

**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

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**MEMORANDUM**

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**DATE:** JANUARY 29, 2021  
**TO:** CITYWIDE AFFORDABLE HOUSING LOAN COMMITTEE  
**FROM:** ANNE ROMERO, SENIOR PROJECT MANAGER  
**RE:** **78 HAIGHT STREET – AMENDED PRELIMINARY GAP REQUEST FOR CALIFORNIA DEBT LIMIT ALLOCATION (CDLAC) APPLICATION FINANCING PURPOSES**

**THIS REQUEST**

4,000,000	2019 GO Bond
10,500,000	Market Octavia Fund
4,000,000	AHF Inclusionary
4,780,239	No Place Like Home
<u>865,978</u>	Jobs Housing Linkage – portion of AHP Bridge
24,146,217	

**EXISTING PREDEVELOPMENT LOAN**

2,000,000	ERAF
<u>600,250</u>	Affordable Housing Fund
2,600,250	

**TOTAL CDLAC COMMITMENT LETTER REQUEST: \$26,746,467**

**Summary of Request**

On behalf of Octavia RSU Associates, LP, Tenderloin Neighborhood Development Corporation (TNDC) requests an updated preliminary MOHCD gap commitment of up to \$26,746,467 to support the 78 Haight Street application to the California Debt Limit Allocation Committee (CDLAC) and California Tax Credit Allocation Committee (TCAC) for allocations of tax exempt bonds and tax credits respectively, due February 4, 2021, for an anticipated April 2021

allocation meeting. This request includes an AHP bridge loan in the amount of \$945,000, which would be repaid upon award and receipt.

TNDC received a MOHCD preliminary gap commitment for their successful CA Department of Housing and Community Development Multifamily Housing Program application on February 21, 2020 in the amount of \$22,289,234. However, an increase in MOHCD funding is needed to replace the previously anticipated state tax credit source with increased MOHCD funds if they are to be competitive under the new CDLAC scoring criteria. This preliminary gap request to MOHCD is made up of \$21.966 million in MOHCD funds (\$424K / unit) and an additional \$4.78 million in No Place Like Home (NPLH) funds for 13 NPLH TAY units targeted to TAY with serious mental illness (\$368K / NPLH unit). Total proposed MOHCD financing, including NPLH, is \$26,746,467 (\$424K / unit). This amount also includes a bridge loan to cover their presumed FHLB Affordable Housing Program (AHP) award in the amount of \$945,000, as they plan to apply in Spring 2021.

Loan Committee approved a predevelopment loan in the amount of \$2,600,250 in September 2019, and the project was awarded MHP in January 2021 in response to their second MHP application. This memo updates Loan Committee on the financing plan, project status and the preliminary proposed total budget. A full gap loan evaluation and updated budget will be presented to Loan Committee in Fall 2021 for review and approval prior to construction start based on hard cost bid numbers.

## **Background**

78 Haight Street will provide 63 units of affordable housing, including 32 units for Transition Age Youth (TAY) experiencing or at risk of homelessness. TNDC was awarded funding under their response to the Octavia Boulevard Parcels RS&U Request for Proposals that was issued on June 19, 2017. Shortly after the award, the project was put on hold due to budget constraints resulting from delays to a market rate development with an inclusionary housing contribution to the project. In March 2019, predevelopment financing was made available to restart this project from the ERAF (Educational Revenue Augmentation Fund) surplus. Adjacent Parcels R&S have very high cost-per-unit numbers due to the small lot sizes which necessitate greater structural reinforcement; these are being explored as separate developments in collaboration with the Office of Economic and Workforce Development (OEWD). In September 2019, Loan Committee approved \$2,600,250 in predevelopment financing for 78 Haight Street (Parcel U) as a stand-alone project.

## **Update on Project Status**

### **1. Financing Plan**

#### **Financing Status and Current Challenge**

TNDC was awarded a \$5,618,262 MHP loan from HCD in January 2021. With this funding secured, TNDC will now apply in the next round for the two final remaining components of the capital stack: allocations of both tax exempt bonds and 4% tax credits.

This will be the second round in recent history whereby those allocations will be competitive, under a new set of guidelines applicable as of January 2021. In addition, CDLAC has changed the tiebreaker scoring to advantage projects which do *not* include state tax credits. Because the changes to the CDLAC scoring were published well after the MHP application was due, TNDC could not have applied for a larger MHP loan that is required if the state tax credits are removed from the budget. Now that MHP has been awarded, the MHP loan amount and project AMI levels are, for the most part, locked in place.

In addition, the two other means available to improve the CDLAC tiebreaker score are not available to 78 Haight:

- The project is not in a High or Highest Resource Area
- The project cannot fit into the TCAC Special Needs Housing Type due to average project affordability; doing so now would change the MHP tiebreaker and would cost the project its MHP award.

As a result, without removing the state tax credits, the project is not expected to be awarded bonds in this round given the effect that the presence of state tax credits has on the tiebreaker score. The financial consultant, CHPC, speculates that subsequent 2021 rounds will be equally competitive given the shortage of bonds relative to the number of projects applying.

Potential Solution

The tiebreaker score can become more competitive by increasing the MOHCD gap funding in an amount sufficient to remove the state tax credits from the budget:

<u>Option</u>	<u>Tiebreaker (lower is better)</u>
With state tax credits (as-is)	\$373,439.89
MOHCD gap in lieu of state tax credits (this request)	\$321,649.33

Because this is the very first round whereby the new CDLAC tiebreaker score will be used, it is not possible to predict whether or not the improved tiebreaker will be successful. However, staff recommend that MOHCD support the project with additional gap funds to improve the likelihood of an allocation and mitigate possible further schedule delays.

**Entitlements**

TNDC is has obtained full entitlements via SB35 & State Density Bonus application.

**2. Design and Target Population**

The project is located at the corner of Haight Street and Octavia Street, in the Hayes Valley neighborhood, on an extremely small parcel the size of 5,580 s.f.. The building is proposed as Type I with 7 stories over a full basement (see note on basement, below). The design proposes childcare fronting Octavia Street utilizing 3,350 square feet. The residential project would have a community room and kitchen at the roof deck level on the 8<sup>th</sup> floor. The project will consist of 63 units, including 58 studios and 5 one-bedroom apartments. Just over half of the units (32)

will house TAY, and the other half will house low-income tenants with incomes up to 80% MOHCD AMI. The one-bedroom units will be provided for TAY parenting households.

The building design includes a “TAY Suite” on the second floor, which includes two offices for on-site social services, a staff restroom, and a tenant lounge for use by the TAY residents. Support services will be provided by Larkin Street Youth Services. HSH and the service provider, Larkin Street Youth Services, have reviewed and provided input on design of the service provision space for the TAY residents and believe that it is appropriate to serve the needs of TAY, including the NPLH population, given the supportive services plan. Additional amenities include a community room, laundry room, 24-7 front desk coverage, on-site property management and social worker, a rooftop patio and on-site laundry.

Target Population and Unit Type. TNDC proposes including No Place Like Home (NPLH) funds from the City’s Alternative County NPLH allocation for 13 TAY units, which will require that those units serve TAY who are homeless or at risk of homelessness and have a serious mental illness. The NPLH program requires an experienced service provider for the target population, site suitability, and integration of the units within the building. MOHCD, HSH and DPH are working closely to coordinate the inclusion of NPLH units across the supportive housing portfolio. The location of this project, experienced TAY service provider, and collaborative history of TNDC and Larkin Street at TAY supportive housing projects make this project a good candidate for TAY NPLH units. The remaining 19 TAY units are proposed to be funded by MHP – Supportive Housing, which has a specific TAY chronic homeless population definition that HSH has reviewed and believes the TAY residents will meet given the characteristics of the population in the TAY Coordinated Entry System.

The proposed unit mix is 58 studios and 5 1-BR units, with all 1-BR units targeted to parenting TAY. All TAY units will receive referrals through the Coordinated Entry System, including referrals for the NPLH tenants and parenting TAY.

Unit Type	Unit Count	SF Average	Max Gross Rent	Maximum % MOHCD AMI	Rent, Operating Subsidy
Studio – MHP	14	375	\$846	30%	LOSP
Studio - NPLH	13	375	\$846	30%	LOSP
Studio	31	375	\$1,832	80%	None
<b>Total Studios</b>	<b>58</b>				
1 BR - MHP	3	500	\$967	30%	LOSP
1 BR - Neither MHP nor NPLH	2	500	\$967	30%	LOSP
<b>Total 1 BRs</b>	<b>5</b>				
<b>TOTAL:</b>	<b>63</b>				

\*Two 1-BR units were removed from NPLH funding after the previous loan committee approval to comply with HCD MHP and NPLH regulations to have no more than 49% restricted to persons with a disability.

Square Footage Summary.

Residential SF:	23,839
Circulation SF:	9,509
Office SF:	847
Parking Garage SF:	0
Common Area SF:	2,052
Child Care:	3,349
Basement /Utility:	5,506
Building Total SF:	45,102
Roof Deck SF:	2,574
TOTAL SQUARE FOOTAGE:	47,676

**3. Ground Floor Uses**

The Octavia Boulevard Parcels RS&U RFP was amended after it was issued to add the provision of a childcare facility on the ground floor within the three parcels, given the need for childcare in San Francisco, severe need in this neighborhood, the potential availability of childcare tenant improvement funding from Market-Octavia Child Care impact fees, and the potential need for childcare by parenting TAY. In addition, a Planning Code amendment was pending approval at the Board of Supervisors that would allow the sharing of open space between the housing and childcare, which this project ultimately can't accommodate due to space constraints. Due to the very small parcel size with only Parcel U going forward at this time, Loan Committee conditioned that additional feasibility analysis needed to be done to determine if childcare could work at this site.

Since the Loan Committee award of predevelopment funds, TNDC has done significant due diligence to determine the feasibility of a childcare center on the ground floor, as it is a high priority for childcare advocates, and neighborhood groups. The major feasibility hurdles were the following:

- a) Facility Size. LIIF childcare experts evaluated that an approximate 3,500-square-foot CDC serving 35 children ages 0 to 5 would be acceptable to childcare providers.
- b) Open Space Waiver. Obtaining approvals for the Provider to use either/both the Hayes Valley Playground and/or the nearby Koshland Playground has been deemed likely by both LIIF and SF Rec & Park. The selected Provider will be responsible for obtaining the waivers.

The childcare entrance will be on Octavia, and the childcare operations will not interact with the residential building and entrance on Haight Street. A draft of the Childcare Development Center ("CDC") RFP was reviewed by MOHCD and LIIF and a final version was published on February 10, 2020, with responses due on March 2, 2020. Wu Yee Children's Services was awarded the CDC space. The rent assumption is \$1 / year, consistent with other recently approved childcare centers that provide 95% or greater subsidized childcare slots.

#### **4. Community Outreach and Site Interim Use**

TNDC has met one-on-one with leadership from the Hayes Valley Neighborhood Association (HVNA) and has also met twice with the HVNA Transportation and Planning Committee. HVNA continues to be generally supportive and welcoming of the project.

HVNA would like to see interim use activation continued at the site prior to start of construction. This is being accomplished at R&S through a neighborhood garden. At Parcel U, the site is paved and is currently being used with the City's permission for church parking and staging for construction at Parcel T. All revenue from Market Octavia Plan parcels' interim uses goes to Public Works for Market Octavia Plan projects.

Prop I Notification has occurred.

#### **5. Procurement**

Since the Predevelopment loan approval, the following team members have been procured.

- |                       |                              |
|-----------------------|------------------------------|
| a. CM                 | Chris Rivera                 |
| b. General Contractor | Suffolk Guzman Joint venture |

#### **6. Construction Specialist's Evaluation**

The preliminary budget is based on an October 2020 GC cost estimate based on 60% Construction Drawings (CD).

The current 60% CD set produced by Paulett Taggart Architects for 78 Haight Street presents a 7 story, 63-unit, mid-rise development comprised of 58 studios and 5 one-bedroom units with ground floor commercial space which totals approximately 47,676 gross square feet. The planned building will be at the corner of Haight Street and Octavia Boulevard in Supervisorial District 5. The main building access is located at the lobby entrance off of Haight Street. The first floor currently consists of a residential lobby and childcare center. The second floor includes services office, community room, and residential units. Floors 3-7 contain residential units while the roof has another community room, laundry room, and roof deck which provides open space.

The tight site (5,580 sf) remains a challenge in the context of scaling the costs for the project. Since we last came before the committee, TNDC has selected a joint venture between Suffolk and Guzman Contractors as the GC and a recent Schematic Design estimate has been delivered, discussed with the design and development team, and is reflected in the project proforma for this evaluation. The current cost estimate assumes the mat slab foundation presented in the design documents as well as a basement which will be utilized for back of house functions for the building. Exterior finishes are a mix of stucco and panelized products which offer differentiation to complement the varied articulated bay windows. Planned unit finishes include resilient flooring, engineered quartz countertops, and appliances.

