

Citywide Affordable Housing Loan Committee

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

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

Prepared By: Kim Obstfeld
Loan Committee Date: March 19, 2021

Sponsor Name: Mission Bay 9 LP (Community Housing
Partnership and BRIDGE Housing)
Project Name: Mission Bay South Block 9
Project Address: 410 China Basin Street
Number of Units: 140 out of 141 total units
Amount of Funds Requested: Up to \$1,571,977 Year 1 budget
Up to \$31,591,908 for 15 years
Amount of Funds Recommended: up to \$31,591,908

1. SUMMARY AND BACKGROUND

1.1. Request Summary

Mission Bay 9 LP, a California limited partnership, an affiliate of Community Housing Partnership ("CHP") and BRIDGE Housing ("BRIDGE"), requests up to \$31,591,908 in general funds from LOSP to subsidize the operation of 140 permanent supportive housing units for adults experiencing homelessness or at risk of homelessness at Mission Bay South Block 9 ("MBS 9") located at 410 China Basin Street.

The requested LOSP funds would be provided through a new 15-year contract, with initial disbursement in January 2022 and final disbursement in 2036, with a contract expiration date of December 31, 2036. If approved, funds would be disbursed under the contract on a calendar year basis in accordance with the attached schedule (see Attachment D), with possible reductions from these amounts should operating surpluses occur in previous years. Though all requested funds would be provided under a single, long-term contract, disbursements thereunder would be subject to annual appropriations by the Board of Supervisors, as is standard for LOSP contracts.

A LOSP subsidy of \$1,571,977 is budgeted for the first year, equivalent to approximately \$131k per month (\$11,228/unit/year or \$936/unit/month). The total year one budget is \$1,981,950 (without reserves). This equates to an annual per unit operating expense of \$14,056 and a monthly per unit expense of \$1,171, not including support services, which are provided under a separate contract. This budget includes an allowance for flood insurance. This amount is conditional and will be provided annually to the Project only if required by the Project's equity investor based on an updated flood map for San Francisco (see Section 2.1 for further discussion and Condition 3). Support services will be provided by CHP in partnership with the San Francisco Department of Public Health ("DPH"), and will be funded through a separate contract with the San Francisco Department of Homelessness and Supportive Housing ("HSH") and an agreement with the DPH for Medi-Cal reimbursement.

1.2. Project Overview

CHP and BRIDGE were selected to develop affordable rental housing with supportive services to serve formerly homeless adults based on a proposal submitted in response to a Request for Proposals for the MBS 9 site issued by OCII in April 2017. CHP and BRIDGE are co-developers. CHP will be the long-term owner and operator, providing property management and leading supportive services.

BRIDGE will remain in the partnership for a minimum of five years, subject to specific project performance provisions following the conversion to permanent financing. The provisions, as established in the OCII Amended and Restated Loan Agreement for MBS 9, are summarized as follows:

- Provide evidence that the Sponsors have applied for a property tax exemption for the Project and have diligently pursued obtaining approval of the exemption (note that CHP submitted an application for the property tax exemption in February 2021);
- For five consecutive years beginning at the time the Project receives its Certificate of Occupancy, achieve and maintain an annual stabilized occupancy rate of 93%; and
- Provide evidence that the initial required and annual deposits for replacement and operating reserves have been made in full.

It is anticipated that upon successful completion of established milestones, BRIDGE will exit the partnership. Since the CHP and BRIDGE were selected in 2017, CHP has submitted quarterly updates regarding staff turnover and open positions, and progress toward improvements in asset management practices, such as the conversion to Yardi and other systems upgrades. CHP will continue to provide these reports until Project close-out.

Construction at MBS 9 began in August 2020 and the Sponsors expect to receive a temporary certificate of occupancy in early January 2022. MBS 9 is utilizing

modular construction, with the upper floors constructed at an off-site facility and assembled on site. MBS 9 will provide a total of 141 units, including 140 affordable units and one manager’s unit. All of the restricted units (there is one manager’s unit) will serve formerly homeless adults. Affordable units are comprised of 122 furnished studio units and 18 furnished studio-plus units, which are intended to serve those with a need for in-home medical care.

The Project design is tailored to meet the needs of the target population. It includes a large central courtyard with seating areas and walking paths, a community room with adjacent kitchen and outdoor patio, a resident lounge and game room, and a dedicated room for cleaning resident’s personal items before occupancy to prevent infestations. MBS 9 will also feature a services suite with an entry and visibility from the main resident travel path of the building. The suite includes open counseling areas, private meeting spaces, consultation rooms, an exam room, and records storage. In addition, the Project includes a community garden that will provide programming for residents as well as for the greater Mission Bay South community.

MBS 9 is financed through State and Federal 4% Low Income Housing Tax Credits, a grant from the Federal Home Loan Bank Affordable Housing Program, and general partner equity. Tax exempt bonds for the Project were issued by MOHCD. Based on these sources, tenant income is restricted as follows:

| Unit Size | Number of Units | Maximum Income Level (% AMI) | | | |
|---------------------|-----------------|--------------------------------------|---------|----------|--------|
| | | AHP | MOHCD** | TCAC | OCII* |
| Studio/ Studio + | 45 | 50% SF (most restrictive) | 50% SF | 50% TCAC | 60% SF |
| | 95 | | 60% SF | 60% TCAC | |
| 1 bed | 1 | Unrestricted (Manager’s unit) | | | |
| Total | 141 | | | | |

* OCII income limits are established in the Amended and Restated Loan Agreement dated April 7, 2020 and Declaration of Restrictions dated August 11, 2020

** MOHCD income limits are established in the Bond Regulatory Agreement dated August 1, 2020

Residents for all affordable units will be referred to the Project by HSH through the adult Coordinated Entry System.

2. OPERATING BUDGET SUMMARY

2.1. Annual Operating Budget

Annual operating expenses are \$14,056 per unit per year (before reserves deposits). Please see Attachment B for a first-year operating budget. These expenses are consistent with other projects in MOHCD’s portfolio, see Section 3 for an analysis of these expenses against similar LOSP-supported properties.

The operating budget includes a total of \$375,505 in Year One for property and liability insurance. Of this, \$90,000 (\$638 per unit) is allocated for the purchase of flood insurance for the property. The site is located in Mission Bay, an area of San Francisco that had been previously mapped by FEMA as a floodplain area. There is no current FEMA floodplain map that addresses the flood risk in Mission Bay. As a condition to its participation in the project as a tax credit equity partner, National Equity Fund required that the Project purchase and maintain flood insurance should a map be published that identifies the Project location as within a 100-year or 500-year flood risk area. Thus, these funds should be held and released to the Project only if and when the map is published and there is a demonstrated need to carry the flood insurance policy. The total expense over the course of the LOSP contract is approximately \$1,887,393 (\$90,000 in 2022, escalated at 3.5% per year through 2036). This is addressed in Condition 3.

Salaries for property management and maintenance staff total \$523,869 in Year One, a total full-time equivalent (“FTE”) of 11.3, which equates to approximately 12 tenants for every one staff FTE. Non-services staffing is as follows:

| Title | FTE allocated to Project | Exp allocated to Project |
|---|---------------------------------|---------------------------------|
| Office and Manager Salaries | | |
| <i>Property Manager</i> | 1.0 | \$66,828 |
| <i>Assistant Manager</i> | 1.0 | \$57,164 |
| <i>Office Support</i> | 0.3 | \$19,244 |
| Subtotal | 2.3 | \$143,235 |
| Janitorial | | |
| <i>Janitor</i> | 2.4 | \$81,694 |
| Subtotal | 2.4 | \$81,694 |
| Maintenance | | |
| <i>Maintenance Supervisor</i> | 1.4 | \$85,828 |
| <i>Maintenance Technician</i> | 1.0 | \$48,278 |
| Subtotal | 2.4 | \$134,107 |
| Total, Janitorial & Maintenance: | 4.80 | \$215,800 |
| Security | | |
| <i>24-hour Desk Clerk</i> | 4.2 | \$164,834 |
| Subtotal | 4.2 | \$164,834 |
| Total FTEs and Expenses | 11.3 | \$523,869 |

2.2. Income

Currently, the Project is entirely supported by LOSP. Tenants will pay 30% of their monthly income toward rent, which is estimated at \$300 per month, per unit, resulting in rent revenue of \$504,000 in year one. CHP has reviewed the tenant payment assumption with its asset management team and confirmed it with HSH. Tenant income is escalated at 1% annually, as is standard for LOSP projects.

Income from the requested LOSP contract covers the difference between the cost to operate the property and the annual income from tenant rent payments. For the first year, this is estimated at \$1,571,977. A condition of this LOSP funding request requires that the Sponsors pursue rental subsidies through Continuum of Care or other appropriate rental or operating subsidy programs, if required by OCII/MOHCD, for all or a portion of the units (Condition 1). If secured, these funds could reduce the LOSP contribution.

2.3. Annual Operating Expenses Evaluation

| Operating Proforma | | |
|--|------------------------------|---|
| Underwriting Standard | Meets Standard? (Y/N) | Notes |
| Debt Service Coverage Ratio is between minimum 1.10:1 and maximum 1.15:1 at year 15 | N/A | The project is 100% LOSP and will not support permanent debt. |
| Debt Service Coverage Ratio stays above 1.00:1 for entirety of projected 20-year cash flow | N/A | DSC is at 1:1 as this is a 100% LOSP project. |
| Vacancy meets TCAC Standards | Y | Vacancy is 5% of tenant rents per TCAC and LOSP standards. |
| Annual Income Growth is increased at 2.5% per year | Y | Income escalation factor is 1%, as is standard for LOSP projects (based on historic trends and increases in SSI). |
| Annual Operating Expenses are increased at 3.5% per year | Y | Expense escalation factor is 3.5%. |
| Base year operating expenses per unit are reasonable per comparables | Y | Total Operating Expenses are \$14,056 per unit per year, excluding reserves. This is comparable to other LOSP projects of a similar size. (See Section 3 for a detailed comparable analysis.) |
| Property Management Fee is at allowable HUD Maximum | Y | Total Property Management Fee is \$136,080 or \$81 PUPM in accordance with HUD's schedule. |
| Property Management staffing level is reasonable per comparables | Y | 1 FTE Senior Site Manager 1 FTE Assistant Manager 1 FTE Resident Manager 4.4 FTE Desk Clerks (24/7 coverage) 2.35 FTE Maintenance Staff 2.2 FTE Janitors This level of property management staffing is consistent with LOSP buildings in the Sponsor's portfolio and with other |

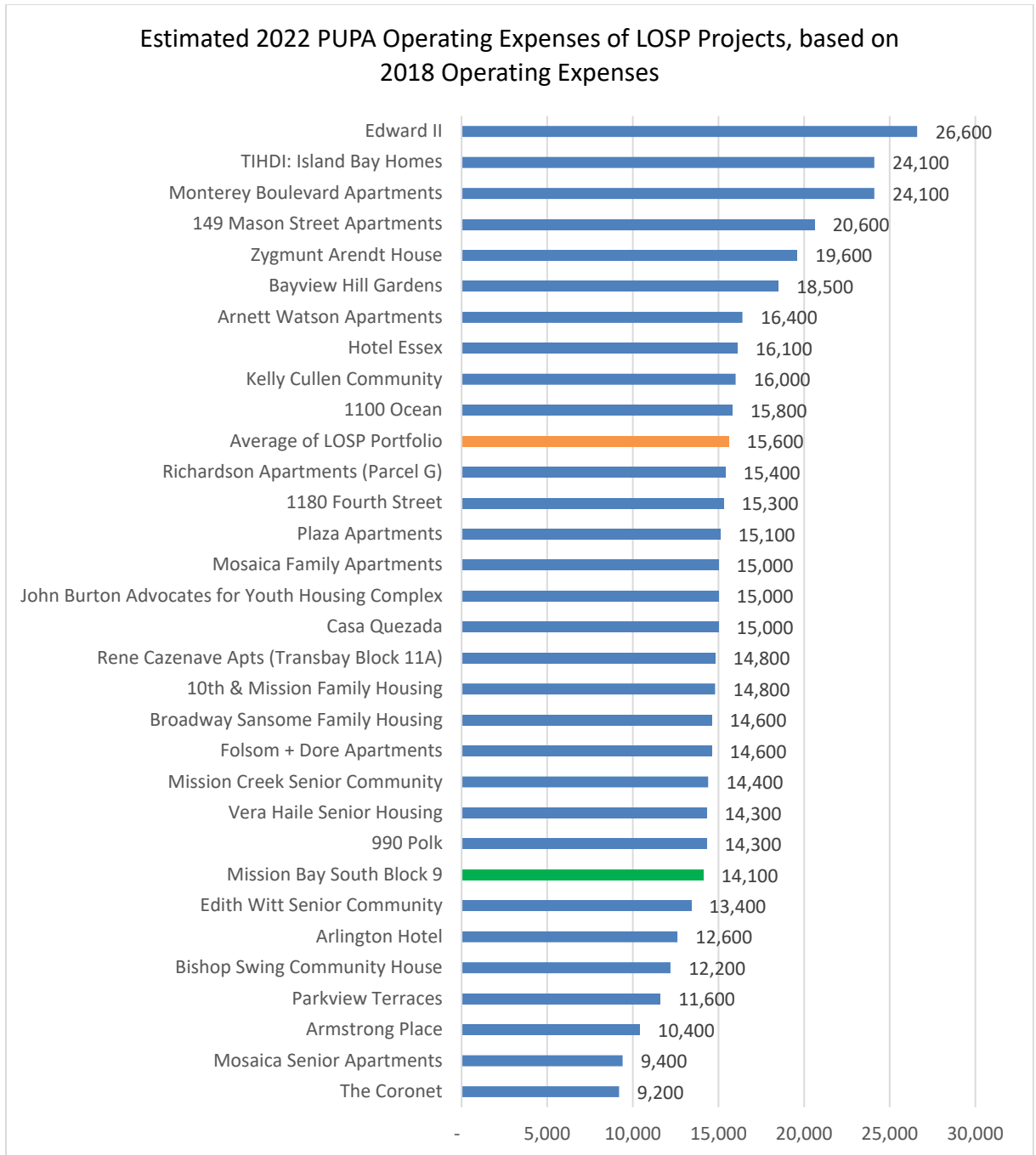
| | | |
|---|---|--|
| | | supportive buildings of a similar size in the MOHCD portfolio. |
| Asset Management and Partnership Management Fees meet standards | Y | Annual AM fee is \$23,460 Annual PM Fee is \$23,450 These amounts are allowed under MOHCD policy for 2022 (the first full year of operations). |
| Replacement Reserve Deposits meet or exceed TCAC minimum standards | Y | Replacement Reserves are \$500 per unit per year (based on comparable projects). |
| Limited Partnership Asset Management Fee (aka Investor Service Fee) meets standards | N | This is set at \$5,000 a year, which is consistent with MOHCD standards. However, the investor (NEF), requires escalation at 3.5% per year. This is not consistent with MOHCD standards, however, the escalation was identified in the approved gap loan evaluation. |

3. OPERATING COSTS COMPARATIVE ANALYSIS

To evaluate the proposed budget for MBS 9, OCII/MOHCD staff compared the Project’s proposed operating expenses to those of other supportive projects of a similar size in MOHCD’s portfolio.

