

Citywide Affordable Housing Loan Committee

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

**Transbay Block 2 East
\$3,500,000
Predevelopment Loan**

Evaluation of Request for:	Predevelopment Loan
Loan Committee Date:	February 19, 2021
Prepared By:	Kim Obstfeld
Source of Funds Recommended:	Transbay Jobs/Housing Linkage Fees
NOFA/PROGRAM/RFP:	OCII RFP issued June 22, 2020
FY 20/21 ROPS Line:	416
Total Previous City Funds Committed:	None
Applicant/Sponsor Name:	Transbay 2 Family L.P./Mercy Housing California ("Mercy")

EXECUTIVE SUMMARY

Sponsor Information:

Project Name:	Transbay Block 2 East	Sponsor(s):	Mercy
Project Address (w/ cross st):	Eastern half of Transbay Block 2 (bounded by Folsom St. to the south, Beale St. to the west, the future extension of Clementina St. to the north, and Main St. to the east)	Ultimate Borrower Entity:	Transbay 2 Family L.P.

Project Summary:

Mercy Housing California (“Mercy” or the “Sponsor”), through Transbay 2 Family L.P., is requesting \$3,500,000 in predevelopment financing for Transbay Block 2 East (“Block 2 East”). Block 2 East will be a 101-unit mixed-use affordable rental housing development serving low-income families, with approximately 20% of units set-aside to serve formerly homeless families, subsidized by the Local Operating Subsidy Program (“LOSP”).

Block 2 East will be comprised of 36 one-bedroom, 35 two-bedroom, and 29 three-bedroom units, as well as one two-bedroom manager’s unit. Units will serve households at a wide range of income levels, with an average at or below 60% of Area Median Income as defined by the San Francisco Mayor’s Office of Housing and Community Development (“SF AMI” or “AMI”). In addition to residential units and resident serving amenities, the Block 2 East development includes a child care center and ground floor retail (the residential and commercial together are the “Project”).

Block 2 East will be developed in coordination with Transbay Block 2 West (“Block 2 West”), a mixed-use affordable rental project serving low-income and formerly homeless seniors under development by Chinatown Community Development Center (“CCDC”). Mercy and CCDC will work closely to coordinate design and maximize efficiencies to the extent feasible, including joint consultant selection, a single general contractor shared site studies, and, if possible, concurrent construction.

The Project will be financed with 4% Low Income Housing Tax Credits and will seek funding from the California Department of Housing and Community Development’s Affordable Housing and Sustainable Communities (“AHSC”) and Infill Infrastructure Grant (“IIG”) programs, as well as the Federal Home Loan Bank Affordable Housing Program (“AHP”).

Project Description:

Construction Type:	Type I	Project Type:	New Construction
Number of Stories:	9	Lot Size (acres and sf):	0.49 acres / 21,313 sf*
Number of Units:	101	Architect:	Kennerly Architecture & Planning
Total Residential Area:	109,202 sf	General Contractor:	TBD
Total Commercial Area:	7,330 sf	Property Manager:	Mercy Housing Property Management Group
Total Building Area:	116,532 sf	Supervisor and District:	Sup. Haney - District 6
Land Owner:	OCII		
Total Development Cost (TDC):	\$98,156,140	Total Acquisition Cost:	N/A
TDC/unit:	\$971,843	TDC less land cost/unit:	\$971,843
Loan Amount Requested:	\$3,500,000	Request Amount / unit:	\$34,653
HOME Funds?	No	Parking	None

* Lot size reflects half of overall Transbay Block 2 site, exact lot dimensions between Blocks 2 East and West will be determined during predevelopment.

PRINCIPAL DEVELOPMENT ISSUES

1. Blocks 2 East/West Coordination. Mercy and CCDC were selected as co-developers under a single RFP for Transbay Block 2 East and 2 West. Mercy will be the lead developer, however, each developer will take primary responsibility for their respective project (as the sole owner). See Section 1.2 for further discussion and Conditions 11.2.1 and 11.3.2. Key considerations include:
 - a. Cohesive design: the building and streetscape designs must be complementary and cohesive, especially the ground level experience. This will require oversight by Mercy and extensive collaboration throughout predevelopment and construction;
 - b. Efficiency: the developers will work closely to identify and maximize efficiencies, jointly select key consultants, use the same general contractor, and coordinate logistics; and
 - c. Schedule: Blocks 2 East and West currently assume a schedule with the same construction timeline. Concurrent construction would reduce hard costs, streamline logistics, and allow key streetscape elements to be delivered along with the mixed-use buildings. However, maintaining a parallel schedule will be challenging due to the uncertainty in securing financing awards. The developers will coordinate project schedules and, if necessary, establish a plan for phased development.
2. Maximize Site Potential. The Transbay design guidelines allow for a building of up to 165' on a portion of Block 2 East at Main Street and Folsom Street. However, due to financing considerations, the Sponsor recommended a base scenario with a height of 85'. While financial feasibility is an essential consideration, OCII seeks to ensure that the site is utilized to the fullest extent possible. See Section 4.2 for further discussion and Condition 11.3.1 which requires the Sponsor to further analyze development scenarios at 165' and 240' on Block 2 East.
3. Development Costs. Estimated development costs are high in comparison to other comparable OCII/MOHCD projects under construction and in predevelopment. The Sponsor will need to work to contain costs to ensure overall feasibility and to minimize the OCII subsidy. See Section 4.4 for further discussion and Condition 11.3.1.
4. Financing Competition. The Sponsor will seek maximum awards for AHSC and IIG, as well as a sizeable tax-exempt bond allocation from CDLAC. All financing programs are currently highly competitive, and the bond program is expected to continue to be oversubscribed in the coming years. CDLAC regulations may change prior to the Project's anticipated application date, but may continue to disadvantage larger scale, higher cost urban infill projects. The Sponsor will need to closely monitor regulations and, if necessary, recommend program modifications and strategies to ensure the Project's applications are competitive. See Section 6.5 for further discussion and Condition 11.3.8.
5. Retail. Successful retail is crucial to ground floor activation and meeting community needs and expectations. Current restrictions due to COVID-19 and the related economic uncertainty will create a challenging environment in which to design, program, and secure interest in a new retail space. See Section 4.5 for further discussion and Condition 11.3.10 which requires the Sponsor to engage with local non-profit organizations that support small businesses, and other resources in the development of the planned retail space.

SOURCES AND USES SUMMARY

Predevelopment Sources	Amount	Terms	Status
OCII	\$3,500,000	3 years @ 3% deferred	This Request
Total	\$3,500,000		

Predevelopment Uses	Amount	Per Unit	Per SF
Architecture & Engineering	\$2,350,149	\$23,269	\$20
Soft Costs	\$599,851	\$5,939	\$5
Developer Fee	\$550,000	\$5,445	\$5
Total	\$3,500,000	\$34,653	\$30

Permanent Sources	Amount	Terms	Status
Tax Credit Equity	\$38,760,668	\$0.90/credit, 4% credit rate	Not Committed
OCII Loan	\$26,695,472	55 years @ 0-3% interest, residual receipts	Not Committed
Permanent Loan	\$1,500,000	15 years, 4.35% interest	Not Committed
HCD AHSC	\$20,000,000	55 years @ 0.42% residual receipts	Not Committed
HCD IIG	\$7,000,000	Grant	Not Committed
AHP	\$1,200,000	55 years @ 0%	Not Committed
Total	\$98,156,140		

Permanent Uses	Amount	Per Unit	Per SF
Acquisition	\$0	N/A	N/A
Hard Costs	\$80,324,257	\$795,289	\$689
Soft Costs	\$12,631,883	\$125,068	\$108
Developer Fee	\$5,200,000	\$51,485	\$45
Total	\$98,156,140	\$971,843	\$842

1. BACKGROUND

1.1. Project History Leading to This Request.

Blocks 2 East and West are part of the approximately 40-acre Transbay Redevelopment Project Area that was administered by the former San Francisco Redevelopment Agency (“SFRA”). Pursuant to state law, redevelopment agencies throughout the State of California were eliminated on February 1, 2012 (California Health and Safety Code Section 34161 et seq (the “Redevelopment Dissolution Law”). OCII is the Successor Agency to SFRA and is responsible for implementing SFRA’s enforceable obligations. On April 15, 2013, the California Department of Finance determined “finally and conclusively” that the Transbay Implementation Agreement, Affordable Housing Program, and Tax Increment Sales Proceeds Pledge Agreement are enforceable obligations under Redevelopment Dissolution Law.

The Transbay Redevelopment Plan, established in 2005, is implemented through partnerships between OCII, the City, Transbay Joint Powers Authority (“TJPA”), Caltrans, and for-profit and non-profit developers. The Project Area is divided into two zones: Zone 1 is implemented by OCII and Zone 2 is implemented by the San Francisco Planning Department. When completed, the Transbay Redevelopment Area (including both Zone 1 and Zone 2) will include over 4,000 new residential units, 35% of which will be affordable, office and retail space, over 9 acres of new parks, and significant transportation and streetscape improvements.

Within Zone 1, a total of 2,196 residential units have been completed (Blocks 1, 6, 7, 8, 9, and 11a), 721 of which are restricted for affordability. Additional housing units are planned on Blocks 2 East (the subject of this evaluation) and West, Block 4, and Block 12. The planned affordable units on Blocks 2 East and West are essential to achieving 35% affordability in the Transbay Project Area.

Transbay Block 2, along with Blocks 3 and 4 and the future extensions of Clementina and Tehama Streets, was part of the lot formerly used as the Temporary Transbay Terminal. The Greyhound station building remains on the site but is currently unoccupied. Transbay Terminal operations relocated to the newly constructed Salesforce Transit Center in 2019.

OCII issued a Request for Proposals (“RFP”) seeking teams to develop, own, and operate mixed-use affordable rental family and senior housing units, including units set-aside for formerly homeless family and senior households at Transbay Blocks 2 East and 2 West in June 2020, with proposals due in September 2020. OCII received 5 proposals, all of which were deemed complete. An evaluation panel comprised of staff from OCII, Mayor’s Office of Housing and Community Development (“MOHCD”), the Department of Homelessness and Supportive Housing (“HSH”), and a member of the Transbay Citizens Advisory Committee (“CAC”) recommended selection of the development team led by Mercy and CCDC. Please see Sections 9 and 10 below for further discussion regarding threshold requirements and scoring.

Mercy and CCDC proposed that while they would collaborate on development of the site as a whole, with Mercy designated as the overall lead developer, each would secure financing for, and own and operate one of the two residential projects. Mercy will own and operate the family project on Block 2 East and CCDC will own and operate the senior project on Block 2 West. See below for further discussion on this relationship.

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

The Borrower entity is Transbay 2 Family, L.P. The managing general partner is Transbay 2 Family LLC, a subsidiary of Mercy.

Mercy has significant experience in San Francisco, including many properties developed in collaboration with OCII and MOHCD. Mercy owns and operates 51 buildings in San Francisco, serving low-income families, seniors, disabled persons, and formerly homeless households. In the Transbay Project Area, Mercy completed Transbay Blocks 6 and 7, and is partnering with Hines on development on Block 4.

Michael Kaplan at Mercy will be the Project Manager and will dedicate approximately 40% of his time to the Project. Elaine Palacios will provide project assistance, and will dedicate approximately 20% of her time to Block 2 East. Michael and Elaine will be supported by Ramie Dare (Acting Director of Development), Alvin Tuvilla (Regional Director of Resident Services), Jennifer Dolin (Director of Operations), Ed Holder (Vice President of Real Estate Development), and Doug Shoemaker (President).

Mercy Housing Management Group (“MHMG”) will be the property manager for the Project and will provide resident services to low-income families. Mercy will also partner with Episcopal Community Services (“ECS”), who will provide services for formerly homeless families.

In addition to leading development on Block 2 East, Mercy will also oversee coordination between Block 2 East and Block 2 West, working closely with CCDC throughout the development process. Mercy and CCDC entered into a Memorandum of Understanding on September 10, 2020 to establish roles and responsibilities for Transbay Block 2. Key Mercy responsibilities beyond Block 2 East (for Transbay Block 2 as a whole) include:

- Contract negotiation including predevelopment loan terms and ground leases;
- Consultants selection;
- Retail programming, commercial shell design, marketing and leasing; and
- Lot split and streetscape improvement design.

Pursuant to Condition 11.2.1, Mercy and CCDC will enter into a joint development agreement to formalize the collaborative partnership and further clarify roles and responsibilities.

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

Site Description	
Zoning:	Zoning for the site is form-based and is governed by the Transbay Redevelopment Plan, Transbay Development Controls and Design Guidelines (“DCDG”), and the Transbay Design for Development. The DCDG establishes that Block 2 is split by a 25’ wide ground level pedestrian mews connecting Folsom Street and Clementina Street. On the eastern side (Block 2 East), the DCDG allows a height of up to 50’ on the northern portion of Block 2 East along Clementina, up to 85’ mid-block along Main Street, and up

	to 165' on the southern side along Folsom at Main. The DCDG also requires a central open space courtyard.
Maximum units allowed by current zoning (N/A if rehab):	The maximum number of units on the site is based on form-based zoning. The number of units is limited only by what can fit within the site's height and bulk restrictions.
Number of units added or removed (rehab only, if applicable):	N/A
Seismic (if applicable):	The site is within a Liquefaction Zone (per the California Geological Survey)
Soil type:	<p>According to the Transbay EIR, the site is located on the Bay side of the historic circa 1848 shoreline. Soils on the site may generally be characterized by the presence of soft and compressible bay mud under the superficial fill placed when the area was reclaimed in the late 1800s or early 1900s. The depth of the sediment varies throughout the site.</p> <p>The Sponsor will assemble a consultant team and will perform further geotechnical analysis during predevelopment.</p>
Environmental Review:	CEQA clearance was obtained through the Environmental Impact Report (EIR) for the Transbay Redevelopment Plan (a program EIR). See Section 2.2 below for further discussion.
Adjacent uses (North):	Currently a continuation of the Block 2 surface parking lot, previously used as the temporary Transbay Terminal, planned for an approximately 1-acre public park.
Adjacent uses (South):	An approximately 650-unit mixed use condominium complex known as "Lumina". Woodlands Market, a high-end grocery store is located at the ground floor.
Adjacent uses (East):	A 392-unit mixed-use condominium complex known as "Mira" is under construction and nearing completion.
Adjacent uses (West):	<p>Block 2 West, an approximately 153-unit affordable senior rental project, under development concurrently with Block 2 East, will be located directly to the west within Transbay Block 2.</p> <p>To the west of Transbay Block 2 is a 479-unit mixed use apartment project, including 409 units in a tower (on the western side of the block) and 70 affordable units in a mid-rise and townhomes (on the eastern side of the block). The 70-unit affordable project is owned and operated by Mercy.</p>
Neighborhood Amenities within 0.5 mile:	<p>Grocery: Woodlands Market is located directly across Folsom Street, Ferry Building Saturday Farmer's Market (0.5 mile), Safeway (0.7 mile), Whole Foods (0.8 mile), Target (0.9 mile), Trader's Joe's (1 mile)</p> <p>Pharmacy: Walgreens (0.4 mile), CVS (0.7 mile), Target (0.9 mile)</p> <p>Library: Mission Bay Public Library (1.3 miles)</p> <p>Parks: planning is under way for an approximately 1-acre park on Block 3 directly to the north of the site, Salesforce Park (located on the roof of the Salesforce Transit Center) is one block from the site (0.2 mile), Rincon Park is 2 blocks from the site (0.2 mile)</p>

Public Transportation within 0.5 mile:	The site is located 1 block from the Salesforce Transit Center, a regional hub for 11 transit systems, including multiple Muni bus lines. In addition, the site is two blocks from the Muni Metro station at The Embarcadero and Folsom Street and 2 blocks from the Embarcadero BART station.
Article 34:	Article 34 authority is needed and will be requested before the predevelopment loan is encumbered.
Article 38:	Not exempt. The site is within the Air Pollutant Exposure Zone. The design will be subject to relevant guidelines and requirements.
Accessibility:	Project will provide at least 15% of tax credit units with mobility features (California Building Code (“CBC”) 11B 809.2 through 11B 809.5) and at least 10% with communications features (CBC 11B 809.5). Adaptability requirements will be determined by the San Francisco Mayor’s Office on Disability.
Green Building:	Per the RFP, the building must either achieve a Green Point Rating of 125 or above, or LEED Gold rating. The OCII design team will work with the Sponsor to ensure the Project meets one of these two thresholds.
Recycled Water:	Not exempt. The Project does fall within the boundaries of the designated recycled water use area, and therefore it will be required to comply with the City’s Recycled Water Ordinance. As such, the Sponsors will be required to install purple pipe to recycle grey water within the Project.
Storm Water Management:	Developments that disturb 5,000 square feet or more of the ground surface must comply with the Storm Water Design Guidelines and submit a Storm Water Control Plan to the SFPUC for review. The development team will meet with SFPUC during the predevelopment period.

2.1. Zoning.

See above.

2.2. Local/Federal Environmental Review.

In April 2004, the Redevelopment Agency Commission certified the Environmental Impact Report (EIR) for the Transbay Redevelopment Plan. In January 2005, the Agency Commission adopted findings under the California Environmental Quality Act (CEQA), a Statement of Overriding Considerations, and a Mitigation Monitoring and Reporting Program in connection with the adoption of the Redevelopment Plan. The Board of Supervisors, Planning Commission, and TJPA adopted similar findings.

The Agency Commission, Board of Supervisors, and TJPA subsequently adopted eight addenda to the Final EIR.

The proposed loan is an implementing action and within the scope of the project analyzed under the EIR and subsequent addenda. Unless the Sponsor seeks building height or bulk that are outside of that assumed under the EIR, no additional environmental review is required under CEQA.

The Sponsor will work with OCII staff and other public agencies to ensure that the mitigation monitoring measures for Block 2 East are appropriately documented and

implemented. Also, the Sponsors will order an updated Phase I analysis and a Phase II analysis, as needed.

2.3. Environmental Issues.

- Phase I/II Site Assessment Status and Results.

As part of due diligence in acquiring the site from TJPA, OCII commissioned a Phase I report from AEW Engineering. The report is dated November 3, 2020. The report identified that soil classified as Federal Class I RCRA and California Class I Non-RCRA hazardous waste is on the site. The soil was capped by the existing temporary terminal asphalt and terminal building but will need to be addressed as part of the site's development. The Sponsor will work with a consultant to determine whether an updated Phase I is needed.

The Sponsor will seek a Phase II report during predevelopment.

- Potential/Known Hazards.

Soil contaminants currently exist in the Project Area and are assumed to exist at the site. The Sponsor will engage consultants to provide testing and analysis.

2.4. Adjacent uses and neighborhood amenities. See table above.

2.5. Green Building. See table above.

3. COMMUNITY SUPPORT

3.1. Prior Outreach.

The Transbay Citizens Advisory Committee ("CAC") is comprised of 11 members who represent neighboring residents, property owners, and Citywide interests. The CAC is charged with providing advice to OCII on all matters pertaining to the planning and implementation of the Transbay Redevelopment Project Area.

Staff presented the RFP to the CAC and to the OCII Commission in June 2020 prior to issuance of the RFP. A member of the CAC participated in the interview and evaluation panel for the developer team selection. Staff presented an update on the selection process and the recommended developer to the CAC on November 12, 2020 in advance of the anticipated upcoming OCII Commission action on the Predevelopment Loan Agreement and Exclusive Negotiations Agreement. At each meeting, the CAC members were supportive of this development.

3.2. Future Outreach.

The Sponsor will return to the CAC to present the recommended concept design for Blocks 2 East and West and will return again to seek approval of the schematic design. Pursuant to Condition 11.3.14, the Sponsor will conduct further outreach to neighborhood groups as needed throughout predevelopment. Groups may include the East Cut Community Business District, neighboring homeowner associations, and others.

4. DEVELOPMENT PLAN

4.1.1. Site Control.

OCII currently holds and will continue to hold fee simple ownership of the Site. The Site was transferred from TJPA to OCII in January 2021, along with Transbay Blocks 3 and 4 and the parcels planned for the extensions of Clementina and Tehama Streets.

Pursuant to the terms of a purchase agreement between TJPA and OCII in August 2020, Transbay Block 2 was transferred at no cost to OCII.

The Sponsor, in coordination with the sponsor of Block 2 West, will lead and be responsible for pursuing a subdivision map to facilitate the Blocks 2 East and West projects. Per Condition 11.3.11, Mercy and CCDC will work together to determine appropriate boundaries for the two or more parcels to be created through the subdivision.

4.1.2. Proposed Property Ownership Structure

OCII will retain fee interest in the land and, at the close of construction financing, will enter into a long-term ground lease with the Sponsor. The Sponsor will own the improvements.

4.2. Proposed Design.

The preliminary massing for Block 2 East features a nine story (85') building anchoring the corner of Folsom and Main, stepping down to approximately 50' along Clementina Street. The building will have 101 units, with 36 one-bedrooms, 36 two-bedrooms (including one manager's unit), and 29 three-bedrooms.

As one of the final remaining sites in the Transbay project area, the urban design of Blocks 2 East and West is critical to creating a vibrant pedestrian realm. Units with townhome-style frontages and stoops are located along the planned extension of Clementina Street, while the child care facility will be located at the Main-Clementina corner. This allows for safe child care drop-offs on Clementina and places the child care entry directly across from the planned Block 3 park, which will feature a playground. A retail space on the Main-Beale corner will complement the Woodlands Market located across Folsom and will contribute to the Folsom "main street".

The ground floor also contains the resident lobby as well as management and services offices. The sixth floor features a community room opening up to an approximately 3,000 square foot roof deck overlooking the planned Block 3 park.

A partial basement will provide resident bicycle storage, building storage, utility functions, and trash storage. There will be no resident vehicular parking.

The Block 2 East design will be closely coordinated with the design of Block 2 West. The Sponsors and design teams will collaborate to submit a single schematic design package for OCII review and approval. Designs will feature complementary exterior features and materials for a cohesive look across the block. The design team envisions a masonry material for the façade that will contrast with the glassy towers across Folsom Street. A common landscape architect will work on both Blocks 2 East and West, ensuring consistency in the look and feel of the large "linear parks" on Beale and Main, the wide sidewalk on the Folsom Street frontage, the central pedestrian mews, and the townhome frontages on Clementina.

The Sponsors and design team will revisit the proposed height and massing of Block 2 East and present alternatives to OCII before finalizing a conceptual design. As noted in Section 2 above, the Transbay design guidelines allow for a building of up to 165' on a portion of the site at Main Street and Folsom Street. Thus at 85', the Project does not take full advantage of allowable building area. Further, in the RFP for Transbay Blocks 2 East and 2 West, OCII sought consideration of an alternative height of 240'.

