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

MEMORANDUM

DATE: SEPTEMBER 18, 2020

TO: CITYWIDE AFFORDABLE HOUSING LOAN COMMITTEE

FROM: MARA BLITZER, DIRECTOR OF HOUSING DEVELOPMENT

RE: **921 HOWARD – PRELIMINARY GAP REQUEST FOR CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE (CDLAC) APPLICATION FINANCING PURPOSES**

THIS REQUEST	
AHF Inclusionary:	$ 10,000,000
2019 GO Bonds – LI:	$ 17,500,000
2019 GO Bonds – MI:	$ 7,500,000
Subtotal:	$ 35,000,000
EXISTING PREDEVELOPMENT LOAN	
EN UMU:	$ 5,000,000
Subtotal:	$ 5,000,000
EXISTING ACQUISITION LOAN	
Acquisition Loan (Affordable Housing Fund)	$ 1,609,007
Acquisition Loan (General Funds)	$ 3,130,776
Subtotal:	$ 4,729,783
Deferred Accrued Interest	$ 2,334,352
TOTAL CDLAC COMMITMENT LETTER REQUEST:	**$46,257,638**

Summary of Request

5th and Howard Associates, L.P., a partnership formed by Tenderloin Neighborhood Development Corporation ("TNDC" or the "Sponsor"), requests a preliminary gap commitment to support 921 Howard's application to the California Tax Credit Allocation Committee ("TCAC") for tax credits, due September 24, 2020, for a December 9, 2020 Allocation Meeting. Because the TCAC joint application is highly competitive, an enforceable commitment is required from the local jurisdiction to obtain maximum leveraging points. For this reason, the preliminary gap request to MOHCD is for a City contribution up to $46,257,638, for the 203-unit affordable housing development at 921 Howard (the "Project").

TNDC most recently received Citywide Affordable Housing Loan Committee ("Loan Committee") approval on April 3, 2020 for a predevelopment loan and initial preliminary gap request (for CalHFA MIP application purposes), the Evaluation of which is attached for your reference. This memo updates Loan Committee on the Project status and the proposed development budget with MOHCD gap contribution. Pending award of an allocation of bonds in September 2020, an updated proposed final budget will be presented to Loan Committee in January 2021, prior to start of construction (estimated to be March 2021) that will be based on final hard cost bid numbers. This loan evaluation contains the following updated information:

- An update on Project status, including the proposed development budget based on the 100% schematic design (“SD”) and SD cost estimates;
- An update on the financing plan related to the availability of MIP funds;
- An update on unit mix and affordability assumptions; and
- An update on conditions included in the previous Loan Evaluation.

Staff recommends providing the Sponsor with a CDLAC Commitment Letter totaling $46,257,638.

<u>Update on Project Status</u>

1. BACKGROUND

921 Howard, also known as “5th 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. MOHCD awarded the project to the team, and approved an acquisition loan in the amount of $4,729,783. The site was acquired in 2009 (with MOHCD and private financing), the same year in which TNDC acquired Citizens’ portfolio and took the lead in developing the Site.

TNDC held onto the site through the 2008-2012 economic downturn, land banking it in under difficult circumstances. TNDC used this time to work with the Planning Department to significantly up-zone the property through the Central SOMA Plan. This is a Key Site within the plan. As discussed the last time this Project was at Loan Committee, the Sponsor has pursued many opportunities to develop this site with the goal of demonstrating that affordable high-rise projects can be viable in San Francisco.

In Spring 2020, when the predevelopment loan was considered by Loan Committee, the team had determined that the most viable financing plan was to apply for a 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, but were successfully recommended for a bond allocation in mid-September.

Because the Mixed-Income tax-exempt bond pool ran out of money, the project was not able to secure a commitment of funds from the Mixed-Income Program prior to the end of the 19/20 fiscal year. CalHFA staff have indicated to TNDC they are supportive of the project and would like to work with TNDC in the 20/21 fiscal year. In spite of the fact that CalHFA did not make a MIP award, they still submitted the September 2020 bond application to CDLAC as the anticipated issuer.
The Sponsor has made the following progress since the Project was last presented to the Committee:

- Selected Swinerton as General Contractor in March and prepared an updated estimate hard cost estimate in April based on 100% SDs (Total hard cost at approximately $105M vs $114M previously provided based on 2018 pricing with 5% annual escalation)
- Received Planning approvals utilizing State Density Bonus and SB35 on May 5th
- Submitted an update to the Site Permit on June 26th. "Placeholder" site permit was submitted in Dec 2019 to take advantage of 2016 code
- Received Planning sign off on the Site Permit on August 12th
- Submitted a Preliminary Stormwater Plan to the SFPUC on June 23rd

- Received approval from BSM on the tentative map (lot merger/split) on September 14th
- Submitted the joint CDLAC/TCAC application on June 10 for September 16 allocation meeting
- Assembled design/engineering team
- Decided to proceed on a design/bid/build basis instead of design/build.

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

2. PRIOR MOHCD/OCII FUNDING FOR CURRENT REQUEST

Existing Loans
Loan Committee most recently approved the $5 million Predevelopment Loan on April 3, 2020. Draft loan documents have been circulated.

Fulfillment of Conditions Prior to Financing from Previous Loan Evaluations:
Please See Sections 6 and 7 - Staff Recommendations for conditions related to this request and those included in previous loan evaluations.

3. DEVELOPMENT PLAN

Proposed Design and Unit Mix

The Project proposes 33 studios, 84 one-bedroom units, 81 two-bedroom units, and 5 three-bedroom units. This is a slight shift to smaller units compared to what was presented at Loan Committee in April 2020. The current proposal includes more studios and fewer two- and three-bedroom units to reflect adjustments made back when Tishman was development partner (see Operations Section 5.)

The project proposes to serve households at these affordable and moderate incomes: 50% @ 67% MOHCD AMI, 25% @ 79% MOHCD AMI, and 25% @ 105% MOHCD AMI. All of these meet the income requirements for the Low Income Housing Tax Credit program. The proposed AMI targeting is a narrower range than what was last presented at Loan Committee and no longer includes higher-income, non-tax credit units, in order to maximize potential for funding through the CalHFA MIP.

Construction Representative's Evaluation

Since March 2020, the Sponsor has selected Swinerton as the general contractor. Swinerton, which also provided the 2018 Concept Design estimate of approximately $114.9 million included in the April 2020 Loan Committee approval, more recently provided an updated Schematic Design total hard cost estimate of approximately $105 million, including $1.96 million of GC-held contingency, representing a per unit cost of approximately $541,943 and $463 per square foot hard cost.

The General Contractor is bidding early trades (design bid, build of Mechanical, Electrical and Plumbing) at this time. As the MEP scope represent that majority of a construction project, more detailed costs will be available within the 60 days. The full construction bid will be issued in January 2021. The typology of this property is not typical of projects in the MOHCD pipeline and therefore evaluation of the comparable costs is difficult. Given the information currently available however, the cost appears to be appropriate at this stage. Across MOHCD's pipeline, the average construction cost per unit is $531,676 and average cost per square foot is $525, compared to $541,943/unit and $463/psf for the subject project. The value engineering work has not yet commenced in earnest and the design build work of the MEP scopes should also result in efficiencies.

4. FINANCING PLAN

Updated Sources and Uses Summary

Predevelopment Sources	Amount	Terms	Status
MOHCD Acquisition Loan	$4,729,783	3 yrs. @ 3% Res Rec	Fully Drawn
MOHCD Predevelopment Loan	$5,000,000	3 yrs. @ 3% Res Rec	Awarded
Total	**$9,729,783**		
Permanent Sources	**Amount**	**Terms**	**Status**
MOHCD	$46,257,638	55 yrs. @ 3% Res Rec	This Request
Permanent Bank Loan	$45,140,000	40 yrs. @ 3.85%	Not Committed
Tax Credit Equity	$51,668,544	$0.94 per credit	Not Committed
Commercial Loan	$433,000		Not Committed
CalHFA MIP Loan	$10,050,000	55 yrs. @ 2.75% Res Rec	Not Committed
Deferred Accrued Interest (MOHCD)	$2,334,352		Not Committed
GP Equity Contribution	$3,270,000		Not Committed
Def Dev Fee	$3,500,000		Not Committed
Total	**$162,650,534**		
Uses	**Amount**	**Per Unit**	**Per GSF**
Acquisition Costs, including Holding Costs and Transfer Taxes	$9,918,250	$48,858	$343
Hard Costs	$110,014,329	$541,943	$463
Soft Costs	$32,717,955	$161,172	$138

Developer Fee	$10,000,000	$49,261	$42
Total	**$162,650,534**	**$801,234**	**$684**

Potential/Proposed Permanent Financing.

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

MOHCD ($46,257,638) – TNDC anticipates a preliminary gap commitment of $40,000,000, which is $10,000,000 more than requested the last time this Project was at Loan Committee. This is largely due to the loss of state tax credits as a source. Still, the proposed gap is $227,870/unit without land, which is less than the average per unit MOHCD subsidy of $250,000 to $350,000 per unit.

Private Mortgage ($45,140,000) – The lender/bond purchaser is to be determined, subject to approval by MOHCD. TNDC is assuming a 3.85% interest rate with 40-year amortization and 17-year term. At the final gap financing request, the interest rate will be adjusted to actual interest rate; any savings generated from reductions to the interest rate must be applied to reduce MOHCD's loan.

4% Tax Credit Equity ($51,668,544) – TNDC is assuming equity pricing at $0.94. The Sponsor will apply for 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 submitted on June 11 and approved on September 16. The Project earned 125 points of the maximum 130 points in this category per the preliminary scoring published by CDLAC.

Construction Loan ($98,024,814): The construction loan will be paid off by the permanent financing and tax credit equity. The tax-exempt bond allocation request is approximately $90MM and will require an estimated, additional $8MM taxable tail to support the needed construction financing. The construction loan has a 24 month term and has an estimated interest rate of 3.4% for the tax-exempt portion and 3.65% for the taxable portion.

Commercial Space Loan ($433,000): There is little information provided at this time regarding the commercial loan. TNDC established the loan value by calculating the debt based on income of $3.75 per sf per month (cost psf * 12 months * 1,970 sqft * 50% vacancy with 1.15% DCR, 4% interest and 15 year term.) TNDC's expectation is that a likely use of at least half the space will for non-profit office space offered at reduced rent and the financing tradeoff will be that they can reduce the vacancy assumption from 50%. A complete commercial space plan will be a condition of the gap loan.

General Partner Equity Contribution ($3,270,000) – TNDC will take the maximum allowable developer fee under TCAC and the general partner will contribute to the Project consistent with MOHCD guidelines.

Deferred Developer Fee ($3,500,000) – 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 Sponsor has been in conversation with CalHFA about meeting the current requirements of the MIP and has received assurances that this Project does. The loan has a 55-year term and an estimated 2.75% interest rate.

Uses Evaluation

Development Budget		
Underwriting Standard	**Meets Standard? (Y/N)**	**Notes**
Hard Cost per unit are within standards	Y	$541,943/unit.
Construction Hard Cost Contingency is at least 5% (new construction) or 15% (rehab)	Y	Hard Cost Contingency is just under 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	Yes, but contract must still be executed.
Construction Management Fees are within standards	Y	Construction Management Fee is sized at $250,000.
Residential Developer Fee is within standards, see also disbursement chart below.	N (waiver requested)	Total Residential Developer Fee is $10,000,000 Total Project Management Fee is $1,100,000. Total At-Risk Dev Fee is $1,130,000. GP Equity is $3,270,000 Deferred Developer Fee: $3,500,000
Soft Cost Contingency is 10% per standards	N	Soft Cost Contingency is just under 2%.
Capitalized Operating Reserves are a minimum of 3 months	Y	Capitalized Operating Reserve is a minimum of 3 months. That amount would be $486,474. However, this budget includes $1,067,129 for COR, which must be evaluated at gap loan approval.
Furnishings	Y	This is budgeted lower than the maximum allowed.

MOHCD staff recommends approval of the waiver to the developer fee policy requested through this loan evaluation, according to the distribution chart below.

Developer Fee Disbursement Schedule		
Payment Milestone	**% of Project Mgmt Fee**	**Amount**
At closing of pre-development financing	23%	$250,000
At entitlements	23%	$250,000
Construction Close	27%	$300,000
During Construction at 50% Completion	18%	$200,000
At 100% lease up	9%	$100,000
Total Project Management Fee		$1,100,000
At-Risk Fee		$2,130,000
At Closing of Commercial Loan		N/A
Total Cash Developer Fee		**$3,230,000**
Deferred Fee		$3,500,000
Commercial Fee		$0
GP Equity		**$3,270,000**
Total Developer Fee		**$10,000,000**

5. PROJECT OPERATIONS

There have been some updates to the Unit Mix approved at the spring Loan Committee. These updates, which are included in the permitted set of drawings, actually address changes made while Tishman was still involved with the project. Previously, the unit mix at 921 Howard needed to track that of Tishman's Creamery project to comply with Inclusionary Program requirements, so when the Creamery project was amended, 921 Howard was updated also. There are therefore fewer 3 bedroom units and an increased number of studios (now 33) planned for 921 Howard than were presented in spring 2020.

Units and Income Restrictions

Unit Size	No. of Units	Maximum Income Level
Studio	17	67% of Median Income
1BR	41	67% of Median Income
2BR	41	67% of Median Income
3BR	3	67% of Median Income
Studio	8	79% of Median Income
1BR	20	79% of Median Income
2BR	19	79% of Median Income
3BR	1	79% of Median Income
Studio	8	105% of Median Income
1BR	21	105% of Median Income
2BR	21	105% of Median Income
3BR	1	105% of Median Income
1BR	2	Manager's Units

Operating Budget Evaluation

Operating Proforma		
Underwriting Standard	**Meets Standard? (Y/N)**	**Notes**
Debt Service Coverage Ratio stays above 1:1 through Year 17	Y	DSCR is 1.16 at Year 1 and 1.4 at Year 17.
Vacancy meets TCAC Standards	Y	Vacancy is 5%.
Annual Income Growth is increased at 2.5% per year	Y	Residential income escalation factor is 2.5%.
Annual Operating Expenses are increased at 3.5% per year	Y	Expenses escalation factor is 3.5%.

Base year operating expenses per unit are reasonable per comparables	Y	Total Operating Expenses are $10,160 per unit/yr, comparable to others 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 general manager, and 1 FTE assistant manager, as well as maintenance and janitorial. There is no desk clerk 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	N	Current proposal is for 1FTE social worker at $135,335/yr. This building focuses on residents with moderate incomes, however, so this must be reviewed prior to gap commitment.
Commercial Budget provided and meets Commercial Space Policy Guidelines	N	This must be provided prior to gap loan commitment.

6. PREVIOUS CONDITIONS OF APPROVAL SATISFIED

Below is the status of the conditions outline in the April 3, 2020 Loan Evaluation.

Prior to drawing down predevelopment loan:

- Sponsor will provide evidence of CalHFA funding commitments prior to drawing down predevelopment loan
  Not satisfied, though item considered complete. Staff recommends new condition related to financial feasibility.

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.
  Pending – 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 plan.

- Sponsor to provide MOHCD with requested documentation to justify acquisition costs.
  Completed – TNDC provided the following breakdown as justification for the acquisition costs:

Payoff TOAH Loan	*$4,000,000*
Payoff Enterprise Loan	*$3,100,000*
Reimburse TNDC for predevelopment expenses prior to 2020	*$1,225,000*
Misc. (includes transfer tax, title, escrow, acquisition legal costs)	*$684,000*
TOTAL	*$9,009,000*

- 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.

  Complete.

7. STAFF RECCOMENDATION

<u>Conditions prior to final financing gap request:</u>

Below are new conditions prior to financing gap related to this request.

- 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.

- (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.

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

- 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.

- 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.

- Sponsor will provide development budget that meet MOHCD underwriting guidelines and commercial space policy requirements.
- Sponsor will provide for MOHCD review any Request for Proposals (RFPs) for equity investors before it is finalized and released for investors.
- Sponsor will provide for MOHCD review all raw financial data from developer or financial consultant prior to selection.
- Sponsor will provide for MOHCD review and approval all selected investors.
- Sponsor will provide for MOHCD review and approval all Letters of Intent from financial partners.

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.

LOAN COMMITTEE MODIFICATIONS

Chavez, Rosanna (MYR)

From: Shaw, Eric (MYR)
Sent: Friday, September 18, 2020 2:57 PM
To: Chavez, Rosanna (MYR)
Subject: 921 Howard - Loan Committee

I approve

Eric D. Shaw
Director

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

Chavez, Rosanna (MYR)

From: Menjivar, Salvador (HOM)
Sent: Wednesday, September 23, 2020 4:43 PM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR)
Subject: Approval of loan to support the GAP COMMITMENT FOR 921 HOWARD

I approve the Tenderloin Neighborhood Development Corporation (TNDC) requests for a preliminary gap commitment to support 921 Howard's application to the California Tax Credit Allocation Committee ("TCAC") for tax credits, due September 24, 2020. The preliminary gap request is for a City contribution up to $46,257,638, for this 203-unit affordable housing development

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

Learn: hsh.sfgov.org | Follow: @SF_HSH | Like: @SanFranciscoHSH

Chavez, Rosanna (MYR)

From: Oerth, Sally (CII)
Sent: Friday, September 18, 2020 12:13 PM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR); Blitzer, Mara (MYR)
Subject: 9/18/20 Loan Committee: 921 Howard Preliminary Gap Request approval

On behalf of Nadia Sesay, I approve the 921 Howard Preliminary Gap Request presented at the 9/18/20 Loan Committee.

Sally Oerth
Deputy Director

office of
COMMUNITY INVESTMENT
and INFRASTRUCTURE
OCII

Chavez, Rosanna (MYR)

From: Van Degna, Anna (CON)
Sent: Friday, September 18, 2020 12:13 PM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR)
Subject: 921 howard

Approved

Anna Van Degna
Director, Controller's Office of Public Finance
City & County of San Francisco
1 Dr. Carlton B. Goodlett Place
City Hall, Room 336
San Francisco, CA 94102
Phone: (415) 554-5956
Email: anna.vandegna@sfgov.org

LOAN COMMITTEE RECOMMENDATION

Approval indicates approval with modifications, when so determined by the Committee.
[ ] APPROVE. [ ] DISAPPROVE. [ ] TAKE NO ACTION.

____ Date: ___________________
Eric D. Shaw, Director
Mayor's Office of Housing and Community Development

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

____ Date: ___________________
Salvador Menjivar, Director of Housing
Department of Homelessness and Supportive Housing

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

____ Date: ___________________
Nadia Sesay, Executive Director
Office of Community Investment and Infrastructure

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

____ Date: ___________________
Anna Van Degna, Director
Controller's Office of Public Finance

Attachments: Attachment A – Updated Sources and Uses
Attachment B – Updated 1st Year Operating Budget and 20-Year Cashflow
Attachment C – Updated New Construction Cost Comparison Chart
Attachment D – April 3, 2020 Predevelopment Loan Evaluation

Attachment A: Updated Sources and Uses

See attached.

Attachment B: Updated 1st Year Operating Budget and 20-Year Cashflow

See attached.

Attachment C: Updated New Construction Cost Comparison Chart

See attached.

Attachment D: October 4, 2019 Predevelopment Loan Evaluation

See attached.

Application Date:	9/18/20	**# Units:**	**203**
Project Name:	921 Howard	***# Bedrooms:***	**294**
Project Address:	921 Howard St	**# Beds:**	
Project Sponsor:	Tenderloin Neighborhood Development Corporation		

									Total Sources	**Comments**	
SOURCES	**46,257,638**	**51,668,544**	**10,050,000**	**45,140,000**	**3,270,000**	**2,334,352**	**430,000**	**3,500,000**	**162,650,534**		
Name of Sources:	MOHCD/OCII	Equity - Federal LIHTC	Cal HFA MIP	Perm Loan	GP Equity	Deferred Accrued Interest (MOHCD)	Commercial Loan				
USES											
ACQUISITION											
Acquisition cost or value	9,700,000								9,700,000		
Legal / Closing costs / Broker's Fee									0		
Holding Costs									0		
Transfer Tax	218,250								218,250		
TOTAL ACQUISITION	**9,918,250**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**9,918,250**		
CONSTRUCTION (HARD COSTS)											
Unit Construction/Rehab	35,170,372	4,654,218	10,050,000	45,140,000					95,014,590	Includes $1.96M GC Contingency	
Commercial Shell Construction	271,938						430,000		701,938		
Demolition	377,078								377,078		
Environmental Remediation	300,000								300,000		
Onsight Improvements/Landscaping	0								0		Construction line item costs as a % of hard costs
Offsite Improvements	0								0		
Infrastructure Improvements	0								0	HOPE SF/OCII costs for streets etc.	
Parking	0								0		
GC Bond Premium/GC Insurance/GC Taxes		408,074							408,074		**0.4%**
GC Overhead & Profit		3,087,142							3,087,142		**3.2%**
CG General Conditions		4,903,041							4,903,041		**5.1%**
Sub-total Construction Costs	*36,119,388*	*13,052,475*	*10,050,000*	*45,140,000*	*0*	*0*	*430,000*	*0*	*104,791,863*		
Design Contingency (remove at DD)									0	0% incorp. MOHCD CM comments anticipating MOD	**0.0%**
Bid Contingency (remove at bid)									0	0% given recessionary environment	**0.0%**
Plan Check Contingency (remove/reduce during Plan Review)									0	0% (Ack: 4% up to $30M, 3% $30-$45M, 2% $45M)	**0.0%**
Hard Cost Construction Contingency		5,222,466							5,222,466	4.9% new construction	**5.4%**
Sub-total Construction Contingencies	*0*	*5,222,466*	*0*	*0*	*0*	*0*	*0*	*0*	*5,222,466*		
TOTAL CONSTRUCTION COSTS	**36,119,388**	**18,274,941**	**10,050,000**	**45,140,000**	**0**	**0**	**430,000**	**0**	**110,014,329**		
SOFT COSTS											
Architecture & Design											
Architect design fees		1,737,140							1,737,140	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms	
Design Subconsultants to the Architect (incl. Fees)		0							0		
Architect Construction Admin		615,000							615,000		
Reimbursables		117,607							117,607		
Additional Services		235,214							235,214		
Sub-total Architect Contract	*0*	*2,704,961*	*0*	*0*	*0*	*0*	*0*	*0*	*2,704,961*		
Other Third Party design consultants (not included under Architect contract)		1,128,650							1,128,650	Consultants not covered under architect contract; Please list of consultant type and contract amounts sent under separate cover	
Total Architecture & Design	**0**	**3,833,611**	**0**	**0**	**0**	**0**	**0**	**0**	**3,833,611**		
Engineering & Environmental Studies											
Survey		50,000							50,000		
Geotechnical studies		150,000							150,000		
Phase I & II Reports		75,000							75,000		
CEQA / Environmental Review consultants		0							0		
NEPA / 106 Review		0							0		
CNA/PNA (rehab only)		0							0		
Other environmental consultants		750,000							750,000	Special Inspections. For Other environmental consultants, see type & contract amounts in Line 101	
Total Engineering & Environmental Studies	**0**	**1,025,000**	**0**	**0**	**0**	**0**	**0**	**0**	**1,025,000**		
Financing Costs											
Construction Financing Costs											
Construction Loan Origination Fee		35,000							35,000	Incl Construction Loan Fees + Legal	
Construction Loan Interest		7,683,158				2,334,352			10,017,510	Incl During and Post Construction + $2.35M Accrued Interest on MOHCD Loan (Construc Pd)	
Title & Recording		55,000							55,000		
CDLAC & CDIAC fees		0							0		
Bond Issuer Fees		1,114,636							1,114,636	*Includes CDLAC and CDIAC fees* - 267 - Bond Costs	
Other Bond Cost of Issuance		0							0		
Other Lender Costs (specify)		9,000							9,000		
Sub-total Const. Financing Costs	*0*	*8,896,794*	*0*	*0*	*0*	*2,334,352*	*0*	*0*	*11,231,146*		
Permanent Financing Costs											
Permanent Loan Origination Fee		807,600							807,600	All Perm loan fees and expenses	
Credit Enhance. & Appl. Fee		*0*							0		
Title & Recording		10,009							10,009		
Sub-total Perm. Financing Costs	*0*	*817,609*	*0*	*0*	*0*	*0*	*0*	*0*	*817,609*		
Total Financing Costs	**0**	**9,714,403**	**0**	**0**	**0**	**2,334,352**	**0**	**0**	**12,048,755**		
Legal Costs											
Borrower Legal fees		10,000							10,000		
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		
Total Legal Costs	**0**	**187,000**	**0**	**0**	**0**	**0**	**0**	**0**	**187,000**		
Other Development Costs											
Appraisal		25,023							25,023		
Market Study		10,000							10,000		
* Insurance		2,655,761							2,655,761		
* Property Taxes		599,572							599,572		
Accounting / Audit		250,000							250,000		
* Organizational Costs		5,000							5,000		
Entitlement / Permit Fees		3,150,000							3,150,000		
* Marketing / Rent-up		223,000							223,000		
* Furnishings		248,000							248,000	$2,000/unit; See MOHCD U/W Guidelines on: http://sfmohcd.org/documents-reports-and-forms	
PGE / Utility Fees		1,320,000							1,320,000		
TCAC App / Alloc / Monitor Fees		139,199							139,199		
* Financial Consultant fees		75,000							75,000		
Construction Management fees / Owner's Rep		250,000							250,000		
Security during Construction		0							0		
* Relocation		252,000							252,000		
Other (specify): Capitalized First-Year T&I Impound		0							0		
Other (specify): Predev loan fees, interest reserve, title & recording		4,107,877							4,107,877	Incl $2M interest in private loan + $1.5M interest in MOHCD loan + interest & fees	
Other (specify): Other consultants		497,750							497,750	waterproofing, acoustic, EBM, security, telephone, archaeological, sustainability, commissioning	Total Soft Cost Contingency as % of Total Soft Costs
Total Other Development Costs	**0**	**13,808,182**	**0**	**0**	**0**	**0**	**0**	**0**	**13,808,182**		
Soft Cost Contingency											
Contingency (Arch, Eng, Fin, Legal & Other Dev)		541,742							541,742	1.85% of total soft costs (acknowledge this is lower than 10% MOHCD uw guideline)	**1.8%**
TOTAL SOFT COSTS	**0**	**29,109,938**	**0**	**0**	**0**	**2,334,352**	**0**	**0**	**31,444,290**		
RESERVES											
* Operating Reserves		1,067,129							1,067,129		
Replacement Reserves		0							0		
* Tenant Improvements Reserves		0							0		
Other (specify)		162,158							162,158		
Other (specify)		2,378							2,378		
Other (specify)		42,000							42,000	Commercial Leasing Commissions	
TOTAL RESERVES	**0**	**1,273,665**	**0**	**0**	**0**	**0**	**0**	**0**	**1,273,665**		
DEVELOPER COSTS											
Developer Fee - Cash-out Paid at Milestones	220,000	880,000							1,100,000		
Developer Fee - Cash-out At Risk		2,130,000							2,130,000		
Commercial Developer Fee									0		
Developer Fee - GP Equity (also show as source)					3,270,000				3,270,000		
Developer Fee - Deferred (also show as source)								3,500,000	3,500,000		
Development Consultant Fees									0	Need MOHCD approval for this cost, N/A for most projects	
Other (specify)									0		
TOTAL DEVELOPER COSTS	**220,000**	**3,010,000**	**0**	**0**	**3,270,000**	**0**	**0**	**3,500,000**	**10,000,000**		
TOTAL DEVELOPMENT COST	**46,257,638**	**51,668,544**	**10,050,000**	**45,140,000**	**3,270,000**	**2,334,352**	**430,000**	**3,500,000**	**162,650,534**		
Development Cost/Unit by Source	227,870	254,525	49,507	222,365	16,108	11,499	2,118	17,241	801,234		
Development Cost/Unit as % of TDC by Source	28.4%	31.8%	6.2%	27.8%	2.0%	1.4%	0.3%	2.2%	100.0%		
Acquisition Cost/Unit by Source	47,783	0	0	0	0	0	0	0	47,783		
Construction Cost (inc Const Contingency)/Unit By Source	177,928	90,024	49,507	222,365	0	0	2,118	0	541,943		
Construction Cost (inc Const Contingency)/SF	151.99	76.90	42.29	189.94	0.00	0.00	1.81	0.00	462.93		

**Possible non-eligible GO Bond/COP Amount:*	*35,819,388*
City Subsidy/Unit	227,870
Tax Credit Equity Pricing:	0.940
Construction Bond Amount:	89,339,803
Construction Loan Term (in months):	24 months
Construction Loan Interest Rate (as %):	3.40%

Application Date:	**9/18/2020**	**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**

TCAC Income Limits In Use!

