Citywide Affordable Housing Loan Committee

Small Sites Program Loan Evaluation

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

2901 16th Street

Up to $30,000,000 Permanent Financing Request

Evaluation of Request for:	Permanent Financing
Loan Committee Date:	June 21, 2024
Prepared By:	Amanda Fukutome-Lopez, Project Manager
Construction Representative:	Holly Babe Faust
Sources and Amounts of New Funds Recommended:	Up to $30,000,000 SSP Soft Debt
NOFA/PROGRAM/RFP:	2019 Acquisition and Rehabilitation Financing for Small Sites Program Properties
Applicant/Sponsor(s) Name:	Mission Economic Development Agency
Project Address (with cross street):	2901-2929 16th Street (between South Van Ness Avenue and Capp Street)
Supervisor and District:	Hillary Ronen/District 9

Project Summary:

Located in District 9, 2901 16th Street consists of a four-story building comprising 6 one-bedroom units, 55 studio units, 2 SRO units and 8 commercial units. Due to the seller's decision to keep units vacant to improve marketability of the Project, 85% of the residential units are vacant. Seven out of eight commercial spaces are occupied. The Project is located approximately a block away from the 16th Street BART station and 1979 Mission Street, the site of 2 future affordable housing developments being co-developed by MEDA and Mission Housing. The acquisition of 2901 16th Street presents an opportunity to 1) provide over 60 units of affordable housing upon rehabilitation completion and 2) continue stabilizing and improving housing stock and economic activity in the neighborhood. In 2021, through the Community Opportunity to Purchase Act, MEDA (Sponsor) was made aware of the Site's availability. After two and a half years and many negotiations, the seller and MEDA have executed a Purchase and Sale Agreement for 2901 16th Street. The Project will be acquired and rehabilitated with MOHCD financing and is scheduled for closing in August 2024. The Project is in contract for a sales price of $20,350,000 ($286,620/unit). The Sponsor is requesting approximately $30,000,000 ($422,535/unit) in Small Sites soft debt, which is lower than the maximum amount of subsidy allowed per the SSP Guidelines, but which is about average for an SSP project. Though the unit count is higher than most SSP properties, and should allow for a lower per unit cost, the high cost of rehabilitation, including structural work, has increased the cost of the Project. The Project is in moderate condition. The rehabilitation scope will include voluntary but substantial seismic upgrade; fire detection and suppression system improvements; an electrical upgrade; window replacements throughout; roof repairs; skylight replacement; brick repointing; and significant unit and common area improvements. The Project is anticipated to be fully leased by mid to late-2027 due to a projected 30-month preconstruction and construction period. The extended completion period necessitates a $1.4M vacancy reserve. See Section 9.4. MOHCD staff is recommending Loan Committee approval for 2901 16th Street's permanent financing, which provides 63 affordable units in the City's Mission neighborhood for families, individuals, couples, and older adults, ranging from those previously experiencing homelessness to long-term residents within a variety of ethnic and racial backgrounds.

1. BACKGROUND

Mission Economic Development Agency ("MEDA," "MEDA Small Properties LLC," or "Sponsor") requests up to $30,000,000 in Small Sites Program ("SSP") funding from the Mayor's Office of Housing and Community Development ("MOHCD") for the acquisition, rehabilitation, and permanent financing of the property located at 2901-2929 16th Street in the Mission neighborhood of San Francisco ("2901 16th Street," the "Project," or "Site"). The Project went into contract on May 3, 2024, and the purchase is anticipated to close in August 2024.

2901 16th Street will be acquired under the Community Opportunity to Purchase Act ("COPA"), which was enacted in 2019 to give Qualified Nonprofits ("QNPs") the Rights of First Offer and First Refusal on multifamily properties to prevent displacement and promote the preservation of naturally occurring affordable housing. The Sponsor will record a Declaration of Restrictions that will protect the affordability of all units for at least 99 years. MOHCD permanent financing will fund the acquisition, rehabilitation, and permanent conversion of the building to a 100% affordable housing Small Site.

