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
Housing Authority of the City and County of San Francisco

SFHA Scattered Sites
$7,500,000 Gap Loan

Evaluation of Request for:	Gap Funding
Loan Committee Date:	January 21, 2022
Prepared By:	Ryan VanZuylen
MOHCD Asset Manager:	Omar Cortez
Sources and Amounts of New Funds Recommended:	$5,000,000 2019 GO Bonds
Sources and Amounts of Previous City Funds Committed:	$2,500,000 Housing Trust Fund
NOFA/PROGRAM/RFP:	SFHA RFQ issued March 15, 2018
Applicant/Sponsor(s) Name:	Mission Housing Development Corporation

EXECUTIVE SUMMARY

Sponsor Information:

Project Name:	SFHA Scattered Sites	Sponsor(s):	Mission Housing Development Corporation
Project Address (w/ cross St):	4104 Noriega (at 48th Street), 2206-2268 Great Hwy (at 48th Street), 200 Randolph/409 Head, 363 Noe (near 17th Street), 1357-1371 Eddy (near Webster)	Ultimate Borrower Entity:	MHDC New Map, L.P.

Project Summary:

Mission Housing Development Corporation (MHDC) requests final gap financing approval in the amount of up to $5,000,000 for the San Francisco Housing Authority (SFHA) Scattered Sites project (Project), a proposed occupied rehab of 69 units across five public housing developments located in four neighborhoods. On December 20, 2019, Loan Committee approved a predevelopment loan of $2,500,000 to conduct necessary due diligence and development planning. On May 21, 2021, Loan Committee approved converting the predevelopment loan to a gap loan for the Project rather than MHDC repaying the loan to MOHCD at construction closing. Since then, costs for construction and operating reserves have risen substantially and the LIHTC equity investor is requiring a $1,800,000 capitalized reserve to mitigate operating deficits from future potential Section 8 Project Based Voucher contract rent reductions over 15 years. These increased costs contributed to the increased gap loan request of up to $5,000,000.

The sites comprising the Project are located in four diverse San Francisco neighborhoods:

- 4101 Noriega located in Outer Sunset (8 units);
- 2206-2268 Great Highway located in Outer Sunset (16 units);
- 200 Randolph/409 Head located in Ingleside (16 units);
- 363 Noe located in the Castro (21 units);
- 1357-1371 Eddy located in the Fillmore (8 units).

Total project costs, including the cost to rehabilitate existing buildings, will be approximately $84,629,294 or $1,226,512 per dwelling unit. Without acquisition costs, notably the SFHA seller carryback loan, the total development cost is $62,364,294, or $903,830 per unit. All five developments serve large families, with the exception of 363 Noe which serves seniors and people with disabilities. The Project will include 66 affordable units and three manager units, one at each site with 16 or more units. All affordable units will serve households earning less than 50% San Francisco Area Median Income (AMI) with the majority of existing households at the 30% AMI range. MHDC will finance the recapitalization as a scattered site 4% tax credit and tax-exempt bond project. As a HUD Section 18 Disposition, the project is eligible for 100% replacement Project Based Vouchers (PBVs), which it will rely on to support mortgage debt. Other financing sources are SFHA seller carryback loan, GP equity and the requested MOHCD permanent financing. All construction is scheduled to be completed by March 2023.

Project Description:

Construction Type:	Type V at all sites	Project Type:	Rehab
Number of Stories:	2-4 stories	Lot Size (acres and sf):	1.14 acres / 72,415 sf
Number of Units:	69	Architect:	Levy Design Partners
Total Residential Area:	72,415 sf	General Contractor:	Guzman Construction Group and AmOne Corp

Total Commercial Area:	0 sf	Property Manager:	Caritas Management
Total Building Area:	72,415 sf	Supervisor and District:	Gordon Mar (4), Ahsha Safai (11), Rafael Mandelman (8), Dean Preston (5)
Land Owner:	San Francisco Housing Authority		
Total Development Cost (TDC):	$84,629,294	Total Acquisition Cost:	$22,650,000
TDC/unit:	$1,226,512	TDC less acquisition cost/unit:	$898,251
Loan Amount Requested:	$7,500,000	Request Amount / unit:	$108,696
HOME Funds?	N		
Parking?	Noriega, GH, Randolph/Head have 1:1; Noe has 5; Eddy has 0		

PRINCIPAL DEVELOPMENT ISSUES

- The Sponsor has increased the MOHCD gap request from $2,500,000 in May 2021 to $7,500,000 due to increased costs from construction and operations, reduced permanent loan from potential Section 8 rent shortfall, an additional $1.88M reserve to cover potential future PBV rent reductions, and additional capitalized replacement reserves. Increases from hard cost contingency that go unspent after construction will be used to reduce MOHCD gap at conversion. See Section 6.4.2.
- Because the Project was challenged to identify a tax credit equity investor and was delayed, the Project faces an imminent CDLAC 180-day deadline to provide readiness items such as permits and NTPs by February 7, 2022, and close financing at the latest by February 21, 2022. The project received its CDLAC award on August 10, 2021. The sponsor is preparing for permits and NTPs for Noe and Eddy sites to be ready by February 7, 2022, while other sites may be delayed.
- Due to the nature of rehabilitating five older scattered sites across distant neighborhoods in the City, managing construction and keeping costs down is a challenge. The Project team has done considerable value engineering to manage costs, but the Project remains expensive on a per-unit basis as compared to other rehabs in the MOHCD portfolio. It is, however, less costly on a square-foot basis than the South Park scattered sites project, the most recent comparable project. See Section 4.3 and 6.4.2.
- PBV subsidies will not be paid to the Project while residents are temporarily relocated during rehab construction. During construction tenants will be paying the tenant portion of their rent to MHDC New Map, L.P., but units will be required to pass HQS inspection before they can receive PBV subsidies. A Section 8 transition reserve is included in the budget to make up for this rehab period. See Section 4.11.
- Mission Housing is performing well on their South Park project, another complex acquisition/rehab project involving multiple sites that is also their first MOHCD-funded project in many years. MOHCD has concerns regarding sponsor's capacity in particular around Asset Management. See Section 1.3.6.2 and Loan Condition.

SOURCES AND USES SUMMARY

Predevelopment Sources	Amount	Terms	Status
MOHCD	$2,500,000	3 yrs. @ 3% Res Rec	Committed
Total	$2,500,000		

Permanent Sources	Amount	Terms	Status
MOHCD – Gap	$7,477,796	55 yrs. @ 3% Res Rec	This Request
Western Alliance Bank	$20,690,144	15 yrs @ 4.05%	Committed
GP Equity	$500,000	n/a	To be committed @ closing
Tax Credit Equity	$32,359,074	$0.88	Committed
SFHA Seller Carryback Loan	$22,000,000	55 yrs. @ AFR (currently 2.10%)	Purchase & Sale Agreement executed

Deferred Fee	$1,602,280	n/a	To be committed @ closing
Total	$84,629,294		

Uses	Amount	Per Unit	Per SF
Acquisition	$22,265,000	$322,681	$307
Hard Costs	$43,768,397	$634,325	$604
Soft Costs	$10,976,659	$159,082	$152
Reserves	$3,316,958	$51,550	$49
Developer Fee/Costs	$4,302,280	$62,352	$59
Total	$84,629,294	$1,226,512	$1,169

1. BACKGROUND

1.1. Project History Leading to This Request.

In 2015 and 2016, the City and the San Francisco Housing Authority (SFHA) successfully converted over 3,500 units of public housing to the Section 8/ Housing Choice Voucher program under the Rental Assistance Demonstration (RAD) program. The conversion ensured the ongoing affordability of these units, helped stabilize SFHA's ongoing financial crisis, and leveraged $800 million in rehabilitation to address dilapidated conditions at the sites. The units included in the Scattered Sites project were not incorporated into the 29-project RAD units, most because of the properties' low unit counts, and have been operated as public housing despite the inadequate operating income provided HUD.

To address its ongoing operational and financing challenges, SFHA executed a Public Housing Authority Recovery and Sustainability (PHARS) Agreement and Corrective Action Plan with the United States Department of Housing and Urban Development (HUD) on July 7, 2017. The PHARS Agreement and Corrective Action Plan requires SFHA to dispose of or convert its remaining public housing portfolio by the end of June 2021. Given the challenges of conducting resident engagement and predevelopment activities during the COVID pandemic, SFHA and HUD have approved the construction loan closing to be pushed to 2022.

On March 15, 2018, SFHA issued a Request for Qualifications (RFQ) for the rehabilitation and transfer of ownership of the Scattered Sites to an affordable housing developer to convert the public housing units to PBV's, recapitalize the project, and rehabilitate and manage all five sites. SFHA held pre-bid meetings, site walks, and released RFQ addenda. Final responses were due July 20, 2018. Two development teams responded to the RFQ.

Simultaneously, SFHA submitted a Section 18 Demolition and Disposition application to HUD for the Project on February 2, 2018, which was approved on May 8, 2019.

On September 18, 2018, SFHA selected Mission Housing Development Corporation (MHDC) to develop the Scattered Sites project. MHDC's proposed development team includes Caritas Management Corporation (property manager), MHDC (services provider), and Levy Design Partners (architect). SFHA began negotiating with MHDC to enter into an Exclusive Negotiating Rights Agreement (ENRA), which was approved by the SFHA Commission on November 21, 2019.

Since being awarded predevelopment financing at the end of 2019, MHDC has worked closely with Levy Design Partners to conduct preconstruction due diligence and develop a scope of work for each site. The project received a CDLAC allocation of tax credits and bonds in August 2021, the only San Francisco project to receive an allocation in 2021. The architects, general contractors and Sponsor, with support from the MOHCD Construction Representative, have arrived at the final Guaranteed Maximum Price (GMP), based on the September 2021 bid sets provided by the architect, after thorough review of the subcontractor bids and extensive value engineering. Construction will commence at two sites in late February, one in March, and two in early April 2022. All construction is scheduled to be complete by late March 2023.

The conversion of the Scattered Sites out of public housing is a high priority of the Office of the Mayor and MOHCD, and it aligns with the City's SFHA Re-envisioning Initiative. MOHCD has provided, and will continue to provide, technical assistance to facilitate the rehabilitation of the Scattered Sites, including project management, construction management, and services support.

On December 20, 2019, Loan Committee approved a predevelopment loan in the amount of $2,500,000 to conduct necessary due diligence and development planning. On May 21, 2021, Loan Committee approved converting the predevelopment loan to a permanent gap loan for the Project.

1.2. <u>Applicable NOFA/RFQ/RFP.</u> (See Attachment E for Threshold Eligibility Requirements and Ranking Criteria)

On March 15, 2018, SFHA issued a Request for Qualifications (RFQ) for the rehabilitation and transfer of ownership of the Scattered Sites to an affordable housing developer to convert the public housing units to PBV's, recapitalize the project, and rehabilitate and manage all five sites. SFHA held pre-bid meetings, site walks, and released RFQ addenda. After several extensions, the final responses were due July 20, 2018. Two development teams responded to the RFQ: Mission Housing Development Corporation and San Francisco Housing Development Corporation. Mission Housing received a score of 99.33 while San Francisco Housing Development Corporation scored 94.33. On September 18, 2018, SFHA selected MHDC to develop the Scattered Sites project.

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

1.3.1. Borrower. MHDC New Map, L.P.

1.3.2. Joint Venture Partnership. N/A

Demographics of Board of Directors, Staff and People Served:

MHDC Employees:

Asian: 19%
Black/ African American: 17%
Hispanic/Latinx: 45%
White: 19%

Female: 55%
Male: 45%

MHDC Board:

33% Female, 67% Male. 50% Hispanic/Latinx, 33% Asian, 17% White

MHDC does not collect data on employee sexual orientation.

MHDC notes that it is in the process of updating demographic information for residents served.

1.3.3. Racial Equity Vision. MHDC's strategic plan does not have a racial equity statement. It will be updated to include one in 2022.

1.3.4. Relevant Experience. As one of San Francisco's oldest affordable housing developers, Mission Housing Development Corporation was originally created in 1971 to build affordable housing that preserves the neighborhood's economic, cultural and ethnic diversity. In its 50-year history, Mission Housing has developed over 40 projects. As a developer, Mission Housing's experience includes new construction, the acquisition and rehabilitation of scattered sites, public housing conversion, supportive housing and portfolio recapitalization projects.

1.3.5. Project Management Capacity. John Lovell, MHDC Senior Project Developer, will be contributing 45% of his time to the Project. John has worked for MHDC for over 6 years and has overseen development of several new construction and rehabilitation projects. Carlos Melgoza, Associate Project Developer, will be contributing

40% of his time and Sam Moss, Executive Director, will be contributing 5% of his time to the Project. Below is more information on staff's capacity related to the Project and their other priorities:

- John Lovell, Senior Project Developer
  - SFHA Scattered Sites: 45%
  - Balboa Reservoir: 30%
  - 1536-1552 Great Highway: 15%
  - Business Development: 10%
- Carlos Melgoza, Associate Project Developer
  - SFHA Scattered Sites: 40%
  - Balboa Reservoir: 30%
  - 1536-1552 Great Highway: 30%
- Sam Moss, Executive Director
  - SFHA Scattered Sites: 5%
  - Balboa Reservoir: 10%
  - Business Development: 25%

1.3.6. Past Performance.

1.3.6.1. City audits/performance plans. MOHCD's Community Development team notes that MOHCD has several grants with MHDC and they are a strong community partner who works well with their constituents and are generally responsive to MOHCD inquiries.

1.3.6.2. Marketing/lease-up/operations and Asset Management capacity. MHDC has not led any lease-up or marketing on recent MOHCD projects. Instead, they hire a 3rd party agency to market their waitlist or a development co-sponsor leads on marketing and lease up (e.g.1950 Mission and 490 South Van Ness).

MOHCD initially had concerns regarding six past due 2020 Annual Monitoring Reports (AMRs). These include Hotel Madrid, Hotel Parkview, Gran Oriente, 890-896 Capp Street, 1637 15th Street, and 2800 Bryant Street. The AMRs for Capp Street, 15th Street, and Bryant Street were submitted to MOHCD on January 12, 2022. The other three properties were sold to a new entity in 2020 which resulted in confusion about preparing AMRs for the old entity or new entity. MHDC submitted AMRs for these remaining properties on January 13, 2022. See Loan Conditions.

MHDC recently increased its Asset Management Department and consists of 7 full time asset managers: a director, two senior asset managers, three asset managers, and an administrative assistant. The Asset Management team works closely with

Mission Housing's facilities manager and construction manager. The facilities manager is responsible for overseeing the maintenance operations of MHDC's portfolio between three property management companies. He also creates and implements long term maintenance plans at each property and leads small renovation projects. The construction manager is responsible for overseeing larger capital improvement projects, funded through reserves or refinancing.

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

Site Description	
Zoning:	1357-1371 Eddy is zoned as residential mixed, medium density - RM-3 - with a 50-X height limit. The remaining four sites are zoned for residential - RH-2 and/or RH-3 - at a 40-X height limit.
Maximum units allowed by current zoning (N/A if rehab):	N/A
Number of units added or removed (rehab only, if applicable):	N/A
Seismic (if applicable):	The Noriega and Great Highway sites are located in liquefaction hazard zones.
Soil type:	4101 Noriega: soil consists of loose sand below existing foundations that is susceptible to excessive and erratic settlements due to cyclic densification during a major earthquake.
Environmental Review:	NEPA and 106 historical review completed. Project determined to be categorically exempt.
Adjacent uses (North):	4101 Noriega (48th Ave & Noriega): Two-story residential homes. 363 Noe (17th St & Noe): Two- to three-story residential buildings. Further north there is access to Market St. and bus lines. 200 Randolph/409 Head (Randolph & Head): Two-story residential houses. 2206-2268 Great Highway (Great Highway & Rivera): Two- to three-story residential homes and apartments. 1353-1367 Eddy (Eddy & Webster): Three-story apartment buildings and churches such as the Glad Tidings Church. Further north showcases the commercial district of Japantown Shopping Center.
Adjacent uses (South):	Noriega: Two-story residential houses. Noe: Two- to three-story residential houses. Randolph/Head: Two-story residential houses. Great Highway: Two- to three-story residential houses and apartments.

	Eddy: Three- to four- story apartment buildings with San Francisco Fire Department at the corner of Turk and Webster.
Adjacent uses (East):	Noriega: Two-story residential houses. Noe: Two- to three- story houses and apartment buildings. Randolph/Head: Two-story residential houses. Great Highway: Two-story houses and apartment buildings. Eddy: Three-story apartment? buildings.
Adjacent uses (West):	Noriega: Access to the Lower Great Highway Trail and to Ocean Beach. Noe: Two- to three-story apartment buildings and houses.. Randolph/Head: Two-story residential houses. Great Highway: Access to the Lower Great Highway Trail and to Ocean Beach. Eddy: Three-story residential buildings, churches, and mixed use buildings.
Neighborhood Amenities within 0.5 miles:	Noriega: Noriega Produce, Sunset Elementary School, Ortega Branch Library, West Sunset Playground, Sunset Church Noe: Safeway, Castro Mission Health Center, Mission Dolores, Mission High School, Bank of the West, Walgreens, Harvey Milk Photo Center Randolph/Head: Ana's Market, Sheridan Elementary School, It Bookman Community Center, Temple United Methodist Church, Ocean View Branch Library, Minnie and Lovie Ward Recreation Center, Chase Bank Great Highway: Amity Market, Sunset Neighborhood Beacon Center, Lower Great Highway Eddy: Safeway, Maxine Hall Health Center, Gateway High School, Ella Hill Hutch Community Center, Buchanan YMCA, Head Start program, Jefferson Square Park, Wells Fargo, Walgreens
Public Transportation within 0.5 miles:	Noriega: 7, 7X, 48 Noe: F, 35,33, 24 Randolph/Head: M-Owl, 28R Great Highway: 48, L, 18 Eddy: 31, 22, 5,5R, 38, 38R
Article 34:	Exempt.
Article 38:	Exempt.
Accessibility:	Of the 5 sites, it is only feasible to provide mobility units at three: 363 Noe, 4101 Noriega, and Randolph/Head. Eddy Street is a class A historic resource where it is technically infeasible to provide any mobility units; a required mobility unit will be provided offsite at another MHDC property currently being rehabbed. Randolph/Head will feature one mobility and one adaptable unit and a series of ramps in the

	community spaces, courtyard and offices. It is not possible to provide mobility units at the Great Highway without encroaching upon the public right of way; however, a ramp to the ground floor at the entry is being studied and may be required.
Green Building:	Green building improvements include 100% electrification of all 5 buildings, installing a Domestic Hot Water recirculation system in 4 out of 5 sites, and increasing the energy efficiency over existing conditions by 14.8%.
Recycled Water:	Exempt.
Storm Water Management:	Stormwater management plans include new hard and soft scaping improvements at Randolph Head and Noriega buildings.

2.1. Description.

200 Randolph/ 401-409 Head is a three- and four-story development consisting of sixteen (16) units in two buildings. There are 8 two- bedroom units, 2 three-bedroom units, and 6 four-bedroom units. The site is located on a corner lot, with gated pedestrian access to an interior courtyard from both Randolph and Head Streets. There is a pronounced slope upwards from the south boundary. The interior courtyard consists of two separate terraces at different grades. All the units are garden style “walk ups”, with access to units provided by exterior stairways from the courtyard. There is no elevator. A detached community room building is located in the northwest corner of the courtyard. Unit floorplans are relatively small by industry standards, with a typical two-bedroom sized at less than 700 square feet. The typical four-bedroom floorplan is approximately 1,200 square feet with only a single bathroom. Washer hook-ups are located in the kitchen of the units. The building contains 16 parking spaces in “tuck under” garages facing the street. There is no management or services office on site.

