

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

**Laguna Honda Hospital Senior Housing
\$3,000,000
Predevelopment Request**

Evaluation of Request for:	Predevelopment Funding
Loan Committee Date:	December 18, 2020
Prepared By:	Anne Romero
Source of Funds Recommended:	2019 GO Bond Affordable Housing Senior Housing: \$3,000,000
NOFA/PROGRAM/RFP:	Laguna Honda Hospital Campus Replacement Lot 11/18/19
Total Previous City Funds Committed:	\$0
Applicant/Sponsor Name:	Mercy Housing California

EXECUTIVE SUMMARY

Sponsor Information:

Project Name:	Laguna Honda Senior Housing	Sponsor(s)	Mercy Housing California
Project Address (w/ cross St):	375 Laguna Honda Blvd. (at Woodside Ave.)	Ultimate Borrower Entity:	Mercy Housing California 103, L.P.

Project Summary:

Mercy Housing California (MHC) was selected to develop permanently affordable independent senior housing and affordable assisted living on a parcel located at the Laguna Honda Hospital Campus and to work with the City to create a master plan for the site that includes 1) senior independent affordable housing; 2) affordable assisted living units or a licensed residential care facility for the elderly; 3) an early childcare education center; and 4) an adult day health center, as proposed in their application under the Laguna Honda Hospital Campus Request For Qualifications issued on November 18, 2019. This request is for \$3 million in predevelopment funds to create a master plan for the multiple uses in coordination with Laguna Honda Hospital (LHH) and the San Francisco Department of Public Health (DPH), conduct predevelopment activities for the affordable senior housing, explore different assisted living models that provide deep affordability, as well as to integrate a complementary adult day health center and early childcare education center at the site. There are two site options identified by LHH at the campus, and the final site selection will occur after the master planning process. The proposed project is in the initial planning stage; during predevelopment, the developer will select their architect, conduct a master planning process, explore the best structure for the assisted living units, and start community engagement. The proposed budget includes funding for the master planning process, predevelopment for the independent living senior housing, and initial planning for the assisted living. The preliminary permanent project budget reflects only the independent living residential portion of the project and community-serving uses of adult day health center and childcare, as it is too speculative at this point to provide a budget for the assisted living given that the model is to be determined.

Project Description:

Construction Type:	Type III over I	Project Type:	New Construction
Number of Stories:	6	Lot Size (acres and sf):	TBD ## acres / ## sf
Number of Units:	200 Units plus Assisted Living Units	Architect:	TBD
Total Residential Area:	212,000 sf	General Contractor:	TBD
Total Commercial Area:	13,000 sf	Property Manager:	Mercy Housing Management Group
Total Building Area:	TBD	Supervisor and District:	Supervisor Yee (7) (Supervisor Melgar as of 2021)
Land Owner:	City and County of San Francisco		
Total Development Cost (TDC) of independent senior housing:	\$117,972,441	Total Acquisition Cost:	\$0
TDC/unit:	\$589,862	TDC less land cost/unit:	\$589,862
Loan Amount Requested:	\$3,000,000	Request Amount / unit:	\$20,000
HOME Funds?	N	Parking	N

PRINCIPAL DEVELOPMENT ISSUES

- **Site issues:** The site at Laguna Honda Hospital Campus has not been finalized, and it will need to complement the current uses and development plans of LHH as well as provide sufficient access with the existing roads into the campus; see Section 4.3.
- **Community acceptance** of affordable senior housing in this neighborhood proved to be very challenging for the previous nearby proposed project at 250 Laguna Honda, and this proposed project will need to be approached with careful early consultation with the surrounding neighborhoods, excellent communication and attention to detail given the mistrust and trepidation that grew around the previous proposed development which ultimately did not move forward. See Section 3.1.
- **State funding assumptions (MHP, IIG, tax credits and bonds).** The State Department of Housing and Community Development (HCD) plans to revise Multifamily Housing Program (MHP) guidelines to synchronize with the latest TCAC and CDLAC regulation changes. MHC will need to track how MHP changes could impact the maximum HCD request and if HCD will revise their stacking requirements or implement an overall not-to-exceed HCD source limit. The proposed budget relies on both MHP and IIG sources. Please see Section 6.5.1.
- **Financial Feasibility and Timeline** of the affordable assisted living units are dependent on the model pursued and the availability of the California Medi-Cal Assisted Living Waiver Program and / or local subsidies. See Section 6.3.
- **Lack of familiarity of housing type of assisted living by MOHCD:** MOHCD's asset management staff doesn't have a model for how to monitor compliance with this new regulatory framework. See Section 8.
- **Target Population:** The target population for the independent senior housing and assisted living will be refined in predevelopment in response to the identified long term care policy goals and the financing plan of both the independent senior housing and the assisted living model. The sponsor will explore an age restriction of 55 or 62 for seniors for the independent senior housing if permanent supportive housing (PSH) units are included, and the assisted living model will determine if there is a younger age designation for adults with disabilities served by the assisted living. See Section 4.6.
- **Jurisdictional Transfer/Collaboration with DPH** – Development on City owned property can be complex, resulting in delays. MOHCD and the developer will need to work in close collaboration with LHH, DPH and the Department of Disability and Aging Services (DAS) on alignment of goals and timely decision making. Challenges may be exacerbated during pandemic, as DPH is lead agency for the City on the public health crisis. See Section 4.4.

Sources & Uses Summary*

Predevelopment Sources	Amount	Terms	Status
MOHCD	\$3,000,000	55 Years 3% Interest Deferred	This Request
Total	\$3,000,000		

Permanent Sources	Amount	Terms	Status
MOHCD	\$47,257,441	55 Years 3% Res Rec	Not Committed
HCD - IIG	\$7,500,000		Not Committed
HCD - MHP	\$20,000,000		Not Committed
FHLB - AHP	\$1,200,000		Not Committed
Tax Credit Equity	\$39,000,000		Not Committed
GP Equity	\$3,000,000		Not Committed
Total	\$117,957,441		

Uses	Amount	Per Unit	Per SF
Acquisition	\$0	\$0	\$0
Hard Costs	\$97,750,000	\$488,750	\$652
Soft Costs	\$15,007,441	\$75,037	\$100
Developer Fee	\$5,200,000	\$26,000	\$35
Total	\$117,957,441	\$589,787	\$786

*the preliminary permanent sources and uses reflects the independent senior housing and building shell of adult day health center and childcare only, as the model of assisted living is still to be determined.

1. BACKGROUND

1.1. Project History Leading to This Request.

Laguna Honda Hospital and Rehabilitation Center is a skilled nursing and rehabilitation center owned and operated by the San Francisco Department of Public Health, and serves San Franciscans with limited or no financial resources. It is located on a 62-acre campus and is one of the largest skilled nursing facilities in the United States. It was founded in 1866 to care for one of the first generations of San Franciscans, the Gold Rush pioneers, as a refuge for people who were chronically ill or impoverished and had nowhere else to go. Currently there are 780 residents who receive a wide range of services. For rehabilitation, therapeutic services include physical, occupational, speech and vocational programs; every year as many as 240 people complete rehab therapy at LHH and move to a lower level of care or independent living. Their skilled nursing services include a dedicated facility for people with HIV/AIDS, a program for people with Alzheimer's and other types of dementia, group living for people with developmental disabilities, therapeutic services for traumatic brain injuries and the effects of stroke, support for people with psychosocial difficulties, complex care for people with multiple diagnoses, and in-house palliative care operated in conjunction with the Zen Hospice Project of San Francisco. In 2010, residents moved into three new LEED certified buildings that were constructed through financing from Proposition A, a ballot initiative passed by voters in 1999 which authorized the City to replace some of the hospital's 1920s era buildings with a modernized facility on the 62-acre site.

Measure A envisioned both skilled nursing beds and assisted living units at the campus to provide a continuum level of care to maximize the independence of the people served. LHH received a HUD Economic Development Initiative (EDI) grant to explore the feasibility of building an affordable Residential Care Facility for the Elderly (RCFE). The proposed location was at the current site of the K, L, M & O historic wings of the hospital and the east parking lot, with a potential capacity of 150 - 240 beds, or an alternatively, demolishing the wings and building the RCFE with new construction. The construction of affordable senior housing at the site currently occupied by these wings was also considered. Ultimately the affordable assisted living and option of affordable senior housing were not pursued due to the sharp increase in cost to complete the new hospital, and the projected high cost to build the new assisted living. In addition, some advocates rejected the concept of building another institutional setting for residents who could thrive in a community setting, and recommended that San Francisco instead increase its investments in home and community-based living options and support for seniors and people with disabilities. In 2007, San Francisco settled the Chambers' lawsuit, a civil rights class action lawsuit filed by six residents of Laguna Honda Hospital and the Independent Living Resource Center that alleged discrimination in the form of unnecessary institutionalization under the American with Disabilities Act. Laguna Honda and DPH created a rental subsidy program which secured and subsidized scattered site, accessible independent housing for approximately 500 people with disabilities and seniors who could live in a community setting with community-based services from around 2008 to 2013.

In 2016, an affordable senior housing project was proposed across the street at 250 Laguna Honda Boulevard in response to the MOHCD Proposition A NOFA by Christian Church Homes in partnership with Forest Hill Christian Church. The proposal was for 150 units for low income seniors, including 30 seniors who had experienced homelessness. The community engagement process resulted in much opposition to the project, and the project development was also challenged by a steep hillside that would be expensive to stabilize, as well as a determination that the church was eligible for listing under CEQA and therefore would require a full environmental impact report to consider demolition. Due to these factors, MOHCD decided not to fund the project in Spring 2018. Many advocates for affordable housing on the Westside, including the district supervisor, encouraged the City and the Department of Public Health to consider locating affordable senior housing at Laguna Honda Hospital instead, including an assisted living component.

In January 2019, the San Francisco Long Term Care Coordinating Council *Assisted Living Workgroup* published a report, "Supporting Affordable Assisted Living in San Francisco" (see <https://www.sfhsa.org/about/commissions-committees/long-term-care-coordinating-council-ltccc/assisted-living-facility-alf>), which analyzed assisted living needs and options for low-income persons in San Francisco and outlined strategies to improve that availability. It determined that the supply of assisted living, particularly affordable assisted living, has been declining, and looked at options for both Residential Care Facilities for the

Elderly (RCFEs) that support seniors age 60 and older and Adult Residential Facilities (ARFs) serve adults between ages 18 and 59. It concluded that small facilities are disappearing at a fast rate and are unlikely to return, that cost is a significant barrier, that the City is a key funder of Assisted Living placement through DPH and DAS programs, and that there is unmet need for low income Assisted Living placement in San Francisco.

On November 18, 2019, MOHCD issued an RFQ for the development of affordable senior housing on the campus on a site located at the northeast parking lot (known as the “replacement lot”), with the goal of building affordable senior housing as well as affordable assisted living units, alongside an adult day health center and childcare center. An additional potential site was identified by DPH at the campus which is an adjacent parking lot. Supervisor Norman Yee, a strong proponent of the project, suggested two neighborhood stakeholders to participate in the developer selection panel. Four comprehensive qualifications were submitted from experienced developer teams, and MHC was selected with the highest scoring submittal. Supervisor Yee’s term ends in December 2020 and Supervisor Elect, Myrna Melgar, will be briefed on the proposed project by the sponsor and MOHCD once her term begins in January 2021.

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

MHC will be the sole affordable housing developer and managing general partner of Mercy Housing California 23, L.P., the owner LP. MHC has developed over 50 properties in San Francisco over the past 35 years, and has significant experience owning, managing and providing supportive services at senior housing as well as at permanent supportive housing. MHC has developed 21 properties (1,755 units) for seniors in San Francisco, of which many are specifically for frail elderly. Additionally, MHC has a long track record in developing, leasing and managing commercial spaces, with approximately 117,000 sf of community serving retail or services spaces in San Francisco. For example, MHC collaborated with the San Francisco Redevelopment Agency, SFDPH and the San Francisco Public Library to develop 139 units of affordable senior housing at Mission Creek including for frail and homeless seniors, with an Adult Day Health Center, ground floor retail space, the newest branch of the SF Pubic Library at the project. MHC developed one of the only childcare centers co-located with senior housing in San Francisco at John King Senior Community, and has built and owns nine childcare centers in the Bay Area.

MHC is partnering with Mauro Hernandez of Ita Partners, LLC as their Assisted Living Consultant, along with Pacific Health Consulting Group, which brings expertise in financing and operations of assisted living to the team. The development will be led by Tim Dunn, Associate Director of Real Estate Development, using 40% of his time, assisted by Chelsea Burton, Assistant Project Manager, at 25% of her time. They will be supported by Barbara Gualco, Director of Development, at 10% of her time, as well as by Amy Bayley, VP of Community Planning at 10% of her time for community engagement, as well as

by Ed Holder, VP of Real Estate Development and Doug Shoemaker, President, at 5% of their time.

MOHCD last conducted a fiscal review of Mercy Housing California in June 2019 and there were no findings.

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

Site Description	
Zoning:	P- Public zoning district and the height and bulk is either OS (Open Space) or 80-D depending on the specific location on the Laguna Honda campus. It may split across different height and bulk districts.
Maximum units allowed by current zoning:	Application of SB35 is allowable in conjunction with the Affordable Housing Density Program or the State Density Bonus Program. Maximum density is dependent on which site is ultimately selected.
Number of units added or removed (rehab only, if applicable):	N/A
Seismic (if applicable):	TBD
Soil type:	TBD
Environmental Review:	Anticipated to be exempt through SB35 A Final Environmental Impact Report (FEIR) dated June 27, 2002 was done for Laguna Honda Hospital Replacement and includes the Site A Phase I will be conducted in predevelopment.
Adjacent uses (North):	Laguna Honda Hospital Parking
Adjacent uses (South):	Laguna Honda Hospital Drive
Adjacent uses (East):	Laguna Honda Hospital high rise buildings
Adjacent uses (West):	Laguna Honda Hospital Drive
Neighborhood Amenities within 0.5 miles:	<ul style="list-style-type: none"> - Laguna Honda Hospital adjacent at the site - Mollie Stone's Market 635 Market 0.5 miles away - Golden Gate Heights Park at 12th Ave. and Rockridge Dr. - White Crane Community Gardens on 7th Ave. - Edge Hill Mountain on Kensington Way - West Portal Branch Library at 190 Lenox Way - Walgreens Pharmacy at 685 Portola Drive
Public Transportation within 0.5 miles:	<ul style="list-style-type: none"> - Forest Hill Metro Station (light rail) across the street on Laguna Honda Boulevard - MUNI Bus Lines on Laguna Honda Boulevard Lines 43,44, 52, K-OWL - West Portal Metro Station (Light Rail): KT, L, M and Muni Bus 48,57,91, K-OWL

Article 34:	Article 34 Authority will be obtained prior to the predevelopment loan being executed
Article 38:	Not exempt – the site is subject to the Maher Ordinance
Accessibility:	TBD once architect has been selected, and will meet or exceed minimum requirements.
Green Building:	Green Point Rated with score TBD
Recycled Water:	TBD
Storm Water Management:	TBD

2.1. Zoning. The Site development is expected to qualify for ministerial approvals from the Planning Department through SB35, which may be used in conjunction with the State Density Bonus Program or the Affordable Housing Density Program, as well as through Proposition E, which would allow the residential use to be by-right on this publicly owned site. It is anticipated that the assisted living could qualify under SB35 if the non-residential uses (licensed assisted living plus community serving uses) make up less than 33% of the total building square footage.

2.2. Probable Maximum Loss. N/A

2.3. Local/Federal Environmental Review.

- Environmental Issues. TBD.
- Phase I/II Site Assessment Status and Results. TBD.
- Potential/Known Hazards. TBD.

2.4. Adjacent uses and neighborhood amenities. The location at the LHH Campus provides adjacency to a hospital and medical resources, and the goal is to create synergies between the new housing / assisted living and the LHH programs and resources. The site is also somewhat isolated near the top of the hill, especially for seniors. Ideally residents will be able to access a LHH shuttle to the Forest Hill Muni Light Rail Station and multiple bus lines that stop just in front of the campus on Laguna Honda Boulevard. If residents can reach the transit lines, they are just a short trip away from other parts of the City.

2.5. Green Building. TBD in predevelopment

3. OTHER ENTITLEMENTS ISSUES

3.1. Community Support. MHC has begun embarking on community outreach, as part of a robust engagement strategy that is planned for this development. To date MHC has held five online meetings with small groups and individuals, from different neighborhoods surrounding the campus. The focus of the initial meetings has been to identify potential stakeholders and to learn how these stakeholders would like to engage as MHC initiates the project design. The team has created a project fact sheet and a dedicated project website, expected to be published in December 2020, that can be updated as the project develops. MHC

has just selected their architect in December 2020 through a competitive RFQ, and community planning experience was a key consideration in the architect selection.

MHC plans to incorporate stakeholders early and regularly through an inclusive, iterative process that includes understanding the needs and concerns of the interested parties, educating individuals about affordable housing, and receiving input on neighborhood context, design choices, and operational matters. Given the challenges that developed in early design of the last proposed senior housing development in the neighborhood which did not end up moving forward, clear communication and building a sense of trust are critical to successful community engagement. Community outreach is being led by Amy Bayley, RSM, Vice President of Community Planning, together with Associate Director of Real Estate Tim Dunn.

In the next phase of community engagement, MHC will build on initial stakeholder feedback to conduct larger group and neighborhood meetings. The site is located at the nexus of several distinct neighborhoods, each with an active neighborhood association and wider neighborhood alliance groups. Presentations at neighborhood meetings will not occur until the architect has completed initial site analysis. Meetings will be held at convenient times to gather a wide range of community members. Typical meeting activities include tours of the site or of other existing affordable housing developments, design charrettes, and thematic meetings targeted for families, business owners, and elected officials. While site tours and other in-person gatherings will be limited initially due to current COVID restrictions, MHC also communicates via newsletters, mailers, and social media, and is developing new strategies for hosting large-group meetings via Zoom. Well-planned and productive community meetings are opportunities for gathering input from initial site planning and predevelopment, into construction and operations. The team will track all input to demonstrate how community feedback was incorporated, and community meetings will continue until MHC has achieved consensus that the design, program, services and property management plan are responsive and acceptable to most of the participants.

In addition to engaging with representatives from the many district neighborhoods surrounding the Laguna Honda Hospital campus, MHC seeks to cultivate relationships with organizational and institutional stakeholders including the District Supervisor's office, Forest Hill Christian Church, St. Brendan's parish, St. John's United Church of Christ and the Forest Hills Neighborhood Association. Outreach will include consulting senior and disability advocacy organizations, the Long Term Care Coordinating Council, and organizations representing Black, Indigenous and people of color. MHC will also reach out to Supervisor-elect Myrna Melgar once her term has begun.

Neighborhood notification will be required under Prop. I prior to the predevelopment loan agreement being signed.

Staff have proposed a loan condition regarding submittal of a community outreach plan within 90 days following predevelopment loan closing, which must address how the community outreach is going to promote racial equity.

4. DEVELOPMENT PLAN

- 4.1. Site Control. The Site is owned by the City and County of San Francisco as part of the publicly owned Laguna Honda Hospital, and site control is anticipated to occur through an Option to Ground Lease and eventual long term Ground Lease of the newly created parcel with the City and County of San Francisco through the Department of Public Health.
 - 4.1.1. Proposed Property Ownership Structure. MHC has formed a limited partnership to develop and own the senior housing. If the assisted living is licensed, it will likely be owned and operated by a separate assisted living operator, and have a separate ground lease.
- 4.2. Proposed Design. The architect for the master planning process and independent senior housing was just selected in December 2020, which will kick start the master planning process, site selection and project design in January 2021. Unit types are anticipated to be primarily studios with some 1-bedroom units. In their RFQ proposal, MHC articulated a design with three buildings of six to seven stories, Type III over I construction. The design will take advantage of the large site, including a community courtyard connecting the buildings. The ground floor would be activated with community space, the childcare center and adult day services. The senior housing will have community space and resident service space, allowing for residents to easily access care and services, as well as offering spaces for senior and inter-generation programming. The assisted living units could be clustered with small neighborhood design features within the larger multi-story building, which can provide a less institutional and more residential environment. Average unit sizes and square footages will be determined in design.
- 4.3. Construction Supervisor/Construction Specialist's evaluation: Laguna Honda Hospital has identified two potential sites for the new housing development, the "oval site" and the alternate of an adjacent "parking lot site" (see Attachment E, Site Map). In order to determine the selection of the site, MHC and the selected Master Planning Architect will need to meet with Laguna Honda Hospital (LHH) to determine the following in the master planning process:
 - Utilities: the extent to which LHH can share their infrastructure (Electrical Service/Power Plant, Sewer, Water, Gas, Steam, etc.). Since Laguna Honda Hospital had expansion plans for a new building at the oval site which is not moving forward, utilities would have been interconnected back the LHH campus. The engineering team will need to verify if the existing LHH infrastructure is adequate or if improvements/upgrades will be needed. If

infrastructure improvements are required, the planning work will determine the allocation of costs and how utilities to the project would be metered. If LHH would require the new project to have separate connections to the street, the team will pursue if a new site could be identified closer to a public street.

