

**Citywide Affordable Housing Loan Committee**  
San Francisco Mayor's Office of Housing and Community Development  
Department of Homelessness and Supportive Housing  
Office of Community Investment and Infrastructure  
Controller's Office of Public Finance

Evaluation of Request for Funding: LOSP Contract Renewal  
(Local Operating Subsidy Program)

*Prepared By:* Mike McLoone  
*Loan Committee Date:* February 19, 2021

<i>Sponsor Name:</i>	TNDC, on behalf of Folsom/Dore Associates, LP
<i>Project Name:</i>	Folsom + Dore Apartments
<i>Project Address:</i>	1346 Folsom Street
<i>Number of Units/Beds:</i>	98 units
<i>Homeless units:</i>	42 units
<i>LOSP units:</i>	20 units
<i>COC units:</i>	22 units

*Amount of Funds Requested:* \$80,973 for Year 1 budget  
Up to \$4,600,530 for 16 years (including Year 1)

*Amount of Funds Recommended:* \$4,600,530

## **1. SUMMARY AND BACKGROUND**

Folsom/Dore Associates, LP a California Limited Partnership and affiliate of Tenderloin Neighborhood Development Corporation (TNDC), is requesting \$4,600,530 in General Funds from the Local Operating Subsidy Program (LOSP) to subsidize the continuing operations of Folsom + Dore Apartments (Project) for a period of 16 years.

The Project is located in the South of Market neighborhood in Supervisorial District 6 at 1346 Folsom Street at the intersection of Dore Street, an alley parallel to 9th and 10th Streets. The Project serves a low- to very-low income population with a broad range of special needs including single parent households, welfare-to-work participants, mentally and developmentally disabled persons and people with HIV/AIDS.

This five-story, 98-unit affordable housing development was built on a 0.58-acre parcel that retained the original two-story brick façade as the entry and lobby. It was also the first multi-family building in Northern California to achieve LEED Silver Certification and received five other awards for innovative design. The building contains 33 studios, 57 one-bedroom and 8 two-bedroom units, plus 16 parking spaces and 3,600 square feet of community service space used by Supportive Services (offices and service provision spaces).

The property was originally built by Citizens Housing Corporation in 2005 using a combination of Tax Credits and Tax-exempt Bonds, a City HOME loan, an MHP loan and an AHP loan. TNDC acquired the property from Citizens Housing Corporation in November 2009.

TNDC manages the property directly and Lutheran Social Services provides supportive services with funding from the San Francisco Department of Homelessness and Supportive Housing (HSH).

Forty-two (42) units are restricted for occupancy by formerly homeless households and will be subject to LOSP requirements under the new LOSP Grant Agreement. The Project has Shelter Plus Care (S+C) Operating funding for 22 of these units. In accordance with current LOSP underwriting protocols, the S+C funding contributes to the LOSP portion of the project budget, which helps offset the cost to the City's General Fund. All 42 units are filled via referrals from HSH via the City's Coordinated Entry System.

The Project also benefits from the support of federal operating subsidies administered by the San Francisco Housing Authority: 25 units are supported under a Project-Based Section 8 contract and 10 units are occupied by households with Section 8 tenant vouchers.

At project inception, 20 of the homeless-serving units were subsidized through the Department of Public Housing (DPH) under a Direct Access to Housing (DAH) operating subsidy agreement. The DAH contract was replaced with a LOSP contract in 2011. The original LOSP Grant Agreement was executed on December 16, 2011 authorizing a total of \$2,027,681 in LOSP grant funds over a 9-year period, expiring on December 16, 2020.

The original LOSP contract was sized based on a legacy DAH program budget, which underestimated the Project's actual operating costs. In 2015, MOHCD Staff approved the Sponsor's request to increase the project's annual budget, which exhausted grant funding prior to the end of the contract period. The original LOSP grant was amended on November 27, 2019 to extend the contract by \$455,418, for a total funding amount of \$2,483,099.

The Project was one of the first to target a range of household sizes and populations: 32 units are occupied by households of 2 or more residents. About half of the units are restricted at 40% AMI, with the remainder at 60% AMI; allowing some tenants at higher AMI levels makes it financially feasible for the project to operate 21 units without subsidy.

The 42 units restricted for occupancy by formerly homeless households support extremely low-income residents who may also be experiencing mental health issues, substance use disorders and chronic medical conditions. 2019 household income average was \$1,905, or 13% AMI, which is typical of LOSP households.

The average age of the formerly homeless tenants is 58 years, and the median is 57. The average length of tenancy is 8 years. 10 of the formerly homeless tenants (24%) have been in place since the Project opened.

If this funding request is approved, a new contract with a term of 16 years and a retroactive start date of 1/1/2021 would be executed. Though all requested funds would be committed under a single, long-term contract, disbursements thereunder would be subject to annual appropriations by the Board of Supervisors, as is standard for LOSP contracts.

The amount of LOSP funds requested was derived by applying MOHCD's standard underwriting assumptions over a 16-year projection period. LOSP funds cover the gap between the Project's operating expenses, fees and reserve deposits and the operating revenue from tenant rents and S+C subsidy in the portion of the budget connected to the 42 units that are filled via referrals from HSH. If approved, funds would be disbursed under the contract in accordance with the attached schedule (see Exhibit A), with possible reductions to an annual disbursement if the project reports any preceding annual LOSP operating surpluses, as required by LOSP funding rules.

A total of \$80,973 in assistance is budgeted for the first year (CY2021). This equates to an annual per unit subsidy of \$4,049, or \$337 monthly. This is relatively low on a per-unit basis, and reflects the influence of the S+C subsidy. Taken together, the 42 units serving formerly homeless individuals will benefit from a total of \$581,661 in LOSP and S+C subsidy in 2021, which equates to an annual per unit subsidy of \$13,849, or \$1,154 monthly.

## 2. OPERATING BUDGET AND PROFORMA – COMPLIANCE WITH UNDERWRITING STANDARDS

The proposed Year 1 Operating Budget and 16-year Cash Flow projection for Folsom + Dore Apartments meet all applicable underwriting standards that are required of any project that is seeking capital financing or operating subsidy from MOHCD.

Operating Proforma		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Debt Service Coverage Ratio is between minimum 1.10:1 and maximum 1.15:1 at year 15	N, but allowable	Not met; 1.45 in 2021, 1.39 in 2022, goes < 1 for most years after. Exception – this is an existing project/debt already in place. And MOHCD will be asked to approve refinance
Debt Service Coverage Ratio stays above 1.00:1 for entirety of projected 20-year cash flow	N, but allowable	See above
Vacancy meets TCAC Standards	N, but allowable	Proposed vacancy rates are based on project history but are inflated for COVID impacts in years 2021-2023, averaging about 4% during that time and about 2.5% beyond.
Annual Income Growth from tenant rents is increased at 1% per year for LOSP units and 2.5% for non-LOSP units.	N, but allowable (COVID)	Escalation has been tailored to reflect COVID impacts: 0% for 2021, 2022 & 2023. 2024 & beyond - 1% for LOSP, 2% for non-LOSP. Rationale: Diminished income based on downturn in economy; loss of employment and employment opportunity in SF and low COLA for SSA and SSI.

Annual Operating Expenses are increased at 3.5% per year	N, but allowable	Expenses escalation factor is 4%. TNDC originally proposed 6%, based on project's history, but agreed to 4% because growth of over the last 6 years averaged 3.7%. This exception to escalation policy is feasible only because other factors in this proposal result a significant reduction to the project's annual LOSP funding.
Base year operating expenses per unit are reasonable per comparables	Y	Total Operating Expenses in 2021 are \$13,818 per unit, which compares favorably to a group of similar LOSP projects. See Section 3 below for details.
Property Management Fee is at allowable HUD Maximum	N, but allowable	Total Property Management Fee for 2021 is \$101,633 which is \$86 PUPM, which exceeds the current HUD Maximum of \$78 PUPM, but is allowable because is an existing project. (HUD does not allow escalation. Because the MOHCD policy allows 3.5% escalation, our policy can only be applied to new projects.)
Property Management staffing level is reasonable per comparables	Y	9.8 FTEs, including 4.2 FTE office staff (desk clerks), 2 FTE management staff and 3.5 FTE maintenance/custodial
Asset Management and Partnership Management Fees meet standards	Y	Annual AM Fee is \$22,670/yr., which is current maximum fee under MOHCD policy. Because the investor exited the partnership in 2016, the Project does not currently qualify for a Partnership Management Fee. In anticipation of possible re-syndication, the budget includes allowable Partnership Management Fees starting in 2023.
Replacement Reserve Deposits meet or exceed TCAC or MOHCD minimum standards	Y	Proposed Replacement Reserve Deposits are \$1098 per unit in 2021.
Limited Partnership Asset Management Fee meets standards	Y	In anticipation of possible re-syndication, the budget includes allowable Limited Partnership Asset Management Fee starting in 2022.

### 3. PROPOSED LOSP BUDGET

The 1st Year Operating Budget (Attachment B) for CY2021 serves as the basis of the tallies for the overall LOSP Grant period. The preparation of it was informed by the actual income and expenses of the Project in recent years. Anticipated financial impacts of the COVID-19 pandemic are reflected in the proposal; escalation and vacancy are used to show these impacts because they most easily allow the projected impacts to be applied for a limited duration, as described in greater detail below.

#### 3.1. Annual Operating Income Evaluation

LOSP column Tenant Rent: nearly \$121,250 is projected. This comprises nearly 18% of the total LOSP budget revenue and represents an average monthly rent of \$241 (10% AMI). As in all LOSP projects, tenants pay 30% of monthly income as rent.

S+C Subsidy: A total of \$500,688 is budgeted for Year 1.

LOSP Subsidy: A total of \$80,973 is budgeted for Year 1. The total funding comprises 12% of the LOSP portion of Effective Gross Income and equates to \$4,049 per unit per year and \$337 per month.

Total LOSP Residential Revenue Stream: the total LOSP column revenue for Year 1 is \$678,955. This represents monthly revenue per unit as follows:

Unit Type	PUPM Revenue	2020 AMI % Equivalent
Avg of Studio-1BR	\$1,347	56%

In other words, the LOSP portion of this budget will break-even with revenue equivalent to what would come from 42 units at 56% AMI with no subsidy. And the combination of S+C and LOSP funding allows the City to house formerly homeless tenants with incomes at roughly 10% AMI.

### **3.2 Annual Operating Expenses Evaluation**

Operating expenses in Year 1 are budgeted at \$1,417,629, or \$14,466 per unit per year. This amount represents an annual growth rate of 6.5% above 2019 actual expenses.

Staffing: \$522,686 is budgeted for staff. With a total of 9.8 FTEs for 98 units, the ratio of staff to units/tenants is approximately 1 to 10, which is comparable to other LOSP projects; a sample of nine LOSP projects shows a range from 1:6 to 1:15, with an average of 1:9.

Consolidated Staffing Costs –  
as budgeted in Management, Salaries/Benefits and Maintenance & Repair

Title	FTE allocated to Project	Exp allocated to Project
<b>Office Salaries</b>		
<i>Desk Clerk</i>	1.0	\$49,328
<i>Desk Clerk</i>	1.0	\$42,727
<i>Desk Clerk</i>	1.0	\$51,080
<i>Desk Clerk</i>	0.8	\$34,181
<i>Desk Clerk</i>	0.4	\$17,091
<i>Compliance Specialist</i>	0.03	\$9,532
<i>Fill in hours</i>		\$8,000
<b>Subtotal</b>	<b>4.23</b>	<b>\$211,939</b>
<b>Manager Salaries</b>		
<i>General Manager</i>	1.0	\$73,493
<i>Assistant Manager</i>	1.0	\$46,360
<i>Assistant Facilities</i>	0.03	\$9,641
<b>Subtotal</b>	<b>2.03</b>	<b>\$129,494</b>
<b>Janitorial</b>		
<i>Custodian</i>	1.0	\$42,727
<i>Custodian</i>	1.0	\$42,727
<i>Fill in hours</i>	0.0	\$2,000
<b>Subtotal</b>	<b>2.0</b>	<b>\$87,454</b>
<b>Maintenance</b>		
<i>Maintenance II</i>	1.0	\$50,311
<i>Maint Supervisor</i>	0.5	\$41,488
<i>Fill-in hours</i>		\$2,000
<b>Subtotal</b>	<b>1.5</b>	<b>\$93,799</b>
<b>Total FTEs and Expenses</b>	<b>9.8</b>	<b>\$522,686</b>

Other Operating Expenses: TNDC's proposed budget and the Project's recent history of operating expenses show improvements in cost containment over recent years: operating expenses increased by 11% in 2018, and 7% in 2019, but this proposed budget cumulatively shows an increase of 6.5% since 2019. Increases are somewhat consistent across all categories of expenses, with relatively larger increases for Salary (9.4%); Managers (23.6%) and Maintenance/Janitorial (42.3%) in particular (32.9%), but those increases are offset by a reduction in Desk Clerks (-13.6%).