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)			
Gross Potential Income	**4,931,669**		
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	
EFFECTIVE GROSS INCOME	**4,645,922**	***PUPA: 22,886***	
OPERATING EXPENSES			
Management			
Management Fee	165,648	1st Year to be set according to HUD schedule.	
Asset Management Fee	21,900		
Sub-total Management Expenses	**187,548**	***PUPA: 924***	
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			
Sub-total Salaries/Benefits	**308,085**	***PUPA: 1,518***	
Administration			
Advertising and Marketing	2,000	Recruitment	
Office Expenses	55,156	Screening, office supplies, equipment, computers/software, subscriptions and dues, bank	
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	
Sub-total Administration Expenses	**161,231**	***PUPA: 794***	
Utilities			
Electricity	86,486		
Water	217,639	Water and sewer combined	
Gas	53,241		
Sewer			
Sub-total Utilities	**357,366**	***PUPA: 1,760***	
Taxes and Licenses			
Real Estate Taxes	21,274		
Payroll Taxes	39,424		
Miscellaneous Taxes, Licenses and Permits	4,931		
Sub-total Taxes and Licenses	**65,629**	***PUPA: 323***	
Insurance			
Property and Liability Insurance	82,716		
Fidelity Bond Insurance			
Worker's Compensation	44,352		
Director's & Officers' Liability Insurance			
Sub-total Insurance	**127,068**	***PUPA: 626***	
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		
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	
Sub-total Maintenance & Repair Expenses	**603,636**	***PUPA: 2,974***	
Supportive Services	135,335	1 FTE	
Commercial Expenses	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 Deposit/s, Commercial	0	Links from 'Commercial Op. Budget' Worksheet	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	**116,500**	***PUPA: 574***	
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***	

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:	$45,140,000

DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)			
Hard Debt - First Lender	2,213,619	Perm Loan	Provide additional comments here, if needed.
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Len	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	
TOTAL HARD DEBT SERVICE	**2,213,619**	***PUPA: 10,905***	
CASH FLOW (NOI minus DEBT SERVICE)	**369,905**		
USES OF CASH FLOW BELOW (This row also shows DSCR.)	***1.17***		
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)	173,842	Def. Develop. Fee split: 50%	Provide additional comments here, if needed.
TOTAL PAYMENTS PRECEDING MOHCD	**196,062**	***PUPA: 966***	
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	**173,842**		

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.):	**173,842**
% of Residual Receipts available for distribution to **soft debt lenders** in	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	$35,440,000	99.58%
MOHCD/OCII - Ground Lease Value or Land Acq Cost	Ground Lease Value	$150,000	0.42%
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	173,842	50% of residual receipts, multiplied by 100% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	173,842	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:	**9/18/2020**		**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**
		TCAC Income Limits In Use!		

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	
Total Non-MOHCD Residual Receipts Debt Service	**0**	
REMAINDER (Should be zero unless there are distributions below)	**0**	
Owner Distributions/Incentive Management Fee	0	
Other Distributions/Uses	0	
Final Balance (should be zero)	**0**	

921 Howard

Total # Units: *203*

TCAC Income Limits In Use!

INCOME	% annual increase	Comments (related to annual inc assumptions)	Year 1 2023 Total	Year 2 2024 Total	Year 3 2025 Total	Year 4 2026 Total	Year 5 2027 Total	Year 6 2028 Total	Year 7 2029 Total	Year 8 2030 Total	Year 9 2031 Total	Year 10 2032 Total
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
Residential - Tenant Assistance Payments (Non-LOSP)	n/a		-									
Commercial Space	2.5%		88,650	-	-	-	-	-	-	-	-	-
Residential Parking	2.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%		-	-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%		-	-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%		-	-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%		14,567	14,931	15,305	15,687	16,080	16,482	16,894	17,316	17,749	18,193
Tenant Charges	2.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%		-	-	-	-	-	-	-	-	-	-
Other Commercial Income	2.5%		-	-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	Link from Reserve Section below, as applicable	-									
Gross Potential Income			**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**
Vacancy Loss - Residential - Tenant Rents	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(241,423)	(247,458)	(253,645)	(259,986)	(266,485)	(273,148)	(279,976)	(286,976)	(294,150)	(301,504)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a		-	-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a		(44,325)	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME			**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**
OPERATING EXPENSES												
Management												
Management Fee	3.5%	1st Year to be set according to HUD schedule.	165,648	171,446	177,446	183,657	190,085	196,738	203,624	210,751	218,127	225,761
Asset Management Fee	3.5%	per MOHCD policy	21,900	22,667	23,460	24,281	25,131	26,010	26,921	27,863	28,838	29,847
Sub-total Management Expenses			**187,548**	**194,112**	**200,906**	**207,938**	**215,216**	**222,748**	**230,544**	**238,613**	**246,965**	**255,609**
Salaries/Benefits												
Office Salaries	3.5%		15,270	15,805	16,358	16,930	17,523	18,136	18,771	19,428	20,108	20,812
Manager's Salary	3.5%		170,000	175,950	182,108	188,482	195,079	201,907	208,973	216,287	223,858	231,693
Health Insurance and Other Benefits	3.5%		122,815	127,114	131,563	136,167	140,933	145,866	150,971	156,255	161,724	167,384
Other Salaries/Benefits	3.5%		-	-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits			**308,085**	**318,868**	**330,029**	**341,580**	**353,535**	**365,909**	**378,716**	**391,971**	**405,690**	**419,889**
Administration												
Advertising and Marketing	3.5%		2,000	2,070	2,142	2,217	2,295	2,375	2,459	2,545	2,634	2,726
Office Expenses	3.5%		55,156	57,087	59,085	61,153	63,293	65,508	67,801	70,174	72,630	75,172
Office Rent	3.5%		6,641	6,874	7,114	7,363	7,621	7,888	8,164	8,450	8,745	9,051
Legal Expense - Property	3.5%		9,000	9,315	9,641	9,978	10,328	10,689	11,063	11,451	11,851	12,266
Audit Expense	3.5%		12,600	13,041	13,497	13,970	14,459	14,965	15,489	16,031	16,592	17,173
Bookkeeping/Accounting Services	3.5%		41,412	42,861	44,362	45,914	47,521	49,184	50,906	52,688	54,532	56,440
Bad Debts	3.5%		8,000	8,280	8,570	8,870	9,180	9,501	9,834	10,178	10,534	10,903
Miscellaneous	3.5%		26,421	27,346	28,303	29,294	30,319	31,380	32,478	33,615	34,792	36,009
Sub-total Administration Expenses			**161,231**	**166,874**	**172,714**	**178,759**	**185,016**	**191,491**	**198,194**	**205,130**	**212,310**	**219,741**
Utilities												
Electricity	3.5%		86,486	89,513	92,646	95,889	99,245	102,719	106,314	110,035	113,886	117,872
Water	3.5%		217,639	225,256	233,140	241,300	249,745	258,487	267,534	276,897	286,589	296,619
Gas	3.5%		53,241	55,104	57,033	59,029	61,095	63,234	65,447	67,737	70,108	72,562
Sewer	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Utilities			**357,366**	**369,874**	**382,819**	**396,218**	**410,086**	**424,439**	**439,294**	**454,669**	**470,583**	**487,053**
Taxes and Licenses												
Real Estate Taxes	3.5%		21,274	22,019	22,789	23,587	24,412	25,267	26,151	27,066	28,014	28,994
Payroll Taxes	3.5%		39,424	40,804	42,232	43,710	45,240	46,823	48,462	50,158	51,913	53,730
Miscellaneous Taxes, Licenses and Permits	3.5%		4,931	5,104	5,282	5,467	5,659	5,857	6,062	6,274	6,493	6,721
Sub-total Taxes and Licenses			**65,629**	**67,926**	**70,303**	**72,764**	**75,311**	**77,946**	**80,675**	**83,498**	**86,421**	**89,445**
Insurance												
Property and Liability Insurance	3.5%		82,716	85,611	88,607	91,709	94,919	98,241	101,679	105,238	108,921	112,733
Fidelity Bond Insurance	3.5%		-	-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%		44,352	45,904	47,511	49,173	50,895	52,676	54,519	56,428	58,403	60,447
Director's & Officers' Liability Insurance	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Insurance			**127,068**	**131,515**	**136,118**	**140,882**	**145,813**	**150,917**	**156,199**	**161,666**	**167,324**	**173,180**
Maintenance & Repair												
Payroll	3.5%		307,526	318,289	329,429	340,959	352,893	365,244	378,028	391,259	404,953	419,126
Supplies	3.5%		42,273	43,752	45,284	46,869	48,509	50,207	51,964	53,783	55,665	57,613
Contracts	3.5%		51,117	52,906	54,758	56,675	58,658	60,711	62,836	65,036	67,312	69,668
Garbage and Trash Removal	3.5%		145,751	150,852	156,132	161,597	167,253	173,107	179,165	185,436	191,926	198,644
Security Payroll/Contract	3.5%		-	-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance	3.5%		4,951	5,124	5,303	5,489	5,681	5,880	6,086	6,299	6,519	6,747
Vehicle and Maintenance Equipment Operation and Repairs	3.5%		1,430	1,480	1,532	1,585	1,641	1,698	1,758	1,819	1,883	1,949
Miscellaneous Operating and Maintenance Expenses	3.5%		50,588	52,359	54,192	56,088	58,051	60,083	62,186	64,363	66,615	68,947
Sub-total Maintenance & Repair Expenses			**603,636**	**624,763**	**646,630**	**669,262**	**692,686**	**716,930**	**742,023**	**767,993**	**794,873**	**822,694**
Supportive Services	3.5%		135,335	140,072	144,974	150,048	155,300	160,736	166,361	172,184	178,210	184,448
Commercial Expenses			-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES			***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**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)			***9,586***									
Reserves/Ground Lease Base Rent/Bond Fees				*Note: Hidden columns are in between total columns. To update/delete values in yellow cells, manipulate each cell rather than dragging across multiple*								
Ground Lease Base Rent			15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Bond Monitoring Fee			-	-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit			101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500
Operating Reserve Deposit			-	-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit			-	-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit			-	-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial			-	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees			**116,500**	**116,500**	**116,500**	**116,500**	**116,500**	**116,500**	**116,500**	**116,500**	**116,500**	**116,500**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)			**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**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)			***10,160***									
NET OPERATING INCOME (INCOME minus OP EXPENSES)			**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**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)				*Note: Hidden columns are in between total columns. To update/delete values in yellow cells, manipulate each cell rather than dragging across multiple*								
Hard Debt - First Lender		Enter comments re: annual increase, etc.	2,213,619	2,213,619	2,213,619	2,213,619	2,213,619	2,213,619	2,213,619	2,213,619	2,213,619	2,213,619
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)		Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)		Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender		Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service			-	-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE			**2,213,619**	**2,213,619**	**2,213,619**	**2,213,619**	**2,213,619**	**2,213,619**	**2,213,619**	**2,213,619**	**2,213,619**	**2,213,619**
CASH FLOW (NOI minus DEBT SERVICE)			**369,905**	**372,513**	**419,939**	**467,846**	**516,220**	**565,049**	**614,317**	**664,008**	**714,104**	**764,586**
USES OF CASH FLOW BELOW (This row also shows DSCR.)		***DSCR:***	***1.17***	***1.17***	***1.19***	***1.21***	***1.23***	***1.26***	***1.28***	***1.3***	***1.32***	***1.35***
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL				*Note: Hidden columns are in between total columns. To update/delete values in yellow cells, manipulate each cell rather than dragging across multiple*								
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	per MOHCD policy	17,220	17,823	18,446	19,092	19,760	20,452	21,168	21,909	22,675	23,469
Partnership Management Fee (see policy for limits)	3.5%	per MOHCD policy	-									
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)		per MOHCD policy no annual increase	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 Pmnt - Lender 1		Enter comments re: annual increase, etc.	-									
Non-amortizing Loan Pmnt - Lender 2		Enter comments re: annual increase, etc.	-									
Deferred Developer Fee (Enter amt <= Max Fee from row 131)			173,842									
TOTAL PAYMENTS PRECEDING MOHCD			**196,062**	***22,823***	***23,446***	***24,092***	***24,760***	***25,452***	***26,168***	***26,909***	***27,675***	***28,469***
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)			**173,842**	**349,691**	**396,493**	**443,754**	**491,460**	**539,597**	**588,149**	**637,099**	**686,429**	**736,117**
Does Project have a MOHCD Residual Receipt Obligation?	***Yes***	Year 15 is year indicated below:										
Will Project Defer Developer Fee?	***Yes***	2037										
1st Residual Receipts Split - Lender/Deferred Developer Fee	*50% / 50%*	2nd Residual Receipts Split Begins:										
2nd Residual Receipts Split - Lender/Owner	*67% / 33%*	2038										
Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):			173,842	174,845	198,246	221,877	245,730	269,799	294,075	318,550	343,214	368,058
	Dist. Soft	ative Deferred Developer Fee Earned	173,842	173,842	173,842	173,842	173,842	173,842	173,842	173,842	173,842	173,842
MOHCD RESIDUAL RECEIPTS DEBT SERVICE	*Debt Loans*											
MOHCD Residual Receipts Amount Due	*100.00%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	173,842	349,691	396,493	443,754	491,460	539,597	588,149	637,099	686,429	736,117
Proposed MOHCD Residual Receipts Amount to Loan Repayment			173,842	349,691	396,493	443,754	491,460	539,597	588,149	637,099	686,429	736,117
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		Proposed Total MOHCD Amt Due less Loan Repayment	-	-	-	-	-	-	-	-	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due	*0.00%*	No HCD Financing	-	-	-	-	-	-	-	-	-	-
Lender 4 Residual Receipts Due	*0.00%*		-	-	-	-	-	-	-	-	-	-
Lender 5 Residual Receipts Due	*0.00%*		-	-	-	-	-	-	-	-	-	-
Total Non-MOHCD Residual Receipts Debt Service			**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
REMAINDER (Should be zero unless there are distributions below)			**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
INCOME	**% annual increase**	**Comments (related to annual inc assumptions)**	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**
Owner Distributions/Incentive Management Fee			-	-	-	-	-	-	-	-	-	-
Other Distributions/Uses			-									
Final Balance (should be zero)			-	-	-	-	-	-	-	-	-	-
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance			-	101,500	203,000	304,500	406,000	507,500	609,000	710,500	812,000	913,500
Replacement Reserve Deposits			101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500
Replacement Reserve Withdrawals (ideally tied to CNA)			-	-	-	-	-	-	-	-	-	-
Replacement Reserve Interest												
RR Running Balance			101,500	203,000	304,500	406,000	507,500	609,000	710,500	812,000	913,500	1,015,000
		RR Balance/Unit	*$500*	*$1,000*	*$1,500*	*$2,000*	*$2,500*	*$3,000*	*$3,500*	*$4,000*	*$4,500*	*$5,000*
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance			-	-	-	-	-	-	-	-	-	-
Operating Reserve Deposits			-	-	-	-	-	-	-	-	-	-
Operating Reserve Withdrawals												
Operating Reserve Interest												
OR Running Balance			-	-	-	-	-	-	-	-	-	-
	OR Balance as a % of Prior Yr Op Exps + Debt Service			*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE												
Other Reserve 1 Starting Balance				-	-	-	-	-	-	-	-	-
Other Reserve 1 Deposits			-	-	-	-	-	-	-	-	-	-
Other Reserve 1 Withdrawals												
Other Reserve 1 Interest												
Other Required Reserve 1 Running Balance			-	-	-	-	-	-	-	-	-	-
OTHER RESERVE 2 - RUNNING BALANCE												
Other Reserve 2 Starting Balance				-	-	-	-	-	-	-	-	-
Other Reserve 2 Deposits			-	-	-	-	-	-	-	-	-	-
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance			-	-	-	-	-	-	-	-	-	-

921 Howard

Total # Units: *203*

	% annual increase	Comments (related to annual inc assumptions)	Year 11 2033 Total	Year 12 2034 Total	Year 13 2035 Total	Year 14 2036 Total	Year 15 2037 Total	Year 16 2038 Total	Year 17 2039 Total	Year 18 2040 Total	Year 19 2041 Total	Year 20 2042 Total
INCOME												
Residential - Tenant Rents	2.5%		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%		-	-	-	-	-	-	-	-	-	-
Residential Parking	2.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%		-	-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%		-	-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%		-	-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%		18,647	19,114	19,591	20,081	20,583	21,098	21,625	22,166	22,720	23,288
Tenant Charges	2.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%		-	-	-	-	-	-	-	-	-	-
Other Commercial Income	2.5%		-	-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	Link from Reserve Section below, as applicable										
Gross Potential Income			**6,199,474**	**6,354,461**	**6,513,323**	**6,676,156**	**6,843,059**	**7,014,136**	**7,189,489**	**7,369,227**	**7,553,457**	**7,742,294**
Vacancy Loss - Residential - Tenant Rents	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(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		-	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME			**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**
OPERATING EXPENSES												
Management												
Management Fee	3.5%	1st Year to be set according to HUD schedule.	233,663	241,841	250,306	259,066	268,134	277,518	287,231	297,284	307,689	318,458
Asset Management Fee	3.5%	per MOHCD policy	30,892	31,973	33,092	34,251	35,449	36,690	37,974	39,303	40,679	42,103
Sub-total Management Expenses			**264,555**	**273,814**	**283,398**	**293,317**	**303,583**	**314,208**	**325,206**	**336,588**	**348,368**	**360,561**
Salaries/Benefits												
Office Salaries	3.5%		21,540	22,294	23,074	23,882	24,718	25,583	26,478	27,405	28,364	29,357
Manager's Salary	3.5%		239,802	248,195	256,882	265,873	275,178	284,809	294,778	305,095	315,773	326,825
Health Insurance and Other Benefits	3.5%		173,243	179,306	185,582	192,077	198,800	205,758	212,960	220,413	228,128	236,112
Other Salaries/Benefits	3.5%		-	-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits			**434,585**	**449,795**	**465,538**	**481,832**	**498,696**	**516,151**	**534,216**	**552,913**	**572,265**	**592,295**
Administration												
Advertising and Marketing	3.5%		2,821	2,920	3,022	3,128	3,237	3,351	3,468	3,589	3,715	3,845
Office Expenses	3.5%		77,803	80,526	83,345	86,262	89,281	92,406	95,640	98,987	102,452	106,038
Office Rent	3.5%		9,368	9,696	10,036	10,387	10,750	11,127	11,516	11,919	12,336	12,768
Legal Expense - Property	3.5%		12,695	13,140	13,600	14,076	14,568	15,078	15,606	16,152	16,717	17,303
Audit Expense	3.5%		17,774	18,396	19,039	19,706	20,396	21,109	21,848	22,613	23,404	24,224
Bookkeeping/Accounting Services	3.5%		58,416	60,460	62,576	64,767	67,033	69,380	71,808	74,321	76,922	79,615
Bad Debts	3.5%		11,285	11,680	12,089	12,512	12,950	13,403	13,872	14,357	14,860	15,380
Miscellaneous	3.5%		37,270	38,574	39,924	41,321	42,768	44,265	45,814	47,417	49,077	50,795
Sub-total Administration Expenses			**227,432**	**235,392**	**243,630**	**252,158**	**260,983**	**270,117**	**279,572**	**289,357**	**299,484**	**309,966**
Utilities												
Electricity	3.5%		121,997	126,267	130,687	135,261	139,995	144,895	149,966	155,215	160,647	166,270
Water	3.5%		307,001	317,746	328,867	340,377	352,291	364,621	377,383	390,591	404,262	418,411
Gas	3.5%		75,102	77,730	80,451	83,266	86,181	89,197	92,319	95,550	98,894	102,356
Sewer	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Utilities			**504,100**	**521,744**	**540,005**	**558,905**	**578,466**	**598,713**	**619,668**	**641,356**	**663,803**	**687,037**
Taxes and Licenses												
Real Estate Taxes	3.5%		30,009	31,059	32,146	33,272	34,436	35,641	36,889	38,180	39,516	40,899
Payroll Taxes	3.5%		55,611	57,557	59,572	61,657	63,815	66,048	68,360	70,753	73,229	75,792
Miscellaneous Taxes, Licenses and Permits	3.5%		6,956	7,199	7,451	7,712	7,982	8,261	8,550	8,850	9,159	9,480
Sub-total Taxes and Licenses			**92,576**	**95,816**	**99,170**	**102,641**	**106,233**	**109,951**	**113,799**	**117,782**	**121,905**	**126,171**
Insurance												
Property and Liability Insurance	3.5%		116,679	120,763	124,990	129,364	133,892	138,578	143,428	148,448	153,644	159,022
Fidelity Bond Insurance	3.5%		-	-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%		62,562	64,752	67,018	69,364	71,792	74,304	76,905	79,597	82,383	85,266
Director's & Officers' Liability Insurance	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Insurance			**179,241**	**185,515**	**192,008**	**198,728**	**205,684**	**212,883**	**220,334**	**228,045**	**236,027**	**244,288**
Maintenance & Repair												
Payroll	3.5%		433,796	448,978	464,693	480,957	497,790	515,213	533,245	551,909	571,226	591,219
Supplies	3.5%		59,630	61,717	63,877	66,113	68,427	70,822	73,300	75,866	78,521	81,270
Contracts	3.5%		72,106	74,630	77,242	79,945	82,743	85,639	88,637	91,739	94,950	98,273
Garbage and Trash Removal	3.5%		205,596	212,792	220,240	227,948	235,927	244,184	252,730	261,576	270,731	280,207
Security Payroll/Contract	3.5%		-	-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance	3.5%		6,983	7,228	7,481	7,742	8,013	8,294	8,584	8,885	9,196	9,517
Vehicle and Maintenance Equipment Operation and Repairs	3.5%		2,017	2,087	2,161	2,236	2,314	2,395	2,479	2,566	2,656	2,749
Miscellaneous Operating and Maintenance Expenses	3.5%		71,360	73,858	76,443	79,118	81,887	84,753	87,720	90,790	93,968	97,256
Sub-total Maintenance & Repair Expenses			**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%		190,903	197,585	204,500	211,658	219,066	226,733	234,669	242,882	251,383	260,182
Commercial Expenses			-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES			**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**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees			*cells.*									
Ground Lease Base Rent			15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Bond Monitoring Fee			-	-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit			101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500
Operating Reserve Deposit			-	-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit			-	-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit			-	-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial			-	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees			**116,500**	**116,500**	**116,500**	**116,500**	**116,500**	**116,500**	**116,500**	**116,500**	**116,500**	**116,500**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)			**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**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)			**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**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)			*cells.*									
Hard Debt - First Lender		Enter comments re: annual increase, etc.	2,213,619	2,213,619	2,213,619	2,213,619	2,213,619	2,213,619	2,213,619	2,213,619	2,213,619	2,213,619
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)		Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)		Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender		Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service			-	-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE			**2,213,619**	**2,213,619**	**2,213,619**	**2,213,619**	**2,213,619**	**2,213,619**	**2,213,619**	**2,213,619**	**2,213,619**	**2,213,619**
CASH FLOW (NOI minus DEBT SERVICE)			**815,433**	**866,623**	**918,132**	**969,934**	**1,022,003**	**1,074,308**	**1,126,818**	**1,179,500**	**1,232,318**	**1,285,234**
USES OF CASH FLOW BELOW (This row also shows DSCR.)		***DSCR:***	***1.37***	***1.39***	***1.41***	***1.44***	***1.46***	***1.49***	***1.51***	***1.53***	***1.56***	***1.58***
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL			*cells.*									
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	per MOHCD policy	24,291	25,141	26,021	26,931	27,874	28,850				
Partnership Management Fee (see policy for limits)	3.5%	per MOHCD policy										
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)		per MOHCD policy no annual increase	5,000	5,000	5,000	5,000	5,000	5,000				
Other Payments												
Non-amortizing Loan Pmnt - Lender 1		Enter comments re: annual increase, etc.										
Non-amortizing Loan Pmnt - Lender 2		Enter comments re: annual increase, etc.										
Deferred Developer Fee (Enter amt <= Max Fee from row 131)												
TOTAL PAYMENTS PRECEDING MOHCD			***29,291***	***30,141***	***31,021***	***31,931***	***32,874***	***33,850***	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)			**786,142**	**836,482**	**887,111**	**938,003**	**989,129**	**1,040,458**	**1,126,818**	**1,179,500**	**1,232,318**	**1,285,234**
Does Project have a MOHCD Residual Receipt Obligation?	***Yes***	Year 15 is year indicated below:										
Will Project Defer Developer Fee?	***Yes***	2037										
1st Residual Receipts Split - Lender/Deferred Developer Fee	*50% / 50%*	2nd Residual Receipts Split Begins:										
2nd Residual Receipts Split - Lender/Owner	*67% / 33%*	2038										
Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):			393,071	418,241	443,556	469,002	494,564					
	Dist. Soft	ative Deferred Developer Fee Earned	173,842	173,842	173,842	173,842	173,842					
MOHCD RESIDUAL RECEIPTS DEBT SERVICE	*Debt Loans*											
MOHCD Residual Receipts Amount Due	*100.00%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	786,142	836,482	887,111	938,003	989,129	693,639	751,212	786,333	821,545	856,823
Proposed MOHCD Residual Receipts Amount to Loan Repayment			786,142	836,482	887,111	938,003	989,129	693,639	751,212	786,333	821,545	856,823
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		Proposed Total MOHCD Amt Due less Loan Repayment	-	-	-	-	-	-	-	-	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due	*0.00%*	No HCD Financing	-	-	-	-	-	-	-	-	-	-
Lender 4 Residual Receipts Due	*0.00%*		-	-	-	-	-	-	-	-	-	-
Lender 5 Residual Receipts Due	*0.00%*		-	-	-	-	-	-	-	-	-	-
Total Non-MOHCD Residual Receipts Debt Service			-	-	-	-	-	-	-	-	-	-
REMAINDER (Should be zero unless there are distributions below)			-	-	-	-	-	**346,819**	**375,606**	**393,167**	**410,773**	**428,411**

