

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

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**MEMORANDUM**

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**DATE:** January 29, 2021  
**TO:** CITYWIDE AFFORDABLE HOUSING LOAN COMMITTEE  
**FROM:** JONATHAN GAGEN, PROJECT MANAGER  
**RE:** **SHIRLEY CHISHOLM VILLAGE PRELIMINARY GAP REQUEST FOR CALIFORNIA DEBT LIMIT ALLOCATION (CDLAC) APPLICATION FINANCING PURPOSES**

**THIS REQUEST**

2019 General Obligations Bond Funding – Moderate Income	\$26,000,000
Educational Revenue Adjustment Fund (ERAF)	\$10,000,000
<u>Affordable Housing Fund</u>	<u>\$3,900,000</u>
Subtotal	\$39,900,000

**EXISTING PREDEVELOPMENT LOAN**

<u>2015 General Obligation Bond Funding</u>	<u>\$3,000,000</u>
Subtotal	\$3,000,000

**TOTAL CDLAC COMMITMENT LETTER REQUEST:** \$42,900,000

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**Summary of Request**

**MP Francis Scott Key 2 Associates, LP**, a partnership formed by MidPen Housing Corporation (“MidPen” or the “Sponsor”), requests a preliminary gap commitment to support Shirley Chisholm Village’s application to the California Debt Limit Allocation Committee (CDLAC) and California Tax Credit Allocation Committee (“TCAC”) for allocations of tax exempt bonds and tax credits, respectively due February 4, 2021, for an anticipated April 2021 allocation meeting. A commitment letter is required from the local jurisdiction to obtain maximum leveraging points. For this reason, the preliminary gap request to MOHCD is for a City contribution up to for the 135-unit educator housing project that will be located in the Outer Sunset.

The Sponsor last received Citywide Affordable Housing Loan Committee (“Committee”) approval for a predevelopment loan on August 17, 2018. This memo updates Committee on the Project status and the proposed development budget with MOHCD gap contribution. Pending award of an allocation of bonds in April 2021, an updated proposed final budget will be presented to Loan Committee in July 2021, prior to the start of construction (estimated to be in October 2021) that will be based on final hard cost bid numbers. This loan evaluation contains the following updated information.

- An update on Project status and summary of outstanding policy issues
- An update on the financing plan related to the project’s pivot from a 9% tax credit project to a 4% tax credit project
- A revision to the affordability and unit mix of the Project, lowering the average MOHCD AMI from 80% MOHCD AMI to 77.6% MOHCD AMI.

The project is a high priority for both the San Francisco Unified School District (SFUSD) and United Educators of San Francisco (UESF). While reopening San Francisco’s public schools in the midst of the COVID-19 pandemic is a pressing issue for SFUSD, SFUSD continues to prioritize coordination to ensure timely development of this project.

Staff recommends providing the Sponsor with a CDLAC commitment letter totaling \$42,900,000.

### **Update on Project Status**

Shirley Chisholm Village, formerly known as Francis Scott Key Annex, will be a new construction affordable project developed in a collaboration between the San Francisco Unified School District (SFUSD) and MOHCD to create the first ever affordable housing for educators in the City. SFUSD selected the name “Shirley Chisholm Village” in November 2020, to honor Shirley Chisholm, an expert in early childhood education who was the first black woman elected to the United States Congress and seek a major party nomination for President of the United States.

The project will be located on an underutilized site known as the Francis Scott Key Annex that contains a 9,000 sf building that has been used primarily as storage space for almost 30 years. Through a Request For Proposals (RFP) process that concluded in March 2018, MidPen Housing was selected as the developer for this project. In the current conceptual plan for the site, there are 134 units, of which 48 units for low-income qualified educators (targeting paraeducator roles) with MOHCD AMI levels ranging from 40% AMI to 90% AMI and 86 units (non-tax credit units) for moderate-income qualified educators (targeting teacher roles) with MOHCD AMI levels ranging from 91% AMI to 120% AMI, and 1 manager’s unit. The plan also incorporates a publicly accessible open space of approximately 3,000 sf. This incorporation of public open space was outlined in the RFP in recognition of the current use of the site for public use as a skate park, community garden and playground.

The project’s concept originated in 2014. At that time, MOHCD, SFUSD and UESF, along with Mayor’s Office staff engaged in a collaborative working group to identify resources and various approaches to address the increasing housing affordability crisis and its effects on the employees of SFUSD. In 2017, SFUSD conducted a survey of both their teacher and paraeducator employees and

found that a majority of educators reported difficulty paying for housing. In order to address this concern, SFUSD determined that the Francis Scott Key Annex site located at 43rd and Irving would be made available for development to house educators. Alongside this pledge from SFUSD, MOHCD committed to financing the project with funds from the 2015 Prop A General Obligation Bond to fulfill the bond's middle income housing objective. In June, the San Francisco Board of Supervisors and the Board of Education passed resolutions in support of building educator housing. In September 2017, SFUSD and MOHCD entered into an MOU to describe the working relationship between the two entities. Per the agreement MOHCD will lead the developer selection process, development and entitlement process and collaborate with SFUSD on planning related to the operations of the project.

Proposed sources of financing include a gap loan from MOHCD, a first mortgage, a second mortgage, 4% tax credit equity, and General Partner (GP) equity.

Since Loan Committee approval of predevelopment funds in August 2018, the project has continued in its design, programming and financing.

### **Update on Project Status**

#### **1. Permitting**

The Sponsor submitted an application for ministerial approvals from the Planning Department through SB 35. The Planning Department issued Notice of Final Approval under SB35 on May 21, 2020. The Sponsor submitted a site permit application in December 2019 and secured Department of Building Inspection (DBI) and Fire Department sign off in January 2021.

#### **2. Design**

The 85% construction drawings set was issued on September 1, 2020. The General Contractor, Cahill, and the architect held constructability review in November 2020 and there were no major changes to the project scope or budget.

#### **3. Policy Issues**

Due to the unique population served, many of the programming and policy decisions must be made in coordination with SFUSD and UESF. Below are some of the open policy issues that will need to be determined in coordination prior to gap loan closing. Please see related loan condition tied to resolving these outstanding policy decisions.

- Income certification process for the middle income units: The Sponsor has begun coordinating with MOHCD BMR Rental staff to determine the best path forward for income certification of these units.
- Eligible SFUSD job classifications for prospective residents: The Sponsor, MOHCD and SFUSD will need to come to an agreement on which SFUSD job classifications will be eligible for units in Shirley Chisholm Village. MOHCD and the Sponsor will need to work

with the City Attorney and SFUSD’s counsel to determine how eligible job classifications will be memorialized.

- The Sponsor, MOHCD and SFUSD will need to determine what happens to tenancy when and how a resident leaves SFUSD employment. In addition, SFUSD has proposed limiting the length of residency of the non-tax credit units to seven years. MOHCD does not support this limitation. The Sponsor, MOHCD and SFUSD will continue to discuss the feasibility of including tenure limitation on these units.

#### 4. Updated Sources and Uses Summary

Predevelopment Sources	Amount	Terms	Status
MOHCD	\$3,000,000	55 yrs. @ 3% Res Rec	Approved
<b>Total</b>	<b>\$3,000,000</b>		

Permanent Sources	Amount	Terms	Status
MOHCD - Gap	\$42,900,000	55 yrs. @ 3% Res Rec	This Request
Permanent Loan – TBD Lender	\$18,756,585	35 yrs. @ 4.25% Hard Debt	Future Commitment
Tranche C- Surplus Cash Loan	\$2,750,000	n/a	Future Commitment
Tax Credit Equity	\$43,370,041	\$0.90	Future Commitment
General Partner Equity	\$12,294,690	n/a	Future Commitment
<b>Total</b>	<b>\$120,071,316</b>		
Uses	Amount	Per Unit	Per SF
<b>Acquisition Costs</b>	\$124,692	\$924	\$0.75
<b>Hard Costs</b>	\$91,022,801	\$674,243	\$551
<b>Soft Costs</b>	\$13,458,753	\$99,694	\$81
<b>Reserves</b>	\$630,380	\$4,669	\$4
<b>Developer Fee/Costs</b>	\$14,834,690	\$109,887	\$90
<b>Total</b>	<b>\$120,071,316</b>	<b>\$889,417</b>	<b>\$727</b>

#### 5. Sources and Uses Narrative

##### a. Permanent Sources Evaluation Narrative:

MidPen’s anticipated permanent sources include the following:

**MOHCD Gap Loan** (\$42,900,000): MidPen has requested a preliminary gap commitment of \$42,900,000.

**Private Mortgage** (\$18,756,585): The lender is to be determined, subject to approval by MOHCD. MidPen anticipates a 4.25% interest rate. At the final gap financing request, the interest rate will be adjusted to actual interest rate; any savings generated from reductions to interest rate must be applied to reduce MOHCD’s loan.



**Tranche C Surplus Cash Loan (\$2,750,000):** For the Tranche C surplus cash loan, MidPen is reaching out to other lenders, including Community Development Financial Institutions, tech companies and the California Housing Finance Agency (CalHFA). MidPen will be the lender if no other lender is interested.

b. Permanent Uses Evaluation:

<b>Development Budget</b>		
<b>Underwriting Standard</b>	<b>Meets Standard? (Y/N)</b>	<b>Notes</b>
Hard Cost per unit are within standards	Y	Construction costs total \$674,243 per unit and are \$539 PSF compared to \$550 PSF for comparable buildings.
Construction Hard Cost Contingency is at least 5% (new construction)	Y	Hard Cost Contingency is 5.9%
Architecture and Engineering Fees are within standards	Y	Architect and Engineering fees are within MOHCD standards.
Construction Management Fees are within standards	Y	The Construction Management Fee is \$240,000 for both predevelopment and construction work. This assumes \$120k for predevelopment (\$40k x 3 years) and \$120k for construction (\$60k x 2 years).
Developer Fee is within standards, see also disbursement chart below	Y	Please see below for breakout of the developer fee.
Soft Cost Contingency is 10% per standards	N	Soft Cost Contingency at 6.3% is lower than 10% in the underwriting guidelines. The soft cost contingency does not include construction loan interest. MOHCD staff approves of the proposed soft cost contingency.
Capitalized Operating Reserves are a minimum of 3 months	Y	Capitalized Operating Reserves at \$309,606 meet the MOHCD standard as well as the HCD standard

c. Developer Fee Analysis:

The \$2,200,000 in developer fee originally approved by Loan Committee in 2018 did not reflect the revised MOHCD developer fee guidelines. As such, the Sponsor has requested a \$2,540,000 developer fee, which complies with MOHCD developer fee policy and helps increase LIHTC equity to the project. Having the full amount of developer fee in basis (rather than the lesser of a limit of \$4 million or 10% of eligible basis) saves MOHCD approximately \$4 million.

The total developer fee inclusive of GP equity is \$14,834,690. This developer fee assumption does affect the tie-breaker as it increases the bond amount. This is offset by the increase in tax credit equity tied to the higher eligible basis with this developer fee amount. For example, if the total developer fee is reduced by \$5 million, then the tie-

breaker decreases by \$14k and the gap increases to \$1.7 million. With this developer fee assumption, the anticipated tie-breaker is \$297k.

<b>Developer Fee Disbursement Schedule</b>		
<b>Payment Milestone</b>	<b>% of Project Mgmt Fee</b>	<b>Amount</b>
At Acquisition or closing of preconstruction financing (disbursed)	15%	\$150,000
During or at end of Predevelopment (disbursed)	35%	\$350,000
Construction Close	20%	\$200,000
During Construction	20%	\$200,000
At Project Close Out	10%	\$100,000
<b>Total Project Management Fee</b>	<b>100%</b>	<b>\$1,000,000</b>
At Risk Fee: 95% Leased Up and Draft Cost Certification	20%	\$308,000
At-Risk Fee: Permanent Loan Closing/Conversion	50%	\$770,000
At-Risk Fee: Project Close Out	30%	\$462,000
<b>Total At-Risk Fee</b>	<b>100%</b>	<b>\$1,540,000</b>
At Closing of Commercial Loan		N/A
Total Cash Developer Fee		<b>\$2,540,000</b>
Deferred Fee		\$0
Commercial Fee		\$0
GP Equity		<b>\$12,294,690</b>
Total Developer Fee		<b>\$14,834,690</b>

## 6. Unit Mix

Please see below for the revised unit mix. SFUSD reviewed the unit mix below when the Sponsor was analyzing both 4% and 9% tax credit scenarios. The revised unit mix shown below will be re-submitted to SFUSD for review and approval prior to application submission.

MOHCD AMI Unit Mix										
	30%	40%	50%	60%	70%	80%	90%	100%	120%	Total
Studio		2	1	2	0	6	3	0	10	24
1 Bedroom	0	3	3	3	0	18	8	0	8	43
2 Bedroom	0	10	8	7	0	19	8	0	6	58
3 Bedroom	0	3	3	3	0	0	0	0	0	9
Total	0	18	15	15	0	43	19	0	24	134
<u>Average AMI (MOHCD levels)</u>										-
										<u>77.6%</u>
<u>Average AMI (MOHCD) for tax credit portion</u>										-
										<u>63.8%</u>

## 7. Operating Budget updates

Operating Budget is being presented to demonstrate the Project's overall feasibility. The Sponsors will return to Loan Committee for approval of final Gap numbers in mid-2021.

Operating Proforma		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Debt Service Coverage Ratio stays above 1:1 through Year 17	Y	DSCR is 1.21 at Year 1 and 1.5 at Year 17. The high DSCR is tied to the Tranche C loan. While the Sponsor has not identified a lender for this loan, their financial projections include sufficient cash flow to repay the Tranche C loan within 15 years. In addition, the higher DSCR will allow the Sponsor to address potential investor concerns, if any, with the project's higher income levels.
Vacancy meets TCAC Standards	Y	Vacancy is 5%
Annual Income Growth is increased at 2.5% per year	Y	Income escalation factor is 2.5%
Annual Operating Expenses are increased at 3.5% per year	Y	Expenses escalation factor is 3.5%
Base year operating expenses per unit are reasonable per comparables	Y	Total Operating Expenses are \$10,307 per unit, which is reasonable for a project of this size.
Property Management Fee is at allowable HUD Maximum	Y	Total Property Management Fee is \$98,820 or \$61 PUPM

Property Management staffing level is reasonable per comparables	Y	Property Management staffing will consist of 1 FTE onsite manager and 1 FTE assistant manager.
Asset Management and Partnership Management Fees meet standards	Y	Annual AM Fee is \$25,130/yr. Annual PM Fee is \$25,119/yr.
Replacement Reserve Deposits meet or exceed TCAC minimum standards	Y	Replacement Reserves are \$450 per unit per year per requirements.
Limited Partnership Asset Management Fee meets standards	Y	LP Asset Management Fee is \$5,000 below-the-line.
Supportive Services	Y	MidPen has included \$128,000 in operating budget for onsite resident services programs.

**8. Services Budget updates**

Resident services will be available to all residents. The \$128,000 in annual services is broken out as follows:

Services Coordinator (1FTE):	\$60,615
Programming (e.g. After School Program, Adult Education Classes)	\$20,778
Director/Manager (supervisor staff dedicating 13% of time to project ):	\$23,632
<u>Supplies/Expenses Overhead:</u>	<u>\$22,975</u>
<b>Total</b>	<b>\$128,000</b>

This financing scenario assumes a majority of the units to be low-income units, but regardless of the affordability mix, Services will serve all households that live onsite. With 135 units onsite, per unit services budget cost is \$948.

Comparable MidPen properties and budgets are below. Per the below, the proposed Services budget for SCV is consistent with other properties with similar programs.

- Italian Gardens: 148 units, family programming. Services budget is \$122,500 (\$826 per unit).
- Mission Gateway: 121 units, family programming only. Services budget is \$134,545 (\$1,111 per unit)
- Foon Lok East: 124 units, family and supportive programming. For family programming portion, about \$124,000 (\$1,000 per unit).

An updated services plan and budget will be provided to MOHCD to review and approve before the project is presented to Loan Committee for its final gap commitment, which is expected to occur in mid-2021.

## **9. Staff Recommendation**

Staff recommends approval of the commitment letter to CDLAC for the Sponsor's application.

## **10. LOAN CONDITIONS**

These loan conditions are held over from the August 18, 2018 predevelopment loan approval and must be met by the time of Loan Committee's approval of gap financing in mid-2021.

- Sponsor must investigate all moderate income funding sources available and submit comprehensive findings report to MOHCD for approval.
- Sponsor will provide to MOHCD for review all Request For Proposals (RFPs) for equity investors before it is finalized and released for investors.
- Sponsor will provide for MOHCD review of raw financial data from developer or financial consultant prior to selection.
- Sponsor will submit to MOHCD all selected investors for approval.
- Sponsor will submit to MOHCD for review and approval all Letters of Intent from financial partners.
- MOHCD must review Services Plan and Budget.

The following loan condition has been added since predevelopment loan approval:

- Sponsor will coordinate with SFUSD and MOHCD to resolve the outstanding policy issues unique to this project.
- Sponsor will provide initial draft marketing plan within 12 months of anticipated TCO. The marketing plan must address unique requirement tied to marketing units to SFUSD educators.

