

**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

921 Howard (5<sup>th</sup> and Howard):

\$39,148,960 permanent gap loan (includes  
\$5,000,000 predevelopment loan and \$7,185,950 as a  
bridge loan)

Evaluation of Request for:	Gap Loan
Loan Committee Date:	February 5, 2021
Prepared By:	Jonathan Gagen
Source of Funds Recommended:	2019 General Obligation Bond Funds (Low Income) - \$26,648,960 2019 General Obligation Bond Funds (Moderate Income) - \$7,500,000
NOFA/PROGRAM/RFP:	2007 Family Housing Notice of Funding Availability (NOFA)
Total Previous City Funds Committed:	Predevelopment Loan (Eastern Neighborhood UMU Funds) - \$5,000,000

Acquisition Loan (Affordable Housing Fund) - \$1,609,007  
Acquisition Loan (General Funds) - \$3,130,776  
Acquisition Loan (Deferred Accrued Interest) – \$1,728,337

Applicant/Sponsor Name: 5<sup>th</sup> and Howard Associates, L.P.

### **EXECUTIVE SUMMARY**

#### **Sponsor Information:**

Project Name:	921 Howard	Sponsor:	TNDC
Project Address (w/ cross St):	921 Howard Street (Fifth Street), 94103	Ultimate Borrower Entity:	5 <sup>th</sup> and Howard Associates, L.P.

#### **Project Summary:**

921 Howard will be a new construction, high-rise, mixed-use building located in the South of Market (SOMA) neighborhood serving low and moderate income households. The Project site (the "Site") was purchased in 2007 with funds from MOHCD by the Tenderloin Neighborhood Development Corporation ("TNDC" or the "Sponsor"), and consists of five existing parcels. A parking lot occupies the largest of the lots, and the smaller lots contain several existing one and two-story industrial buildings. Once all the existing lots are assembled, the Site will total 20,298 square feet. Surrounding lots include a mix of uses, including commercial and residential. The InterContinental Hotel is across the street, and the Moscone Convention Center is located a block away at the intersection of Fourth and Howard Streets.

The Sponsor proposes to build 203 units, inclusive of two managers units. The project is underwritten using California Tax Credit Allocation Committee (TCAC) Area Median Income (AMI) level and includes a mix of low-income and moderate-income units with units at 75% of MOHCD AMI (50% TCAC AMI), 90% of MOHCD AMI (60% TCAC AMI) and 120% of MOHCD AMI (80% TCAC AMI) with an average MOHCD AMI of 90%. In addition to the residential portion, the project will include a small ground floor commercial space that will be approximately 1,970 square feet. Project residential amenities include a community room, a community garden, property management and service provider offices, three parking spaces for staff members and bicycle parking. Other sources of financing include 4% tax credit equity, a tax-exempt mortgage from the California Housing Finance Agency (CalHFA), and a CalHFA Mixed-Income Program (MIP) soft loan.

In order to apply for CalHFA funding, TNDC made a request to Loan Committee for preliminary gap financing in September 2020. This request represents the final underwriting of TNDC's gap loan request, which does not exceed what was approved in September. Construction closing is expected to occur in March 2021.

**Project Description:**

Construction Type:	Type IA	Project Type:	New Construction
Number of Stories:	18	Lot Size (acres and sf):	0.66 acres / 28,893 sf
Number of Units:	203	Architect:	Perry Architects
Total Residential Area:	233,710 sf	General Contractor:	Swinerton
Total Commercial Area:	1,970 sf	Property Manager:	Tenderloin Neighborhood Development Corporation (TNDC)
Total Building Area:	235,680 sf	Supervisor and District:	Matt Haney, District 6
Land Owner:	TNDC		
Total Development Cost (TDC):	\$161,824,948	Total Acquisition Cost (including transfer tax):	\$14,152,348
TDC/unit:	\$797,167	TDC less land cost/unit:	\$727,451
Total/New Funds Requested:	\$39,148,960 /\$34,148,960	Total/New Request Amount / unit:	\$192,852/\$168,221
HOME Funds?	No	Parking:	3 spaces (for building staff)

**PRINCIPAL DEVELOPMENT ISSUES**

- 1. Development restrictions on remaining/other site:** 921 Howard will be constructed on five of the ten original parcels (the new “Parcel A”), and the Sponsor intends to bank the five other parcels for future affordable housing development (the new “Parcel B” or 909 Howard Street). While the Sponsor has not generated development plans for the other parcels, they will remain encumbered by restrictions tied to a MOHCD acquisition loan made in 2009. Please see Sections 1 and 6.1 for further explanation.
- 2. Marketability of moderate-income units:** The project includes units at 75% MOHCD AMI, 90% MOHCD AMI and 120% MOHCD AMI. While the Sponsor has substantial experience marketing low-income units, the Sponsor has little experience marketing moderate-income units and will need to engage with experts. Additionally, market conditions during pandemic suggest that it may take more time to lease the moderate-income units than the low-income units. MOHCD will require the Sponsor to provide a marketing strategy memo and secure marketing consulting services. Please see Section 4.8 for further explanation.

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3. **Opportunity Now to Meet Unmet Need.** This project has been in predevelopment for a very long time for a site that was not previously owned by a public entity – 13

years – and has been through more than one economic downturn. This is a huge opportunity to build now, in a central location with excellent transit access, and to meet the huge unmet RHNA need for moderate income housing. See Background Section 1.

### SOURCES AND USES SUMMARY

<b>Predevelopment Sources</b>	<b>Amount</b>	<b>Terms</b>	<b>Status</b>
MOHCD Acquisition Loan	\$4,729,783	3 yrs. @ 3% Res Rec	Fully Drawn
MOHCD Predevelopment Loan	\$5,000,000	3 yrs. @ 3% Res Rec	Previously Approved
<b>Total</b>	<b>\$9,729,783</b>		
<b>Permanent Sources</b>	<b>Amount</b>	<b>Terms</b>	<b>Status</b>
MOHCD Acquisition	\$13,765,670		
MOHCD Gap	\$18,198,290	55 yrs. @ 3% Res Rec	This Request
MOHCD Bridge	\$7,185,000	2.5 yrs @ 3% Res Rec	This Request
Tax Credit Equity	\$62,449,998	\$0.94 per credit	Not Committed
CalHFA MIP Loan	\$10,050,000	55 yrs. @ 2.75% Res Rec	Not Committed
GP Equity Contribution	\$2,862,000		Not Committed
Permanent Loan	\$42,714,000		Not Committed
Def Dev Fee	\$4,500,000		Not Committed
<b>Total</b>	<b>\$161,824,948</b>		
<b>Uses</b>	<b>Amount</b>	<b>Per Unit</b>	<b>Per GSF</b>
Acquisition Costs*	\$14,152,348	\$69,365.17	\$59.75
Hard Costs	\$110,667,400	\$548,476	\$472.42
Soft Costs	\$25,716,768	\$123,007	\$106
Developer Fee	\$10,000,000	\$49,261	\$42
Reserves	\$1,278,432		
<b>Total</b>	<b>\$161,824,948</b>	<b>\$797,167</b>	<b>\$686.63</b>

\* including Holding Costs and Transfer Taxes.

## 1. BACKGROUND

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

921 Howard, also known as “5<sup>th</sup> and Howard” dates back to December 2007, when it started as a joint venture between TNDC and Citizens Housing Corporation (“Citizens”). The joint venture responded to MOHCD’s 2007 Family Housing Notice of Funding Availability (NOFA) and proposed a 9-story family development with 134 units. The proposed project involved assembling ten parcels totaling 32,000 square feet. Shortly after MOHCD awarded the project to the team, TNDC and Citizens entered into two-year option to acquire the site for \$11.5 million but successfully negotiated a lower purchase price of \$9.7 million, and the team entered into an amendment to the purchase and sale agreement on June 30, 2009. In 2009, when Citizens wound down its operations, TNDC acquired Citizens’ portfolio and took the lead in developing the Site.

To finance the acquisition, TNDC and Citizens secured a funding commitment from Enterprise Community Loan Fund for a loan of \$6.79 million. As part of the NOFA, MOHCD provided the development team with an acquisition loan in the amount of \$4,729,783. The MOHCD acquisition loan had the following terms per the project's August 21, 2009 loan evaluation:

- Term: The loan is due in full if Sponsor repays Enterprise loan or sells property; otherwise, loan has a 55 year term.
- Rate: 15% if property is sold; accrued interest reduced to 3% if project proceeds and accrued interest at 12% interest rate shall be forgiven upon repayment of Enterprise loan.
- Repayment: Fully due and payable upon sale if property is sold; converted to residual receipts if project proceeds.

Enterprise has restructured the loan, and the remaining principal balance is now \$4 million, with the term extended to 30 years. TNDC repaid the Enterprise Loan with a loan from the San Francisco Housing Accelerator Fund (HAF) in February 2020. The Sponsor has been using the Site's rental income and an interest reserve to support loan payments and other Site carrying costs, as well as for HAF's origination and legal fees, plus the cost of an appraisal.

In the 13 years since the acquisition and initial City-investment, the Sponsor has explored development opportunities for the Site. In early 2010, the Sponsor entered into a Memorandum of Understanding with Archstone to co-develop a 150-unit mixed-income project, with 50% of the units available to low-income households. Around 2017, the Sponsor negotiated a deal with Tishman Speyer whereby the project would provide off-site inclusionary units to satisfy requirements tied to their Creamery project at 4<sup>th</sup> and Townsend. Due to rising construction costs, Tishman Speyer opted not to move forward with this deal. As a result, the Sponsor began exploring using CalHFA financing to build a project for low- and moderate-income households.

This Project entails the development of approximately 63% of the original 32,000 square foot site; the Sponsor intends to continue land banking the balance of the site for a future project ("Parcel B"). The Sponsor submitted an application to subdivide the site to the San Francisco Bureau of Streets and Mapping in February 2020. MOHCD staff recommend that completion of the subdivision package be a condition of construction closing. Parcel B will remain subject to the existing land banking restrictions discussed in Section 6.1.

In Spring 2020, when the predevelopment loan was considered by Loan Committee, the team had determined that the most viable financing source was a Mixed-Income Program (MIP) soft loan from CalHFA, tax exempt bonds issued by CalHFA, and both 4% and state low income housing tax credits. They subsequently applied for MIP funds but were not funded. In September 2020, TNDC submitted a bond application to CDLAC, and received an award of both MIP funds and 4% tax credits. This will be MOHCD's first project that will include MIP funds. CalHFA funding is contingent

upon CalHFA board approval, which occurred on January 2021. Curtis Development, which has served as a development consultant since 2012, entered into an MOU with TNDC in February 2021 to serve as co-developer for the project. Please see Section 5 for additional information about.

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

The Borrower and Owner will be 5<sup>th</sup> and Howard Associates, LP, a California Limited Partnership affiliated with TNDC. TNDC was founded in 1981 with the acquisition of a single property and a commitment to creating permanently affordable homes for low-income San Franciscans. Over its 37-year history, TNDC has developed over 3,500 homes.

TNDC’s in-house Property Management, Tenant Services, Asset Management, Accounting, and Community Organizing teams will also be key to ensure the Project’s transition from development and construction into leasing and stabilized operations. Additional information regarding the proposed project manager qualifications, the organization’s development achievements in San Francisco serving the target populations, and the experience of its asset management affiliate can be found on attachments C and D.

The San Francisco Human Services Agency completed a remote monitoring of TNDC in May 2019. The report includes no findings.

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

Site Description	
Zoning:	Under the Central SoMa Plan, the Site is designated as MUR (Mixed Use Residential) which allows for housing above commercial uses. The Central SoMa Plan re-zoning in 2018 allowed the Sponsor to increase the building’s height to 18 stories as of right.
Maximum units allowed by current zoning (N/A if rehab):	205
Number of units added or removed (rehab only, if applicable):	N/A
Seismic (if applicable):	Seismic Zone 4; PML SUL: New Construction
Soil type:	Treadwell and Rollo conducted geotechnical investigations in March 2008 and prepared a report dated April 28, 2008. They found that the site is underlain with heterogeneous fill, dune sand, weak compressible marsh deposits and very dense and clayey sand. They recommended that the original proposed 9-story building be built on pile foundations. Rollo and Ridley performed a follow up

	geotechnical investigation dated August 23, 2017. This report included soils analysis, and recommended the use of driven piles to extend to depths of 29 to 52 feet below the surface. Please see Section 4.4.
Environmental Review:	<ul style="list-style-type: none"> <li>December 14, 2016: The Draft Environmental Impact Report (EIR) for the Central SoMa Plan covers the Site. March 30, 2010: Phase I Environmental Site Assessment (ESA) prepared by URS Corporation for the Department of Public Works, Bureau of Construction Management.</li> <li>November 21, 2012: Phase I ESA prepared by ACC Environmental Consultants for the Sponsor.</li> <li>National Environmental Protection Act (NEPA) review is required by CalHFA for this project due to CalHFA's use of the FHA Risk Sharing Program for the bonds. This is pending but will be complete by construction loan closing.</li> </ul>
Adjacent uses (North):	The InterContinental Hotel, a 32-story building containing 550 hotel rooms is across the street/directly north of the Site.
Adjacent uses (South):	Recently constructed 8-story residential building, plus older 3 and 4-story residential buildings lining Tehama Street.
Adjacent uses (East):	Large 3-story commercial building that contains a Burlington Coat Factory retail store.
Adjacent uses (West):	An outdoor parking lot and several 2 and 3-story industrial buildings are directly west of the Site.
Neighborhood Amenities within 0.5 miles:	The Moscone Convention Center is located at the intersection of 4 <sup>th</sup> and Howard Street. Within two blocks of the Site is Yerba Buena Gardens, including the Children's Garden and carousel, which provides publicly accessible recreational facilities. The Children's Garden is surrounded by the Children's Creativity Museum, Yerba Buena Gardens Child Development Center, and the Yerba Buena Ice Skating and Bowling Center. Cultural facilities within walking distance are the Yerba Buena Center for the Arts, the Contemporary Jewish Museum, Museum of the African Diaspora, and the San Francisco Modern Art Museum. The Site is also within a short distance to retail services that provide essential items such as food, medicine, banks and other convenience shopping. Trader Joe's, Whole Foods, and a mini-Target are within 0.25 miles of the Site. Also, within ¼ mile are schools (the Bessie Carmichael Elementary School campus is within 600 ft.) and several places of worship.
Public Transportation within 0.5 miles:	BART, MUNI light rail stations, and several bus lines stops including stops for the 9, 9X, 14, and 14R lines are within ¼ mile of the Site.
Article 34:	Not exempt – application approved February 10, 2020.
Article 38:	Not exempt – building's HVAC designed to include the requirements.