2206-2268 Great Highway is a two-story development consisting of sixteen (16) units. There are 6 two-bedroom units and 10 three-bedroom units. The units are arranged as two clusters of attached townhomes along a long, narrow lot. There are three covered carports providing 16 parking spots for residents. Each unit has a private patio area. There are no common amenities or management offices. Washer and dryer hook-ups are provided in units.

4101 Noriega Street is a three- and four-story development consisting of eight (8) units in two buildings. There are 3 two-bedroom units, 3 three-bedroom units, and 2 four-bedroom units. All the units are flats or garden style units with “walk up” style entries from an interior courtyard. There is no elevator. Eight (8) garage parking stalls and a small a small community room are located on the ground floor. Washer hook-ups are located in the kitchen of the units.

363 Noe Street is a three-story development consisting of 21 units in one building. There are nineteen (19) studio units and 2 one-bedroom units. The units are arranged along a single corridor, with each floor serviced by an elevator. A management and administrative office are located on the ground floor, in the front of the building. The ground floor has a small community room that opens out onto a common patio in the back of a building. A small parking lot with five parking spaces for residents and staff is located behind the building, accessible by a public alleyway. A small community laundry facility is provided on the ground floor.

1357-1371 Eddy Street is a two-story apartment building consisting of 8 units in one building. All 8 units include three-bedrooms. The unit floorplans are long, narrow flats, each with its own private entryway to the street. There is no on-site parking. A shared laundry room is provided in a partial basement, though some units also have washer and dryers. There is no management office on site. As a Victorian building that survived both the 1906 earthquake and the post-war redevelopment of the Western Addition, the building has been designated as a Class A historic resource by the Planning Department.

2.2. Zoning. The sites are all legal non-conforming uses.

2.3. Probable Maximum Loss. New anchoring, hold downs and shear wall will be installed at all 5 sites. At Noriega Street, the scope of work will include a major expansion of foundation footings, by means of soil grout injection. Preliminary PML/SUL reports were ordered by the developer in the pre-schematic design phase, before much of the rehab scope of work had been developed; the investor has since hired a structural engineer to provide updated PML/SUL reports, upon which the scope of work and GMP are based.

2.4. Local/Federal Environmental Review. NEPA has been completed per the above. The project does not meet any of the Planning Department's thresholds for triggering CEQA review.

2.5. Environmental Issues. According to a July 2020 Phase 1 Report, a gasoline service station operated at 4101 Noriega from 1949 to at least 1968. To assess if a release occurred at the former gasoline service station, groundwater, soil, soil vapor, and indoor air quality data were collected at the Property between October 2020 and September 2021. Regulatory oversight was requested from the SF Regional Water Quality Control Board in May of 2021. In Water Quality Board issued a letter stating that a case would not be opened.

Phase 1 reports for all 5 sites were issued in 2020. REC's (Recognized Environmental Conditions) were identified in 4 out of 5 sites, Great Highway excluded. Additional soil vapor and indoor air quality data was collected at Randolph/ Head, Eddy, and Noe, but no conditions rose to the level of requiring regulatory oversight, besides Noriega. Asbestos and lead testing conducted in September of 2021 identified asbestos containing material at all 5 sites. The sponsor will be abating asbestos and lead containing materials in areas that are being demolished. Lead based paint will be encapsulated in surfaces that are not being demolished or replaced.

2.6. Adjacent uses and neighborhood amenities. See above.

2.7. Green Building. The sponsor has committed to improving energy efficiency by 14.8% over existing levels. Measures by which this will be attained include converting all 5 buildings to 100% electric, installing DHW re-circulation circuits, new windows, LED lighting retrofits, and additional insulation.

3. COMMUNITY SUPPORT

3.1. Prior Outreach.

The Sponsor started preliminary outreach to residents in January 2021, holding meetings online for each of the properties as well as one-on-one interviews with households to better understand household composition, special needs, and specific concerns around relocation. Since only three units are vacant across all the sites, it is expected that the vast majority of households will be relocated off-site for the duration of their relocation, with the exception of Noe, where the three vacancies may facilitate some on-site relocation. The longest relocation duration is expected to be 10-11 months. Most or all households will be relocated to master-leased apartment units, with expenses to be paid by the project. Relocation will follow the MOHCD guidelines for relocation during the COVID-19 pandemic, and relocation assistance will be provided in compliance with all applicable Federal, State, and Local laws.

The Sponsor has been in contact with neighbors who live immediately adjacent to the sites and informed them of future construction, including properties that will need to be accessed during construction. The Sponsor will add a property management and resident services office space at the Randolph/Head site which required a zoning variance and 311 neighborhood notification.

3.2. Future Outreach. Mission Housing has hired a dedicated case manager who is responsible for remaining in constant communication and support with residents leading up to and throughout the temporary relocation process. Another resident outreach meeting is scheduled for January

2022. The Sponsor intends to mail a construction notice update to surrounding neighbors very soon.

3.3. Proposition I. N/A for this request.

4. DEVELOPMENT PLAN

4.1. Site Control. Currently the property owner is MHDC New Map, L.P. with MHDC acting as the long term managing general partner.

4.1.1. Proposed Property Ownership Structure The building improvements will be owned by MHDC New Map, L.P. and SFHA will retain ownership of the land and enter into a 99-year ground lease with the partnership at construction closing. The Project will make a mandatory annual $15,000 ground lease payment to SFHA.

4.2. Proposed Rehab Scope

200 Randolph/401-409 Head

The scope of work for 200 Randolph includes the rehabilitation of 16 units and the community room, as well as an addition of two offices for resident services and property management staff. The cement plaster cladding (stucco) is to be replaced. All new windows (approx. 78) and roofing will be installed. The entry and courtyard will be brought into compliance with the Americans with Disabilities Act, including the addition of a series of new wheelchair ramps to the new community space. New landscaping will also be included. The project will have nearly all new plumbing and electrical installation including new sewer laterals. The current plan calls for near-total kitchen and bathroom remodels within the units. One unit has been modified for mobility accessibility and another made adaptable. The final bid set hard cost pricing (including general conditions, contractor fee, and contingencies) for this site totals $9,189,721, which is $353 per square foot, $574,358 per affordable unit, and $199,767 per bedroom.

2206-2268 Great Highway

2006 Great Highway will be a gut rehab that includes extensive replacement of the exterior façade; window and door replacement throughout; mold and water intrusion mitigation; steel stair replacement; interior finishes, cabinetry and equipment replacement; new plumbing and electrical throughout; and substantial framing replacement due to water intrusion. It is not possible to provide a mobility accessible unit (there will be an adaptable unit), but a study is underway as to whether a ramp could be installed at the entry to make the ground floors more accessible. The final bid set pricing for this site totals $10,033,037, which is $627 per square foot, $627,065 per unit, and $238,882 per bedroom.

4101 Noriega Street

4101 Noriega will be a gut rehab that includes extensive demolition and site clearing, new plumbing and electrical, window and door replacement, and full kitchen and bath replacement. The exterior façade, stairways, windows, balconies and fire escapes have been subject to severe corrosion due to site's close proximity to the Pacific Ocean and will be replaced (balconies and fire escapes are currently supported with emergency shoring). The units have considerable mold and water intrusion issues resulting in rotted framing which will be replaced. The rehab includes one mobility unit and a communications unit. The final bid set pricing for this site totals $8,199,392, $781 per square foot, $1,024,924 per unit, and $356,495 per bedroom.

363 Noe Street

The scope of work for 363 Noe Street is a gut rehab that includes replacement of exterior siding, roofing, and water heaters; extensive dry rot repairs; seismic upgrades; replacement of exterior walkways, balconies and stairways; electric and plumbing upgrades; elevator replacement, fire alarm and fire sprinkler system replacements; hazardous material abatement; comprehensive replacement of unit finishes and equipment; and accessibility improvements including access into the building, and the addition of a mobility unit and a communication unit. The final bid set pricing totals $6,025,328, $463 per square foot, or $286,920 per unit and bedroom.

1357 Eddy Street

The scope of work for 1357 Eddy Street includes sewer upgrades and repair, all new unit interiors, electrical and plumbing upgrades and fire alarm installation, complete replacement of doors and windows, and substantial dry rot and water intrusion remediation. The final bid set pricing totals $4,146,381, $436 per square foot, $518,298 per unit, and $172,766 per bedroom. The required mobility unit will be provided offsite.

MHDC must ensure each unit meets federal Housing Quality Standards in order to receive PBVs.

Noriega

Unit Size	# of units	Average sq.ft.	Subsidy
2 BR	3	673	PBVs
3 BR	3	1,065	PBVs
4 BR	2	1,515	PBVs
Total	*8*		

Noe

Unit Size	# of units	Average sq.ft.	Subsidy
Studio	19	420	PBVs
1 BR	1	594	PBVs
1 BR - MGRs	1	594	
Total	*21*		

Randolph/Head

Unit Size	# of units	Average sq.ft.	Subsidy
2 BR	7	777	PBVs
2 BR - MGRs	1	777	
3 BR	6	962	PBVs
4 BR	2	1,073	PBVs
Total	*16*		

Great Highway

Unit Size	# of units	Average sq.ft.	Subsidy
2 BR	6	800	PBVs
3 BR	9	1,000	PBVs
3 BR - MGRs	1	1,000	
Total	*16*		

Eddy

Unit Size	# of units	Average sq.ft.	Subsidy
3 BR	8	1,022	PBVs
Total	*8*		

4.3. Construction Representative's Evaluation. The scope of work includes replacement of all major systems – including 100% electric – at the five sites. Gut rehabs are planned at three of the sites. Nearly all kitchens and bathrooms are being replaced with new finishes and appliances and fixtures. The work also entails significant dry rot and pest mediations and seismic reinforcing, the construction of offices at one site, and the additions of mobility units and access ramps where feasible and appropriate. The elevator will be replaced at one building. The very comprehensive scope entails essential work and the scale of the project is appropriate given the decades of deferred maintenance. The unit upgrades focus on durability within reasonable costs and with an eye energy cost savings and operational efficiencies. The project team undertook extensive value engineering to reduce costs; multiple subcontractor bids have verified the costs. With their bids we have eliminated all allowances except for a nominal overtime allowance to ensure that the projects can be completed within the relocation period.

4.4. Commercial Space. N/A

4.5. Service Space. There is currently a community room at Noriega, Randolph Head, and Noe Street. Office space for a property manager and resident services coordinator will be added to Randolph/ Head.

4.6. Interim Use. N/A

4.7. Infrastructure. N/A

4.8. Communications Wiring and Internet Access. The rehabilitation scope of work will include the installation of broadband internet access for every residential unit.

4.9. Public Art Component. N/A

4.10. Marketing, Occupancy, and Lease-Up. Due to the difficult nature of the Project's rehabilitation scope and construction duration, there is potential for delays that makes it critical for all parties to have clear expectations of each other's roles and responsibilities. In November 2021, SFHA and Caritas Management began the process of certifying the incomes for Project Based Voucher and LIHTC lease up. As of December 2021, over 90% of households have successfully participated in the recertification process and SFHA "family briefing" for households entering the PBV/Section 8 program. The Sponsor notes that SFHA and property management company Caritas have standing meetings every Tuesday to review ongoing income certifications and file reviews. The Sponsor will work with SFHA to develop a system to receive tenant referrals and implement the tenant selection, marketing, and occupancy principles and guidelines established by the Housing Choice Voucher (HCV) program. While this is not a RAD project, MOHCD and SFHA will explore opportunities to apply RAD property management best practices, including housing retention and tenant selection criteria, to this project.

The Sponsor plans to submit a marketing plan for vacant units to MOHCD at least 120 days prior to the first site's construction completion date. See Loan Conditions.

4.11. Relocation. Temporary relocation of 100% of the households will be required as a result of the rehabilitation activities, which will be simultaneously phased beginning in February 2022 for Eddy and Noe sites and March 2022 for the Great Highway, Randolph and Noriega sites. Relocation timeline discussions with community development are ongoing as construction schedules are finalized. The development budget assumes $47,403/ household in relocation expenses, which is higher than most but still comparable to 2018 RAD off-site relocation costs, including escalation. Relocation costs include temporary unit rents, movers, cleaners, storage, hauling, deposits, utilities, and parking. Each site budget includes a 10% contingency inside the relocation budget and there is additional 10% total contingency as soft costs contain a 10% soft cost contingency (relocation is included in soft costs). Based on resident outreach feedback, the sponsor has increased the budget to include more funds for junk hauling and moving. It is expected that due to significant pest infestations at some sites, some of the 10% contingency may be used on pest control.

The relocation budget breaks down as follows:

	Noe (21 units)	Eddy (8)	Noriega (8)	GH (16)	Randolph (16)
Moving (cleaners, movers, storage, hauling)	$88,395	$62,880	$60,565	$118,960	$119,220
Temp unit rent	$168,000	$397,200	$269,000	$647,000	$705,500
Misc (utilities, deposits, parking)	$39,160	$41,280	$41,280	$107,520	$107,520
Contingency	$29,556	$50,136	$37,085	$87,348	$93,224
Total	$325,111	$551,496	$407,930	$960,828	$1,025,464

5 site total: $3,270,828

Overland, Pacific, & Cutler (OPC), the relocation consultant firm hired by the Sponsor, submitted a relocation plan that was approved by the SFHA Commission on April 22, 2021, and an updated plan in November 2021.

The Sponsor started preliminary outreach to residents in January 2021, holding meetings online for each of the properties as well as one-on-one interviews with households to better understand household composition, special needs, and specific concerns around relocation. Since only three units are vacant across all the sites, it is expected that most households will be relocated off-site for the duration of their relocation, with the exception of Noe, where the three vacancies may facilitate some on-site relocation. By accommodating three on-site vacancies, the Noe site has comparatively lower temporary unit relocation costs. The longest relocation duration is expected to be 10-11 months.

Most residents at the Noriega, Great Highway, and Randolph/Head sites will be temporarily relocated to Parkmerced. Most residents from Noe and Eddy sites will be temporarily relocated to the Fillmore Center. Relocation will follow the MOHCD guidelines for relocation during the COVID-19 pandemic, and relocation assistance will be provided in compliance with all applicable Federal, State, and Local laws. Helen Hale, MOHCD Director of Residential and Community Services, has been actively involved in guiding the developer with relocation policy and logistics.

5. DEVELOPMENT TEAM

Development Team			
Consultant Type	**Name**	**SBE/LBE**	**Outstanding Procurement Issues**
Architect	LDP Architecture	Y	N
Landscape Architect	Cliff Lowe Associates	Y	N
JV/other Architect	N/A		
General Contractor	Guzman Construction Group/ Am One Corp	Y	N
Owner's Rep/Construction Manager	SCCS Group	N	N
Financial Consultant	CHPC	N	N
Legal	Gubb & Barshay	N	N
Property Manager	Caritas Management	N	N
Services Provider	MHDC	N	N
Geotechnical Engineer	Rockridge Geotechnical	N	N
Environmental Consultant	ACC Environmental	N	N

5.1. <u>Procurement Plan.</u> CMD has issued a 20% SBE requirement for this project. Both General Contractors, Guzman Construction Group and AmOne, are certified LBE's.

5.2. <u>Opportunities for BIPOC-Led Organizations.</u> The Sponsor has not provided a strategy or outcomes to date with how this Project will create opportunities for growth of smaller BIPOC-led organizations. The Sponsor has noted that it is a smaller development organization with a staff and board membership that is majority BIPOC.

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

6.1. Prior MOHCD/OCII Funding:

On December 20, 2019, Loan Committee approved a predevelopment loan in the amount of $2,500,000. This loan will be incorporated into the Gap Loan as an Amended and Restated Loan.

6.2. Disbursement Status. $526,818.68 is the remaining balance on the above loan as of 1/14/22.

6.3. Fulfillment of Loan Conditions. Below is the status of Loan Conditions since this project was last at Loan Committee for Preliminary Gap Loan on May 21, 2021:

- The Sponsor must receive an SFHA commitment of the Section 8 subsidies to maximize scoring for the CDLAC application prior to applying to CDLAC; sponsor must reapply to CDLAC in Round 3 if not awarded in Round 2; sponsor must successfully apply to CDLAC/TCAC to satisfy the outstanding predevelopment developer fee milestone prior to closing. **Status**: **Complete**
- Sponsor will provide for MOHCD review any RFPs for equity investors before it is finalized and released for investors; sponsor will provide for MOHCD review all raw financial data from developer or financial consultant prior to selection; sponsor will provide for MOHCD review and approval all selected investors. **Status**: **Complete**
- Sponsor will continue to value engineer, refine scope of work, and mitigate costs. **Status**: **Complete**
- Sponsor will review operations budget and provide evidence to support expenses, and fees will not exceed HUD-approved limits. **Status: Complete**
- Sponsor will submit services plan for all projects, to be approved by MOHCD. **Status: Complete**

6.4. Proposed Permanent Financing

6.4.1. Permanent Sources Evaluation Narrative: The Borrower proposes to use the following sources to permanently finance the project:

- Private mortgage ($20,690,144): Western Alliance Bank will provide a conventional, permanent loan with a 15-year term, 40-year amortization period, and a fixed interest rate based on the following formula:

  79% of the sum of the 15-year USD Interest Rate Swap Rate + 3.25% with a floor rate of 4.00%.

- 4% Tax Credit Equity ($32,359,074): The proforma assumes $0.88 per credit in 4% equity from Merritt Community Capital Corporation.

- MOHCD Loan ($7,477,796): Proposed MOHCD gap loan at 3% interest rate for 55-year term.

- Deferred Developer Fee ($1,602,280): Deferred developer fee will be paid from 50% of surplus cash before Year 15.

- General Partner Equity ($500,000)

6.4.2 Permanent Uses Evaluation:

Given the extensive rehab required across five different sites far apart across the City, the current poor conditions resulting from decades of deferred maintenance, and lack of systems upgrades over time, there are no true comparable rehab projects in MOHCD's current portfolio. (Instead, we must look to RAD…) Many of the costs will not be efficient on a per unit basis. While the cost comparisons came in higher for most other similar projects, this project did have lower construction costs per square foot compared to the South Park Scattered Sites project (Gran Oriente, Park View, and Hotel Madrid).

Development Budget		
Underwriting Standard	**Meets Standard? (Y/N)**	**Notes**
Hard Cost per unit is within standards	N	$634,325/unit $604/sf
Construction Hard Cost Contingency is at least 5% (new construction) or 15% (rehab)	Y	Hard Cost Contingency is 15%
Architecture and Engineering Fees are within standards	Y	Architecture fees are $1,925,000 and Engineering fees are $308,500.
Construction Management Fees are within standards	Y	Construction management fees are $250,000.
Developer Fee is within standards, see also disbursement chart below	Y	Project management fee: $1,100,000 At risk fee: $1,100,000 Deferred fee: $1,602,280 GP equity: $500,000 Commercial fee: $0 Total fee: $4,302,280
Consultant and legal fees are reasonable	Y	Legal fees are $385,000. Financial consultant fees are $75,000. Permit consultant fees are $209,000.