### 3.3 Reserve Deposits, Debt Service, Fees

The Project has rehabilitation needs that exceed \$1mil, but the needs are not urgent. TNDC had been exploring various refinancing schemes, and had initially focused on a solution that would have required that the S+C funding be allocated to the non-LOSP portion of the budget. Because this is contrary to current LOSP underwriting practices, TNDC will develop an alternative refinancing scheme. In the interim, to help augment the Replacement Reserve

so that the project is better-situated handle deferred maintenance, TNDC requested and increase of \$40,000 per year in Replacement Reserve Deposits.

Program rules prohibit LOSP operating funding from being used to support permanent debt. The Project's non-LOSP budget currently supports hard debt payments of \$220,680. As noted above, TNDC plans to refinance the project and has proposed that the hard debt payments will increase to \$237,000 in 2023. TNDC estimates that they will be able to secure a loan of \$3.3million, which will be the source of the funds used to fund the withdrawal proposed in year 2023 of the Replacement Reserve.

TNDC also plans to re-syndicate the Project by 2023, and proposes to resume paying fees in amounts allowable under MOHCD's Operating Fees policy beginning in 2023.

Like many other older City capital funding agreements, MOHCD's capital funding agreement caps the amount of annual distribution available to the Project at \$500 per unit per year. TNDC responded to MOHCD's invitation to request the removal of per-unit distribution caps. MOHCD will require further information about the proposed refinancing and rehabilitation when evaluating TNDC's request to remove the per-unit cap on annual owner distributions.

### **3.4 Sixteen (16)-Year Cash Flow Projection**

Because of COVID-related impacts noted below, the escalation used over the 16-year period of the Grant has been tailored as follows:

- Tenant Rents - COVID impacts: Impacts: loss of employment and employment opportunity in SF and low COLA for SSA and SSI
  - LOSP column tenant rents are escalated at 0% for 2021, 2022 & 2023, and at 1% in 2024 & beyond
  - non-LOSP column tenant rents are escalated at 0% for 2021, 2022 & 2023, and at 2% in 2024 & beyond
- Federal Operating Subsidy – COVID impacts: FMRs falling in SF
  - LOSP - S+C: 0% through 2024, 1% beyond
  - non-LOSP - PBS8: 0% for 2020-2023, 1% for 2024 & 2025, 2% beyond
- Residential vacancy rate from 2014-2019 was 1.3%. TNDC proposes a more conservative 5% for 2021 and 2022, and 2% beyond; TNDC proposes vacancy assumptions of 5% on the S+C subsidy, and 2% on the Section 8 subsidy.
- Operating expenses are escalated at 4% annually, based on a the recent 6-year average annual increase of 3.7%. This policy exception to standard escalation is feasible only because other factors in this proposal result a significant reduction to the project's annual LOSP funding.
- TNDC projects that funds in the Replacement Reserve will be sufficient to address all expected capital replacement needs through 2023, at which point they expect to be ready to recapitalize. refinance the project to support a rehabilitation. The amount of Replacement Reserve deposit has also been increased by about \$400 PUPA in case TNDC needs more time to develop a viable recapitalization plan.
- Annual deposits to the Operating Reserve are sized in order to maintain a balance equal to 25% of the prior year's operating expenses, as required under MOHCD's capital funding agreement.

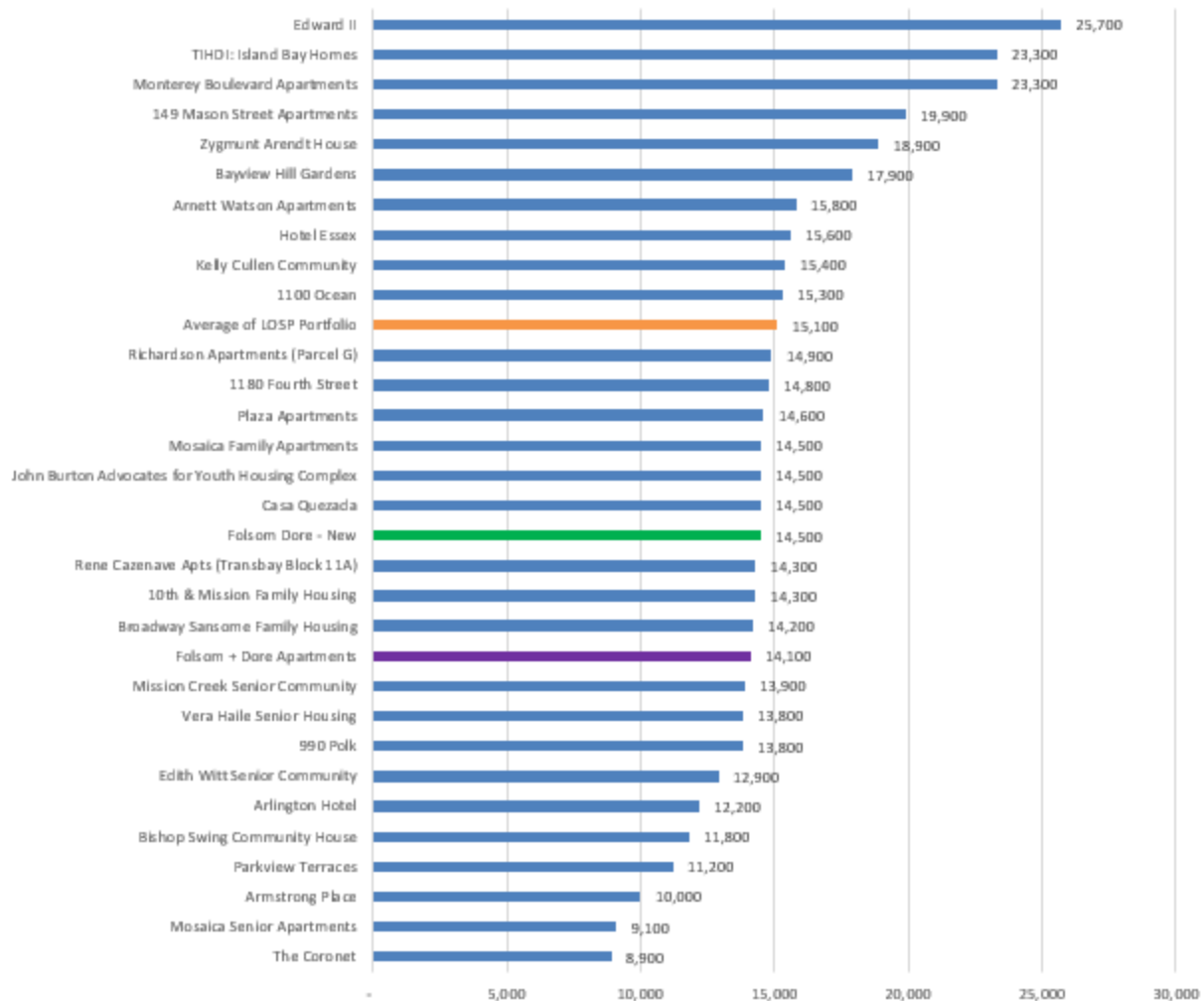
- The LOSP subsidy is projected to increase an average of 13.8% annually over the term of the contract; the budget reflects conservative assumptions about escalation until year 2025 in anticipation of COVID-related impacts. From 2024 until the end of the contract, the average annual growth is 9.6%. The rate of change in LOSP subsidy over time is unusually high due primarily to the impact of the differences in escalation assumptions used in this budget.
- The non-LOSP column is not a focus of this evaluation, but does indicate that TNDC will need to continue to proactively manage this budget and the rehab/re-syndication plans. The budget shows non-LOSP surplus for 2021 (\$108k) & 2022 (\$83k), and shows a relatively small deficit for the remaining years. Increases to the Section 8 contract rents that exceed the conservative estimate used in this budget will likely eliminate the deficits. MOHCD and TNDC will further analyze the budget and discuss solutions for the projected non-LOSP shortfalls during the next engagement to respond to TNDC's request to remove the per-unit cap on annual owner distributions (described above).

#### **4. OPERATING COST COMPARATIVE ANALYSIS**

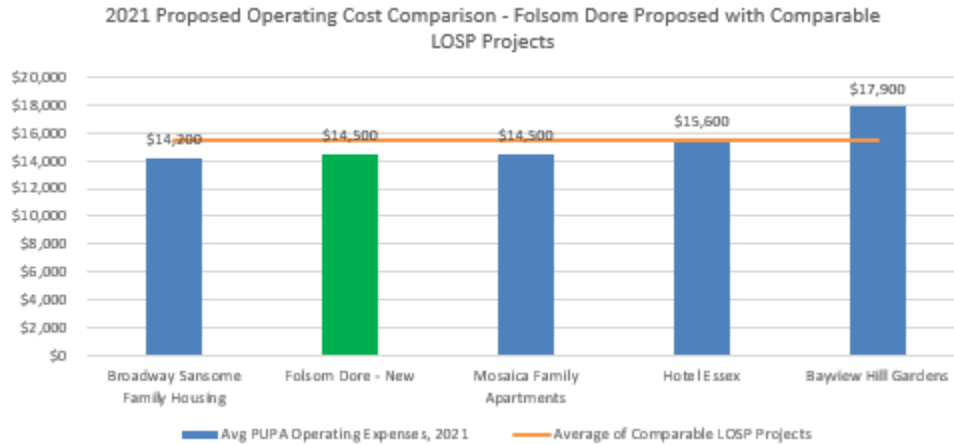
Comparison with LOSP Portfolio: In 2018, MOHCD's portfolio had a total of 30 supportive housing projects that were receiving LOSP operating grant funding. When trended up to 2021, average total operating expenses (before replacement reserve deposits and hard debt service) averaged \$15,100 per unit per year (PUPY), with a range from \$8,900 to \$25,700 PUPY. One of the greatest determinants of PUPY operating expenses is project size, with PUPY operating expenses higher for smaller and scattered-site buildings and lower for larger, single-site buildings. With proposed per unit annual operating expenses of \$14,500, the Project is lower than the average for the LOSP portfolio of \$15,100. Perhaps even more impressive is the fact that the Project's new 2021 proposed budget is lower than what the project would have seen in 2021 based upon its escalated 2018 expenses.



Estimated 2021 PUPA Operating Expenses of LOSP Projects, based on 2018 Operating Expenses



Comparison with similar LOSP Projects: The Project's proposed operating expenses also compares favorably with the PUPY expenses for four other LOSP projects that are of similar size, with a somewhat similar mix of target populations:



## 5. SUPPORT SERVICES EVALUATION

Because the project exclusively serves a formerly homeless population, the Supportive Services funding is tracked in a separate budget and no services funding is included in the Project's operating budget.

HSH directly contracts with Lutheran Social Services of Northern California (LSS) to provide on-site support services for 42 units (20 LOSP and 22 CoC).

The Contract Term is 07/01/2011-06/30/2021 for a total amount of \$2,123,375. HSH intends to extend the agreement when it expires. The FY20-21 budget is \$232,043.

While referrals for the 20 LOSP units at Folsom Dore are coming from Coordinated Entry, the project is still part of the Legacy DAH program which maintains program rules requiring enrollment in third party rent payment services, clients maximizing benefits they are eligible for, and temporary vacancies not to exceed 90 calendar days.

The services are provided at Tier V, which is the second highest level of services in HSH-funded permanent supportive housing, and are designed to support individuals who have the highest vulnerabilities and face multiple barriers to housing stability.

The services staffing for the 42 units includes 1.0 FTE Case Manager, 0.70 FTE Program Coordinator, and 0.55 FTE Program Manager. The case management staffing ratio is 1.7 FTEs to 42 units or 1:25. Supportive services include outreach and assessment; case management; benefits advocacy and assistance; referrals and coordination of services; housing stability support; connection to primary medical care; clinical services; individual and group therapy; and community building activities.

Lutheran Social Services is in good standing under the current contract. In general, there is a strong working partnership between LSS support services and TNDC Property Management.

## 6. CONCLUSION

MOHCD staff recommend approval of the request in full. Folsom + Dore Apartments is well-run and the proposed operating budget reflects appropriate staffing levels and meets the operating cost standards of comparable projects. The transition to a new contract provides an opportunity to properly underwrite the Project's LOSP budget for the first time, using current standards. By consolidating the S+C and LOSP funding in this new budget, the Project shows a lower need for LOSP funding that will result in relative annual budget savings for the City's General Fund of nearly \$250,000 in 2021, and averaging nearly \$190,000 per year over the term of the grant.

## **7. RECOMMENDED CONDITIONS**

none

## **8. LOAN COMMITTEE MODIFICATIONS**

## LOAN COMMITTEE RECOMMENDATION

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

☐ APPROVE.    ☐ DISAPPROVE.    ☐ TAKE NO ACTION.

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

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

☐ APPROVE.    ☐ DISAPPROVE.    ☐ TAKE NO ACTION.