Accessibility:	The project will include 21 mobility units and 8 communication units. All units will be mobility adaptable.
Green Building:	Green Point Rated application is pending; the project is targeting a rating of 125, which is equivalent to LEED Certified Gold.
Recycled Water:	Not exempt.
Storm Water Management:	SFPUC has provided preliminary approval for the Storm Water Management and full approval is expected by construction loan closing.

Zoning.

Prior to December 2018, the Site’s zoning designation was M-1 – Light Industrial. The San Francisco Board of Supervisors passed the Central SoMa Plan on December 4<sup>th</sup>, 2018, re-designating the site as MUR (Mixed Use Residential), allowing the Project to include housing above retail. The project received Planning approvals using SB35 and the State Density Bonus on May 5, 2020. Planning used the code as revised under the Central SOMA Plan for permitting.

2.1. Probable Maximum Loss.

N/A

2.2. Local/Federal Environmental Review.

On December 14, 2016, the City released the draft EIR for the Central SoMa Plan including general plan amendments and zoning changes that affect land use requirements and entitlements in a portion of the South of Market Neighborhood, an area that includes the Site. The Central SoMa community planning process began in 2011 with a series of workshops in the neighborhood, with the goal of developing new zoning controls and prioritizing capital investments for the portion of the SOMA neighborhood adjacent to the Central Subway. The community planning process sought to address other issues critical to this neighborhood, including affordable housing, transportation, parks and open space, urban design, and community facilities.

2.3. Environmental Issues.

Phase I/II Site Assessment Status and Results.

ACC Environmental Consultants prepared a Phase I Environmental Site Assessment dated November 21, 2012 which indicated that the Site is within the Maher Zone, requiring further analysis of the soils. The Phase I summarizes ACC’s soil characterization report, dated April 14, 2008, which revealed elevated lead levels in the soil.

A more recent Phase I Environmental Site Assessment performed by Harris and Lee Environmental Sciences dated October 26, 2020 included a recommendation for a lead-based paint and asbestos study,

#### 2.4. Green Building.

The Sponsor is working to determine the necessary level of sustainable systems and technology for the building, balancing the Central SoMa Plan's goal to create an Eco-District designation with the high development costs already anticipated to meet code. The Sponsor will meet the City's Green Building Ordinance requirement of a Green Point Rating of at least 125.

### 3. OTHER ENTITLEMENTS ISSUES

#### 3.1. Community Support.

The Sponsor has engaged the community in conversation about the Site at several points throughout the project's 13-year history. More recent community outreach efforts have included the following:

- The South of Market Project Area Committee (SOMPAC) has continuously supported the project since its original inception in 2008.
- The Sponsor has discussed the project with the Yerba Buena Consortium, last in June 2016, and will plan a follow up meeting to discuss.
- The project team held community meetings with the District 6 Community Planners and community members in April 2018 and the general community. During each meeting, community members expressed support, although local business owners expressed concerns about the impacts of construction.
- TNDC engaged community organizations such as SOMCAN and TODCO along with the District 6 supervisor's office to provide a project status update in January 2021. SOMCAN, TODCO and District 6 office expressed support for the project.
- TNDC will present a project status update before the February Yerba Buena community meeting.
- MOHCD will require that the Sponsor continue to update community stakeholders as the project progresses through construction and lease-up.

The Sponsor posted the project's Proposition I notification in July 2020.

### 4. DEVELOPMENT PLAN

#### 4.1. Site Control.

The Site is owned by 5H GP LLC, an affiliate of TNDC. At construction closing, MOHCD will take ownership of the land and enter into a 75-year ground lease agreement with the Sponsor LP for the Site, with an option to extend to a total of 99 years. Parcel B will continue to be owned by 5H GP LLC.

#### 4.1.1. Proposed Property Ownership Structure

5<sup>th</sup> and Howard Associates, L.P. will hold the above-described long-term lease of the Site and own the improvements.

#### 4.2. Proposed Design.

The proposed project is an 18-story, 180 foot high, high-rise residential mixed use building. No below grade program is proposed. The ground floor program includes some retail/commercial space and an elevator lobby entrance for residents with access from Howard Street, bike parking, and utility rooms. A landscaped terrace is proposed for the third floor. Shared laundry rooms will be located on the 2nd, 7th, and 11th floors. Most of the building systems operations are located on the ground floor. A curb cut and vehicular access for 3 parking spaces, including a disability access spot, will be located off Tehama Street, which intersects with Fifth Street.

The current schematic design is being re-worked to meet public financing requirements. Current plans for the Type 1A,(concrete frame with concrete shear walls and deep foundations) development include a mix of 33 studios, 82 1-bedrooms, 81 2-bedrooms, and 5 3-bedroom units totaling 203 units. The approximate total gross square footage is 235,680 square feet.

It is notable that this is the first time that MOHCD has directly funded an 18-story building with restricted income residents. The Site has great resources to support high density and residents with a broad mix of incomes.

#### 4.3. Proposed Rehab Scope.

N/A

#### 4.4. Construction Supervisor/Construction Specialist's Evaluation of design/scope, including efforts to contain costs, appropriateness of proposed systems, finishes, and amenities:

921 Howard is an 18-story, 180- foot tower to be located at the corner of Fifth Street and Howard Street in San Francisco's SOMA neighborhood and, more specifically, will be located within the Central SOM Plan Area. The proposed development will be situated on a 20,298 square foot parcel within a mixed use district with zero parking required. The proposed project will have frontage on

Howard Street and to the North on Tehama Street. The site is currently a parking lot.

The Site Permit for this project was issued on 12/18/20, the same day that the 1<sup>st</sup> building addenda was submitted for review. Demolition permits were also issued in December. The estimated length of construction is projected to be 24 months and the development team has procured Swinerton as the General Contractor.

This cost analysis is based on the latest cost estimate update provided by Swinerton. The hard costs total \$110,677,400 at \$466 per square foot. The per square foot number is below average for the MOHCD predevelopment pipeline. However, MOHCD has never engaged in a high rise projects so a true comparison is made a little more difficult without a truly comparable data set. The per unit cost of \$545,209 is below the MOHCD average for the same predevelopment pipeline and is best explained by the scale the project enjoys. The team is still working (at a rapid pace due to available funding) through design and subsequent pricing where we expect the full incorporation of the rejection and /or acceptance of approximately \$4.85 million in identified value engineering possibilities. One factor driving the costs at this point is the foundation design using deep driven piles reinforced with pile caps and integrated into the mat slab foundation. The current soil condition is poor for support and pile will need to extend to depths of between 30 and 52 feet below grade surface. The recommended piles are also approximately 18” in diameter. That’s a lot of concrete just going into the foundation.

#### 4.5. Commercial Space.

The Project proposal includes 1,970 square feet of commercial space facing 5<sup>th</sup> Street. The commercial space will be developed as a cold shell only and will be condominiumized per CalHFA’s requirements. The Sponsor is open to community-serving retail, and has discussed potential uses with Kultivate Labs, a SOMA-based nonprofit organization.

The Sponsor is not underwriting the project to include commercial rent due to the space’s small size and uncertainties in the SOMA commercial real estate market. While the Sponsor has not secured Letters of Intent (LOI) from potential tenants, MOHCD does not expect this to be available until after gap Loan Committee approval and will expect an LOI from the commercial tenant by TCO.

#### 4.6. Service Space.

There will be an office for one person to provide resident services. The Sponsor has proposed one full time social worker to serve the 75% MOHCD AMI households. This meets MOHCD’s underwriting standards of 1:100.

#### 4.7. Target Population

The project's proposed population mix includes low- and moderate-income households with 102 units at 75% MOHCD AMI (approximately 50% TCAC AMI), 48 units at 90% MOHCD AMI, ( approximately 60% TCAC AMI) and the remaining 51 units at 120% MOHCD AMI (approximately 80% TCAC AMI) The AMI mix is designed to maximize the rental income achievable within the CalHFA MIP constraints, while structuring the project with as many 4% tax-credit units as possible (in this case 100%). None of the tax credit units are restricted below 50% TCAC AMI because the MIP program only funds units between 50% -120% TCAC AMI.

The Sponsor has reviewed a market study dated February 10, 2020, which analyzed market conditions within a mile of 921 Howard Street. The study indicated that the market can support up to 100% TCAC AMI for a studio apartment and 110% TCAC AMI for 1-3 bedroom apartments. While the market study does not identify any weaknesses with the site, development scheme, rents or market, the study was conducted before the substantial market changes in SOMA as a result of the COVID-19 pandemic.

#### 4.8. Marketing & Occupancy Preferences

MOHCD's marketing policies and procedures will be applied to all units except the on-site staff units. While the Sponsor has experience meeting MOHCD marketing guidelines, 921 Howard poses unique marketing challenges in that 50% of the building will consist of moderate-income residents. MOHCD staff recommends that TNDC secure consulting services to ensure successful lease-up of the moderate-income units. In addition to a marketing consultant, MOHCD staff recommends that the Sponsor submit a marketing strategy memo explaining how they will address the project's unique marketing needs prior to gap loan closing.

The following preferences will apply:

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

As a condition of this loan, Sponsor will provide an initial draft marketing plan within 18 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.

#### 4.9. Relocation.

The site is currently occupied by a parking lot provider, a bedding store and a storage facility. Additionally, there is a billboard located on the parking lot. California Relocation Law does apply. Overland, Pacific & Cutler, Inc. prepared a relocation plan and the Sponsor has entered into month-to-month leases with each tenant. The Sponsor has notified each tenant that they will be required to vacate the site by the end of February 2021. Relocation costs amount to \$252,000 and are included in the budget.

## 5. DEVELOPMENT TEAM

While TNDC will be the Borrower, Curtis Development and TNDC are co-developers for the project. TNDC will also serve as the property manager and services provider for this Project. The TNDC project manager for the development is Dicko Ba, spending 25% of time on the project, with supervision from Katie Lamont, the Director of Housing Development at TNDC. Adrian Napolitano of TNDC will also be working on the project as an Assistant Project Manager.

Curtis Development (CD) joined the development team as a development consultant in 2012. Charmaine Curtis, CD's principal, was the lead consultant during design and entitlements, and has taken the lead in securing the project's financing. In February 2021, TNDC entered into an Memoranda of Understanding with CD formalizing their relationship as co-developers. CD will continue to lead the development team through construction and conversion to permanent financing in partnership with TNDC project management and other staff.

<b>Development Team</b>			
<b>Consultant Type</b>	<b>Name</b>	<b>SBE/LBE</b>	<b>Outstanding Procurement Issues</b>
Architect	Perry Architects	N	N
Landscape Architect	GLS	N/A	N
JV/other Architect	N/A	N/A	N/A
General Contractor	Swinerton	N	N
Owner's Rep/Construction Manager	Waypoint	N/A	N
Financial Consultant	California Housing Partnership	N	N
Other Consultant	Curtis Development	N/A	
Legal	Gubb & Barshay	N/A	N

### 5.1. Outstanding Procurement Issues.

The Sponsor's procurement plans have been approved by the Contract Monitoring Division (CMD). Sponsor committed to meeting a 20% SBE/LBE participation goal. While the percentage of SBE/LBE participation for subcontractors is low, they have met 65% SBE/LBE participation for professional services. MOHCD staff will require that the development team

increase the percentage of participation where feasible during the construction period.

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

6.1. Prior MOHCD/OCII Funding (this project and historical for the project.

MOHCD provided the project with a \$4,729,783 acquisition loan in 2008. These funds, plus a loan from Enterprise's Bay Area Transit Oriented Affordable Housing fund, enabled the Sponsor to acquire the Site. Acquisition costs in the current budget include payoff of existing the Enterprise loan. As mentioned in Section 1, the Sponsor negotiated with HAF to refinance the Enterprise acquisition loan, and closed on the loan in February 2020.

The undeveloped parcel, Parcel B, will continue to be land banked and encumbered by the MOHCD acquisition loan restrictions. The restrictions include the following:

- During the duration of the land-banking period, which is the period of time during which the City and TNDC-affiliated 5H GP LLC have not agreed upon a fully feasible development plan, the City and TNDC will assess on an annual basis whether the land banking strategy needs to be extended.
- Sale of the site will be required by the City, with proceeds of the sale shared between the City and the Borrowers proportionate to their investment to date in the acquisition and land banking strategy only as a last resort.

6.2. Disbursement Status.

The acquisition loan is fully disbursed. The predevelopment has not closed. The delay in closing is due to short timeline between predevelopment loan commitment and complexities tied to the site's ownership structure. The Sponsor requested that MOHCD proceed straight to gap closing in lieu of amending the original acquisition Loan Agreement. The Sponsor has been able to use working capital to cover predevelopment expenses and will seek reimbursement from MOHCD.

6.3. Fulfillment of Loan Conditions.

While the acquisition loan approval did not contain loan conditions, it did require the Sponsor to develop up to 155 units serving households at or below 60% AMI. MOHCD staff recommends amending this condition in the gap Loan Agreement so that the project is eligible for CalHFA MIP financing.

Below are the conditions included in the predevelopment loan and preliminary gap loan approvals, along with a status update:

Prior to drawing down predevelopment loan:

- Sponsor will provide evidence of CalHFA funding commitments prior to drawing down predevelopment loan

*Satisfied*

90 days prior to Gap loan approval:

- Sponsor will provide Commercial Space Plan to MOHCD no less than 90 days prior to loan committee date for gap loan.  
*Partially Complete – TNDC provided MOHCD with a plan to engage local stakeholders such as Kultivate Labs to identify an appropriate commercial space tenants. Due to ongoing certainties tied the Covid-19 pandemic and overall San Francisco commercial market, MOHCD will require an updated prior to TCO.*
- Sponsor to provide MOHCD with requested documentation to justify acquisition costs.  
*Completed – TNDC provided the following breakdown as justification for the acquisition costs:*

<i>Payoff HAF loan</i>	<i>\$7,435,336</i>
<i>MOHCD loan principal</i>	<i>\$4,729,783</i>
<i>Interest on MOHCD loan</i>	<i>\$1,600,551</i>
<i>TOTAL</i>	<i>\$13,765,670</i>

- Sponsor will work with the architect to establish an acceptable fee, subject to MOHCD approval, in keeping with the MOHCD Fee Proposal Guidelines for Architect and Engineering Basic Services.