- All automobile and pedestrian traffic patterns (Deliveries, Patient, Visitors, Staff, etc.): LHH will describe or provide circulation diagrams/plans of all existing traffic patterns and those that need to remain unaltered.
- Current status of LHH's expansion and new parking plans. Will LHH expansion plans affect the senior housing project in terms of access, construction staging, construction hours, etc. LHH will analyze their parking replacement requirements given the development of the new proposed project.
- Transportation and/or paths to the new housing will be explored and whether a shuttle service and/or changes in MUNI bus routes can be implemented.
- With the project program, the Architect will develop a Conceptual Design, that will establish preliminary gross square footage, number of units, height and volume of the housing project for review and approval by the Project Sponsor, LHH/DPH and MOHCD. If the Conceptual Design is sufficiently developed, preliminary review by City Planning, a Preapplication Meeting with SFDBI and SFFD, MOD and other City Departments can commence.
- Master Planning & Affordable Independent Senior Housing Architect: Virtual presentations with four architectural firms occurred on November 30, 2020. MHC selected the architectural firm of Herman Coliver Locus Architecture (HCLA) for the Laguna Honda Hospital Campus project in December 2020.

4.4. Commercial Space. The RFQ outlined an ambitious program that included an early childcare education center and adult day health center, which would create an opportunity for intergenerational programming as well as the potential for the childcare to be a resource for employees of Laguna Honda Hospital. The cost of the commercial shell would be included in the residential budget, and is anticipated to be less than 3% of the building cost. Build out of the tenant improvements would be financed by the childcare and adult day health center operators. While the location and size will be determined in design, it may make sense for the childcare to be a ground floor use of the independent living building and the adult day health enter to be the ground floor use of the assisted living building.

Assisted Living. The goal of including an affordable assisted living facility at the Laguna Honda Campus is to provide a range of options for people who need long term care and to meet varying levels of need. Assisted living units would serve those who desire or require a less intensive level of care than provided by the

skilled nursing facility, and would be affordable to those with limited means. “Assisted Living” is a philosophy of care that has different models. Generally assisted living means a residential living environment that provides or coordinates care and services, 24 hour assistance, and maximizes residents’ dignity and autonomy. The RFQ did not prescribe the model of assisted living to be pursued, and this feasibility exploration is a part of the master planning work to take place. Ita Partners, MHC’s assisted living consultant, will lead this research and analysis.

In their proposal, MHC articulated a dual strategy for the site that will examine the financial and programmatic feasibility of both 1) licensed Assisted Living and 2) unlicensed Housing with Enhanced Services model which together are able to meet resident’s scheduled and unscheduled long-term care and chronic health care needs. They will evaluate both traditional and alternative financing options for affordable supportive housing options for seniors. Regardless of the housing strategy, MHC will develop a senior housing community with services that includes adult day and childcare as part of the site.

If a licensed assisted living facility is pursued, it would likely be operated by a separate operator with MHC available to provide property management, if desired. MHC’s assisted living consultant, Ita Partners, will examine financial and operating models, including options for securing Medicaid funding for the assisted living component, including the existing Medicaid waiver and an expanded waiver to provide greater financial support and operating capability to the project.

For the independent living component, MHC will utilize an approach that has enabled seniors at Mission Creek Senior Community, Presentation Senior Community and elsewhere to age in place beyond typical stages of independent living. This approach integrates adult day and in-home support services as components with MHC’s resident services and property management to create a networked system of support and engagement for seniors. As an alternative to a licensed RCFE, the assisted living component could be built as highly supportive additional senior housing units using the same financing sources. There could be a partnership with a Project of All Inclusive Care for the Elderly (PACE) provider to provide financial and operational support to the building, or a partnership with a medical group and a Medicaid managed care plan. Under either scenario, MHC envisions a ground-floor adult day health center that enables both the senior housing residents and members of the surrounding community to utilize the adult day services. The team envisions a program for the site that collaborates with the larger Laguna Honda Hospital campus, including the UCSF / DPH medical staff on site as well as teaming up with the City and San Francisco Health Plan to capture the full cost savings of this model. While the most feasible financial and care model will be developed during predevelopment, this site provides the opportunity to take a multi-generational approach that integrates with both the Laguna Honda campus and the surrounding community.

MHC and their assisted living consultants will meet regularly with MOHCD, DAS, DPH, LHH and stakeholders such as the Long Term Care Coordinating Council and a to-be-created community advisory group to determine the assisted living model that best meets the feasibility, timeliness and policy goals of affordable assisted living at the campus.

4.5. Service Space. Service provision space will be included in the independent living building as well as assisted living spaces, and the size and design will depend on the programming, financing and ultimate structure of the assisted living. The planning for service space will occur in predevelopment.

4.6. Target Population.

4.6.1. The independent senior housing is initially structured to provide 160 units at 50% and 60% AMI and 40 units for extremely low income seniors (up to 30% AMI), including LOSP subsidy for seniors that have experienced homelessness or Senior Operating Subsidy (SOS) for seniors who are extremely low income. If LOSP units are included, the age requirement will be explored as seniors who have experienced homelessness tend to age faster than their peers, and the greatest need for PSH for adults skews younger than 62 years of age. The final number of independent senior housing units and percentage of extremely low income units will be determined based on overall project density, number of assisted living units, and financial feasibility.

4.6.2. The assisted living units will also serve low income seniors, with the target population to be determined based on the assisted living model pursued. To be explored is if the assisted living would also serve younger adults with disabilities who need the assisted living services. An analysis of market needs as well as available financing and structure of the assisted living will help shape the target population. Given the adjacency of Laguna Honda Hospital, the team will explore with DPH and LHH the potential policy of providing some referrals from LHH for those who can thrive at that level of care.

4.7. Marketing & Occupancy Preferences

The development will include the four legislated preferences of the City (Certificate of Preference, Neighborhood Resident Housing Preference, Displaced Tenant Housing Preference and San Francisco Live / Work Preference) as permitted by financing. Referrals to units for people experiencing homelessness would be provided by the HSH Coordinated Entry System, alongside a LOSP subsidy, if this targeting is included. A fair housing analysis will be conducted to ensure the targeting meets fair housing laws.

4.8. Relocation. Not applicable.

5. DEVELOPMENT TEAM

Development Team			
Consultant Type	Name	SBE/LBE	Outstanding Procurement Issues
Architect	Herman Coliver Locus Architecture	Y	N
Landscape Architect	TBD		
JV/other Architect	TBD		
General Contractor	TBD		
Owner's Rep/Construction Manager	Gonzalo Castro	Y	N
Financial Consultant	CHPC	N	N
Other Consultant	Mauro Hernandez, ita partners LLC (assisted living consultant)	N	N (Part of team proposed under RFQ)
Other Consultant	Tim Reilly, Pacific Health Consulting Group (assisted living consultant)	N	N (Part of team proposed under RFQ)
Legal	Gubb & Barshay	N	N
Property Manager	Mercy Housing Management Group	N/A	N
Services Provider	Mercy Housing California	N/A	N (Describe below)

5.1. Outstanding Procurement Issues. None.

MHC issued an Architect RFQ on 10/15/20 and received 17 responses. Based on these responses, four firms were selected for interviews. Interviews were conducted on 11/30/20, including representatives from MOHCD, DPH, Laguna Honda Hospital and the SF Arts Commission. Mercy staff and Owners Rep Gonzalo Castro were scoring members. The final scoring category was "Experience complying with SBE and Racial Equity Approach", as described in the RFQ. Herman Coliver Locus Architecture (HCLA) was selected as Master Planning and affordable independent senior housing architect.

Mercy issued a Consultant RFQ on 11/02/20, and selected Gonzalo Castro as the Owner's Rep.

Both of these selections were overseen by staff from the San Francisco Contract Monitoring Division (CMD).

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

6.1. Proposed Predevelopment Financing

6.1.1. Predevelopment Sources Evaluation Narrative. The proposed predevelopment budget totals \$3,000,000, including funding for both the master planning phase and predevelopment for the independent senior housing. If additional predevelopment funding is required for the assisted living, Mercy will take out a line of credit or obtain predevelopment funding from a different source.

6.1.2. Predevelopment Uses Evaluation: These predevelopment funds would cover the master planning process, predevelopment expenses for the independent senior housing and initial predevelopment expenses for the assisted living. The bulk of costs are for architecture, engineering and environmental studies of the site; the master planning process is critical to arrive at a plan that meets Laguna Honda Hospital's needs given other uses at the site, to arrive at the final site selection at the campus, and to arrive at the assisted living model to be pursued.

Master Plan deliverables will include Phase I and Phase 2 (if warranted) environmental reports, topographic and utility survey, geotechnical report (specifically, a preliminary geologic hazard evaluation based on available subsurface information and preliminary conclusions and recommendations regarding potential geologic hazards that may impact the proposed development). MHC will develop preliminary conclusions and recommendations regarding soil and groundwater conditions at the two sites, probable foundation type(s) for the proposed development, infrastructure needs, and will present their findings in a comprehensive Master Planning Memorandum alongside the architect report. The Memorandum will include the feasibility analysis and recommended assisted living model to pursue.

Master Planning Phase deliverables from the architect scope of work may include the following, with a report to be submitted to MOHCD, LHH and DPH with the developer recommendations for the project:

1. Brief history of planning process to date
2. Existing site analysis diagrams illustrating: solar exposure, storm water patterns, vehicular and pedestrian circulation patterns, character, use and views from and to adjacent structures and open spaces, emergency vehicle access.
3. Building Programs with square footages and number of occupants served for each use.
4. Surveys of Laguna Honda staff and surrounding neighborhood residents and analysis.
5. Initial bubble diagrams and massing diagrams with narratives describing pros and cons of each approach.
6. Analysis of applicable Planning and Building Code and Bulletins.
7. Annotated Master Plan of site rendered to scale with legend and descriptive narrative
8. Bird's eye perspective of massing annotated with key and descriptive narrative
9. Description and timeline of stakeholders involved, meetings conducted, outcomes, notes and important correspondences.
10. Guiding design principles for building(s)

Predevelopment Budget		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Acquisition Cost is based on appraisal	N/A	The site is publicly owned and will have a long term ground lease; there are no acquisition costs anticipated during predevelopment
Architecture and Engineering Fees are within standards	Y	Estimates for architecture are based on fees for master planning, independent senior housing and preliminary assisted living design; this amount will be refined as the architect enters into contract.
Bid Contingency is at least 5% of total hard costs	N/A	
Escalation amount is commensurate with time period until expected construction start, not to exceed 15%	N/A	
Construction Management Fees are within standards	Y	\$60,000 for the predevelopment period
Developer Fee is within standards	Y	Project management fee: \$350K for Predevelopment period
Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is 10%
Financing Costs are reasonable	N/A	Currently the predevelopment period is covered by MOHCD's funding; if needed, MHC's Line of Credit can provide additional predevelopment financing, which currently has an interest rate of 4.80% with a maximum 36 month term.
Other standard: Consultant for Assisted Living Services	Y	Reasonable at \$66,000 during predevelopment given the scope of work

6.2. Proposed Permanent Financing – Independent Senior Housing. Permanent financing is being presented to demonstrate the project's overall feasibility but is not intended to be presented for Loan Committee approval at this time. The preliminary capital budget reflects 200 units of independent low-income senior housing, and the assisted living would be built at additional cost.

6.2.1. Permanent Sources Evaluation Narrative: The financing plan is a bond with tax credit structure with state financing provided through HCD IIG and MHP, as well as AHP. If the project is successful at leveraging these state sources, the proposed MOHCD subsidy is reasonable at \$236K/unit.

6.2.2. Permanent Uses Evaluation for independent senior housing:

Development Budget		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Hard Cost per unit are within standards	Y	\$489K/unit including appropriate contingencies; as seen on the comparison chart, this construction cost appears low compared with other projects
Construction Hard Cost Contingency is at least 5% (new construction) or 15% (rehab)	Y	Hard Cost Contingency is 5%, with additional 5% bid contingency and 5% design contingency
Architecture and Engineering Fees are within standards	Y	The project will start with the master planning and conceptual design, and when completed, HCLA will provide a firm fee proposal based on the final site selected and project size. The current estimated amount of \$1.2 million for the senior independent housing is within MOHCD standards.
Construction Management Fees are within standards	Y/N	\$150K
Developer Fee is within standards, see also disbursement chart below	Y	Project management fee: \$1.1 million At risk fee: \$1.1 million Commercial fee: TBD Deferred fee: \$0 GP equity: \$3 million Total fee: \$5.2 million
Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is 10%
Capitalized Operating Reserves are a minimum of 3 months	Y	Capitalized Operating Reserve is equal to 3 months
Capitalized Replacement Reserves are a minimum of \$1,000 per unit (Rehab only)	N/A	

Unit Type	Total Units	50% AMI	60% AMI	Subsidy
Studio	96	51	45	24 LOSP or SOS
1-BR	62	32	30	16 LOSP or SOS
2-BR Manager Unit	2			

Estimated Developer Fee Disbursement Schedule for Independent Senior Housing		
Payment Milestone	% of Project Mgmt Fee	Amount
At closing of initial pre-development financing	9%	\$100,000
At MOHCD sign-off of Master Plan	11%	\$125,000
At entitlements	11%	\$125,000
END OF PREDEVELOPMENT	100%	\$350,000
Construction Close	23%	\$250,000
During or at End of Construction	23%	\$250,000
At Project Close Out	23%	\$250,000
TOTAL PROJECT MANAGEMENT FEE	100%	\$1,100,000
AT RISK FEE		\$1,100,000
At Closing of Commercial Loan		TBD
Total Cash Developer Fee		\$ 2,200,000
Deferred Fee		\$0
GP Equity		\$ 3,000,000
Total Developer Fee		\$ 5,200,000

6.3. Assisted living financing options: The assisted living consultant and MHC will conduct a financial feasibility analyses for the licensed and supportive housing models under consideration for the project, and will consult closely with LHH, DPH, DAS and other long-term care policy stakeholders. In order to determine whether an “affordable” assisted living (AL) residence will be viable and sustainable as a licensed Residential Care Facility for the Elderly (RCFE), feasibility work will examine options for financing the initial development of the building that: (a) minimize the project’s ongoing mortgage costs and (b) maximize revenues for rent and service subsidies to cover debt and operating costs.

Financing options for developing new AL residences are similar to those available for most affordable senior housing projects. These include Low Income Housing Tax Credits (LIHTC), HUD HOME funds, Federal Home Loan Bank Affordable Housing Program Fund, HUD’s Assisted Living Conversion Program, and Tax-exempt bonds under Section 142(d). (Note that LIHTC financed AL projects cannot provide on-going, continual, medical, nursing, or psychiatric services). New Markets Tax Credits are another option that will be considered. One of the more common options for construction and permanent financing are loans insured by FHA/HUD Section 232/223(f), which can provide favorable terms for nonprofit owned AL projects (e.g. 80% LTV; 1.05 DSCR; 40 year fixed and fully amortizing).

Since financing for long-term services and supports in California is fragmented, limited and highly variable, feasibility work will help determine the likelihood of securing adequate service subsidies to meet the higher staffing and other operating costs for meeting regulatory requirements and resident needs. Note that most AL projects that would be considered “affordable” serve a mixed income population to be financially viable. State Medicaid waiver programs typically provide the majority of service subsidies for eligible AL residents. However, California’s Medi-Cal Assisted Living Waiver program is fairly limited in size -- 4,800 enrolled participants statewide with 4,600 individuals on the waiting list as of August 2020. As a result, this project will likely require more subsidies from other local programs, such as those currently available to RCFE residents through DPH, DAS and the Program for All Inclusive Care for the Elderly (PACE). Other public financing options to consider include HUD Housing Choice Vouchers / Section 202 rent subsidies; the Veteran’s Affairs Aid and Attendance pension program and State Optional Room & Board Subsidies. For example, California’s State Supplementary Payment (SSP) provides up to \$160 per individual and \$407 for couples.

Feasibility work will also explore the impact of target population considerations in terms of project size, income eligibility and service needs, as well as ongoing asset management needs. Initial working assumptions will focus on a 100-unit assisted living project since economies of scale are normally difficult to achieve with fewer than 50 units, much less in an urban market like San Francisco known for much higher development and labor costs. Considering that some portion of the older population in San Francisco may receive too much income to qualify for public subsidies but not enough to afford market-rate Assisted Living, feasibility work will examine sustainable below-market rates that will be accessible to some mix of lower- and moderate-income residents. This work will be informed by market analyses that estimates demand by income group and need for AL services. Finally, the feasibility work will consider what needs can be well served in a larger AL designed primarily to serve older adults with long-term care needs.

6.4. This Request/Phasing Narrative The predevelopment budget has been divided into:

- 1) Master Planning in amount of \$600,000
- 2) Independent Senior Housing in amount of \$2,400,000

MHC will focus on the master planning and will not proceed to Phases 2 until MOHCD and collaborating departments have signed off on the site selection, assisted living model and ultimate development plan. Please see phasing table in Section 12.3.

7. PROJECT OPERATIONS OF INDEPENDENT SENIOR HOUSING (See Attachment I and J for Operating Budget and Proforma)

7.1. Annual Operating Budget The annual operating budget being presented to demonstrate the project’s overall feasibility but not intended to be presented for approval at this time, and includes only the proposed Independent Senior Housing.

Overall, the proposed Independent Senior Housing has deep affordability with 20% of the units (40) having a LOSP or SOS subsidy pending establishment and availability, and around 80 units at 50% AMI and 80 units at 60% AMI. MHC proposes 120 studios and 78 1-BR units, as well as two 2-BR units for resident managers. This unit structure will be refined through design.

The ultimate unit affordability structure will need to balance the need for deep affordability for the senior units with positive cashflow and long-term sustainability. The size of the independent senior housing will be impacted by the size of the assisted living, given the need to maintain a 2:1 ratio of “Residential: Nonresidential” uses if entitled under SF35.

7.2. Annual Operating Expenses Evaluation. Preliminary operating expense projections are reasonable at \$11,124 per unit per year before reserves and ground lease payment.

Operating Proforma		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Debt Service Coverage Ratio stays above 1:1 through Year 17	N	DSCR is 1.48 at Year 1 and goes negative in Year 5. Either more subsidies are required or some units need to go above 50% AMI.
Vacancy meets TCAC Standards	Y	Vacancy is 5%
Annual Income Growth is increased at 2.5% per year	Y	Income escalation factor is 2.5%
Annual Operating Expenses are increased at 3.5% per year	Y	Expenses escalation factor is 3.5%
Base year operating expenses per unit are reasonable per comparables	Y	Total Operating Expenses are \$11,700 per unit before MHP debt service and reserve deposits.
Property Management Fee is at allowable HUD Maximum	Y	Total Property Management Fee is \$172,800 or \$74 PUPM
Property Management staffing level is reasonable per comparables	Y	The staffing plan for 200 unit independent living:

		<ul style="list-style-type: none"> • 1.0 FTE property manager with PSH experience • 3.0 FTE Asst PM • 1.0 FTE Housing Support Specialist (HSS) • 3.5 FTE desk clerks • 1.0 FTE maintenance manager • 2.0 FTE maintenance techs • 2.0 FTE janitors
Asset Management and Partnership Management Fees meet standards	Y	Annual AM Fee is \$24,425/yr Annual PM Fee is \$21,890/yr
Replacement Reserve Deposits meet or exceed TCAC minimum standards	Y	Replacement Reserves are \$500 per unit per year
Limited Partnership Asset Management Fee meets standards	Y	\$5,000 per year
Annual Rent under long term ground lease	Y	\$15,000 per year

8. OPERATIONS OF ASSISTED LIVING

The operating budget for the assisted living will be developed based on the size and model of the assisted living, and based on subsidies available for operations. Ongoing collaboration with DAS, DPH and LHH will be important to monitor the operations of the assisted living and to evaluate how it is meeting its goals, given that MOHCD is not familiar with how to monitor compliance of this new regulatory framework.