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

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

☐ APPROVE.    ☐ DISAPPROVE.    ☐ TAKE NO ACTION.

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

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

☐ APPROVE.    ☐ DISAPPROVE.    ☐ TAKE NO ACTION.

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

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

Attachments: A. LOSP Program Description  
                  B. 1<sup>st</sup> Year Operating Budget  
                  C. 16-year Operating Pro Forma  
                  D. LOSP Funding and Disbursement Schedule

## Chavez, Rosanna (MYR)

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**From:** Shaw, Eric (MYR)  
**Sent:** Friday, February 19, 2021 11:15 AM  
**To:** Chavez, Rosanna (MYR)  
**Subject:** Folsom + Dore LOSP

Approve

Eric D. Shaw  
Director

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

## Chavez, Rosanna (MYR)

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**From:** Menjivar, Salvador (HOM)  
**Sent:** Friday, February 19, 2021 12:43 PM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR)  
**Subject:** Folsom-Dore LOSP

I approve the Tenderloin Neighborhood Development Corporation request for \$4,600,530 in General Funds from the Local Operating Subsidy Program (LOSP) to subsidize the continuing operations of Folsom + Dore Apartments.

Salvador



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

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**From:** Oerth, Sally (CII)  
**Sent:** Friday, February 19, 2021 11:16 AM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR); McLoone, Michael (MYR)  
**Subject:** Folsom Dore LOSP request - 2.19.21

I approve the LOSP request for the Folsom Dore project, as presented at the 2.19.21 Loan Committee



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

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## Chavez, Rosanna (MYR)

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**From:** Katz, Bridget (CON)  
**Sent:** Friday, February 19, 2021 11:14 AM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR)  
**Subject:** Folsom + Dore LOSP

Approved

### **Bridget Katz**

*Development Finance Specialist*, Office of Public Finance  
Controller's Office | City & County of San Francisco  
Office Phone: (415) 554-6240  
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## **Attachment A: LOSP Program Description**

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

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

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

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

Application Date:	7/24/2020	LOSP and S+C Units	Non-LOSP Units
Total # Units:	98	42	56
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations):	2021	LOSP/non-LOSP Allocation	
		43%	57%

Project Name:	Folsom + Dore Apartments
Project Address:	1346 Folsom St
Project Sponsor:	TNDC

INCOME	LOSP	non-LOSP	Total	Comments		
Residential - Tenant Rents	121,250	404,220	525,470	Links from 'Existing Proj - Rent Info' Worksheet	Alternative LOSP Split	
Residential - Tenant Assistance Payments (Non-LOSP)	500,688	852,522	1,353,210	Links from 'Existing Proj - Rent Info' Worksheet	Residential - Tenant Assistance Payments	37.00%
Residential - LOSP Tenant Assistance Payments	80,973	0	80,973			
Commercial Space	0	0	0	Links from 'Utilities & Other Income' Worksheet		
Residential Parking	0	0	0	Links from 'Utilities & Other Income' Worksheet		
Miscellaneous Rent Income	0	0	0	Links from 'Utilities & Other Income' Worksheet	Alternative LOSP Split	LOSP
Supportive Services Income	0	0	0		Supportive Services Income	
Interest Income - Project Operations	0	0	0	Links from 'Utilities & Other Income' Worksheet		
Laundry and Vending	3,173	4,207	7,380	Links from 'Utilities & Other Income' Worksheet	Projected LOSP Split	LOSP
Tenant Charges	1,322	1,753	3,075	Links from 'Utilities & Other Income' Worksheet	Tenant Charges	43.00%
Miscellaneous Residential Income	2,645	3,506	6,150	Links from 'Utilities & Other Income' Worksheet		
Other Commercial Income	0	0	0	Links from 'Commercial Op. Budget' Worksheet	Alternative LOSP Split	LOSP
Withdrawal from Capitalized Reserve (deposit to operating account)	0	0	0		Withdrawal from Capitalized Reserve (deposit to operating account)	
Gross Potential Income	710,051	1,266,207	1,976,258			
Vacancy Loss - Residential - Tenant Rents	(6,063)	(20,211)	(26,274)	Vacancy loss is 5% of Tenant Rents.		
Vacancy Loss - Residential - Tenant Assistance Payments	(25,043)	(17,050)	(42,093)	Vacancy loss is 3.1% of Tenant Assistance Payments.		
Vacancy Loss - Commercial	0	0	0	Links from 'Commercial Op. Budget' Worksheet		
EFFECTIVE GROSS INCOME	678,955	1,228,945	1,907,900	PUPA: 19,468		

OPERATING EXPENSES					Alternative LOSP Split	
Management					Management Fee	LOSP
Management Fee	43,702	57,931	101,633	1st Year to be set according to HUD schedule.	Management Fee	
Asset Management Fee	9,748	12,922	22,670		Asset Management Fee	
Sub-total Management Expenses	53,450	70,853	124,303	PUPA: 1,268		
Salaries/Benefits	0	0	0		Alternative LOSP Split	LOSP
Office Salaries	91,134	120,805	211,939		Office Salaries	
Manager's Salary	55,682	73,812	129,494		Manager's Salary	
Health Insurance and Other Benefits	32,885	43,592	76,477		Health Insurance and Other Benefits	
Other Salaries/Benefits	9,189	12,181	21,370		Other Salaries/Benefits	
Administrative Rent-Free Unit	0	0	0		Administrative Rent-Free Unit	
Sub-total Salaries/Benefits	188,891	250,390	439,280	PUPA: 4,482		
Administration	0	0	0			
Advertising and Marketing	939	1,245	2,184			
Office Expenses	6,440	8,536	14,976			
Office Rent	0	0	0		Projected LOSP Split	LOSP
Legal Expense - Property	12,520	16,596	29,116		Legal Expense - Property	43.00%
Audit Expense	5,944	7,879	13,823			
Bookkeeping/Accounting Services	4,996	6,623	11,619		Projected LOSP Split	LOSP
Bad Debts	4,470	5,926	10,396		Bad Debts	43.00%
Miscellaneous	20,323	26,939	47,262			
Sub-total Administration Expenses	55,631	73,744	129,375	PUPA: 1,320		
Utilities	0	0	0		Projected LOSP Split	LOSP
Electricity	18,974	25,151	44,125		Electricity	43.00%
Water	55,859	74,045	129,904			
Gas	17,854	23,667	41,521			
Sewer	0	0	0			
Sub-total Utilities	92,687	122,864	215,550	PUPA: 2,199		
Taxes and Licenses	0	0	0		Alternative LOSP Split	LOSP
Real Estate Taxes	1,253	1,661	2,914		Real Estate Taxes	
Payroll Taxes	15,477	20,516	35,992		Payroll Taxes	
Miscellaneous Taxes, Licenses and Permits	896	1,188	2,084			
Sub-total Taxes and Licenses	17,626	23,365	40,991	PUPA: 418		
Insurance	0	0	0			
Property and Liability Insurance	16,759	22,216	38,975			
Fidelity Bond Insurance	0	0	0		Alternative LOSP Split	LOSP
Worker's Compensation	18,793	24,912	43,705		Worker's Compensation	
Director's & Officers' Liability Insurance	0	0	0			
Sub-total Insurance	35,552	47,128	82,680	PUPA: 844		
Maintenance & Repair	0	0	0			
Payroll	77,939	103,314	181,253		Projected LOSP Split	LOSP
Supplies	12,170	16,132	28,303		Supplies	43.00%
Contracts	38,053	50,443	88,496		Contracts	
Garbage and Trash Removal	20,532	27,217	47,748		Alternative LOSP Split	LOSP
Security Payroll/Contract	0	0	0		Security Payroll/Contract	
HVAC Repairs and Maintenance	3,129	4,147	7,276			
Vehicle and Maintenance Equipment Operation and Repairs	268	356	624			
Miscellaneous Operating and Maintenance Expenses	0	0	0			
Sub-total Maintenance & Repair Expenses	152,091	201,609	353,700	PUPA: 3,609		
Supportive Services	13,653	18,098	31,750		Alternative LOSP Split	LOSP
Commercial Expenses	0	0	0	Links from 'Commercial Op. Budget' Worksheet	Supportive Services	
TOTAL OPERATING EXPENSES	609,580	808,048	1,417,629	PUPA: 14,466		

Reserves/Ground Lease Base Rent/Bond Fees						
Ground Lease Base Rent	0	0	0	Provide additional comments here, if needed.		
Bond Monitoring Fee	0	0	0		Alternative LOSP Split	LOSP
Replacement Reserve Deposit	47,656	63,173	110,829		Replacement Reserve Deposit	
Operating Reserve Deposit	12,359	16,383	28,742		Operating Reserve Deposit	
Other Required Reserve 1 Deposit	0	0	0		Other Required Reserve 1 Deposit	
Other Required Reserve 2 Deposit	0	0	0			
Required Reserve Deposit/s, Commercial	0	0	0	Links from 'Commercial Op. Budget' Worksheet		
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	60,016	79,556	139,571	PUPA: 1,424		
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	669,596	887,604	1,557,200	PUPA: 15,890		
NET OPERATING INCOME (INCOME minus OP EXPENSES)	9,359	341,341	350,700	PUPA: 3,579		
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)						
Hard Debt - First Lender	0	220,680	220,680	Loan Initiatives Support Corp	Provide additional comments here, if needed.	Hard Debt - First Lender 0.00%
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)	9,359	12,405	21,764	HCD Loan	Provide additional comments here, if needed.	Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	0	0		Provide additional comments here, if needed.	Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)
Hard Debt - Fourth Lender	0	0	0		Provide additional comments here, if needed.	Hard Debt - Fourth Lender
Commercial Hard Debt Service	0	0	0	Links from 'Commercial Op. Budget' Worksheet		
TOTAL HARD DEBT SERVICE	9,359	233,085	242,444	PUPA: 2,474		
CASH FLOW (NOI minus DEBT SERVICE)	0	108,256	108,256			
Commercial Only Cash Flow	0	0	0			
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)	0	108,256	108,256		Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)	
AVAILABLE CASH FLOW						
USES OF CASH FLOW BELOW (This row also shows DSCR.)						
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL						
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	0	0	0	Re-syndicating; fees could start 2022		
Partnership Management Fee (see policy for limits)	0	0	0			
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	0	0	0		Alternative LOSP Split	LOSP
Other Payments	0	0	0		Other Payments	
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	0	0	0	Provide additional comments here, if needed.	Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)	0	0	0	Provide additional comments here, if needed.		
Deferred Developer Fee (Enter amt <= Max Fee from cell H130)	0	0	0	Def. Develop. Fee split: 0%	Deferred Developer Fee (Enter amt <= Max Fee from cell H130)	0.00%
TOTAL PAYMENTS PRECEDING MOHCD	0	0	0	PUPA: 0		

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	0	108,256	108,256			
Residual Receipts Calculation						
Does Project have a MOHCD Residual Receipt Obligation?	Yes		Project has MOHCD ground lease?	No		
Will Project Defer Developer Fee?	No					
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:	33%				Sum of DD F from LOSP and non-LOSP:	0
% of Residual Receipts available for distribution to soft debt lenders in	67%				Ratio of Sum of DDF and calculated 50%:	

Soft Debt Lenders with Residual Receipts Obligations	(Select lender name/program from drop down)	Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OClI - Soft Debt Loans	All MOHCD/OClI Loans payable from res. rects	\$2,682,632	34.11%
MOHCD/OClI - Ground Lease Value or Land Acq Cost	Ground Lease Value		0.00%
HCD (soft debt loan) - Lender 3	HCD Loan	\$5,181,955	65.89%
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	24,618	24,618	67% of residual receipts, multiplied by 34.11% -- MOHCD's pro rata share of all soft	
Proposed MOHCD Residual Receipts Amount to Loan Repayment	24,618	24,618	Enter/override amount of residual receipts proposed for loan repayment.	
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repaymt.	
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE		83,638		

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE				
HCD Residual Receipts Amount Due	47,553	67% of residual receipts, multiplied by 65.89% -- HCD Loan's pro rata share of all soft debt		
Lender 4 Residual Receipts Due	0			
Lender 5 Residual Receipts Due	0			
Total Non-MOHCD Residual Receipts Debt Service	47,553			

REMAINDER (Should be zero unless there are distributions below)	36,085			
Owner Distributions/Incentive Management Fee	36,085	100% of Borrower share of 33% of residual receipts		
Other Distributions/Uses	0			
Final Balance (should be zero)	0			

Application Date: 7/24/2020  
Total # Units: 98  
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2021