*Completed*

Conditions of preliminary gap loan approval:

- Sponsor will demonstrate evidence of financial feasibility of the project prior to gap Loan Committee approval. Sponsor will be required to provide a permanent budget that shows financially feasible sources and uses for Loan Committee’s review. The City will condition developer fee disbursement at a minimum during predevelopment related to TNDC’s ability to achieve milestones related to this.

*Completed – Sponsor provided evidence of a CalHFA commitment*



- (Carryover, due date adjusted) Sponsor will provide Commercial Space Plan to MOHCD no less than 30 days prior to Loan Committee date for gap loan.

*Incomplete – the Commercial Space Plan will be required prior to TCO.*

- Sponsor will provide signed LOIs from commercial tenants prior to MOHCD's gap loan closing.

*Incomplete – commercial tenant LOIs will be required prior to TCO.*

- Sponsor will provide MOHCD with information outlining cost containment, efficiencies and innovation strategies to reduce overall project costs and maximize efficiency of MOHCD gap loans.

*Completed*

- Sponsor will provide operating budget, including any resident services paid from operating, that meets MOHCD underwriting guidelines. Any changes to the current proposed staffing will need to be presented to MOHCD no less than 30 days prior to Loan Committee date for gap loan.

*Incomplete – this will be required during construction and developer fee disbursement will be tied to meeting this requirement.*

- Sponsor will provide development budget that meets MOHCD underwriting guidelines and commercial space policy requirements.

*Completed*

- Sponsor will provide for MOHCD review any Request for Proposals (RFPs) for equity investors before it is finalized and released for investors.

*Completed*

- Sponsor will provide for MOHCD review all raw financial data from developer or financial consultant prior to selection.

*Completed*

- Sponsor will provide for MOHCD review and approval all selected investors.

*Complete*

- Sponsor will provide for MOHCD review and approval all Letters of Intent from financial partners.

*Complete*

Conditions applicable Post closing:

- Sponsor will provide initial draft marketing plan within 18 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.

#### 6.4. Proposed Permanent Financing

##### 6.4.1. Permanent Sources Evaluation Narrative

The Sponsor proposes to use the following permanent sources for the Project:

**MOHCD (\$39,148,960)** – The total MOHCD contribution for the project will be \$39,148,960. This includes the \$5 million predevelopment loan that has been committed but not disbursed. In addition to the predevelopment loan, this will include a bridge loan of \$7,185,950. The bridge loan will cover a shortfall during the construction period and will be paid down by tax credit equity at conversion. The bridge loan will have a 3% interest rate and a 3-year term.

**Private Mortgage (\$42,714,000)** – The lender/bond purchaser is to be determined and is subject to approval by MOHCD. TNDC is assuming a 3.78% interest rate with 40-year amortization and 17-year term.

**4% Tax Credit Equity (\$62,449,988)** – TNDC is assuming equity pricing at \$0.94. The Sponsor applied 4% Tax Credits on September 24, 2020, under CDLAC’s “CalHFA MIP” category; the project’s accompanying application for a bond allocation of approximately \$90MM was approved on September 16, 2020. The tax credit allocation was awarded in October 2020. Bank of America will be the lender and investor.

**General Partner Equity Contribution (\$2,862,000)** – TNDC will take the maximum allowable developer fee under TCAC and the general partner will contribute the remainder to the Project consistent with MOHCD guidelines.

**Deferred Developer Fee (\$4,500,000)** – TNDC will take the maximum MOHCD allowable deferred developer fee.

**CalHFA MIP Soft Loan (\$10,050,000)** – This is a residual receipts loan provided by CalHFA through their Mixed Income Program (“MIP”) to encourage mixed income projects. CalHFA issues the bonds for any projects receiving a MIP loan. The loan has a 55-year term and an estimated 2.75% interest rate.

##### 6.4.2. 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	\$545,209/unit
Construction Hard Cost Contingency is at least 5% (new construction) or 15% (rehab)	Y	Hard Cost Contingency is 5.5%. There is \$1.96 million for contingency in the GC budget, and no design/bid/escalation contingency included.
Architecture and Engineering Fees are within standards	Y	Architecture and engineering fees are acceptable.
Construction Management Fees are within standards	Y	Construction Management Fee is sized at \$250,000
Developer Fee is within standards, see also disbursement chart below	Y	Total Residential Developer Fee is \$10,000,000 Total Project Management Fee is \$1,100,000 Total At-Risk Dev Fee is \$2,150,000. GP Equity is \$2,250,000 Deferred Developer Fee: \$4,500,000
Soft Cost Contingency is 10% per standards	N	Soft Cost Contingency is 2%
Capitalized Operating Reserves are a minimum of 3 months of operating expenses.	Y	Capitalized Operating Reserve is a minimum of 3 months of operating expenses.
Furnishings	Y	This is budgeted lower than the maximum allowed.

## 7. DEVELOPER FEE

<b>Developer Fee Disbursement Schedule</b>		
<b>Payment Milestone</b>	<b>% of Project Mgmt Fee</b>	<b>Amount</b>
Predevelopment	50%	\$550,000
Construction Close	20%	\$220,000
During Construction at 50% Completion and MOHCD approval of a services plan	20%	\$220,000
Project Close-out	10%	\$110,000
<i>Total Project Management Fee</i>		\$1,100,000
At-Risk		\$2,150,000
At Closing of Commercial Loan		N/A

Total Cash Developer Fee		<b>\$3,230,000</b>
Deferred Fee		\$4,500,000
Commercial Fee		\$0
GP Equity		<b>\$2,250,000</b>
Total Developer Fee		<b>\$10,000,000</b>

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

8.1. Annual Operating Budget

Total operating expenses are \$10,160 per unit per annum. Please see Section 8.3 for further explanation. As expected, staffing costs drive the overall budget, including salaries for a manager/assistant manager and one full time resident services staff, plus healthcare and other benefits for the project’s staff. The project will not utilize an operating subsidy.

8.2. Income

The Sponsor proposes income mix below in conformance with CalHFA’s MIP term sheet, which requires that 50% of units be tax credit eligible and that 10% of units be 81% to 120% of TCAC AMI with an average of 100% or greater. To meet these requirements, the Sponsor included units at 75% MOHCD AMI, 90% MOHCD AMI and 120% MOHCD AMI.

<b>Unit Size</b>	<b>No. of Units</b>	<b>Maximum Income Level (MOHCD AMI)</b>
Studio	17	75% of Median Income
1BR	41	75% of Median Income
2BR	41	75% of Median Income
3BR	3	75% of Median Income
Studio	8	90% of Median Income
1BR	20	90% of Median Income
2BR	19	90% of Median Income
3BR	1	90% of Median Income
Studio	8	120% of Median Income
1BR	21	120% of Median Income
2BR	21	120% of Median Income
3BR	1	120% of Median Income
1BR	2	Manager’s Units

8.3. Annual Operating Expenses Evaluation.

<b>Operating Proforma</b>		
<b>Underwriting Standard</b>	<b>Meets Standard? (Y/N)</b>	<b>Notes</b>
Debt Service Coverage Ratio stays above 1:1 through Year 17	Y	DSCR is 1.17 at Year 1 and 1.5 at Year 17.
Vacancy meets TCAC Standards	Y	Vacancy is 5%.
Annual Income Growth is increased at 2.5% per year	N	Residential income escalation factor is 2% and commercial income is at 2.5% per CalHFA standards.
Annual Operating Expenses are increased at 3.5% per year	Y	Expenses escalation factor is 3.5%.
Base year operating expenses per unit are reasonable per comparables	Y	Total Operating Expenses are \$10,160 per unit, which is reasonable per comparables with no desk coverage.
Property Management Fee is at allowable HUD Maximum	Y	Total Property Management Fee is \$165,648 or \$68 PUPM.
Property Management staffing level is reasonable per comparables	Y	Property management staff will include 1 FTE maintenance staff member, 1 FTE assistant manager, as well as maintenance and janitorial. There is no desk coverage included.
Asset Management and Partnership Management Fees meet standards	Y	Annual AM Fee is \$21,900 /yr.
Replacement Reserve Deposits meet or exceed TCAC minimum standards	Y	Replacement Reserves are \$500 per unit per year per CalHFA requirements.
Limited Partnership Asset Management Fee meets standards	Y	LP Asset Management Fee is \$5,000 below-the-line.
Resident Services ratio meets standards	Y	Current proposal is for 1 FTE social worker at \$135,335/yr. The social worker will serve the 75% MOHCD AMI units. While this meets MOHCD underwriting requirements of 1:100 FTE for

8.4. Capital Needs Assessment & Replacement Reserve Analysis.

N/A

9. SUPPORT SERVICES

### 9.1. Services Plan.

TNDC will act as service provider to residents, providing comprehensive support services, which will include case management services. Services will be targeted to the lower-income adults and families with dependent children in the building. TNDC has proposed 1 full time social work staff to provide case management services, but would like to reserve the right to increase the staffing. A comprehensive services plan will be required prior to gap loan closing. Sponsor will need to provide robust written justification for the proposed services. Developer fee disbursement during construction will be contingent upon MOHCD approval of a services plan.

### 9.2. Service Budget.

While the Sponsor is working to determine the level of services, the Operating Budget currently assumes that there will be one service staff at \$135,335/year, paid from operations.

### 9.3. Assessment of Service Plan and Budget.

Once the Sponsor provides a Services Plan, MOHCD will review internally to ensure the services provided are appropriate given the proposed unit mix.

## 10. THRESHOLD ELIGIBILITY REQUIREMENTS

This project was the only respondent to the initial issuance of the Affordable Housing for Families NOFA MOHCD issued in October 19, 2007 housing for very low-income families and formerly homeless households. To be eligible for funding under the 2007 NOFA, proposals needed to target at least 20% units to families or homeless youth. The original Project proposal exceeded all of the minimum requirements.

The current project is supported by MOHCD staff as it meets our current need for homes for very low-income families, and the since-emerged need for moderate-income affordable homes.

## 11. RANKING CRITERIA

MOHCD staff scored the original NOFA response 100 out of 100 possible points. The original ranking criteria included the following categories: development experience, service experience, management experience, proximity to transit, proximity to parks and recreation, acquisition financing leveraging and predevelopment financing.

## 12. STAFF RECOMMENDATIONS

MOHCD staff recommends approval of a \$31,963,960 and a \$7,185,000 bridge loan.

12.1. Proposed Loan/Grant Terms

<b>Financial Description of Proposed Loan – Gap Loan</b>	
Loan Amount:	\$31,963,960
Loan Term:	55
Loan Maturity Date:	2076
Loan Repayment Type:	Residual Receipts
Loan Interest Rate:	3%, pending true debt test

<b>Financial Description of Proposed Loan – Bridge Loan</b>	
Loan Amount:	\$7,185,000
Loan Term:	3 years
Loan Maturity Date:	2024
Loan Repayment Type:	Bridge loan will be repaid by equity installment at conversion
Loan Interest Rate:	3%

12.2. Recommended closing and loan conditions

- Sponsor will provide updated Commercial Space Plan to MOHCD prior to TCO.
- Sponsor will provide signed LOIs from commercial tenants prior to TCO.
  - Sponsor will provide services plan and updated resident services budget prior to construction loan closing. MOHCD will review and approve both services plan and budget during the project’s construction period. Developer fee disbursement during construction is contingent upon MOHCD’s approval of the services plan.
  - Sponsor will provide initial draft marketing plan within 18 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.

### 13. LOAN COMMITTEE MODIFICATIONS



LOAN COMMITTEE RECOMMENDATION

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

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

\_\_\_\_\_  
Eric Shaw, Director  
Mayor's Office of Housing and Community Development

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

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

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

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

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

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

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

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

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

## Chavez, Rosanna (MYR)

---

**From:** Shaw, Eric (MYR)  
**Sent:** Friday, February 5, 2021 1:07 PM  
**To:** Chavez, Rosanna (MYR)  
**Subject:** 921 Howard

I approve

Get [Outlook for iOS](#)

## Chavez, Rosanna (MYR)

---

**From:** Oerth, Sally (CII)  
**Sent:** Friday, February 5, 2021 11:30 AM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR); Gagen, Jonathan (MYR)  
**Subject:** 921 Howard gap financing - 2.5.21 Loan Committee

I approve the 921 Howard gap financing request, as presented at the 2.5.21 Loan Committee



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

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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, February 5, 2021 11:29 AM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR)  
**Subject:** 921 Howard Gap Financing