	% annual increase	Comments (related to annual inc assumptions)	Year 11 2033 Total	Year 12 2034 Total	Year 13 2035 Total	Year 14 2036 Total	Year 15 2037 Total	Year 16 2038 Total	Year 17 2039 Total	Year 18 2040 Total	Year 19 2041 Total	Year 20 2042 Total
INCOME												
Owner Distributions/Incentive Management Fee			-	-	-	-	-	346,819	375,606	393,167	410,773	428,411
Other Distributions/Uses												
Final Balance (should be zero)			-	-	-	-	-	-	-	-	-	-
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance			1,015,000	1,116,500	1,218,000	1,319,500	1,421,000	1,522,500	1,624,000	1,725,500	1,827,000	1,928,500
Replacement Reserve Deposits			101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500
Replacement Reserve Withdrawals (ideally tied to CNA)			-	-	-	-	-	-	-	-	-	-
Replacement Reserve Interest												
RR Running Balance			1,116,500	1,218,000	1,319,500	1,421,000	1,522,500	1,624,000	1,725,500	1,827,000	1,928,500	2,030,000
		RR Balance/Unit	*$5,500*	*$6,000*	*$6,500*	*$7,000*	*$7,500*	*$8,000*	*$8,500*	*$9,000*	*$9,500*	*$10,000*
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance			-	-	-	-	-	-	-	-	-	-
Operating Reserve Deposits			-	-	-	-	-	-	-	-	-	-
Operating Reserve Withdrawals												
Operating Reserve Interest												
OR Running Balance			-	-	-	-	-	-	-	-	-	-
		OR Balance as a % of Prior Yr Op Exps + Debt Service	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE												
Other Reserve 1 Starting Balance			-	-	-	-	-	-	-	-	-	-
Other Reserve 1 Deposits			-	-	-	-	-	-	-	-	-	-
Other Reserve 1 Withdrawals												
Other Reserve 1 Interest												
Other Required Reserve 1 Running Balance			-	-	-	-	-	-	-	-	-	-
OTHER RESERVE 2 - RUNNING BALANCE												
Other Reserve 2 Starting Balance			-	-	-	-	-	-	-	-	-	-
Other Reserve 2 Deposits			-	-	-	-	-	-	-	-	-	-
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance			-	-	-	-	-	-	-	-	-	-

Affordable Multifamily Housing New Construction Cost Comparison

Updated ***9/17/2020***

PROJECTS COMPLETED						Building Square Footage			Total Project Costs							
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR[1]	Res.[2]	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/land	Local Subsidy5	Total Dev. Cost w/o land	Notes on Financing	Comments
Mission Family Housing	1036 Mission	15,200	Oct-18	88	134	92,462	6,955	99,417	$ 5,551,029	$ 41,377,119	$ 6,583,453	$ 53,511,601	$ 17,704,400	$ 47,960,572	2 HCD Loans (MHP & TOD)	Type IB - 9 story
Eddy and Taylor Family Housing	222 Taylor	22,344	Jun-19	113	211	108,440	21,086	129,526	$ 9,300,000	$ 57,107,398	$ 14,837,459	$ 81,244,857	$ 22,187,436	$ 71,944,857	2 HCD Loans (MHP & TOD)	Type IB - 8 story, extensive PG&E regional switch required
Completed Projects:	*Average:*	*18,772*		*101*	*173*	*100,451*	*14,021*	*114,472*	*$ 7,425,515*	*$ 49,242,258*	*$ 10,710,456*	*$ 67,378,229*	*$ 19,945,918*	*$ 59,952,714*		

PROJECTS UNDER CONSTRUCTION						Building Square Footage			Total Project Costs							
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR[1]	Res.[2]	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/land	Local Subsidy5	Total Dev. Cost w/o land	Notes on Financing	Comments
490 South Van Ness	490 S. Van Ness Avenue	14,250	Sep-20	81	121	51,639	28,985	80,624	$ 18,500,000	$ 43,647,993	$ 13,393,811	$ 75,541,804	$ 28,892,030	$ 57,041,804		Type IA - 7 stories over partial basement
2060 Folsom Street	2060 Folsom	29,075	Dec-20	127	252	155,648	11,810	167,458	$ 134,931	$ 71,655,660	$ 20,100,172	$ 91,890,763	$ 31,697,110	$ 91,755,832	HCD AHSC Loan	9 Story Type IB - TAY, Childcare, Community Hub w/AHSC Improvements of $6MM
1950 Mission Street	1950 Mission Street	36,590	Nov-20	157	262	113,432	48,142	161,574	$ 9,775,000	$ 85,644,853	$ 15,171,496	$ 110,591,349	$ 44,945,740	$ 100,816,349	HCD AHSC Loan	Type IA - 9 stories with significant (30% of sf) art and PDR spaces and Paseo Des Artes
1990 Folsom Street	1990 Folsom	29,047	Dec-20	143	226	138,824	15,063	153,887	$ 8,407,380	$ 73,760,332	$ 25,616,512	$ 107,784,224	$ 46,711,496	$ 99,376,844		Mixed type - Type VA (townhomes) and 8 story Type I over Podium
500 Turk Street (555 Larkin)	500 Turk Street	18,906	Dec-21	108	186	82,805	26,586	109,391	$ 1,853,895	$ 54,251,461	$ 29,815,020	$ 85,920,376	$ 32,400,000	$ 84,066,481	HCD AHSC Loan	Type I 8 stories on constrained site
Under Construction:	*Average:*	*25,574*		*123*	*209*	*108,470*	*26,117*	*134,587*	*$ 7,734,241*	*$ 65,792,060*	*$ 20,819,402*	*94,345,703*	*36,929,275*	*86,611,462*		

PROJECTS IN PREDEVELOPMENT						Building Square Footage			Total Project Costs							
Project Name	Address	Lot sq.ft	Start Date (anticipated)	# of Units	# of BR[1]	Res.[2]	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/land	Local Subsidy5	Total Dev. Cost w/o land	Notes on Financing	Comments
681 Florida	681 Florida Street	19,000	Nov-20	130	199	126,830	9,250	136,080	$ 125,091	$ 69,666,424	$ 20,545,793	$ 90,337,308	$ 33,826,507	$ 90,212,217	HCD MHP Loan	Type IB 9 stories, 8,400+/- PDR
BPUY	2430 San Jose Ave	30,699	Nov-21	131	217	164,636	10,741	175,377	$ 6,150,000	$ 90,772,748	$ 26,621,814	$ 123,544,562	$ 30,493,722	$ 123,544,562	4% Credits; HCD IIG & AHSC	Type IB - 8-9 story adjacent to BART. Early Childhood Ed Center. MOHCD Land not incl.
266 4th Steet	266 4th Street	8,400	Dec-21	70	99	60,515	1,580	62,095	$ 133,100	$ 49,982,213	$ 13,943,417	$ 63,792,530	$ 15,629,817	$ 63,925,630	4% Credits; AHSC, St. Credits	Type I , 8 stories over MUNI substation tunnel, structurally complex, small footprint
Parcel U	78 Haight Street	5,583	Jun-21	63	63	44,327	3,349	47,676	$ 24,643	$ 33,104,683	$ 17,185,977	$ 50,315,303	$ 22,289,234	$ 50,290,660	9% Fed Credits & St. Credits	Type I, 7 stories over full basement, constrained site + childcare. (Est. 4/27/20 100% DD)
600 7th Street (fmly. 801 Brannan)	600 7th Street	37,800	Apr-22	200	290	147,857	5,000	152,857	$ 10,000	$ 90,567,791	$ 58,478,670	$ 149,056,461	$ 44,550,243	$ 149,046,461	Fed & St Credits; HCD IIG	Type I, 8 stories
180 Jones Street	180 Jones Street	4,853	Sep-21	70	70	36,116	3,304	39,420	$ 100,000	$ 38,792,788	$ 15,046,251	$ 53,939,039	$ 13,950,000	$ 53,839,039	4% LIHTC + MHP	Type I - 9 stories small very tight site (studios)
In Predevelopment	*Average:*	*19,640*		*122*	*180*	*110,660*	*6,425*	*117,085*	*$ 1,746,116*	*$ 68,945,907*	*$ 25,840,423*	*$ 96,497,724*	*$ 28,645,764*	*$ 94,786,330*		
ALL PROJECTS	***Average:***	***21,892***		***111***	***177***	***101,981***	***16,207***	***118,188***	***$ 4,817,097***	***$ 59,686,004***	***$ 19,347,516***	***$ 83,839,043***	***$ 28,426,591***	***$ 79,033,520***		
SUBJECT PROJECT	**921 Howard Street**	**28,893**	**Apr-21**	**203**	**294**	**235,680**	**1,970**	**237,650**	**$ 9,918,250**	**$ 110,014,329**	**$ 42,717,955**	**$ 162,650,534**	**$ 46,257,638**	**$ 152,732,284**	**CalHfa MIP/ 4% LIHTC**	**Type IA, 18 stories, 3 parking spaces & retail (April 2020 SD estimate)**

PROJECTS COMPLETED		Acquisition by Unit/Bed/SF			Construction by Unit/Bed/SF			Soft Costs By Unit/Bed/SF			Total Development Cost (Incl. Land)			Subsidy	
Project Name	Compl. Date	Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/sq.ft[6]	Soft/unit	Soft/BR	Soft/sq.ft6	Gross TDC/unit	Gross TDC/BR	Gross TDC/sq.ft6	Subsidy / unit	Leveraging [7]
Mission Family Housing	Oct-18	63,080	41,426	365	$ 470,195	$ 308,784	$ 416	$ 74,812	$ 49,130	$ 66	$ 608,086	$ 399,340	$ 538	$ 201,186	66.9%
Eddy & Taylor Family Housing	Jun-19	82,301	44,076	416	$ 505,375	$ 270,651	$ 441	$ 131,305	$ 70,320	$ 115	$ 718,981	$ 385,047	$ 627	$ 196,349	72.7%
Completed Projects:	*Average:*	*72,690*	*42,751*	*391*	*487,785*	*289,718*	*429*	*103,058*	*59,725*	*90*	*663,534*	*392,194*	*583*	*198,768*	*70%*

PROJECTS UNDER CONSTRUCTION		Acquisition			Construction			Soft Costs			Total Development Cost (Incl. Land)			Subsidy	
Project Name	Compl. Date	Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/sq.ft[6]	Soft/unit	Soft/BR	Soft/sq.ft6	Gross TDC/unit	Gross TDC/BR	Gross TDC/sq.ft6	Subsidy / unit	Leveraging [7]
490 South Van Ness	Sep-20	228,395	152,893	1,298	$ 538,864	$ 360,727	$ 541	$ 165,356	$ 110,693	$ 166	$ 932,615	$ 624,312	$ 937	$ 356,692	61.8%
2060 Folsom Street	Dec-20	1,062	535	5	$ 564,218	$ 284,348	$ 428	$ 158,269	$ 79,763	$ 120	$ 723,549	$ 364,646	$ 549	$ 249,584	65.5%
1950 Mission Street	Nov-20	62,261	37,309	267	$ 545,509	$ 326,889	$ 530	$ 96,634	$ 57,906	$ 94	$ 704,403	$ 422,104	$ 684	$ 286,279	59.4%
1990 Folsom Street	Dec-20	58,793	37,201	289	$ 515,807	$ 326,373	$ 479	$ 179,136	$ 113,347	$ 166	$ 753,736	$ 476,921	$ 700	$ 326,654	56.7%
500 Turk Street (555 Larkin)	Dec-21	17,166	9,967	98	$ 502,328	$ 291,675	$ 496	$ 276,065	$ 160,296	$ 273	$ 795,559	$ 461,938	$ 785	$ 300,000	62.3%
Under Construction:	*Average:*	*73,535*	*47,581*	*392*	*$ 533,345*	*$ 318,002*	*$ 495*	*$ 175,092*	*$ 104,401*	*$ 164*	*$ 781,973*	*$ 469,984*	*$ 731*	*$ 303,842*	*61%*

PROJECTS IN PREDEVELOPMENT		Acquisition			Construction			Soft Costs			Total Development Cost (Incl. Land)			Subsidy	
Project Name	Start Date (anticipated)	Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/sq.ft[6]	Soft/unit	Soft/BR	Soft/sq.ft6	Gross TDC/unit	Gross TDC/BR	Gross TDC/sq.ft6	Subsidy / unit	Leveraging [7]
681 Florida	Nov-20	962	629	7	$ 535,896	$ 350,083	$ 512	$ 158,045	$ 103,245	$ 151	$ 694,902	$ 453,956	$ 664	$ 260,204	62.6%
BPUY	Nov-21	46,947	28,341	200	$ 692,922	$ 418,308	$ 518	$ 203,220	$ 122,681	$ 152	$ 943,088	$ 569,330	$ 704	$ 232,777	75.3%
4th and Folsom	Dec-21	1,901	1,344	16	$ 714,032	$ 504,871	$ 805	$ 199,192	$ 140,843	$ 225	$ 911,322	$ 644,369	$ 1,027	$ 223,283	75.5%
Parcel U	Jun-21	391	391	4	$ 525,471	$ 525,471	$ 694	$ 272,793	$ 272,793	$ 360	$ 798,656	$ 798,656	$ 1,055	$ 353,797	55.7%
600 7th Street	Apr-22	50	34	0	$ 452,839	$ 312,303	$ 593	$ 292,393	$ 201,651	$ 383	$ 745,282	$ 513,988	$ 975	$ 222,751	70.1%
180 Jones Street	Sep-21	1,429	1,429	21	$ 554,183	$ 554,183	$ 984	$ 214,946	$ 214,946	$ 382	$ 770,558	$ 770,558	$ 1,368	$ 199,286	74.1%
921 Howard	Apr-21	48,858	33,736	343	$ 541,943	$ 374,198	$ 463	$ 210,433	$ 145,299	$ 180	$ 801,234	$ 553,233	$ 684	$ 227,870	71.6%
In Predevelopment	*Average:*	*8,932*	*6,260*	*65*	*$ 573,898*	*$ 434,202*	*$ 653*	*$ 221,575*	*$ 171,637*	*$ 262*	*$ 809,292*	*$ 614,870*	*$ 926*	*245,710*	*69%*
All Projects:	***AVERAGE***	***51,719***	***32,197***	***282***	***$ 531,676***	***$ 347,307***	***$ 525***	***$ 166,575***	***$ 111,921***	***$ 172***	***$ 751,599***	***$ 492,349***	***$ 747***	***$ 249,440***	***66.7%***

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

5th and Howard (921 Howard): $30,000,000 ($5,000,000 Predevelopment Loan and $25,000,000 Preliminary Gap Loan)

Evaluation of Request for:	Predevelopment Loan and Preliminary Gap Loan
Loan Committee Date:	April 3, 2020
Prepared By:	Jonathan Gagen
Source of Funds Recommended:	2019 General Obligation Bond Funds - $30,000,000
NOFA/PROGRAM/RFP:	2007 Family Housing Notice of Funding Availability (NOFA)
Total Previous City Funds Committed:	$4,729,783
Applicant/Sponsor Name:	Tenderloin Neighborhood Development Corporation (TNDC)

EXECUTIVE SUMMARY

Sponsor Information:

Project Name:	Fifth and Howard	Sponsor:	TNDC
Project Address (w/ cross St):	921 Howard Street (Fifth Street), 94103	Ultimate Borrower Entity:	TBD Tax Credit Limited Partnership

Project Summary:

Fifth and Howard will be a new construction mixed-use building located in the South of Market (SoMa) neighborhood. 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 unit mix includes 15 studios, 84 one-bedrooms, 88 two-bedrooms and 16 three-bedrooms. Because the Project intends to participate in the California Housing Finance Agency's (CalHFA) Mixed-Income Program (MIP) , the project is underwritten using California Tax Credit Allocation Committee (TCAC) Area Median Income (AMI) levels in lieu of MOHCD AMI levels, and includes a mix of low-income, moderate-income and market-rate units with 50% of the units at 50% TCAC AMI, 28% at 70% TCAC AMI and 10% at 80% TCAC AMI. The remaining units range from 100% TCAC AMI to 110% AMI in conformance with MIP guidelines. 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. Proposed sources of financing include a gap soft loan from MOHCD, 4% tax credit equity, state tax credits equity, a tax exempt mortgage from the CalHFA, and a CalHFA MIP soft loan.

Preliminary gap approval is requested so that MOHCD can issue a gap loan commitment letter for the project's CalHFA application.

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:	TBD
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):	$160,693,932	Total Acquisition Cost:	$9,009,000
TDC/unit:	$791,596	TDC less land cost/unit:	$747,216
Loan Amount Requested:	$30,000,000	Request Amount / unit:	$147,783
HOME Funds?	No	Parking:	Three parking spaces for building staff

PRINCIPAL DEVELOPMENT ISSUES

1. **Development restrictions on other site**: 921 Howard will be constructed on five of the ten original parcels, and the Sponsor intends to bank the five other parcels for future development. While the Sponsor has not generated development plans for the other parcels, they will still be encumbered by restrictions tied to a MOHCD acquisition loan made in 2009. Please see Section 1 for further explanation.

2. **Construction cost estimation reliability**: The Sponsor provided a construction estimate from August 2018 and is not likely to have updated information until after the April 3, 2020 Loan Committee date. MOHCD can provide up to $30 million for this project, so both the Sponsor and MOHCD staff will need to be sure all cost containment strategies are implemented. Please see Section 4.4 for further explanation.

3. **Marketability of unrestricted and middle-income units**: The project includes 50% low-income and 50% moderate income units. While the Sponsor has substantial experience marketing low-income units, the Sponsor has less experience marketing moderate-income units. Additionally, current changing market conditions pose a risk to the feasibility of the current unit mix. MOHCD will require that the Sponsor provide a marketing strategy memo and secure marketing consulting services. Please see section 4.8 for further explanation.

4. **Uncertainties around CalHFA funding and tax credits**: the CalHFA funding sources are expected to be highly competitive, and CalHFA funding requires that the project pursue an expedited predevelopment schedule. The Sponsor has devised an alternate financing plan if CalHFA does not proceed with the project. This plan includes highly competitive states sources. Please see Section 6.5.1 for further explanation.

SOURCES AND USES SUMMARY

Predevelopment Sources	Amount	Terms	Status
MOHCD	$5,000,000	55 yrs. @ 0-3% Res Rec	This request
Total	**$5,000,000**		

Permanent Sources	Amount	Terms	Status
CalHFA Permanent Loan	$42,740,000	40 years @ 4.55%	Not Com
Permanent Commercial Loan	$230,000	15 years @ 4.35%	Not Com
CalHFA MIP Loan	$11,100,000	55 years @ 2.75%	Not Com
MOHCD – 2019 GO Bond Funds	$30,000,000	55 yrs. @ 0-3% Res Rec	This Request
Deferred Developer Fee	$3,500,000	n/a	Not Com
GP Equity	$3,270,000	n/a	Not Com
LIHTC Equity	$53,573,727	$1.00	Not Com
State Tax Credits Equity	$14,628,595	$0.81	Not Com
Accrued Deferred Interest – MOHCD Gap	$1,651,610	n/a	Not Com
Total	**160,693,932**		

Uses	Amount	Per Unit	Per SF
Acquisition*	$9,009,000	$44,379	$38
Hard Costs	$114,933,210	$566,173	$488
Soft Costs	$25,515,155	$125,690	$108
Developer Fee	$10,000,000	$49,261	$42
Total	**$160,693,932**	$791,595	$682

* Note: $4.7 million

1. BACKGROUND

1.1. Project History Leading to This Request.

921 Howard, also known as "5th 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. Due to lowering property prices, the original development team 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. Later in 2009, 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. Currently, TNDC is in negotiation with the San Francisco Housing Accelerator Fund (HAF) to secure a $7.65 million loan to take out the Enterprise financing. While TNDC has not signed a term sheet with HAF, the anticipated terms are that the loan will include a 2.75% interest rate and a 2-year term, with a 1-year extension option. The Sponsor has been using rental income from the Site's tenants to support loan payments and other Site carrying costs. The Sponsor will use income to pay for HAF's origination and legal fees, plus the cost of an appraisal.

Since the acquisition and initial City-investment, the Sponsor has explored other means to develop 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. More recently, 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 4th 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-income

This project entails the development 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 ("B Site"). 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. The B Site parcel will remain subject to MOHCD restrictions, which will be further defined at the time of gap loan approval.

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)

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.

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.
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 clay 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 for further explanation.
Environmental Review:	• 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. • November 21, 2012: Phase I ESA prepared by ACC Environmental Consultants for the Sponsor. • National Environmental Protection Act (NEPA) review is not required for this project.
Adjacent uses (North):	The InterContinental Hotel, a 32-story building containing 550 hotel rooms is 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 4th 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 line stops including stops for the 9, 9X, 14, and 14R lines are within ¼ mile from the Site.
Article 34:	Not exempt – application approved February 10, 2020.
Article 38:	Not exempt – application pending.
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:	The Storm Water Management plan submission is pending.

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 4th, 2018, re-designating the site as MUR (Mixed Use Residential), allowing the Project to include housing over retail. There is currently pending litigation against the City related to the Central SOMA Plan. Since there has been no injunction, the City is able to proceed with necessary project approvals. This project is expected to qualify for SB35, as well as either Affordable Housing Density Bonus or State Density Bonus programs, that will afford it expedited approvals for both CEQA (for which it is exempt per SB35 guidelines) and land use entitlements.

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.

ACC Environmental Consultants prepared a Phase I Environmental Site Assessment dated November 21, 2012 for the Sponsor.

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.

The Sponsor will be responsible for providing an updated Phase I and, if needed, a Phase II.

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 need to meet the City's Green Building Ordinance requirement that the project reach a Green Point Rating of at least 125.

3. OTHER ENTITLEMENTS ISSUES

3.1. Community Support.

The Sponsor has engaged the community at several points throughout the project's twelve-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 has held community meetings with the District 6 Community Planners 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 plans to engage further with community stakeholders such as SOMCAN, TODCO, and CCHO, as well as with the District 6 supervisor's office, as the deal unfolds further, particularly about the income targeting at this building.
- While the project has not received significant community pushback, several key community stakeholders were opposed to the Central SoMa rezoning. TNDC's outreach plan will need to specifically outline an outreach plan to these stakeholders.

MOHCD staff recommend requiring that the Sponsor provide a much more robust outreach plan and make substantial progress in stakeholder outreach before gap loan Loan Committee. In addition to discussing the proposed building's design, TNDC must build support for proposed AMI mix.

4. DEVELOPMENT PLAN

4.1. Site Control.

The Site is owned by TNDC. At the time construction closing, it is anticipated that MOHCD will take ownership of the land, and MOHCD will then 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.

4.1.1. Proposed Property Ownership Structure

A to-be-determined limited partnership controlled by Sponsor 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.

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 15 studios, 84 1-bedrooms, 88 2-bedrooms, and 16 3-bedroom units totaling 203 units. The approximate total gross square footage is 235,680 square feet. The team is currently redesigning the program to provide for 11B units, changes to the building core to accommodate disability access requirements, and increased trash chute service. The team plans to begin construction in December 2020 and is currently seeking entitlement under SB35 and the State Density Bonus Program. The estimated length of construction is projected to be 24 months and the development team is currently engaged in a procurement process for a general contractor.

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 a broad mix of incomes. Based on experience at existing taller properties, the Sponsor should further evaluate security/access design and elevator capacity and maintenance considerations.

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:

This cost analysis and cost comparison chart is based on a 2018 Concept Design cost estimate provided to the Sponsor by a large general contractor. The estimate has been marked up to account for escalation through to December of 2020. The numbers have also been increased by 5% to account for re-design due to public finance requirements (please see section 4.2). The hard cost estimate is therefore $114,933,210. Though, MOHCD has never funded a high-rise project, so a true comparison is made a little more difficult without a truly comparable data set. For purposes of the cost comparison chart, we used mid-rise type I construction and some type III sites since those projects have similarly large scale. The per unit cost of $566,173 is 4% higher than the MOCHD average for the same predevelopment pipeline and is best explained by the scale the project enjoys. The project's 203 units and 235,680 gross square feet speak to the scale of this building where costs can be spread over a larger area. Additional design efficiencies include, stacked units with stacked plumbing, repetitive window sizes, and repeated floor layouts. The forthcoming Schematic Design estimate should identify which design factors are driving costs and potential savings.

The project is currently being re-designed and the development team is in the process of selecting a general contractor. The new schematic design will be provided to the selected GC for updated pricing in April 2020. We expect to see an updated value engineering options list at that time. One factor of the estimated costs to keep an eye on is the foundation design recommended by the August 23, 2017 geotechnical report, which suggests using driven piles. The piles will need to extend to depths of between 29 to 52 feet below grade surface. The recommended piles were also to be approximately between 12.75" and 18" in diameter. Concrete is expected to be a large share of the forthcoming Schematic Design cost estimate and we will monitor this as the pricing comes in.

4.5. Commercial Space.

The Project proposal includes 1,970 square feet of commercial space facing 5th Street. The commercial space will be developed as a cold shell only and will be separated into a distinct condo parcel per CalHFA's requirements. The Sponsor is open to community-serving retail, but they have not yet initiated discussions with potential tenants. MOHCD staff recommends that the Sponsor engage with community stakeholders such as SOMA Pilipinas to secure a community-appropriate tenants for the space.

The commercial space is currently planned to be cold shell. While the Sponsor has not secured Letters of Intent (LOI) from potential tenants, this will be required prior to gap loan Loan Committee approval.

Should the sponsor use MOHCD funding to pay for warm shell commercial space improvements, the use of the space must conform to MOHCD's Commercial Space Policy. Further, a condition of this loan will be establishment of a Commercial Space Plan to be submitted to MOHCD no later than 90 days prior to request made for gap loan funds, and signed LOIs from commercial tenants will be a condition of MOHCD's gap loan closing.

4.6. Service Space.

While the project will not include formerly homeless households, there will be services space and an office for one social worker. The Sponsor has proposed included one full time social worker to serve the 50% AMI households.

4.7. Target Population

The project's proposed population mix includes low- and moderate-income households and does not include units targeting formerly homeless households. The project is underwritten to TCAC AMIs per CalHFA requirements. The AMI mix is designed to maximize the rental income achievable within the CalHFA Mixed Income Program's constraints, while structuring the project with as many 4% tax-credit units as possible. None of the tax credit units are restricted below 50% TCAC AMI because the MIP program only funds units between 50% -120% TCAC AMI. Half the total units are at 50% TCAC AMI and the other 40% are distributed among 70% and 80% TCAC AMI with an approximate ratio of 2.5:1.

In terms of MOHCD AMI bands, the project includes 50% of units at 60%-65% AMI, 28% at 85%-90% MOHCD AMI, and 10% at 95-105% MOHCD AMI. The remining units range from 130% MOHCD AMI to 140% MOHCD AMI. The average MOHCD AMI is 117% AMI. Please see the chart in Section 8.2 for further explanation.

The Sponsor commissioned a market study dated February 10, 2020, which indicates that the market can support up to 100% TCAC AMI for a studio apartment and 110% TCAC AMI for 1-3 bedroom apartments. MOHCD staff has reviewed and approved the market study.

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 to TNDC 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 Loan Committee.