INCOME		
Residential - Tenant Rents	non-LOSP	Approved By (read)
Residential - Tenant Assistance Payments (Non-LOSP)	63.00%	37% of 1353210 = 500,688 was amount of S+C for 2020.
Residential - LOSP Tenant Assistance Payments		
Commercial Space		
Residential Parking		
Miscellaneous Rent Income	non-LOSP	Approved By (read)
Supportive Services Income		
Interest Income - Project Operations		
Laundry and Vending	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Tenant Charges	57.00%	
Miscellaneous Residential Income		
Other Commercial Income	non-LOSP	Approved By (read)
Withdrawal from Capitalized Reserve (deposit to operating account)		
Gross Potential Income		
Vacancy Loss - Residential - Tenant Rents		
Vacancy Loss - Residential - Tenant Assistance Payments		
Vacancy Loss - Commercial		
EFFECTIVE GROSS INCOME		
OPERATING EXPENSES		
Management	non-LOSP	Approved By (read)
Management Fee		
Asset Management Fee		
Sub-total Management Expenses		
Salaries/Benefits	non-LOSP	Approved By (read)
Office Salaries		
Manager's Salary		
Health Insurance and Other Benefits		
Other Salaries/Benefits		
Administrative Rent-Free Unit		
Sub-total Salaries/Benefits		
Administration		
Advertising and Marketing		
Office Expenses		
Office Rent	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Legal Expense - Property	57.00%	
Audit Expense		
Bookkeeping/Accounting Services	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Bad Debts	57.00%	
Miscellaneous		
Sub-total Administration Expenses		
Utilities	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Electricity	57.00%	
Water		
Gas		
Sewer		
Sub-total Utilities		
Taxes and Licenses	non-LOSP	Approved By (read)
Real Estate Taxes		
Payroll Taxes		
Miscellaneous Taxes, Licenses and Permits		
Sub-total Taxes and Licenses		
Insurance		
Property and Liability Insurance		
Fidelity Bond Insurance	non-LOSP	Approved By (read)
Worker's Compensation		
Director's & Officers' Liability Insurance		
Sub-total Insurance		
Maintenance & Repair		
Payroll	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Supplies	57.00%	
Contracts		
Garbage and Trash Removal	non-LOSP	Approved By (read)
Security Payroll/Contract		
HVAC Repairs and Maintenance		
Vehicle and Maintenance Equipment Operation and Repairs		
Miscellaneous Operating and Maintenance Expenses		
Sub-total Maintenance & Repair Expenses		
Supportive Services	non-LOSP	Approved By (read)
Commercial Expenses		
TOTAL OPERATING EXPENSES		
Reserves/Ground Lease Base Rent/Bond Fees		
Ground Lease Base Rent		
Bond Monitoring Fee	non-LOSP	Approved By (read)
Replacement Reserve Deposit		
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		
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)		
NET OPERATING INCOME (INCOME minus OP EXPENSES)		
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)	non-LOSP	Approved By (read)
Hard Debt - First Lender	100.00%	
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)		
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)		
Hard Debt - Fourth Lender		
Commercial Hard Debt Service		
TOTAL HARD DEBT SERVICE		
CASH FLOW (NOI minus DEBT SERVICE)		
Commercial Only Cash Flow		
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)		
AVAILABLE CASH FLOW		
USES OF CASH FLOW BELOW (This row also shows DSCR.)		
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL		
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)		
Partnership Management Fee (see policy for limits)		
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	non-LOSP	Approved By (read)
Other Payments		
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)		
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)		
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	100.00%	
TOTAL PAYMENTS PRECEDING MOHCD		
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)		
Residual Receipts Calculation		
Does Project have a MOHCD Residual Receipt Obligation?		
Will Project Defer Developer Fee?		
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:		
% of Residual Receipts available for distribution to soft debt lenders in		
Soft Debt Lenders with Residual Receipts Obligations		
MOHCD/OCII - Soft Debt Loans		
MOHCD/OCII - Ground Lease Value or Land Acq Cost		
HCD (soft debt loan) - Lender 3		
Other Soft Debt Lender - Lender 4		
Other Soft Debt Lender - Lender 5		
MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
MOHCD Residual Receipts Amount Due		
Proposed MOHCD Residual Receipts Amount to Loan Repayment		
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
HCD Residual Receipts Amount Due		
Lender 4 Residual Receipts Due		
Lender 5 Residual Receipts Due		
Total Non-MOHCD Residual Receipts Debt Service		
REMAINDER (Should be zero unless there are distributions below)		
Owner Distributions/Incentive Management Fee		
Other Distributions/Uses		
Final Balance (should be zero)		

Folsom + Dore Apartments

Total # Units:				Year 1 2021			Year 2 2022			Year 3 2023			
		LOSP and S+C Units	Non-LOSP Units										
		98	42	56									
		43.00%	57.00%										
INCOME		% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
Residential - Tenant Rents		1.0%	2.0%	0% for 2021, 2022 & 2023. 2024 & beyond - 1% for LOSP, 2% for non-LOSP. Rationale: Diminished income based on downturn in economy; loss of employment and employment opportunity in SF and low COLA for SSA and SSL.	121,250	404,220	525,470	121,250	404,220	525,470	121,250	404,220	525,470
Residential - Tenant Assistance Payments (Non-LOSP)		1.0%	2.0%	S+C: 0% thru 2024, 1% beyond. PBS8: 0% for 2020-2023, 1% for 2024 & 2025, 2% beyond. (FMRs falling in SF.)	500,688	852,522	1,353,210	500,688	852,522	1,353,210	500,688	852,522	1,353,210
Residential - LOSP Tenant Assistance Payments		n/a	n/a		80,973	-	80,973	100,008	-	100,008	158,781	-	158,781
Commercial Space		n/a	2.5%		-	-	-	-	-	-	-	-	-
Residential Parking		2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income		2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income		2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations		2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending		2.5%	2.5%		3,173	4,207	7,380	3,253	4,312	7,565	3,334	4,420	7,754
Tenant Charges		2.5%	2.5%		1,322	1,753	3,075	1,365	1,797	3,152	1,389	1,841	3,231
Miscellaneous Residential Income		2.5%	2.5%		2,645	3,506	6,150	2,711	3,593	6,304	2,778	3,663	6,461
Other Commercial Income		n/a	2.5%		-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)		n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-	-	-	-	-
Gross Potential Income					710,051	1,266,207	1,976,258	729,265	1,266,443	1,995,708	788,220	1,266,686	2,054,906
Vacancy Loss - Residential - Tenant Rents		n/a	n/a	Jan-June actuals and assume 50% greater vacancy for July-Dec	(6,063)	(20,211)	(26,274)	(6,063)	(20,211)	(26,274)	(2,425)	(8,084)	(10,509)
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a		(25,034)	(17,050)	(42,085)	(25,034)	(17,050)	(42,085)	(25,034)	(17,050)	(42,085)
Vacancy Loss - Commercial		n/a	n/a		-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME					678,955	1,228,945	1,907,900	698,168	1,229,182	1,927,350	760,761	1,241,551	2,002,312
OPERATING EXPENSES													
Management													
Management Fee		3.5%	3.5%	1st Year to be set according to HUD schedule.	43,702	57,931	101,633	45,232	59,958	105,190	46,815	62,057	108,872
Asset Management Fee		3.5%	3.5%	per MOHCD policy	9,748	12,922	22,670	10,088	13,372	23,460	10,440	13,840	24,280
Sub-total Management Expenses					53,450	70,853	124,303	55,320	73,331	128,650	57,255	75,896	133,152
Salaries/Benefits													
Office Salaries		4.0%	4.0%	Pay equity implementation. May be higher because of pay equity implementation	91,134	120,805	211,939	94,779	125,637	220,417	98,570	130,663	229,233
Manager's Salary		4.0%	4.0%	May be higher because of pay equity implementation	55,682	73,812	129,494	57,910	76,764	134,674	60,226	79,835	140,061
Health Insurance and Other Benefits		4.0%	4.0%	Commensurate increase with pay equity implementation	32,885	43,592	76,477	34,201	45,336	79,537	35,569	47,149	82,718
Other Salaries/Benefits		4.0%	4.0%	Commensurate increase with pay equity implementation	9,189	12,181	21,370	9,557	12,668	22,225	9,939	13,175	23,114
Administrative Rent-Free Unit		4.0%	4.0%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits					188,891	250,390	439,280	196,446	260,405	456,852	204,304	270,822	475,126
Administration													
Advertising and Marketing		4.0%	4.0%		939	1,245	2,184	977	1,295	2,271	1,016	1,346	2,362
Office Expenses		4.0%	4.0%		6,440	8,536	14,976	6,697	8,878	15,575	6,965	9,233	16,198
Office Rent		4.0%	4.0%		-	-	-	-	-	-	-	-	-
Legal Expense - Property		4.0%	4.0%	Consistently high legal expenses	12,520	16,596	29,116	13,021	17,260	30,280	13,541	17,950	31,492
Audit Expense		4.0%	4.0%		5,944	7,879	13,823	6,181	8,194	14,376	6,429	8,522	14,951
Bookkeeping/Accounting Services		4.0%	4.0%		4,996	6,623	11,619	5,196	6,888	12,084	5,404	7,163	12,567
Bad Debts		4.0%	4.0%		4,470	5,926	10,396	4,649	6,163	10,812	4,835	6,409	11,244
Miscellaneous		4.0%	4.0%		20,323	26,939	47,262	21,135	28,017	49,152	21,981	29,137	51,118
Sub-total Administration Expenses					55,631	73,744	129,375	57,856	76,693	134,550	60,171	79,761	139,932
Utilities													
Electricity		4.0%	4.0%		18,974	25,151	44,125	19,733	26,157	45,890	20,522	27,204	47,726
Water		4.0%	4.0%	Includes sewer	55,859	74,045	129,904	58,093	77,007	135,100	60,417	80,088	140,505
Gas		4.0%	4.0%		17,854	23,667	41,521	18,568	24,614	43,182	19,311	25,598	44,909
Sewer		4.0%	4.0%	Cable	-	-	-	-	-	-	-	-	-
Sub-total Utilities					92,687	122,864	215,550	96,394	127,778	224,172	100,250	132,889	233,139
Taxes and Licenses													
Real Estate Taxes		4.0%	4.0%		1,253	1,661	2,914	1,303	1,727	3,031	1,355	1,797	3,152
Payroll Taxes		4.0%	4.0%	Commensurate increase with pay equity implementation	15,477	20,516	35,992	16,096	21,336	37,432	16,740	22,190	38,929
Miscellaneous Taxes, Licenses and Permits		4.0%	4.0%		896	1,188	2,084	932	1,235	2,168	969	1,285	2,254
Sub-total Taxes and Licenses					17,626	23,365	40,991	18,331	24,299	42,630	19,064	25,271	44,335
Insurance													
Property and Liability Insurance		4.0%	4.0%		16,759	22,216	38,975	17,430	23,104	40,534	18,127	24,029	42,155
Fidelity Bond Insurance		4.0%	4.0%		-	-	-	-	-	-	-	-	-
Worker's Compensation		4.0%	4.0%	Commensurate increase with pay equity implementation	18,793	24,912	43,705	19,545	25,908	45,453	20,327	26,945	47,271
Director's & Officers' Liability Insurance		4.0%	4.0%		-	-	-	-	-	-	-	-	-
Sub-total Insurance					35,552	47,128	82,680	36,974	49,013	85,987	38,453	50,973	89,427
Maintenance & Repair													
Payroll		4.0%	4.0%	May be higher because of pay equity implementation	77,939	103,314	181,253	81,056	107,447	188,503	84,299	111,745	196,043
Supplies		4.0%	4.0%		12,170	16,132	28,303	12,657	16,778	29,435	13,163	17,449	30,612
Contracts		4.0%	4.0%		38,053	50,443	88,496	39,575	52,460	92,036	41,158	54,559	95,717
Garbage and Trash Removal		4.0%	4.0%		20,532	27,217	47,748	21,353	28,305	49,658	22,207	29,338	51,645
Security Payroll/Contract		4.0%	4.0%		-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance		4.0%	4.0%		3,129	4,147	7,276	3,254	4,313	7,567	3,384	4,466	7,870
Vehicle and Maintenance Equipment Operation and Repairs		4.0%	4.0%		268	356	624	279	370	649	290	385	675
Miscellaneous Operating and Maintenance Expenses		4.0%	4.0%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses					152,091	201,609	353,700	158,174	209,673	367,848	164,501	218,060	382,561
Supportive Services		4.0%	4.0%		13,653	18,098	31,750	14,199	18,821	33,020	14,767	19,574	34,341
Commercial Expenses					-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES					609,580	808,048	1,417,629	633,695	840,014	1,473,709	658,766	873,247	1,532,013
PUPA (w/o Reserves/GL Base Rent/Bond Fees)													
Reserves/Ground Lease Base Rent/Bond Fees													
Ground Lease Base Rent					-	-	-	-	-	-	-	-	-
Bond Monitoring Fee					-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit					47,656	63,173	110,829	49,086	65,068	114,154	50,559	67,020	117,579
Operating Reserve Deposit				25% of yr-2-yr change in expenses	12,359	16,383	28,742	6,029	7,991	14,020	29,488	39,088	68,576
Other Required Reserve 1 Deposit					-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit					-	-	-	-	-	-	-	-	-
Required Reserve Deposits, Commercial					-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees					60,016	79,556	139,571	55,115	73,059	128,174	80,046	106,108	186,155
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)					669,596	887,604	1,557,200	688,810	913,073	1,601,883	738,812	979,356	1,718,168
PUPA (w/ Reserves/GL Base Rent/Bond Fees)													
NET OPERATING INCOME (INCOME minus OP EXPENSES)					9,359	341,341	350,700	9,359	316,109	325,467	21,949	262,196	284,144
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)													
Hard Debt - First Lender				Portfolio Recapitalization Plan, Estimated as	-	220,680	220,680	-	220,680	220,680	-	237,000	237,000
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)					9,359	12,405	21,764	9,359	12,405	21,764	9,359	12,405	21,764
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)					-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender					-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service					-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE					9,359	233,085	242,444	9,359	233,085	242,444	9,359	249,405	258,764
CASH FLOW (NOI minus DEBT SERVICE)					0	108,256	108,256	0	83,023	83,023	12,590	12,790	25,380
Commercial Only Cash Flow					-	-	-	-	-	-	-	-	-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)					-	-	-	-	-	-	-	-	-
AVAILABLE CASH FLOW					0	108,256	108,256	0	83,023	83,023	12,590	12,790	25,380
USES OF CASH FLOW BELOW (This row also shows DSCR.)													
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL				DSCR:		1.45			1.34			1.1	
Below-the-line Asset Mgt fee (uncommon in new projects, see policy)		3.5%	3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)		3.5%	3.5%	per MOHCD policy	-	-	-	-	-	-	10,440	13,840	24,280
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)				per MOHCD policy no annual increase	-	-	-	-	-	-	2,150	2,850	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					-	-	-	-	-	-	12,590	16,690	29,280
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)													
Does Project have a MOHCD Residual Receipt Obligation?		Yes			0	108,256	108,256	0	83,023	83,023	0	(3,900)	(3,900)
Will Project Defer Developer Fee?		No											