Entitlement fees are accurately estimated	Y	Entitlement fees are $230,000.
Construction Loan interest is appropriately sized	Y	Construction loan interest is $2,093,544.
Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is 10%
Capitalized Operating Reserves are a minimum of 3 months	Y	Capitalized Operating Reserve is $1,094,603 and is equal to almost 12 months as per financing partners' requirements.
Capitalized Replacement Reserves are a minimum of $1,000 per unit (Rehab only)	Y	$3,043 per unit
Section 8 Rent Reserve	N/A	$1.8MM Section 8 Reserve required by tax credit investor
Capitalized Transition Reserve	Y	The budget includes $212,355 in transition reserve to cover operating costs during the construction period.
Relocation Budget	N	While the relocation budget of $47,403/unit appears high, it is difficult to accurately compare the relocation budget here with other RAD projects because of the high number of off-site relocations (roughly 65). Many RAD projects had ample on-site vacancy to accommodate relocation on-site. The most off-site relocations offered by a RAD project was 36 out of 199 total units (Ping Yuen North).

6.4.3 Section 8 Rent Reserve: While SFHA's market analysis showed lower market trends and HUD reduced Fair Market Rents (FMRs) in most Bay Area cities due to COVID impacts, SFHA's payment standards in 2022 will remain largely unchanged from the 2021 levels. Nonetheless, the tax credit investor is requiring a $1.8MM rent reserve in the event that SFHA payment standards decline or stay static in upcoming years. Market rents may be analyzed again after construction completion, which would provide a more accurate representation of future payment standards. Subject to final negotiations, the sponsor will be able to access the rent reserve with MOHCD consent if the HAP contract is reduced, the operating reserve is exhausted, or to maintain a debt service coverage ratio of 1.0.

6.4.4 Developer Fee Evaluation: The developer fee is proposed at $2.2 million plus $1,602,280 in deferred developer fee. MHDC has only drawn $150,000 of the $550,000 total approved predevelopment fee and reallocated the remainder to ensure adequate predevelopment funds through the start of construction. The additional $400,000 that would have been taken through predevelopment will be drawn at construction closing, subject to closing conditions (see Loan Conditions). The milestones for the payment of the developer fee to the sponsor are specified below:

Total Developer Fee:	**$4,302,280**	
Project Management Fee Paid to Date:	$150,000	
Amount of Remaining Project Management Fee	$950,000	
Amount of Fee at Risk (the "At Risk Fee"):	$1,100,000	
Amount of Fee Deferred (the "Deferred Fee"):	$1,602,280	
Amount of General Partner Equity Contribution (the “GP Equity”):	$500,000	
Milestones for Disbursement of that portion of Developer Fee remaining and payable for Project Management	Amount Paid at Milestone	Percentage Project Management Fee
At closing of predev financing	$150,000	14%
Construction close	$620,000	56%
During construction – 50% complete	$110,000	10%
During construction – 100% complete	$110,000	10%
Project close-out	$110,000	10%
Milestones for Disbursement of that portion of Developer Fee defined as At-Risk Fee		Percentage At-Risk Fee
95% lease up and draft cost certification	$220,000	20%
Permanent conversion	$550,000	50%
Project close-out	$330,000	30%

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

7.1. Annual Operating Budget.

Proposed operating expenses are $1,177,377 or $17,603 per unit per year including supportive services, reserves and ground lease payments. These costs are high for two principal reasons: 1) the small size of the project overall does not lend itself to economies of scale and 2) the distribution of the sites across numerous districts and neighborhoods compounds the costs.

On the income side, the project benefits from Project Based Vouchers for each of the affordable units and assumes 2022 SFHA/HUD FMR payment standards. The initial term for these payment contracts will be 20 years.

The operating budget includes $15,000 annual ground lease payments to SFHA. It also includes an annual $42,476 replacement reserve deposit ($616/unit), determined by a post-rehab analysis, to be added to the capitalized replacement reserve. See Section 7.4 for more details on the replacement reserve.

7.2. Annual Operating Expenses Evaluation.

Operating Proforma		
Underwriting Standard	**Meets Standard? (Y/N)**	**Notes**
Debt Service Coverage Ratio is minimum 1.1:1 in Year 1 and stays above 1:1 through Year 17	Y	DSCR is 1.19 at Year 1 and 1.52 at Year 17.
Vacancy rate meets TCAC Standards	Y	Vacancy rate is 5%
Annual Income Growth is increased at 2.5% per year or 1% for LOSP tenant rents	Y	Income escalation factor is 2.5%
Annual Operating Expenses are increased at 3.5% per year	Y	Expenses escalation factor is 3.5%
Base year operating expenses per unit are reasonable per comparables	N	Total Operating Expenses are $17,603 per unit per year including supportive services, taxes, ground lease and replacement reserve payments. As a scattered site project these operating expenses are higher than similar projects such as Hayes Valley South and North (110 and 84 units respectively).
Property Management Fee is at allowable HUD Maximum	Y	Total Property Management Fee is $63,872 or $926 PUPM
Property Management staffing level is reasonable per comparables	Y	Property management staff include 1 FTE property manager, 1 FTE assistant property manager, 1 FTE janitor, 1 FTE maintenance tech. This is reasonable for a scattered site project.
Asset Management and Partnership Management Fees meet standards	Y	Annual AM Fee is $24,280/yr Annual PM Fee is $24,280/yr
Replacement Reserve Deposits meet or exceed TCAC minimum standards	Y	Replacement Reserve deposits are $42,476 per year ($616/unit/year).

Limited Partnership Asset Management Fee meets standards	Y	LP Asset Management fee is $5,000/yr.

7.3. Staffing Summary. Property management staff will include 1 FTE property manager, 1 FTE assistant property manager, 1 FTE janitor and 1 FTE maintenance technician. Services staff will include 1 FTE case manager and .2 FTE services supervisor. See Section 8.2 for more detail on support services.

7.4. Capital Needs Assessment & Replacement Reserve Analysis. The Sponsor contracted with Physical Property Analysis, LLC, to perform the Property Condition Assessment (PCA) and running reserve analysis, and the report for each site was completed in April 2021. The PCA identifies about $15M in total deferred maintenance. This is only half of the hard construction costs proposed for the project, as the report omits typical costs such as general conditions/requirements, real-world labor and prevailing wage rates, site work, demolition, accessibility requirements, seismic upgrades, all-electric systems replacements, and many more items included in this project's scope, including adding offices at Randolph. Because the PCA consultants do no destructive testing they cannot opine on the extent of dry rot or pest damage that may need to be remediated. Further, the consultant does not factor in escalation and supply-chain impacted pricing. The comprehensive scope of the work and extent of the replacement of major systems, unit finishes and equipment, and exterior skins and fenestrations are appropriate for the ages of these building and the decades of deferred maintenance. The running replacement reserve analysis, which includes a $210K capitalized deposit to the replacement reserve account at close of financing and $42,476 in annual deposits, will ensure that the reserve account maintains a positive balance through Year 20, when the balance is $22K. Approximately, $1.1M in repairs and replacements are anticipated between 2024 and 2027, to be financed by the reserves.

7.5. Income Restrictions for All Sources.

Four of the five sites serve large families, and 363 Noe is restricted to serving seniors and people with disabilities. The current average household income at the Project is currently 24% MOHCD AMI. The Project will not employ income averaging to ensure competitiveness for lender investment and therefore will restrict all tax credit units to a maximum of 50% MOHCD AMI.

Caritas Management is nearly finished conducting income certifications for all 66 households. Currently two households report incomes above 60% TCAC AMI with one of those reporting income above 80% TCAC AMI. However, all non-staff units will be TCAC income restricted to comply with IRS regulations for Scattered Sites projects. All residents have a right to return despite their income but upon turnover all units will be set at 50% MOHCD AMI.

UNIT SIZE		MAXIMUM INCOME LEVEL	
NON-LOTTERY	No. of Units	MOHCD	TCAC
0 BR – PBV	19	50% MOHCD AMI	60% TCAC AMI
1 BR – PBV	1	50% MOHCD AMI	60% TCAC AMI
2 BR – PBV	16	50% MOHCD AMI	60% TCAC AMI
3 BR – PBV	26	50% MOHCD AMI	60% TCAC AMI
4 BR – PBV	4	50% MOHCD AMI	60% TCAC AMI
Sub-Total	**66**		
STAFF UNITS			
1 BR, 2 BR, 3 BR	**3**		
TOTAL	**69**		
PROJECT AVERAGE		**50%**	**60%**

7.6. MOHCD Restrictions.

Noriega		
Unit Size	**No. Units**	**MOHCD AMI**
2 BR	3	50%
3 BR	3	50%
4 BR	2	50%
BR	0	Manager’s Unit

Noe		
Unit Size	**No. Units**	**MOHCD AMI**
0 BR	19	50%
1 BR	1	50%
1 BR	1	Manager’s Unit

Randolph		
Unit Size	**No. Units**	**MOHCD AMI**
2 BR	7	50%
3 BR	6	50%
4 BR	2	50%
2 BR	1	Manager’s Unit

Great Hwy		
Unit Size	**No. Units**	**MOHCD AMI**
2 BR	6	50%
3 BR	9	50%
3 BR	1	Manager’s Unit

Eddy		
Unit Size No. Units		**MOHCD AMI**
3 BR	8	50%
BR	0	Manager’s Unit

8. SUPPORT SERVICES

8.1. Services Plan. MHDC will be the lead service provider and will hire 1 FTE case manager responsible for the implementation of the services program with .2 FTE supervisor from MHDC's Resident Services Department. The case manager will implement the services program and activity calendar, serve as facilitator with property management, and identify needs of residents to provide referrals and linkages with third party service partners.

Mission Housing's primary focus will be to provide case management, referrals, linkages, and plan and coordinate services and activities with third party local service agencies and Caritas Management Corporation. The primary purpose of coordination of services and activities will be preparing residents for the relocation process including assessments, classifying urgency levels such as specialized medical accommodation, specialized home care and mental health support, and specialized moving transportation; promote housing retention and stability in service of non-displacement; provide community building activities in service of a sense of belonging; and facilitate economic advancement and well-being opportunities in service of upward mobility and inclusion.

MHDC's staff will use a "trauma-informed care system services approach" which recognizes the role that trauma plays in behavioral and social problems. A successful trauma-informed practice is organized around the principles of creating a safe environment, demonstrating trustworthiness, collaborating with clients, providing them with choices, and empowering people through their strengths. All staff will be trained to recognized residents' discomfort and will be trauma sensitive in their interactions to reduce the possibility of added traumatization--the focus will be wellness rather than illness.

The scope of services to be provided at the Project will include referrals in the following areas: social services for adults and youth, case management, employment coaching resources by a third party, tenant lease education, children/youth after school enrichment activities, substance abuse counseling, child care referral, eviction prevention direct assistance, and wellness classes. Residents' participation in service programming will be on a voluntary basis, and offered to all residents regardless of race, ethnicity, primary language, sexual orientation, gender identity, education, religious affiliation, income, work status, or family composition. In all cases, resident services activities are intended to respect the individual choices of residents, and to maintain the dignity of all residents.

8.2. Services Budget. 1 FTE Case Manager and .2 FTE supervisor will by employed by MHDC and assigned to the Project with a ratio of approximately 1 FTE:58 units. Annual services budget includes $120,000 for staff salaries and fringe benefits, materials and supplies, and various program expenses.

8.3. Property Management. Caritas Management Corporation (CMC) is an affiliate property management organization that began in 1982 as a subsidiary of MHDC. CMC's management objectives and policies aim to support Mission Housing's goal of managing low-income housing in a way that enhances the quality of life for tenants and the surrounding community. Most of CMC's managed properties are subsidized through various Section 8 programs and the federal Low-Income Housing Tax Credit Program, but its expertise also includes other U.S. Department of Housing and Urban Development (HUD) subsidy programs, HOME, CDBG, LOSP, bond financed and HOPWA programs through the San Francisco Mayor's Office of Housing and Community Development and the former San Francisco Redevelopment Agency.

The Sponsor believes CMC plays a critical role in providing a trauma informed system. Recognizing the impact that violence and trauma can have on the lives of people seeking supportive housing, trauma-informed property management pays particular attention to ensuring the safety and well-being of its residents. Toward this end, CMC seeks to demonstrate cultural competence in terms of language, cultural habits, and beliefs. CMC understands that a trauma-informed approach requires that its policies, staffing, and vendor engagement must reflect the same sensitivity and recognition of the ongoing impact of trauma. Property management staff receive training in trauma-informed systems, policies are assessed with special consideration for how those with trauma are impacted, and vendors are asked to demonstrate an understanding of and respect for its residents.

9. STAFF RECOMMENDATIONS

9.1. Proposed Loan/Grant Terms

Financial Description of Proposed Loan	
Loan Amount:	$7,500,000
Loan Term:	57 years
Loan Maturity Date:	2078
Loan Repayment Type:	Residual Receipts
Loan Interest Rate:	3%

9.2. Recommended Loan Conditions

1. There will be no disbursement of Developer Fee if any Annual Monitoring Reports are past due by 60 days at the time when the disbursement request is made.
2. Sponsor must provide MOHCD with detailed monthly updates via the MOH Monthly Project Update, through the construction period, including on community outreach completed.
3. Explore the competitiveness of submitting an AHP application. If AHP is awarded it will be used to reduce MOHCD's contribution.
4. Sponsor must complete and submit a marketing plan for MOHCD review at least 120 days prior to the sites' earliest construction completion date.

10. LOAN COMMITTEE MODIFICATIONS

LOAN COMMITTEE RECOMMENDATION

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

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

______________________________________ Date: ____________________

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

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

______________________________________ Date: ____________________

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

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

______________________________________ Date: ____________________

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

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

______________________________________ Date: ____________________

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

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

______________________________________ Date: ____________________

Tonia Lediju, Director
Housing Authority of the City and County of San Francisco

Attachments:
A. Project Milestones/Schedule
B. Borrower Org Chart
C. Developer Resumes
D. Asset Management Analysis of Sponsor
E. Threshold Eligibility Requirements and Ranking Criteria
F. Site Map with amenities
G. Elevations and Floor Plans
H. Comparison of City Investment in Other Housing Developments
I. N/A
J. Development Budget
K. 1st Year Operating Budget
L. 20-year Operating Pro Forma

Chavez, Rosanna (MYR)

From: Shaw, Eric (MYR)
Sent: Friday, January 21, 2022 11:38 AM
To: Chavez, Rosanna (MYR)
Subject: SFHA Scattered Sites

I approve

Eric D. Shaw
Director

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

Chavez, Rosanna (MYR)

From: Menjivar, Salvador (HOM)
Sent: Friday, January 21, 2022 11:37 AM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR)
Subject: SFHA Scattered Sites

I approve the Mission Housing Development Corporation (MHDC) requests for a final gap financing in the amount of up to $5,000,000 for the SFHA Scattered Sites project.

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 | Like: @SanFranciscoHSH

Chavez, Rosanna (MYR)

From:	Oerth, Sally (CII)
Sent:	Friday, January 21, 2022 11:32 AM
To:	Chavez, Rosanna (MYR)
Cc:	Shaw, Eric (MYR); Vanzuylen, Ryan (MYR)
Subject:	SFHA Scattered Sites Gap Loan, 1.21.22 Loan Committee

I approve the final gap financing request for the SFHA scattered sites project, as presented at the 1.21.22 Loan Committee.

office of COMMUNITY INVESTMENT and INFRASTRUCTURE
OCII

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: Pereira Tully, Marisa (CON)
Sent: Friday, January 21, 2022 11:31 AM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR)
Subject: SFHA Scattered Sites Gap Loan

Approve

Marisa Pereira Tully (she/her)
Controller's Office of Public Finance
City and County of San Francisco

Chavez, Rosanna (MYR)

From: Tonia Lediju, PhD <ledijut@SFHA.ORG>
Sent: Friday, January 21, 2022 11:36 AM
To: Chavez, Rosanna (MYR)
Subject: SFHA Scattered Sites Gap Funding - "I" agree

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Respectfully,

Tonia Lediju, PhD
Chief Executive Officer
Housing Authority of the City & County of San Francisco
(650) 356-8401
(415) 619-1936

Clear is kind. Unclear is unkind -- Brene' Brown, PhD

From: Chavez, Rosanna (MYR) <rosanna.chavez@sfgov.org>
Sent: Tuesday, January 11, 2022 1:20 PM
To: Wong, Harry (MYR) <harry.j.wong@sfgov.org>; Defiesta, Agnes (MYR) <agnes.defiesta@sfgov.org>; Travis, Paul (MYR) <paul.travis@sfgov.org>; Mara Blitzer <mara.blitzer@sfgov.org>; Lee, Jonah (MYR) <jonah.lee@sfgov.org>; Carson, Erin (MYR) <erin.carson@sfgov.org>; Ely, Lydia (MYR) <lydia.ely@sfgov.org>; Obstfeld, Kimberly (CII) <kimberly.obstfeld@sfgov.org>; Colomello, Elizabeth (CII) <elizabeth.colomello@sfgov.org>; Sims, Pamela (CII) <pam.sims@sfgov.org>; Romero, Anne (MYR) <anne.romero@sfgov.org>; Heavens, Cindy (MYR) <cindy.heavens@sfgov.org>; Amaral, Sara (MYR) <sara.amaral@sfgov.org>; Van Degna, Anna (CON) <anna.vandegna@sfgov.org>; Menjivar, Salvador (HOM) <salvador.menjivar1@sfgov.org>; Oerth, Sally (CII) <sally.oerth@sfgov.org>; Gotthelf, Felicia (MYR) <felicia.gotthelf@sfgov.org>; Shaw, Eric (MYR) <eric.shaw@sfgov.org>; Tonia Lediju, PhD <ledijut@SFHA.ORG>; Benioff, Martha (HOM) <Martha.Benioff@sfgov.org>; Baca, Robert (MYR) <robert.baca@sfgov.org>; Cortez, Omar (MYR) <omar.cortez@sfgov.org>; Faust, Holly B. (MYR) <holly.b.faust@sfgov.org>; Dwyer, Brendan (MYR) <brendan.dwyer@sfgov.org>; Madden, Scott (MYR) <scott.madden@sfgov.org>; McLoone, Michael (MYR) <michael.mcloone@sfgov.org>; Pereira Tully, Marisa (CON) <marisa.pereira.tully@sfgov.org>; Nusser, Sarah (MYR) <sarah.nusser@sfgov.org>; Vanzuylen, Ryan (MYR) <ryan.vanzuylen@sfgov.org>; Le, David (MYR) <david.le@sfgov.org>; Lewis, Matthew (MYR) <matthew.a.lewis@sfgov.org>; Spears, Shawnte (MYR) <shawnte.spears@sfgov.org>; Abadilla, Audrey (MYR) <audrey.abadilla@sfgov.org>; Suskin, Jane (CII) <jane.suskin@sfgov.org>; Hewson, Elizabeth (HOM) <elizabeth.hewson@sfgov.org>; Katz, Bridget (CON) <bridget.katz@sfgov.org>; jshepardhall@gmail.com
Subject: Citywide Affordable Housing Loan Committee - Friday, January 14, 2022 11:15 a.m.

Dear Loan Committee, MOHCD staff and community partners, Attached are the agenda and materials for this week's meeting, which **will be held Friday, January 14, 2022 at 11:15 am via Microsoft Teams.**

You can join via the link or the phone number below. Within Teams you will have the option to mute your microphone and hide your video. If this will be your first time using Teams, please sign into the meeting a few minutes early.