The following preferences will apply:

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

4.9. Relocation.

The 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. is working on a relocation plan, which will be required by gap loan Loan Committee approval. The Sponsor has since entered into month-to-month leases with each tenant.

5. DEVELOPMENT TEAM

TNDC will serve as the developer, property manager and services provider for this Project. The project manager for the development is Colleen Ma, spending 25% of time on the project, with supervision from Katie Lamont, the Director of Housing Development at TNDC. Charmaine Curtis, a development consultant, will be working on the project as lead consultant during design and entitlements. Charmaine Curtis has worked on the project since 2012, and will continue to work on the project through construction.

Development Team			
Consultant Type	**Name**	**SBE/LBE**	**Outstanding Procurement Issues**
Architect	Perry Architects	N	N
Landscape Architect	TBD	N/A	
JV/other Architect	TBD	N/A	
General Contractor	Swinerton	N	N
Owner's Rep/Construction Manager	TBD	N/A	

Financial Consultant	California Housing Partnership	N	N
Other Consultant	Charmaine Curtis	N	
Legal	TBD	N/A	

5.1. Outstanding Procurement Issues.

There are no procurement issues at this time. The Sponsor has issued a Notice of Intent to Solicit Bids for General Contractor and is working with the Contract Monitoring Division (CMD) to determine project-specific LBE/SBE targets This is being done later than typical because project didn't anticipate using direct local funds in earlier financing plans. The Sponsor will they work hard to meet the City's SBE/LBE goals and identify both professional services and construction management services that are qualifying SBE/LBE firms.

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 is in negotiation with HAF to refinance the Enterprise acquisition loan,

The project will continue to be encumbered by the MOHCD acquisition loan. MOHCD staff will work with the Sponsor and the City Attorney to determine how to ensure that MOHCD restrictions apply to Site B prior to gap loan Loan Committee.

6.2. Disbursement Status.

The previous loan is fully disbursed.

6.3. Fulfillment of Loan Conditions.

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

6.4. Proposed Predevelopment Financing.

6.4.1. Predevelopment Sources Evaluation Narrative

6.4.2. Predevelopment Uses Evaluation:

Predevelopment Budget		
Underwriting Standard	**Meets Standard? (Y/N)**	**Notes**
Acquisition Cost is based on appraisal	N/A	MOHCD predevelopment loan funds will not be used for acquisition.
Architecture and Engineering Fees are within standards	Y	At $1,385,250, Architecture and Engineering fees are reasonable. The Sponsor will need to provide additional information showing breakdown of $212,759 in Reimbursebles included as part of A&E fees during predevelopment.
Bid Contingency is at least 5% of total hard costs	N/A	
Escalation amount is commensurate with time period until expected construction start, not to exceed 15%	N/A	
Construction Management Fees are within standards	N/A	
Developer Fee is within standards	Y	
Soft Cost Contingency is 10% per standards	Y	At 7.9%, Soft Cost Contingency meets the 5%-10% standard.
Financing Costs are reasonable	Y	Sponsor has included financing fees required for the project's applications to the California Debt Limit Allocation Committee (CDLAC) and the California Tax Credit Allocation Committee (TCAC).

The Sponsor requests that MOHCD provide the project with a $5,000,000 predevelopment loan using 2019 General Obligation (GO) Bond funds. All uses will be required to be GO Bond eligible. The predevelopment budget includes the following uses:

a) Architecture and design– approximately $1,049,860 of the MOHCD predevelopment loan will go to architect design fees. Additional MOHCD predevelopment loan funds will fund the architect design subconsultants, which include a landscape designer and an accessibility consultant. TNDC will use $95,250 for architect reimbursables.

b) A total of $157,000 of funding will go to surveying, geotechnical work environmental consultant expenses, and state financing fees, among other predevelopment expenses.
c) $100,000 will be used to pay CDLAC and CDIAC fees.
d) Approximately $921,388 fund other consultants including archeological, telecom/data, acoustical, elevator, civil engineering, structural engineering, trash consultants, plumbing, mechanical engineering, and code/fire consultants.

Given the long history of the project, MOHCD staff recommends the reimbursement of invoices going back to October 1, 2009. All costs must be deemed acceptable and correspond to the approved predevelopment budget.

6.5. Potential Permanent Financing

The proposed permanent financing is being presented to demonstrate the project's overall feasibility for preliminary gap approval but is not intended to be presented for Loan Committee approval at this time. The Sponsor will bring a gap commitment loan request to the Committee in summer 2020 in anticipation of a December 2020 closing.

6.5.1. Permanent Sources Evaluation Narrative

Total project development costs (TDC) are estimated at $160,693,932. The proposed permanent sources of financing include the following:

MOHCD ($30,000,000): For the CalHFA application, the Sponsor has included a MOHCD gap loan commitment request for $30 million. The anticipated source of the MOHCD gap loan will be 2019 General Obligation Bonds.

4% Tax Credits ($53,573,727): The investor has not been selected. The Sponsor will issue the investor RFP along with the lender RFP in August 2020. MOHCD will require a review of the raw data received from the RFP respondents and must approve the selected investor. The tax credit equity estimate is based on a pricing of $1.00 per credit. The Sponsor anticipates applying for 4% tax credits in the spring round of 2020.

State Tax Credits Equity ($14,628,595): The Sponsor will apply for the spring 2020 round of state tax credits. Pricing for the tax credits is assumed to be $0.81.

CalHFA MIP Loan ($11,000,000): CalHFA's MIP loans are intended to provide financing for new affordable housing serving households between 30% TCAC AMI and 120% TCAC AMI. CalHFA requires that projects receiving MIP loans be paired with CalHFA tax exempt permanent loans. MIP-financed projects must meet the California Debt Limit Allocation Committee's mixed-income qualifications, which means that 50% of fewer of the units are tax credit restricted. MIP loans have a 55-year term and interest rate of 2.75% Construction start is required 180 days from the earlier of the date of the tax-exempt bond allocation or tax credit reservation The Sponsor submitted their CalHFA application on February 11, 2020. As part of the application, the Sponsor is required to submit final commitments from other funders by the April 17, 2020 CDAC Spring application deadline. Given the scarcity of funding resources, the Sponsor is concerned that CalHFA will be oversubscribed; however, CalHFA has indicated that the project met threshold review and will move towards CalHFA's underwriting stage for further review. CalHFA requires that the MIP loan have lien priority over MOHCD's gap loan.

CalHFA Tax Exempt Permanent Loan ($42,740,000): The Sponsor is assuming a 4.55% fixed interest rate with a 40-year term. CalHFA permanent loans are credit enhanced through CalHFA's HUD/FHA Risk Sharing Program.

General Partner Equity ($3,270,000): The Sponsor will take the maximum allowable developer fee under TCAC and the general partner will contribute to 5th and Howard consistent with MOHCD guidelines.

Commercial Permanent Loan ($230,000): The Sponsor anticipates applying for a taxable commercial permanent loan at an interest rate of 4.30%.

Deferred Developer Fee ($3,500,000): The Sponsor will take the maximum MOHCD allowable deferred developer fee and contribute the fee to the Project.

Federal Home Loan Bank ("FHLB") Affordable Housing Program ("AHP"): The proposed budget does not show AHP financing, as likelihood of funding is slim. However, MOHCD will require that the Sponsor apply to the FHLB-San Francisco for AHP in an amount up to $2,020,000 60 days after construction has started (March 2021) in order to maximize competitiveness. Any AHP funds awarded will reduce the MOHCD loan by an equal amount.

At the time of this writing, the capital markets are in flux. The borrower has incorporated some contingency into the underwriting, though it's uncertain whether markets will hold.

Sponsor has explored a Plan B utilizing other sources. Plan B incorporates an AMI mix that includes more low-income units, plus 20% of units providing housing for formerly homeless families. In addition to MOHCD gap financing, the Sponsor's alternate plan includes utilizing state sources such as the Affordable housing and Sustainable Communities (AHSC) program.

6.5.2. Permanent Uses Evaluation:

Development Budget		
Underwriting Standard	**Meets Standard? (Y/N)**	**Notes**
Hard Cost per unit are within standards	Y	Hard costs are $566,173/unit. Construction costs are based on pricing the Sponsor received in August 2018. The Sponsor is assuming that construction costs will be low on a per unit basis due to the project's 18-story height and economies of scale. Please see Section 4.4 for further explanation.
Construction Hard Cost Contingency is at least 5% (new construction) or 15% (rehab)	N	Hard Cost Contingency is 5.6%, slightly higher than the 5% requirement. Please see below for explanation.
Architecture and Engineering Fees are within standards	N	Architecture and engineering fees are acceptable. Please see explanation in Section 4.2.
Construction Management Fees are within standards	Y	The Construction Management Fee is $200,000, which meets MOHCD's maximum annual fee of $140,000 during preconstruction and $60,000 during construction. The current projections assume less than year of predevelopment and 2 years of construction. Construction is anticipated to begin in November, 2020.
Developer Fee is within standards, see also disbursement chart below	Y	Project management fee: $1,100,000 At risk fee: $2,130,000 Commercial fee: $0 Deferred fee: $3,500,000 GP equity: $3,270,000 Total fee: $10,000,000
Soft Cost Contingency is 10% per standards	N	Soft Cost Contingency is low at 6%. Raising up to 10% would increase the budget by approximately $980,000.
Capitalized Operating Reserves are a minimum of 3 months	Y	Capitalized Operating Reserve at $309,606 meets the MOHCD standard.
Capitalized Replacement Reserves are a minimum of $1,000 per unit (Rehab only)	N/A	N/A

- Acquisition costs: Below is a breakdown of acquisition costs. The payoff of the non-MOHCD debt assumes repayment of existing Enterprise loans, or HAF takeout financing if HAF approves the Sponsor's loan request. While MOHCD staff find the Sponsor's breakout of acquisition expenses to be reasonable, MOHCD will require additional documentation providing justification of TNDC's predevelopment expense reimbursements to ensure these costs are within reason.

Payoff of non-MOHCD acquisition debt	$4,000,000
TNDC predevelopment expense reimbursements	$1,225,000
Buffer	$75,000
TOTAL	$8,400,000

- Hard costs are low for a MOHCD project, and the cost estimate is based on outdated information. Swinerton priced the 921 Howard schematic design in August 2018. To address the time lapse, the Sponsor has increased the estimate by 8% based on Swinerton's input. The Sponsor and Swinerton provided cost comparison information for two market rate high-rise projects that are currently under construction, 1066 Market Street and Trinity Plaza. After applying 5% design, 5% bidding, and 2% permitting escalation, as well as hard cost contingency, the resulting estimated GMP plus change orders cost is in the range indicated by current comps provided in Swinerton's Request for Qualifications (RFQ) response.
- Hard Cost Contingency at 5.6% is slightly higher than the MOHCD standard. MOHCD recommends carrying the slightly higher contingency given uncertainties around construction pricing.

- Architecture and Design: The budget includes $2,00,250 in Architecture and Design fees. This includes fees to Perry Architects, the architect's sub-consultants, reimbursables, and additional services. Additionally, this includes fees for the estimator, plan check and permit expeditor. The project will require significant design work due to challenges of designing a high rise building on a compressed schedule but these costs are reasonable.

7. DEVELOPER FEE

The developer did not draw down on developer fee as part of the acquisition loan. As part of the predevelopment and gap loan request, the Sponsor is requesting cash out developer fee of $3,230,000, of which $2,130,000 will be at risk. Additionally, the Sponsor is proposing $3,500,000 in deferred developer fees supported by project cash flow and $3,270,000 in GP equity. Staff supports this request. The developer fee request conforms to MOHCD policy.

Developer Fee Disbursement Schedule		
Payment Milestone	**% of Project Mgmt Fee**	**Amount**

At closing of pre-development financing	23%	$250,000
At entitlements	23%	$250,000
Construction Close	27%	$300,000
During Construction at 50% Completion	18%	$200,000
At 100% lease up	9%	$100,000
Total Project Management Fee		$1,100,000
At-Risk		$2,130,000
At Closing of Commercial Loan		N/A
Total Cash Developer Fee		**$3,230,000**
Deferred Fee		$3,500,000
Commercial Fee		$0
GP Equity		**$3,270,000**
Total Developer Fee		**$10,000,000**

This complies with the draft developer fee guidelines and is recommended by Staff.

- Developer Fee: The Sponsor will request their first developer fee installment at predevelopment loan closing.

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

8.1. Annual Operating Budget

The attached operating budget is being presented to demonstrate the project's overall feasibility but is not intended to be presented for approval at this time. Total operating expenses are $11,065 per unit per annum. A large part of what is driving the project's operating cost are staffing costs, 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.

Unit Type	Proposed Number of Units	Proposed Avg. Sq. Feet	Max. Rent	Max. % TCAC AMI	Max. % MOHCD AMI	Rent or Operating Subsidies
Studio	8	450	$ 1,354	50%	65%	
1BR	41	600	$ 1,443	50%	60%	
2BR	44	850	$ 1,721	50%	65%	
3BR	8	1,250	$ 1,975	50%	65%	
Studio	5	450	$ 1,918	70%	90%	
1BR	23	600	$ 2,048	70%	85%	
2BR	24	850	$ 2,447	70%	90%	
3BR	5	1,250	$2,813	70%	95%	
Studio	3	450	$ 2,201	80%	105%	
1BR	22	600	$2,351	80%	95%	
2BR	24	850	$ 2,810	80%	100%	
3BR	4	1,250	$ 3,233	80%	105%	
Studio	1	450	$ 2,765	100%	130%	
1 BR	9	600	$ 3,626	110%	130%	
2 BR	10	850	$ 4,351	110%	130%	
3 BR	1	1,250	$ 5,028	110%	140%	
1BR - Manager's units	2	600	$ -	N/A		
Total Units	203					

8.3. Annual Operating Expenses Evaluation.

Operating Proforma		
Underwriting Standard	**Meets Standard? (Y/N)**	**Notes**
Debt Service Coverage Ratio stays above 1:1 through Year 17	Y	DSCR is 1.16 at Year 1 and 1.4 at Year 17.
Vacancy meets TCAC Standards	Y	Vacancy is 5%.
Annual Income Growth is increased at 2.5% per year	Y	Residential income escalation factor is 2.5%.
Annual Operating Expenses are increased at 3.5% per year	Y	Expenses escalation factor is 3.5%.

Base year operating expenses per unit are reasonable per comparables	Y	Total Operating Expenses are $11,065 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, which is lower than HUD's San Francisco fee of $76.06 PUPM. Lower cost PUPM is due to efficiencies tied to building's high unit count.
Property Management staffing level is reasonable per comparables	Y	Property management staff will include 1 FTE maintenance staff member, 1 FTE assistant manager, which is appropriate for a 203-unit building.
Asset Management and Partnership Management Fees meet standards	Y	Annual AM Fee is $17,220/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.

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 Loan Committee approval for the project's gap loan. Sponsor will need to provide robust justification prior to Loan Committee approval of gap loan if they increase staffing.

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 person.

9.3. Assessment of Service Plan and Budget.

Once the Sponsor provides a Services Plan, MOHCD will seek input of Service Plan and Budget as part of gap loan request.

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, as well as the growing need for moderate-income affordable homes.

11. RANKING CRITERIA

MOCHD 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

This request is for both a $5M predevelopment loan commitment, which will be included in our $30M preliminary gap loan commitment as required for funding application. The terms for the preliminary gap loan will be proposed to Loan Committee in Summer 2020.

12.1. Proposed Loan/Grant Terms

Financial Description of Proposed Loan	
Loan Amount:	$5,000,000
Loan Term:	2 years
Loan Maturity Date:	2022
Loan Repayment Type:	Residual Receipts
Loan Interest Rate:	3%, pending true debt test

12.2. Recommended disbursement conditions/schedule

Please see above regarding predevelopment developer fee milestones.

12.3. Recommended conditions prior to financing gap

Prior to drawing down predevelopment loan:

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

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.
- Sponsor to provide MOHCD with requested documentation to justify acquisition costs.

Prior to Gap loan approval:

- Sponsor will provide MOHCD with a services plan and justification for proposed staffing levels that deviate from MOHCD underwriting standards prior to gap loan approval. Any changes to the current proposed staffing will need to be presented to MOHCD at least one month prior to gap loan approval.
- 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.
- Sponsor signed LOIs from commercial tenants prior to MOHCD's gap loan closing.
- 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.
- Sponsor will provide operating and development budgets that meet MOHCD underwriting guidelines and commercial space policy requirements.
- Sponsor will provide for MOHCD review any Request for Proposals (RFPs) for equity investors before it is finalized and released for investors.
- Sponsor will provide for MOHCD review all raw financial data from developer or financial consultant prior to selection.
- Sponsor will provide for MOHCD review and approval all selected investors.
- Sponsor will provide for MOHCD review and approval all Letters of Intent from financial partners.

13. LOAN COMMITTEE MODIFICATIONS

LOAN COMMITTEE RECOMMENDATION

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

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

______________________________________ Date: ___________________

Dan Adams, Acting Director
Mayor's Office of Housing

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

______________________________________ Date: ___________________

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

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

______________________________________ Date: ___________________

Nadia Sesay, Executive Director
Office of Community Investment and Infrastructure

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. Predevelopment Budget
I. Sources and Uses
J. 1st Year Operating Budget
K. 20-year Operating Pro Forma
L. Commercial Operating Budget

Attachment A: Project Milestones and Schedule

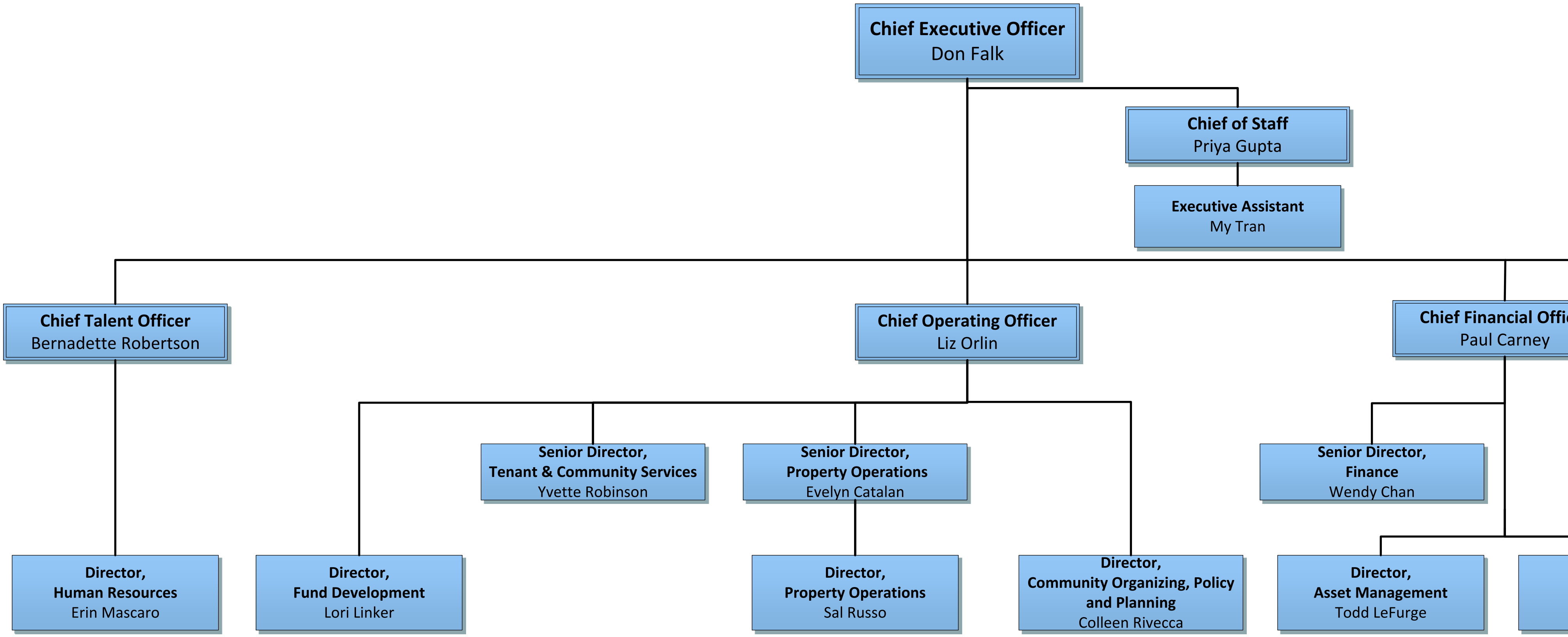
No.	Performance Milestone	Estimated or Actual Date	Contractual Deadline
1	Predevelopment Financing Commitment	This Request	
2.	Site Acquisition	12.09	
4.	Development Team Selection		
a.	Architect	11.19	
b.	General Contractor	3.20	
c.	Owner's Representative	N/A	
d.	Property Manager	TNDC	
e.	Service Provider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

a.	Predevelopment Financing Application #2	N/A	
b.	Gap Financing Application	2.20	
11.	Other Financing		
c.	CalHFA MIP Application	2.20	
d.	CDLAC/CalHFA Bond Application	3.20	
e.	TCAC Application	3.20	
f.	HUD 202 or 811 Application	N/A	
12.	Closing		
a.	Construction Closing	11.20	
b.	Permanent Financing Closing	11.22	
13.	Construction		
a.	Notice to Proceed	11.20	
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	5.22	
14.	Marketing/Rent-up		
a.	Marketing Plan Submission	6.22	
b.	Commence Marketing	7.22	
c.	95% Occupancy	10.22	
15.	Cost Certification/8609	1.23	
16.	Close Out MOH/OCII Loan(s)	1,23	

Attachment B: Borrower Org Chart

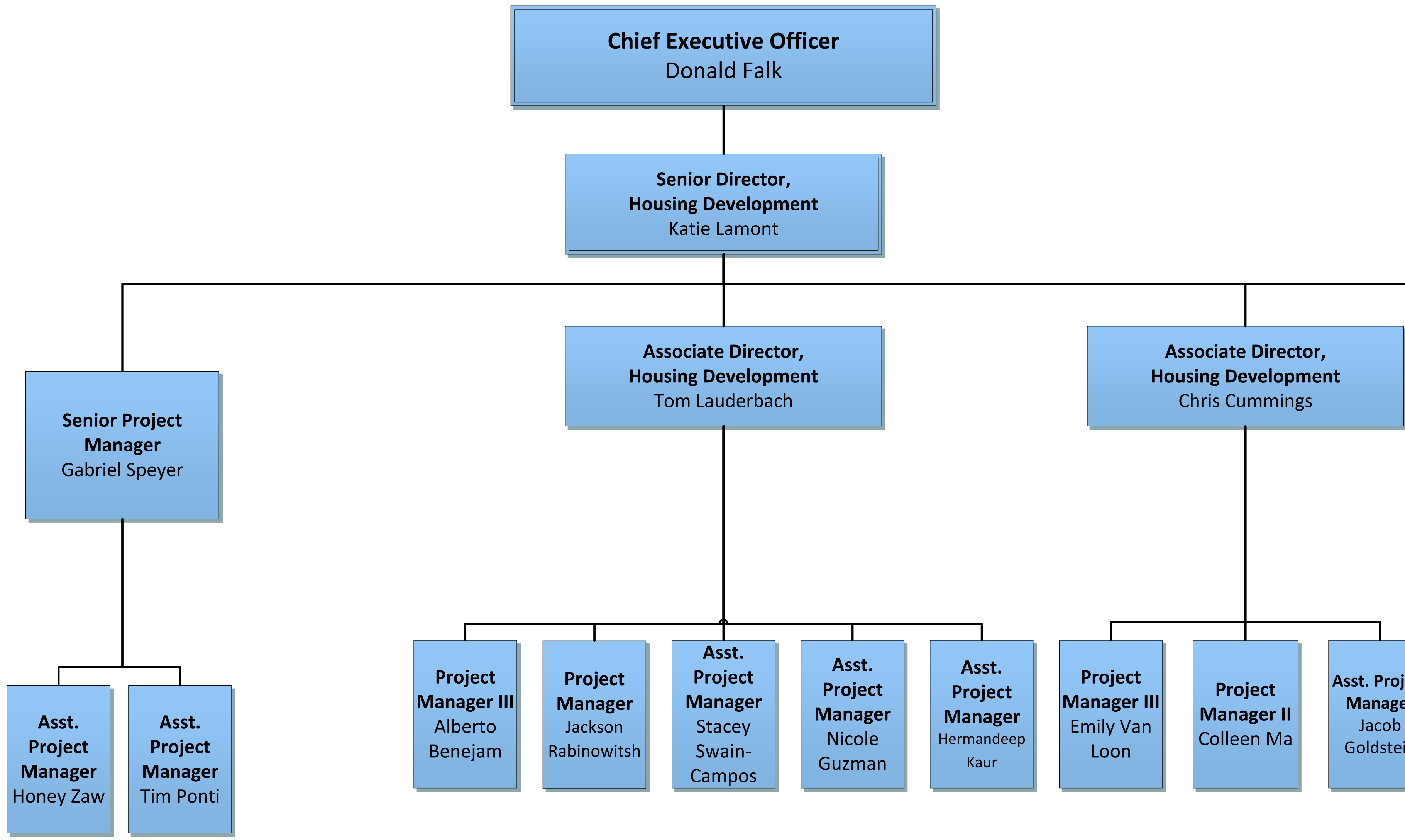
Please see following page.

TNDC Organizational Chart: Management Team



TN

TNDC Organizational Chart: Housing Developme



TND

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.