The current hard cost estimated for the project totals \$34,400,855, which translates to \$565,915 per unit or \$747 per square foot. The current set of numbers based on the 60% CD estimate also contain the full suite of MOHCD contingencies within the unit construction rehab line. A

condition of this memo will be that TNDC breaks out these contingencies across the MOHCD proforma and enters into immediate discussions with MOHCD Construction Representative regarding appropriate and commensurate reductions based on the current stage of design and permit review/plan check comments and outstanding predevelopment risk exposure. The construction period is currently estimated at 17 months and the project is in possession of the Site Permit. The first permit addendum (structural) is currently under review and waiting for Department of Public Works approval.

The team has accepted approximately \$435,873 in value engineering to date with more forthcoming additional changes which will be incorporated into the 90% CD set.

**7. Updated Sources and Uses Summary Sources and Uses Narrative**

<b>Predevelopment</b>	<b>Amount</b>	<b>Terms</b>	<b>Status</b>
MOHCD - ERAF and AHP	\$ 2,600,250		0% Funded
<b>Perm Sources</b>			
<b>MOHCD</b>	<b>\$ 17,508,995</b>	0 - 3%	Previously approved gap
<b>MOHCD NPLH</b>	<b>\$ 4,780,239</b>		
<b>AHP (MOHCD Bridge Loan)</b>	<b>\$ 945,000</b>		Not committed
MHP	\$ 5,618,262		Committed
General Partner (Dev Fee)	\$ 2,200,000		Not committed
Tax Credit Equity	\$ 16,917,640		Not committed
			***ADDITIONAL*** gap requested in lieu of State Tax Credits
<b>Increase to MOHCD Gap</b>	<b>\$ 3,512,233</b>		
Deferred Fee	\$ 0		
<b>TOTAL</b>	<b>\$ 51,482,333</b>		
<b>USES</b>			
	<b>Amount</b>	<b>Per Unit</b>	<b>Per Square Foot</b>
Acquisition	\$ 37,439	\$ 594	\$ 1
Hard Costs	\$ 36,652,666	\$ 565,915	\$ 748
Hard Cost Contingency & Escal.	Included above. See note, below		
Soft Costs	\$ 11,392,228	\$ 180,829	\$ 239
Developer Fee	\$ 4,400,000	\$ 69,841	\$ 92
<b>TOTAL</b>	<b>\$ 51,482,333</b>	<b>\$ 817,180</b>	<b>\$ 1,080</b>

- Note: Given the urgent nature of this request:
  - Only tab 4b Permanent Sources & Uses was updated. Other tabs reflect the MOHCD application that was previously approved by MOHCD loan committee.
  - The perm S&U tab does not comply with MOHCD policy with regards to contingencies. This is because, per Financial Consultant CHPC, TNDC should

not show bid/escalation/plan check contingencies in the TCAC app. Therefore, these amounts have been incorporated into the hard cost line items.

- Permanent Sources Evaluation Narrative: Proposed permanent financing sources include tax-exempt bonds and 4% Low Income Housing Tax Credits, MHP, General Partner equity, Federal Home Loan Bank Affordable Housing Program funds, and MOHCD permanent financing in the amount of \$26,746,467 (including NPLH and AHP bridge loan). This total MOHCD contribution of \$424,547 / unit is higher than estimated at the Predevelopment stage, yet represents a different financing scenario and no state tax credits. Once the AHP bridge loan is repaid, total MOHCD financing would be \$25.8 million, or \$409K / unit.
- The tax credit pricing is assumed at \$0.93 for the federal credit. This represents a reduction from \$1.01 from the project’s previously approved loan evaluation due to weakening in the tax credit market generally post-COVID 19.
- AHP assumes a request of \$15,000 per unit for a total of \$945,000; the sponsor has done a scoring analysis and doesn’t think they’ll be competitive with readiness points until 2021; therefore TNDC requests that MOHCD provide a bridge loan at closing that will be repaid upon funding of AHP.

<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	See note above – hard costs are inflated per TCAC application requirements.
Hard Cost Contingencies	Y	See note above – hard cost contingencies have been incorporated into hard cost line items per TCAC requirements.
Architecture and Engineering Fees are within standards	Y	
Construction Management Fees are within standards	Y	Proposed total Construction Management Fee of \$118,388 is within MOHCD Underwriting Guidelines for predev and construction period
Developer Fee is within standards, see also disbursement chart below	Y	Total Dev Fee is proposed at \$4.4 million with \$2.2 million contributed back as a GP Contribution Source.  Total At-Risk Dev Fee is \$1.2 million



Soft Cost Contingency is 10% per standards	N	Soft Cost Contingency is less than 10% and will be adjusted at final loan committee approval prior to close.
Capitalized Operating Reserves are a minimum of 3 months	Y	Capitalized Operating Reserve is equal to 3 months of operations
Capitalized Replacement Reserves are a minimum of \$1,000 per unit (Rehab only)	N/A	
Commercial start up costs	N	Childcare tenant will need to fund all tenant improvements and start-up costs, as made explicit in the RFP.

<b>Proposed Developer Fee Disbursement Schedule</b>		
<b>Payment Milestone</b>	<b>% of Project Mgmt Fee</b>	<b>Amount</b>
PM: At Acquisition or closing of preconstruction financing	15%	\$165,000
PM: During or at end of Predevelopment	35%	\$385,000
PM: At Construction Closing	20%	200,000
PM: During Construction	20%	220,000
PM: At Project Close Out	10%	110,000
Total PM Fee		\$1,100,000
At Risk: Qualified Occupancy	20%	\$220,000
At Risk: Perm Loan Closing	50%	\$550,000
At Risk: Project Closeout	30%	\$330,000
Total At Risk Fee		\$1,100,000
GP Equity		\$2,200,000
Total Developer Fee	100%	\$4,400,000

## 8. Operating Budget

There are no changes to the Operating Budget since the previous gap loan request.

The total operating budget is \$959,154 (\$15,225 PUPA), assuming opening in 2022. Operating Cost increases from the original predevelopment request are in the areas of:

- Asset Management Fee is now reflected above the line
- Increased utilities
- Increased insurance
- Increased payroll and contracts
- Increased services for the non TAY units in the operating budget

While the operating costs appear high on a per unit basis, the costs are mostly attributable to 32 PSH units with full time desk clerk coverage within a small 63 unit building. The operating budget will be more fully evaluated at the gap request, including the need for 24 hour desk clerk coverage.

The staffing plan is lean (see table, below) and it will be revisited at final gap commitment.

Type	FTE's	Budget	Notes
General Manager	1	58,000	1 General Manager
Assistant Manager Salaries	0	0	No Assistant Manager
Desk Clerk Salaries (TNDC Employees)	4.2	168,880	4.2 FTE Desk Clerks at 2020 min wage, plus requisite overtime and meal-break coverage
Rent Allowance	0.0	0	No MGR Unit
Night Manager Salary	0.0	0	None
Janitor & Cleaning Payroll	1.0	38,400	1 FTE Custodians at 2020 salaries (min wage) + requisite \$2k for OT
Maintenance Payroll	1.5	75,920	1 FTE Maint III and 0.5 Maint I at 2020 salaries.

The project cashflows with the 30% LOSP and 80% MOHCD AMI units through Year 20. LOSP costs are currently budgeted at \$14,350 per unit per year.

## 9. Services Budget

The Support Services Plan was drafted for the MHP application and has been shared with HSH. Larkin Street Youth Services has extensive experience providing services to TAY, including TAY with serious mental illness, with their MHSA TAY portfolio and programs. Larkin Street Youth Services' services contract will be funded by HSH. TNDC Tenant Services will provide support to the other households (adults or small families) with a part time service provider position paid from operations. TNDC and Larkin Street have a long collaboration in TAY housing including 864 Ellis (24 units, the very first affordable TAY project funded by the City) and Aarti (40 units). Completion of the services plan and budget is listed as a condition of ongoing disbursements during predevelopment.

Note that both MHP and NPLH have minimum requirements for services case management ratios and reporting. Need to make sure these are accounted for.

## **10. Status of Predevelopment Loan Conditions**

By December 1, 2019:

- a) Begin community outreach in earnest. DONE
- b) Determine feasibility of childcare center at ground floor. DONE
- c) Submit application to Planning Department for SB35 and Site Permit review. DONE
- d) Submittal of preliminary services plan and budget for HSH and MOHCD Review and Approval. DONE
- e) TNDC will explore cost containment strategies for construction and present them at the various cost estimates (schematic, design development, construction) with narrative analysis of the pricing from the general contractor. IN PROCESS

By March 1, 2020 (Prior to Design Development Phase):

- f) Operating Budget Update. TNDC will refine the proposed operating budget and staffing plan, which informs the LOSP cost, to be reviewed by MOHCD and HSH. TNDC will consider the need for an assistant property manager. DONE
- g) TNDC to analyze a higher AHP request amount to maximize FHLB source of funds. DONE

Former Conditions of Approval:

- h) TNDC to implement cost containment strategies that limit the MOHCD subsidy to under \$250K per unit and limits the total development costs excluding land to under \$675K per unit. IN PROCESS. TNDC has pursued cost containment strategies as outlined in Section 7. The financing structure has changed, and staff believe that this high cost is the result of the extremely small site and Type I construction. ONGOING
- i) TNDC to submit Request For Proposals (RFPs) for equity investors to MOHCD for review before they are finalized and released to investors. TO OCCUR
- j) TNDC to submit raw financial data from developer or financial consultant to MOHCD prior to selection of equity investor. TO OCCUR

## **11. Staff Recommendation**

1. Staff recommends approval of the commitment letter to CDLAC for the Sponsor's application with the increased MOHCD gap amount to replace the state tax credits.

## **12. New Loan Conditions**

- a. Sponsor to break out the hard cost contingencies across the MOHCD proforma and discuss with the MOHCD Construction Representative the appropriate and commensurate reductions based on the current stage of design and permit review/plan check comments and outstanding predevelopment risk exposure, as well as continue hard cost reduction efforts and value engineering as design progresses.
- b. Continue satisfaction of the loan conditions marked “IN PROCESS.”
- c. Explore options to reduce the operating costs, including an evaluation of the need for 24 hour desk clerk coverage.
- d. Sponsor will provide initial draft marketing plan within 12 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.

## **LOAN COMMITTEE MODIFICATIONS**

**LOAN COMMITTEE RECOMMENDATION**

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

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

\_\_\_\_\_

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

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

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

\_\_\_\_\_

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

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

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

\_\_\_\_\_

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

Sally Oerth, Interim Director  
Office of Community Investment and Infrastructure

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

\_\_\_\_\_

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

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

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

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**From:** Shaw, Eric (MYR)  
**Sent:** Friday, January 29, 2021 11:25 AM  
**To:** Chavez, Rosanna (MYR)  
**Subject:** 78 Haight

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)

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**From:** Menjivar, Salvador (HOM)  
**Sent:** Monday, February 1, 2021 8:43 PM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR)  
**Subject:** 78 Haight Street Application

I approve the Preliminary Gap Commitment and Bridge Financing request submitted by Tenderloin Neighborhood Development Corporation an updated preliminary MOHCD gap commitment of up to \$26,746,467 to support the 78 Haight Street application to the California Debt Limit Allocation Committee (CDLAC) and California Tax Credit Allocation Committee (TCAC) for allocations of tax exempt bonds and tax credits.

salvador



Salvador Menjivar  
Director of Housing  
*Pronouns: He/Him*  
San Francisco Department of Homelessness and Supportive Housing  
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## Chavez, Rosanna (MYR)

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**From:** Oerth, Sally (CII)  
**Sent:** Friday, January 29, 2021 11:25 AM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR); Romero, Anne (MYR)  
**Subject:** 78 Haight Amended Prelim Gap Request - 1.29.21 Loan Committee

I approve the amended preliminary gap request for the 78 Haight St project, as presented at the 1.29.21 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:** Katz, Bridget (CON)  
**Sent:** Friday, January 29, 2021 11:24 AM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR)  
**Subject:** 78 Haight

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: Attachment A – Updated Schedule

Attachment B – Development Budget

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

Attachment D – Previous Preliminary Gap Request

**Attachment A – Updated Schedule**

No.	Performance Milestone	Estimated or Actual Date	Contractual Deadline
A.	Prop I Noticing (if applicable)	<u>9/9/19</u>	
1	Acquisition/Predev Financing Commitment	<u>09/06/19</u>	
2.	Site Acquisition	<u>N/A</u>	—
3.	Development Team Selection		
a.	Architect	<u>June, 2017</u>	
b.	General Contractor	<u>October, 2019</u>	
c.	Owner’s Representative	<u>August, 2018</u>	
d.	Property Manager	<u>N/A</u>	
e.	Service Provider	<u>N/A</u>	
4.	Design		
a.	Submittal of Schematic Design & Cost Estimate	<u>December, 2019</u>	
b.	Submittal of Design Development & Cost Estimate	<u>March, 2020</u>	
c.	Submittal of 50% CD Set & Cost Estimate	<u>July, 2020</u>	
d.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	<u>March, 2021 (90% CD’s)</u>	
5.	Environ Review/Land-Use Entitlements		
a.	CEQA Environ Review Submission	<u>N/A (SB35)</u>	
b.	NEPA Environ Review Submission	<u>N/A</u>	
c.	CUP/PUD/Variances Submission	<u>N/A</u>	