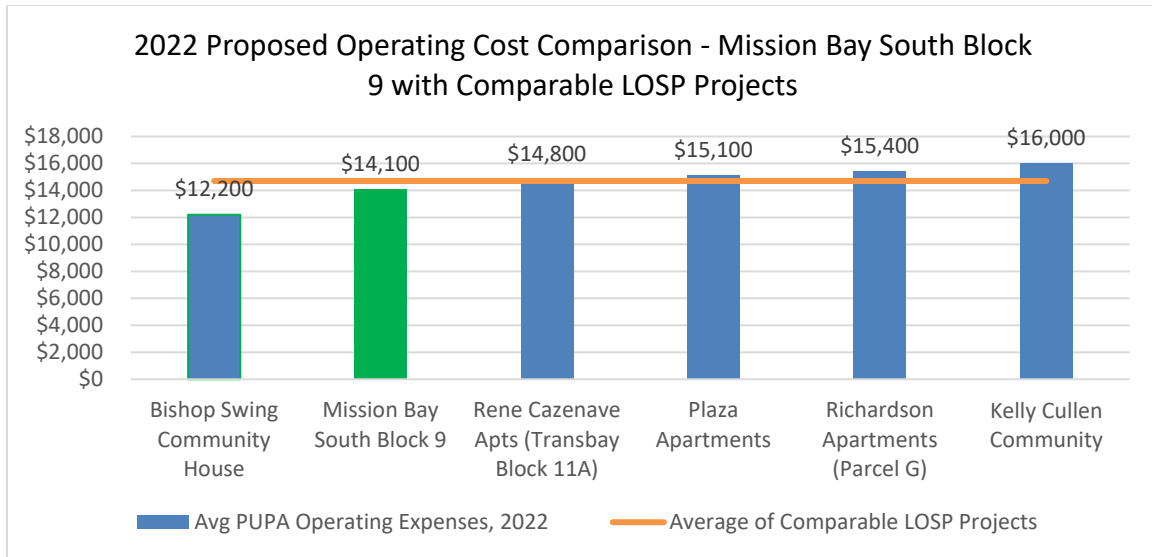
Comparison with Other Supportive Housing

In 2018, there were a total of 32 LOSP funded supportive housing projects in the MOHCD portfolio. Total operating expenses (before replacement reserve deposits and hard debt service) for these projects, escalated from 2018 to 2022, averaged \$15,600 per unit per annum (“PUPA”), with a range from \$9,200 to \$26,600 PUPA. One of the primary determinants of PUPA operating expenses is project size, with PUPA operating expenses higher for smaller and scattered site buildings and lower for larger buildings. With proposed operating expenses of \$14,056 PUPA, MBS 9 is lower than average across the existing LOSP portfolio. This is attributable to the project size. With 140 supportive units, MBS 9 will be larger than most projects in the existing portfolio. Please see the chart below for an operating expense comparison.



Comparison to Other 100% Supportive Projects

Within the portfolio of projects supported by LOSP, the percentage of units in each project that are set aside for homeless households ranges from approximately 20% to 100%. Because the percentage of supportive units and overall project scale vary so widely, it is appropriate to review expenses in comparison to more similar projects. As shown in the chart below, MBS 9 operating costs are comparable to those of similarly sized projects.



Rene Cazenave Apartments and Richardson Apartments are both owned and operated by CHP. Expenses for these projects were used to inform expense estimates for MBS 9. With 140 units, MBS 9 is slightly larger than Rene Cazenave and Richardson Apartments, which each have 120 units. The MBS 9 budget benefits from efficiencies of scale and is slightly lower than the average for comparable properties. The non-services staffing FTE of 11.3 at MBS 9 is comparable to those of Rene Cazenave and Richardson Apartments, which have 10.4 and 10.5 FTE respectively, but is higher than that of Bishop Swing Community House, operated by Episcopal Community Services, with an FTE of 9.1. Staffing at MBS 9 is appropriate given the higher number of units and the expansive outdoor facilities.

4. SUPPORT SERVICES

4.1. Services Plan.

CHP will provide on-site supportive services including resident engagement, case management, behavioral health services, housing retention, employment training, and transitional employment services. Until recently, CHP had planned to partner with HealthRIGHT 360 to provide intensive health services at the Project. However, due to capacity concerns at HealthRIGHT 360, both parties have agreed to dissolve their Memorandum of Understanding. CHP now plans to partner with DPH for intensive health services including nursing, psychiatric care, primary medical, mental health, and substance use disorder treatment. CHP is working closely with HSH to solidify the DPH partnership. HSH is pursuing a new agreement with DPH to provide health services to multiple permanent supportive housing sites and anticipates incorporating the MBS 9 project into this agreement.

The resident services staff assigned to the site from CHP is 8.85 full-time equivalent (FTE). Case management is provided at a ratio of 1:25, as is typical for Tier V projects in the HSH system. Services staffing and expenses will be

funded through the services budget as described below (services costs are not paid from the operating budget). CHP positions are as follows (the DPH FTE is to be determined):

| Position | FTE |
|--|-------------|
| Director of Resident Services (CHP) | 0.05 |
| Senior Program Director (CHP) | 0.30 |
| Resident Services Manager (CHP) | 1.0 |
| Resident Services Team Lead (CHP) | 2.0 |
| Resident Services Counselor (CHP) | 3.0 |
| Clinical Services Manager (CHP) | 0.15 |
| Clinical Case Manager (CHP) | 2.0 |
| Program Associate – Resident Services Department (CHP) | 0.10 |
| Program Associate – Learning and Evaluation (CHP) | 0.10 |
| Contract and Evaluation Director (CHP) | 0.10 |
| Chief Operating Officer (CHP) | 0.05 |
| Total | 8.85 |

4.2. Service Budget.

The annual support services budget totals \$1,080,038 (\$7,715 unit/year). This will be funded through an HSH contract, Medi-Cal billing, and in-kind services from CHP. The HSH contract is estimated at \$5,656 unit/year for the first year of operations in fiscal year 2021-2022. HSH funding will increase to \$6,350 unit/year for fiscal year 2022-2023. The CHP in-kind budget includes overhead costs attributable to the management of the Project and will be funded through public funding opportunities, funds raised through CHP’s fund development team, and leveraging existing CHP in-house resources. The in-kind portion will decrease in in fiscal year 2022-2023 based on HSH’s increased funding.

Nursing and psychiatric service expenses are estimated to total \$202,000 per year through the contract with DPH. This will be funded through the HSH contract and may, in part, be funded through additional Medi-Cal billing.

The budget is estimated in the table below:

| Expenditure | Source | | | Total Budget |
|----------------------|------------------|------------------|------------------|--------------------|
| | HSH Contract | Medi-Cal Billing | CHP In-Kind | |
| Salaries | \$340,611 | \$38,189 | \$141,351 | \$520,151 |
| Benefits | \$102,183 | \$11,457 | \$42,405 | \$156,045 |
| Operating Expenses | \$43,702 | -- | \$17,265 | \$50,968 |
| Subcontract Services | \$202,000 | -- | -- | \$202,000 |
| Indirect Costs | \$103,275 | \$7,447 | \$30,153 | \$140,875 |
| TOTAL | \$791,772 | \$57,093 | \$231,174 | \$1,080,038 |

4.3. HSH Assessment of Service Plan and Budget.

The Sponsors met with HSH staff throughout predevelopment for MBS 9 to discuss the services budget and staffing, and most recently met with HSH staff in March 2021. In addition, CHP has been in regular communication with Elizabeth Hewson, Manager of Supportive Housing Programs at HSH, to discuss the proposed agreement with DPH for intensive health services. Discussions will be held monthly throughout this year to finalize the agreement with DPH and ensure adequate service funding and an appropriate staffing plan/case management ratio to serve the anticipated high need population. As a condition of LOSP funding, the Sponsors will work with HSH to finalize the services budget and staffing plan, and secure a contract with HSH (Condition 2).

5. CONCLUSION

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

6. RECOMMENDED CONDITIONS

1. If directed by OCII, Sponsors will apply for rental subsidies and/or services funding through the San Francisco Continuum of Care Program (based on the Notice of Funds Available typically issued annually by the U.S. Department of Housing and Urban Development).
2. Sponsors will collaborate with HSH to finalize the services plan and budget, secure an agreement with DPH for intensive health services, and secure a contract with HSH for services funding.
3. The budget for flood insurance (\$90k in Year One, and totaling \$1,887,393 for the full LOSP contract period) will be released to the Sponsor only if/when flood insurance is required by the equity investor based on the publication of an updated FEMA floodplain map for San Francisco that depicts the Project site as located within a 100-year or 500-year floodplain.
4. The initial LOSP payment will be tied to receipt of a temporary certificate of occupancy (TCO) for the Project. Should the timing of the Project TCO slip

past January 2022 as is currently anticipated, the first year LOSP payment will be adjusted accordingly.

7. LOAN COMMITTEE MODIFICATIONS

LOAN COMMITTEE RECOMMENDATION

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

APPROVE. DISAPPROVE. TAKE NO ACTION.

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

Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

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

Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

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

Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

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

Date: _____

- Attachments:
- A. LOSP Program Description
 - B. 1st Year Operating Budget
 - C. 20-year Operating Pro Forma
 - D. LOSP Funding and Disbursement Schedule A

Chavez, Rosanna (MYR)

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

I approve all. I apologize.

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

Hello Eric,

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

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

Thank you,

Rosie Chavez

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

Chavez, Rosanna (MYR)

From: Menjivar, Salvador (HOM)
Sent: Friday, March 26, 2021 5:10 PM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR)
Subject: Mission Bay South Block 9

I approve the LOSP contract funding for Mission Bay South Block 9.

Best,

salvador



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

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

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

Chavez, Rosanna (MYR)

From: Oerth, Sally (CII)
Sent: Friday, March 19, 2021 12:16 PM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR); Obstfeld, Kimberly (CII)
Subject: LOSP request for MBS Block 9, 3.19.21 Loan Committee

I approve the LOSP funding request for MBS Block 9, as presented at the 3.19.21 Loan Committee.



Sally Oerth
Interim Executive Director

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

Chavez, Rosanna (MYR)

From: Katz, Bridget (CON)
Sent: Friday, March 19, 2021 12:16 PM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR)
Subject: LOSP Funding Mission Bay South Block 9

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: LOSP Program Description

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

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

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

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

Attachment B: 1st Year Operating Budget

Application Date: 1/1/2022
 Total # Units: 141
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2022

Project Name: Mission Bay South Block 9
 Project Address: 410 China Basin Street
 Project Sponsor: BRIDGE Housing Corp. & Community Housing Partnership

| INCOME | LOSP/Non-LOSP Allocation | | Total | Comments | Alternative LOSP Split |
|--|--------------------------|----------|------------------|---|--|
| | 100% | 0% | | | |
| Residential - Tenant Rents | 504,000 | 0 | 504,000 | Links from 'New Proj - Rent & Unit Mix' Worksheet | Residential - Tenant Rents |
| Residential - Tenant Assistance Payments (Non-LOSP) | 0 | 0 | 0 | Links from 'New Proj - Rent & Unit Mix' Worksheet | Tenant Assistance Payments (N |
| Commercial - LOSP - Tenant Assistance Payments | 1,571,977 | 0 | 1,571,977 | Links from 'Utilities & Other Income' Worksheet | Commercial - LOSP - Tenant Assistance Payments |
| Commercial - Non-LOSP - Tenant Assistance Payments | 0 | 0 | 0 | Links from 'Utilities & Other Income' Worksheet | Commercial - Non-LOSP - Tenant Assistance Payments |
| Miscellaneous Rent Income | 33,624 | 0 | 33,624 | Manager's unit rent based on HUD FMR | Miscellaneous Rent Income |
| Supportive Services Income | 0 | 0 | 0 | Links from 'Utilities & Other Income' Worksheet | Supportive Services Income |
| Interest Income - Project Operations | 0 | 0 | 0 | Links from 'Utilities & Other Income' Worksheet | Interest Income - Project Operations |
| Laundry and Vending | 0 | 0 | 0 | Links from 'Utilities & Other Income' Worksheet | Laundry and Vending |
| Tenant Charges | 0 | 0 | 0 | Links from 'Utilities & Other Income' Worksheet | Tenant Charges |
| Miscellaneous Residential Income | 0 | 0 | 0 | Links from 'Utilities & Other Income' Worksheet | Miscellaneous Residential Income |
| Other Commercial Income | 0 | 0 | 0 | Links from 'Commercial Op. Budget' Worksheet | Other Commercial Income |
| Withdrawal from Capitalized Reserve (deposit to operating account) | 0 | 0 | 0 | Links from 'Commercial Op. Budget' Worksheet | Withdrawal from Capitalized Reserve (deposit |
| Gross Potential Income | 2,109,601 | 0 | 2,109,601 | | |
| Vacancy Loss - Residential - Tenant Rents | (25,200) | 0 | (25,200) | Vacancy loss is 5% of Tenant Rents. | |
| Vacancy Loss - Residential - Tenant Assistance Payments | 23,460 | 0 | 23,460 | #DIV/0! | |
| Vacancy Loss - Commercial | 0 | 0 | 0 | Links from 'Commercial Op. Budget' Worksheet | |
| EFFECTIVE GROSS INCOME | 2,084,401 | 0 | 2,084,401 | PUPA: 14,783 | |

| OPERATING EXPENSES | | | | | |
|--------------------------------------|----------------|----------|----------------|--|-------------------------------------|
| Management | | | | | |
| Management Fee | 136,080 | 0 | 136,080 | 1st Year to be set according to HUD schedule.\$81/PUPY current | Management Fee |
| Asset Management Fee | 23,460 | 0 | 23,460 | Based on MOHCD AM Fee Schedule | Asset Management Fee |
| Sub-total Management Expenses | 159,540 | 0 | 159,540 | PUPA: 1,131 | |
| Salaries/Benefits | | | | | |
| Office Salaries | 24,489 | 0 | 24,489 | Compliance staff and roving site staff | Office Salaries |
| Manager's Salary | 118,836 | 0 | 118,836 | 1 FTE Property Manager and 1 FTE Assistant Manager | Manager's Salary |
| Health Insurance and Other Benefits | 132,264 | 0 | 132,264 | Health Insurance, Payroll Benefits - Vacation, and Travel | Health Insurance and Other Benefits |
| Other Salaries/Benefits | 0 | 0 | 0 | | Other Salaries/Benefits |
| Administrative Rent-Free Unit | 33,624 | 0 | 33,624 | Manager's unit income as an expense | Administrative Rent-Free Unit |
| Sub-total Salaries/Benefits | 309,213 | 0 | 309,213 | PUPA: 2,193 | |

| | | | | | |
|--|----------------|----------|----------------|---|--------------------------|
| Administration | | | | | |
| Advertising and Marketing | 654 | 0 | 654 | Tenant credit history checks | |
| Office Expenses | 65,353 | 0 | 65,353 | Telecom, office supplies, IT expenses, equipment leases, printing, subscriptions, postage | |
| Office Rent | 0 | 0 | 0 | | Projected LOSP Split |
| Legal Expense - Property | 16,082 | 0 | 16,082 | Based on per unit costs at similar properties | Legal Expense - Property |
| Audit Expense | 18,406 | 0 | 18,406 | Based on costs at similar properties | |
| Bookkeeping/Accounting Services | 15,960 | 0 | 15,960 | \$9.50/PUPY, restricted units | Projected LOSP Split |
| Bad Debts | 20,160 | 0 | 20,160 | 4% of tenant rents | Bad Debts |
| Miscellaneous | 30,635 | 0 | 30,635 | Staff development and training, payroll expense, uniforms, bank charges | |
| Sub-total Administration Expenses | 167,251 | 0 | 167,251 | PUPA: 1,186 | |