Project History

Built in 1914, 2901 16th Street is a 48,288-square foot residential property consisting of a 4-story building with 63 units (2 SROs, 55 studios, 6 one-bedrooms) and 12,315 square feet of ground floor commercial in eight spaces. The building's residential units are currently 15% occupied, and seven out of the eight commercial spaces are occupied.

2901 16th Street is part of a four-property portfolio, the Imhoff Portfolio, which includes two properties in the Mission District (2901 16th Street and 2059 Mission Street) and two properties in the Tenderloin. MEDA became aware of the Property in 2021, when the Imhoff Portfolio went through the COPA process. MEDA was interested in both Mission District properties, due to their location, size, and high vacancy, which would enable more efficient relocation for rehabilitation and allow more affordable units to be available to the community immediately after construction completion. However, funding was not available for these buildings when the initial COPA notice went out in 2021.

COPA requires listed properties to notice QNPs annually, and so when the owner sent out a notice the following year, MEDA expressed interest in 2901 16th Street and began to engage the seller in negotiations. In April 2023, the seller and MEDA entered into a PSA for both Mission District properties. While MEDA's goal was always to acquire both properties, the availability of City's funding for Preservation projects was uncertain, and MEDA chose to pursue the acquisition of 2901 16th Street due to its larger unit count. MEDA began due diligence work, the majority of which was completed by July 2023. However, due to MOHCD's ongoing budgetary constraints, the Project was unable to move forward, and the contract was cancelled.

MEDA continued to work with the City to find a path forward for the Project and for 2059 Mission Street. In 2024, the seller re-noticed the Imhoff Portfolio; however, the COPA notice bundled the four properties, essentially requiring a prospective buyer to purchase all four buildings. MEDA expressed interest in April 2024, and after extensive negotiations with the seller, agreed to the purchase of 2901 16th Street and 2059 Mission Street. Entering into a Purchase and Sale Agreement (PSA) for both properties was a condition to get back into contract on 2901 16th Street.

While MOHCD will directly fund the acquisition and rehabilitation of 2901 16th Street, the San Francisco Housing Accelerator Fund intends to fund the acquisition and rehabilitation of 2059 Mission Street with MOHCD committed to taking out the Project upon its completion, so long as the Project meets MOHCD requirements. MOHCD will provide the Housing Accelerator Fund with a letter of support for 2059 Mission Street this summer. To meet the seller's requirement of purchasing both Mission District properties, both properties will close nearly concurrently, with 2059 Mission Street anticipated to close in mid-August and 2901 16th Street anticipated to close at the end of August. The acquisition of the Projects will support the continued tenancy of approximately 19 long-term, vulnerable households (10 at 2901 16th Street and nine at 2059 Mission Street) and provide nearly 50 additional affordable units for lease upon construction completion at 2901 16th Street and approximately 26 units at 2059 Mission Street, furthering the City's goal of community stabilization.

The Project is in moderate, serviceable condition. The proposed rehabilitation scope has been reviewed by a MOHCD's Construction Representative and includes voluntary but substantial seismic upgrade; fire detection and suppression system improvements; an electrical upgrade; window replacements throughout; roof repairs, skylight replacement, brick repointing; and significant unit and common area improvements. For more on the proposed rehabilitation scope, please see **Sections 7.5 and 7.6**.

The project is approximately 85% vacant, as the owner suspended lease up from the time the property was listed in 2021. Achieving full occupancy will require 6 months of leasing following the completion of the residential scope, which is anticipated to be complete after the structural scope. Existing tenants, which include some current MEDA clients, have been supportive of the Project's acquisition under SSP and are aware of SSP's income, rent, rehabilitation, and relocation requirements. All households will complete income certification by loan closing. MEDA is beginning the income certification process of existing tenants and anticipates having income certifications and executed leases for existing tenants in early August 2024. SSP's income certification threshold of 80% (51 units/63 units) will be met through the counting of vacant units.