Join Microsoft Teams Meeting

+1 415-906-4659 United States, San Francisco

Phone Conference ID: 985 935 179#

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

Attachment A: Project Milestones and Schedule

No.	Performance Milestone	Estimated or Actual Date	Notes
A.	Prop I Noticing (if applicable)	N/A	
1	Acquisition/Predev Financing Commitment	December 2019	
2.	Site Acquisition	January 2022	
3.	Development Team Selection		
a.	Architect	September 2018	
b.	General Contractor	February 2020	
c.	Owner's Representative	February 2020	
d.	Property Manager	September 2018	
e.	Service Provider	September 2018	
4.	Design		
a.	Submittal of Schematic Design & Cost Estimate	April 2020	
b.	Submittal of Design Development & Cost Estimate	October 2020	
c.	Submittal of 50% CD Set & Cost Estimate	March 2021	
5.	Commercial Space	N/A	
a.	Commercial Space Plan Submission	N/A	
b.	LOI/s Executed	N/A	
6.	Environ Review/Land-Use Entitlements		
a.	SB 35 Application Submission	N/A	
b.	CEQA Environ Review Submission	N/A	
c.	NEPA Environ Review Submission	November 2017	
d.	CUP/PUD/Variances Submission	N/A	
7.	Permits		
a.	Building / Site Permit Application Submitted	February 2021	
b.	Addendum #1 Submitted	July 2021	
c.	Addendum #2 Submitted	August 2021	
8.	Request for Bids Issued	August 2021	
9.	Service Plan Submission		
a.	Final	January 2022	

10.	Additional City Financing		
a.	Preliminary Gap Financing Application	December 2019	
b.	Gap Financing Application	January 2022	
11.	Other Financing		
a.	HCD Application	N/A	
b.	Construction Financing RFP	June 2021	
c.	AHP Application	N/A	
d.	CDLAC Application	May 2021	
e.	TCAC Application	May 2021	
12.	Closing		
a.	Construction Loan Closing	February 2022	
b.	Conversion of Construction Loan to Permanent Financing	September 2023	
13.	Construction		
a.	Notice to Proceed	February 2022	
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	May 2023	
14.	Marketing/Rent-up		
a.	Marketing Plan Submission	September 2022	
b.	Commence Marketing	February 2023	
c.	95% Occupancy	June 2023	
15.	Cost Certification/8609	September 2023	
16.	Close Out MOH/OCII Loan(s)	September 2023	

Attachment B: Borrower Org Chart

See attached.

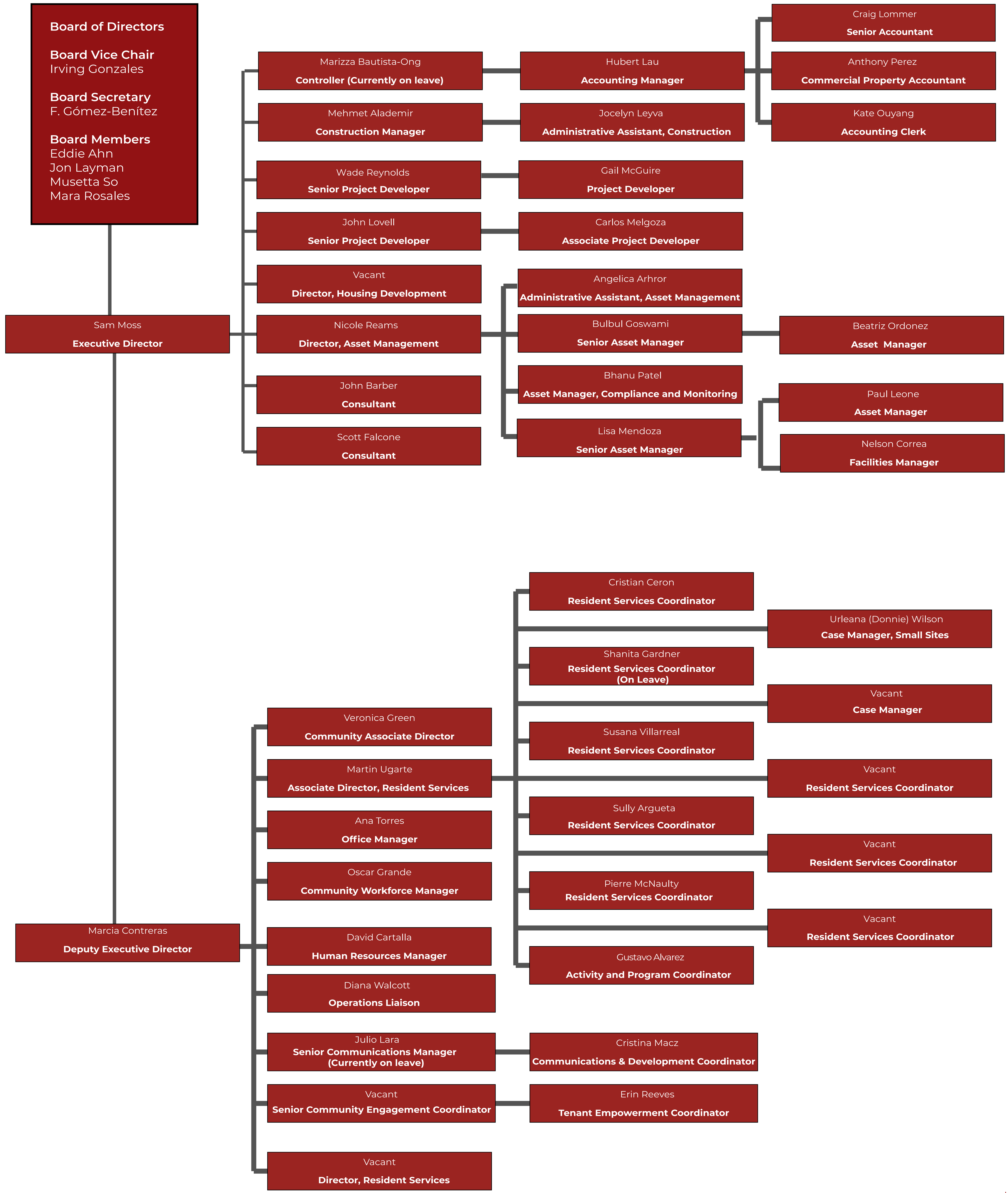
MISSION HOUSING
DEVELOPMENT CORPORATION

STAFF ORGANIZATION CHART

Mission Housing Development Corporation staff is committed to the development of high-quality, well-managed, affordable, sustainable homes and communities that promote the self-sufficiency of low and moderate income families, seniors, and persons with diverse needs in San Francisco.

474 Valencia St.
Suite 280
San Francisco,
CA. 94103

(415) 864-6432
MissionHousing.org



Updated December 2021.

Attachment C: Development Staff Resumes

See attached.

John Lovell

Senior Project Developer, Mission Housing Development Corporation

Summary

Established affordable housing & real estate development professional with track record of successfully overseeing challenging and complex projects from start to finish. Broad scope of development and project management expertise. Diligent and deliberate decision maker who excels at wearing many hats.

Core Competencies

Real estate development, affordable housing finance, project management, due diligence, transaction closings, acquisition rehabs & recapitalizations, strategic planning, architecture & construction management, community outreach, public policy, writing & editing, critical thinking, resourcefulness and problem solving, broad and profound knowledge of Bay Area + California history and development trends.

Relevant Experience

Mission Housing Development Corporation ▪ San Francisco, CA ▪ July 2015 to Present

Senior Project Developer ▪ January 2021 to Present

Project Developer ▪ January 2018 to January 2021

Assistant Project Developer ▪ July 2015 to January 2018

- Oversaw the development of new construction and rehabilitation projects through multiple stages of development, from predevelopment, to construction, to stabilization & close out
- Identified and evaluated the feasibility of potential development opportunities through coordination of predevelopment, underwriting, and due diligence activities
- Planned, organized, assigned, supervised, and reviewed the work of professionals and technical consultants, including but not limited to lawyers, architects, engineers, construction managers, environmental consultants, and myriad of specialists
- Created and maintained detailed project pro-formas, consistently delivered projects on or under budget
- Successfully negotiated, facilitated, and closed complex real estate transactions involving multiple public and private sources of funds, including LIHTC, TE Bonds, Project Based Section 8, HUD recapitalization, HCD AB 1699 recapitalization, ground leases, city funds, seller carryback, and local agency ground leases
- Sought and obtained debt, equity and public financing; negotiated financing terms, regulatory agreements, and other contracts
- Managed real estate and finance transactions including site and property acquisitions, construction, permanent loan closings and tax credit equity syndications
- Maintained and established new relationships with government officials, community organizations, project stakeholders, lenders, and investors
- Managed design and construction team from initial scoping, schematic design and design development through construction
- Navigated projects through complex legal and regulatory landscapes; monitored possible changes in laws, regulations, and policy that may affect projects
- Developed and prepared a variety of applications for project developments including financing applications, planning applications, permits, maps and documents on housing development operations and activities; submit documents to local jurisdictions for endorsement.
- Supervised and mentored junior development staff

First Community Housing ▪ San Jose, CA ▪ October 2014 to April 2015

Assistant Project Manager

- Worked closely with senior management to successfully facilitate the development of several affordable housing developments in Santa Clara County

City of San Jose Housing Department ▪ San Jose, CA ▪ April 2014 to October 2014

Policy Intern

- Collaborated with the Department Director in the research and development of a policy whitepaper on the administrative status of California's Housing Successor Agencies
- Provided administrative and research support in the development and of major plans, including 2014 - 22 Housing Element;

Resources for Community Development▪ Berkeley, CA ▪ June 2012 to Sept 2013

- Supported and collaborated with senior management to successfully facilitate the development of several affordable housing developments in the Alameda, Contra Costa, and Marin Counties

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Education & Honors

Bachelor of Arts in Political Science, UC Berkeley, with honors, 2011

Miscellaneous

Sole investor/ owner in an Oakland fourplex, since March of 2021 – first step towards realizing a long-term goal of assembling a personal multifamily portfolio

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Attachment D: Asset Management Evaluation of Project Sponsor

Mission Housing's Asset Management team oversees its residential and commercial portfolio to ensure that properties are being managed per budget and regulatory requirements and meet the expectations of partners, ensure proper and timely maintenance, and has adequate reserves. Mission Housing's Executive Director served as Director of Asset Management for three years, ensuring the sound financial health and stability of Mission Housing for years to come. Mission Housing's asset management approach involves collaboration, between its executive director, asset management department, controller and accounting staff, project managers, resident services department, and community stakeholders. Asset Managers oversee the compliance and fiscal health of properties which includes RAD2 conversions, re-syndications of tax credit properties and active management of 29,000 SF of ground floor retail commercial space, and over 10,000 SF of non-profit space for Mission Neighborhood Center's Head Start Childcare

Mission Housing's Asset Management Department consists of 7 full time asset managers: a director, two senior asset managers, two asset managers, and an administrative assistant. The Asset Management team works closely with Mission Housing's facilities manager and construction manager. The facilities manager is responsible for overseeing the maintenance operations of MHDC's portfolio between three property management companies. He also creates and implements long term maintenance plans at each property and leads small renovation projects. The construction manager is responsible for overseeing larger capital improvement projects, funded through reserves or refinancing.

Additional projects expected to be in Mission Housing's asset management portfolio include: SFHA Scattered Sites, Balboa Park Upper Yard, and the Balboa Reservoir.

MOHCD initially had concerns regarding six past due 2020 Annual Monitoring Reports (AMRs). These include Hotel Madrid, Hotel Parkview, Gran Oriente, 890-896 Capp Street, 1637 15th Street, and 2800 Bryant Street. The AMRs for Capp Street, 15th Street, and Bryant Street were submitted to MOHCD on January 12, 2022. The other three properties were sold to a new entity in 2020 which resulted in confusion about preparing AMRs for the old entity or new entity. MHDC submitted AMRs for the remaining properties on January 13, 2022.

Attachment E: Threshold Eligibility Requirements and Ranking Criteria

See attached.

STAFF REPORT

BOARD OF COMMISSIONERS

Agenda Category:	Resolution Housing Development and Modernization
Agenda Title:	**RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO (THE "AUTHORITY") APPROVING THE DEVELOPMENT TEAM OF MISSION HOUSING DEVELOPMENT CORPORATION, CARITAS PROPERTY MANAGEMENT AND LEVY DESIGN PARTNERS, AND AUTHORIZING THE ACTING EXECUTIVE DIRECTOR TO NEGOTIATE AN EXCLUSIVE NEGOTIATING RIGHTS AGREEMENT WITH THE DEVELOPMENT TEAM FOR THE REHABILITATION AND TRANSFER OF OWNERSHIP OF CA001000985 4101 NORIEGA, 2206-2268 GREAT HIGHWAY, 200 RANDOLPH/409 HEAD, 363 NOE, AND 1357-1371 EDDY**
Presented By:	Jasmine Kuo, Senior Project Manager

DEPARTMENT'S REQUESTED ACTION:
Staff recommends adoption of this Resolution
ACTING EXECUTIVE DIRECTOR'S RECOMMENDATION: I concur with staff's recommendation.

SUMMARY:

The Housing Authority of the City and County of San Francisco ("SFHA" or "Authority") entered into a Public Housing Authority Recovery and Sustainability (PHARS) Agreement and Action Plan with the United States Department of Housing and Urban Development (HUD) on September 4, 2013. On June 22, 2017, the Board of Commissioners of SFHA (the Board) adopted Resolution 0033-17 authorizing the Board's President and the Authority's Acting Executive Director to execute a PHARS Agreement between HUD and Authority for successful recovery of performance. The PHARS agreement was executed on July 7, 2017.

The PHARS agreement and Corrective Action Plan (CAP) under Action Item: "Portfolio Transformation" requires the Authority to investigate options in regard to the remaining public housing units and to have the units disposed of or converted within the next two years.

On July 23, 2018, by Resolution 0034-18, the Board approved and authorized the Acting Executive Director to submit an inventory removal application to HUD to dispose of the remaining public housing units at CA001000985 4101 Noriega, 2206-2268 Great Highway, 200 Randolph/409 Head, 363 Noe, and 1357-1371 Eddy (Properties), which then would be rehabilitated and supported with Project-Based Vouchers. The Authority submitted the inventory removal application to HUD on August 6, 2018. As of the date of this staff report, HUD has not approved the application, but staff anticipates that approval will be granted soon.

On March 15, 2018, SFHA issued a Request for Qualifications- Solicitation #18-050-RFQ-0016 (RFQ) for the rehabilitation and transfer of ownership of the Properties to an affordable housing developer. The RFQ provided that the successful affordable housing developer would (i) enter into a long-term ground lease (99 years) with the Authority for the Properties (ii), purchase the Improvements on the Properties, (iii) leverage private financing to rehabilitate the Improvements on the Properties, and (iv) provide the existing tenants with a right to return to the Property (if they are temporarily relocated) upon completion of the rehabilitation of the Improvements. It is anticipated that the Authority will receive a minimum $15,000 annual ground lease payment for all of the Properties, and that Authority will provide seller financing in the form of seller promissory note to assist the development team in purchasing the Improvements. The Authority would receive payments under the seller promissory note from a portion of residual receipts.

PROCUREMENT:

The Authority’s Procurement Department conducted a RFQ solicitation, pursuant to the procurement standards of 2 CFR 200.317 - 200.326, the “Procurement”, HUD Handbook 7460.8 REV 2, “Procurement Handbook for Public Housing Authority”, the Authority's Procurement Policy and Procurement Procedures Manual, State of California laws and local laws to identify a development team for the Authority to negotiate the terms and conditions of an exclusive negotiating rights agreement ("ENRA"). If the ENRA is approved by the Authority, the parties would then proceed to negotiate the terms and conditions of an Option to Lease and Purchase Agreement (the "Option Agreement"), a Purchase and Sale Agreement for the existing Improvements (the "Purchase Agreement") and a Ground Lease (the "Ground Lease"). (Collectively, the Option to Lease, the Purchase Agreement and the Ground Lease shall be referred to as the "Conveyance Documents").

As the solicitation progressed, different milestones were achieved which included the following events: pre-bid meeting, site walk, release of addenda, outreach, question and answers, etc. The RFQ submission deadline was extended multiple times and outreach was conducted to generate more interest in the project, but the solicitation resulted in only two responses. Because significant outreach was conducted to generate more interest in the project and the solicitation response period was extended multiple times (originally due 04/17/18, but eventually extended to 07/20/18). Due to other deadlines for this project, the efforts already put forth to generate interest and the fact that additional efforts would delay the project, a review of the two responses received was conducted.

The two development teams that responded to the RFQ were: Mission Housing Development Corporation, Caritas Management Corporation and Levy Design Partners (MCL) and San Francisco Housing Development Corporation, Caritas Management Corporation and Saida Sullivan Design Partners/eDesign C Inc., Michael Simmons Property Development (SCSEM). The qualifications were evaluated by a three-member panel that was comprised of two Authority staff and one staff member from the City and County of San Francisco’s Mayor’s Office of Housing and Community Development. Additional procurement activity was performed which included, but was not limited to validation of the development team’s qualifications, reference checks, debarment checks, confirmatory conversations, etc. Upon completion of the review, the firms were ranked and further vetted through the procurement process. The result of these exercises placed both development teams in the qualified range, with a score of 70% or higher as exhibited in the chart below.

Evaluation Panel Rank/Score

Rank	Firm	Score
1	MCL	99.33

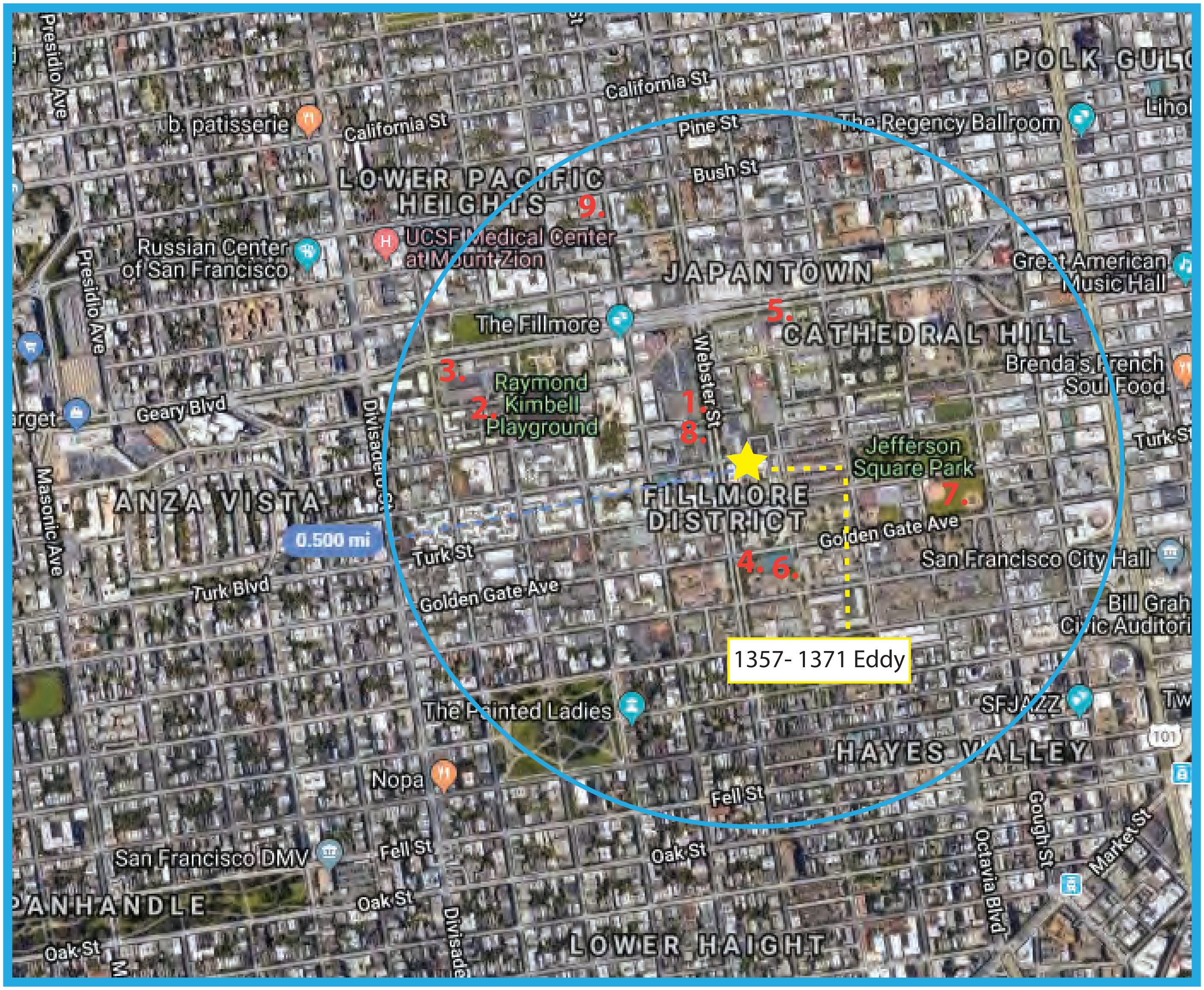
2	SCSEM	94.33

As reflected in the evaluation scores, both development teams demonstrated their qualifications to be more than adequate achieving higher than a 90% rank. As a result, further discussion about the two development team's strategies, partnerships, experience, qualifications, references, approach, etc. ensued and ultimately concluded with a higher level of confidence in the MCL development team ability to successfully engage and complete this project. Therefore, the evaluation panel recommends MCL be approved as the development team in response to the RFQ, and that the Authority's Acting Executive Director be authorized to commence negotiations with MCL regarding the terms and conditions of the ENRA. The final ENRA will be subject to the review and approval of the Board. The Conveyance Documents will be negotiated and prepared in accordance with the provisions of the final ENRA. The Conveyance Documents will also require the further review and approval of the Board.

