

## **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: Local Operating Subsidy Program (LOSP) Contract Funding

*Prepared By:* Anne Romero

*Loan Committee Date:* March 19, 2021

*Sponsor Name:* Episcopal Community Services (ECS) / 440 Geary LLC

*Project Name:* Hotel Diva

*Project Address:* 440 Geary Street

*Number of Units/Beds:* 128 Rooms (with private bathrooms)

*Amount of Funds Requested:* Up to \$1,602,730 Year 1 budget  
Up to \$34,020,625 for 15 years

*Funding Sources:* \$ 3,000,000 in Homekey Funds  
\$31,020,625 in General Fund

*Amount of Funds Recommended:* up to \$34,020,625

### **1. SUMMARY AND BACKGROUND**

#### **1.1. Request Summary**

Episcopal Community Services (ECS) requests up to \$34,020,625 in Local Operating Subsidy Program (LOSP) funds to subsidize the operation of 127 permanent supportive housing hotel rooms for adults experiencing homelessness plus one resident manager unit at the Hotel Diva, a State Homekey financed hotel (the Project). The Homekey award includes \$3 million for the initial operating period, which will cover nearly two years of subsidized operations. Hotel Diva is located at 440 Geary Street, between Mason and Taylor, in District 3, and has been operating as a City Shelter In Place (SIP) hotel since April 2020 (11 months.) The SIP operations are anticipated to wind down in May 2021, when the LOSP Agreement is anticipated to commence.

The requested LOSP funds would be provided through a 15-year contract. The Homekey operating subsidy award would cover nearly the first two years, a

General Fund annual disbursement would occur in 2023 and final disbursement would occur in 2036, with a contract expiration date of December 31, 2036. Funds would be subject to annual appropriations by the Board of Supervisors, as is standard for LOSP contracts.

A LOSP subsidy of \$1,602,730 is budgeted for the first full year, equivalent to \$12,521/unit/year or \$1,043/unit/month. The total year one operating budget is \$1,832,850, not including replacement reserve deposits. This equates to an annual per unit operating expense of \$14,319 and a monthly per unit expense of \$1,193, not including support services. Support services will be provided by ECS and will be funded through a separate contract with the San Francisco Department of Homelessness and Supportive Housing (HSH). Caritas Management is the property manager.

## 1.2. Project Overview

The California Department of Housing and Community Development (HCD) has made Homekey Program grant funding available for localities to purchase and rehabilitate buildings to convert them into permanent supportive housing to protect Californians experiencing homelessness as part of the State's response to COVID-19. Hotel Diva is the City's second Homekey acquisition, after the Granada. The San Francisco team was awarded \$29.1 million in capital and initial operating costs for the acquisition of the Project in October 2020. The lead applicant was HSH in partnership with ECS as developer, owner and service provider, Caritas Management as property manager and the San Francisco Housing Accelerator Funds (SFHAF) as bridge lender. On November 4, 2020, the Board of Supervisors' approved the proposed transaction including executing a Standard Agreement with HCD for the Homekey funding, and matching HSH funds of up to \$27.5 million. A commitment to fund seismic improvements was also provided prior to acquisition closing. The Project was acquired on December 2, 2020.

Hotel Diva was a 130-unit tourist hotel, located just a block off Union Square. The building was constructed in 1912 and is listed as a contributing resource to the Kearny Mason Sutter Market Conservation District. The property includes two ground floor commercial spaces, one leased to a Starbucks that has re-opened for business and one leased to a restaurant that is still closed. The building is a 7-stories, plus basement, wood frame and masonry "E" shaped building, located midblock on Geary Street.

While the unit hotel rooms are in good condition, the change of use from a hotel to permanent supportive housing triggers a code change from R1 to R2. The building department confirmed that this change of use is not more hazardous than the prior use, so a full code upgrade is not required, but some life-safety code upgrades are required. Additionally, the building has had limited seismic bracing, so structural strengthening is part of the renovation program. In addition to the

code upgrades and seismic work, ECS plans to make minimal upgrades to offer more resilient finishes to convert this property to permanent supportive housing.

ECS proposes to convert two ground floor hotel rooms into supportive service spaces because there is not currently enough program space for the five proposed case managers and support services manager. There is an existing office space for property management on the ground floor and a maintenance shop in the basement. A community kitchenette is being added at the lobby level, as there are no in-unit kitchens. No tenant improvements are contemplated for the commercial spaces. No exterior work is contemplated, as the building was repainted recently.

The property is currently being used as a Shelter In Place hotel under Project Roomkey and it is expected to transition from temporary guest accommodations under Roomkey to permanent supportive housing under Homekey in May 2021. HSH and ECS are evaluating if some existing residents of the Project Roomkey SIP site will remain in place, which would require them to start paying rent set at 30% of their income. During this transition from Roomkey to Homekey, at least 20 units will remain vacant so that seismic bracing can be accomplished on each floor without needing to relocate tenants off site.

This housing will remain permanently affordable to the target population through three financial and regulatory mechanisms: 1) Declaration of Restrictions; 2) Deed of Trust; and 3) Option to Purchase Agreement, all of which are tied to capital funding provided by the City. These are described in detail below:

- Declaration of Restrictions. ECS, through its single asset affiliate 440 Geary LLC, purchased the Project, which is currently being operated as a Shelter in Place hotel under Project Roomkey through May 2021, using Homekey grant funding and bridge loan financing provided by the San Francisco Housing Accelerator Fund (SFHAF). The bridge funding met Homekey requirements for the local match, and the City will ultimately repay SFHAF and assume the role of permanent project lender. At the project's acquisition closing, SFHAF required a recordation of a Declaration of Restrictions (DOR) on the Property, with MOHCD as a third party beneficiary. The term of the DOR is the greater of 55 years or the date that MOHCD records a new DOR that satisfies the requirements of the Homekey program, and it imposes restrictions on occupant income and rents charged. In addition, the DOR asserts the fact that its covenants run with the fee interest and are binding to successors; and give the City the right to enforce the DOR obligations.
- Deed of Trust. As part of the acquisition closing, SFHAF also required recordation of a Deed of Trust against the Property in first lien position, which encumbered 440 Geary LLC's fee interest and secured the SFHAF bridge loan. Upon the City's readiness to repay the SFHAF loan, the City will become the permanent project lender, at which time the SFHAF DOT will

terminate and the City will encumber the Property with its own Deed of Trust to secure its interests. Upon the City’s issuance of its permanent Project funding, it will also record a new Declaration of Restrictions, which will then take first lien position on title, ensuring its priority enforcement above any other Project encumbrance.

- Option to Purchase Agreement. As an added protection, the City will also require ECS to record against the Property an Option to Purchase Agreement (subordinate to the City’s DOT), that secures its right to purchase the property under any conditions that might ensue and require a sale during the life of the Project.

The terms of the City’s DOR, DOT, Option to Purchase Agreement and permanent loan agreement will all be enforced through the MOHCD asset management of its affordable housing portfolio. This includes compliance monitoring protocols incorporated into an Annual Monitoring Report (AMR). Through the AMR process, the City will evaluate the Project’s physical, financial and compliance performance.

The San Francisco 2019 Point-In-Time (PIT) Count found 8,035 people experiencing homelessness, a 17% increase over 2017. Racial inequalities are reflected in the City’s homelessness crisis: 37% of PIT respondents identified as African-American, compared to 6% of the City’s population. The PIT survey reflected that the City’s homeless population is older and sicker, underscoring the need for new supportive housing. COVID-19 has disproportionately affected people of color accounting for 30% of the City’s known COVID cases. To slow the spread of COVID-19 within its homelessness population, the City contracted for 2,600 temporary hotel rooms but cannot sustain these rooms permanently.

In July 2020, Mayor Breed announced a Homelessness Recovery Plan to ensure no one sheltered during COVID becomes unsheltered. The plan calls for the acquisition/leasing of 1,500 new units and leveraging State of California Homekey funds. Hotel Diva will contribute to this plan to rapidly expand permanent supportive housing.

Applicants for all affordable units will be referred to the Project by HSH through the adult Coordinated Entry System. The Homekey restrictions identify the Target Population as individuals and families who are experiencing homelessness or who are at risk of homelessness, as defined in Part 578.3 of Title 24 of the Code of Federal Regulations, and who are impacted by the Covid 19 pandemic. City restrictions will be set at 50% SF AMI.

<b>Hotel Diva Unit Mix</b>	<b>Units</b>	<b>Homekey Restrictions</b>	<b>SF HAF / Future MOHCD Take-Out DOR</b>
PSH Hotel Rooms	127	Homekey Target Population	50% SF AMI
Manager Unit	1	N/A	N/A
Total:	128		

## 2. OPERATING BUDGET SUMMARY

### 2.1. Annual Operating Budget

Proposed annual operating expenses are \$1,832,850 or \$14,319 per unit per year before replacement reserves deposits. Please see Attachment B for a first-year operating budget. These expenses are lower than average when compared to the entire portfolio of LOSP supportive housing. When compared to similar sized LOSP-supported properties, operating expenses are in the mid-range. See Section 3 for these comparisons.

#### *Earthquake insurance and replacement reserve deposits*

Constructed in 1912, the building was renovated in 1990 for mainly structural and life/safety improvements and in 2018 for the addition of room and finish replacements throughout. Given the 109 year age of the building and seismic scope, the cashflow includes \$170k for earthquake insurance in CY 2022 only, to continue the policy that was put in place at construction loan closing to cover the project until rehab is complete, estimated to occur by the end of 2022. The operating budget includes a replacement reserve deposit of \$500/unit/year, below the amount indicated by the project's Physical Needs Assessment (PNA) of \$931/unit/year. A new PNA will be done post rehab and the replacement reserve deposits will be sized accordingly.

#### *Staffing costs*

Salaries for property management, 24-hour desk clerk coverage, maintenance technicians and contracted janitorial total \$752,049 in Year One, a total full-time equivalent (FTE) of 9.5, with the staffing plan below for building operations. This staffing plan is 1:13 staff to households and is appropriate given that it includes 24 hour desk clerk coverage.

<b>Title</b>	<b>FTE allocated to Project</b>	<b>Exp allocated to Project</b>
<b>Office and Manager Salaries</b>		
<i>Property Manager</i>	1	\$ 85,000
<i>Assistant Manager</i>	1	\$ 55,000
<i>Office Support - desk clerks</i>	2	\$ 177,168
		<b>\$ 317,168</b>
<b>Janitorial – contracted</b>	2	\$ 127,748
<i>Janitor</i>		
<b>Subtotal</b>		
<b>Maintenance</b>		
<i>Maintenance Supervisor</i>		
<i>Maintenance Technician (includes benefits)</i>	2	\$ 191,360
		<b>\$ 319,108</b>

<b>Total, Janitorial &amp; Maintenance:</b>		
<b>Security</b>		
<i>24-hour Desk Clerk Additional Support</i>	1.5	\$ 115,773
<b>Total FTEs and Expenses</b>	<b>9.5</b>	<b>\$ 752,049</b>

2.2. Income

The entire project will be supported by LOSP. Tenants will pay 30% of their monthly income toward rent, which is estimated at \$200 per unit per month, resulting in rent revenue of \$309,600 in year one. Current hotel guests at Shelter In Place hotels do not pay rent. Tenant income is escalated at 1% to match limited historic increase of SSI benefits.

<b>Operating Proforma</b>		
<b>Underwriting Standard</b>	<b>Meets Standard? (Y/N)</b>	<b>Notes</b>
Debt Service Coverage Ratio is between minimum 1.10:1 and maximum 1.15:1 at year 15	N/A	The project is 100% LOSP and will not support permanent debt.
Debt Service Coverage Ratio stays above 1.00:1 for entirety of projected 20-year cash flow	N/A	DSC is at 1:1 as this is a 100% LOSP project.
Vacancy meets LOSP Standards	Y	Vacancy is 5% of tenant rents per LOSP standards.
Annual Income Growth is increased at 2.5% per year	Y	Income escalation factor is 1% based on historic trends of increases in SSI
Annual Operating Expenses are increased at 3.5% per year	Y	Expense escalation factor is 3.5%.
Base year operating expenses per unit are reasonable per comparables	Y	<p>Total Operating Expenses are \$14,669 per unit per year, excluding reserves. This is within range compared to other LOSP projects of a similar size. (See Section 3 for a detailed comparable analysis.)</p> <p>Utilities are based on history of comparable properties.</p> <p>Insurance includes \$170,000 for CY 2022 for earthquake insurance; this would go away once seismic repairs have been completed.</p> <p>The operating budget includes a replacement reserve amount that is less than the amount recommended by the PNA; this replacement reserve amount will be adjusted per the PNA to be conducted at construction completion that takes into account the rehab scope of work.</p>

Property Management Fee is at allowable HUD Maximum	Y	Total Property Management Fee is \$99,840 or \$65 PUPM in accordance with HUD's schedule.
Property Management staffing level is reasonable per comparables	Y	1 FTE Senior Property Manager 1 FTE Assistant Manager 3.5 FTE Desk Clerks (24/7 coverage) 2 FTE Maintenance Staff 2 FTE Janitors (contracted) This level of property management staffing is consistent with LOSP buildings in the range of other similar size properties in the LOSP portfolio.
Asset Management Fee meet standards	Y	Annual AM fee is \$22,670 This amount is consistent with MOHCD maximum for 2021 (the first year of operations); no annual partnership management fee is required as this project is not financed by tax credits.
Replacement Reserve Deposits meet or exceed TCAC minimum standards	Y	Replacement Reserves are \$500 per unit per year per MOHCD standard, and will be adjusted per the PNA recommendation at rehab completion
Limited Partnership Asset Management Fee (aka Investor Service Fee) meets standards	N/A	Not applicable for a non tax credit project.