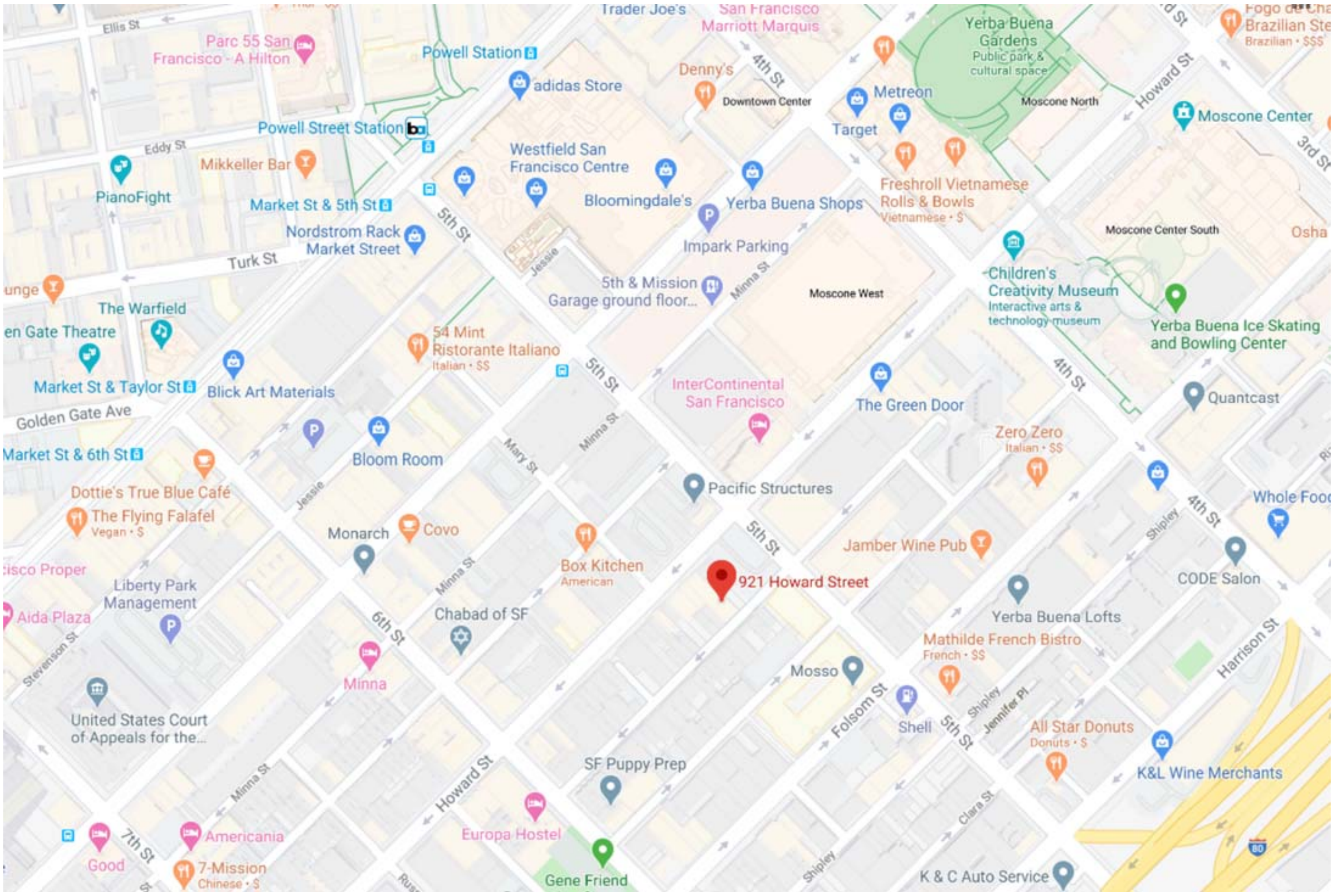
The department works in close collaboration with the Housing Development, Property Management and Accounting departments to achieve long-term sustainability of the organization's portfolio of 38 buildings. TNDC's Asset Management Department currently includes Todd Lefurge, Director of Asset Management, 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.

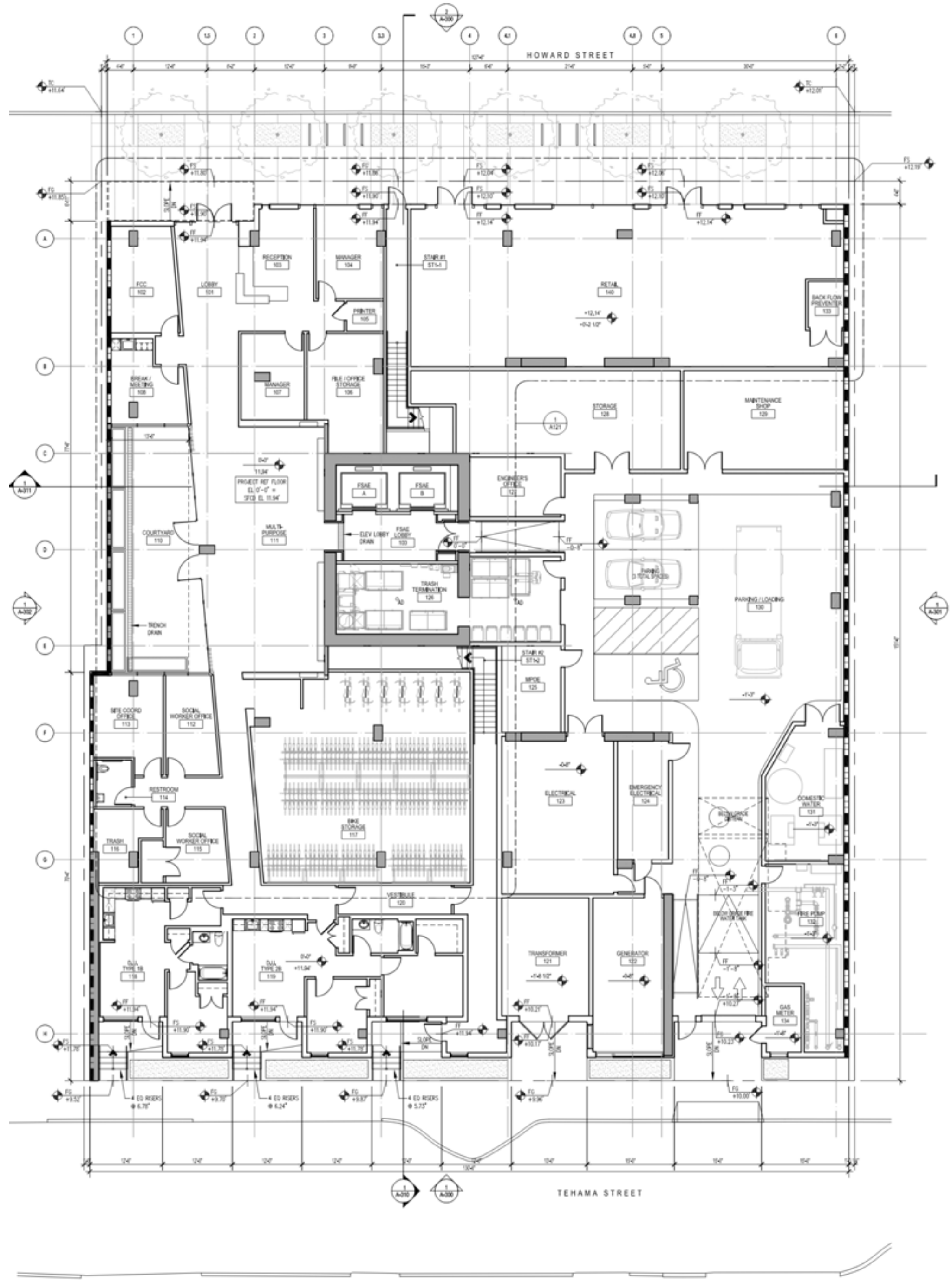
Asset Management duties and goals are supported by several functions in Property Management. A three-person Compliance group in Property Management designs compliance practices, trains property management site staff, reviews files, monitors rent and income compliance and contributes to stakeholder reporting.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

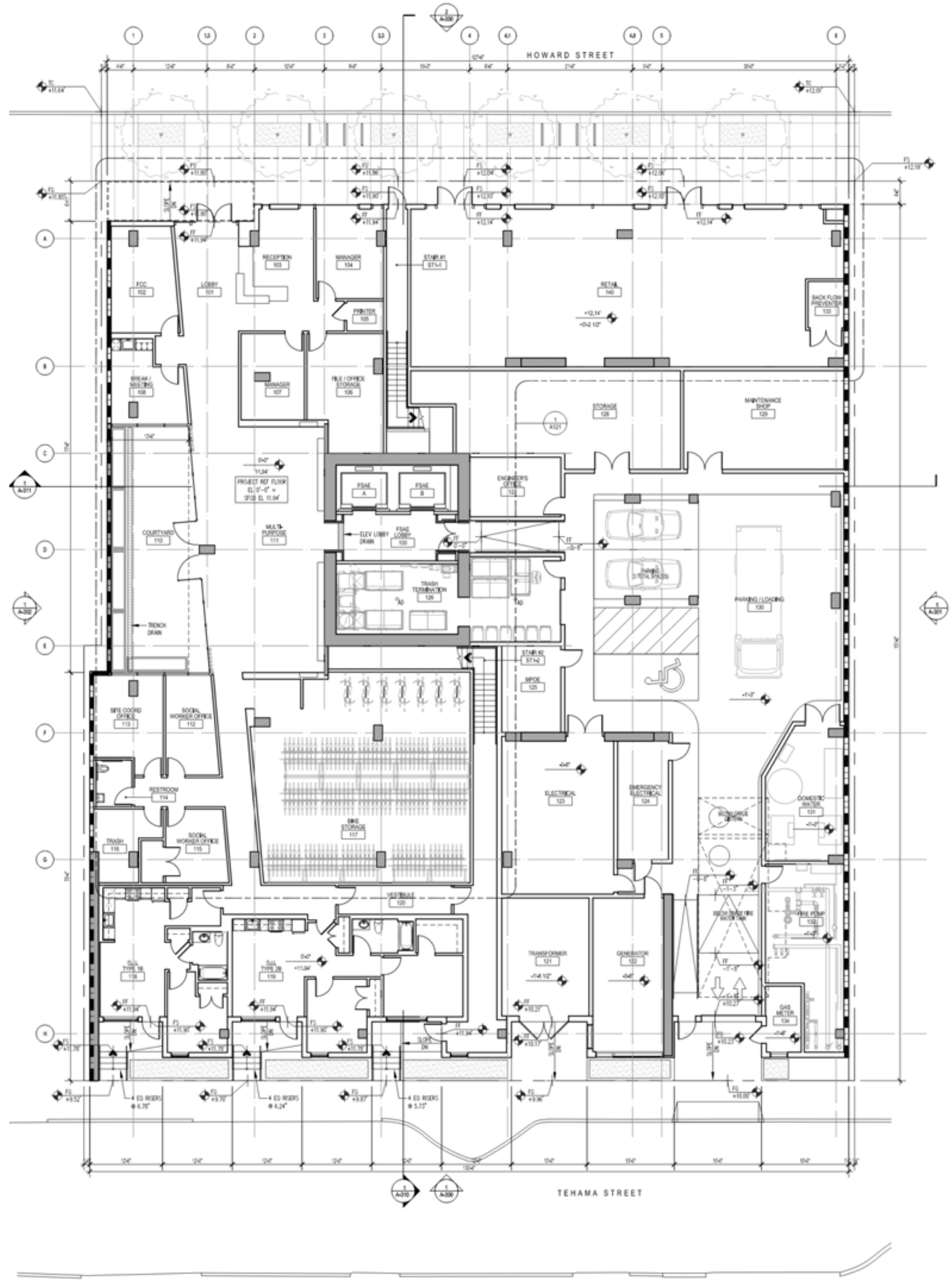
Attachment E: Site Map with amenities

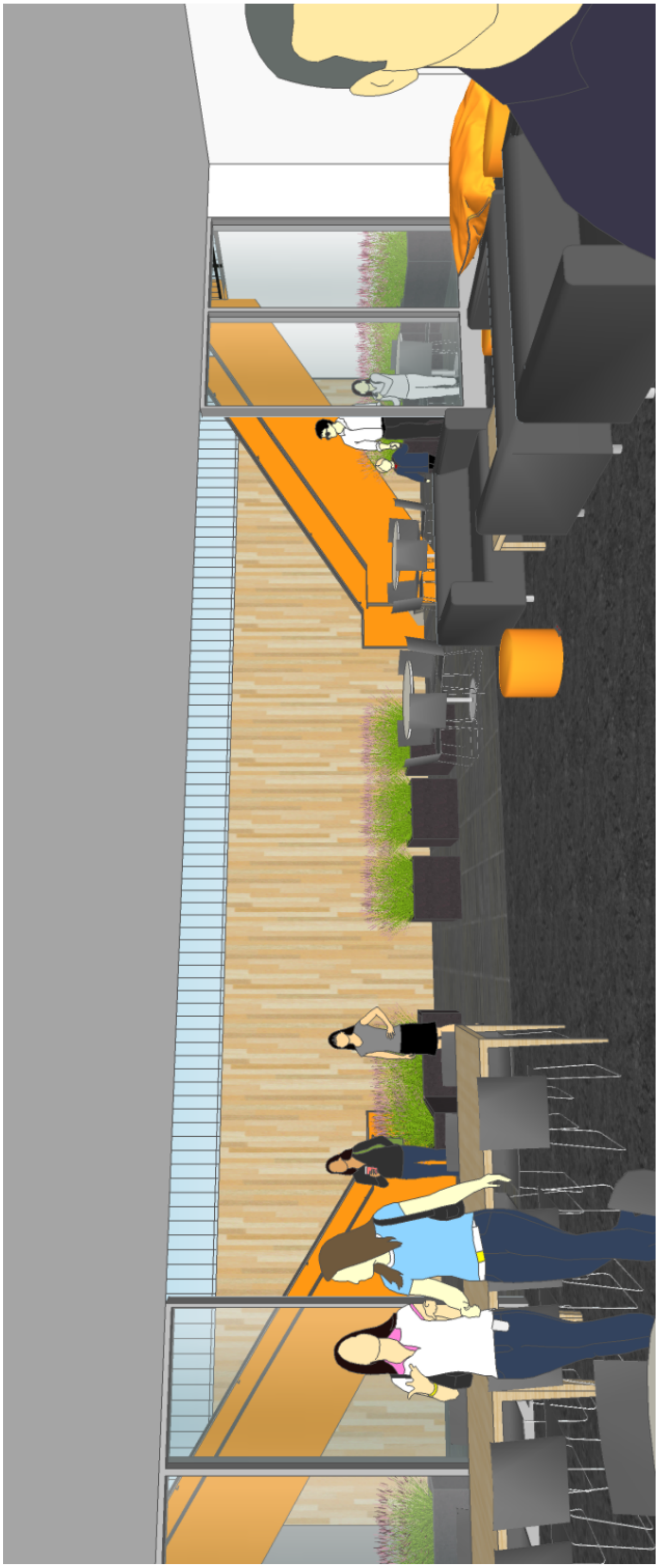


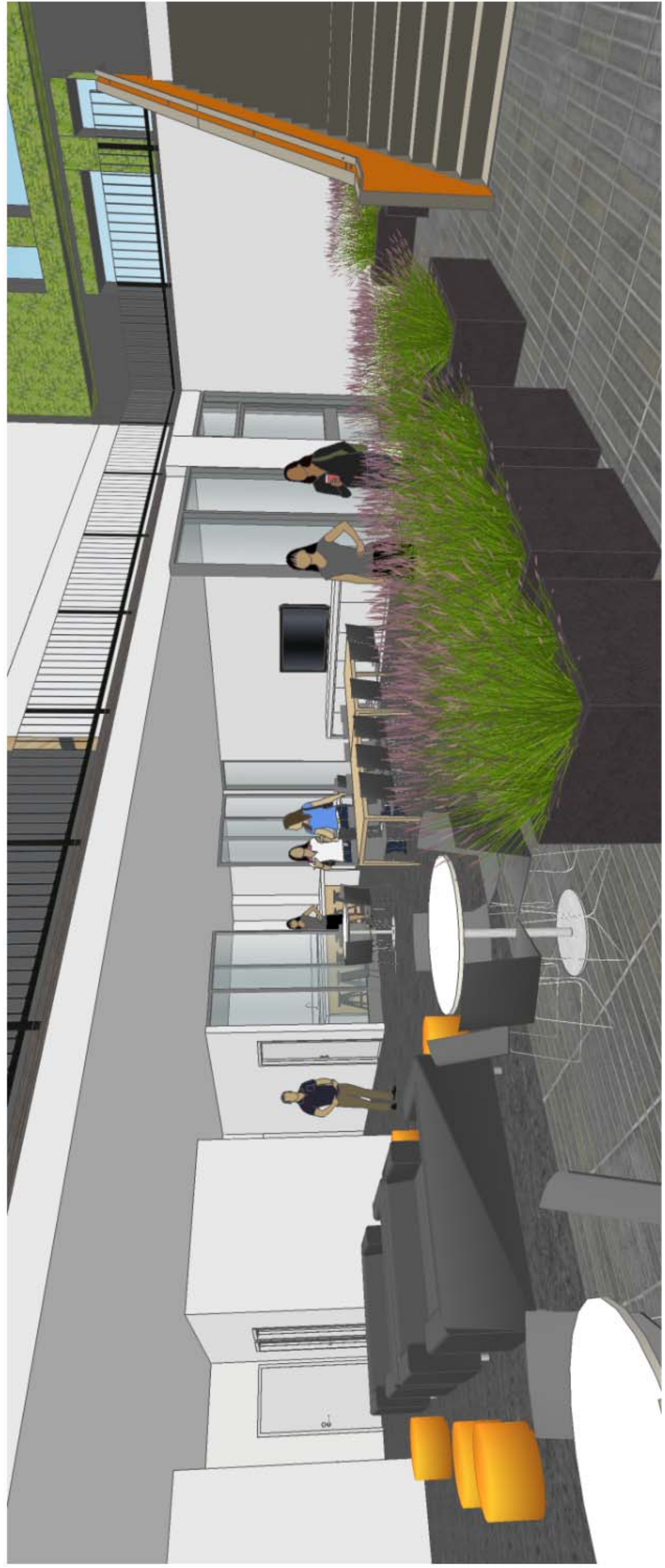
Attachment F: Elevations and Floor Plans

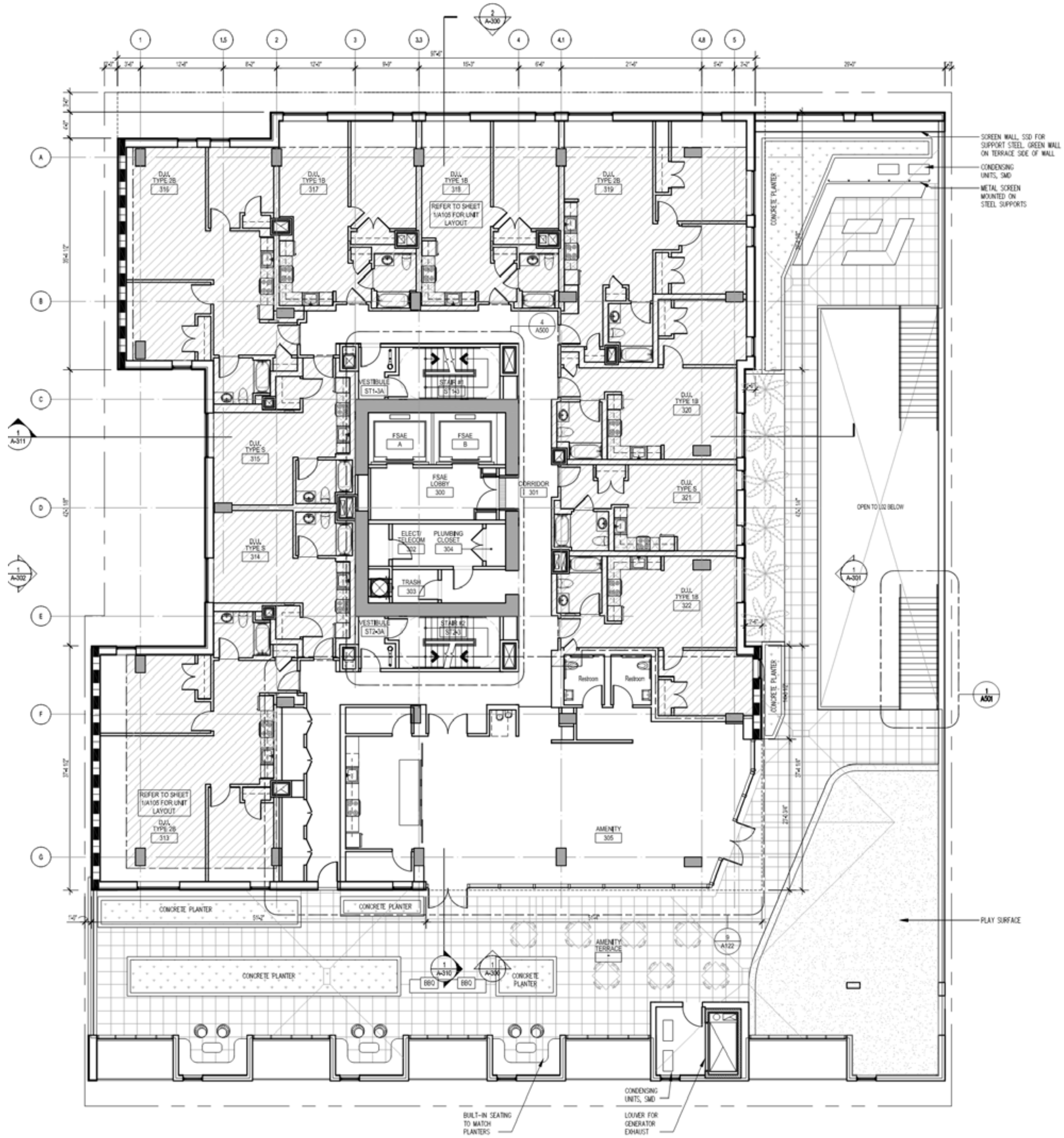
Please see following page.

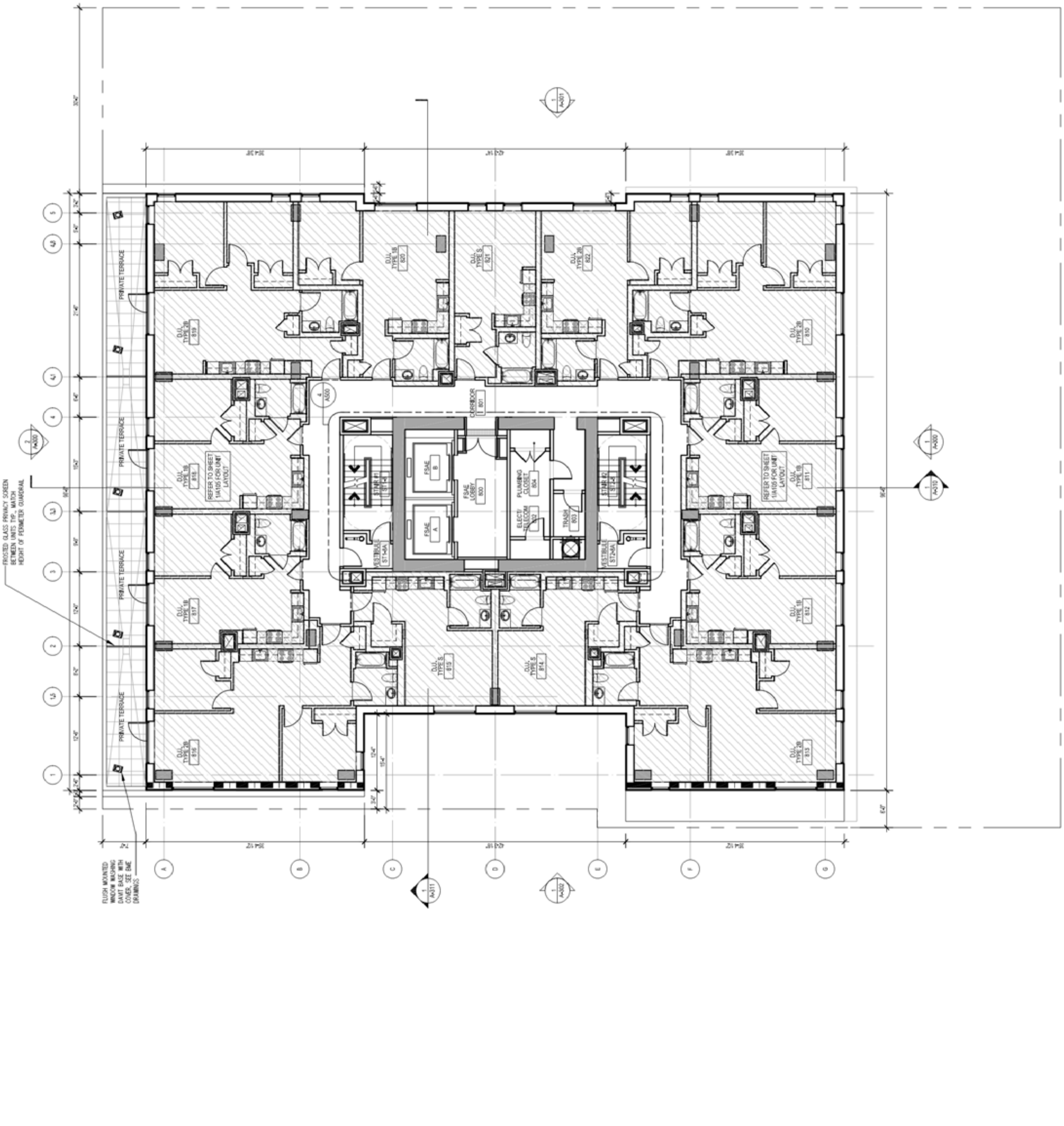

HOWARD STREET
RETAIL
140
STAIR #1
ST1-1
RECEPTION
103
MANAGER
104
PRINTER
105
FCC
102
LOBBY
101
BREAK / MEETING
108
MANAGER
107
FILE / OFFICE STORAGE
106
STORAGE
128
MAINTENANCE SHOP
129
BACK FLOW PREVENTER
133
COURTYARD
110
MULTI-PURPOSE
111
FSAE LOBBY
100
ELEV LOBBY DRAIN
TRASH TERMINATION
126
ENGINEER'S OFFICE
PARKING / LOADING
130
STAIR #2
ST1-2
MPOE
125
TRENCH DRAIN
SITE COORD OFFICE
113
SOCIAL WORKER OFFICE
112
RESTROOM
114
TRASH
116
SOCIAL WORKER OFFICE
115
BIKE STORAGE
117
ELECTRICAL
123
EMERGENCY ELECTRICAL
124
DOMESTIC WATER
VESTIBULE
120
TRANSFORMER
121
GENERATOR
122
FIRE PUMP
GAS METER
134
TEHAMA STREET

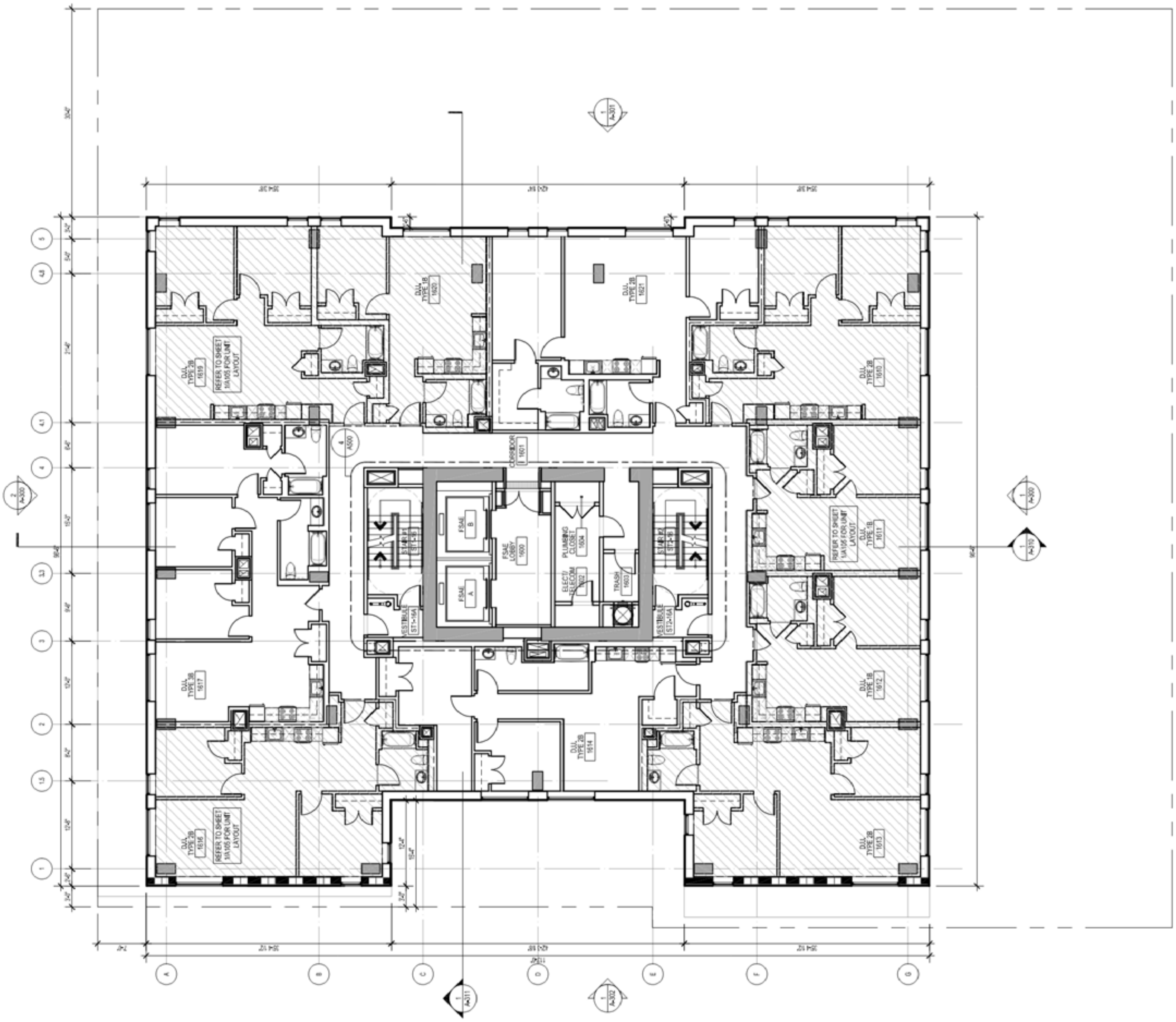

HOWARD STREET
TEHAMA STREET
RECEPTION
MANAGER
RETAIL
LOBBY
STORAGE
MAINTENANCE SHOP
COURTYARD
BIKE STORAGE
ELECTRICAL
EMERGENCY ELECTRICAL
TRANSFORMER
GENERATOR
PARKING / LOADING
TRASH TERMINATION
RESTROOM
SOCIAL WORKER OFFICE
VESTIBULE






SCREEN WALL, SSD FOR SUPPORT STEEL. GREEN WALL ON TERRACE SIDE OF WALL
CONDENSING UNITS, SMD
METAL SCREEN MOUNTED ON STEEL SUPPORTS
OPEN TO L02 BELOW
PLAY SURFACE
D.U.L. TYPE 2B 316
D.U.L. TYPE 1B 317
D.U.L. TYPE 1B 318
REFER TO SHEET 1/A105 FOR UNIT LAYOUT
D.U.L. TYPE 2B 319
D.U.L. TYPE 1B 320
D.U.L. TYPE S 321
D.U.L. TYPE 1B 322
D.U.L. TYPE S 315
D.U.L. TYPE S 314
D.U.L. TYPE 2B 313
VESTIBULE ST1-3A
STAIR #1 ST1-3
FSAE A
FSAE B
FSAE LOBBY 300
CORRIDOR 301
ELECT/TELECOM 302
PLUMBING CLOSET 304
TRASH 303
VESTIBULE ST2-3A
STAIR #2 ST2-3
Restroom
Restroom
AMENITY 305
CONCRETE PLANTER
AMENITY TERRACE
BBQ
BBQ
BUILT-IN SEATING TO MATCH PLANTERS
CONDENSING UNITS, SMD
LOUVER FOR GENERATOR EXHAUST




CORRIDOR
1601
FSAE
B
FSAE
A
FSAE
LOBBY
1600
PLUMBING
CLOSET
1604
ELECT/
TELECOM
1602
TRASH
1603
STAIR #1
ST1-16
STAIR #2
ST2-16
VESTIBULE
ST1-16A
VESTIBULE
ST2-16A

Attachment G: Comparison of City Investment in Other Housing Developments

Please see following page.