Attachment F: Site Map with amenities

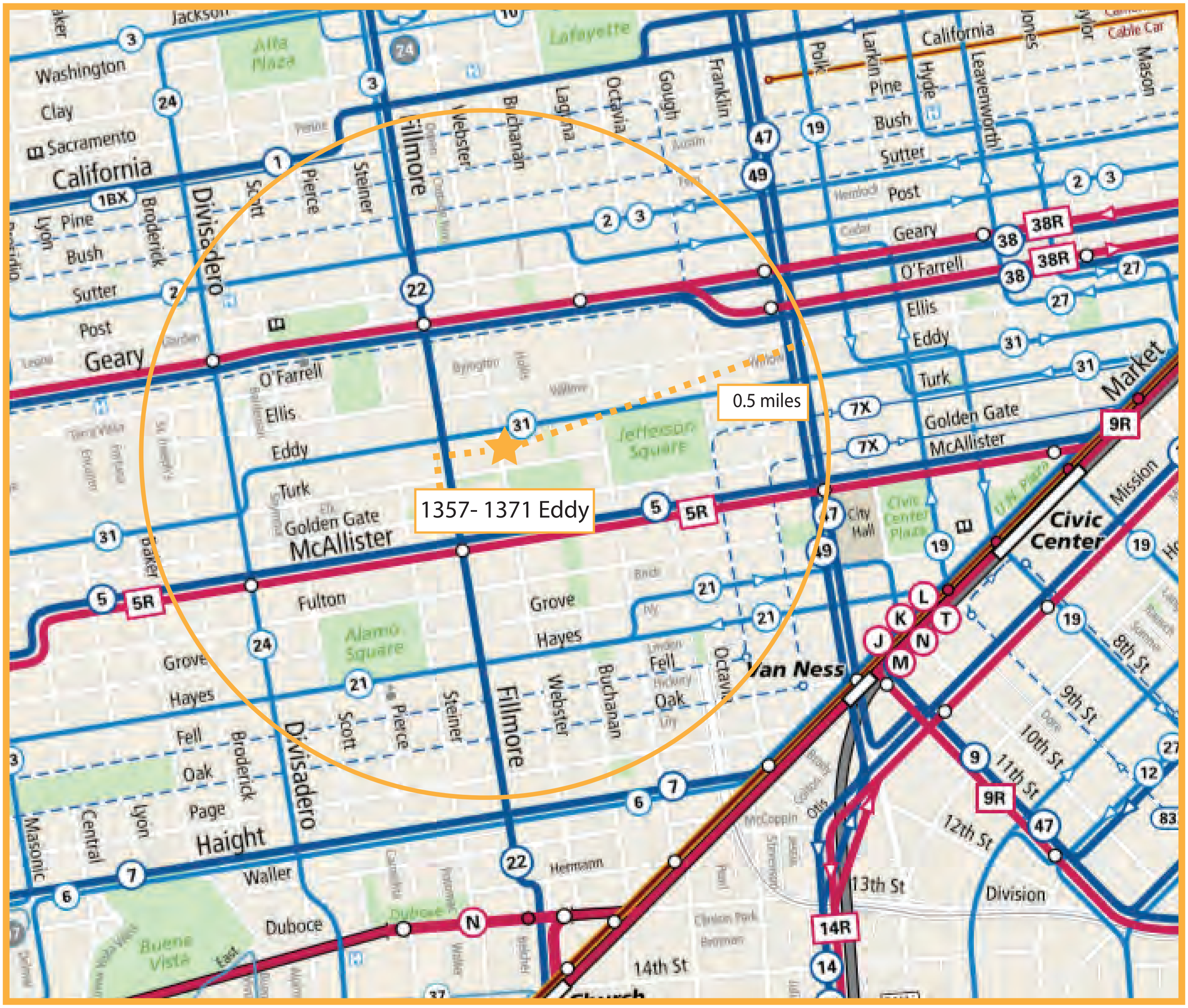
See attached.

1357 - 1371 Eddy



1. Grcery Store: Safeway, 1335 Webster St
2. Health Clinic: Maxine Hall Health Center, 1301 Pierce St
3. Highschool: Gateway High School, 1430 Scott St
4. Community Center: Ella Hill Hutch Community Center, 1050 McAllister St
5. Recreational Facility: Buchanan YMCA, 1530 Buchanan St
6. Headstart Childcare Program: 1050 McAllister St
7. Park: Jefferson Square Park
8. Bank: Wells Fargo Bank, 1335 Webster St
9. Pharmacy: Walgreens, 1899 Fillmore St

1357 - 1371 Eddy

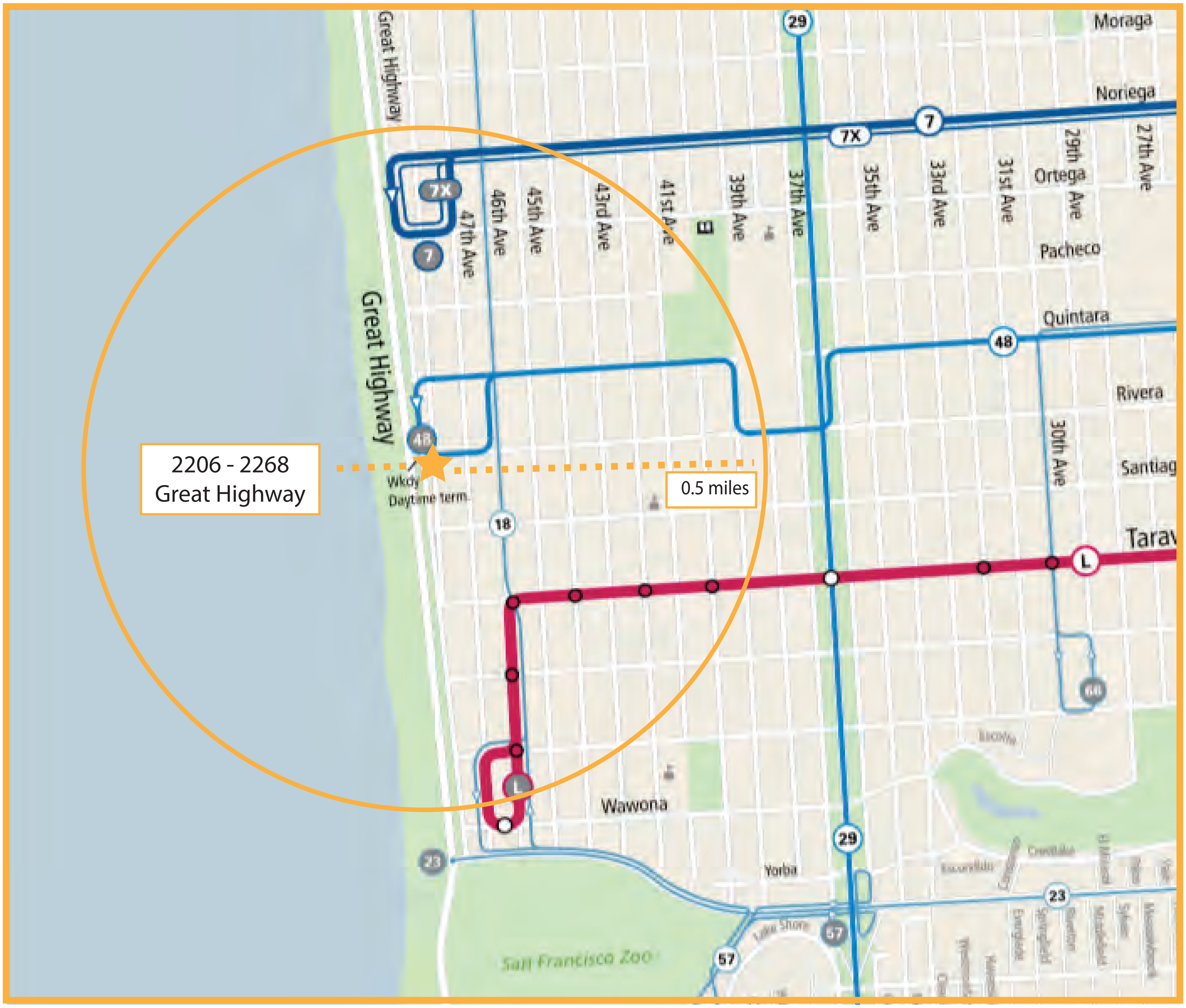


An excerpt from the current (June 2019) Muni and BART routes within 1/2 mile of 1357-1371 Eddy St. Stops for Muni routes 21, 24, 5, 5R, 31, 22, 49, 47, 2, and 3 can be accessed within 0.5 mile of the subject property.

2206 - 2268 Great Highway

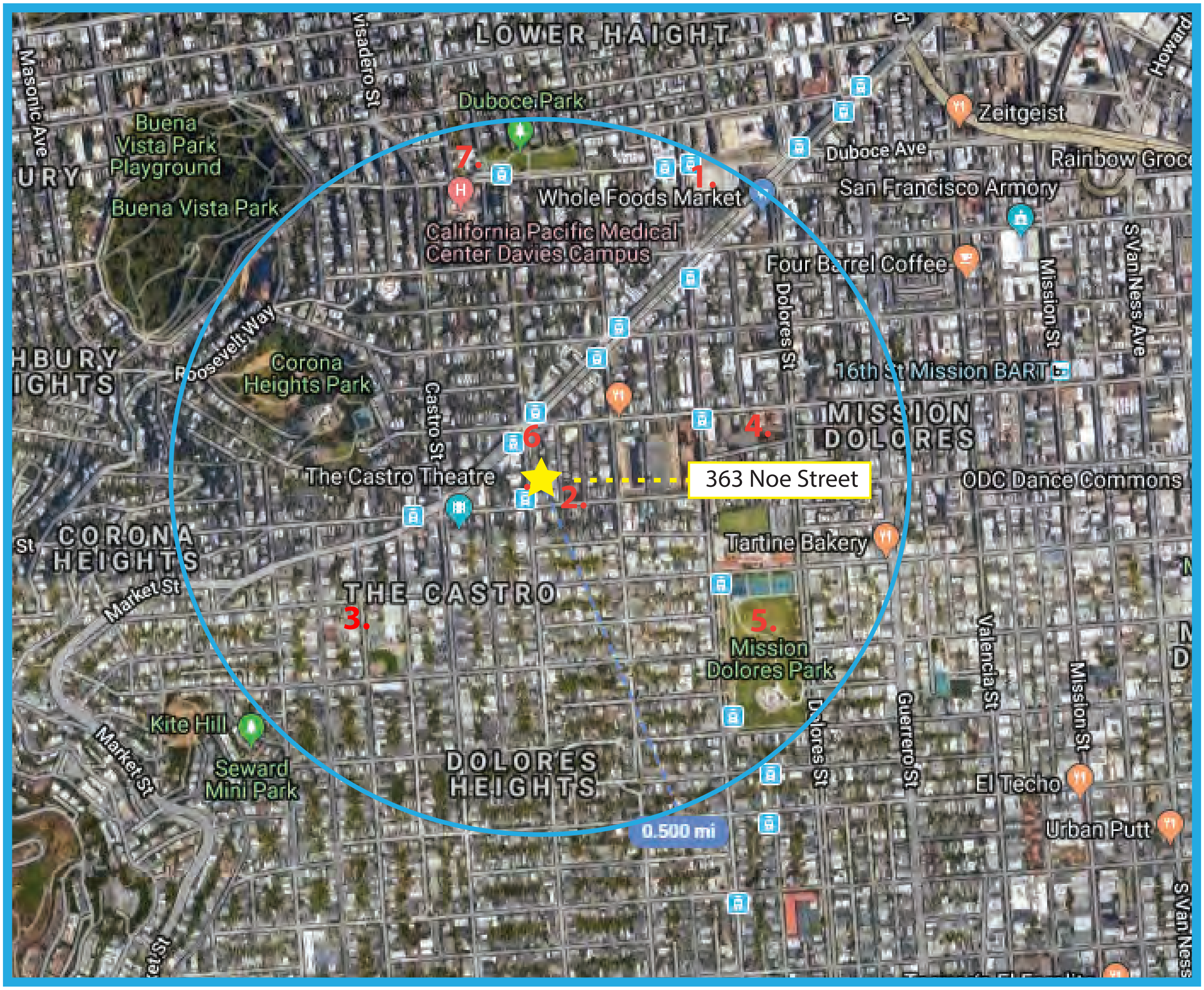
1. Grocery Store: Amity Market, 3350 Taraval St
2. After School Program: Sunset Neighborhood Beacon Center, 3925 Noreiga St
3. Park: Lower Great Highway Trail

2206 - 2268 Great Highway



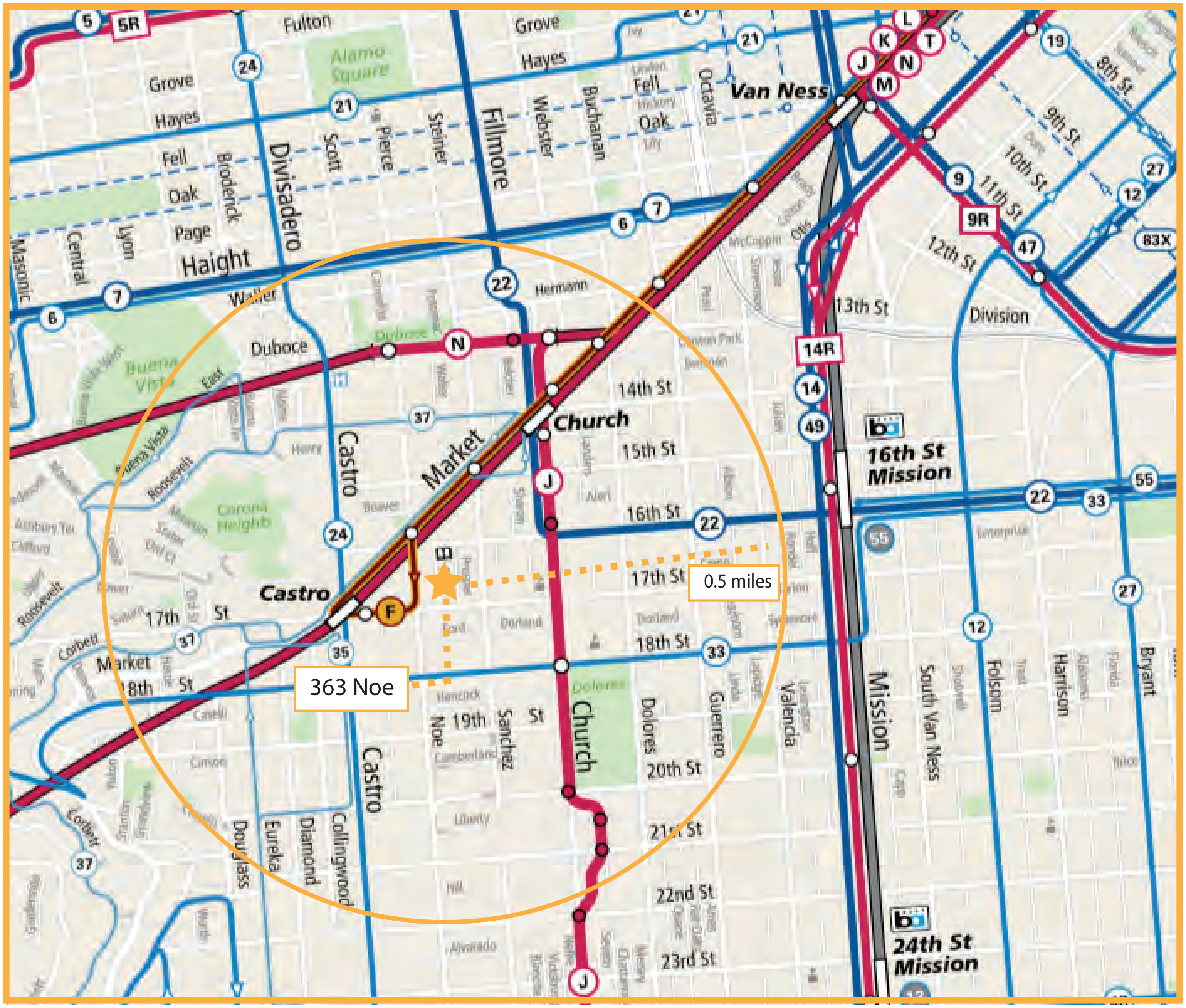
An excerpt from the current (June 2019) Muni and BART routes within 1/2 mile of 2206-2268 Great Highway. Stops for Muni routes 7, 7x, 48,18, and L can be accessed within 0.5 mile of the subject property.