## **11. LOAN COMMITTEE MODIFICATIONS**

**LOAN COMMITTEE RECOMMENDATION**

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

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

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

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

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

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

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

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

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

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

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

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

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

## **Chavez, Rosanna (MYR)**

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**From:** Shaw, Eric (MYR)  
**Sent:** Friday, January 29, 2021 11:19 AM  
**To:** Chavez, Rosanna (MYR)  
**Subject:** Shirley Chislom Village

approve

Eric D. Shaw  
Director

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

## Chavez, Rosanna (MYR)

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**From:** Oerth, Sally (CII)  
**Sent:** Friday, January 29, 2021 11:19 AM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR); Gagen, Jonathan (MYR)  
**Subject:** Shirley Chisholm Village prelim gap commitment - 1.29.21 Loan Committee

I approve the preliminary gap commitment for the Shirley Chisholm Village project, as presented at the 1.29.21 Loan Committee



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

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## Chavez, Rosanna (MYR)

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**From:** Menjivar, Salvador (HOM)  
**Sent:** Monday, February 1, 2021 8:36 PM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR)  
**Subject:** REQUEST FOR PRELIMINARY GAP FOR SHIRLEY CHISHOLM VILLAGE

I approve the request from MidPen Housing Corporation for \$42,900,000 in gap financing for Shirley Chisholm Village.

salvador



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

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## Chavez, Rosanna (MYR)

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**From:** Katz, Bridget (CON)  
**Sent:** Friday, January 29, 2021 11:18 AM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR)  
**Subject:** Shirley Chisholm Village

Approve

### **Bridget Katz**

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

Attachments: Attachment A – Updated Permanent Sources and Uses  
Attachment B – 1<sup>st</sup> Year Operating Budget and Cashflow  
Attachment C – Updated Family Cost Comparison Chart  
Attachment D - Predevelopment Loan Evaluation

Application Date: 1/8/21  
 Project Name: Shirley Chisholm Village # Units: 135  
 Project Address: 1360 43rd Ave # Bedrooms: 212  
 Project Sponsor: MidPen Housing Corporation # Beds:

SOURCES	42,900,000	18,756,585	2,750,000	43,370,041	12,294,690	-	Total Sources	120,071,316	Comments
Name of Sources:	MOHCD/OCII	Permanent Loan - TBD Lender	Tranche C - Surplus Cash Loan	Investor Tax Credit Equity	General Partner Equity				

USES

ACQUISITION

Acquisition cost or value								0	
Legal / Closing costs / Broker's Fee	115,000							115,000	
Holding Costs	9,692							9,692	
Transfer Tax								0	
<b>TOTAL ACQUISITION</b>	<b>124,692</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>124,692</b>	

CONSTRUCTION (HARD COSTS)

Unit Construction/Rehab	40,448,356	458,029	2,750,000	26,324,631			68,981,016	Include FF&E purchased by general contractor, cost escalation, and contractor contingency	
Commercial Shell Construction	703,556						703,556		
Demolition				1,250,000			1,250,000		
Environmental Remediation							0		
Onsite Improvements/Landscaping							0		
Offsite Improvements				400,000			400,000		
Infrastructure Improvements				2,642,197			2,642,197	HOPE SF/OCII costs for streets etc.	
Parking							0		
GC Bond Premium/GC Insurance/GC Taxes	14,963			1,481,378			1,496,341		2.0%
GC Overhead & Profit	20,893			2,089,331			2,110,225		2.8%
CG General Conditions	34,750			3,475,028			3,509,778		4.7%
Sub-total Construction Costs	41,222,519	458,029	2,750,000	37,662,564	0	0	82,093,113		
Design Contingency (remove at DD)							0	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+	0.0%
Bid Contingency (remove at bid)		467,557		1,773,192			2,240,749	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+	3.0%
Plan Check Contingency (remove/reduce during Plan Review)		2,240,749					2,240,749	4% up to \$30MM HC, 3% \$30-\$45MM, 2% \$45MM+	3.0%
Hard Cost Construction Contingency		4,448,189					4,448,189	5% new construction / 15% rehab. Reduced contractor contingency and increased owner contingency to 6% contingency per MOHCD approval.	5.9%
Sub-total Construction Contingencies	0	7,156,496	0	1,773,192	0	0	8,929,688		
<b>TOTAL CONSTRUCTION COSTS</b>	<b>41,222,519</b>	<b>7,614,925</b>	<b>2,750,000</b>	<b>39,435,757</b>	<b>0</b>	<b>0</b>	<b>91,022,801</b>		

SOFT COSTS

Architecture & Design

Architect design fees		993,700					993,700	See MOHCD A&E Fee Guidelines: <a href="http://sfmohcd.org/documents-reports-and-forms">http://sfmohcd.org/documents-reports-and-forms</a>	
Design Subconsultants to the Architect (incl. Fees)		773,256					773,256		
Architect Construction Admin		353,540					353,540		
Reimbursables		10,000					10,000		
Additional Services							0		
Sub-total Architect Contract	0	2,130,496	0	0	0	0	2,130,496		
Other Third Party design consultants (not included under Architect contract)							138,500	Consultants not covered under architect contract; name consultant type and contract amount: Joint Trench (\$68,000), Waterproofing (\$70,500)	
<b>Total Architecture &amp; Design</b>	<b>0</b>	<b>2,268,996</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,268,996</b>		

Engineering & Environmental Studies

Survey		280,262					280,262		
Geotechnical studies		49,300					49,300		
Phase I & II Reports		187,939					187,939		
CEQA / Environmental Review consultants							0		
NEPA / 106 Review							0		
CNA/PNA (rehab only)							0		
Other environmental consultants		110,000					110,000	Name consultants & contract amounts: Special materials inspections during construction (contract estimated to be \$110,000)	
<b>Total Engineering &amp; Environmental Studies</b>	<b>0</b>	<b>627,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>627,500</b>		

Financing Costs

<b>Construction Financing Costs</b>									
Construction Loan Origination Fee		591,403					591,403		
Construction Loan Interest		4,580,290					4,580,290		
Title & Recording		100,000					100,000		
CDLAC & CDIAC fees		20,743					20,743		
Bond Issuer Fees		179,608					179,608		
Other Bond Cost of Issuance							0		
Other Lender Costs (specify): Lender Expenses (incl site visits)		50,000					50,000		
Sub-total Const. Financing Costs	0	5,522,043	0	0	0	0	5,522,043		
<b>Permanent Financing Costs</b>									
Permanent Loan Origination Fee		187,566					187,566		
Credit Enhance. & Appl. Fee		10,000					10,000		
Title & Recording		90,000					90,000		
Sub-total Perm. Financing Costs	0	287,566	0	0	0	0	287,566		
<b>Total Financing Costs</b>	<b>0</b>	<b>5,809,609</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,809,609</b>		

Legal Costs

Borrower Legal fees				100,000			100,000		
Land Use / CEQA Attorney fees							0		
Tax Credit Counsel				70,000			70,000		
Bond Counsel				90,000			90,000		
Construction Lender Counsel				160,000			160,000		
Permanent Lender Counsel				20,000			20,000		
Other Legal (specify)							0		
<b>Total Legal Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>440,000</b>	<b>0</b>	<b>0</b>	<b>440,000</b>		

Other Development Costs

Appraisal		7,500					7,500		
Market Study		25,000					25,000		
Insurance		835,154					835,154		
Property Taxes		25,000					25,000		
Accounting / Audit		40,000					40,000		
Organizational Costs							0		
Entitlement / Permit Fees	1,418,668	95,017					1,513,685	Includes permit fees, impact fees, and PG&E fees	
Marketing / Rent-up				254,459			254,459		
Furnishings		270,000					270,000	\$2,000/unit; See MOHCD U/W Guidelines on: <a href="http://sfmohcd.org/documents-reports-and-forms">http://sfmohcd.org/documents-reports-and-forms</a>	
PG&E / Utility Fees							0		
TCAC App / Alloc / Monitor Fees		105,539					105,539		
Financial Consultant fees		80,000					80,000		
Construction Management fees / Owner's Rep		266,220					266,220		
Security during Construction							0		
Relocation							0		
Other (specify): Prevailing Wage Monitor		90,000					90,000		
Other (specify)							0		
Other (specify)							0		
<b>Total Other Development Costs</b>	<b>1,418,668</b>	<b>1,839,430</b>	<b>0</b>	<b>254,459</b>	<b>0</b>	<b>0</b>	<b>3,512,557</b>		

Soft Cost Contingency

Contingency (Arch, Eng, Fin, Legal & Other Dev)	134,120	596,525	0	69,446	0	0	800,091	Should be either 10% or 5% of total soft costs. Soft cost contingency does not include contingency for construction loan interest per MOHCD policy.	6.3%
<b>TOTAL SOFT COSTS</b>	<b>1,552,789</b>	<b>11,142,060</b>	<b>0</b>	<b>763,904</b>	<b>0</b>	<b>0</b>	<b>13,458,753</b>		

RESERVES

Operating Reserves				630,380			630,380		
Replacement Reserves							0		
Tenant Improvements Reserves							0		
Other (specify)							0		
Other (specify)							0		
Other (specify)							0		
<b>TOTAL RESERVES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>630,380</b>	<b>0</b>	<b>0</b>	<b>630,380</b>		

DEVELOPER COSTS

Developer Fee - Cash-out Paid at Milestones				2,540,000			2,540,000		
Developer Fee - Cash-out At Risk							0		
Commercial Developer Fee							0		
Developer Fee - GP Equity (also show as source)						12,294,690	12,294,690		
Developer Fee - Deferred (also show as source)							0		
Development Consultant Fees							0	Need MOHCD approval for this cost, N/A for most projects	
Other (specify)							0		
<b>TOTAL DEVELOPER COSTS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,540,000</b>	<b>12,294,690</b>	<b>0</b>	<b>14,834,690</b>		

TOTAL DEVELOPMENT COST

Development Cost/Unit by Source	317,778	138,538	20,370	321,260	91,072	0	889,417		
Development Cost/Unit as % of TDC by Source	35.7%	15.6%	2.3%	36.1%	10.2%	0.0%	100.0%		

Acquisition Cost/Unit by Source

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

	305,352	56,404	20,370	292,117	0	0	674,243		
Construction Cost (inc Const Contingency)/SF	249.43	46.07	16.64	238.62	0.00	0.00	550.77		

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

	41,151,912								
City Subsidy/Unit		317,778							

Tax Credit Equity Pricing:

	0.900								
Construction Bond Amount:	59,505,939								
Construction Loan Term (in months):	32 months								
Construction Loan Interest Rate (as %):	3.20%								

Application Date: 1/8/21 Project Name: Shirley Chisholm Village  
 Total # Units: 135 Project Address: 1360 43rd Ave  
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2024 Project Sponsor: MidPen Housing Corporation

INCOME	Total	Comments
Residential - Tenant Rents	2,858,244	Links from 'New Proj - Rent & Unit Mix' Worksheet
Residential - Tenant Assistance Payments (Non-LOSP)	0	Links from 'New Proj - Rent & Unit Mix' 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	0	
Interest Income - Project Operations	0	Links from 'Utilities & Other Income' Worksheet
Laundry and Vending	12,960	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)	0	
<b>Gross Potential Income</b>	<b>2,871,204</b>	
Vacancy Loss - Residential - Tenant Rents	(142,912)	Vacancy loss is 5% of Tenant Rents.
Vacancy Loss - Residential - Tenant Assistance Payments	0	#DIV/0!
Vacancy Loss - Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
<b>EFFECTIVE GROSS INCOME</b>	<b>2,728,292</b>	<b>PUPA: 20,210</b>

**OPERATING EXPENSES**

Management		
Management Fee	102,060	1st Year to be set according to HUD schedule.
Asset Management Fee	25,130	per MOHCD policy. Assumes allowable Project Sponsor AMF for 2024.
<b>Sub-total Management Expenses</b>	<b>127,190</b>	<b>PUPA: 942</b>
<b>Salaries/Benefits</b>		
Office Salaries	133,075	Salary for onsite manager and assistant manager
Manager's Salary	0	
Health Insurance and Other Benefits	109,831	Payroll taxes and benefits
Other Salaries/Benefits	0	
Administrative Rent-Free Unit	0	
<b>Sub-total Salaries/Benefits</b>	<b>242,906</b>	<b>PUPA: 1,799</b>
<b>Administration</b>		
Advertising and Marketing	295	
Office Expenses	48,467	
Office Rent	0	
Legal Expense - Property	1,908	
Audit Expense	34,197	
Bookkeeping/Accounting Services	0	
Bad Debts	0	
Miscellaneous	0	
<b>Sub-total Administration Expenses</b>	<b>84,867</b>	<b>PUPA: 629</b>
<b>Utilities</b>		
Electricity	37,876	
Water	111,834	
Gas	0	
Sewer	161,718	
<b>Sub-total Utilities</b>	<b>311,428</b>	<b>PUPA: 2,307</b>
<b>Taxes and Licenses</b>		
Real Estate Taxes	4,000	Estimated special assessments
Payroll Taxes	0	
Miscellaneous Taxes, Licenses and Permits	872	
<b>Sub-total Taxes and Licenses</b>	<b>4,872</b>	<b>PUPA: 36</b>
<b>Insurance</b>		
Property and Liability Insurance	165,566	
Fidelity Bond Insurance	0	
Worker's Compensation	0	
Director's & Officers' Liability Insurance	0	
<b>Sub-total Insurance</b>	<b>165,566</b>	<b>PUPA: 1,226</b>
<b>Maintenance &amp; Repair</b>		
Payroll	132,578	
Supplies	36,495	
Contracts	53,850	
Garbage and Trash Removal	63,967	
Security Payroll/Contract	0	
HVAC Repairs and Maintenance	0	
Vehicle and Maintenance Equipment Operation and Repairs	0	
Miscellaneous Operating and Maintenance Expenses	42,919	
<b>Sub-total Maintenance &amp; Repair Expenses</b>	<b>329,809</b>	<b>PUPA: 2,443</b>
<b>Supportive Services</b>	128,000	Onsite resident services programs
<b>Commercial Expenses</b>	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
<b>TOTAL OPERATING EXPENSES</b>	<b>1,394,638</b>	<b>PUPA: 10,331</b>

Reserves/Ground Lease Base Rent/Bond Fees		
Ground Lease Base Rent	1	Francisco Unified School District; Provide additional comments here, if needed.
Bond Monitoring Fee	25,947	
Replacement Reserve Deposit	60,750	
Operating Reserve Deposit	0	
Other Required Reserve 1 Deposit	0	
Other Required Reserve 2 Deposit	0	
Required Reserve Deposits, Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
<b>Sub-total Reserves/Ground Lease Base Rent/Bond Fees</b>	<b>86,698</b>	<b>PUPA: 642</b>
<b>TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)</b>	<b>1,481,336</b>	<b>PUPA: 10,973</b>
<b>NET OPERATING INCOME (INCOME minus OP EXPENSES)</b>	<b>1,246,956</b>	<b>PUPA: 9,237</b>

Min DSCR: 1.2  
 Mortgage Rate: 4.25%  
 Term (Years): 17  
 Supportable 1st Mortgage Pmt: 1,039,130  
 Supportable 1st Mortgage Amt: \$12,563,519  
 Proposed 1st Mortgage Amt: \$18,756,585

DEBT SERVICE/MUST PAY PAYMENTS (*hard debt/ amortized loans)		
Hard Debt - First Lender	1,030,623	Permanent Loan - TBD Lender; Provide additional comments here, if needed.
Hard Debt - Second Lender (HCD Program 0.42% pmt, or other 2nd Lender)	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%
<b>TOTAL HARD DEBT SERVICE</b>	<b>1,030,623</b>	<b>PUPA: 7,634</b>

CASH FLOW (NOI minus DEBT SERVICE)		
	216,333	
<b>USES OF CASH FLOW BELOW (This row also shows DSCR.)</b>	<b>1.21</b>	
<b>USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL</b>		
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)		
Partnership Management Fee (see policy for limits)	25,119	2nd. PMF amount for 2024 allowed per MOHCD policy.
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	5,000	1st. LP Asset Mgt Fee allowed per MOHCD policy.
Other Payments		
Non-amortizing Loan Pmt - Lender 1 (select lender in comments field)	167,593	Tranche C Surplus Cash Loan; Provide additional comments here, if needed.
Non-amortizing Loan Pmt - Lender 2 (select lender in comments field)		Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt <= Max Fee from call 1130)		Def. Develop. Fee split: 0%; Provide additional comments here, if needed.
<b>TOTAL PAYMENTS PRECEDING MOHCD</b>	<b>197,712</b>	<b>PUPA: 1,465</b>

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)		
	18,621	
<b>Residual Receipts Calculation</b>		
Does Project have a MOHCD Residual Receipt Obligation?	Yes	Project has MOHCD ground lease? No
Will Project Defer Developer Fee?	No	
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:	33%	
% of Residual Receipts available for distribution to soft debt lenders in Yr 1:	67%	

Soft Debt Lenders with Residual Receipts Obligations	Select lender name/program from drop down	Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OCH - Soft Debt Loans	All MOHCD/OCH Loans payable from res. recs	\$42,900,000	99.85%
MOHCD/OCH - Ground Lease Value or Land Acq Cost	Ground Lease Value	\$150,000	0.35%
HCD (soft debt loan) - Lender 3			0.00%
Other Soft Debt Lender - Lender 4			0.00%
Other Soft Debt Lender - Lender 5			0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
MOHCD Residual Receipts Amount Due	12,414	67% of residual receipts, multiplied by 100% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	12,414	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 repaymt.

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
	6,207	
<b>NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>		
HCD Residual Receipts Amount Due	0	
Lender 4 Residual Receipts Due	0	
Lender 5 Residual Receipts Due	0	
<b>Total Non-MOHCD Residual Receipts Debt Service</b>	<b>0</b>	

REMAINDER (Should be zero unless there are distributions below)		
	6,207	
Owner Distributions/Incentive Management Fee	6,207	100% of Borrower share of 33% of residual receipts
Other Distributions/Uses	0	
<b>Final Balance (should be zero)</b>	<b>0</b>	



Affordable Multifamily Housing New Construction Cost Comparison

Updated 1/25/21

Table showing PROJECTS COMPLETED with columns for Project Name, Address, Lot size, Comp. Date, # of Units, # of BR, Res, Non-Res, Total, Acq. Cost, Constr. Cost, Soft Cost, Total Dev. Cost w/incl, Local Subsidy, Total Dev. Cost w/out Land, Notes on Financing, and Comments.

Table showing PROJECTS UNDER CONSTRUCTION with columns for Project Name, Address, Lot size, Comp. Date, # of Units, # of BR, Res, Non-Res, Total, Acq. Cost, Constr. Cost, Soft Cost, Total Dev. Cost w/incl, Local Subsidy, Total Dev. Cost w/out Land, Notes on Financing, and Comments.

Table showing PROJECTS IN PREDEVELOPMENT with columns for Project Name, Address, Lot size, Start Date (anticipated), # of Units, # of BR, Res, Non-Res, Total, Acq. Cost, Constr. Cost, Soft Cost, Total Dev. Cost w/incl, Local Subsidy, Total Dev. Cost w/out Land, Notes on Financing, and Comments.

Summary table for ALL PROJECTS showing Average values for Acquisition, Construction, Soft Costs, and Total Development Costs (Incl. Land), along with Leverage and Total Units.

Row for Shirley Chisholm Village Ed Hsg, 1351 42nd, 60,000, Oct-21, 135, 203, 157,635, 11,322, 186,957, \$124,692, \$91,022,801, \$13,548,753, \$120,071,316, \$42,900,000, \$119,946,624, 4% LHTC.

Table showing PROJECTS COMPLETED with columns for Project Name, Comp. Date, Acquisition/Construction/Soft Costs by Unit/Br/SqFt, Total Development Cost (Incl. Land), and Subsidy/Leverage.

Table showing PROJECTS UNDER CONSTRUCTION with columns for Project Name, Comp. Date, Acquisition/Construction/Soft Costs by Unit/Br/SqFt, Total Development Cost (Incl. Land), and Subsidy/Leverage.

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Summary table for All Projects showing Average values for Acquisition, Construction, Soft Costs, and Total Development Costs (Incl. Land), along with Leverage and Total Units.

**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

Francis Scott Key Annex  
\$3,000,000 Funding Amount  
Predevelopment

Evaluation of Request for:	Predevelopment Funding
Loan Committee Date:	August 17, 2018
Prepared By:	Faith Kirkpatrick
Source of Funds Recommended:	2015 GENERAL OBLIGATION BOND FOR AFFORDABLE HOUSING
NOFA/PROGRAM/RFP:	RFP
Total Previous City Funds Committed:	\$0
Applicant/Sponsor Name:	MidPen Housing
Borrowing Entity:	MP Francis Scott Key 1, LLC



**EXECUTIVE SUMMARY**

**Sponsor Information:**

Project Name:	Francis Scott Key Annex	Sponsor(s):	MidPen Housing
Project Address (w/ cross St):	1360 43 <sup>rd</sup> Avenue 94122 at Irving and Judah	Ultimate Borrower Entity:	TBD1- Paraeducator Entity TBD2- Teacher Entity

**Project Summary:**

This affordable project is a collaboration between the San Francisco Unified School District and MOHCD to create the first ever affordable housing for educators in the City. SFUSD has identified an underutilized site known as Francis Scott Key Annex that contains a 9,000 sf building that has been used primarily as storage space for almost 30 years. Through an RFP process that concluded in March 2018, MidPen Housing was selected as the developer for this project.

In the current conceptual plan for the site, there are 129 units with 50 units for low-income qualified educators (paraeducator roles), 78 units for moderate-income qualified educators (teacher roles) with AMI levels ranging from 40% AMI to 120% AMI and 1 manager’s unit. The conceptual plan also incorporates a publicly accessible open space of approximately 3,000 sf. This incorporation of public open space was outlined in the RFP in recognition of the current use of the site for public use as a skate park, community garden and playground.