| | | | | | |
|----------------------------|----------------|----------|----------------|--|-------------|
| Utilities | | | | | |
| Electricity | 70,582 | 0 | 70,582 | T24 Engineer estimate (does not include PV generation) plus 10% contingency due to PSH | Electricity |
| Water | 115,798 | 0 | 115,798 | T24 engineer estimate (includes SHW offset) plus 10% contingency due to PSH | |
| Gas | 23,548 | 0 | 23,548 | Based on CY19 RCA/ZA/Prorated; no BVW | |
| Sewer | 95,359 | 0 | 95,359 | Based on CY19 RCA/ZA/Prorated | |
| Sub-total Utilities | 305,287 | 0 | 305,287 | PUPA: 2,165 | |

| | | | | | |
|---|---------------|----------|---------------|--|-------------------|
| Taxes and Licenses | | | | | |
| Real Estate Taxes | 2,142 | 0 | 2,142 | Small annual Mello-roos cost | Real Estate Taxes |
| Payroll Taxes | 54,517 | 0 | 54,517 | Federal - 8% of total salaries, state - 2% of total salaries | Payroll Taxes |
| Miscellaneous Taxes, Licenses and Permits | 13,219 | 0 | 13,219 | State and local taxes and fees, based on similar properties | |
| Sub-total Taxes and Licenses | 69,879 | 0 | 69,879 | PUPA: 496 | |

| | | | | | |
|--|----------------|----------|----------------|---|------------------------|
| Insurance | | | | | |
| Property and Liability Insurance | 375,505 | 0 | 375,505 | Property and Liability insurance (\$285,504.52) + Flood insurance projection (\$90,000) | |
| Fidelity Bond Insurance | 0 | 0 | 0 | | Alternative LOSP Split |
| Worker's Compensation | 22,821 | 0 | 22,821 | | Worker's Compensation |
| Director's & Officers' Liability Insurance | 0 | 0 | 0 | | |
| Sub-total Insurance | 398,326 | 0 | 398,326 | PUPA: 2,825 | |

| | | | | | |
|---|----------------|----------|----------------|--|---------------------------|
| Maintenance & Repair | | | | | |
| Payroll | 215,800 | 0 | 215,800 | 2 Janitors, 0.2 FTE overtime/holiday, 1 senior maintenance tech, 1 maintenance supervisor, | Projected LOSP Split |
| Supplies | 27,891 | 0 | 27,891 | Supplies and repair materials, replacement appliances, unit turnover repairs | Supplies |
| Contracts | 91,323 | 0 | 91,323 | Includes security alarm, pest control, grounds, fire protection, elevator, and other misc | Contracts |
| Garbage and Trash Removal | 38,050 | 0 | 38,050 | Includes Greenstreetz diversion \$500/mth | Alternative LOSP Split |
| Security Payroll/Contract | 189,323 | 0 | 189,323 | Includes 24/7 front desk coverage | Security Payroll/Contract |
| HVAC Repairs and Maintenance | 0 | 0 | 0 | | |
| Vehicle and Maintenance Equipment Operation and Repairs | 268 | 0 | 268 | | |
| Miscellaneous Operating and Maintenance Expenses | 10,000 | 0 | 10,000 | BVW maintenance | |
| Sub-total Maintenance & Repair Expenses | 572,455 | 0 | 572,455 | PUPA: 4,060 | |

| | | | | | |
|----------------------------|---|---|---|--|------------------------|
| Supportive Services | 0 | 0 | 0 | Separate HSH contract and MediCal Billing reimbursement contract | Alternative LOSP Split |
| Commercial Expenses | 0 | 0 | 0 | Links from 'Commercial Op. Budget' Worksheet | Supportive Services |

TOTAL OPERATING EXPENSES 1,981,950 0 1,981,950 PUPA: 14,056

| | | | | | |
|--|---------------|----------|---------------|--|----------------------------------|
| Reserves/Ground Lease Base Rent/Bond Fees | | | | | |
| Ground Lease Base Rent | 1 | 0 | 1 | Ground lease with MOHCD Provide additional comments here, if needed. | |
| Bond Monitoring Fee | 3,500 | 0 | 3,500 | Increase from \$2,500 to \$3,500 to reflect the annual fiscal agent fee. | Alternative LOSP Split |
| Replacement Reserve Deposit | 70,500 | 0 | 70,500 | \$500/unit | Replacement Reserve Deposit |
| Operating Reserve Deposit | 0 | 0 | 0 | | Operating Reserve Deposit |
| Other Required Reserve 1 Deposit | 0 | 0 | 0 | | Other Required Reserve 1 Deposit |
| Other Required Reserve 2 Deposit | 0 | 0 | 0 | | |
| Required Reserve Deposits, Commercial | 0 | 0 | 0 | Links from 'Commercial Op. Budget' Worksheet | |
| Sub-total Reserves/Ground Lease Base Rent/Bond Fees | 74,001 | 0 | 74,001 | PUPA: 525 | |

| | | | | | |
|---|------------------|----------|------------------|---------------------|--|
| TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees) | 2,055,951 | 0 | 2,055,951 | PUPA: 14,581 | |
| NET OPERATING INCOME (INCOME minus OP EXPENSES) | 28,450 | 0 | 28,450 | PUPA: 202 | |

| | | | | | |
|---|----------|----------|----------|--|---|
| DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans) | | | | | |
| Hard Debt - First Lender | 0 | 0 | 0 | Provide additional comments here, if needed. | Hard Debt - First Lender |
| Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Len | 0 | 0 | 0 | Provide additional comments here, if needed. | Hard Debt - Second Lender (HCD Program 0 |
| Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender) | 0 | 0 | 0 | Provide additional comments here, if needed. | Hard Debt - Third Lender (Other HCD Program |
| Hard Debt - Fourth Lender | 0 | 0 | 0 | Provide additional comments here, if needed. | Hard Debt - Fourth Lender |
| Commercial Hard Debt Service | 0 | 0 | 0 | Links from 'Commercial Op. Budget' Worksheet | |
| TOTAL HARD DEBT SERVICE | 0 | 0 | 0 | PUPA: 0 | |

| | | | | | |
|---|---------------|----------|---------------|--|--|
| CASH FLOW (NOI minus DEBT SERVICE) | 28,450 | 0 | 28,450 | | |
| Commercial Only Cash Flow | 0 | 0 | 0 | | |
| Allocation of Commercial Surplus to LOSP/Non-LOSP (residual income) | 0 | 0 | 0 | | Allocation of Commercial Surplus to LOSP/Non |
| AVAILABLE CASH FLOW | 28,450 | 0 | 28,450 | | |

| | | | | | |
|---|---------------|----------|---------------|------------------|---|
| 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) | 23,450 | 0 | 23,450 | 2nd | |
| Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits) | 5,000 | 0 | 5,000 | 1st | Alternative LOSP Split |
| Other Payments | 0 | 0 | 0 | | Other Payments |
| Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field) | 0 | 0 | 0 | | Non-amortizing Loan Pmnt - Lender 1 (select |
| Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field) | 0 | 0 | 0 | | Non-amortizing Loan Pmnt - Lender 2 (select |
| Deferred Developer Fee (Enter amt <= Max Fee from call 11/30) | 0 | 0 | 0 | #DIV/0! | Deferred Developer Fee (Enter amt <= Max F |
| TOTAL PAYMENTS PRECEDING MOHCD | 28,450 | 0 | 28,450 | PUPA: 202 | |

| | | | | | |
|---|----------|----------|----------|--|--|
| RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD) | 0 | 0 | 0 | | |
|---|----------|----------|----------|--|--|

Residual Receipts Calculation
 Does Project have a MOHCD Residual Receipt Obligation? No Project has MOHCD ground lease? Yes
 Will Project Defeat Developer Fee? No
 Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1: 100%
 % of Residual Receipts available for distribution to soft debt lenders in 0%

| Soft Debt Lenders with Residual Receipts Obligations | (Select lender name/program from drop down) | Total Principal Amt | Distrib. of Soft Debt Loans |
|--|---|---------------------|-----------------------------|
| MOHCD/OCII - Soft Debt Loans | All MOHCD/OCII Loans payable from res. recs | \$5,000,000 | 100.00% |
| MOHCD/OCII - Ground Lease Value or Land Acq Cost | Ground Lease Value | \$10 | 0.00% |
| HCD (soft debt loan) - Lender 3 | | | 0.00% |
| Other Soft Debt Lender - Lender 4 | | | 0.00% |
| Other Soft Debt Lender - Lender 5 | | | 0.00% |

| | | | | | |
|--|---|---|---|--|--|
| MOHCD RESIDUAL RECEIPTS DEBT SERVICE | | | | | |
| MOHCD Residual Receipts Amount Due | 0 | 0 | 0 | 10% of residual receipts, multiplied by 100% - MOHCD's pro rata share of all soft debt | |
| Proposed MOHCD Residual Receipts Amount to Loan Repayment | 0 | 0 | 0 | Enter/override amount of residual receipts proposed for loan repayment. | |
| Proposed MOHCD Residual Receipts Amount to Residual Ground Lease | 0 | 0 | 0 | If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repaymt. | |

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE 0

| | | | | | |
|---|----------|----------|----------|--|--|
| NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE | | | | | |
| HCD Residual Receipts Amount Due | 0 | 0 | 0 | | |
| Lender 4 Residual Receipts Due | 0 | 0 | 0 | | |
| Lender 5 Residual Receipts Due | 0 | 0 | 0 | | |
| Total Non-MOHCD Residual Receipts Debt Service | 0 | 0 | 0 | | |

| | | | | | |
|--|----------|----------|----------|--|--|
| REMAINDER (Should be zero unless there are distributions below) | | | | | |
| Owner Distributions/Incentive Management Fee | 0 | 0 | 0 | | |
| Other Distributions/Uses | 0 | 0 | 0 | | |
| Final Balance (should be zero) | 0 | 0 | 0 | | |

Application Date: 1/1/2022
 Total # Units: 141
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2022

| INCOME | | | |
|--|----------------------|----------|---|
| Residential - Tenant Rents | | non-LOSP | Approved By (reqd) |
| Residential - Tenant Assistance Payments (Non-LOSP) | LOSP | | |
| Residential - LOSP Tenant Assistance Payments | | | |
| Commercial Space | | | |
| Residential Parking | | | |
| Miscellaneous Rent Income | LOSP | non-LOSP | Approved By (reqd) |
| Supportive Services Income | | | |
| Interest Income - Project Operations | | | |
| Laundry and Vending | LOSP | non-LOSP | (only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system) |
| Tenant Charges | | | |
| Miscellaneous Residential Income | | | |
| Other Commercial Income | LOSP | non-LOSP | Approved By (reqd) |
| Withdrawal from Capitalized Reserve (deposit to operating account) | to operating account | | |
| Gross Potential Income | | | |
| Vacancy Loss - Residential - Tenant Rents | | | |
| Vacancy Loss - Residential - Tenant Assistance Payments | | | |
| Vacancy Loss - Commercial | | | |
| EFFECTIVE GROSS INCOME | | | |

| OPERATING EXPENSES | | | |
|---|---------|----------|---|
| Management | | | |
| Management Fee | LOSP | non-LOSP | Approved By (reqd) |
| Asset Management Fee | | | |
| Sub-total Management Expenses | | | |
| Salaries/Benefits | | | |
| Office Salaries | LOSP | non-LOSP | Approved By (reqd) |
| Manager's Salary | | | |
| Health Insurance and Other Benefits | | | |
| Other Salaries/Benefits | | | |
| Administrative Rent-Free Unit | | | |
| Sub-total Salaries/Benefits | | | |
| Administration | | | |
| Advertising and Marketing | | | |
| Office Expenses | | | |
| Office Rent | LOSP | non-LOSP | (only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system) |
| Legal Expense - Property | 100.00% | 0.00% | |
| Audit Expense | | | |
| Bookkeeping/Accounting Services | LOSP | non-LOSP | (only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system) |
| Bad Debts | 100.00% | 0.00% | |
| Miscellaneous | | | |
| Sub-total Administration Expenses | | | |
| Utilities | | | |
| Electricity | LOSP | non-LOSP | (only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system) |
| Water | 100.00% | 0.00% | |
| Gas | | | |
| Sewer | | | |
| Sub-total Utilities | | | |
| Taxes and Licenses | | | |
| Real Estate Taxes | LOSP | non-LOSP | Approved By (reqd) |
| Payroll Taxes | | | |
| Miscellaneous Taxes, Licenses and Permits | | | |
| Sub-total Taxes and Licenses | | | |
| Insurance | | | |
| Property and Liability Insurance | | | |
| Fidelity Bond Insurance | LOSP | non-LOSP | Approved By (reqd) |
| Worker's Compensation | | | |
| Director's & Officers' Liability Insurance | | | |
| Sub-total Insurance | | | |
| Maintenance & Repair | | | |
| Payroll | LOSP | non-LOSP | (only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system) |
| Supplies | 100.00% | 0.00% | |
| Contracts | | | |
| Garbage and Trash Removal | LOSP | non-LOSP | Approved By (reqd) |
| Security Payroll/Contract | | | |
| HVAC Repairs and Maintenance | | | |
| Vehicle and Maintenance Equipment Operation and Repairs | | | |
| Miscellaneous Operating and Maintenance Expenses | | | |
| Sub-total Maintenance & Repair Expenses | | | |
| Supportive Services | LOSP | non-LOSP | Approved By (reqd) |
| Commercial Expenses | | | |

| | | | |
|---|-------|----------------------------|--------------------|
| TOTAL OPERATING EXPENSES | | | |
| Reserves/Ground Lease Base Rent/Bond Fees | | | |
| Ground Lease Base Rent | | | |
| Bond Monitoring Fee | LOSP | non-LOSP | Approved By (reqd) |
| Replacement Reserve Deposit | | | |
| Operating Reserve Deposit | | | |
| Other Required Reserve 1 Deposit | | | |
| Other Required Reserve 2 Deposit | | | |
| Required Reserve Deposits, Commercial | | | |
| Sub-total Reserves/Ground Lease Base Rent/Bond Fees | | | |
| TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees) | | | |
| NET OPERATING INCOME (INCOME minus OP EXPENSES) | | | |
| DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans) | | | |
| Hard Debt - First Lender | LOSP | non-LOSP | Approved By (reqd) |
| Hard Debt - Second Lender (HCD Program 0.42% pymt. or other 2nd Lender 0.42% pymt. or other 2nd Lender) | 0.00% | | |
| Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender) | | | |
| Hard Debt - Fourth Lender | | | |
| Commercial Hard Debt Service | | 100.00% | |
| TOTAL HARD DEBT SERVICE | | | |
| CASH FLOW (NOI minus DEBT SERVICE) | | | |
| Commercial Only Cash Flow | | | |
| Allocation of Commercial Surplus to LOPS/non-LOSP (residual income) | | | |
| LOSP (residual income) | | non-LOSP (residual income) | |
| AVAILABLE CASH FLOW | | | |
| USES OF CASH FLOW BELOW (This row also shows DSCR.) | | | |
| USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL | | | |
| "Below-the-line" Asset Mgt fee (uncommon in new projects, see policy) | | | |
| Partnership Management Fee (see policy for limits) | | | |
| Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits) | LOSP | non-LOSP | Approved By (reqd) |
| Other Payments | | | |
| Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field) | | lender in comments field | |
| Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field) | | | |
| Deferred Developer Fee (Enter amt => Max Fee from call 1130) | | 0.00% | 100.00% |
| TOTAL PAYMENTS PRECEDING MOHCD | | | |

| | | | |
|---|--|---------|---|
| RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD) | | | |
| Residual Receipts Calculation | | | |
| Does Project have a MOHCD Residual Receipt Obligation? | | | |
| Will Project Defer Developer Fee? | | | |
| Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1: | | | 0 |
| % of Residual Receipts available for distribution to soft debt lenders in | | #VALUE! | |
| Soft Debt Lenders with Residual Receipts Obligations | | | |
| MOHCD/OCII - Soft Debt Loans | | | |
| MOHCD/OCII - Ground Lease Value or Land Acq Cost | | | |
| HCD (soft debt loan) - Lender 3 | | | |
| Other Soft Debt Lender - Lender 4 | | | |
| Other Soft Debt Lender - Lender 5 | | | |
| MOHCD RESIDUAL RECEIPTS DEBT SERVICE | | | |
| MOHCD Residual Receipts Amount Due | | | |
| Proposed MOHCD Residual Receipts Amount to Loan Repayment | | | |
| Proposed MOHCD Residual Receipts Amount to Residual Ground Lease | | | |
| REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE | | | |
| NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE | | | |
| HCD Residual Receipts Amount Due | | | |
| Lender 4 Residual Receipts Due | | | |
| Lender 5 Residual Receipts Due | | | |
| Total Non-MOHCD Residual Receipts Debt Service | | | |
| REMAINDER (Should be zero unless there are distributions below) | | | |
| Owner Distributions/Incentive Management Fee | | | |
| Other Distributions/Uses | | | |
| Final Balance (should be zero) | | | |