**LOSP FUNDING SCHEDULE**

Project Address: Folsom + Dore Apartments

Project Start Date: 1/1/2021

**Exhibit A**

Calendar Year	Full Year Funding Amount	# Months to Fund	Total Disbursement for Calendar Year	Estimated Disbursement Date	FY Budgeted (for Disbursement)
CY-1 2021	\$80,973	12	\$80,973	1/1/2021	FY2020/21
CY-2 2022	\$100,008	12	\$100,008	1/1/2022	FY2021/22
CY-3 2023	\$158,781	12	\$158,781	1/1/2023	FY2022/23
CY-4 2024	\$164,100	12	\$164,100	1/1/2024	FY2023/24
CY-5 2025	\$185,527	12	\$185,527	1/1/2025	FY2024/25
CY-6 2026	\$209,753	12	\$209,753	1/1/2026	FY2025/26
CY-7 2027	\$235,100	12	\$235,100	1/1/2027	FY2026/27
CY-8 2028	\$261,624	12	\$261,624	1/1/2028	FY2027/28
CY-9 2029	\$289,361	12	\$289,361	1/1/2029	FY2028/29
CY-10 2030	\$318,360	12	\$318,360	1/1/2030	FY2029/30
CY-11 2031	\$348,681	12	\$348,681	1/1/2031	FY2030/31
CY-12 2032	\$380,376	12	\$380,376	1/1/2032	FY2031/32
CY-13 2033	\$413,499	12	\$413,499	1/1/2033	FY2032/33
CY-14 2034	\$448,107	12	\$448,107	1/1/2034	FY2033/34
CY-15 2035	\$484,260	12	\$484,260	1/1/2035	FY2034/35
CY-16 2036	\$522,019	12	\$522,019	1/1/2036	FY2035/36
<b>Total Contract Amount:</b>			<b>\$4,600,530</b>		

<b>Total # Units:</b>			LOSP and S+C Units			Non-LOSP Units								
98			42			56								
			43.00%			57.00%								



Total # Units:			LOSP and S+C Units	Non-LOSP Units										
98			42	56										
			43.00%	57.00%										
									</					



## Folsom + Dore Apartments

Total # Units:				LOSP and Non-LOSP Units		Year 7 2027			Year 8 2028			Year 9 2029		
98		42		56										
		43.00%		57.00%										
		% annual inc		% annual increase		Comments (related to annual inc assumptions)			LOSP			non-LOSP		
INCOME		LOSP							LOSP			non-LOSP		
						0% for 2021, 2022 & 2023; 2024 & beyond - 1% for LOSP, 2% for nonLOSP. Rationale: Diminished income based on downturn in economy, loss of employment and employment opportunity in SF and low COLA for SSA and SSL.								
Residential - Tenant Rents		1.0%		2.0%					126,174			437,540		
Residential - Tenant Assistance Payments (Non-LOSP)		1.0%		2.0%					515,859			934,539		
Residential - LOSP Tenant Assistance Payments		n/a		n/a					235,100			235,100		
Commercial Space		n/a		2.5%										
Residential Parking		2.5%		2.5%										
Miscellaneous Rent Income		2.5%		2.5%										
Supportive Services Income		2.5%		2.5%										
Interest Income - Project Operations		2.5%		2.5%										
Laundry and Vending		2.5%		2.5%					3,680			4,878		
Tenant Charges		2.5%		2.5%					1,533			2,033		
Miscellaneous Residential Income		2.5%		2.5%					3,067			4,065		
Other Commercial Income		n/a		2.5%								1,132		
Withdrawal from Capitalized Reserve (deposit to operating account)		n/a		n/a		Link from Reserve Section below, as applicable								
Gross Potential Income									885,413			1,383,055		
Vacancy Loss - Residential - Tenant Rents		n/a		n/a		Jan-June actuals and assume 50% greater vacancy for July-Dec			(2,523)			(8,751)		
Vacancy Loss - Residential - Tenant Assistance Payments		n/a		n/a					(25,793)			(18,691)		
Vacancy Loss - Commercial		n/a		n/a										
EFFECTIVE GROSS INCOME									857,097			1,355,614		
OPERATING EXPENSES Management									889,965			1,387,836		
Management Fee		3.5%		3.5%		1st Year to be set according to HUD schedule.			53,721			71,212		
Asset Management Fee		3.5%		3.5%		per MOHCD policy			11,980			15,880		
Sub-total Management Expenses									65,701			87,092		
Salaries/Benefits									152,793			208,003		
Office Salaries		4.0%		4.0%		Pay equity implementation. May be higher because of pay equity implementation			115,313			152,857		
Manager's Salary		4.0%		4.0%		May be higher because of pay equity implementation			70,456			93,395		
Health Insurance and Other Benefits		4.0%		4.0%		Commensurate increase with pay equity implementation			41,610			55,158		
Other Salaries/Benefits		4.0%		4.0%		Commensurate increase with pay equity implementation			11,627			15,413		
Administrative Rent-Free Unit		4.0%		4.0%										
Sub-total Salaries/Benefits									239,007			316,823		
Administration									248,567			329,496		
Advertising and Marketing		4.0%		4.0%					1,188			1,575		
Office Expenses		4.0%		4.0%					8,148			10,801		
Office Rent		4.0%		4.0%										
Legal Expense - Property		4.0%		4.0%		Consistently high legal expenses			15,842			20,999		
Audit Expense		4.0%		4.0%					7,521			9,969		
Bookkeeping/Accounting Services		4.0%		4.0%					6,322			8,380		
Bad Debts		4.0%		4.0%					5,686			7,498		
Miscellaneous		4.0%		4.0%					25,715			34,087		
Sub-total Administration Expenses									70,391			93,309		
Utilities									163,701			213,207		
Electricity		4.0%		4.0%					24,008			31,824		
Water		4.0%		4.0%		Includes sewer			70,679			93,691		
Gas		4.0%		4.0%					22,591			29,946		
Sewer		4.0%		4.0%		Cable								
Sub-total Utilities									117,278			155,462		
Taxes and Licenses									272,740			352,969		
Real Estate Taxes		4.0%		4.0%					1,586			2,102		
Payroll Taxes		4.0%		4.0%		Commensurate increase with pay equity implementation			19,593			25,959		
Miscellaneous Taxes, Licenses and Permits		4.0%		4.0%					1,134			1,503		
Sub-total Taxes and Licenses									22,302			29,564		
Insurance									51,866			67,195		
Property and Liability Insurance		4.0%		4.0%					21,206			28,		

<b>Total # Units:</b>			LOSP and S+C Units			Non-LOSP Units					
98			42			56					
			43.00%			57.00%					