9. SUPPORT SERVICES

9.1. Services Plan. The supportive services plan is dependent on the ultimate assisted living model pursued and types of services to be offered by the Adult Day Health Care, PACE program, in home support services or other. The operating budget for the Independent Senior Housing currently includes \$200K / year for 160 non-LOSP units. Proposed services staffing is for the independent senior housing is:

- 2.0 FTE Resident Services Coordinator
- 1.0 FTE Activities Director

9.2. Service Budget. The services budget will be developed in predevelopment.

9.3. DPH/SHS Assessment of Service Plan and Budget. DPH and HSH assessment of the services plan and budget will be requested once these plans are developed, when there is more certainty around the project size, assisted living model and proposed location of Adult Day Health Care, PACE program, etc.

10. THRESHOLD ELIGIBILITY REQUIREMENTS

Minimum experience in Qualifying Projects in Development, Ownership, Property Management, Service Provision, Assisted Living Developer / Consultant and Racial Equity Framework through the RFQ Addendum 1. MHC was the highest scoring applicant submitting their qualifications among four very qualified developer teams, and scored 108 out of a total possible 115 points.

11. RANKING CRITERIA

	Category	Possible Points	MHC
A.	EXPERIENCE (subtotal):	50	48.6
i.	Developer (15 pts) ➤ Experience with the following: <ul style="list-style-type: none"> ○ Completing projects on time and on budget ○ Obtaining competitive financing terms ○ Developing Type V/I or III/I construction ○ Developing for low-income seniors and/or frail elderly ○ Working in Twin Peaks neighborhood ○ Completing complex projects with multiple objectives ➤ Building community support through outreach ➤ Current staff capacity and experience to take on this project type	15	14.1
ii.	Owner (5 pts) ➤ Track record successfully owning housing financed with Low-Income Housing Tax Credits <ul style="list-style-type: none"> ○ Experience owning affordable housing for low-income seniors and frail elderly ➤ Current asset management structure, staffing and portfolio ➤ Capacity for assuming asset management of an expanded portfolio once the development is complete	5	5.0
iii.	Property Manager (10 pts) ➤ Experience property managing for low-income seniors and/or frail elderly ➤ Experience achieving high rates of housing retention ➤ Implementing low barrier tenant selection policies ➤ Contributing to long-term sustainability of the development ➤ Achieving cost efficiencies in operations	10	9.8
iv.	Service Provider/s (10 pts) ➤ Experience delivering services to low-income seniors and/or frail elderly with or without family involvement ➤ Experience linking residents to the City's safety net of services ➤ Working with property management to achieve high rates of housing retention ➤ Experience working in a mixed-use property and with multiple service providers ➤ Experience integrating independent low-income seniors into proposed mixed uses at the Site ➤ Experience providing services at Assisted Living facility ➤ Supporting positive outcomes for residents around health, economic sustainability, and aging-in-place ➤ If applicable, provides explanation for service contracts terminated prematurely within the last 5 years	10	9.8

v.	Assisted Living Developer/Consultant (10 pts) <ul style="list-style-type: none"> ➤ Experience developing an Assisted Living facility with a development company or lead project manager with a development company ➤ Obtaining competitive financing terms for Assisted Living facility ➤ Experience working as part of a master development team 	10	10.0
B. VISION (subtotal):		50	47.5
i.	Program Concept (15 pts) <ul style="list-style-type: none"> ➤ Describes vision for a development program at this site, while best achieving the project goals, and includes: <ul style="list-style-type: none"> ○ A residential program and other envisioned uses; ○ Indicates how the proposed uses and amenities will enhance the lives of the proposed target population and the surrounding Twin Peaks neighborhood. ➤ Indicates particular groups served by the programs and spaces (tots, children, teens, seniors, frail elderly, disabled etc.). 	15	14.8
ii.	Community Engagement Strategy (10 pts) <ul style="list-style-type: none"> ➤ Describes community engagement strategy and includes: <ul style="list-style-type: none"> ○ The team’s philosophy on community engagement; ○ Process for establishing and/or building positive relationships with surrounding neighbors and the larger community, including Laguna Honda Hospital staff; ○ Efforts designed to engage all interested community members, including monolingual non-English speaking members of the community; ○ How the Development Team intends to comply with the City’s Language Access Ordinance. ➤ Describes the Team’s approach to achieving entitlements for the project expeditiously and the Team’s approach to maintaining and building community relationships after entitlements have been achieved and the development is in operations. 	10	8.3
iii.	Services Delivery Strategy (15 pts) <ul style="list-style-type: none"> ➤ Describes the Development Team’s services delivery strategy and includes: <ul style="list-style-type: none"> ○ The overall service philosophy, especially as the service philosophy relates to seniors and frail elderly; ○ Model for providing any anticipated services to seniors and frail elderly residents (including case management ratio and provision of amenities such as front desk clerks, if applicable); ○ The services goals of the proposed vision. ➤ A brief description of the desired outcome of the services to be provided and innovative approaches to services provision, including the strategy of engaging residents and encouraging access to relevant services. ➤ Describes how services for residents will be coordinated with the existing network of services in the neighborhood and community. 	15	14.4
iv.	Finance and Cost Containment Approach (10 pts) <ul style="list-style-type: none"> ➤ Describes the Development Team’s financing approach to the project. ➤ Includes the Team’s process for structuring the project and controlling development costs. ➤ Includes innovative strategies intended to minimize MOHCD’s projected capital gap financing. ➤ Describes any innovative (i.e. non-standard, routine or commonly used) direct or indirect cost-cutting strategies relevant to overall development, construction or operating expenses. ➤ Describes any innovative approaches to developing/financing assisted living for low income seniors. 	10	10.0

C.		ADDENDUM 1 (subtotal)	15	12.3
i.	Racial Equity Framework (15 pts)		15	12.3
	<ul style="list-style-type: none"> ➤ Describes capacity and strategy for effectively implementing MOHCD's Housing Preference, including; <ul style="list-style-type: none"> ○ Meeting goals of the Housing Preference Program; ○ Ensuring District 7 and surrounding neighborhood residents will have maximum opportunity to access permanent affordable housing at Laguna Honda; ➤ Describes experience and success implementing MOHCD's Housing Preference Policies from previous permanent affordable projects. ➤ Describes proposed outreach strategies to engage communities that traditionally lacked access to affordable housing in San Francisco, including; <ul style="list-style-type: none"> ○ Affordable assisted living in San Francisco; ○ How proposed strategy will support communities that have traditionally lacked access to affordable housing to pursue opportunities at Laguna Honda Hospital Campus Replacement Lot. ➤ Provide reference to specific groups that may serve as partners for the permanent affordable housing and assisted living units at Laguna Honda Hospital Campus Replacement Lot, including. <ul style="list-style-type: none"> ○ RFQ respondents describes the nature of the partnership it has with the specific groups listed, and; <p>RFQ respondents describes how the proposed group will assist with achieving the goal of providing access to groups traditionally lacked access to affordable housing in SF</p>			
TOTAL POSSIBLE POINTS			115	108.3
			Possible Points	MHC

12. STAFF RECOMMENDATIONS

Staff supports approval of the predevelopment request phases and deliverables as indicated below.

12.1. Proposed Loan/Grant Terms

Financial Description of Proposed Loan	
Loan Amount:	\$3 million
Loan Term:	55 years
Loan Maturity Date:	2070
Loan Repayment Type:	Residual Receipts
Loan Interest Rate:	3%

12.2. Recommended disbursement conditions/schedule:

1. Submittal of a community outreach plan within 90 days following predevelopment loan closing, addressing how the sponsor will engage with the surrounding neighborhood groups, Laguna Honda Hospital, long term care policy stakeholders, as well as how the community outreach will promote racial equity.

- Sponsor to provide MOHCD with detailed monthly updates on Community Outreach completed and outcomes achieved related to racial equity goals (this may be included in the standard MOHCD monthly report form).
2. Submittal of a Master Plan Report at the end of Phase 1, with the deliverables outlined in Section 12.3 below.
 3. Submittal of preliminary Services Plan and Budget for the Independent Senior Housing at the end of Phase 1.
 4. Submittal of a refined Operating Budget with the proposed unit count and configuration that meets MOHCD's underwriting requirements around Debt Service Coverage Ratio (DSCR) at the end of Phase 1.
 5. Sponsor will provide signed LOI from commercial tenants prior to MOHCD's gap loan closing.
 6. Sponsor will provide MOHCD with information outlining cost containment, efficiencies and innovation strategies to reduce overall project costs and maximize efficiency of MOHCD gap loans.
 7. Sponsor will provide Commercial Space Plan to MOHCD no less than 90 days prior to Loan Committee date for gap loan.
 8. Sponsor will provide for MOHCD review any Request for Proposals (RFPs) for equity investors before it is finalized and released for investors.
 9. Sponsor will provide for MOHCD review all raw financial data from developer or financial consultant prior to selection.
 10. Sponsor will provide for MOHCD review and approval all selected investors.

Post-closing:

11. Sponsor will provide initial draft marketing plan, outlining the affirmative steps TNDC will take to market the project to the City's preference program participants, including COP Holders, Displaced Tenants, and Neighborhood Residents, as well as how the marketing is consistent with the Mayor's Racial Equity statement and promotion of positive outcomes for African American San Franciscans.

12.3. Recommended conditions prior to moving from Phase I to Phase II

Phase	Amount	Source	Deliverable at end of phase prior to proceeding	Schedule
Phase 1	\$600,000	MOHCD	Phase I and II; geotech report; site analysis; building programs; annotated master plan of site; guiding principles for building; recommended site selection; assisted living feasibility analysis and model recommendation; preliminary services plan and budget for senior housing; preliminary operating budget based on recommended size of independent senior housing and assisted living	January – June 2021
Phase 2	\$2,400,000	MOHCD	Predevelopment activities of Independent Senior Housing; may include and/or be concurrent with assisted living predevelopment; may be supplemented with MHC Line of Credit if needed	6/1/21 - start of construction

13. 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, Deputy Director of Programs
Department of Homelessness and Supportive Housing

Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

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

Chavez, Rosanna (MYR)

From: Shaw, Eric (MYR)
Sent: Friday, December 18, 2020 11:14 AM
To: Chavez, Rosanna (MYR)
Subject: Laguna Honda Financing

approve

Eric D. Shaw
Director

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

Chavez, Rosanna (MYR)

From: Menjivar, Salvador (HOM)
Sent: Friday, December 18, 2020 11:43 AM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR)
Subject: Laguna Honda

I approve of the predevelopment loan to MHC.

Salvador



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

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Chavez, Rosanna (MYR)

From: Oerth, Sally (CII)
Sent: Friday, December 18, 2020 11:14 AM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR); Romero, Anne (MYR)
Subject: Laguna Honda Financing Loan Committee approval 12.18.20

I approve the Laguna Honda financing proposed at the 12.18.20 Loan Committee.



Sally Oerth
Interim Executive Director

📍 One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
📞 415.749.2588
🏠 www.sfocii.org

Chavez, Rosanna (MYR)

From: Katz, Bridget (CON)
Sent: Friday, December 18, 2020 11:13 AM
To: Chavez, Rosanna (MYR)
Subject: Laguna Honda Financing

Approve

Bridget Katz

Development Finance Specialist, Office of Public Finance
Controller's Office | City & County of San Francisco

Office Phone: (415) 554-6240

Cell Phone: (858) 442-7059

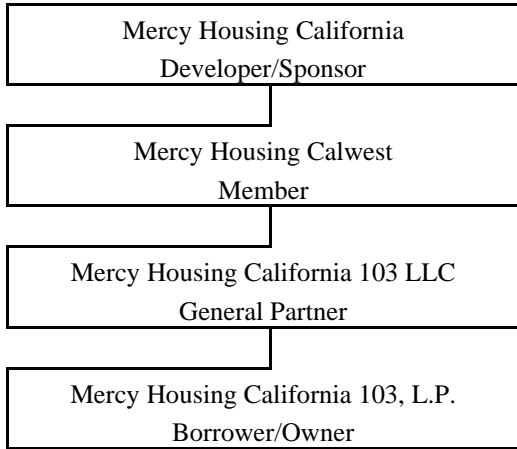
E-mail: bridget.katz@sfgov.org

Attachment A: Project Milestones and Schedule

No.	Performance Milestone	Estimated or Actual Date	Contractual Deadline
A.	Prop I Noticing (if applicable)	<u>1/15/21</u>	
1	Acquisition/Predev Financing Commitment	<u>12/18/20</u>	
2.	Site Acquisition	<u>1/1/23</u>	<u> </u>
3.	Development Team Selection		
a.	Architect	<u>Complete</u>	
b.	General Contractor	<u> 3/1/21</u>	
c.	Owner's Representative	<u>Complete</u>	
d.	Property Manager	<u> Complete</u>	
e.	Service Provider	<u> Complete</u>	
4.	Design		
a.	Submittal of Master Plan/Conceptual Design	<u>6/1/21</u>	
b.	Submittal of Schematic Design & Cost Estimate	<u>12/1/21</u>	
c.	Submittal of Design Development & Cost Estimate	<u>3/1/221</u>	
d.	Submittal of 50% CD Set & Cost Estimate	<u>5/1/22</u>	
	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	<u>9/1/22</u>	
5.	Environ Review/Land-Use Entitlements		-
a.	CEQA Environ Review Submission	<u> N.A.</u>	
b.	NEPA Environ Review Submission	<u>7/1/21</u>	
c.	CUP/PUD/Variances Submission (SB 35)	<u>7/1/21</u>	
6.	Permits		
a.	Building / Site Permit Application Submitted	<u>12/1/21</u>	
b.	Addendum #1 Submitted	<u> 5/1/22</u>	
c.	Addendum #2 Submitted	<u> 5/1/22</u>	
7.	Request for Bids Issued	<u> 8/1/22</u>	
8.	Service Plan Submission		
a.	Preliminary	<u> 7/1/21</u>	
b.	Interim	<u> 7/1/22</u>	

c.	Update	<u>7/1/23</u>	
9.	Additional City Financing		
a.	Predevelopment Financing Application #2	<u>N.A.</u>	
b.	Gap Financing Application	—	
10.	Other Financing		
a.	MHP Application	<u>1/15/22</u>	
b.	Construction Financing RFP	<u>6/15/22</u>	
c.	AHP Application	<u>3/15/22</u>	
d.	CDLAC Application	<u>6/15/22</u>	
e.	TCAC Application	<u>6/15/22</u>	
f.	HUD 202 or 811 Application	<u>TBD</u>	
g.	Other Financing Application	—	
11.	Closing		
a.	Construction Closing	<u>1/1/23</u>	
b.	Permanent Financing Closing	<u>4/1/25</u>	
12.	Construction		
a.	Notice to Proceed	<u>1/2/23</u>	
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	<u>9/1/24</u>	
13.	Marketing/Rent-up		
a.	Marketing Plan Submission	<u>12/1/23</u>	
b.	Commence Marketing	<u>3/1/24</u>	
c.	95% Occupancy	<u>12/31/24</u>	
14.	Cost Certification/8609	<u>4/1/25</u>	
15.	Close Out MOH/OCII Loan(s)	<u>12/1/25</u>	

Attachment B: Borrower Org Chart



Attachment C: Developer Resume

MHC KEY STAFF EXPERIENCE

MHC has the affordable housing expertise and support needed to successfully develop the Laguna Honda Hospital Replacement Lot. The San Francisco development leadership team has over 85 years of collective affordable housing experience in San Francisco and devotes significant time to troubleshoot and provide support to project managers. MHC President, Doug Shoemaker has extensive experience working on complex real estate projects and actively support project managers and the SF leadership team at key stages of development.

Tim Dunn, Associate Director of Real Estate Development, has been part of the Mercy Housing development team for over 11 years and has over 15 years of experience in affordable housing development. Tim has managed the development of housing serving a range of populations including seniors and special need households. Tim oversaw the mixed-use Coastside Senior Housing development in Half Moon Bay that included 15,000 SF non-profit space for an adult day health center and senior center. Prior to his career in real estate, Tim was a case manager at the Curry Senior Center and worked with formerly homeless seniors in San Francisco's Tenderloin neighborhood.

Barbara Gualco, Regional Director of Development, serves as MHC's Director of Development. Barbara has been with MHC since its founding and has directly overseen the completion of over 1,000 units. Barbara is particularly adept at structuring complex deals serving special needs populations and long-term ground leases. With the support of two Associate Directors, Barbara is currently supervising the development of thirteen projects in San Francisco.

Amy Bayley, Vice President of Community Planning, is responsible for the community engagement and planning activities of MHC, including the development of community acceptance plans, coordinating community design activities and local advisory committees. Amy has been with MHC for 24 years and works closely with the development team.

Samantha Hogg, Director of Senior and Supportive Services, has over 16 years of experience working with low-income seniors and individuals with special needs. She oversees services at 51 senior/supportive housing sites and ensures that MHC developments provide high-quality resident programs that are congruent with current trends and standards.

Mauro Hernandez, Ph.D, Principal of ita partners, LLC, has over thirty years of experience working in developing, funding, and operating affordable assisted living. Mauro served as CEO for Concepts in Community Living (CCL) and was responsible for managing the acquisition and financing for seven licensed assisted living communities that serve Medicaid residents. Mauro has also secured LIHTC for an assisted living community in Vancouver, WA. Mauro previously was contracted by San Francisco DPH and DAAS to conduct Medicaid waiver policy research.

Lisa Kodmur, Pacific Health Consulting Group, served for eight years as the Director of Services for Seniors and People with Disabilities at L.A. Care Health Plan. She now focuses on Medi-Cal health plans, focusing on redesigning delivery systems and the integration of long-term service, home- and community-based services, medical care and behavioral health care.

Tim Reilly, Partner, Pacific Health Consulting Group, brings over 35 years of experience in managed care administration and consulting. Tim provides the healthcare industry with financial, product development, licensure, and rate negotiations with a focus on the safety net and Medi-Cal. He has represented 11 Medi-Cal Plans in rate negotiations with the CA DHCS, and in setting internal provider rates.

Attachment D: Asset Management Evaluation of Project Sponsor

Mercy Housing California's California Asset Management staff will provide asset management staff for the asset management duties. Mercy's Denver compliance and accounting staff would continue to perform compliance and accounting duties for the Laguna Honda Senior Housing development during operations.

Total Number of Projects and Average Number of Units Per Project Currently in Developer's Asset Management Portfolio: MHI's Asset management department currently oversees 126 buildings with 8,398 units in the state of California.

Developer's Current Asset Management Staffing Including Job Titles, Full Time Employees, an Organizational Chart and the Status of Each Position (filled/vacant): Mercy Housing Inc. (MHI)'s Asset management department currently has a staff of 10 people. Four (4 FTEs) Asset Managers oversee the entire California portfolio. Four (4 FTEs) Asset Management Analysts provide support to the Asset managers. There is a Director of Portfolio Analysis (1 FTE) that oversees all of the analysts. The department head is the Senior Vice President of Portfolio Management (1 FTE) that oversees the entire department. All positions are currently filled and they are all full time. The breakdown of MHI's asset management staff positions is as follows:

- (1) Senior Vice President of Portfolio management
- (1) Director of Portfolio Analysis
- (4) Asset Managers
- (4) Asset Management Analysts

Description of Scope and Range of Duties of Developer's Asset Management Team: MHI's Asset Management staff has oversight over all operations of the properties in the portfolio. All of the Asset Management staff mentioned above fall under the umbrella of the property management department. Asset Management reviews financials, approves budgets, approves substantial capital initiatives, is a part of the team that determines long term capital projects. The asset management staff oversee build out for all existing commercial spaces and do all of the reporting and communication to all of financial partners. Asset management approves all annual budgets for the properties and approve all operating reserve draws or internal line of credit requests when a property is short of cash and needs a temporary funding to meet property operations costs. Asset management submits grants and loan applications for the properties to secure or continue operating funding.