Attachment C: 20-Year Operating Pro Forma

Mission Bay South Block 9

| Total # Units: | LOSP Units | | Non-LOSP Units | | Year 1 2022 | | | Year 2 2023 | | | Year 3 2024 | | |
|---|------------|---------|----------------|-------|------------------|----------|------------------|------------------|----------|------------------|------------------|----------|------------------|
| | 141 | 141 | 0 | 0 | LOSP | non-LOSP | Total | LOSP | non-LOSP | Total | LOSP | non-LOSP | Total |
| | 100.00% | 100.00% | 0.00% | 0.00% | | | | | | | | | |
| INCOME | | | | | | | | | | | | | |
| Residential - Tenant Rents | | 1.0% | 2.5% | | 504,000 | - | 504,000 | 509,040 | - | 509,040 | 514,130 | - | 514,130 |
| Residential - Tenant Assistance Payments (Non-LOSP) | | n/a | n/a | | - | - | - | - | - | - | - | - | - |
| Residential -LOSP Tenant Assistance Payments | | n/a | n/a | | 1,571,977 | - | 1,571,977 | 1,636,712 | - | 1,636,712 | 1,703,841 | - | 1,703,841 |
| Commercial Space | | n/a | 2.5% | | - | - | - | - | - | - | - | - | - |
| Residential Parking | | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | - |
| Miscellaneous Rent Income | | 2.5% | 2.5% | | 33,624 | - | 33,624 | 34,465 | - | 34,465 | 35,326 | - | 35,326 |
| Supportive Services Income | | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | - |
| Interest Income - Project Operations | | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | - |
| Laundry and Vending | | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | - |
| Tenant Charges | | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | - |
| Miscellaneous Residential Income | | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | - |
| Other Commercial Income | | n/a | 2.5% | | - | - | - | - | - | - | - | - | - |
| Withdrawal from Capitalized Reserve (deposit to operating account) | | n/a | n/a | | - | - | - | - | - | - | - | - | - |
| Gross Potential Income | | | | | 2,109,801 | - | 2,109,801 | 2,180,217 | - | 2,180,217 | 2,253,298 | - | 2,253,298 |
| Vacancy Loss - Residential - Tenant Rents | | n/a | n/a | | (25,200) | - | (25,200) | (25,452) | - | (25,452) | (25,707) | - | (25,707) |
| Vacancy Loss - Residential - Tenant Assistance Payments | | n/a | n/a | | - | - | - | - | - | - | - | - | - |
| Vacancy Loss - Commercial | | n/a | n/a | | - | - | - | - | - | - | - | - | - |
| EFFECTIVE GROSS INCOME | | | | | 2,084,401 | - | 2,084,401 | 2,154,765 | - | 2,154,765 | 2,227,591 | - | 2,227,591 |
| OPERATING EXPENSES | | | | | | | | | | | | | |
| Management | | | | | | | | | | | | | |
| Management Fee | | 3.5% | 3.5% | | 136,080 | - | 136,080 | 140,843 | - | 140,843 | 145,772 | - | 145,772 |
| Asset Management Fee | | 3.5% | 3.5% | | 23,460 | - | 23,460 | 24,281 | - | 24,281 | 25,131 | - | 25,131 |
| Sub-total Management Expenses | | | | | 159,540 | - | 159,540 | 165,124 | - | 165,124 | 170,903 | - | 170,903 |
| Salaries/Benefits | | | | | | | | | | | | | |
| Office Salaries | | 3.5% | 3.5% | | 24,489 | - | 24,489 | 25,346 | - | 25,346 | 26,233 | - | 26,233 |
| Manager's Salary | | 3.5% | 3.5% | | 118,636 | - | 118,636 | 122,996 | - | 122,996 | 127,300 | - | 127,300 |
| Health Insurance and Other Benefits | | 3.5% | 3.5% | | 132,264 | - | 132,264 | 136,893 | - | 136,893 | 141,685 | - | 141,685 |
| Other Salaries/Benefits | | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | - |
| Administrative Rent-Free Unit | | 3.5% | 3.5% | | 33,624 | - | 33,624 | 34,801 | - | 34,801 | 36,019 | - | 36,019 |
| Sub-total Salaries/Benefits | | | | | 309,213 | - | 309,213 | 320,036 | - | 320,036 | 331,237 | - | 331,237 |
| Administration | | | | | | | | | | | | | |
| Advertising and Marketing | | 3.5% | 3.5% | | 654 | - | 654 | 677 | - | 677 | 701 | - | 701 |
| Office Expenses | | 3.5% | 3.5% | | 65,353 | - | 65,353 | 67,640 | - | 67,640 | 70,008 | - | 70,008 |
| Office Rent | | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | - |
| Legal Expense - Property | | 3.5% | 3.5% | | 16,082 | - | 16,082 | 16,645 | - | 16,645 | 17,228 | - | 17,228 |
| Audit Expense | | 3.5% | 3.5% | | 18,406 | - | 18,406 | 19,050 | - | 19,050 | 19,717 | - | 19,717 |
| Bookkeeping/Accounting Services | | 3.5% | 3.5% | | 15,960 | - | 15,960 | 16,519 | - | 16,519 | 17,097 | - | 17,097 |
| Bad Debts | | 3.5% | 3.5% | | 20,160 | - | 20,160 | 20,866 | - | 20,866 | 21,596 | - | 21,596 |
| Miscellaneous | | 3.5% | 3.5% | | 30,635 | - | 30,635 | 31,708 | - | 31,708 | 32,817 | - | 32,817 |
| Sub-total Administration Expenses | | | | | 167,251 | - | 167,251 | 173,104 | - | 173,104 | 179,163 | - | 179,163 |
| Utilities | | | | | | | | | | | | | |
| Electricity | | 3.5% | 3.5% | | 70,582 | - | 70,582 | 73,052 | - | 73,052 | 75,609 | - | 75,609 |
| Water | | 3.5% | 3.5% | | 115,798 | - | 115,798 | 119,851 | - | 119,851 | 124,045 | - | 124,045 |
| Gas | | 3.5% | 3.5% | | 23,548 | - | 23,548 | 24,372 | - | 24,372 | 25,225 | - | 25,225 |
| Sewer | | 3.5% | 3.5% | | 95,359 | - | 95,359 | 98,697 | - | 98,697 | 102,151 | - | 102,151 |
| Sub-total Utilities | | | | | 305,287 | - | 305,287 | 315,972 | - | 315,972 | 327,031 | - | 327,031 |
| Taxes and Licenses | | | | | | | | | | | | | |
| Real Estate Taxes | | 3.5% | 3.5% | | 2,142 | - | 2,142 | 2,217 | - | 2,217 | 2,295 | - | 2,295 |
| Payroll Taxes | | 3.5% | 3.5% | | 54,517 | - | 54,517 | 56,425 | - | 56,425 | 58,400 | - | 58,400 |
| Miscellaneous Taxes, Licenses and Permits | | 3.5% | 3.5% | | 13,219 | - | 13,219 | 13,682 | - | 13,682 | 14,161 | - | 14,161 |
| Sub-total Taxes and Licenses | | | | | 69,879 | - | 69,879 | 72,325 | - | 72,325 | 74,856 | - | 74,856 |
| Insurance | | | | | | | | | | | | | |
| Property and Liability Insurance | | 3.5% | 3.5% | | 375,505 | - | 375,505 | 388,647 | - | 388,647 | 402,250 | - | 402,250 |
| Fidelity Bond Insurance | | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | - |
| Worker's Compensation | | 3.5% | 3.5% | | 22,821 | - | 22,821 | 23,620 | - | 23,620 | 24,446 | - | 24,446 |
| Director's & Officers' Liability Insurance | | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | - |
| Sub-total Insurance | | | | | 398,326 | - | 398,326 | 412,267 | - | 412,267 | 426,696 | - | 426,696 |
| Maintenance & Repair | | | | | | | | | | | | | |
| Payroll | | 3.5% | 3.5% | | 215,800 | - | 215,800 | 223,353 | - | 223,353 | 231,171 | - | 231,171 |
| Supplies | | 3.5% | 3.5% | | 27,691 | - | 27,691 | 28,660 | - | 28,660 | 29,663 | - | 29,663 |
| Contracts | | 3.5% | 3.5% | | 91,323 | - | 91,323 | 94,519 | - | 94,519 | 97,827 | - | 97,827 |
| Garbage and Trash Removal | | 3.5% | 3.5% | | 38,050 | - | 38,050 | 39,382 | - | 39,382 | 40,760 | - | 40,760 |
| Security Payroll/Contract | | 3.5% | 3.5% | | 189,323 | - | 189,323 | 195,949 | - | 195,949 | 202,807 | - | 202,807 |
| HVAC Repairs and Maintenance | | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | - |
| Vehicle and Maintenance Equipment Operation and Repairs | | 3.5% | 3.5% | | 268 | - | 268 | 277 | - | 277 | 287 | - | 287 |
| Miscellaneous Operating and Maintenance Expenses | | 3.5% | 3.5% | | 10,000 | - | 10,000 | 10,350 | - | 10,350 | 10,712 | - | 10,712 |
| Sub-total Maintenance & Repair Expenses | | | | | 572,455 | - | 572,455 | 592,491 | - | 592,491 | 613,228 | - | 613,228 |
| Supportive Services | | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | - |
| Commercial Expenses | | | | | | | | | | | | | |
| TOTAL OPERATING EXPENSES | | | | | 1,981,950 | - | 1,981,950 | 2,051,318 | - | 2,051,318 | 2,123,114 | - | 2,123,114 |
| RESERVES/GROUND LEASE BASE RENT/BOND FEES | | | | | | | | | | | | | |
| Ground Lease Base Rent | | | | | 1 | - | 1 | 1 | - | 1 | 1 | - | 1 |
| Bond Monitoring Fee | | | | | 3,500 | - | 3,500 | 3,500 | - | 3,500 | 3,500 | - | 3,500 |
| Replacement Reserve Deposit | | | | | 70,500 | - | 70,500 | 70,500 | - | 70,500 | 70,500 | - | 70,500 |
| 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 | | | | | 74,001 | - | 74,001 | 74,001 | - | 74,001 | 74,001 | - | 74,001 |
| TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees) | | | | | 2,055,951 | - | 2,055,951 | 2,125,319 | - | 2,125,319 | 2,197,115 | - | 2,197,115 |
| NET OPERATING INCOME (INCOME minus OP EXPENSES) | | | | | 28,450 | - | 28,450 | 29,446 | - | 29,446 | 30,476 | - | 30,476 |
| 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) | | | | | - | - | - | - | - | - | - | - | - |
| Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender) | | | | | - | - | - | - | - | - | - | - | - |
| Hard Debt - Fourth Lender | | | | | - | - | - | - | - | - | - | - | - |
| Commercial Hard Debt Service | | | | | - | - | - | - | - | - | - | - | - |
| TOTAL HARD DEBT SERVICE | | | | | - | - | - | - | - | - | - | - | - |
| CASH FLOW (NOI minus DEBT SERVICE) | | | | | 28,450 | - | 28,450 | 29,446 | - | 29,446 | 30,476 | - | 30,476 |
| Commercial Only Cash Flow | | | | | - | - | - | - | - | - | - | - | - |
| Allocation of Commercial Surplus to LOPS/non-LOSP (residual income) | | | | | - | - | - | - | - | - | - | - | - |
| AVAILABLE CASH FLOW | | | | | 28,450 | - | 28,450 | 29,446 | - | 29,446 | 30,476 | - | 30,476 |
| 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% | | 23,450 | - | 23,450 | 24,271 | - | 24,271 | 25,120 | - | 25,120 |
| Partnership Management Fee (see policy for limits) | | 3.5% | 3.5% | | 5,000 | - | 5,000 | 5,175 | - | 5,175 | 5,356 | | |