The Site is a block away from the 16th Street BART Station, where MEDA and Mission Housing will lead the development of two 100% affordable housing developments at 1979 Mission Street, and BART will lead the redevelopment of the southwest and northeast BART Plazas at 16th and Mission Street. The acquisition of 2901 16th Street would continue to support MEDA's improvement of the neighborhood's housing stock, stabilization of the local community, including local small businesses, and provide potential synergies across the developments, particularly relating to any required service provisions for planned referral units. Finally, the addition of these two buildings would also allow MEDA's portfolio to reach the size that would enable the organization to establish their own property management arm.

Total Project Costs and Sources

Funding Source	**Current Request**
SSP Funding Request	Up to $30,000,000 ($422,535/unit)

This funding request is only for SSP funds of up to $30,000,000, $1,750,000 ($24,648/unit) below the maximum SSP funding of $31,750,000 ($447,183/unit) allowable under SSP Guidelines. **See Appendix A** for Maximum Allowable Subsidy Per Current SSP Guidelines.

The Project will add between $9M and $12M in PASS funds to the Project to complete its rehabilitation, fund reserves, and fund other costs associated with the PASS loan. The estimated Total Development Cost ("TDC") of the Project is $38,666,714 ($544,602/unit). Since PASS funds are not available at this time, the Sponsor will acquire the Project and begin its rehabilitation as new PASS bonds are being issued, estimated for January 2025. Once the new PASS funds are available, the Project will return to Loan Committee and the Board of Supervisors, as required, for approval of the Project's PASS loan. At that time, the Project will be re-underwritten to reflect the most up-to-date information for the Project, and the Loan Committee and Board of Supervisors will have another opportunity to check in on progress and the budget. For more on PASS Sizing and Availability, please see **Section 2**.

2. PRINCIPAL DEVELOPMENT ISSUES

Referral Units.
MEDA will set aside approximately 20 units for homeless and formerly homeless adults and families. Currently, MEDA does not have agreements related to these units; however, MEDA previously reached out to the San Francisco Housing Authority and the Department of

Homelessness and Supportive Housing in 2023 to see if there were available subsidies for the Project. At the time, HSH indicated interest in the Site. As a condition of this loan, MEDA will (1) continue to engage with HSH around incorporating the referral units at the Site and (2) be required to meet with MOHCD project staff monthly to discuss progress towards securing referral agreements. If referral agreements are not secured by the lease up period, MOHCD will work with MEDA to determine the best path forward for these units, which may include renting the units at approximately 60% of AMI. For Loan Conditions, please see **Section 12**.

PASS Sizing and Availability.
In addition to the requested SSP funds, the Project will require approximately $9-$12M in PASS funds for acquisition, rehabilitation, and permanent financing. The City has previously issued two tranches of PASS funding (2019A and 2020C). Due to an uncertain budgetary situation and a high interest rate environment, MOHCD waited to begin the issuance process for the PASS 2024X[1] until there was a project queue to support the need for the issuance of the third tranche. With the commitment of SSP funds to 2901 16th Street, along with commitments to approximately six other projects, MOHCD has started the issuance process for 2024X. The funds are expected to be available at the end of 2024 or early 2025.

Because the issuance process has just started, the interest rate is not set. MOHCD estimates it will be approximately 5-5.5%; however, this could change by the time the funds are issued. Staff have run several scenarios to understand how the varying interest rates and proposed rents could impact the Project's anticipated debt sizing. The Project is anticipated to be able to leverage at least $9M and, at most $12M. Once the PASS funds are issued, the Project will return to Loan Committee and the Board of Supervisors, as required, to request the approval of the Project's PASS loan.