Description of Developer's Coordination Between Asset Management and Other Functional Teams, Including Property Management, Accounting, Compliance, Facilities Management, etc. There is constant coordination between Property Management, related departments and Asset Management. Asset management oversees all aspects of operations so there is constant coordination with property management on a daily basis in regards to those issues. Asset and Property Management work together on the annual audits and budgets. In addition there is constant coordination around cash management and the financial oversight of the property. There is also contact around preparation of the financials. Asset Management and Compliance primarily coordinate around compliance issues that directly affect ownership and the partnership. Asset management and facilities coordinate around preparation the budget and capital projects. The Asset Management staff also coordinates around emergencies.

Developer's Budget for Asset Management Team Shown as Cost Center for SF Projects: Asset Management staffing budget is \$1,585,000.

Number of Projects Expected to be in Developer's Asset Management Portfolio in 5 Years and, If Applicable, Plans to Augment Staffing to Manage Growing Portfolio: MHI anticipates that the portfolio will grow from 126 buildings to approximately 136 buildings in the next 5 years.

MOHCD Asset Management Staff's Final Assessment of Developers Asset Management Capacity: The Developer's description of their asset management functions, duties and coordination with related teams within the organization demonstrates an adequate asset management operation for their existing portfolio. With 4 FTE asset managers and a portfolio of 126 projects in California, the projects/AM staff ratio is 32, which is considered high based on the industry standard of 20-25 taught by NeighborWorks America; however, the Developer's asset management staff also includes 4 FTE asset management analysts who support the asset managers. Assuming that the full range of asset management responsibilities are covered by the asset managers and the asset management analysts, a total of 8 FTEs provides asset management services at a ratio of 16 projects per staff person, not including staff supervision and oversight. With an increase of 10 projects in the Developer's portfolio anticipated over the next 5 years, the ratio will increase to 17 and remain within the industry standard.

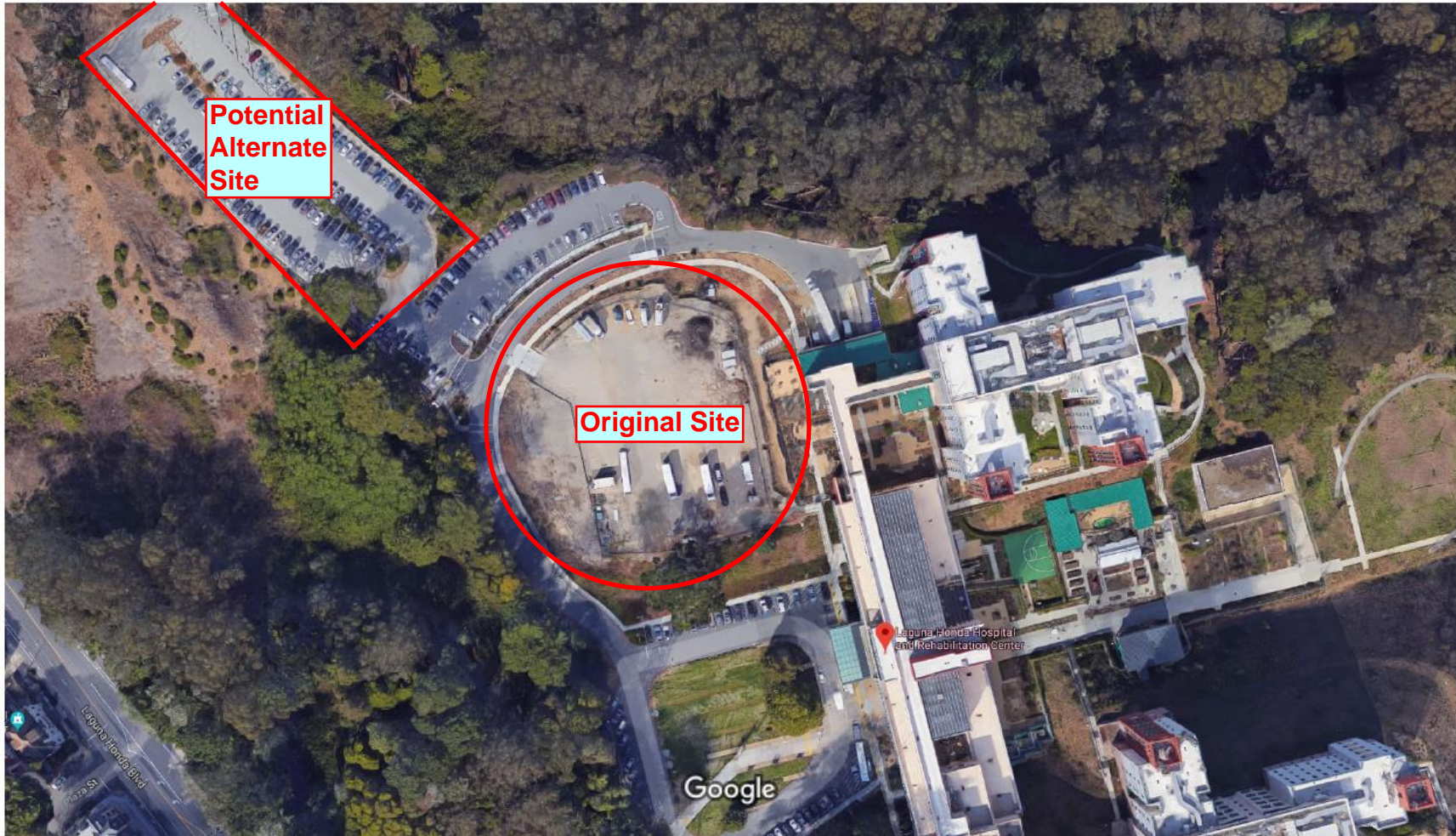
**Attachment E: Site Map showing two potential Sites at Laguna Honda Hospital
Campus**

Revised Exhibit 1

Map of the Site with adjacent potential alternate parking lot site

Google Maps

Laguna Honda Hospital and Rehabilitation Center
Senior Housing Plan View



Attachment F: Elevations and Floor Plans

N/A

Attachment G: Comparison of City Investment in Other Housing Developments

Affordable Multifamily Housing New Construction Cost Comparison

Updated		12/1/2020																													
PROJECTS COMPLETED							Building Square Footage			Total Project Costs																					
Project Name	Address	Lot sq ft	Compl. Date	# of Units	# of BR ²	Res. ²	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/land	Local Subsidy5	Total Dev. Cost w/o land	Notes on Financing	Comments															
95 Laguna Senior	95 Laguna	14,300	May-19	79	82	59,785	7,316	67,101	\$ 5,012,000	\$ 33,263,092	\$ 11,343,750	\$ 49,618,842	\$ 21,234,000	\$ 44,606,842	9% LIHTC	7 Story - 5 stories Type III over 2 stories Type IA + Community Services space (Open House)															
Paterson Block X (Vertical)	25th and Connecticut	30,000	Sep-19	72	139	86,669	28,952	115,621	\$ 20,700	\$ 61,483,070	\$ 12,786,230	\$ 74,269,300	\$ 17,693,093	\$ 74,269,300		Type IIIA & V over Type I Podium (4-6 stories) stepped w/ topography. No intrans. Cost															
Parcel O	455 Fall Street	37,428	Jun-19	108	165	82,117	31,128	113,245	-	\$ 58,287,449	\$ 9,994,087	\$ 66,648,743	\$ 17,309,250	\$ 66,648,743	HCD AHSC Loan	Type V over Type I from approved eval dated 05/05/17															
1296 Showell Senior	1296 Showell	11,667	Jan-20	94	94	66,153	-	66,153	\$ 831,098	\$ 46,028,797	\$ 7,912,309	\$ 54,772,204	\$ 27,812,014	\$ 53,941,106	4% LIHTC HOME AHP	Type IA 9 stories 1st PUC served Affordable Hsg. Including low-side metering, resilient seismic dam															
Completed Projects:							Average:	23,349	88	120	73,556	22,465	90,505	\$ 1,954,599	\$ 49,768,302	\$ 10,504,094	\$ 61,330,147	\$ 21,012,089	\$ 59,864,198												
PROJECTS UNDER CONSTRUCTION							Building Square Footage			Total Project Costs																					
Project Name	Address	Lot sq ft	Compl. Date	# of Units	# of BR ²	Res. ²	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/land	Local Subsidy5	Total Dev. Cost w/o land	Notes on Financing	Comments															
735 Davis Senior Housing	735 Davis	10,165	Nov-20	53	54	46,143	1,257	47,400	\$ -	\$ 29,049,657	\$ 11,846,397	\$ 40,896,054	\$ 18,525,949	\$ 40,896,054		Type IIIA & V over Type I Podium (5-6 stories) - Senior															
Macao May	Treasure Island C3.2 Bl C3.A	32,203	Feb-22	105	158	88,488	35,472	103,960	\$ 15,000	\$ 57,115,248	\$ 17,045,748	\$ 74,170,996	\$ 24,225,000	\$ 74,170,996	2 HCD Loans (VHHP & MHP)	Type IIIA factory built over Type I Podium (3-6 stories). 20 Pkg spaces - TI development weather res															
1064 Mission Street	1064 Mission Street	60,844	Dec-21	258	258	152,510	5,391	157,910	\$ 1	\$ 106,427,164	\$ 37,557,505	\$ 143,984,670	\$ 46,838,404	\$ 143,984,669	bond 4% credits AHP & NPLH	Type IIIA over Type I podium - factory built															
Mission Bay S. Block a	410 China Basin Street	47,437	-	141	141	99,160	-	99,160	\$ -	\$ 58,631,775	\$ 15,598,625	\$ 74,230,400	\$ 23,076,000	\$ 74,230,400	HCD Loan	Type IIIA factory built															
Casa de la Mision	3001 24th Street	6,715	Apr-21	45	45	26,439	1,239	27,678	\$ 3,225,000	\$ 17,049,794	\$ 428,847	\$ 20,700,641	\$ 1,313,694	\$ 17,475,947	6% LIHTC & private donation	Type V over Type I podium															
53 Colton (Plumbers Union DA)	53 Colton	7,780	Dec-20	96	96	47,969	-	47,969	\$ 171,697	\$ 34,895,639	\$ 16,721,274	\$ 51,788,610	\$ 2,750,000	\$ 51,616,913	4% Fed & St Credits; HCD MHP, AHP, \$10M GM Contrib	Type IIIA over Type I podium and basement, 6 stories, constrained site, efficiency studios															
Under Construction:							Average:	25,857	116	122	73,453	8,672	80,680	\$ 852,925	\$ 50,528,213	\$ 16,532,566	\$ 67,629,395	\$ 19,421,508	\$ 67,060,779												
PROJECTS IN PREDEVELOPMENT							Building Square Footage			Total Project Costs																					
Project Name	Address	Lot sq ft	Start Date (anticipated)	# of Units	# of BR ²	Res. ²	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/land	Local Subsidy	Total Dev. Cost w/o land	Notes on Financing	Comments															
266 4th Street	266 4th Street	8,400	Dec-21	70	99	60,515	1,580	62,095	\$ 133,100	\$ 49,982,213	\$ 13,943,417	\$ 64,058,730	\$ 15,629,817	\$ 63,925,630	4% Credits; AHSC, St. Credits	Type I, 8 stories over MUNI substation tunnel, structurally complex, small footprint															
Parcel U	78 Haight Street	5,583	Jun-21	63	63	44,327	3,349	47,676	\$ 24,643	\$ 33,982,932	\$ 18,703,273	\$ 52,710,848	\$ 22,289,234	\$ 52,686,205	9% Fed Credits & St. Credits	Type I, 7 stories over full basement, constrained site + childcare. (60% DD est. dated 10/2/20)															
600 7th Street (fmlly 801 Brannan)	600 7th Street	37,800	Apr-22	250	290	181,390	5,000	186,390	\$ 10,000	\$ 107,308,076	\$ 43,082,529	\$ 150,400,605	\$ 44,550,243	\$ 150,390,605	Fed & St Credits; HCD IIG	Type I, 8 stories (SD pricing dated 11/20)															
180 Jones Street	180 Jones Street	4,853	Sep-21	70	70	36,116	3,301	39,417	\$ 30,000	\$ 36,262,793	\$ 12,575,236	\$ 53,939,029	\$ 15,200,000	\$ 53,939,029	4% LIHTC + MHP	Type I - 8 stories small very tight site (sources) (SD est. 5/29/20)															
4200 Geary	4200 Geary	16,738	Feb-22	98	98	83,109	2,442	85,551	\$ 10,500,000	\$ 69,847,004	\$ 19,645,140	\$ 90,992,144	\$ 35,251,638	\$ 80,492,144	4% Credits; HCD MHP, AHP, Private Loan	Type III over Type I, 7 stories, TI space, no parking, Urban Agriculture (Sept. 2020 SD Estimate)															
In Predevelopment							Average:	14,675	100	124	81,091	3,135	84,226	\$ 2,153,549	\$ 57,676,604	\$ 22,590,119	\$ 82,420,271	\$ 26,584,186	\$ 80,266,723												
ALL PROJECTS		Average:	21,294	102	122	76,067	11,424	85,137	\$ 1,653,691	\$ 52,657,706	\$ 16,542,260	\$ 70,459,938	\$ 22,339,261	\$ 69,063,900																	
SUBJECT PROJECT		375 Laguna Honda Blvd	TBD	Feb-24	200	204	212,000	13,000	225,000	\$ 15,000	\$ 97,750,000	\$ 20,192,441	\$ 117,957,441	\$ 47,257,441	\$ 117,942,441	4% Credits; IIG, HCD, AHP	Type III over I, 7 stories														
PROJECTS COMPLETED							Acquisition by Unit/Bed/SF			Construction by Unit/Bed/SF			Soft Costs by Unit/Bed/SF			Total Development Cost (Incl. Land)			Subsidy												
Project Name	Compl. Date	Acq/unit	Acq/BR	Acq/lot sq ft	Const/unit	Const/BR	Const/sq ft ⁴	Soft/unit	Soft/BR	Soft/sq ft ⁶	Gross TDC/unit	Gross TDC/BR	Gross TDC/sq ft ⁶	Subsidy / unit	Leveraging ⁷																
95 Laguna Senior	May-19	83,443	61,122	350	\$ 421,052	\$ 405,647	\$ 458	\$ 143,592	\$ 138,338	\$ 169	\$ 628,057	\$ 605,108	\$ 739	\$ 288,785	57.2%																
Paterson Block X (Vertical)	Sep-19	288	149	1	\$ 854,082	\$ 442,402	\$ 532	\$ 177,309	\$ 91,843	\$ 111	\$ 1,031,678	\$ 534,394	\$ 643	\$ 245,377	76.2%																
Parcel O	Jun-19	-	-	-	\$ 539,699	\$ 353,257	\$ 515	\$ 92,538	\$ 60,570	\$ 211	\$ 617,118	\$ 403,932	\$ 589	\$ 160,271	74.0%																
1296 Showell Sr	Jan-20	8,841	8,841	71	\$ 489,665	\$ 489,665	\$ 695	\$ 84,173	\$ 84,173	\$ 420	\$ 582,683	\$ 582,683	\$ 828	\$ 295,872	49.2%																
Completed Projects:							Average:	24,191	23,371	141	\$ 576,125	\$ 422,744	\$ 560	\$ 124,403	\$ 93,731	\$ 228	\$ 714,891	\$ 531,529	\$ 700	\$ 242,666	64%										
PROJECTS UNDER CONSTRUCTION							Acquisition			Construction			Soft Costs			Total Development Cost (Incl. Land)			Subsidy												
Project Name	Compl. Date	Acq/unit	Acq/BR	Acq/lot sq ft	Const/unit	Const/BR	Const/sq ft ⁴	Soft/unit	Soft/BR	Soft/sq ft ⁶	Gross TDC/unit	Gross TDC/BR	Gross TDC/sq ft ⁶	Subsidy / unit	Leveraging ⁷																
735 Davis Senior Housing	Nov-20	-	-	-	\$ 548,107	\$ 537,967	\$ 613	\$ 223,517	\$ 219,378	\$ 260	\$ 771,624	\$ 757,334	\$ 963	\$ 349,548	54.7%																
Macao May	Feb-22	143	109	0	\$ 543,955	\$ 413,870	\$ 540	\$ 192,340	\$ 123,620	\$ 164	\$ 706,438	\$ 537,507	\$ 714	\$ 230,714	67.3%																
1064 Mission Street	Dec-21	0	0	0	\$ 412,508	\$ 412,508	\$ 674	\$ 145,572	\$ 145,572	\$ 238	\$ 558,080	\$ 558,080	\$ 912	\$ 180,769	67.6%																
Mission Bay S. Block 9	Jan-20	-	-	-	\$ 415,828	\$ 415,828	\$ 591	\$ 110,629	\$ 110,629	\$ 157	\$ 526,457	\$ 526,457	\$ 749	\$ 163,660	68.9%																
Casa de la Mision	Apr-21	71,667	71,667	480	\$ 378,864	\$ 378,864	\$ 616	\$ 9,463	\$ 9,463	\$ 15	\$ 460,014	\$ 460,014	\$ 748	\$ 29,193	93.7%																
53 Colton	Jun-22	1,789	1,789	22	\$ 363,496	\$ 363,496	\$ 727	\$ 174,180	\$ 174,180	\$ 349	\$ 539,465	\$ 539,465	\$ 1,080	\$ 28,646	94.7%																
Under Construction:							Average:	24,533	24,521	168	\$ 443,796	\$ 420,425	\$ 628	\$ 137,617	\$ 130,457	\$ 196	\$ 593,680	\$ 583,143	\$ 844	\$ 163,755	74%										
PROJECTS IN PREDEVELOPMENT							Acquisition			Construction			Soft Costs			Total Development Cost (Incl. Land)			Subsidy												
Project Name	Start Date (anticipated)	Acq/unit	Acq/BR	Acq/lot sq ft	Const/unit	Const/BR	Const/sq ft ⁴	Soft/unit	Soft/BR	Soft/sq ft ⁶	Gross TDC/unit	Gross TDC/BR	Gross TDC/sq ft ⁶	Subsidy / unit	Leveraging ⁷																
4th and Folsom	Dec-21	1,901	1,344	16	\$ 714,032	\$ 504,871	\$ 805	\$ 199,192	\$ 140,843	\$ 225	\$ 915,125	\$ 647,058	\$ 1,032	\$ 223,283	75.6%																
Parcel U	Jun-21	391	391	4	\$ 539,412	\$ 539,412	\$ 713	\$ 296,877	\$ 296,877	\$ 392	\$ 836,680	\$ 836,680	\$ 1,108	\$ 353,797	57.7%																
600 7th Street	Apr-22	50	34	0	\$ 536,540	\$ 370,025	\$ 576	\$ 215,413	\$ 148,560	\$ 231	\$ 752,003	\$ 516,623	\$ 807	\$ 222,751	70.4%																
180 Jones Street	Sep-21	1,429	1,429	21	\$ 519,040	\$ 519,040	\$ 920	\$ 251,089	\$ 251,089	\$ 446	\$ 770,559	\$ 770,559	\$ 1,368	\$ 217,143	71.9%																
53 Colton	Dec-20	1,789	1,789	22	\$ 363,496	\$ 363,496	\$ 727	\$ 174,180	\$ 174,180	\$ 349	\$ 539,465	\$ 539,465	\$ 1,080	\$ 28,646	94.7%																
4200 Geary	Feb-22	107,143	107,143	627	\$ 620,888	\$ 620,888	\$ 711	\$ 200,461	\$ 200,461	\$ 230	\$ 928,491	\$ 928,491	\$ 1,064	\$ 359,711	61.3%																
In Predevelopment							Average:	18,784	18,688	115	\$ 548,735	\$ 486,122	\$ 742	\$ 222,869	\$ 202,002	\$ 312	\$ 790,387	\$ 706,812	\$ 1,076	\$ 234,222	72%										
All Projects:		AVERAGE	22,502	22,193	141	\$ 522,885	\$ 443,097	\$ 643	\$ 161,629	\$ 142,063	\$ 245	\$ 699,653	\$ 600,495	\$ 873	\$ 213,548	70.2%															

Attachment H: Sources and Uses

Application Date: 9/17/2020 # Units: 200
 Project Name: Laguna Honda Senior # Bedrooms: 202
 Project Address: 375 Laguna Honda Blvd # Beds:
 Project Sponsor: Mercy Housing California
 Don't forget to fill in D135:D138! LOSP Project