A height of 85' may be less challenging to finance given the lower bond request and lower anticipated OCII loan, however, preliminary studies indicate that a height of 165'

would yield an additional 46 units (bring the Block 2 East unit count to 147) and would likely result in a lower cost per unit, however the OCII subsidy per unit would increase. Pursuant to Condition 11.3.1, the Sponsor will further analyze development scenarios with heights at 165' and 240'.

Estimated area square footages are as follows:

Average Unit SF by type:	1 Bedroom: 550 2 Bedroom: 850 3 Bedroom: 1,100
Residential SF:	83,054
Circulation SF:	13,757
Commercial SF:	Retail: 1,380 Child care: 5,950
Common Area SF:	4,568
Maintenance/Utility SF:	7,823
Building Total SF:	116,532

4.3. Proposed Rehab Scope. N/A

4.4. Construction Supervisor/Construction Specialist's Evaluation

OCII's Construction Specialist performed a preliminary analysis of the proposed massing concept and construction cost estimate for Block 2 East. The building will provide approximately 101 units for low-income families. The proposed design takes advantage of the southeast corner of Folsom and Main Streets while creating a sunlit courtyard facing the midblock mews to the west. The northern façade, on Clementina Street, provides views to the planned Block 3 park. The midblock mews and streetscape improvements to Clementina, Main, and Folsom will contribute to street level activation and link to similar improvements on surrounding Transbay blocks.

Design and construction efficiencies can be gained by simultaneously developing Blocks 2 East West. To the extent feasible, these projects should maintain coordinated schedules (Condition 11.3.2).

Preliminary cost estimates are at approximately \$842 per square foot, or \$971,843 per unit, which is over 20% higher than the average of \$694 per square foot for other OCII/MOHCD projects currently in predevelopment. Higher costs may in part be attributable to the need to activate all four sides of the building, the inclusion of a child care center and retail space, and added streetscape improvements. However, OCII will work closely with the Sponsor and design team to identify strategies to maximize efficiencies and reduce costs per unit and per square foot.

4.5. Commercial Space.

Ground floor commercial on Transbay Block 2 is essential to meeting the overall Redevelopment Plan goal to develop Transbay as a vibrant and functional urban neighborhood. Existing Transbay residents have, through discussions at Transbay CAC meetings, affirmed the need and desire for neighborhood-serving commercial uses. In response to the RFP for Transbay Blocks 2 East and West, Mercy and CCDC proposed a retail plan intended to complement existing area businesses and provide spaces and uses

that act as community connectors. The overall commercial plan for Block 2 provides 11,650 square feet of ground floor commercial. Mercy's affiliate, Mercy Commercial California ("MCC") will lead the planning, lease-up, and build-out of the commercial spaces on both 2 East and West.

During predevelopment, the Sponsor, in collaboration with MCC and the sponsor of Block 2 West, will prepare a commercial financing plan for OCII review and approval and will consider and recommend whether or not to establish separate parcels for the commercial spaces as part of the overall subdivision mapping process for the Transbay Block 2.

The preliminary design for Block 2 East provides an approximately 1,380 square foot retail space on the corner of Folsom Street and Main Street and an approximately 6,000 square foot child care facility on the corner of Clementina Street and Main Street.

The retail space is double height, with adjacent access to loading and other back-of-house functions. The entry is planned for Folsom Street. The Sponsor has not yet secured a potential tenant for this space, however, MCC has established a relationship with the San Francisco Neighborhood Business Alliance (SFNBA), a membership-based trade association founded by retailers in the Arab, Asian, and Black communities in the Bay Area. Mercy will collaborate with SFNBA as well as other local organizations supporting entrepreneurs and small businesses to market the space and secure a neighborhood-serving tenant (Condition 11.3.10).

The child care center is intended to serve up to 45 children ages 0 to 5. The Sponsor will issue an RFP to seek a provider for the space early in predevelopment (Condition 11.3.4) and will collaborate with partner providers from other buildings regarding design until a provider for the Project is confirmed. The split-level space includes a ground floor lobby and classroom space as well as lower level classroom areas. The lower level portion opens to a sunken central courtyard with dedicated outdoor play space. The Sponsor anticipates child care drop-off on Clementina Street.

4.6. Service Space.

Preliminary designs provide for ground floor property management and services offices and an approximately 1,400 square foot community room adjacent to the roof deck on the 6th floor. The type and amount of space seems adequate for the target population. Programming and design of the space will be refined during predevelopment and reviewed with service and property management providers as well as OCII housing and design staff.

4.7. Target Population

Block 2 East will serve families at incomes ranging from 20% to 80% SF AMI, with an average AMI no higher than 60%. Approximately 20% of the units (20 units) will be set-aside for occupancy by formerly homeless families, referred to the Project by HSH through the Coordinated Entry program. Pursuant to Condition 11.3.5, the Sponsor will work with HSH to confirm that the number of formerly homeless-serving units is appropriate and allows for an efficient case management ratio.

4.8. Marketing & Occupancy Preferences

As previously noted, tenants in the 20 units serving formerly homeless households will be referred to the Project through the Coordinated Entry System. All remaining affordable units will be marketed and leased through OCII's standard procedures, including early outreach to Certificate of Preference ("COP") holders, broad marketing

and outreach, and applications and a lottery through the MOHCD DAHLIA digital housing portal system. In addition, potential tenants will be prioritized in accordance with preferences.

As of April 19, 2019, the OCII Commission has authorized staff to apply the preferences in City Affordable Housing Programs, as amended from time to time, to affordable housing approved by OCII, to the extent that those preferences are consistent with redevelopment plans, enforceable obligations, and applicable law. The preferences applicable for the Project are:

1. COP holders
2. Displaced Tenant Preference Program for 20% of lottery units
3. Neighborhood Resident Housing Preference for 40% of the lottery units if project does not include State funding sources, and 25% of the lottery units if project does include State funding sources (if such preference does not conflict with other financing sources)
4. San Francisco residents or workers
5. Members of the general public

The Sponsor will, as a condition of the anticipated gap loan, provide an early outreach and marketing plans that describe specific efforts to engage preference program participants, and clearly describe how the marketing is consistent with the Mayor's Racial Equity statement and promote positive outcomes for African American San Franciscans.

Potential tenants, including those prioritized by preference, must meet the Sponsor's established screening requirements for the Project, and final selection will lie with the Sponsor. Any authorized preference shall be permitted only to the extent that such preference: (a) does not have the purpose or effect of delaying or otherwise denying access to a housing development or unit based on race, color, ethnic origin, gender, religion, disability, age, sexual orientation, or other protected characteristic of any member of an applicant household; and (b) is not based on how long an applicant has resided or worked in the area. OCII will work with the Sponsor to resolve potential occupancy conflicts and determine marketing requirements and to ensure adherence to OCII occupancy preferences.

4.9. Relocation.

N/A.

5. DEVELOPMENT TEAM

Development Team			
Consultant Type	Name	SBE/LBE	Outstanding Procurement Issues
Architect	Kennerly Architecture & Planning	Y	N
Landscape Architect	TBD	TBD	TBD
JV/other Architect	TBD	TBD	TBD
General Contractor	TBD	TBD	TBD
Owner's Rep/Construction Manager	TBD	TBD	TBD
Property Manager	Mercy Housing Management Group	N	N
Services Provider	Mercy/Episcopal Community Services	N	N

Financial Consultant	CHPC	N	N
Legal	Gubb & Barshay	N	N

5.1. Outstanding Procurement Issues.

There are no outstanding procurement issues. Sponsor is working with OCII's Contract Compliance team to issue a RFQ/P for design consultants and will endeavor to meet OCII's goal that a minimum of 50% of professional services contracts are awarded to certified Small Business Enterprises ("SBEs").

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

6.1. Prior MOHCD/OCII Funding (this project and historical for the project):

There is no prior OCII funding. This predevelopment loan request will be the first sum of money extended to the project.

6.2. Disbursement Status.

The proposed predevelopment loan is the only predevelopment source for the Project. No sums of money have yet been disbursed. Staff recommends that the Loan Committee approve payment of costs dating back to November 12, 2020, the date of the informational update staff provided to the Transbay CAC on the developer selection recommendation, so long as these previously incurred costs are deemed acceptable and correspond to the predevelopment budget attached herein.

6.3. Fulfillment of Loan Conditions.

N/A.

6.4. Proposed Predevelopment Financing

6.4.1. Predevelopment Sources Evaluation Narrative

The proposed predevelopment loan is the only predevelopment source for the Project.

6.4.2. Predevelopment Uses Evaluation

The Sponsor is seeking a predevelopment loan of \$3,500,000. The budget includes costs related to design through construction documents, survey and engineering sites studies, permit fees, legal fees, and a portion of the developer fee.

6.4.3.

Predevelopment Budget		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Acquisition Cost is based on appraisal	N/A	Not applicable.
Architecture and Engineering Fees are within standards	Y	A&E fee during predevelopment is \$2,350,149

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%	N	The Project is carrying a total of 15% in design, bid, and plan check contingencies, which is consistent with the MOHCD Underwriting Guidelines, but more than the amounts held in typical recent practice for projects of this scale (typical is a total of 8%). While escalation is not included in the hard cost estimate, it is assumed that these conservative contingency amounts would allow for escalation.
Construction Management Fees are within standards	Y	
Developer Fee is within standards	Y	See discussion on Developer Fee below.
Soft Cost Contingency is 10% per standards	Y	
Financing Costs are reasonable	Y	

6.5. Potential Proposed Permanent Financing

Permanent financing is being presented to demonstrate the project's overall feasibility but not intended to be presented for Loan Committee approval at this time.

6.5.1. Permanent Sources Evaluation Narrative:

- OCII Loan: The budget assumes an OCII subsidy of approximately \$26,695,472 or \$264,312 per unit. The OCII subsidy will be used during predevelopment and construction and will be structured as a loan with up to 3% interest.
- LIHTC Equity: The Sponsor is projecting LIHTC equity in the amount of \$38,760,668 or \$383,796 per unit. This assumes a fixed 4% credit rate and pricing at \$0.90. Pricing is assumed at \$0.90 which may be conservative but is based on recent offers from tax credit investors on other San Francisco projects without project-based Section 8 contracts. Pursuant to Condition 11.3.13, the Sponsor will provide the debt/equity request for proposals for OCII review and will share responses and draft terms sheets.
- HCD AHSC: The budget assumes an AHSC award of \$20,000,000, the maximum available for eligible residential uses, to support the residential Project. The Sponsor would work with SFMTA and/or other transit agencies to identify a qualified transit project.
- HCD IIG: The budget assumes an IIG award of \$7,000,000, the maximum available for the program. The funds would be used for site preparation, drainage, and streetscape work. Because Mercy has obtained awards in the recent past, they expect to score well in the tiebreaker, which awards points for IIG experience.

- **Construction Loan:** The budget assumes a tax-exempt construction loan of \$59,664,964 with an interest rate of 3.65% for 30 months. Pursuant to Condition 11.3.13, the Sponsor will provide the debt/equity request for proposals for OCII review and will share responses and draft terms sheets.
- **Permanent Loan:** The budget assumes a permanent loan of \$1,500,000 at 4.35% interest rate with a 15-year amortization. The Sponsor will seek to maximize the permanent loan (Condition 11.3.7), while maintaining anticipated AMI levels and ensuring an adequate debt service coverage ratio. Pursuant to Condition 11.3.13, the Sponsor will provide the debt/equity request for proposals for OCII review and will share responses and draft terms sheets.
- **AHP:** The budget assumes an AHP award of \$1,200,000 or \$11,881 per unit. The Sponsor's preliminary analysis shows that the Project would be competitive for this source based on income levels. The Sponsor anticipates an AHP award prior to seeking gap funds from OCII.
- **GP Capital Contribution:** The GP estimates that it will make an equity contribution of \$3,000,000 or \$29,703 per unit to maximize tax credit equity. This amount is reflected in the developer fee shown below.

6.5.2. Permanent Uses Evaluation:

Development Budget		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Hard Cost per unit are within standards	N	Hard costs are \$795,290 / unit (includes contingencies). Costs are very high in comparison to other OCII/MOHCD projects will be monitored closely during the predevelopment period.
Construction Hard Cost Contingency is at least 5% (new construction) or 15% (rehab)	Y	Hard cost contingency is 5%. Design, bid, and plan check contingencies total 15%.
Architecture and Engineering Fees are within standards	Y	A&E fee is \$3,577,506, which is approximately 5% of hard costs (excluding contingencies).
Construction Management Fees are within standards	Y	The construction management fee of \$145K is within the maximum allowable per MOHCD's underwriting guidelines for a large project.
Developer Fee is within standards, see also disbursement chart below	Y	Total cash developer fee is \$2.2M, which is below the max. allowed under the MOHCD Developer Fee Policy (See further description below.)
Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is at 10%.
Capitalized Operating Reserves are a minimum of 3 months	Y	Capitalized Operating Reserve is equal to 3 months of expenses

Cash Developer Fee Disbursement Schedule		
Payment Milestone	% of Project Mgmt. Fee	Amount
At acquisition or closing of preconstruction financing	15%	\$165,000
During or at end of predevelopment	35%	\$385,000
At construction closing	20%	\$220,000
During construction/at construction completion	20%	\$220,000
Project close-out	10%	\$110,000
Total Project Management Fee	100%	\$1,100,000
At Risk Fee*		\$1,100,000
Total Cash Developer Fee		<u>\$2,200,000</u>
GP Equity		\$3,000,000
Total Developer Fee		<u>\$5,200,000</u>

* The at-risk fee is below the maximum allowable under the MOHCD Developer Fee Policy due to restrictions from other funding sources (the MOHCD policy would allow up to \$2,210,000 in total cash fee, as well as commercial development fee). Should the funding sources change, the fee may be revised at consideration of gap financing to an amount up to the maximum allowed under the MOHCD policy. The at-risk fee will be held back from distribution to cover any cost overruns that exceed the contingency amounts held in the Sponsor's budget, per the MOHCD Developer Fee Policy.

6.6. This Request/Phasing Narrative

N/A

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

7.1. Annual Operating Budget

Since this is a predevelopment loan request, the annual operating budget is presented to demonstrate the project's overall feasibility and is not presented for approval at this time. Please see Attachment J.

7.2. Income

Project income will include tenant rents as well as subsidy for LOSP units. The preliminary cash flow assumes that commercial income and expenses will not flow through the residential project. This is subject to further analysis during the predevelopment period. During predevelopment, the Sponsor will work with OCII to confirm the AMI mix and will evaluate the potential for further tiering to include units 50% AMI. In addition, Sponsor will work with OCII and HSH to confirm the appropriate AMI levels for LOSP units, along with the total number of LOSP units. For example, there may be a need for some LOSP units with AMIs of up to 50% AMI to accommodate formerly households with full-time employment income.

Unit Type	No. of Units	Max. AMI	Rent (at Max. AMI)*	Rent/ Operating Subsidy
1 bedroom	6	20%	\$513**	LOSP
2 bedroom	9		\$576**	
3 bedroom	5		\$640**	
1 bedroom	4	30%	\$769	
2 bedroom	3		\$865	
3 bedroom	3		\$961	
1 bedroom	18	60%	\$1,538	
2 bedroom	18		\$1,730	
3 bedroom	14		\$1,921	
1 bedroom	7	80%	\$2,050	
2 bedroom	7		\$2,306	
3 bedroom	6		\$2,563	
2 bedroom	1	unrestricted	n/a	Mngr's Unit
Total Units	101	Average AMI: 53% (38% TCAC)		

* Based on 2020 MOHCD rents

** Tenants in units subsidized by LOSP are assumed to pay \$300 per month in rent, actual rent will be 30% of tenant income, pursuant to LOSP policies

7.3. Annual Operating Expenses Evaluation

Operating Proforma		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Debt Service Coverage Ratio (DSCR) is between minimum 1.10:1 and maximum 1.15:1 at year 15	N	The DSCR is at 1.61 in Year 15. As a condition of this loan (Condition 11.3.7), the Sponsors will review assumptions and maximize permanent debt.
Debt Service Coverage Ratio stays above 1.00:1 for entirety of projected 20-year cash flow	Y	The DSCR is at 1.16 in year 20.
Vacancy meets TCAC Standards	Y	Vacancy is 5% of tenant rents per TCAC and LOSP standards.
Annual Income Growth is increased at 2.5% per year	Y	Income escalation factor is 2.5% for non-LOSP units and 1% for LOSP in compliance with OCII/MOHCD standards and LOSP guidelines.
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 base year operating expenses are \$14,403 per unit per year (including reserves), which is comparable to other family projects that include LOSP units.
Property Management Fee is at allowable HUD Maximum	Y	Property Management Fee is \$80,800 and will be set in accordance with the HUD schedule
Property Management staffing level is reasonable per comparables	Y	1 FTE Senior Property Manager 2 FTE Assistant Property Managers 3.5 FTE Desk Clerks (24/7 coverage) 1 FTE Maintenance Manager 1 FTE Maintenance Tech

		1 FTE Janitor This level of property management staffing is consistent with other buildings in the Sponsor's portfolio. The staffing structure will be refined during predevelopment. Sponsor will evaluate the need for 24/7 staffing and/or will explore the potential for shared after hours desk coverage for cost savings/efficiency (Condition 11.3.6).
Asset Management and Partnership Management Fees meet standards	Y	Annual AM fee is \$24,280 Annual PM Fee is \$24,270 These amounts are consistent with MOHCD maximums for 2023.
Replacement Reserve Deposits meet or exceed TCAC minimum standards	Y	Replacement Reserves are \$500 per unit per year (based on comparable projects).
Limited Partnership Asset Management Fee (aka Investor Service Fee) meets standards	Y	\$5,000 per year with no escalation.

7.4. Capital Needs Assessment & Replacement Reserve Analysis

N/A

8. SUPPORT SERVICES

8.1. Services Plan.

Mercy will provide resident services for low-income families and Episcopal Community Services (ECS) will provide supportive services for formerly homeless families. Anticipated staffing is as follows:

Position	FTE	Description
Case Manager (bilingual) – ECS (serving families in supportive units)	1.0*	Provides psychological assessments, supportive counseling, and individualize wrap-around case management. Services aligned with Positive Parenting Program.
Support Services Manager – ECS (support for families in supportive units)	0.4*	Provides leadership and supervision to ensure quality and resident safety. Responsible for case management program operations including staff supervision and budget oversight.
Resident Services Coordinator II - Mercy (serving all residents)	1.0	Coordinates on-site service programs, partnerships with outside organizations, and property management. Implements youth programming, community engagement, health and wellness initiatives, and housing stability.
Resident Services Manager (serving all residents)	0.2	Provides oversight and supervision to support resident services staff and programs.
Total FTE	2.6	

* The case management ratio of 1.4 FTE for 20 supportive units is higher than typical for HSH supported projects and will need to be reviewed and revised during predevelopment (Condition 11.3.5).

8.2. Service Budget.

Resident services at up to one staff person for every 100 units will be paid through the operating budget, pursuant to MOHCD underwriting standards. Case management and supportive services for formerly homeless families will be funded through a separate contract with HSH. The anticipated services budget is as follows:

Position	FTE	Budget Amount	Funding Source
Case Manager (bilingual) - ECS	1.0	\$56,535	HSH Contract
Support Services Manager – ECS	0.4	\$15,446	HSH Contract
Resident Services Coordinator II - Mercy	1.0	\$65,500	Operating budget
Resident Services Manager - Mercy	0.2	\$12,576	Operating budget
Fringe		\$57,173	HSH Contract/Operating budget
Operating Expenses		\$49,872	HSH Contract/Operating budget
Total FTE	2.6	\$25,102	

The case management ratio and related staffing costs are higher than typical for a supportive family project and will be reviewed and adjusted in coordination with HSH during predevelopment. The Sponsor will work with OCII and HSH to refine the services plan and budget during the predevelopment period (see Condition 11.3.5).

8.3. HSH Assessment of Service Plan and Budget.

To be provided with the gap funding request. Mili Choudhury, Family Permanent Supportive Housing Manager at HSH, was a member of the selection panel for the RFP and will participate in planning for services and management. A condition of this loan request is to work closely with OCII and HSH to develop and appropriate supportive services plan and budget for this Project (Condition 11.3.5).

9. THRESHOLD ELIGIBILITY REQUIREMENTS

The RFP defined minimum threshold requirements to be considered for selection. The Sponsors satisfied these requirements.

10. RANKING CRITERIA

The Sponsor was selected, along with the Sponsor of Block 2 West, based on their submittal in response to an RFP as described in Section 1.1. The team led by Mercy and CCDC received the highest score of the five proposals, with 90 out of 100 possible points. Scoring criteria was as follows:

Maximum Points	Criteria
50	Proposed Development Concept
20	Proposed massing concept
15	Financial feasibility and level of OCII subsidy

10	Proposed services plan
5	Proposed marketing plan
50	Developer Team Experience and Capacity
10	Developer's experience: comparable mixed-use projects
10	Developer's experience: affordable housing financing; workload capacity
10	Workforce and contracting action plan
10	Architect experience and capacity
5	Service provider experience and capacity
5	Property manager experience and capacity
100	Maximum Total Points

11. STAFF RECOMMENDATIONS

11.1. Proposed Loan/Grant Terms

Financial Description of Proposed Loan	
Loan Amount:	\$3,500,000
Loan Term:	3 years or until rolled into a permanent loan for the Project
Loan Maturity Date:	2024
Loan Repayment Type:	Deferred
Loan Interest Rate:	3% (may be recast if necessary due to true debt analysis performed in preparation for the close of construction financing. Interest rate may be between 0% and 3%, with approval of the OCII Executive Director)

11.2. Recommended predevelopment disbursement conditions

- 11.2.1 Subject to OCII approval, Mercy and CCDC will enter into a joint development agreement that clearly defines the roles and responsibilities of Mercy and CCDC in the overall development of Transbay Block 2. The agreement will use as its basis the Term Sheet attached to the MOU dated September 10, 2020 between Mercy and CCDC and will clearly define Mercy's role as lead developer, in close coordination with CCDC for the following matters: contract negotiations, including predevelopment loan terms, and ground leases; general contractor and consultants' selection; retail programming, commercial shell design, marketing and leasing; lot split/subdivision mapping; streetscape and landscape design; respective liabilities for work performed under the agreement; and other matters to achieve cost efficiencies and a cohesive development on Block 2.

11.3. Recommended conditions prior to gap financing

- 11.3.1 Sponsor will, in coordination with OCII, study massing and financing scenarios at 165', 240', and other design variations as recommended by the design team to balance unit count and financial feasibility on the 2 East site

and will submit a combined conceptual design and cost estimate with Block 2 West.