363 Noe St



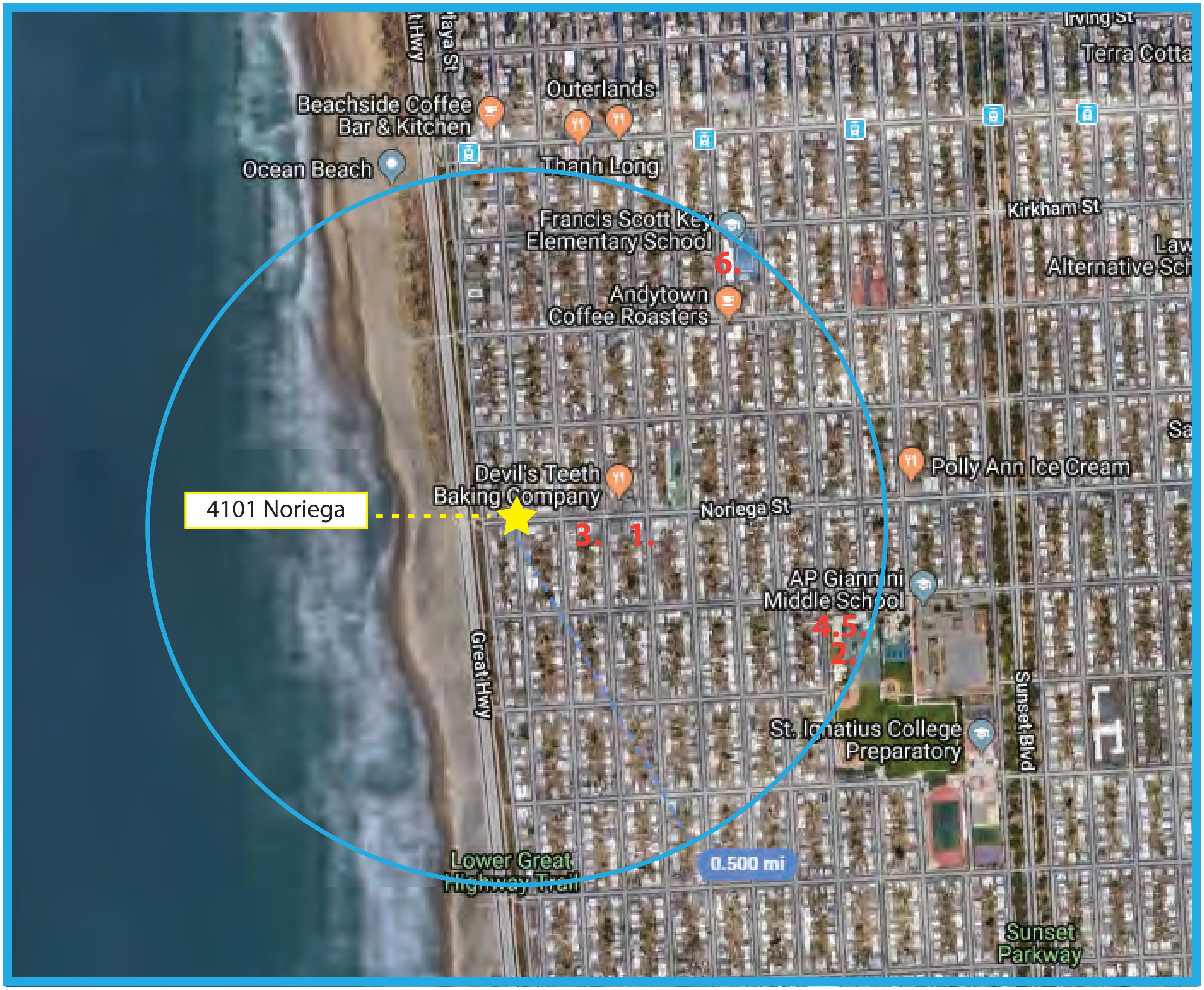
1. Grocery Store: Safeway, 2020 Market St
2. Health Clinic: Castro Mission Health Center, 3850 17th St
3. Senior Center: Castro Senior Center, 110 Diamond St
4. Church: Mission Dolores, 3321 16th St
5. Park: Dolores Park, 19th and Dolores St
6. Bank: Bank of the West, 2299 Market St
7. Pharmacy: Walgreens, 45 Castro St

363 Noe



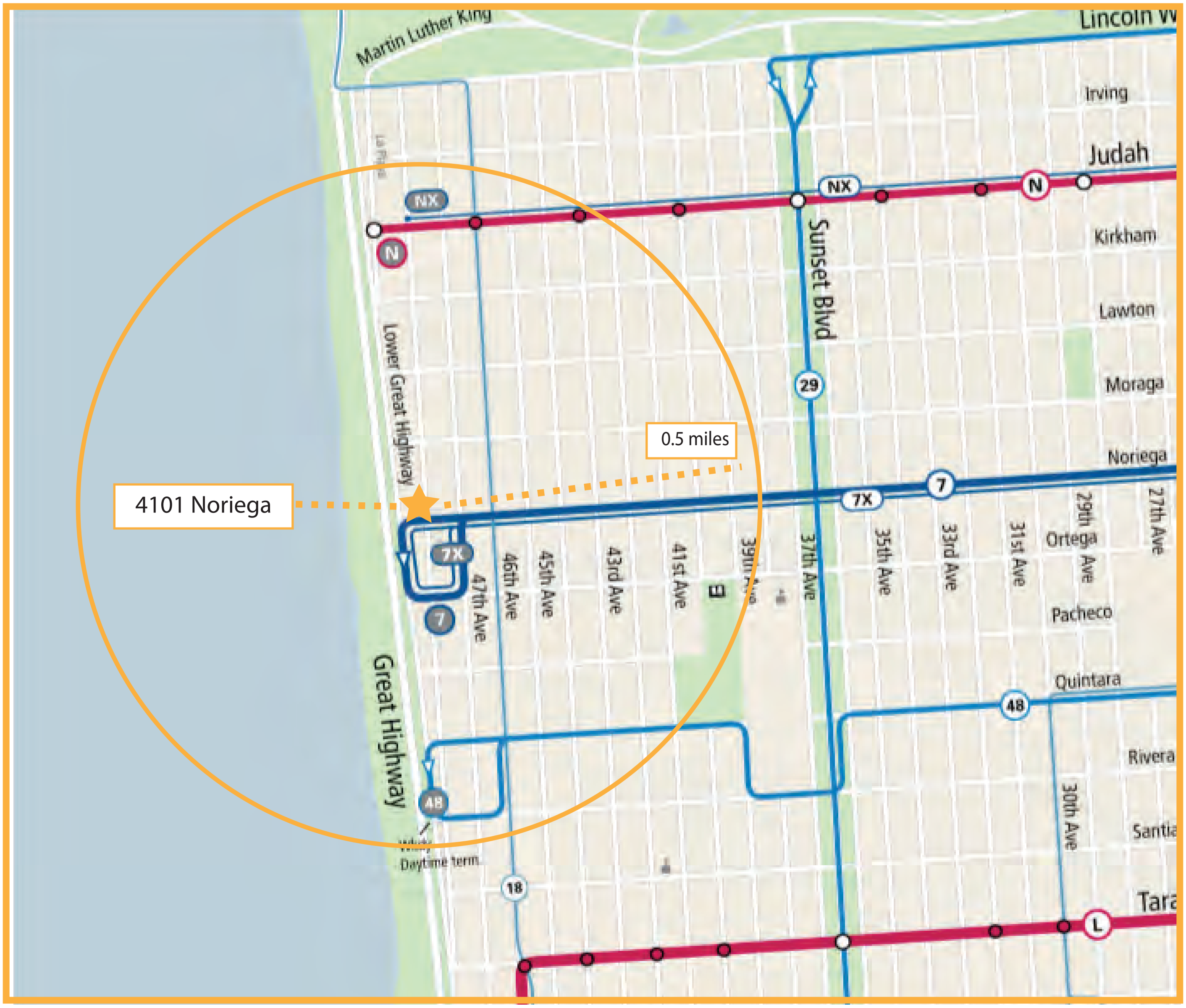
An excerpt from the current (June 2019) Muni and BART routes within 1/2 mile of 363 Noe. Stops for Muni routes J, K, L, M, N, T, F, 24, 35, 37, 33, 22, 6, and 7 can be accessed within 0.5 mile of the subject property.

4101 Noriega



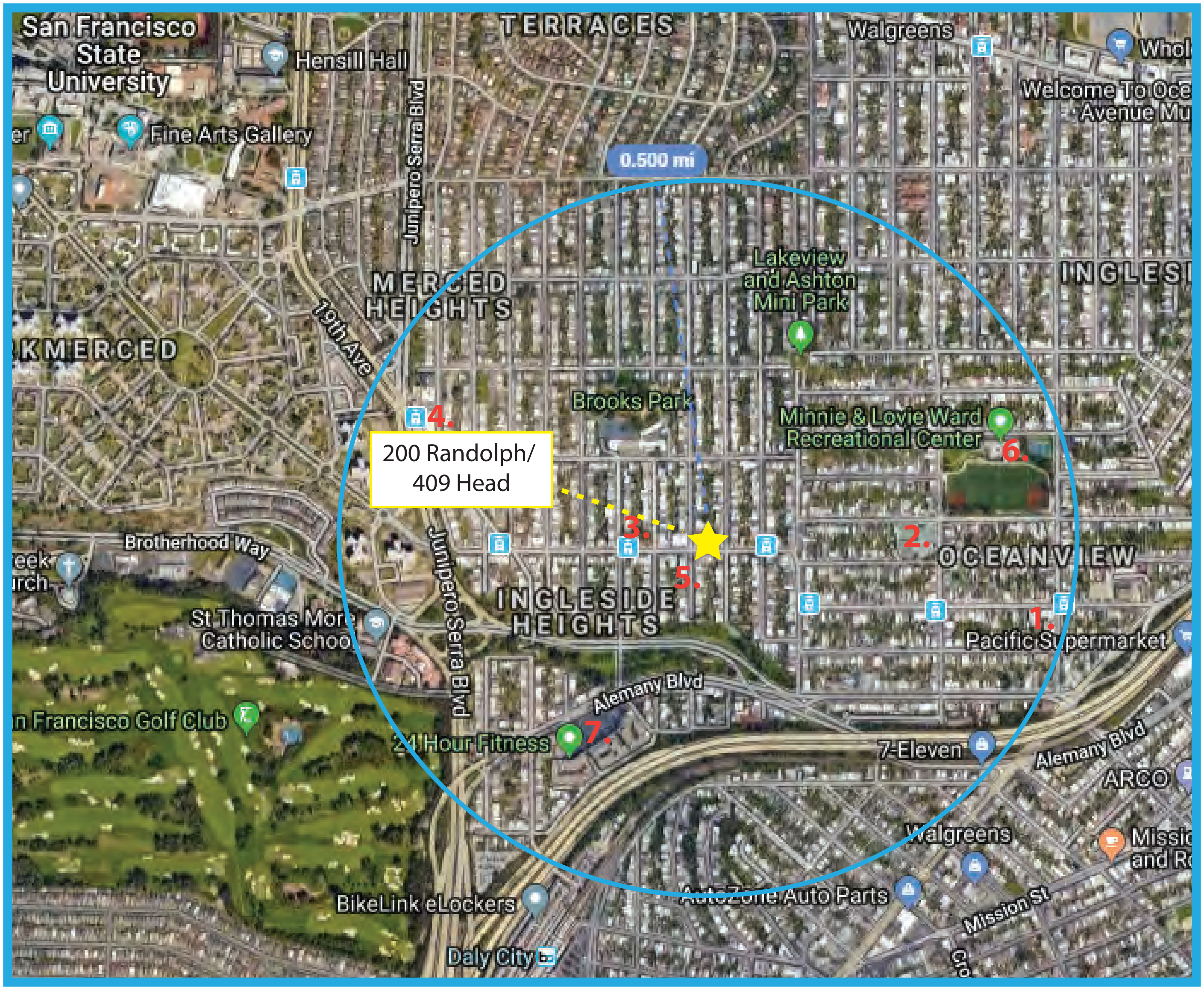
1. Grocery Store: Noriega Produce, 3821 Noriega St
2. Elementary School: Sunset Elementary School, 1920 41St Ave
3. Social Services Organizaiton: Sunset Neighborhood Beacon, 3925 Noriega St
4. Library: Ortega Branch Library, 3223 Ortega St
5. Park: West Sunset Playground, 3223 Ortega St
6. Church: Sunset Church, 3638 Lawton St

4101 Noriega



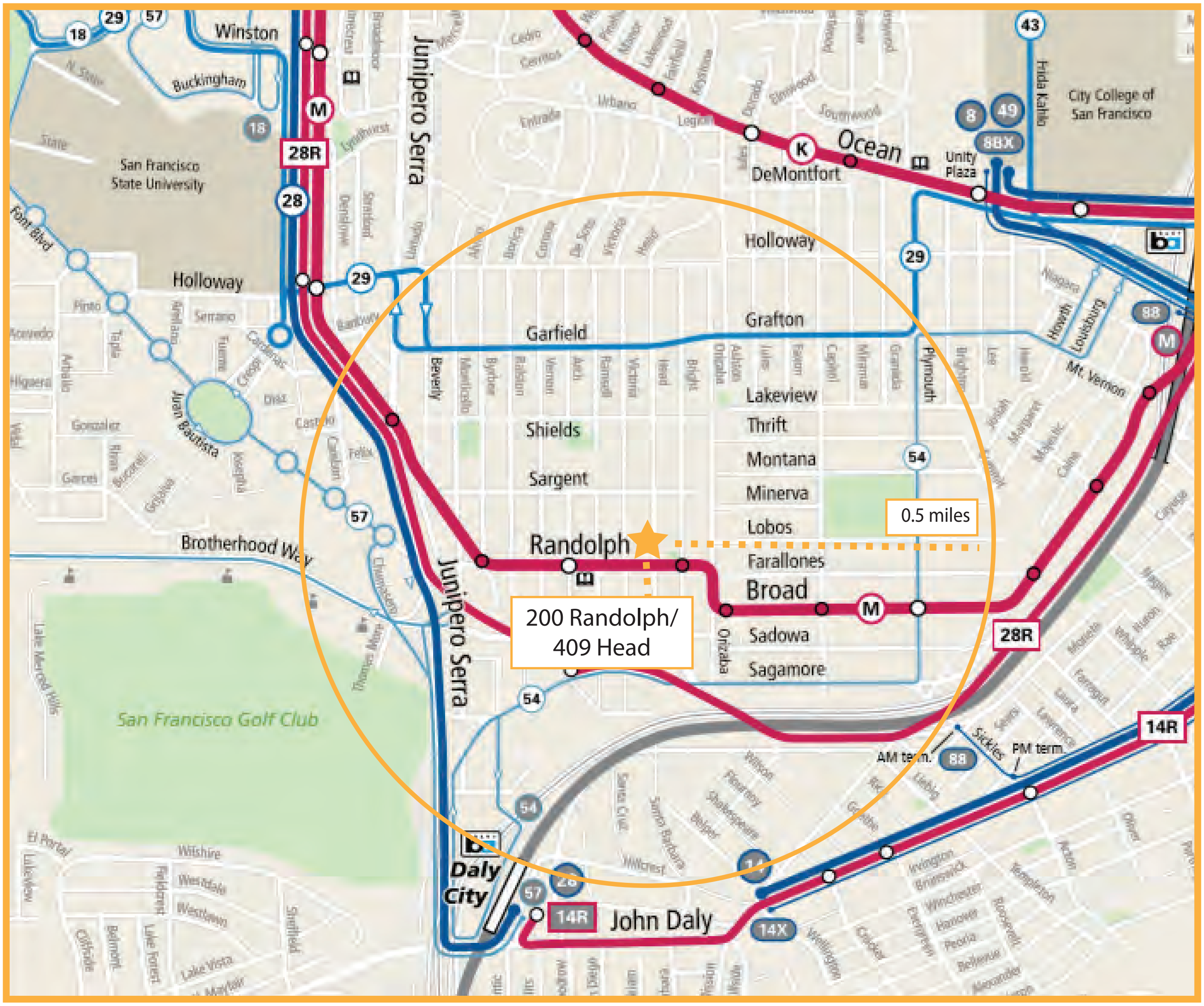
An excerpt from the current (June 2019) Muni and BART routes within 1/2 mile of 4101 Noriega. Stops for Muni routes 48, 7, 7x, 18, N, and NX can be accessed within 0.5 mile of the subject property.

200 Randolph/ 409 Head



1. Grocery Store: Ana's Market, 105 Broad St
2. Elementary School: Sheridan Elementary School, 431 Capitol Ave
3. Social Services Organizaiton: It Bookman Community Center, 446 Randolph St
4. Church: Temple United Methodist Church, 65 Beverly St
5. Library: Ocean View Branch Library, 345 Randolph St
6. Park: Minnie and Lovie Ward Recreation Center, 650 Capitol Ave
7. Bank: Chase Bank, 3981 Alemany Blvd

200 Randolph/ 409 Head



An excerpt from the current (June 2019) Muni and BART routes within 1/2 mile of 200 Randolph/ 409 Head. Stops for Muni routes 54, 28R, 28, M, and 29 can be accessed within 0.5 mile of the subject property.

Attachment G: Elevations and Floor Plans

N/A

Attachment H: Comparison of City Investment in Other Housing Developments

See attached.