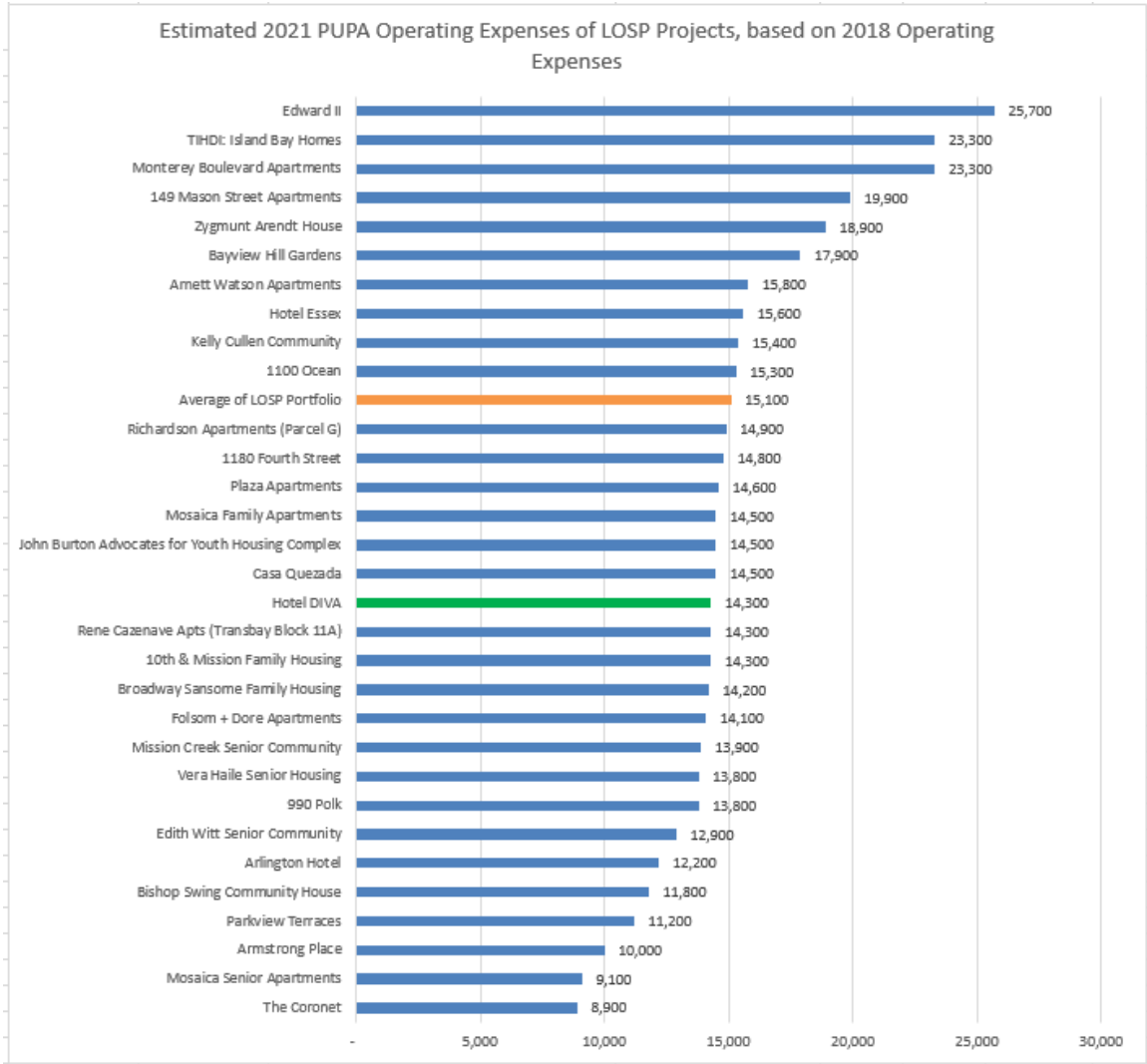
Income from the requested LOSP contract covers the difference between the cost to operate the property and the annual income from tenant rent payments. For the first year, this is estimated at \$1.6 million.

### 3. OPERATING COSTS COMPARATIVE ANALYSIS

To evaluate the proposed budget for the Hotel Diva, MOHCD staff compared the Project's proposed operating expenses to those of other supportive projects of a similar size in MOHCD's portfolio.

#### Comparison with All Other LOSP Supportive Housing

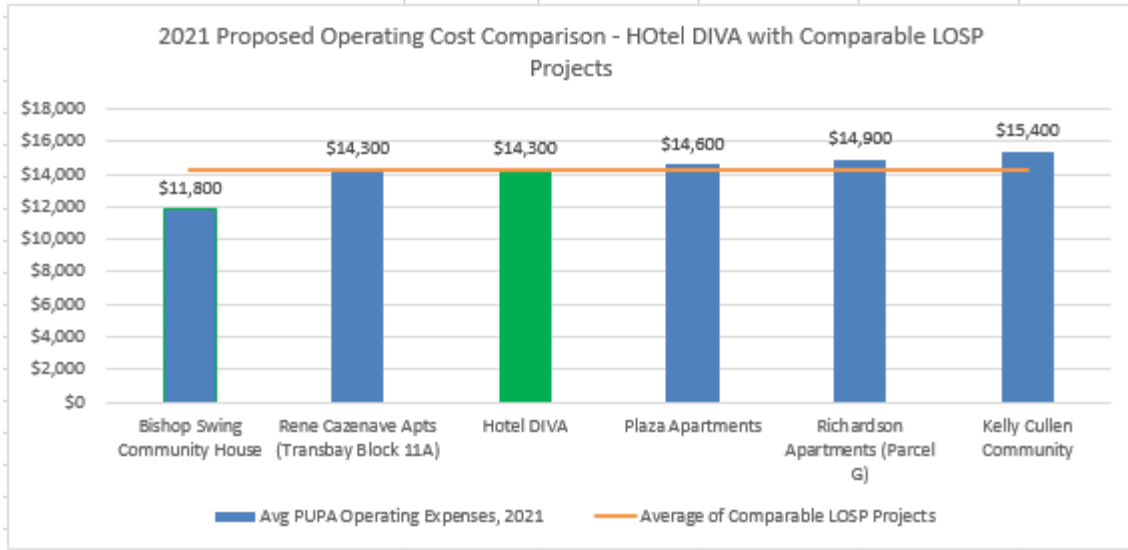
In 2018, there were a total of 32 LOSP funded supportive housing projects in the MOHCD portfolio. Total operating expenses (before replacement reserve deposits and hard debt service) for these projects, escalated from 2018 to 2021, averaged \$15,100 per unit per annum (PUPA), with a range from \$8,900 to \$25,700 PUPA. One of the primary determinants of PUPA operating expenses is project size, with PUPA operating expenses higher for smaller and scattered site buildings and lower for larger buildings. With proposed operating expenses of \$14,319 PUPA, Hotel Diva is lower than average across the existing LOSP portfolio. Please see the chart below for an operating expense comparison.



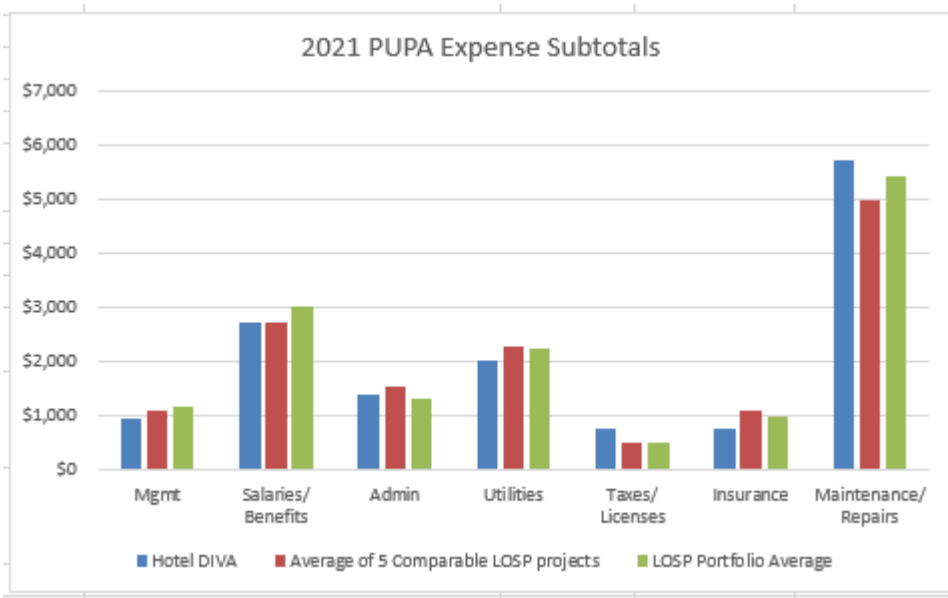
**Comparison to Other 100% Supportive Projects**

Within the portfolio of projects supported by LOSP, the percentage of units in each project that are set aside for homeless households ranges from approximately 20% to 100%. Because the percentage of supportive units and overall project scale vary so widely, it is appropriate to review expenses in comparison to more similar projects. As shown in the chart below, Hotel Diva operating costs are in the mid range when compared to similarly sized projects that have 100% supportive housing units.





When compared to the LOSP five comparable sites, the staffing plan looks appropriate. Maintenance and Repairs are higher than average amongst these projects, perhaps due to the contracting out of janitorial services.



#### 4. SUPPORT SERVICES

##### 4.1. Services Plan.

ECS will provide extensive, on-site supportive services at the Project, funded by a services contract with HSH. ECS services will ensure residents receive the support needed to stabilize and retain housing while working toward their individual goals. New residents referred to the Hotel Diva through Coordinated Entry will have formerly experienced homelessness, many for years and with dual and triple

diagnoses. The goal of all on-site services is to meet people where they are, using a harm reduction approach with the retention of housing as a primary goal. An assessment of existing SIP hotel guests will determine how many meet the target population defined in the Homekey program.

Support services will include intensive case management, care referral, clinical assessments, and individualized health and wellness plans. Eviction Prevention and Housing Retention are primary goals while staff work to stabilize tenants who, once housed, may still face challenges posed by the entrenched life circumstances that led to homelessness. To ensure housing is maintained, at-risk tenants (those showing financial instability, behavioral or housekeeping issues) are provided services through ECS or referral for treatment of chronic medical, mental health, and substance use issues; referred by Case Managers to the RADco program of the Eviction Defense Council; or assisting in obtaining IHSS care or a one-time unit clean-up of unsafe conditions. Financial stability is further supported by linking tenants to money management services. Property management and support services staff meet for weekly team meetings to discuss all current tenant issues and strategize outreach efforts. Discussion continues at the monthly operations meeting, which is attended by on-site property management and support services staff as well as ECS's Director of Housing Services, ECS's Asset Management, and senior property management leaders.

#### 4.2. Service Budget.

The supportive services budget is proposed at around \$850,000 for 6 FTE (1 manager and 5 case managers), which is being finalized with HSH. This amount is equivalent to \$550 / household / month, and provides a staffing ratio of 1 services staff to 21 clients.

#### 4.3. HSH Assessment of Service Plan and Budget.

The Hotel Diva is joint project between HSH and ECS, and staff from both agencies have met throughout the funding application preparation and in weekly operations meetings to discuss the services budget and staffing. In addition, ECS is the operator of the current Shelter in Place site and will be working closely with HSH to wind down that program.

## 5. CONCLUSION

MOHCD recommends approval of the LOSP request in full, subject to the conditions stated below. The proposed operating budget allows for sufficient staffing and meets the operating cost standards of comparable projects.