Approve

### **Bridget Katz**

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

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

**Attachment A: Project Milestones and Schedule**

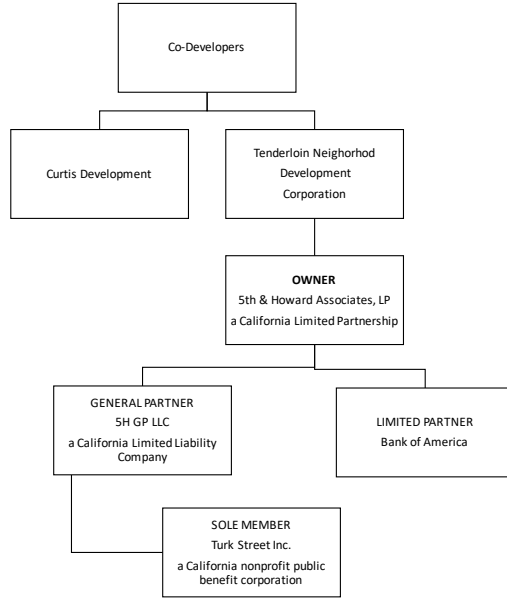
No.	Performance Milestone	Estimated or Actual Date	Contractual Deadline
1	Predevelopment Financing Commitment	<u>4/20</u>	
2.	Site Acquisition	<u>12.09</u>	
4.	Development Team Selection		
a.	Architect	<u>11.19</u>	
b.	General Contractor	<u>3.20</u>	
c.	Owner's Representative	<u>N/A</u>	
d.	Property Manager	<u>TNDC</u>	
e.	Service Provider	<u>TNDC</u>	
5.	Design		
a.	Submittal of Schematic Design & Cost Estimate	<u>2.20</u>	
b.	Submittal of Design Development & Cost Estimate	<u>5.20</u>	
c.	Submittal of 50% CD Set & Cost Estimate	<u>6.20</u>	
d.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	<u>8.20</u>	
6.	Environ Review/Land-Use Entitlements		
a.	CEQA Environ Review Submission	<u>N/A</u>	
b.	NEPA Environ Review Submission	<u>1/21</u>	
c.	CUP/PUD/Variances Submission	<u>N/A</u>	
7.	Permits		
a.	Building / Site Permit Application Submitted	<u>12.19</u>	
b.	Addendum #1 Submitted	<u>6.20</u>	
c.	Addendum #2 Submitted	<u>9.20</u>	
8.	Request for Bids Issued	<u>11.20</u>	
9.	Service Plan Submission		
a.	Preliminary	<u>3.20</u>	
b.	Interim	<u>TBD</u>	

c.	Update	<u>TBD</u>	
10.	Additional City Financing		
a.	Predevelopment Financing Application #2	<u>N/A</u>	
b.	Gap Financing Application	<u>1.21</u>	
11.	Other Financing		
c.	CalHFA MIP Application	<u>9.20</u>	
d.	CDLAC/CalHFA Bond Application	<u>9.20</u>	
e.	TCAC Application	<u>9.20</u>	
f.	HUD 202 or 811 Application	<u>N/A</u>	
12.	Closing		
a.	Construction Closing	<u>3.21</u>	
b.	Permanent Financing Closing	<u>3.23</u>	
13.	Construction		
a.	Notice to Proceed	<u>3.21</u>	
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	<u>9.22</u>	
14.	Marketing/Rent-up		
a.	Marketing Plan Submission	<u>9.22</u>	
b.	Commence Marketing	<u>7.22</u>	
c.	95% Occupancy	<u>11.22</u>	
15.	Cost Certification/8609	<u>1.23</u>	
16.	Close Out MOHCD/OCII Loan(s)	<u>1.23</u>	

**Attachment B: Borrower Org Chart**



921 Howard Street  
Org Chart



## **Attachment C: Developer Resumes**

### **Tenderloin Neighborhood Development Corporation**

The Director of Housing Development leads the TNDC Housing Development (HD) Department, and reports directly to Donald S. Falk, Chief Executive Officer. HD also includes two Associate Directors, eight Project Managers, three Assistant Project Managers, and one Project Administrator.

#### **Experience of Key Development Staff**

Katie Lamont, Director of Housing Development, joined TNDC in April 2012 as Director of Housing Development, and has successfully guided the Housing Development Department through a period of tremendous growth. Under Katie's leadership, the HD portfolio has grown to include \$1.2 billion of affordable housing assets, and will add over 2500 units of affordable housing to TNDC's portfolio over the next four years.

Project Manager Dicko Ba TNDC as a Project Manager in 2020. Prior to joining TNDC, Dicko studied Business and Finance culminating in a graduate degree from London Metropolitan University. Dicko began her career in London, and subsequent roles took her to other regional financial hubs, including Dubai and Johannesburg. When the opportunity to pursue real estate development for a master plan development firm and homebuilder in Senegal presented itself to her, Dicko returned to West Africa where she engaged in a variety of projects including multifamily and mixed-use developments. Dicko graduated with a Master of Real Estate Development and Design degree from UC Berkeley in 2020.

Assistant Project Manager joined the team in 2020, he was previously a Financial Analyst at Wells Fargo, where he primarily provided support to the Community Lending and Investment Debt team and worked on affordable housing, homebuilder, office, and mixed-use projects. Adrian grew up in the Bay Area and appreciates the opportunity to work on affordable, transit-oriented projects that provide stable, well-maintained homes and contribute to the racial and economic diversity of San Francisco's neighborhoods. Adrian holds a Bachelor's in Urban Studies from UC Berkeley's College of Environmental Design.

## **Curtis Development**

Curtis Development is led by Charmaine Curtis, a residential real estate developer with a 30+ year track record of making lasting contributions to communities throughout the Bay Area. Charmaine has a stellar reputation and track record having overseen or otherwise participated in the development of over 8,000 units of housing.

Charmaine's career encompasses a diverse portfolio of work; one that speaks to her unique perspective as an African-American woman who values providing housing for individuals and families at all income levels and developing pioneering, vibrant, mixed-use urban infill projects with an emphasis on excellent design. Having been both a for-profit and non-profit developer, she has a breadth and depth of knowledge and experience that is unusual in the industry. Her work reflects a combination of passion, purpose and pragmatism.

### **Experience of Key Development Staff**

Co-developer Charmaine Curtis founded Curtis Development in 2004 as the Owner and Principal. Before starting her own company, she was the President of A. F. Evans Development where she oversaw the development of 4,000 units of housing. Earlier in her career, she was the Director of Housing Development for Mercy Housing California and a project manager for the first lofts in San Francisco's South of Market neighborhood. She is currently co-developing a 162-unit apartment project in Oakland. She is a member of the SPUR Oakland board and serves on the board of the Homeless Prenatal Program in San Francisco. Charmaine holds a Master's degree in City Planning from the University of California at Berkeley and a Bachelor's degree in Government and Economics from Dartmouth College.

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

TNDC's Asset Management Department is charged with monitoring the long-term social, physical and financial health of the organization's portfolio of 33 completed projects. TNDC's portfolio is diverse, but below are examples that show the organization's asset management capacity:

- **Citizen's Housing Portfolio Acquisition:** In 2009, TNDC acquired 548 units of low-income housing across 6 buildings owned by Citizens Housing Corporation. This experience, in which TNDC took over ownership and property management of several buildings concurrently, demonstrates TNDC's capacity to expand its portfolio.
- **RAD Acquisitions:** TNDC successfully acquired 5 RAD properties that included 726 units (The Eddy's and 430 Turk, Clementina, Rosa Parks, and 350 Ellis). All of these acquisitions occurred over a one-year period and demonstrates TNDC capacity to successfully acquire and manage ownership responsibilities for public housing properties.

The department works in close collaboration with the Housing Development, Property Management and Accounting departments to achieve long-term sustainability of the organization's portfolio of 38 buildings. TNDC's Asset Management Department currently includes Todd Lefurge, Director of Asset Management, and 2 Asset Managers; the department is overseen by TNDC's Chief Financial Officer, Paul Carney. Each asset manager manages a portfolio of 10-15 projects. TNDC anticipates hiring an additional full-time asset manager in response to its expanding portfolio in 2019, when we anticipate to have 41 properties in operations. TNDC projects the addition of 2-4 projects to its portfolio each year; additional asset management staff will be hired as our portfolio grows in order to maintain the 10-15 project assignment for each asset manager.

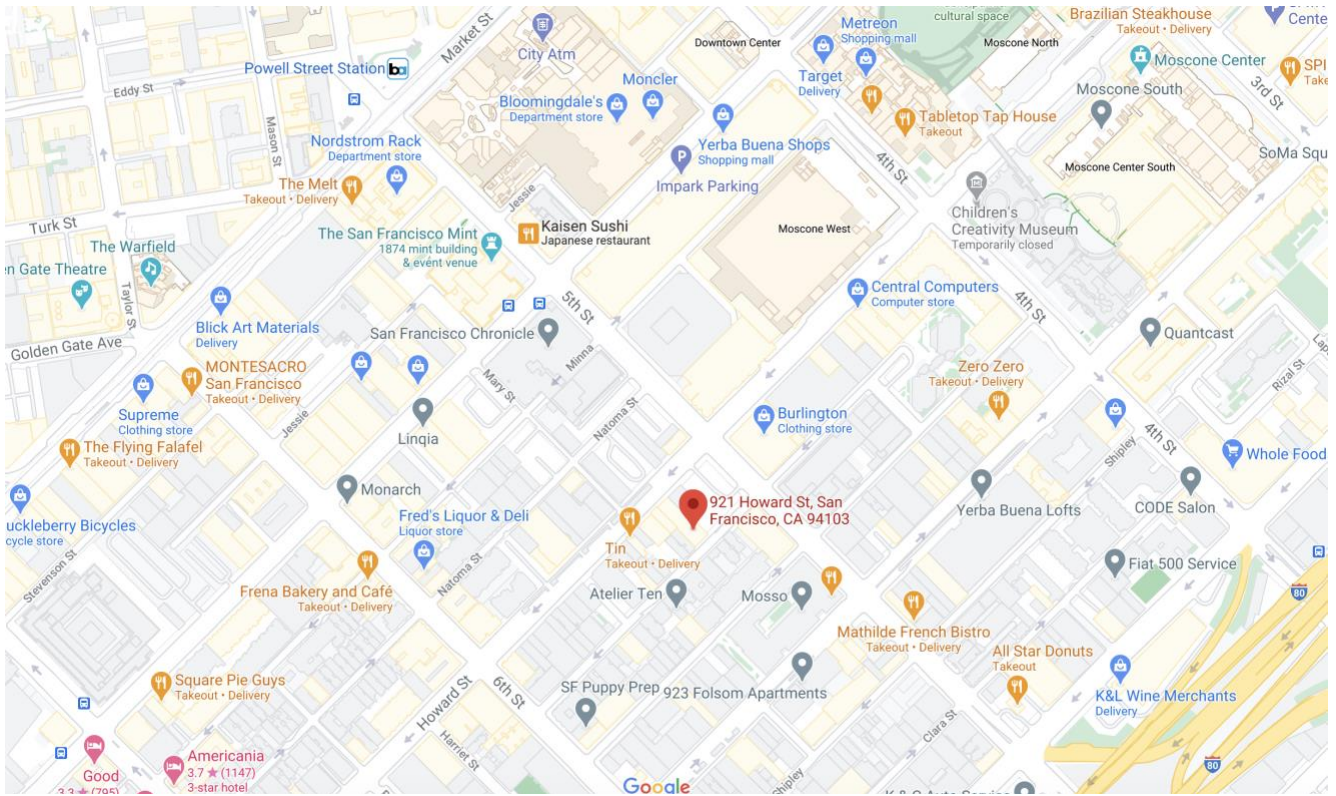
To effect financial goals, the Department monitors current and long-term financial performance, conducts investor and lender reporting, reviews annual operating budgets, defines property-specific surplus cash goals, writes property-specific asset management plans, and manages partner exits, reserves, insurance, surplus, property fees and property taxes.

To effect physical standards the Department makes input to development project scope and value engineering, approves individual capital improvement proposals in the stabilized portfolio, approves and proposes annual capital budgets and prepares property capital needs projections. With the CFO, the Department leads an inter-departmental Re-capitalization group consisting of CEO Don Falk, Director of Housing Development, and Chief Portfolio Officer which prepares long-term portfolio re-investment plans.

Asset Management duties and goals are supported by several functions in Property Management. A three-person Compliance group in Property Management designs compliance practices, trains property management site staff, reviews files, monitors rent

and income compliance and contributes to stakeholder reporting. A Property Management-based Finance Manager prepares stabilized operating budgets for financial underwriting, oversees production of key property indicator reports (property scorecards), and leads annual operating budget writing and budget to actual variance analysis performed by Property Supervisors. A Facilities Management group of three defines property maintenance practices and systems, trains site staff, monitors preventive maintenance and project manages building system replacements in the stabilized portfolio.