- 11.3.2 Sponsor will work closely with the sponsor of Block 2 West throughout predevelopment and will:
 - a. ensure that the design teams for Blocks 2 East and West collaborate and submit a single combined schematic design package, which demonstrates cohesive design between Blocks 2 East and West, particularly for the ground floor and mid-block pedestrian mews; and
 - b. use the same general contractor or joint venture for construction and coordinate construction timing between Blocks 2 East and West, either by construction of both sites at the same time or phased development.
- 11.3.3 Sponsor will cooperate with OCII and the sponsor of Block 2 West to competitively solicit a general contractor with the intent of creating a joint venture or similar partnership opportunity, to the extent practicable and economically feasible, between a general contractor and an OCII-recognized SBE contractor. Furthermore, Sponsor will cooperate and require the general contractor to exercise good faith efforts to select subcontractors who either are SBEs or, if they are not SBEs, are willing to create joint ventures or similar partnership opportunities with SBEs.
- 11.3.4 Sponsor will seek a child care provider through a competitive RFP process. Sponsor will coordinate with the selected provider to refine space designs and support the provider, as appropriate, in seeking tenant improvement assistance.
- 11.3.5 Sponsor will work with OCII, MOHCD, and HSH to:
 - a. finalize the number of permanent supportive units, ensuring consistency with best practice case management ratios;
 - b. review AMI levels for LOSP-supported units to ensure that the levels of are appropriate to accommodate anticipated tenant needs; and
 - c. refine the services plan and budget.
- 11.3.6 Sponsor evaluate the need for 24 hour desk coverage for the Project and will explore the potential for shared after hours front desk coverage/security between Blocks 2 East and West to improve efficiency and reduce costs.
- 11.3.7 Sponsor will seek to maximize permanent debt, while maintaining an AMI mix as agreed upon with OCII and ensuring an adequate debt service coverage ratio.
- 11.3.8 Sponsor will closely monitor available funding sources such as AHP, AHSC, IIG, and others, review regulations, and submit timely applications, as appropriate. If necessary, Sponsor will recommend strategies and program modifications for OCII approval to improve the Project's likelihood of securing awards.
- 11.3.9 Sponsor will ensure that commercial spaces are designed in accordance with the specifications established in the MOHCD Commercial Space Underwriting Guidelines and will provide a commercial financing plan for OCII review and approval.

- 11.3.10 Sponsor will conduct early outreach to local small business organizations, non-profit entrepreneur organizations, and other entities, groups and organizations, as appropriate, to market the Project's retail space. In addition, Sponsor will engage with the San Francisco Office of Economic and Workforce Development regarding the retail space and the availability of the City's small business, legacy business, and other programs to identify and assist potential local business tenants.
- 11.3.11 Sponsor will coordinate with OCII and the sponsor of Block 2 West to establish project boundaries and secure a subdivision map for Transbay Block 2.
- 11.3.12 Prior to submittal of a site permit application and subdivision map application, Sponsor, in collaboration with the sponsor of Block 2 West, will recommend for OCII approval, a specific plan for the development of public or common use areas in Transbay Block 2, e.g. the mid-block pedestrian mews, that establishes the lot lines, allocation of development, a mechanism for ensuring public access, and responsibilities for construction and ongoing maintenance and security.
- 11.3.13 Sponsor will provide the RFP for debt and equity providers before it is finalized and released.
- 11.3.14 Sponsor and sponsor of Block 2 West will work collaboratively on a community outreach plan, will conduct ongoing outreach to the Transbay community to solicit input, address concerns, and educate community members on various aspects of the Project. Sponsor will take the lead in obtaining OCII approval for the community outreach plan.

12. LOAN COMMITTEE MODIFICATIONS

LOAN COMMITTEE RECOMMENDATION

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

☐ APPROVE. ☐ DISAPPROVE. ☐ TAKE NO ACTION.

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

Date: _____

☐ APPROVE. ☐ DISAPPROVE. ☐ TAKE NO ACTION.

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

Date: _____

☐ APPROVE. ☐ DISAPPROVE. ☐ TAKE NO ACTION.

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

Date: _____

☐ APPROVE. ☐ DISAPPROVE. ☐ TAKE NO ACTION.

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

Date: _____

Attachments: A. Project Milestones/Schedule
 B. Borrower Organizational Chart
 C. Developer Resumes
 D. Asset Management Analysis of Sponsor
 E. Site Map with Amenities
 F. Elevations and Floor Plans
 G. Comparison of City Investment in Other Housing Developments
 H. Predevelopment Sources and Uses
 I. Permanent Sources and Uses
 J. First Year Operating Budget
 K. 20-Year Operating Pro Forma

Chavez, Rosanna (MYR)

From: Shaw, Eric (MYR)
Sent: Friday, February 19, 2021 11:59 AM
To: Chavez, Rosanna (MYR)
Subject: Predevelopment Financing Transbay East

I approve

Eric D. Shaw
Director

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

Chavez, Rosanna (MYR)

From: Menjivar, Salvador (HOM)
Sent: Friday, February 19, 2021 12:53 PM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR)
Subject: Predevelopment Financing for Transbay Block 2 East

I approve the request for a predevelopment loan in the amount of \$3,500,000 for Transbay Block 2 East.

Best,

Salvador



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

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Chavez, Rosanna (MYR)

From: Oerth, Sally (CII)
Sent: Friday, February 19, 2021 11:58 AM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR); Obstfeld, Kimberly (CII)
Subject: Predevelopment Financing Transbay Block 2E- 2.19.21 Loan Committee

I approve the Predevelopment Loan request for Transbay Block 2E, as presented at the 2.19.21 Loan Committee



Sally Oerth
Interim Executive Director

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

Chavez, Rosanna (MYR)

From: Katz, Bridget (CON)
Sent: Friday, February 19, 2021 11:57 AM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR)
Subject: Predevelopment Financing Transbay East

Approve

Bridget Katz

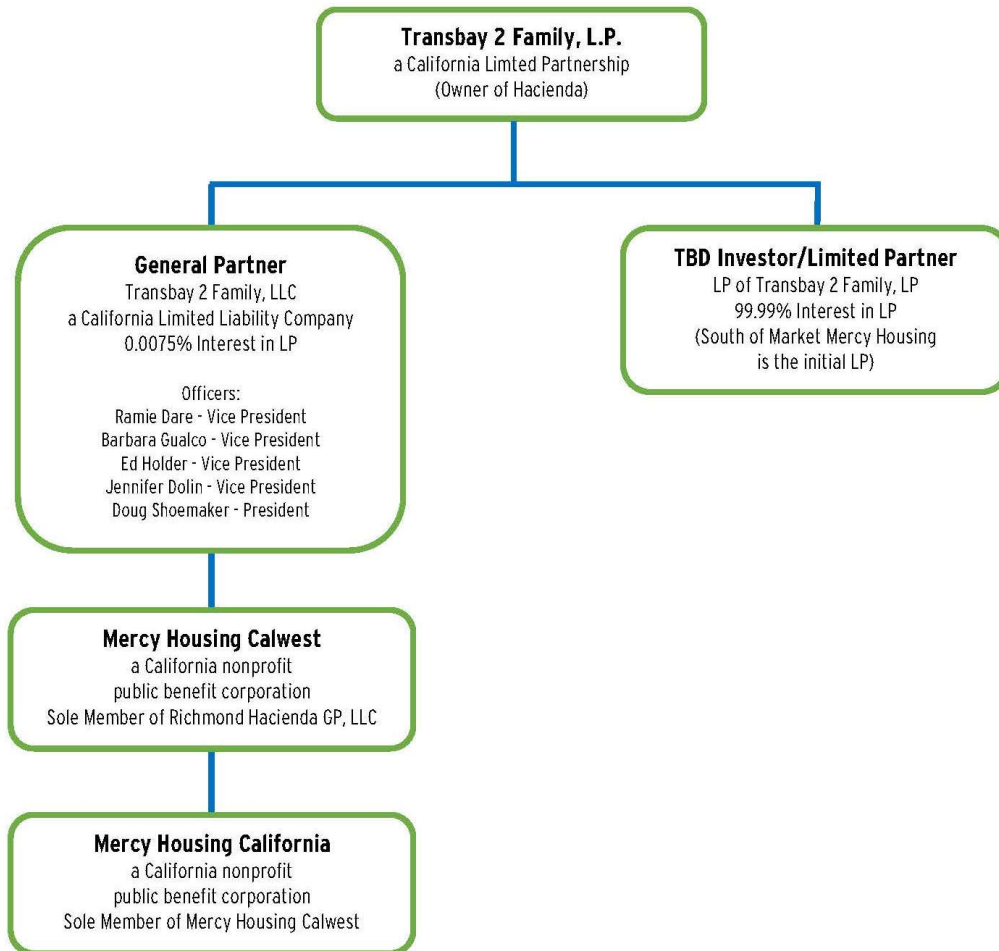
Development Finance Specialist, Office of Public Finance
Controller's Office | City & County of San Francisco
Office Phone: (415) 554-6240
Cell Phone: (858) 442-7059
E-mail: bridget.katz@sfgov.org

Attachment A: Project Milestones and Schedule

No.	Performance Milestone	Estimated or Actual Date	Contractual Deadline
A.	Prop I Noticing (if applicable)	N/A	N/A
1	Acquisition/Predev Financing Commitment	February 2021	(this request)
2.	Site Acquisition	September 2023	March 2024
3.	Development Team Selection		
a.	Architect	November 2020	Complete
b.	General Contractor	June 2021	December 2021
c.	Owner's Representative	April 2021	October 2021
d.	Property Manager	November 2020	Complete
e.	Service Provider	November 2020	Complete
4.	Design		
a.	Conceptual Design & Cost Estimate	July 2021	January 2022
b.	Submittal of Schematic Design & Cost Estimate	November 2021	May 2022
c.	Submittal of Design Development & Cost Estimate	September 2022	March 2023
d.	Submittal of 50% CD Set & Cost Estimate	January 2023	July 2023
e.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	May 2023	November 2023
5.	Environ Review/Land-Use Entitlements		
a.	CEQA Environ Review Submission	N/A	N/A
b.	NEPA Environ Review Submission	N/A	N/A
6.	Permits		
a.	Building / Site Permit Application Submitted	January 2022	July 2022
b.	Subdivision Mapping	September 2022	March 2023
c.	Addendum #1 Submitted	August 2022	February 2023
d.	Addendum #2 Submitted	February 2023	August 2023
7.	Request for Bids Issued	June 2023	December 2023
8.	Service Plan Submission		
a.	Preliminary	September 2021	March 2022
b.	Interim	N/A	N/A

c.	Final	May 2023	November 2023
9.	Additional City Financing		
a.	Predevelopment Financing Application #2	N/A	N/A
b.	Gap Financing Application	February 2023	August 2023
10.	Other Financing		
a.	AHSC/IIG Application	November 2021	November 2022
b.	Construction Financing RFP	January 2023	July 2023
c.	AHP Application	March 2023	March 2024
d.	CDLAC Application	March 2023	September 2023
e.	TCAC Application	March 2023	September 2023
11.	Closing		
a.	Construction Closing	September 2023	March 2024
b.	Permanent Financing Closing	September 2023	March 2024
12.	Construction		
a.	Notice to Proceed	September 2023	March 2024
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	August 2025	February 2026
13.	Marketing/Rent-up		
a.	Early Outreach Plan Submission	October 2023	April 2024
b.	Marketing Plan Submission	August 2024	February 2025
c.	Commence Marketing	January 2025	July 2026
d.	95% Occupancy	January 2026	July 2026
14.	Cost Certification/8609	December 2026	June 2027
15.	Close Out OCII Loan	December 2026	June 2027

Attachment B: Borrower Organizational Chart



Attachment C: Developer Resumes

Michael Kaplan

Project Developer



EDUCATIONAL BACKGROUND

Massachusetts Institute of Technology,
Cambridge, MA

Master of Science in Real Estate Development
and Master in City Planning, 2014

Northwestern University, Evanston, IL

Bachelor of Arts in Economics and History, 2005

PROFESSIONAL EXPERIENCE

[Mercy Housing California](#)

[Project Developer II, Project Developer, Project
Assistant II San Francisco, CA 2014 – present](#)

- Engaged in new business development opportunities, including negotiating ENA for 3-acre site in Richmond and joint use agreement with BART for easement in Colma, submission of responses to RFPs, and worked with local partners and housing agencies in San Francisco, San Mateo, and Contra Costa Counties.
- Tackled challenging issues with a diverse set of local communities, ranging from disadvantaged communities in Richmond and North Fair Oaks to suburban San Mateo County and Pacific Heights, and adapted projects to address resident issues and gain local buy-in.
- Conducted financial feasibility analysis, prepared proformas, submitted funding applications for state and local sources and tax credits, and closed financing at both the construction and permanent stages.

- Hired and oversaw team of architects, engineers, consultants, and contractors.
- Project-managed completion of 66-unit supportive housing development for veterans in Colma, including new construction and renovation of historic building, and navigated the project through a CEQA EIR.
- Collaborated with the Department of Veterans Affairs and local homeless agencies to obtain medical assistance in order to house the most chronically homeless and disabled veterans.
- Led 98-unit occupied rehab of old public housing high-rise in San Francisco as part of the RAD program, addressing services and security deficiencies, seismic upgrades, ADA requirements, and energy efficiency.
- Initiated successful development program for 180 unit mixed used development in Redwood City.

[Anaina Hou Community Park](#)

[Co-Founder, Project General Manager,
Kilauea, Kaua'i, HI 2006 – 2011](#)

- Conceptualized, designed and directed creation of 15-acre community complex and performing arts center.
- Presented proposal at public hearings to Planning Commission, the Mayor, and County Council members, and worked with various State and County agencies through entitlement process.
- Supervised construction and managed budget for successful completion of Phase I of project.
- Developed sustainable business model to reach profitability in first year, generating \$700,000 in revenue, 11% profit margin, and over 60,000 customer visits.

Barbara Gualco

Vice President, Director of Housing Development



EDUCATIONAL BACKGROUND

Master of City Planning, Land Use Concentration,
University of California Berkeley, 1987
BA, Economics San Francisco State University,
1983

PROFESSIONAL EXPERIENCE

[Mercy Housing California, San Francisco,](#)
[California Director, Housing Development,](#)
[September 2003 to Present](#)

Direct the multi-family housing and commercial development work in the San Francisco office of a national leader in the acquisition and production of quality affordable multi-family housing developments. Currently overseeing 15 developments, with a budget of \$380 Million. Responsibilities include developing an acquisitions strategy, negotiating site control; conducting market and demographic analysis, feasibility assessments, preliminary land use analysis, asset repositioning and work-outs; obtaining neighborhood acceptance and land use approvals; managing the bidding and design process; assembling public equity and private debt financing for complex tax credit and bond financing packages. Responsible for the selection and management of retained development team professionals from financing, legal, design, construction and management disciplines. Manage and assist a staff of 7 development professionals.

[Mercy Housing California, San Francisco,](#)
[California Senior Project Manager,](#)
[November 1987 to August 2003](#)

Perform site analysis and prepare proformas to determine feasibility of new development opportunities. Identify and structure development and operating financing; obtain commitments; close financing including various public sector subsidy sources and conventional financing. Obtain land use entitlements; coordinate community acceptance plans; represent agency in public forums. Identify, select, contract and coordinate team of development professionals including architects, engineers, attorneys, financial consultants, property management, etc. Oversee construction progress including processing construction change orders and payment applications. Develop and administer development budgets and schedules; provide reporting to multiple funding sources. Provided direct project management for nine distinct housing developments comprised of approximately 500 units. These developments included new construction, renovation and adaptive reuse with a wide range of financing including the HUD 202 Capital Advance Program, Low Income Housing Tax Credits both 9% and 4%, McKinney Programs and Shelter + Care.

PROFESSIONAL AFFILIATIONS

Board Member, Treasure Island Homeless Development Initiative (TIHDI)
Board Member, Non-Profit Housing Association of Northern California

Lorie Warnick

Regional Director of Operations



EDUCATIONAL BACKGROUND

California Department of Real Estate
California Real Estate License, May 1992
Diablo Valley College
Associates in Arts Degree

PROFESSIONAL EXPERIENCE

[Mercy Housing Management Group](#)
[Regional Vice President, May 2020-present](#)
[Regional Director of Operations, April 2018 to May 2020](#)

Supervises Area Directors and other staff working in her assigned portfolio. Develops and recommends appropriate policies congruent with the strategic direction and plans of Mercy Housing. In consultation with the Asset Management and Compliance Departments, ensures that the necessary systems are in place to monitor site compliance with all Partnership Agreements, Regulatory Agreements, and any other requirements.

[Mercy Housing Management Group](#)
[Regional Director of Marketing/Interim Area Director of Operations, September 2008-April 2018](#)

Provided support to regional leadership in developing and implementing marketing strategies to achieve regional property occupancy goals. Responsibilities included developing marketing campaigns and programs targeting qualified renters for all property incomes set-asides. Worked with division management, communications, and other regional staff to develop short and long range plans and best practices. Completed Marketing Plans, Resident Selection Criteria, AFHMPs and worked with MOHCD and OCII as point person for new developments.

[Lennar Homes, San Ramon, CA \(1992 – 2008\)](#)
[Regional Director of Marketing, 2007 – 2008](#)
[Director of Marketing, 2002 – 2007](#)

Managed daily operations of Marketing Departments in the Northern California Region. Managed the marketing budgets, advertising campaigns and all marketing collateral materials. Worked with Forward Planning department, Architects, Engineers, Interior Decorators on new communities throughout design and construction phases.

[Construction Area Manager/Purchasing Manager](#)
[1992 – 2002](#)

Responsible for daily activities of Construction Managers assigned to specific projects. Responsibilities included preparation of construction schedules, monitored progression of work on a weekly basis, and provided written reports for progress, subcontractor meeting, agency contacts, problem resolution, safety meetings, storm water management, and other reports for efficient project management. Coordinated with Site Development Manager and Purchasing Manager to develop, design and implement procedures for efficient project planning and subcontractor performance standards to achieve division goals. Coordinated with Customer Service Director to establish and promote a total quality management program, Zero Defect closings and current on CSR's.

[Warmington Homes, San Ramon, CA](#)
[Purchasing Agent 1982 - 1992](#)

Responsible for day-to-day operations of purchasing department, which included budgets, bidding of all construction work, negotiations, contracting and field interaction.

PROFESSIONAL AFFILIATIONS & CERTIFICATIONS

California Association of Real Estate
Home Builders Association, Northern California
AHMA Education Committee
NCHM, Tax Credit Specialist Certification

Alvin Tuvilla

Regional Director of Resident Services



EDUCATIONAL BACKGROUND

California State University Sacramento,
Sacramento, CA
Bachelor of Arts in Child Development
Master of Science in Counseling with a focus on
Marriage and Family Therapy

PROFESSIONAL EXPERIENCE

Mercy Housing California, Sacramento, CA
Regional Director of Resident Services –
December 2013 to Present

Ensures that family, senior and supportive properties developed by Mercy Housing California (MHC) provide high quality resident programs and services that are congruent with current practices, trends, and standards. Oversees all Resident Services in the California region. Oversees services provided by contracting agencies. Provide leadership and oversight to MHC staff in the implementation of resident programs and services as outlined in the Mercy program model. Consult with Mercy Housing California senior management and real estate development staff during acquisition and housing project development to ensure that effective and creative programs and services are integrated into the project design and budgets. Remain current on local, state and Federal issues related to programs and services in the affordable housing industry and disseminate the information in an effective manner.

Mercy Housing California, Sacramento, CA
Director of Family Services, 2008 to 2013

Mercy Housing California, Sacramento, CA
Resident Services Manager, 2003 to 2008

Mercy Services Corporation, Sacramento, CA
Health Care Organizer, 2001 to 2003

Resident Services Coordinator, Folsom, CA
1998 to 2001

Counselor/Therapist- White House Counseling
Center, San Juan Unified School District,
Sacramento, CA
1999 to 2000

Counselor- River Oak Center for Children,
1997 to 1998

PROFESSIONAL AFFILIATIONS

American Association of Service Coordinators

Attachment D: Asset Management Evaluation of Project Sponsor

Mercy Housing California (MHC) will assume asset management duties for Block 2 East. Asset management falls under the National Portfolio Management department of Mercy Housing, Inc., led by Senior Vice President Melissa Clayton.

Total number of projects and average number of units per project currently in Sponsor's asset management portfolio: Mercy's asset management department currently oversees 154 properties in California, including 53 in San Francisco.

Sponsor's current asset management staffing including job titles, full time employees, an organizational chart and the status of each position (filled/vacant): Yelena Zilberfayn is the Director of Asset Management at Mercy Housing where she has worked for the past 20 years, 8 of which in the asset management department, and is responsible for a portfolio of real estate assets serving families, seniors, and special needs individuals. She leads a team of 5 asset Managers, 4 in San Francisco, 1 in Sacramento. Yelena's team is supported by 2 asset management analysts and 1 commercial asset management analyst based in the Denver office, and one commercial asset manager based in San Francisco. In addition, 2 asset managers oversee other regions in California and a capital project investment manager report directly to Melissa Clayton.

Yelena is located in the San Francisco office and interfaces directly with Doug Shoemaker, President of MHC, and Jennifer Dolin, Vice President of Operations of MHC. Yelena and her team act as Mercy's representatives in relation to the physical and financial status of each asset and protect its financial health and long-term viability.

Mercy's portfolio management also includes a transaction team comprised of 2 staff devoted to other specialized needs such as the year 15 buy out and the refinance of properties.

All positions are currently filled and are all full time. The breakdown of the Bay Area asset management staff positions is as follows:

- (1) Director of Asset Management
- (1) Director of Portfolio Analysis
- (4) Asset Managers
- (2) Asset Management Analysts
- (1) Commercial Asset Management Analyst
- (1) Commercial Asset Manager

Each asset manager oversees a portfolio of up to 25 assets. The asset managers in the San Francisco office currently have 90 assets in their portfolio. Eight of these properties are in predevelopment, under construction or in rehab in San Francisco or the Bay Area. In San Francisco, asset managers manage fewer than the maximum of 25 assets to allow capacity for future developments. Once development is complete, a San Francisco-based asset manager will assume asset management duties for Block 2 East.

Description of scope and range of duties of Sponsor's asset management team: Asset management staff has oversight over all operations of the properties. The portfolio is analyzed monthly through a portfolio scorecard, which provides metrics regarding physical and economic occupancy, trade and intercompany payables. In addition, the team performs quarterly risk ratings according to Affordable Housing Investment Council (AHIC) standards, of every property to

evaluate occupancy, management, capital needs and available reserves. If a property is placed on the watchlist, there is a quarterly meeting with the asset management team, Mercy Housing Management Group and Mercy Housing California President to identify strategies to get the property off the watchlist.

Asset Managers are responsible for tracking all capital needs on their portfolio on a quarterly basis as part of Mercy's watchlist process. They are assisted by various staff of Mercy Housing Management Group, including the regional facilities manager and the various area directors of operations assigned to the properties. Using various analysis tools including the watchlist and budget planning, reviewing CNAs, and reserve analysis, the asset managers determine when the necessary capital needs can be completed in the short and long term.