## 6. RECOMMENDED CONDITIONS

1. Earthquake insurance (\$170K in CY 2022) will be removed at completion of the seismic improvements, estimated to occur by December 2022.

2. Replacement Reserve deposits will be adjusted at the completion of rehabilitation through a post completion PNA, to be reviewed and approved by MOHCD and HSH, and the LOSP annual disbursements will be adjusted accordingly.
3. ECS will deposit the Homekey operating funds in the amount of \$3 million for the initial nearly two years of operations into a project LOSP Reserve account, and will report on utilization through the annual monitoring reports to be submitted to MOHCD.

## 7. LOAN COMMITTEE MODIFICATIONS

## LOAN COMMITTEE RECOMMENDATION

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

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

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

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

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

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

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

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

\_\_\_\_\_  
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. 20-year Operating Pro Forma  
                      D. LOSP Funding and Disbursement Schedule A

## Chavez, Rosanna (MYR)

---

**From:** Shaw, Eric (MYR)  
**Sent:** Thursday, March 25, 2021 2:43 PM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Gotthelf, Felicia (MYR)  
**Subject:** RE: Loan Committee Approvals from 3/19/21

I approve all. I apologize.

---

**From:** Chavez, Rosanna (MYR) <rosanna.chavez@sfgov.org>  
**Sent:** Thursday, March 25, 2021 2:43 PM  
**To:** Shaw, Eric (MYR) <eric.shaw@sfgov.org>  
**Cc:** Gotthelf, Felicia (MYR) <felicia.gotthelf@sfgov.org>  
**Subject:** Loan Committee Approvals from 3/19/21

Hello Eric,

If you could please submit to me your votes for the Agenda items from the 3/19/2021 Loan Committee meeting.

Balboa Park Upper Yard  
Drs. Julian and Ray Richardson Apartments  
Hotel Diva  
Mission Bay South Block 9

Thank you,

Rosie Chavez

Assistant Housing Loan Administrator  
Mayor's Office of Housing and Community Development  
1 South Van Ness, 5th Floor, San Francisco, CA 94103

## Chavez, Rosanna (MYR)

---

**From:** Menjivar, Salvador (HOM)  
**Sent:** Friday, March 26, 2021 5:09 PM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR)  
**Subject:** Hotel Diva

I approve the LOSP commitment funding for the Hotel Diva.

salvador



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

**Learn:** [hsh.sfgov.org](https://hsh.sfgov.org) | **Follow:** [@SF\\_HSH](https://twitter.com/SF_HSH) | **Like:** [@SanFranciscoHSH](https://www.facebook.com/SanFranciscoHSH)

*CONFIDENTIALITY NOTICE: This e-mail is intended for the recipient only. If you receive this e-mail in error, notify the sender and destroy the e-mail immediately. Disclosure of the Personal Health Information (PHI) contained herein may subject the discloser to civil or criminal penalties under state and federal privacy laws.*

## Chavez, Rosanna (MYR)

---

**From:** Oerth, Sally (CII)  
**Sent:** Friday, March 19, 2021 12:05 PM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR); Romero, Anne (MYR)  
**Subject:** LOSP request for the Diva Hotel, 3.19.21 Loan Committee

I approve the LOSP request for the Diva Hotel, as presented at the 3.19.21 Loan Committee.



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

---

📍 One South Van Ness Avenue, 5th Floor  
San Francisco, CA 94103  
📞 415.749.2588  
🏠 [www.sfocii.org](http://www.sfocii.org)

---

## Chavez, Rosanna (MYR)

---

**From:** Katz, Bridget (CON)  
**Sent:** Friday, March 19, 2021 12:04 PM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR)  
**Subject:** LOSP for Diva Hotel

Approve

### **Bridget Katz**

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



## **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.

**Attachment B: 1<sup>st</sup> Year Operating Budget**

<b>Application Date:</b>	<b>12/2/2020</b>	LOSP Units	Non-LOSP Units	<b>Project Name:</b>	<b>Hotel Diva</b>
<b>Total # Units:</b>	<b>128</b>	128	0	<b>Project Address:</b>	<b>440 Geary Street</b>
<b>First Year of Operations</b> (provide data assuming that Year 1 is a full year, i.e. 12 months of operations):	<b>2021</b>	LOSP/non-LOSP Allocation		<b>Project Sponsor:</b>	<b>ECS Housing Corporation</b>
		100%	0%		<b>Correct errors noted in Col N!</b>
<b>INCOME</b>	<b>LOSP</b>	<b>non-LOSP</b>	<b>Total</b>	<b>Comments</b>	
Residential - Tenant Rents	309,600	0	309,600	Links from 'New Proj - Rent & Unit Mix' Worksheet	Alternative LOSP Split
Residential - Tenant Assistance Payments (Non-LOSP)	0	0	0	Links from 'New Proj - Rent & Unit Mix' Worksheet	Residential - Tenant Assistance Payments (N
Residential - LOSP Tenant Assistance Payments	1,602,730	0	1,602,730		
Commercial Spaces	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
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	0	0	0	Links from 'Utilities & Other Income' Worksheet	Projected LOSP Split
Tenant Charges	0	0	0	Links from 'Utilities & Other Income' Worksheet	Tenant Charges
Miscellaneous Residential Income	0	0	0	Links from 'Utilities & Other Income' Worksheet	
Other Commercial Income	0	0	0	Links from 'Commercial Op. Budget' Worksheet	Alternative LOSP Split
Withdrawal from Capitalized Reserve (deposit to operating account)	0	0	0		Withdrawal from Capitalized Reserve (depos
<b>Gross Potential Income</b>	<b>1,912,330</b>	<b>0</b>	<b>1,912,330</b>		
Vacancy Loss - Residential - Tenant Rents	(15,480)	0	(15,480)	Vacancy loss is 5% of Tenant Rents.	
Vacancy Loss - Residential - Tenant Assistance Payments	0	0	0	#DIV/0!	
Vacancy Loss - Commercial	0	0	0	Links from 'Commercial Op. Budget' Worksheet	
<b>EFFECTIVE GROSS INCOME</b>	<b>1,896,850</b>	<b>0</b>	<b>1,896,850</b>	<b>PUPA: 14,819</b>	

<b>OPERATING EXPENSES</b>					
<b>Management</b>					
Management Fee	99,840	0	99,840	1st Year to be set according to HUD schedule (\$65/unit)	Alternative LOSP Split
Asset Management Fee	22,670	0	22,670	Per MOHCD Underwriting Policy.	Management Fee
<b>Sub-total Management Expenses</b>	<b>122,510</b>	<b>0</b>	<b>122,510</b>	<b>PUPA: 957</b>	
<b>Salaries/Benefits</b>					
Office Salaries	177,168	0	177,168		Alternative LOSP Split
Manager's Salary	140,000	0	140,000		Office Salaries
Health Insurance and Other Benefits	31,717	0	31,717		Manager's Salary
Other Salaries/Benefits	0	0	0		Health Insurance and Other Benefits
Administrative Rent-Free Unit	0	0	0		Other Salaries/Benefits
<b>Sub-total Salaries/Benefits</b>	<b>348,885</b>	<b>0</b>	<b>348,885</b>	<b>PUPA: 2,726</b>	Administrative Rent-Free Unit
<b>Administration</b>					
Advertising and Marketing	0	0	0		
Office Expenses	32,630	0	32,630	Office, renting expenses & telephone	
Office Rent	0	0	0		Projected LOSP Split
Legal Expense - Property	45,240	0	45,240		Legal Expense - Property
Audit Expense	20,000	0	20,000		
Bookkeeping/Accounting Services	14,820	0	14,820		Projected LOSP Split
Bad Debts	48,000	0	48,000		Bad Debts
Miscellaneous	17,800	0	17,800		
<b>Sub-total Administration Expenses</b>	<b>178,490</b>	<b>0</b>	<b>178,490</b>	<b>PUPA: 1,394</b>	
<b>Utilities</b>					
Electricity	76,050	0	76,050		Projected LOSP Split
Water	67,990	0	67,990		Electricity
Gas	35,100	0	35,100		
Sewer	79,430	0	79,430		
<b>Sub-total Utilities</b>	<b>258,570</b>	<b>0</b>	<b>258,570</b>	<b>PUPA: 2,020</b>	
<b>Taxes and Licenses</b>					
Real Estate Taxes	12,392	0	12,392	estimated special assessment	Alternative LOSP Split
Payroll Taxes	40,733	0	40,733		Real Estate Taxes
Miscellaneous Taxes, Licenses and Permits	42,800	0	42,800		Payroll Taxes
<b>Sub-total Taxes and Licenses</b>	<b>95,925</b>	<b>0</b>	<b>95,925</b>	<b>PUPA: 749</b>	
<b>Insurance</b>					
Property and Liability Insurance	70,000	0	70,000	Property; \$170K in earthquake added for CY 2022 only, until rehab is complete	
Fidelity Bond Insurance	0	0	0		Alternative LOSP Split
Worker's Compensation	25,373	0	25,373		Worker's Compensation
Director's & Officers' Liability Insurance	0	0	0		
<b>Sub-total Insurance</b>	<b>95,373</b>	<b>0</b>	<b>95,373</b>	<b>PUPA: 745</b>	
<b>Maintenance &amp; Repair</b>					
Payroll	127,748	0	127,748	Janitorial contract	Projected LOSP Split
Supplies	69,500	0	69,500		Supplies
Contracts	60,454	0	60,454	extermination, elevator	Contracts
Garbage and Trash Removal	67,210	0	67,210		Alternative LOSP Split
Security Payroll/Contract	146,573	0	146,573	24/7 desk clerk and security/fire alarm	Security Payroll/Contract
HVAC Repairs and Maintenance	260,412	0	260,412	all bldg repairs	
Vehicle and Maintenance Equipment Operation and Repairs	0	0	0		
Miscellaneous Operating and Maintenance Expenses	1,200	0	1,200		
<b>Sub-total Maintenance &amp; Repair Expenses</b>	<b>733,097</b>	<b>0</b>	<b>733,097</b>	<b>PUPA: 5,727</b>	
<b>Supportive Services</b>	0	0	0	12,326	Alternative LOSP Split
<b>Commercial Expenses</b>	0	0	0	Links from 'Commercial Op. Budget' Worksheet	Supportive Services
<b>TOTAL OPERATING EXPENSES</b>	<b>1,832,850</b>	<b>0</b>	<b>1,832,850</b>	<b>PUPA: 14,319</b>	

<b>Reserves/Ground Lease Base Rent/Bond Fees</b>					
Ground Lease Base Rent	0	0	0	Provide additional comments here, if needed.	
Bond Monitoring Fee	0	0	0		Alternative LOSP Split
Replacement Reserve Deposit	64,000	0	64,000	\$500 per unit per month, to be adjusted with updated PNA post rehab completion	Replacement Reserve Deposit
Operating Reserve Deposit	0	0	0		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 Deposits, Commercial	0	0	0	Links from 'Commercial Op. Budget' Worksheet	
<b>Sub-total Reserves/Ground Lease Base Rent/Bond Fees</b>	<b>64,000</b>	<b>0</b>	<b>64,000</b>	<b>PUPA: 500</b>	

<b>TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)</b>	<b>1,896,850</b>	<b>0</b>	<b>1,896,850</b>	<b>PUPA: 14,819</b>	
<b>NET OPERATING INCOME (INCOME minus OP EXPENSES)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>PUPA:</b>	

<b>DEBT SERVICE/MUST PAY PAYMENTS</b> ('hard debt'/amortized loans)					
Hard Debt - First Lender	0	0	0	Provide additional comments here, if needed.	Hard Debt - First Lender
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Len	0	0	0	Provide additional comments here, if needed.	Hard Debt - Second Lender (HCD Program 0.
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
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	
<b>TOTAL HARD DEBT SERVICE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>PUPA: 0</b>	

<b>CASH FLOW (NOI minus DEBT SERVICE)</b>	<b>0</b>	<b>0</b>	<b>0</b>		
Commercial Only Cash Flow	0	0	0		
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)	0	0	0		Allocation of Commercial Surplus to LOSP/non-
<b>AVAILABLE CASH FLOW</b>	<b>0</b>	<b>0</b>	<b>0</b>		
<b>USES OF CASH FLOW BELOW</b> (This row also shows DSCR.)					
<b>USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL</b>					
'Below-the-line' Asset Mgt fee (uncommon in new projects, see policy)	0	0	0	FY21 Allowable Per MOHCD	
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
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
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	#DIV/0!	Deferred Developer Fee (Enter amt => Max F
<b>TOTAL PAYMENTS PRECEDING MOHCD</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>PUPA: 0</b>	