Affordable Multifamily Housing New Construction Cost Comparison

Updated 3/30/20

PROJECTS COMPLETED						Building Square Footage			Total Project Costs							
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR[1]	Res.[2]	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/land	Local Subsidy5	Total Dev. Cost w/o land	Notes on Financing	Comments
95 Laguna Senior	95 Lagnua	14,300	May-19	79	82	59,785	7,316	67,101	$ 5,012,000	$ 32,351,219	$ 11,343,750	$ 48,706,969	$ 21,234,000	$ 43,694,969	9% LIHTC	7 Story - 5 stories Type III over 2 stories Type IA + Community Services space (Open House)
Mission Family Housing	1036 Mission	15,200	Oct-18	88	134	92,462	6,955	99,417	$ 5,551,029	$ 40,756,764	$ 6,583,453	$ 52,891,246	$ 17,704,400	$ 47,340,217	2 HCD Loans (MHP & TOD)	Type IB - 9 story
Eddy and Taylor Family Housing	222 Taylor	22,344	Jun-19	113	211	108,440	21,086	129,526	$ 9,300,000	$ 56,251,204	$ 14,837,459	$ 80,388,663	$ 22,187,436	$ 71,088,663	2 HCD Loans (MHP & TOD)	Type IB - 8 story, extensive PG&E regional switch required
Completed Projects:	Average:	17,281		93	142	86,896	11,786	98,681	$ 6,621,010	$ 43,119,729	$ 10,921,554	$ 60,662,293	$ 20,375,279	$ 54,041,283		

PROJECTS UNDER CONSTRUCTION						Building Square Footage			Total Project Costs							
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR[1]	Res.[2]	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/land	Local Subsidy5	Total Dev. Cost w/o land	Notes on Financing	Comments
490 South Van Ness	490 S. Van Ness Avenue	14,250	Apr-20	81	121	51,639	28,985	80,624	$ 18,500,000	$ 43,647,993	$ 13,393,811	$ 75,541,804	$ 28,892,030	$ 57,041,804		Type IA - 7 stories over partial basement
2060 Folsom Street	2060 Folsom	29,075	Nov-20	127	252	155,648	11,810	167,458	$ 134,931	$ 71,655,660	$ 20,100,172	$ 91,890,763	$ 31,697,110	$ 91,755,832	HCD AHSC Loan	9 Story Type IB - TAY, Childcare, Community Hub w/AHSC Improvements of $6MM
1950 Mission Street	1950 Mission Street	36,590	Nov-20	157	262	113,432	48,142	161,574	$ 9,775,000	$ 85,644,853	$ 15,171,496	$ 110,591,349	$ 44,945,740	$ 100,816,349	HCD AHSC Loan	Type IA - 9 stories with significant (30% of sf) art and PDR spaces and Paseo Des Artes
Under Construction:	Average:	26,638		122	212	106,906	29,646	136,552	9,469,977	66,982,836	16,221,826	92,674,639	35,178,293	83,204,662		

PROJECTS IN PREDEVELOPMENT						Building Square Footage			Total Project Costs							
Project Name	Address	Lot sq.ft	Start Date (anticipated)	# of Units	# of BR[1]	Res.[2]	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/land	Local Subsidy5	Total Dev. Cost w/o land	Notes on Financing	Comments
500 Turk Street	500 Turk Street	18,906	Jan-20	108	186	82,805	26,586	109,391	$ 1,853,895	$ 54,288,491	$ 29,815,020	$ 85,957,406	$ 32,400,000	$ 84,103,511	HCD AHSC Loan	Type I 8 stories on constrained site
Mission Bay S. Block 9A (Homeowner)		29,939	Feb-22	140	280	136,165	50,611	186,776	$ -	$ 110,040,000	$ 22,053,737	$ 132,093,737	$ 79,200,000	$ 132,093,737	Not LIHTC eligible; Home ownership	Type I
681 Florida	681 Florida Street	19,000	Sep-20	130	199	89,770	58,530	148,300	$ -	$ 74,425,394	$ 24,032,716	$ 98,458,110	$ 36,923,181	$ 98,458,110	HCD MHP Loan	Type I mid rise, Large PDR presence
Sunnydale Block 6	TBD	73,000	Jan-22	168	327	187,000	30,000	217,000	$ -	$ 136,444,929	$ 30,647,593	$ 167,092,522	$ 33,542,584	$ 167,092,522	4% Credits; HCD IIG & AHSC	Type I mid rise, 30k sq ft of commercial; includes infrastructure costs
Potrero Block B	TBD	70,132	Jan-21	157	331	160,000	-	160,000	$ -	$ 126,588,392	$ 24,990,228	$ 151,578,620	$ 15,688,292	$ 151,578,620	4% Credits; HCD IIG & AHSC	Type 1 Midrise, includes infrastructure costs
BPUY	2430 San Jose Ave	30,750	Jan-21	131	214	175,335	10,741	174,618	$ -	$ 94,039,151	$ 23,355,411	$ 117,394,562	$ 30,493,722	$ 117,394,562	4% Credits; HCD IIG & AHSC	Type I Mid Rise on small very tight site, over BART. Does not include MOHCD purchase of land
266 4th Steet	266 4th Street	8,400	Dec-21	70	99	58,663	1,580	60,500	$ 133,100	$ 42,600,330	$ 17,001,667	$ 58,984,284	$ 9,393,118	$ 59,117,384		Type I , 8 stories over MUNI substation tunnel, structurally complex, small footprint
Parcel U	78 Haight Street	5,583	Dec-20	63	63	31,952	14,089	46,041	$ 24,643	$ 33,965,900	$ 15,172,696	$ 49,163,239	$ 16,356,931	$ 49,138,596	9% Fed Credits & State Credits	Type I mid rise on very small / tight site
600 7th Street	600 7th Street	37,800	Apr-22	200	290	107,000	45,857	152,857	$ 10,000	$ 113,057,596	$ 20,826,614	$ 133,894,210	$ 48,956,220	$ 133,884,210	Fed & State Credits; HCD IIG Grant	Type I, 8 stories
180 Jones Street	180 Jones Street	4,853	Sep-21	71	71	29,800	3,700	33,500	$ -	$ 34,109,171	$ 13,639,695	$ 47,748,866	$ 13,950,000	$ 47,748,866	4% LIHTC + MHP	Type I Mid Rise on small very tight site (studios)
In Predevelopment	Average:	29,836		124	206	105,849	24,169	128,898	505,410	81,955,935	22,153,538	104,236,556	31,690,405	104,061,012		
ALL PROJECTS	Average:	24,585		113	187	99,884	21,867	121,377	$ 5,532,132	$ 64,019,500	$ 16,432,306	$ 85,857,829	$ 29,081,326	$ 80,435,652		
SUBJECT PROJECT	921 Howard	20,298	Dec-20	203	323	233,710	1,970	235,680	$ 9,009,000	$ 114,933,210	$ 36,751,722	$ 160,693,932	$ 30,000,000	$ 151,684,932	Calhfa MIP / 4%LIHTC	Type 1-A High Rise

PROJECTS COMPLETED		Acquisition by Unit/Bed/SF			Construction by Unit/Bed/SF			Soft Costs By Unit/Bed/SF			Total Development Cost (Incl. Land)			Subsidy	
Project Name	Compl. Date	Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/sq.ft[6]	Soft/unit	Soft/BR	Soft/sq.ft6	Gross TDC/unit	Gross TDC/BR	Gross TDC/sq.ft6	Subsidy / unit	Leveraging [7]
95 Laguna Senior	May-19	63,443	61,122	350	409,509	394,527	482	143,592	$ 138,338	$ 169	$ 616,544	$ 593,987	$ 726	$ 268,785	56.4%
Mission Family Housing	Oct-18	63,080	41,426	365	463,145	304,155	410	74,812	$ 49,130	$ 66	$ 601,037	$ 394,711	$ 532	$ 201,186	66.5%
Eddy & Taylor Family Housing	Jun-19	82,301	44,076	416	497,798	266,593	434	131,305	$ 70,320	$ 115	$ 711,404	$ 380,989	$ 621	$ 196,349	72.4%
Completed Projects:	Average:	69,608	48,874	377	456,817	321,758	442	116,570	$ 85,929	$ 117	$ 642,995	$ 456,562	$ 626	$ 222,107	65%

PROJECTS UNDER CONSTRUCTION		Acquisition			Construction			Soft Costs			Total Development Cost (Incl. Land)			Subsidy	
Project Name	Compl. Date	Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/sq.ft[6]	Soft/unit	Soft/BR	Soft/sq.ft6	Gross TDC/unit	Gross TDC/BR	Gross TDC/sq.ft6	Subsidy / unit	Leveraging [7]
490 South Van Ness	Apr-20	228,395	152,893	1,298	538,864	360,727	541	165,356	$ 110,693	$ 166	$ 932,615	$ 624,312	$ 937	$ 356,692	61.8%
2060 Folsom Street	Nov-20	1,062	535	5	564,218	284,348	428	158,269	$ 79,763	$ 120	$ 723,549	$ 364,646	$ 549	$ 249,584	65.5%
1950 Mission Street	Nov-20	62,261	37,309	267	545,509	326,889	530	96,634	$ 57,906	$ 94	$ 704,403	$ 422,104	$ 684	$ 286,279	59.4%
Under Construction:	Average:	97,240	63,579	523	549,530	323,988	500	140,086	82,787	127	786,856	470,354	723	297,518	62%

PROJECTS IN PREDEVELOPMENT		Acquisition			Construction			Soft Costs			Total Development Cost (Incl. Land)			Subsidy	
Project Name	Start Date (anticipated)	Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/sq.ft[6]	Soft/unit	Soft/BR	Soft/sq.ft6	Gross TDC/unit	Gross TDC/BR	Gross TDC/sq.ft6	Subsidy / unit	Leveraging [7]
500 Turk Street	Jan-20	17,166	9,967	98	502,671	291,874	496	276,065	$ 160,296	$ 273	$ 795,902	$ 462,137	$ 786	$ 300,000	62.3%
Mission Bay S. Block 9A (ownership)	Feb-22	-	-	-	786,000	393,000	589	157,527	$ 78,763	$ 118	$ 943,527	$ 471,763	$ 707	$ 565,714	40.0%
681 Florida	Sep-20	-	-	-	572,503	373,997	502	184,867	$ 120,767	$ 162	$ 757,370	$ 494,764	$ 664	$ 284,024	62.5%
Sunnydale Block 6	Jan-22	-	-	-	812,172	417,263	629	182,426	$ 93,724	$ 141	$ 994,598	$ 510,986	$ 770	$ 199,658	79.9%
Potrero Block B	Jan-21	-	-	-	806,295	382,442	791	159,173	$ 75,499	$ 156	$ 965,469	$ 457,941	$ 947	$ 99,925	89.7%
Balboa Park Upper Yard	Jan-21	-	-	-	670,306	410,328	503	153,824	$ 94,163	$ 115	$ 824,131	$ 504,491	$ 618	$ 249,952	69.7%
4th and Folsom	Dec-21	1,901	1,344	16	608,576	430,306	704	242,881	$ 171,734	$ 281	$ 842,633	$ 595,801	$ 975	$ 134,187	84.1%
Parcel U	Dec-20	391	391	4	539,141	539,141	738	240,836	$ 240,836	$ 330	$ 780,369	$ 780,369	$ 1,068	$ 259,634	66.7%
600 7th Street	Apr-22	50	34	0	565,288	389,854	740	104,133	$ 71,816	$ 136	$ 669,471	$ 461,704	$ 876	$ 244,781	63.4%
180 Jones Street	Sep-21	-	-	-	480,411	480,411	1,018	192,108	$ 192,108	$ 407	$ 672,519	$ 672,519	$ 1,425	$ 196,479	70.8%
In Predevelopment	Average:	4,877	3,782	38	634,336	410,862	671	189,384	129,971	212	824,599	541,248	884	253,436	69.3%
All Projects:	AVERAGE	57,242	38,745	313	546,895	352,203	538	148,680	$ 99,562	$ 152	$ 751,483	$ 489,388	$ 744	$ 257,687	65.5%

Attachment H: Predevelopment Budget

Please see following page.

Application Date:	2/18/20	**# Units:**	**203**
Project Name:	5th and Howard	***# Bedrooms:***	323
Project Address:	921 Howard St	**# Beds:**	
Project Sponsor:	Tenderloin Neighborhood Development Corporation		

							Total Sources	**Comments**	
SOURCES	**5,000,000**	**57,127**	**-**	**-**	**-**	**-**	**5,057,127**	LIHTC at $1.00, State Tax Credit at $0.81	
Name of Sources:	MOHCD/OCII	TNDC Working Capital							
USES									
ACQUISITION									
Acquisition cost or value							0		
Legal / Closing costs / Broker's Fee							0		
Holding Costs							0		
Transfer Tax							0		
TOTAL ACQUISITION	**0**	**0**	**0**	**0**	**0**	**0**	**0**		
CONSTRUCTION (HARD COSTS)									
Unit Construction/Rehab	700,000						700,000	Preconstruction expenses, holding as a ROM until contracting with Swinerton takes place	
Commercial Shell Construction							0		
Demolition							0		
Environmental Remediation							0		
Onsight Improvements/Landscaping							0		
Offsite Improvements							0		Construction line item costs as a % of hard costs
Infrastructure Improvements							0	HOPE SF/OCII costs for streets etc.	
Parking							0		
GC Bond Premium/GC Insurance/GC Taxes							0		**0.0%**
GC Overhead & Profit							0		**0.0%**
CG General Conditions							0		**0.0%**
Sub-total Construction Costs	*700,000*	*0*	*0*	*0*	*0*	*0*	*700,000*		
Design Contingency (remove at DD)							0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	**0.0%**
Bid Contingency (remove at bid)							0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	**0.0%**
Plan Check Contingency (remove/reduce during Plan Review)							0	4% up to $30MM HC, 3% $30-$45MM, 2% $45MM+	**0.0%**
Hard Cost Construction Contingency							0	5% new construction / 15% rehab	**0.0%**
Sub-total Construction Contingencies	*0*	*0*	*0*	*0*	*0*	*0*	*0*		
TOTAL CONSTRUCTION COSTS	**700,000**	**0**	**0**	**0**	**0**	**0**	**700,000**		
SOFT COSTS									
Architecture & Design									
Architect design fees	1,049,860						1,049,860	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms	
Design Subconsultants to the Architect (incl. Fees)	240,140						240,140	Specifications, landscape, accessibility consultant	
Architect Construction Admin							0		
Reimbursables	95,250						95,250		
Additional Services							0		
Sub-total Architect Contract	*1,385,250*	*0*	*0*	*0*	*0*	*0*	*1,385,250*		
Other Third Party design consultants (not included under Architect contract)							0	Consultants not covered under architect contract; name consultant type and contract amount	
Total Architecture & Design	**1,385,250**	**0**	**0**	**0**	**0**	**0**	**1,385,250**		
Engineering & Environmental Studies									
Survey	25,000						25,000		
Geotechnical studies	32,000						32,000		
Phase I & II Reports	125,000						125,000		
CEQA / Environmental Review consultants							0		
NEPA / 106 Review							0		
CNA/PNA (rehab only)							0		
Other environmental consultants	80,790						80,790	GPR Consultant and Commissioning Consultant	
Total Engineering & Environmental Studies	**262,790**	**0**	**0**	**0**	**0**	**0**	**262,790**		
Financing Costs									
Construction Financing Costs									
Construction Loan Origination Fee							0		
Construction Loan Interest							0		
Title & Recording							0		
CDLAC & CDIAC fees	100,000						100,000		
Bond Issuer Fees							0		
Other Bond Cost of Issuance							0		
Other Lender Costs (specify)							0		
Sub-total Const. Financing Costs	*100,000*	*0*	*0*	*0*	*0*	*0*	*100,000*		
Permanent Financing Costs									
Permanent Loan Origination Fee							0		
Credit Enhance. & Appl. Fee							0		
Title & Recording							0		
Sub-total Perm. Financing Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*		
Total Financing Costs	**100,000**	**0**	**0**	**0**	**0**	**0**	**100,000**		
Legal Costs									
Borrower Legal fees							0		
Land Use / CEQA Attorney fees							0		
Tax Credit Counsel							0		
Bond Counsel							0		
Construction Lender Counsel							0		
Permanent Lender Counsel							0		
Other Legal (specify)							0		
Total Legal Costs	**0**	**0**	**0**	**0**	**0**	**0**	**0**		
Other Development Costs									
Appraisal	25,023						25,023		
Market Study	10,000						10,000		
Insurance							0		
Property Taxes							0		
Accounting / Audit	10,000						10,000		
Organizational Costs	25,000						25,000		
Entitlement / Permit Fees	100,000						100,000	Holding for entitlement and permit fees related to SB-25, street space permits	
Marketing / Rent-up							0		
Furnishings							0	$2,000/unit; See MOHCD U/W Guidelines: http://sfmohcd.org/documents-reports-and-forms	
PGE / Utility Fees	600,000						600,000	Anticipated to pay before close, in total	
TCAC App / Alloc / Monitor Fees	54,765						54,765		
Financial Consultant fees							0		
Construction Management fees / Owner's Rep	31,500						31,500	~9 months at $3,500/mo	
Security during Construction							0		
Relocation		15,000					15,000	Relocation plan for commercial tenants	
Other consultants	921,388	42,127					963,515	Includes: Archeological ($35), Telecom/Data ($20K), Acoustical ($54K), Security Consultant ($25K), EBM ($12.5K), Elevator ($34K), Civil ($53.3K), Structural ($269K), Trash ($19K), Plumbing ($122K), M/E ($55K), Code/Fire ($144K)	
Other (specify)							0		
Other (specify)							0		Total Soft Cost Contingency as % of Total Soft Costs
Total Other Development Costs	**1,777,676**	**57,127**	**0**	**0**	**0**	**0**	**1,834,803**		
Soft Cost Contingency									
Contingency (Arch, Eng, Fin, Legal & Other Dev)	274,284		0	0	0	0	274,284	Should be either 10% or 5% of total soft costs.	**7.7%**
TOTAL SOFT COSTS	**3,800,000**	**57,127**	**0**	**0**	**0**	**0**	**3,857,127**		
RESERVES									
Operating Reserves							0		
Replacement Reserves							0		
Tenant Improvements Reserves							0		
Other (specify)							0		
Other (specify)							0		
Other (specify)							0		
TOTAL RESERVES	**0**	**0**	**0**	**0**	**0**	**0**	**0**		
DEVELOPER COSTS									
Developer Fee - Cash-out Paid at Milestones	500,000						500,000		
Developer Fee - Cash-out At Risk							0		
Developer Fee - GP Equity (also show as source)									
Developer Fee - Deferred (also show as source)							0		
Development Consultant Fees							0	Need MOHCD approval for this cost, N/A for most projects	
Other (specify)							0		
TOTAL DEVELOPER COSTS	**500,000**	**0**	**0**	**0**	**0**	**0**	**500,000**		
TOTAL DEVELOPMENT COST	**5,000,000**	**57,127**	**0**	**0**	**0**	**0**	**5,057,127**		
Development Cost/Unit by Source	24,631	281	0	0	0	0	24,912		
Development Cost/Unit as % of TDC by Source	98.9%	1.1%	0.0%	0.0%	0.0%	0.0%	100.0%		
Acquisition Cost/Unit by Source	0	0	0	0	0	0	0		
Construction Cost (inc Const Contingency)/Unit By Source	3,448	0	0	0	0	0	3,448		
Construction Cost (inc Const Contingency)/SF	2.97	0.00	0.00	0.00	0.00	0.00	2.97		
City Subsidy/Unit	24,631								
Tax Credit Equity Pricing:	1.00								
Construction Bond Amount:	88,577,500								
Construction Loan Term (in months):	34 months								
Construction Loan Interest Rate (as %):	4.66%								

Attachment I: Sources and Uses

Please see following page.