**Attachment E: Site Map with amenities**

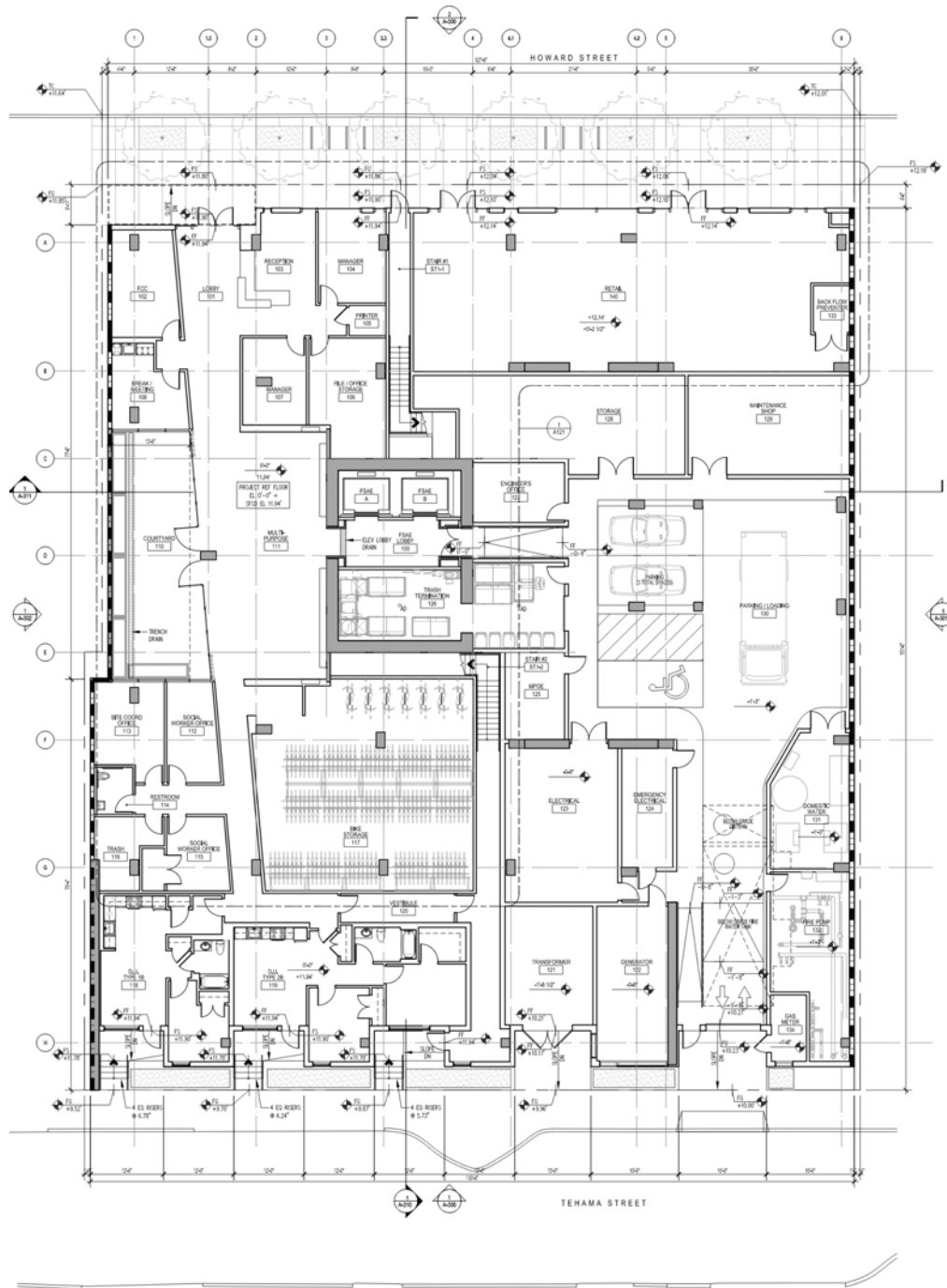


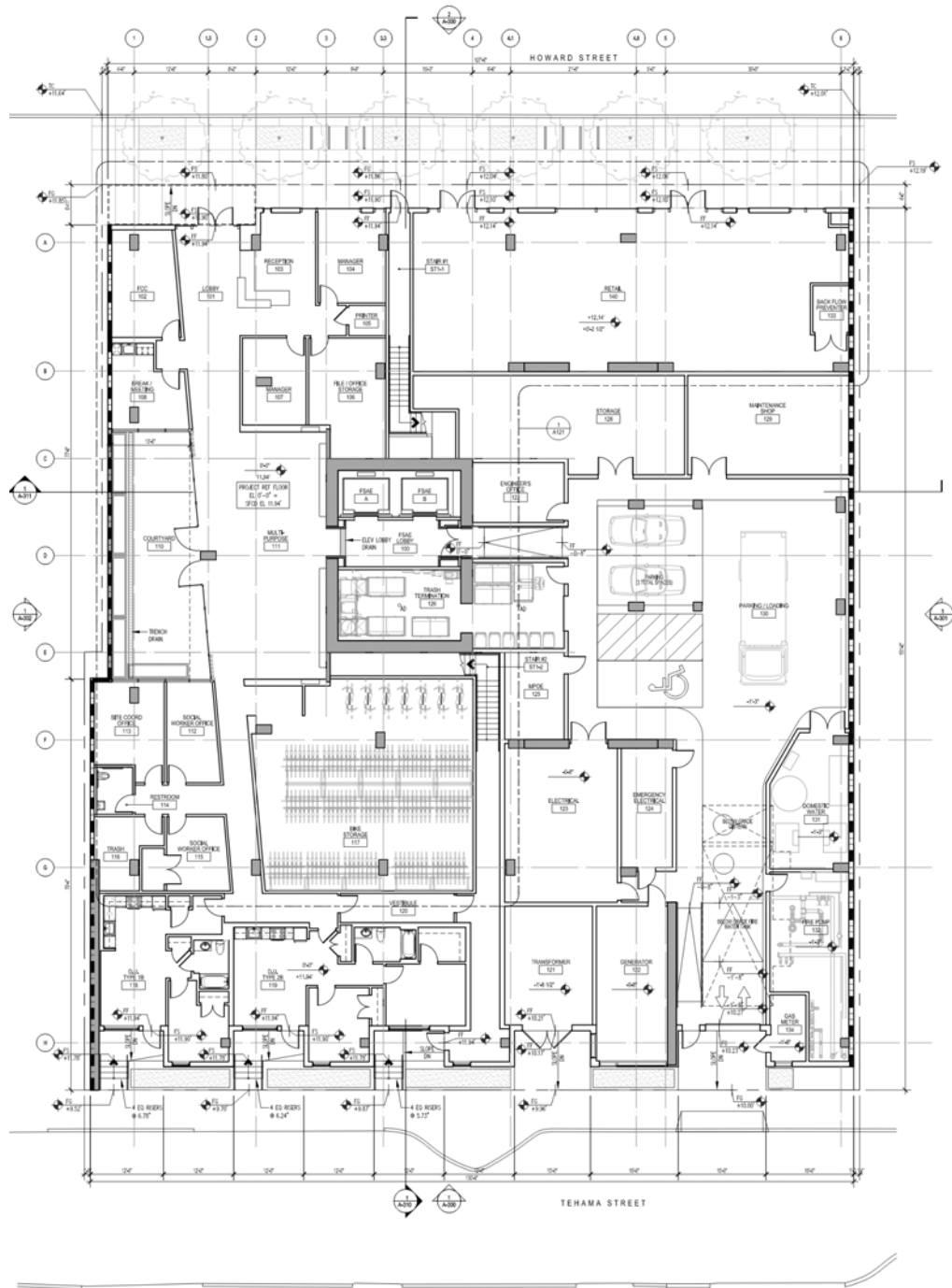
**Attachment F: Elevations and Floor Plans**

Please see following page.

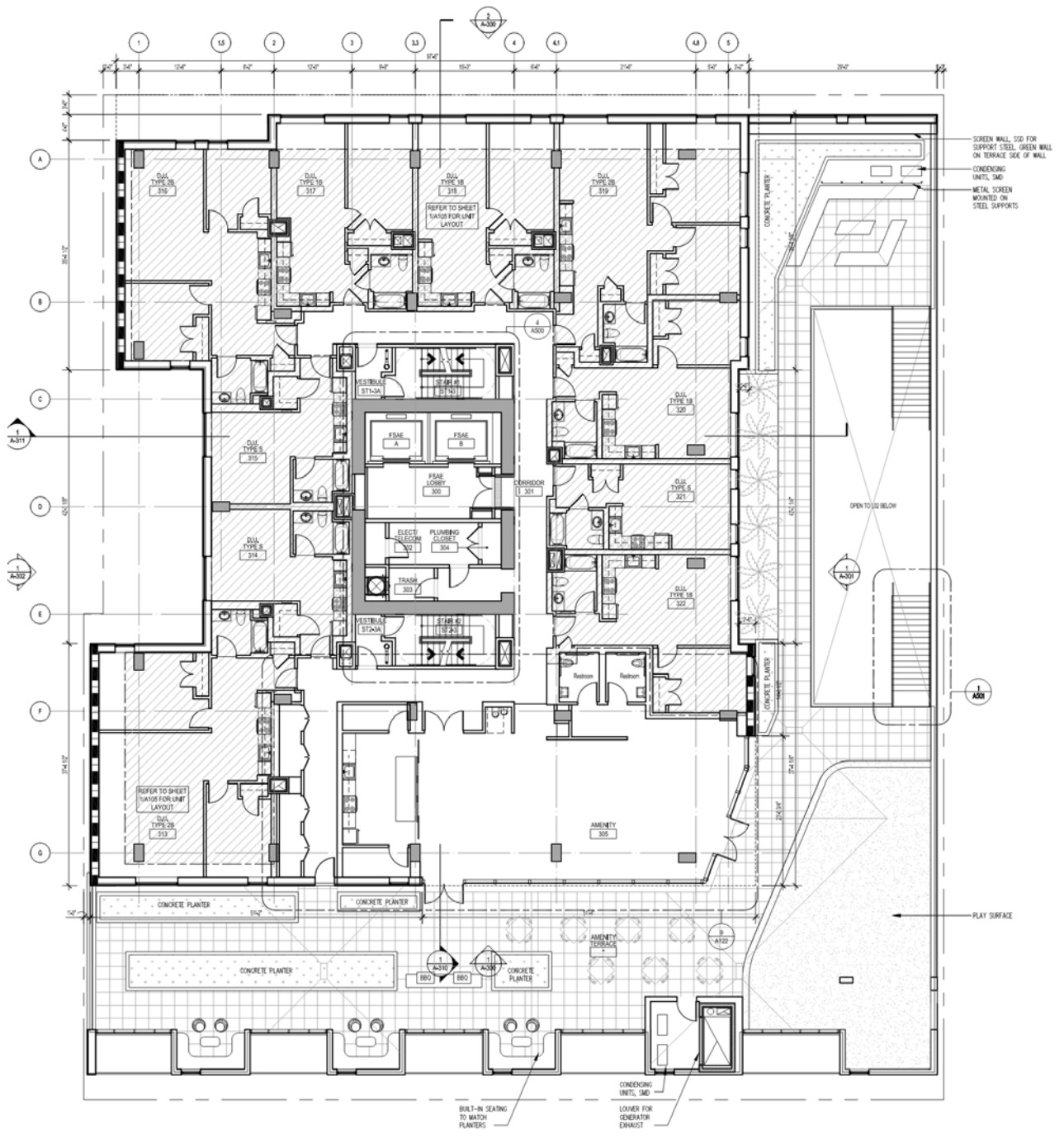


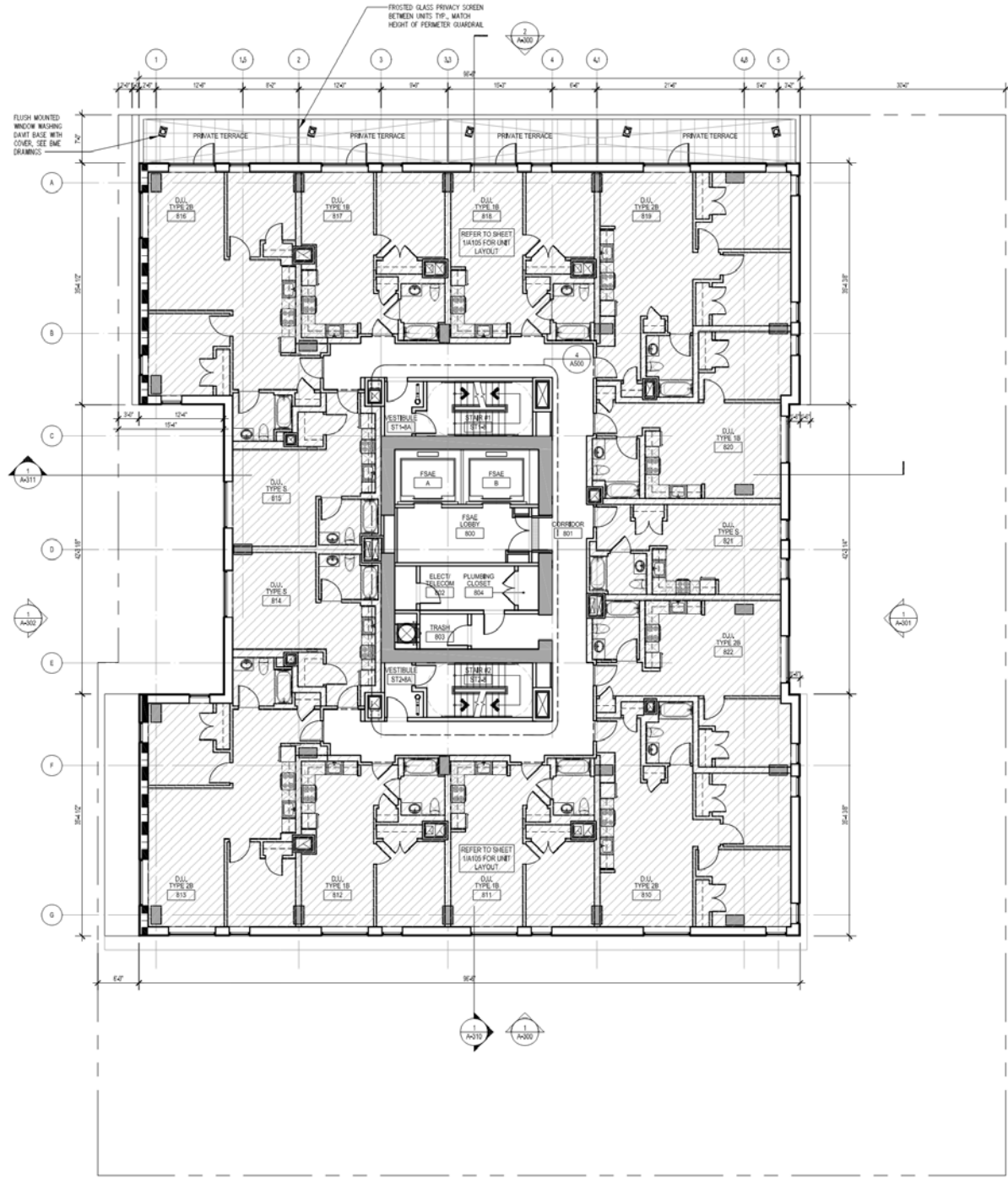


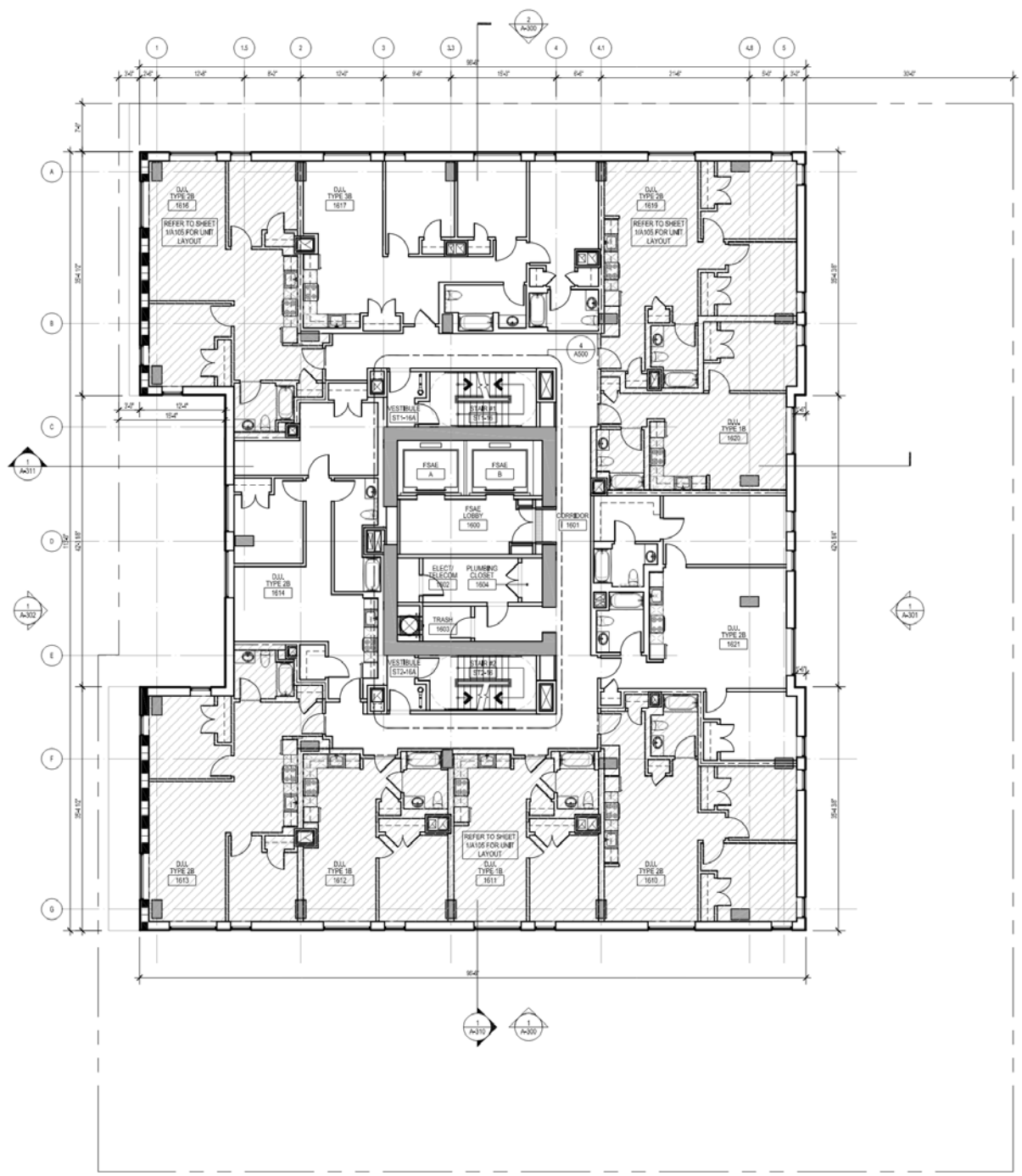












**Attachment G: Comparison of City Investment in Other Housing Developments**

Please see following page.