REHABILITATION COST COMPARISON (25 Units and Larger or Scattered)

Updated *1/3/2022*

PROJECTS COMPLETED						**Square Footage**	**DEVELOPMENT COSTS**					
Project Name	*Address*	*Contract Date*	*Population Type*	*# of Units*	*# of BR[1]*	*Total*	*Acq. Cost[3]*	*Constr. Cost[4]*	*Soft Cost[5]*	*Local Subsidy[6]*	*Total Dev. Cost*	*Comments*
Westside Courts	2501 Sutter Street	Dec-18	Family	136	224	106,953	26,920,000	51,531,653	$ 17,457,234	$ 10,189,576	$ 95,908,887	RAD Phase II - significant rehab
Alemany Apartments	951 Ellsworth	Nov-19	Family	150	340	137,652	51,008,000	$ 69,106,493	$ 25,518,895	$ 3,828,778	$ 145,633,388	RAD Phase II - significant rehab
Completed Projects:	*Average:*			143	282	*122,303*	*$ 38,964,000*	*$ 60,319,073*	*$ 21,488,065*	*$ 7,009,177*	*$ 120,771,138*	

PROJECTS UNDER CONSTRUCTION						**Square Footage**	**DEVELOPMENT COSTS**					
Project Name	*Address*	*Compl. Date*	*Population Type*	*# of Units*	*# of BR[1]*	*Total*	*Acq. Cost[3]*	*Constr. Cost[4]*	*Soft Cost[5]*	*Local Subsidy[6]*	*Total Dev. Cost*	*Comments*
Bernal Dwellings	3138 Kamille Court	Oct-21	Family	160	391	170,280	$ 41,929,181	50,124,996	$ 21,330,207	0	$ 113,384,384	RAD Phase IV - significant rehab large site, 2 story
Hayes Valley South	401 Rose	Dec-21	Family	110	236	132,658	$ 35,344,033	$ 45,312,032	$ 19,355,350	$ 7,207,832	$ 100,011,415	RAD Phase IV - significant rehab large site, 2 story
Hayes Valley North	650 - 667 Linden	Jul-22	Family	84	211	100,376	$ 30,387,921	$ 42,248,048	$ 19,517,405	$ 8,854,288	$ 92,153,374	RAD Phase IV - significant rehab large site, 3 story tnhms (predev LE 4/20)
Gran Oriente	106 South Park	Dec-21	Senior	24	24							3 Story over basement, SRO major rehab & seismic
Park View	102 South Park	Jan-22	Senior	39	39	32,049	$ 21,050,000	$ 22,906,291	$ 12,946,956	$ 10,300,000	$ 56,903,247	4 Story partial basement, SRO modest rehab & seismic
Hotel Madrid	22 South Park	Dec-21	Senior	44	44							3 Story over basement, SRO modest rehab & seismic
Ambassador / Ritz	55 Mason & 216 Eddy Streets	Sep-21	Sr. Disabled	186	186	102,109	$ 30,841,633	$ 41,100,938	$ 24,215,585	$ 1,424,514	$ 96,158,156	2 bldgs 4-6 story SRO significant rehab (MOHCD app 5/26/20)
Under Construction:	*Average:*			*92*	*162*	*107,494*	*31,910,554*	*40,338,461*	*19,473,101*	*6,946,659*	*65,515,797*	

PROJECTS IN PREDEVELOPMENT						**Square Footage**	**DEVELOPMENT COSTS**					
Project Name	*Address*	*Start Date (anticipated)*	*Population Type*	*# of Units*	*# of BR[1]*	*Total*	*Acq. Cost[3]*	*Constr. Cost[4]*	*Soft Cost[5]*	*Local Subsidy[6]*	*Total Dev. Cost*	*Comments*
Mariposa Gardens	2425 Mariposa		Family	63	150	56,163		$ 8,875,320			$ 8,875,320	3 Buildings, 3-4 stories plus 59 pkg Community Rm
The Knox	241 6th Street	Jul-22	SRO	140	140	54,450	$ 11,550,000	$ 12,375,137	$ 9,385,429	$ 8,072,019	$ 33,310,566	8 story Type I SRO constructed 1994 (May 2021 Eval
Throughline Scattered Sites	(Consorcia, Bayside, Tower)	Apr-22	Mixed	88	88	49,870		$ 22,753,459	$ 7,582,658		$ 30,336,117	3 buildings; 5 1BR, studios and SRO/seniors (Oct 2021 Eval)
In Predevelopment:	*Average:*			*97*	*126*	*53,494*	*11,550,000*	*14,667,972*	*8,484,044*	*8,072,019*	*24,174,001*	
MPARABLE PROJECTS	***Average:***			***111***	***190***	***94,430***	***$ 27,474,851***	***$ 38,441,835***	***$ 16,481,736***	***$ 7,342,618***	***$ 70,153,645***	
SUBJECT PROPERTY SFHA Scattered Sites	200 Randolph St.,2006 Great Highway,4101 Noriega Ave., 363 Noe St.,1357 Eddy St.	**Mar-22**	**Family**	**69**	**152**	**72,415**	**$ 22,265,000**	**$ 43,768,397**	**$ 10,976,659**		**$ 84,629,294**	**5 Scattered Sites; mostly family units; various ages and size properties**

PROJECTS COMPLETED		***Construction Costs***			**Total Dev Costs by Unit / Bed / SF**			**Subsidy**
Project Name	*Contract Date*	*Const/unit*	*Const/Bedroom*	*Const / SF*	*Gross TDC / unit*	*TDC/Bedroom*	*Gross TDC/sq.ft[7]*	*Subsidy / unit*
Westside Courts	Dec-18	$ 378,909	$ 230,052	$ 482	$ 705,212	$ 428,165	$ 897	$ 74,923
Alemany Apartments	Nov-19	$ 460,710	$ 203,254	$ 502	$ 970,889	$ 428,333	$ 1,058	$ 25,525
Completed Projects:	*Average:*	*$ 419,810*	*$ 216,653*	*$ 492*	*$ 838,051*	*$ 428,249*	*$ 977*	*$ 50,224*

PROJECTS UNDER CONSTRUCTION		***Construction Costs***			**Total Dev Costs by Unit / Bed / SF**			**Subsidy**
Project Name	*Contract Date*	*Const/unit*	*Const/Bedroom*	*Const / SF*	*Gross TDC / unit*	*TDC/Bedroom*	*Gross TDC/sq.ft[7]*	*Subsidy / unit*
Bernal Dwellings	Oct-21	$ 313,281	$ 128,197	$ 294	$ 708,652	$ 289,986	$ 666	-
Hayes Valley South	Dec-21	$ 411,928	$ 192,000	$ 342	$ 909,195	$ 423,777	$ 754	$ 65,526
Hayes Valley North	Jul-22	$ 502,953	$ 200,228	$ 421	$ 1,097,064	$ 436,746	$ 918	$ 105,408
Gran Oriente								
Park View		$ 214,077	$ 214,077	$ 714.73	$ 531,806	$ 531,806	$ 1,776	$ 96,262
Hotel Madrid								
Ambassador / Ritz	Jan-22	$ 220,973	$ 220,973	$ 403	$ 516,979	$ 516,979	$ 942	$ 7,659
Under Construction:	*Average:*	*$ 332,642*	*$ 191,095*	*$ 435*	*$ 752,739*	*$ 439,859*	*$ 1,011*	*$ 68,714*

PROJECTS IN PREDEVELOPMENT		***Construction Costs***			**Total Dev Costs by Unit / Bed / SF**			**Subsidy**
Project Name	*Start Date (anticipated)*	*Const/unit*	*Const/Bedroom*	*Const / SF*	*Gross TDC / unit*	*TDC/Bedroom*	*Gross TDC/sq.ft[7]*	*Subsidy /unit*
Mariposa Gardens		$ 140,878	$ 59,169	$ 158	$ 140,878	$ 59,169	$ 158	$ -
The Knox	Jul-22	$ 88,394	$ 88,394	$ 227	$ 237,933	$ 237,933	$ 612	$ 57,657
Throughline Scattered Sites (Consorcia, Bayside, Tower)	Apr-22	$ 258,562	$ 258,562	$ 456	$ 344,729	$ 344,729	$ 608	
In Predevelopment:	*Average:*	*$ 162,611*	*$ 135,375*	*$ 281*	*$ 241,180*	*$ 213,943*	*$ 459*	*$ 28,829*
ll Comparable Projects:	***AVERAGE***	***$ 305,021***	***$ 181,041***	***$ 402***	***$ 610,657***	***$ 360,684***	***$ 816***	***$ 49,255***
SUBJECT PROPERTY SFHA Scattered Sites	200 Randolph St.,2006 Great Highway,4101 Noriega Ave., 363 Noe St.,1357 Eddy St.	**$ 634,325**	**$ 287,950**	**$ 604**	**$ 1,226,512**	**$ 556,771.67**	**$ 1,169**	**$ -**
Delta of Comparable Projects Average and Subject Property		**$ 329,303**	**$ 106,909**	**$ 202**	**$ 615,855**	**$ 196,088**	**$ 353**	**$ (49,255)**
		108%	**59%**	**50%**	**101%**	**54%**	**43%**	**-100%**

[0] items highlighted in yellow represent gaps in information
[1] includes studios as 1BRs
[2] *Residential sq. ft.* includes circulation, recreation, parking, office space and common areas; excludes day care centers, and commercial (non-res.)
[3] *Acquisition* includes cost of buying land/building including costs if City buys site; excludes demotion of existing building
[4] *Construction* includes unit construction, site preparation/demolition (if applicable), site improvements, environmental remediation and hard cost contingency for Predev & During Construction. Completed projects include used Contingency and are escalated per ENR CCI data

Attachment I: Predevelopment Budget

N/A

Attachment J: Development Budget

See attached.

Application Date: 12/22/21 **# Units:** 69
Project Name: San Francisco Housing Authority Scattered Sites **# Bedrooms:** 152
Project Address: 4101, 2206-2268, 200, 363, 1357-1371 Noriega, **# Beds:** 0
Project Sponsor: Mission Housing Development Corporation

									Total Sources	Comments	
SOURCES	7,477,796	32,359,074	20,690,144	22,000,000	1,602,280	500,000	-	-	84,629,294		
Name of Sources:	MOHCD/OCII	LIHTC Equity	1st Mortgage	SFHA Seller Carryback	Deferred Developer Fee	GP Equity					
USES											
ACQUISITION											
Acquisition cost or value				22,000,000					22,000,000		
Legal / Closing costs / Broker's Fee		100,000							100,000	Title & Escrow Fees, $20K per site	
Holding Costs									0		
Transfer Tax		165,000							165,000	*$3.75 per $500 of acquisition value*	
TOTAL ACQUISITION	0	265,000	0	22,000,000	0	0	0	0	22,265,000		
CONSTRUCTION (HARD COSTS)											
Unit Construction/Rehab		10,124,304	20,690,144						30,814,448	Per GC Estimates	
Commercial Shell Construction									0		
Demolition									0		
Environmental Remediation									0		
Onsight Improvements/Landscaping									0		
Offsite Improvements									0		Construction line item costs as a % of hard costs
Infrastructure Improvements									0	HOPE SF/OCII costs for streets etc.	
Parking									0		
GC Bond Premium/GC Insurance/GC Taxes		1,449,896							1,449,896		3.8%
GC Overhead & Profit		1,678,686							1,678,686		4.4%
CG General Conditions		4,116,446							4,116,446		10.8%
Sub-total Construction Costs	*0*	*17,369,332*	*20,690,144*	*0*	*0*	*0*	*0*	*0*	*38,059,476*		
Design Contingency (remove at DD)		0							0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	0.0%
Bid Contingency (remove at bid)									0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	0.0%
Plan Check Contingency (remove/reduce during Plan Review)									0	4% up to $30MM HC, 3% $30-$45MM, 2% $45MM+	0.0%
Hard Cost Construction Contingency	5,677,796	31,125							5,708,921	2% GC Contingency, 13% Owner's Contingency	15.0%
Sub-total Construction Contingencies	*5,677,796*	*31,125*	*0*	*0*	*0*	*0*	*0*	*0*	*5,708,921*		
TOTAL CONSTRUCTION COSTS	5,677,796	17,400,457	20,690,144	0	0	0	0	0	43,768,397		
SOFT COSTS											
Architecture & Design											
Architect design fees		1,450,000							1,450,000	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms	
Design Subconsultants to the Architect (incl. Fees)									0		
Architect Construction Admin		400,000							400,000		
Reimbursables									0		
Additional Services									0		
Sub-total Architect Contract	*0*	*1,850,000*	*0*	*0*	*0*	*0*	*0*	*0*	*1,850,000*		
Other Third Party design consultants (not included under Architect contract)		75,000							75,000	Green Building Consultant	
Total Architecture & Design	0	1,925,000	0	0	0	0	0	0	1,925,000		
Engineering & Environmental Studies											
Survey		149,500							149,500	$41,600 for surveying, $107,9000 for civil engineering	
Geotechnical studies		14,000							14,000		
Phase I & II Reports		100,000							100,000	Phase 1 & 2, plus additional testing @ Eddy & Noriega	
CEQA / Environmental Review consultants									0		
NEPA / 106 Review									0		
CNA/PNA (rehab only)		15,000							15,000		
Other environmental consultants		30,000							30,000	Lead & asbsetos testing	
Total Engineering & Environmental Studies	0	308,500	0	0	0	0	0	0	308,500		
Financing Costs											
Construction Financing Costs											
Construction Loan Origination Fee		238,279							238,279	0.05% of tax exempt & taxable debt	
Construction Loan Interest		2,093,544							2,093,544	20 month term. $40,776,000 TE + $6,814,815 taxable tail @ 4%	
Title & Recording									0	Including under acquisition legal/ closing/ broker fees	
CDLAC & CDIAC fees		18,272							18,272		
Bond Issuer Fees		221,186							221,186	Issuer Fees, Municipal Advisor, Trustee Fee	
Other Bond Cost of Issuance									0		
Other Lender Costs (specify)									0		
Sub-total Const. Financing Costs	*0*	*2,571,281*	*0*	*0*	*0*	*0*	*0*	*0*	*2,571,281*		
Permanent Financing Costs											
Permanent Loan Origination Fee									0	Included under construction loan origination fee	
Credit Enhance. & Appl. Fee									0		
Title & Recording									0	Included under acquisition legal/ closing costs	
Sub-total Perm. Financing Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*		
Total Financing Costs	0	2,571,281	0	0	0	0	0	0	2,571,281		
Legal Costs											
Borrower Legal fees		130,000							130,000		
Land Use / CEQA Attorney fees									0		
Tax Credit Counsel		75,000							75,000		
Bond Counsel		80,000							80,000		
Construction Lender Counsel		90,000							90,000		
Permanent Lender Counsel									0		
Environmental Counsel		10,000							10,000		
Total Legal Costs	0	385,000	0	0	0	0	0	0	385,000		
Other Development Costs											
Appraisal		25,000							25,000		
Market Study		24,000							24,000		
* Insurance		230,000							230,000	Builder's Risk: $190K, 1st year of property & liability: $40K	
* Property Taxes									0		
Accounting / Audit		35,000							35,000		
* Organizational Costs									0		
Entitlement / Permit Fees		230,000							230,000		
* Marketing / Rent-up		150,000							150,000		
* Furnishings		140,000							140,000	$2,000/unit; See MOHCD U/W Guidelines on: http://sfmohcd.org/documents-reports-and-forms	
PGE / Utility Fees									0		
TCAC App / Alloc / Monitor Fees		66,000							66,000		
* Financial Consultant fees		75,000							75,000		
Construction Management fees / Owner's Rep		250,000							250,000		
Security during Construction									0		
* Relocation		3,200,000							3,200,000		
									0		
Tenant & Community Engagement		155,000							155,000		
Permit Consultant		209,000							209,000		Total Soft Cost Contingency as % of Total Soft Costs
Total Other Development Costs	0	4,789,000	0	0	0	0	0	0	4,789,000		
Soft Cost Contingency											
Contingency (Arch, Eng, Fin, Legal & Other Dev)		997,878			0	0	0		997,878	Should be either 10% or 5% of total soft costs.	10.0%
TOTAL SOFT COSTS	0	10,976,659	0	0	0	0	0	0	10,976,659		
RESERVES											
* Operating Reserves		1,094,603							1,094,603		
Replacement Reserves		210,000							210,000		
* Tenant Improvements Reserves									0		
Section 8 Transition Reserve		212,355							212,355	12 Months of operating expenses @ Noe Street, less 12 months of tenant rent	
Section 8 Rent Reserve	1,800,000								1,800,000		
Other (specify)									0		
TOTAL RESERVES	1,800,000	1,516,958	0	0	0	0	0	0	3,316,958		
DEVELOPER COSTS											
Developer Fee - Cash-out Paid at Milestones		1,100,000							1,100,000		
Developer Fee - Cash-out At Risk		1,100,000							1,100,000		
Commercial Developer Fee									0		
Developer Fee - GP Equity (also show as source)						500,000			500,000		
Developer Fee - Deferred (also show as source)					1,602,280				1,602,280		
Development Consultant Fees									0	Need MOHCD approval for this cost, N/A for most projects	
Other (specify)									0		
TOTAL DEVELOPER COSTS	0	2,200,000	0	0	1,602,280	500,000	0	0	4,302,280		
TOTAL DEVELOPMENT COST	7,477,796	32,359,074	20,690,144	22,000,000	1,602,280	500,000	0	0	84,629,294		
Development Cost/Unit by Source	108,374	468,972	299,857	318,841	23,221	7,246	0	0	1,226,512		
Development Cost/Unit as % of TDC by Source	8.8%	38.2%	24.4%	26.0%	1.9%	0.6%	0.0%	0.0%	100.0%		
Acquisition Cost/Unit by Source	0	0	0	318,841	0	0	0	0	318,841		
Construction Cost (inc Const Contingency)/Unit By Source	82,287	252,181	299,857	0	0	0	0	0	634,325		
Construction Cost (inc Const Contingency)/SF	78.41	240.29	285.72	0.00	0.00	0.00	0.00	0.00	604.41		

**Possible non-eligible GO Bond/COP Amount:*	*0*
City Subsidy/Unit	108,374

Tax Credit Equity Pricing:	0.880
Construction Bond Amount:	47,655,763
Construction Loan Term (in months):	20 months
Construction Loan Interest Rate (as %):	4.00%

Attachment K: 1st Year Operating Budget

See attached.

Application Date:	**12/22/2021**	**Project Name:**	**San Francisco Housing Authority Scattered Sites**
Total # Units:	**69**	**Project Address:**	**Great Highway, Randolph, Noe, Eddy St., Ave.**
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations):	**2023**	**Project Sponsor:**	**Mission Housing Development Corporation**

INCOME	**Total**	**Comments**
Residential - Tenant Rents	389,436	Links from 'Existing Proj - Rent Info' Worksheet
Residential - Tenant Assistance Payments (Non-LOSP)	2,109,012	Links from 'Existing Proj - Rent Info' Worksheet
Commercial Space	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Residential Parking	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Rent Income	0	Links from 'Utilities & Other Income' Worksheet
Supportive Services Income	33,553	
Interest Income - Project Operations	0	Links from 'Utilities & Other Income' Worksheet
Laundry and Vending	0	Links from 'Utilities & Other Income' Worksheet
Tenant Charges	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Residential Income	0	Links from 'Utilities & Other Income' Worksheet
Other Commercial Income	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Withdrawal from Capitalized Reserve (deposit to operating account)		
Gross Potential Income	**2,532,001**	
Vacancy Loss - Residential - Tenant Rents	(19,472)	Vacancy loss is 5% of Tenant Rents.
Vacancy Loss - Residential - Tenant Assistance Payments	(105,451)	Vacancy loss is 5% of Tenant Assistance Payments.
Vacancy Loss - Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
EFFECTIVE GROSS INCOME	**2,407,079**	***PUPA: 34,885***

OPERATING EXPENSES

Management		
Management Fee	63,872	$77.14 PUPM, per HUD's 2020 80 percentile schedule for San Francisco
Asset Management Fee	24,280	
Sub-total Management Expenses	**88,152**	***PUPA: 1,278***
Salaries/Benefits		
Office Salaries		
Manager's Salary	96,408	Property Manager; Assistant Manager / Compliance
Health Insurance and Other Benefits	36,000	Health Insurance @600 per month/ employee, 5 FTE
Other Salaries/Benefits		
Administrative Rent-Free Unit		
Sub-total Salaries/Benefits	**132,408**	***PUPA: 1,919***
Administration		
Advertising and Marketing	1,200	
Office Expenses	36,790	Training, office supplies, telephone, computer, internet, travel, credit reports, copier
Office Rent	0	
Legal Expense - Property	3,600	
Audit Expense	12,000	
Bookkeeping/Accounting Services	8,400	
Bad Debts	19,472	5% of tenant rent
Miscellaneous	0	
Sub-total Administration Expenses	**81,462**	***PUPA: 1,181***
Utilities		
Electricity	160,000	
Water	60,000	
Gas		
Sewer	75,000	
Sub-total Utilities	**295,000**	***PUPA: 4,275***
Taxes and Licenses		
Real Estate Taxes	12,000	
Payroll Taxes	19,827	
Miscellaneous Taxes, Licenses and Permits	5,100	
Sub-total Taxes and Licenses	**36,927**	***PUPA: 535***
Insurance		
Property and Liability Insurance	30,000	
Fidelity Bond Insurance	3,456	
Worker's Compensation	17,012	6% of payroll
Director's & Officers' Liability Insurance	8,400	
Sub-total Insurance	**58,868**	***PUPA: 853***
Maintenance & Repair		
Payroll	107,120	Janitorial / Grounds Payroll : 1 full-time on site; Maintenace Tech : 1 FTE
Supplies	31,364	Janitorial / cleaning / security supplies / repairs materials
Contracts	50,400	Repairs Contracts / Painting and decorating/ Exterminating/ fire alarm
Garbage and Trash Removal	52,800	Garbage and trash removal
Security Payroll/Contract	6,000	Security camera monitoring @ 2 properties, $3,000 each
HVAC Repairs and Maintenance	15,000	
Vehicle and Maintenance Equipment Operation and Repairs	33,600	4 employee vehichle allowances @ $8,400 annually (property manager, maintenance tech,
Miscellaneous Operating and Maintenance Expenses	10,800	Elevator Maintenance (363 Noe)
Sub-total Maintenance & Repair Expenses	**307,084**	***PUPA: 4,450***
Supportive Services	120,000	Services Payroll, programming & supplies
Commercial Expenses	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
TOTAL OPERATING EXPENSES	***1,119,900***	***PUPA: 16,230***