Folsom + Dore Apartments

Total # Units:				LOSP and S+C Units		Non-LOSP Units		Year 10 2030			Year 11 2031			Year 12 2032		
				98	42	56										
				43.00%	57.00%											
INCOME				% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	
						0% for 2021, 2022 & 2023. 2024 & beyond - 1% for LOSP, 2% for nonLOSP. Rationale: Diminished income based on downturn in economy; loss of employment and employment opportunity in SF and low COLA for SSA and SSL.										
Residential - Tenant Rents				1.0%	2.0%	S+C: 0% thru 2024, 1% beyond. PBS8: 0% for 2020-2023, 1% for 2024 & 2025, 2% beyond. (FMRs falling in SF.)	129,997	464,321	594,318	131,297	473,608	604,904	132,610	483,080	615,690	
Residential - Tenant Assistance Payments (Non-LOSP)				1.0%	2.0%		531,490	1,007,684	1,539,174	536,805	1,033,152	1,569,957	542,173	1,059,183	1,601,356	
Residential - LOSP Tenant Assistance Payments				n/a	n/a		318,360		318,360	348,681		348,681	380,376		380,376	
Commercial Space				n/a	2.5%		-	-	-	-	-	-	-	-	-	
Residential Parking				2.5%	2.5%		-	-	-	-	-	-	-	-	-	
Miscellaneous Rent Income				2.5%	2.5%		-	-	-	-	-	-	-	-	-	
Supportive Services Income				2.5%	2.5%		-	-	-	-	-	-	-	-	-	
Interest Income - Project Operations				2.5%	2.5%		-	-	-	-	-	-	-	-	-	
Laundry and Vending				2.5%	2.5%		3,963	5,253	9,217	4,062	5,385	9,447	4,164	5,519	9,683	
Tenant Charges				2.5%	2.5%		1,651	2,189	3,840	1,693	2,244	3,936	1,735	2,300	4,035	
Miscellaneous Residential Income				2.5%	2.5%		3,303	4,378	7,681	3,385	4,487	7,873	3,470	4,600	8,069	
Other Commercial Income				n/a	2.5%		-	-	-	-	-	-	-	-	-	
Withdrawal from Capitalized Reserve (deposit to operating account)				n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-	-	-	-	-	
Gross Potential Income							988,764	1,483,825	2,472,589	1,025,923	1,518,876	2,544,798	1,064,527	1,554,682	2,619,209	
Vacancy Loss - Residential - Tenant Rents				n/a	n/a	Jan-June actuals and assume 50% greater vacancy for July-Dec	(2,600)	(9,286)	(11,886)	(2,626)	(9,472)	(12,098)	(2,652)	(9,662)	(12,314)	
Vacancy Loss - Residential - Tenant Assistance Payments				n/a	n/a		(26,575)	(20,154)	(46,728)	(26,640)	(20,663)	(47,503)	(27,109)	(21,184)	(48,292)	
Vacancy Loss - Commercial				n/a	n/a											
EFFECTIVE GROSS INCOME							959,589	1,454,385	2,413,974	996,456	1,488,740	2,485,197	1,034,766	1,523,836	2,558,603	
OPERATING EXPENSES																
Management																
Management Fee				3.5%	3.5%	1st Year to be set according to HUD schedule.	59,562	78,954	138,515	61,646	81,717	143,363	63,804	84,577	148,381	
Asset Management Fee				3.5%	3.5%	per MOHCD policy	13,283	17,607	30,890	13,747	18,223	31,970	14,229	18,861	33,090	
Sub-total Management Expenses							72,844	96,561	169,405	75,393	99,940	175,333	78,032	103,438	181,471	
Salaries/Benefits																
Office Salaries				4.0%	4.0%	Pay equity implementation. May be higher because of pay equity implementation.	129,712	171,944	301,655	134,900	178,821	313,721	140,296	185,974	326,270	
Manager's Salary				4.0%	4.0%	May be higher because of pay equity implementation	79,253	105,057	184,310	82,424	109,259	191,683	85,721	113,630	199,350	
Health Insurance and Other Benefits				4.0%	4.0%	Commensurate increase with pay equity implementation	46,806	62,045	108,851	48,678	64,527	113,205	50,625	67,108	117,734	
Other Salaries/Benefits				4.0%	4.0%	Commensurate increase with pay equity implementation	13,079	17,337	30,416	13,602	18,031	31,633	14,146	18,752	32,898	
Administrative Rent-Free Unit				4.0%	4.0%		-	-	-	-	-	-	-	-	-	
Sub-total Salaries/Benefits							268,850	356,383	625,233	279,604	370,638	650,242	290,788	385,464	676,252	
Administration																
Advertising and Marketing				4.0%	4.0%		1,337	1,772	3,109	1,390	1,843	3,233	1,446	1,916	3,362	
Office Expenses				4.0%	4.0%		9,166	12,150	21,316	9,532	12,636	22,168	9,914	13,141	23,055	
Office Rent				4.0%	4.0%		-	-	-	-	-	-	-	-	-	
Legal Expense - Property				4.0%	4.0%	Consistently high legal expenses	17,820	23,821	41,441	18,532	24,566	43,099	19,274	25,549	44,822	
Audit Expense				4.0%	4.0%		8,460	11,214	19,674	8,798	11,663	20,461	9,150	12,129	21,279	
Bookkeeping/Accounting Services				4.0%	4.0%		7,111	9,426	16,537	7,395	9,803	17,199	7,691	10,195	17,887	
Bad Debts				4.0%	4.0%		6,363	8,434	14,797	6,617	8,771	15,388	6,882	9,122	16,004	
Miscellaneous				4.0%	4.0%		28,925	38,343	67,268	30,082	39,877	69,959	31,286	41,472	72,757	
Sub-total Administration Expenses							79,181	104,960	184,141	82,348	109,159	191,507	85,642	113,525	199,167	
Utilities																
Electricity				4.0%	4.0%		27,006	35,798	62,804	28,086	37,230	65,316	29,209	38,719	67,929	
Water				4.0%	4.0%	Includes sewer	79,505	105,390	184,894	82,685	109,605	192,290	85,982	113,990	199,982	
Gas				4.0%	4.0%		25,412	33,685	59,097	26,428	35,033	61,461	27,485	36,434	63,932	
Sewer				4.0%	4.0%	Cable	-	-	-	-	-	-	-	-	-	
Sub-total Utilities							131,922	174,873	306,795	137,199	181,868	319,067	142,687	189,143	331,830	
Taxes and Licenses																
Real Estate Taxes				4.0%	4.0%		1,783	2,364	4,148	1,855	2,459	4,314	1,929	2,557	4,486	
Payroll Taxes				4.0%	4.0%		22,028	29,200	51,228	22,909	30,368	53,277	23,826	31,583	55,409	
Miscellaneous Taxes, Licenses and Permits				4.0%	4.0%		1,276	1,691	2,966	1,327	1,758	3,085	1,380	1,829	3,208	
Sub-total Taxes and Licenses							25,087	33,255	58,342	26,091	34,585	60,676	27,134	35,969	63,103	
Insurance																
Property and Liability Insurance				4.0%	4.0%		23,854	31,620	55,474	24,808	32,885	57,693	25,800	34,200	60,000	
Fidelity Bond Insurance				4.0%	4.0%		-	-	-	-	-	-	-	-	-	
Worker's Compensation				4.0%	4.0%	Commensurate increase with pay equity implementation	26,748	35,457	62,206	27,818	36,876	64,694	28,931	38,351	67,282	
Director's & Officers' Liability Insurance				4.0%	4.0%		-	-	-	-	-	-	-	-	-	
Sub-total Insurance							50,602	67,077	117,679	52,626	69,760	122,387	54,731	72,551	127,282	
Maintenance & Repair																
Payroll				4.0%	4.0%	May be higher because of pay equity implementation	110,931	147,048	257,980	115,368	152,930	268,299	119,983	159,047	279,031	
Supplies				4.0%	4.0%		17,322	22,962	40,283	18,015	23,880	41,895	18,735	24,835	43,570	
Contracts				4.0%	4.0%		54,161	71,795	125,957	56,328	74,667	130,995	58,581	77,654	136,235	
Garbage and Trash Removal				4.0%	4.0%		29,223	38,738	67,961	30,392	40,287	70,679	31,608	41,899	73,507	
Security Payroll/Contract				4.0%	4.0%		-	-	-	-	-	-	-	-	-	
HVAC Repairs and Maintenance				4.0%	4.0%		4,453	5,903	10,356	4,631	6,139	10,770	4,816	6,384	11,201	
Vehicle and Maintenance Equipment Operation and Repairs				4.0%	4.0%		382	506	888	397	526	924	413	548	961	
Miscellaneous Operating and Maintenance Expenses				4.0%	4.0%		-	-	-	-	-	-	-	-	-	
Sub-total Maintenance & Repair Expenses							216,473	286,952	503,425	225,132	298,430	523,562	234,137	310,367	544,504	
Supportive Services				4.0%	4.0%		19,432	25,759	45,190	20,209	26,789	46,998	21,018	27,860	48,878	
Commercial Expenses							-	-	-	-	-	-	-	-	-	
TOTAL OPERATING EXPENSES							864,391	1,145,820	2,010,211	898,602	1,191,170	2,089,772	934,169	1,238,318	2,172,487	
PUPA (w/o Reserves/GL Base Rent/Bond Fees)																
Reserves/Ground Lease Base Rent/Bond Fees																
Ground Lease Base Rent							-	-	-	-	-	-	-	-	-	
Bond Monitoring Fee							-	-	-	-	-	-	-	-	-	
Replacement Reserve Deposit							62,181	82,426	144,607	64,046	84,899	148,945	65,968	87,446	153,413	
Operating Reserve Deposit							8,226	10,905	19,131	8,553	11,337	19,890	8,892	11,787	20,679	
Other Required Reserve 1 Deposit							-	-	-	-	-	-	-	-	-	
Other Required Reserve 2 Deposit							-	-	-	-	-	-	-	-	-	
Required Reserve Deposits, Commercial							-	-	-	-	-	-	-	-	-	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees							70,407	93,331	163,738	72,599	96,236	168,835	74,860	99,233	174,092	
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)							934,798	1,239,151	2,173,949	971,201	1,287,406	2,258,607	1,009,029	1,337,550	2,346,579	
PUPA (w/ Reserves/GL Base Rent/Bond Fees)																
NET OPERATING INCOME (INCOME minus OP EXPENSES)							24,791	215,234	240,025	25,256	201,335	226,590	25,737	186,286	212,024	
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)																
Hard Debt - First Lender						Portfolio Recapitalization Plan. Estimated as	-	237,000	237,000	-	237,000	237,000	-	237,000	237,000	
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)							9,359	12,405	21,764	9,359	12,405	21,764	9,359	12,405	21,764	
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)							-	-	-	-	-	-	-	-	-	
Hard Debt - Fourth Lender							-	-	-	-	-	-	-	-	-	
Commercial Hard Debt Service							-	-	-	-	-	-	-	-	-	
TOTAL HARD DEBT SERVICE							9,359	249,405	258,764	9,35						

Total # Units:			LOSP and S+C Units			Non-LOSP Units					
98			42			56					
			43.00%			57.00%					
			% annual inc LOSP			% annual increase			Comments (related to annual inc assumptions)		
INCOME											
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											

Folsom + Dore Apartments

Total # Units:				LOSP and S+C Units		Non-LOSP Units		Year 13 2033			Year 14 2034			Year 15 2035				
				98	42	56												
				43.00%	57.00%													
				% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)			LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	
INCOME																		
Residential - Tenant Rents				1.0%	2.0%	0% for 2021, 2022 & 2023. 2024 & beyond - 1% for LOSP, 2% for nonLOSP. Rationale: Diminished income based on downturn in economy; loss of employment and employment opportunity in SF and low COLA for SSA and SSJ.				133,936	492,741	626,677	135,275	502,596	637,871	136,628	512,648	649,276
Residential - Tenant Assistance Payments (Non-LOSP)				1.0%	2.0%	S+C: 0% thru 2024, 1% beyond. PBSB: 0% for 2020-2023, 1% for 2024 & 2025, 2% beyond. (FMRs falling in SF.)				547,595	1,085,789	1,633,383	553,071	1,112,980	1,666,051	558,601	1,140,771	1,699,372
Residential - LOSP Tenant Assistance Payments				n/a	n/a					413,499		413,499	448,107		448,107	484,260		484,260
Commercial Space				n/a	n/a					-	-	-	-	-	-	-	-	-
Residential Parking				2.5%	2.5%					-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income				2.5%	2.5%					-	-	-	-	-	-	-	-	-
Supportive Services Income				2.5%	2.5%					-	-	-	-	-	-	-	-	-
Interest Income - Project Operations				2.5%	2.5%					-	-	-	-	-	-	-	-	-
Laundry and Vending				2.5%	2.5%					4,268	5,657	9,925	4,375	5,799	10,173	4,484	5,944	10,428
Tenant Charges				2.5%	2.5%					1,778	2,357	4,136	1,823	2,416	4,239	1,868	2,477	4,345
Miscellaneous Residential Income				2.5%	2.5%					3,557	4,715	8,271	3,645	4,832	8,478	3,737	4,953	8,690
Other Commercial Income				n/a	2.5%							-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)				n/a	n/a	Link from Reserve Section below, as applicable				-	-	-	-	-	-	-	-	-
Gross Potential Income										1,104,632	1,591,259	2,695,892	1,146,296	1,628,624	2,774,920	1,189,579	1,666,792	2,856,371
Vacancy Loss - Residential - Tenant Rents				n/a	n/a	Jan-June actuals and assume 50% greater vacancy for July-Dec				(2,679)	(9,855)	(12,534)	(2,706)	(10,052)	(12,757)	(2,733)	(10,253)	(12,986)
Vacancy Loss - Residential - Tenant Assistance Payments				n/a	n/a					(27,380)	(21,716)	(49,096)	(27,654)	(22,260)	(49,913)	(27,930)	(22,815)	(50,745)
Vacancy Loss - Commercial				n/a	n/a													
EFFECTIVE GROSS INCOME										1,074,574	1,559,689	2,634,262	1,115,937	1,596,312	2,712,250	1,158,916	1,633,724	2,792,640
OPERATING EXPENSES																		
Management																		
Management Fee				3.5%	3.5%	1st Year to be set according to HUD schedule.				66,037	87,537	153,574	68,348	90,601	158,949	70,740	93,772	164,513
Asset Management Fee				3.5%	3.5%	per MOHCD policy				14,728	19,523	34,250	15,244	20,207	35,450	15,777	20,913	36,690
Sub-total Management Expenses										80,764	107,060	187,824	83,592	110,808	194,399	86,517	114,685	201,203
Salaries/Benefits																		
Office Salaries				4.0%	4.0%	Pay equity implementation. May be higher because of pay equity implementation				145,908	193,413	339,321	151,744	201,150	352,894	157,814	209,196	367,010
Manager's Salary				4.0%	4.0%	May be higher because of pay equity implementation				89,149	118,175	207,324	92,715	122,902	215,617	96,424	127,818	224,242
Health Insurance and Other Benefits				4.0%	4.0%	Commensurate increase with pay equity implementation				52,650	69,792	122,443	54,756	72,584	127,341	56,947	75,487	132,434
Other Salaries/Benefits				4.0%	4.0%	Commensurate increase with pay equity implementation				14,712	19,502	34,214	15,300	20,282	35,582	15,912	21,093	37,006
Administrative Rent-Free Unit				4.0%	4.0%							-			-			-
Sub-total Salaries/Benefits										302,420	400,882	703,302	314,517	416,917	731,434	327,097	433,594	760,691
Administration																		
Advertising and Marketing				4.0%	4.0%					1,504	1,993	3,497	1,564	2,073	3,637	1,626	2,156	3,782
Office Expenses				4.0%	4.0%					10,310	13,667	23,977	10,723	14,214	24,936	11,151	14,782	25,934
Office Rent				4.0%	4.0%					-	-	-	-	-	-	-	-	-
Legal Expense - Property				4.0%	4.0%	Consistently high legal expenses				20,045	26,571	46,615	20,846	27,634	48,480	21,680	28,739	50,419
Audit Expense				4.0%	4.0%					9,516	12,614	22,130	9,897	13,119	23,016	10,293	13,644	23,936
Bookkeeping/Accounting Services				4.0%	4.0%					7,999	10,603	18,602	8,319	11,027	19,346	8,652	11,468	20,120
Bad Debts				4.0%	4.0%					7,157	9,487	16,644	7,443	9,867	17,310	7,741	10,261	18,002
Miscellaneous				4.0%	4.0%					32,537	43,131	75,668	33,839	44,656	78,694	35,192	46,650	81,842
Sub-total Administration Expenses										89,067	118,066	207,133	92,630	122,789	215,419	96,335	127,700	224,036
Utilities																		
Electricity				4.0%	4.0%					30,378	40,268	70,646	31,593	41,879	73,472	32,856	43,554	76,410
Water				4.0%	4.0%	Includes sewer				89,432	118,549	207,981	93,009	123,291	216,300	96,729	128,223	224,952
Gas				4.0%	4.0%					28,585	37,892	66,476	29,728	39,407	69,135	30,917	40,983	71,901
Sewer				4.0%	4.0%	Cable				-	-	-	-	-	-	-	-	-
Sub-total Utilities										148,394	196,709	345,103	154,330	204,577	358,907	160,503	212,760	373,264
Taxes and Licenses																		
Real Estate Taxes				4.0%	4.0%					2,006	2,659	4,666	2,086	2,766	4,852	2,170	2,876	5,046
Payroll Taxes				4.0%	4.0%	Commensurate increase with pay equity implementation				24,779	32,846	57,625	25,770	34,160	59,930	26,801	35,526	62,327
Miscellaneous Taxes, Licenses and Permits				4.0%	4.0%					1,435	1,902	3,337	1,492	1,978	3,470	1,552	2,057	3,609
Sub-total Taxes and Licenses										28,220	37,408	65,627	29,348	38,904	68,252	30,522	40,460	70,982
Insurance																		
Property and Liability Insurance				4.0%	4.0%					26,832	35,568	62,400	27,905	36,991	64,896	29,022	38,471	67,492
Fidelity Bond Insurance				4.0%	4.0%					-	-	-	-	-	-	-	-	-
Worker's Compensation				4.0%	4.0%	Commensurate increase with pay equity implementation				30,088	39,885	69,973	31,292	41,480	72,772	32,544	43,139	75,683
Director's & Officers' Liability Insurance				4.0%	4.0%					-	-	-	-	-	-	-	-	-
Sub-total Insurance										56,921	75,453	132,373	59,197	78,471	137,668	61,565	81,610	143,175
Maintenance & Repair																		
Payroll				4.0%	4.0%	May be higher because of pay equity implementation				124,783	165,409	290,192	129,774	172,026	301,800	134,965	178,907	313,872
Supplies				4.0%	4.0%					19,485	25,829	45,313	20,264	26,862	47,126	21,075	27,936	49,011
Contracts				4.0%	4.0%					60,924	80,760	141,684	63,361	83,991	147,352	65,896	87,350	153,246
Garbage and Trash Removal				4.0%	4.0%					32,872	43,575	76,447	34,187	45,318	79,505	35,555	47,130	82,685
Security Payroll/Contract				4.0%	4.0%					-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance				4.0%	4.0%					5,009	6,640	11,649	5,209	6,905	12,115	5,418	7,182	12,599
Vehicle and Maintenance Equipment Operation and Repairs				4.0%	4.0%					430	569	999	447	592	1,039	465	616	1,081
Miscellaneous Operating and Maintenance Expenses				4.0%	4.0%					-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses										243,502	322,782	566,284	253,242	335,693	588,936	263,372	349,121	612,493
Supportive Services				4.0%	4.0%					21,858	28,975	50,833	22,733	30,134	52,866	23,642	31,339	54,981
Commercial Expenses												-			-			-
TOTAL OPERATING EXPENSES										971,147	1,287,334	2,258,481	1,009,589	1,338,293	2,347,882	1,049,555	1,391,270	2,440,825
PUPA (w/o Reserves/GL Base Rent/Bond Fees)																		
Reserves/Ground Lease Base Rent/Bond Fees																		
Ground Lease Base Rent										-	-	-	-	-	-	-	-	-
Bond Monitoring Fee										-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit										67,947	90,069	158,016	69,985	92,771	162,756	72,085	95,554	167,639
Operating Reserve Deposit										9,244	12,254	21,498	9,611	12,740	22,350	9,991	13,244	23,236
25% of yr-2 yr change in expenses										-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit										-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit										-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial										-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees										77,191	102,323	179,514	79,596	105,511	185,107	82,076	108,798	190,874
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)										1,048,338	1,389,657	2,437,995	1,089,185	1,443,804	2,532,989	1,131,631	1,500,069	2,631,699
PUPA (w/ Reserves/GL Base Rent/Bond Fees)																		
NET OPERATING INCOME (INCOME minus OP EXPENSES)										26,236	170,031	196,267	26,752	152,509	179,261	27,285	133,655	160,941
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)																		
Hard Debt - First Lender										-	237,000	237,000	-	237,000	237,000	-	237,000	237,000
Hard Debt - Second Lender (HCD Program 0.42% pymnt, or other 2nd Lender)										9,359	12,405	21,764	9,359	12,405	21,764	9,359	12,405	21,764
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)										-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender										-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service																		
TOTAL HARD DEBT SERVICE										9,359	249,405	258,764	9,359	249,405	258,764	9,359	249,405	258,764
CASH FLOW (NOI minus DEBT SERVICE)										16,877	(79,374)	(62,497)	17,394	(96,897)	(79,503)	17,927	(115,750)	(97,823)
Commercial Only Cash Flow												-			-			-
Allocation of Commercial Surplus to LOSP/non-LOSP (residual																		