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

<b>Soft Debt Lenders with Residual Receipts Obligations</b>	(Select lender name/program from drop down)	<b>Total Principal Amt</b>	<b>Distrib. of Soft Debt Loans</b>
MOHCD/OCII - Soft Debt Loans	All MOHCD/OCII Loans payable from res. recs		100.00%
MOHCD/OCII - Ground Lease Value or Land Acq Cost	Ground Lease Value		0.00%
HCD (soft debt loan) - Lender 3			0.00%
Other Soft Debt Lender - Lender 4			0.00%
Other Soft Debt Lender - Lender 5			0.00%
<b>MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>			
MOHCD Residual Receipts Amount Due	0	0	67% of residual receipts, multiplied by 100% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	0	0	Enter/override amount of residual receipts proposed for loan repayment.
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repaymt.
<b>REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>	<b>0</b>		
<b>NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>			
HCD Residual Receipts Amount Due	0	0	
Lender 4 Residual Receipts Due	0	0	
Lender 5 Residual Receipts Due	0	0	
<b>Total Non-MOHCD Residual Receipts Debt Service</b>	<b>0</b>		
<b>REMAINDER (Should be zero unless there are distributions below)</b>	<b>0</b>		
Owner Distributions/Incentive Management Fee	0	0	
Other Distributions/Uses	0	0	
<b>Final Balance (should be zero)</b>	<b>0</b>		

Application Date: 12/2/2020  
 Total # Units: 128  
 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 (reqd)
Residential - Tenant Assistance Payments (Non-LOSP)	non-LOSP		
Residential - LOSP Tenant Assistance Payments			
Commercial Spaces			
Residential Parking			
Miscellaneous Rent Income	LOSP	non-LOSP	Approved By (reqd)
Supportive Services Income			
Interest Income - Project Operations			
Laundry and Vending	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Tenant Charges			
Miscellaneous Residential Income			
Other Commercial Income	LOSP	non-LOSP	Approved By (reqd)
Withdrawal from Capitalized Reserve (deposit to operating account)	to operating account		
<b>Gross Potential Income</b>			
Vacancy Loss - Residential - Tenant Rents			
Vacancy Loss - Residential - Tenant Assistance Payments			
Vacancy Loss - Commercial			
<b>EFFECTIVE GROSS INCOME</b>			

OPERATING EXPENSES			
<b>Management</b>			
Management Fee	LOSP	non-LOSP	Approved By (reqd)
Asset Management Fee			
<b>Sub-total Management Expenses</b>			
<b>Salaries/Benefits</b>			
Office Salaries	LOSP	non-LOSP	Approved By (reqd)
Manager's Salary			
Health Insurance and Other Benefits			
Other Salaries/Benefits			
Administrative Rent-Free Unit			
<b>Sub-total Salaries/Benefits</b>			
<b>Administration</b>			
Advertising and Marketing			
Office Expenses			
Office Rent	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Legal Expense - Property	100.00%	0.00%	
Audit Expense			
Bookkeeping/Accounting Services	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Bad Debts	100.00%	0.00%	
Miscellaneous			
<b>Sub-total Administration Expenses</b>			
<b>Utilities</b>			
Electricity	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Water	100.00%	0.00%	
Gas			
Sewer			
<b>Sub-total Utilities</b>			

<b>Taxes and Licenses</b>			
Real Estate Taxes			Approved By (reqd)
Payroll Taxes			
Miscellaneous Taxes, Licenses and Permits			
<b>Sub-total Taxes and Licenses</b>			
<b>Insurance</b>			
Property and Liability Insurance			
Fidelity Bond Insurance	LOSP	non-LOSP	Approved By (reqd)
Worker's Compensation			
Director's & Officers' Liability Insurance			
<b>Sub-total Insurance</b>			

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

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

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

<b>NET OPERATING INCOME (INCOME minus OP EXPENSES)</b>			
<b>DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)</b>			
Hard Debt - First Lender	LOSP	non-LOSP	Approved By (reqd)
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)	0.00%	100.00%	
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	42% pymt, or other 2nd Lender		
Hard Debt - Fourth Lender	n, or other 3rd Lender		
Commercial Hard Debt Service			
<b>TOTAL HARD DEBT SERVICE</b>			

<b>CASH FLOW (NOI minus DEBT SERVICE)</b>			
Commercial Only Cash Flow			
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)	non-LOSP (residual income)		
<b>AVAILABLE CASH FLOW</b>			
<b>USES OF CASH FLOW BELOW (This row also shows DSCR.)</b>			
<b>USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL</b>			
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)			
Partnership Management Fee (see policy for limits)			
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	LOSP	non-LOSP	Approved By (reqd)
Other Payments			
Non-amortizing Loan Pmt - Lender 1 (select lender in comments field)	lender in comments field		
Non-amortizing Loan Pmt - Lender 2 (select lender in comments field)			
Deferred Developer Fee (Enter amt => Max Fee from cell I130)	0.00%	100.00%	
<b>TOTAL PAYMENTS PRECEDING MOHCD</b>			

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

*Residual Receipts Calculation*

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

<b>Soft Debt Lenders with Residual Receipts Obligations</b>			
MOHCD/OCII - Soft Debt Loans			
MOHCD/OCII - Ground Lease Value or Land Acq Cost			
HCD (soft debt loan) - Lender 3			
Other Soft Debt Lender - Lender 4			
Other Soft Debt Lender - Lender 5			
<b>MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>			
MOHCD Residual Receipts Amount Due			
Proposed MOHCD Residual Receipts Amount to Loan Repayment			
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			
<b>REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>			
<b>NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>			
HCD Residual Receipts Amount Due			
Lender 4 Residual Receipts Due			
Lender 5 Residual Receipts Due			
<b>Total Non-MOHCD Residual Receipts Debt Service</b>			
<b>REMAINDER (Should be zero unless there are distributions below)</b>			
Owner Distributions/Incentive Management Fee			
Other Distributions/Uses			
<b>Final Balance (should be zero)</b>			

**Attachment C: 20-Year Operating Pro Forma**

Hotel Diva

Total # Units:	LOSP	Non-LOSP	Year 1			Year 2			Year 3		
	Units	Units	2021	2021	Total	2022	2022	Total	2023	2023	Total
128	128	0									
% annual inc LOSP	% annual inc LOSP	0.00%									
			LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
<b>INCOME</b>											
Residential - Tenant Rents	1.0%	2.5%	309,600	-	309,600	312,696	-	312,696	315,823	-	315,823
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a	-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments	n/a	n/a	1,602,730	-	1,602,730	1,833,939	-	1,833,939	1,727,363	-	1,727,363
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%	-	-	-	-	-	-	-	-	-
Tenant Charges	2.5%	2.5%	-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%	-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%	-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	-	-	-	-	-	-	-	-	-
<b>Gross Potential Income</b>			<b>1,912,330</b>	<b>-</b>	<b>1,912,330</b>	<b>2,146,635</b>	<b>-</b>	<b>2,146,635</b>	<b>2,043,186</b>	<b>-</b>	<b>2,043,186</b>
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	(15,480)	-	(15,480)	(15,635)	-	(15,635)	(15,791)	-	(15,791)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a	-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a	-	-	-	-	-	-	-	-	-
<b>EFFECTIVE GROSS INCOME</b>			<b>1,896,850</b>	<b>-</b>	<b>1,896,850</b>	<b>2,131,000</b>	<b>-</b>	<b>2,131,000</b>	<b>2,027,395</b>	<b>-</b>	<b>2,027,395</b>
<b>OPERATING EXPENSES</b>											
<b>Management</b>											
Management Fee	3.5%	3.5%	99,840	-	99,840	103,334	-	103,334	106,951	-	106,951
Asset Management Fee	3.5%	3.5%	22,670	-	22,670	23,463	-	23,463	24,285	-	24,285
<b>Sub-total Management Expenses</b>			<b>122,510</b>	<b>-</b>	<b>122,510</b>	<b>126,798</b>	<b>-</b>	<b>126,798</b>	<b>131,236</b>	<b>-</b>	<b>131,236</b>
<b>Salaries/Benefits</b>											
Office Salaries	3.5%	3.5%	177,168	-	177,168	183,369	-	183,369	189,787	-	189,787
Manager's Salary	3.5%	3.5%	140,000	-	140,000	144,900	-	144,900	149,972	-	149,972
Health Insurance and Other Benefits	3.5%	3.5%	31,717	-	31,717	32,827	-	32,827	33,976	-	33,976
Other Salaries/Benefits	3.5%	3.5%	-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%	3.5%	-	-	-	-	-	-	-	-	-
<b>Sub-total Salaries/Benefits</b>			<b>348,885</b>	<b>-</b>	<b>348,885</b>	<b>361,096</b>	<b>-</b>	<b>361,096</b>	<b>373,734</b>	<b>-</b>	<b>373,734</b>
<b>Administration</b>											
Advertising and Marketing	3.5%	3.5%	-	-	-	-	-	-	-	-	-
Office Expenses	3.5%	3.5%	32,630	-	32,630	33,772	-	33,772	34,954	-	34,954
Office Rent	3.5%	3.5%	-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%	45,240	-	45,240	46,823	-	46,823	48,462	-	48,462
Audit Expense	3.5%	3.5%	20,000	-	20,000	20,700	-	20,700	21,425	-	21,425
Bookkeeping/Accounting Services	3.5%	3.5%	14,820	-	14,820	15,339	-	15,339	15,876	-	15,876
Bad Debts	3.5%	3.5%	48,000	-	48,000	49,680	-	49,680	51,419	-	51,419
Miscellaneous	3.5%	3.5%	17,800	-	17,800	18,423	-	18,423	19,068	-	19,068
<b>Sub-total Administration Expenses</b>			<b>178,490</b>	<b>-</b>	<b>178,490</b>	<b>184,737</b>	<b>-</b>	<b>184,737</b>	<b>191,203</b>	<b>-</b>	<b>191,203</b>
<b>Utilities</b>											
Electricity	3.5%	3.5%	76,050	-	76,050	78,712	-	78,712	81,467	-	81,467
Water	3.5%	3.5%	67,990	-	67,990	70,370	-	70,370	72,833	-	72,833
Gas	3.5%	3.5%	35,100	-	35,100	36,329	-	36,329	37,600	-	37,600
Sewer	3.5%	3.5%	79,430	-	79,430	82,210	-	82,210	85,087	-	85,087
<b>Sub-total Utilities</b>			<b>258,570</b>	<b>-</b>	<b>258,570</b>	<b>267,620</b>	<b>-</b>	<b>267,620</b>	<b>276,987</b>	<b>-</b>	<b>276,987</b>
<b>Taxes and Licenses</b>											
Real Estate Taxes	3.5%	3.5%	12,392	-	12,392	12,826	-	12,826	13,275	-	13,275
Payroll Taxes	3.5%	3.5%	40,733	-	40,733	42,159	-	42,159	43,634	-	43,634
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%	42,800	-	42,800	44,298	-	44,298	45,848	-	45,848
<b>Sub-total Taxes and Licenses</b>			<b>95,925</b>	<b>-</b>	<b>95,925</b>	<b>99,282</b>	<b>-</b>	<b>99,282</b>	<b>102,757</b>	<b>-</b>	<b>102,757</b>
<b>Insurance</b>											
Property and Liability Insurance	3.5%	3.5%	70,000	-	70,000	242,450	-	242,450	74,986	-	74,986
Fidelity Bond Insurance	3.5%	3.5%	-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%	25,373	-	25,373	26,261	-	26,261	27,180	-	27,180
Director's & Officers' Liability Insurance	3.5%	3.5%	-	-	-	-	-	-	-	-	-
<b>Sub-total Insurance</b>			<b>95,373</b>	<b>-</b>	<b>95,373</b>	<b>268,711</b>	<b>-</b>	<b>268,711</b>	<b>102,166</b>	<b>-</b>	<b>102,166</b>
<b>Maintenance &amp; Repair</b>											
Payroll	3.5%	3.5%	127,748	-	127,748	132,219	-	132,219	136,847	-	136,847
Supplies	3.5%	3.5%	69,500	-	69,500	71,933	-	71,933	74,450	-	74,450
Contracts	3.5%	3.5%	60,454	-	60,454	62,570	-	62,570	64,760	-	64,760
Garbage and Trash Removal	3.5%	3.5%	67,210	-	67,210	69,562	-	69,562	71,997	-	71,997
Security Payroll/Contract	3.5%	3.5%	146,573	-	146,573	151,703	-	151,703	157,013	-	157,013
HVAC Repairs and Maintenance	3.5%	3.5%	260,412	-	260,412	269,526	-	269,526	278,960	-	278,960
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%	-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%	1,200	-	1,200	1,242	-	1,242	1,285	-	1,285
<b>Sub-total Maintenance &amp; Repair Expenses</b>			<b>733,097</b>	<b>-</b>	<b>733,097</b>	<b>758,755</b>	<b>-</b>	<b>758,755</b>	<b>785,312</b>	<b>-</b>	<b>785,312</b>
<b>Supportive Services</b>	3.5%	3.5%	-	-	-	-	-	-	-	-	-
<b>Commercial Expenses</b>			-	-	-	-	-	-	-	-	-
<b>TOTAL OPERATING EXPENSES</b>			<b>1,832,850</b>	<b>-</b>	<b>1,832,850</b>	<b>2,067,000</b>	<b>-</b>	<b>2,067,000</b>	<b>1,963,395</b>	<b>-</b>	<b>1,963,395</b>
<b>RESERVES/GROUND LEASE BASE RENT/BOND FEES</b>											
PUPA (w/o Reserves/GL Base Rent/Bond Fees)											
Ground Lease Base Rent	-	-	-	-	-	-	-	-	-	-	-
Bond Monitoring Fee	-	-	-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit	64,000	-	64,000	-	64,000	-	64,000	-	64,000	-	64,000
Operating Reserve Deposit	-	-	-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit	-	-	-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit	-	-	-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-total Reserves/Ground Lease Base Rent/Bond Fees</b>			<b>64,000</b>	<b>-</b>	<b>64,000</b>	<b>64,000</b>	<b>-</b>	<b>64,000</b>	<b>64,000</b>	<b>-</b>	<b>64,000</b>
<b>TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)</b>			<b>1,896,850</b>	<b>-</b>	<b>1,896,850</b>	<b>2,131,000</b>	<b>-</b>	<b>2,131,000</b>	<b>2,027,395</b>	<b>-</b>	<b>2,027,395</b>
<b>NET OPERATING INCOME (INCOME minus OP EXPENSES)</b>											
PUPA (w/ Reserves/GL Base Rent/Bond Fees)											
<b>DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)</b>											
Hard Debt - First Lender	Enter comments re: annual increase, etc.		-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pmt, or other 2nd Lender)	Enter comments re: annual increase, etc.		-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	Enter comments re: annual increase, etc.		-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender	Enter comments re: annual increase, etc.		-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service			-	-	-	-	-	-	-	-	-
<b>TOTAL HARD DEBT SERVICE</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH FLOW (NOI minus DEBT SERVICE)</b>											
Commercial Only Cash Flow											
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)											
<b>AVAILABLE CASH FLOW</b>											
<b>USES OF CASH FLOW BELOW (This row also shows DSCR.)</b>											
USAT 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)	3.5%	3.5%	-	-	-	-	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	3.5%	3.5%	-	-	-	-	-	-	-	-	-
Other Payments			-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmt - Lender 1	Enter comments re: annual increase, etc.		-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmt - Lender 2	Enter comments re: annual increase, etc.		-	-	-	-	-	-	-	-	-
Deferred Developer Fee (Enter amt <= Max Fee from row 131)			-	-	-	-	-	-	-	-	-
<b>TOTAL PAYMENTS PRECEDING MOHCD</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)</b>											
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%								
<b>MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>											
MOHCD Residual Receipts Amount Due			100.00%								
Proposed MOHCD Residual Receipts Amount to Loan Repayment			-								
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			-								
<b>NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>											
HCD Residual Receipts Amount Due			0.00%								
Lender 4 Residual Receipts Due			0.00%								
Lender 5 Residual Receipts Due			0.00%								
<b>Total Non-MOHCD Residual Receipts Debt Service</b>			<b>-</b>								
<b>REMAINDER (Should be zero unless there are distributions below)</b>											
Owner Distributions/Incentive Management Fee			-								
Other Distributions/Uses			-								
<b>Final Balance (should be zero)</b>			<b>-</b>								
<b>REPLACEMENT RESERVE - RUNNING BALANCE</b>											
Replacement Reserve Starting Balance			-								
Replacement Reserve Deposits			64,000								
Replacement Reserve Withdrawals (ideally tied to CNA)			-								
Replacement Reserve Interest			-								
<b>RR Running Balance</b>			<b>64,000</b>								
<b>OPERATING RESERVE - RUNNING BALANCE</b>											
Operating Reserve Starting Balance			-								
Operating Reserve Deposits			-								
Operating Reserve Withdrawals			-								
Operating Reserve Interest			-								
<b>OR Running Balance</b>			<b>-</b>								
<b>OTHER REQUIRED RESERVE 1 - RUNNING BALANCE</b>											
Other Reserve 1 Starting Balance			-								
Other Reserve 1 Deposits			-								
Other Reserve 1 Withdrawals			-								
Other Reserve 1 Interest			-								
<b>Other Required Reserve 1 Running Balance</b>			<b>-</b>								
<b>OTHER RESERVE 2 - RUNNING BALANCE</b>											
Other Reserve 2 Starting Balance			-								
Other Reserve 2 Deposits			-								
Other Reserve 2 Withdrawals			-								
Other Reserve 2 Interest			-								