Reserves/Ground Lease Base Rent/Bond Fees					
Ground Lease Base Rent	15,000	Housing Authority	Provide additional comments here, if needed.		
Bond Monitoring Fee					
Replacement Reserve Deposit	42,476				
Operating Reserve Deposit					
Other Required Reserve 1 Deposit					
Other Required Reserve 2 Deposit					
Required Reserve Deposit/s, Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	**57,476**	***PUPA: 833***		Min DSCR:	1.15
				Mortgage Rate:	4.00%
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	**1,177,377**	***PUPA: 17,063***		Term (Years):	40
				Supportable 1st Mortgage Pmt:	1,069,306
NET OPERATING INCOME (INCOME minus OP EXPENSES)	**1,229,702**	***PUPA: 17,822***		Supportable 1st Mortgage Amt:	$21,321,039
				Proposed 1st Mortgage Amt:	$20,690,144

DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)			
Hard Debt - First Lender	1,037,665	Western Alliance Bank	Provide additional comments here, if needed.
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Len	0		Provide additional comments here, if needed.
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0		Provide additional comments here, if needed.
Hard Debt - Fourth Lender	0		Provide additional comments here, if needed.
Commercial Hard Debt Service	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
TOTAL HARD DEBT SERVICE	**1,037,665**	***PUPA: 15,039***	
CASH FLOW (NOI minus DEBT SERVICE)	**192,037**		
USES OF CASH FLOW BELOW (This row also shows DSCR.)	***1.19***		

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)	24,280	3	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	5,000	2	
Other Payments	15,000	1	SFHA Groundlease
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)			
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)			
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	66,273	4th	50% of remaining cash after prtnsp mgmg & invstr. fee
TOTAL PAYMENTS PRECEDING MOHCD	**110,553**	***PUPA: 1,602***	
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	**81,484**		

Residual Receipts Calculation

Does Project have a MOHCD Residual Receipt Obligation?	**Yes**	Project has MOHCD ground lease?	**No**
Will Project Defer Developer Fee?	**Yes**		
Max **Deferred Developer Fee/Borrower** % of Residual Receipts in Yr 1:	50%	Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):	**73,878**
% of Residual Receipts available for distribution to **soft debt lenders** in	50%		

Soft Debt Lenders with Residual Receipts Obligations	*(Select lender name/program from drop down)*	**Total Principal Amt**	**Distrib. of Soft Debt Loans**
MOHCD/OCII - Soft Debt Loans	All MOHCD/OCII Loans payable from res. rects	$7,477,796	25.24%
MOHCD/OCII - Ground Lease Value or Land Acq Cost	Ground Lease Value	$150,000	0.51%
HCD (soft debt loan) - Lender 3			0.00%
Other Soft Debt Lender - Lender 4	SFHA Seller Carryback	$22,000,000	74.25%
Other Soft Debt Lender - Lender 5			0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
MOHCD Residual Receipts Amount Due	20,978	50% of residual receipts, multiplied by 25.75% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	20,978	Enter/override amount of residual receipts proposed for loan repayment.
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repymt.
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE	**60,505**	

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
HCD Residual Receipts Amount Due	0	
Lender 4 Residual Receipts Due	60,505	50% of residual receipts, multiplied by 74.25%, SFHA Seller Carryback's pro rata share of all s
Lender 5 Residual Receipts Due	0	
Total Non-MOHCD Residual Receipts Debt Service	**60,505**	
REMAINDER (Should be zero unless there are distributions below)	**0**	
Owner Distributions/Incentive Management Fee	0	
Other Distributions/Uses	0	
Final Balance (should be zero)	**0**	

Attachment L: 20-year Operating Proforma

See attached.

San Francisco Housing Authority Scattered Sites

Total # Units: *69*

	% annual increase	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
INCOME		**Total**	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**
Residential - Tenant Rents	2.5%	389,436	399,172	409,151	419,380	429,864	440,611	451,626	462,917	474,490	486,352	498,511	510,974	523,748	536,842	550,263	564,019	578,120	592,573	607,387
Residential - Tenant Assistance Payments (Non-LOSP)	2.5%	2,109,012	2,161,737	2,215,781	2,271,175	2,327,955	2,386,153	2,445,807	2,506,953	2,569,626	2,633,867	2,699,714	2,767,207	2,836,387	2,907,296	2,979,979	3,054,478	3,130,840	3,209,111	3,289,339
Commercial Space	2.5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Potential Income		**2,532,001**	**2,595,301**	**2,660,184**	**2,726,688**	**2,794,855**	**2,864,727**	**2,936,345**	**3,009,754**	**3,084,997**	**3,162,122**	**3,241,175**	**3,322,205**	**3,405,260**	**3,490,391**	**3,577,651**	**3,667,092**	**3,758,770**	**3,852,739**	**3,949,057**
Vacancy Loss - Residential - Tenant Rents	n/a	(19,472)	(19,959)	(20,458)	(20,969)	(21,493)	(22,031)	(22,581)	(23,146)	(23,724)	(24,318)	(24,926)	(25,549)	(26,187)	(26,842)	(27,513)	(28,201)	(28,906)	(29,629)	(30,369)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	(105,451)	(108,087)	(110,789)	(113,559)	(116,398)	(119,308)	(122,290)	(125,348)	(128,481)	(131,693)	(134,986)	(138,360)	(141,819)	(145,365)	(148,999)	(152,724)	(156,542)	(160,456)	(164,467)
Vacancy Loss - Commercial	n/a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME		**2,407,079**	**2,467,256**	**2,528,937**	**2,592,160**	**2,656,964**	**2,723,388**	**2,791,473**	**2,861,260**	**2,932,792**	**3,006,111**	**3,081,264**	**3,158,296**	**3,237,253**	**3,318,184**	**3,401,139**	**3,486,168**	**3,573,322**	**3,662,655**	**3,754,221**
OPERATING EXPENSES																				
Management	3.5%	88,152	91,237	94,431	97,736	101,156	104,697	108,361	112,154	116,079	120,142	124,347	128,699	133,204	137,866	142,691	147,685	152,854	158,204	163,741
Salaries/Benefits	3.5%	132,408	137,042	141,839	146,803	151,941	157,259	162,763	168,460	174,356	180,459	186,775	193,312	200,078	207,080	214,328	221,830	229,594	237,629	245,946
Administration	3.5%	81,462	84,313	87,264	90,318	93,479	96,751	100,137	103,642	107,270	111,024	114,910	118,932	123,094	127,403	131,862	136,477	141,254	146,198	151,314
Utilities	3.5%	295,000	305,325	316,011	327,072	338,519	350,367	362,630	375,322	388,459	402,055	416,127	430,691	445,765	461,367	477,515	494,228	511,526	529,429	547,959
Taxes and Licenses	3.5%	36,927	38,219	39,557	40,942	42,375	43,858	45,393	46,981	48,626	50,328	52,089	53,912	55,799	57,752	59,774	61,866	64,031	66,272	68,592
Insurance	3.5%	58,868	60,928	63,061	65,268	67,552	69,916	72,363	74,896	77,517	80,231	83,039	85,945	88,953	92,066	95,289	98,624	102,076	105,648	109,346
Maintenance & Repair	3.5%	307,084	317,832	328,956	340,470	352,386	364,719	377,485	390,697	404,371	418,524	433,172	448,333	464,025	480,266	497,075	514,473	532,479	551,116	570,405
Supportive Services	3.5%	120,000	124,200	128,547	133,046	137,703	142,522	147,511	152,674	158,017	163,548	169,272	175,196	181,328	187,675	194,243	201,042	208,078	215,361	222,899
Commercial Expenses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES		**1,119,900**	**1,159,097**	**1,199,665**	**1,241,654**	**1,285,111**	**1,330,090**	**1,376,644**	**1,424,826**	**1,474,695**	**1,526,309**	**1,579,730**	**1,635,021**	**1,692,246**	**1,751,475**	**1,812,777**	**1,876,224**	**1,941,892**	**2,009,858**	**2,080,203**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)		***16,230***																		
Reserves/Ground Lease Base Rent/Bond Fees																				
Ground Lease Base Rent		15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Bond Monitoring Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Deposit		42,476	42,476	42,476	42,476	42,476	42,476	42,476	42,476	42,476	42,476	42,476	42,476	42,476	42,476	42,476	42,476	42,476	42,476	42,476
Operating Reserve Deposit		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Required Reserve 1 Deposit		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Required Reserve 2 Deposit		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Required Reserve Deposit/s, Commercial		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-total Reserves/Ground Lease Base Rent/Bond Fees		**57,476**	**57,476**	**57,476**	**57,476**	**57,476**	**57,476**	**57,476**	**57,476**	**57,476**	**57,476**	**57,476**	**57,476**	**57,476**	**57,476**	**57,476**	**57,476**	**57,476**	**57,476**	**57,476**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)		**1,177,377**	**1,216,573**	**1,257,142**	**1,299,130**	**1,342,588**	**1,387,567**	**1,434,120**	**1,482,302**	**1,532,171**	**1,583,786**	**1,637,207**	**1,692,497**	**1,749,723**	**1,808,951**	**1,870,253**	**1,933,700**	**1,999,368**	**2,067,334**	**2,137,679**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)		***17,063***																		
NET OPERATING INCOME (INCOME minus OP EXPENSES)		**1,229,702**	**1,250,682**	**1,271,795**	**1,293,030**	**1,314,377**	**1,335,822**	**1,357,353**	**1,378,958**	**1,400,620**	**1,422,326**	**1,444,058**	**1,465,799**	**1,487,530**	**1,509,233**	**1,530,886**	**1,552,467**	**1,573,954**	**1,595,320**	**1,616,542**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)																				
Hard Debt - First Lender		1,037,665	1,037,665	1,037,665	1,037,665	1,037,665	1,037,665	1,037,665	1,037,665	1,037,665	1,037,665	1,037,665	1,037,665	1,037,665	1,037,665	1,037,665	1,037,665	1,037,665	1,037,665	1,037,665
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		**1,037,665**	**1,037,665**	**1,037,665**	**1,037,665**	**1,037,665**	**1,037,665**	**1,037,665**	**1,037,665**	**1,037,665**	**1,037,665**	**1,037,665**	**1,037,665**	**1,037,665**	**1,037,665**	**1,037,665**	**1,037,665**	**1,037,665**	**1,037,665**	**1,037,665**
CASH FLOW (NOI minus DEBT SERVICE)		**192,037**	**213,017**	**234,130**	**255,365**	**276,712**	**298,157**	**319,688**	**341,293**	**362,955**	**384,661**	**406,393**	**428,134**	**449,865**	**471,568**	**493,221**	**514,802**	**536,289**	**557,655**	**578,877**
USES OF CASH FLOW BELOW (This row also shows DSCR.)	**DSCR:**	***1.185***	***1.205***	***1.226***	***1.246***	***1.267***	***1.287***	***1.308***	***1.329***	***1.35***	***1.371***	***1.392***	***1.413***	***1.434***	***1.454***	***1.475***	***1.496***	***1.517***	***1.537***	***1.558***
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL																				
Deferred Developer Fee (Enter amt <= Max Fee from row 131)		66,273	76,338	86,455	96,617	106,819	117,054	127,315	137,595	147,886	158,179	168,466	178,737	134,544	-	-	-	-	-	-
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)	3.5%	24,280	25,130	26,009	26,920	27,862	28,837	29,846	30,891	31,972	33,091	34,249	35,448	36,689	37,973	39,302	40,677	42,101	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Other Payments		15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Non-amortizing Loan Pmnt - Lender 1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD		**110,553**	**121,468**	**132,464**	**143,537**	**154,681**	**165,891**	**177,162**	**188,486**	**199,858**	**211,270**	**222,715**	**234,185**	**191,232**	**57,973**	**59,302**	**60,677**	**62,101**	**20,000**	**20,000**
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)		**81,484**	**91,549**	**101,666**	**111,829**	**122,030**	**132,265**	**142,526**	**152,806**	**163,097**	**173,390**	**183,677**	**193,948**	**258,633**	**413,595**	**433,919**	**454,125**	**474,187**	**537,655**	**558,877**
Does Project have a MOHCD Residual Receipt Obligation?	**Yes**																			
Will Project Defer Developer Fee?	**Yes**																			
1st Residual Receipts Split - Lender/Deferred Developer Fee	**50% / 50%**																			
MOHCD RESIDUAL RECEIPTS DEBT SERVICE	Dist. Soft Debt Loans																			
MOHCD Residual Receipts Amount Due	25.75%	20,978	23,570	26,174	28,791	31,417	34,052	36,694	39,341	41,990	44,640	47,288	49,933	66,586	70,988	74,476	77,944	81,388	92,281	95,923
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proposed MOHCD Residual Receipts Amount to Replacement Reserve		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE		**60,505**	**67,980**	**75,492**	**83,038**	**90,613**	**98,213**	**105,832**	**113,466**	**121,107**	**128,750**	**136,389**	**144,016**	**192,047**	**342,607**	**359,443**	**376,181**	**392,800**	**445,374**	**462,953**
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE																				
HCD Residual Receipts Amount Due	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lender 4 Residual Receipts Due	74.25%	60,505	67,980	75,492	83,038	90,613	98,213	105,832	113,466	121,107	128,750	136,389	144,016	192,047	204,742	214,803	224,806	234,737	266,156	276,661
Lender 5 Residual Receipts Due	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-MOHCD Residual Receipts Debt Service		**60,505**	**67,980**	**75,492**	**83,038**	**90,613**	**98,213**	**105,832**	**113,466**	**121,107**	**128,750**	**136,389**	**144,016**	**192,047**	**204,742**	**214,803**	**224,806**	**234,737**	**266,156**	**276,661**
REMAINDER (Should be zero unless there are distributions below)		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(0)**	**137,865**	**144,640**	**151,375**	**158,062**	**179,218**	**186,292**
Owner Distributions/Incentive Management Fee		-	-	-	-	-	-	-	-	-	-	-	-	-	137,865	144,640	151,375	158,062	179,218	186,292
Other Distributions/Uses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Final Balance (should be zero)		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
RR Running Balance		**255,101**	**300,203**	**345,868**	**392,097**	**261,119**	**308,496**	**172,957**	**219,289**	**263,928**	**227,373**	**211,349**	**256,667**	**301,785**	**220,574**	**126,743**	**81,336**	**125,397**	**168,890**	**212,934**
OR Running Balance		**1,094,603**	**1,094,603**	**1,094,603**	**1,094,603**	**1,094,603**	**1,094,603**	**1,094,603**	**1,094,603**	**1,094,603**	**1,094,603**	**1,094,603**	**1,094,603**	**1,094,603**	**1,094,603**	**1,094,603**	**1,094,603**	**1,094,603**	**1,094,603**	**1,094,603**
Other Required Reserve 1 Running Balance		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other Required Reserve 2 Running Balance		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
DEFERRED DEVELOPER FEE - RUNNING BALANCE																				
Developer Fee Starting Balance		1,602,280	1,536,007	1,459,669	1,373,214	1,276,597	1,169,778	1,052,723	925,408	787,812	639,926	481,747	313,281	134,544	-	-	-	-	-	-
Deferred Developer Fee Earned in Year		66,273	76,338	86,455	96,617	106,819	117,054	127,315	137,595	147,886	158,179	168,466	178,737	134,544	-	-	-	-	-	-
Developer Fee Remaining Balance		**1,536,007**	**1,459,669**	**1,373,214**	**1,276,597**	**1,169,778**	**1,052,723**	**925,408**	**787,812**	**639,926**	**481,747**	**313,281**	**134,544**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

San Francisco Housing Authority Scattered Sites

	% annual increase	Year 20 2042 Total
Total # Units:	***69***	
INCOME		
Residential - Tenant Rents	2.5%	622,572
Residential - Tenant Assistance Payments (Non-LOSP)	2.5%	3,371,572
Commercial Space	2.5%	-
Other Income		-
Gross Potential Income		**4,047,784**
Vacancy Loss - Residential - Tenant Rents	n/a	(31,129)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	(168,579)
Vacancy Loss - Commercial	n/a	-
EFFECTIVE GROSS INCOME		**3,848,077**
OPERATING EXPENSES		
Management	3.5%	169,472
Salaries/Benefits	3.5%	254,555
Administration	3.5%	156,610
Utilities	3.5%	567,138
Taxes and Licenses	3.5%	70,992
Insurance	3.5%	113,173
Maintenance & Repair	3.5%	590,369
Supportive Services	3.5%	230,700
Commercial Expenses		-
TOTAL OPERATING EXPENSES		**2,153,010**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)		
Reserves/Ground Lease Base Rent/Bond Fees		
Ground Lease Base Rent		15,000
Bond Monitoring Fee		0
Replacement Reserve Deposit		42,476
Operating Reserve Deposit		0
Other Required Reserve 1 Deposit		0
Other Required Reserve 2 Deposit		0
Required Reserve Deposit/s, Commercial		0
Sub-total Reserves/Ground Lease Base Rent/Bond Fees		**57,476**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)		**2,210,486**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)		
NET OPERATING INCOME (INCOME minus OP EXPENSES)		**1,637,590**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)		
Hard Debt - First Lender		1,037,665
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		**1,037,665**
CASH FLOW (NOI minus DEBT SERVICE)		**599,925**
USES OF CASH FLOW BELOW (This row also shows DSCR.)	**DSCR:**	***1.578***
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL		
Deferred Developer Fee (Enter amt <= Max Fee from row 131)		-
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	-
Partnership Management Fee (see policy for limits)	3.5%	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)		5,000
Other Payments		15,000
Non-amortizing Loan Pmnt - Lender 1		-
Non-amortizing Loan Pmnt - Lender 2		-
TOTAL PAYMENTS PRECEDING MOHCD		***20,000***
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)		**579,925**
Does Project have a MOHCD Residual Receipt Obligation?	**Yes**	
Will Project Defer Developer Fee?	**Yes**	
1st Residual Receipts Split - Lender/Deferred Developer Fee	**50% / 50%**	
MOHCD RESIDUAL RECEIPTS DEBT SERVICE	Dist. Soft Debt Loans	
MOHCD Residual Receipts Amount Due	25.75%	99,536
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		-
Proposed MOHCD Residual Receipts Amount to Replacement Reserve		-
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE		**480,389**
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
HCD Residual Receipts Amount Due	0.00%	-
Lender 4 Residual Receipts Due	74.25%	287,081
Lender 5 Residual Receipts Due	0.00%	-
Total Non-MOHCD Residual Receipts Debt Service		**287,081**
REMAINDER (Should be zero unless there are distributions below)		**193,308**
Owner Distributions/Incentive Management Fee		193,308
Other Distributions/Uses		-
Final Balance (should be zero)		**-**
RR Running Balance		**22,793**
OR Running Balance		**1,094,603**
Other Required Reserve 1 Running Balance		**-**
Other Required Reserve 2 Running Balance		**-**
DEFERRED DEVELOPER FEE - RUNNING BALANCE		
Developer Fee Starting Balance		-
Deferred Developer Fee Earned in Year		-
Developer Fee Remaining Balance		**-**