6.	Permits		
a.	Building / Site Permit Application Submitted	<u>November, 2019</u>	<u>February 2020</u>
b.	Addendum #1 Submitted	<u>February, 2020</u>	
c.	Addendum #2 Submitted	<u>June, 2020</u>	
7.	Request for Bids Issued	<u>September, 2020</u>	
8.	Service Plan Submission		
a.	Preliminary	<u>October, 2020</u>	
b.	Update	<u>Fall 2021</u>	
9.	Additional City Financing		
a.	Prelim Gap Financing Application	<u>February 21, 2020</u>	
b.	Updated Prelim Gap Financing Request for CDLAC/TCAC	<u>January 29, 2021</u>	
c.	Gap Financing Application	<u>Fall 2021</u>	
10.	Other Financing		
a.	MHP Application	<u>September, 2020</u>	
b.	Construction Financing RFP	<u>July, 2020</u>	
c.	AHP Application	<u>March, 2021</u>	
d.	CDLAC Application	<u>February, 2021</u>	
e.	TCAC Application	<u>February, 2021</u>	
f.	Other Financing Application	<u>N/A</u>	
11.	Closing		

a.	Construction Closing	<u>September, 2021</u>	
b.	Permanent Financing Closing	<u>June, 2023</u>	
12.	Construction		
a.	Notice to Proceed	<u>September, 2021</u>	—
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	<u>January, 2023</u>	—
13.	Marketing/Rent-up		
a.	Marketing Plan Submission	<u>February, 2023</u>	—
b.	Commence Marketing	<u>March, 2023</u>	
c.	95% Occupancy	<u>May, 2023</u>	—
14.	Cost Certification/8609	<u>November, 2023</u>	
15.	Close Out MOH/OCII Loan(s)	<u>December, 2023</u>	









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

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**MEMORANDUM**

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**DATE:** FEBRUARY 21, 2020  
**TO:** CITYWIDE AFFORDABLE HOUSING LOAN COMMITTEE  
**FROM:** ANNE ROMERO, SENIOR PROJECT MANAGER  
**RE:** 78 HAIGHT STREET - PRELIMINARY GAP REQUEST FOR HCD  
MULTIFAMILY HOUSING PROGRAM (MHP) APPLICATION PURPOSES

**EXISTING MOHCD SOURCES**

MOHCD PREDEV LOAN	\$2,000,000	ERAF
	<u>\$600,250</u>	AFFORDABLE HOUSING FUND
	\$2,600,250	

**PRELIMINARY GAP REQUEST**

\$14,908,745	MOHCD
<u>\$ 4,780,231</u>	MOHCD/NPLH for 16 NPLH Units
\$19,688,984	

**PRELIMINARY TOTAL MOHCD FUNDING**

\$22,289,234 ERAF, AHF, NPLH

**Summary of Request**

On behalf of Octavia RSU Associates, LP, Tenderloin Neighborhood Development Corporation (TNDC) requests a preliminary MOHCD gap commitment of up to \$19,688,984 to support the 78 Haight Street (formerly known as Parcel U) application for the California Department of Housing and Community Development (HCD) Multifamily Housing Program (MHP) financing to leverage \$5.4 million for the proposed 63 unit TAY / adult housing development. The preliminary gap request to MOHCD is for a total City contribution up to \$22,289,234, made up of \$17.5 million in MOHCD funds (\$278K / units) and \$4.8 million in No Place Like Home funds for 15 NPLH TAY units targeted to TAY with serious mental illness (\$318K / NPLH unit). TNDC also requests a commitment of a bridge loan to cover the AHP amount for the MHP application, as they will apply next year for MHP when the project is more competitive. Loan Committee approved a predevelopment loan in the amount of \$2,600,250 in September 2019, and that Loan Committee evaluation is attached for your reference. This memo updates Loan Committee on the financing plan, project status and the preliminary proposed total budget. A full gap loan evaluation and updated budget will be presented to Loan Committee for review

and approval prior to construction start based on hard cost bid numbers, and the team is undertaking cost containment measures to bring down the gap cost.

## **Background**

78 Haight Street will provide 63 units of affordable housing, including 32 units for Transition Age Youth (TAY) experiencing or at risk of homelessness. TNDC was awarded funding under their response to the Octavia Boulevard Parcels RS&U Request for Proposals that was issued on June 19, 2017. Shortly after the award, the project was put on hold due to budget constraints resulting from a market rate development with an inclusionary housing contribution to the project that stalled. In March 2019, predevelopment financing was made available to restart this project from the ERAF (Educational Revenue Augmentation Fund) surplus. Adjacent Parcels R&S have very high cost-per-unit numbers due to the small lot sizes which necessitate greater structural reinforcement so they are being explored as separate developments in collaboration with OEWD. In September 2019, Loan Committee approved \$2,600,250 in predevelopment financing for Parcel U as a stand-alone project with several conditions. With this preliminary gap commitment, the sponsor will be in a good position to apply for the project's other financing.

## **Update on Project Status**

### **1. Financing Plan**

TNDC had planned to pursue a 9% tax credit allocation under the Special Needs set-aside, with the application due March 9, 2020. Due to the deep income targeting required to satisfy the 9% Special Needs set-aside requirements, where maximum average affordability across the entire project cannot exceed 40% TCAC AMI, the project did not generate positive cashflow. A supplemental operating reserve would need to be capitalized to offset annual net negative cashflow, which would increase the gap from MOHCD.

Switching to a 4% / MHP / bond deal is financially feasible with a higher MOHCD subsidy (not counting the capitalized operating reserve) and still uses an income averaging approach. Under this scenario, the project will have positive cashflow with half supportive housing TAY units restricted to 30% MOHCD AMI supported by LOSP, and the other half of units targeted at 80% MOHCD AMI. The deeper income restrictions on the TAY units than the NPLH requirement of 30% TCAC are proposed to increase the MHP tie breaker score which is based on the affordability of units under 60% TCAC AMI. TNDC requests flexibility at the final gap request, if needed, on the OCII / MOHCD policy on income averaging, if those units need to go up to 85% MOHCD AMI for the project to cashflow. As shown in the budget, the project has positive cashflow for 20 years with the units restricted to 80% MOHCD AMI which conforms to the MOHCD / OCII income averaging policy, and the average MOHCD AMI is 57%. The non-LOSP units at 80% MOHCD AMI do not generate sufficient cashflow to leverage debt.

The project is maxing out on the CDLAC bond limits, and it may be challenging to meet the 50% test. TNDC proposes to address this by possibly recording an air rights subdivision prior to close to remove the commercial parcel from depreciable basis. This will solve the 50% test problem but not reduce investor equity (because it's removed from depreciable basis but not tax

credit basis). If BSM is slow to record the subdivision, TNDC could record it post close and do a sale of the parcel to the other entity, which is more complex. The best approach will be determined as the costs are finalized.

The land is owned by the City, and the project will be subject to standard MOHCD ground lease, including \$15,000 annual ground lease payment.

TNDC is proposing this 4% bond / MHP structure based on overall project feasibility, and pending an award of a preliminary gap commitment from MOHCD, will submit an MHP Supportive Housing application on March 2, 2020.

### **Entitlements**

TNDC is on-schedule to secure entitlement approvals by March 2, 2020, which is required for competitive scoring. Working under a tight timeline, the project's SB35 & State Density Bonus applications and site permit have been reviewed by City Planning. The SDAT (Street Design Advisory Team) met and provided initial comments on the project. A follow-up meeting with SDAT, sponsor, design team and MOHCD occurred on February 6, 2020. Planning has scheduled an interdepartmental team meeting on February 25. The Planning department stated that neither the interdepartmental team meeting nor the SDAT will hold up the entitlement process, which is anticipated to be complete by March 1, 2020.

## **2. Design and Target Population**

The project is located at the corner of Haight Street and Octavia Street, in the Hayes Valley neighborhood, on an extremely small parcel the size of 5,580 s.f.. The building is proposed as Type I with 7 stories over a full basement (see note on basement, below). The design proposes childcare fronting Octavia Street utilizing 3,350 square feet. The residential project would have a community room and kitchen at the roof deck level on the 8<sup>th</sup> floor. The project will consist of 63 units, including 58 studios and 5 one-bedroom apartments. Just over half of the units (32) will house TAY, and the other half will house low-income tenants with incomes up to 80% MOHCD AMI. The one-bedroom units will be provided for TAY parenting households.

The building design includes a "TAY Suite" on the second floor, which includes two offices for on-site social services, a staff restroom, and a tenant lounge for use by the TAY residents. Support services will be provided by Larkin Street Youth Services. HSH and the service provider, Larkin Street Youth Services, have reviewed and provided input on the service provision space for the TAY residents and believe that it is appropriate to serve the needs of TAY, including the NPLH population, given the supportive services plan. Additional amenities include a community room, laundry room, 24-7 front desk coverage, on-site property management and social worker, rooftop patio and on-site laundry.

Basement. It was determined as part of the 100% SD pricing that the cost for a full basement (vs. a partial basement) was just under \$100,000 in basis-eligible project costs, and the marginal cost increase provided significant space expansion. The added cost of greater soil excavation was nearly offset by savings found in the shoring and underpinning line items. The full basement greatly facilitates the long-term operation of the building (previously the site was absent

adequate space for electrical, maintenance and storage) and has been incorporated into the project.

**Target Population and Unit Type.** TNDC proposes including No Place Like Home (NPLH) funds from the City’s Alternative County NPLH allocation for 15 TAY units, which will require that those units serve TAY who are homeless or at risk of homelessness and have a serious mental illness. The NPLH program requires an experienced service provider for the target population, site suitability, and integration of the units within the building. MOHCD, HSH and DPH are working closely to coordinate the inclusion of NPLH units across the supportive housing portfolio, and there is a desire for NPLH units for TAY to be included in the NPLH portfolio; the location of this project, experienced TAY service provider, and collaboration history of TNDC and Larkin Street at TAY supportive housing projects make this project a good candidate for TAY NPLH units. The remaining 17 TAY units are proposed to be funded by MHP – Supportive Housing, which has a specific TAY chronic homeless population definition that HSH has reviewed and believes will work given the characteristics of the population in the TAY Coordinated Entry System.

The proposed unit mix is 58 studios and 5 1-BR units, with all 1-BR units targeted to parenting TAY. The high percentage of studios were designed to maximize density and meet the programmatic requirements of the 9% tax credit special needs set-aside that was originally pursued. All TAY units will receive referrals through the Coordinated Entry System, including referrals for the NPLH tenants and parenting TAY.

Unit Type	Unit Count	SF Average	Max Gross Rent	Maximum % MOHCD AMI	Rent, Operating Subsidy
Studio - MHP	14	375	\$846	30%	LOSP
Studio - NPLH	13	375	\$846	30%	LOSP
Studio	31	375	\$1,832	80%	None
<b>Total Studios</b>	<b>58</b>				
1 BR - MHP	3	500	\$967	30%	LOSP
1 BR - NPLH	2	500	\$967	30%	LOSP
<b>Total 1 BRs</b>	<b>5</b>				
<b>TOTAL:</b>	<b>63</b>				

**Square Footage.**

Residential SF:	23,839
Circulation SF:	9,509
Office SF:	847
Parking Garage SF:	0
Common Area SF:	2,052
Child Care:	3,349
Basement /Utility:	5,506

Building Total SF:	45,102
Roof Deck SF:	2,574
<b>TOTAL SQUARE FOOTAGE:</b>	<b>47,676</b>

### 3. Ground Floor Uses

The Octavia Boulevard Parcels RS&U RFP was amended after it was issued to add the provision of a childcare facility on the ground floor within the three parcels, given the need for childcare in San Francisco across the City, severe need in this neighborhood, the potential availability of childcare tenant improvement funding from Market-Octavia Child Care impact fees, and the potential need for childcare by parenting TAY. In addition, a Planning Code amendment was pending approval at the Board of Supervisors that would allow the sharing of open space between the housing and childcare, which this project ultimately can't accommodate. Due to the very small parcel size with only Parcel U going forward at this time, Loan Committee conditioned that additional feasibility analysis needed to be done to determine if childcare could work at this site.