SOURCES	600,000	2,400,000	-	-	-	-	Total Sources	3,000,000	Comments
Name of Sources:	MOHCD/OCII	MOHCD phase II							

USE:

ACQUISITION									
Acquisition cost or value									0
Legal / Closing costs / Broker's Fee									0
Holding Costs									0
Transfer Tax									0
TOTAL ACQUISITION	0	0	0	0	0	0	0	0	0

CONSTRUCTION (HARD COSTS)

Unit Construction/Rehab									0	Include FF&E
Commercial Shell Construction									0	
Demolition									0	
Environmental Remediation									0	
Onsite Improvements/Landscaping									0	
Offsite Improvements									0	
Infrastructure Improvements									0	HOPE SF/OCII costs for streets etc.
Parking									0	
GC Bond Premium/GC Insurance/GC Taxes									0	
GC Overhead & Profit									0	
CG General Conditions									0	
<i>Sub-total Construction Costs</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	
Design Contingency (remove at DD)									0	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Bid Contingency (remove at bid)									0	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Plan Check Contingency (remove/reduce during Plan Review)									0	4% up to \$30MM HC, 3% \$30-\$45MM, 2% \$45MM+
Hard Cost Construction Contingency									0	5% new construction / 15% rehab
<i>Sub-total Construction Contingencies</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	
TOTAL CONSTRUCTION COSTS	0	0	0	0	0	0	0	0	0	

Construction line item costs as a % of hard costs

SOFT COSTS

Architecture & Design

Architect design fees	127,000	963,000							1,090,000	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)	75,000	586,250							661,250	
Architect Construction Admin									0	
Reimbursables	5,000	5,000							10,000	
Additional Services									0	
<i>Sub-total Architect Contract</i>	<i>207,000</i>	<i>1,554,250</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,761,250</i>	
Other Third Party design consultants (not included under Architect contract)									0	Consultants not covered under architect contract; name consultant type and contract amount.
Total Architecture & Design	207,000	1,554,250	0	0	0	0	0	0	1,761,250	

Engineering & Environmental Studies

Survey	35,285	8,644							43,929	
Geotechnical studies	20,500	35,000							55,500	
Phase I & II Reports	35,500	8,500							44,000	
CEQA / Environmental Review consultants	20,000	20,000							40,000	
NEPA / 106 Review									0	
CNA/PNA (rehab only)									0	
Other environmental consultants									0	Name consultants & contract amounts
Total Engineering & Environmental Studies	111,285	72,144	0	0	0	0	0	0	183,429	

Financing Costs

Construction Financing Costs										
Construction Loan Origination Fee									0	
Construction Loan Interest									0	
Title & Recording									0	
CDLAC & CDIAC fees									0	
Bond Issuer Fees									0	
Other Bond Cost of Issuance									0	
Other Lender Costs: predevelopment loan interest and fee									0	
<i>Sub-total Const. Financing Costs</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	
Permanent Financing Costs										
Permanent Loan Origination Fee									0	
Credit Enhance. & Appl. Fee									0	
Title & Recording									0	
<i>Sub-total Perm. Financing Costs</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	
Total Financing Costs	0	0	0	0	0	0	0	0	0	

Legal Costs

Borrower Legal fees									0	
Land Use / CEQA Attorney fees	10,000	10,000							20,000	
Tax Credit Counsel									0	
Bond Counsel									0	
Construction Lender Counsel									0	
Permanent Lender Counsel									0	
Other Legal: Assisted Living Counsel	10,000								10,000	
Total Legal Costs	20,000	10,000	0	0	0	0	0	0	30,000	

Other Development Costs

Appraisal									0	
Market Study	15,000	8,000							23,000	
Insurance									0	
Property Taxes									0	
Accounting / Audit									0	
Organizational Costs									0	
Entitlement / Permit Fees	5,000	100,000							105,000	
Marketing / Rent-up									0	
Furnishings									0	\$2,000/unit. See MOHCD UAW Guidelines: http://sfmohcd.org/documents-reports-and-forms
PGE / Utility Fees		100,000							100,000	
TCAC App / Alloc / Monitor Fees		50,000							50,000	
Financial Consultant fees	5,000	20,000							25,000	
Construction Management fees / Owner's Rep	20,000	40,000							60,000	
Security during Construction									0	
Relocation									0	
Other: Assisted Living Services Planning	66,000								66,000	
Other (specify)									0	
Other (specify)									0	
Total Other Development Costs	111,000	318,000	0	0	0	0	0	0	429,000	

Total Soft Cost Contingency as % of Total Soft Costs 10.2%

Soft Cost Contingency

Contingency (Arch, Eng, Fin, Legal & Other Dev)	50,715	195,606							246,321	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	500,000	2,150,000	0	0	0	0	0	0	2,650,000	

RESERVES

Operating Reserves									0	
Replacement Reserves									0	
Tenant Improvements Reserves									0	
Other (specify)									0	
Other (specify)									0	
Other (specify)									0	
TOTAL RESERVES	0	0	0	0	0	0	0	0	0	

DEVELOPER COSTS

Developer Fee - Cash-out Paid at Milestones	100,000	250,000							350,000	
Developer Fee - Cash-out At Risk									0	
Commercial Developer Fee									0	
Developer Fee - GP Equity (also show as source)									0	
Developer Fee - Deferred (also show as source)									0	
Development Consultant Fees									0	Need MOHCD approval for this cost, N/A for most projects
Other (specify)									0	
TOTAL DEVELOPER COSTS	100,000	250,000	0	0	0	0	0	0	350,000	

TOTAL DEVELOPMENT COST

Development Cost/Unit by Source	600,000	2,400,000	0	0	0	0	0	0	3,000,000	
Development Cost/Unit as % of TDC by Source	3,000	12,000	0	0	0	0	0	0	15,000	
	20.0%	80.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	

Acquisition Cost/Unit by Source

	0	0	0	0	0	0	0	0	0	
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Construction Cost (inc Const Contingency)/Unit By Source

	0	0	0	0	0	0	0	0	0	
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Construction Cost (inc Const Contingency)/SF

	0	0	0	0	0	0	0	0	0	
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*Possible non-eligible GO Bond/COP Amount:

City Subsidy/Unit	5,000	3,000								
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Tax Credit Equity Pricing:

Construction Bond Amount:										Fill in with value or 'N/A' if not applicable.
Construction Loan Term (in months):										Fill in with value or 'N/A' if not applicable.
Construction Loan Interest Rate (as %):										Fill in with value or 'N/A' if not applicable.

Attachment I: Development Budget

Application Date: 9/17/2020 # Units: 200
 Project Name: Laguna Honda Senior # Bedrooms: 202
 Project Address: 375 Laguna Honda Blvd # Beds:
 Project Sponsor: Mercy Housing California
 Don't forget to fill in D135:D138! LOSP Project

SOURCES	Total Sources							Comments
	47,257,441	7,500,000	20,000,000	1,200,000	3,000,000	39,000,000	-	
Name of Sources:	MOHCD/OCII	HCD - IIG	HCD - MHP Loan	FHLB - AHP Loan	GP Equity	LP Equity	IIG - Sponsor Loan	Willing to add perm debt and higher AMIs if City deems appropriate.

USE:

ACQUISITION

Acquisition cost or value								0
Legal / Closing costs / Broker's Fee	15,000							15,000
Holding Costs								0
Transfer Tax								0
TOTAL ACQUISITION	15,000	0	0	0	0	0	0	15,000

CONSTRUCTION (HARD COSTS)

Unit Construction/Rehab	17,300,000	7,500,000	20,000,000	1,200,000	0	39,000,000	0	85,000,000	\$425k x 200 units
Commercial Shell Construction								0	
Demolition								0	
Environmental Remediation								0	
Onsite Improvements/Landscaping								0	
Offsite Improvements								0	
Infrastructure Improvements								0	incl in hard cost
Parking								0	
GC Bond Premium/GC Insurance/GC Taxes								0	0.0%
GC Overhead & Profit								0	0.0%
CG General Conditions								0	0.0%
<i>Sub-total Construction Costs</i>	<i>17,300,000</i>	<i>7,500,000</i>	<i>20,000,000</i>	<i>1,200,000</i>	<i>0</i>	<i>39,000,000</i>	<i>0</i>	<i>85,000,000</i>	
Design Contingency (remove at DD)	4,250,000							4,250,000	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Bid Contingency (remove at bid)	4,250,000							4,250,000	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Plan Check Contingency (remove/reduce during Plan Rev)	0							0	4% up to \$30MM HC, 3% \$30-\$45MM, 2% \$45MM+
Hard Cost Construction Contingency	4,250,000							4,250,000	5% new construction / 15% rehab
<i>Sub-total Construction Contingencies</i>	<i>12,750,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>12,750,000</i>	
TOTAL CONSTRUCTION COSTS	30,050,000	7,500,000	20,000,000	1,200,000	0	39,000,000	0	97,750,000	

Construction line item costs as a % of hard costs
 0.0%
 0.0%
 0.0%

SOFT COSTS

Architecture & Design

Architect design fees	3,187,500							3,187,500	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)								0	
Architect Construction Admin								0	
Reimbursables	50,000							50,000	
Additional Services								0	
<i>Sub-total Architect Contract</i>	<i>3,237,500</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>3,237,500</i>	
Other Third Party design consultants (not included under Architect contract)	318,750							318,750	Consultants not covered under architect contract; name consultant type and contract amount
Total Architecture & Design	3,556,250	0	0	0	0	0	0	3,556,250	

Engineering & Environmental Studies

Survey	30,000							30,000	
Geotechnical studies	150,000							150,000	
Phase I & II Reports	30,000							30,000	
CEQA / Environmental Review consultants								0	
NEPA / 106 Review	40,000							40,000	
CNA/PNA (rehab only)								0	
Other environmental consultants								0	Name consultants & contract amounts
Total Engineering & Environmental Studies	250,000	0	0	0	0	0	0	250,000	

Financing Costs

Construction Financing Costs									
Construction Loan Origination Fee	200,000							200,000	
Construction Loan Interest	3,630,000							3,630,000	
Title & Recording	50,000							50,000	
CDLAC & CD/AC fees								0	
Bond Issuer Fees	780,000							780,000	
Other Bond Cost of Issuance								0	Includes Trustee Fee
COI Contingency								0	
<i>Sub-total Const. Financing Costs</i>	<i>4,660,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>4,660,000</i>	
Permanent Financing Costs									
Permanent Loan Origination Fee	300,000							300,000	
Credit Enhance. & Appl. Fee								0	
Title & Recording	18,000							18,000	
<i>Sub-total Perm. Financing Costs</i>	<i>318,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>318,000</i>	
Total Financing Costs	4,978,000	0	0	0	0	0	0	4,978,000	

Legal Costs

Borrower Legal fees	67,250							67,250	
Land Use / CEQA Attorney fees								0	
Tax Credit Counsel	35,000							35,000	Includes Syndicator due diligence
Bond Counsel	87,500							87,500	
Construction Lender Counsel	75,000							75,000	
Permanent Lender Counsel								0	Included above
OCII Counsel & Financial Advisor	65,000							65,000	
Total Legal Costs	329,750	0	0	0	0	0	0	329,750	

Other Development Costs

Appraisal	15,000							15,000	
Market Study	7,500							7,500	
Insurance	725,000							725,000	
Property Taxes								0	
Accounting / Audit	45,000							45,000	
Organizational Costs								0	
Entitlement / Permit Fees	1,700,000							1,700,000	
Marketing / Rent-up	385,000							385,000	
Furnishings	400,000							400,000	\$2,000/unit; See MOHCD U/W Guidelines on: http://sfmohcd.org/documents-reports-and-forms
PGE / Utility Fees	375,000							375,000	
TCAC App / Alloc / Monitor Fees	156,000							156,000	
Financial Consultant fees	65,000							65,000	
Construction Management fees / Owner's Rep	150,000							150,000	
Security during Construction								0	
Relocation								0	
								0	
								0	
Total Other Development Costs	4,023,500	0	0	0	0	0	0	4,023,500	

Total Soft Cost Contingency as % of Total Soft Costs
 10.0%

Soft Cost Contingency

Contingency (Arch, Eng, Fin, Legal & Other Dev)	1,313,750	0	0	0	0	0	0	1,313,750	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	14,451,250	0	0	0	0	0	0	14,451,250	

RESERVES

Operating Reserves	541,191							541,191	
Replacement Reserves								0	
Tenant Improvements Reserves								0	
Other (specify)								0	
Other (specify)								0	
Other (specify)								0	
TOTAL RESERVES	541,191	0	0	0	0	0	0	541,191	

DEVELOPER COSTS

Developer Fee - Cash-out Paid at Milestones	1,100,000							1,100,000	
Developer Fee - Cash-out At Risk	1,100,000							1,100,000	
Commercial Developer Fee								0	
Developer Fee - GP Equity (also show as source)					3,000,000			3,000,000	
Developer Fee - Deferred (also show as source)								0	
Development Consultant Fees								0	Need MOHCD approval for this cost, N/A for most projects
Other (specify)								0	
TOTAL DEVELOPER COSTS	2,200,000	0	0	0	3,000,000	0	0	5,200,000	

TOTAL DEVELOPMENT COST

Development Cost/Unit by Source	47,257,441	7,500,000	20,000,000	1,200,000	3,000,000	39,000,000	0	117,957,441	
Development Cost/Unit as % of TDC by Source	236,287	37,500	100,000	6,000	15,000	195,000	0	589,787	
	40.1%	6.4%	17.0%	1.0%	2.5%	33.1%	0.0%	100.0%	

Acquisition Cost/Unit by Source

	0	0	0	0	0	0	0	0	
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Construction Cost (inc Const Contingency)/Unit By Source

	150,250	37,500	100,000	6,000	0	195,000	0	488,750	
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*Possible non-eligible GO Bond/COP Amount:

City Subsidy/Unit	19,416,191							19,416,191	
	236,287							236,287	

Tax Credit Equity Pricing:

Construction Bond Amount:	0.950							0.950	Fill in with value or 'N/A' if not applicable.
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Construction Loan Term (in months):

	34 months							34 months	Fill in with value or 'N/A' if not applicable.
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Construction Loan Interest Rate (as %):

									Fill in with value or 'N/A' if not applicable.
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Attachment J: 1st Year Operating Budget

Application Date:	9/17/2020	Non-LOSP Units		Project Name:	Laguna Honda Senior
Total # Units:	200	LOSP Units	39.6	Non-LOSP Units	160
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations):	2024	LOSP/non-LOSP Allocation		Project Address:	375 Laguna Honda Blvd
		20%	80%	Project Sponsor:	Mercy Housing California
					Correct errors noted in Col N!
INCOME		LOSP	non-LOSP	Total	Comments
Residential - Tenant Rents	144,000	2,297,952	2,441,952	Links from 'New Proj - Rent & Unit Mix' Worksheet	
Residential - Tenant Assistance Payments (Non-LOSP)	0	0	0	Links from 'New Proj - Rent & Unit Mix' Worksheet	
Residential - LOSP Tenant Assistance Payments	284,942		284,942	Used \$300/unit Tenant portion, per RFP	
Commercial Spaces	0	0	0	Master Lease to cover commercial expenses	
Residential Parking	0	0	0	Links from 'Utilities & Other Income' Worksheet	
Miscellaneous Rent Income	0	0	0	Links from 'Utilities & Other Income' Worksheet	
Supportive Services Income	0	0	0	Assuming separate HSH contract for LOSP Case Mgmt	
Interest Income - Project Operations	0	0	0	Links from 'Utilities & Other Income' Worksheet	
Laundry and Vending	1,989	7,956	9,945	Links from 'Utilities & Other Income' Worksheet	
Tenant Charges	0	0	0	Links from 'Utilities & Other Income' Worksheet	
Miscellaneous Residential Income	0	0	0	Links from 'Utilities & Other Income' Worksheet	
Other Commercial Income	0	0	0	Links from 'Commercial Op. Budget' Worksheet	
Withdrawal from Capitalized Reserve (deposit to operating account)	0	0	0		
Gross Potential Income	430,931	2,305,908	2,736,839		
Vacancy Loss - Residential - Tenant Rents	7,200	(114,898)	(122,098)	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	
EFFECTIVE GROSS INCOME	438,131	2,191,010	2,614,741	PUPA: 13,074	
OPERATING EXPENSES					
Management					
Management Fee	34,560	138,240	172,800	1st Year to be set according to HUD schedule.	
Asset Management Fee	5,885	23,540	29,425	MAX HCD GP Fee out of cash flow (2020) is: \$34,425 less \$5,000 LP AM FEE = \$29,425	
Sub-total Management Expenses	40,445	161,780	202,225	PUPA: 1,011	
Salaries/Benefits					
Office Salaries	70,896	283,584	354,480	Includes after hours front desk/security staffing	
Manager's Salary	16,400	65,600	82,000		
Health Insurance and Other Benefits	41,833	167,334	209,167		
Other Salaries/Benefits	1,700	6,800	8,500		
Administrative Rent-Free Unit	0	0	0		
Sub-total Salaries/Benefits	130,829	523,318	654,147	PUPA: 3,271	
Administration					
Advertising and Marketing	1,200	4,800	6,000		
Office Expenses	10,160	40,640	50,800		
Office Rent	0	0	0		
Legal Expense - Property	2,520	10,080	12,600		
Audit Expense	2,250	9,000	11,250		
Bookkeeping/Accounting Services	4,560	18,240	22,800	\$9.50 PUPM	
Bad Debts	0	0	0		
Miscellaneous	2,785	11,138	13,923		
Sub-total Administration Expenses	23,475	93,898	117,373	PUPA: 587	
Utilities					
Electricity	23,199	92,794	115,993		
Water	16,000	64,000	80,000		
Gas	0	0	0		
Sewer	24,677	98,708	123,385		
Sub-total Utilities	63,876	255,502	319,378	PUPA: 1,597	
Taxes and Licenses					
Real Estate Taxes	400	1,600	2,000		
Payroll Taxes	0	0	0	7.65% of total payroll	
Miscellaneous Taxes, Licenses and Permits	0	0	0	local fees	
Sub-total Taxes and Licenses	400	1,600	2,000	PUPA: 10	
Insurance					
Property and Liability Insurance	42,000	168,000	210,000		
Fidelity Bond Insurance	0	0	0		
Worker's Compensation	0	0	0		
Director's & Officers' Liability Insurance	0	0	0		
Sub-total Insurance	42,000	168,000	210,000	PUPA: 1,050	
Maintenance & Repair					
Payroll	44,374	177,494	221,868		
Supplies	5,928	23,712	29,640		
Contracts	19,115	76,458	95,573		
Garbage and Trash Removal	14,112	56,448	70,560		
Security Payroll/Contract	7,000	28,000	35,000		
HVAC Repairs and Maintenance	1,400	5,600	7,000		
Vehicle and Maintenance Equipment Operation and Repairs	0	0	0		
Miscellaneous Operating and Maintenance Expenses	0	0	0		
Sub-total Maintenance & Repair Expenses	91,928	367,713	459,641	PUPA: 2,298	
Supportive Services	0	200,000	200,000	1.0 FTE RSC + fringe+10% supervision+15%admin, per HCD regs. Remaining-HSH	
Commercial Expenses	0	0	0	Links from 'Commercial Op. Budget' Worksheet	
TOTAL OPERATING EXPENSES	392,953	1,771,811	2,164,764	PUPA: 10,824	
Reserves/Ground Lease Base Rent/Bond Fees					
Ground Lease Base Rent	3,000	12,000	15,000	Ground lease with MOHCD Provide additional comments here, if needed.	
Bond Monitoring Fee	0	0	0		
Replacement Reserve Deposit	20,000	80,000	100,000	\$500/unit/yr	
Operating Reserve Deposit	0	0	0		
Other Required Reserve 1 Deposit	0	0	0		
Other Required Reserve 2 Deposit	0	0	0		
Required Reserve Deposits, Commercial	0	0	0	Links from 'Commercial Op. Budget' Worksheet	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	23,000	92,000	115,000	PUPA: 575	
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	415,953	1,863,811	2,279,764	PUPA: 11,399	
NET OPERATING INCOME (INCOME minus OP EXPENSES)	22,178	327,199	334,977	PUPA: 1,675	
				Term (Years): 30 Supportable 1st Mortgage Pmt: 307,319 Supportable 1st Mortgage Amt: \$4,770,649 Proposed 1st Mortgage Amt: \$32,498,184	
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)					
Hard Debt - First Lender	0	0	0	Willing to add perm debt/higher AMI units if necessary	
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Len	16,800	67,200	84,000	HCD - MHP Loan Provide additional comments here, if needed.	
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	0	0	Provide additional comments here, if needed.	
Hard Debt - Fourth Lender	0	0	0	Provide additional comments here, if needed.	
Commercial Hard Debt Service	0	0	0	Links from 'Commercial Op. Budget' Worksheet	
TOTAL HARD DEBT SERVICE	16,800	67,200	84,000	PUPA: 420	
CASH FLOW (NOI minus DEBT SERVICE)	5,378	259,999	250,977		
Commercial Only Cash Flow	0	0	0		
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)	0	0	0		
AVAILABLE CASH FLOW	5,378	259,999	250,977		
USES OF CASH FLOW BELOW (This row also shows DSCR.)					
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL					
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	0	0	0		
Partnership Management Fee (see policy for limits)	4,378	17,512	21,890		
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	1,000	4,000	5,000		
Other Payments	0	0	0		
Non-amortizing Loan Pmt - Lender 1 (select lender in comments field)	0	0	0	Provide additional comments here, if needed.	
Non-amortizing Loan Pmt - 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 1130)	0	0	0	Def. Develop. Fee split 0%	
TOTAL PAYMENTS PRECEDING MOHCD	5,378	21,512	26,890	PUPA: 134	
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	0	238,487	224,087		
Residual Receipts Calculation					
Does Project have a MOHCD Residual Receipt Obligation?		Yes	Project has MOHCD ground lease?	Yes	
Will Project Defor Developer Fee?		No			
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:		33%			
% of Residual Receipts available for distribution to soft debt lenders in		67%			
Soft Debt Lenders with Residual Receipts Obligations					
		(Select lender name/program from drop down)	Total Principal Amt	Distrib. of Soft Debt Loans	
MOHCD/OCII - Soft Debt Loans		All MOHCD/OCII values payable from res. rects	\$29,184,178	59.16%	
MOHCD/OCII - Ground Lease Value or Land Acq Cost		Ground Lease Value	\$150,000	0.30%	
HCD (soft debt loan) - Lender 3		HCD - MHP Loan	\$20,000,000	40.54%	
Other Soft Debt Lender - Lender 4				0.00%	
Other Soft Debt Lender - Lender 5				0.00%	
MOHCD RESIDUAL RECEIPTS DEBT SERVICE					
MOHCD Residual Receipts Amount Due	88,828	88,828	67% of residual receipts, multiplied by 59.46% - MOHCD's pro rata share of all soft debt		
Proposed MOHCD Residual Receipts Amount to Loan Repayment	88,828	88,828	Enter/override amount of residual receipts proposed for loan repayment.		
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repaymt.		
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE			135,259		
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE					
HCD Residual Receipts Amount Due	60,563	67% of residual receipts, multiplied by 40.54% - HCD - MHP Loan's pro rata share of all soft d			
Lender 4 Residual Receipts Due	0				
Lender 5 Residual Receipts Due	0				
Total Non-MOHCD Residual Receipts Debt Service			60,563		
REMAINDER (Should be zero unless there are distributions below)			74,696		
Owner Distributions/Incentive Management Fee	74,696	100% of Borrower share of 33% of residual receipts			
Other Distributions/Uses	0				
Final Balance (should be zero)			0		