**Project Description:**

Construction Type:	Type V	Project Type:	New Construction
Number of Stories:	4	Lot Size (acres and sf):	60,000 SF
Number of Units:	129	Architect:	BAR Architects
Total Residential Area:	94,690 sf	General Contractor:	TBD
Total Commercial Area:	n/a	Property Manager:	MidPen Property Management Corporation
Total Building Area:	118,494 sf	Supervisor and District:	Sup. Katy Tang (D4)
Land Owner:	SFUSD		
Total Development Cost (TDC):	\$72,740,570	Total Acquisition Cost:	\$57,500
TDC/unit:	\$563,880	TDC less land cost/unit:	\$563,880
Loan Amount Requested:	\$3,000,000	Request Amount / unit:	\$23,256
HOME Funds?	N		

## **PRINCIPAL DEVELOPMENT ISSUES**

- MOHCD and SFUSD are partnering to create educator housing that is 40% low-income (paraeducators) and 60% moderate-income (teachers). As such there is a variety of components that will need to be thoroughly researched with MOHCD, SFUSD, MidPen, project attorneys and outside consultants. The selected developer, MidPen Housing, has a demonstrated depth of affordable housing experience and creative vision for financing this unique project. This important project is an opportunity for San Francisco to become a model for educator housing for the state.

Aspects to be further developed are:

- Tax credit competitiveness (9%, tax credit investor view of structure)
  - See Section 6.5.1 Permanent Sources Evaluation Narrative
- Significant used of surplus loans (waiver of MOHCD residual receipts policy, determination of fit with CalFHA Surplus Loan Program, identification of CDFI partner for Tranche C Surplus Loan)
  - See Section 6.5.1 Permanent Sources Evaluation Narrative
- Limited tenancy for teachers (study applicability in San Francisco market)
  - See Section 4.7 Target Population
- Marketing, eligibility, tenant selection (confirm all legal implications of having restricted tenancy to SFUSD employees)
  - See Section 4.7 Target Population
- Appropriate Services Plan (study services that best fit the target population, develop services to support limited tenancy etc.)
  - See Section 4.7 Target Population
  - See Section 8 Support Services

## SOURCES AND USES SUMMARY

### LIHTC - Sources and Uses Summary

Predevelopment Sources	Amount	Terms	Status
MOHCD	\$3,000,000	0-3% simple interest / Res Rec	This Request
<b>Total</b>	<b>\$3,000,000</b>		

Permanent Sources – LIHTC	Amount	Terms	Status
Permanent Mortgage	\$4,796,980	30 yrs @ 6.4%	Not Committed
MOHCD	\$4,976,980	55 yrs @ 0-3% / Res Rec	Not Committed
GP Equity	\$100		Not Committed
AHP	\$520,000		Not Committed
Tax Credit Equity	\$19,280,903	\$0.95	Not Committed
<b>Total</b>	<b>\$29,574,963</b>		

Uses – LIHTC	Amount	Per Unit	Per SF
Acquisition	\$23,378	\$467.57	\$0.44
Hard Costs	\$24,500,815	\$490,016.29	\$461.77
Soft Costs	\$4,156,292	\$83,125.84	\$78.33
Developer Fee	\$894,478	\$17,889.56	\$16.86
<b>Total</b>	<b>\$29,574,963</b> <i>(40% of Total Project)</i>	<b>\$591,499</b>	<b>\$557</b>

### Moderate-Income Sources and Uses Summary

Permanent Sources – Moderate	Amount	Terms	Status
Permanent Mortgage	\$17,572,785	30 yrs @ 6.05%	Not Committed
CalFHA Surplus Loan	\$3,500,000	55 yrs @ 2%	Not Committed
Tranche C Surplus Loan	\$1,600,000	TBD	Not Committed
MOHCD	\$20,492,922	55 yrs @ 0-3% / Res Rec	Not Committed
<b>Total</b>	<b>\$43,165,707</b>		

Uses - Moderate	Amount	Per Unit	Per SF
Acquisition	\$34,122	\$431.92	\$0.43
Hard Costs	\$35,759,807	\$452,655.79	\$449.32
Soft Costs	\$6,066,256	\$76,788.05	\$76.22
Developer Fee	\$1,305,522	\$16,525.60	\$16.40
<b>Total</b>	<b>\$43,165,707</b> <i>(60% of Total Project)</i>	<b>\$546,401</b>	<b>\$542</b>

## Combined Sources and Uses Summary

*(Provided for presentation only)*

Permanent Sources – Project	Amount	Terms	Status
Permanent Mortgage	\$22,369,765	30 yrs @ 6.05%-6.40%	Not Committed
CalFHA Surplus Loan	\$3,500,000	55 yrs @ 2%	Not Committed
Tranche C Surplus Loan	\$1,600,000	TBD	Not Committed
MOHCD	\$25,469,902	55 yrs @ 0-3% / Res Rec	Not Committed
AHP	\$520,000		Not Committed
Tax Credit Equity	\$19,280,903	\$0.95	
GP Equity	\$100		Not Committed
<b>Total</b>	<b>\$72,740,670</b>		

Uses - Project	Amount	Per Unit	Per SF
Acquisition	\$57,500	\$445.74	\$0.43
Hard Costs	\$60,260,622	\$467,136.60	\$454.30
Soft Costs	\$10,222,548	\$79,244.56	\$77.07
Developer Fee	\$2,200,000	\$17,054.26	\$16.59
<b>Total</b>	<b>\$72,740,670</b>	<b>\$563,881</b>	<b>\$548</b>

### 1. BACKGROUND

#### 1.1. Project History Leading to This Request.

Since 2014, MOHCD, SFUSD and UESF along with Mayor’s Office staff have been engaged in a collaborative working group to identify resources and various approaches to address the increasing housing affordability crisis and its effects on the employees of SFUSD. In 2017, SFUSD conducted a survey of both their teacher and paraeducator employees and found that a majority of educators reported difficulty paying for housing.

This working group took a multi-pronged approach to tackle housing crisis solution for educators that include homeownership assistance, housing counseling, eviction defense, and brick and mortar development. Over the past ten years, the Teacher Next Door Program (TND) has provided educators with assistance for a downpayment for a home in San Francisco. Prior to 2014, the TND program served 51 households. Since new funding was made available in 2016, 25 educators have been served by MOHCD’s TND and Downpayment Assistance Program (DALP). Of those 25 educators, there have been 4 educators who were served by a unique set aside in the DALP program for SFUSD Educators known as Educators-DALP. Additionally, eviction counseling services and homeownership workshops specifically for educators have been offered through MOHCD’s grants to local nonprofits. Over the past two years, legal defense attorneys with the Eviction Defense Collaborative and the Justice & Diversity Center of the Bar Association of San Francisco provided the

following assistance to SFUSD employees: legal representation to 16 households, legal consultation to 21 households, and rental assistance to 7 households. During the same period, housing counselors at Homeownership San Francisco counseled 210 SFUSD employees on qualifying for MOHCD Affordable Rental and Homeownership opportunities.

The working group also studied the few examples of housing dedicated for teachers in California. During the 2000s, San Mateo Community College and Santa Clara Unified School District both completed multiple phased housing projects owned and financed by the college or school district and that was built by a turnkey developer. The financing used for both was Certificates of Participation (COP) (bonds) and the AMI targets met the salaries of primarily teachers. In 2015, the Los Angeles Unified School District developed one project that is financed fully by LIHTC, with 66 year ground lease to BRIDGE Housing, which developed the apartments. The LIHTC maximum AMI of 60% restricted the number of teachers who qualified, and thus the project has primarily non-teacher LAUSD employees.

With those case studies considered, the working group determined that, for San Francisco, a hybrid of both approaches was the most desirable to meet demand for a mix of AMIs and to finance without SFUSD issuing COPs given their other debt issuing needs for facilities. In order to pursue this hybrid structure, the working group worked with Assembly member Mark Leno to pass a state bill (No.1413) in 2016 to allow for LIHTC financing to be used on school district owned land to create housing for teacher or school district employees. The SF Board of Education and Board of Supervisors also passed local resolutions (BOS No. 99-17 and 238-17) in support of this state bill.

In looking into the possibility of building a rental apartment dedicated to SFUSD educators, the working group focused on site selection and financial feasibility. SFUSD provided site information for a number of underutilized sites that they own and do not anticipate needing for school purposes. The feasibility analysis considered the following attributes: current use and existence of buildings on site, site topography, site size, site shape, site zoning, and neighborhood context. Additionally, MOHCD provided initial analysis of development potential with unit yields and potential funding needs as a 4% tax credit project. After careful consideration, in May 2017 SFUSD determined that the Francis Scott Key Annex site located at 43<sup>rd</sup> and Irving would be made available for development to house educators. Alongside this pledge from SFUSD, MOHCD committed to financing the project with funds from the 2015 Prop A General Obligation Bond to fulfill the middle income housing objective. In June, the San Francisco Board of Supervisors and the Board of Education passed resolutions in support of building educator housing. In September 2017, SFUSD and MOHCD entered into an MOU to describe the working relationship between the two entities. Per the agreement MOHCD, will lead the developer selection process, development and entitlement process and collaborate with SFUSD on planning related to the operations of the project. MOHCD issued an RFP in October 2017, with SFUSD participation on the selection panel during

January to March 2018, which resulted in the selection of MidPen as the developer in March 2018.

The RFP included the joint statement of the unique goal of providing affordable housing to educators as follows:

By facilitating this Educator housing development, the City seeks to support SFUSD and its teachers, whose incomes are generally not high enough to afford market-rate rents or sales prices. SFUSD teacher recruitment and retention have suffered accordingly: in 2016-17, SFUSD faced, and needed to find candidates for, 664 teacher vacancies, up significantly from the previous year. A destabilized Educator workforce has extensive negative impacts on the City's schools, children, and families.

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

The borrowing entity for this loan is MP Francis Scott Key 1, LLC. See Section 4.1.1 for more about the financing structure for the project. Although there will be two projects from an ownership and financial perspective, the predominant work during predevelopment of architectural design and environmental review will proceed as a single project, making it much more efficient to administer one loan. Once the financing and unit split is finalized, a prorata share of the costs will be assigned from the original borrowing entity to the future ownership entity (splitting the loan into two).

The Sponsor/Developer is MidPen Housing which has developed and operated over 100 communities with more than 8,000 rental homes in the San Francisco Bay Area since its founding in 1970.

In addition to MidPen, the development team includes a Development Consultant, Barbara Christenson, who led San Mateo County Community College Districts' two highly successful educator housing projects. MidPen Housing also includes MidPen Housing Property Management and MidPen Housing Resident Services which will provide property management and resident services once the development is in operations.

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

Site Description	
Zoning:	Currently zoned Public, with a 40-X height and bulk. Rezoning is required to permit housing uses.
Maximum units allowed by current	0

zoning (N/A if rehab):	
Number of units added or removed (rehab only, if applicable):	N/A
Seismic (if applicable):	N/A
Soil type:	Unknown
Environmental Review:	The project has not undergone any environmental reviews at this point in time. However, as part of the project's predevelopment work the local environmental review will be completed.
Adjacent uses (North):	2-3 story residential buildings
Adjacent uses (South):	2-3 story residential buildings
Adjacent uses (East):	2-3 story residential buildings
Adjacent uses (West):	2-3 story residential buildings
Neighborhood Amenities within 0.5 miles:	Grocery: Other Avenues Grocery Cooperative (0.2 Miles) Schools: Francis Scott Key Elementary (0.2 miles), Holy Name (0.5 miles) Churches: St. Paul's (331 ft.), Sunset Church (0.4 miles)
Public Transportation within 0.5 miles:	N Judah, NX, and 18
Article 34:	Partially exempt, only applies to low-income units. Predevelopment work will include securing clearance from MOHCD for the approximately 50 affordable units.
Article 38:	Exempt <a href="https://www.sfdph.org/dph/files/EHSdocs/AirQuality/AirPollutantExposureZoneMap.pdf">https://www.sfdph.org/dph/files/EHSdocs/AirQuality/AirPollutantExposureZoneMap.pdf</a>
Accessibility:	10 % of units accessible and 100 % of units adaptable
Green Building:	The project will meet or exceed the City's minimum requirements for GreenPoint rating.
Recycled Water:	Exempt <a href="http://sfwater.org/index.aspx?page=687">http://sfwater.org/index.aspx?page=687</a>
Storm Water Management:	Not yet determined

2.1. Zoning. The sponsor has already held a preliminary meeting with the Planning Department to discuss zoning change options. The sponsor will submit a

Preliminary Project Assessment application to receive determination from Planning about the rezoning approach (PUD, CUA etc.).

2.2. Probable Maximum Loss. N/A

2.3. Local/Federal Environmental Review. The project is subject to the new Planning Application procedure that requires a single consolidated Project Application, including the Environmental Evaluation Application and any other supplemental applications determined to be required by Planning. The project will need to go through a Historical Resource Evaluation given that the Francis Scott Key Annex building is age eligible and deemed a Historic Resource Category B.

- Environmental Issues. Not yet determined.
- Phase I/II Site Assessment Status and Results. Not yet completed, but will be funded as part of the predevelopment scope of work.
- Potential/Known Hazards. Potential lead and asbestos in the existing building due to the age of the structure.

2.4. Adjacent uses and neighborhood amenities. The project site is close to the commercial corridor on Judah Street which has a broad selection of restaurants, coffee shops, bars, a hardware store, a bookstore, and a few specialty shops, and is 0.4 miles to Ocean Beach.

2.5. Green Building. The project will meet minimum City requirements for GreenPoint rating. Standard green and energy efficient features may include energy efficient fixtures and appliances, use of recycled and durable materials, and efficient distribution of heat and water.

3. OTHER ENTITLEMENTS ISSUES

3.1. Community Support.

From March 2016 to May 2016, the Planning Department led a design development and implementation project to enliven the underutilized parking lot at the FSK Annex site under their Pavement to Parks program. The result of that process turned the site into a neighborhood amenity with uses comprising of: community seating with gazebo, a community garden area, basketball courts, artist studios and art classes, a skate park, and a playground and exercise area. The Pavement to Parks program was largely driven by neighborhood engagement and visioning with extensive community input into the design development. Through that process, the neighbors engaged actively with Planning and Supervisor Tang's office to consider pros and cons of the activation of the site. The Friends of Playland is a neighborhood group that operates programming for the site, such as yoga and garden programs for children. The neighbors are engaged and supportive of the future of the site as educator housing, understanding that Playland has consistently been planned as a temporary use.

Building on her established relationships for Playland development, Supervisor Katy Tang hosted a community meeting at the FSK Annex site for



her constituents to meet MidPen as the selected developer for the future use of the site as housing. The event took place Saturday, June 2<sup>nd</sup>, 2018 between 10am and 12pm. This was an opportunity for MidPen to introduce themselves and the project to the neighbors. The event was well-attended and the project overall seems well received by the neighbors.

Some key issues to discuss in further community meetings are:

- Maintaining park and community use spaces on the site.
- Parking and transportation.
- Height and density of the building.

Additionally, MidPen has had initial meetings with each of these organizations and will continue to engage as the project progresses: Self Help for the Elderly, Sunset Youth Services, and Bay Area Community Resources.

MOHCD has approved MidPen's initial outreach plan, which includes a comprehensive list of stakeholders, as appropriate for the site.

#### 4. DEVELOPMENT PLAN

##### 4.1. Site Control.

It is anticipated that SFUSD will enter into a long-term ground lease (99 years) with the ownership entity(ies). It is currently anticipated that this ground lease will be very similar to a typical MOHCD ground lease.

##### 4.1.1. Proposed Property Ownership Structure

MidPen has initially determined that the project is best financed with two separate ownership entities that control condo subdivision or air rights parcels. The subdivided condos will be units mixed throughout the building, similar to an 80/20 mixed income deal. The financing will be distinct for each of the condos: one will be the low-income LIHTC financed condo and the other will be the moderate-income non-LIHTC financed condo. The standalone LIHTC project will be highly competitive for the 9% tax credit program and will be subject to LIHTC requirements. The standalone Moderate project will have more flexibility in terms of access to innovative moderate income financing and fewer operations requirements by not being included in the LIHTC project. For example, the Moderate income project will have more flexibility to offer shorter tenancy terms for teachers to live at the property, since LIHTC regulations will not apply.

Additionally, if the entire project proceeded as a single LIHTC deal, there would likely be significant challenges in working with a tax credit investor due to the high number of moderate income units. Investors focus heavily on the projected cash flow and associated losses that can be declared for tax purposes. Since the FSK project in its entirety would have a high percentage of moderate income units and generate significantly higher cash flow than a

typical LIHTC deal, this single entity structure would likely prove very unappealing for tax credit investors.

MP Francis Scott Key 1, LLC will own the Moderate Income project. MidPen Hermanas, Inc., a MidPen affiliate, will be the sole member/manager of the LLC.

MP Francis Scott Key 2 Associates, LP will own the LIHTC project. MidPen Hermanas, Inc., a MidPen affiliate will be the sole member of the General Partner of the Limited Partnership.

- 4.2. Proposed Design. The initial design concept is a 4 story wood-frame building with a small podium to take advantage of the slight slope in the site. The building was designed to maximize the unit count while maintaining a Type V (wood frame) building for cost efficiency. Double-loaded corridors and stacked units provide an efficient building layout surrounding a central courtyard. Resident amenity space is centered on the courtyard and includes a community room and laundry facilities, as well as property management offices. A resident services room is proposed on the 43<sup>rd</sup> Avenue street frontage, as well as a community room that will be open by reservation for use by the neighborhood at large. A publicly accessible outdoor community space is incorporated to serve the neighborhood at grade at 43<sup>rd</sup> Avenue, and a paseo connects 42<sup>nd</sup> and 43<sup>rd</sup> Avenues to improve the pedestrian experience.

Avg. Unit SF by type:	Studio: 450 1BR: 645 2BR: 950 3BR: 1,100  (Above sizes are stud to stud. Note ~10% reduction in stud to stud measurement to arrive at rentable square footage)
Residential SF:	96,911
Circulation SF:	17,955
Parking Garage SF:	10,680
Common Area SF:	10,383
Building Total SF:	132,645

- 4.3. Proposed Rehab Scope. N/A

- 4.4. Construction Supervisor/Construction Specialist's evaluation

Given the early stages of the predevelopment process, MOHCD's Construction Supervisor has performed a preliminary analysis of the Schematic Design and estimated construction costs for the proposed development of Francis Scott Key

housing. Although optimization of the site is still being explored, the proposed design, and the subject of this Loan Evaluation, reflects a project of 129 units in 4 stories of Type V construction, with a concrete Type I parking structure occupying approximately 11,000 sf of the ground floor to accommodate (currently) 26 parking spaces for residents within an approximately 132,000sf structure. The proposed design takes advantage of the sloped topography of the site, to reduce excavated area, establishing a ground level courtyard (reducing concrete podium structure and the foundation work required, while creating opportunities for mature landscaping) and which is responsive to the context of this predominantly single family neighborhood. The initial RFP Concept Design was successful in its efficient use of the site, consideration of the Playland and Community space, thoughtful design of courtyard and interior amenities and units. These essential components of the project teams' submission have remained constant as the project has completed a number of revisions responsive to early comments. The sponsor's approach to cost containment was also considered critical to their successful proposal, which has become increasingly difficult to navigate and Staff will seek to ensure that the benefit of this approach results in lower more stable costs, while maintaining a high level of design quality.

The current cost assumptions reflect an approximate \$454 per square foot, or \$467,136 per unit, which are within a reasonable range given the current stage of design. The estimate includes 3% for Design Development, 3% for Bid Contingency, 2% for Plan Check and 5% for Hard Cost Contingency. There is also reportedly an assumed 14% escalation to start of construction. These contingencies are within an appropriate range for the current stage of design development and will be adjusted as the project progresses, and the design assumptions are more refined.