INCOME	Total # Units:	Units		Year 1 2021			Year 2 2022			Year 3 2023			
		LOSP	Non-LOSP	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
		128	0										
		100.00%	0.00%										
		% annual inc LOSP	% annual increase										

Other Required Reserve 2 Running Balance





INCOME	Total # Units:	LOSP		Non-LOSP		Year 4			Year 5			Year 6	
		Units		Units		2024			2025			2026	
		128	128	0	0	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP
		100.00%	0.00%	Comments (related to annual inc assumptions)									
		% annual inc LOSP	% annual increase										
		Other Required Reserve 2 Running Balance											



INCOME	Total # Units:	Units		Year 7 2027			Year 8 2028			Total	LOSP	
		LOSP	Non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP			
		128	0									
		100.00%	0.00%									
		% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP
		<i>Other Required Reserve 2 Running Balance</i>										

Hotel Diva

Total # Units:	LOSP Units		Non-LOSP Units		Year 9 2029		Year 10 2030			Year 11 2031			
	128	128	0	0	LOSP	non-LOSP	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	
	100.00%	100.00%	0.00%	0.00%									
<b>INCOME</b>	% annual inc	% annual inc	Comments (related to annual inc assumptions)			non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
Residential - Tenant Rents	1.0%	2.5%					335,252	338,605	338,605	341,991	-	341,991	345,411
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a					-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments	n/a	n/a					2,159,024	2,240,312	2,240,312	2,324,524	-	2,324,524	2,411,765
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%					-	-	-	-	-	-	-
Tenant Charges	2.5%	2.5%					-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%					-	-	-	-	-	-	-
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		-	-	-	-	-	-	-
<b>Gross Potential Income</b>							2,494,276	2,578,917	2,578,917	2,666,515	-	2,666,515	2,757,176
Vacancy Loss - Residential - Tenant Rents	n/a	n/a			Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate		(16,763)	(16,930)	(16,930)	(17,100)	-	(17,100)	(17,271)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a					-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a					-	-	-	-	-	-	-
<b>EFFECTIVE GROSS INCOME</b>							2,477,513	2,561,986	2,561,986	2,649,416	-	2,649,416	2,739,905
<b>OPERATING EXPENSES</b>													
<b>Management</b>													
Management Fee	3.5%	3.5%			1st Year to be set according to HUD schedule.		131,470	136,072	136,072	140,834	-	140,834	145,763
Asset Management Fee	3.5%	3.5%			per MOHCD policy		29,852	30,979	30,979	31,978	-	31,978	33,098
<b>Sub-total Management Expenses</b>							161,322	166,969	166,969	172,812	-	172,812	178,861
<b>Salaries/Benefits</b>													
Office Salaries	3.5%	3.5%					233,296	241,462	241,462	249,513	-	249,513	258,660
Manager's Salary	3.5%	3.5%					184,353	190,806	190,806	197,484	-	197,484	204,396
Health Insurance and Other Benefits	3.5%	3.5%					41,765	43,227	43,227	44,740	-	44,740	46,306
Other Salaries/Benefits	3.5%	3.5%					-	-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%	3.5%					-	-	-	-	-	-	-
<b>Sub-total Salaries/Benefits</b>							459,415	475,494	475,494	492,137	-	492,137	509,362
<b>Administration</b>													
Advertising and Marketing	3.5%	3.5%					-	-	-	-	-	-	-
Office Expenses	3.5%	3.5%					42,967	44,471	44,471	46,028	-	46,028	47,639
Office Rent	3.5%	3.5%					-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%					59,572	61,657	61,657	63,815	-	63,815	66,049
Audit Expense	3.5%	3.5%					26,336	27,258	27,258	28,212	-	28,212	29,199
Bookkeeping/Accounting Services	3.5%	3.5%					19,515	20,198	20,198	20,905	-	20,905	21,637
Bad Debts	3.5%	3.5%					63,207	65,419	65,419	67,709	-	67,709	70,079
Miscellaneous	3.5%	3.5%					23,439	24,260	24,260	25,109	-	25,109	25,987
<b>Sub-total Administration Expenses</b>							235,037	243,264	243,264	251,778	-	251,778	260,590
<b>Utilities</b>													
Electricity	3.5%	3.5%					100,143	103,648	103,648	107,276	-	107,276	111,031
Water	3.5%	3.5%					89,530	92,663	92,663	95,907	-	95,907	99,263
Gas	3.5%	3.5%					46,220	47,838	47,838	49,512	-	49,512	51,245
Sewer	3.5%	3.5%					104,594	108,255	108,255	112,044	-	112,044	115,965
<b>Sub-total Utilities</b>							340,487	352,404	352,404	364,739	-	364,739	377,504
<b>Taxes and Licenses</b>													
Real Estate Taxes	3.5%	3.5%					16,889	17,480	17,480	17,889	-	17,889	18,292
Payroll Taxes	3.5%	3.5%					53,638	55,515	55,515	57,458	-	57,458	59,469
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%					56,359	58,332	58,332	60,374	-	60,374	62,487
<b>Sub-total Taxes and Licenses</b>							126,886	131,327	131,327	135,721	-	135,721	140,248
<b>Insurance</b>													
Property and Liability Insurance	3.5%	3.5%			\$170K in earthquake added for CY 2022 only, only needed during rehab		92,177	95,403	95,403	98,742	-	98,742	102,198
Fidelity Bond Insurance	3.5%	3.5%					-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%					33,411	34,581	34,581	35,791	-	35,791	37,044
Director's & Officers' Liability Insurance	3.5%	3.5%					-	-	-	-	-	-	-
<b>Sub-total Insurance</b>							125,588	129,984	129,984	134,533	-	134,533	139,242
<b>Maintenance &amp; Repair</b>													
Payroll	3.5%	3.5%					168,220	174,107	174,107	180,201	-	180,201	186,508
Supplies	3.5%	3.5%					91,518	94,721	94,721	98,037	-	98,037	101,468
Contracts	3.5%	3.5%					79,806	82,393	82,393	85,276	-	85,276	88,261
Garbage and Trash Removal	3.5%	3.5%					88,503	91,600	91,600	94,806	-	94,806	98,125
Security Payroll/Contract	3.5%	3.5%					193,009	199,764	199,764	206,756	-	206,756	213,992
HVAC Repairs and Maintenance	3.5%	3.5%					342,913	354,915	354,915	367,337	-	367,337	380,194
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%					-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%					1,580	1,635	1,635	1,693	-	1,693	1,752
<b>Sub-total Maintenance &amp; Repair Expenses</b>							965,349	999,136	999,136	1,034,106	-	1,034,106	1,070,299
<b>Supportive Services</b>	3.5%	3.5%					-	-	-	-	-	-	-
<b>Commercial Expenses</b>							-	-	-	-	-	-	-
<b>TOTAL OPERATING EXPENSES</b>							2,413,513	2,497,986	2,497,986	2,585,416	-	2,585,416	2,675,905
<b>RESERVES/BOND FEES</b>													
<b>PUPA (w/o Reserves/GL Base Rent/Bond Fees)</b>													
<b>Reserves/Ground Lease Base Rent/Bond Fees</b>													
Ground Lease Base Rent							-	-	-	-	-	-	-
Bond Monitoring Fee							-	-	-	-	-	-	-
Replacement Reserve Deposit							64,000	64,000	64,000	64,000	-	64,000	64,000
Operating Reserve Deposit							-	-	-	-	-	-	-
Other Required Reserve 1 Deposit							-	-	-	-	-	-	-
Other Required Reserve 2 Deposit							-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial							-	-	-	-	-	-	-
<b>Sub-total Reserves/Ground Lease Base Rent/Bond Fees</b>							64,000	64,000	64,000	64,000	-	64,000	64,000
<b>TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)</b>							2,477,513	2,561,986	2,561,986	2,649,416	-	2,649,416	2,739,905
<b>NET OPERATING INCOME (INCOME minus OP EXPENSES)</b>													
<b>DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)</b>													
Hard Debt - First Lender					Enter comments re: annual increase, etc.		-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)					Enter comments re: annual increase, etc.		-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)					Enter comments re: annual increase, etc.		-	-	-	-	-	-	-
Hard Debt - Fourth Lender					Enter comments re: annual increase, etc.		-	-	-	-	-	-	-
Commercial Hard Debt Service							-	-	-	-	-	-	-
<b>TOTAL HARD DEBT SERVICE</b>							-	-	-	-	-	-	-
<b>CASH FLOW (NOI minus DEBT SERVICE)</b>													
<b>Commercial Only Cash Flow</b>													
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)							-	-	-	-	-	-	-
<b>AVAILABLE CASH FLOW</b>							-	-	-	-	-	-	-
<b>USES OF CASH FLOW BELOW (This row also shows DSCR.)</b>													
<b>USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL</b>													
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	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)							-	-	-	-	-	-	-
<b>TOTAL PAYMENTS PRECEDING MOHCD</b>							-	-	-	-	-	-	-
<b>RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)</b>													
Does Project have a MOHCD Residual Receipt Obligation? <b>Yes</b>													
Will Project Defer Developer Fee? <b>No</b>													
Residual Receipts split for all years. - Lender/Owner <b>67% / 33%</b>													
<b>MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>													
MOHCD Residual Receipts Amount Due	100.00%				Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy		-	-	-	-	-	-	-
Proposed MOHCD Residual Receipts Amount to Loan Repayment							-	-	-	-	-	-	-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease							-	-	-	-	-	-	-
<b>NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>													
HCD Residual Receipts Amount Due	0.00%				No HCD Financing		-	-	-	-	-	-	-
Lender 4 Residual Receipts Due	0.00%						-	-	-	-	-	-	-
Lender 5 Residual Receipts Due	0.00%						-	-	-	-	-	-	-
<b>Total Non-MOHCD Residual Receipts Debt Service</b>							-	-	-	-	-	-	-
<b>REMAINDER (Should be zero unless there are distributions below)</b>													
Owner Distributions/Incentive Management Fee							-	-	-	-	-	-	-
Other Distributions/Uses							-						