Attachment K: 20-year Operating Proforma

Laguna Honda Senior

INCOME	Total # Units: 200	LOSP Units		Non-LOSP Units		Year 1 2024			Year 2 2025			Year 3 2026		
		20.00%	80.00%	20.00%	80.00%	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
		% annual inc LOSP	% annual inc LOSP	Comments (related to annual inc assumptions)			LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP
Residential - Tenant Rents		1.0%	2.5%			144,000	2,297,952	2,441,952	145,440	2,355,401	2,500,841	146,894	2,414,296	2,561,180
Residential - Tenant Assistance Payments (Non-LOSP)		n/a	n/a			-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments		n/a	n/a			284,942	-	284,942	306,299	-	306,299	319,101	-	319,101
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%			1,989	7,956	9,945	2,039	8,155	10,194	2,090	8,359	10,448
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			-	-	-	-	-	-	-	-	-
Gross Potential Income						430,931	2,305,908	2,736,839	453,778	2,363,556	2,817,334	468,086	2,422,645	2,890,730
Vacancy Loss - Residential - Tenant Rents		n/a	n/a			7,200	(114,896)	(122,098)	(7,272)	(117,770)	(125,042)	(7,345)	(120,714)	(128,059)
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a			-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial		n/a	n/a			-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME						438,131	2,191,010	2,614,741	446,506	2,245,786	2,692,292	460,741	2,301,930	2,762,671
OPERATING EXPENSES														
Management														
Management Fee		3.5%	3.5%			34,560	138,240	172,800	35,770	143,076	178,848	37,022	148,096	185,108
Asset Management Fee		3.5%	3.5%			5,885	23,540	29,425	6,091	24,364	30,455	6,304	25,217	31,521
Sub-total Management Expenses						40,445	161,780	202,225	41,861	167,442	209,303	43,326	173,303	216,628
Salaries/Benefits														
Office Salaries		3.5%	3.5%			70,896	283,584	354,480	73,377	293,509	366,887	75,946	303,792	379,728
Manager's Salary		3.5%	3.5%			16,400	65,600	82,000	16,974	67,896	84,870	17,568	70,272	87,840
Health Insurance and Other Benefits		3.5%	3.5%			41,833	167,334	209,167	43,298	173,190	216,488	44,813	179,252	224,065
Other Salaries/Benefits		3.5%	3.5%			1,700	6,800	8,500	1,760	7,038	8,798	1,821	7,284	9,105
Administrative Rent-Free Unit		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits						130,829	523,318	654,147	135,408	541,634	677,042	140,148	560,591	700,739
Administration														
Advertising and Marketing		3.5%	3.5%			1,200	4,800	6,000	1,242	4,968	6,210	1,285	5,142	6,427
Office Expenses		3.5%	3.5%			10,160	40,640	50,800	10,516	42,062	52,578	10,894	43,535	54,418
Office Rent		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Legal Expense - Property		3.5%	3.5%			2,820	10,080	12,900	2,608	10,433	13,041	2,689	10,798	13,497
Audit Expense		3.5%	3.5%			2,250	9,000	11,250	2,329	9,315	11,644	2,410	9,641	12,051
Bookkeeping/Accounting Services		3.5%	3.5%			4,560	18,240	22,800	4,720	18,878	23,598	4,885	19,539	24,424
Bad Debts		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Miscellaneous		3.5%	3.5%			2,785	11,138	13,923	2,882	11,528	14,410	2,983	11,932	14,915
Sub-total Administration Expenses						23,475	93,898	117,373	24,296	97,185	121,481	25,147	100,586	125,733
Utilities														
Electricity		3.5%	3.5%			23,199	92,794	115,993	24,011	96,042	120,053	24,851	99,404	124,255
Water		3.5%	3.5%			16,000	64,000	80,000	16,560	66,240	82,800	17,140	68,568	85,698
Gas		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Sewer		3.5%	3.5%			24,877	98,708	123,585	25,541	102,163	127,703	26,435	105,738	132,173
Sub-total Utilities						63,876	255,502	319,378	66,111	264,445	330,556	68,425	273,701	342,126
Taxes and Licenses														
Real Estate Taxes		3.5%	3.5%			400	1,600	2,000	414	1,656	2,070	428	1,714	2,142
Payroll Taxes		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Miscellaneous Taxes, Licenses and Permits		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Sub-total Taxes and Licenses						400	1,600	2,000	414	1,656	2,070	428	1,714	2,142
Insurance														
Property and Liability Insurance		3.5%	3.5%			42,000	168,000	210,000	43,470	173,880	217,350	44,991	179,966	224,957
Fidelity Bond Insurance		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Worker's Compensation		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Sub-total Insurance						42,000	168,000	210,000	43,470	173,880	217,350	44,991	179,966	224,957
Maintenance & Repair														
Payroll		3.5%	3.5%			44,374	177,494	221,868	45,927	183,707	229,633	47,534	190,136	237,671
Supplies		3.5%	3.5%			5,928	23,712	29,640	6,135	24,542	30,677	6,350	25,401	31,751
Contracts		3.5%	3.5%			19,115	76,458	95,573	19,784	79,134	98,918	20,476	81,904	102,380
Garbage and Trash Removal		3.5%	3.5%			14,112	56,448	70,560	14,606	58,424	73,030	15,117	60,469	75,586
Security Payroll/Contract		3.5%	3.5%			7,000	28,000	35,000	7,245	28,980	36,225	7,489	29,994	37,493
HVAC Repairs and Maintenance		3.5%	3.5%			1,400	5,600	7,000	1,449	5,796	7,245	1,500	5,989	7,489
Vehicle and Maintenance Equipment Operation and Repairs		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses						91,828	367,713	459,641	95,146	380,583	475,728	98,476	393,903	492,379
Supportive Services		3.5%	3.5%			-	200,000	200,000	-	207,000	207,000	-	214,245	214,245
Commercial Expenses						-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES						392,953	1,771,811	2,164,764	406,706	1,833,825	2,240,531	420,941	1,898,008	2,318,949
RESERVES/GROUND LEASE BASE RENT/BOND FEES														
PUPA (w/o Reserves/GL Base Rent/Bond Fees)														
Ground Lease Base Rent						3,000	12,000	15,000	3,000	12,000	15,000	3,000	12,000	15,000
Bond Monitoring Fee						-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit						20,000	80,000	100,000	20,000	80,000	100,000	20,000	80,000	100,000
Operating Reserve Deposit						-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit						-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit						-	-	-	-	-	-	-	-	-
Required Reserve Deposits, Commercial						-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees						23,000	92,000	115,000	23,000	92,000	115,000	23,000	92,000	115,000
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)						415,953	1,863,811	2,279,764	429,706	1,925,825	2,355,531	443,941	1,990,008	2,433,949
PUPA (w/ Reserves/GL Base Rent/Bond Fees)														
NET OPERATING INCOME (INCOME minus OP EXPENSES)						22,178	327,199	334,977	16,800	319,961	336,761	16,800	311,922	328,722
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)														
Hard Debt - First Lender						-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pmt, or other 2nd Lender)						16,800	67,200	84,000	16,800	67,200	84,000	16,800	67,200	84,000
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)						-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender						-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service						-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE						16,800	67,200	84,000	16,800	67,200	84,000	16,800	67,200	84,000
CASH FLOW (NOI minus DEBT SERVICE)						5,378	259,999	250,977	-	252,761	252,761	-	244,722	244,722
Commercial Only Cash Flow														
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)						-	-	-	-	-	-	-	-	-
AVAILABLE CASH FLOW						5,378	259,999	250,977	-	252,761	252,761	-	244,722	244,722
USES OF CASH FLOW BELOW (This row also shows														

Laguna Honda Senior

INCOME	Total # Units:	LOSP Units		Non-LOSP Units		Year 4 2027			Year 5 2028			Year 6 2029		
		200	39.6	160	20.00%	80.00%	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP
		% annual inc	% annual inc	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP
Residential - Tenant Rents		1.0%	2.5%			148,383	2,474,643	2,623,026	149,847	2,536,509	2,686,356	151,345	2,599,922	
Residential - Tenant Assistance Payments (Non-LOSP)		n/a	n/a			-	-	-	-	-	-	-	-	
Residential - LOSP Tenant Assistance Payments		n/a	n/a			332,387	-	332,387	346,172	-	346,172	360,476	-	
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%			2,142	8,568	10,710	2,195	8,782	10,977	2,250	9,001	
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		-	-	-	-	-	-	-	-	
Gross Potential Income						482,892	2,483,211	2,966,103	498,215	2,545,291	3,043,506	514,072	2,608,923	
Vacancy Loss - Residential - Tenant Rents		n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate		(7,418)	(123,732)	(131,150)	(7,492)	(126,825)	(134,318)	(7,567)	(129,996)	
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a			-	-	-	-	-	-	-	-	
Vacancy Loss - Commercial		n/a	n/a			-	-	-	-	-	-	-	-	
EFFECTIVE GROSS INCOME						475,474	2,359,479	2,834,952	490,722	2,418,466	2,909,188	506,505	2,478,927	
OPERATING EXPENSES														
Management														
Management Fee		3.5%	3.5%	1st Year to be set according to HUD schedule.		38,317	153,269	191,586	39,658	158,634	198,292	41,046	164,186	
Asset Management Fee		3.5%	3.5%	per MOHCD policy		6,525	26,099	32,624	6,753	27,013	33,766	6,990	27,958	
Sub-total Management Expenses						44,842	179,368	224,210	46,412	185,646	232,058	48,036	192,144	
Salaries/Benefits														
Office Salaries		3.5%	3.5%			78,604	314,415	393,018	81,355	325,419	406,774	84,202	336,809	
Manager's Salary		3.5%	3.5%			18,183	72,732	90,915	18,819	75,278	94,097	19,478	77,912	
Health Insurance and Other Benefits		3.5%	3.5%			46,381	185,526	231,907	48,005	192,019	240,024	49,685	198,740	
Other Salaries/Benefits		3.5%	3.5%			1,885	7,539	9,424	1,951	7,803	9,754	2,019	8,076	
Administrative Rent-Free Unit		3.5%	3.5%			-	-	-	-	-	-	-	-	
Sub-total Salaries/Benefits						145,053	580,212	725,264	150,130	600,519	750,649	155,384	621,537	
Administration														
Advertising and Marketing		3.5%	3.5%			1,330	5,322	6,652	1,377	5,508	6,885	1,425	5,701	
Office Expenses		3.5%	3.5%			11,265	45,098	56,323	11,659	46,636	58,294	12,067	48,268	
Office Rent		3.5%	3.5%			-	-	-	-	-	-	-	-	
Legal Expense - Property		3.5%	3.5%			2,794	11,176	13,970	2,892	11,567	14,459	2,993	11,972	
Audit Expense		3.5%	3.5%			2,495	9,978	12,473	2,582	10,328	12,910	2,672	10,689	
Bookkeeping/Accounting Services		3.5%	3.5%			5,056	20,223	25,279	5,233	20,931	26,164	5,416	21,663	
Bad Debts		3.5%	3.5%			-	-	-	-	-	-	-	-	
Miscellaneous		3.5%	3.5%			3,087	12,349	15,437	3,195	12,782	15,977	3,307	13,229	
Sub-total Administration Expenses						26,027	104,107	130,134	26,938	107,751	134,688	27,880	111,522	
Utilities														
Electricity		3.5%	3.5%			25,721	102,883	128,604	26,621	106,484	133,105	27,553	110,211	
Water		3.5%	3.5%			17,739	70,958	88,697	18,360	73,441	91,802	19,003	76,012	
Gas		3.5%	3.5%			-	-	-	-	-	-	-	-	
Sewer		3.5%	3.5%			27,380	109,439	136,799	28,317	113,270	141,587	29,309	117,234	
Sub-total Utilities						70,820	283,280	354,100	73,299	293,195	366,494	75,864	303,457	
Taxes and Licenses														
Real Estate Taxes		3.5%	3.5%			443	1,774	2,217	459	1,836	2,295	475	1,900	
Payroll Taxes		3.5%	3.5%			-	-	-	-	-	-	-	-	
Miscellaneous Taxes, Licenses and Permits		3.5%	3.5%			-	-	-	-	-	-	-	-	
Sub-total Taxes and Licenses						443	1,774	2,217	459	1,836	2,295	475	1,900	
Insurance														
Property and Liability Insurance		3.5%	3.5%			46,566	186,265	232,831	48,196	192,784	240,980	49,883	199,531	
Fidelity Bond Insurance		3.5%	3.5%			-	-	-	-	-	-	-	-	
Worker's Compensation		3.5%	3.5%			-	-	-	-	-	-	-	-	
Director's & Officers' Liability Insurance		3.5%	3.5%			-	-	-	-	-	-	-	-	
Sub-total Insurance						46,566	186,265	232,831	48,196	192,784	240,980	49,883	199,531	
Maintenance & Repair														
Payroll		3.5%	3.5%			49,198	196,797	245,989	50,920	203,679	254,599	52,702	210,808	
Supplies		3.5%	3.5%			6,572	26,290	32,862	6,803	27,210	34,013	7,041	28,182	
Contracts		3.5%	3.5%			21,193	84,771	105,963	21,994	87,738	109,672	22,702	90,809	
Garbage and Trash Removal		3.5%	3.5%			15,646	62,585	78,231	16,194	64,775	80,989	16,761	67,943	
Security Payroll/Contract		3.5%	3.5%			7,761	31,044	38,805	8,033	32,131	40,163	8,314	33,255	
HVAC Repairs and Maintenance		3.5%	3.5%			1,552	6,209	7,761	1,607	6,426	8,033	1,663	6,651	
Vehicle and Maintenance Equipment Operation and Repairs		3.5%	3.5%			-	-	-	-	-	-	-	-	
Miscellaneous Operating and Maintenance Expenses		3.5%	3.5%			-	-	-	-	-	-	-	-	
Sub-total Maintenance & Repair Expenses						101,922	407,690	509,612	105,490	421,959	527,449	109,182	436,727	
Supportive Services		3.5%	3.5%			-	221,744	221,744	-	229,505	229,505	-	237,537	
Commercial Expenses						-	-	-	-	-	-	-	-	
TOTAL OPERATING EXPENSES						435,674	1,964,439	2,400,113	450,922	2,033,194	2,484,116	466,705	2,104,356	
RESERVES/GROUND LEASE BASE RENT/BOND FEES														
PUPA (w/o Reserves/GL Base Rent/Bond Fees)														
Ground Lease Base Rent						3,000	12,000	15,000	3,000	12,000	15,000	3,000	12,000	
Bond Monitoring Fee						-	-	-	-	-	-	-	-	
Replacement Reserve Deposit						20,000	80,000	100,000	20,000	80,000	100,000	20,000	80,000	
Operating Reserve Deposit						-	-	-	-	-	-	-	-	
Other Required Reserve 1 Deposit						-	-	-	-	-	-	-	-	
Other Required Reserve 2 Deposit						-	-	-	-	-	-	-	-	
Required Reserve Deposits, Commercial						-	-	-	-	-	-	-	-	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees						23,000	92,000	115,000	23,000	92,000	115,000	23,000	92,000	
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees)						458,674	2,056,439	2,515,113	473,922	2,125,194	2,599,116	489,705	2,196,356	
NET OPERATING INCOME (INCOME minus OP EXPENSES)														
						16,800	303,040	319,840	16,800	293,271	310,071	16,800	282,571	
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)														
PUPA (w/ Reserves/GL Base Rent/Bond Fees)														
Hard Debt - First Lender						-	-	-	-	-	-	-	-	
Hard Debt - Second Lender (HCD Program 0.42% pmt, or other 2nd Lender)						-	-	-	-	-	-	-	-	
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)						-	-	-	-	-	-	-	-	
Hard Debt - Fourth Lender						-	-	-	-	-	-	-	-	
Commercial Hard Debt Service						-	-	-	-	-	-	-	-	
TOTAL HARD DEBT SERVICE						16,800	67,200	84,000	16,800	67,200	84,000	16,800	67,200	
CASH FLOW (NOI minus DEBT SERVICE)														
Commercial Only Cash Flow						(0)	235,840	235,840	-	226,071	226,071	-	215,371	
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)						-	-	-	-	-	-	-	-	
AVAILABLE CASH FLOW						(0)	235,840	235,840	-	226,071	226,071	-	215,371	
USES OF CASH FLOW BELOW (This row also shows DSCR.)														
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL														
Below-the-line Asset Mgt fee (uncommon in new projects, see policy)		3.5%	3.5%	per MOHCD policy		-	-	-	-	-	-	-	-	
Partnership Management Fee (see policy for limits)		3.5%	3.5%	per MOHCD policy		-	-	-	-	-	-	-	-	
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)				Enter comments re: annual increase, etc.		-	-	-	-	-	-	-	-	
TOTAL PAYMENTS PRECEDING MOHCD						-	-	-						