The analyst team submits reserve replacement requests bi-annually. In addition, the analyst team helps with the compliance with financing requirements and regulatory reporting requirements by sending quarterly and annual reporting to investors and funders.

Portfolio preservation planning is accomplished through balancing the use of reserves with the payment of scheduled partnership and deferred development fees through cash flow. The transaction team handles some of the longer term needs of the portfolio such as year 15 analysis and investor buyout and a property restructuring such as a refinance.

Description of Sponsor's coordination between asset management and other functional teams, including property management, accounting, compliance, facilities management, etc.: There is regular coordination between property management, related departments, and asset management. Asset management oversees all aspects of operations so there is communication with property management on a daily basis. Asset and property management work together on annual audits and budgets. In addition, there is constant coordination around cash management and financial oversight of each property, as well as preparation of financial statements. Asset management and compliance primarily coordinate on compliance issues that directly affect ownership and the partnership. Asset management and facilities coordinate on budget preparation and capital projects. Asset management staff also coordinates around emergencies.

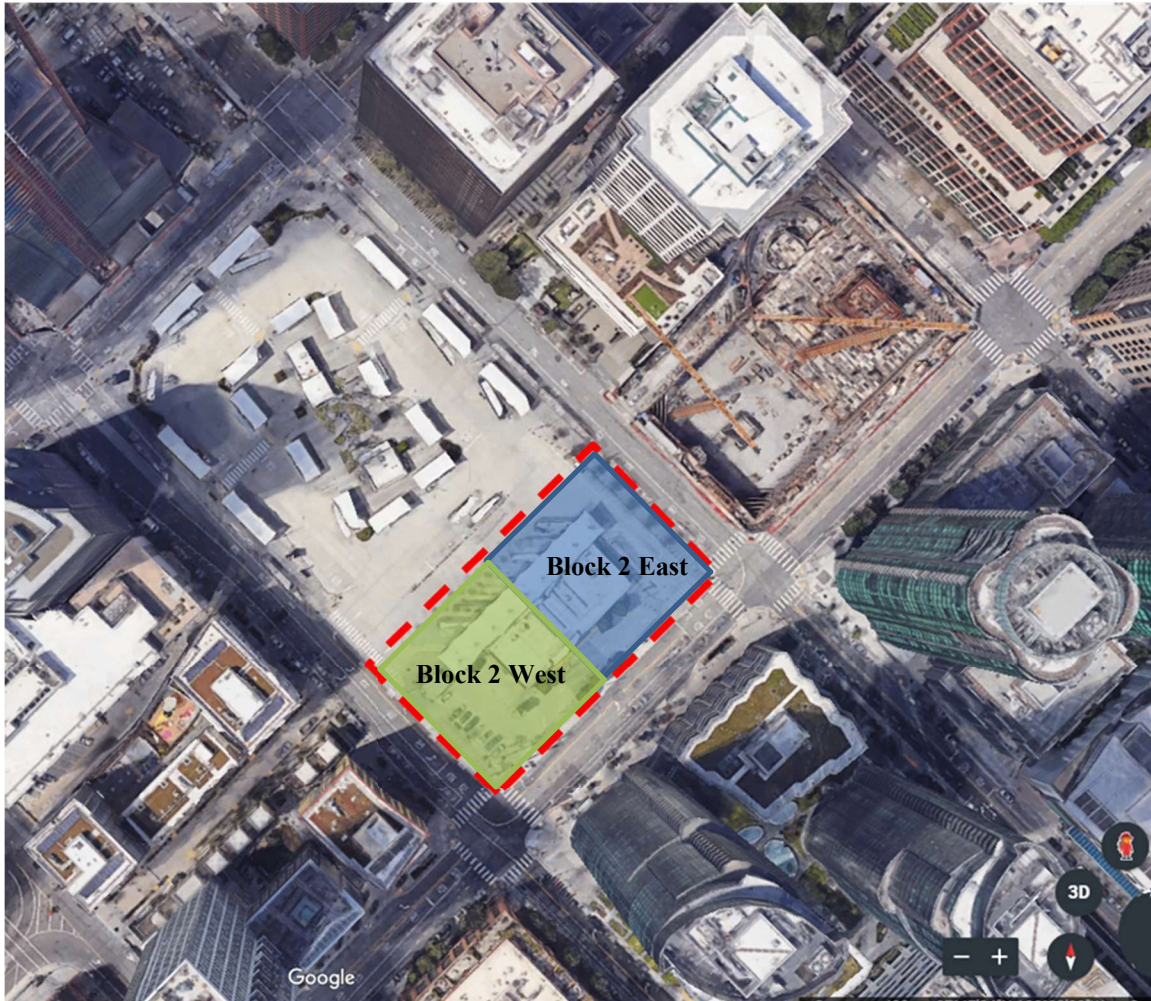
Developer's Budget for Asset Management Team Shown as Cost Center for SF Projects:
The annual asset management staffing budget is \$2,460,839.

Number of projects expected to be in Sponsor's asset management portfolio in 5 years and, if applicable, plans to augment staffing to manage growing portfolio: Mercy anticipates that the portfolio will grow from 154 buildings to approximately 170 buildings in the next five years. Two new asset manager positions were added in 2017 and one in 2019.

MOHCD Asset Management staff assessment of Sponsor's asset management capacity: The Sponsor's description of their asset management functions, duties and coordination with related teams within the organization demonstrates an adequate asset management operation for their existing portfolio. With 7 FTE asset managers and a portfolio of 154 projects in California, the project/asset management staff ratio is 22, which is in line with the industry standard of 20-25 recommended by NeighborWorks America. In addition, the Sponsor's asset management staff includes asset management analysts who support the asset managers. The full range of asset management responsibilities are covered by the asset managers and the analysts. With an increase of 15-16 projects in the Sponsor's portfolio anticipated over the next 5 years, the ratio will increase but remain within the industry standard.

Attachment E: Site Map with amenities

Aerial image of Transbay Block 2 (southern portion of block formerly occupied by the Temporary Transbay Terminal)



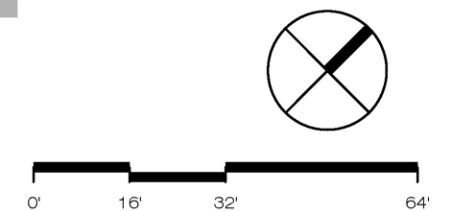
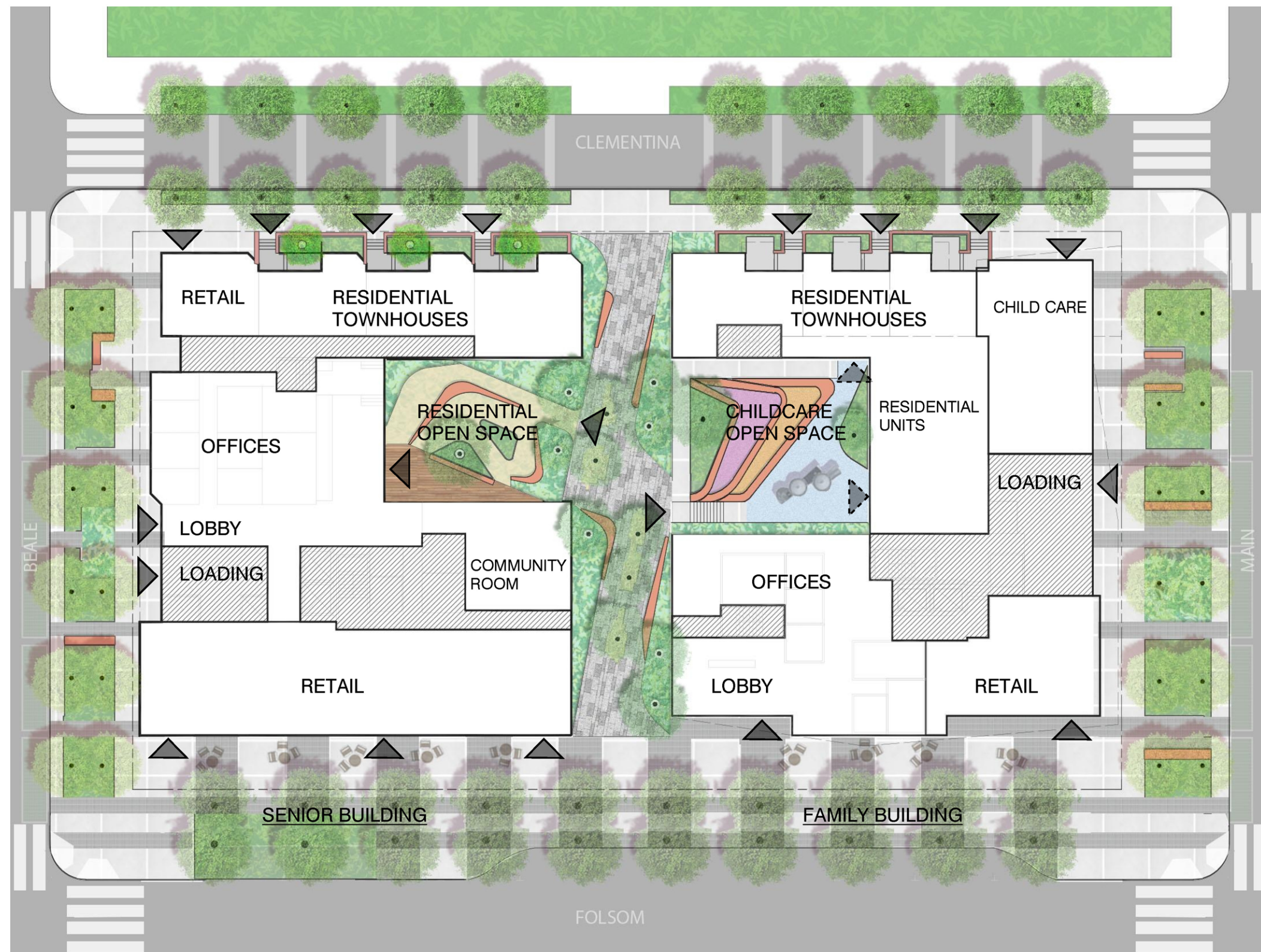
Transbay Block 2 site location and amenities



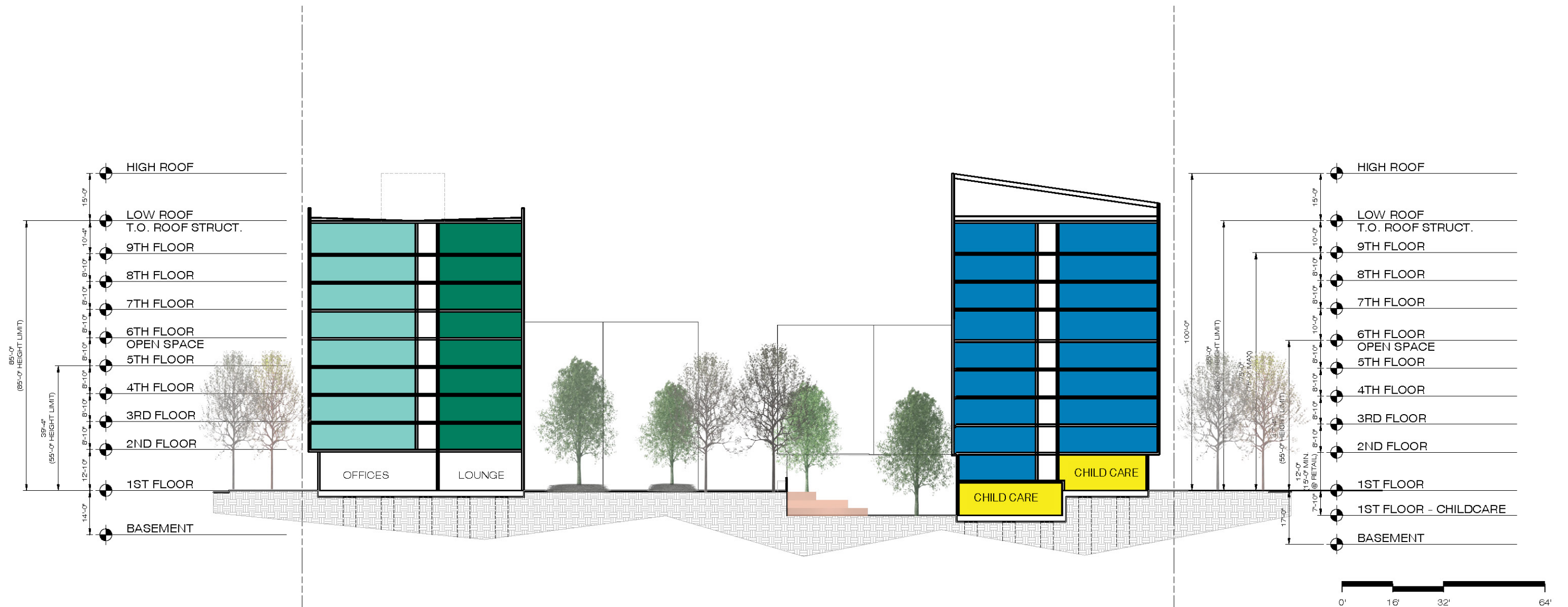
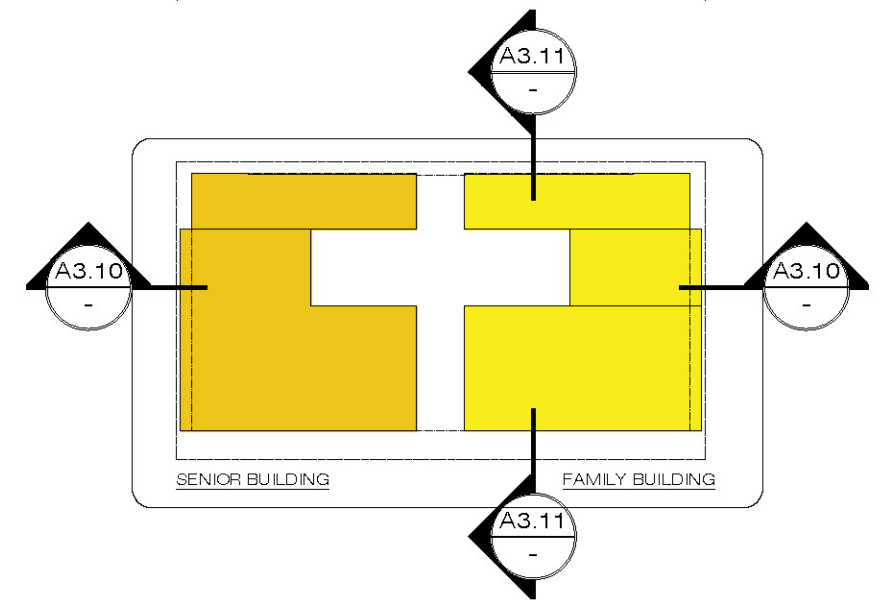
Attachment F: Elevations and Floor Plans



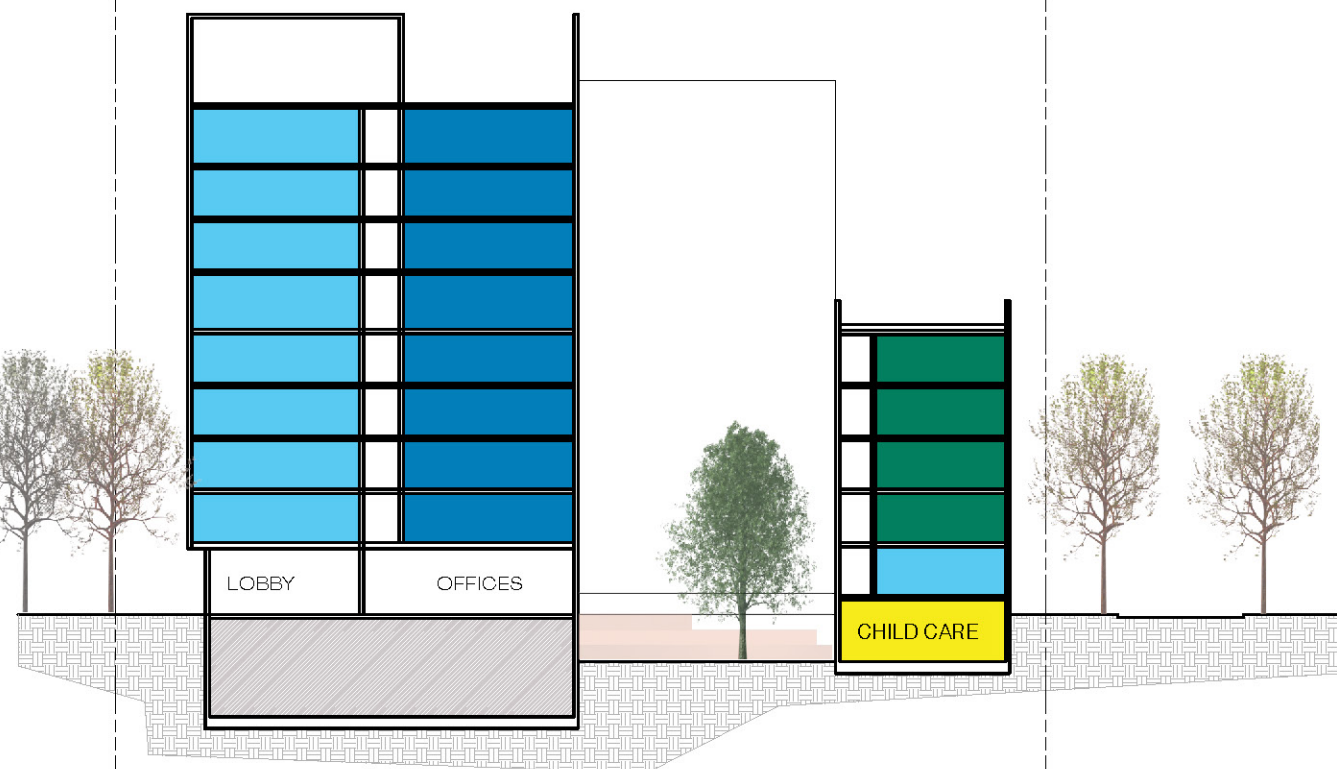
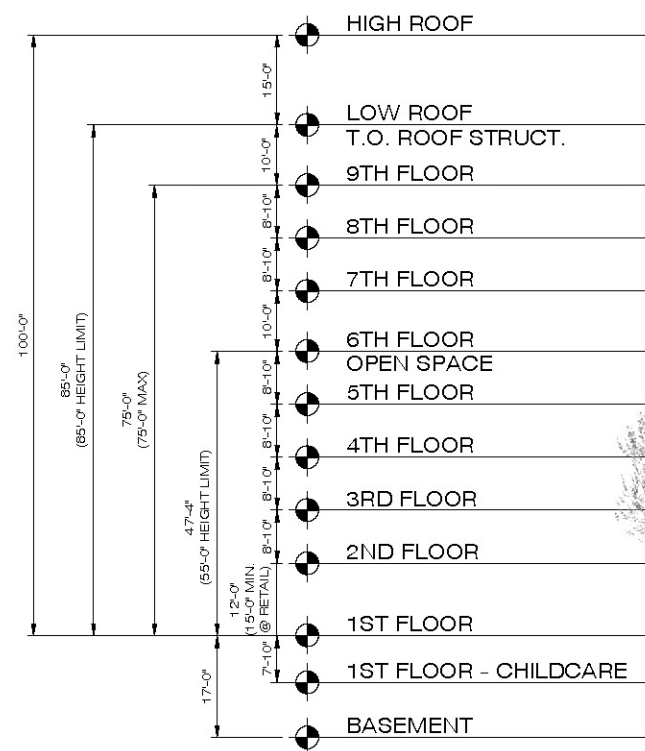
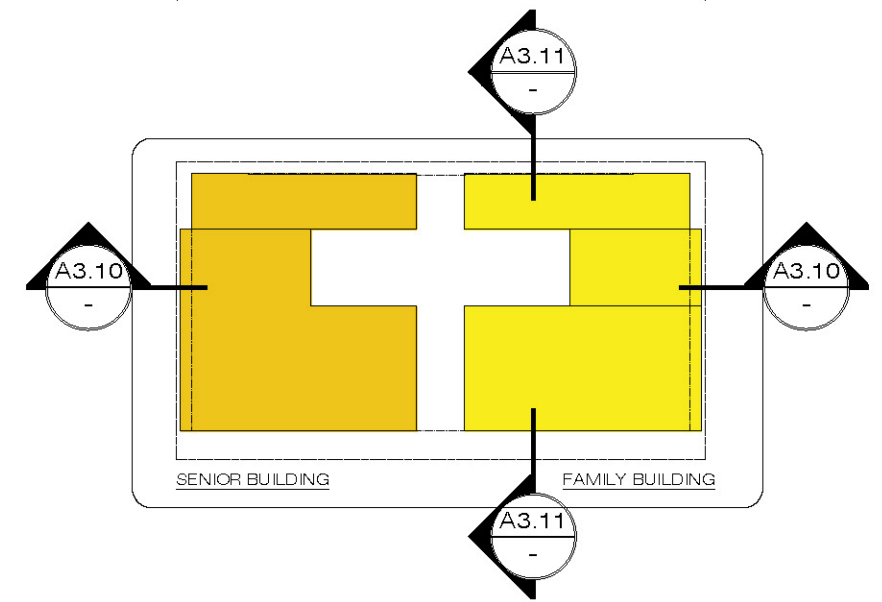
View from Folsom Street looking northwest