INCOME	Total # Units:	Units		Year 9		Year 10			Year 11			LOSP
		LOSP	Non-LOSP	2029		2030			2031			
		128	0	LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	
		100.00%	0.00%	Comments (related to annual inc assumptions)		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP
		% annual inc LOSP	% annual increase									
		Other Required Reserve 2 Running Balance										

Hotel Diva

Total # Units:	LOSP Units		Non-LOSP Units		Year 12 2032		Year 13 2033		Year 14 2034		LOSP			
	128	128	0	0	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%				
	% annual inc	% annual inc	% annual inc	% annual inc	Comments (related to annual inc assumptions)	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP
<b>INCOME</b>														
Residential - Tenant Rents	1.0%	2.5%	-	-	-	-	345,411	348,865	-	348,865	352,354	-	352,354	355,677
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a	-	-	-	-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments	n/a	n/a	-	-	-	-	2,411,765	2,502,140	-	2,502,140	2,595,761	-	2,595,761	2,692,741
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%	-	-	-	-	-	-	-	-	-	-	-	-
Tenant Charges	2.5%	2.5%	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
<b>Gross Potential Income</b>							<b>2,757,176</b>	<b>2,851,005</b>		<b>2,851,005</b>	<b>2,948,115</b>		<b>2,948,115</b>	<b>3,048,618</b>
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	-	-	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	-	(17,271)	(17,443)	-	(17,443)	(17,619)	-	(17,618)	(17,794)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a	-	-	-	-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a	-	-	-	-	-	-	-	-	-	-	-	-
<b>EFFECTIVE GROSS INCOME</b>							<b>2,739,905</b>	<b>2,833,562</b>		<b>2,833,562</b>	<b>2,930,497</b>		<b>2,930,497</b>	<b>3,030,824</b>
<b>OPERATING EXPENSES</b>														
<b>Management</b>														
Management Fee	3.5%	3.5%	-	-	1st Year to be set according to HUD schedule.	-	145,763	150,865	-	150,865	156,145	-	156,145	161,610
Asset Management Fee	3.5%	3.5%	-	-	per MOHCD policy	-	33,098	34,256	-	34,256	35,455	-	35,455	36,696
<b>Sub-total Management Expenses</b>							<b>178,861</b>	<b>185,121</b>		<b>185,121</b>	<b>191,600</b>		<b>191,600</b>	<b>198,306</b>
<b>Salaries/Benefits</b>														
Office Salaries	3.5%	3.5%	-	-	-	-	258,660	267,713	-	267,713	277,083	-	277,083	286,781
Manager's Salary	3.5%	3.5%	-	-	-	-	204,396	211,550	-	211,550	218,954	-	218,954	226,817
Health Insurance and Other Benefits	3.5%	3.5%	-	-	-	-	46,306	47,927	-	47,927	49,604	-	49,604	51,340
Other Salaries/Benefits	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-total Salaries/Benefits</b>							<b>509,362</b>	<b>527,189</b>		<b>527,189</b>	<b>545,641</b>		<b>545,641</b>	<b>564,738</b>
<b>Administration</b>														
Advertising and Marketing	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-	-	-
Office Expenses	3.5%	3.5%	-	-	-	-	47,639	49,306	-	49,306	51,032	-	51,032	52,818
Office Rent	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%	-	-	-	-	66,049	68,361	-	68,361	70,753	-	70,753	73,230
Audit Expense	3.5%	3.5%	-	-	-	-	29,199	30,221	-	30,221	31,279	-	31,279	32,374
Bookkeeping/Accounting Services	3.5%	3.5%	-	-	-	-	21,637	22,394	-	22,394	23,178	-	23,178	23,989
Bad Debts	3.5%	3.5%	-	-	-	-	70,079	72,531	-	72,531	75,070	-	75,070	77,697
Miscellaneous	3.5%	3.5%	-	-	-	-	25,987	26,897	-	26,897	27,838	-	27,838	28,813
<b>Sub-total Administration Expenses</b>							<b>260,590</b>	<b>269,711</b>		<b>269,711</b>	<b>279,151</b>		<b>279,151</b>	<b>288,921</b>
<b>Utilities</b>														
Electricity	3.5%	3.5%	-	-	-	-	111,031	114,917	-	114,917	118,939	-	118,939	123,102
Water	3.5%	3.5%	-	-	-	-	99,263	102,738	-	102,738	106,333	-	106,333	110,055
Gas	3.5%	3.5%	-	-	-	-	51,245	53,039	-	53,039	54,895	-	54,895	56,816
Sewer	3.5%	3.5%	-	-	-	-	115,965	120,024	-	120,024	124,225	-	124,225	128,573
<b>Sub-total Utilities</b>							<b>377,504</b>	<b>390,717</b>		<b>390,717</b>	<b>404,392</b>		<b>404,392</b>	<b>418,546</b>
<b>Taxes and Licenses</b>														
Real Estate Taxes	3.5%	3.5%	-	-	-	-	18,092	18,725	-	18,725	19,381	-	19,381	20,059
Payroll Taxes	3.5%	3.5%	-	-	-	-	59,469	61,550	-	61,550	63,705	-	63,705	65,934
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%	-	-	-	-	62,487	64,674	-	64,674	66,937	-	66,937	69,280
<b>Sub-total Taxes and Licenses</b>							<b>140,048</b>	<b>144,949</b>		<b>144,949</b>	<b>150,022</b>		<b>150,022</b>	<b>155,273</b>
<b>Insurance</b>														
Property and Liability Insurance	3.5%	3.5%	-	-	\$170K in earthquake added for CY 2022 only, only needed during rehab	-	102,198	105,775	-	105,775	109,477	-	109,477	113,309
Fidelity Bond Insurance	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%	-	-	-	-	37,044	38,340	-	38,340	39,682	-	39,682	41,071
Director's & Officers' Liability Insurance	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-total Insurance</b>							<b>139,242</b>	<b>144,115</b>		<b>144,115</b>	<b>149,159</b>		<b>149,159</b>	<b>154,380</b>
<b>Maintenance &amp; Repair</b>														
Payroll	3.5%	3.5%	-	-	-	-	186,508	193,036	-	193,036	199,792	-	199,792	206,785
Supplies	3.5%	3.5%	-	-	-	-	101,468	105,019	-	105,019	108,695	-	108,695	112,499
Contracts	3.5%	3.5%	-	-	-	-	88,261	91,350	-	91,350	94,547	-	94,547	97,857
Garbage and Trash Removal	3.5%	3.5%	-	-	-	-	98,125	101,559	-	101,559	105,113	-	105,113	108,792
Security Payroll/Contract	3.5%	3.5%	-	-	-	-	213,992	221,482	-	221,482	229,234	-	229,234	237,257
HVAC Repairs and Maintenance	3.5%	3.5%	-	-	-	-	380,194	393,500	-	393,500	407,273	-	407,273	421,527
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%	-	-	-	-	1,752	1,813	-	1,813	1,877	-	1,877	1,942
<b>Sub-total Maintenance &amp; Repair Expenses</b>							<b>1,070,299</b>	<b>1,107,760</b>		<b>1,107,760</b>	<b>1,146,531</b>		<b>1,146,531</b>	<b>1,186,660</b>
<b>Supportive Services</b>	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-	-	-
<b>Commercial Expenses</b>							-	-		-	-		-	-
<b>TOTAL OPERATING EXPENSES</b>							<b>2,675,905</b>	<b>2,769,562</b>		<b>2,769,562</b>	<b>2,866,497</b>		<b>2,866,497</b>	<b>2,966,824</b>
<b>RESERVES/GROUND LEASE BASE RENT/BOND FEES</b>														
PUPA (w/o Reserves/GL Base Rent/Bond Fees)														
Ground Lease Base Rent							-	-		-	-		-	-
Bond Monitoring Fee							-	-		-	-		-	-
Replacement Reserve Deposit					Estimated annual total		64,000	64,000		64,000	64,000		64,000	64,000
Operating Reserve Deposit							-	-		-	-		-	-
Other Required Reserve 1 Deposit							-	-		-	-		-	-
Other Required Reserve 2 Deposit							-	-		-	-		-	-
Required Reserve Deposit/s, Commercial							-	-		-	-		-	-
<b>Sub-total Reserves/Ground Lease Base Rent/Bond Fees</b>							<b>64,000</b>	<b>64,000</b>		<b>64,000</b>	<b>64,000</b>		<b>64,000</b>	<b>64,000</b>
<b>TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)</b>							<b>2,739,905</b>	<b>2,833,562</b>		<b>2,833,562</b>	<b>2,930,497</b>		<b>2,930,497</b>	<b>3,030,824</b>
PUPA (w/ Reserves/GL Base Rent/Bond Fees)														
<b>NET OPERATING INCOME (INCOME minus OP EXPENSES)</b>														
<b>DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)</b>														
Hard Debt - First Lender					Enter comments re: annual increase, etc.		-	-		-	-		-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)					Enter comments re: annual increase, etc.		-	-		-	-		-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)					Enter comments re: annual increase, etc.		-	-		-	-		-	-
Hard Debt - Fourth Lender					Enter comments re: annual increase, etc.		-	-		-	-		-	-
Commercial Hard Debt Service							-	-		-	-		-	-
<b>TOTAL HARD DEBT SERVICE</b>							-	-		-	-		-	-
<b>CASH FLOW (NOI minus DEBT SERVICE)</b>														
Commercial Only Cash Flow							-	-		-	-		-	-
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)							-	-		-	-		-	-
<b>AVAILABLE CASH FLOW</b>							-	-		-	-		-	-
<b>USES OF CASH FLOW BELOW (This row also shows DSCR.)</b>														
<b>USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL</b>														
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	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)							-	-		-	-		-	-
<b>TOTAL PAYMENTS PRECEDING MOHCD</b>							-	-		-	-		-	-
<b>RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)</b>														
Does Project have a MOHCD Residual Receipt Obligation?					Yes									

INCOME	Total # Units:	Units		Year 12		Year 13			Year 14			LOSP						
		LOSP	Non-LOSP	2032		2033			2034									
		128	0	% annual inc LOSP	% annual increase	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP		non-LOSP	Total				
				100.00%	0.00%													
						Comments (related to annual inc assumptions)												
						Other Required Reserve 2 Running Balance												