Application Date:	2/18/20	**# Units:**	**203**
Project Name:	5th and Howard	***# Bedrooms:***	323
Project Address:	921 Howard St	**# Beds:**	
Project Sponsor:	Tenderloin Neighborhood Development Corporation		

	MOHCD/OCII	LIHTC Equity	MIP	Perm Loan	GP Equity	State Tax Credits	Commercial Perm Loan	Deferred Fee	Accrued Deferred Interest	Total Sources	Comments	Construction line item costs as a % of hard costs / Total Soft Cost Contingency as % of Total Soft Costs
SOURCES	**30,000,000**	**52,831,197**	**11,100,000**	**41,990,000**	**3,270,000**	**14,628,595**	**230,000**	**3,500,000**	**1,651,610**	**159,201,402**	LIHTC at $1.00, State Tax Credit at $0.81	
Name of Sources:	MOHCD/OCII	LIHTC Equity	MIP	Perm Loan	GP Equity	State Tax Credits	Commercial Perm Loan	Deferred Fee	Accrued Deferred Interest			
USES												
ACQUISITION												
Acquisition cost or value	8,350,000			50,000						8,400,000		
Legal / Closing costs / Broker's Fee				420,000						420,000	Acqu/Title/Escrow and Legal fees	
Holding Costs										0		
Transfer Tax				189,000						189,000		
TOTAL ACQUISITION	**8,350,000**	**0**	**0**	**659,000**	**0**	**0**	**0**	**0**	**0**	**9,009,000**		
CONSTRUCTION (HARD COSTS)												
Unit Construction/Rehab	7,163,403	20,285,463	11,100,000	41,331,000		14,628,595				94,508,461	Include FF&E and GC contingency	
Commercial Shell Construction	662,390						42,548			704,938	Commercial perm loan to commercial TI	
Demolition	175,000									175,000		
Environmental Remediation	475,000									475,000		
Onsight Improvements/Landscaping										0		
Offsite Improvements										0		
Infrastructure Improvements										0	HOPE SF/OCII costs for streets etc.	
Parking										0		
GC Bond Premium/GC Insurance/GC Taxes	293,319									293,319	GC gross receipts & other taxes	**0.3%**
GC Overhead & Profit		2,867,312								2,867,312		**3.0%**
CG General Conditions		4,493,490								4,493,490		**4.7%**
Sub-total Construction Costs	*8,769,112*	*27,646,265*	*11,100,000*	*41,331,000*	*0*	*14,628,595*	*42,548*	*0*	*0*	*103,517,520*		
Design Contingency (remove at DD)	1,276,191									1,276,191	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	**1.3%**
Bid Contingency (remove at bid)	1,276,191									1,276,191	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	**1.3%**
Plan Check Contingency (remove/reduce during Plan Review)	1,276,191									1,276,191	4% up to $30MM HC, 3% $30-$45MM, 2% $45MM+	**1.3%**
Hard Cost Construction Contingency	5,365,177									5,365,177	5% new construction / 15% rehab	**5.6%**
Sub-total Construction Contingencies	*9,193,751*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*9,193,751*		
TOTAL CONSTRUCTION COSTS	**17,962,863**	**27,646,265**	**11,100,000**	**41,331,000**	**0**	**14,628,595**	**42,548**	**0**	**0**	**112,711,271**		
SOFT COSTS												
Architecture & Design												
Architect design fees	1,049,860									1,049,860	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms	
Design Subconsultants to the Architect (incl. Fees)	240,140									240,140		
Architect Construction Admin		615,000								615,000		
Reimbursables	95,250									95,250		
Additional Services										0		
Sub-total Architect Contract	*1,385,250*	*615,000*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*2,000,250*		
Other Third Party design consultants (not included under Architect contract)										0	Consultants not covered under architect contract; name consultant type and contract amount	
Total Architecture & Design	**1,385,250**	**615,000**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2,000,250**		
Engineering & Environmental Studies												
Survey	25,000									25,000		
Geotechnical studies	32,000									32,000		
Phase I & II Reports	125,000									125,000		
CEQA / Environmental Review consultants										0		
NEPA / 106 Review										0		
CNA/PNA (rehab only)										0		
Other environmental consultants	50,000						5,601			55,601	All consultants - survey, environmental, engineering	
Total Engineering & Environmental Studies	**232,000**	**0**	**0**	**0**	**0**	**0**	**5,601**	**0**	**0**	**237,601**		
Financing Costs												
Construction Financing Costs												
Construction Loan Origination Fee		664,331								664,331		
Construction Loan Interest		8,746,172					67,325			8,813,497		
Title & Recording		54,598					402			55,000		
CDLAC & CDIAC fees										0		
Bond Issuer Fees		695,598					8,709			704,307	Including CDLAC and CDIAC fee	
Other Bond Cost of Issuance										0		
Construction lender expenses		51,000								51,000		
Sub-total Const. Financing Costs	*0*	*10,211,699*	*0*	*0*	*0*	*0*	*76,436*	*0*	*0*	*10,288,135*		
Permanent Financing Costs												
Permanent Loan Origination Fee	139,546	481,833					23,171			644,550	Including perm lender extension fee and expenses	
Credit Enhance. & Appl. Fee										0		
Title & Recording		10,009								10,009		
Sub-total Perm. Financing Costs	*139,546*	*491,842*	*0*	*0*	*0*	*0*	*23,171*	*0*	*0*	*654,559*		
Total Financing Costs	**139,546**	**10,703,541**	**0**	**0**	**0**	**0**	**99,607**	**0**	**0**	**10,942,694**		
Legal Costs												
Borrower Legal fees		10,000								10,000		
Land Use / CEQA Attorney fees										0		
Tax Credit Counsel		30,000								30,000		
Bond Counsel		62,000								62,000		
Construction Lender Counsel		50,000								50,000		
Permanent Lender Counsel										0		
Other Legal (specify)		64,781					32,625			97,406	Perm loan legal	
Total Legal Costs	**0**	**216,781**	**0**	**0**	**0**	**0**	**32,625**	**0**	**0**	**249,406**		
Other Development Costs												
Appraisal		25,023								25,023		
Market Study		10,000								10,000		
Insurance		2,636,369					19,392			2,655,761		
Property Taxes		231,017					1,699			232,716	During construction and after construction	
Accounting / Audit		248,175					1,825			250,000		
Organizational Costs		5,000								5,000		
Entitlement / Permit Fees		3,728,094					21,906			3,750,000	Including Impact Fees here ($750K)	
Marketing / Rent-up		248,175					1,825			250,000	Leasing office and marketing	
Furnishings		250,000								250,000	$2,000/unit; See MOHCD U/W Guidelines on: http://sfmohcd.org/documents-reports-and-forms	
PGE / Utility Fees		600,000								600,000		
TCAC App / Alloc / Monitor Fees		147,715								147,715		
Financial Consultant fees		75,000								75,000		
Construction Management fees / Owner's Rep		150,000								150,000		
Security during Construction	30,000									30,000		
Relocation										0		
Accrued Deferred Interest									1,651,610	1,651,610		
Other consultants	175,932	800,000								975,932	All other consultants, including	
Acq/Predev Fees, Trustee Fee		267,387					613			268,000	Acq/predev loan fees, legal	
Total Other Development Costs	**205,932**	**9,421,955**	**0**	**0**	**0**	**0**	**47,260**	**0**	**1,651,610**	**11,326,757**		
Soft Cost Contingency												
Contingency (Arch, Eng, Fin, Legal & Other Dev)	624,409	863,447								1,487,855	Should be either 10% or 5% of total soft costs.	**6.0%**
TOTAL SOFT COSTS	**2,587,137**	**21,820,724**	**0**	**0**	**0**	**0**	**185,093**	**0**	**1,651,610**	**26,244,563**		
RESERVES												
Operating Reserves		1,016,985								1,016,985		
Replacement Reserves							2,359			2,359	Capitalized commercial reserve	
Tenant Improvements Reserves										0		
Lease Up Reserve		175,223								175,223		
Commercial Leasing Commissions		42,000								42,000		
Other (specify)										0		
TOTAL RESERVES	**0**	**1,234,208**	**0**	**0**	**0**	**0**	**2,359**	**0**	**0**	**1,236,567**		
DEVELOPER COSTS												
Developer Fee - Cash-out Paid at Milestones	1,100,000									1,100,000		
Developer Fee - Cash-out At Risk		2,130,000								2,130,000		
Developer Fee - GP Equity (also show as source)					3,270,000					3,270,000		
Developer Fee - Deferred (also show as source)								3,500,000		3,500,000		
Development Consultant Fees										0		
Other (specify)										0		
TOTAL DEVELOPER COSTS	**1,100,000**	**2,130,000**	**0**	**0**	**3,270,000**	**0**	**0**	**3,500,000**	**0**	**10,000,000**		
TOTAL DEVELOPMENT COST	**30,000,000**	**52,831,197**	**11,100,000**	**41,990,000**	**3,270,000**	**14,628,595**	**230,000**	**3,500,000**	**1,651,610**	**159,201,402**		
Development Cost/Unit by Source	147,783	260,252	54,680	206,847	16,108	72,062	1,133	17,241	8,136	784,243		
Development Cost/Unit as % of TDC by Source	18.8%	33.2%	7.0%	26.4%	2.1%	9.2%	0.1%	2.2%	1.0%	100.0%		
Acquisition Cost/Unit by Source	41,133	0	0	246	0	0	0	0	0	41,379		
Construction Cost (inc Const Contingency)/Unit By Source	88,487	136,188	54,680	203,601	0	72,062	210	0	0	555,228		
Construction Cost (inc Const Contingency)/SF	76.22	117.30	47.10	175.37	0.00	62.07	0.18	0.00	0.00	478.24		

City Subsidy/Unit	147,783
Tax Credit Equity Pricing:	1.00
Construction Bond Amount:	87,070,695
Construction Loan Term (in months):	34 months
Construction Loan Interest Rate (as %):	4.66%

Attachment J: 1st Year Operating Budget

Please see following page.

Application Date:	**2/18/20**	**Project Name:**	**5th and 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)**:**	**2022**	**Project Sponsor:**	**Tenderloin Neighborhood Development Corporation**

TCAC Income Limits In Use!

INCOME	**Total**	**Comments**	
Residential - Tenant Rents	5,093,520	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	0	0%	
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	14,555	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	82,740	Links from 'Commercial Op. Budget' Worksheet	
Withdrawal from Capitalized Reserve (deposit to operating account)			
Gross Potential Income	**5,190,815**		
Vacancy Loss - Residential - Tenant Rents	(259,541)	Vacancy loss is 5.1% of Tenant Rents.	
Vacancy Loss - Residential - Tenant Assistance Payments	0	#DIV/0!	
Vacancy Loss - Commercial	(20,685)	Links from 'Commercial Op. Budget' Worksheet	
EFFECTIVE GROSS INCOME	**4,910,589**	***PUPA: 24,190***	
OPERATING EXPENSES			
Management			
Management Fee	165,648	1st Year to be set according to HUD schedule.	
Asset Management Fee	21,900		
Sub-total Management Expenses	**187,548**	***PUPA: 924***	
Salaries/Benefits			
Office Salaries	15,801		
Manager's Salary	158,000	Manager and assistant manager	
Health Insurance and Other Benefits			
Other Salaries/Benefits	97,440	Healthcare other benefits	
Administrative Rent-Free Unit			
Sub-total Salaries/Benefits	**271,241**	***PUPA: 1,336***	
Administration			
Advertising and Marketing			
Office Expenses	62,446	Screening, office supplies, office equipment, printing, employee incentives, legal personnel related,	
Office Rent	7,580		
Legal Expense - Property	9,000		
Audit Expense	12,600		
Bookkeeping/Accounting Services	41,412		
Bad Debts			
Miscellaneous	23,674	Program expenses, tech support & maintenance, professional fees, training	
Sub-total Administration Expenses	**156,712**	***PUPA: 772***	
Utilities			
Electricity	108,004		
Water	224,186	Water/sewer combined	
Gas	76,912		
Sewer			
Sub-total Utilities	**409,101**	***PUPA: 2,015***	
Taxes and Licenses			
Real Estate Taxes	252,269	Applicable to market rate units	
Payroll Taxes	35,433		
Miscellaneous Taxes, Licenses and Permits	4,214		
Sub-total Taxes and Licenses	**291,916**	***PUPA: 1,438***	
Insurance			
Property and Liability Insurance	82,716		
Fidelity Bond Insurance			
Worker's Compensation	39,862		
Director's & Officers' Liability Insurance			
Sub-total Insurance	**122,578**	***PUPA: 604***	
Maintenance & Repair			
Payroll	232,708	Assistant facilities manager, janitor payroll, maintenance payroll	
Supplies			
Contracts	103,467	Repairs, grounds, elevator, exterminating, more	
Garbage and Trash Removal	107,068		
Security Payroll/Contract			
HVAC Repairs and Maintenance	24,420		
Vehicle and Maintenance Equipment Operation and Repairs	547		
Miscellaneous Operating and Maintenance Expenses	73,187	Plumbing repairs, appliances/replacement, life safety, etc	
Sub-total Maintenance & Repair Expenses	**541,397**	***PUPA: 2,667***	
Supportive Services	125,000	1 FTE service coordinator	
Commercial Expenses	16,664	Links from 'Commercial Op. Budget' Worksheet	
TOTAL OPERATING EXPENSES	***2,122,157***	***PUPA: 10,454***	
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	7,500	Bond Issuer Fee	
Replacement Reserve Deposit	101,500		
Operating Reserve Deposit			
Other Required Reserve 1 Deposit			
Other Required Reserve 2 Deposit			
Required Reserve Deposit/s, Commercial	0	Links from 'Commercial Op. Budget' Worksheet	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	**124,000**	***PUPA: 611***	
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	**2,246,157**	***PUPA: 11,065***	
NET OPERATING INCOME (INCOME minus OP EXPENSES)	**2,664,432**	***PUPA: 13,125***	
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)			
Hard Debt - First Lender	2,281,478	CalHFA Tax Exempt Permanent	Provide additional comments here, if needed.
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)	20,903	Commercial Loan (taxable)	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	
TOTAL HARD DEBT SERVICE	**2,302,381**	***PUPA: 11,342***	
CASH FLOW (NOI minus DEBT SERVICE)	**362,051**		
USES OF CASH FLOW BELOW (This row also shows DSCR.)	***1.16***		
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL			
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)			
Partnership Management Fee (see policy for limits)	17,220	2nd	
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)	169,916	Def. Develop. Fee split: 50%	Provide additional comments here, if needed.
TOTAL PAYMENTS PRECEDING MOHCD	**192,136**	***PUPA: 946***	
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	**169,915**		

Min DSCR:	1.09
Mortgage Rate:	5.00%
Term (Years):	30
Supportable 1st Mortgage Pmt:	2,444,433
Supportable 1st Mortgage Amt:	$37,946,081
Proposed 1st Mortgage Amt:	$41,990,000

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.):	**169,916**
% 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	$30,000,000	99.50%
MOHCD/OCII - Ground Lease Value or Land Acq Cost	Ground Lease Value	$150,000	0.50%
HCD (soft debt loan) - Lender 3			0.00%
Other Soft Debt Lender - Lender 4			0.00%

Application Date:	**2/18/20**	**Project Name:**	**5th and 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)**:**	**2022**	**Project Sponsor:**	**Tenderloin Neighborhood Development Corporation**
		TCAC Income Limits In Use!	

Other Soft Debt Lender - Lender 5			0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
MOHCD Residual Receipts Amount Due	169,915	50% of residual receipts, multiplied by 100% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	169,915	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.
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	
Total Non-MOHCD Residual Receipts Debt Service	**0**	
REMAINDER (Should be zero unless there are distributions below)	**0**	
Owner Distributions/Incentive Management Fee	0	
Other Distributions/Uses	0	
Final Balance (should be zero)	**0**	

Attachment K: 20-year Operating Proforma

Please see following page.

5th and Howard

MOHCD Proforma - 20 Year Cash Flow

TCAC Income Limits In Use!

Total # Units: *203*

	% annual increase	Comments (related to annual inc assumptions)	Year 1 2022 Total	Year 2 2023 Total	Year 3 2024 Total	Year 4 2025 Total	Year 5 2026 Total	Year 6 2027 Total	Year 7 2028 Total	Year 8 2029 Total
INCOME										
Residential - Tenant Rents	2.5%		5,093,520	5,220,858	5,351,379	5,485,164	5,622,293	5,762,850	5,906,922	6,054,595
Residential - Tenant Assistance Payments (Non-LOSP)	n/a		-							
Commercial Space	2.5%		-	-	-	-	-	-	-	-
Residential Parking	2.5%		-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%		-	-	-	-	-	-	-	-
Supportive Services Income	2.5%		-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%		-	-	-	-	-	-	-	-
Laundry and Vending	2.5%		14,555	14,919	15,292	15,674	16,066	16,468	16,879	17,301
Tenant Charges	2.5%		-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%		-	-	-	-	-	-	-	-
Other Commercial Income	2.5%		82,740	84,809	86,929	89,102	91,329	93,613	95,953	98,352
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	Link from Reserve Section below, as applicable	-							
Gross Potential Income			**5,190,815**	**5,320,585**	**5,453,600**	**5,589,940**	**5,729,689**	**5,872,931**	**6,019,754**	**6,170,248**
Vacancy Loss - Residential - Tenant Rents	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(259,541)	(261,043)	(267,569)	(274,258)	(281,115)	(288,143)	(295,346)	(302,730)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a		-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a		(20,685)	(21,202)	(21,732)	(22,275)	(22,832)	(23,403)	(23,988)	(24,588)
EFFECTIVE GROSS INCOME			**4,910,589**	**5,038,340**	**5,164,299**	**5,293,406**	**5,425,741**	**5,561,385**	**5,700,420**	**5,842,930**
OPERATING EXPENSES										
Management										
Management Fee	3.5%	1st Year to be set according to HUD schedule.	165,648	171,446	177,446	183,657	190,085	196,738	203,624	210,751
Asset Management Fee	3.5%	per MOHCD policy	21,900	22,667	23,460	24,281	25,131	26,010	26,921	27,863
Sub-total Management Expenses			**187,548**	**194,112**	**200,906**	**207,938**	**215,216**	**222,748**	**230,544**	**238,613**
Salaries/Benefits										
Office Salaries	3.5%		15,801	16,354	16,926	17,519	18,132	18,767	19,423	20,103
Manager's Salary	3.5%		158,000	163,530	169,254	175,177	181,309	187,654	194,222	201,020
Health Insurance and Other Benefits	3.5%		-	-	-	-	-	-	-	-
Other Salaries/Benefits	3.5%		97,440	100,850	104,380	108,033	111,814	115,728	119,778	123,971
Administrative Rent-Free Unit	3.5%		-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits			**271,241**	**280,734**	**290,560**	**300,730**	**311,255**	**322,149**	**333,424**	**345,094**
Administration										
Advertising and Marketing	3.5%		-	-	-	-	-	-	-	-
Office Expenses	3.5%		62,446	64,632	66,894	69,235	71,658	74,166	76,762	79,449
Office Rent	3.5%		7,580	7,845	8,120	8,404	8,698	9,003	9,318	9,644
Legal Expense - Property	3.5%		9,000	9,315	9,641	9,978	10,328	10,689	11,063	11,451
Audit Expense	3.5%		12,600	13,041	13,497	13,970	14,459	14,965	15,489	16,031
Bookkeeping/Accounting Services	3.5%		41,412	42,861	44,362	45,914	47,521	49,184	50,906	52,688
Bad Debts	3.5%		-	-	-	-	-	-	-	-
Miscellaneous	3.5%		23,674	24,503	25,360	26,248	27,166	28,117	29,101	30,120
Sub-total Administration Expenses			**156,712**	**162,197**	**167,874**	**173,749**	**179,831**	**186,125**	**192,639**	**199,381**
Utilities										
Electricity	3.5%		108,004	111,784	115,696	119,746	123,937	128,275	132,764	137,411
Water	3.5%		224,186	232,032	240,153	248,559	257,258	266,262	275,581	285,227
Gas	3.5%		76,912	79,604	82,390	85,274	88,258	91,347	94,544	97,853
Sewer	3.5%		-	-	-	-	-	-	-	-
Sub-total Utilities			**409,101**	**423,420**	**438,239**	**453,578**	**469,453**	**485,884**	**502,890**	**520,491**
Taxes and Licenses										
Real Estate Taxes	3.5%		252,269	261,098	270,237	279,695	289,484	299,616	310,103	320,957
Payroll Taxes	3.5%		35,433	36,673	37,957	39,285	40,660	42,083	43,556	45,081
Miscellaneous Taxes, Licenses and Permits	3.5%		4,214	4,361	4,514	4,672	4,836	5,005	5,180	5,361
Sub-total Taxes and Licenses			**291,916**	**302,133**	**312,708**	**323,652**	**334,980**	**346,705**	**358,839**	**371,399**
Insurance										
Property and Liability Insurance	3.5%		82,716	85,611	88,607	91,709	94,919	98,241	101,679	105,238
Fidelity Bond Insurance	3.5%		-	-	-	-	-	-	-	-
Worker's Compensation	3.5%		39,862	41,257	42,701	44,196	45,743	47,344	49,001	50,716
Director's & Officers' Liability Insurance	3.5%		-	-	-	-	-	-	-	-
Sub-total Insurance			**122,578**	**126,868**	**131,309**	**135,904**	**140,661**	**145,584**	**150,680**	**155,953**
Maintenance & Repair										
Payroll	3.5%		232,708	240,853	249,282	258,007	267,037	276,384	286,057	296,069
Supplies	3.5%		-	-	-	-	-	-	-	-
Contracts	3.5%		103,467	107,089	110,837	114,716	118,731	122,887	127,188	131,639
Garbage and Trash Removal	3.5%		107,068	110,815	114,694	118,708	122,863	127,163	131,614	136,220
Security Payroll/Contract	3.5%		-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance	3.5%		24,420	25,274	26,159	27,074	28,022	29,003	30,018	31,069
Vehicle and Maintenance Equipment Operation and Repairs	3.5%		547	567	586	607	628	650	673	696
Miscellaneous Operating and Maintenance Expenses	3.5%		73,187	75,749	78,400	81,144	83,984	86,923	89,966	93,114
Sub-total Maintenance & Repair Expenses			**541,397**	**560,346**	**579,958**	**600,256**	**621,265**	**643,010**	**665,515**	**688,808**
Supportive Services	3.5%		125,000	129,375	133,903	138,590	143,440	148,461	153,657	159,035
Commercial Expenses			-	17,247	17,851	18,476	19,122	19,792	20,484	21,201
TOTAL OPERATING EXPENSES			***2,122,157***	**2,196,433**	**2,273,308**	**2,352,873**	**2,435,224**	**2,520,457**	**2,608,673**	**2,699,976**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)			***10,454***							
Reserves/Ground Lease Base Rent/Bond Fees				*Note: Hidden columns are in between total columns. To update/delete values in yellow cells, manipulate each cell rather tha*						
Ground Lease Base Rent			15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Bond Monitoring Fee			7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Replacement Reserve Deposit			101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500
Operating Reserve Deposit			-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit			-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit			-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial			-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees			**124,000**	**124,000**	**124,000**	**124,000**	**124,000**	**124,000**	**124,000**	**124,000**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)			**2,246,157**	**2,320,433**	**2,397,308**	**2,476,873**	**2,559,224**	**2,644,457**	**2,732,673**	**2,823,976**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)			***11,065***							
NET OPERATING INCOME (INCOME minus OP EXPENSES)			**2,664,432**	**2,717,908**	**2,766,991**	**2,816,533**	**2,866,518**	**2,916,928**	**2,967,747**	**3,018,954**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)				*Note: Hidden columns are in between total columns. To update/delete values in yellow cells, manipulate each cell rather tha*						
Hard Debt - First Lender		Enter comments re: annual increase, etc.	2,281,478	2,281,478	2,281,478	2,281,478	2,281,478	2,281,478	2,281,478	2,281,478
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)		Enter comments re: annual increase, etc.	20,903	20,903	20,903	20,903	20,903	20,903	20,903	20,903
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)		Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender		Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-
Commercial Hard Debt Service			-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE			**2,302,381**	**2,302,381**	**2,302,381**	**2,302,381**	**2,302,381**	**2,302,381**	**2,302,381**	**2,302,381**
CASH FLOW (NOI minus DEBT SERVICE)			**362,051**	**415,527**	**464,610**	**514,152**	**564,137**	**614,547**	**665,366**	**716,573**
USES OF CASH FLOW BELOW (This row also shows DSCR.)		***DSCR:***	***1.16***	***1.18***	***1.2***	***1.22***	***1.25***	***1.27***	***1.29***	***1.31***
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL				*Note: Hidden columns are in between total columns. To update/delete values in yellow cells, manipulate each cell rather tha*						
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	per MOHCD policy	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)	3.5%	per MOHCD policy	17,220							
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)		per MOHCD policy no annual increase	5,000							
Other Payments			-							
Non-amortizing Loan Pmnt - Lender 1		Enter comments re: annual increase, etc.	-							
Non-amortizing Loan Pmnt - Lender 2		Enter comments re: annual increase, etc.	-							
Deferred Developer Fee (Enter amt <= Max Fee from row 131)			169,916							
TOTAL PAYMENTS PRECEDING MOHCD			**192,136**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)			**169,915**	**415,527**	**464,610**	**514,152**	**564,137**	**614,547**	**665,366**	**716,573**
Does Project have a MOHCD Residual Receipt Obligation?	***Yes***	Year 15 is year indicated below:								
Will Project Defer Developer Fee?	***Yes***	2036								
1st Residual Receipts Split - Lender/Deferred Developer Fee	*50% / 50%*	2nd Residual Receipts Split Begins:								
2nd Residual Receipts Split - Lender/Owner	*67% / 33%*	2037								
Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):			169,916	207,763	232,305	257,076	282,068	307,274	332,683	358,286
	Dist. Soft Debt Loans	mulative Deferred Developer Fee Earned	169,916	169,916	169,916	169,916	169,916	169,916	169,916	169,916
MOHCD RESIDUAL RECEIPTS DEBT SERVICE										
MOHCD Residual Receipts Amount Due	*100.00%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	169,915	415,527	464,610	514,152	564,137	614,547	665,366	716,573
Proposed MOHCD Residual Receipts Amount to Loan Repayment			169,915	415,527	464,610	514,152	564,137	614,547	665,366	716,573
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		Proposed Total MOHCD Amt Due less Loan Repayment	-	-	-	-	-	-	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE										

MOHCD Proforma - 20 Year Cash Flow

INCOME	% annual increase	Comments (related to annual inc assumptions)	Year 1 2022 Total	Year 2 2023 Total	Year 3 2024 Total	Year 4 2025 Total	Year 5 2026 Total	Year 6 2027 Total	Year 7 2028 Total	Year 8 2029 Total
HCD Residual Receipts Amount Due	0.00%	No HCD Financing	-	-	-	-	-	-	-	-
Lender 4 Residual Receipts Due	0.00%		-	-	-	-	-	-	-	-
Lender 5 Residual Receipts Due	0.00%		-	-	-	-	-	-	-	-
Total Non-MOHCD Residual Receipts Debt Service			-	-	-	-	-	-	-	-
REMAINDER (Should be zero unless there are distributions below)			-	-	-	-	-	-	-	-
Owner Distributions/Incentive Management Fee			-	-	-	-	-	-	-	-
Other Distributions/Uses			-							
Final Balance (should be zero)			-	-	-	-	-	-	-	-
REPLACEMENT RESERVE - RUNNING BALANCE										
Replacement Reserve Starting Balance			-	101,500	203,000	304,500	406,000	507,500	609,000	710,500
Replacement Reserve Deposits			101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500
Replacement Reserve Withdrawals (ideally tied to CNA)			-	-	-	-	-	-	-	-
Replacement Reserve Interest										
RR Running Balance			101,500	203,000	304,500	406,000	507,500	609,000	710,500	812,000
		RR Balance/Unit	*$500*	*$1,000*	*$1,500*	*$2,000*	*$2,500*	*$3,000*	*$3,500*	*$4,000*
OPERATING RESERVE - RUNNING BALANCE										
Operating Reserve Starting Balance			-	-	-	-	-	-	-	-
Operating Reserve Deposits			-	-	-	-	-	-	-	-
Operating Reserve Withdrawals										
Operating Reserve Interest										
OR Running Balance			-	-	-	-	-	-	-	-
	OR Balance as a % of Prior Yr Op Exps + Debt Service			*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE										
Other Reserve 1 Starting Balance				-	-	-	-	-	-	-
Other Reserve 1 Deposits			-	-	-	-	-	-	-	-
Other Reserve 1 Withdrawals										
Other Reserve 1 Interest										
Other Required Reserve 1 Running Balance			-	-	-	-	-	-	-	-
OTHER RESERVE 2 - RUNNING BALANCE										
Other Reserve 2 Starting Balance				-	-	-	-	-	-	-
Other Reserve 2 Deposits			-	-	-	-	-	-	-	-
Other Reserve 2 Withdrawals										
Other Reserve 2 Interest										
Other Required Reserve 2 Running Balance			-	-	-	-	-	-	-	-