Since the Loan Committee award of predevelopment funds, TNDC has done significant due diligence to determine the feasibility of a childcare center on the ground floor, as it is a high priority for childcare advocates, neighborhood groups, and could leverage the Market-Octavia Child Care impact fees. The major feasibility hurdles were the following:

- a) Facility Size. LIIF childcare experts evaluated that an approximate 3,500-square-foot CDC serving 35 children ages 0 to 5 would be acceptable to childcare providers.
- b) Open Space Waiver. Obtaining approvals for the Provider to use either/both the Hayes Valley Playground and/or the nearby Koshland Playground has been deemed likely by both LIIF and SF Rec & Park. The selected Provider will be responsible for obtaining the waivers.

The childcare entrance will be on Octavia, and the childcare operations will not interact with the residential building and entrance on Haight Street. A draft of the Childcare Development Center ("CDC") RFP was reviewed by MOHCD and LIIF and a final version was published on February 10, 2020, with responses due on March 2, 2020. One childcare provider has expressed strong interest in submitting a proposal. The rent assumption is \$1 / year, consistent with other recently approved childcare centers that provide 95% or great subsidized childcare slots. The goal is to select the childcare provider by March 2, 2020, as early design coordination is critical. In the event that viable proposals aren't received, indicating that there are feasibility issues with this space, TNDC would quickly pivot to explore other uses that wouldn't require major design modification. Possibilities include a senior center, café, or other community serving nonprofit use such as Blue Bear, 826 Valencia or Creativity Explored.

### 4. Community Outreach

TNDC has met one-on-one with leadership from the Hayes Valley Neighborhood Association (HVNA) and has also met twice with the HVNA Transportation and Planning Committee. HVNA continues to be generally supportive and welcoming of the project. In discussions with TNDC, HVNA has indicated acceptance of the height at 78 Haight though concerns remain regarding the height of the buildings parcels at R and S.

HVNA retains its preference for neighborhood-serving retail (as opposed to destination retail) at parcels R&S, but has approved the childcare center at the retail level at 78 Haight. They are focused on “streetscape activation” at 78 Haight, and prefer more bike parking. HVNA prefers zero parking on site which this project will meet.

HVNA would like to see interim use activation continued at the site prior to start of construction. This is being accomplished at R&S through a neighborhood garden. At Parcel U, the site is paved and is currently being used with the City’s permission for church parking and staging for construction at Parcel T. All revenue from Market Octavia Plan parcels’ interim uses goes to Public Works for Market Octavia Plan projects.

Prop I Notification has occurred.

## **5. Procurement**

Since the Predevelopment loan approval, the following team members have been procured.

- |                                     |                              |
|-------------------------------------|------------------------------|
| a. CM                               | Chris Rivera                 |
| b. General Contractor               | Suffolk Guzman Joint venture |
| c. Investor and Construction Lender | TBD                          |

## **6. Construction Specialist’s Evaluation**

The preliminary budget is based on a December 12, 2019 GC cost estimate, and reflects a 2.6% decrease in hard cost from the predevelopment budget.

The Schematic Design set produced by Paulette Taggart Architects for 78 Haight Street presents a 7 story, 63 unit, mid-rise development comprised of 58 studios and 5 one-bedroom units with ground floor commercial space which totals approximately 47,676 gross square feet. The planned building will be at the corner of Haight Street and Octavia Boulevard in Supervisorial District 5. The main building access is located at the lobby entrance off of Haight Street. The first floor currently consists of a residential lobby and childcare center. The second floor includes services office, community room, and residential units. Floors 3-7 contain residential units while the roof has another community room, laundry room, and roof deck which provides open space.

The tight site (5,580 sf) remains a challenge in the context of scaling the costs for the project. Since we last came before the committee, TNDC has selected a joint venture between Suffolk and Guzman Contractors as the GC and a recent Schematic Design estimate has been delivered, discussed with the design and development team, and is reflected in the project proforma for this evaluation. The current cost estimate assumes the mat slab foundation presented in the design documents as well as basement which will be utilized for back of house functions for the building. Exterior finishes are a mix of stucco and panelized products which offer differentiation

to compliment the varied articulated bay windows. Planned unit finishes include resilient flooring, engineered quartz countertops, and appliances.

The current hard cost estimated for the project totals \$34,400,855, which translates to \$546,045 per unit or \$722 per square foot. This hard cost estimate includes 3.5% escalation until the planned start of construction in December 2020. The new set of numbers also shows the underwriting maximum for all contingencies whereas the predevelopment number listed lower amounts, some of which will be reduced as the project's design further advances and design and bid risks are reduced. The construction period is currently estimated at 17 months. The per-unit hard cost is slightly below the current average for MOHCD projects in predevelopment. The ability to utilize so many studio configurations helps scale the per unit measurement effectively. The per square foot hard cost is higher than the average for the MOHCD projects in predevelopment but does represent a reduction since the prior evaluation.

While the design is in its early stages, the GC has provided a suggested value engineering list totaling \$1,875,103 in items still to be determined for acceptance.

A loan condition from the Predevelopment Loan approval was for the sponsor to consider cost containment strategies, including the possibility of moving away from a Type I building for cost efficiencies. Below is the sponsor's conclusions on that exercise.

- Prior to Loan Committee for the predevelopment loan, SFFD had determined that the height of the building must be measured by the lowest point on the property (the NE corner).
- This determination was counter to previous experience, where the building height would be measured by the mid-point of the building.
- It was necessary in response to this determination to change the construction type of the building from 5 stories of wood over 2 stories of concrete (excluding basement) to 100% concrete.
- This was necessary to maintain the same unit count as before despite the reduction in total building height that the SFFD determination caused.
- During Loan Committee for the predevelopment loan, in response to a query from the Director of MOHCD, the Sponsor offered to revisit the height determination with SFFD with MOHCD's support, with a goal of convincing SFFD to reverse their decision. Reversing the decision would then allow the Sponsor to return the construction type to the less-expensive, original wood-over-concrete.
- The Sponsor then met with SFFD, and SFFD did not agree to reverse the decision but did effectively allow for 4 additional feet in building height. While an increase, the team was not able to get the 8 feet hoped for which made reverting to wood framed construction infeasible in the context of keeping the same unit count. We did gain some room for tolerances which should better facilitate highly efficient Type I construction. The construction type remains the same (100% concrete). The Fire Department would not accept ladder access off of Rose Street and would only provide a measurement from the lowest point on Octavia Boulevard where they would have adequate ladder access.

7. Updated Sources and Uses Summary Sources and Uses Narrative

Predevelopment	Amount	Terms	Status
MOHCD - ERAF and AHP	\$ 2,600,250		0% Funded
<b>Perm Sources</b>			
MOHCD	\$ 17,508,995	0 - 3%	Current Request
MOHCD NPLH	\$ 4,780,239		
AHP	\$ 945,000		Not committed
MHP	\$ 5,425,104		Not committed
General Partner (Dev Fee)	\$ 2,200,000		Not committed
Tax Credit Equity	\$ 14,247,203		Not committed
State Tax Credit Equity	\$ 4,886,297		Not committed
Deferred Fee	\$ 322,465		
<b>TOTAL</b>	<b>\$ 50,315,303</b>		
<b>USES</b>			
	Amount	Per Unit	Per Square Foot
Acquisition	\$ 24,643	\$ 391	\$ 1
Hard Costs	\$ 30,019,197	\$ 476,495	\$ 630
Hard Cost Contingency & Escal.	\$ 4,381,658	\$ 69,550	\$ 92
Soft Costs	\$ 11,167,339	\$ 177,259	\$ 234
Developer Fee	\$ 4,722,466	\$ 74,960	\$ 99
<b>TOTAL</b>	<b>\$ 50,315,303</b>	<b>\$ 798,656</b>	<b>\$ 1,055</b>

- Permanent Sources Evaluation Narrative: Proposed permanent financing sources include tax-exempt bonds and 4% Low Income Housing Tax Credits, MHP, General Partner equity, Federal Home Loan Bank Affordable Housing Program funds, and MOHCD permanent financing in the amount of \$22,289,234, including \$4.7 million in State No Place Like Home (NPLH) funds for 15 TAY units. This total MOHCD contribution of \$354K / unit is higher than estimated at the Predevelopment stage, yet represents a different financing scenario with increased hard cost contingencies.
- The tax credit pricing is assumed at \$1.01 for the federal credit and \$0.85 for the state credit.
- AHP assumes a request of \$15,000 per unit; the sponsor has done a scoring analysis and doesn't think they'll be competitive with readiness points until 2021; therefore TNDC requests that MOHCD provide a bridge loan at closing that will be repaid upon funding of AHP, which will be requested in the final gap commitment request.
- TNDC will submit an MHP application on March 2 for the project on 17 TAY units with incomes restricted at 25% TCAC (30% MOHCD AMI). All TAY units need to have an average 25% TCAC AMI (30% MOHCD AMI) to maximize the MHP tie breaker score.
- A bond application is deemed competitive with a high self-score of 120 / 140 points, only missing points for preservation, large family and QCT.
- 4% credits will include federal and state credits with an application in the January 2021 round.



- The budget assumes a GP Contribution of \$2.2 million by maximizing eligible developer fee, and deferred developer fee of \$322K.

➤ 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	\$546K/unit which is less than what was anticipated at the Predev Request (\$735K/unit)
Hard Cost Contingencies	Y	includes 4% design contingency, 4% bid contingency, 4% plan check contingency and 5% hard cost contingency
Architecture and Engineering Fees are within standards	Y	
Construction Management Fees are within standards	Y	Proposed total Construction Management Fee of \$118,388 and is within MOHCD Underwriting Guidelines for predev and construction period
Developer Fee is within standards, see also disbursement chart below	Y	Total Dev Fee is proposed at \$4.7 million with \$2.2 million contributed back as a GP Contribution Source and deferred developer fee is \$322K  Total At-Risk Dev Fee is \$1.2 million
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 operations
Capitalized Replacement Reserves are a minimum of \$1,000 per unit (Rehab only)	N/A	
Commercial start up costs	N	Childcare tenant will need to fund all tenant improvements and start-up costs, as made explicit in the RFP.

<b>Proposed Developer Fee Disbursement Schedule</b>		
<b>Payment Milestone</b>	<b>% of Project Mgmt Fee</b>	<b>Amount</b>
PM: At Acquisition or closing of preconstruction financing	15%	\$165,000
PM: During or at end of Predevelopment	35%	\$385,000
PM: At Construction Closing	20%	200,000
PM: During Construction	20%	220,000
PM: At Project Close Out	10%	110,000
Total PM Fee		\$1,100,000
At Risk: Qualified Occupancy	20%	
At Risk: Perm Loan Closing	50%	
At Risk: Project Closeout	30%	
Total At Risk Fee		\$1,100,000
GP Equity		\$2,200,000
Deferred Developer Fee		\$322,466
Total Developer Fee	100%	\$4,722,466

## 8. Operating Budget

The total operating budget has increased from \$829,463 (\$13,166 PUPA at the Predevelopment Request to \$959,154 (\$15,225 PUPA), assuming opening in 2022. Operating Cost increase are in the areas of:

- Asset Management Fee is now reflected above the line
- Increased utilities
- Increased insurance
- Increased payroll and contracts
- Increased services for the non TAY units in the operating budget

While the operating costs appear high on a per unit basis, the high cost is related to 32 PSH units with full time desk clerk coverage within a small 63 unit building. Good comps for this project are John Burton Housing (50 units including 25 TAY units) and 1100 Ocean (71 units including 19 TAY units), which when escalated to 2022, are in a similar range of operating cost per unit:

- John Burton Operating Cost for CY 2018: \$652,657 or \$13,053 per unit. These costs presumably would increase around 3.5% per year to \$749K or around \$15,000 / unit, a similar range. At John Burton Housing, no services are budgeted for the non-TAY units.
- 1100 Ocean Operating Cost for CY 2018: \$977,000 or \$13,570 per unit. These costs presumably would increase around 3.5% per year to \$1,121,224 or around \$15,572 / unit, a similar range. At 1100 Ocean, services for non-TAY units are included in the operating budget.

The staffing plan is lean (see table, below) and it will be revisited at final gap commitment.

Type	FTE's	Budget	Notes
General Manager	1	58,000	1 General Manager
Assistant Manager Salaries	0	0	No Assistant Manager
Desk Clerk Salaries (TNDC Employees)	4.2	168,880	4.2 FTE Desk Clerks at 2020 min wage, plus requisite overtime and meal-break coverage
Rent Allowance	0.0	0	No MGR Unit
Night Manager Salary	0.0	0	None
Janitor & Cleaning Payroll	1.0	38,400	1 FTE Custodians at 2020 salaries (min wage) + requisite \$2k for OT
Maintenance Payroll	1.5	75,920	1 FTE Maint III and 0.5 Maint I at 2020 salaries.