Mission Bay South Block 9

| | Total # Units: | | Comments (related to annual inc assumptions) | Year 4 2025 | | | Year 5 2026 | | | Year 6 2027 | | |
|---|----------------|-------------------|---|----------------|----------|-----------|----------------|----------|-----------|----------------|----------|-----------|
| | LOSP Units | Non-LOSP Units | | LOSP | non-LOSP | Total | LOSP | non-LOSP | Total | LOSP | non-LOSP | Total |
| | 141 | 0 | | | | | | | | | | |
| | 100.00% | 0.00% | | | | | | | | | | |
| INCOME | inc | % annual increase | | | | | | | | | | |
| Residential - Tenant Rents | 1.0% | 2.5% | | 519,272 | - | 519,272 | 524,464 | - | 524,464 | 529,709 | - | 529,709 |
| Residential - Tenant Assistance Payments (Non-LOSP) | n/a | n/a | | - | - | - | - | - | - | - | - | |
| Residential -LOSP Tenant Assistance Payments | n/a | n/a | | 1,773,450 | - | 1,773,450 | 1,845,625 | - | 1,845,625 | 1,920,459 | - | 1,920,459 |
| Commercial Space | n/a | 2.5% | | - | - | - | - | - | - | - | - | |
| Residential Parking | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | |
| Miscellaneous Rent Income | 2.5% | 2.5% | | 36,209 | - | 36,209 | 37,115 | - | 37,115 | 38,042 | - | 38,042 |
| Supportive Services Income | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | |
| Interest Income - Project Operations | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | |
| Laundry and Vending | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | |
| Tenant Charges | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | |
| Miscellaneous Residential Income | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | |
| Other Commercial Income | n/a | 2.5% | | - | - | - | - | - | - | - | - | |
| Withdrawal from Capitalized Reserve (deposit to operating account) | n/a | n/a | Link from Reserve Section below, as applicable | - | - | - | - | - | - | - | - | |
| Gross Potential Income | | | | 2,328,931 | - | 2,328,931 | 2,407,204 | - | 2,407,204 | 2,488,211 | - | 2,488,211 |
| Vacancy Loss - Residential - Tenant Rents | n/a | n/a | Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate | (25,964) | - | (25,964) | (26,223) | - | (26,223) | (26,485) | - | (26,485) |
| Vacancy Loss - Residential - Tenant Assistance Payments | n/a | n/a | | - | - | - | - | - | - | - | - | |
| Vacancy Loss - Commercial | n/a | n/a | | - | - | - | - | - | - | - | - | |
| EFFECTIVE GROSS INCOME | | | | 2,302,967 | - | 2,302,967 | 2,380,981 | - | 2,380,981 | 2,461,725 | - | 2,461,725 |
| OPERATING EXPENSES | | | | | | | | | | | | |
| Management | | | | | | | | | | | | |
| Management Fee | 3.5% | 3.5% | 1st Year to be set according to HUD schedule. | 150,874 | - | 150,874 | 156,155 | - | 156,155 | 161,620 | - | 161,620 |
| Asset Management Fee | 3.5% | 3.5% | per MOHCD policy | 26,011 | - | 26,011 | 26,921 | - | 26,921 | 27,863 | - | 27,863 |
| Sub-total Management Expenses | | | | 176,885 | - | 176,885 | 183,076 | - | 183,076 | 189,483 | - | 189,483 |
| Salaries/Benefits | | | | | | | | | | | | |
| Office Salaries | 3.5% | 3.5% | | 27,151 | - | 27,151 | 28,102 | - | 28,102 | 29,065 | - | 29,065 |
| Manager's Salary | 3.5% | 3.5% | | 131,796 | - | 131,796 | 136,367 | - | 136,367 | 141,140 | - | 141,140 |
| Health Insurance and Other Benefits | 3.5% | 3.5% | | 146,643 | - | 146,643 | 151,776 | - | 151,776 | 157,088 | - | 157,088 |
| Other Salaries/Benefits | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Administrative Rent-Free Unit | 3.5% | 3.5% | | 37,280 | - | 37,280 | 38,594 | - | 38,594 | 39,935 | - | 39,935 |
| Sub-total Salaries/Benefits | | | | 342,830 | - | 342,830 | 354,830 | - | 354,830 | 367,249 | - | 367,249 |
| Administration | | | | | | | | | | | | |
| Advertising and Marketing | 3.5% | 3.5% | | 725 | - | 725 | 750 | - | 750 | 777 | - | 777 |
| Office Expenses | 3.5% | 3.5% | | 72,458 | - | 72,458 | 74,994 | - | 74,994 | 77,619 | - | 77,619 |
| Office Rent | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Legal Expense - Property | 3.5% | 3.5% | | 17,831 | - | 17,831 | 18,455 | - | 18,455 | 19,101 | - | 19,101 |
| Audit Expense | 3.5% | 3.5% | | 20,407 | - | 20,407 | 21,121 | - | 21,121 | 21,860 | - | 21,860 |
| Bookkeeping/Accounting Services | 3.5% | 3.5% | | 17,695 | - | 17,695 | 18,314 | - | 18,314 | 18,955 | - | 18,955 |
| Bad Debts | 3.5% | 3.5% | | 22,352 | - | 22,352 | 23,134 | - | 23,134 | 23,944 | - | 23,944 |
| Miscellaneous | 3.5% | 3.5% | | 33,966 | - | 33,966 | 35,155 | - | 35,155 | 36,385 | - | 36,385 |
| Sub-total Administration Expenses | | | | 185,434 | - | 185,434 | 191,924 | - | 191,924 | 198,641 | - | 198,641 |
| Utilities | | | | | | | | | | | | |
| Electricity | 3.5% | 3.5% | | 78,255 | - | 78,255 | 80,994 | - | 80,994 | 83,829 | - | 83,829 |
| Water | 3.5% | 3.5% | | 128,387 | - | 128,387 | 132,881 | - | 132,881 | 137,531 | - | 137,531 |
| Gas | 3.5% | 3.5% | | 26,108 | - | 26,108 | 27,021 | - | 27,021 | 27,967 | - | 27,967 |
| Sewer | 3.5% | 3.5% | | 108,727 | - | 108,727 | 109,427 | - | 109,427 | 113,257 | - | 113,257 |
| Sub-total Utilities | | | | 338,477 | - | 338,477 | 350,324 | - | 350,324 | 362,585 | - | 362,585 |
| Taxes and Licenses | | | | | | | | | | | | |
| Real Estate Taxes | 3.5% | 3.5% | | 2,375 | - | 2,375 | 2,459 | - | 2,459 | 2,545 | - | 2,545 |
| Payroll Taxes | 3.5% | 3.5% | | 60,444 | - | 60,444 | 62,560 | - | 62,560 | 64,749 | - | 64,749 |
| Miscellaneous Taxes, Licenses and Permits | 3.5% | 3.5% | | 14,657 | - | 14,657 | 15,169 | - | 15,169 | 15,700 | - | 15,700 |
| Sub-total Taxes and Licenses | | | | 77,476 | - | 77,476 | 80,188 | - | 80,188 | 82,994 | - | 82,994 |
| Insurance | | | | | | | | | | | | |
| Property and Liability Insurance | 3.5% | 3.5% | | 416,329 | - | 416,329 | 430,900 | - | 430,900 | 445,982 | - | 445,982 |
| Fidelity Bond Insurance | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Worker's Compensation | 3.5% | 3.5% | | 25,302 | - | 25,302 | 26,188 | - | 26,188 | 27,104 | - | 27,104 |
| Director's & Officers' Liability Insurance | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Sub-total Insurance | | | | 441,631 | - | 441,631 | 457,088 | - | 457,088 | 473,086 | - | 473,086 |
| Maintenance & Repair | | | | | | | | | | | | |
| Payroll | 3.5% | 3.5% | | 239,262 | - | 239,262 | 247,636 | - | 247,636 | 256,303 | - | 256,303 |
| Supplies | 3.5% | 3.5% | | 30,702 | - | 30,702 | 31,776 | - | 31,776 | 32,888 | - | 32,888 |
| Contracts | 3.5% | 3.5% | | 101,251 | - | 101,251 | 104,795 | - | 104,795 | 108,463 | - | 108,463 |
| Garbage and Trash Removal | 3.5% | 3.5% | | 42,187 | - | 42,187 | 43,663 | - | 43,663 | 45,191 | - | 45,191 |
| Security Payroll/Contract | 3.5% | 3.5% | | 209,905 | - | 209,905 | 217,252 | - | 217,252 | 224,856 | - | 224,856 |
| HVAC Repairs and Maintenance | 3.5% | 3.5% | | 297 | - | 297 | 307 | - | 307 | 318 | - | 318 |
| Vehicle and Maintenance Equipment Operation and Repairs | 3.5% | 3.5% | | 11,087 | - | 11,087 | 11,475 | - | 11,475 | 11,877 | - | 11,877 |
| Miscellaneous Operating and Maintenance Expenses | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Sub-total Maintenance & Repair Expenses | | | | 634,691 | - | 634,691 | 656,905 | - | 656,905 | 679,897 | - | 679,897 |
| Supportive Services | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Commercial Expenses | | | | - | - | - | - | - | - | - | - | |
| TOTAL OPERATING EXPENSES | | | | 2,197,423 | - | 2,197,423 | 2,274,333 | - | 2,274,333 | 2,353,934 | - | 2,353,934 |
| RESERVES/GROUND LEASE BASE RENT/BOND FEES | | | | | | | | | | | | |
| Ground Lease Base Rent | | | delete values in yellow cells, manipulate each cell rather than dragging across multiple cells. | 1 | - | 1 | 1 | - | 1 | 1 | - | 1 |
| Bond Monitoring Fee | | | | 3,500 | - | 3,500 | 3,500 | - | 3,500 | 3,500 | - | 3,500 |
| Replacement Reserve Deposit | | | | 70,500 | - | 70,500 | 70,500 | - | 70,500 | 70,500 | - | 70,500 |
| 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 | | | | 74,001 | - | 74,001 | 74,001 | - | 74,001 | 74,001 | - | 74,001 |
| TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees) | | | | 2,271,424 | - | 2,271,424 | 2,348,334 | - | 2,348,334 | 2,427,935 | - | 2,427,935 |
| NET OPERATING INCOME (INCOME minus OP EXPENSES) | | | | 31,543 | - | 31,543 | 32,647 | - | 32,647 | 33,790 | - | 33,790 |
| DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans) | | | | | | | | | | | | |
| Hard Debt - First Lender | | | delete values in yellow cells, manipulate each cell rather than dragging across multiple cells. | - | - | - | - | - | - | - | - | |
| Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender) | | | Enter comments re: annual increase, etc. | - | - | - | - | - | - | - | - | |
| Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender) | | | Enter comments re: annual increase, etc. | - | - | - | - | - | - | - | - | |
| Hard Debt - Fourth Lender | | | Enter comments re: annual increase, etc. | - | - | - | - | - | - | - | - | |
| Commercial Hard Debt Service | | | Enter comments re: annual increase, etc. | - | - | - | - | - | - | - | - | |
| TOTAL HARD DEBT SERVICE | | | | - | - | - | - | - | - | - | - | |
| CASH FLOW (NOI minus DEBT SERVICE) | | | | 31,543 | - | 31,543 | 32,647 | - | 32,647 | 33,790 | - | 33,790 |
| Commercial Only Cash Flow | | | | - | - | - | - | - | - | - | - | |
| Allocation of Commercial Surplus to LOSP/non-LOSP (residual income) | | | | - | - | - | - | - | - | - | - | |
| AVAILABLE CASH FLOW | | | | 31,543 | - | 31,543 | 32,647 | - | 32,647 | 33,790 | - | 33,790 |
| 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 | 25,999 | - | 25,999 | 26,909 | - | 26,909 | 27,851 | - | 27,851 |
| Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits) | | | per MOHCD policy no annual increase | 5,544 | - | 5,544 | 5,738 | - | 5,738 | 5,938 | - | 5,938 |
| Other Payments | | | | - | - | - | - | - | - | - | - | |
| Non-amortizing Loan Pmnt - Lender 1 | | | Enter comments re: annual increase, etc. | - | - | - | - | - | - | - | - | |
| Non-amortizing Loan Pmnt - Lender 2 | | | Enter comments re: annual increase, etc. | - | - | - | - | - | - | - | - | |
| Deferred Developer Fee (Enter amt <= Max Fee from row 131) | | | | - | - | - | - | - | - | - | - | |
| TOTAL PAYMENTS PRECEDING MOHCD | | | | 31,543 | - | 31,543 | 32,647 | - | 32,647 | 33,790 | - | 33,790 |
| RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD) | | | | (0) | - | (0) | - | - | - | - | - | |
| Does Project have a MOHCD Residual Receipt Obligation? | | No | | | | | | | | | | |
| Will Project Defer Developer Fee? | | No | | | | | | | | | | |
| Residual Receipts split for all years. - Lender/Owner | | 0% / 0% | | | | | | | | | | |
| MOHCD RESIDUAL RECEIPTS DEBT SERVICE | | | | | | | | | | | | |
| MOHCD Residual Receipts Amount Due | | 100.00% | | - | - | - | - | | | | | |