Hotel Diva

Total # Units:	LOSP	Non-LOSP	Year 15				Year 16			Year 17		
	128	128	0	2025	2026	2027	2028	2029	2030	2031	2032	
% annual inc	% annual inc	% annual inc	LOSP	non-LOSP	LOSP	non-LOSP	LOSP	non-LOSP	LOSP	non-LOSP	LOSP	
<b>INCOME</b>												
Residential - Tenant Rents	1.0%	2.5%	-	355,877	359,436	-	359,436	363,030	-	363,030	366,661	
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a	-	-	-	-	-	-	-	-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a	-	2,692,741	2,793,199	-	2,793,199	2,897,257	-	2,897,257	3,005,043	
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%	-	-	-	-	-	-	-	-	-	
Tenant Charges	2.5%	2.5%	-	-	-	-	-	-	-	-	-	
Miscellaneous Residential Income	2.5%	2.5%	-	-	-	-	-	-	-	-	-	
Other Commercial Income	n/a	2.5%	-	-	-	-	-	-	-	-	-	
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	-	-	-	-	-	-	-	-	-	
<b>Gross Potential Income</b>			-	<b>3,048,618</b>	<b>3,152,635</b>	-	<b>3,152,635</b>	<b>3,260,288</b>	-	<b>3,260,288</b>	<b>3,371,704</b>	
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	-	(17,794)	(17,972)	-	(17,972)	(18,152)	-	(18,152)	(18,333)	
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a	-	-	-	-	-	-	-	-	-	
Vacancy Loss - Commercial	n/a	n/a	-	-	-	-	-	-	-	-	-	
<b>EFFECTIVE GROSS INCOME</b>			-	<b>3,030,824</b>	<b>3,134,663</b>	-	<b>3,134,663</b>	<b>3,242,136</b>	-	<b>3,242,136</b>	<b>3,353,371</b>	
<b>OPERATING EXPENSES</b>												
<b>Management</b>												
Management Fee	3.5%	3.5%	-	161,810	167,267	-	167,267	173,121	-	173,121	179,180	
Asset Management Fee	3.5%	3.5%	-	36,696	37,990	-	37,990	39,309	-	39,309	40,695	
<b>Sub-total Management Expenses</b>			-	<b>198,506</b>	<b>205,247</b>	-	<b>205,247</b>	<b>212,431</b>	-	<b>212,431</b>	<b>219,866</b>	
<b>Salaries/Benefits</b>												
Office Salaries	3.5%	3.5%	-	286,781	296,818	-	296,818	307,207	-	307,207	317,959	
Manager's Salary	3.5%	3.5%	-	226,617	234,549	-	234,549	242,758	-	242,758	251,255	
Health Insurance and Other Benefits	3.5%	3.5%	-	51,340	53,137	-	53,137	54,997	-	54,997	56,922	
Other Salaries/Benefits	3.5%	3.5%	-	-	-	-	-	-	-	-	-	
Administrative Rent-Free Unit	3.5%	3.5%	-	-	-	-	-	-	-	-	-	
<b>Sub-total Salaries/Benefits</b>			-	<b>564,738</b>	<b>584,504</b>	-	<b>584,504</b>	<b>604,962</b>	-	<b>604,962</b>	<b>626,135</b>	
<b>Administration</b>												
Advertising and Marketing	3.5%	3.5%	-	-	-	-	-	-	-	-	-	
Office Expenses	3.5%	3.5%	-	52,818	54,667	-	54,667	56,580	-	56,580	58,560	
Office Rent	3.5%	3.5%	-	-	-	-	-	-	-	-	-	
Legal Expense - Property	3.5%	3.5%	-	73,230	75,793	-	75,793	78,446	-	78,446	81,191	
Audit Expense	3.5%	3.5%	-	32,374	33,507	-	33,507	34,680	-	34,680	35,894	
Bookkeeping/Accounting Services	3.5%	3.5%	-	23,989	24,829	-	24,829	25,698	-	25,698	26,597	
Bad Debts	3.5%	3.5%	-	77,697	80,417	-	80,417	83,231	-	83,231	86,144	
Miscellaneous	3.5%	3.5%	-	28,813	29,821	-	29,821	30,865	-	30,865	31,945	
<b>Sub-total Administration Expenses</b>			-	<b>288,921</b>	<b>299,033</b>	-	<b>299,033</b>	<b>309,499</b>	-	<b>309,499</b>	<b>320,332</b>	
<b>Utilities</b>												
Electricity	3.5%	3.5%	-	123,102	127,410	-	127,410	131,870	-	131,870	136,485	
Water	3.5%	3.5%	-	110,055	113,907	-	113,907	117,894	-	117,894	122,020	
Gas	3.5%	3.5%	-	56,816	58,805	-	58,805	60,863	-	60,863	62,993	
Sewer	3.5%	3.5%	-	128,573	133,073	-	133,073	137,731	-	137,731	142,551	
<b>Sub-total Utilities</b>			-	<b>418,546</b>	<b>433,195</b>	-	<b>433,195</b>	<b>448,357</b>	-	<b>448,357</b>	<b>464,049</b>	
<b>Taxes and Licenses</b>												
Real Estate Taxes	3.5%	3.5%	-	20,059	20,761	-	20,761	21,488	-	21,488	22,240	
Payroll Taxes	3.5%	3.5%	-	65,934	68,242	-	68,242	70,630	-	70,630	73,103	
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%	-	69,280	71,705	-	71,705	74,215	-	74,215	76,812	
<b>Sub-total Taxes and Licenses</b>			-	<b>155,273</b>	<b>160,708</b>	-	<b>160,708</b>	<b>166,333</b>	-	<b>166,333</b>	<b>172,154</b>	
<b>Insurance</b>												
Property and Liability Insurance	3.5%	3.5%	-	113,309	117,274	-	117,274	121,379	-	121,379	125,627	
Fidelity Bond Insurance	3.5%	3.5%	-	-	-	-	-	-	-	-	-	
Worker's Compensation	3.5%	3.5%	-	41,071	42,509	-	42,509	43,996	-	43,996	45,536	
Director's & Officers' Liability Insurance	3.5%	3.5%	-	-	-	-	-	-	-	-	-	
<b>Sub-total Insurance</b>			-	<b>154,380</b>	<b>159,783</b>	-	<b>159,783</b>	<b>165,375</b>	-	<b>165,375</b>	<b>171,164</b>	
<b>Maintenance &amp; Repair</b>												
Payroll	3.5%	3.5%	-	206,785	214,022	-	214,022	221,513	-	221,513	229,266	
Supplies	3.5%	3.5%	-	112,499	116,437	-	116,437	120,512	-	120,512	124,730	
Contracts	3.5%	3.5%	-	97,857	101,282	-	101,282	104,826	-	104,826	108,495	
Garbage and Trash Removal	3.5%	3.5%	-	108,792	112,600	-	112,600	116,541	-	116,541	120,620	
Security Payroll/Contract	3.5%	3.5%	-	237,257	245,561	-	245,561	254,156	-	254,156	263,051	
HVAC Repairs and Maintenance	3.5%	3.5%	-	421,527	436,281	-	436,281	451,551	-	451,551	467,355	
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%	-	-	-	-	-	-	-	-	-	
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%	-	1,942	2,010	-	2,010	2,081	-	2,081	2,154	
<b>Sub-total Maintenance &amp; Repair Expenses</b>			-	<b>1,186,660</b>	<b>1,228,193</b>	-	<b>1,228,193</b>	<b>1,271,180</b>	-	<b>1,271,180</b>	<b>1,315,671</b>	
<b>Supportive Services</b>	3.5%	3.5%	-	-	-	-	-	-	-	-	-	
<b>Commercial Expenses</b>			-	-	-	-	-	-	-	-	-	
<b>TOTAL OPERATING EXPENSES</b>			-	<b>2,966,824</b>	<b>3,070,663</b>	-	<b>3,070,663</b>	<b>3,178,136</b>	-	<b>3,178,136</b>	<b>3,289,371</b>	
<b>RESERVES/GROUND LEASE BASE RENT/BOND FEES</b>												
<b>PUPA (w/o Reserves/GL Base Rent/Bond Fees)</b>												
Ground Lease Base Rent			-	-	-	-	-	-	-	-	-	
Bond Monitoring Fee			-	-	-	-	-	-	-	-	-	
Replacement Reserve Deposit			-	64,000	64,000	-	64,000	64,000	-	64,000	64,000	
Operating Reserve Deposit			-	-	-	-	-	-	-	-	-	
Other Required Reserve 1 Deposit			-	-	-	-	-	-	-	-	-	
Other Required Reserve 2 Deposit			-	-	-	-	-	-	-	-	-	
Required Reserve Deposit/s, Commercial			-	-	-	-	-	-	-	-	-	
<b>Sub-total Reserves/Ground Lease Base Rent/Bond Fees</b>			-	<b>64,000</b>	<b>64,000</b>	-	<b>64,000</b>	<b>64,000</b>	-	<b>64,000</b>	<b>64,000</b>	
<b>TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)</b>			-	<b>3,030,824</b>	<b>3,134,663</b>	-	<b>3,134,663</b>	<b>3,242,136</b>	-	<b>3,242,136</b>	<b>3,353,371</b>	
<b>NET OPERATING INCOME (INCOME minus OP EXPENSES)</b>												
<b>DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)</b>			-	-	-	-	-	-	-	-	-	
Hard Debt - First Lender			-	-	-	-	-	-	-	-	-	
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			-	-	-	-	-	-	-	-	-	
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			-	-	-	-	-	-	-	-	-	
Hard Debt - Fourth Lender			-	-	-	-	-	-	-	-	-	
Commercial Hard Debt Service			-	-	-	-	-	-	-	-	-	
<b>TOTAL HARD DEBT SERVICE</b>			-	-	-	-	-	-	-	-	-	
<b>CASH FLOW (NOI minus DEBT SERVICE)</b>												
Commercial Only Cash Flow			-	-	-	-	-	-	-	-	-	
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)			-	-	-	-	-	-	-	-	-	
<b>AVAILABLE CASH FLOW</b>			-	-	-	-	-	-	-	-	-	
<b>USES OF CASH FLOW BELOW (This row also shows DSCR.)</b>												
<b>USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL</b>												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	-	-	-	-	-	-	-	-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	-	-	-	-	-	-	-	-	-	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			-	-	-	-	-	-	-	-	-	
Other Payments			-	-	-	-	-	-	-	-	-	
Non-amortizing Loan Pmnt - Lender 1			-	-	-	-	-	-	-	-	-	
Non-amortizing Loan Pmnt - Lender 2			-	-	-	-	-	-	-	-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)			-	-	-	-	-	-	-	-	-	
<b>TOTAL PAYMENTS PRECEDING MOHCD</b>			-	-	-	-	-	-	-	-	-	
<b>RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)</b>			-	-	-	-	-	-	-	-	-	
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%										
<b>MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>												
MOHCD Residual Receipts Amount Due	100.00%		-	-	-	-	-	-	-	-	-	
Proposed MOHCD Residual Receipts Amount to Loan Repayment			-	-	-	-	-	-	-	-	-	
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			-	-	-	-	-	-	-	-	-	
<b>NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>												
HCD Residual Receipts Amount Due	0.00%		-	-	-	-	-	-	-	-	-	
Lender 4 Residual Receipts Due	0.00%		-	-	-	-	-	-	-	-	-	
Lender 5 Residual Receipts Due	0.00%		-	-	-	-	-	-	-	-	-	
<b>Total Non-MOHCD Residual Receipts Debt Service</b>			-	-	-	-	-	-	-	-	-	
<b>REMAINDER (Should be zero unless there are distributions below)</b>												
Owner Distributions/Incentive Management Fee			-	-	-	-	-	-	-	-	-	
Other Distributions/Uses			-	-	-	-	-	-	-	-	-	
<b>Final Balance (should be zero)</b>			-	-	-	-	-	-	-	-	-	
<b>REPLACEMENT RESERVE - RUNNING BALANCE</b>												
Replacement Reserve Starting Balance			-	896,000	-	-	960,000	-	-	1,024,000	-	
Replacement Reserve Deposits			-	64,000	-	-	64,000	-	-	64,000	-	
Replacement Reserve Withdrawals (ideally tied to CNA)			-									



INCOME	Total # Units:	LOSP		Non-LOSP		Year 15		Year 16			Year 17			
		Units		Units		2035		2036			2037			
		128	128	0	0			LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP
		100.00%	0.00%											
		% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	non-LOSP	Total								
	Other Required Reserve 2 Running Balance													