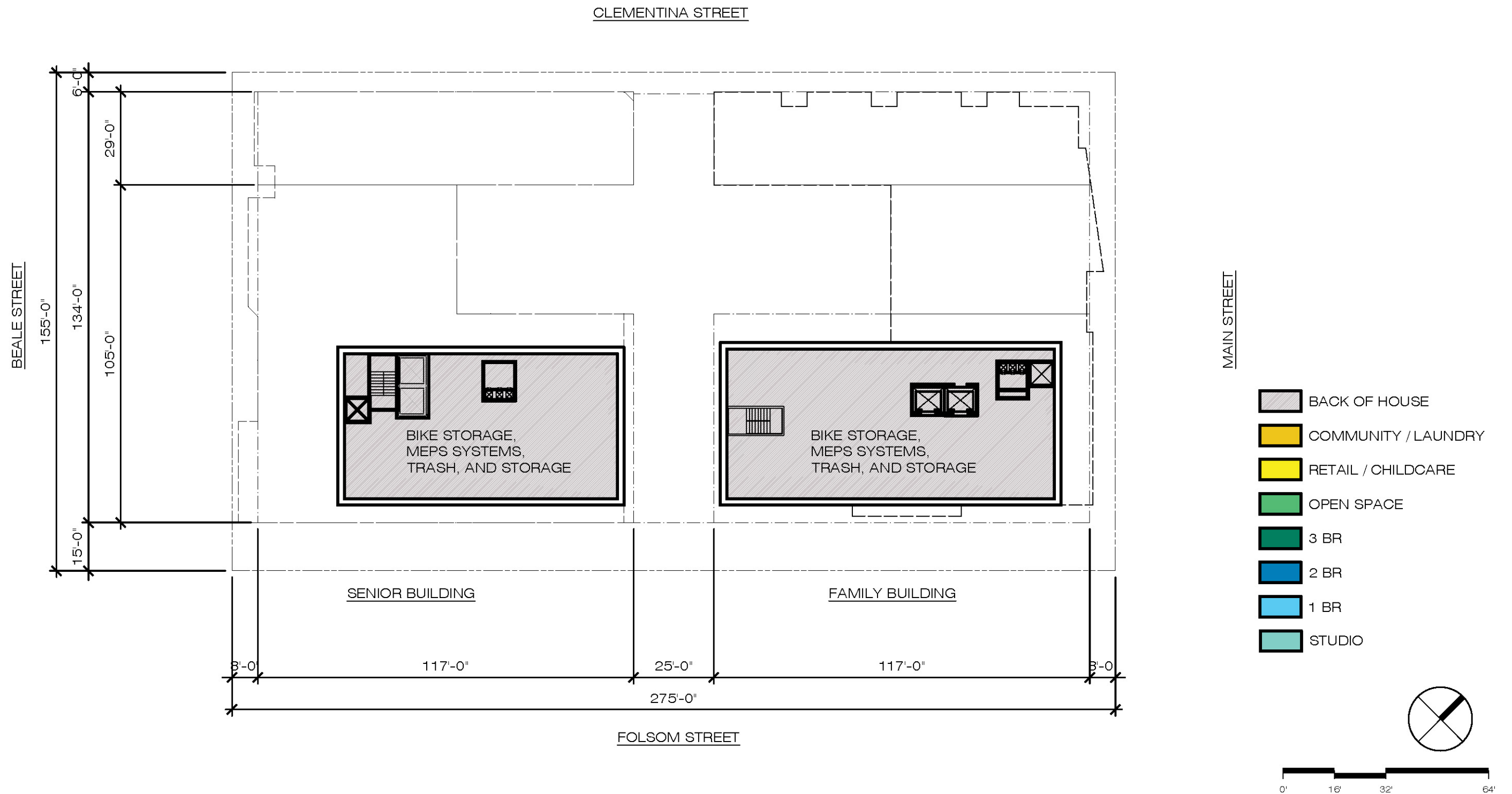


- BACK OF HOUSE
- COMMUNITY / LAUNDRY
- RETAIL / CHILDCARE
- OPEN SPACE
- 3 BR
- 2 BR
- 1 BR
- STUDIO



- BACK OF HOUSE
- COMMUNITY / LAUNDRY
- RETAIL / CHILDCARE
- OPEN SPACE
- 3 BR
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- STUDIO

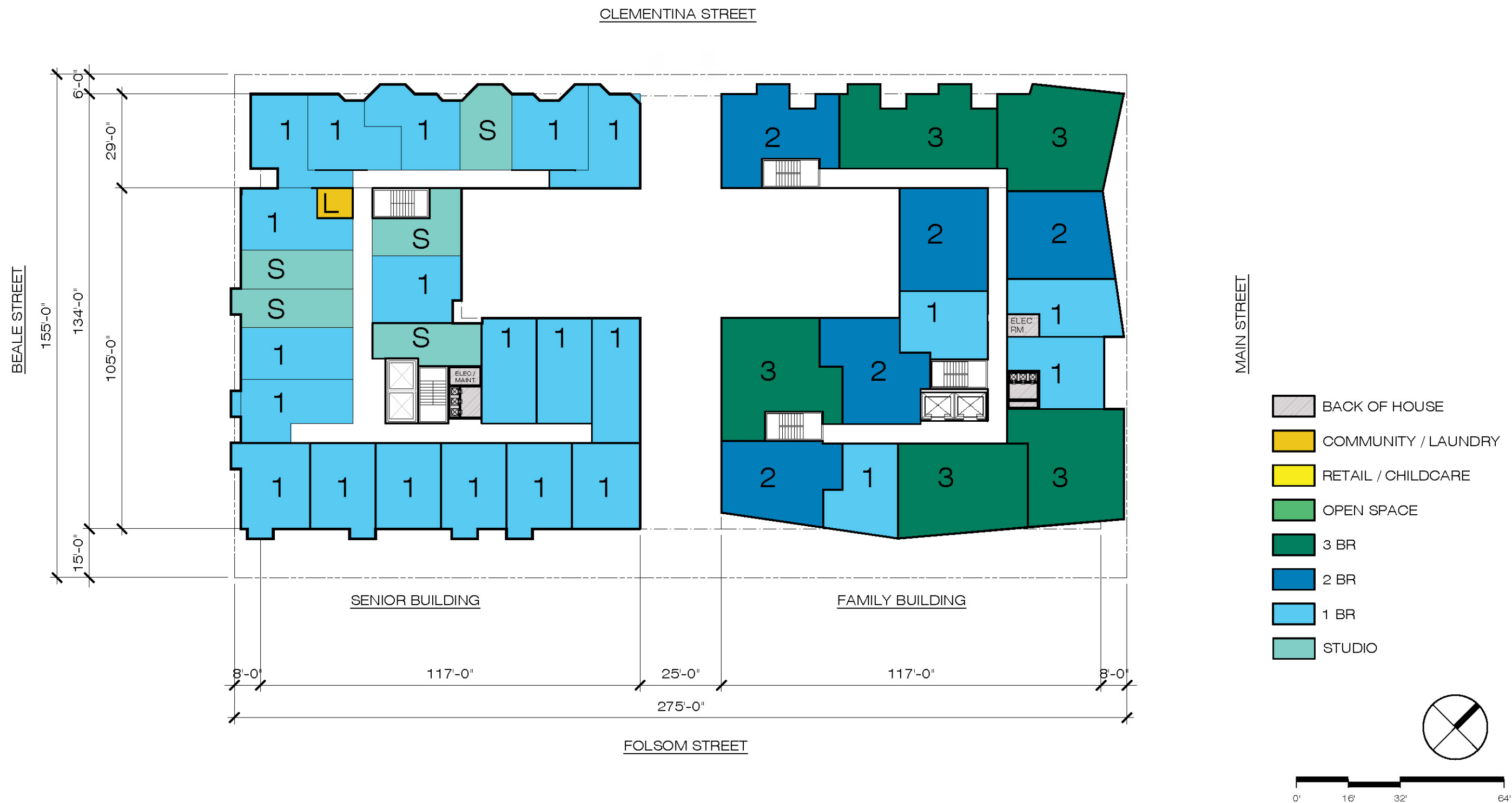










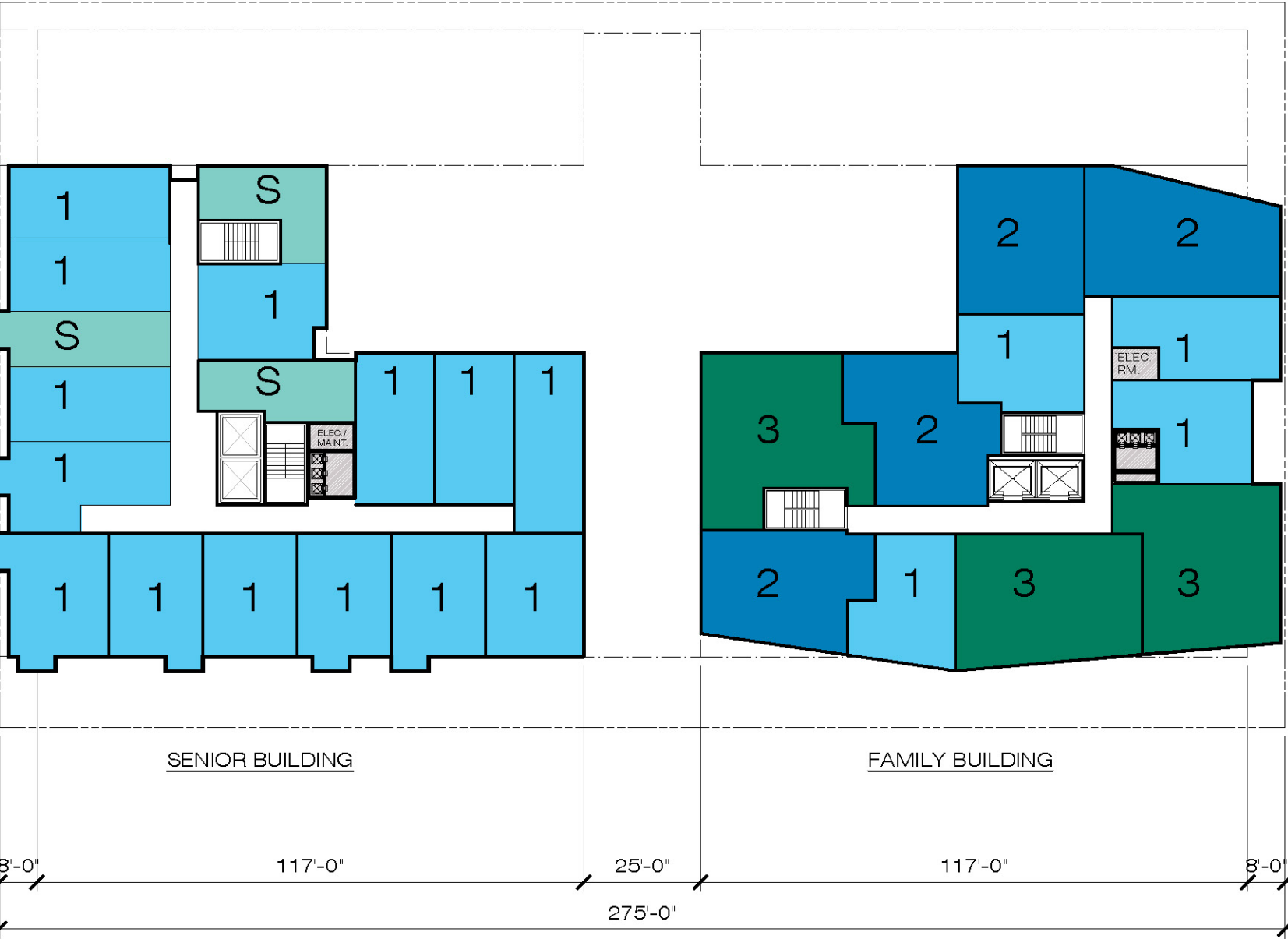


PARK

CLEMENTINA STREET



CLEMENTINA STREET

MAIN STREET

-  BACK OF HOUSE
-  COMMUNITY / LAUNDRY
-  RETAIL / CHILDCARE
-  OPEN SPACE
-  3 BR
-  2 BR
-  1 BR
-  STUDIO



Attachment G: Comparison of City Investment in Other Housing Developments

Affordable Multifamily Housing New Construction Cost Comparison																
Updated		2/5/2021														
PROJECTS COMPLETED						Building Square Footage			Total Project Costs							
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR ¹	Res. ²	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/land	Local Subsidy5	Total Dev. Cost w/o land	Notes on Financing	Comments
Natalie Gubb Comm (TB-7)	222 Beale Street	29,209	Oct-18	120	208	118,251	5,000	123,251	\$ 35,000	\$ 61,999,984	\$ 16,314,468	\$ 78,349,452	\$ 25,560,000	\$ 78,314,452	HCD AHSC Loan	3 Buildings - Type I Podium, 4-8 stories (Pueblo structural system), plus Childcare shell
Mission Bay South 6 East	626 Mission Bay Blvd. No.	63,250	Nov-18	143	276	162,080	9,719	171,799	\$ 148,125	\$ 81,156,465	\$ 15,222,907	\$ 96,527,497	\$ 35,750,000	\$ 96,379,372	HCD AHSC Loan	Type IIIA & V over Type I podium, 41 pkg spaces, Mission Bay soils and infrastructure
Mission Family Housing	1036 Mission	15,200	Oct-18	88	134	92,462	6,955	99,417	\$ 5,551,029	\$ 41,896,017	\$ 6,583,453	\$ 54,030,499	\$ 17,704,400	\$ 48,479,470	2 HCD Loans (MHP & TOD)	Type IB - 9 story
Parcel O	455 Fell Street	37,428	Jun-19	108	165	82,117	31,128	113,245	\$ -	\$ 58,274,173	\$ 9,994,087	\$ 66,648,743	\$ 17,309,250	\$ 66,648,743	HCD AHSC Loan	Type V over Type I from approved eval dated 05/05/17
Eddy and Taylor Family Housing	222 Taylor	22,344	Jun-19	113	211	108,440	21,086	129,526	\$ 9,300,000	\$ 57,823,564	\$ 14,837,459	\$ 81,961,023	\$ 22,187,436	\$ 72,661,023	2 HCD Loans (MHP & TOD)	Type IB - 8 story, extensive PG&E regional switch required
Completed Projects:	Average:	33,486		114	199	112,670	14,778	127,448	\$ 3,758,539	\$ 60,230,041	\$ 12,590,475	\$ 75,503,443	\$ 23,702,217	\$ 72,496,612		
PROJECTS UNDER CONSTRUCTION						Building Square Footage			Total Project Costs							
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR ¹	Res. ²	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/land	Local Subsidy5	Total Dev. Cost w/o land	Notes on Financing	Comments
490 South Van Ness	490 S. Van Ness Avenue	14,250	Sep-20	81	121	51,639	28,985	80,624	\$ 18,500,000	\$ 43,647,993	\$ 13,393,811	\$ 75,541,804	\$ 28,892,030	\$ 57,041,804		Type IA - 7 stories over partial basement
2060 Folsom Street	2060 Folsom	29,075	Dec-20	127	252	155,648	11,810	167,458	\$ 134,931	\$ 71,655,660	\$ 20,100,172	\$ 91,890,763	\$ 31,697,110	\$ 91,755,832	HCD AHSC Loan	9 Story Type IB - TAY, Childcare, Community Hub w/AHSC Improvements of \$6MM
1950 Mission Street	1950 Mission Street	36,590	Nov-20	157	262	113,432	48,142	161,574	\$ 9,775,000	\$ 85,644,853	\$ 15,171,496	\$ 110,591,349	\$ 44,945,740	\$ 100,816,349	HCD AHSC Loan	Type IA - 9 stories with significant (30% of sf) art and PDR spaces and Paseo Des Artes
88 Broadway - Family Housing	88 Broadway	38,182	Mar-21	125	221	140,279	8,700	148,979	\$ 14,900,000	\$ 69,461,936	\$ 27,758,226	\$ 112,120,162	\$ 27,908,676	\$ 97,220,162		Type IIIA & V over Type I Podium (5-6 stories) - family
500 Turk Street (555 Larkin)	500 Turk Street	18,906	Dec-21	108	186	82,805	26,586	109,391	\$ 1,853,895	\$ 54,251,461	\$ 29,815,020	\$ 85,920,376	\$ 32,400,000	\$ 84,066,481	HCD AHSC Loan	Type I 8 stories on constrained site
681 Florida	681 Florida Street	19,000	Jun-22	130	199	126,830	9,250	136,080	\$ 125,091	\$ 69,184,293	\$ 20,545,793	\$ 89,855,177	\$ 33,826,507	\$ 89,730,086	HCD MHP Loan	Type IB 9 stories, 8,400+/- PDR
Under Construction:	Average:	26,001		121	207	111,772	22,246	134,018	\$ 7,548,153	\$ 65,641,033	\$ 21,130,753	\$ 94,319,939	\$ 33,278,344	\$ 86,771,786		
PROJECTS IN PREDEVELOPMENT						Building Square Footage			Total Project Costs							
Project Name	Address	Lot sq.ft	Start Date (anticipated)	# of Units	# of BR ¹	Res. ²	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/land	Local Subsidy	Total Dev. Cost w/o land	Notes on Financing	Comments
Mission Bay South 9A (ownership)	350 China Basin Street	29,939	Feb-22	140	280	136,165	50,611	186,776	\$ -	\$ 110,040,000	\$ 22,053,737	\$ 132,093,737	\$ 79,200,000	\$ 132,093,737	Not LIHTC eligible; Homeownership	Type I
BPUY	2430 San Jose Ave	30,699	Apr-21	131	217	164,636	10,741	175,377	\$ -	\$ 90,772,748	\$ 26,621,814	\$ 117,394,562	\$ 30,493,722	\$ 117,394,562	4% Credits; HCD IIG & AHSC	Type IB - 8-9 story adjacent to BART. Early Childhood Ed Center. MOHCD Land not incl. (100% DD 1
4th and Folsom	266 4th Street	8,400	Dec-21	70	99	60,515	1,580	62,095	\$ 133,100	\$ 49,982,213	\$ 13,943,417	\$ 64,058,730	\$ 15,629,817	\$ 63,925,630	4% Credits; AHSC, St. Credits	Type I, 8 stories over MUNI substation tunnel, structurally complex, small footprint
600 7th Street (fmly. 801 Brannan)	600 7th Street	37,800	Apr-22	200	290	181,390	5,000	186,390	\$ 10,000	\$ 107,308,076	\$ 43,082,529	\$ 150,400,605	\$ 44,550,243	\$ 150,390,605	Fed & St Credits; HCD IIG	Type I, 8 stories (SD pricing dated 11/20)
921 Howard	921 Howard Street	28,893	Apr-21	203	259	235,680	1,970	237,650	\$ 14,081,129	\$ 111,340,698	\$ 36,248,774	\$ 161,670,601	\$ 46,468,120	\$ 147,589,472	CalHfa MIP/ 4% LIHTC	Type IA, 18 stories, 3 parking spaces & retail (April 2020 SD estimate)
730 Stanyan	730 Stanyan Street	37,813	Dec-21	120	203	124,770	20,000	144,770	\$ -	\$ 80,241,086	\$ 13,958,549	\$ 98,121,310	\$ 34,325,853	\$ 98,121,310	4% Credits; HCD MHP	
In Predevelopment	Average:	28,924		144	225	150,526	14,984	165,510	\$ 2,370,705	\$ 91,614,137	\$ 25,984,803	\$ 120,623,258	\$ 41,777,959	\$ 118,252,553		
ALL PROJECTS	Average:	29,470		127	210	124,989	17,336	142,325	\$ 4,559,132	\$ 72,495,070	\$ 19,902,010	\$ 96,815,546	\$ 32,919,507	\$ 92,506,984		
Transbay 2 East Family	Folsom bt Beale & Main	21,313	Jun-23	101	195	109,202	7,330	116,532	\$0	\$80,324,257	\$17,831,883	\$98,156,140	\$27,895,472	\$98,156,140		Type I
PROJECTS COMPLETED		Acquisition by Unit/Bed/SF			Construction by Unit/Bed/SF			Soft Costs By Unit/Bed/SF			Total Development Cost (Incl. Land)			Subsidy		
Project Name	Compl. Date	Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/sq.ft ⁶	Soft/unit	Soft/BR	Soft/sq.ft ⁶	Gross TDC/unit	Gross TDC/BR	Gross TDC/sq.ft ⁶	Subsidy / unit	Leveraging ⁷	
Natalie Gubb Commons (TB7)	Oct-18	292	168	1	\$ 516,667	\$ 298,077	\$ 503	\$ 135,954	\$ 78,435	\$ 132	\$ 652,912	\$ 376,680	\$ 636	\$ 213,000	67.4%	
Mission Bay South 6 East	Nov-18	1,036	537	2	\$ 567,528	\$ 294,045	\$ 472	\$ 106,454	\$ 55,155	\$ 89	\$ 675,017	\$ 349,737	\$ 562	\$ 250,000	63.0%	
Mission Family Housing	Oct-18	63,080	41,426	365	\$ 476,091	\$ 312,657	\$ 421	\$ 74,812	\$ 49,130	\$ 66	\$ 613,983	\$ 403,213	\$ 543	\$ 201,186	67.2%	
Parcel O	Jun-19	-	-	-	\$ 539,576	\$ 353,177	\$ 515	\$ 92,538	\$ 60,570	\$ 88	\$ 617,118	\$ 403,932	\$ 589	\$ 160,271	74.0%	
Eddy & Taylor Family Housing	Jun-19	82,301	44,076	416	\$ 511,713	\$ 274,045	\$ 446	\$ 131,305	\$ 70,320	\$ 115	\$ 725,319	\$ 388,441	\$ 633	\$ 196,349	72.9%	
Completed Projects:	Average:	29,342	17,241	157	\$ 522,315	\$ 306,400	\$ 472	\$ 108,213	\$ 62,722	\$ 98	\$ 656,870	\$ 384,401	\$ 592	\$ 204,161	69%	
PROJECTS UNDER CONSTRUCTION		Acquisition			Construction			Soft Costs			Total Development Cost (Incl. Land)			Subsidy		
Project Name	Compl. Date	Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/sq.ft ⁶	Soft/unit	Soft/BR	Soft/sq.ft ⁶	Gross TDC/unit	Gross TDC/BR	Gross TDC/sq.ft ⁶	Subsidy / unit	Leveraging ⁷	
490 South Van Ness	Sep-20	228,395	152,893	1,298	\$ 538,864	\$ 360,727	\$ 541	\$ 165,356	\$ 110,693	\$ 166	\$ 932,615	\$ 624,312	\$ 937	\$ 356,692	61.8%	
2060 Folsom Street	Dec-20	1,062	535	5	\$ 564,218	\$ 284,348	\$ 428	\$ 158,269	\$ 79,763	\$ 120	\$ 723,549	\$ 364,646	\$ 549	\$ 249,584	65.5%	
1950 Mission Street	Nov-20	62,261	37,309	267	\$ 545,509	\$ 326,889	\$ 530	\$ 96,634	\$ 57,906	\$ 94	\$ 704,403	\$ 422,104	\$ 684	\$ 286,279	59.4%	
88 Broadway - Family Housing	Mar-21	119,200	67,421	390	\$ 555,695	\$ 314,307	\$ 466	\$ 222,066	\$ 125,603	\$ 186	\$ 896,961	\$ 507,331	\$ 753	\$ 223,269	75.1%	
500 Turk Street (555 Larkin)	Dec-21	17,166	9,967	98	\$ 502,328	\$ 291,675	\$ 496	\$ 276,065	\$ 160,296	\$ 273	\$ 795,559	\$ 461,938	\$ 785	\$ 300,000	62.3%	
681 Florida	Jun-22	962	629	7	\$ 532,187	\$ 347,660	\$ 508	\$ 158,045	\$ 103,245	\$ 151	\$ 691,194	\$ 451,534	\$ 660	\$ 260,204	62.4%	
Under Construction:	Average:	71,508	44,792	344	\$ 539,800	\$ 320,934	\$ 495	\$ 179,406	\$ 106,251	\$ 165	\$ 790,714	\$ 471,977	\$ 728	\$ 279,338	64%	
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 ⁶	Soft/unit	Soft/BR	Soft/sq.ft ⁶	Gross TDC/unit	Gross TDC/BR	Gross TDC/sq.ft ⁶	Subsidy / unit	Leveraging ⁷	
Mission Bay South 9A (ownership)	Feb-22	-	-	-	\$ 786,000	\$ 393,000	\$ 589	\$ 157,527	\$ 78,763	\$ 118	\$ 943,527	\$ 471,763	\$ 707	\$ 565,714	40.0%	
BPUY	Apr-21	-	-	-	\$ 692,922	\$ 418,308	\$ 518	\$ 203,220	\$ 122,681	\$ 152	\$ 896,142	\$ 540,989	\$ 669	\$ 232,777	74.0%	
4th and Folsom	Dec-21	1,901	1,344	16	\$ 714,032	\$ 504,871	\$ 805	\$ 199,192	\$ 140,843	\$ 225	\$ 915,125	\$ 647,058	\$ 1,032	\$ 223,283	75.6%	
600 7th Street	Apr-22	50	34	0	\$ 536,540	\$ 370,028	\$ 576	\$ 215,413	\$ 148,560	\$ 231	\$ 752,003	\$ 518,623	\$ 807	\$ 222,751	70.4%	
921 Howard	Apr-21	69,365	54,367	487	\$ 548,476	\$ 429,887	\$ 469	\$ 178,565	\$ 139,957	\$ 153	\$ 796,407	\$ 624,211	\$ 680	\$ 228,907	71.3%	
730 Stanyan	Dec-21	-	-	-	\$ 668,676	\$ 395,276	\$ 554	\$ 116,321	\$ 68,761	\$ 96	\$ 817,678	\$ 483,356	\$ 678	\$ 286,049	65.0%	
In Predevelopment	Average:	11,8														

Attachment H: Predevelopment Sources and Uses

Application Date:9/17/20
Project Name:Transbay Block 2 Family
Project Address:
Project Sponsor:Mercy Housing California

Units:101
Bedrooms:195
Beds:

LOSP Project

Don't forget to fill in D135:D138!