4.5. Commercial Space. N/A

4.6. Service Space. Resident services space is proposed at grade at 43<sup>rd</sup> Avenue. It is anticipated that this space will be used to provide resident services such as afterschool programs. A Services Plan will be further refined as sponsor works with paraeducator and teacher focus groups to determine what types of services may be needed, including homeownership readiness and financial counseling.

4.7. Target Population As described in the RFP issued in October 2017, the units will be restricted to "Educators", defined as teachers and paraeducators employed by the San Francisco Unified School District and represented by the United Educators of San Francisco.

Teacher: A teacher is a certificated employee of the San Francisco Unified School District represented by the United Educators of San Francisco (UESF) who has a credential in good standing with the California Commission on Teacher Credentialing. For the purpose of housing eligibility, this definition excludes probationary employees (including teachers on an Emergency Credential and all other teachers who do not have permanent status in the District) and day-to-day substitute teachers.

Paraeducator: A paraeducator is a classified employee of the San Francisco Unified School District represented by the United Educators of San Francisco (UESF). For the purpose of housing eligibility, this definition excludes day-to-day substitute paraeducators. Examples of paraeducators include classifications such as instruction aide, special education instructional aide and support services.

MidPen will work with the City and SFUSD to establish occupancy eligibility standards and verification systems prior to any marketing and lease-up.

It is anticipated that Educators in units not financed with low-income housing tax credits (LIHTC), as applicable, will have a limited tenancy of up to 7 years in order for the program to serve as many Educators as possible. The 7 year timeframe limit was implemented in the Santa Clara and San Mateo teacher housing projects, and deemed successful by the project sponsors. MOHCD and SFUSD will collaborate with MidPen to study limited tenancy in the context of the San Francisco housing market and to create early assistance strategies to help Educators transition to new housing opportunities at the end of their tenures, such as access to the City’s down-payment assistance loan programs and other assisted ownership opportunities.

4.8. Marketing & Occupancy Preferences

The project will be marketed to Paraeducators and Teachers employed by SFUSD. The specifics of the marketing plan are to be determined and will be approved by MOHCD.

4.9. Relocation. N/A

5. DEVELOPMENT TEAM

<b>Development Team</b>			
<b>Consultant Type</b>	<b>Name</b>	<b>SBE/LBE</b>	<b>Outstanding Procurement Issues</b>
Project Manager	Andrew Bielak, MidPen	N	N/A
Architect	BAR Architects	N	N/A
Landscape Architect	TBD	N/A	N/A
JV/other Architect	TBD	N/A	N/A
General Contractor	TBD	N/A	N/A
Owner’s Rep/Construction Manager	N/A	N/A	N/A
Financial Consultant	TBD	N/A	N/A
Legal	Lubin Olson	N	N/A
Property Manager	MidPen Property	N	N/A

	Management		
Services Provider	MidPen Resident Services	N	N/A

5.1. Outstanding Procurement Issues. The Procurement Plan is being drafted and will be approved by San Francisco Contract Management Department.

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 (this project and historical for the project): N/A

6.2. Disbursement Status. The project has incurred costs dating back to April 23, 2018. Loan Committee approves payment of costs no earlier than April 23, 2018 so long as these costs are deemed acceptable and correspond to predevelopment budget attached herein.

6.3. Fulfillment of Loan Conditions. N/A

6.4. Proposed Predevelopment Financing

6.4.1. Predevelopment Sources Evaluation Narrative

2015 General Obligation Bonds will be used for this project in support of middle income housing development.

6.4.2. Predevelopment Uses Evaluation:

<b>Predevelopment Budget</b>		
<b>Underwriting Standard</b>	<b>Meets Standard? (Y/N)</b>	<b>Notes</b>
Acquisition Cost is based on appraisal	Y	N/A, land will be a long term ground lease structure. Acquisition costs considered are minimal legal and title fees.
Architecture and Engineering Fees are within standards	Y	These are on the lower end of the spectrum.
Bid Contingency is at least 5% of total hard costs	Y	
Escalation amount is commensurate with time period until expected construction start, not to exceed 15%	Y	Escalation hard costs is set at approximately 14% (not including contingencies)
Construction Management Fees are within standards	Y	
Developer Fee is within standards	Y	Total Dev Fee is \$500,000
Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is 10%

6.5. Potential Permanent Financing Permanent financing being presented to demonstrate the project's overall feasibility but not intended to be presented for approval at this time.

6.5.1. Permanent Sources Evaluation Narrative:

During predevelopment, MidPen will further consider financing structuring and particular middle income/moderate income funding sources that may become available. The project is currently anticipated to be structured as two separate parcels with separate financing (LIHTC parcel and moderate income parcel).

See Sources and Uses Summary for amounts and terms. The current proposed sources are:

- 9% Tax Credits, geographic set-aside
  - (LIHTC only, N/A for moderate income)
- Conventional permanent mortgage
  - Two tranches (LIHTC and moderate income)
- CalHFA Surplus Cash Loan
  - (Moderate income only, N/A for LIHTC)
- Tranche C Surplus Loan
  - (Moderate income only, N/A for LIHTC)
- MOHCD Gap Loan
  - Two tranches (LIHTC and moderate income)

LIHTC sources:

**Tax Credit Equity:** The LIHTC project is currently proposed as a 9% tax credit project, with an estimate of \$0.95/credit. At time of RFP, respondents were instructed to use a 4% tax credit and tax exempt bond structure, but subsequently the City determined the restricted use to educators was not compliant with the tax exempt bond general use requirements. FSK Annex is currently in the MOHCD 9% queue for Round 1 2020.

**AHP:** AHP is considered at an amount of \$10,000 per unit. The project is somewhat competitive based on size and location, but would not reach maximum points due to the lack of special needs units, making it only moderately competitive.

Moderate income sources:

The CalHFA Subsidy Loan Program is targeted to middle and moderate income projects with affordability restrictions to households earning no more than 120% AMI. Although CalHFA has not been selected as a lender, MidPen has had initial conversations that indicate the loan program to be a viable option. MidPen will continue to evaluate other potential lenders. CalHFA is required to be the permanent loan provider in order for the project to receive the Subsidy Loan. The CalHFA Subsidy Loan is sized as up to 50% of available cashflow after any deferred developer fee and must be prepaid in full through annual residual receipts. The maximum allowable CalHFA Subsidy Loan is \$3,500,000 and is payable over a 55 year term and maximum interest rate of 2%. This funding source is non-competitive and is available on a rolling basis without specific funding rounds in a given year.

MidPen anticipates receiving a commitment in early 2020 prior to tax credit application. MidPen expects to use the CalHFA Subsidy Loan program on two other projects in their pipeline, Midway Village in Daly City, and Downtown San Mateo.

Additional Surplus Cash Loan (Tranche C). Additionally, MidPen has had initial conversations with CDFIs that provide subordinate loan products. The initial assumption at this time is that there will be a higher interest rate (7.5% is current projection) than the CalHFA product. MidPen estimates this could generate another \$1.6MM. MidPen also commits to backstop this upper tier tranche with our own resources, if necessary.

By utilizing this financing strategy with multiple layers of subordinate debt, the sponsor can fund a sizable portion of the existing gap through private financing and reduce the MOHCD contribution. MidPen submitted this structure as part of their RFP response that was considered highly innovative by the selection panel. To utilize this approach, MidPen will seek permission from MOHCD to deviate from the standard Residual Receipts Policy to allow the utilization of 90% of the surplus cash in the first 15 years to debt service a surplus cash loan. The surplus cash loan is sized to be fully paid off in 15 years, and thereafter for the life of the project, the cashflow split will return to the MOHCD standard of 2/3 of residual receipts to MOHCD. The impact of the non-traditional waterfall cashflow split on MOHCD repayment will be studied during predevelopment, but the flexibility of the Moderate income standalone project allows for creative approaches to cashflow that do not have to meet true debt tests that are required with a tax credit project.

6.5.2. Permanent Uses Evaluation:

<b>Development Budget</b>		
<b>Underwriting Standard</b>	<b>Meets Standard? (Y/N)</b>	<b>Notes</b>
Hard Cost per unit are within standards	Y	\$467,136 /unit w/o Land Cost
Construction Hard Cost Contingency is at least 5% (new construction) or 15% (rehab)	Y	Hard Cost Contingency is 5%
Architecture and Engineering Fees are within standards	N/A	Sufficient information has not yet been provided to review the A/E fees
Construction Management Fees are within standards	Y	
Developer Fee is within standards, see also disbursement chart below	Y	Total Dev Fee is \$2,200,000 per TCAC maximum. Developer Fee will be studied during predevelopment

Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is 8.8%
Capitalized Operating Reserves are a minimum of 3 months	N	Capitalized Operating Reserve is equal to 3 months

<b>Developer Fee Disbursement Schedule</b>		
<b>Payment Milestone</b>	<b>% of Project Mgmt Fee</b>	<b>Amount</b>
At Acquisition or closing of preconstruction financing	15%	<b>\$150,000</b>
During or at end of Predevelopment	35%	<b>\$350,000</b>
During or at End of Construction	35%	<b>\$350,000</b>
At Project Close Out	15%	<b>\$150,000</b>
At Risk		<b>\$1,200,000</b>
Total Developer Fee	100%	<b>\$2,200,000</b>

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

7.1. Annual Operating Budget. The annual operating budget is presented to demonstrate the project's overall feasibility but not intended for approval at this time.

7.2. Income



		Studio	One Bdrm	Two Bdrm	Three Bdrm	Total Units	% Units
Para Educators	40% AMI	4	5	7	2	18	14%
	50% AMI	4	5	7	2	18	14%
	60% AMI	2	5	6	1	14	11%
	<b>Unit Type Total</b>	10	15	20	5	50	39%
	<b>Unit Type %</b>	20%	30%	40%	10%	Avg. AMI 49%	
Teachers	80% AMI	6	12	6	1	25	19%
	100% AMI	6	13	6	2	27	21%
	120% AMI	5	12	7	2	26	20%
	<b>Unit Type Total</b>	17	37	19	5	78	60%
	<b>Unit Type %</b>	22%	47%	24%	6%	Avg. AMI 100%	
Mgr				1		1	
	<b>Unit Type Total</b>	<b>27</b>	<b>52</b>	<b>40</b>	<b>10</b>	<b>129</b>	<b>99%</b>
	<b>Unit Type %</b>	<b>21%</b>	<b>40%</b>	<b>31%</b>	<b>8%</b>	<b>Avg. AMI 80%</b>	

Para Educator	
<b>Rent Range</b>	\$1,026 to \$2,287
<b>Avg Rent</b>	\$1,495

Teacher	
<b>Rent Range</b>	\$1,658 to \$3,552
<b>Avg Rent</b>	\$2,422

7.3. Annual Operating Expenses Evaluation.

Operating Proforma		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Debt Service Coverage Ratio is between minimum 1.10:1 and maximum 1.15:1 at year 15	Y	DSC is 1.15:1
Debt Service Coverage Ratio stays above 1.00:1 for entirety of projected 20-year cash flow	Y	
Vacancy meets TCAC Standards	Y	Vacancy is 5%
Annual Income Growth is increased at 2.5% per year	Y	Income escalation factor is 2.5%
Annual Operating Expenses are increased at 3.5% per year	Y	Expenses escalation factor is 3.5%
Base year operating expenses per unit are reasonable per comparables	Y	Total Operating Expenses are \$7,100 per unit
Property Management Fee is at allowable HUD Maximum	Y	Total Property Management Fee \$69.5 PUPM

Property Management staffing level is reasonable per comparables	Y	1.5 FTE
Asset Management and Partnership Management Fees meet standards	Y	Annual AM Fee is \$7,000/yr Annual PM Fee is \$20,000/yr
Replacement Reserve Deposits meet or exceed TCAC minimum standards	Y	Replacement Reserves are \$446 per unit per year, and will meet requirements for the TCAC project
Limited Partnership Asset Management Fee meets standards	Y	Annual LP Asset Mgmt Fee is \$5,000 yr

## 8. SUPPORT SERVICES

- 8.1. Services Plan. MidPen Resident Services will provide onsite services to residents of both the tax credit and middle-income projects. It is anticipated that the services will include MidPen’s afterschool programming. In addition, services such as financial skills, and homeownership classes are anticipated to be provided. The Services Plan will be submitted to MOHCD and SFUSD for review and approval prior to gap loan closing.
- 8.2. Service Budget. The Service Budget is not yet finalized as project service plan is not yet designed. The Service Budget will be submitted to MOHCD for review and approval prior to gap loan closing.
- 8.3. HSH Assessment of Service Plan and Budget. N/A

## 9. RFP SCORING CRITERIA

Selection Criteria – (100 points possible):

All applications that meet the minimum experience and capacity requirements will be rated and ranked according to the following scoring criteria:

	Category	Points
(1)	<b>Experience:</b>	40
a.	Developer Experience (25 pts):	
b.	Architect Experience (10 pts):	
c.	Property Management Experience (5 pts):	
(2)	Development Concept and Preliminary Site Plan:	35
(3)	Financing and Cost Control Innovations:	25
	<b>TOTAL POSSIBLE POINTS</b>	<b>100</b>

## 10. RANKING CRITERIA

	<b>Category</b>	<b>Possible points</b>	<b>MidPen</b>
1)	<b>Experience</b>	40	30
2)	<b>Development Concept and Preliminary Site Plan</b>	35	28
3)	<b>Financing and Cost Control Innovations</b>	25	25
	<b>Total</b>	<b>100</b>	<b>83</b>

MidPen received the highest score amongst four applicants that included 1) MidPen Housing 2) Mercy Housing 3) Related California, Mission Housing Development Corporation and Education Housing Partners Inc. 4) John Stewart Company, BRIDGE Housing Corporation, and San Francisco Housing Development Corporation.

## 11. STAFF RECOMMENDATIONS

### 11.1. Proposed Loan/Grant Terms

<b>Financial Description of Proposed Loan</b>	
Loan Amount:	\$3,000,000
Loan Term:	57 years
Loan Maturity Date:	2075
Loan Repayment Type:	Residual Receipts
Loan Interest Rate:	0% - 3%

### 11.2. Recommended disbursement conditions/schedule N/A

### 11.3. Recommended conditions prior to financing gap


- Sponsor must investigate all moderate income funding sources available and submit comprehensive findings report to MOHCD for approval.
- MOHCD must review Request For Proposals (RFPs) for equity investors before it is finalized and released for investors.
- MOHCD must review raw financial data from developer or financial consultant prior to selection.
- MOHCD must approve all selected investors.
- MOHCD must review and approve all Letters of Intent.
- MOHCD must review Services Plan and Budget.

## 12. LOAN COMMITTEE MODIFICATIONS

LOAN COMMITTEE RECOMMENDATION


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

APPROVE.     DISAPPROVE.     TAKE NO ACTION.

  
\_\_\_\_\_  
Kate Hartley, Director  
Mayor's Office of Housing

Date: 8/17/18

APPROVE.     DISAPPROVE.     TAKE NO ACTION.

  
\_\_\_\_\_  
Kerry Abbott, Deputy Director of Programs  
Department of Homelessness and Supportive Housing

Date: 8-17-18

APPROVE.     DISAPPROVE.     TAKE NO ACTION.

  
\_\_\_\_\_  
for Nadia Sesay, Executive Director  
Office of Community Investment and Infrastructure

Date: 8-17-18

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

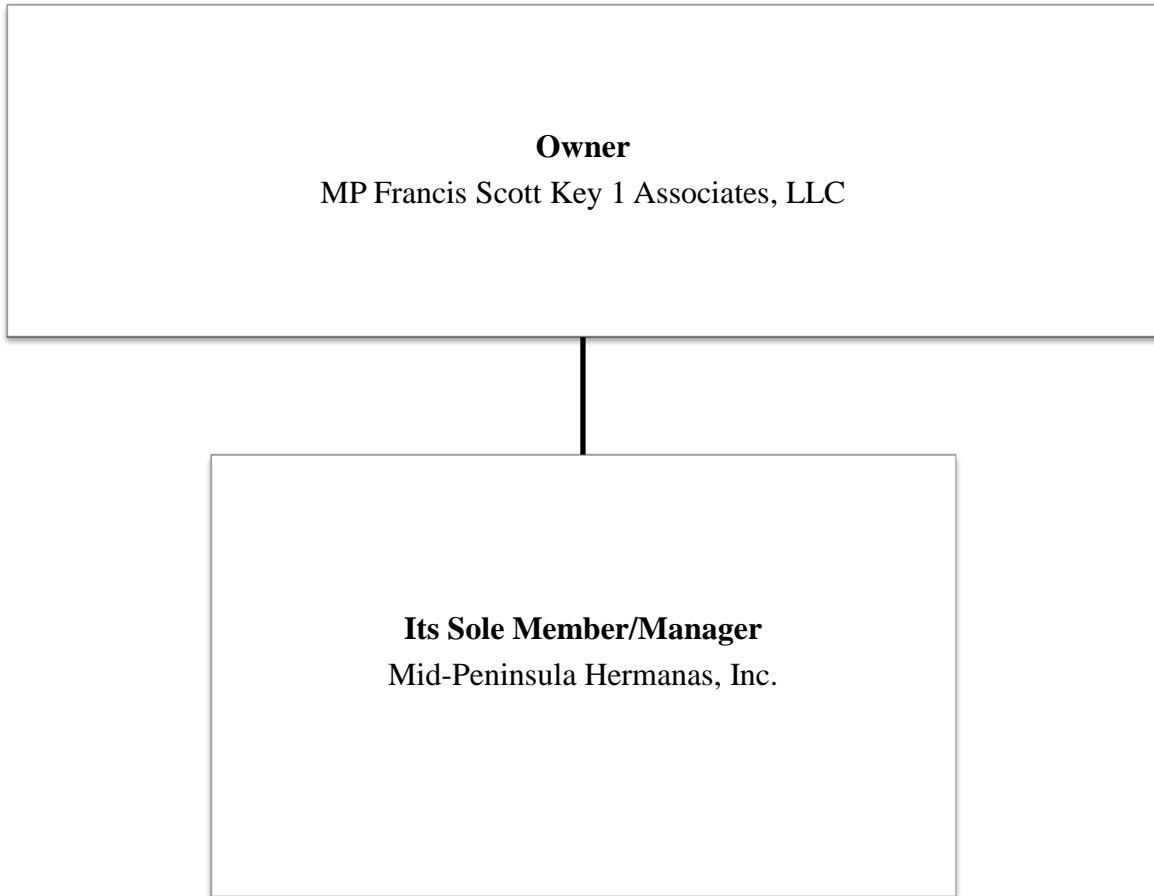
**Attachment A: Project Milestones and Schedule**