**Affordable Multifamily Housing New Construction Cost Comparison**

Updated 2/2/21																	
PROJECTS COMPLETED																	
Project Name	Address	Lot #/ft	Compl. Date	# of Units	Building Square Footage			Total Project Costs			Total Dev. Cost w/land	Local Subsidy	Total Dev. Cost w/o land	Notes on Financing	Comments		
					# of BR*	Res.*	Non-Res.	Total	Amq. Cost†	Const. Cost‡						Soft Cost	
Dr. George Davis Senior Comm	1750 Canal Ave	80,200	Jan-16	121	125	30,471	43,361	19,815	4,562,545	59,234.73	1,527,907	46,707.03	26,221.20	\$	61,789.872	4 Type Over 2 Type 1A (Senior) & Comm. Kitchen (lighting) (misc.)	
St. George Senior	851 Larkin	14,800	May-19	79	87	28,293	7,298	47,101	5,252,000	30,934.63	1,748,708	49,083.00	21,244.00	\$	44,847.872	2 Story - 5 stories Type Over 2 stories Type 1A - Community Services space (Open House)	
Sturgis Vista Phase 1 - BR 7 & 11	122-220 West Ford St	69,703	Nov-17	259	259	177,251	20,657	148,893	-	69,813.72	2,927,003	69,253.13	19,727.21	\$	169,245.33	MC2 Lenses (MHP & MHP)	
Sturgis Vista Phase 2 - BR 10 & 12	140 West Ford St	52,333	Jan-18	32	32	165	29,773	13,383	10,920.00	49,488.21	177,418	49,488.21	13,373.61	\$	61,861.82	1 Story Midrise Type (High) 5 stories (Public structure system) (no Childcare)	
Mission Bay Block 7 (Mid)	540 Mission Bay Blvd N	43,560	Apr-17	220	220	224,363	6,038	218,325	-	70,788.33	14,504,747	80,262.24	16,970.00	\$	117,252.24	Type Over Type (Public)	
Transtar - Nubia Lake Comm	222 Nubia Lake	25,200	Oct-18	120	208	119,251	6,038	113,213	3,225,000	51,667.17	19,314,648	65,981.61	25,600.00	\$	115,849.78	MC2 Lenses (MHP & MHP)	
Mission Family Housing	117M Mission	15,200	Oct-18	85	136	36,242	4,958	31,284	5,551,020	41,867.74	15,921,471	53,822.00	17,704.00	\$	68,526.74	MC2 Lenses (MHP & MHP)	
Mission Bay Block E (Mid)	263 Mission Bay Blvd N	35,625	Nov-18	143	276	128,265	9,714	117,759	148,125	65,726.81	25,922,803	86,463.15	35,750.00	\$	122,216.35	MC2 Lenses (MHP & MHP)	
Mission Bay Block SE	1150 Third St	47,140	Nov-18	179	192	61,138	41,622	124,203	-	65,028.27	12,976,934	78,851.11	20,933.00	\$	109,784.31	MC2 VHR Loan	
Regent Block 3 (Midrise)	256 Lee Convention	30,000	Nov-18	179	192	61,138	41,622	124,203	-	65,028.27	12,976,934	78,851.11	20,933.00	\$	109,784.31	MC2 VHR Loan	
Edg & Taylor Family Housing	222 Taylor	25,344	Jan-19	113	211	108,443	41,688	150,131	6,300,000	47,598.51	14,837,469	64,448.02	22,187.48	\$	126,785.99	MC2 Lenses (MHP & MHP)	
Edg & Taylor Family Housing	222 Taylor	25,344	Jan-19	113	211	108,443	41,688	150,131	6,300,000	47,598.51	14,837,469	64,448.02	22,187.48	\$	126,785.99	MC2 Lenses (MHP & MHP)	
125M Stronoff St	125M Stronoff	11,267	Jan-19	64	94	36,753	51,128	87,881	45,327.00	4,173.52	54,722.52	27,822.04	11,267.00	\$	66,044.56	MC2 Lenses (MHP & MHP)	
125M Stronoff St	125M Stronoff	11,267	Jan-19	64	94	36,753	51,128	87,881	45,327.00	4,173.52	54,722.52	27,822.04	11,267.00	\$	66,044.56	MC2 Lenses (MHP & MHP)	
Completed Projects	417-140 Sutherland St	26,207	Jan-20	85	146	47,871	16,279	31,592	6,870,000	59,247.30	23,918,200	85,165.33	28,894.00	\$	114,059.33	MC2 Lenses (MHP & MHP)	
Completed Projects	Average:	37,272		193	196	86,474	21,268	116,910	\$ 3,245,833	\$ 64,972,256	\$ 108,669,368	\$ 65,541,441	\$ 20,446,161	\$	64,983,942	Type 1A - 5 stories over grade podium parking	

PROJECTS UNDER CONSTRUCTION																	
Project Name	Address	Lot #/ft	Compl. Date	# of Units	Building Square Footage			Total Project Costs			Total Dev. Cost w/land	Local Subsidy	Total Dev. Cost w/o land	Notes on Financing	Comments		
					# of BR*	Res.*	Non-Res.	Total	Amq. Cost†	Const. Cost‡						Soft Cost	
400 South Van Ness	400 S Van Ness Avenue	14,200	Dec-20	81	151	111,639	20,265	91,374	18,500,000	43,847.69	13,907,611	57,754.86	28,890.00	\$	86,644.86	MC2 Lenses (MHP & MHP)	
5000 Faber Place	5000 Faber	28,575	Dec-20	127	221	133,683	11,814	121,869	148,917	71,559,004	28,108,122	47,669,830	17,697.15	\$	65,366.98	MC2 Lenses (MHP & MHP)	
5000 Mission Street	5000 Mission Street	35,500	Nov-21	252	252	113,432	48,12	105,314	9,715,000	60,444.03	19,311,243	44,946.74	14,900.00	\$	59,846.74	MC2 Lenses (MHP & MHP)	
5000 Mission Street	5000 Mission Street	35,500	Nov-21	252	252	113,432	48,12	105,314	9,715,000	60,444.03	19,311,243	44,946.74	14,900.00	\$	59,846.74	MC2 Lenses (MHP & MHP)	
5000 Mission Street	5000 Mission Street	35,500	Nov-21	252	252	113,432	48,12	105,314	9,715,000	60,444.03	19,311,243	44,946.74	14,900.00	\$	59,846.74	MC2 Lenses (MHP & MHP)	
5000 Mission Street	5000 Mission Street	35,500	Nov-21	252	252	113,432	48,12	105,314	9,715,000	60,444.03	19,311,243	44,946.74	14,900.00	\$	59,846.74	MC2 Lenses (MHP & MHP)	
5000 Mission Street	5000 Mission Street	35,500	Nov-21	252	252	113,432	48,12	105,314	9,715,000	60,444.03	19,311,243	44,946.74	14,900.00	\$	59,846.74	MC2 Lenses (MHP & MHP)	
5000 Mission Street	5000 Mission Street	35,500	Nov-21	252	252	113,432	48,12	105,314	9,715,000	60,444.03	19,311,243	44,946.74	14,900.00	\$	59,846.74	MC2 Lenses (MHP & MHP)	
5000 Mission Street	5000 Mission Street	35,500	Nov-21	252	252	113,432	48,12	105,314	9,715,000	60,444.03	19,311,243	44,946.74	14,900.00	\$	59,846.74	MC2 Lenses (MHP & MHP)	
5000 Mission Street	5000 Mission Street	35,500	Nov-21	252	252	113,432	48,12	105,314	9,715,000	60,444.03	19,311,243	44,946.74	14,900.00	\$	59,846.74	MC2 Lenses (MHP & MHP)	
5000 Mission Street	5000 Mission Street	35,500	Nov-21	252	252	113,432	48,12	105,314	9,715,000	60,444.03	19,311,243	44,946.74	14,900.00	\$	59,846.74	MC2 Lenses (MHP & MHP)	
5000 Mission Street	5000 Mission Street	35,500	Nov-21	252	252	113,432	48,12	105,314	9,715,000	60,444.03	19,311,243	44,946.74	14,900.00	\$	59,846.74	MC2 Lenses (MHP & MHP)	
5000 Mission Street	5000 Mission Street	35,500	Nov-21	252	252	113,432	48,12	105,314	9,715,000	60,444.03	19,311,243	44,946.74	14,900.00	\$	59,846.74	MC2 Lenses (MHP & MHP)	
5000 Mission Street	5000 Mission Street	35,500	Nov-21	252	252	113,432	48,12	105,314	9,715,000	60,444.03	19,311,243	44,946.74	14,900.00	\$	59,846.74	MC2 Lenses (MHP & MHP)	
5000 Mission Street	5000 Mission Street	35,500	Nov-21	252	252	113,432	48,12	105,314	9,715,000	60,444.03	19,311,243	44,946.74	14,900.00	\$	59,846.74	MC2 Lenses (MHP & MHP)	
5000 Mission Street	5000 Mission Street	35,500	Nov-21	252	252	113,432	48,12	105,314	9,715,000	60,444.03	19,311,243	44,946.74	14,900.00	\$	59,846.74	MC2 Lenses (MHP & MHP)	
5000 Mission Street	5000 Mission Street	35,500	Nov-21	252	252	113,432	48,12	105,314	9,715,000	60,444.03	19,311,243	44,946.74	14,900.00	\$	59,846.74	MC2 Lenses (MHP & MHP)	
5000 Mission Street	5000 Mission Street	35,500	Nov-21	252	252	113,432	48,12	105,314	9,715,000	60,444.03	19,311,243	44,946.74	14,900.00	\$	59,846.74	MC2 Lenses (MHP & MHP)	
5000 Mission Street	5000 Mission Street	35,500	Nov-21	252	252	113,432	48,12	105,314	9,715,000	60,444.03	19,311,243	44,946.74	14,900.00	\$	59,846.74	MC2 Lenses (MHP & MHP)	
5000 Mission Street	5000 Mission Street	35,500	Nov-21	252	252	113,432	48,12	105,314	9,715,000	60,444.03	19,311,243	44,946.74	14,900.00	\$	59,846.74	MC2 Lenses (MHP & MHP)	
5000 Mission Street	5000 Mission Street	35,500	Nov-21	252	252	113,432	48,12	105,314	9,715,000	60,444.03	19,311,243	44,946.74	14,900.00	\$	59,846.74	MC2 Lenses (MHP & MHP)	
5000 Mission Street	5000 Mission Street	35,500	Nov-21	252	252	113,432	48,12	105,314	9,715,000	60,444.03	19,311,243	44,946.74	14,900.00	\$	59,846.74	MC2 Lenses (MHP & MHP)	
5000 Mission Street	5000 Mission Street	35,500	Nov-21	252	252	113,432	48,12	105,314	9,715,000	60,444.03	19,311,243	44,946.74	14,900.00	\$	59,846.74	MC2 Lenses (MHP & MHP)	
5000 Mission Street	5000 Mission Street	35,500	Nov-21	252	252	113,432	48,12	105,314	9,715,000	60,444.03	19,311,243	44,946.74	14,900.00	\$	59,846.74	MC2 Lenses (MHP & MHP)	
5000 Mission Street	5000 Mission Street	35,500	Nov-21	252	252	113,432	48,12	105,314	9,715,000	60,444.03	19,311,243	44,946.74	14,900.00	\$	59,846.74	MC2 Lenses (MHP & MHP)	
5000 Mission Street	5000 Mission Street	35,500	Nov-21	252	252	113,432	48,12	105,314	9,715,000	60,444.03	19,311,243	44,946.74	14,900.00	\$	59,846.74	MC2 Lenses (MHP & MHP)	
5000 Mission Street	5000 Mission Street	35,500	Nov-21	252	252	113,432	48,12	105,314	9,715,000	60,444.03	19,311,243	44,946.74	14,900.00	\$	59,846.74	MC2 Lenses (MHP & MHP)	
5000 Mission Street	5000 Mission Street	35,500	Nov-21	252	252	113,432	48,12	105,314	9,715,000	60,444.03	19,311,243	44,946.74	14,900.00	\$	59,846.74	MC2 Lenses (MHP & MHP)	
5000 Mission Street	5000 Mission Street	35,500	Nov-21	252	252	113,432	48,12	105,314	9,715,000	60,444.03	19,311,243	44,946.74	14,900.00	\$	59,846.74	MC2 Lenses (MHP & MHP)	
5000 Mission Street	5000 Mission Street	35,500	Nov-21	252	252	113,432	48,12	105,314	9,715,000	60,444.03	19,311,243	44,946.74	14,900.00	\$	59,846.74	MC2 Lenses (MHP & MHP)	
5000 Mission Street	5000 Mission Street	35,500	Nov-21	252	252	113,432	48,12	105,314	9,715,000	60,444.03	19,311,243	44,946.74	14,900.00	\$	59,846.74	MC2 Lenses (MHP & MHP)	
5000 Mission Street	5000 Mission Street	35,500	Nov-21	252	252	113,432	48,12	105,314	9,715,000	60,444.03	19,311,243	44,946.74	14,900.00	\$	59,846.74	MC2 Lenses (MHP & MHP)	
5000 Mission Street	5000 Mission Street	35,500	Nov-21	252	252	113,432	48,12	105,314	9,715,000	60,444.03	19,311,243	44,946.74	14,900.00	\$	59,846.74	MC2 Lenses (MHP & MHP)	
5000 Mission Street	5000 Mission Street	35,500	Nov-21	252	252	113,432	48,12	105,314	9,715,000	60,444.03	19,311,243	44,946.74	14,900.00	\$	59,846.74	MC2 Lenses (MHP & MHP)	
5000 Mission Street	5000 Mission Street	35,500	Nov-21	252	252	113,432	48,12	105,314	9,715,000	60,444.03	19,311,243	44,946.74	14,900.00	\$	59,846.74	MC2 Lenses (MHP & MHP)	
5000 Mission Street	5000 Mission Street	35,500	Nov-21	252	252	113,432	48,12	105,314									



**Attachment H: Development Budget**

Please see following page.