SOURCES		3,500,000	-	-	-	-	-	Total Sources	3,500,000	Comments
	Name of Sources:	MOHCD/OCII								

USES

ACQUISITION

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

CONSTRUCTION (HARD COSTS)

Unit Construction/Rehab								0	Include FF&E
Commercial Shell Construction								0	
Demolition								0	
Environmental Remediation								0	
Onsight Improvements/Landscaping								0	
Offsite Improvements								0	
Infrastructure Improvements								0	HOPE SF/OCII costs for streets etc.
Parking								0	
GC Bond Premium/GC Insurance/GC Taxes								0	
GC Overhead & Profit								0	
CG General Conditions								0	
Sub-total Construction Costs	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	
TOTAL CONSTRUCTION COSTS	0	0	0	0	0	0	0	0	

Construction
line item costs
as a % of hard
costs

SOFT COSTS

Architecture & Design

Architect design fees	1,407,649							1,407,649	per Kennerly breakdown
Design Subconsultants to the Architect (incl. Fees)	800,000							800,000	estimated per Kennerly
Architect Construction Admin								0	
Reimbursables								0	
Additional Services								0	
Sub-total Architect Contract	2,207,649	0	0	0	0	0	0	2,207,649	
Other Third Party design consultants (not included under Architect contract)	30,000							30,000	Green consulting - \$15k, Joint trench - \$15k
Total Architecture & Design	2,237,649	0	0	0	0	0	0	2,237,649	

Engineering & Environmental Studies

Survey	12,500							12,500	assume \$25k total, split between two sites
Geotechnical studies	40,000							40,000	assume \$80k total
Phase I & II Reports	35,000							35,000	assume \$70k total
CEQA / Environmental Review consultants	25,000							25,000	Assumes working within existing DCDG, some funds fo archeological
NEPA / 106 Review								0	
CNA/PNA (rehab only)								0	
Other environmental consultants								0	
Total Engineering & Environmental Studies	112,500	0	0	0	0	0	0	112,500	

Financing Costs

Construction Financing Costs

Construction Loan Origination Fee								0	
Construction Loan Interest								0	
Title & Recording								0	
CDLAC & CDIAC fees								0	
Bond Issuer Fees								0	
Other Bond Cost of Issuance								0	
Other Lender Costs (specify)								0	
Sub-total Const. Financing Costs	0	0	0	0	0	0	0	0	

Permanent Financing Costs

Permanent Loan Origination Fee								0	
Credit Enhance. & Appl. Fee								0	
Title & Recording								0	
Sub-total Perm. Financing Costs	0	0	0	0	0	0	0	0	
Total Financing Costs	0	0	0	0	0	0	0	0	

Legal Costs

Borrower Legal fees	10,000							10,000	
Land Use / CEQA Attorney fees								0	
Tax Credit Counsel								0	
Bond Counsel								0	
Construction Lender Counsel								0	
Permanent Lender Counsel								0	
Other Legal (specify)								0	
Total Legal Costs	10,000	0	0	0	0	0	0	10,000	

Other Development Costs

Appraisal	10,000							10,000	
Market Study	15,000							15,000	
* Insurance								0	
* Property Taxes								0	
* Accounting / Audit								0	
* Organizational Costs								0	
Entitlement / Permit Fees	200,000							200,000	
* Marketing / Rent-up								0	
* Furnishings								0	\$2,000/unit: See MOHCD U/W Guidelines: http://slmohcd.org/documents-reports-and-forms
PGE / Utility Fees	25,000							25,000	application fees
TCAC App / Alloc / Monitor Fees	10,000							10,000	
* Financial Consultant fees	20,000							20,000	
Construction Management fees / Owner's Rep	40,000							40,000	assume \$80k for two buildings, shared meetings for most of the time
Security during Construction								0	
* Relocation								0	
Other (specify)								0	
Other (specify)								0	
Other (specify)								0	
Total Other Development Costs	320,000	0	0	0	0	0	0	320,000	

Total Soft Cost
Contingency as % of Total
Soft Costs
10.1%

Soft Cost Contingency

Contingency (Arch, Eng, Fin, Legal & Other Dev)	269,851	0	0	0	0	0	0	269,851	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	2,950,000	0	0	0	0	0	0	2,950,000	

RESERVES

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

DEVELOPER COSTS

Developer Fee - Cash-out Paid at Milestones	550,000							550,000	
Developer Fee - Cash-out At Risk								0	
Commercial Developer Fee								0	
Developer Fee - GP Equity (also show as source)								0	
Developer Fee - Deferred (also show as source)								0	
Development Consultant Fees								0	Need MOHCD approval for this cost, N/A for most projects
Other (specify)								0	
TOTAL DEVELOPER COSTS	550,000	0	0	0	0	0	0	550,000	

TOTAL DEVELOPMENT COST

	3,500,000	0	0	0	0	0	0	3,500,000	
Development Cost/Unit by Source	34,653	0	0	0	0	0	0	34,653	
Development Cost/Unit as % of TDC by Source	100.0%	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	
--	---	---	---	---	---	---	---	---	--

Construction Cost (inc Const Contingency)/Unit By Source

	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	
------	------	------	------	------	------	------	------	------	--

*Possible non-eligible GO Bond/COP Amount:

20,000

City Subsidy/Unit

34,653

Tax Credit Equity Pricing:

Fill in with value or 'N/A' if not applicable.

Construction Bond Amount:

Fill in with value or 'N/A' if not applicable.

Construction Loan Term (in months):

Fill in with value or 'N/A' if not applicable.

Construction Loan Interest Rate (as %):

Fill in with value or 'N/A' if not applicable.

Attachment I: Permanent Development Budget

Application Date:	9/17/20	# Units:	101	
Project Name:	Transbay Block 2 Family	# Bedrooms:	195	LOSP Project
Project Address:		# Beds:		
Project Sponsor:	Mercy Housing California			

SOURCES	26,695,472	1,200,000	20,000,000	7,000,000	1,500,000	3,000,000	38,760,668	Total Sources	98,156,140	Comments
Name of Sources:	MOHCD/OCII	AHP-FHLB	HCD-AHSC	IIG-Sponsor Loan	TE-Perm Loan	GP Contribution	LP Equity			

USES

ACQUISITION

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

CONSTRUCTION (HARD COSTS)

Unit Construction/Rehab	72,716	1,200,000	7,096,138	3,390,000	1,296,017		38,760,668	51,815,539	Include FF&E	
Commercial Shell Construction	3,452,715							3,452,715		
Demolition				300,000				300,000		
Environmental Remediation								0		
Onsight Improvements/Landscaping				2,810,000				2,810,000		
Offsite Improvements				500,000				500,000		
Infrastructure Improvements								0	HOPE SF/OCII costs for streets etc	
Parking								0		
GC Bond Premium/GC Insurance/GC Taxes					203,983			203,983		0.3%
GC Overhead & Profit			4,699,438					4,699,438	reduced to 14% of total hard cost:	8.0%
CG General Conditions			3,529,686					3,529,686		6.0%
Sub-total Construction Costs	3,525,431	1,200,000	15,325,262	7,000,000	1,500,000	0	38,760,668	67,311,361		
Design Contingency (remove at DD)			3,024,738					3,024,738	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+	5.1%
Bid Contingency (remove at bid)	3,024,738							3,024,738	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+	5.1%
Plan Check Contingency (remove/reduce during Plan Rev	3,024,738							3,024,738	4% up to \$30MM HC, 3% \$30-\$45MM, 2% \$45MM+	5.1%
Hard Cost Construction Contingency	3,938,682							3,938,682	5% new construction / 15% rehat	6.7%
Sub-total Construction Contingencies	9,998,158	0	3,024,738	0	0	0	0	13,012,896		
TOTAL CONSTRUCTION COSTS	13,513,589	1,200,000	18,350,000	7,000,000	1,500,000	0	38,760,668	80,324,257		

Construction line item costs as a % of hard costs

SOFT COSTS

Architecture & Design

Architect design fees	2,164,506							2,164,506	per A&E schedule	
Design Subconsultants to the Architect (incl. Fees)	1,043,000							1,043,000	per A&E schedule	
Architect Construction Admin								0		
Reimbursables								0		
Additional Services								0		
Sub-total Architect Contract	3,207,506	0	0	0	0	0	0	3,207,506		
Other Third Party design consultants (not included under Architect contract)									Green consulting - \$30k, Joint Trench - \$30k, Exterior building maintenance - \$25k, Acoustics - \$40k, Special inspections - \$80k, Elevator - \$20k	
	225,000							225,000		
Total Architecture & Design	3,432,506	0	0	0	0	0	0	3,432,506		

Engineering & Environmental Studies

Survey	25,000							25,000		
Geotechnical studies	60,000							60,000		
Phase I & II Reports	35,000							35,000		
CEQA / Environmental Review consultants	25,000							25,000		
NEPA / 106 Review								0		
CNA/PNA (rehab only)								0		
Other environmental consultants								0	Name consultants & contract amount.	
Total Engineering & Environmental Studies	145,000	0	0	0	0	0	0	145,000		

Financing Costs

Construction Financing Costs

Construction Loan Origination Fee	447,487							447,487		
Construction Loan Interest	3,448,138							3,448,138		
Title & Recording	30,000							30,000		
CDIAC & CDIAC fees								0		
Bond Issuer Fees	150,653							150,653		
Other Bond Cost of Issuance	100,000							100,000	Syndication costs	
Other Lender Costs (specify)	15,000							15,000	Lender Inspections	
Sub-total Const. Financing Costs	4,191,278	0	0	0	0	0	0	4,191,278		

Permanent Financing Costs

Permanent Loan Origination Fee	13,342							13,342		
Credit Enhance. & Appl. Fee	25,000							25,000		
Title & Recording	20,000							20,000		
Sub-total Perm. Financing Costs	58,342	0	0	0	0	0	0	58,342		
Total Financing Costs	4,249,620	0	0	0	0	0	0	4,249,620		

Legal Costs

Borrower Legal fees	50,000							50,000		
Land Use / CEQA Attorney fees								0		
Tax Credit Counsel								0		
Bond Counsel								0		
Construction Lender Counsel	100,000							100,000		
Permanent Lender Counsel	65,000							65,000		
Other Legal (specify)								0		
Total Legal Costs	215,000	0	0	0	0	0	0	215,000		

Other Development Costs

Appraisal	25,000							25,000		
Market Study	15,000							15,000		
Insurance	900,000							900,000		
Property Taxes	1,800							1,800		
Accounting / Audit	40,000							40,000		
Organizational Costs								0		
Entitlement / Permit Fees	800,000							800,000		
Marketing / Rent-up	376,642							376,642		
Furnishings	200,000							200,000	\$2,000/unit; See MOHCD U/W Guidelines on: http://slmohcd.org/documents-reports-and-forms	
PGE / Utility Fees	400,000							400,000		
TCAC App / Alloc / Monitor Fees	76,215							76,215		
Financial Consultant fees	65,000							65,000		
Construction Management fees / Owner's Rep	145,000							145,000		
Security during Construction								0		
Relocation	0							0		
Other (specify)								0		
Other (specify)								0		
Other (specify)								0		
Total Other Development Costs	3,044,457	0	0	0	0	0	0	3,044,457		

Total Soft Cost Contingency as % of Total Soft Costs 9.6%

Soft Cost Contingency

Contingency (Arch, Eng, Fin, Legal & Other Dev	997,037	0	0	0	0	0	0	997,037	Should be either 10% or 5% of total soft costs	
TOTAL SOFT COSTS	12,083,620	0	0	0	0	0	0	12,083,620		

RESERVES

Operating Reserves	408,263							408,263		
Replacement Reserves								0		
Tenant Improvements Reserves	140,000							140,000	Assumption of turnover every 10 years, cost of turnover @\$10psf per turnover (7k sq ft)	
Other (specify)								0		
Other (specify)								0		
Other (specify)								0		
TOTAL RESERVES	548,263	0	0	0	0	0	0	548,263		

DEVELOPER COSTS

Developer Fee - Cash-out Paid at Milestones			1,650,000					1,650,000		
Developer Fee - Cash-out At Risk								0		
Commercial Developer Fee	550,000							550,000		
Developer Fee - GP Equity (also show as source)						3,000,000		3,000,000		
Developer Fee - Deferred (also show as source)								0		
Development Consultant Fees								0	Need MOHCD approval for this cost, N/A for mos projects	
Other (specify)								0		
TOTAL DEVELOPER COSTS	550,000	0	1,650,000	0	0	3,000,000	0	5,200,000		

TOTAL DEVELOPMENT COST

Development Cost/Unit by Source	264,312	11.881	198,020	69,307	14,851	29,703	383,769	971,843		
Development Cost/Unit as % of TDC by Source	27.2%	1.2%	20.4%	7.1%	1.5%	3.1%	39.5%	100.0%		

Acquisition Cost/Unit by Source

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

	133,798	11.881	181,683	69,307	14,851	0	383,769	795,290		
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Construction Cost (inc Const Contingency)/SF

	115.96	10.30	197.47	60.07	12.87	0.00	332.62	689.29		
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*Possible non-eligible GO Bond/COP Amount:

City Subsidy/Unit	264,312
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Tax Credit Equity Pricing:

Construction Bond Amount:	0.900
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Construction Loan Term (in months):

	59,664,964
--	------------

Construction Loan Interest Rate (as %):

	30 months
	3.65%

Attachment J: First Year Operating Budget

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

9/17/2020
101
2025

LOSP Units
20

Non-LOSP Units
81

LOSP/non-LOSP Allocation
40%36%

LOSPnon-LOSP

Project Name:
Project Address:
Project Sponsor:

Transbay Block 2 Family
Mercy Housing California

INCOME	LOSP	non-LOSP	Total	Comments
Residential - Tenant Rents	72,000	1,565,304	1,637,304	Links from 'New Proj - Rent & Unit Mix' Worksheet
Residential - Tenant Assistance Payments (Non-LOSP)	0	0	0	Links from 'New Proj - Rent & Unit Mix' Worksheet
Residential - LOSP Tenant Assistance Payments	222,852		222,852	
Commercial Space			0%	
Residential Parking	0	0	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Rent Income	0	0	0	Links from 'Utilities & Other Income' Worksheet
Supportive Services Income	0	0		
Interest Income - Project Operations	0	0	0	Links from 'Utilities & Other Income' Worksheet
Laundry and Vending	1,313	5,252	6,565	Links from 'Utilities & Other Income' Worksheet
Tenant Charges	0	0	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Residential Income	0	0	0	Links from 'Utilities & Other Income' Worksheet
Other Commercial Income			0	NARRATIVE
Withdrawal from Capitalized Reserve (deposit to operating account)	0	0		
Gross Potential Income	296,165	1,570,556	1,866,721	
Vacancy Loss - Residential - Tenant Rents	(3,600)	(78,265)	(81,865)	Vacancy loss is 5% of Tenant Rents.
Vacancy Loss - Residential - Tenant Assistance Payments	0	0	0	#DIV/0!
Vacancy Loss - Commercial			0	NARRATIVE
EFFECTIVE GROSS INCOME	292,565	1,492,291	1,784,856	PUPA: 17,672

OPERATING EXPENSES

Management

Management Fee	16,160	64,640	80,800	1st Year to be set according to HUD schedule.
Asset Management Fee	4,856	19,424	24,280	
Sub-total Management Expenses	21,016	84,064	105,080	PUPA: 1,040

Salaries/Benefits

Office Salaries	44,983	179,932	224,915	2 FTE APM, 3.5 FTE Desk
Manager's Salary	16,000	64,000	80,000	
Health Insurance and Other Benefits	31,899	127,594	159,493	
Other Salaries/Benefits	0	0		
Administrative Rent-Free Unit	0	0	0	
Sub-total Salaries/Benefits	92,882	371,526	464,408	PUPA: 4,598

Administration

Advertising and Marketing	606	2,424	3,030	
Office Expenses	8,030	32,120	40,150	
Office Rent	0	0	0	
Legal Expenses - Property	500	2,000	2,500	
Audit Expense	1,414	5,656	7,070	
Bookkeeping/Accounting Services	2,303	9,211	11,514	
Bad Debts	0	0	0	
Miscellaneous	0	0		
Sub-total Administration Expenses	12,853	51,411	64,264	PUPA: 636

Utilities

Electricity	9,595	38,380	47,975	
Water	8,585	34,340	42,925	
Gas	0	0		
Sewer	15,150	60,600	75,750	
Sub-total Utilities	33,330	133,320	166,650	PUPA: 1,650

Taxes and Licenses

Real Estate Taxes	0	0		
Payroll Taxes	0	0		
Miscellaneous Taxes, Licenses and Permits	2,490	9,962	12,452	Local Fees
Sub-total Taxes and Licenses	2,490	9,962	12,452	PUPA: 123

Insurance

Property and Liability Insurance	20,000	80,000	100,000	
Fidelity Bond Insurance	0	0		
Worker's Compensation	0	0		
Director's & Officers' Liability Insurance	0	0		
Sub-total Insurance	20,000	80,000	100,000	PUPA: 990

Maintenance & Repair

Payroll	30,156	120,624	150,780	
Supplies	2,560	10,240	12,800	
Contracts	18,900	75,600	94,500	
Garbage and Trash Removal	14,079	56,318	70,397	
Security Payroll/Contract	4,800	19,200	24,000	
HVAC Repairs and Maintenance	0	0		
Vehicle and Maintenance Equipment Operation and Repairs	0	0	0	
Miscellaneous Operating and Maintenance Expenses	3,745	14,980	18,725	Grounds, Misc. Repairs
Sub-total Maintenance & Repair Expenses	74,240	296,962	371,202	PUPA: 3,675

Supportive Services

Supportive Services	0	105,176	105,176	
Commercial Expenses			0	Links from 'Commercial Op. Budget' Worksheet

TOTAL OPERATING EXPENSES

256,8111,132,4211,389,232PUPA: 13,755

Reserves/Ground Lease Base Rent/Bond Fees

Ground Lease Base Rent	3,000	12,000	15,000	Ground lease with MOHCD	Provide additional comments here, if needed.
Bond Monitoring Fee	0	0			
Replacement Reserve Deposit	10,100	40,400	50,500		
Operating Reserve Deposit	0	0			
Other Required Reserve 1 Deposit	0	0			
Other Required Reserve 2 Deposit	0	0			
Required Reserve Deposit/s, Commercial			0	Links from 'Commercial Op. Budget' Worksheet	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	13,100	52,400	65,500	PUPA: 649	

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

269,9111,184,8211,454,732PUPA: 14,403

NET OPERATING INCOME (INCOME minus OP EXPENSES)

22,654307,470330,124PUPA: 3,269

DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)

Hard Debt - First Lender	0	65,280	65,280	TE Perm Loan	Provide additional comments here, if needed.
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)	16,800	67,200	84,000	HCD AHSC	Provide additional comments here, if needed.
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	0	0	AHP FHBL	Provide additional comments here, if needed.
Hard Debt - Fourth Lender	0	0	0		Provide additional comments here, if needed.
Commercial Hard Debt Service			0	Links from 'Commercial Op. Budget' Worksheet	
TOTAL HARD DEBT SERVICE	16,800	132,480	149,280	PUPA: 1,478	

CASH FLOW (NOI minus DEBT SERVICE)

5,854174,990180,844

Commercial Only Cash Flow

0

Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)

00

AVAILABLE CASH FLOW

5,854174,990180,844

USES OF CASH FLOW BELOW (This row also shows DSCR.)

2.21

USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL

"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	0	0	1st	
Partnership Management Fee (see policy for limits)	4,854	19,416	24,270	2nd
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	1,000	4,000	5,000	3rd
Other Payments	0	0		
Non-amortizing Loan Pmtnt - Lender 1 (select lender in comments field)	0	0		Provide additional comments here, if needed.
Non-amortizing Loan Pmtnt - Lender 2 (select lender in comments field)	0	0		Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	0	0	Def. Develop. Fee split: 0%	Provide additional comments here, if needed.
TOTAL PAYMENTS PRECEDING MOHCD	5,854	23,416	29,270	PUPA: 290

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)

0151,574151,574

Residual Receipts Calculation

Does Project have a MOHCD Residual Receipt Obligation?

Yes

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%

Project has MOHCD ground lease?

Yes

Soft Debt Lenders with Residual Receipts Obligations

MOHCD/OOCL - Soft Debt Loans		(Select lender name(program from drop down))	Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OOCL - Ground Lease Value or Land Acq Cost		All MOHCD/OOCL Loans payable from res. recs	\$37,869,517	65.27%
HCD (soft debt loan) - Lender 3		Ground Lease Value	\$150,000	0.26%
Other Soft Debt Lender - Lender 4		HCD AHSC	\$20,000,000	34.47%
Other Soft Debt Lender - Lender 5				0.00%
				0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE

MOHCD Residual Receipts Amount Due		66,216	66,216	67% of residual receipts, multiplied by 65.53% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment		66,216	66,216	Enter/override amount of residual receipts proposed for loan repayment.
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		0	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repymt.