<b>No.</b>	<b>Performance Milestone</b>	<b>Estimated or Actual Date</b>	<b>Contractual Deadline</b>
A.	Prop I Noticing (if applicable)	<u>09/2018</u>	
1	Acquisition/Predev Financing Commitment	<u>08/2018</u>	
2.	Site Acquisition	<u>03/2021</u>	
3.	Development Team Selection		
a.	Architect	<u>06/2018</u>	
b.	General Contractor	<u>04/2019</u>	
c.	Owner's Representative -	<u>04/2019</u>	
d.	Property Manager – <i>Note MidPen Property Management Corporation will be property manager</i>	<u>06/2018</u>	
e.	Service Provider – <i>Note – MidPen Resident Services Corporation will be service provider</i>	<u>06/2018</u>	
4.	Design		
a.	Submittal of Schematic Design & Cost Estimate	<u>02/2019</u>	
b.	Submittal of Design Development & Cost Estimate	<u>08/2019</u>	
c.	Submittal of 50% CD Set & Cost Estimate	<u>12/2019</u>	
d.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	<u>04/2020</u>	
5.	Environ Review/Land-Use Entitlements	<u>12/2019</u>	
a.	CEQA Environ Review Submission	<u>12/2018</u>	
b.	NEPA Environ Review Submission	<u>N/A</u>	
c.	CUP/PUD/Variiances Submission	<u>12/2018</u>	
6.	Permits		
a.	Building / Site Permit Application Submitted	<u>09/2019</u>	
b.	Addendum #1 Submitted	<u>3/2020</u>	
c.	Addendum #2 Submitted	<u>3/2020</u>	
7.	Request for Bids Issued	<u>09/2019</u>	
8.	Service Plan Submission		

a.	Preliminary	<u>01/2019</u>	
b.	Interim	<u>1/2020</u>	
c.	Update	<u>6/2020</u>	
9.	Additional City Financing		
a.	Predevelopment Financing Application #2	<u>N/A</u>	
b.	Gap Financing Application	<u>02/2020</u>	
10.	Other Financing		
a.	MHP Application	<u>N/A</u>	
b.	Construction Financing RFP	<u>08/2020</u>	
c.	AHP Application	<u>01/2020</u>	
d.	CDLAC Application	<u>N/A</u>	
e.	TCAC Application (9%)	<u>06/2020</u>	
f.	HUD 202 or 811 Application	<u>N/A</u>	
g.	Other Financing Application	<u>01/2020</u>	
11.	Closing		
a.	Construction Closing	<u>03/2021</u>	
b.	Permanent Financing Closing	<u>11/2022</u>	
12.	Construction		
a.	Notice to Proceed	<u>03/2021</u>	
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	<u>11/2022</u>	
13.	Marketing/Rent-up		
a.	Marketing Plan Submission	<u>2/2022</u>	
b.	Commence Marketing	<u>5/2022</u>	
c.	95% Occupancy	<u>2/2023</u>	
14.	Cost Certification/8609	<u>11/2023</u>	
15.	Close Out MOH/OCII Loan(s)	<u>11/2023</u>	

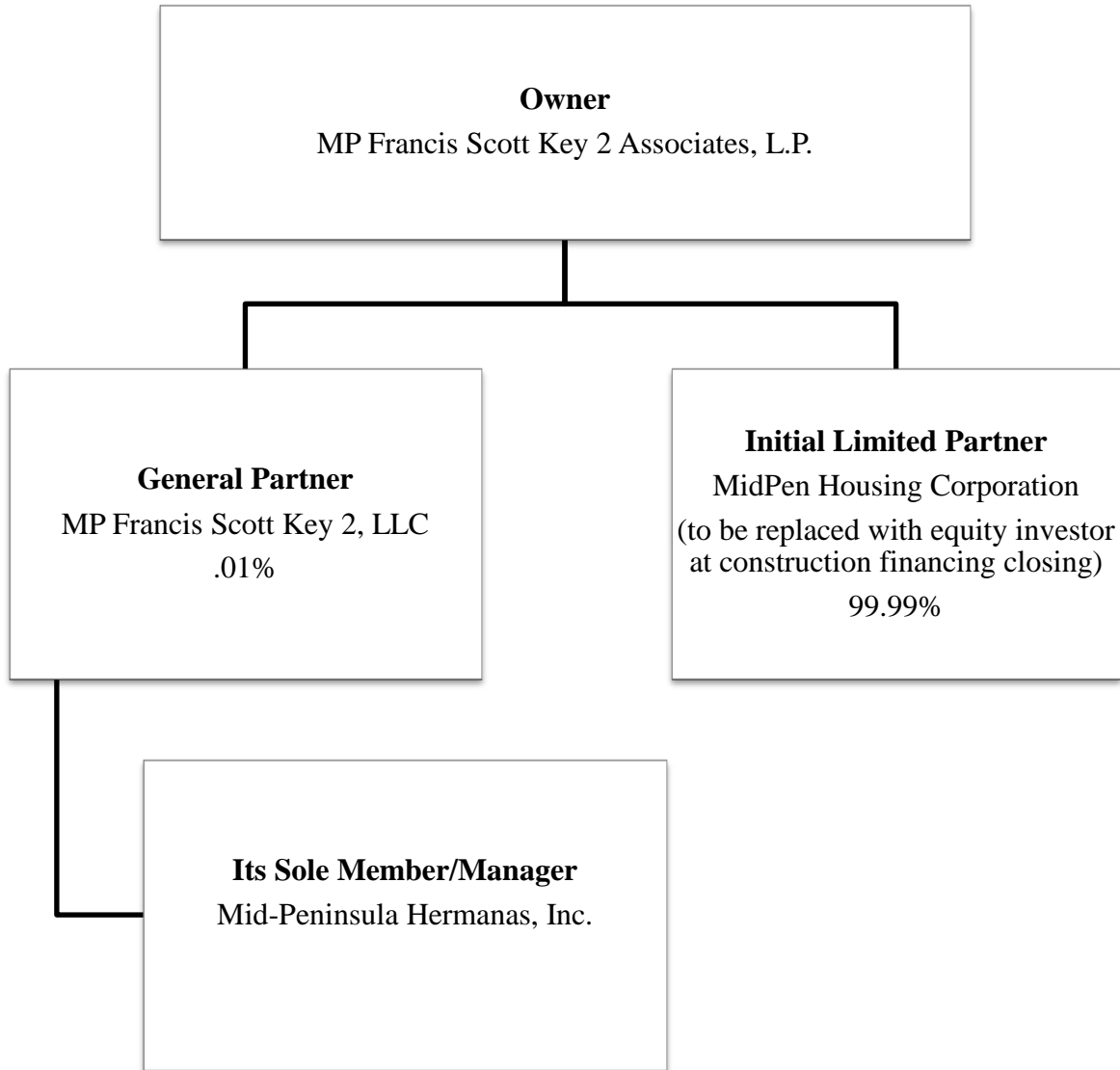
**Attachment B: Borrower Org Chart**

Teacher Housing Ownership





Paraeducator Housing Ownership



## **Attachment C: Developer Resume**

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### ***Development Team:***

***Barbara Christensen***, former Director of Community and Government Relations at the San Mateo County Community College District, serves as the teacher housing Development Consultant to MidPen for this project. Ms. Christensen is an expert in planning and programming educator housing, speaks on the topic on numerous teacher housing panels, and consults with other School Districts. She managed the development of the first-ever residential housing program for community college faculty and staff at College Vista, which opened in 2005, and oversaw a second development at Cañada Vista, which was completed in 2010. Both projects garnered statewide architectural awards and local accolades. Ms. Christensen's experience overseeing these two development projects from initial concepts, to design, entitlement, and construction, and ultimately to full lease-up and operation, is a tremendous asset.

***Matthew O. "Matt" Franklin***, has served as MidPen Housing Corporation President since July 2008. Matt is responsible for the strategic direction of MidPen and oversees all areas of the company including real estate development, property and asset management, corporate administration, and resident services. Matt came to MidPen from an appointed post as Executive Director of the San Francisco's Mayor's Office of Housing, where he coordinated all City housing policy and oversaw the financing for 3,500 new affordable rental units and the compliance monitoring for 24,000 existing affordable units. He also served as the Director of California's Department of Housing and Community Development; Vice President of Emerging Markets for Wells Fargo Home Mortgage, where he managed multi-billion dollar programs producing more than 100,000 loans nationwide for low-moderate-income and minority customers; and senior positions at the U.S. Department of Housing and Urban Development (HUD) under President Clinton. Currently, Matt serves on the Board of Directors for the National Housing Trust and the Housing Partnership Network. He held previous board posts with the Non-Profit Housing Association of Northern California, where he served as Board Chair, the California Housing Consortium, California Housing Finance Agency, and the California Tax Credit Allocation Committee.

***Jan M. Lindenthal***, has served as MidPen's Vice President of Real Estate Development since February 2009 and has over 25 years of experience in community development and affordable housing in the Bay Area. Prior to MidPen, she served as Vice President of Development and Construction at South County Housing overseeing the production of more than 1,600 affordable housing units at nearly 30 properties, winning several national awards for excellence. One of these developments was the 10-unit *Viale Teacher Housing Project*

*(Ownership)* constructed in 2005 in Morgan Hill. Her experience in working on mixed-income teacher housing includes working with her team to survey Morgan Hill Unified School District teachers and creating a preference program that used a tiered structure to give first preference to local school district teachers. Prior to her role at South County, Ms. Lindenthal held key roles at the Santa Clara County Housing Authority and the Central New York Planning and Development Board. Currently, she serves on the Board of Directors for Build It Green and Silicon Valley @ Home.

**Alicia Gaylord**, Director of Housing Development at MidPen Housing. Ali comes to MidPen from her former position as Director of Development at BRIDGE Housing. During her tenure at BRIDGE, Ms. Gaylord gained development experience building affordable multifamily housing in San Francisco. Two of her most recent projects, *490 South Van Ness* and *1950 Mission Street*, are under development. Her geographic territory for MidPen includes leading MidPen’s North Bay and San Francisco developments. She will oversee the development team during entitlement, financing, and construction phases of the project.

**Andrew Bielak**- Project Manager at MidPen Housing. Andrew has worked for two years as a development project manager at MidPen Housing. Prior to working at MidPen, Andrew worked for the New York City Department of Housing Preservation and Development (HPD) on the Multifamily Storm Recovery program, which provided assistance to multifamily development damaged by Hurricane Sandy. During his time at HPD, Andrew served as project manager, deputy director, and director for the Storm Recovery program. Andrew will manage the day-to-day development, finance, and construction aspects of the project.

DEVELOPER (Name):	MidPen Housing	Total FTE %	Development Project Assignments (% FTE for each assignment)		Other / Admin Assignments
			FSK Annex	Other Projects	-
Staff person Name	Position Title				
Matthew Franklin	President	100%	5%	45%	50%
Jan Lindenthal	Chief Real Estate Development Officer	100%	10%	70%	20%
Alicia Gaylord	Director of Housing Development	100%	25%	55%	20%
Andrew Bielak	Project Manager	100%	60%	30%	10%
Lisa Howlett	Associate Project Manager	100%	45%	45%	10%
Barbara Christensen	Development Consultant	15%	15%	35%	50%
Alice Talcott	Vice President of Design and Finance	100%	10%	80%	10%
Felix AuYeung	Director of Business Development	100%	10%	70%	20%

## **Attachment D: Asset Management Evaluation of Project Sponsor**

MidPen provided a Real Estate Owned schedule to MOHCD of their entire portfolio dated December 31, 2017. The schedule had 105 properties and only one property had a Debt Service Coverage ratio of less than 1.00:1.00 at 0.97:1.00. MidPen Asset Management considered replacement reserves and debt in this metric. Without including replacement reserves, the DSCR for that one property is 1.05:1.00. Additionally, that project has an operating reserve of \$90,000 to fund any operating deficits. MidPen projects that this project will increase revenue by 11.4% in 2018 and have a positive DSCR.

MidPen appears to have professional asset management systems in place and a healthy portfolio.

**Attachment E: Site Map with amenities**



# FSK Educator Housing Amenities

Red circle represents radius of 0.5 miles from FSK educator housing

Legend



Google Earth

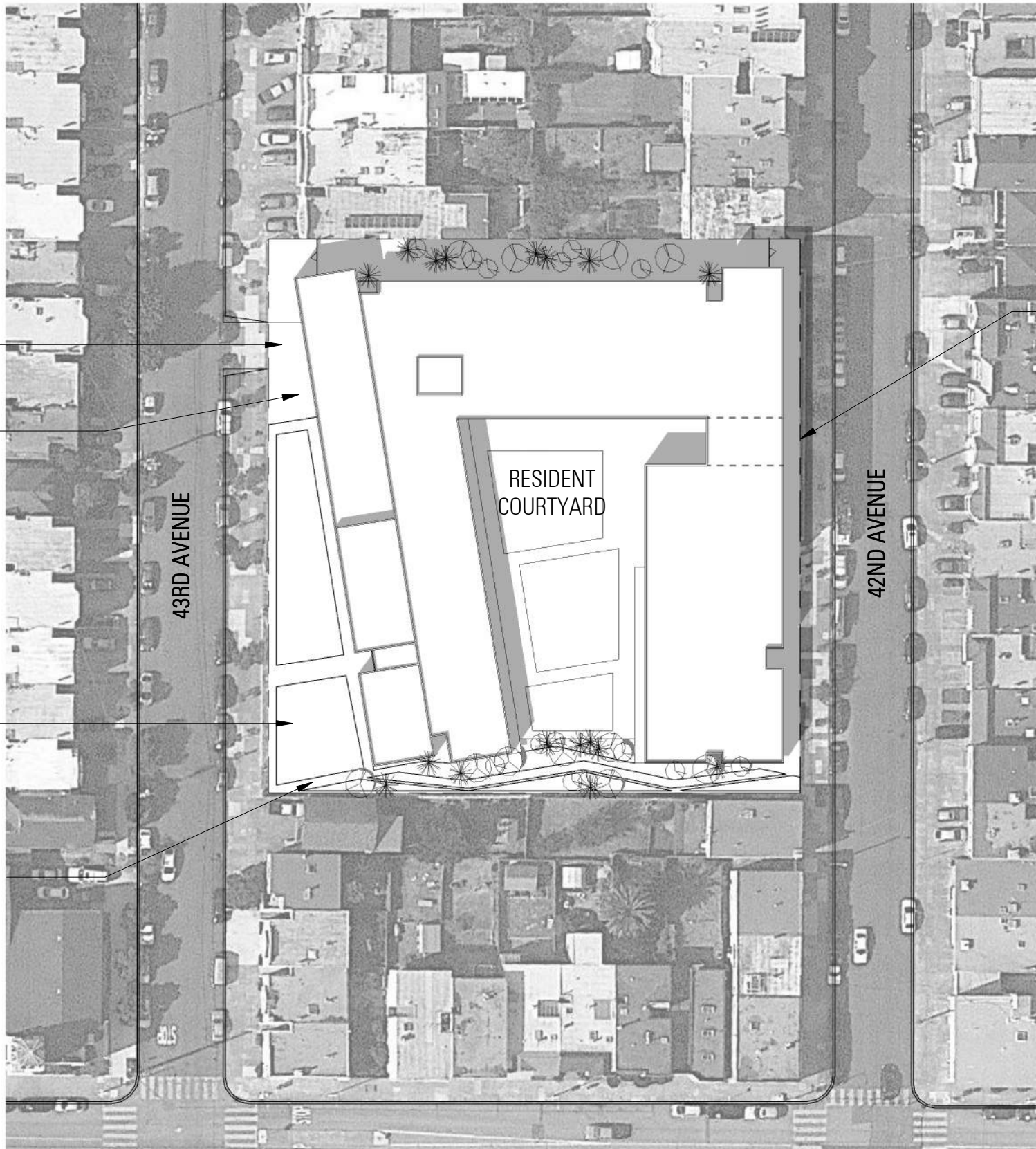
© 2018 Google



2000 ft



**Attachment F: Elevations and Floor Plans**



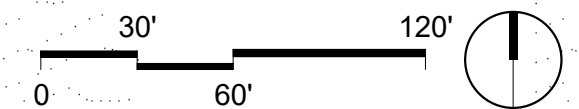
**OPTION 1 - BUILDABLE AREA**

	GROSS	RES	COMMON	PUBLIC	CIRC	UTILITY	GARAGE
LVL 1	8,743	0	2,510	2,951	886	2,396	10,680
LVL 2	31,466	22,248	4,354	0	4,354	510	0
LVL 3	32,300	26,878	641	0	4,268	513	0
LVL 4	32,300	26,878	641	0	4,268	513	0
LVL 5	27,836	20,907	2,237	0	4,179	513	0
TOTAL	132,645	96,911	10,383	2,951	17,955	4,445	10,680
		110,245			22,400		

NOTE: GROSS BUILDING SF DOES NOT INCLUDE GARAGE

**OPTION 1 - UNIT MIX**

	ST	1BR	2BR	3BR	
	448 SF	644 SF	952 SF	1,176 SF	
LVL 1	0	0	0	0	0
LVL 2	6	10	10	2	28
LVL 3	7	15	11	3	36
LVL 4	7	15	11	3	36
LVL 5	7	12	8	2	29
	27	52	40	10	
	79		50		129
	61%		39%		