Mission Bay South Block 9

| | Total # Units: | LOSP Units | | Non-LOSP Units | | Year 7 2028 | | | Year 8 2029 | | | Year 9 2030 | | | |
|---|----------------|------------|-------------------|--|------------------|-------------|------------------|------------------|-------------|------------------|------------------|-------------|------------------|----------|-------|
| | | 141 | 141 | 0 | 100.00% | 0.00% | LOSP | non-LOSP | Total | LOSP | non-LOSP | Total | LOSP | non-LOSP | Total |
| INCOME | | inc | % annual increase | Comments (related to annual inc assumptions) | | | | | | | | | | | |
| Residential - Tenant Rents | | 1.0% | 2.5% | | 535,006 | - | 535,006 | 540,356 | - | 540,356 | 545,760 | - | 545,760 | | |
| Residential - Tenant Assistance Payments (Non-LOSP) | | n/a | n/a | | - | - | - | - | - | - | - | - | - | | |
| Residential -LOSP Tenant Assistance Payments | | n/a | n/a | | 1,998,046 | - | 1,998,046 | 2,078,484 | - | 2,078,484 | 2,161,874 | - | 2,161,874 | | |
| Commercial Space | | n/a | 2.5% | | - | - | - | - | - | - | - | - | - | | |
| Residential Parking | | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | - | | |
| Miscellaneous Rent Income | | 2.5% | 2.5% | | 38,994 | - | 38,994 | 39,968 | - | 39,968 | 40,968 | - | 40,968 | | |
| Supportive Services Income | | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | - | | |
| Interest Income - Project Operations | | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | - | | |
| Laundry and Vending | | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | - | | |
| Tenant Charges | | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | - | | |
| Miscellaneous Residential Income | | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | - | | |
| Other Commercial Income | | n/a | 2.5% | | - | - | - | - | - | - | - | - | - | | |
| Withdrawal from Capitalized Reserve (deposit to operating account) | | n/a | n/a | Link from Reserve Section below, as applicable | - | - | - | - | - | - | - | - | - | | |
| Gross Potential Income | | | | | 2,572,046 | - | 2,572,046 | 2,658,809 | - | 2,658,809 | 2,748,601 | - | 2,748,601 | | |
| Vacancy Loss - Residential - Tenant Rents | | n/a | n/a | Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate | (26,750) | - | (26,750) | (27,018) | - | (27,018) | (27,288) | - | (27,288) | | |
| Vacancy Loss - Residential - Tenant Assistance Payments | | n/a | n/a | | - | - | - | - | - | - | - | - | - | | |
| Vacancy Loss - Commercial | | n/a | n/a | | - | - | - | - | - | - | - | - | - | | |
| EFFECTIVE GROSS INCOME | | | | | 2,545,295 | - | 2,545,295 | 2,631,791 | - | 2,631,791 | 2,721,313 | - | 2,721,313 | | |
| OPERATING EXPENSES | | | | | | | | | | | | | | | |
| Management | | | | | | | | | | | | | | | |
| Management Fee | | 3.5% | 3.5% | 1st Year to be set according to HUD schedule. | 167,277 | - | 167,277 | 173,132 | - | 173,132 | 179,191 | - | 179,191 | | |
| Asset Management Fee | | 3.5% | 3.5% | per MOHCD policy | 28,838 | - | 28,838 | 29,848 | - | 29,848 | 30,862 | - | 30,892 | | |
| Sub-total Management Expenses | | | | | 196,115 | - | 196,115 | 202,979 | - | 202,979 | 210,084 | - | 210,084 | | |
| Salaries/Benefits | | | | | | | | | | | | | | | |
| Office Salaries | | 3.5% | 3.5% | | 30,103 | - | 30,103 | 31,157 | - | 31,157 | 32,247 | - | 32,247 | | |
| Manager's Salary | | 3.5% | 3.5% | | 146,080 | - | 146,080 | 151,193 | - | 151,193 | 156,485 | - | 156,485 | | |
| Health Insurance and Other Benefits | | 3.5% | 3.5% | | 162,586 | - | 162,586 | 168,277 | - | 168,277 | 174,166 | - | 174,166 | | |
| Other Salaries/Benefits | | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | - | | |
| Administrative Rent-Free Unit | | 3.5% | 3.5% | | 41,332 | - | 41,332 | 42,779 | - | 42,779 | 44,276 | - | 44,276 | | |
| Sub-total Salaries/Benefits | | | | | 380,102 | - | 380,102 | 393,406 | - | 393,406 | 407,175 | - | 407,175 | | |
| Administration | | | | | | | | | | | | | | | |
| Advertising and Marketing | | 3.5% | 3.5% | | 804 | - | 804 | 832 | - | 832 | 861 | - | 861 | | |
| Office Expenses | | 3.5% | 3.5% | | 80,335 | - | 80,335 | 83,147 | - | 83,147 | 86,057 | - | 86,057 | | |
| Office Rent | | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | - | | |
| Legal Expense - Property | | 3.5% | 3.5% | | 19,769 | - | 19,769 | 20,461 | - | 20,461 | 21,178 | - | 21,178 | | |
| Audit Expense | | 3.5% | 3.5% | | 22,625 | - | 22,625 | 23,417 | - | 23,417 | 24,237 | - | 24,237 | | |
| Bookkeeping/Accounting Services | | 3.5% | 3.5% | | 19,619 | - | 19,619 | 20,306 | - | 20,306 | 21,016 | - | 21,016 | | |
| Bad Debts | | 3.5% | 3.5% | | 24,782 | - | 24,782 | 25,649 | - | 25,649 | 26,547 | - | 26,547 | | |
| Miscellaneous | | 3.5% | 3.5% | | 37,659 | - | 37,659 | 38,977 | - | 38,977 | 40,341 | - | 40,341 | | |
| Sub-total Administration Expenses | | | | | 205,594 | - | 205,594 | 212,789 | - | 212,789 | 220,237 | - | 220,237 | | |
| Utilities | | | | | | | | | | | | | | | |
| Electricity | | 3.5% | 3.5% | | 86,763 | - | 86,763 | 89,800 | - | 89,800 | 92,943 | - | 92,943 | | |
| Water | | 3.5% | 3.5% | | 142,345 | - | 142,345 | 147,327 | - | 147,327 | 152,483 | - | 152,483 | | |
| Gas | | 3.5% | 3.5% | | 28,946 | - | 28,946 | 29,959 | - | 29,959 | 31,008 | - | 31,008 | | |
| Sewer | | 3.5% | 3.5% | | 117,221 | - | 117,221 | 121,324 | - | 121,324 | 125,570 | - | 125,570 | | |
| Sub-total Utilities | | | | | 375,275 | - | 375,275 | 388,410 | - | 388,410 | 402,004 | - | 402,004 | | |
| Taxes and Licenses | | | | | | | | | | | | | | | |
| Real Estate Taxes | | 3.5% | 3.5% | | 2,634 | - | 2,634 | 2,726 | - | 2,726 | 2,821 | - | 2,821 | | |
| Payroll Taxes | | 3.5% | 3.5% | | 67,015 | - | 67,015 | 69,361 | - | 69,361 | 71,788 | - | 71,788 | | |
| Miscellaneous Taxes, Licenses and Permits | | 3.5% | 3.5% | | 16,250 | - | 16,250 | 16,819 | - | 16,819 | 17,407 | - | 17,407 | | |
| Sub-total Taxes and Licenses | | | | | 85,899 | - | 85,899 | 88,905 | - | 88,905 | 92,017 | - | 92,017 | | |
| Insurance | | | | | | | | | | | | | | | |
| Property and Liability Insurance | | 3.5% | 3.5% | | 461,591 | - | 461,591 | 477,747 | - | 477,747 | 494,468 | - | 494,468 | | |
| Fidelity Bond Insurance | | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | - | | |
| Worker's Compensation | | 3.5% | 3.5% | | 28,053 | - | 28,053 | 29,035 | - | 29,035 | 30,051 | - | 30,051 | | |
| Director's & Officers' Liability Insurance | | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | - | | |
| Sub-total Insurance | | | | | 489,644 | - | 489,644 | 506,781 | - | 506,781 | 524,519 | - | 524,519 | | |
| Maintenance & Repair | | | | | | | | | | | | | | | |
| Payroll | | 3.5% | 3.5% | | 265,274 | - | 265,274 | 274,558 | - | 274,558 | 284,168 | - | 284,168 | | |
| Supplies | | 3.5% | 3.5% | | 34,040 | - | 34,040 | 35,231 | - | 35,231 | 36,464 | - | 36,464 | | |
| Contracts | | 3.5% | 3.5% | | 112,259 | - | 112,259 | 116,188 | - | 116,188 | 120,255 | - | 120,255 | | |
| Garbage and Trash Removal | | 3.5% | 3.5% | | 46,773 | - | 46,773 | 48,410 | - | 48,410 | 50,104 | - | 50,104 | | |
| Security Payroll/Contract | | 3.5% | 3.5% | | 232,726 | - | 232,726 | 240,871 | - | 240,871 | 249,302 | - | 249,302 | | |
| HVAC Repairs and Maintenance | | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | - | | |
| Vehicle and Maintenance Equipment Operation and Repairs | | 3.5% | 3.5% | | 329 | - | 329 | 341 | - | 341 | 353 | - | 353 | | |
| Miscellaneous Operating and Maintenance Expenses | | 3.5% | 3.5% | | 12,293 | - | 12,293 | 12,723 | - | 12,723 | 13,189 | - | 13,189 | | |
| Sub-total Maintenance & Repair Expenses | | | | | 703,693 | - | 703,693 | 728,322 | - | 728,322 | 753,813 | - | 753,813 | | |
| Supportive Services | | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | - | | |
| Commercial Expenses | | | | | - | - | - | - | - | - | - | - | - | | |
| TOTAL OPERATING EXPENSES | | | | | 2,436,322 | - | 2,436,322 | 2,521,593 | - | 2,521,593 | 2,609,849 | - | 2,609,849 | | |
| RESERVES/GROUND LEASE BASE RENT/BOND FEES | | | | | | | | | | | | | | | |
| Ground Lease Base Rent | | | | | 1 | - | 1 | 1 | - | 1 | 1 | - | 1 | | |
| Bond Monitoring Fee | | | | | 3,500 | - | 3,500 | 3,500 | - | 3,500 | 3,500 | - | 3,500 | | |
| Replacement Reserve Deposit | | | | | 70,500 | - | 70,500 | 70,500 | - | 70,500 | 70,500 | - | 70,500 | | |
| 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 | | | | | 74,001 | - | 74,001 | 74,001 | - | 74,001 | 74,001 | - | 74,001 | | |
| TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees) | | | | | 2,510,323 | - | 2,510,323 | 2,595,594 | - | 2,595,594 | 2,683,850 | - | 2,683,850 | | |
| NET OPERATING INCOME (INCOME minus OP EXPENSES) | | | | | | | | | | | | | | | |
| | | | | | 34,972 | - | 34,972 | 36,196 | - | 36,196 | 37,463 | - | 37,463 | | |
| 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) | | | | | - | - | - | - | - | - | - | - | - | | |
| Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender) | | | | | - | - | - | - | - | - | - | - | - | | |
| Hard Debt - Fourth Lender | | | | | - | - | - | - | - | - | - | - | - | | |
| Commercial Hard Debt Service | | | | | - | - | - | - | - | - | - | - | - | | |
| TOTAL HARD DEBT SERVICE | | | | | - | - | - | - | - | - | - | - | - | | |
| CASH FLOW (NOI minus DEBT SERVICE) | | | | | 34,972 | - | 34,972 | 36,196 | - | 36,196 | 37,463 | - | 37,463 | | |
| Commercial Only Cash Flow | | | | | - | - | - | - | - | - | - | - | - | | |
| Allocation of Commercial Surplus to LOPS/non-LOSP (residual income) | | | | | - | - | - | - | - | - | - | - | - | | |
| AVAILABLE CASH FLOW | | | | | 34,972 | - | 34,972 | 36,196 | - | 36,196 | 37,463 | - | 37,463 | | |
| USES OF CASH FLOW BELOW (This row also shows DSCR.) | | | | | | | | | | | | | | | |
| 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 | 28,826 | - | 28,826 | 29,825 | - | 29,835 | 30,879 | - | 30,879 | | |
| Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits) | | | | per MOHCD policy no annual increase | | | | | | | | | | | |

Mission Bay South Block 9

| Total # Units: | LOSP Units | | Non-LOSP Units | | Year 10 2031 | | | Year 11 2032 | | | Year 12 2033 | | |
|---|------------|---------|-------------------|--|------------------|----------|------------------|------------------|----------|------------------|------------------|----------|------------------|
| | 141 | 141 | 0 | 0 | LOSP | non-LOSP | Total | LOSP | non-LOSP | Total | LOSP | non-LOSP | Total |
| | 100.00% | 100.00% | 0.00% | 0.00% | | | | | | | | | |
| INCOME | | inc | % annual increase | Comments (related to annual inc assumptions) | | | | | | | | | |
| Residential - Tenant Rents | | 1.0% | 2.5% | | 551,217 | - | 551,217 | 556,730 | - | 556,730 | 562,297 | - | 562,297 |
| Residential - Tenant Assistance Payments (Non-LOSP) | | n/a | n/a | | - | - | - | - | - | - | - | - | - |
| Residential - LOSP Tenant Assistance Payments | | n/a | n/a | | 2,248,321 | - | 2,248,321 | 2,337,934 | - | 2,337,934 | 2,430,824 | - | 2,430,824 |
| Commercial Space | | n/a | 2.5% | | - | - | - | - | - | - | - | - | - |
| Residential Parking | | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | - |
| Miscellaneous Rent Income | | 2.5% | 2.5% | | 41,992 | - | 41,992 | 43,042 | - | 43,042 | 44,118 | - | 44,118 |
| Supportive Services Income | | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | - |
| Interest Income - Project Operations | | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | - |
| Laundry and Vending | | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | - |
| Tenant Charges | | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | - |
| Miscellaneous Residential Income | | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | - |
| Other Commercial Income | | n/a | 2.5% | | - | - | - | - | - | - | - | - | - |
| Withdrawal from Capitalized Reserve (deposit to operating account) | | n/a | n/a | Link from Reserve Section below, as applicable | - | - | - | - | - | - | - | - | - |
| Gross Potential Income | | | | | 2,841,530 | - | 2,841,530 | 2,937,705 | - | 2,937,705 | 3,037,238 | - | 3,037,238 |
| Vacancy Loss - Residential - Tenant Rents | | n/a | n/a | Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate | (27,561) | - | (27,561) | (27,836) | - | (27,836) | (28,115) | - | (28,115) |
| Vacancy Loss - Residential - Tenant Assistance Payments | | n/a | n/a | | - | - | - | - | - | - | - | - | - |
| Vacancy Loss - Commercial | | n/a | n/a | | - | - | - | - | - | - | - | - | - |
| EFFECTIVE GROSS INCOME | | | | | 2,813,969 | - | 2,813,969 | 2,909,868 | - | 2,909,868 | 3,009,124 | - | 3,009,124 |
| OPERATING EXPENSES | | | | | | | | | | | | | |
| Management | | | | | | | | | | | | | |
| Management Fee | | 3.5% | 3.5% | 1st Year to be set according to HUD schedule | 185,463 | - | 185,463 | 191,954 | - | 191,954 | 198,673 | - | 198,673 |
| Asset Management Fee | | 3.5% | 3.5% | per MOHCD policy | 31,974 | - | 31,974 | 33,093 | - | 33,093 | 34,251 | - | 34,251 |
| Sub-total Management Expenses | | | | | 217,437 | - | 217,437 | 225,047 | - | 225,047 | 232,924 | - | 232,924 |
| Salaries/Benefits | | | | | | | | | | | | | |
| Office Salaries | | 3.5% | 3.5% | | 33,376 | - | 33,376 | 34,544 | - | 34,544 | 35,753 | - | 35,753 |
| Manager's Salary | | 3.5% | 3.5% | | 161,962 | - | 161,962 | 167,630 | - | 167,630 | 173,497 | - | 173,497 |
| Health Insurance and Other Benefits | | 3.5% | 3.5% | | 180,262 | - | 180,262 | 186,571 | - | 186,571 | 193,101 | - | 193,101 |
| Other Salaries/Benefits | | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | - |
| Administrative Rent-Free Unit | | 3.5% | 3.5% | | 45,826 | - | 45,826 | 47,430 | - | 47,430 | 49,090 | - | 49,090 |
| Sub-total Salaries/Benefits | | | | | 421,426 | - | 421,426 | 436,176 | - | 436,176 | 451,442 | - | 451,442 |
| Administration | | | | | | | | | | | | | |
| Advertising and Marketing | | 3.5% | 3.5% | | 891 | - | 891 | 923 | - | 923 | 955 | - | 955 |
| Office Expenses | | 3.5% | 3.5% | | 89,069 | - | 89,069 | 92,187 | - | 92,187 | 95,413 | - | 95,413 |
| Office Rent | | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | - |
| Legal Expense - Property | | 3.5% | 3.5% | | 21,919 | - | 21,919 | 22,686 | - | 22,686 | 23,460 | - | 23,460 |
| Audit Expense | | 3.5% | 3.5% | | 25,085 | - | 25,085 | 25,963 | - | 25,963 | 26,872 | - | 26,872 |
| Bookkeeping/Accounting Services | | 3.5% | 3.5% | | 21,752 | - | 21,752 | 22,513 | - | 22,513 | 23,301 | - | 23,301 |
| Bad Debts | | 3.5% | 3.5% | | 27,476 | - | 27,476 | 28,438 | - | 28,438 | 29,433 | - | 29,433 |
| Miscellaneous | | 3.5% | 3.5% | | 41,753 | - | 41,753 | 43,214 | - | 43,214 | 44,727 | - | 44,727 |
| Sub-total Administration Expenses | | | | | 227,945 | - | 227,945 | 236,923 | - | 236,923 | 244,181 | - | 244,181 |
| Utilities | | | | | | | | | | | | | |
| Electricity | | 3.5% | 3.5% | | 96,196 | - | 96,196 | 99,563 | - | 99,563 | 103,047 | - | 103,047 |
| Water | | 3.5% | 3.5% | | 157,820 | - | 157,820 | 163,344 | - | 163,344 | 169,061 | - | 169,061 |
| Gas | | 3.5% | 3.5% | | 32,093 | - | 32,093 | 33,216 | - | 33,216 | 34,379 | - | 34,379 |
| Sewer | | 3.5% | 3.5% | | 129,965 | - | 129,965 | 134,514 | - | 134,514 | 139,222 | - | 139,222 |
| Sub-total Utilities | | | | | 416,074 | - | 416,074 | 430,637 | - | 430,637 | 445,709 | - | 445,709 |
| Taxes and Licenses | | | | | | | | | | | | | |
| Real Estate Taxes | | 3.5% | 3.5% | | 2,920 | - | 2,920 | 3,022 | - | 3,022 | 3,128 | - | 3,128 |
| Payroll Taxes | | 3.5% | 3.5% | | 74,301 | - | 74,301 | 76,902 | - | 76,902 | 79,593 | - | 79,593 |
| Miscellaneous Taxes, Licenses and Permits | | 3.5% | 3.5% | | 18,017 | - | 18,017 | 18,647 | - | 18,647 | 19,300 | - | 19,300 |
| Sub-total Taxes and Licenses | | | | | 95,238 | - | 95,238 | 98,571 | - | 98,571 | 102,021 | - | 102,021 |
| Insurance | | | | | | | | | | | | | |
| Property and Liability Insurance | | 3.5% | 3.5% | | 511,774 | - | 511,774 | 529,686 | - | 529,686 | 548,225 | - | 548,225 |
| Fidelity Bond Insurance | | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | - |
| Worker's Compensation | | 3.5% | 3.5% | | 31,103 | - | 31,103 | 32,191 | - | 32,191 | 33,318 | - | 33,318 |
| Director's & Officers' Liability Insurance | | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | - |
| Sub-total Insurance | | | | | 542,877 | - | 542,877 | 561,877 | - | 561,877 | 581,543 | - | 581,543 |
| Maintenance & Repair | | | | | | | | | | | | | |
| Payroll | | 3.5% | 3.5% | | 294,114 | - | 294,114 | 304,408 | - | 304,408 | 315,062 | - | 315,062 |
| Supplies | | 3.5% | 3.5% | | 37,740 | - | 37,740 | 39,061 | - | 39,061 | 40,428 | - | 40,428 |
| Contracts | | 3.5% | 3.5% | | 124,463 | - | 124,463 | 128,820 | - | 128,820 | 133,328 | - | 133,328 |
| Garbage and Trash Removal | | 3.5% | 3.5% | | 51,858 | - | 51,858 | 53,673 | - | 53,673 | 55,552 | - | 55,552 |
| Security Payroll/Contract | | 3.5% | 3.5% | | 258,027 | - | 258,027 | 267,058 | - | 267,058 | 276,405 | - | 276,405 |
| HVAC Repairs and Maintenance | | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | - |
| Vehicle and Maintenance Equipment Operation and Repairs | | 3.5% | 3.5% | | 365 | - | 365 | 378 | - | 378 | 391 | - | 391 |
| Miscellaneous Operating and Maintenance Expenses | | 3.5% | 3.5% | | 13,629 | - | 13,629 | 14,106 | - | 14,106 | 14,600 | - | 14,600 |
| Sub-total Maintenance & Repair Expenses | | | | | 780,197 | - | 780,197 | 807,504 | - | 807,504 | 835,766 | - | 835,766 |
| Supportive Services | | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | - |
| Commercial Expenses | | | | | | | | | | | | | |
| TOTAL OPERATING EXPENSES | | | | | 2,701,194 | - | 2,701,194 | 2,795,736 | - | 2,795,736 | 2,893,586 | - | 2,893,586 |
| RESERVES/GROUND LEASE BASE RENT/BOND FEES | | | | | | | | | | | | | |
| Ground Lease Base Rent | | | | | 1 | - | 1 | 1 | - | 1 | 1 | - | 1 |
| Bond Monitoring Fee | | | | | 3,500 | - | 3,500 | 3,500 | - | 3,500 | 3,500 | - | 3,500 |
| Replacement Reserve Deposit | | | | | 70,500 | - | 70,500 | 70,500 | - | 70,500 | 70,500 | - | 70,500 |
| 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 | | | | | 74,001 | - | 74,001 | 74,001 | - | 74,001 | 74,001 | - | 74,001 |
| TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees) | | | | | 2,775,195 | - | 2,775,195 | 2,869,737 | - | 2,869,737 | 2,967,587 | - | 2,967,587 |
| NET OPERATING INCOME (INCOME minus OP EXPENSES) | | | | | 38,774 | - | 38,774 | 40,132 | - | 40,132 | 41,536 | - | 41,536 |
| DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans) | | | | | | | | | | | | | |
| Hard Debt - First Lender | | | | Enter comments re: annual increase, etc. | - | - | - | - | - | - | - | - | - |
| Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender) | | | | Enter comments re: annual increase, etc. | - | - | - | - | - | - | - | - | - |
| Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender) | | | | Enter comments re: annual increase, etc. | - | - | - | - | - | - | - | - | - |
| Hard Debt - Fourth Lender | | | | Enter comments re: annual increase, etc. | - | - | - | - | - | - | - | - | - |
| Commercial Hard Debt Service | | | | | - | - | - | - | - | - | - | - | - |
| TOTAL HARD DEBT SERVICE | | | | | - | - | - | - | - | - | - | - | - |
| CASH FLOW (NOI minus DEBT SERVICE) | | | | | 38,774 | - | 38,774 | 40,132 | - | 40,132 | 41,536 | - | 41,536 |
| Commercial Only Cash Flow | | | | | - | - | - | - | - | - | - | - | - |
| Allocation of Commercial Surplus to LOSP/non-LOSP (residual income) | | | | | - | - | - | - | - | - | - | - | - |
| AVAILABLE CASH FLOW | | | | | 38,774 | - | 38,774 | 40,132 | - | 40,132 | 41,536 | - | 41,536 |
| 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 | | | | | | | | | | |

