18			Year 19			Year 20		
	39	91	2038			2039			2040			2041				
	30.00%	70.00%	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total		
INCOME																
Residential - Tenant Rents	1.0%	2.5%	137,192	2,318,516	2,456,708	138,564	2,377,504	2,516,068	139,949	2,436,942	2,576,891	141,349	2,497,865	2,639,214		
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a	-	-	-	-	-	-	-	-	-	-	-	-		
Residential - LOSP Tenant Assistance Payments	n/a	n/a	811,260	-	811,260	841,339	-	841,339	872,505	-	872,505	904,795	-	904,795		
Commercial Space	n/a	2.5%	-	-	-	-	-	-	-	-	-	-	-	-		
Other Income			-	-	-	-	-	-	-	-	-	-	-	-		
Gross Potential Income			952,883	2,329,856	3,282,739	984,445	2,388,102	3,372,547	1,017,109	2,447,805	3,464,914	1,050,915	2,509,000	3,559,915		
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	(6,860)	(115,976)	(122,835)	(6,928)	(118,875)	(125,803)	(6,997)	(121,847)	(128,845)	(7,067)	(124,893)	(131,961)		
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a	-	-	-	-	-	-	-	-	-	-	-	-		
Vacancy Loss - Commercial	n/a	n/a	-	-	-	-	-	-	-	-	-	-	-	-		
EFFECTIVE GROSS INCOME			946,024	2,213,880	3,159,904	977,517	2,269,227	3,246,744	1,010,112	2,325,958	3,336,070	1,043,848	2,384,107	3,427,955		
OPERATING EXPENSES																
Management	3.5%	3.5%	60,083	140,193	200,275	62,186	145,100	207,285	64,362	150,178	214,540	66,615	155,434	222,049		
Salaries/Benefits	3.5%	3.5%	232,708	312,157	544,865	240,853	323,082	563,935	249,283	334,390	683,673	258,007	346,094	604,101		
Administration	3.5%	3.5%	64,674	150,906	215,579	66,937	156,187	223,125	69,280	161,654	230,934	71,705	167,312	239,017		
Utilities	3.5%	3.5%	173,449	404,714	578,163	179,520	418,879	598,399	185,803	433,540	619,343	192,306	448,714	641,020		
Taxes and Licenses	3.5%	3.5%	17,712	41,329	59,041	18,332	42,775	61,107	18,974	44,272	63,246	19,638	45,822	65,460		
Insurance	3.5%	3.5%	96,240	224,560	320,800	99,608	232,419	332,028	103,095	240,554	343,649	106,703	248,973	355,676		
Maintenance & Repair	3.5%	3.5%	247,955	578,561	826,516	256,633	598,811	855,444	265,615	619,769	885,385	274,912	641,461	916,373		
Supportive Services	3.5%	3.5%	-	149,447	149,447	-	154,678	154,678	-	160,091	160,091	-	165,695	165,695		
Commercial Expenses			-	-	-	-	-	-	-	-	-	-	-	-		
TOTAL OPERATING EXPENSES			892,820	2,001,866	2,894,686	924,069	2,071,931	2,996,000	956,411	2,144,449	3,100,860	989,886	2,219,505	3,209,390		
Reserves/Ground Lease Base Rent/Bond Fees																
Ground Lease Base Rent			4500	10500	15,000	4500	10500	15,000	4500	10500	15,000	4500	10500	15,000		
Bond Monitoring Fee			1143.9	2669.1	3,813	1143.9	2669.1	3,813	1143.9	2669.1	3,813	1143.9	2669.1	3,813		
Replacement Reserve Deposit			19500	45500	65,000	19500	45500	65,000	19500	45500	65,000	19500	45500	65,000		
Operating Reserve Deposit			0	0	0	0	0	0	0	0	0	0	0	0		
Other Required Reserve 1 Deposit			0	0	0	0	0	0	0	0	0	0	0	0		
Other Required Reserve 2 Deposit			0	0	0	0	0	0	0	0	0	0	0	0		
Required Reserve Deposits, Commercial			0	0	0	0	0	0	0	0	0	0	0	0		
Sub-total Reserves/Ground Lease Base Rent/Bond Fees			25,144	58,669	83,813	25,144	58,669	83,813	25,144	58,669	83,813	25,144	58,669	83,813		