Total # Units:			LOSP and S+C Units	Non-LOSP Units												
98			42	56												
			43.00%	57.00%												
			% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)			LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
INCOME																
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								-			-			-		



Folsom + Dore Apartments

Total # Units:				LOSP and S+C Units		Non-LOSP Units		Year 16 2036			Year 17 2037			Year 18 2038			
				98	42	56											
				43.00%	57.00%												
				% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)			LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
						0% for 2021, 2022 & 2023. 2024 & beyond - 1% for LOSP, 2% for non-LOSP. Rationale: Diminished income based on downturn in economy, loss of employment and employment opportunity in SF and low COLA for SSA and SSI.											
Residential - Tenant Rents				1.0%	2.0%	S+C: 0% thru 2024, 1% beyond. PBS8: 0% for 2020-2023, 1% for 2024 & 2025, 2% beyond. (FMRs falling in SF.)			137,994	522,901	660,895	139,374	533,359	672,733	140,768	544,026	684,794
Residential - Tenant Assistance Payments (Non-LOSP)				1.0%	2.0%				564,187	1,169,172	1,733,359	569,829	1,198,197	1,768,027	575,528	1,227,860	1,803,387
Residential - LOSP Tenant Assistance Payments				n/a	n/a				522,019		522,019	561,457		561,457	582,996		582,996
Commercial Space				n/a	2.5%												
Residential Parking				2.5%	2.5%				-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income				2.5%	2.5%				-	-	-	-	-	-	-	-	-
Supportive Services Income				2.5%	2.5%				-	-	-	-	-	-	-	-	-
Interest Income - Project Operations				2.5%	2.5%				-	-	-	-	-	-	-	-	-
Laundry and Vending				2.5%	2.5%				4,596	6,092	10,688	4,711	6,245	10,956	4,829	6,401	11,230
Tenant Charges				2.5%	2.5%				1,915	2,539	4,454	1,963	2,602	4,565	2,012	2,667	4,679
Miscellaneous Residential Income				2.5%	2.5%				3,830	5,077	8,907	3,926	5,204	9,130	4,024	5,334	9,358
Other Commercial Income				n/a	2.5%						-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)				n/a	n/a	Link from Reserve Section below, as applicable			-			-		-			
Gross Potential Income									1,234,542	1,705,781	2,940,323	1,281,260	1,745,607	3,026,867	1,310,157	1,786,288	3,096,444
Vacancy Loss - Residential - Tenant Rents				n/a	n/a	Jan-June actuals and assume 50% greater vacancy for July-Dec			(2,760)	(10,458)	(13,218)	(2,787)	(10,667)	(13,455)	(2,815)	(10,881)	(13,696)
Vacancy Loss - Residential - Tenant Assistance Payments				n/a	n/a				(28,209)	(23,383)	(51,593)	(28,491)	(23,964)	(52,455)	(28,776)	(24,557)	(53,334)
Vacancy Loss - Commercial				n/a	n/a												
EFFECTIVE GROSS INCOME									1,203,572	1,671,940	2,875,512	1,249,981	1,710,976	2,960,957	1,278,565	1,750,850	3,029,415
OPERATING EXPENSES																	
Management																	
Management Fee				3.5%	3.5%	1st Year to be set according to HUD schedule.			73,216	97,054	170,270	75,779	100,451	176,230	78,431	103,967	182,398
Asset Management Fee				3.5%	3.5%	per MOHCD policy			16,327	21,643	37,970	16,899	22,401	39,300	17,492	23,188	40,680
Sub-total Management Expenses									89,543	118,697	208,240	92,678	122,852	215,530	95,924	127,154	223,078
Salaries/Benefits																	
Office Salaries				4.0%	4.0%	Pay equity implementation. May be higher because of pay equity implementation			164,127	217,563	381,690	170,692	226,266	396,958	177,520	235,317	412,836
Manager's Salary				4.0%	4.0%	May be higher because of pay equity implementation			100,281	132,930	233,211	104,292	138,248	242,540	108,464	143,778	252,241
Health Insurance and Other Benefits				4.0%	4.0%	Commensurate increase with pay equity implementation			59,225	78,507	137,732	61,594	81,647	143,241	64,057	84,913	148,970
Other Salaries/Benefits				4.0%	4.0%	Commensurate increase with pay equity implementation			16,549	21,937	38,486	17,211	22,815	40,025	17,899	23,727	41,626
Administrative Rent-Free Unit				4.0%	4.0%												
Sub-total Salaries/Benefits									340,181	450,938	791,119	353,788	468,975	822,764	367,940	487,734	855,674
Administration																	
Advertising and Marketing				4.0%	4.0%				1,691	2,242	3,933	1,759	2,332	4,091	1,829	2,425	4,254
Office Expenses				4.0%	4.0%				11,597	15,373	26,971	12,061	15,988	28,050	12,544	16,628	29,172
Office Rent				4.0%	4.0%				-	-	-	-	-	-	-	-	-
Legal Expense - Property				4.0%	4.0%	Consistently high legal expenses			22,547	29,889	52,436	23,449	31,084	54,533	24,387	32,327	56,715
Audit Expense				4.0%	4.0%				10,704	14,189	24,894	11,133	14,757	25,890	11,578	15,347	26,925
Bookkeeping/Accounting Services				4.0%	4.0%				8,998	11,927	20,925	9,358	12,404	21,762	9,732	12,900	22,632
Bad Debts				4.0%	4.0%				8,051	10,672	18,722	8,373	11,099	19,471	8,708	11,543	20,250
Miscellaneous				4.0%	4.0%				36,600	48,516	85,116	38,064	50,457	88,520	39,596	52,475	92,061
Sub-total Administration Expenses									100,189	132,808	232,997	104,196	138,121	242,317	108,364	143,645	252,010
Utilities																	
Electricity				4.0%	4.0%				34,171	45,296	79,467	35,538	47,108	82,646	36,959	48,992	85,951
Water				4.0%	4.0%	Includes sewer			100,599	133,352	233,950	104,623	138,686	243,308	108,807	144,233	253,041
Gas				4.0%	4.0%				32,154	42,623	74,777	33,440	44,328	77,768	34,778	46,101	80,879
Sewer				4.0%	4.0%	Cable			-	-	-	-	-	-	-	-	-
Sub-total Utilities									166,923	221,271	388,194	173,600	230,121	403,722	180,544	239,326	419,871
Taxes and Licenses																	
Real Estate Taxes				4.0%	4.0%				2,257	2,991	5,248	2,347	3,111	5,458	2,441	3,236	5,676
Payroll Taxes				4.0%	4.0%	Commensurate increase with pay equity implementation			27,873	36,947	64,820	28,988	38,425	67,413	30,147	39,962	70,109
Miscellaneous Taxes, Licenses and Permits				4.0%	4.0%				1,614	2,139	3,753	1,679	2,225	3,904	1,746	2,314	4,060
Sub-total Taxes and Licenses									31,743	42,078	73,822	33,013	43,761	76,775	34,334	45,512	79,846
Insurance																	
Property and Liability Insurance				4.0%	4.0%				30,182	40,009	70,192	31,390	41,610	73,000	32,645	43,274	75,919
Fidelity Bond Insurance				4.0%	4.0%				-	-	-	-	-	-	-	-	-
Worker's Compensation				4.0%	4.0%	Commensurate increase with pay equity implementation			33,845	44,865	78,710	35,199	46,659	81,859	36,607	48,526	85,133
Director's & Officers' Liability Insurance				4.0%	4.0%				-	-	-	-	-	-	-	-	-
Sub-total Insurance									64,028	84,874	148,902	66,589	88,269	154,858	69,253	91,800	161,052
Maintenance & Repair																	
Payroll				4.0%	4.0%	May be higher because of pay equity implementation			140,363	186,063	326,426	145,978	193,506	339,483	151,817	201,246	353,063
Supplies				4.0%	4.0%				21,918	29,054	50,971	22,794	30,216	53,010	23,706	31,424	55,131
Contracts				4.0%	4.0%				68,532	90,844	159,376	71,273	94,478	165,751	74,124	98,257	172,381
Garbage and Trash Removal				4.0%	4.0%				36,977	49,016	85,992	38,456	50,976	89,432	39,994	53,015	93,009
Security Payroll/Contract				4.0%	4.0%				-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance				4.0%	4.0%				5,634	7,469	13,103	5,860	7,768	13,628	6,094	8,078	14,173
Vehicle and Maintenance Equipment Operation and Repairs				4.0%	4.0%				483	641	1,124	503	666	1,169	523	693	1,215
Miscellaneous Operating and Maintenance Expenses				4.0%	4.0%				-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses									273,907	363,086	636,993	284,863	377,609	662,473	296,258	392,714	688,972
Supportive Services				4.0%	4.0%				24,588	32,593	57,180	25,873	33,896	59,467	26,594	35,252	61,846
Commercial Expenses											-			-			-
TOTAL OPERATING EXPENSES																	
PUPA (w/o Reserves/GL Base Rent/Bond Fees)									1,091,102	1,446,345	2,537,448	1,134,299	1,503,606	2,637,905	1,179,210	1,563,139	2,742,348
Reserves/Ground Lease Base Rent/Bond Fees																	
Ground Lease Base Rent									-	-	-	-	-	-	-	-	-
Bond Monitoring Fee									-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit									74,247	98,421	172,668	76,475	101,373	177,848	78,769	104,415	183,183
Operating Reserve Deposit						25% of yr-2yr change in expenses			10,387	13,769	24,156	10,799	14,315	25,114	11,228	14,883	26,111
Other Required Reserve 1 Deposit									-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit									-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial									-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees									84,634	112,190	196,824	87,274	115,689	202,962	89,997	119,298	209,294
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)									1,175,737	1,558,535	2,734,271	1,221,573	1,619,295	2,840,868	1,269,206	1,682,436	2,951,643
PUPA (w/ Reserves/GL Base Rent/Bond Fees)																	
NET OPERATING INCOME (INCOME minus OP EXPENSES)									27,836	113,405	141,241	28,408	91,681	120,089	9,359	68,414	77,772
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)																	
Hard Debt - First Lender																	
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)									9,359	12,405	21,764	9,359	12,405	21,764	9,359	12,405	21,764
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)									-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender									-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service																	
TOTAL HARD DEBT SERVICE									9,359	249,405	258,764	9,359	249,405	258,764	9,359	249,405	258,764
CASH FLOW (NOI minus DEBT SERVICE)																	
Commercial Only Cash Flow									18,477	(136,000)	(117,523)	19,049	(157,724)	(138,675)	(0)	(180,992)	(180,992)
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)									-	-	-	-	-	-	-	-	-
AVAILABLE CASH FLOW									18,477	(136,000)	(117,523)	19,049	(157,724)	(138,675)	(0)	(180,992)	(180,992)
USES OF CASH FLOW BELOW (This row also shows DSCR.)																	
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL																	
Below-the-line "Asset Mgt fee (uncommon in new projects, see policy)				3.5%	3.5%	per MOHCD policy			-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)				3.5%	3.5%	per MOHCD policy			16,327	21,643	37,970	16,899	22,401	39,300	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)						per MOHCD policy no annual increase			2,150	2,850	5,000	2,150	2,850	5,000	-	-	-
Other Payments									-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1									-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 2									-	-	-	-	-	-	-	-	-
Deferred Developer Fee (Enter amt <= Max Fee from row 131)									-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD									18,477	24,493	42,970	19,049	25,257	44,300	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)																	
									0	(160,493)	(160,493)	(0)	(182,975)	(182,975)	(0)	(180,992)	(180,992)
Does Project have a MOHCD Residual Receipt Obligation?																	
Will Project Defer Developer Fee?				Yes	No												
Residual Receipts split for all years. - Lender/Owner				67% / 33%													
MOHCD RESIDUAL RECEIPTS DEBT SERVICE																	
MOHCD Residual Receipts Amount Due																	
Proposed MOHCD Residual Receipts Amount to Loan Repayment																	
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease																	
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE																	
HCD Residual Receipts Amount Due																	
Lender 4 Residual Receipts Due																	