The project cashflows with the 30% LOSP and 80% MOHCD AMI units through Year 20, with a DSCR in Year 1 of 6.25 and in Year 20 of 3.03. LOSP costs are currently budgeted at \$14,350 per unit per year.

## 9. Services Budget

The Support Services Plan for the MHP application is now being drafted. Larkin Street Youth Services has extensive experience providing services to TAY, including TAY with serious mental illness, with their MHSA TAY portfolio and programs. Larkin Street Youth Services' services contract will be funded by HSH. TNDC Tenant Services will provide support to the other households (adults or small families) with a part time service provider position paid from operations. TNDC and Larkin Street have a long collaboration in TAY housing including 864 Ellis (24 units, the very first affordable TAY project funded by the City) and Aarti (40 units). Completion of the services plan and budget is listed as a condition of ongoing disbursements during predevelopment.

## 10. Status of Predevelopment Loan Conditions

By December 1, 2019:

- Begin community outreach in earnest. DONE

- b) Determine feasibility of childcare center at ground floor. DONE for purposes of putting out an RFP given the high priority for Planning and childcare advocates of creating childcare in the Market Octavia area. If there are no feasible responses, TNDC will pivot to other community serving uses as outlined in the memo.
- c) Submit application to Planning Department for SB35 and Site Permit review. DONE
- d) Submittal of preliminary services plan and budget for HSH and MOHCD Review and Approval. IN PROCESS. TNDC is developing a supportive services plan in the MHP application format for review and approval by HSH, and has requested a supportive services commitment letter. The staffing plan is 2 FTE service providers, and will include NPLH services planning with higher need youth. TNDC proposes .4 FTE for the 80% AMI households out of the operating budget.
- e) TNDC will explore cost containment strategies for construction and present them at the various cost estimates (schematic, design development, construction) with narrative analysis of the pricing from the general contractor. IN PROCESS

By March 1, 2020 (Prior to Design Development Phase):

- f) Operating Budget Update. TNDC will refine the proposed operating budget and staffing plan, which informs the LOSP cost, to be reviewed by MOHCD and HSH. TNDC will consider the need for an assistant property manager. DONE
- g) TNDC to analyze a higher AHP request amount to maximize FHLB source of funds. DONE

Former Conditions of Approval:

- h) TNDC to implement cost containment strategies that limit the MOHCD subsidy to under \$250K per unit and limits the total development costs excluding land to under \$675K per unit. IN PROCESS. TNDC has pursued cost containment strategies as outlined in Section 7, and the proposed MOHCD subsidy is proposed at \$353K/ unit, including NPLH funds, greater than \$250K / unit outlined in the goal of the condition. The TDC at \$765K / unit at also exceeds the goal of \$675K / unit. The financing structure has changed, and staff believe that this high cost is the result of the extremely small site and Type I construction. Ongoing value engineering efforts are in process with MOHCD overview.
- i) TNDC to submit Request For Proposals (RFPs) for equity investors to MOHCD for review before they are finalized and released to investors. TO OCCUR IN FALL 2020
- j) TNDC to submit raw financial data from developer or financial consultant to MOHCD prior to selection of equity investor. TO OCCUR IN FALL 2020

**11. Staff Recommendation**

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

**12. New Loan Conditions**

- a. Continue hard cost reduction efforts and value engineering as design progresses.
- b. Continue satisfaction of the loan conditions marked "IN PROCESS."

**LOAN COMMITTEE MODIFICATIONS**

**LOAN COMMITTEE RECOMMENDATION**

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

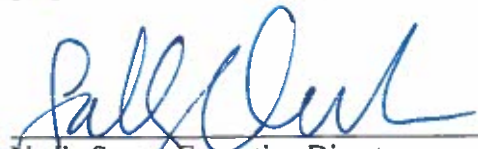
APPROVE.     DISAPPROVE.     TAKE NO ACTION.



Date: 2-21-20

Daniel Adams, Acting Director  
Mayor's Office of Housing and Community Development

APPROVE.     DISAPPROVE.     TAKE NO ACTION.



Date: 2-21-20

*Per* Nadia Sesay, Executive Director  
Office of Community Investment and Infrastructure

APPROVE.     DISAPPROVE.     TAKE NO ACTION.

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

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

- Attachments: Attachment A – Updated Cost Comparison Chart  
Attachment B – Updated Permanent Sources and Uses  
Attachment C – 1<sup>st</sup> Year Operating Budget and Cashflow  
Attachment D - Updated Schedule  
Attachment E - September 2019 Loan Evaluation

**Attachment D – Updated Schedule**

No.	Performance Milestone	Estimated or Actual Date	Contractual Deadline
A.	Prop I Noticing (if applicable)	<u>9/9/19</u>	
1	Acquisition/Predev Financing Commitment	<u>09/06/19</u>	
2.	Site Acquisition	<u>N/A</u>	
3.	Development Team Selection		
a.	Architect	<u>June, 2017</u>	
b.	General Contractor	<u>October, 2019</u>	
c.	Owner's Representative	<u>August, 2018</u>	
d.	Property Manager	<u>N/A</u>	
e.	Service Provider	<u>N/A</u>	
4.	Design		
a.	Submittal of Schematic Design & Cost Estimate	<u>December, 2019</u>	
b.	Submittal of Design Development & Cost Estimate	<u>March, 2020</u>	
c.	Submittal of 50% CD Set & Cost Estimate	<u>July, 2020</u>	
d.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	<u>Sept, 2020 (90% CD's)</u>	
5.	Environ Review/Land-Use Entitlements		
a.	CEQA Environ Review Submission	<u>N/A (SB35)</u>	
b.	NEPA Environ Review Submission	<u>N/A</u>	
c.	CUP/PUD/Variances Submission	<u>N/A</u>	

6.	Permits		
a.	Building / Site Permit Application Submitted	<u>November, 2019</u>	<u>February 2020</u>
b.	Addendum #1 Submitted	<u>February, 2020</u>	
c.	Addendum #2 Submitted	<u>June, 2020</u>	
7.	Request for Bids Issued	<u>September, 2020</u>	
8.	Service Plan Submission		
a.	Preliminary	<u>October, 2020</u>	
b.	Interim	<u>July, 2020</u>	
c.	Update	<u>N/A</u>	
9.	Additional City Financing		
a.	Predevelopment Financing Application #2	<u>N/A</u>	
b.	Prelim Gap Financing Application	<u>February 21, 2020</u>	
c.	Gap Financing Application	<u>Fall 2020</u>	
10.	Other Financing		
a.	MHP Application	<u>March, 2020</u>	
b.	Construction Financing RFP	<u>July, 2020</u>	
c.	AHP Application	<u>February, 2021</u>	
d.	CDLAC Application	<u>November, 2020</u>	
e.	TCAC Application	<u>November, 2020</u>	
f.	HUD 202 or 811 Application	<u>N/A</u>	
g.	Other Financing Application	<u>N/A</u>	



11.	Closing		
a.	Construction Closing	<u>March, 2021</u>	
b.	Permanent Financing Closing	<u>March, 2023</u>	
12.	Construction		
a.	Notice to Proceed	<u>April, 2021</u>	_____
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	<u>December, 2022</u>	_____
13.	Marketing/Rent-up		
a.	Marketing Plan Submission	<u>March, 2022</u>	_____
b.	Commence Marketing	<u>June, 2022</u>	
c.	95% Occupancy	<u>March, 2023</u>	_____
14.	Cost Certification/8609	<u>July, 2023</u>	
15.	Close Out MOH/OCII Loan(s)	<u>July, 2023</u>	



Application Date: 5/2/21, 0 Units, \$1
Project Name: 75 High Street, 0 Bedrooms, \$1
Project Address: 75 High Street, 0 Units
Transaction Description: Development Conversion
MOHCD Fee: \$1,000,000

Summary table with columns for MOHCD Fee, HCD Fee, and various other fees. Values include \$1,000,000, \$1,000,000, \$1,000,000, etc.

Table with columns for various categories and values. Includes rows for 'MOHCD Fee' and 'HCD Fee'.

Table with columns for various categories and values. Includes rows for 'MOHCD Fee', 'HCD Fee', and 'Other Fees'.

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Table with columns for various categories and values. Includes rows for 'MOHCD Fee', 'HCD Fee', and 'Other Fees'.

MOHCD Fee: \$1,000,000
HCD Fee: \$1,000,000
Other Fees: \$1,000,000

MOHCD Fee: \$1,000,000
HCD Fee: \$1,000,000
Other Fees: \$1,000,000

MOHCD Fee: \$1,000,000
HCD Fee: \$1,000,000
Other Fees: \$1,000,000

MOHCD Fee: \$1,000,000
HCD Fee: \$1,000,000
Other Fees: \$1,000,000

MOHCD Fee: \$1,000,000
HCD Fee: \$1,000,000
Other Fees: \$1,000,000

MOHCD Fee: \$1,000,000
HCD Fee: \$1,000,000
Other Fees: \$1,000,000

MOHCD Fee: \$1,000,000
HCD Fee: \$1,000,000
Other Fees: \$1,000,000

MOHCD Fee: \$1,000,000
HCD Fee: \$1,000,000
Other Fees: \$1,000,000

MOHCD Fee: \$1,000,000
HCD Fee: \$1,000,000
Other Fees: \$1,000,000

MOHCD Fee: \$1,000,000
HCD Fee: \$1,000,000
Other Fees: \$1,000,000

MOHCD Fee: \$1,000,000
HCD Fee: \$1,000,000
Other Fees: \$1,000,000

Application Date: 2/6/2020  
 Total # Units: 63  
 First Year of Operations (provide data assuming 1st of Year 1 to full year, i.e. 12 months of operations): 2022  
 Project Name: 78 Haight Street  
 Project Address: 78 Haight Street  
 Project Sponsor: Tenderloin Neighborhood Development Corporation

Account	2022	2023	2024	Comments
Administrative - Project Start	100,000	500,000	1,000,000	One-time start-up costs
Administrative - General Services	100,000	1,000,000	1,000,000	General administrative expenses
Administrative - Legal Fees	100,000	1,000,000	1,000,000	Legal fees for project start-up
Administrative - Insurance	100,000	1,000,000	1,000,000	Insurance for project start-up
Administrative - Marketing	100,000	1,000,000	1,000,000	Marketing for project start-up
Administrative - Other	100,000	1,000,000	1,000,000	Other administrative expenses
<b>Sub-total Administrative Expenses</b>	<b>500,000</b>	<b>5,000,000</b>	<b>5,000,000</b>	
Construction - General Services	100,000	1,000,000	1,000,000	General construction expenses
Construction - Labor	100,000	1,000,000	1,000,000	Labor for construction
Construction - Materials	100,000	1,000,000	1,000,000	Materials for construction
Construction - Equipment	100,000	1,000,000	1,000,000	Equipment for construction
Construction - Other	100,000	1,000,000	1,000,000	Other construction expenses
<b>Sub-total Construction Expenses</b>	<b>500,000</b>	<b>5,000,000</b>	<b>5,000,000</b>	
<b>Effective Gross Income</b>	<b>500,000</b>	<b>5,000,000</b>	<b>5,000,000</b>	

**OPERATING EXPENSES**

Account	2022	2023	2024	Comments
Administrative - Project Start	100,000	500,000	1,000,000	One-time start-up costs
Administrative - General Services	100,000	1,000,000	1,000,000	General administrative expenses
Administrative - Legal Fees	100,000	1,000,000	1,000,000	Legal fees for project start-up
Administrative - Insurance	100,000	1,000,000	1,000,000	Insurance for project start-up
Administrative - Marketing	100,000	1,000,000	1,000,000	Marketing for project start-up
Administrative - Other	100,000	1,000,000	1,000,000	Other administrative expenses
<b>Sub-total Administrative Expenses</b>	<b>500,000</b>	<b>5,000,000</b>	<b>5,000,000</b>	
Construction - General Services	100,000	1,000,000	1,000,000	General construction expenses
Construction - Labor	100,000	1,000,000	1,000,000	Labor for construction
Construction - Materials	100,000	1,000,000	1,000,000	Materials for construction
Construction - Equipment	100,000	1,000,000	1,000,000	Equipment for construction
Construction - Other	100,000	1,000,000	1,000,000	Other construction expenses
<b>Sub-total Construction Expenses</b>	<b>500,000</b>	<b>5,000,000</b>	<b>5,000,000</b>	

**Utilities**

Account	2022	2023	2024	Comments
Electricity	100,000	1,000,000	1,000,000	Electricity for project start-up
Gas	100,000	1,000,000	1,000,000	Gas for project start-up
Water	100,000	1,000,000	1,000,000	Water for project start-up
Other	100,000	1,000,000	1,000,000	Other utilities for project start-up
<b>Sub-total Utilities</b>	<b>400,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	

**Taxes and Licenses**

Account	2022	2023	2024	Comments
Property Tax	100,000	1,000,000	1,000,000	Property tax for project start-up
Other	100,000	1,000,000	1,000,000	Other taxes and licenses for project start-up
<b>Sub-total Taxes and Licenses</b>	<b>200,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	