Mission Bay South Block 9

| | Total # Units: | | Comments | Year 13 2023 | | | Year 14 2025 | | | Year 15 2026 | | |
|--|----------------|-------------------|--|-----------------|----------|-----------|-----------------|----------|-----------|-----------------|----------|-----------|
| | LOSP Units | Non-LOSP Units | | LOSP | non-LOSP | Total | LOSP | non-LOSP | Total | LOSP | non-LOSP | Total |
| | 141 | 0 | | | | | | | | | | |
| | 100.00% | 0.00% | | | | | | | | | | |
| INCOME | inc | % annual increase | | | | | | | | | | |
| Residential - Tenant Rents | 1.0% | 2.5% | | 567,920 | - | 567,920 | 573,599 | - | 573,599 | 579,335 | - | 579,335 |
| Residential - Tenant Assistance Payments (Non-LOSP) | n/a | n/a | | - | - | - | - | - | - | - | - | - |
| Residential -LOSP Tenant Assistance Payments | n/a | n/a | | 2,527,108 | - | 2,527,108 | 2,626,908 | - | 2,626,908 | 2,730,346 | - | 2,730,346 |
| Commercial Space | n/a | 2.5% | | - | - | - | - | - | - | - | - | - |
| Residential Parking | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | - |
| Miscellaneous Rent Income | 2.5% | 2.5% | | 45,221 | - | 45,221 | 46,351 | - | 46,351 | 47,510 | - | 47,510 |
| Supportive Services Income | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | - |
| Interest Income - Project Operations | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | - |
| Laundry and Vending | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | - |
| Tenant Charges | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | - |
| Miscellaneous Residential Income | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | - |
| Other Commercial Income | n/a | 2.5% | | - | - | - | - | - | - | - | - | - |
| Withdrawal from Capitalized Reserve (deposit to operating account) | n/a | n/a | Link from Reserve Section below, as applicable | - | - | - | - | - | - | - | - | - |
| Gross Potential Income | | | | 3,140,249 | - | 3,140,249 | 3,246,858 | - | 3,246,858 | 3,357,191 | - | 3,357,191 |
| Vacancy Loss - Residential - Tenant Rents | n/a | n/a | Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate | (28,396) | - | (28,396) | (28,690) | - | (28,690) | (28,967) | - | (28,967) |
| Vacancy Loss - Residential - Tenant Assistance Payments | n/a | n/a | | - | - | - | - | - | - | - | - | - |
| Vacancy Loss - Commercial | n/a | n/a | | - | - | - | - | - | - | - | - | - |
| EFFECTIVE GROSS INCOME | | | | 3,111,853 | - | 3,111,853 | 3,218,178 | - | 3,218,178 | 3,328,224 | - | 3,328,224 |
| OPERATING EXPENSES | | | | | | | | | | | | |
| Management | | | | | | | | | | | | |
| Management Fee | 3.5% | 3.5% | 1st Year to be set according to HUD schedule | 205,626 | - | 205,626 | 212,823 | - | 212,823 | 220,272 | - | 220,272 |
| Asset Management Fee | 3.5% | 3.5% | per MOHCD policy | 35,460 | - | 35,460 | 36,690 | - | 36,690 | 37,975 | - | 37,975 |
| Sub-total Management Expenses | | | | 241,076 | - | 241,076 | 249,514 | - | 249,514 | 258,247 | - | 258,247 |
| Salaries/Benefits | | | | | | | | | | | | |
| Office Salaries | 3.5% | 3.5% | | 37,005 | - | 37,005 | 38,300 | - | 38,300 | 39,640 | - | 39,640 |
| Manager's Salary | 3.5% | 3.5% | | 179,570 | - | 179,570 | 185,855 | - | 185,855 | 192,360 | - | 192,360 |
| Health Insurance and Other Benefits | 3.5% | 3.5% | | 199,860 | - | 199,860 | 206,855 | - | 206,855 | 214,095 | - | 214,095 |
| Other Salaries/Benefits | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | - |
| Administrative Rent-Free Unit | 3.5% | 3.5% | | 50,808 | - | 50,808 | 52,596 | - | 52,596 | 54,427 | - | 54,427 |
| Sub-total Salaries/Benefits | | | | 467,243 | - | 467,243 | 483,596 | - | 483,596 | 500,522 | - | 500,522 |
| Administration | | | | | | | | | | | | |
| Advertising and Marketing | 3.5% | 3.5% | | 988 | - | 988 | 1,023 | - | 1,023 | 1,059 | - | 1,059 |
| Office Expenses | 3.5% | 3.5% | | 98,753 | - | 98,753 | 102,209 | - | 102,209 | 105,786 | - | 105,786 |
| Office Rent | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | - |
| Legal Expense - Property | 3.5% | 3.5% | | 24,302 | - | 24,302 | 25,152 | - | 25,152 | 26,033 | - | 26,033 |
| Audit Expense | 3.5% | 3.5% | | 27,812 | - | 27,812 | 28,786 | - | 28,786 | 29,793 | - | 29,793 |
| Bookkeeping/Accounting Services | 3.5% | 3.5% | | 24,117 | - | 24,117 | 24,961 | - | 24,961 | 25,834 | - | 25,834 |
| Bad Debts | 3.5% | 3.5% | | 30,463 | - | 30,463 | 31,529 | - | 31,529 | 32,633 | - | 32,633 |
| Miscellaneous | 3.5% | 3.5% | | 46,292 | - | 46,292 | 47,913 | - | 47,913 | 49,589 | - | 49,589 |
| Sub-total Administration Expenses | | | | 252,727 | - | 252,727 | 261,572 | - | 261,572 | 270,728 | - | 270,728 |
| Utilities | | | | | | | | | | | | |
| Electricity | 3.5% | 3.5% | | 106,654 | - | 106,654 | 110,387 | - | 110,387 | 114,251 | - | 114,251 |
| Water | 3.5% | 3.5% | | 174,978 | - | 174,978 | 181,103 | - | 181,103 | 187,441 | - | 187,441 |
| Gas | 3.5% | 3.5% | | 35,582 | - | 35,582 | 36,828 | - | 36,828 | 38,116 | - | 38,116 |
| Sewer | 3.5% | 3.5% | | 144,085 | - | 144,085 | 149,138 | - | 149,138 | 154,358 | - | 154,358 |
| Sub-total Utilities | | | | 461,309 | - | 461,309 | 477,455 | - | 477,455 | 494,166 | - | 494,166 |
| Taxes and Licenses | | | | | | | | | | | | |
| Real Estate Taxes | 3.5% | 3.5% | | 3,237 | - | 3,237 | 3,351 | - | 3,351 | 3,468 | - | 3,468 |
| Payroll Taxes | 3.5% | 3.5% | | 82,379 | - | 82,379 | 85,262 | - | 85,262 | 88,246 | - | 88,246 |
| Miscellaneous Taxes, Licenses and Permits | 3.5% | 3.5% | | 19,975 | - | 19,975 | 20,674 | - | 20,674 | 21,398 | - | 21,398 |
| Sub-total Taxes and Licenses | | | | 105,592 | - | 105,592 | 109,287 | - | 109,287 | 113,112 | - | 113,112 |
| Insurance | | | | | | | | | | | | |
| Property and Liability Insurance | 3.5% | 3.5% | | 567,413 | - | 567,413 | 587,273 | - | 587,273 | 607,827 | - | 607,827 |
| Fidelity Bond Insurance | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | - |
| Worker's Compensation | 3.5% | 3.5% | | 34,464 | - | 34,464 | 35,691 | - | 35,691 | 36,940 | - | 36,940 |
| Director's & Officers' Liability Insurance | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | - |
| Sub-total Insurance | | | | 601,897 | - | 601,897 | 622,964 | - | 622,964 | 644,767 | - | 644,767 |
| Maintenance & Repair | | | | | | | | | | | | |
| Payroll | 3.5% | 3.5% | | 326,089 | - | 326,089 | 337,502 | - | 337,502 | 349,315 | - | 349,315 |
| Supplies | 3.5% | 3.5% | | 41,843 | - | 41,843 | 43,308 | - | 43,308 | 44,824 | - | 44,824 |
| Contracts | 3.5% | 3.5% | | 137,995 | - | 137,995 | 142,825 | - | 142,825 | 147,824 | - | 147,824 |
| Garbage and Trash Removal | 3.5% | 3.5% | | 57,496 | - | 57,496 | 59,508 | - | 59,508 | 61,591 | - | 61,591 |
| Security Payroll/Contract | 3.5% | 3.5% | | 286,080 | - | 286,080 | 296,092 | - | 296,092 | 306,456 | - | 306,456 |
| HVAC Repairs and Maintenance | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | - |
| Vehicle and Maintenance Equipment Operation and Repairs | 3.5% | 3.5% | | 405 | - | 405 | 419 | - | 419 | 434 | - | 434 |
| Miscellaneous Operating and Maintenance Expenses | 3.5% | 3.5% | | 15,111 | - | 15,111 | 15,640 | - | 15,640 | 16,187 | - | 16,187 |
| Sub-total Maintenance & Repair Expenses | | | | 865,018 | - | 865,018 | 895,294 | - | 895,294 | 926,629 | - | 926,629 |
| Supportive Services | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | - |
| Commercial Expenses | | | | | | | | | | | | |
| TOTAL OPERATING EXPENSES | | | | 2,994,862 | - | 2,994,862 | 3,099,682 | - | 3,099,682 | 3,208,171 | - | 3,208,171 |
| RESERVES/GROUND LEASE BASE RENT/BOND FEES | | | | | | | | | | | | |
| Ground Lease Base Rent | | | | 1 | - | 1 | 1 | - | 1 | 1 | - | 1 |
| Bond Monitoring Fee | | | | 3,500 | - | 3,500 | 3,500 | - | 3,500 | 3,500 | - | 3,500 |
| Replacement Reserve Deposit | | | | 70,500 | - | 70,500 | 70,500 | - | 70,500 | 70,500 | - | 70,500 |
| 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 | | | | 74,001 | - | 74,001 | 74,001 | - | 74,001 | 74,001 | - | 74,001 |
| TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees) | | | | 3,068,863 | - | 3,068,863 | 3,173,683 | - | 3,173,683 | 3,282,172 | - | 3,282,172 |
| NET OPERATING INCOME (INCOME minus OP EXPENSES) | | | | 42,990 | - | 42,990 | 44,495 | - | 44,495 | 46,052 | - | 46,052 |
| DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans) | | | | | | | | | | | | |
| Hard Debt - First Lender | | | Enter comments re: annual increase, etc. | - | - | - | - | - | - | - | - | - |
| Hard Debt - Second Lender (HCD Program 0.42% pymt., or other 2nd Lender) | | | Enter comments re: annual increase, etc. | - | - | - | - | - | - | - | - | - |
| Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender) | | | Enter comments re: annual increase, etc. | - | - | - | - | - | - | - | - | - |
| Hard Debt - Fourth Lender | | | Enter comments re: annual increase, etc. | - | - | - | - | - | - | - | - | - |
| Commercial Hard Debt Service | | | | - | - | - | - | - | - | - | - | - |
| TOTAL HARD DEBT SERVICE | | | | - | - | - | - | - | - | - | - | - |
| CASH FLOW (NOI minus DEBT SERVICE) | | | | 42,990 | - | 42,990 | 44,495 | - | 44,495 | 46,052 | - | 46,052 |
| Commercial Only Cash Flow | | | | - | - | - | - | - | - | - | - | - |
| Allocation of Commercial Surplus to LOPS/non-LOSP (residual income) | | | | - | - | - | - | - | - | - | - | - |
| AVAILABLE CASH FLOW | | | | 42,990 | - | 42,990 | 44,495 | - | 44,495 | 46,052 | - | 46,052 |
| 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 | 35,435 | - | 35,435 | 36,675 | - | 36,675 | 37,958 | - | 37,958 |
| Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits) | | | per MOHCD policy no annual increase | 7,555 | - | 7,555 | 7,820 | - | 7,820 | 8,093 | - | 8,093 |
| Other Payments | | | | - | - | - | - | - | - | - | - | - |
| Non-amortizing Loan Pmnt - Lender 1 | | | Enter comments re: annual increase, etc. | - | - | - | - | - | - | - | - | - |
| Non-amortizing Loan Pmnt - Lender 2 | | | Enter comments re: annual increase, etc. | - | - | - | - | - | - | - | - | - |
| Deferred Developer Fee (Enter amt <= Max Fee from row 131) | | | | - | - | - | - | - | - | - | - | - |
| TOTAL PAYMENTS PRECEDING MOHCD | | | | 42,990 | - | 42,990 | 44,495 | - | 44,495 | 46,052 | - | 46,052 |
| RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD) | | | | - | - | 0 | - | - | 0 | 0 | - | 0 |
| Does Project have a MOHCD Residual Receipt Obligation? | | | No | | | | | | | | | |
| Will Project Defer Developer Fee? | | | No | | | | | | | | | |
| Residual Receipts split for all years. - Lender/Owner | | | | | | | | | | | | |