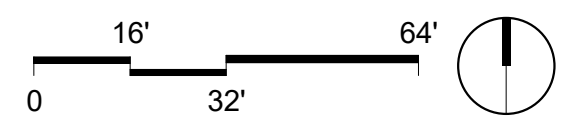
### OPTION 1 - BUILDABLE AREA

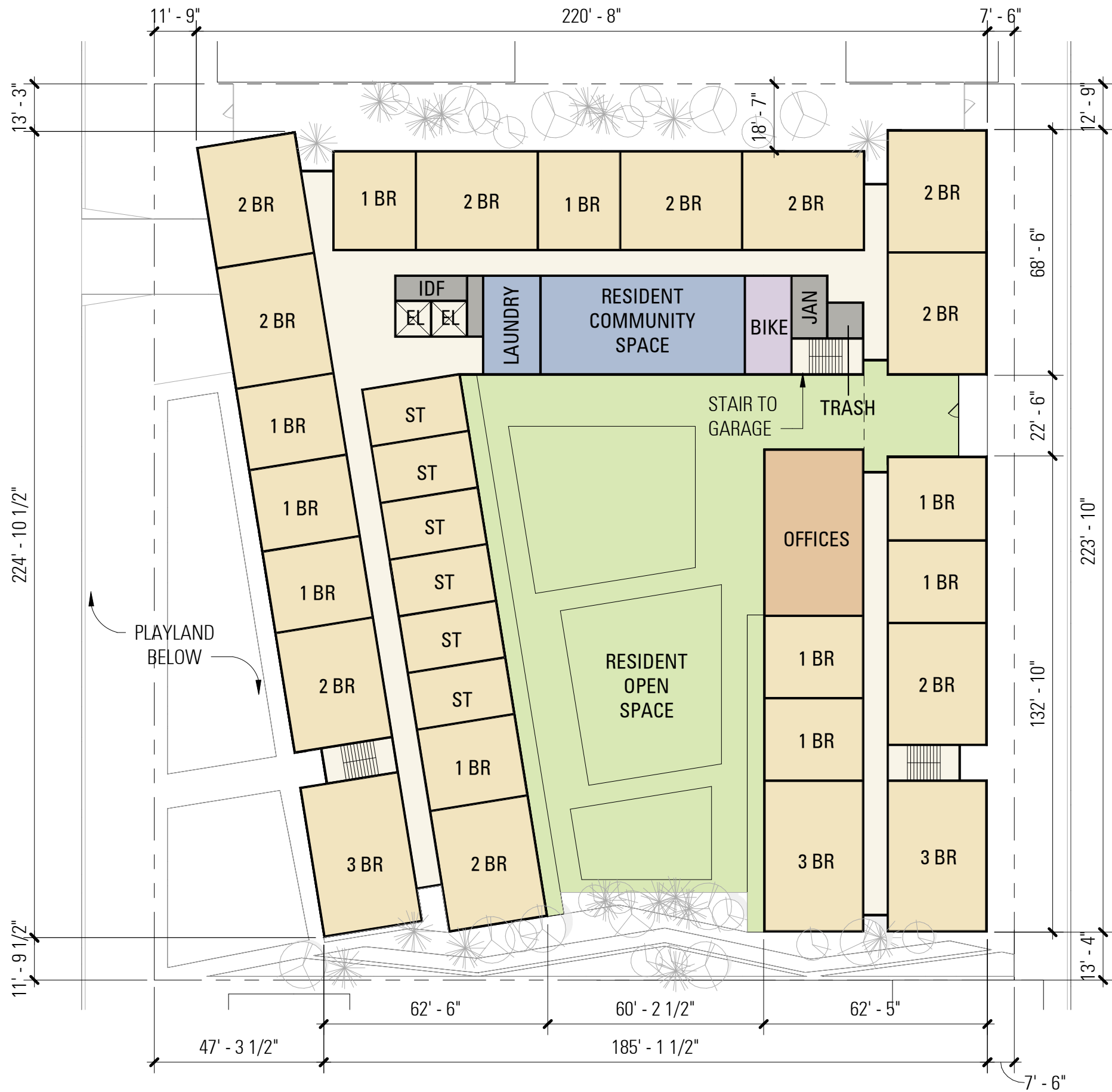
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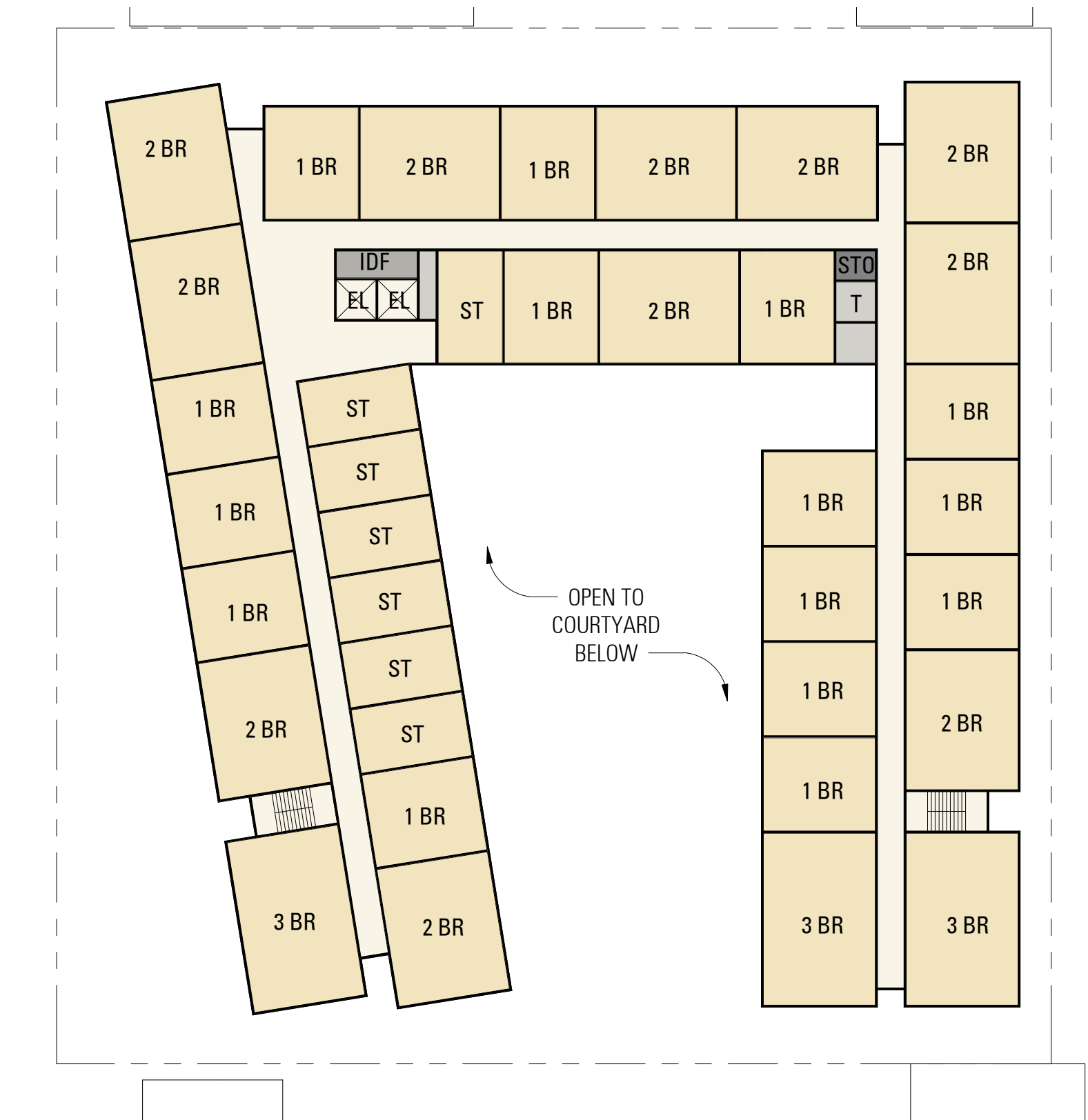
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NOTE: GROSS BUILDING SF DOES NOT INCLUDE GARAGE

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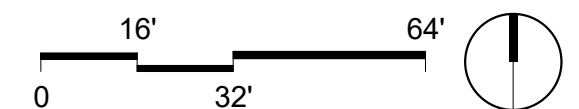
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	27	52	40	10	
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LVL 4	7	15	11	3	36
LVL 5	7	12	8	2	29
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	79		50		129
	61%		39%		

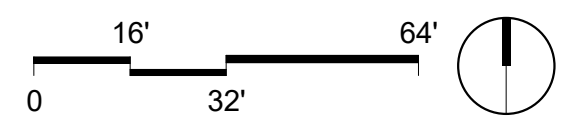




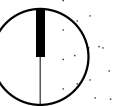
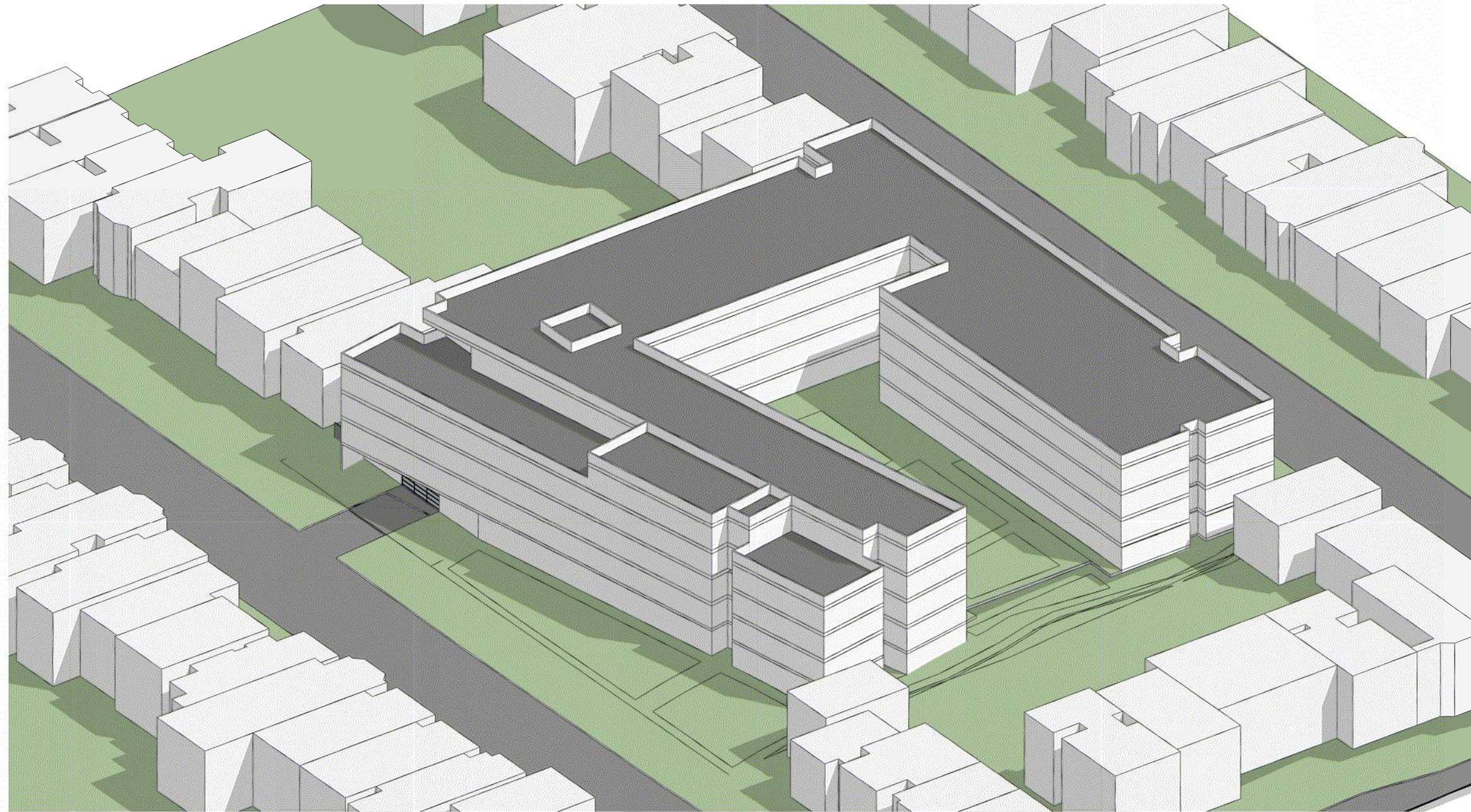
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LVL 4	7	15	11	3	36
LVL 5	7	12	8	2	29
	27	52	40	10	
	79		50		129
	61%		39%		









**Attachment G: Comparison of City Investment in Other Housing Developments**

## Family Rental Housing Cost Comparison

Updated 8/10/2018

PROJECTS COMPLETED							Building Square Footage			Total Project Costs						Comments
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR <sup>1</sup>	Res. <sup>2</sup>	Non-Res.	Total	Acq. Cost <sup>3</sup>	Constr. Cost <sup>4</sup>	Soft Cost	Total Dev. Cost w/land	Local Subsidy <sup>5</sup>	Total Dev. Cost w/o land		
Alice Griffith Phase 2	2700 Arellous Walkr. Dr. - Bl.4	54,195	May-17	93	194	111,883	28,173	140,056	0	46,430,895	11,287,378	57,718,273	19,699,024	57,718,273	Type V over Type I Podium	
Alice Griffith Phase 1	2600 Arellous Walker Dr. Bl. 2	53,924	Apr-17	91	192	110,238	28,554	138,792	0	46,751,794	11,250,803	58,002,597	19,601,371	58,002,597	Type V over Type I Podium	
Hunters View Phase II - Bl 7 & 11	227-229 West Point Rd	82,703	May-17	107	239	117,023	23,857	140,880	0	54,947,159	9,272,003	64,219,162	19,737,243	64,219,162	Mixed Townhome stepping downslope and Type III-V over Type I flats w/pkg	
Mission Bay Block 7 West	588 Mission Bay Blvd. N	43,560	Apr-17	200	328	204,965	5,035	210,000	0	70,089,236	14,094,767	84,184,003	16,975,000	84,184,003	Type V over Type I Podium	
Booker T Washington	800 Presidio	8,000	Feb-18	50	52	40,340	20,700	61,040	3,323,000	28,975,297	6,019,350	38,317,647	9,026,304	34,994,647	Type V over Type I Pod. Total cost includes a Community Center of \$8.4MM	
<b>Completed Projects:</b>	<b>Average:</b>	<b>48,476</b>		<b>108</b>	<b>201</b>	<b>116,890</b>	<b>21,264</b>	<b>138,154</b>	<b>664,600</b>	<b>49,438,876</b>	<b>10,384,860</b>	<b>60,488,337</b>	<b>17,007,788</b>	<b>59,823,737</b>		

PROJECTS UNDER CONSTRUCTION							Building Square Footage			Total Project Costs						Comments
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR <sup>1</sup>	Res. <sup>2</sup>	Non-Res.	Total	Acq. Cost <sup>3</sup>	Constr. Cost <sup>4</sup>	Soft Cost	Total Dev. Cost w/land	Local Subsidy <sup>5</sup>	Total Dev. Cost w/o land		
Mission Family Housing	1036 Mission	15,200	Jul-18	88	134	92,462	6,955	99,417	5,551,029	37,182,790	6,583,453	49,317,272	17,704,400	43,766,243	Type IB - 9 story	
Mission Bay Bl 6 East	626 Mission Bay Blvd. North	63,250	Aug-18	143	276	162,080	9,719	171,799	148,125	74,599,328	15,222,907	89,970,360	35,750,000	89,822,235	Type IIIA & V over Type I podium, 41 pkg spaces, Mission Bay soils and infrastructure	
Potrero Block X (Vertical Only)	25th and Connecticut	30,000	Dec-19	72	139	86,569	28,952	115,521	20,700	53,923,454	12,766,230	66,710,384	17,693,093	66,689,684	Type IIIA & V over Type I Podium (4-6 stories) stepped w/ topography. No infrast. Cost	
Eddy and Taylor Family Housing	222 Taylor	22,344	Jan-19	113	211	108,440	21,086	129,526	9,300,000	52,187,291	14,837,459	76,324,750	23,052,146	67,024,750	Type IB - 8 story, extensive PG&E regional switch required	
Sunnydale Parcel Q	1477-1497 Sunnydale Ave	21,757	Jun-20	55	102	75,101	0	75,101	0	33,327,716	10,072,197	43,399,913	9,652,147	43,399,913	Type IV - 5 Stories over grade podium parking	
<b>Under Construction:</b>	<b>Average:</b>	<b>30,510</b>		<b>94</b>	<b>172</b>	<b>104,930</b>	<b>13,342</b>	<b>118,273</b>	<b>3,003,971</b>	<b>50,244,116</b>	<b>11,896,449</b>	<b>65,144,536</b>	<b>20,770,357</b>	<b>62,140,565</b>		

PROJECTS IN PREDEVELOPMENT							Building Square Footage			Total Project Costs						Comments
Project Name	Address	Lot sq.ft	Start Date (anticipated)	# of Units	# of BR <sup>1</sup>	Res. <sup>2</sup>	Non-Res.	Total	Acq. Cost <sup>3</sup>	Constr. Cost <sup>4</sup>	Soft Cost	Total Dev. Cost w/land	Local Subsidy <sup>5</sup>	Total Dev. Cost w/o land		
88 Broadway - Family Housing	88 Broadway	37,813	Jan-19	125	221	101,472	8,841	110,313	17,876,000	73,826,021	18,493,874	109,995,895	55,258,235	92,119,895	Type IIIA & V over Type I Podium (5-6 stories)	
Candlestick Point 10a	Ingerson & Earl	57,190	Jan-22	156	373	158,514	94,987	253,501	0	93,481,365	17,905,744	111,387,109	65,088,319	111,387,109	Type III/podium incl. 85 parking spaces, 13,400sf retail (may skew per sf)	
Candlestick Point S. 11a	Candlestick Pk Dr. S. / Harney W.	62,500	Aug-22	176	355	199,995	40,510	240,505	0	110,293,957	23,227,067	133,521,024	66,656,056	133,521,024	3-5 Stories of Type III and V over Type I incl. structured pkg & retail - design refinements	
735 Davis - Senior Housing	735 Davis	10,805	Jan-19	53	54	28,245	12,221	40,466	0	28,633,990	9,102,841	37,736,831	21,927,464	37,736,831	Type IIIA & V over Type I Podium (5-6 stories) - Senior	
4840 Mission	4840 Mission	63,127	Jan-22	114	182	119,569	8,300	127,869	12,000,000	76,707,054	13,329,476	102,036,530	27,786,294	90,036,530	NO CURRENT COSTING DATA - Mixed type - Type VA (townhomes) and Type IIIA over Type I	
1990 Folsom Street	1990 Folsom	29,047	Feb-19	143	226	140,334	14,466	154,800	8,155,000	76,381,228	26,638,244	111,174,472	46,303,549	103,019,472	Mixed type - Type VA (townhomes) and 8 story Type I over Podium	
2060 Folsom Street	2060 Folsom	29,075	May-20	127	252	150,212	11,873	162,085	492,000	68,451,342	19,215,533	88,158,875	26,429,328	87,666,875	9 Story Type IB - TAY, Childcare and Community Hub Space	
Sunnydale Block 6	242 Hahn Street	975,816	Sep-20	171	375	150,235	93,486	243,721	0	97,595,394	20,904,259	118,499,653	27,894,584	118,499,653	2 buildings (6A & 6B) Type V over Type I podium and partial subgrade parking garage, moderat	
1950 Mission Street	1950 Mission Street	36,590	Nov-18	157	262	113,432	48,142	161,574	9,775,000	88,097,660	20,413,429	118,286,089	44,945,740	108,511,089	Type IA - 9 stories with significant (30% of sf) art and PDR spaces and Paseo Des Artes	
490 South Van Ness	490 S. Van Ness Avenue	14,250	Nov-18	81	121	51,639	28,985	80,624	18,500,000	47,200,237	13,993,811	79,094,048	28,892,030	60,594,048	Type IA - 7 stories over partial basement	
Maceo May	Treasure Island C3.2 Bl C3.A	32,203	Jan-21	105	138	84,000	30,837	114,837	15,000	59,870,837	19,515,869	79,401,706	29,500,606	79,386,706	Type IIIA over Type I Podium (3-6 stories) - TI development weather resistant exterior	
681 Florida	681 Florida Street	19,000	Jan-19	130	199	127,020	10,800	137,820	0	69,543,656	21,574,462	91,118,118	43,710,665	91,103,118	Type IB, 9 story with PDR space	
<b>In Predevelopment</b>	<b>Average:</b>	<b>113,951</b>		<b>128</b>	<b>230</b>	<b>118,722</b>	<b>33,621</b>	<b>152,343</b>	<b>5,567,750</b>	<b>74,156,895</b>	<b>18,642,884</b>	<b>98,367,529</b>	<b>40,366,073</b>	<b>92,798,529</b>		

<b>ALL PROJECTS</b>	<b>Average:</b>	<b>64,313</b>		<b>110</b>	<b>201</b>	<b>113,514</b>	<b>22,742</b>	<b>136,256</b>	<b>3,078,774</b>	<b>57,946,629</b>	<b>13,641,398</b>	<b>74,666,800</b>	<b>26,048,073</b>	
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<b>Subject Property</b>	<b>FSK Annex</b>	<b>60,000</b>	<b>Feb-21</b>	<b>129</b>	<b>189</b>	<b>110,245</b>	<b>22,400</b>	<b>132,645</b>	<b>-</b>	<b>60,260,622</b>	<b>12,479,949</b>	<b>72,740,570</b>	<b>25,469,902</b>	<b>72,740,570</b>
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PROJECTS COMPLETED		Acquisition by Unit/Bed/SF			Construction by Unit/Bed/SF			Soft Costs By Unit/Bed/SF			Total Dev Costs by Unit/Bed/SF			Subsidy	
Project Name	Compl. Date	Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/sq.ft <sup>6</sup>	Soft/unit	Soft/BR	Soft/sq.ft <sup>6</sup>	Gross TDC/unit	Gross TDC/BR	Gross TDC/sq.ft <sup>6</sup>	Subsidy /unit	Leveraging <sup>7</sup>
Alice Griffith Phase 2	May-17	-	-	-	499,257	239,335	332	121,370	58,182	81	620,627	297,517	412	211,817	65.9%
Alice Griffith Phase 1	Apr-17	-	-	-	513,756	243,499	337	123,635	58,598	81	637,391	302,097	418	215,400	66.2%
Hunters View Phase II - Bl 7 & 11	May-17	-	-	-	513,525	229,904	390	86,654	38,795	66	600,179	268,699	456	184,460	69.3%
Mission Bay Block 7 West	Apr-17	-	-	-	350,446	213,687	334	70,474	42,972	67	420,920	256,659	401	84,875	79.8%
Booker T Washington	May-17	-	-	-	499,257	239,335	332	121,370	58,182	81	620,627	297,517	412	211,817	65.9%
<b>Completed Projects:</b>	<b>Average:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>475,248</b>	<b>233,152</b>	<b>345</b>	<b>104,701</b>	<b>51,346</b>	<b>75</b>	<b>579,949</b>	<b>284,498</b>	<b>420</b>	<b>181,674</b>	<b>69%</b>