Laguna Honda Senior

Total # Units:	LOSP Units		Non-LOSP Units		Comments (related to annual inc assumptions)	Year 7 2030			Year 8 2031			LOSP	
	200	39.6	160	80.00%		Total	LOSP	non-LOSP	Total	LOSP	non-LOSP		Total
	20.00%	80.00%	% annual inc LOSP	% annual inc non-LOSP									
INCOME													
Residential - Tenant Rents		1.0%	2.5%			2,751,267	152,859	2,664,920	2,817,779	154,387	2,731,543	2,885,930	155,931
Residential - Tenant Assistance Payments (Non-LOSP)		n/a	n/a			-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments		n/a	n/a			360,476	375,317	-	375,317	390,713	-	390,713	406,686
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%			11,252	2,307	9,227	11,533	2,364	9,457	11,821	2,423
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	-	-	-	-	-	-	-	-
Gross Potential Income						3,122,995	530,482	2,674,146	3,204,629	547,465	2,741,000	3,288,465	565,040
Vacancy Loss - Residential - Tenant Rents		n/a	n/a		Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(137,563)	(7,643)	(133,246)	(140,889)	(7,719)	(136,577)	(144,297)	(7,797)
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a			-	-	-	-	-	-	-	-
Vacancy Loss - Commercial		n/a	n/a			-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME						2,985,432	522,839	2,540,900	3,063,740	539,746	2,604,423	3,144,169	557,244
OPERATING EXPENSES													
Management													
Management Fee		3.5%	3.5%		1st Year to be set according to HUD schedule.	205,232	42,483	169,932	212,415	43,970	175,880	219,850	45,509
Asset Management Fee		3.5%	3.5%		per MOHCD policy	34,948	7,234	28,937	36,171	7,487	29,949	37,437	7,749
Sub-total Management Expenses						249,180	49,717	198,869	248,586	51,457	205,829	257,287	53,258
Salaries/Benefits													
Office Salaries		3.5%	3.5%			421,011	87,149	348,597	435,746	90,200	360,798	450,998	93,356
Manager's Salary		3.5%	3.5%			97,390	20,160	80,639	100,799	20,865	83,462	104,327	21,596
Health Insurance and Other Benefits		3.5%	3.5%			248,425	51,424	205,696	257,120	53,224	212,895	266,119	55,087
Other Salaries/Benefits		3.5%	3.5%			10,095	2,090	8,359	10,449	2,163	8,651	10,814	2,239
Administrative Rent-Free Unit		3.5%	3.5%			-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits						776,921	160,823	643,291	804,114	166,452	665,806	832,258	172,277
Administration													
Advertising and Marketing		3.5%	3.5%			7,126	1,475	5,900	7,376	1,527	6,107	7,634	1,580
Office Expenses		3.5%	3.5%			60,334	12,489	49,857	62,446	12,926	51,705	64,632	13,379
Office Rent		3.5%	3.5%			-	-	-	-	-	-	-	-
Legal Expense - Property		3.5%	3.5%			14,965	3,098	12,391	15,489	3,206	12,825	16,031	3,318
Audit Expense		3.5%	3.5%			13,361	2,766	11,063	13,829	2,863	11,451	14,313	2,963
Bookkeeping/Accounting Services		3.5%	3.5%			27,079	5,605	22,422	28,027	5,802	23,206	29,008	6,005
Bad Debts		3.5%	3.5%			-	-	-	-	-	-	-	-
Miscellaneous		3.5%	3.5%			16,536	3,423	13,692	17,115	3,543	14,171	17,714	3,667
Sub-total Administration Expenses						139,402	28,856	115,425	144,281	29,866	119,465	149,331	30,912
Utilities													
Electricity		3.5%	3.5%			137,763	28,517	114,068	142,585	29,515	118,060	147,575	30,548
Water		3.5%	3.5%			95,015	19,668	78,672	98,340	20,366	81,426	101,782	21,069
Gas		3.5%	3.5%			-	-	-	-	-	-	-	-
Sewer		3.5%	3.5%			146,543	30,331	121,337	151,672	31,396	125,594	156,980	32,495
Sub-total Utilities						379,321	78,519	314,078	392,597	81,268	325,070	406,338	84,112
Taxes and Licenses													
Real Estate Taxes		3.5%	3.5%			2,375	492	1,967	2,459	509	2,036	2,545	527
Payroll Taxes		3.5%	3.5%			-	-	-	-	-	-	-	-
Miscellaneous Taxes, Licenses and Permits		3.5%	3.5%			-	-	-	-	-	-	-	-
Sub-total Taxes and Licenses						2,375	492	1,967	2,459	509	2,036	2,545	527
Insurance													
Property and Liability Insurance		3.5%	3.5%			249,414	51,629	206,515	258,144	53,436	213,743	267,179	55,306
Fidelity Bond Insurance		3.5%	3.5%			-	-	-	-	-	-	-	-
Worker's Compensation		3.5%	3.5%			-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance		3.5%	3.5%			-	-	-	-	-	-	-	-
Sub-total Insurance						249,414	51,629	206,515	258,144	53,436	213,743	267,179	55,306
Maintenance & Repair													
Payroll		3.5%	3.5%			263,510	54,548	218,186	272,732	56,456	225,822	282,278	58,432
Supplies		3.5%	3.5%			35,203	7,287	29,148	36,435	7,542	30,168	37,710	7,806
Contracts		3.5%	3.5%			113,511	23,497	93,987	117,484	24,319	97,276	121,996	25,170
Garbage and Trash Removal		3.5%	3.5%			83,663	17,347	69,389	86,736	17,854	71,818	89,172	18,583
Security Payroll/Contract		3.5%	3.5%			41,589	8,605	34,419	43,024	8,905	35,624	44,530	9,218
HVAC Repairs and Maintenance		3.5%	3.5%			8,314	1,721	6,684	8,605	1,781	7,125	8,906	1,844
Vehicle and Maintenance Equipment Operation and Repairs		3.5%	3.5%			-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses		3.5%	3.5%			-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses						545,909	113,003	452,013	565,016	116,958	467,833	584,792	121,052
Supportive Services		3.5%	3.5%			237,537	-	245,851	245,851	-	254,456	254,456	-
Commercial Expenses						-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES						2,571,061	483,039	2,178,008	2,661,048	499,946	2,254,239	2,754,184	517,444
RESERVES/GROUND LEASE BASE RENT/BOND FEES													
Ground Lease Base Rent						15,000	3,000	12,000	15,000	3,000	12,000	15,000	3,000
Bond Monitoring Fee						-	-	-	-	-	-	-	-
Replacement Reserve Deposit						100,000	20,000	80,000	100,000	20,000	80,000	100,000	20,000
Operating Reserve Deposit						-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit						-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit						-	-	-	-	-	-	-	-
Required Reserve Deposits, Commercial						-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees						115,000	23,000	92,000	115,000	23,000	92,000	115,000	23,000
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees)						2,686,061	506,039	2,270,008	2,776,048	522,946	2,346,239	2,869,184	540,444
NET OPERATING INCOME (INCOME minus OP EXPENSES)						299,371	16,800	270,892	287,692	16,800	258,184	274,984	16,800
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)													
Hard Debt - First Lender						-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)					Enter comments re: annual increase, etc.	84,000	16,800	67,200	84,000	16,800	67,200	84,000	16,800
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					Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE						84,000	16,800	67,200	84,000	16,800	67,200	84,000	16,800
CASH FLOW (NOI minus DEBT SERVICE)						215,371	-	203,692	203,692	(0)	190,984	190,984	-
Commercial Only Cash Flow						-	-	-	-	-	-	-	-
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)						-	-	-	-	-	-	-	-
AVAILABLE CASH FLOW						215,371	-	203,692	203,692	(0)	190,984	190,984	-
USES OF CASH FLOW BELOW (This row also shows DSCR.)					DSCR:	3.56			3.42			3.27	
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL													
Below-the-line Asset Mgt fee (uncommon in new projects, see policy)		3.5%	3.5%		per MOHCD policy	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)		3.5%	3.5%		per MOHCD policy	-	-	-	-	-	-	-	-
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)</													

Laguna Honda Senior

INCOME	Total # Units:		Comments (related to annual inc assumptions)	Year 9 2032		Year 10 2033			Year 11 2034			LOSP
	200	39.6		LOSP Units	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	
	20.00%	80.00%		% annual inc LOSP	% annual inc non-LOSP							
Residential - Tenant Rents				2,799,631	2,955,763	157,491	2,869,827	3,027,318	159,066	2,941,573	3,100,638	160,656
Residential - Tenant Assistance Payments (Non-LOSP)				-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments				-	406,686	423,254	-	423,254	440,440	-	440,440	458,266
Commercial Space				-	-	-	-	-	-	-	-	-
Residential Parking				-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income				-	-	-	-	-	-	-	-	-
Supportive Services Income				-	-	-	-	-	-	-	-	-
Interest Income - Project Operations				-	-	-	-	-	-	-	-	-
Laundry and Vending				9,694	12,117	2,484	9,936	12,420	2,546	10,184	12,730	2,610
Tenant Charges				-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income				-	-	-	-	-	-	-	-	-
Other Commercial Income				-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)			Link from Reserve Section below, as applicable	-	-	-	-	-	-	-	-	-
Gross Potential Income				2,809,525	3,374,565	583,229	2,879,763	3,462,992	602,052	2,951,757	3,553,809	621,532
Vacancy Loss - Residential - Tenant Rents			Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(139,992)	(147,788)	(7,875)	(143,491)	(151,366)	(7,953)	(147,079)	(155,032)	(8,033)
Vacancy Loss - Residential - Tenant Assistance Payments				-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial				-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME				2,669,533	3,226,777	575,354	2,736,272	3,311,626	594,099	2,804,679	3,398,777	613,499
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	182,036	227,545	47,102	188,407	235,509	48,750	195,001	243,751	50,457
Asset Management Fee	3.5%	3.5%	per MOHCD policy	30,999	38,747	8,021	32,083	40,103	8,301	33,205	41,507	8,592
Sub-total Management Expenses				213,033	266,292	55,122	220,490	275,612	57,052	228,207	285,258	59,048
Salaries/Benefits												
Office Salaries	3.5%	3.5%		373,426	466,782	96,624	386,496	483,120	100,006	400,023	500,029	103,506
Manager's Salary	3.5%	3.5%		86,383	107,978	22,362	89,406	111,758	23,134	92,535	115,669	23,944
Health Insurance and Other Benefits	3.5%	3.5%		220,346	275,433	57,015	228,059	285,073	59,010	236,041	295,051	61,075
Other Salaries/Benefits	3.5%	3.5%		8,954	11,193	2,317	9,268	11,585	2,398	9,592	11,990	2,482
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				689,109	861,387	178,307	713,228	891,535	184,548	738,191	922,739	191,007
Administration												
Advertising and Marketing	3.5%	3.5%		6,321	7,901	1,635	6,542	8,177	1,693	6,771	8,464	1,752
Office Expenses	3.5%	3.5%		53,515	66,894	13,847	55,988	69,235	14,332	57,327	71,658	14,633
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		13,273	16,592	3,435	13,738	17,173	3,655	14,219	17,774	3,679
Audit Expense	3.5%	3.5%		11,851	14,814	3,067	12,266	15,333	3,174	12,696	15,869	3,285
Bookkeeping/Accounting Services	3.5%	3.5%		24,019	30,023	6,215	24,859	31,074	6,432	25,729	32,162	6,657
Bad Debts	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Miscellaneous	3.5%	3.5%		14,667	18,334	3,795	15,180	18,976	3,928	15,712	19,640	4,065
Sub-total Administration Expenses				123,646	154,558	31,993	127,974	159,967	33,113	132,453	165,566	34,272
Utilities												
Electricity	3.5%	3.5%		122,193	152,741	31,617	126,469	158,087	32,724	130,896	163,620	33,869
Water	3.5%	3.5%		84,276	105,345	21,806	87,225	109,032	22,570	90,278	112,848	23,360
Gas	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer	3.5%	3.5%		129,980	162,474	33,632	134,529	168,161	34,809	139,237	174,047	36,028
Sub-total Utilities				336,448	420,560	87,056	348,224	435,279	90,103	360,411	450,514	93,256
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		2,107	2,634	545	2,181	2,726	564	2,257	2,821	584
Payroll Taxes	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Taxes and Licenses				2,107	2,634	545	2,181	2,726	564	2,257	2,821	584
Insurance												
Property and Liability Insurance	3.5%	3.5%		221,224	276,530	57,242	228,967	286,208	59,245	236,981	296,226	61,319
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				221,224	276,530	57,242	228,967	286,208	59,245	236,981	296,226	61,319
Maintenance & Repair												
Payroll	3.5%	3.5%		233,726	292,158	60,477	241,907	302,383	62,593	250,373	312,962	64,784
Supplies	3.5%	3.5%		31,224	39,030	8,079	32,317	40,396	8,362	33,448	41,810	8,655
Contracts	3.5%	3.5%		100,681	125,851	26,051	104,205	130,256	26,963	107,852	134,815	27,907
Garbage and Trash Removal	3.5%	3.5%		74,331	92,914	19,233	76,933	96,166	19,906	79,625	99,532	20,603
Security Payroll/Contract	3.5%	3.5%		36,871	46,088	9,540	38,161	47,701	9,874	39,497	49,371	10,220
HVAC Repairs and Maintenance	3.5%	3.5%		3,374	9,218	1,908	7,632	9,540	1,975	7,889	9,874	2,044
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				484,208	605,259	125,289	501,155	628,444	129,674	518,695	648,369	134,212
Supportive Services	3.5%	3.5%		263,362	263,362	-	272,579	272,579	-	282,120	282,120	-
Commercial Expenses				-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES				2,333,137	2,850,581	535,554	2,414,797	2,950,351	554,299	2,499,315	3,053,613	573,699
RESERVES/GROUND LEASE BASE RENT/BOND FEES												
Ground Lease Base Rent				12,000	15,000	3,000	12,000	15,000	3,000	12,000	15,000	3,000
Bond Monitoring Fee				-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit				80,000	100,000	20,000	80,000	100,000	20,000	80,000	100,000	20,000
Operating Reserve Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposits, Commercial				-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				92,000	115,000	23,000	92,000	115,000	23,000	92,000	115,000	23,000
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				2,425,137	2,965,581	558,554	2,506,797	3,065,351	577,299	2,591,315	3,168,613	596,699
NET OPERATING INCOME (INCOME minus OP EXPENSES)				244,396	261,196	16,800	229,475	246,275	16,800	213,364	230,164	16,800
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)												
Hard Debt - First Lender				-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	67,200	84,000	16,800	67,200	84,000	16,800	67,200	84,000	16,800
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			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE				67,200	84,000	16,800	67,200	84,000	16,800	67,200	84,000	16,800
CASH FLOW (NOI minus DEBT SERVICE)				177,196	177,196	(0)	162,275	162,275	-	146,164	146,164	(0)
Commercial Only Cash Flow				-	-	-	-	-	-	-	-	-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-	-	-	-	-	-	-	-
AVAILABLE CASH FLOW				177,196	177,196	(0)	162,275	162,275	-	146,164	146,164	(0)
USES OF CASH FLOW BELOW (This row also shows DSCR.)			DSCR:		3.11		2.93			2.74		
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
Below-the-line Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-
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)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD </												

Laguna Honda Senior

INCOME	Total # Units: 200	LOSP Units		Non-LOSP Units		Year 12 2035			Year 13 2036			Year 14 2037		
		39.6	160	20.00%			80.00%							
		% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	
Residential - Tenant Rents		1.0%	2.5%		3,015,112	3,175,768	162,263	3,090,490	3,252,753	163,685	3,167,752	3,331,638	165,824	
Residential - Tenant Assistance Payments (Non-LOSP)		n/a	n/a		-	-	-	-	-	-	-	-	-	
Residential - LOSP Tenant Assistance Payments		n/a	n/a		-	458,266	476,754	-	476,754	495,928	-	495,928	515,812	
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%		10,439	13,049	2,675	10,700	13,375	2,742	10,967	13,709	2,810	
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	-	-	-	-	-	-	-	-	-	
Gross Potential Income					3,025,551	3,647,083	641,692	3,101,190	3,742,882	662,555	3,178,720	3,841,275	684,147	
Vacancy Loss - Residential - Tenant Rents		n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(150,756)	(158,788)	(8,113)	(154,524)	(162,638)	(8,194)	(158,388)	(166,582)	(8,276)	
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a		-	-	-	-	-	-	-	-	-	
Vacancy Loss - Commercial		n/a	n/a		-	-	-	-	-	-	-	-	-	
EFFECTIVE GROSS INCOME					2,874,796	3,488,295	633,579	2,946,665	3,580,244	654,361	3,020,332	3,674,693	675,871	
OPERATING EXPENSES														
Management														
Management Fee		3.5%	3.5%	1st Year to be set according to HUD schedule.	201,826	252,283	52,223	208,890	261,113	54,505	216,201	270,252	55,942	
Asset Management Fee		3.5%	3.5%	per MOHCD policy	34,368	42,960	8,893	35,571	44,463	9,204	36,816	46,019	9,526	
Sub-total Management Expenses					236,194	295,242	61,115	244,461	305,576	63,709	253,017	316,271	65,468	
Salaries/Benefits														
Office Salaries		3.5%	3.5%		414,024	517,530	107,129	428,515	535,644	110,878	443,513	554,391	114,759	
Manager's Salary		3.5%	3.5%		95,774	119,718	24,782	99,126	123,908	25,649	102,596	128,244	26,547	
Health Insurance and Other Benefits		3.5%	3.5%		244,302	305,377	63,213	252,853	316,066	65,426	261,702	327,128	67,715	
Other Salaries/Benefits		3.5%	3.5%		9,928	12,410	2,569	10,275	12,844	2,659	10,635	13,294	2,752	
Administrative Rent-Free Unit		3.5%	3.5%		-	-	-	-	-	-	-	-	-	
Sub-total Salaries/Benefits					764,028	955,035	197,692	790,769	988,461	204,611	818,446	1,023,057	211,773	
Administration														
Advertising and Marketing		3.5%	3.5%		7,008	8,760	1,813	7,253	9,066	1,877	7,507	9,384	1,942	
Office Expenses		3.5%	3.5%		59,333	74,166	15,352	61,410	76,762	15,890	63,559	79,449	16,446	
Office Rent		3.5%	3.5%		-	-	-	-	-	-	-	-	-	
Legal Expense - Property		3.5%	3.5%		14,716	18,396	3,808	15,232	19,039	3,941	15,765	19,706	4,079	
Audit Expense		3.5%	3.5%		13,140	16,425	3,400	13,600	17,000	3,519	14,078	17,595	3,642	
Bookkeeping/Accounting Services		3.5%	3.5%		26,630	33,287	6,890	27,562	34,452	7,132	28,827	35,658	7,381	
Bad Debts		3.5%	3.5%		-	-	-	-	-	-	-	-	-	
Miscellaneous		3.5%	3.5%		16,262	20,327	4,208	16,831	21,039	4,355	17,420	21,775	4,507	
Sub-total Administration Expenses					137,089	171,361	35,472	141,887	177,359	36,713	146,853	183,566	37,998	
Utilities														
Electricity		3.5%	3.5%		135,477	169,346	35,055	140,219	175,273	36,282	145,126	181,406	37,551	
Water		3.5%	3.5%		93,438	116,798	24,177	96,706	120,885	25,023	100,093	125,116	25,899	
Gas		3.5%	3.5%		-	-	-	-	-	-	-	-	-	
Sewer		3.5%	3.5%		144,111	180,138	37,289	149,155	186,443	38,594	154,375	192,969	39,945	
Sub-total Utilities					373,026	466,282	96,520	386,082	482,602	99,899	399,595	499,493	103,395	
Taxes and Licenses														
Real Estate Taxes		3.5%	3.5%		2,336	2,920	604	2,418	3,022	626	2,502	3,128	647	
Payroll Taxes		3.5%	3.5%		-	-	-	-	-	-	-	-	-	
Miscellaneous Taxes, Licenses and Permits		3.5%	3.5%		-	-	-	-	-	-	-	-	-	
Sub-total Taxes and Licenses					2,336	2,920	604	2,418	3,022	626	2,502	3,128	647	
Insurance														
Property and Liability Insurance		3.5%	3.5%		245,275	306,594	63,465	253,860	317,324	65,686	262,745	328,431	67,985	
Fidelity Bond Insurance		3.5%	3.5%		-	-	-	-	-	-	-	-	-	
Worker's Compensation		3.5%	3.5%		-	-	-	-	-	-	-	-	-	
Director's & Officers' Liability Insurance		3.5%	3.5%		-	-	-	-	-	-	-	-	-	
Sub-total Insurance					245,275	306,594	63,465	253,860	317,324	65,686	262,745	328,431	67,985	
Maintenance & Repair														
Payroll		3.5%	3.5%		259,136	323,921	67,052	268,206	335,258	69,398	277,593	346,992	71,827	
Supplies		3.5%	3.5%		34,619	43,274	8,908	35,830	44,788	9,271	37,085	46,356	9,596	
Contracts		3.5%	3.5%		111,627	139,534	28,883	115,534	144,417	29,894	119,578	148,472	30,941	
Garbage and Trash Removal		3.5%	3.5%		82,412	103,015	21,324	85,297	106,621	22,071	88,282	110,353	22,843	
Security Payroll/Contract		3.5%	3.5%		40,879	51,098	10,577	42,310	52,887	10,948	43,791	54,738	11,331	
HVAC Repairs and Maintenance		3.5%	3.5%		8,176	10,220	2,115	8,462	10,577	2,190	8,758	10,948	2,266	
Vehicle and Maintenance Equipment Operation and Repairs		3.5%	3.5%		-	-	-	-	-	-	-	-	-	
Miscellaneous Operating and Maintenance Expenses		3.5%	3.5%		-	-	-	-	-	-	-	-	-	
Sub-total Maintenance & Repair Expenses					536,850	671,062	138,910	555,639	694,549	143,772	575,087	718,858	148,804	
Supportive Services		3.5%	3.5%		291,994	291,994	-	302,214	302,214	-	312,791	312,791	-	
Commercial Expenses					-	-	-	-	-	-	-	-	-	
TOTAL OPERATING EXPENSES					2,586,791	3,160,490	593,779	2,677,328	3,271,107	614,561	2,771,035	3,385,596	636,071	
RESERVES/GROUND LEASE BASE RENT/BOND FEES														
Ground Lease Base Rent					12,000	15,000	3,000	12,000	15,000	3,000	12,000	15,000	3,000	
Bond Monitoring Fee					-	-	-	-	-	-	-	-	-	
Replacement Reserve Deposit					80,000	100,000	20,000	80,000	100,000	20,000	80,000	100,000	20,000	
Operating Reserve Deposit					-	-	-	-	-	-	-	-	-	
Other Required Reserve 1 Deposit					-	-	-	-	-	-	-	-	-	
Other Required Reserve 2 Deposit					-	-	-	-	-	-	-	-	-	
Required Reserve Deposits, Commercial					-	-	-	-	-	-	-	-	-	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees					92,000	115,000	23,000	92,000	115,000	23,000	92,000	115,000	23,000	
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees)					2,678,791	3,275,490	616,779	2,769,328	3,386,107	637,561	2,863,035	3,500,596	659,071	
NET OPERATING INCOME (INCOME minus OP EXPENSES)					196,005	212,805	16,800	177,337	194,137	16,800	157,297	174,097	16,800	
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)														
Hard Debt - First Lender					-	-	-	-	-	-	-	-	-	
Hard Debt - Second Lender (HCD Program 0.42% pmt, or other 2nd Lender)					67,200	84,000	16,800	67,200	84,000	16,800	67,200	84,000	16,800	
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)					-	-	-	-	-	-	-	-	-	
Hard Debt - Fourth Lender					-	-	-	-	-	-	-	-	-	
Commercial Hard Debt Service					-	-	-	-	-	-	-	-	-	
TOTAL HARD DEBT SERVICE					67,200	84,000	16,800	67,200	84,000	16,800	67,200	84,000	16,800	
CASH FLOW (NOI minus DEBT SERVICE)					128,805	128,805	-	110,137	110,137	-	90,097	90,097	-	
Commercial Only Cash Flow					-	-	-	-	-	-	-	-	-	
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)					-	-	-	-	-	-	-	-	-	
AVAILABLE CASH FLOW					128,805	128,805	-	110,137	110,137	-	90,097	90,097	-	
USES OF CASH FLOW BELOW (This row also shows DSCR.)				DSCR:		2.53			2.31			2.07		
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL														
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)		3.5%	3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-	
Partnership Management Fee (see policy for limits)		3.5%	3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)														