**Insurance**

Account	2022	2023	2024	Comments
General Liability	100,000	1,000,000	1,000,000	General liability for project start-up
Other	100,000	1,000,000	1,000,000	Other insurance for project start-up
<b>Sub-total Insurance</b>	<b>200,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	

**Maintenance & Repairs**

Account	2022	2023	2024	Comments
General	100,000	1,000,000	1,000,000	General maintenance and repairs for project start-up
Other	100,000	1,000,000	1,000,000	Other maintenance and repairs for project start-up
<b>Sub-total Maintenance &amp; Repairs</b>	<b>200,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	

**Reserve for Contingency**

Account	2022	2023	2024	Comments
Contingency	100,000	1,000,000	1,000,000	Contingency for project start-up
<b>Sub-total Reserve for Contingency</b>	<b>100,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	

**TOTAL OPERATING EXPENSES**

Account	2022	2023	2024	Comments
<b>Administrative Expenses</b>	<b>500,000</b>	<b>5,000,000</b>	<b>5,000,000</b>	
<b>Construction Expenses</b>	<b>500,000</b>	<b>5,000,000</b>	<b>5,000,000</b>	
<b>Utilities</b>	<b>400,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	
<b>Taxes and Licenses</b>	<b>200,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	
<b>Insurance</b>	<b>200,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	
<b>Maintenance &amp; Repairs</b>	<b>200,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	
<b>Reserve for Contingency</b>	<b>100,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	
<b>TOTAL OPERATING EXPENSES</b>	<b>2,100,000</b>	<b>21,000,000</b>	<b>21,000,000</b>	

**REVENUE**

Account	2022	2023	2024	Comments
Reserve for Contingency	100,000	1,000,000	1,000,000	Contingency for project start-up
Other	100,000	1,000,000	1,000,000	Other revenue for project start-up
<b>Sub-total Revenue</b>	<b>200,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	

**NET OPERATING INCOME (LOSS) BEFORE DEBT SERVICE**

Account	2022	2023	2024	Comments
<b>Effective Gross Income</b>	<b>500,000</b>	<b>5,000,000</b>	<b>5,000,000</b>	
<b>Operating Expenses</b>	<b>(2,100,000)</b>	<b>(21,000,000)</b>	<b>(21,000,000)</b>	
<b>Revenue</b>	<b>200,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	
<b>NET OPERATING INCOME (LOSS) BEFORE DEBT SERVICE</b>	<b>(1,400,000)</b>	<b>(14,000,000)</b>	<b>(14,000,000)</b>	

**DEBT SERVICE**

Account	2022	2023	2024	Comments
Interest	100,000	1,000,000	1,000,000	Interest for project start-up
Principal	100,000	1,000,000	1,000,000	Principal for project start-up
Other	100,000	1,000,000	1,000,000	Other debt service for project start-up
<b>Sub-total Debt Service</b>	<b>300,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	

**CASH FLOW (Net of Debt Service)**

Account	2022	2023	2024	Comments
Operating	100,000	1,000,000	1,000,000	Operating cash flow for project start-up
Investing	100,000	1,000,000	1,000,000	Investing cash flow for project start-up
Financing	100,000	1,000,000	1,000,000	Financing cash flow for project start-up
<b>Sub-total Cash Flow</b>	<b>300,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	

**RESIDUAL RECEIPTS (CASH FLOW minus DEBT SERVICE)**

Account	2022	2023	2024	Comments
<b>Cash Flow</b>	<b>300,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	
<b>Debt Service</b>	<b>(300,000)</b>	<b>(3,000,000)</b>	<b>(3,000,000)</b>	
<b>RESIDUAL RECEIPTS</b>	<b>0</b>	<b>0</b>	<b>0</b>	

**Residual Receipts Calculation**

Does Project have a MOHCD Residual Receipt Obligation? **Yes**

Has Project Debt Developer Fee? **No**

Has Project Developer Performance % of Residual Receipts in FY 1? **23%**

% of Residual Receipts available for distribution to debt debt holder in **0%**

**Debt Debt Lenders with Residual Receipt Obligations**

Account	2022	2023	2024	Comments
MOHCD - Debt Debt Lenders	100,000	1,000,000	1,000,000	MOHCD debt debt lenders
Other	100,000	1,000,000	1,000,000	Other debt debt lenders
<b>Sub-total Debt Debt Lenders</b>	<b>200,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	

**MOHCD RESIDUAL RECEIPTS DEBT SERVICE**

Account	2022	2023	2024	Comments
MOHCD Residual Receipts Debt Service	100,000	1,000,000	1,000,000	MOHCD residual receipts debt service
Other	100,000	1,000,000	1,000,000	Other residual receipts debt service
<b>Sub-total MOHCD Residual Receipts Debt Service</b>	<b>200,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	

**NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE**

Account	2022	2023	2024	Comments
Non-MOHCD Residual Receipts Debt Service	100,000	1,000,000	1,000,000	Non-MOHCD residual receipts debt service
Other	100,000	1,000,000	1,000,000	Other non-MOHCD residual receipts debt service
<b>Sub-total Non-MOHCD Residual Receipts Debt Service</b>	<b>200,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	

**REMARKS (Should be zero unless there are distributions below)**

Account	2022	2023	2024	Comments
Other	100,000	1,000,000	1,000,000	Other remarks for project start-up
<b>Sub-total Remarks</b>	<b>100,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	

Application Date: 2/6/2020
Total # Years: 63
First Year of Operation: 2021
Last Year of Operation: 2083

Table with columns for Category, Unit, and Amount. Includes rows for Development, Construction, and Other Capital Expenditures.

Table with columns for Category, Unit, and Amount. Includes rows for Management, Administration, and Other Administrative Expenses.

Table with columns for Category, Unit, and Amount. Includes rows for Utilities, Office and Printing, and Other Administrative Expenses.

Table with columns for Category, Unit, and Amount. Includes rows for Taxes and Licenses, Insurance, and Maintenance & Repair.

Table with columns for Category, Unit, and Amount. Includes rows for Personnel, Materials, and Other Maintenance & Repair Expenses.

Table with columns for Category, Unit, and Amount. Includes rows for Contingency Reserves and Commercial Expenses.

Table with columns for Category, Unit, and Amount. Includes rows for Reservoir/Ground Lease Base Rent/Bond Fees, Development Planning, and Other Reservoir/Ground Lease Base Rent/Bond Fees.

Table with columns for Category, Unit, and Amount. Includes rows for Debt Service/Amort Pay Payments, Land Debt, and Other Debt.

Table with columns for Category, Unit, and Amount. Includes rows for Cash Flow, Available Cash Flow, and Uses of Cash Flow Below.

Table with columns for Category, Unit, and Amount. Includes rows for Total Payments Preceding Receipts, Residual Receipts, and Residual Receipts Calculation.

Table with columns for Category, Unit, and Amount. Includes rows for Remaining Balance After MO-CD Residual Receipts, Remaining Balance After MO-CD Residual Receipts Debt Service, and Remaining Balance After MO-CD Residual Receipts Debt Service.

Table with columns for Category, Unit, and Amount. Includes rows for Residual Receipts, Residual Receipts Calculation, and Residual Receipts Debt Service.

Table with columns for Category, Unit, and Amount. Includes rows for Residual Receipts, Residual Receipts Calculation, and Residual Receipts Debt Service.

Table with columns for Category, Unit, and Amount. Includes rows for Residual Receipts, Residual Receipts Calculation, and Residual Receipts Debt Service.

Table with columns for Year 1 2012, Year 2 2013, Year 3 2014. Rows include categories like Operating Expenses, Salaries & Benefits, Administration, Utilities, Taxes and Licenses, Insurance, Maintenance & Repair, and Commercial Expenses.

OPERATING EXPENSES

Table with columns for Year 1 2012, Year 2 2013, Year 3 2014. Rows include Management, Salaries & Benefits, and Administration.

Table with columns for Year 1 2012, Year 2 2013, Year 3 2014. Rows include Utilities, Taxes and Licenses, Insurance, and Maintenance & Repair.

Table with columns for Year 1 2012, Year 2 2013, Year 3 2014. Rows include Commercial Expenses, PUPA (with Reserve/GI, Base Rent/Band Fees), and Reserve/Bond Loans & Base Rent/Band Fees.

Table with columns for Year 1 2012, Year 2 2013, Year 3 2014. Rows include Debt Service (Hard Debt), CA SH FLOW (Net Cash as Debt Service), and Available Cash Flow.

Table with columns for Year 1 2012, Year 2 2013, Year 3 2014. Rows include Debt Service (Soft Debt), CA SH FLOW (Net Cash as Debt Service), and Available Cash Flow.

Table with columns for Year 1 2012, Year 2 2013, Year 3 2014. Rows include Residual Receipts (Cash Flow minus Payments Preceding MOHCD), Residual Receipts (Cash Flow minus Payments Preceding MOHCD), and Residual Receipts (Cash Flow minus Payments Preceding MOHCD).

Table with columns for Year 1 2012, Year 2 2013, Year 3 2014. Rows include Residual Receipts (Cash Flow minus Payments Preceding MOHCD), Residual Receipts (Cash Flow minus Payments Preceding MOHCD), and Residual Receipts (Cash Flow minus Payments Preceding MOHCD).

Table with columns for Year 1 2012, Year 2 2013, Year 3 2014. Rows include Residual Receipts (Cash Flow minus Payments Preceding MOHCD), Residual Receipts (Cash Flow minus Payments Preceding MOHCD), and Residual Receipts (Cash Flow minus Payments Preceding MOHCD).

Table with columns for Year 1 2012, Year 2 2013, Year 3 2014. Rows include Residual Receipts (Cash Flow minus Payments Preceding MOHCD), Residual Receipts (Cash Flow minus Payments Preceding MOHCD), and Residual Receipts (Cash Flow minus Payments Preceding MOHCD).

Table with columns for Year 1 2012, Year 2 2013, Year 3 2014. Rows include Residual Receipts (Cash Flow minus Payments Preceding MOHCD), Residual Receipts (Cash Flow minus Payments Preceding MOHCD), and Residual Receipts (Cash Flow minus Payments Preceding MOHCD).

Table with columns for Year 1 2012, Year 2 2013, Year 3 2014. Rows include Residual Receipts (Cash Flow minus Payments Preceding MOHCD), Residual Receipts (Cash Flow minus Payments Preceding MOHCD), and Residual Receipts (Cash Flow minus Payments Preceding MOHCD).

Table with columns for Year 1 2012, Year 2 2013, Year 3 2014. Rows include Residual Receipts (Cash Flow minus Payments Preceding MOHCD), Residual Receipts (Cash Flow minus Payments Preceding MOHCD), and Residual Receipts (Cash Flow minus Payments Preceding MOHCD).

Table with columns for Year 1 2012, Year 2 2013, Year 3 2014. Rows include Residual Receipts (Cash Flow minus Payments Preceding MOHCD), Residual Receipts (Cash Flow minus Payments Preceding MOHCD), and Residual Receipts (Cash Flow minus Payments Preceding MOHCD).

Table with columns for Year 1 2012, Year 2 2013, Year 3 2014. Rows include Residual Receipts (Cash Flow minus Payments Preceding MOHCD), Residual Receipts (Cash Flow minus Payments Preceding MOHCD), and Residual Receipts (Cash Flow minus Payments Preceding MOHCD).