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE

85,358

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE

HCD Residual Receipts Amount Due		34,833	67% of residual receipts, multiplied by 34.47% -- HCD AHSC's pro rata share of all soft debt
Lender 4 Residual Receipts Due		0	
Lender 5 Residual Receipts Due		0	
Total Non-MOHCD Residual Receipts Debt Service		34,833	

REMAINDER (Should be zero unless there are distributions below)

50,525

Owner Distributions/Incentive Management Fee

50,525100% of Borrower share of 33% of residual receipts

Other Distributions/Uses

0

1 of 1

Attachment K: 20-Year Operating Pro Forma

Transbay Block 2 Family

Total # Units:				LOSP Units		Non-LOSP Units		Year 1 2025				Year 2 2026			Year 3 2027																													
101				20		81																																						
				20.00%		80.00%																																						
				% annual inc LOSP		% annual increase		Comments (related to annual inc assumptions)				LOSP			non-LOSP			Total	LOSP	non-LOSP	Total	LOSP																						
INCOME				1.0%		2.5%						72,000			1,565,304			1,637,304			72,720			1,604,437			1,677,157			73,447			1,644,548			1,717,995			74,182					
Residential - Tenant Rents				n/a		n/a						-			-			-			-			-			-			-			-			-			-					
Residential - Tenant Assistance Payments (Non-LOSP)				n/a		n/a						222,852			(3,600)			(81,865)			228,270			(80,222)			(83,858)			(3,672)			(82,227)			(85,900)			(3,709)					
Residential - LOSP Tenant Assistance Payments				n/a		n/a						-			-			-			-			-			-			-			-			-			-					
Commercial Space				2.5%		2.5%						-			-			-			-			-			-			-			-			-			-					
Residential Parking				2.5%		2.5%						-			-			-			-			-			-			-			-			-			-					
Miscellaneous Rent Income				2.5%		2.5%						-			-			-			-			-			-			-			-			-			-					
Supportive Services Income				2.5%		2.5%						-			-			-			-			-			-			-			-			-			-					
Interest Income - Project Operations				2.5%		2.5%						-			-			-			-			-			-			-			-			-			-					
Laundry and Vending				2.5%		2.5%						1,313			5,252			6,565			1,346			5,383			6,729			1,379			5,518			6,897			1,414					
Tenant Charges				2.5%		2.5%						-			-			-			-			-			-			-			-			-			-					
Miscellaneous Residential Income				2.5%		2.5%						-			-			-			-			-			-			-			-			-			-					
Other Commercial Income				n/a		2.5%						-			-			-			-			-			-			-			-			-			-					
Withdrawal from Capitalized Reserve (deposit to operating account)				n/a		n/a		Link from Reserve Section below, as applicable				-			-			-			-			-			-			-			-			-			-					
Gross Potential Income												296,165			1,570,556			1,866,721			299,336			1,609,820			1,909,155			308,675			1,650,065			1,958,740			318,340					
Vacancy Loss - Residential - Tenant Rents				n/a		n/a		Enter formulas manually per relevant MOH schedule.				16,160			64,640			80,800			16,726			66,902			83,628			17,311			69,244			86,555			17,917					
Vacancy Loss - Residential - Tenant Assistance Payments				n/a		n/a		policy, annual incrementing usually not appropriate				4,656			19,424			24,280			5,026			20,104			25,130			5,202			20,807			26,009			5,284					
Vacancy Loss - Commercial				n/a		n/a						-			-			-			-			-			-			-			-			-			-			-		
EFFECTIVE GROSS INCOME												292,565			1,492,291			1,784,856			295,700			1,529,598			1,825,298			305,003			1,567,838			1,872,841			314,631					
OPERATING EXPENSES Management																																												
Management Fee				3.5%		3.5%		1st Year to be set according to HUD schedule.				16,160			64,640			80,800			16,726			66,902			83,628			17,311			69,244			86,555			17,917					
Asset Management Fee				3.5%		3.5%		per MOHCD policy				4,656			19,424			24,280			5,026			20,104			25,130			5,202			20,807			26,009			5,284					
Sub-total Management Expenses												21,016			84,064			105,080			21,752			87,006			108,758			22,513			90,051			112,564			23,301					
Salaries/Benefits																																												
Office Salaries				3.5%		3.5%						44,983			179,932			224,915			46,557			186,230			232,787			48,187			192,748			240,935			49,873					
Manager's Salary				3.5%		3.5%						16,000			64,000			80,000			16,560			66,240			82,800			17,140			68,558			85,698			17,739					
Health Insurance and Other Benefits				3.5%		3.5%						31,899			127,594			159,493			33,015			132,060			165,075			34,171			136,682			170,853			35,367					
Other Salaries/Benefits				3.5%		3.5%						-			-			-			-			-			-			-			-			-			-			-		
Administrative Rent-Free Unit				3.5%		3.5%						-			-			-			-			-			-			-			-			-			-			-		
Sub-total Salaries/Benefits												92,882			371,526			464,408			96,132			384,530			480,662			99,497			397,988			497,485			102,979					
Administration																																												
Advertising and Marketing				3.5%		3.5%						606			2,424			3,030			627			2,509			3,136			649			2,597			3,246			672					
Office Expenses				3.5%		3.5%						8,030			32,120			40,150			8,311			33,244			41,555			8,602			34,408			43,010			8,903					
Office Rent				3.5%		3.5%						-			-			-			-			-			-			-			-			-			-			-		
Legal Expense - Property				3.5%		3.5%						500			2,000			2,500			518			2,070			2,588			536			2,142			2,678			554					
Audit Expense				3.5%		3.5%						1,414			5,656			7,070			1,463			5,854			7,317			1,515			6,059			7,574			1,566					
Bookkeeping/Accounting Services				3.5%		3.5%						2,303			9,211			11,514			2,383			9,534			11,917			2,467			9,867			12,334			2,553					
Bad Debts				3.5%		3.5%						-			-			-			-			-			-			-			-			-			-			-		
Miscellaneous				3.5%		3.5%						-			-			-			-			-			-			-			-			-			-			-		
Sub-total Administration Expenses												12,653			51,411			64,264			13,303			53,211			66,513			13,768			55,073			68,841			14,250					
Utilities																																												
Electricity				3.5%		3.5%						9,595			38,380			47,975			9,931			39,723			49,654			10,278			41,114			51,392			10,638					
Water				3.5%		3.5%						8,585			34,340			42,925			8,885			35,542			44,427			9,196			36,786			45,982			9,518					
Gas				3.5%		3.5%						-			-			-			-			-			-			-			-			-			-			-		
Sewer				3.5%		3.5%						15,150			60,600			75,750			15,680			62,721			78,401			16,229			64,916			81,145			16,797					
Sub-total Utilities												33,330			133,320			166,650			34,497			137,986			172,483			35,704			142,816			178,520			36,954					
Taxes and Licenses																																												
Real Estate Taxes				3.5%		3.5%						-			-			-			-			-			-			-			-			-			-			-		
Payroll Taxes				3.5%		3.5%						-			-			-			-			-			-			-			-			-			-			-		
Miscellaneous Taxes, Licenses and Permits				3.5%		3.5%						2,490			9,962			12,452			2,578			10,310			12,888			2,668			10,671			13,339			2,761					
Sub-total Taxes and Licenses												2,490			9,962			12,452			2,578			10,310			12,888			2,668			10,671			13,339			2,761					
Insurance																																												
Property and Liability Insurance				3.5%		3.5%						20,000			80,000			100,000			20,700			82,800			103,500			21,425			85,698			107,123			22,174					
Fidelity Bond Insurance				3.5%		3.5%						-			-			-			-			-			-			-			-			-			-			-		
Worker's Compensation				3.5%		3.5%						-			-			-			-			-			-			-			-			-			-			-		
Director's & Officers' Liability Insurance				3.5%		3.5%						-			-			-			-			-			-			-			-			-			-			-		
Sub-total Insurance												20,000			80,000			100,000			20,700			82,800			103,500			21,425			85,698			107,123			22,174					
Maintenance & Repair																																												
Payroll				3.5%		3.5%						30,156			120,624			150,780			31,211			124,846			156,057			32,304			129,215			161,519			33,434					
Supplies				3.5%		3.5%						2,560			10,240			12,800			2,650			10,598			13,248			2,742			10,969			13,712			2,838					
Contracts				3.5%		3.5%						18,900			75,600			94,500			19,562			78,246			97,808			20,246			80,985			101,231			20,955					
Garbage and Trash Removal				3.5%		3.5%						14,079			56,318			70,397			14,572			58,289			72,861			15,082			60,329			75,411			15,610					
Security Payroll/Contract				3.5%		3.5%						4,800			19,200			24,000			4,968			19,872			24,840			5,142			20,568			25,709			5,322					
HVAC Repairs and Maintenance				3.5%		3.5%						-			-			-			-			-			-			-			-			-			-			-		
Vehicle and Maintenance Equipment Operation and Repairs				3.5%		3.5%						-			-			-			-			-			-			-			-			-			-			-		
Miscellaneous Operating and Maintenance Expenses				3.5%		3.5%						3,745			14,980			18,725			3,876			15,504			19,380			4,012			16,047			20,059			4,152					
Sub-total Maintenance & Repair Expenses												74,240			296,962			371,202			76,839			307,355			384,194			79,528			318,113			397,641			82,312					
Supportive Services				3.5%		3.5%						-			105,176			105,176			-			108,857			108,857			-			112,667			112,667			-					
Commercial Expenses												-			-			-			-			-			-			-			-			-			-			-		
TOTAL OPERATING EXPENSES												256,811			1,132,421			1,389,232			265,800			1,172,056			1,437,855			275,103			1,213,077			1,488,180			284,731					
PUPA (w/o Reserves/GL Base Rent/Bond Fees)																																												
Reserves/Ground Lease Base Rent/Bond Fees																																												
Ground Lease Base Rent												3,000			12,000			15,000			3,000			12,000			15,000			3,000			12,000			15,000			3,000					
Bond Monitoring Fee												10,100			40,400			50,500			10,100			40,400			50,500			10,100			40,400			50,500			10,100					
Replacement Reserve Deposit												-			-			-			-			-			-			-			-			-			-			-		
Operating Reserve Deposit												-			-			-			-			-			-			-			-			-			-			-		
Other Required Reserve 1 Deposit												-			-			-			-			-			-			-			-			-			-			-		
Other Required Reserve 2 Deposit												-			-			-			-			-			-			-			-			-								

Transbay Block 2 Family

Total # Units:				Year 4 2028		Year 5 2029			Year 6 2030			Year 7 2031	
LOSP Units 20 20.00%		Non-LOSP Units 81 80.00%											
% annual inc LOSP		% annual increase		Comments (related to annual inc assumptions)		non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
INCOME													
Residential - Tenant Rents				1.0%	2.5%	1,685,661	1,759,843	74,923	1,727,803	1,802,726	75,673	1,770,998	1,846,671
Residential - Tenant Assistance Payments (Non-LOSP)				n/a	n/a	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments				n/a	n/a	-	242,745	251,970	-	251,970	261,537	-	261,537
Commercial Space				n/a	0.0%	-	-	-	-	-	-	-	-
Residential Parking				2.5%	2.5%	-	-	-	-	-	-	-	-
Miscellaneous Rent Income				2.5%	2.5%	-	-	-	-	-	-	-	-
Supportive Services Income				2.5%	2.5%	-	-	-	-	-	-	-	-
Interest Income - Project Operations				2.5%	2.5%	-	-	-	-	-	-	-	-
Laundry and Vending				2.5%	2.5%	5,656	7,070	1,449	5,797	7,247	1,486	5,942	7,428
Tenant Charges				2.5%	2.5%	-	-	-	-	-	-	-	-
Miscellaneous Residential Income				2.5%	2.5%	-	-	-	-	-	-	-	-
Other Commercial Income				n/a	2.5%	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)				n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-	-	-
Gross Potential Income						1,691,317	2,009,657	328,343	1,733,600	2,061,943	338,695	1,776,940	2,115,635
Vacancy Loss - Residential - Tenant Rents				n/a	n/a	(84,283)	(87,992)	(3,746)	(86,390)	(90,136)	(3,784)	(88,550)	(92,334)
Vacancy Loss - Residential - Tenant Assistance Payments				n/a	n/a	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial				n/a	n/a	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME						1,607,034	1,921,665	324,597	1,647,210	1,971,807	334,911	1,688,390	2,023,301
OPERATING EXPENSES													
Management													
Management Fee				3.5%	3.5%	71,668	89,584	18,544	74,176	92,720	19,193	76,772	95,965
Asset Management Fee				3.5%	3.5%	21,536	26,920	5,572	22,289	27,862	5,767	23,070	28,837
Sub-total Management Expenses						93,203	116,504	24,116	96,465	120,582	24,960	99,842	124,802
Salaries/Benefits													
Office Salaries				3.5%	3.5%	199,494	249,367	51,619	206,476	258,095	53,426	213,703	267,128
Manager's Salary				3.5%	3.5%	70,958	88,697	18,360	73,441	91,802	19,003	76,012	95,015
Health Insurance and Other Benefits				3.5%	3.5%	141,466	176,833	36,604	146,418	183,022	37,886	151,542	189,428
Other Salaries/Benefits				3.5%	3.5%	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit				3.5%	3.5%	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits						411,918	514,897	106,584	426,335	532,919	110,314	441,257	551,571
Administration													
Advertising and Marketing				3.5%	3.5%	2,688	3,359	695	2,782	3,477	720	2,679	3,599
Office Expenses				3.5%	3.5%	35,612	44,515	9,215	36,858	46,073	9,537	38,148	47,686
Office Rent				3.5%	3.5%	-	-	-	-	-	-	-	-
Legal Expense - Property				3.5%	3.5%	2,217	2,772	574	2,295	2,869	594	2,375	2,969
Audit Expense				3.5%	3.5%	6,271	7,839	1,823	6,490	8,113	1,679	6,718	8,397
Bookkeeping/Accounting Services				3.5%	3.5%	10,213	12,768	2,643	10,570	13,213	2,735	10,940	13,675
Bad Debts				3.5%	3.5%	-	-	-	-	-	-	-	-
Miscellaneous				3.5%	3.5%	-	-	-	-	-	-	-	-
Sub-total Administration Expenses						57,001	71,251	14,749	58,996	73,744	15,265	61,060	76,325
Utilities													
Electricity				3.5%	3.5%	42,553	53,191	11,010	44,042	55,052	11,396	45,583	56,979
Water				3.5%	3.5%	38,073	47,592	9,851	39,406	49,257	10,196	40,785	50,981
Gas				3.5%	3.5%	67,188	83,985	17,385	69,540	86,925	17,903	71,974	89,967
Sewer				3.5%	3.5%	-	-	-	-	-	-	-	-
Sub-total Utilities						147,814	184,768	38,247	152,988	191,235	39,586	158,342	197,928
Taxes and Licenses													
Real Estate Taxes				3.5%	3.5%	-	-	-	-	-	-	-	-
Payroll Taxes				3.5%	3.5%	-	-	-	-	-	-	-	-
Miscellaneous Taxes, Licenses and Permits				3.5%	3.5%	11,045	13,806	2,858	11,431	14,289	2,958	11,831	14,789
Sub-total Taxes and Licenses						11,045	13,806	2,858	11,431	14,289	2,958	11,831	14,789
Insurance													
Property and Liability Insurance				3.5%	3.5%	88,697	110,872	22,950	91,802	114,752	23,754	95,015	118,769
Fidelity Bond Insurance				3.5%	3.5%	-	-	-	-	-	-	-	-
Worker's Compensation				3.5%	3.5%	-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance				3.5%	3.5%	-	-	-	-	-	-	-	-
Sub-total Insurance						88,697	110,872	22,950	91,802	114,752	23,754	95,015	118,769
Maintenance & Repair													
Payroll				3.5%	3.5%	133,738	167,172	34,605	138,419	173,024	35,816	143,263	179,079
Supplies				3.5%	3.5%	11,353	14,192	2,938	11,751	14,688	3,040	12,162	15,202
Contracts				3.5%	3.5%	83,819	104,774	21,688	86,753	108,441	22,447	89,789	112,236
Garbage and Trash Removal				3.5%	3.5%	62,440	78,060	16,156	64,626	80,782	16,722	66,988	83,610
Security Payroll/Contract				3.5%	3.5%	21,287	26,609	5,508	22,032	27,541	5,701	22,804	28,504
HVAC Repairs and Maintenance				3.5%	3.5%	-	-	-	-	-	-	-	-
Vehicle and Maintenance Equipment Operation and Repairs				3.5%	3.5%	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses				3.5%	3.5%	16,609	20,761	4,297	17,190	21,487	4,448	17,792	22,239
Sub-total Maintenance & Repair Expenses						329,247	411,558	85,193	340,770	425,963	88,174	352,697	440,872
Supportive Services				3.5%	3.5%	116,611	116,611	-	120,692	120,692	-	124,916	124,916
Commercial Expenses						-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES						1,255,535	1,540,266	294,697	1,299,479	1,594,176	305,011	1,344,961	1,649,972
PUPA (w/o Reserves/GL Base Rent/Bond Fees)													
Reserves/Ground Lease Base Rent/Bond Fees						3 yellow cells, manipulate each cell rather than dragging across multiple cells.							
Ground Lease Base Rent						12,000	15,000	3,000	12,000	15,000	3,000	12,000	15,000
Bond Monitoring Fee						-	-	-	-	-	-	-	-
Replacement Reserve Deposit						40,400	50,500	10,100	40,400	50,500	10,100	40,400	50,500
Operating Reserve Deposit						-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit						-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit						-	-	-	-	-	-	-	-
Required Reserve Deposits, Commercial						-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees						52,400	65,500	13,100	52,400	65,500	13,100	52,400	65,500
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)						1,307,935	1,605,766	307,797	1,351,879	1,659,676	318,111	1,397,361	1,715,472
PUPA (w/ Reserves/GL Base Rent/Bond Fees)													
NET OPERATING INCOME (INCOME minus OP EXPENSES)						299,099	315,899	16,800	295,331	312,131	16,800	291,029	307,829
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)						3 yellow cells, manipulate each cell rather than dragging across multiple cells.							
Hard Debt - First Lender						65,280	65,280	-	65,280	65,280	-	65,280	65,280
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)						67,200	84,000	16,800	67,200	84,000	16,800	67,200	84,000
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)						-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender						-	-	-	-	-	-	-	-
Commercial Hard Debt Service						-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE						132,480	149,280	16,800	132,480	149,280	16,800	132,480	149,280
CASH FLOW (NOI minus DEBT SERVICE)						166,619	166,619	162,851	162,851	-	158,549	158,549	(0)
Commercial Only Cash Flow						-	-	-	-	-	-	-	-
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)						-	-	-	-	-	-	-	-
AVAILABLE CASH FLOW						166,619	166,619	162,851	162,851	-	158,549	158,549	(0)
USES OF CASH FLOW BELOW (This row also shows DSCR.)													
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL						3 yellow cells, manipulate each cell rather than dragging across multiple cells.							
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)				3.5%	3.5%	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)				3.5%	3.5%	-	-	-	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)						-	-	-	-	-	-	-	-
Other Payments						-	-	-	-	-	-	-	-

Transbay Block 2 Family

Total # Units:				LOSP Units		Non-LOSP Units						Year 8 2032			Year 9 2033			Year 10 2034		
101				20		81														
				20.00%		80.00%														