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)			917,964	2,060,535	2,978,499	949,213	2,130,600	3,079,813	981,555	2,203,118	3,184,673	1,015,030	2,278,174	3,293,203		
NET OPERATING INCOME (INCOME minus OP EXPENSES)			28,060	153,345	181,404	28,304	138,627	166,930	28,557	122,840	151,396	28,818	105,933	134,751		
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)																
Hard Debt - First Lender			-	211,236	211,236	-	211,236	211,236	-	211,236	211,236	-	211,236	211,236		
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			18,530	43,236	61,765	18,530	43,236	61,765	18,530	43,236	61,765	18,530	43,236	61,765		
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			-	-	-	-	-	-	-	-	-	-	-	-		
Hard Debt - Fourth Lender			-	-	-	-	-	-	-	-	-	-	-	-		
Commercial Hard Debt Service			-	-	-	-	-	-	-	-	-	-	-	-		
TOTAL HARD DEBT SERVICE			18,530	254,472	273,001	18,530	254,472	273,001	18,530	254,472	273,001	18,530	254,472	273,001		
CASH FLOW (NOI minus DEBT SERVICE)			9,530	(101,127)	(91,597)	9,774	(115,845)	(106,071)	10,027	(131,632)	(121,605)	10,289	(148,539)	(138,250)		
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)	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-	-	-		
Partnership Management Fee (see policy for limits)	3.5%	3.5%	6,980	16,287	23,267	7,224	16,857	24,081	7,477	17,447	24,924	7,739	18,057	25,796		
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			2,550	5,950	8,500	2,550	5,950	8,500	2,550	5,950	8,500	2,550	5,950	8,500		
Other Payments			-	-	-	-	-	-	-	-	-	-	-	-		
Non-amortizing Loan Pmnt - Lender 1			-	-	-	-	-	-	-	-	-	-	-	-		
Non-amortizing Loan Pmnt - Lender 2			-	-	-	-	-	-	-	-	-	-	-	-		
TOTAL PAYMENTS PRECEDING MOHCD			9,530	22,237	31,767	9,774	22,807	32,581	10,027	23,397	33,424	10,289	24,007	34,296		
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)			0	(123,363)	(123,363)	(0)	(138,652)	(138,652)	0	(155,029)	(155,029)	(0)	(172,546)	(172,546)		
Does Project have a MOHCD Residual Receipt Obligation?		Yes														
Will Project Defer Developer Fee?		Yes														
1st Residual Receipts Split - Lender/Deferred Developer Fee		50% / 50%														
MOHCD RESIDUAL RECEIPTS DEBT SERVICE																
MOHCD Residual Receipts Amount Due		69.79%	-	-	-	-	-	-	-	-	-	-	-	-		
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		30.21%	-	-	-	-	-	-	-	-	-	-	-	-		
Lender 4 Residual Receipts Due		0.00%	-	-	-	-	-	-	-	-	-	-	-	-		
Lender 5 Residual Receipts Due		0.00%	-	-	-	-	-	-	-	-	-	-	-	-		
Total Non-MOHCD Residual Receipts Debt Service			-	-	-	-	-	-	-	-	-	-	-	-		
REMAINDER (Should be zero unless there are distributions below)			-	-	-	-	-	-	-	-	-	-	-	-		
Owner Distributions/Incentive Management Fee			-	-	-	-	-	-	-	-	-	-	-	-		
Other Distributions/Uses			-	-	-	-	-	-	-	-	-	-	-	-		
Final Balance (should be zero)			-	-	-	-	-	-	-	-	-	-	-	-		
RR Running Balance					1,105,000			1,170,000			1,235,000			1,300,000		
OR Running Balance					-			-			-			-		
Other Required Reserve 1 Running Balance					-			-			-			-		
Other Required Reserve 2 Running Balance					-			-			-			-		
DEFERRED DEVELOPER FEE - RUNNING BALANCE																