SIC0188	Total # Units:			Contributions (Related to period the above period)								
	LOSP Units		Non-LOSP Units	Year 1 2012			Year 2 2013			Year 3 2014		
	% increase	% increase	% increase	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
Other Required Reserve 1 Starting Balance												
Other Required Reserve 1 1/1/2012												
Other Required Reserve 2 1/1/2012												
Other Required Reserve 2 1/1/2013												
Other Required Reserve 2 1/1/2014												
Other Required Reserve 2 1/1/2015												
<b>Other Required Reserve 2 Running Balance</b>												

Total # Units:				Year 4 2026			Year 5 2027			Year 6 2027						
Category	Unit #	DSP %	Non-DSP %	% of total		Com Income	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	
				LOSP	non-LOSP											
<b>REVENUE</b>																
Residential - Single-Family - Attached (Townhomes)	204	100%	0%	100%	0%	Com Income	26,812	0	26,812	26,812	0	26,812	26,812	0	26,812	26,812
Commercial - Office	0	0%	0%	0%	0%	Com Income	0	0	0	0	0	0	0	0	0	0
Commercial - Retail	0	0%	0%	0%	0%	Com Income	0	0	0	0	0	0	0	0	0	0
<b>OPERATING EXPENSES</b>																
<b>MANAGEMENT</b>																
Management Fee	0	0%	0%	0%	0%	Management Fee	0	0	0	0	0	0	0	0	0	0
Sub-Total Management Expenses						Management Fee	0	0	0	0	0	0	0	0	0	0
<b>UTILITIES</b>																
Electricity	204	100%	0%	100%	0%	Electricity	12,450	0	12,450	12,450	0	12,450	12,450	0	12,450	12,450
Gas	204	100%	0%	100%	0%	Gas	8,000	0	8,000	8,000	0	8,000	8,000	0	8,000	8,000
Water	204	100%	0%	100%	0%	Water	3,000	0	3,000	3,000	0	3,000	3,000	0	3,000	3,000
Sub-Total Utilities						Utilities	23,450	0	23,450	23,450	0	23,450	23,450	0	23,450	23,450
<b>OPERATING EXPENSES</b>																
<b>RESERVE</b>																
Reserve - General Fund	0	0%	0%	0%	0%	Reserve - General Fund	0	0	0	0	0	0	0	0	0	0
Sub-Total Reserve Expenses						Reserve - General Fund	0	0	0	0	0	0	0	0	0	0
<b>OPERATING INCOME (LOSS)</b>																
Operating Income	0	0%	0%	0%	0%	Operating Income	4,362	0	4,362	4,362	0	4,362	4,362	0	4,362	4,362
Sub-Total Operating Income						Operating Income	4,362	0	4,362	4,362	0	4,362	4,362	0	4,362	4,362



MCHCD	% annual LOSP increase	% annual increase	Comments	Year 4 2025			Year 5 2026			Year 6 2027		
				LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
Under Measure 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100												
Other Required Reserve 2 Running Balance												

Table with columns for Year 7, Year 8, and Year 9. Rows include Income, Operating Expenses, and Total Proforma Income. Includes sub-totals for Management, Utilities, Taxes and Licenses, and Maintenance & Repair.

Table detailing Management Expenses and Utilities. Rows include Management Fees, Sub-total Management Expenses, and various utility costs like Gas, Water, and Sewer.

Table detailing Taxes and Licenses and Maintenance & Repair. Rows include Rental Taxes, Property and Liability Insurance, and various repair and maintenance costs.

Summary table for TOTAL OPERATING EXPENSES, showing PUPA (w/o Reserve/CL Base Rent/Bond Fees) and PUPA (w/ Reserve/CL Base Rent/Bond Fees).

Table for NET OPERATING INCOME (INCOME) minus DEBT SERVICE. Rows include Debt Service, Net Proforma Income, and Cash Flow (MO) minus Debt Service.

Table for CASH FLOW (MO) minus DEBT SERVICE. Rows include Available Cash Flow, Debt Service, and Cash Flow (MO) minus Debt Service.

Table for RESIDUAL RECEIPTS (CASH FLOW) minus PAYMENTS (PRECEDING MOHCD). Rows include Debt Service, Residual Receipts, and Residual Receipts (CASH FLOW) minus Payments (PRECEDING MOHCD).

Table for MOHCD RESIDUAL RECEIPTS DEBT SERVICE. Rows include MOHCD Residual Receipts Amount Due and Debt Service.

Table for NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE. Rows include Non-MOHCD Residual Receipts Amount Due and Debt Service.

Table for REMAINDER (should be zero unless there are distributions before). Rows include Owner Cash Contributions Management Fees and Other Cash Contributions.

Table for REPLACEMENT RESERVE - RUNNING BALANCE. Rows include Replacement Reserve - Running Balance, Replacement Reserve - Deposits, and Replacement Reserve - Withdrawals (Check up/Out).

Table for OPERATING RESERVE - RUNNING BALANCE. Rows include Operating Reserve - Running Balance, Operating Reserve - Deposits, and Operating Reserve - Withdrawals.

Table for OTHER REQUIRED RESERVE 1 - RUNNING BALANCE. Rows include Other Reserve 1 - Deposits, Other Reserve 1 - Withdrawals, and Other Reserve 1 - Interest.

Table for OTHER RESERVE 2 - RUNNING BALANCE. Rows include Other Reserve 2 - Deposits, Other Reserve 2 - Withdrawals, and Other Reserve 2 - Interest.

SECURED	% increase (inc) LOSP	% decrease (decrease)	Comments (related to actual the above/above)	Year 7 2018			Year 8 2019			Year 9 2020		
				LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
Other Required Reserve 2 Running Balance												
Other Required Reserve 2												
Other Required Reserve 2												
Other Required Reserve 2												
Other Required Reserve 2												

Table with columns: Total # Units, LOSP Units, Non-LOSP Units, Year 10 2021, Year 11 2021, Year 12 2021. Rows include various utility services like Gas, Water, Sewer, and Stormwater.

OPERATING EXPENSES

Table of operating expenses categorized by department: Administration, Utilities, Taxes and Licenses, Insurance, Maintenance & Repair, and Support Services. Includes sub-totals for each category.

Table for PUPA (w/ Reserve/CI, Base Rent/Bond Fees) showing various reserve and bond fee items with their respective amounts for years 10, 11, and 12.

Table for DEBT SERVICE (w/ST PAYMENTS) showing debt service components like interest and principal payments for years 10, 11, and 12.

Table for CASH FLOW (w/ST PAYMENTS) showing cash flow components like operating cash flow and debt service for years 10, 11, and 12.

Table for DEBT SERVICE (w/ST PAYMENTS) showing detailed debt service components like interest and principal payments for years 10, 11, and 12.

Table for RESIDUAL RECEIPTS (CASH FLOW) showing residual receipts components like interest and principal payments for years 10, 11, and 12.

Table for MCHCD RESIDUAL RECEIPTS DEBT SERVICE showing debt service components for MCHCD residual receipts for years 10, 11, and 12.

Table for NON-MCHCD RESIDUAL RECEIPTS DEBT SERVICE showing debt service components for non-MCHCD residual receipts for years 10, 11, and 12.

Table for REMAINDER (Should be zero unless there are distributions below) showing remainder components for years 10, 11, and 12.

Table for REPLACEMENT RESERVE - RUNNING BALANCE showing replacement reserve components for years 10, 11, and 12.

Table for OPERATING RESERVE - RUNNING BALANCE showing operating reserve components for years 10, 11, and 12.

Table for OTHER REQUIRED RESERVE 1 - RUNNING BALANCE showing other required reserve components for years 10, 11, and 12.

Table for OTHER RESERVE 2 - RUNNING BALANCE showing other reserve components for years 10, 11, and 12.

Total # Units: LOSP Units Non LOSP Units MOHCD Program 20 Y

INCOME	% awarded non-LOSP	% awarded LOSP	Comments (included to describe our assumptions)	Year 10 2031			Year 11 2032			Year 12 2033		
				LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
Other Expenses - 1 (Agency Manager)												
Other Expenses - 2 (Contract)												
Other Expenses - 3 (Professional)												
Other Expenses - 4 (Travel)												
<b>Direct Required Reserve 2 Running Balance</b>												

Table with columns for Year 13 2034, Year 14 2035, and Year 15 2036. Rows include Revenue, Expenses, and Gross Investment Income. Includes a sub-table for OPERATING EXPENSES.

Table for OPERATING EXPENSES, categorized into Administration and Utilities. Includes sub-totals and percentages for various items like Salaries, Fringe, and Rent.

Table for TAXES AND LICENSES, covering items like Sales Tax, Property Tax, and Business License Fees. Includes sub-totals for each category.

Table for INSURANCE, listing various insurance types such as Property and Casualty, Auto, and Workers Compensation.

Table for MAINTENANCE & REPAIR, detailing expenses for various types of equipment and building components.

Summary table for TOTAL OPERATING EXPENSES, showing totals for base rates and PUPA fees.

Table for DEBT SERVICE/PAYMENTS, listing various debt obligations and their scheduled payments.

Table for CASH FLOW (MCHCD DEBT SERVICE), showing cash flow from operations and debt service payments.

Table for USES OF CASH FLOW BELOW, detailing the allocation of cash flow to various purposes like bond interest and principal.

Table for RESIDUAL RECEIPTS, detailing the amounts and terms for various residual payments.

Table for REMAINDER, showing the distribution of remaining cash flow after all other obligations.

Table for REPLACEMENT RESERVE - RUNNING BALANCE, detailing the funding and balance of replacement reserves.

Table for OPERATING RESERVE - RUNNING BALANCE, detailing the funding and balance of operating reserves.

Table for OTHER REQUIRED RESERVE 1 - RUNNING BALANCE, detailing the funding and balance of other required reserves.

Total B (Units)	LOSP		Non-LOSP		Year 13 2014			Year 14 2015			Year 15 2016		
	03	02	01	00	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
	% increase	% increase	Compared to										
	vs. LOSP	increase	previous year (about year-01)										
WCO Mill													
Other Mill													
Other Mill													
Other Mill													
Other Mill													
Other Mill													
<b>Other Required Reserve 2 Running Balance</b>													

Income Statement Table with columns for Year 16 2017, Year 17 2018, Year 18 2019. Rows include MDHME, Operating Expenses, and Net Operating Income.

Operating Expenses Table with columns for Year 16 2017, Year 17 2018, Year 18 2019. Rows include Management, Subtotal Management Expenses, Subtotal Sublet/Benefits, Administration, Utilities, Taxes and Licenses, Insurance, Maintenance & Repair, and Commercial Expenses.

TOTAL OPERATING EXPENSES Table with columns for Year 16 2017, Year 17 2018, Year 18 2019. Rows include PUPA (w/ Reserve/CL Base Rent/and Fees), PUPA (w/ Reserve/CL Base Rent/and Fees), and PUPA (w/ Reserve/CL Base Rent/and Fees).

DEBT SERVICE/RENT PAY PAYMENTS Table with columns for Year 16 2017, Year 17 2018, Year 18 2019. Rows include Rent Debt, Debt Service, and Commercial Hard Data Service.

CASH FLOW (Net) Table with columns for Year 16 2017, Year 17 2018, Year 18 2019. Rows include Commercial Dry Cash Flow, Available Cash Flow, and Uses of Cash Flow.

RESIDUAL RECEIPTS CASH FLOW Table with columns for Year 16 2017, Year 17 2018, Year 18 2019. Rows include Does Project have a MCHCD Residual Receipt Obligation? and Residual Receipts split for all years.

MCHCD RESIDUAL RECEIPTS DEBT SERVICE Table with columns for Year 16 2017, Year 17 2018, Year 18 2019. Rows include MCHCD Residual Receipts Annual Due, MCHCD Residual Receipts Amount to be Paid, and MCHCD Residual Receipts Annual Due.

REPLACEMENT RESERVE - RUNNING BALANCE Table with columns for Year 16 2017, Year 17 2018, Year 18 2019. Rows include Replacement Reserve Starting Balance, Replacement Reserve Deposits, and Replacement Reserve (Closing) (Units Paid to CHA).

OPERATING RESERVE - RUNNING BALANCE Table with columns for Year 16 2017, Year 17 2018, Year 18 2019. Rows include Operating Reserve Starting Balance, Operating Reserve Deposits, and Operating Reserve (Closing) (Units Paid to CHA).

OTHER REQUIRED RESERVE 1 - RUNNING BALANCE Table with columns for Year 16 2017, Year 17 2018, Year 18 2019. Rows include Other Reserve 1 Starting Balance, Other Reserve 1 Deposits, and Other Reserve 1 (Closing) (Units Paid to CHA).