5th and Howard

Total # Units: *203*

INCOME	% annual increase	Comments (related to annual inc assumptions)	Year 9 2030 Total	Year 10 2031 Total	Year 11 2032 Total	Year 12 2033 Total	Year 13 2034 Total	Year 14 2035 Total	Year 15 2036 Total	Year 16 2037 Total
Residential - Tenant Rents	2.5%		6,205,960	6,361,109	6,520,136	6,683,140	6,850,218	7,021,474	7,197,010	7,376,936
Residential - Tenant Assistance Payments (Non-LOSP)	n/a									
Commercial Space	2.5%		-	-	-	-	-	-	-	-
Residential Parking	2.5%		-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%		-	-	-	-	-	-	-	-
Supportive Services Income	2.5%		-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%		-	-	-	-	-	-	-	-
Laundry and Vending	2.5%		17,734	18,177	18,632	19,097	19,575	20,064	20,566	21,080
Tenant Charges	2.5%		-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%		-	-	-	-	-	-	-	-
Other Commercial Income	2.5%		100,811	103,331	105,914	108,562	111,276	114,058	116,909	119,832
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	Link from Reserve Section below, as applicable								
Gross Potential Income			**6,324,504**	**6,482,617**	**6,644,682**	**6,810,799**	**6,981,069**	**7,155,596**	**7,334,486**	**7,517,848**
Vacancy Loss - Residential - Tenant Rents	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(310,298)	(318,055)	(326,007)	(334,157)	(342,511)	(351,074)	(359,851)	(368,847)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a		-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a		(25,203)	(25,833)	(26,479)	(27,141)	(27,819)	(28,515)	(29,227)	(29,958)
EFFECTIVE GROSS INCOME			**5,989,003**	**6,138,728**	**6,292,197**	**6,449,502**	**6,610,739**	**6,776,008**	**6,945,408**	**7,119,043**
OPERATING EXPENSES										
Management										
Management Fee	3.5%	1st Year to be set according to HUD schedule.	218,127	225,761	233,663	241,841	250,306	259,066	268,134	277,518
Asset Management Fee	3.5%	per MOHCD policy	28,838	29,847	30,892	31,973	33,092	34,251	35,449	36,690
Sub-total Management Expenses			**246,965**	**255,609**	**264,555**	**273,814**	**283,398**	**293,317**	**303,583**	**314,208**
Salaries/Benefits										
Office Salaries	3.5%		20,807	21,535	22,289	23,069	23,876	24,712	25,577	26,472
Manager's Salary	3.5%		208,056	215,338	222,875	230,675	238,749	247,105	255,754	264,705
Health Insurance and Other Benefits	3.5%		-	-	-	-	-	-	-	-
Other Salaries/Benefits	3.5%		128,310	132,800	137,449	142,259	147,238	152,392	157,725	163,246
Administrative Rent-Free Unit	3.5%		-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits			**357,172**	**369,673**	**382,612**	**396,003**	**409,864**	**424,209**	**439,056**	**454,423**
Administration										
Advertising and Marketing	3.5%		-	-	-	-	-	-	-	-
Office Expenses	3.5%		82,229	85,107	88,086	91,169	94,360	97,663	101,081	104,619
Office Rent	3.5%		9,981	10,331	10,692	11,067	11,454	11,855	12,270	12,699
Legal Expense - Property	3.5%		11,851	12,266	12,695	13,140	13,600	14,076	14,568	15,078
Audit Expense	3.5%		16,592	17,173	17,774	18,396	19,039	19,706	20,396	21,109
Bookkeeping/Accounting Services	3.5%		54,532	56,440	58,416	60,460	62,576	64,767	67,033	69,380
Bad Debts	3.5%		-	-	-	-	-	-	-	-
Miscellaneous	3.5%		31,174	32,265	33,395	34,563	35,773	37,025	38,321	39,662
Sub-total Administration Expenses			**206,360**	**213,582**	**221,058**	**228,795**	**236,803**	**245,091**	**253,669**	**262,547**
Utilities										
Electricity	3.5%		142,220	147,198	152,350	157,682	163,201	168,913	174,825	180,944
Water	3.5%		295,210	305,542	316,236	327,304	338,760	350,616	362,888	375,589
Gas	3.5%		101,278	104,823	108,492	112,289	116,219	120,287	124,497	128,854
Sewer	3.5%		-	-	-	-	-	-	-	-
Sub-total Utilities			**538,708**	**557,563**	**577,078**	**597,275**	**618,180**	**639,816**	**662,210**	**685,387**
Taxes and Licenses										
Real Estate Taxes	3.5%		332,190	343,817	355,850	368,305	381,196	394,538	408,346	422,639
Payroll Taxes	3.5%		46,658	48,292	49,982	51,731	53,542	55,416	57,355	59,363
Miscellaneous Taxes, Licenses and Permits	3.5%		5,549	5,743	5,944	6,152	6,368	6,591	6,821	7,060
Sub-total Taxes and Licenses			**384,398**	**397,852**	**411,776**	**426,189**	**441,105**	**456,544**	**472,523**	**489,061**
Insurance										
Property and Liability Insurance	3.5%		108,921	112,733	116,679	120,763	124,990	129,364	133,892	138,578
Fidelity Bond Insurance	3.5%		-	-	-	-	-	-	-	-
Worker's Compensation	3.5%		52,491	54,328	56,229	58,197	60,234	62,342	64,524	66,783
Director's & Officers' Liability Insurance	3.5%		-	-	-	-	-	-	-	-
Sub-total Insurance			**161,412**	**167,061**	**172,908**	**178,960**	**185,224**	**191,707**	**198,416**	**205,361**
Maintenance & Repair										
Payroll	3.5%		306,432	317,157	328,257	339,746	351,637	363,945	376,683	389,867
Supplies	3.5%		-	-	-	-	-	-	-	-
Contracts	3.5%		136,247	141,015	145,951	151,059	156,346	161,818	167,482	173,344
Garbage and Trash Removal	3.5%		140,988	145,923	151,030	156,316	161,787	167,450	173,310	179,376
Security Payroll/Contract	3.5%		-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance	3.5%		32,156	33,281	34,446	35,652	36,900	38,191	39,528	40,911
Vehicle and Maintenance Equipment Operation and Repairs	3.5%		721	746	772	799	827	856	886	917
Miscellaneous Operating and Maintenance Expenses	3.5%		96,373	99,746	103,237	106,851	110,591	114,461	118,467	122,614
Sub-total Maintenance & Repair Expenses			**712,916**	**737,868**	**763,694**	**790,423**	**818,088**	**846,721**	**876,356**	**907,029**
Supportive Services	3.5%		164,601	170,362	176,325	182,496	188,884	195,495	202,337	209,419
Commercial Expenses			21,943	22,711	23,506	24,329	25,180	26,062	26,974	27,918
TOTAL OPERATING EXPENSES			**2,794,476**	**2,892,282**	**2,993,512**	**3,098,285**	**3,206,725**	**3,318,960**	**3,435,124**	**3,555,353**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)										
Reserves/Ground Lease Base Rent/Bond Fees			*ın dragging across multiple cells.*							
Ground Lease Base Rent			15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Bond Monitoring Fee			7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Replacement Reserve Deposit			101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500
Operating Reserve Deposit			-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit			-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit			-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial			-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees			**124,000**	**124,000**	**124,000**	**124,000**	**124,000**	**124,000**	**124,000**	**124,000**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)			**2,918,476**	**3,016,282**	**3,117,512**	**3,222,285**	**3,330,725**	**3,442,960**	**3,559,124**	**3,679,353**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)										
NET OPERATING INCOME (INCOME minus OP EXPENSES)			**3,070,528**	**3,122,446**	**3,174,685**	**3,227,217**	**3,280,014**	**3,333,047**	**3,386,284**	**3,439,690**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)			*ın dragging across multiple cells.*							
Hard Debt - First Lender		Enter comments re: annual increase, etc.	2,281,478	2,281,478	2,281,478	2,281,478	2,281,478	2,281,478	2,281,478	2,281,478
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)		Enter comments re: annual increase, etc.	20,903	20,903	20,903	20,903	20,903	20,903	20,903	20,903
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)		Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender		Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-
Commercial Hard Debt Service			-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE			**2,302,381**	**2,302,381**	**2,302,381**	**2,302,381**	**2,302,381**	**2,302,381**	**2,302,381**	**2,302,381**
CASH FLOW (NOI minus DEBT SERVICE)			**768,147**	**820,065**	**872,304**	**924,836**	**977,633**	**1,030,666**	**1,083,903**	**1,137,309**
USES OF CASH FLOW BELOW (This row also shows DSCR.)		***DSCR:***	***1.33***	***1.36***	***1.38***	***1.4***	***1.42***	***1.45***	***1.47***	***1.49***
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL			*ın dragging across multiple cells.*							
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	per MOHCD policy	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)	3.5%	per MOHCD policy								
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)		per MOHCD policy no annual increase								
Other Payments										
Non-amortizing Loan Pmnt - Lender 1		Enter comments re: annual increase, etc.								
Non-amortizing Loan Pmnt - Lender 2		Enter comments re: annual increase, etc.								
Deferred Developer Fee (Enter amt <= Max Fee from row 131)										
TOTAL PAYMENTS PRECEDING MOHCD			-	-	-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)			**768,147**	**820,065**	**872,304**	**924,836**	**977,633**	**1,030,666**	**1,083,903**	**1,137,309**
Does Project have a MOHCD Residual Receipt Obligation?	***Yes***	Year 15 is year indicated below:								
Will Project Defer Developer Fee?	***Yes***	2036								
1st Residual Receipts Split - Lender/Deferred Developer Fee	*50% / 50%*	2nd Residual Receipts Split Begins:								
2nd Residual Receipts Split - Lender/Owner	*67% / 33%*	2037								
Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):			384,074	410,033	436,152	462,418	488,817	515,333	541,952	
	Dist. Soft Debt Loans	mulative Deferred Developer Fee Earned	169,916	169,916	169,916	169,916	169,916	169,916	169,916	
MOHCD RESIDUAL RECEIPTS DEBT SERVICE										
MOHCD Residual Receipts Amount Due	*100.00%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	768,147	820,065	872,304	924,836	977,633	1,030,666	1,083,903	758,206
Proposed MOHCD Residual Receipts Amount to Loan Repayment			768,147	820,065	872,304	924,836	977,633	1,030,666	1,083,903	758,206
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		Proposed Total MOHCD Amt Due less Loan Repayment	-	-	-	-	-	-	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE										

INCOME	% annual increase	Comments (related to annual inc assumptions)	Year 9 2030 Total	Year 10 2031 Total	Year 11 2032 Total	Year 12 2033 Total	Year 13 2034 Total	Year 14 2035 Total	Year 15 2036 Total	Year 16 2037 Total
HCD Residual Receipts Amount Due	0.00%	No HCD Financing	-	-	-	-	-	-	-	-
Lender 4 Residual Receipts Due	0.00%		-	-	-	-	-	-	-	-
Lender 5 Residual Receipts Due	0.00%		-	-	-	-	-	-	-	-
Total Non-MOHCD Residual Receipts Debt Service			-	-	-	-	-	-	-	-
REMAINDER (Should be zero unless there are distributions below)			-	-	-	-	-	-	-	379,103
Owner Distributions/Incentive Management Fee			-	-	-	-	-	-	-	379,103
Other Distributions/Uses										
Final Balance (should be zero)			-	-	-	-	-	-	-	-
REPLACEMENT RESERVE - RUNNING BALANCE										
Replacement Reserve Starting Balance			812,000	913,500	1,015,000	1,116,500	1,218,000	1,319,500	1,421,000	1,522,500
Replacement Reserve Deposits			101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500
Replacement Reserve Withdrawals (ideally tied to CNA)			-	-	-	-	-	-	-	-
Replacement Reserve Interest										
RR Running Balance			913,500	1,015,000	1,116,500	1,218,000	1,319,500	1,421,000	1,522,500	1,624,000
		RR Balance/Unit	*$4,500*	*$5,000*	*$5,500*	*$6,000*	*$6,500*	*$7,000*	*$7,500*	*$8,000*
OPERATING RESERVE - RUNNING BALANCE										
Operating Reserve Starting Balance			-	-	-	-	-	-	-	-
Operating Reserve Deposits			-	-	-	-	-	-	-	-
Operating Reserve Withdrawals										
Operating Reserve Interest										
OR Running Balance			-	-	-	-	-	-	-	-
	OR Balance as a % of Prior Yr Op Exps + Debt Service		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE										
Other Reserve 1 Starting Balance			-	-	-	-	-	-	-	-
Other Reserve 1 Deposits			-	-	-	-	-	-	-	-
Other Reserve 1 Withdrawals										
Other Reserve 1 Interest										
Other Required Reserve 1 Running Balance			-	-	-	-	-	-	-	-
OTHER RESERVE 2 - RUNNING BALANCE										
Other Reserve 2 Starting Balance			-	-	-	-	-	-	-	-
Other Reserve 2 Deposits			-	-	-	-	-	-	-	-
Other Reserve 2 Withdrawals										
Other Reserve 2 Interest										
Other Required Reserve 2 Running Balance			-	-	-	-	-	-	-	-

5th and Howard

Total # Units: *203*

INCOME	% annual increase	Comments (related to annual inc assumptions)	Year 17 2038 Total	Year 18 2039 Total	Year 19 2040 Total	Year 20 2041 Total
Residential - Tenant Rents	2.5%		7,561,359	7,750,393	7,944,153	8,142,757
Residential - Tenant Assistance Payments (Non-LOSP)	n/a					
Commercial Space	2.5%		-	-	-	-
Residential Parking	2.5%		-	-	-	-
Miscellaneous Rent Income	2.5%		-	-	-	-
Supportive Services Income	2.5%		-	-	-	-
Interest Income - Project Operations	2.5%		-	-	-	-
Laundry and Vending	2.5%		21,607	22,147	22,701	23,268
Tenant Charges	2.5%		-	-	-	-
Miscellaneous Residential Income	2.5%		-	-	-	-
Other Commercial Income	2.5%		122,828	125,899	129,046	132,272
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	Link from Reserve Section below, as applicable				
Gross Potential Income			**7,705,794**	**7,898,439**	**8,095,900**	**8,298,297**
Vacancy Loss - Residential - Tenant Rents	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(378,068)	(387,520)	(397,208)	(407,138)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a		-	-	-	-
Vacancy Loss - Commercial	n/a		(30,707)	(31,475)	(32,262)	(33,068)
EFFECTIVE GROSS INCOME			**7,297,019**	**7,479,445**	**7,666,431**	**7,858,091**
OPERATING EXPENSES						
Management						
Management Fee	3.5%	1st Year to be set according to HUD schedule.	287,231	297,284	307,689	318,458
Asset Management Fee	3.5%	per MOHCD policy	37,974	39,303	40,679	42,103
Sub-total Management Expenses			**325,206**	**336,588**	**348,368**	**360,561**
Salaries/Benefits						
Office Salaries	3.5%		27,399	28,358	29,350	30,377
Manager's Salary	3.5%		273,970	283,559	293,483	303,755
Health Insurance and Other Benefits	3.5%		-	-	-	-
Other Salaries/Benefits	3.5%		168,959	174,873	180,993	187,328
Administrative Rent-Free Unit	3.5%		-	-	-	-
Sub-total Salaries/Benefits			**470,328**	**486,789**	**503,827**	**521,461**
Administration						
Advertising and Marketing	3.5%		-	-	-	-
Office Expenses	3.5%		108,280	112,070	115,993	120,053
Office Rent	3.5%		13,144	13,604	14,080	14,573
Legal Expense - Property	3.5%		15,606	16,152	16,717	17,303
Audit Expense	3.5%		21,848	22,613	23,404	24,224
Bookkeeping/Accounting Services	3.5%		71,808	74,321	76,922	79,615
Bad Debts	3.5%		-	-	-	-
Miscellaneous	3.5%		41,050	42,487	43,974	45,513
Sub-total Administration Expenses			**271,736**	**281,247**	**291,091**	**301,279**
Utilities						
Electricity	3.5%		187,277	193,832	200,616	207,637
Water	3.5%		388,735	402,340	416,422	430,997
Gas	3.5%		133,364	138,032	142,863	147,863
Sewer	3.5%		-	-	-	-
Sub-total Utilities			**709,376**	**734,204**	**759,901**	**786,498**
Taxes and Licenses						
Real Estate Taxes	3.5%		437,431	452,741	468,587	484,987
Payroll Taxes	3.5%		61,440	63,591	65,816	68,120
Miscellaneous Taxes, Licenses and Permits	3.5%		7,307	7,563	7,827	8,101
Sub-total Taxes and Licenses			**506,178**	**523,895**	**542,231**	**561,209**
Insurance						
Property and Liability Insurance	3.5%		143,428	148,448	153,644	159,022
Fidelity Bond Insurance	3.5%		-	-	-	-
Worker's Compensation	3.5%		69,120	71,539	74,043	76,635
Director's & Officers' Liability Insurance	3.5%		-	-	-	-
Sub-total Insurance			**212,549**	**219,988**	**227,687**	**235,656**
Maintenance & Repair						
Payroll	3.5%		403,512	417,635	432,252	447,381
Supplies	3.5%		-	-	-	-
Contracts	3.5%		179,411	185,690	192,189	198,916
Garbage and Trash Removal	3.5%		185,654	192,152	198,878	205,838
Security Payroll/Contract	3.5%		-	-	-	-
HVAC Repairs and Maintenance	3.5%		42,343	43,825	45,359	46,947
Vehicle and Maintenance Equipment Operation and Repairs	3.5%		949	982	1,017	1,052
Miscellaneous Operating and Maintenance Expenses	3.5%		126,905	131,347	135,944	140,702
Sub-total Maintenance & Repair Expenses			**938,775**	**971,632**	**1,005,639**	**1,040,836**
Supportive Services	3.5%		216,748	224,334	232,186	240,313
Commercial Expenses			28,895	29,906	30,953	32,037
TOTAL OPERATING EXPENSES			**3,679,791**	**3,808,583**	**3,941,884**	**4,079,850**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)						
Reserves/Ground Lease Base Rent/Bond Fees						
Ground Lease Base Rent			15,000	15,000	15,000	15,000
Bond Monitoring Fee			7,500	7,500	7,500	7,500
Replacement Reserve Deposit			101,500	101,500	101,500	101,500
Operating Reserve Deposit			-	-	-	-
Other Required Reserve 1 Deposit			-	-	-	-
Other Required Reserve 2 Deposit			-	-	-	-
Required Reserve Deposit/s, Commercial			-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees			**124,000**	**124,000**	**124,000**	**124,000**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)			**3,803,791**	**3,932,583**	**4,065,884**	**4,203,850**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)						
NET OPERATING INCOME (INCOME minus OP EXPENSES)			**3,493,228**	**3,546,861**	**3,600,547**	**3,654,242**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)						
Hard Debt - First Lender		Enter comments re: annual increase, etc.	2,281,478	2,281,478	2,281,478	2,281,478
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)		Enter comments re: annual increase, etc.	20,903	20,903	20,903	20,903
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)		Enter comments re: annual increase, etc.	-	-	-	-
Hard Debt - Fourth Lender		Enter comments re: annual increase, etc.	-	-	-	-
Commercial Hard Debt Service			-	-	-	-
TOTAL HARD DEBT SERVICE			**2,302,381**	**2,302,381**	**2,302,381**	**2,302,381**
CASH FLOW (NOI minus DEBT SERVICE)			**1,190,848**	**1,244,480**	**1,298,166**	**1,351,861**
USES OF CASH FLOW BELOW (This row also shows DSCR.)		***DSCR:***	***1.52***	***1.54***	***1.56***	***1.59***
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL						
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	per MOHCD policy	-	-	-	-
Partnership Management Fee (see policy for limits)	3.5%	per MOHCD policy				
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)		per MOHCD policy no annual increase				
Other Payments						
Non-amortizing Loan Pmnt - Lender 1		Enter comments re: annual increase, etc.				
Non-amortizing Loan Pmnt - Lender 2		Enter comments re: annual increase, etc.				
Deferred Developer Fee (Enter amt <= Max Fee from row 131)						
TOTAL PAYMENTS PRECEDING MOHCD			-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)			**1,190,848**	**1,244,480**	**1,298,166**	**1,351,861**
Does Project have a MOHCD Residual Receipt Obligation?	***Yes***	Year 15 is year indicated below:				
Will Project Defer Developer Fee?	***Yes***	2036				
1st Residual Receipts Split - Lender/Deferred Developer Fee	*50% / 50%*	2nd Residual Receipts Split Begins:				
2nd Residual Receipts Split - Lender/Owner	*67% / 33%*	2037				
Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):						
	Dist. Soft Debt Loans	mulative Deferred Developer Fee Earned				
MOHCD RESIDUAL RECEIPTS DEBT SERVICE						
MOHCD Residual Receipts Amount Due	*100.00%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	793,898	829,654	865,444	901,241
Proposed MOHCD Residual Receipts Amount to Loan Repayment			793,898	829,654	865,444	901,241
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		Proposed Total MOHCD Amt Due less Loan Repayment	-	-	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE						

Attachment L: Commercial Operating Budget

Please see following page.

MOHCD Proforma - Commercial Operating Budget

5th and Howard

Total # Units:	203	Business Year	Year 1 2022	Year 2 2023	Year 3 2024	Year 4 2025	Year 5 2026	Year 6 2027	Year 7 2028	Year 8 2029	Year 9 2030	Year 10 2031	Year 11 2032	Year 12 2033	Year 13 2034	Year 14 2035	Year 15 2036	Year 16 2037
COMMERCIAL INCOME	**% annual increase**	**Comments**																
Commercial Space 1	2.5%																	
Commercial Space 2	2.5%																	
Commercial Space 3	2.5%																	
Commercial Space 4	2.5%																	
Commercial Space 5	2.5%																	
Other Commercial Income	2.5%		82,740	84,809	86,929	89,102	91,329	93,613	95,953	98,352	100,811	103,331	105,914	108,562	111,276	114,058	116,909	119,832
Gross Potential Income			**82,740**	**84,809**	**86,929**	**89,102**	**91,329**	**93,613**	**95,953**	**98,352**	**100,811**	**103,331**	**105,914**	**108,562**	**111,276**	**114,058**	**116,909**	**119,832**
		Rent/SF/Month:																
Vacancy Loss - Commercial	n/a	First Year assumes 50%; enter negative # if need to override. For out years, manually enter per MOHCD policy; annual incrementing usually not appropriate. Indicate if market study or other source if using "actual projected vacancy."	(20,685)	(21,202.13)	(21,732.18)	(22,275.48)	(22,832.37)	(23,403.18)	(23,988.26)	(24,587.96)	(25,202.66)	(25,832.73)	(26,478.55)	(27,140.51)	(27,819.03)	(28,514.50)	(29,227.36)	(29,958.05)
EFFECTIVE GROSS INCOME			**62,055**	**63,606**	**65,197**	**66,826**	**68,497**	**70,210**	**71,965**	**73,764**	**75,608**	**77,498**	**79,436**	**81,422**	**83,457**	**85,544**	**87,682**	**89,874**
COMMERCIAL OPERATING EXPENSES																		
Management																		
Commercial Management Fee	3.5%	Fee to be based on recommendation of current market study.	16,664	17,247	17,851	18,476	19,122	19,792	20,484	21,201	21,943	22,711	23,506	24,329	25,180	26,062	26,974	27,918
Sub-total Management Expenses			**16,664**	**17,247**	**17,851**	**18,476**	**19,122**	**19,792**	**20,484**	**21,201**	**21,943**	**22,711**	**23,506**	**24,329**	**25,180**	**26,062**	**26,974**	**27,918**
Utilities																		
Electricity	3.5%			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water	3.5%			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gas	3.5%			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewer	3.5%			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Utilities			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxes and Licenses																		
Real Estate Taxes	3.5%			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Taxes	3.5%			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Taxes, Licenses and Permits	3.5%			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Taxes and Licenses			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance																		
Property and Liability Insurance	3.5%			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fidelity Bond Insurance	3.5%			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance	3.5%			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Insurance			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance & Repair																		
Payroll	3.5%			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	3.5%			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracts	3.5%			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Garbage and Trash Removal	3.5%			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security Payroll/Contract	3.5%			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance	3.5%			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicle and Maintenance Equipment Operation and Repairs	3.5%			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.5%			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserves/Ground Lease Base Rent/Bond Fees																		
Replacement Reserve Deposit																		
Operating Reserve Deposit																		
Other Required Reserve 1 Deposit																		
Other Required Reserve 2 Deposit																		
Sub-total Reserves/Ground Lease Base Rent/Bond Fees			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL COMMERCIAL OPERATING EXPENSES			**16,664**	**17,247**	**17,851**	**18,476**	**19,122**	**19,792**	**20,484**	**21,201**	**21,943**	**22,711**	**23,506**	**24,329**	**25,180**	**26,062**	**26,974**	**27,918**
NET OPERATING INCOME (INCOME minus OP EXPENSES)			**45,391**	**46,359**	**47,346**	**48,351**	**49,375**	**50,418**	**51,480**	**52,563**	**53,665**	**54,787**	**55,929**	**57,093**	**58,277**	**59,482**	**60,708**	**61,956**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)																		
Hard Debt - First Lender																		
Hard Debt - Second Lender																		
Hard Debt - Third Lender																		
Hard Debt - Fourth Lender																		
TOTAL HARD DEBT SERVICE			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CASH FLOW (NOI minus DEBT SERVICE)			**45,391**	**46,359**	**47,346**	**48,351**	**49,375**	**50,418**	**51,480**	**52,563**	**53,665**	**54,787**	**55,929**	**57,093**	**58,277**	**59,482**	**60,708**	**61,956**
REPLACEMENT RESERVE - RUNNING BALANCE																		
Replacement Reserve Starting Balance				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replacement Reserve Deposits			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replacement Reserve Withdrawals (ideally tied to CNA)																		
Replacement Reserve Interest																		
RR Running Balance			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OPERATING RESERVE - RUNNING BALANCE																		
Operating Reserve Starting Balance				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Reserve Deposits			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Reserve Withdrawals																		
Operating Reserve Interest																		
OR Running Balance			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE																		
Other Reserve 1 Starting Balance				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Reserve 1 Deposits			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Reserve 1 Withdrawals																		
Other Reserve 1 Interest																		
Other Required Reserve 1 Running Balance			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER RESERVE 2 - RUNNING BALANCE																		
Other Reserve 2 Starting Balance				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Reserve 2 Deposits			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Reserve 2 Withdrawals																		
Other Reserve 2 Interest																		
Other Required Reserve 2 Running Balance			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

MOHCD Proforma - 20 Year Cash Flow

INCOME	% annual increase	Comments (related to annual inc assumptions)	Year 1 2022 Total	Year 2 2023 Total	Year 3 2024 Total	Year 4 2025 Total	Year 5 2026 Total	Year 6 2027 Total	Year 7 2028 Total	Year 8 2029 Total
HCD Residual Receipts Amount Due	0.00%	No HCD Financing	-	-	-	-	-	-	-	-
Lender 4 Residual Receipts Due	0.00%		-	-	-	-	-	-	-	-
Lender 5 Residual Receipts Due	0.00%		-	-	-	-	-	-	-	-
Total Non-MOHCD Residual Receipts Debt Service			-	-	-	-	-	-	-	-
REMAINDER (Should be zero unless there are distributions below)			-	-	-	-	-	-	-	-
Owner Distributions/Incentive Management Fee			-	-	-	-	-	-	-	-
Other Distributions/Uses			-							
Final Balance (should be zero)			-	-	-	-	-	-	-	-
REPLACEMENT RESERVE - RUNNING BALANCE										
Replacement Reserve Starting Balance			-	101,500	203,000	304,500	406,000	507,500	609,000	710,500
Replacement Reserve Deposits			101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500
Replacement Reserve Withdrawals (ideally tied to CNA)			-	-	-	-	-	-	-	-
Replacement Reserve Interest										
RR Running Balance			101,500	203,000	304,500	406,000	507,500	609,000	710,500	812,000
		RR Balance/Unit	*$500*	*$1,000*	*$1,500*	*$2,000*	*$2,500*	*$3,000*	*$3,500*	*$4,000*
OPERATING RESERVE - RUNNING BALANCE										
Operating Reserve Starting Balance			-	-	-	-	-	-	-	-
Operating Reserve Deposits			-	-	-	-	-	-	-	-
Operating Reserve Withdrawals										
Operating Reserve Interest										
OR Running Balance			-	-	-	-	-	-	-	-
	OR Balance as a % of Prior Yr Op Exps + Debt Service			*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE										
Other Reserve 1 Starting Balance				-	-	-	-	-	-	-
Other Reserve 1 Deposits			-	-	-	-	-	-	-	-
Other Reserve 1 Withdrawals										
Other Reserve 1 Interest										
Other Required Reserve 1 Running Balance			-	-	-	-	-	-	-	-
OTHER RESERVE 2 - RUNNING BALANCE										
Other Reserve 2 Starting Balance				-	-	-	-	-	-	-
Other Reserve 2 Deposits			-	-	-	-	-	-	-	-
Other Reserve 2 Withdrawals										
Other Reserve 2 Interest										
Other Required Reserve 2 Running Balance			-	-	-	-	-	-	-	-