Laguna Honda Senior

INCOME	Total # Units:		Comments		Year 15		Year 16		Year 17		LOSP		
	200	39.6	LOSP Units	Non-LOSP Units	2038		2039		2040				
	20.00%	80.00%	% annual inc	% annual increase	LOSP	non-LOSP	LOSP	non-LOSP	LOSP	non-LOSP			
Residential - Tenant Rents	1.0%	2.5%			3,246,946	3,412,470	167,180	3,328,120	3,495,299	166,851	3,411,323	3,580,174	170,540
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a			-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments	n/a	n/a			-	515,812	536,432	-	536,432	557,813	-	557,813	579,983
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%			11,242	14,052	2,881	11,523	14,403	2,953	11,811	14,763	3,026
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	-	-	-	-	-	-	-	-	-
Gross Potential Income					3,258,188	3,942,334	706,492	3,339,642	4,046,134	729,617	3,423,133	4,152,751	753,550
Vacancy Loss - Residential - Tenant Rents	n/a	n/a		Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(162,347)	(170,624)	(8,359)	(166,406)	(174,765)	(8,443)	(170,566)	(179,009)	(8,527)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a			-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a			-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME					3,095,840	3,771,711	698,133	3,173,236	3,871,369	721,175	3,252,567	3,973,742	745,023
OPERATING EXPENSES													
Management													
Management Fee	3.5%	3.5%		1st Year to be set according to HUD schedule.	223,768	279,710	57,900	231,600	289,500	59,927	239,706	299,633	62,042
Asset Management Fee	3.5%	3.5%		per MOHCD policy	38,104	47,630	9,859	39,438	49,297	10,205	40,818	51,023	10,562
Sub-total Management Expenses					261,872	327,340	67,759	271,038	338,797	70,131	280,524	350,655	72,596
Salaries/Benefits													
Office Salaries	3.5%	3.5%			459,036	573,795	118,776	475,102	593,878	122,933	491,731	614,663	127,235
Manager's Salary	3.5%	3.5%			106,186	132,733	27,476	109,903	137,379	28,437	113,749	142,187	29,433
Health Insurance and Other Benefits	3.5%	3.5%			270,862	338,577	70,086	280,342	350,428	72,539	290,154	362,693	75,077
Other Salaries/Benefits	3.5%	3.5%			11,007	13,759	2,848	11,392	14,240	2,948	11,791	14,739	3,051
Administrative Rent-Free Unit	3.5%	3.5%			-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits					847,091	1,058,864	219,185	876,740	1,095,924	226,856	907,425	1,134,282	234,796
Administration													
Advertising and Marketing	3.5%	3.5%			7,770	9,712	2,010	8,042	10,052	2,081	8,323	10,404	2,154
Office Expenses	3.5%	3.5%			65,784	82,230	17,022	68,086	85,108	17,017	70,469	88,086	18,234
Office Rent	3.5%	3.5%			-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%			16,316	20,396	4,222	16,888	21,109	4,370	17,479	21,848	4,823
Audit Expense	3.5%	3.5%			14,568	18,210	3,770	15,078	18,848	3,901	15,606	19,507	4,038
Bookkeeping/Accounting Services	3.5%	3.5%			29,525	36,906	7,640	30,558	38,198	7,907	31,628	39,535	8,184
Bad Debts	3.5%	3.5%			-	-	-	-	-	-	-	-	-
Miscellaneous	3.5%	3.5%			18,030	22,537	4,665	18,661	23,326	4,828	19,314	24,142	4,997
Sub-total Administration Expenses					151,993	189,991	39,328	157,313	196,641	40,705	162,819	203,523	42,129
Utilities													
Electricity	3.5%	3.5%			150,206	187,757	38,866	155,463	194,329	40,226	160,904	201,130	41,634
Water	3.5%	3.5%			103,596	129,496	26,806	107,222	134,028	27,744	110,975	138,719	28,715
Gas	3.5%	3.5%			-	-	-	-	-	-	-	-	-
Sewer	3.5%	3.5%			159,778	199,723	41,343	165,370	206,713	42,739	171,158	213,948	44,287
Sub-total Utilities					413,580	516,975	107,014	428,056	535,070	110,759	443,038	553,797	114,636
Taxes and Licenses													
Real Estate Taxes	3.5%	3.5%			2,590	3,237	670	2,681	3,351	694	2,774	3,468	716
Payroll Taxes	3.5%	3.5%			-	-	-	-	-	-	-	-	-
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%			-	-	-	-	-	-	-	-	-
Sub-total Taxes and Licenses					2,590	3,237	670	2,681	3,351	694	2,774	3,468	716
Insurance													
Property and Liability Insurance	3.5%	3.5%			271,941	339,926	70,365	281,459	351,823	72,827	291,310	364,137	75,376
Fidelity Bond Insurance	3.5%	3.5%			-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%			-	-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance	3.5%	3.5%			-	-	-	-	-	-	-	-	-
Sub-total Insurance					271,941	339,926	70,365	281,459	351,823	72,827	291,310	364,137	75,376
Maintenance & Repair													
Payroll	3.5%	3.5%			287,309	359,137	74,341	297,365	371,706	76,943	307,773	384,716	79,636
Supplies	3.5%	3.5%			38,382	47,978	9,937	39,726	49,657	10,279	41,116	51,395	10,639
Contracts	3.5%	3.5%			123,763	154,703	32,024	128,094	160,118	33,144	132,578	165,722	34,305
Garbage and Trash Removal	3.5%	3.5%			91,372	114,215	23,643	94,570	118,213	24,470	97,889	122,350	25,326
Security Payroll/Contract	3.5%	3.5%			45,323	56,654	11,727	46,910	58,637	12,138	48,552	60,690	12,563
HVAC Repairs and Maintenance	3.5%	3.5%			9,065	11,331	2,345	9,382	11,727	2,428	9,710	12,138	2,513
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%			-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%			-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses					595,215	744,018	154,012	616,047	770,059	159,402	637,609	797,011	164,981
Supportive Services	3.5%	3.5%			323,739	323,739	-	335,070	335,070	-	346,797	346,797	-
Commercial Expenses					-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES					2,868,021	3,504,092	658,333	2,968,402	3,626,735	681,375	3,072,296	3,753,671	705,223
RESERVES/GROUND LEASE BASE RENT/BOND FEES													
Ground Lease Base Rent					12,000	15,000	3,000	12,000	15,000	3,000	12,000	15,000	3,000
Bond Monitoring Fee					-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit					80,000	100,000	20,000	80,000	100,000	20,000	80,000	100,000	20,000
Operating Reserve Deposit					-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit					-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit					-	-	-	-	-	-	-	-	-
Required Reserve Deposits, Commercial					-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees					92,000	115,000	23,000	92,000	115,000	23,000	92,000	115,000	23,000
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees)					2,960,021	3,619,092	681,333	3,060,402	3,741,735	704,375	3,164,296	3,868,671	728,223
NET OPERATING INCOME (INCOME minus OP EXPENSES)													
					135,819	152,619	16,800	112,835	129,635	16,800	88,271	105,071	16,800
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)													
Hard Debt - First Lender					-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pmt, or other 2nd Lender)					67,200	84,000	16,800	67,200	84,000	16,800	67,200	84,000	16,800
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)					-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender					-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service					-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE					67,200	84,000	16,800	67,200	84,000	16,800	67,200	84,000	16,800
CASH FLOW (NOI minus DEBT SERVICE)													
Commercial Only Cash Flow					68,619	68,619	-	45,635	45,635	-	21,071	21,071	-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)					-	-	-	-	-	-	-	-	-
AVAILABLE CASH FLOW					68,619	68,619	-	45,635	45,635	-	21,071	21,071	-
USES OF CASH FLOW BELOW (This row also shows DSCR.)													
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL													
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%		per MOHCD policy	-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)	3.5%	3.5%		per MOHCD policy	-	-	-	-	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)				per MOHCD policy no annual increase	-	-	-	-	-	-	-	-	-
Other Payments					-	-	-	-	-	-	-	-	-

Laguna Honda Senior

INCOME	Total # Units:		Comments		Year 18		Year 19			Year 20		
	200	39.6	LOSP Units	Non-LOSP Units	2021		2022			2023		
		20.00%	80.00%				LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
Residential - Tenant Rents	1.0%	2.5%										
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a			3,496,606	3,667,146	172,245	3,584,021	3,756,266	173,968	3,673,621	3,847,589
Residential - LOSP Tenant Assistance Payments	n/a	n/a			-	579,983	602,970	-	602,970	626,803	-	626,803
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%			12,106	15,132	3,102	12,409	15,511	3,180	12,719	15,899
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	-	-	-	-	-	-	-	-
Gross Potential Income					3,506,712	4,262,261	778,318	3,596,430	4,374,747	803,951	3,686,340	4,490,291
Vacancy Loss - Residential - Tenant Rents	n/a	n/a		Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(174,830)	(183,357)	(8,612)	(179,201)	(187,813)	(8,698)	(183,681)	(192,379)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a			-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a			-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME					3,333,881	4,078,904	769,706	3,417,228	4,186,934	795,252	3,502,659	4,297,911
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%		1st Year to be set according to HUD schedule.	248,096	310,120	64,195	256,779	320,974	66,442	265,767	332,208
Asset Management Fee	3.5%	3.5%		per MOHCD policy	42,247	52,808	10,931	43,225	54,657	11,314	45,256	56,570
Sub-total Management Expenses					290,343	362,928	75,126	300,505	375,631	77,756	311,022	388,778
Salaries/Benefits												
Office Salaries	3.5%	3.5%			508,941	636,177	131,689	526,754	658,443	136,298	545,191	681,488
Manager's Salary	3.5%	3.5%			117,731	147,163	30,463	121,851	152,314	31,929	126,116	157,645
Health Insurance and Other Benefits	3.5%	3.5%			300,310	375,387	77,705	310,820	388,525	80,425	321,699	402,124
Other Salaries/Benefits	3.5%	3.5%			12,204	15,255	3,158	12,631	15,789	3,268	13,073	16,341
Administrative Rent-Free Unit	3.5%	3.5%			-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits					939,185	1,173,982	243,014	972,057	1,215,071	251,520	1,006,079	1,257,598
Administration												
Advertising and Marketing	3.5%	3.5%			8,614	10,768	2,229	8,916	11,145	2,307	9,228	11,535
Office Expenses	3.5%	3.5%			72,936	91,170	18,872	73,488	94,360	19,533	78,130	97,663
Office Rent	3.5%	3.5%			-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%			18,090	22,613	4,681	18,723	23,404	4,845	19,379	24,224
Audit Expense	3.5%	3.5%			16,152	20,190	4,179	16,717	20,897	4,326	17,303	21,628
Bookkeeping/Accounting Services	3.5%	3.5%			32,735	40,919	8,470	33,881	42,351	8,767	35,066	43,833
Bad Debts	3.5%	3.5%			-	-	-	-	-	-	-	-
Miscellaneous	3.5%	3.5%			19,990	24,987	5,172	20,689	25,862	5,353	21,414	26,767
Sub-total Administration Expenses					168,517	210,646	43,604	174,415	218,019	45,130	180,520	225,650
Utilities												
Electricity	3.5%	3.5%			166,536	208,170	43,091	172,365	215,456	44,599	178,397	222,997
Water	3.5%	3.5%			114,859	143,574	29,720	118,879	148,599	30,760	123,040	153,800
Gas	3.5%	3.5%			-	-	-	-	-	-	-	-
Sewer	3.5%	3.5%			177,149	221,436	45,837	183,349	229,186	47,442	189,766	237,208
Sub-total Utilities					458,544	573,180	118,648	474,593	593,241	122,801	491,204	614,005
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%			2,671	3,589	743	2,972	3,715	769	3,076	3,845
Payroll Taxes	3.5%	3.5%			-	-	-	-	-	-	-	-
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%			-	-	-	-	-	-	-	-
Sub-total Taxes and Licenses					2,671	3,589	743	2,972	3,715	769	3,076	3,845
Insurance												
Property and Liability Insurance	3.5%	3.5%			301,505	376,882	78,015	312,058	390,073	80,745	322,980	403,725
Fidelity Bond Insurance	3.5%	3.5%			-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%			-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance	3.5%	3.5%			-	-	-	-	-	-	-	-
Sub-total Insurance					301,505	376,882	78,015	312,058	390,073	80,745	322,980	403,725
Maintenance & Repair												
Payroll	3.5%	3.5%			318,545	398,181	82,423	329,694	412,117	85,308	341,233	426,542
Supplies	3.5%	3.5%			42,555	53,194	11,011	44,045	55,096	11,397	45,586	56,983
Contracts	3.5%	3.5%			137,218	171,523	35,505	142,021	177,526	36,748	146,991	183,739
Garbage and Trash Removal	3.5%	3.5%			101,306	126,632	26,213	104,862	131,064	27,130	108,321	136,652
Security Payroll/Contract	3.5%	3.5%			80,251	82,814	13,002	82,010	85,012	13,458	83,830	87,288
HVAC Repairs and Maintenance	3.5%	3.5%			10,050	12,563	2,600	10,402	13,002	2,692	10,766	13,458
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%			-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%			-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses					659,925	824,906	170,756	683,023	853,778	176,732	706,928	883,660
Supportive Services	3.5%	3.5%			358,935	358,935	-	371,498	371,498	-	384,500	384,500
Commercial Expenses					-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES					3,179,826	3,885,049	729,906	3,291,120	4,021,026	755,452	3,406,309	4,161,762
RESERVES/GROUND LEASE BASE RENT/BOND FEES												
Ground Lease Base Rent					12,000	15,000	3,000	12,000	15,000	3,000	12,000	15,000
Bond Monitoring Fee					-	-	-	-	-	-	-	-
Replacement Reserve Deposit					80,000	100,000	20,000	80,000	100,000	20,000	80,000	100,000
Operating Reserve Deposit					-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit					-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit					-	-	-	-	-	-	-	-
Required Reserve Deposits, Commercial					-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees					92,000	115,000	23,000	92,000	115,000	23,000	92,000	115,000
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees)					3,271,826	4,000,049	752,906	3,383,120	4,136,026	778,452	3,498,309	4,276,762
NET OPERATING INCOME (INCOME minus OP EXPENSES)												
					62,055	78,855	16,800	34,108	50,908	16,800	4,350	21,150
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)												
Hard Debt - First Lender					-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pmt, or other 2nd Lender)					67,200	84,000	16,800	67,200	84,000	16,800	67,200	84,000
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)					-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender					-	-	-	-	-	-	-	-
Commercial Hard Debt Service					-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE					67,200	84,000	16,800	67,200	84,000	16,800	67,200	84,000
CASH FLOW (NOI minus DEBT SERVICE)												
Commercial Only Cash Flow					(5,145)	(5,145)	0	(33,092)	(33,092)	-	(62,850)	(62,850)
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)					-	-	-	-	-	-	-	-
AVAILABLE CASH FLOW					(5,145)	(5,145)	0	(33,092)	(33,092)	-	(62,850)	(62,850)
USES OF CASH FLOW BELOW (This row also shows DSCR.)												
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%		per MOHCD policy	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)	3.5%	3.5%		per MOHCD policy	-	-	-	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)				per MOHCD policy no annual increase	-	-	-	-	-	-	-	-
Other Payments					-	-	-	-	-	-	-	-
Non-amortizing Loan Pmt - Lender 1					-	-	-	-	-	-	-	-
Non-amortizing Loan Pmt - Lender 2					-	-	-	-	-	-	-	-
Deferred Developer Fee (Enter amt <= Max Fee from row 131)					-	-	-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD					-	-	-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)					(5,145)	(5,145)	0	(33,092)	(33,092)	-	(62,850)	(62,850)
Does Project have a MOHCD Residual Receipt Obligation? Yes												
Will Project Defer Developer Fee? No												
Residual Receipts split for all years. - Lender/Owner 67% / 33%												
MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
MOHCD Residual Receipts Amount Due					59.46%	-	-	-	-	-	-	-
Proposed MOHCD Residual Receipts Amount to Loan Repayment												