Total # Units:			LOSP and S+C Units	Non-LOSP Units										
98			42	56	Year 16 2036			Year 17 2037			Year 18 2038			
			43.00%	57.00%										
			% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
INCOME														
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								-			-			-



## Folsom + Dore Apartments

Total # Units:				LOSP and Non-LOSP Units		Year 19 2039			
				42	56				
				43.00%	57.00%				
				% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total
INCOME									
						0% for 2021, 2022 & 2023, 2024 & beyond - 1% for LOSP, 2% for nonLOSP. Rationale: Diminished income based on downturn in economy; loss of employment and employment opportunity in SF and low COLA for SSA and SSL			
Residential - Tenant Rents				1.0%	2.0%		142,176	554,907	697,083
Residential - Tenant Assistance Payments (Non-LOSP)				1.0%	2.0%	S+C: 0% thru 2024, 1% beyond. PBS8: 0% for 2020-2023, 1% for 2024 & 2025, 2% beyond. (FMRs falling in SF.)	581,283	1,258,172	1,839,455
Residential - LOSP Tenant Assistance Payments				n/a	n/a		625,372		625,372
Commercial Space				n/a	2.5%				-
Residential Parking				2.5%	2.5%		-	-	-
Miscellaneous Rent Income				2.5%	2.5%		-	-	-
Supportive Services Income				2.5%	2.5%		-	-	-
Interest Income - Project Operations				2.5%	2.5%		-	-	-
Laundry and Vending				2.5%	2.5%		4,949	6,561	11,510
Tenant Charges				2.5%	2.5%		2,062	2,734	4,796
Miscellaneous Residential Income				2.5%	2.5%		4,125	5,467	9,592
Other Commercial Income				n/a	2.5%				-
Withdrawal from Capitalized Reserve (deposit to operating account)				n/a	n/a	Link from Reserve Section below, as applicable	-	-	-
Gross Potential Income							1,359,967	1,827,841	3,187,808
Vacancy Loss - Residential - Tenant Rents				n/a	n/a	Jan-June actuals and assume 50% greater vacancy for July-Dec	(2,844)	(11,098)	(13,942)
Vacancy Loss - Residential - Tenant Assistance Payments				n/a	n/a		(29,064)	(25,163)	(54,228)
Vacancy Loss - Commercial				n/a	n/a				-
EFFECTIVE GROSS INCOME							1,328,059	1,791,579	3,119,639
OPERATING EXPENSES									
Management									
Management Fee				3.5%	3.5%	1st Year to be set according to HUD schedule.	81,176	107,606	188,782
Asset Management Fee				3.5%	3.5%	per MOHCD policy.	18,103	23,997	42,100
Sub-total Management Expenses							99,279	131,603	230,882
Salaries/Benefits									
Office Salaries				4.0%	4.0%	Pay equity implementation. May be higher because of pay equity implementation	184,620	244,729	429,350
Manager's Salary				4.0%	4.0%	May be higher because of pay equity implementation	112,802	149,529	262,331
Health Insurance and Other Benefits				4.0%	4.0%	Commensurate increase with pay equity implementation	66,620	88,310	154,929
Other Salaries/Benefits				4.0%	4.0%	Commensurate increase with pay equity implementation.	18,615	24,676	43,292
Administrative Rent-Free Unit				4.0%	4.0%		-	-	-
Sub-total Salaries/Benefits							382,658	507,244	889,901
Administration									
Advertising and Marketing				4.0%	4.0%		1,902	2,522	4,424
Office Expenses				4.0%	4.0%		13,046	17,293	30,339
Office Rent				4.0%	4.0%		-	-	-
Legal Expense - Property				4.0%	4.0%	Consistently high legal expenses	25,363	33,621	58,983
Audit Expense				4.0%	4.0%		12,041	15,961	28,002
Bookkeeping/Accounting Services				4.0%	4.0%		10,121	13,416	23,538
Bad Debts				4.0%	4.0%		9,086	12,004	21,080
Miscellaneous				4.0%	4.0%		41,170	54,574	95,744
Sub-total Administration Expenses							112,699	149,391	262,090
Utilities									
Electricity				4.0%	4.0%		38,437	50,952	89,389
Water				4.0%	4.0%	Includes sewer	113,160	150,003	263,162
Gas				4.0%	4.0%		36,169	47,945	84,114
Sewer				4.0%	4.0%	Cable	-	-	-
Sub-total Utilities							187,766	248,899	436,666
Taxes and Licenses									
Real Estate Taxes				4.0%	4.0%		2,538	3,365	5,903
Payroll Taxes				4.0%	4.0%	Commensurate increase with pay equity implementation	31,353	41,551	72,914
Miscellaneous Taxes, Licenses and Permits				4.0%	4.0%		1,816	2,407	4,222
Sub-total Taxes and Licenses							35,707	47,332	83,039
Insurance									
Property and Liability Insurance				4.0%	4.0%		33,951	45,005	78,956
Fidelity Bond Insurance				4.0%	4.0%		-	-	-
Worker's Compensation				4.0%	4.0%	Commensurate increase with pay equity implementation	38,071	50,467	88,538
Director's & Officers' Liability Insurance				4.0%	4.0%		-	-	-
Sub-total Insurance							72,023	95,472	167,495
Maintenance & Repair									
Payroll				4.0%	4.0%	May be higher because of pay equity implementation	157,890	209,296	367,185
Supplies				4.0%	4.0%		24,654	32,681	57,336
Contracts				4.0%	4.0%		77,089	102,187	179,276
Garbage and Trash Removal				4.0%	4.0%		41,594	55,136	96,730
Security Payroll/Contract				4.0%	4.0%		-	-	-
HVAC Repairs and Maintenance				4.0%	4.0%		6,338	8,402	14,740
Vehicle and Maintenance Equipment Operation and Repairs				4.0%	4.0%		544	721	1,264
Miscellaneous Operating and Maintenance Expenses				4.0%	4.0%		-	-	-
Sub-total Maintenance & Repair Expenses							308,108	408,422	716,530
Supportive Services				4.0%	4.0%		27,658	36,662	64,320
Commercial Expenses									-
TOTAL OPERATING EXPENSES							1,225,897	1,625,026	2,850,923
PUPA (w/o Reserves/GL Base Rent/Bond Fees)									
Reserves/Ground Lease Base Rent/Bond Fees									
Ground Lease Base Rent							-	-	-
Bond Monitoring Fee							-	-	-
Replacement Reserve Deposit							81,132	107,547	188,679
Operating Reserve Deposit							11,672	15,472	27,144
Other Required Reserve 1 Deposit							-	-	-
Other Required Reserve 2 Deposit							-	-	-
Required Reserve Deposit/s, Commercial							-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees							92,804	123,019	215,823
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)							1,318,701	1,748,045	3,066,746
PUPA (w/ Reserves/GL Base Rent/Bond Fees)									
NET OPERATING INCOME (INCOME minus OP EXPENSES)							9,359	43,534	52,893
DEBT SERVICE/MUST PAY PAYMENTS (*hard debt*/amortized loans)									
Hard Debt - First Lender						Portfolio Recapitalization Plan, Estimated as	-	237,000	237,000
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)							9,359	12,405	21,764
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)							-	-	-
Hard Debt - Fourth Lender							-	-	-
Commercial Hard Debt Service							-	-	-
TOTAL HARD DEBT SERVICE							9,359	249,405	258,764
CASH FLOW (NOI minus DEBT SERVICE)							0	(205,871)	(205,871)
Commercial Only Cash Flow									
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)								-	
AVAILABLE CASH FLOW							0	(205,871)	(205,871)
USES OF CASH FLOW BELOW (This row also shows DSCR.)									
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL									
DSCR: 0.2									
*Below-the-line* Asset Mgt fee (uncommon in new projects, see policy)				3.5%	3.5%	per MOHCD policy	-	-	
Partnership Management Fee (see policy for limits)				3.5%	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)							0	(205,871)	(205,871)
Does Project have a MOHCD Residual Receipt Obligation?							Yes		
Will Project Defer Developer Fee?							No		
Residual Receipts split for all years. - Lender/Owner							67% / 33%		
MOHCD RESIDUAL RECEIPTS DEBT SERVICE									
MOHCD Residual Receipts Amount Due						34.11%			
Proposed MOHCD Residual Receipts Amount to Loan Repayment									-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease									-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE									
HCD Residual Receipts Amount Due						65.89%			-
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									(891,522)
Replacement Reserve Deposits									188,679
Replacement Reserve Withdrawals (ideally tied to CNA)									25,203
Replacement Reserve Interest						Rehab expected 2023, strategizing now on best source of funds			
RR Running Balance									(728,046)
OPERATING RESERVE - RUNNING BALANCE							RR Balance/Unit		
Operating Reserve Starting Balance						as of 1/1/2020			817,878
Operating Reserve Deposits									27,144
Operating Reserve Withdrawals									
Operating Reserve Interest									
OR Running Balance									845,022
OR Balance as a % of Prior Yr Op Exps + Debt Service									26.02%

Total # Units:		LOSP and		Non-LOSP		Year 19 2039		
		S+C Units		Units				
		98	42	56				
			43.00%	57.00%				
		% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non- LOSP	Total	
INCOME								
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							-	