3. BORROWER/GRANTEE PROFILE

MEDA's mission is to strengthen low- and moderate-income Latino families by promoting economic equity and social justice through asset building and community development. Inspired by and rooted in the Mission District of San Francisco, MEDA envisions generations of Latino families that are part of vibrant, diverse, proud, and forward-thinking communities in which residents own their homes and businesses and are rooted and actively engaged in the civic and political life of their neighborhoods, and the institutions that affect their lives. MEDA provides integrated, culturally and linguistically responsive services to community members in the Mission District and beyond, including: policy, advocacy, and community leadership development; early learning and K-12 educational supports through their Mission Promise Neighborhood collaborative; financial capability coaching; business technical assistance; housing and homeownership counseling; affordable housing development; business and real estate lending through our subsidiary CDFI, Fondo Adelante; workforce development training and career placement; and free tax preparation.

[1] X is a placeholder letter until the new tranche is assigned a series letter.

In 2023, MEDA directly served 16,354 community members and impacted 43,918 people through outreach and engagement work. 92% of client households are considered low-to-moderate income, and 85% identify as Latino.

3.1 Racial Equity Vision

The MEDA team is committed to advancing racial equity, and racial equity is central to MEDA's mission. MEDA's Small Sites Program acquisitions have articulated a clear plan for reversing the displacement of and stabilizing and sustaining target populations in alignment with the racial equity vision of MOHCD. MEDA dedicates resources through programming, policies, and practices to foster equal access to all social, economic, health, and political opportunities regardless of race or socioeconomic standing.

The overarching goal of MEDA's comprehensive community development is to expand opportunities for socially and economically underserved individuals and ensure that health, housing, and justice are never limited by race/ethnicity, class, gender identity, age, sexual orientation, religion, immigration status, country of origin, or disability status.

Additionally, MEDA's Racial Equity Vision is reflected in the high percentage of BIPOC staffing throughout all levels of MEDA. MEDA's nine-member Board of Directors are 75% Latinx and Chaired by Rafael Yaquian.

Staff:

Organization: Luis Granados (Chief Executive Officer) leads MEDA with its Chief Operating Officer and Chief Financial Officer, all three BIPOC, and two of them women. 75% of the 12-person Management team are people of color and 60% identify as Latinx. MEDA's current staff is 74% Latinx; 15% white; 7% Asian/Pacific Islander, 1% black; 3% Mixed/Other

Development Team: The team of 17 including the Community Real Estate Officer is 95% people of color, over ⅔ Latinx, 1% black, and over 50% women.

3.2 Board of Directors and Staff

An eleven-person Board of Directors, composed of community members, non-profit, and corporate professionals with relevant experience, governs MEDA. The Chairperson is Rafael Yaquian, Partner, Goldfarb & Lipman LLC; the Vice Chair is M. Teresa García, Family Resource Center Program Associate, First 5 San Francisco; the Treasurer is Whitney Jones, Director of Housing Development, Chinatown CDC; and the Secretary is Marco Chavarin, Senior Vice President, Financial Access Partnership Manager at Citi. Additional board members include Ed Cabrera, Regional Public Affairs Officer at the U.S. Department of Housing and Urban Development; Ysabel Duron, Founder/President of Latino Cancer Institute; Teddy Gray King, Partner Synergy Public Affairs; Rich Gross, Founding President Emeritus of the Board and member of the Credit Committee for the Housing Accelerator

Fund; Dr. Carina Marquez, Assistant Professor of Medicine at the University of California, San Francisco (UCSF); Carolina Martinez, CEO, California Association for Micro Enterprise Opportunity (CAMEO), Manuel Santamaria, Senior Philanthropic Leader, and Kevin Stein, Associate Director with the California Reinvestment Coalition.

For more detailed experience of key staff, see **Appendix B.**
For recent development activity, see **Appendix C.**

3.3 Asset Management Performance & Capacity

MEDA maintains the largest portfolio of Small Sites projects among all Small Sites sponsors. Seven MEDA Small Sites went through a forbearance process in 2021 in the face of market fluctuations caused by COVID. This process ensured the long-term success of the sites.