PROJECTS UNDER CONSTRUCTION		Acquisition			Construction			Soft Costs			Total Development Costs			Subsidy	
Project Name	Compl. Date	Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/sq.ft <sup>6</sup>	Soft/unit	Soft/BR	Soft/sq.ft <sup>6</sup>	Gross TDC/unit	Gross TDC/BR	Gross TDC/sq.ft <sup>6</sup>	Subsidy /unit	Leveraging <sup>7</sup>
Mission Family Housing	Jul-18	63,080	41,426	365	422,532	277,484	374	74,812	49,130	66	560,424	368,039	496	201,186	64.1%
Mission Bay S6E	Aug-18	1,036	537	2	521,674	270,287	434	106,454	55,155	89	629,163	325,980	524	250,000	60.3%
Potrero Block X	Dec-19	288	149	1	748,937	387,939	467	177,309	91,843	111	926,533	479,931	577	245,737	73.5%
Eddy & Taylor Family Housing	Jun-19	82,301	44,076	416	461,834	247,333	403	131,305	70,320	115	675,440	361,729	589	204,001	69.8%
Sunnydale Parcel Q	Jun-20	-	-	-	605,958	326,742	444	183,131	98,747	134	789,089	425,489	578	175,494	77.8%
<b>Under Construction:</b>	<b>Average:</b>	<b>36,676</b>	<b>21,547</b>	<b>196</b>	<b>552,187</b>	<b>301,957</b>	<b>424</b>	<b>134,602</b>	<b>73,039</b>	<b>103</b>	<b>716,130</b>	<b>392,234</b>	<b>553</b>	<b>215,284</b>	<b>69%</b>

PROJECTS IN PREDEVELOPMENT		Acquisition			Construction			Soft Costs			Total Development Cost (Incl. Land)			Subsidy	
Project Name	Start Date (anticipated)	Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/sq.ft <sup>6</sup>	Soft/unit	Soft/BR	Soft/sq.ft <sup>6</sup>	Gross TDC/unit	Gross TDC/BR	Gross TDC/sq.ft <sup>6</sup>	Subsidy /unit	Leveraging <sup>7</sup>
88 Broadway	Jan-19	143,008	80,887	473	589,008	333,149	667	147,951	83,683	168	879,967	497,719	997	442,066	49.8%
Candlestick Point 10a	Jan-22	-	-	-	599,240	250,620	369	114,780	48,005	71	714,020	298,625	439	417,233	41.6%
Candlestick Point S. 11a	Aug-22	-	-	-	626,670	310,687	459	131,972	65,428	97	758,642	376,116	555	378,728	50.1%
735 Davis	Jan-19	-	-	-	540,264	530,259	708	171,752	168,571	225	712,016	698,830	933	413,726	41.9%
4840 Mission	Jan-22	105,263	65,934	190	672,869	421,467	600	116,925	73,239	104	895,057	560,640	798	243,739	72.8%
1990 Folsom Street	Feb-19	57,028	36,084	281	534,134	337,970	493	186,281	117,868	172	777,444	491,922	718	323,801	58.4%
2060 Folsom Street	May-20	3,874	1,952	17	538,987	271,632	422	151,303	76,252	119	694,164	349,837	544	208,105	70.0%
Sunnydale Block 6	Sep-20	-	-	-	570,733	260,254	400	122,247	55,745	86	692,980	315,999	486	163,126	76.5%
1950 Mission Street	Nov-18	62,261	37,309	267	581,132	336,251	545	130,022	77,914	126	753,415	451,474	732	286,279	62.0%
490 South Van Ness	Nov-18	228,395	152,893	1,296	582,719	390,085	585	165,356	110,693	166	976,470	653,670	981	356,692	63.5%
Maceo May	Jan-21	143	109	0	570,198	433,847	521	185,865	141,419	170	756,207	575,375			

**Attachment H: Sources and Uses**



Application Date: 7/11/18 # Units: 129  
 Project Name: Francis Scott Key Annex # Bedrooms:   
 Project Address: 1351 42nd Avenue # Beds:   
 Project Sponsor: MidPen Housing Corporation

SOURCES	3,000,000	-	-	-	-	-	-	Total Sources	3,000,000	Comments
Name of Sources:	MOHCD/OCII									

**USES**

**ACQUISITION**

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

**CONSTRUCTION (HARD COSTS)**

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

Construction line item costs as a % of hard costs

**SOFT COSTS**

**Architecture & Design**

Architect design fees	1,042,200								1,042,200	See MOHCD A&E Fee Guidelines: <a href="http://sfmohcd.org/documents-reports-and-forms">http://sfmohcd.org/documents-reports-and-forms</a>
Design Subconsultants to the Architect (incl. Fees)	540,000								540,000	Include landscape (\$125,000), structural (\$140,000), MEP (\$120,000), joint trench (\$50,000), refuse (\$5,000), green consultant (\$10,000), waterproofing (\$50,000), lighting consultant (\$10,000), acoustical consultant (\$30,000). Cost based on architect estimates.
Architect Construction Admin									0	
Reimbursables									0	
Additional Services									0	
Sub-total Architect Contract	1,582,200	0	0	0	0	0	0	0	1,582,200	
Other Third Party design consultants (not included under Architect contract)									110,000	Includes civil (75,000) based on architect estimate, value engineering (\$35,000) based on costs similar project.
<b>Total Architecture &amp; Design</b>	<b>1,692,200</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,692,200</b>	

**Engineering & Environmental Studies**

Survey	25,000								25,000	Based on information from similar projects
Geotechnical studies	20,000								20,000	Based on information from similar projects
Phase I & II Reports	30,000								30,000	Based on information from similar projects
CEQA / Environmental Review consultants	123,000								123,000	Includes CE-DA consultant (\$65,000), allowing for possibility of EIR, historic (\$8,000) traffic (\$15,000) air quality (\$10,000), additional soils testing/Maher Ordinance compliance (\$25,000).
NEPA / 106 Review	0								0	
CNA/PNA (rehab only)	0								0	
Other environmental consultants	0								0	
<b>Total Engineering &amp; Environmental Studies</b>	<b>198,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>198,000</b>	

**Financing Costs**

<b>Construction Financing Costs</b>										
Construction Loan Origination Fee									0	
Construction Loan Interest									0	
Title & Recording									0	
CDLAC & CDIAC fees									0	
Bond Issuer Fees									0	
Other Bond Cost of Issuance									0	
Other Lender Costs (specify)									0	
Sub-total Const. Financing Costs	0	0	0	0	0	0	0	0	0	
<b>Permanent Financing Costs</b>										
Permanent Loan Origination Fee									0	
Credit Entrance, & Appl. Fee									0	
Title & Recording									0	
Sub-total Perm. Financing Costs	0	0	0	0	0	0	0	0	0	
<b>Total Financing Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

**Legal Costs**

Borrower Legal fees	60,000								60,000	Includes construction closing fees (\$50,000), general consulting questions (\$10,000).
Land Use / CEQA, Attorney fees	50,000								50,000	Based on need for site re-zoning and condo map
Tax Credit Counsel	70,000								70,000	Based on information from similar projects
Bond Counsel									0	
Construction Lender Counsel	50,000								50,000	Based on information from similar projects
Permanent Lender Counsel									0	
Other Legal (specify)	0								0	
<b>Total Legal Costs</b>	<b>230,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>230,000</b>	

**Other Development Costs**

Appraisal	12,770								12,770	
Market Study	13,321								13,321	
Insurance									0	
Property Taxes									0	
Accounting / Audit									0	
Organizational Costs									0	
Entitlement / Permit Fees									0	
Marketing / Rent-up									0	Outreach in pre-development (printing, noticing, renting spaces)
Furnishings									0	\$2,000/unit. See MOHCD UW Guidelines: <a href="http://sfmohcd.org/documents-reports-and-forms">http://sfmohcd.org/documents-reports-and-forms</a>
PGE / Utility Fees	50,000								50,000	Accounts for PG&E fees to be paid during predevelopment
TCAC App / Alloc / Monitor Fees									0	
Financial Consultant fees	25,000								25,000	Syndication consultant. Based on estimates from similar projects. Accounting for portion associated with predevelopment
Construction Management fees / Owner's Rep	50,000								50,000	Based on estimate of construction manager services provided during pre-development
Security during Construction									0	
Relocation									0	
Community outreach	5,000								5,000	Outreach in pre-development (printing, noticing, renting spaces)
<b>Total Other Development Costs</b>	<b>156,091</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>156,091</b>	

**Soft Cost Contingency**

Contingency (Arch, Eng, Fin, Legal & Other Dev)	223,709	0	0	0	0	0	0	0	223,709	Should be either 10% or 5% of total soft costs.
<b>TOTAL SOFT COSTS</b>	<b>2,500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,500,000</b>	<b>9.8%</b>

Total Soft Cost Contingency as % of Total Soft Costs

**RESERVES**

Operating Reserves									0	
Replacement Reserves									0	
Tenant Improvements Reserves									0	
Other (specify)									0	
Other (specify)									0	
Other (specify)									0	
<b>TOTAL RESERVES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

**DEVELOPER COSTS**

Developer Fee - Cash-out Paid at Milestones	500,000								500,000	50% of cash-fee; \$150K at closing; \$350K at approval of entitlements
Developer Fee - Cash-out At Risk									0	
Developer Fee - GP Equity (also show as source)									0	
Developer Fee - Deferred (also show as source)									0	
Development Consultant Fees									0	Need MOHCD approval for this cost, N/A for most projects
Other (specify)									0	
<b>TOTAL DEVELOPER COSTS</b>	<b>500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>500,000</b>	

**TOTAL DEVELOPMENT COST**

	3,000,000	0	0	0	0	0	0	0	3,000,000	
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Development Cost/Unit by Source	23,256	0	0	0	0	0	0	0	23,256	
Development Cost/Unit as % of TDC by Source	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	

Acquisition Cost/Unit by Source	0	0	0	0	0	0	0	0	0	
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Construction Cost (inc Const Contingency)/Unit By Source	0	0	0	0	0	0	0	0	0	
Construction Cost (inc Const Contingency)/SF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

City Subsidy/Unit	23,256									
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Tax Credit Equity Pricing:	0.95									
Construction Bond Amount:	N/A									
Construction Loan Term (in months):	21 months									
Construction Loan Interest Rate (as %):	4.89%									

**Attachment I: Development Budget**

Application Date: 7/11/18 # Units: 129  
 Project Name: Francis Scott Key Annex # Bedrooms: 189  
 Project Address: 1351 42nd Avenue # Beds:  
 Project Sponsor: MidPen Housing Corporation

SOURCES	25,549,902	19,200,903	4,796,980	520,000	17,572,785	3,500,000	1,600,000	Total Sources	Comments
Name of Sources:	MOHCD/OCII	9% Tax Credits -- LIHTC only	Bank Loan - LIHTC only	AHP - LIHTC only	GP Equity - LIHTC only	Bank Loan - Moderate Income only	Tranche C Loan - CalHFA	Tranche C Loan- 2nd lender	

USES

ACQUISITION

Acquisition cost or value								0	Land Value (use for LIHTC & Source for Middle)
Legal / Closing costs / Broker's Fee	50,000							50,000	
Holding Costs			7,500					7,500	
Transfer Tax									
<b>TOTAL ACQUISITION</b>	<b>50,000</b>	<b>0</b>	<b>7,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>57,500</b>	

CONSTRUCTION (HARD COSTS)

Unit Construction/Rehab	12,430,022	16,377,262		520,000	100	14,101,448	1,382,726	44,811,558	Include FF&E
Commercial Shell Construction								0	
Demolition								0	
Environmental Remediation								0	
Onsight Improvements/Landscaping	1,929,978		391,117					2,321,095	
Offsite Improvements	178,000		50,000			228,000		456,000	
Infrastructure Improvements								0	HOPE SF/OCII costs for streets etc.
Parking	638,400		492,800					1,131,200	
GC Bond Premium/GC Insurance/GC Taxes	239,456						357,266	596,722	1.2%
GC Overhead & Profit	493,600	180,000	1,013,108				361,124	2,187,832	4.5%
CG General Conditions	2,389,622							2,389,622	4.9%
Sub-total Construction Costs	18,299,078	16,557,262	1,947,025	520,000	100	14,690,572	1,879,992	53,894,030	
Design Contingency (remove at DD)	248,083		100,000				1,136,359	1,484,442	3.0%
Bid Contingency (remove at bid)	626,768		600,000				245,352	1,472,120	3.0%
Plan Check Contingency (remove/reduce during Plan Review)							990,000	990,000	2.0%
Hard Cost Construction Contingency	417,000	18,374					384,656	2,420,030	5.0%
Sub-total Construction Contingencies	1,291,851	718,374	0	0	0	1,136,359	1,620,000	6,366,592	
<b>TOTAL CONSTRUCTION COSTS</b>	<b>19,590,929</b>	<b>17,275,636</b>	<b>1,947,025</b>	<b>520,000</b>	<b>100</b>	<b>15,826,931</b>	<b>3,500,000</b>	<b>60,260,622</b>	Includes cost escalation

SOFT COSTS

Architecture & Design

Architect design fees	1,150,000							1,150,000	See MOHCD A&E Fee Guidelines: <a href="http://sfmohcd.org/documents-reports-and-forms">http://sfmohcd.org/documents-reports-and-forms</a> Include landscape (\$125,000), structural (\$140,000), MEP (\$120,000), joint trench (\$50,000), refuse (\$5,000), green consultant (\$10,000), waterproofing (\$50,000), lighting consultant (\$10,000), acoustical consultant (\$30,000). Cost based on architect estimates
Design Subconsultants to the Architect (incl. Fees)	540,000							540,000	
Architect Construction Admin	205,718							205,718	
Reimbursables								0	
Additional Services								0	
Sub-total Architect Contract	1,895,718	0	0	0	0	0	0	1,895,718	
Other Third Party design consultants (not included under Architect contract)								110,000	Includes civil (75,000) based on architect estimate, value engineering (\$35,000) based on costs similar project
<b>Total Architecture &amp; Design</b>	<b>2,005,718</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>110,000</b>	

Engineering & Environmental Studies

Survey	25,000							25,000	Based on survey costs for similar site, assumes initial boundary and title survey and ALTA survey for closing
Geotechnical studies	20,000	40,000						60,000	Based on costs for similar size projects
Phase I & II Reports	30,000							30,000	Based on costs for similar size projects
CEQA / Environmental Review consultants	123,000							123,000	Includes CEQA consultant (\$65,000), allowing for possibility of EIR, historic (\$8,000) traffic (\$15,000) air quality (\$10,000), additional soils testing/Maher Ordinance compliance (\$25,000).
NEPA / 106 Review								0	
CNA/PNA (rehab only)								0	
Other environmental consultants								0	Name consultants & contract amounts
<b>Total Engineering &amp; Environmental Studies</b>	<b>198,000</b>	<b>40,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>238,000</b>	

Financing Costs

<b>Construction Financing Costs</b>									
Construction Loan Origination Fee			249,768			129,756		379,524	
Construction Loan Interest			1,628,488			572,757		2,201,245	
Title & Recording			15,000			15,000		30,000	
CD/LAC & CD/LAC fees								0	
Bond Issuer Fees	5,232		9,884			9,884		25,000	
Other Bond Cost of Issuance	29,083		193,264			147,416		369,763	
Other Lender Costs (specify)			25,000			25,000		50,000	
Sub-total Const. Financing Costs	34,315	0	2,121,404	0	0	899,813	0	3,055,532	
<b>Permanent Financing Costs</b>									
Permanent Loan Origination Fee								0	
Credit Enhance. & Appl. Fee								0	
Title & Recording	9,884							9,884	
Sub-total Perm. Financing Costs	9,884	0	0	0	0	0	0	9,884	
<b>Total Financing Costs</b>	<b>44,199</b>	<b>0</b>	<b>2,121,404</b>	<b>0</b>	<b>0</b>	<b>899,813</b>	<b>0</b>	<b>3,065,416</b>	

Legal Costs

Borrower Legal fees	60,000							60,000	Includes general consulting (\$10,000), construction loan closing (\$50,000).
Land Use / CEQA Attorney fees	50,000							50,000	
Tax Credit Counsel	70,000							70,000	
Bond Counsel								0	
Construction Lender Counsel	50,000							50,000	
Permanent Lender Counsel		20,000						20,000	
Other Legal (specify)								0	
<b>Total Legal Costs</b>	<b>230,000</b>	<b>20,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>250,000</b>	

Other Development Costs

Appraisal	12,770							12,770	
Market Study	13,321							13,321	
Insurance								0	
Property Taxes								0	
Accounting / Audit								0	
Organizational Costs								0	
Entitlement / Permit Fees	1,578,688		255,000			255,000		2,088,688	Fees were estimated during RFP process based on consultation of development fee schedule and consultation with planning department. Fees were scaled up based on increase in unit count
Marketing / Rent-up	75,000					37,500		112,500	\$2,000/unit; See MOHCD U/W Guidelines on: <a href="http://sfmohcd.org/documents-reports-and-forms">http://sfmohcd.org/documents-reports-and-forms</a>
Furnishings	120,000					60,000		180,000	
PCE / Utility Fees	100,000							100,000	
TCAC App / Alloc / Monitor Fees	96,669	144,788	26,381			128,480		396,318	
Financial Consultant fees	50,000							50,000	
Construction Management fees / Owner's Rep	157,500							157,500	
Security during Construction								0	
Relocation								0	
Community outreach	5,000							5,000	
Prevailing Wage Monitoring			10,000			10,000		20,000	Consultant ensuring the contractor is properly following rules and paperwork requirements regarding prevailing wage
<b>Total Other Development Costs</b>	<b>2,208,948</b>	<b>144,788</b>	<b>291,381</b>	<b>0</b>	<b>0</b>	<b>490,980</b>	<b>0</b>	<b>3,136,097</b>	

Soft Cost Contingency

Contingency (Arch, Eng, Fin, Legal & Other Dev)	463,187	20,479	241,279	0	0	139,079	0	864,024	Should be either 10% or 5% of total soft costs.
<b>TOTAL SOFT COSTS</b>	<b>5,150,052</b>	<b>225,267</b>	<b>2,654,064</b>	<b>0</b>	<b>0</b>	<b>1,529,872</b>	<b>0</b>	<b>9,559,255</b>	Total Soft Cost Contingency as % of Total Soft Costs <b>9.9%</b>

RESERVES

Operating Reserves	258,921		188,391			215,982		663,294	
Replacement Reserves								0	
Tenant Improvements Reserves								0	
Other (specify)								0	
Other (specify)								0	
Other (specify)								0	
<b>TOTAL RESERVES</b>	<b>258,921</b>	<b>0</b>	<b>188,391</b>	<b>0</b>	<b>0</b>	<b>215,982</b>	<b>0</b>	<b>663,294</b>	

DEVELOPER COSTS

Developer Fee - Cash-out Paid at Milestones	500,000	500,000						1,000,000	
Developer Fee - Cash-out At Risk		1,200,000						1,200,000	
Developer Fee - GP Equity (also show as source)								0	
Developer Fee - Deferred (also show as source)								0	
Development Consultant Fees								0	Need MOHCD approval for this cost, N/A for most projects
Other (specify)								0	
<b>TOTAL DEVELOPER COSTS</b>	<b>500,000</b>	<b>1,700,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,200,000</b>	