Hotel Diva

Total # Units:	LOSP Units		Non-LOSP Units		Year 18 2038		Year 19 2039		Year 20 2040			
	128	128	0	0								
	% annual inc	% annual inc	% annual inc	% annual inc	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
<b>INCOME</b>												
Residential - Tenant Rents	1.0%	2.5%				366,861	370,327	-	370,327	374,031	-	374,031
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a				-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments	n/a	n/a				3,005,043	3,116,688	-	3,116,688	3,232,328	-	3,232,328
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%				-	-	-	-	-	-	-
Tenant Charges	2.5%	2.5%				-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%				-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%				-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a				-	-	-	-	-	-	-
<b>Gross Potential Income</b>						3,371,704	3,487,015	-	3,487,015	3,606,358	-	3,606,358
Vacancy Loss - Residential - Tenant Rents	n/a	n/a				(18,333)	(18,516)	-	(18,516)	(18,702)	-	(18,702)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a				-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-	-	-	-	-	-	-
<b>EFFECTIVE GROSS INCOME</b>						3,353,371	3,468,499	-	3,468,499	3,587,657	-	3,587,657
<b>OPERATING EXPENSES</b>												
<b>Management</b>												
Management Fee	3.5%	3.5%				179,180	185,452	-	185,452	191,943	-	191,943
Asset Management Fee	3.5%	3.5%				40,685	42,109	-	42,109	43,583	-	43,583
<b>Sub-total Management Expenses</b>						219,866	227,561	-	227,561	235,526	-	235,526
<b>Salaries/Benefits</b>												
Office Salaries	3.5%	3.5%				317,959	329,088	-	329,088	340,606	-	340,606
Manager's Salary	3.5%	3.5%				251,255	260,048	-	260,048	269,150	-	269,150
Health Insurance and Other Benefits	3.5%	3.5%				56,922	58,914	-	58,914	60,976	-	60,976
Other Salaries/Benefits	3.5%	3.5%				-	-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%	3.5%				-	-	-	-	-	-	-
<b>Sub-total Salaries/Benefits</b>						626,135	648,050	-	648,050	670,732	-	670,732
<b>Administration</b>												
Advertising and Marketing	3.5%	3.5%				-	-	-	-	-	-	-
Office Expenses	3.5%	3.5%				58,560	60,610	-	60,610	62,731	-	62,731
Office Rent	3.5%	3.5%				-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%				81,191	84,033	-	84,033	86,974	-	86,974
Audit Expense	3.5%	3.5%				35,894	37,150	-	37,150	38,450	-	38,450
Bookkeeping/Accounting Services	3.5%	3.5%				26,597	27,528	-	27,528	28,491	-	28,491
Bad Debts	3.5%	3.5%				86,144	89,159	-	89,159	92,280	-	92,280
Miscellaneous	3.5%	3.5%				31,945	33,063	-	33,063	34,221	-	34,221
<b>Sub-total Administration Expenses</b>						320,332	331,543	-	331,543	343,147	-	343,147
<b>Utilities</b>												
Electricity	3.5%	3.5%				136,485	141,262	-	141,262	146,206	-	146,206
Water	3.5%	3.5%				122,020	126,291	-	126,291	130,711	-	130,711
Gas	3.5%	3.5%				62,993	65,198	-	65,198	67,480	-	67,480
Sewer	3.5%	3.5%				142,551	147,540	-	147,540	152,704	-	152,704
<b>Sub-total Utilities</b>						464,049	480,291	-	480,291	497,101	-	497,101
<b>Taxes and Licenses</b>												
Real Estate Taxes	3.5%	3.5%				22,240	23,018	-	23,018	23,824	-	23,824
Payroll Taxes	3.5%	3.5%				73,103	75,661	-	75,661	78,309	-	78,309
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%				76,812	79,501	-	79,501	82,283	-	82,283
<b>Sub-total Taxes and Licenses</b>						172,155	178,180	-	178,180	184,416	-	184,416
<b>Insurance</b>												
Property and Liability Insurance	3.5%	3.5%				125,627	130,024	-	130,024	134,575	-	134,575
Fidelity Bond Insurance	3.5%	3.5%				-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%				45,836	47,130	-	47,130	48,780	-	48,780
Director's & Officers' Liability Insurance	3.5%	3.5%				-	-	-	-	-	-	-
<b>Sub-total Insurance</b>						171,464	177,154	-	177,154	183,355	-	183,355
<b>Maintenance &amp; Repair</b>												
Payroll	3.5%	3.5%				229,286	237,291	-	237,291	245,596	-	245,596
Supplies	3.5%	3.5%				124,730	129,095	-	129,095	133,614	-	133,614
Contracts	3.5%	3.5%				108,495	112,293	-	112,293	116,223	-	116,223
Garbage and Trash Removal	3.5%	3.5%				120,620	124,842	-	124,842	129,211	-	129,211
Security Payroll/Contract	3.5%	3.5%				263,051	272,258	-	272,258	281,787	-	281,787
HVAC Repairs and Maintenance	3.5%	3.5%				467,355	483,712	-	483,712	500,642	-	500,642
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%				-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%				2,154	2,229	-	2,229	2,307	-	2,307
<b>Sub-total Maintenance &amp; Repair Expenses</b>						1,315,671	1,361,720	-	1,361,720	1,409,380	-	1,409,380
<b>Supportive Services</b>												
Commercial Expenses	3.5%	3.5%				-	-	-	-	-	-	-
<b>TOTAL OPERATING EXPENSES</b>						3,289,371	3,404,499	-	3,404,499	3,523,657	-	3,523,657
<b>PUPA (w/o Reserves/GL Base Rent/Bond Fees)</b>												
<b>Reserves/Ground Lease Base Rent/Bond Fees</b>												
Ground Lease Base Rent						-	-	-	-	-	-	-
Bond Monitoring Fee						-	-	-	-	-	-	-
Replacement Reserve Deposit						64,000	64,000	-	64,000	64,000	-	64,000
Operating Reserve Deposit						-	-	-	-	-	-	-
Other Required Reserve 1 Deposit						-	-	-	-	-	-	-
Other Required Reserve 2 Deposit						-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial						-	-	-	-	-	-	-
<b>Sub-total Reserves/Ground Lease Base Rent/Bond Fees</b>						64,000	64,000	-	64,000	64,000	-	64,000
<b>TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)</b>						3,353,371	3,468,499	-	3,468,499	3,587,657	-	3,587,657
<b>PUPA (w/ Reserves/GL Base Rent/Bond Fees)</b>												
<b>NET OPERATING INCOME (INCOME minus OP EXPENSES)</b>												
<b>DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)</b>												
Hard Debt - First Lender						-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)						-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)						-	-	-	-	-	-	-
Hard Debt - Fourth Lender						-	-	-	-	-	-	-
Commercial Hard Debt Service						-	-	-	-	-	-	-
<b>TOTAL HARD DEBT SERVICE</b>						-	-	-	-	-	-	-
<b>CASH FLOW (NOI minus DEBT SERVICE)</b>												
<b>Commercial Only Cash Flow</b>												
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)						-	-	-	-	-	-	-
<b>AVAILABLE CASH FLOW</b>												
<b>USES OF CASH FLOW BELOW (This row also shows DSCR.)</b>												
<b>USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL</b>												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%				-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)	3.5%	3.5%				-	-	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)						-	-	-	-	-	-	-
Other Payments						-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1						-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 2						-	-	-	-	-	-	-
Deferred Developer Fee (Enter amt <= Max Fee from row 131)						-	-	-	-	-	-	-
<b>TOTAL PAYMENTS PRECEDING MOHCD</b>												
<b>RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)</b>												
Does Project have a MOHCD Residual Receipt Obligation? <b>Yes</b>												
Will Project Defer Developer Fee? <b>No</b>												
Residual Receipts split for all years. - Lender/Owner <b>67% / 33%</b>												
<b>MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>												
MOHCD Residual Receipts Amount Due	100.00%					-	-	-	-	-	-	-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-	-	-	-	-	-	-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease						-	-	-	-	-	-	-
<b>NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>												
HCD Residual Receipts Amount Due	0.00%					-	-	-	-	-	-	-
Lender 4 Residual Receipts Due	0.00%					-	-	-	-	-	-	-
Lender 5 Residual Receipts Due	0.00%					-	-	-	-	-	-	-
<b>Total Non-MOHCD Residual Receipts Debt Service</b>						-	-	-	-	-	-	-
<b>REMAINDER (Should be zero unless there are distributions below)</b>												
Owner Distributions/Incentive Management Fee						-	-	-	-	-	-	-
Other Distributions/Uses						-	-	-	-	-	-	-
<b>Final Balance (should be zero)</b>												
<b>REPLACEMENT RESERVE - RUNNING BALANCE</b>												
Replacement Reserve Starting Balance						1,088,000			1,152,000			1,216,000
Replacement Reserve Deposits						64,000			64,000			64,000
Replacement Reserve Withdrawals (ideally tied to CNA)						-			-			-
Replacement Reserve Interest						-			-			-
<b>RR Running Balance</b>						1,152,000	\$9,000		1,216,000	\$9,500		1,280,000
<b>OPERATING RESERVE - RUNNING BALANCE</b>												
Operating Reserve Starting Balance						-			-			-
Operating Reserve Deposits						-			-			-
Operating Reserve Withdrawals						-			-			-
Operating Reserve Interest						-			-			-
<b>OR Running Balance</b>												
<b>OTHER REQUIRED RESERVE 1 - RUNNING BALANCE</b>												
Other Reserve 1 Starting Balance						-			-			-
Other Reserve 1 Deposits												

**Total # Units:**  
 LOSP Units: 128  
 Non-LOSP Units: 0

INCOME

*Other Required Reserve 2 Running Balance*

			Year 18 2038		Year 19 2039			Year 20 2040		
% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	non-LOSP	Total	LOSP	non- LOSP	Total	LOSP	non- LOSP	Total
100.00%	0.00%									

**Attachment D: LOSP Funding and Disbursement Schedule A**

**LOSP FUNDING SCHEDULE**

Project Address:	Hotel Diva
Project Start Date:	5/1/2021

**Exhibit A**

Calendar Year	Full Year Funding Amount	# Months to Fund	Total Disbursement for Calendar Year	Funding Source		Estimated Disbursement Date	FY Budgeted (for Disbursement)
				To be funded by State of CA / HOMEKEY	To be funded by City / LOSP		
CY-1 2021	\$1,602,730	8	\$1,068,487	\$1,068,487	\$0	4/1/2021	FY2020/21
CY-2 2022	\$1,833,939	12	\$1,833,939	\$1,833,939	\$0	1/1/2022	FY2021/22
CY-3 2023	\$1,727,363	12	\$1,727,363	\$97,575	\$1,629,788	1/1/2023	FY2022/23
CY-4 2024	\$1,793,081	12	\$1,793,081	\$0	\$1,793,081	1/1/2024	FY2023/24
CY-5 2025	\$1,861,175	12	\$1,861,175	\$0	\$1,861,175	1/1/2025	FY2024/25
CY-6 2026	\$1,931,728	12	\$1,931,728	\$0	\$1,931,728	1/1/2026	FY2025/26
CY-7 2027	\$2,004,826	12	\$2,004,826	\$0	\$2,004,826	1/1/2027	FY2026/27
CY-8 2028	\$2,080,561	12	\$2,080,561	\$0	\$2,080,561	1/1/2028	FY2027/28
CY-9 2029	\$2,159,024	12	\$2,159,024	\$0	\$2,159,024	1/1/2029	FY2028/29
CY-10 2030	\$2,240,312	12	\$2,240,312	\$0	\$2,240,312	1/1/2030	FY2029/30
CY-11 2031	\$2,324,524	12	\$2,324,524	\$0	\$2,324,524	1/1/2031	FY2030/31
CY-12 2032	\$2,411,765	12	\$2,411,765	\$0	\$2,411,765	1/1/2032	FY2031/32
CY-13 2033	\$2,502,140	12	\$2,502,140	\$0	\$2,502,140	1/1/2033	FY2032/33
CY-14 2034	\$2,595,761	12	\$2,595,761	\$0	\$2,595,761	1/1/2034	FY2033/34
CY-15 2035	\$2,692,741	12	\$2,692,741	\$0	\$2,692,741	1/1/2035	FY2034/35
CY-16 2036	\$2,793,199	12	\$2,793,199	\$0	\$2,793,199	1/1/2036	FY2035/36
<b>Total Contract Amount:</b>			<b>\$34,020,625</b>				
<b>Funded by State of CA / HOMEKEY:</b>			<b>\$3,000,000</b>				
<b>Funded by City / LOSP:</b>			<b>\$31,020,625</b>				