681 Florida

	Total # Units:	LOSP Units		Non-LOSP Units		Year 17			Year 18			Year 19			Year 20		
		39	91	2038			2039			2040			2041				
		30.00%	70.00%														
INCOME		% annual inc LOSP	% annual increase	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total		
Developer Fee Starting Balance						2,529,987			2,529,987			2,529,987			2,529,987		
Deferred Developer Fee Earned in Year						-			-			-			-		
Developer Fee Remaining Balance						2,529,987			2,529,987			2,529,987			2,529,987		

Attachment D: LOSP Funding Schedule A

Attachment D: LOSP Funding Schedule A

LOSP FUNDING SCHEDULE

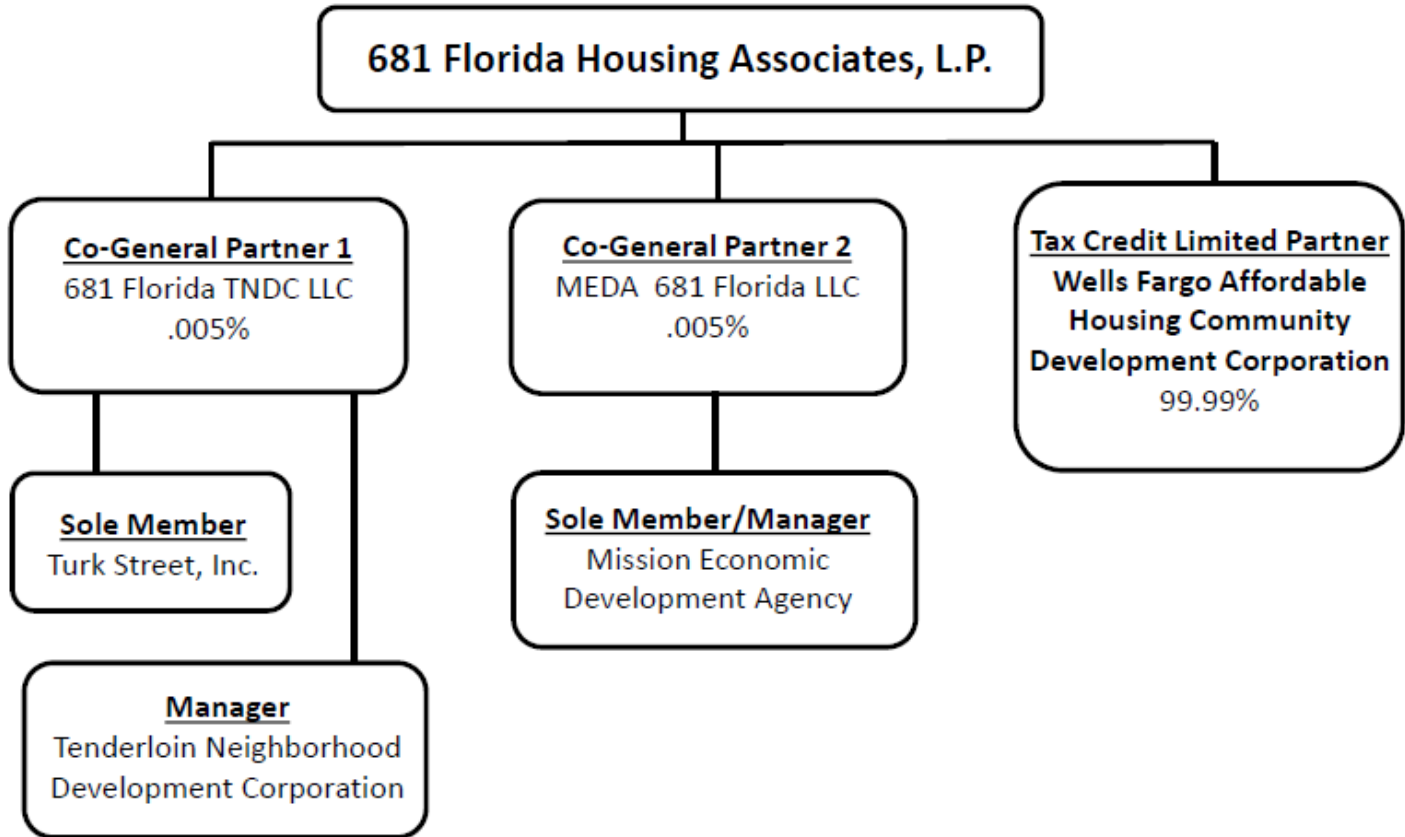
Project Address:	681 Florida
Project Start Date:	8/1/22

Exhibit A

Calendar Year	Full Year Funding Amount	# Months to Fund	Total Disbursement for Calendar Year	Estimated Disbursement Date	FY Budgeted (for Disbursement)
CY-1 2022	\$451,459	5	\$188,108	7/1/2022	FY2022/23
CY-2 2023	\$467,985	12	\$467,985	1/1/2023	FY2022/23
CY-3 2024	\$485,583	12	\$485,583	1/1/2024	FY2023/24
CY-4 2025	\$503,827	12	\$503,827	1/1/2025	FY2024/25
CY-5 2026	\$522,738	12	\$522,738	1/1/2026	FY2025/26
CY-6 2027	\$542,341	12	\$542,341	1/1/2027	FY2026/27
CY-7 2028	\$562,659	12	\$562,659	1/1/2028	FY2027/28
CY-8 2029	\$583,719	12	\$583,719	1/1/2029	FY2028/29
CY-9 2030	\$605,546	12	\$605,546	1/1/2030	FY2029/30
CY-10 2031	\$628,167	12	\$628,167	1/1/2031	FY2030/31
CY-11 2032	\$651,612	12	\$651,612	1/1/2032	FY2031/32
CY-12 2033	\$675,908	12	\$675,908	1/1/2033	FY2032/33
CY-13 2034	\$701,086	12	\$701,086	1/1/2034	FY2033/34
CY-14 2035	\$727,178	12	\$727,178	1/1/2035	FY2034/35
CY-15 2036	\$754,215	12	\$754,215	1/1/2036	FY2035/36
CY-16 2037	\$782,231	12	\$782,231	1/1/2037	FY2036/37
Total Contract Amount:			\$9,382,902		

Attachment E: 681 Florida (Casa Adelante) Supportive Housing Ownership and Lease Structure

**681 Florida
Organizational Structure**



681 Florida Housing Associates, L.P., a California limited partnership. EIN: 82-1438453
681 Florida TNDC LLC, a California limited liability company. EIN: 94-3403318 (sole member's EIN)
MEDA 681 Florida LLC, a California limited liability company. EIN: 51-0187791
Mission Economic Development Agency, a California nonprofit public benefit corporation. EIN: 51-0187791
Turk Street, Inc., a California nonprofit public benefit corporation. EIN: 94-3297381
Tenderloin Neighborhood Development Corporation, a California nonprofit public benefit corporation. EIN: 94-2761808