Transbay Block 2 Family

Total # Units:		LOSP		Non-LOSP				Year 11		Year 12		Year 13			
101		20		81				2035		2036		2037			
		20.00%		80.00%											
		% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)											
INCOME						LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP
Residential - Tenant Rents		1.0%	2.5%			79,533	2,003,721	2,083,254	80,328	2,053,814	2,134,143	81,131	2,105,160	2,186,291	81,943
Residential - Tenant Assistance Payments (Non-LOSP)		n/a	n/a			-	-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments		n/a	n/a			314,921	-	314,921	326,802	-	326,802	339,119	-	339,119	351,686
Commercial Space		n/a	0.0%			-	-	-	-	-	-	-	-	-	-
Residential Parking		2.5%	2.5%			-	-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income		2.5%	2.5%			-	-	-	-	-	-	-	-	-	-
Supportive Services Income		2.5%	2.5%			-	-	-	-	-	-	-	-	-	-
Interest Income - Project Operations		2.5%	2.5%			-	-	-	-	-	-	-	-	-	-
Laundry and Vending		2.5%	2.5%			1,681	6,723	8,404	1,723	6,891	8,614	1,766	7,063	8,829	1,810
Tenant Charges		2.5%	2.5%			-	-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income		2.5%	2.5%			-	-	-	-	-	-	-	-	-	-
Other Commercial Income		n/a	2.5%			-	-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)		n/a	n/a	Link from Reserve Section below, as applicable		-	-	-	-	-	-	-	-	-	-
Gross Potential Income						396,134	2,010,444	2,406,579	408,853	2,060,706	2,469,559	422,016	2,112,223	2,534,239	435,639
Vacancy Loss - Residential - Tenant Rents		n/a	n/a	Enter formulas manually per relevant MOH policy, annual incrementing usually not appropriate		(3,977)	(100,186)	(104,163)	(4,016)	(102,691)	(106,707)	(4,057)	(105,236)	(109,315)	(4,097)
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a			-	-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial		n/a	n/a			-	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME						392,158	1,910,258	2,302,416	404,837	1,958,015	2,362,851	417,959	2,006,965	2,424,925	431,541
OPERATING EXPENSES															
Management															
Management Fee		3.5%	3.5%	1st Year to be set according to HUD schedule		22,795	91,181	113,976	23,593	94,372	117,966	24,419	97,675	122,094	25,274
Asset Management Fee		3.5%	3.5%	per MOHCD policy		6,850	27,399	34,249	7,090	28,359	35,448	7,338	29,351	36,689	7,595
Sub-total Management Expenses						29,645	118,581	148,226	30,683	122,731	153,414	31,757	127,026	158,783	32,869
Salaries/Benefits															
Office Salaries		3.5%	3.5%			63,453	253,812	317,265	65,674	262,695	328,369	67,972	271,890	339,862	70,351
Manager's Salary		3.5%	3.5%			22,570	90,278	112,848	23,360	93,438	116,798	24,177	96,708	120,885	25,023
Health Insurance and Other Benefits		3.5%	3.5%			44,996	179,985	224,981	46,571	186,284	232,855	48,201	192,804	241,005	49,888
Other Salaries/Benefits		3.5%	3.5%			-	-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit		3.5%	3.5%			-	-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits						131,019	524,075	655,093	135,604	542,417	678,022	140,350	561,402	701,752	145,263
Administration															
Advertising and Marketing		3.5%	3.5%			855	3,419	4,274	885	3,539	4,424	916	3,663	4,579	948
Office Expenses		3.5%	3.5%			11,327	45,308	56,636	11,724	46,894	58,618	12,134	48,536	60,669	12,559
Office Rent		3.5%	3.5%			-	-	-	-	-	-	-	-	-	-
Legal Expense - Property		3.5%	3.5%			705	2,821	3,526	730	2,920	3,650	756	3,022	3,778	782
Audit Expense		3.5%	3.5%			1,995	7,978	9,973	2,064	8,258	10,322	2,137	8,547	10,683	2,211
Bookkeeping/Accounting Services		3.5%	3.5%			3,248	12,993	16,242	3,362	13,448	16,810	3,480	13,919	17,398	3,601
Bad Debts		3.5%	3.5%			-	-	-	-	-	-	-	-	-	-
Miscellaneous		3.5%	3.5%			-	-	-	-	-	-	-	-	-	-
Sub-total Administration Expenses						18,130	72,521	90,651	18,765	75,059	93,823	19,421	77,686	97,107	20,101
Utilities															
Electricity		3.5%	3.5%			13,535	54,139	67,673	14,008	56,034	70,042	14,499	57,995	72,494	15,006
Water		3.5%	3.5%			12,110	48,440	60,550	12,534	50,135	62,669	12,973	51,890	64,863	13,427
Gas		3.5%	3.5%			-	-	-	-	-	-	-	-	-	-
Sewer		3.5%	3.5%			21,371	85,482	106,853	22,119	88,474	110,593	22,893	91,571	114,463	23,694
Sub-total Utilities						47,015	188,061	235,076	48,661	194,643	243,304	50,364	201,456	251,820	52,127
Taxes and Licenses															
Real Estate Taxes		3.5%	3.5%			-	-	-	-	-	-	-	-	-	-
Payroll Taxes		3.5%	3.5%			-	-	-	-	-	-	-	-	-	-
Miscellaneous Taxes, Licenses and Permits		3.5%	3.5%			3,513	14,052	17,565	3,636	14,544	18,180	3,763	15,053	18,816	3,895
Sub-total Taxes and Licenses						3,513	14,052	17,565	3,636	14,544	18,180	3,763	15,053	18,816	3,895
Insurance															
Property and Liability Insurance		3.5%	3.5%			28,212	112,848	141,060	29,199	116,798	145,997	30,221	120,885	151,107	31,279
Fidelity Bond Insurance		3.5%	3.5%			-	-	-	-	-	-	-	-	-	-
Worker's Compensation		3.5%	3.5%			-	-	-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance		3.5%	3.5%			-	-	-	-	-	-	-	-	-	-
Sub-total Insurance						28,212	112,848	141,060	29,199	116,798	145,997	30,221	120,885	151,107	31,279
Maintenance & Repair															
Payroll		3.5%	3.5%			42,538	170,152	212,690	44,027	176,107	220,134	45,568	182,271	227,839	47,163
Supplies		3.5%	3.5%			3,611	14,445	18,056	3,738	14,950	18,688	3,868	15,473	19,342	4,004
Contracts		3.5%	3.5%			26,660	106,641	133,302	27,593	110,374	137,967	28,559	114,237	142,796	29,559
Garbage and Trash Removal		3.5%	3.5%			19,860	79,442	99,302	20,555	82,222	102,777	21,275	85,100	106,375	22,020
Security Payroll/Contract		3.5%	3.5%			6,771	27,083	33,854	7,008	28,031	35,039	7,253	29,013	36,266	7,507
HVAC Repairs and Maintenance		3.5%	3.5%			-	-	-	-	-	-	-	-	-	-
Vehicle and Maintenance Equipment Operation and Repairs		3.5%	3.5%			-	-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses		3.5%	3.5%			5,283	21,131	26,413	5,468	21,870	27,338	5,659	22,636	28,295	5,857
Sub-total Maintenance & Repair Expenses						104,723	418,894	523,617	108,389	433,555	541,944	112,182	448,729	560,912	116,109
Supportive Services		3.5%	3.5%			-	148,361	148,361	-	153,554	153,554	-	158,928	158,928	-
Commercial Expenses						-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES						362,258	1,597,391	1,959,649	374,937	1,653,300	2,028,237	388,059	1,711,166	2,099,225	401,641
PUPA (w/o Reserves/GL Base Rent/Bond Fees)															
Reserves/Ground Lease Base Rent/Bond Fees															
Ground Lease Base Rent						3,000	12,000	15,000	-	12,000	15,000	3,000	12,000	15,000	3,000
Bond Monitoring Fee						-	-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit						10,100	40,400	50,500	10,100	40,400	50,500	10,100	40,400	50,500	10,100
Operating Reserve Deposit						-	-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit						-	-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit						-	-	-	-	-	-	-	-	-	-
Required Reserve Deposits, Commercial						-	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees						13,100	52,400								

Transbay Block 2 Family

Total # Units:	LOSP		Non-LOSP		Year 14		Year 15		Year 16		Year 17		
	Units		Units		2038		2039		2040		2041		
	101	20	81	80.00%									
	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP
INCOME													
Residential - Tenant Rents	1.0%	2.5%		2,157,789	2,239,732	82,762	2,211,734	2,294,496	83,590	2,267,027	2,350,617	84,426	2,323,703
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments	n/a	n/a		-	351,886	365,120	-	365,120	378,836	-	378,836	393,054	-
Commercial Space	n/a	0.0%		-	-	-	-	-	-	-	-	-	-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		7,240	9,050	1,855	7,421	9,276	1,902	7,606	9,508	1,949	7,797
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%		-	-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-	-	-	-	-	-
Gross Potential Income				2,165,029	2,600,667	449,737	2,219,155	2,668,892	464,328	2,274,633	2,738,951	479,428	2,331,499
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH schedule	(107,869)	(111,987)	(4,138)	(110,587)	(114,725)	(4,179)	(113,351)	(117,531)	(4,221)	(116,185)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a	policy, annual incrementing usually not appropriate	-	-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a		-	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME				2,057,139	2,488,681	445,599	2,108,568	2,554,167	460,148	2,161,282	2,621,430	475,207	2,215,314
OPERATING EXPENSES													
Management													
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule	101,094	126,368	26,158	104,632	130,791	27,074	108,295	135,368	28,021	112,085
Asset Management Fee	3.5%	3.5%	per MOHCD policy	30,378	37,973	7,860	31,442	39,302	8,135	32,542	40,677	8,420	33,681
Sub-total Management Expenses				131,472	164,341	34,018	136,074	170,092	35,209	140,837	176,046	36,441	145,766
Salaries/Benefits													
Office Salaries	3.5%	3.5%		281,406	351,757	72,814	291,255	364,069	75,362	301,449	376,811	78,000	312,000
Manager's Salary	3.5%	3.5%		100,093	125,116	25,899	103,596	129,496	26,806	107,222	134,028	27,744	110,975
Health Insurance and Other Benefits	3.5%	3.5%		199,552	249,440	51,634	206,536	258,170	53,441	213,765	267,206	55,312	221,247
Other Salaries/Benefits	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				581,051	726,314	150,347	601,388	751,735	155,609	622,436	778,045	161,055	644,222
Administration													
Advertising and Marketing	3.5%	3.5%		3,791	4,739	981	3,924	4,905	1,015	4,061	5,076	1,051	4,203
Office Expenses	3.5%	3.5%		50,234	62,793	12,998	51,992	64,991	13,453	53,812	67,265	13,924	55,696
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		3,128	3,910	809	3,237	4,047	838	3,351	4,188	867	3,468
Audit Expense	3.5%	3.5%		8,846	11,057	2,289	9,155	11,444	2,369	9,476	11,845	2,452	9,807
Bookkeeping/Accounting Services	3.5%	3.5%		14,406	18,007	3,728	14,910	18,638	3,658	15,432	19,290	3,993	15,972
Bad Debts	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Administration Expenses				80,405	100,506	20,805	83,219	104,024	21,533	86,132	107,665	22,287	89,146
Utilities													
Electricity	3.5%	3.5%		60,025	75,031	15,531	62,125	77,657	16,075	64,300	80,375	16,638	66,550
Water	3.5%	3.5%		53,706	67,133	13,896	55,586	69,482	14,383	57,531	71,914	14,886	59,545
Gas	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Sewer	3.5%	3.5%		94,776	118,470	24,523	98,093	122,616	25,382	101,626	126,908	26,270	105,080
Sub-total Utilities				208,507	260,633	53,951	215,804	269,755	55,839	223,358	279,197	57,794	231,175
Taxes and Licenses													
Real Estate Taxes	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Payroll Taxes	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		15,580	19,474	4,031	16,125	20,156	4,172	16,689	20,861	4,318	17,273
Sub-total Taxes and Licenses				15,580	19,474	4,031	16,125	20,156	4,172	16,689	20,861	4,318	17,273
Insurance													
Property and Liability Insurance	3.5%	3.5%		125,116	156,396	32,374	129,496	161,869	33,507	134,028	167,535	34,680	138,719
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Insurance				125,116	156,396	32,374	129,496	161,869	33,507	134,028	167,535	34,680	138,719
Maintenance & Repair													
Payroll	3.5%	3.5%		188,651	235,813	48,813	195,253	244,067	50,522	202,087	252,609	52,290	209,160
Supplies	3.5%	3.5%		16,015	20,019	4,144	16,575	20,719	4,289	17,156	21,444	4,439	17,756
Contracts	3.5%	3.5%		118,235	147,794	30,593	122,373	152,967	31,664	126,656	158,320	32,772	131,089
Garbage and Trash Removal	3.5%	3.5%		98,079	110,098	22,790	91,161	113,951	23,588	94,362	117,940	24,413	97,654
Security Payroll/Contract	3.5%	3.5%		30,028	37,535	7,770	31,079	38,849	8,042	32,167	40,208	8,323	33,293
HVAC Repairs and Maintenance	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		23,428	29,285	6,062	24,248	30,310	6,274	25,097	31,371	6,494	25,975
Sub-total Maintenance & Repair Expenses				464,435	580,544	120,173	480,690	600,863	124,379	497,514	621,893	128,732	514,927
Supportive Services	3.5%	3.5%		164,491	164,491	-	170,248	170,248	-	176,206	176,206	-	182,374
Commercial Expenses				-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES				1,771,056	2,172,698	415,699	1,833,043	2,248,742	430,248	1,897,200	2,327,448	445,307	1,963,602
PUPA (w/o Reserves/GL Base Rent/Bond Fees)													
Reserves/Ground Lease Base Rent/Bond Fees													
Ground Lease Base Rent				12,000	15,000	3,000	12,000	15,000	3,000	12,000	15,000	3,000	12,000
Bond Monitoring Fee				-	-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit				40,400	50,500	10,100	40,400	50,500	10,100	40,400	50,500	10,100	40,400
Operating Reserve Deposit				-	-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-	-
Required Reserve Deposits, Commercial				-	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				52,400	65,500	13,100	52,400	65,500	13,100	52,400	65,500	13,100	52,400
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				1,823,456	2,238,198	428,799	1,885,443	2,314,242	443,348	1,949,600	2,392,948	458,407	2,016,002
PUPA (w/ Reserves/GL Base Rent/Bond Fees)													
NET OPERATING INCOME (INCOME minus OP EXPENSES)				233,683	250,483	16,800	223,124	239,924	16,800	211,682	228,482	16,800	199,312
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)													
Hard Debt - First Lender			Enter comments re: annual increase, etc.	65,280	65,280	-	65,280	65,280	-	65,280	65,280	-	65,280
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	67,200	84,000	16,800	67,200	84,000	16,800	67,200	84,000	16,800	67,200
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service				-	-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE				132,480	149,280	16,800	132,480	149,280	16,800	132,480	149,280	16,800	132,480
CASH FLOW (NOI minus DEBT SERVICE)				101,203	101,203	-	90,644	90,644	-	79,202	79,202	-	66,832
Commercial Only Cash Flow				-	-	-	-	-	-	-	-	-	-
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)				-	-	-	-	-	-	-	-	-	-
AVAILABLE CASH FLOW				101,203	101,203	-	90,644	90,644	-	79,202	79,202	-	66,832
USES OF CASH FLOW BELOW (This row also shows DSCR.)													
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL													
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	-	-	-	-	-	-	-	-	-	-
Other Payments				-	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD				-	-	-	-	-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				101,203	101,203	-	90,644	90,644	-	79,202	79,202	-	66,832
Does Project have a MOHCD Residual Receipt Obligation?	Yes												
Will Project Defer Developer Fee?	No												
Residual Receipts split for all years - Lender/Owner	67% / 33%												
MOHCD RESIDUAL RECEIPTS DEBT SERVICE			Dist. Soft Debt Loans										
MOHCD Residual Receipts Amount Due													
Proposed MOHCD Residual Receipts Amount to Loan Repayment	65.53%		Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	44,211			39,599			34,600			
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease				44,211			39,599			34,600			
NON-MOHCD RES													

Transbay Block 2 Family

Total # Units:				LOSP	Non-LOSP											
201				Units	Units											
20.00%				80.00%												
				% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total			
INCOME																
Residential - Tenant Rents				1.0%	2.5%		2,408,128	85,270	2,381,795	2,467,065	86,123	2,441,340	2,527,463	86,984	2,502,374	2,589,357
Residential - Tenant Assistance Payments (Non-LOSP)				n/a	n/a		-	-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments				n/a	n/a		393,054	407,788	-	407,788	423,060	-	423,060	438,886	-	438,886
Commercial Space				n/a	0.0%		-	-	-	-	-	-	-	-	-	-
Residential Parking				2.5%	2.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income				2.5%	2.5%		-	-	-	-	-	-	-	-	-	-
Supportive Services Income				2.5%	2.5%		-	-	-	-	-	-	-	-	-	-
Interest Income - Project Operations				2.5%	2.5%		-	-	-	-	-	-	-	-	-	-
Laundry and Vending				2.5%	2.5%		9,746	1,998	7,992	9,989	2,048	8,191	10,239	2,099	8,396	10,495
Tenant Charges				2.5%	2.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income				2.5%	2.5%		-	-	-	-	-	-	-	-	-	-
Other Commercial Income				n/a	2.5%		-	-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)				n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-	-	-	-	-	-
Gross Potential Income							2,810,928	495,056	2,389,787	2,884,843	511,230	2,449,531	2,960,762	527,969	2,510,770	3,038,739
Vacancy Loss - Residential - Tenant Rents				n/a	n/a	Enter formulas manually per relevant MOH schedule	(120,408)	(4,263)	(119,090)	(123,353)	(4,306)	(122,067)	(126,373)	(4,349)	(125,119)	(129,468)
Vacancy Loss - Residential - Tenant Assistance Payments				n/a	n/a	policy, annual incrementing usually not appropriate	-	-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial				n/a	n/a		-	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME							2,690,521	490,793	2,270,697	2,761,490	506,924	2,327,464	2,834,388	523,620	2,385,651	2,909,271
OPERATING EXPENSES																
Management																
Management Fee				3.5%	3.5%	1st Year to be set according to HUD	140,108	29,002	116,008	145,010	30,017	120,068	150,085	31,068	124,270	155,338
Asset Management Fee				3.5%	3.5%	per MOHCD policy	42,101	8,715	34,860	43,575	9,020	36,080	45,100	9,336	37,343	46,678
Sub-total Management Expenses							182,207	37,717	150,868	188,585	39,037	156,148	195,185	40,403	161,613	202,016
Salaries/Benefits																
Office Salaries				3.5%	3.5%		389,999	80,730	322,920	403,649	83,555	334,222	417,777	86,480	345,920	432,399
Manager's Salary				3.5%	3.5%		138,719	28,715	114,859	143,574	29,720	118,879	148,599	30,760	123,040	153,800
Health Insurance and Other Benefits				3.5%	3.5%		276,559	57,248	228,991	286,238	59,251	237,005	296,257	61,325	245,300	306,626
Other Salaries/Benefits				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits							805,277	166,692	666,769	833,462	172,527	690,106	862,633	178,565	714,260	892,825
Administration																
Advertising and Marketing				3.5%	3.5%		5,254	1,088	4,350	5,438	1,126	4,503	5,628	1,165	4,660	5,825
Office Expenses				3.5%	3.5%		69,620	14,411	57,645	72,056	14,916	59,663	74,578	15,438	61,751	77,188
Office Rent				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Legal Expense - Property				3.5%	3.5%		4,335	897	3,589	4,487	929	3,715	4,644	961	3,845	4,806
Audit Expense				3.5%	3.5%		12,259	2,538	10,151	12,688	2,626	10,506	13,132	2,718	10,874	13,592
Bookkeeping/Accounting Services				3.5%	3.5%		19,965	4,133	16,531	20,664	4,277	17,110	21,387	4,427	17,709	22,136
Bad Debts				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Administration Expenses							111,433	23,067	92,266	115,333	23,874	95,496	119,370	24,710	98,838	123,548
Utilities																
Electricity				3.5%	3.5%		83,188	17,220	68,880	86,100	17,823	71,290	89,113	18,446	73,786	92,232
Water				3.5%	3.5%		74,431	15,407	61,629	77,036	15,947	63,786	79,733	16,505	66,019	82,523
Gas				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Sewer				3.5%	3.5%		131,349	27,189	108,757	135,947	28,141	112,564	140,705	29,126	116,504	145,629
Sub-total Utilities							288,969	59,817	239,266	299,083	61,910	247,640	309,551	64,077	256,308	320,385
Taxes and Licenses																
Real Estate Taxes				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Payroll Taxes				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Taxes, Licenses and Permits				3.5%	3.5%		21,592	4,469	17,878	22,347	4,626	18,504	23,129	4,788	19,151	23,939
Sub-total Taxes and Licenses							21,592	4,469	17,878	22,347	4,626	18,504	23,129	4,788	19,151	23,939
Insurance																
Property and Liability Insurance				3.5%	3.5%		173,399	35,894	143,574	179,468	37,150	148,599	185,749	38,450	153,800	192,250
Fidelity Bond Insurance				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Worker's Compensation				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Insurance							173,399	35,894	143,574	179,468	37,150	148,599	185,749	38,450	153,800	192,250
Maintenance & Repair																
Payroll				3.5%	3.5%		261,450	54,120	216,481	270,601	56,014	224,058	280,072	57,975	231,900	289,875
Supplies				3.5%	3.5%		22,195	4,594	18,377	22,972	4,755	19,021	23,776	4,922	19,686	24,608
Contracts				3.5%	3.5%		163,862	33,919	135,677	169,597	35,107	140,426	175,533	36,335	145,341	181,676
Garbage and Trash Removal				3.5%	3.5%		122,067	25,268	101,072	126,340	26,152	104,609	130,762	27,068	108,271	135,338
Security Payroll/Contract				3.5%	3.5%		41,616	8,614	34,458	43,072	8,916	35,664	44,580	9,228	36,912	46,140
HVAC Repairs and Maintenance				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Vehicle and Maintenance Equipment Operation and Repairs				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses				3.5%	3.5%		32,469	6,721	26,884	33,605	6,956	27,825	34,781	7,200	28,799	35,999
Sub-total Maintenance & Repair Expenses							643,659	133,237	532,950	666,187	137,901	551,603	689,504	142,727	570,909	713,636
Supportive Services				3.5%	3.5%		182,374	-	188,757	188,757	-	195,363	195,363	-	202,201	202,201
Commercial Expenses							-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES							2,408,909	460,893	2,032,328	2,493,221	477,024	2,103,459	2,580,483	493,720	2,177,080	2,670,800
PUPA (w/o Reserves/GL Base Rent/Bond Fees)																
Reserves/Ground Lease Base Rent/Bond Fees																
Ground Lease Base Rent							15,000	3,000	12,000	15,000	3,000	12,000	15,000	3,000	12,000	15,000
Bond Monitoring Fee							-	-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit							50,500	10,100	40,400	50,500	10,100	40,400	50,500	10,100	40,400	50,500
Operating Reserve Deposit							-	-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit							-	-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit							-	-	-	-	-	-	-	-	-	-
Required Reserve Deposits, Commercial							-	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees							65,500	13,100	52,400	65,500	13,100	52,400	65,500	13,100	52,400	65,500
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)							2,474,409	473,993	2,084,728	2,558,721	490,124	2,155,859	2,645,983	506,820	2,229,480	2,736,300
PUPA (w/ Reserves/GL Base Rent/Bond Fees)																
NET OPERATING INCOME (INCOME minus OP EXPENSES)							216,112	16,800	185,969	202,769	16,800	171,605	188,405	16,800	156,170	172,970
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)																
Hard Debt - First Lender						Enter comments re: annual increase, etc.	65,280	-	65,280	65,280	-	65,280	65,280	-	65,280	65,280
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)						Enter comments re: annual increase, etc.	84,000	16,800	67,200	84,000	16,800	67,200	84,000	16,800	67,200	84,000
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)						Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender						Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service							-	-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE							149,280	16,800	132,480	149,280	16,800	132,480	149,280	16,800	132,480	149,280
CASH FLOW (NOI minus DEBT SERVICE)							66,832	-	53,489	53,489	0	39,125	39,125	-	23,690	23,690
Commercial Only Cash Flow							-	-	-	-	-	-	-	-	-	-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)							-	-	-	-	-	-	-	-	-	-
AVAILABLE CASH FLOW							66,832	-	53,489	53,489	0	39,125	39,125	-	23,690	23,690
USES OF CASH FLOW BELOW (This row also shows DSCR.)							DSCR:	1.45		1.36			1.26			1.16
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL																
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)				3.5%	3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)				3.5%	3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)						per MOHCD policy no annual increase	-	-	-	-	-	-	-	-	-	-
Other Payments							-	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1						Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 2						Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
Deferred Developer Fee (Enter amt <= Max Fee from row 131)							-	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD							-	-	-	-	-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)																
							66,832	-	53,489	53,489	0	39,125	39,125	-	23,690	23,690
Does Project have a MOHCD Residual Receipt Obligation?				Yes	No											
Will Project Defer Developer Fee?																
Residual Receipts split for all years. - Lender/Owner				67% / 33%												
MOHCD RESIDUAL RECEIPTS DEBT SERVICE																
MOHCD Residual Receipts Amount Due				65.53%		Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	29,196		23,367		17,092			10,349		
Proposed MOHCD Residual Receipts Amount to Loan Repayment							29,196		23,367		17,092			10,349		
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease						Proposed Total MOHCD Amt Due less Loan Repayment	-		-		-			-		
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE																
HCD Residual Receipts Amount Due				34.47%		Allocation per pro rata share of all soft debt	15,359		12,292		8,991			5,444		
Lender 4 Residual Receipts Due				0.00%			-		-		-			-		
Lender 5 Residual Receipts Due				0.00%			-		-		-			-		
Total Non-MOHCD Residual Receipts Debt Service							15,359		12,292		8,991			5,444		
REMAINDER (Should be zero unless there are distributions below)																
Owner Distributions/Incentive Management Fee							22,277		17,830		13,042					