Application Date: 12/23/20 # Units: 283  
 Project Name: 921 Howard # Bedrooms: 259  
 Project Address: 921 Howard St # Beds:  
 Project Sponsor: Tenderloin Neighborhood Development Corporation

SOURCES	Total Sources						Comments	
	31,963,960	62,449,988	10,150,000	42,714,000	2,862,000	4,500,000		7,185,000
	Equity - Federal							
	MOHCD/OCII							
	Cal HFA/MIP							
	Perm Loan							
	GP Equity							
	Deferred Developer Fee							
	MOHCD Bridge Loan							

USES	Name of Sources	MOHCD/OCII	Equity - Federal	Cal HFA/MIP	Perm Loan	GP Equity	Deferred Developer Fee	MOHCD Bridge Loan	Total
<b>ACQUISITION</b>									
Acquisition cost or value		13,765,670							13,765,670
Legal / Closing costs / Broker's Fee									0
Holding Costs									0
Transfer Tax		396,678							396,678
<b>TOTAL ACQUISITION</b>		14,162,348	0	0	0	0	0	0	14,162,348

CONSTRUCTION (HARD COSTS)										
Unit Construction/Rehab		15,936,973	19,601,868	10,150,000	42,714,000			7,185,000	95,587,861	Includes \$1.98M GC Contingency
Commercial Shell Construction		704,938							704,938	
Demolition		377,078							377,078	
Environmental Remediation		292,923			7,328				299,951	
Grass/Soil Improvements/Landscaping		0							0	
Office Improvements		0							0	
Infrastructure Improvements		0							0	
Parking		0							0	
GC Bond Premium/GC Insurance/GC Taxes		408,074							408,074	
GC Overhead & Profit		3,087,142							3,087,142	0.4%
GC General Conditions		4,903,041							4,903,041	5.1%
	Sub-Total Construction Costs	17,311,612	28,000,245	10,150,000	42,714,000	7,328	0	7,185,000	105,368,156	
Design Contingency (remove at bid)									0	0% incop. MOHCD CM comments anticipating MOD
Bid Contingency (remove at bid)									0	0% given recessionary environment
Plan Check Contingency (remove/adjust during Plan Review)									0	0% (4% up to \$30M, 3% \$30-\$45M, 2% \$45M)
Hard Cost Construction Contingency									5,309,215	0.9%
	Sub-Total Construction Contingency	0	5,309,215	0	0	0	0	0	5,309,215	5.2%
<b>TOTAL CONSTRUCTION COSTS</b>		17,311,612	33,309,460	10,150,000	42,714,000	7,328	0	7,185,000	110,677,400	

SOFT COSTS										
<b>Architecture &amp; Design</b>										
Architect design fees		1,608,375			128,765				1,737,140	See MOHCD A&E Fee Guidelines: <a href="http://sfmohcd.org/documents-reports-and-forms">http://sfmohcd.org/documents-reports-and-forms</a>
Design Subconsultants to the Architect (incl. Fees)		4							4	
Architect Construction Admin		615,000							615,000	
Reimbursables		117,607							117,607	
Additional Services		255,218							255,218	
	Sub-Total Architect Contract	0	2,578,196	0	128,765	0	0	0	2,706,961	
Other Third Party design consultants (not included under Architect contract)										Consultants not covered under architect contract; Please list of consultant type and contract amounts sent under separate cover.
									1,128,650	
<b>Total Architecture &amp; Design</b>		0	3,704,849	0	128,765	0	0	0	3,833,611	
<b>Engineering &amp; Environmental Studies</b>										
Survey		31,100			18,000				50,000	
Geotechnical studies		150,000							150,000	Includes geotech during construction
Phase I & II Reports		72,700			2,300				75,000	
CEQA / Environmental Review consultants		0							0	
NEPA / 106 Review		31,280			18,720				50,000	
CNA/PNA (rehab only)		0							0	
Other environmental consultants		513,800			298,200				750,000	Special Inspections. For Other environmental consultants, see type & contract amounts in Line 101
<b>Total Engineering &amp; Environmental Studies</b>		0	798,880	0	276,120	0	0	0	1,075,000	
<b>Financing Costs</b>										
<b>Construction Financing Costs</b>										
Construction Loan Origination Fee		759,286							759,286	Incl Construction Loan Fees + extension fee + expenses
Construction Loan Interest		7,711,262							7,711,262	
Title & Recording		55,000							55,000	
CDLAC & CDAC fees		0							0	
Bond Issuer Fees		290,841							290,841	Includes CDLAC and CDAC fees - 267 - Bond Costs
Other Bond Costs of Issuance		8,000							8,000	Trustee fee
Other Lender Costs (Paid interest on MOHCD Bridge loan)		395,561							395,561	
	Sub-Total Const. Financing Costs	0	9,220,060	0	0	0	0	0	9,220,060	
<b>Permanent Financing Costs</b>										
Permanent Loan Origination Fee		934,800							934,800	All Perm loan fees and expenses-MIP fees
Credit Entrance, & Appl. Fee		0							0	
Title & Recording		10,009							10,009	
	Sub-Total Perm. Financing Costs	0	944,809	0	0	0	0	0	944,809	
<b>Total Financing Costs</b>		0	10,164,869	0	0	0	0	0	10,164,869	
<b>Legal Costs</b>										
Borrower Legal fees		73,462			6,538				80,000	
Land Use / CEQA/Attorney fees		0							0	
Tax Credit Counsel		30,000							30,000	
Bond Counsel		62,000							62,000	
Construction Lender Counsel		50,000							50,000	
Permanent Lender Counsel		35,000							35,000	
Other Legal (specify)		0							0	
<b>Total Legal Costs</b>		0	250,462	0	0	6,538	0	0	257,000	
<b>Other Development Costs</b>										
Appraisal		25,023							25,023	
Market Study		195			2,805				10,000	
Insurance		2,326,761							2,326,761	
Property Taxes		153,520							153,520	
Accounting / Audit		250,000							250,000	
Operational Costs		4,623			375				5,000	
Entitlement / Permit Fees		2,896,795			78,295				2,775,000	
Marketing / Rent-up		223,000							223,000	
Furnishings		451,000							451,000	\$2,000/unit. See MOHCD LUM Guidelines on <a href="http://sfmohcd.org/documents-reports-and-forms">http://sfmohcd.org/documents-reports-and-forms</a>
P&E / Utility Fees		1,316,188			3,814				1,320,000	
TICAC Appl /Alloc / Monitor Fees		89,388							156,388	
Financial Consultant fees		30,000			45,000				75,000	
Construction Management fees / Owner's Rep.		250,000							250,000	
Security during Construction		0							0	
Relocation		249,040			2,960				252,000	
Other (specify) Capitalized First-Year T&I Impound		108,921							108,921	
Other (specify)		0							0	
Other (specify) Other consultants		492,750			2,000				497,750	waterproofing, acoustic, EBM, security, telephone, archaeological, sustainability, commissioning
<b>Total Other Development Costs</b>		0	8,665,154	0	193,249	0	0	0	8,858,373	Total Soft Cost Contingency as % of Total Soft Costs: 6.3%
<b>Soft Cost Contingency</b>										
Contingency (Arch, Eng, Fin, Legal & Other Dev)			1,527,615						1,527,615	2% of total soft costs (acknowledge this is lower than 5% MOHCD uw guideline)
<b>TOTAL SOFT COSTS</b>		0	25,112,096	0	684,672	0	0	0	25,716,768	

RESERVES										
Operating Reserves		1,081,481							1,081,481	
Replacement Reserves		0							0	
Tenant Improvements Reserves		0							0	
Other (lease up reserve)		173,436							173,436	
Other (capitalized commercial reserve)		1,515							1,515	
Other (commercial leasing fees)		42,000							42,000	Commercial Leasing Commissions
<b>TOTAL RESERVES</b>		0	1,278,432	0	0	0	0	0	1,278,432	

DEVELOPER COSTS										
Developer Fee - Cash-out Paid at Milestones		500,000	600,000						1,100,000	
Developer Fee - Cash-out At Risk		2,150,000							2,150,000	
Commercial Developer Fees		0							0	
Developer Fee - GP Equity (also show as source)		0			2,250,000				2,250,000	
Developer Fee - Deferred (also show as source)		0					4,500,000		4,500,000	
Development Consultant Fees		0							0	Need MOHCD approval for this cost. N/A for most projects
Other (specify)		0							0	
<b>TOTAL DEVELOPER COSTS</b>		500,000	2,750,000	0	2,250,000	4,500,000	0	0	10,000,000	

TOTAL DEVELOPMENT COST									
Development Cost/Unit by Source		31,963,960	62,449,988	10,150,000	42,714,000	2,862,000	4,500,000	7,185,000	161,824,948
Development Cost/Unit as % of TDC by Source		19.8%	38.6%	6.3%	26.4%	1.8%	2.8%	4.4%	100.0%

Acquisition Cost/Unit by Source									
		67,811	0	0	0	0	0	0	67,811
Construction Cost (inc Const Contingency)/Unit By Source		85,279	164,086	50,000	210,414	30	35,394	0	545,209
Construction Cost (inc Const Contingency)/SF		72.84	146.16	42.71	179.73	0.03	30.23	0.00	465.72

Possible non-eligible GO Bond/COP Amount:		
City Subsidy/Unit		17,018,889
Tax Credit Equity Pricing		0.940
Construction Bond Amount:		86,339,803
Construction Loan Term (in months):		24 months
Construction Loan Interest Rate (as %):		3.40%

**Attachment I: First Year Operating Budget**

Please see following page.

**Application Date:** 12/23/20      **Project Name:** 921 Howard  
**Total # Units:** 203      **Project Address:** 921 Howard St  
**First Year of Operations** (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2023      **Project Sponsor:** Tenderloin Neighborhood Development Corporation

INCOME	Total	Comments
Residential - Tenant Rents	4,828,452	Links from 'New Proj - Rent & Unit Mix' Worksheet
Residential - Tenant Assistance Payments (Non-LOSP)	0	Links from 'New Proj - Rent & Unit Mix' Worksheet
Commercial Space	88,650	Links from 'Utilities & Other Income' Worksheet
Residential Parking	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Rent Income	0	Links from 'Utilities & Other Income' Worksheet
Supportive Services Income		
Interest Income - Project Operations	0	Links from 'Utilities & Other Income' Worksheet
Laundry and Vending	14,567	Links from 'Utilities & Other Income' Worksheet
Tenant Charges	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Residential Income	0	Links from 'Utilities & Other Income' Worksheet
Other Commercial Income	0	Links from 'Commercial Op. Budget' Worksheet
Withdrawal from Capitalized Reserve (deposit to operating account)		
<b>Gross Potential Income</b>	<b>4,931,669</b>	
Vacancy Loss - Residential - Tenant Rents	(241,423)	Vacancy loss is 5% of Tenant Rents.
Vacancy Loss - Residential - Tenant Assistance Payments	0	#DIV/0!
Vacancy Loss - Commercial	(44,325)	Links from 'Commercial Op. Budget' Worksheet
<b>EFFECTIVE GROSS INCOME</b>	<b>4,645,922</b>	<b>PUPA: 22,886</b>

**OPERATING EXPENSES**

Management		
Management Fee	165,648	1st Year to be set according to HUD schedule.
Asset Management Fee	21,900	
<b>Sub-total Management Expenses</b>	<b>187,548</b>	<b>PUPA: 924</b>

Salaries/Benefits		
Office Salaries	15,270	
Manager's Salary	170,000	General Manager and Assistant Manager
Health Insurance and Other Benefits	122,815	403b, health, rent-free unit
Other Salaries/Benefits		
Administrative Rent-Free Unit		
<b>Sub-total Salaries/Benefits</b>	<b>308,085</b>	<b>PUPA: 1,518</b>

Administration		
Advertising and Marketing	2,000	Recruitment
Office Expenses	55,156	Screening, office supplies, equipment, computers/software, subscriptions and dues, bank service
Office Rent	6,641	
Legal Expense - Property	9,000	
Audit Expense	12,600	
Bookkeeping/Accounting Services	41,412	
Bad Debts	8,000	
Miscellaneous	26,421	Program expenses, tech support, professional fees, training
<b>Sub-total Administration Expenses</b>	<b>161,231</b>	<b>PUPA: 794</b>

Utilities		
Electricity	86,486	
Water	217,639	Water and sewer combined
Gas	53,241	
Sewer		
<b>Sub-total Utilities</b>	<b>357,366</b>	<b>PUPA: 1,760</b>