	2016		Comments	Year 16 2017			Year 17 2018			Year 18 2019		
	% increased inc LDSP	% increased non-LDSP		LDSP	non-LDSP	Total	LDSP	non-LDSP	Total	LDSP	non-LDSP	Total
<b>INCOME</b>												
Other Revenue - 41% (non) Regenera			related to patient inc. and non-LDSP									
Other Revenue - 1.000000												
Other Revenue - 1.000000												
Other Revenue - 1.000000												
Other Revenue - 1.000000												
<b>Other Required Reserve 2 Running Balance</b>												

Account	Total # Units	LOSP		Comments	Year 18			Year 20		
		Units	% annual increase		LOSP	Rate	Total	LOSP	Rate	Total
<b>REVENUE</b>	65	18,000	46.00%		18,000	100%	18,000	18,000	100%	18,000
Residential - Single Family		7,500	2.5%		154,908	85.75%	1,317,568	158,226	85.91%	1,169,278
Residential - Rental Assistance (Section 8) (Net-LOSP)		100	0%		100	0.56%	1,000	100	0.56%	1,000
Residential - Senior Housing (Section 8) (Net-LOSP)		100	0%		100	0.56%	1,000	100	0.56%	1,000
Commercial - Office		100	2.5%		100	0.56%	1,000	100	0.56%	1,000
Commercial - Retail		100	2.5%		100	0.56%	1,000	100	0.56%	1,000
Commercial - Industrial		100	2.5%		100	0.56%	1,000	100	0.56%	1,000
Commercial - Multi-Family		100	2.5%		100	0.56%	1,000	100	0.56%	1,000
Commercial - Mixed-Use		100	2.5%		100	0.56%	1,000	100	0.56%	1,000
Commercial - Other		100	2.5%		100	0.56%	1,000	100	0.56%	1,000
Commercial - Total		500	2.5%		500	2.80%	5,000	500	2.80%	5,000
Commercial - Rental Assistance (Section 8) (Net-LOSP)		100	0%		100	0.56%	1,000	100	0.56%	1,000
Commercial - Other		100	2.5%		100	0.56%	1,000	100	0.56%	1,000
Commercial - Total		200	2.5%		200	1.12%	2,000	200	1.12%	2,000
<b>OPERATING EXPENSES</b>										
Management Fee		100	3.5%	10 Year to be on operating to HUD	40,000	4.00%	17,000	40,000	4.00%	17,000
Sub-Total Management Expenses		100	3.5%		40,000	4.00%	17,000	40,000	4.00%	17,000
Utilities		100	3.5%		100	0.56%	1,000	100	0.56%	1,000
Gas		100	3.5%		100	0.56%	1,000	100	0.56%	1,000
Water		100	3.5%		100	0.56%	1,000	100	0.56%	1,000
Sub-Total Utilities		100	3.5%		100	1.68%	1,600	100	1.68%	1,600
Insurance		100	3.5%		100	0.56%	1,000	100	0.56%	1,000
General Liability		100	3.5%		100	0.56%	1,000	100	0.56%	1,000
Professional Services		100	3.5%		100	0.56%	1,000	100	0.56%	1,000
Sub-Total Insurance		100	3.5%		100	1.12%	1,100	100	1.12%	1,100
Maintenance & Repair		100	3.5%		100	0.56%	1,000	100	0.56%	1,000
Paint		100	3.5%		100	0.56%	1,000	100	0.56%	1,000
Plumbing		100	3.5%		100	0.56%	1,000	100	0.56%	1,000
Electrical		100	3.5%		100	0.56%	1,000	100	0.56%	1,000
Sub-Total Maintenance & Repair		100	3.5%		100	1.68%	1,600	100	1.68%	1,600
Other		100	3.5%		100	0.56%	1,000	100	0.56%	1,000
Sub-Total Other		100	3.5%		100	0.56%	1,000	100	0.56%	1,000
<b>TOTAL OPERATING EXPENSES (net Reserves/CL Base Rent/Bond Fees)</b>					84,000	4.00%	37,000	84,000	4.00%	37,000
<b>NET OPERATING INCOME (INCOME minus OP EXPENSES)</b>					17,000		17,000	17,000		17,000

	Total # Units:		LOSP		Non LOSP	MOHCD Program - 201	Year 19			Year 20		
	2000	2001	2000	2001			2000	2001	Total	2000	2001	Total
<b>INCOME</b>												
Other Reserve 7 Employee Salaries												
Other Reserve 7 Tuition												
Other Reserve 7 Other Expenses												
Other Reserve 7 Interest												
<b>Other Required Reserve 3 Running Balance</b>												



	Total # Units: 63	LOSP	Non-LOSP	Year 1 2023			Year 2 2024			Year 3 2025		
		Units 32	Units 31	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
<b>INCOME</b>		% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)								
Other Reserve 2 Interest		51.00%	49.00%									
<i>Other Required Reserve 2 Running Balance</i>												



INCOME	Total # Units:		Comments (related to annual inc assumptions)	Year 4 2026			Year 5 2027			Year 6 2028			
	63	LOSP Units		Non-LOSP Units	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
		32		31									
Other Reserve 2 Interest	51.00%	49.00%											
<i>Other Required Reserve 2 Running Balance</i>													





INCOME	Total # Units:		Comments (related to annual inc assumptions)	Year 7 2029			Year 8 2030			Year 9 2031			
	63	32		31	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
	LOSP Units	Non-LOSP Units		% annual inc LOSP									
Other Reserve 2 Interest		51.00%	49.00%										
<i>Other Required Reserve 2 Running Balance</i>													



INCOME	Total # Units:		Comments (related to annual inc assumptions)	Year 10 2032			Year 11 2033			Year 12 2034		
	63	32		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
		51.00%										
Other Reserve 2 Interest												
<i>Other Required Reserve 2 Running Balance</i>												

78 Haight Street

Total # Units: 63
LOSP Units: 32
Non-LOSP Units: 31

Table with columns for Income, Management, Salaries/Benefits, Administration, Utilities, Taxes and Licenses, Insurance, Maintenance & Repair, and Supportive Services. Rows include Residential - Tenant Rents, Commercial Space, Office Salaries, and various operating expenses.

Sub-total Management Expenses table showing rows for Management Fee and Asset Management Fee.

Sub-total Salaries/Benefits table showing rows for Office Salaries, Manager's Salary, Health Insurance, and Other Salaries/Benefits.

Sub-total Administration Expenses table showing rows for Advertising and Marketing, Office Expenses, Office Rent, and Legal Expense - Property.

Sub-total Utilities table showing rows for Electricity, Water, Gas, and Sewer.

Sub-total Taxes and Licenses table showing rows for Real Estate Taxes, Payroll Taxes, and Miscellaneous Taxes, Licenses and Permits.

Sub-total Insurance table showing rows for Property and Liability Insurance, Fidelity Bond Insurance, Worker's Compensation, and Director's & Officers' Liability Insurance.

Sub-total Maintenance & Repair Expenses table showing rows for Payroll, Supplies, Contracts, Garbage and Trash Removal, Security Payroll/Contract, HVAC Repairs and Maintenance, and Vehicle and Maintenance Equipment Operation and Repairs.

Supportive Services table showing rows for Commercial Expenses.

TOTAL OPERATING EXPENSES table with a sub-total for PUPA (w/o Reserves/GL Base Rent/Bond Fees).

Table for Reserves/Ground Lease Base Rent/Bond Fees showing rows for Ground Lease Base Rent, Bond Monitoring Fee, Replacement Reserve Deposit, Operating Reserve Deposit, and Other Required Reserve 1 Deposit.

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees) table with a sub-total for PUPA (w/ Reserves/GL Base Rent/Bond Fees).

NET OPERATING INCOME (INCOME minus OP EXPENSES) table.

DEBT SERVICE/MUST PAY PAYMENTS ('hard debt'/amortized loans) table showing rows for Hard Debt - First Lender, Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender), Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender), Hard Debt - Fourth Lender, and Commercial Hard Debt Service.

TOTAL HARD DEBT SERVICE table.

CASH FLOW (NOI minus DEBT SERVICE) table.

Commercial Only Cash Flow table with rows for Allocation of Commercial Surplus to LOPS/non-LOSP (residual income) and AVAILABLE CASH FLOW.

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

Table for 'Below-the-line' Asset Mgt fee (uncommon in new projects, see policy) and Partnership Management Fee (see policy for limits).

Investor Service Fee (aka 'LP Asset Mgt Fee') (see policy for limits) and Other Payments table.

Non-amortizing Loan Pmnt - Lender 1, Non-amortizing Loan Pmnt - Lender 2, and Deferred Developer Fee (Enter amt <= Max Fee from row 131) table.

TOTAL PAYMENTS PRECEDING MOHCD table.

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD) table.

Does Project have a MOHCD Residual Receipt Obligation? Will Project Defer Developer Fee? Residual Receipts split for all years. - Lender/Owner.

MOHCD RESIDUAL RECEIPTS DEBT SERVICE table showing MOHCD Residual Receipts Amount Due and Proposed MOHCD Residual Receipts Amount to Loan Repayment.

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE table showing HCD Residual Receipts Amount Due and Lender 4 Residual Receipts Due.

Total Non-MOHCD Residual Receipts Debt Service table.

REMAINDER (Should be zero unless there are distributions below) table showing Owner Distributions/Incentive Management Fee and Other Distributions/Uses.

REPLACEMENT RESERVE - RUNNING BALANCE table showing Replacement Reserve Starting Balance, Replacement Reserve Deposits, Replacement Reserve Withdrawals (Ideally tied to CNA), and Replacement Reserve Interest.

RR Running Balance table.

OPERATING RESERVE - RUNNING BALANCE table showing Operating Reserve Starting Balance, Operating Reserve Deposits, Operating Reserve Withdrawals, and Operating Reserve Interest.

OR Running Balance table.

OTHER REQUIRED RESERVE 1 - RUNNING BALANCE table showing Other Reserve 1 Starting Balance, Other Reserve 1 Deposits, Other Reserve 1 Withdrawals, and Other Reserve 1 Interest.

OTHER RESERVE 2 - RUNNING BALANCE table showing Other Reserve 2 Starting Balance, Other Reserve 2 Deposits, and Other Reserve 2 Withdrawals.

Table for RR Balance/Unit and OR Balance as a % of Prior Yr Op Exps + Debt Service.

Table showing DSCR values for various scenarios.

Table showing OR Balance as a % of Prior Yr Op Exps + Debt Service.

Table showing RR Running Balance.

Table showing OR Running Balance.

Table showing OTHER RESERVE 1 - RUNNING BALANCE.

INCOME	Total # Units:		Comments (related to annual inc assumptions)	Year 13 2035			Year 14 2036			Year 15 2037		
	LOSP Units	Non-LOSP Units		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
	63	31										
Other Reserve 2 Interest	51.00%	49.00%										
<i>Other Required Reserve 2 Running Balance</i>												



INCOME	Total # Units:		Comments (related to annual inc assumptions)	Year 16 2038			Year 17 2039			Year 18 2040			
	63	32		31	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
	51.00%	49.00%		% annual inc LOSP									
Other Reserve 2 Interest													
<i>Other Required Reserve 2 Running Balance</i>													





	Total # Units: 63	LOSP	Non-LOSP	Year 19			Year 20			
		Units 32	Units 31	2041			2042			
		% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non- LOSP	Total	LOSP	non- LOSP	Total
<b>INCOME</b>		51.00%	49.00%							
Other Reserve 2 Interest										
<i>Other Required Reserve 2 Running Balance</i>										

Application Date: 1/29/2021  
 Total # Units: 63  
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2023

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

OPERATING EXPENSES			
<b>Management</b>			
Management Fee	LOSP	non-LOSP	Approved By (reqd)
Asset Management Fee			
<b>Sub-total Management Expenses</b>			
<b>Salaries/Benefits</b>			
Office Salaries	LOSP	non-LOSP	Approved By (reqd)
Manager's Salary			
Health Insurance and Other Benefits			
Other Salaries/Benefits	75.00%	25.00%	
Administrative Rent-Free Unit			
<b>Sub-total Salaries/Benefits</b>			

<b>Administration</b>			
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	51.00%	49.00%	
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	51.00%	49.00%	
Miscellaneous			
<b>Sub-total Administration Expenses</b>			

<b>Utilities</b>			
Electricity	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Water	51.00%	49.00%	
Gas			
Sewer			
<b>Sub-total Utilities</b>			

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

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

<b>Maintenance &amp; Repair</b>			
Payroll	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Supplies	51.00%	49.00%	
Contracts			
Garbage and Trash Removal	LOSP	non-LOSP	Approved By (reqd)
Security Payroll/Contract			
HVAC Repairs and Maintenance			
Vehicle and Maintenance Equipment Operation and Repairs			
Miscellaneous Operating and Maintenance Expenses			
<b>Sub-total Maintenance &amp; Repair Expenses</b>			
Supportive Services	LOSP	non-LOSP	Approved By (reqd)
Commercial Expenses	0.00%	100.00%	

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

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

<b>NET OPERATING INCOME (INCOME minus OP EXPENSES)</b>			
<b>DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)</b>			
Hard Debt - First Lender	LOSP	non-LOSP	Approved By (reqd)
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)	51.00%	49.00%	
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	42% pymt, or other 2nd Lender		
Hard Debt - Fourth Lender	n, or other 3rd Lender		
Commercial Hard Debt Service			
<b>TOTAL HARD DEBT SERVICE</b>			

<b>CASH FLOW (NOI minus DEBT SERVICE)</b>			
Commercial Only Cash Flow			
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)	non-LOSP (residual income)		
<b>AVAILABLE CASH FLOW</b>			
<b>USES OF CASH FLOW BELOW (This row also shows DSCR.)</b>			
<b>USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL</b>			
"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 Pymt - Lender 1 (select lender in comments field)	lender in comments field		
Non-amortizing Loan Pymt - Lender 2 (select lender in comments field)			
Deferred Developer Fee (Enter amt => Max Fee from cell I130)	0.00%	100.00%	
<b>TOTAL PAYMENTS PRECEDING MOHCD</b>			

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

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

<b>Soft Debt Lenders with Residual Receipts Obligations</b>			
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			

<b>MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>			
MOHCD Residual Receipts Amount Due			
Proposed MOHCD Residual Receipts Amount to Loan Repayment			
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			

<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>			

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

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