TOTAL DEVELOPMENT COST

Development Cost/Unit by Source	25,549,902	19,200,903	4,796,980	520,000	100	17,572,785	3,500,000	1,600,000	72,740,670
Development Cost/Unit as % of TDC by Source	35.1%	26.4%	6.6%	0.7%	0.0%	24.2%	4.8%	2.2%	100.0%
Acquisition Cost/Unit by Source	0	0	0	0	0	0	0	0	0
Construction Cost (inc Const Contingency)/Unit by Source	151,868	133,920	15,093	4,031	1	122,689	27,132	12,403	467,137
Construction Cost (inc Const Contingency)/SF	165.33	145.79	16.43	4.39	0.00	133.57	29.54	13.50	508.55
City Subsidy/Unit	198,061								
Tax Credit Equity Pricing:	0.95								
Construction Bond Amount:	N/A								
Construction Loan Term (in months):	21 months								
Construction Loan Interest Rate (as %):	4.89%								

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

Application Date: 7/11/2018 Project Name: Francis Scott Key Annex  
 Total # Units: 129 Project Address: 1351 42nd Avenue  
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2020 Project Sponsor: MidPen Housing Corporation  
**TCAC Income Limits In Use!**

INCOME	Total	Comments
Residential - Tenant Rents	3,036,336	Links from 'New Proj - Rent & Unit Mix' Worksheet
Residential - Tenant Assistance Payments (Non-LOSP)	0	Links from 'New Proj - Rent & Unit Mix' Worksheet
Commercial Space	0	0%
Residential Parking	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Rent Income	0	Links from 'Utilities & Other Income' Worksheet
Supportive Services Income	0	
Interest Income - Project Operations	0	Links from 'Utilities & Other Income' Worksheet
Laundry and Vending	5,304	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	Links from 'Commercial Op. Budget' Worksheet
Withdrawal from Capitalized Reserve (deposit to operating account)		
<b>Gross Potential Income</b>	<b>3,041,640</b>	
Vacancy Loss - Residential - Tenant Rents	(151,817)	Vacancy loss is 5% of Tenant Rents.
Vacancy Loss - Residential - Tenant Assistance Payments	0	#DIV/0!
Vacancy Loss - Commercial	0	Links from 'Commercial Op. Budget' Worksheet
<b>EFFECTIVE GROSS INCOME</b>	<b>2,889,823</b>	<b>PUPA: 22,402</b>

**OPERATING EXPENSES**

Management		
Management Fee	107,586	1st Year to be set according to HUD schedule.
Asset Management Fee		
<b>Sub-total Management Expenses</b>	<b>107,586</b>	<b>PUPA: 834</b>
<b>Salaries/Benefits</b>		
Office Salaries	105,738	Includes salary for one full time community manager \$61,500, and assistant community
Manager's Salary	0	
Health Insurance and Other Benefits	33,088	
Other Salaries/Benefits	24,094	Training, recruitment, annuity, workers comp
Administrative Rent-Free Unit	0	
<b>Sub-total Salaries/Benefits</b>	<b>162,920</b>	<b>PUPA: 1,263</b>
<b>Administration</b>		
Advertising and Marketing	4,863	
Office Expenses	18,239	
Office Rent	0	
Legal Expense - Property	1,318	
Audit Expense	11,236	
Bookkeeping/Accounting Services	12,152	
Bad Debts	0	
Miscellaneous	24,149	Software, dues and subscriptions, mileage reimbursements, compliance review, staff
<b>Sub-total Administration Expenses</b>	<b>71,958</b>	<b>PUPA: 558</b>
<b>Utilities</b>		
Electricity	47,627	
Water	63,391	
Gas	44,273	
Sewer	46,788	
<b>Sub-total Utilities</b>	<b>202,079</b>	<b>PUPA: 1,567</b>
<b>Taxes and Licenses</b>		
Real Estate Taxes	1,000	
Payroll Taxes	21,801	
Miscellaneous Taxes, Licenses and Permits	0	
<b>Sub-total Taxes and Licenses</b>	<b>22,801</b>	<b>PUPA: 177</b>
<b>Insurance</b>		
Property and Liability Insurance	74,123	
Fidelity Bond Insurance	0	
Worker's Compensation	11,404	
Director's & Officers' Liability Insurance	0	
<b>Sub-total Insurance</b>	<b>85,527</b>	<b>PUPA: 663</b>
<b>Maintenance &amp; Repair</b>		
Payroll	100,710	
Supplies	7,043	
Contracts	47,286	
Garbage and Trash Removal	52,826	
Security Payroll/Contract	6,965	
HVAC Repairs and Maintenance	759	
Vehicle and Maintenance Equipment Operation and Repairs	0	
Miscellaneous Operating and Maintenance Expenses	0	
<b>Sub-total Maintenance &amp; Repair Expenses</b>	<b>215,590</b>	<b>PUPA: 1,671</b>
<b>Supportive Services</b>	<b>77,400</b>	Includes all resident services programs
<b>Commercial Expenses</b>	<b>0</b>	Links from 'Commercial Op. Budget' Worksheet
<b>TOTAL OPERATING EXPENSES</b>	<b>945,860</b>	<b>PUPA: 7,332</b>

<b>Reserves/Ground Lease Base Rent/Bond Fees</b>			
Ground Lease Base Rent	15,000	Ground lease with SFUSD	Provide additional comments here, if needed.
Bond Monitoring Fee			
Replacement Reserve Deposit	51,600		
Operating Reserve Deposit			
Other Required Reserve 1 Deposit			
Other Required Reserve 2 Deposit			
Required Reserve Deposits, Commercial	0	Links from 'Commercial Op. Budget' Worksheet	
<b>Sub-total Reserves/Ground Lease Base Rent/Bond Fees</b>	<b>66,600</b>	<b>PUPA: 516</b>	Min DSCR: 1.15 Mortgage Rate: 6.40%
<b>TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)</b>	<b>1,012,460</b>	<b>PUPA: 7,849</b>	Term (Years): 30 Supportable 1st Mortgage Pmt: 1,632,490 Supportable 1st Mortgage Amt: \$21,746,925 Proposed 1st Mortgage Amt: \$25,469,902
<b>NET OPERATING INCOME (INCOME minus OP EXPENSES)</b>	<b>1,877,363</b>	<b>PUPA: 14,553</b>	

DEBT SERVICE/MUST PAY PAYMENTS (hard debt/amortized loans)			
Hard Debt - First Lender	1,270,819	Bank Loan - Moderate Income	Provide additional comments here, if needed.
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Len	356,265	Bank Loan - LIHTC only	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	Links from 'Commercial Op. Budget' Worksheet	
<b>TOTAL HARD DEBT SERVICE</b>	<b>1,627,084</b>	<b>PUPA: 12,613</b>	

<b>CASH FLOW (NOI minus DEBT SERVICE)</b>	<b>250,279</b>	
<b>USES OF CASH FLOW BELOW (This row also shows DSCR.)</b>	<b>1.15</b>	
<b>USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL</b>		
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)		
Partnership Management Fee (see policy for limits)	20,440	1st
Investor Services Fee (aka "LP Asset Mgt Fee") (see policy for limits)	5,000	2nd
Other Payments		
Non-amortizing Loan Pmt - Lender 1 (select lender in comments field)		Provide additional comments here, if needed.
Non-amortizing Loan Pmt - Lender 2 (select lender in comments field)		Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt => Max Fee from cell H130)		Def. Develop. Fee split: 0% Provide additional comments here, if needed.
<b>TOTAL PAYMENTS PRECEDING MOHCD</b>	<b>25,440</b>	<b>PUPA: 197</b>

<b>RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)</b>	<b>224,839</b>		
<b>Residual Receipts Calculation</b>			
Does Project have a MOHCD Residual Receipt Obligation?	Yes	Project has MOHCD ground lease?	No
Will Project Defer Developer Fee?	No		
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:	33%		
% of Residual Receipts available for distribution to soft debt lenders in	67%		

Soft Debt Lenders with Residual Receipts Obligations	(Select lender name/program from drop down)	Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OCII - Soft Debt Loans	All MOHCD/OCII Loans payable from res. recs	\$25,489,902	83.33%
MOHCD/OCII - Ground Lease Value	Ground Lease		0.00%
HCD (soft debt loan) - Lender 3			0.00%
Other Soft Debt Lender - Lender 4	Tranche C Loan- CalHFA	\$3,500,000	11.44%
Other Soft Debt Lender - Lender 5	Tranche C Loan- 2nd Lender	\$1,600,000	5.23%

<b>MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>		
MOHCD Residual Receipts Amount Due	124,902	67% of residual receipts, multiplied by 83.33% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	22,484	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 repmt.
<b>REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>	<b>99,937</b>	

<b>NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>		
HCD Residual Receipts Amount Due	0	
Lender 4 Residual Receipts Due	17,150	67% of residual receipts, multiplied by 11.44%, Tranche C Loan- CalHFA's pro rata share of al
Lender 5 Residual Receipts Due	7,840	67% of residual receipts, multiplied by 5.23%, Tranche C Loan- 2nd Lender's pro rata share of al
<b>Total Non-MOHCD Residual Receipts Debt Service</b>	<b>24,990</b>	

<b>REMAINDER (Should be zero unless there are distributions below)</b>	<b>74,946</b>	
Owner Distributions/Incentive Management Fee	74,946	100% of Borrower share of 33% of residual receipts
Other Distributions/Uses	0	
<b>Final Balance (should be zero)</b>	<b>0</b>	

**Attachment K: 20-Year Operating Proforma**

**FSK Educator Housing  
CASH FLOW PROJECTION**

Year	Calendar	1 2023	2 2024	3 2025	4 2026	5 2027	6 2028	7 2029	8 2030	9 2031	10 2032	11 2033	12 2034	13 2035	14 2036	15 2037	16 2038	17 2039	18 2040	19 2041	20 2042
Tenant Payments	2.5%	3,036,502	3,112,414	3,190,224	3,269,980	3,351,730	3,435,523	3,521,411	3,609,446	3,699,682	3,792,174	3,886,979	3,984,153	4,083,757	4,185,851	4,290,497	4,397,760	4,507,704	4,620,396	4,735,906	4,854,304
MHSA/Special Needs Tenants	2.5%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MHSA COSR Payments		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Section 8 Payments	1.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Income	2.5%	12,288	12,595	12,910	13,233	13,564	13,903	14,250	14,607	14,972	15,346	15,730	16,123	16,526	16,939	17,363	17,797	18,242	18,698	19,165	19,644
Distributions from Services Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial/Childcare Income	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Scheduled Gross Income</b>		<b>3,048,790</b>	<b>3,125,009</b>	<b>3,203,135</b>	<b>3,283,213</b>	<b>3,365,293</b>	<b>3,449,426</b>	<b>3,535,661</b>	<b>3,624,053</b>	<b>3,714,654</b>	<b>3,807,520</b>	<b>3,902,708</b>	<b>4,000,276</b>	<b>4,100,283</b>	<b>4,202,790</b>	<b>4,307,860</b>	<b>4,415,556</b>	<b>4,525,945</b>	<b>4,639,094</b>	<b>4,755,071</b>	<b>4,873,948</b>
Residential Vacancy	5.0%	(152,439)	(156,250)	(160,157)	(164,161)	(168,265)	(172,471)	(176,783)	(181,203)	(185,733)	(190,376)	(195,135)	(200,014)	(205,014)	(210,140)	(215,393)	(220,778)	(226,297)	(231,955)	(237,754)	(243,697)
Section 8 Vacancy	5.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MHSA/Special Needs Vacancy	10.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Vacancy	100%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Effective Gross Income</b>		<b>2,896,350</b>	<b>2,968,759</b>	<b>3,042,978</b>	<b>3,119,052</b>	<b>3,197,029</b>	<b>3,276,954</b>	<b>3,358,878</b>	<b>3,442,850</b>	<b>3,528,921</b>	<b>3,617,144</b>	<b>3,707,573</b>	<b>3,800,262</b>	<b>3,895,269</b>	<b>3,992,651</b>	<b>4,092,467</b>	<b>4,194,779</b>	<b>4,299,648</b>	<b>4,407,139</b>	<b>4,517,318</b>	<b>4,630,251</b>
Operating Expenses (non-MHSA)	3.5%	(873,100)	(903,659)	(935,287)	(968,022)	(1,001,902)	(1,036,969)	(1,073,263)	(1,110,827)	(1,149,706)	(1,189,946)	(1,231,594)	(1,274,700)	(1,319,314)	(1,365,490)	(1,413,282)	(1,462,747)	(1,513,943)	(1,566,931)	(1,621,774)	(1,678,536)
Bond Issuer Fee or other admin fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Services Fee paid from income (not Ground lease base rent)	3.5%	(77,400)	(80,109)	(82,913)	(85,815)	(88,818)	(91,927)	(95,144)	(98,474)	(101,921)	(105,488)	(109,180)	(113,002)	(116,957)	(121,050)	(125,287)	(129,672)	(134,211)	(138,908)	(143,770)	(148,802)
Operating Reserves	0.0%	(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)	(15,000)
Replacement Reserves	0.0%	(51,600)	(51,600)	(51,600)	(51,600)	(51,600)	(51,600)	(51,600)	(51,600)	(51,600)	(51,600)	(51,600)	(51,600)	(51,600)	(51,600)	(51,600)	(51,600)	(51,600)	(51,600)	(51,600)	(51,600)
<b>Net Operating Income</b>		<b>1,879,250</b>	<b>1,918,391</b>	<b>1,958,178</b>	<b>1,998,616</b>	<b>2,039,708</b>	<b>2,081,458</b>	<b>2,123,871</b>	<b>2,166,949</b>	<b>2,210,694</b>	<b>2,255,110</b>	<b>2,300,199</b>	<b>2,345,961</b>	<b>2,392,398</b>	<b>2,439,510</b>	<b>2,487,298</b>	<b>2,535,760</b>	<b>2,584,894</b>	<b>2,634,700</b>	<b>2,685,174</b>	<b>2,736,313</b>
Debt Service (Tranche A)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service (Tranche B)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service MHP or Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net Available Cash</b>		<b>250,166</b>	<b>289,308</b>	<b>329,095</b>	<b>369,532</b>	<b>410,624</b>	<b>452,375</b>	<b>494,787</b>	<b>537,865</b>	<b>581,611</b>	<b>626,027</b>	<b>671,115</b>	<b>716,877</b>	<b>763,314</b>	<b>810,427</b>	<b>858,214</b>	<b>906,676</b>	<b>955,811</b>	<b>1,005,616</b>	<b>1,056,090</b>	<b>1,107,229</b>
Debt Coverage Ratio		1.15	1.18	1.20	1.23	1.25	1.28	1.30	1.33	1.36	1.38	1.41	1.44	1.47	1.50	1.53	1.56	1.59	1.62	1.65	1.68
Asset Management Fee	-	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720	6,921	7,129	7,343	7,563	7,790	8,024	8,264	8,512	8,768
Priority Deferred Developer Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Partnership Management Fee	20,440	20,440	21,053	21,685	22,335	23,005	23,696	24,406	25,139	25,893	26,670	27,470	28,294	29,143	30,017	30,917	31,845	32,800	33,784	34,798	35,842
Services paid from Cash Flow		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Cash Flow prior to Residual Receipts</b>		<b>224,726</b>	<b>263,104</b>	<b>302,105</b>	<b>341,733</b>	<b>381,991</b>	<b>422,883</b>	<b>464,411</b>	<b>506,577</b>	<b>549,384</b>	<b>592,833</b>	<b>636,926</b>	<b>681,662</b>	<b>727,043</b>	<b>773,067</b>	<b>819,734</b>	<b>867,041</b>	<b>914,987</b>	<b>963,568</b>	<b>1,012,781</b>	<b>1,062,620</b>
Tranche C Surplus Cash Loan	90%	202,254	236,794	271,895	307,560	343,792	380,595	417,969	455,919	494,446	533,550	573,233	613,496	654,339	0	0	0	0	0	0	0
Cash Flow to Mezz Lender		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Improved Vacancy	2%	91,464	93,750	96,094	98,496	100,959	103,483	106,070	108,722	111,440	114,226	117,081	120,008	123,008	0	0	0	0	0	0	0
<b>Total Surplus Cash to Tranche C</b>		<b>293,717</b>	<b>330,544</b>	<b>367,989</b>	<b>406,056</b>	<b>444,751</b>	<b>484,077</b>	<b>524,039</b>	<b>564,641</b>	<b>605,885</b>	<b>647,776</b>	<b>690,315</b>	<b>733,504</b>	<b>777,347</b>	0	0	0	0	0	0	0
Tranche C Upper Tier Balance	1,600,000	1,600,000	1,426,283	1,202,710	924,924	588,237	187,604	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tranche C Upper Tier Interest	7.50%	120,000	106,971	90,203	69,369	44,118	14,070	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tranche C Upper Tier Payment		(293,717)	(330,544)	(367,989)	(406,056)	(444,751)	(524,077)	(605,885)	(690,315)	(781,266)	(877,402)	(980,213)	(1,088,513)	(1,193,321)	(1,294,626)	(1,391,429)	(1,483,730)	(1,571,527)	(1,654,829)	(1,732,626)	
Tranche C CalHFA Subsidy Balance	3,500,000	3,500,000	3,605,000	3,713,150	3,824,545	3,939,281	4,057,459	3,896,780	3,489,644	3,029,692	2,514,698	1,942,363	1,310,320	616,125	0	0	0	0	0	0	0
Tranche C CalHFA Subsidy Interest	3.00%	105,000	108,150	111,395	114,736	118,176	121,724	116,903	104,689	90,891	75,441	58,271	39,310	18,494	0	0	0	0	0	0	0
Tranche C CalHFA Subsidy Payment		0	0	0	0	0	(282,403)	(524,039)	(564,641)	(605,885)	(647,776)	(690,315)	(733,504)	(634,608)	0	0	0	0	0	0	
Combined Blended Return	3.65%	5,100,000	(293,717)	(330,544)	(367,989)	(406,056)	(444,751)	(484,077)	(524,039)	(564,641)	(605,885)	(647,776)	(690,315)	(733,504)	(634,608)	0	0	0	0	0	0
<b>Residual Receipts to Public Lenders</b>	10%	22,473	26,310	30,211	34,173	38,199	42,288	46,441	50,658	54,938	59,283	63,693	68,166	72,704	77,307	81,974	86,704	91,497	96,356	1,012,781	1,062,620
Value of Land Contribution	-	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
AHP	-	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MOHCD	25,549,902	100%	22,473	26,310	30,211	34,173	38,199	42,288	46,441	50,658	54,938	59,283	63,693	68,166	72,704	77,307	81,974	86,704	91,497	96,356	1,012,781
County	-	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Cash Flow to Owner</b>	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	258,204	273,791	289,592	305,606	321,832	338,269	354,915
Incentive Management Fee to GP		0	0	0	0	0	0	0	0	0	0	0	0	0	258,204	273,791	289,592	305,606	321,832	338,269	354,915
Deferred Fee paid from Distributions		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Distributions to GP	0.01%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Distributions to LP	99.99%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Fees to GP as a % of gross income</b>		1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	7%	7%	8%	8%	8%	8%	8%
Escalation and Vacancy Factors		Income <b>2.5%</b>	Section 8 <b>1.0%</b>	Expense <b>3.5%</b>	AM Fee Escalator <b>3.0%</b>	PM Fee Escalator <b>3.0%</b>															
<b>Partnership Management Fee and Deferred Developer Fee</b>		<b>\$ 20,440</b>	<b>\$ 21,053</b>	<b>\$ 21,685</b>	<b>\$ 22,335</b>	<b>\$ 23,005</b>	<b>\$</b>														