Taxes and Licenses		
Real Estate Taxes	21,274	
Payroll Taxes	39,424	
Miscellaneous Taxes, Licenses and Permits	4,931	
<b>Sub-total Taxes and Licenses</b>	<b>65,629</b>	<b>PUPA: 323</b>

Insurance		
Property and Liability Insurance	82,716	
Fidelity Bond Insurance		
Worker's Compensation	44,352	
Director's & Officers' Liability Insurance		
<b>Sub-total Insurance</b>	<b>127,068</b>	<b>PUPA: 626</b>

Maintenance & Repair		
Payroll	307,526	Asst. Facilities Manager, maintenance, janitorial
Supplies	42,273	
Contracts	51,117	Exterminating, grounds, elevator, maintenane contracts
Garbage and Trash Removal	145,751	

Application Date: 12/23/20 Project Name: 921 Howard  
 Total # Units: 203 Project Address: 921 Howard St  
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2023 Project Sponsor: Tenderloin Neighborhood Development Corporation

Security Payroll/Contract			
HVAC Repairs and Maintenance	4,951		
Vehicle and Maintenance Equipment Operation and Repairs	1,430		
Miscellaneous Operating and Maintenance Expenses	50,588	Fire, life safety, plumbing repairs, appliances, staff uniforms	
<b>Sub-total Maintenance &amp; Repair Expenses</b>	<b>603,636</b>	<b>PUPA: 2,974</b>	

<b>Supportive Services</b>	135,335	1 FTE	
<b>Commercial Expenses</b>	0	Links from 'Commercial Op. Budget' Worksheet	

**TOTAL OPERATING EXPENSES 1,945,897 PUPA: 9,586**

**Reserves/Ground Lease Base Rent/Bond Fees**

Ground Lease Base Rent	15,000	Ground lease with MOHCD	Provide additional comments here, if needed.
Bond Monitoring Fee			
Replacement Reserve Deposit	101,500		
Operating Reserve Deposit			
Other Required Reserve 1 Deposit			
Other Required Reserve 2 Deposit			
Required Reserve Deposits/ Commercial	0	Links from 'Commercial Op. Budget' Worksheet	
<b>Sub-total Reserves/Ground Lease Base Rent/Bond Fees</b>	<b>116,500</b>	<b>PUPA: 574</b>	

Min DSCR: 1.15  
 Mortgage Rate: 3.85%  
 Term (Years): 40  
 Supportable 1st Mortgage Pmt: 2,246,543  
 Supportable 1st Mortgage Amt: \$45,811,373  
 Proposed 1st Mortgage Amt: \$42,714,000

**TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees) 2,062,397 PUPA: 10,160**

**NET OPERATING INCOME (INCOME minus OP EXPENSES) 2,583,524 PUPA: 12,727**

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

Hard Debt - First Lender	2,167,792	Perm Loan	Provide additional comments here, if needed.
Hard Debt - Second Lender (HCD Program 0.42% pymt. or other 2nd Lender)	0		Provide additional comments here, if needed.
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0		Provide additional comments here, if needed.
Hard Debt - Fourth Lender	0		Provide additional comments here, if needed.
Commercial Hard Debt Service	0	Links from 'Commercial Op. Budget' Worksheet	
<b>TOTAL HARD DEBT SERVICE</b>	<b>2,167,792</b>	<b>PUPA: 10,679</b>	

**CASH FLOW (NOI minus DEBT SERVICE) 415,732**

**USES OF CASH FLOW BELOW (This row also shows DSCR.) 1.19**

**USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL**

"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	17,220	2nd	
Partnership Management Fee (see policy for limits)			
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	5,000	1st	
Other Payments			
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)			Provide additional comments here, if needed.
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)			Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	196,756	Def. Develop. Fee split: 50%	Provide additional comments here, if needed.

**TOTAL PAYMENTS PRECEDING MOHCD 218,976 PUPA: 1,079**

**RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD) 196,756**

**Residual Receipts Calculation**

Does Project have a MOHCD Residual Receipt Obligation? **Yes** Project has MOHCD ground lease? **Yes**  
 Will Project Defer Developer Fee? **Yes**  
 Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1: 50% Max Deferred Developer Fee Amt (Use for data entry above. Do not link.): **196,756**  
 % of Residual Receipts available for distribution to soft debt lenders in Yr 1: 50%

Soft Debt Lenders with Residual Receipts Obligations	(Select lender name/program from drop down)	Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OCII - Soft Debt Loans	All MOHCD/OCII Loans payable from res. rects	\$33,014,000	99.55%
MOHCD/OCII - Ground Lease Value or Land Acq Cost	Ground Lease Value	\$150,000	0.45%
HCD (soft debt loan) - Lender 3			0.00%
Other Soft Debt Lender - Lender 4			0.00%
Other Soft Debt Lender - Lender 5			0.00%

**MOHCD RESIDUAL RECEIPTS DEBT SERVICE**

MOHCD Residual Receipts Amount Due	196,756	50% of residual receipts, multiplied by 100% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	196,756	Enter/override amount of residual receipts proposed for loan repayment.
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repymt.

**Application Date:** 12/23/20      **Project Name:** 921 Howard  
**Total # Units:** 203      **Project Address:** 921 Howard St  
**First Year of Operations** (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2023      **Project Sponsor:** Tenderloin Neighborhood Development Corporation

**REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE** 0

**NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE**

HCD Residual Receipts Amount Due	0	
Lender 4 Residual Receipts Due	0	
Lender 5 Residual Receipts Due	0	
<b>Total Non-MOHCD Residual Receipts Debt Service</b>	<b>0</b>	

**REMAINDER (Should be zero unless there are distributions below)** 0

Owner Distributions/Incentive Management Fee	0	
Other Distributions/Uses	0	
<b>Final Balance (should be zero)</b>	<b>0</b>	

MOHCD Proforma - 20 Year Cash Flow Summary

921 Howard

Total # Units: 203

	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031	Year 10 2032	Year 11 2033	Year 12 2034	Year 13 2035	Year 14 2036	Year 15 2037	Year 16 2038	Year 17 2039	Year 18 2040	Year 19 2041	Year 20 2042	
																					% annual increase
<b>INCOME</b>																					
Residential - Tenant Rents	2.5%	4,828,452	4,949,163	5,072,892	5,199,715	5,329,708	5,462,950	5,599,524	5,739,512	5,883,000	6,030,075	6,180,827	6,335,347	6,493,731	6,656,074	6,822,476	6,993,038	7,167,864	7,347,061	7,530,737	7,719,006
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Commercial Space	2.5%	88,650	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Income																					
<b>Gross Potential Income</b>		4,931,669	4,964,095	5,088,197	5,215,402	5,345,787	5,479,432	5,616,418	5,756,828	5,900,749	6,048,267	6,199,474	6,354,461	6,513,323	6,676,156	6,843,059	7,014,136	7,189,489	7,368,227	7,553,457	7,742,294
Vacancy Loss - Residential - Tenant Rents	n/a	(241,423)	(247,458)	(253,645)	(259,986)	(266,485)	(273,148)	(279,976)	(286,976)	(294,150)	(301,504)	(309,041)	(316,767)	(324,687)	(332,804)	(341,124)	(349,652)	(358,393)	(367,353)	(376,537)	(385,950)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vacancy Loss - Commercial	n/a	(44,325)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>EFFECTIVE GROSS INCOME</b>		4,645,922	4,716,637	4,834,553	4,955,416	5,079,302	5,206,284	5,336,441	5,469,852	5,606,599	5,746,764	5,890,433	6,037,694	6,188,636	6,343,352	6,501,936	6,664,484	6,831,096	7,001,874	7,176,920	7,356,343
<b>OPERATING EXPENSES</b>																					
Management	3.5%	187,548	194,112	200,906	207,938	215,216	222,748	230,544	238,613	246,965	255,609	264,555	273,814	283,398	293,317	303,583	314,208	325,206	336,588	348,368	360,561
Salaries/Benefits	3.5%	308,085	318,888	330,029	341,580	353,535	365,909	378,716	391,971	405,690	419,889	434,585	449,795	465,538	481,832	498,696	516,151	534,216	552,913	572,285	592,295
Administration	3.5%	161,231	166,874	172,714	178,759	185,016	191,491	198,194	205,130	212,310	219,741	227,432	235,392	243,630	252,158	260,983	270,117	279,572	289,367	299,484	309,966
Utilities	3.5%	357,366	369,874	382,819	396,218	410,086	424,439	439,294	454,669	470,583	487,053	504,100	521,744	540,005	558,905	578,466	598,713	619,668	641,356	663,803	687,037
Taxes and Licenses	3.5%	65,629	67,926	70,303	72,764	75,311	77,946	80,675	83,498	86,421	89,445	92,576	95,816	99,170	102,641	106,233	109,951	113,799	117,782	121,905	126,171
Insurance	3.5%	127,068	131,515	136,118	140,882	145,813	150,917	156,199	161,666	167,324	173,180	179,241	185,515	192,008	198,728	205,684	212,883	220,334	228,045	236,027	244,288
Maintenance & Repair	3.5%	603,636	624,763	646,630	669,262	692,686	716,930	742,023	767,993	794,873	822,694	851,488	881,290	912,135	944,060	977,102	1,011,301	1,046,696	1,083,331	1,121,247	1,160,491
Supportive Services	3.5%	135,335	140,072	144,974	150,048	155,300	160,736	166,361	172,184	178,210	184,448	190,903	197,585	204,500	211,658	219,066	226,733	234,669	242,882	251,383	260,182
Commercial Expenses																					
<b>TOTAL OPERATING EXPENSES</b>		1,945,897	2,014,004	2,084,494	2,157,451	2,232,962	2,311,116	2,392,005	2,475,725	2,562,375	2,652,058	2,744,880	2,840,951	2,940,384	3,043,298	3,149,813	3,260,057	3,374,159	3,492,254	3,614,483	3,740,990
<b>Reserves/Ground Lease Base Rent/Bond Fees</b>		9,586																			
Ground Lease Base Rent		15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Bond Monitoring Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Deposit		101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500
Operating Reserve Deposit		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Required Reserves 1 Deposit		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Required Reserve 2 Deposit		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Required Reserve Deposits, Commercial		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Sub-total Reserves/Ground Lease Base Rent/Bond Fees</b>		116,500	116,500	116,500	116,500	116,500	116,500	116,500	116,500	116,500	116,500	116,500	116,500	116,500	116,500	116,500	116,500	116,500	116,500	116,500	116,500
<b>TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)</b>		2,062,397	2,130,504	2,200,994	2,273,951	2,349,462	2,427,616	2,508,505	2,592,225	2,678,875	2,768,558	2,861,380	2,957,451	3,056,884	3,159,798	3,266,313	3,376,557	3,490,659	3,608,754	3,730,983	3,857,490
<b>NET OPERATING INCOME (INCOME minus OP EXPENSES)</b>		2,583,524	2,586,133	2,633,559	2,681,465	2,729,840	2,778,669	2,827,937	2,877,628	2,927,724	2,978,205	3,029,052	3,080,242	3,131,752	3,183,554	3,235,622	3,287,927	3,340,437	3,393,119	3,445,937	3,498,853
<b>DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)</b>																					
Hard Debt - First Lender		2,167,792	2,167,792	2,167,792	2,167,792	2,167,792	2,167,792	2,167,792	2,167,792	2,167,792	2,167,792	2,167,792	2,167,792	2,167,792	2,167,792	2,167,792	2,167,792	2,167,792	2,167,792	2,167,792	2,167,792
Hard Debt - Second Lender (HCD Program 0.42% pymt. or other 2nd Lender)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL HARD DEBT SERVICE</b>		2,167,792	2,167,792	2,167,792	2,167,792	2,167,792	2,167,792	2,167,792	2,167,792	2,167,792	2,167,792	2,167,792	2,167,792	2,167,792	2,167,792	2,167,792	2,167,792	2,167,792	2,167,792	2,167,792	2,167,792
<b>CASH FLOW (NOI minus DEBT SERVICE)</b>		415,732	418,341	465,767	513,673	562,048	610,877	660,145	709,836	759,932	810,413	861,260	912,450	963,960	1,015,762	1,067,830	1,120,135	1,172,645	1,225,327	1,278,145	1,331,061
<b>USES OF CASH FLOW BELOW (This row also shows DSCR.)</b>	DSCR:	1.19	1.19	1.21	1.24	1.26	1.28	1.3	1.33	1.35	1.37	1.4	1.42	1.44	1.47	1.49	1.52	1.54	1.57	1.59	1.61
<b>USES THAT PRECEED MOHCD DEBT SERVICE IN WATERFALL</b>																					
Deferred Developer Fee (Enter amt => Max Fee from row 131)		196,756																			
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	17,220	17,823	18,446	19,092	19,760	20,452	21,168	21,909	22,675	23,469	24,291	25,141	26,021	26,931	27,874	28,850				
Partnership Management Fee (see policy for limits)	3.5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000				
Other Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmt - Lender 1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmt - Lender 2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL PAYMENTS PRECEDING MOHCD</b>		218,976	22,823	23,446	24,092	24,760	25,452	26,168	26,909	27,675	28,469	29,291	30,141	31,021	31,931	32,874	33,850				
<b>RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)</b>		196,756	395,518	442,320	489,581	537,287	585,425	633,977	682,927	732,256	781,944	831,970	882,310	932,939	983,831	1,034,956	1,086,286	1,172,645	1,225,327	1,278,145	1,331,061
Does Project have a MOHCD Residual Receipt Obligation?	Yes																				
Will Project Defer Developer Fee?	Yes																				
1st Residual Receipts Split - Lender/Deferred Developer Fee	50% / 50%																				
<b>MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>	Dist. Soft Debt Loans																				
MOHCD Residual Receipts Amount Due	100.00%	196,756	395,51																		

**Attachment K: Sponsor Audit Findings**

Please see following page.



# City and County of San Francisco



*London Breed, Mayor*

# Human Services Agency

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

*Trent Rhorer, Executive Director*

May 23, 2019

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

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

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

Dear Mr. Falk:

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

The fiscal monitoring included the review of the following documents:

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

The compliance monitoring included the review of the following documents:

1. Board roster, bylaws, meeting minutes

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

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

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

Sincerely,

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

Esperanza Zapien  
Senior Contract Manager  
Human Services Agency

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