Mission Bay South Block 9

| Total # Units: | LOSP Units | | Non-LOSP Units | | Year 16 2037 | | | Year 17 2038 | | | Year 18 2039 | | |
|---|------------|---------|----------------|-------|------------------|----------|------------------|------------------|----------|------------------|------------------|----------|------------------|
| | 141 | 141 | 0 | 0 | LOSP | non-LOSP | Total | LOSP | non-LOSP | Total | LOSP | non-LOSP | Total |
| | 100.00% | 100.00% | 0.00% | 0.00% | | | | | | | | | |
| INCOME | | | | | | | | | | | | | |
| Residential - Tenant Rents | | 1.0% | 2.5% | | 585,128 | - | 585,128 | 590,980 | - | 590,980 | 596,889 | - | 596,889 |
| Residential - Tenant Assistance Payments (Non-LOSP) | | n/a | n/a | | - | - | - | - | - | - | - | - | - |
| Residential - LOSP Tenant Assistance Payments | | n/a | n/a | | 2,837,552 | - | 2,837,552 | 2,948,660 | - | 2,948,660 | 3,063,808 | - | 3,063,808 |
| Commercial Space | | n/a | 2.5% | | - | - | - | - | - | - | - | - | - |
| Residential Parking | | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | - |
| Miscellaneous Rent Income | | 2.5% | 2.5% | | 48,698 | - | 48,698 | 49,915 | - | 49,915 | 51,163 | - | 51,163 |
| Supportive Services Income | | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | - |
| Interest Income - Project Operations | | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | - |
| Laundry and Vending | | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | - |
| Tenant Charges | | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | - |
| Miscellaneous Residential Income | | 2.5% | 2.5% | | - | - | - | - | - | - | - | - | - |
| Other Commercial Income | | n/a | 2.5% | | - | - | - | - | - | - | - | - | - |
| Withdrawal from Capitalized Reserve (deposit to operating account) | | n/a | n/a | | - | - | - | - | - | - | - | - | - |
| Gross Potential Income | | | | | 3,471,378 | - | 3,471,378 | 3,589,555 | - | 3,589,555 | 3,711,861 | - | 3,711,861 |
| Vacancy Loss - Residential - Tenant Rents | | n/a | n/a | | (29,256) | - | (29,256) | (29,549) | - | (29,549) | (29,844) | - | (29,844) |
| Vacancy Loss - Residential - Tenant Assistance Payments | | n/a | n/a | | - | - | - | - | - | - | - | - | - |
| Vacancy Loss - Commercial | | n/a | n/a | | - | - | - | - | - | - | - | - | - |
| EFFECTIVE GROSS INCOME | | | | | 3,442,122 | - | 3,442,122 | 3,560,006 | - | 3,560,006 | 3,682,016 | - | 3,682,016 |
| OPERATING EXPENSES | | | | | | | | | | | | | |
| Management | | | | | | | | | | | | | |
| Management Fee | | 3.5% | 3.5% | | 227,981 | - | 227,981 | 235,961 | - | 235,961 | 244,219 | - | 244,219 |
| Asset Management Fee | | 3.5% | 3.5% | | 39,304 | - | 39,304 | 40,679 | - | 40,679 | 42,103 | - | 42,103 |
| Sub-total Management Expenses | | | | | 267,285 | - | 267,285 | 276,640 | - | 276,640 | 286,323 | - | 286,323 |
| Salaries/Benefits | | | | | | | | | | | | | |
| Office Salaries | | 3.5% | 3.5% | | 41,028 | - | 41,028 | 42,464 | - | 42,464 | 43,950 | - | 43,950 |
| Manager's Salary | | 3.5% | 3.5% | | 199,092 | - | 199,092 | 206,061 | - | 206,061 | 213,273 | - | 213,273 |
| Health Insurance and Other Benefits | | 3.5% | 3.5% | | 221,588 | - | 221,588 | 229,344 | - | 229,344 | 237,371 | - | 237,371 |
| Other Salaries/Benefits | | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | - |
| Administrative Rent-Free Unit | | 3.5% | 3.5% | | 56,332 | - | 56,332 | 58,304 | - | 58,304 | 60,344 | - | 60,344 |
| Sub-total Salaries/Benefits | | | | | 518,040 | - | 518,040 | 536,172 | - | 536,172 | 554,938 | - | 554,938 |
| Administration | | | | | | | | | | | | | |
| Advertising and Marketing | | 3.5% | 3.5% | | 1,096 | - | 1,096 | 1,134 | - | 1,134 | 1,174 | - | 1,174 |
| Office Expenses | | 3.5% | 3.5% | | 109,489 | - | 109,489 | 113,321 | - | 113,321 | 117,287 | - | 117,287 |
| Office Rent | | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | - |
| Legal Expense - Property | | 3.5% | 3.5% | | 26,944 | - | 26,944 | 27,887 | - | 27,887 | 28,863 | - | 28,863 |
| Audit Expense | | 3.5% | 3.5% | | 30,836 | - | 30,836 | 31,915 | - | 31,915 | 33,032 | - | 33,032 |
| Bookkeeping/Accounting Services | | 3.5% | 3.5% | | 26,739 | - | 26,739 | 27,674 | - | 27,674 | 28,643 | - | 28,643 |
| Bad Debts | | 3.5% | 3.5% | | 33,775 | - | 33,775 | 34,957 | - | 34,957 | 36,181 | - | 36,181 |
| Miscellaneous | | 3.5% | 3.5% | | 51,325 | - | 51,325 | 53,121 | - | 53,121 | 54,981 | - | 54,981 |
| Sub-total Administration Expenses | | | | | 280,203 | - | 280,203 | 290,010 | - | 290,010 | 300,160 | - | 300,160 |
| Utilities | | | | | | | | | | | | | |
| Electricity | | 3.5% | 3.5% | | 118,249 | - | 118,249 | 122,388 | - | 122,388 | 126,672 | - | 126,672 |
| Water | | 3.5% | 3.5% | | 194,002 | - | 194,002 | 200,792 | - | 200,792 | 207,819 | - | 207,819 |
| Gas | | 3.5% | 3.5% | | 39,451 | - | 39,451 | 40,831 | - | 40,831 | 42,260 | - | 42,260 |
| Sewer | | 3.5% | 3.5% | | 159,780 | - | 159,780 | 165,352 | - | 165,352 | 171,139 | - | 171,139 |
| Sub-total Utilities | | | | | 511,462 | - | 511,462 | 529,363 | - | 529,363 | 547,891 | - | 547,891 |
| Taxes and Licenses | | | | | | | | | | | | | |
| Real Estate Taxes | | 3.5% | 3.5% | | 3,589 | - | 3,589 | 3,715 | - | 3,715 | 3,845 | - | 3,845 |
| Payroll Taxes | | 3.5% | 3.5% | | 91,335 | - | 91,335 | 94,532 | - | 94,532 | 97,840 | - | 97,840 |
| Miscellaneous Taxes, Licenses and Permits | | 3.5% | 3.5% | | 22,147 | - | 22,147 | 22,922 | - | 22,922 | 23,724 | - | 23,724 |
| Sub-total Taxes and Licenses | | | | | 117,071 | - | 117,071 | 121,169 | - | 121,169 | 125,410 | - | 125,410 |
| Insurance | | | | | | | | | | | | | |
| Property and Liability Insurance | | 3.5% | 3.5% | | 629,101 | - | 629,101 | 651,120 | - | 651,120 | 673,909 | - | 673,909 |
| Fidelity Bond Insurance | | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | - |
| Worker's Compensation | | 3.5% | 3.5% | | 38,233 | - | 38,233 | 39,571 | - | 39,571 | 40,956 | - | 40,956 |
| Director's & Officers' Liability Insurance | | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | - |
| Sub-total Insurance | | | | | 667,334 | - | 667,334 | 690,691 | - | 690,691 | 714,865 | - | 714,865 |
| Maintenance & Repair | | | | | | | | | | | | | |
| Payroll | | 3.5% | 3.5% | | 361,541 | - | 361,541 | 374,195 | - | 374,195 | 387,292 | - | 387,292 |
| Supplies | | 3.5% | 3.5% | | 46,392 | - | 46,392 | 48,016 | - | 48,016 | 49,697 | - | 49,697 |
| Contracts | | 3.5% | 3.5% | | 152,997 | - | 152,997 | 158,352 | - | 158,352 | 163,895 | - | 163,895 |
| Garbage and Trash Removal | | 3.5% | 3.5% | | 63,747 | - | 63,747 | 65,978 | - | 65,978 | 68,287 | - | 68,287 |
| Security Payroll/Contract | | 3.5% | 3.5% | | 317,181 | - | 317,181 | 328,283 | - | 328,283 | 339,773 | - | 339,773 |
| HVAC Repairs and Maintenance | | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | - |
| Vehicle and Maintenance Equipment Operation and Repairs | | 3.5% | 3.5% | | 449 | - | 449 | 464 | - | 464 | 481 | - | 481 |
| Miscellaneous Operating and Maintenance Expenses | | 3.5% | 3.5% | | 16,753 | - | 16,753 | 17,340 | - | 17,340 | 17,947 | - | 17,947 |
| Sub-total Maintenance & Repair Expenses | | | | | 959,061 | - | 959,061 | 992,628 | - | 992,628 | 1,027,370 | - | 1,027,370 |
| Supportive Services | | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | - |
| Commercial Expenses | | | | | | | | | | | | | |
| TOTAL OPERATING EXPENSES | | | | | 3,320,457 | - | 3,320,457 | 3,436,673 | - | 3,436,673 | 3,556,957 | - | 3,556,957 |
| RESERVES/GROUND LEASE BASE RENT/BOND FEES | | | | | | | | | | | | | |
| Ground Lease Base Rent | | | | | 1 | - | 1 | 1 | - | 1 | 1 | - | 1 |
| Bond Monitoring Fee | | | | | 3,500 | - | 3,500 | 3,500 | - | 3,500 | 3,500 | - | 3,500 |
| Replacement Reserve Deposit | | | | | 70,500 | - | 70,500 | 70,500 | - | 70,500 | 70,500 | - | 70,500 |
| 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 | | | | | 74,001 | - | 74,001 | 74,001 | - | 74,001 | 74,001 | - | 74,001 |
| TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees) | | | | | 3,394,458 | - | 3,394,458 | 3,510,674 | - | 3,510,674 | 3,630,958 | - | 3,630,958 |
| NET OPERATING INCOME (INCOME minus OP EXPENSES) | | | | | 47,664 | - | 47,664 | 49,332 | - | 49,332 | 51,059 | - | 51,059 |
| 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) | | | | | - | - | - | - | - | - | - | - | - |
| Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender) | | | | | - | - | - | - | - | - | - | - | - |
| Hard Debt - Fourth Lender | | | | | - | - | - | - | - | - | - | - | - |
| Commercial Hard Debt Service | | | | | - | - | - | - | - | - | - | - | - |
| TOTAL HARD DEBT SERVICE | | | | | - | - | - | - | - | - | - | - | - |
| CASH FLOW (NOI minus DEBT SERVICE) | | | | | 47,664 | - | 47,664 | 49,332 | - | 49,332 | 51,059 | - | 51,059 |
| Commercial Only Cash Flow | | | | | - | - | - | - | - | - | - | - | - |
| Allocation of Commercial Surplus to LOSP/non-LOSP (residual income) | | | | | - | - | - | - | - | - | - | - | - |
| AVAILABLE CASH FLOW | | | | | 47,664 | - | 47,664 | 49,332 | - | 49,332 | 51,059 | - | 51,059 |
| 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% | | - | - | - | - | - | - | - | - | - |
| Partnership Management Fee (see policy for limits) | | 3.5% | 3.5% | | 39,287 | - | 39,287 | 40,682 | - | 40,682 | 42,085 | - | 42,085 |
| Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits) | | | | | 8,377 | - | 8,377 | 8,670 | - | 8,670 | 8,973 | - | 8,973 |
| Other | | | | | | | | | | | | | |

Attachment D: LOSP Funding and Disbursement Schedule A

LOSP FUNDING SCHEDULE

| | |
|---------------------|---------------------------|
| Project Address: | Mission Bay South Block 9 |
| Project Start Date: | 1/1/2022 |

Exhibit A

| Calendar Year | Full Year Funding Amount | # Months to Fund | Total Disbursement for Calendar Year | Estimated Disbursement Date | FY Budgeted (for Disbursement) |
|-------------------------------|--------------------------|------------------|--------------------------------------|-----------------------------|--------------------------------|
| CY-1 2022 | \$1,571,977 | 12 | \$1,571,977 | 1/1/2022 | FY2021/22 |
| CY-2 2023 | \$1,636,712 | 12 | \$1,636,712 | 1/1/2023 | FY2022/23 |
| CY-3 2024 | \$1,703,841 | 12 | \$1,703,841 | 1/1/2024 | FY2023/24 |
| CY-4 2025 | \$1,773,450 | 12 | \$1,773,450 | 1/1/2025 | FY2024/25 |
| CY-5 2026 | \$1,845,625 | 12 | \$1,845,625 | 1/1/2026 | FY2025/26 |
| CY-6 2027 | \$1,920,459 | 12 | \$1,920,459 | 1/1/2027 | FY2026/27 |
| CY-7 2028 | \$1,998,046 | 12 | \$1,998,046 | 1/1/2028 | FY2027/28 |
| CY-8 2029 | \$2,078,484 | 12 | \$2,078,484 | 1/1/2029 | FY2028/29 |
| CY-9 2030 | \$2,161,874 | 12 | \$2,161,874 | 1/1/2030 | FY2029/30 |
| CY-10 2031 | \$2,248,321 | 12 | \$2,248,321 | 1/1/2031 | FY2030/31 |
| CY-11 2032 | \$2,337,934 | 12 | \$2,337,934 | 1/1/2032 | FY2031/32 |
| CY-12 2033 | \$2,430,824 | 12 | \$2,430,824 | 1/1/2033 | FY2032/33 |
| CY-13 2034 | \$2,527,108 | 12 | \$2,527,108 | 1/1/2034 | FY2033/34 |
| CY-14 2035 | \$2,626,908 | 12 | \$2,626,908 | 1/1/2035 | FY2034/35 |
| CY-15 2036 | \$2,730,346 | 12 | \$2,730,346 | 1/1/2036 | FY2035/36 |
| Total Contract Amount: | | | \$31,591,908 | | |