MEDA has over 250 SSP residential units in their portfolio. The current vacancy rate of MEDA SSP properties is 5.8%, and the vacancy rate over the past two years has ranged between 5% and 6%. MEDA's Asset Management and Leasing teams also have extensive experience with managing and leasing commercial spaces. To date, MEDA maintains 31 commercial units across its Small Sites Portfolio. MEDA's leasing team has maintained over 95% commercial occupancy over the last two and a half years and 100% of their commercial spaces are occupied to date. As of the 2022 reporting year, 30 out of MEDA's 32 Annual Monitoring Reports were submitted late. SSP Guidelines allow Sponsors that have an SSP building to request interest forgiveness of unpaid interest due for that year if the building generates insufficient cash flow to repay the interest due. However, a Sponsor must submit their AMRs and audited financials on time to request this forgiveness. To ensure retaining the opportunity to request interest forgiveness for their SSP profile and to conform with MOCHD's requirements, MEDA is committed to providing audited financials and AMRs on time. MEDA will provide 2023 AMRs once their audit is completed in July 2024.

3.4 Property Management

The acquisition of 2901 16th Street will enable MEDA to pursue the development of their own property management division by increasing MEDA's unit count to over 400 units. MEDA internally determined that providing in-house property management services penciled at 400+ units, with the ability to achieve efficiency at 500 units and the ability to maintain the services around the third or fourth year with approximately 600 units. To date, the property management of MEDA's Small Site acquisitions has been outsourced to third parties, and a consistent third-party property manager has not been identified. MEDA will be the first QNP to bring the function in house, and it will help to ensure continuity of services across their portfolio.

Propiedades Adelante will be a MEDA-affiliated property management entity that will provide property management of MEDA's properties to ensure residents have affordable and secure housing. The entity will start off managing MEDA's Small Sites preservation properties with the eventual management of MEDA's tax credit properties. The property management entity will have in-house staffing and contract back-office functions with MEDA. Propiedades Adelante will be established as an entity with a separate board and members from MEDA staff and board. MEDA's hiring from 2021-2023 has been with an eye to this transition. Asset management staff have decades of property management (PM) experience, and MEDA has planned for at least two of the new property management positions to be filled by existing MEDA asset management staff that will transition over the property management department. The Accounting Department will need to grow and will be paid through fees already collected, including PM and AM fees, bookkeeping fees, and fees for performing tenant income certifications. MEDA projects that Property Management should break even in 2026 and will scale according to need.

Propiedades Adelante will launch in August 2024 and will manage 2901 16th Street. The submission of a MOHCD approved property management plan will be a condition of closing. The Property Management Plan must include a narrative of how MEDA will plan for the property management needs of direct referral tenants. For Closing Conditions, please see **Section 11**.

3.4 Development Experience.

In addition to MEDA's experience in commercial real estate development and management, it has a number of Small Sites Program residential real estate projects in its portfolio.

MEDA Small Sites Program Properties:

	In Development	Completed	Owned
No. Projects	2	34	36
No. Units	15	277	292

4. SELECTION PROCESS

4.1 Small Sites Program Funding

A Notice of Funding Availability ("NOFA") was published on July 24, 2014 to provide acquisition and rehabilitation financing for multi-family rental buildings of 5 to 25 units. The NOFA established a fund to help stabilize buildings occupied by low- to moderate-income tenants throughout San Francisco that are particularly susceptible to market pressure resulting in property sales, evictions, and rising tenant rents. Since the NOFA's publication and submission deadline, the Small Sites Program aims to fund projects on a first come first served basis according to funding availability.

This Project is subject to the revised guidelines for the SSP program published in November 2022. Based on the current SSP Guidelines, the Project receives a baseline score of 92, exceeding the minimum threshold of 70 points and indicating that it accomplishes the core goals of the SSP, including community stabilization, geographic equity and housing affordability goals. A multiplier of 125% is available to projects that receive a high baseline score. With the multiplier, the project score increases to 115 points. **Appendix A** shows how the scoring rubric determines the amount of per unit and total subsidy the Project is eligible for.

SSP Scoring Rubric: Project Name/Address

Category	Points
Housing Affordability	35/35
Community Stabilization	35/35
Geographic Equity (D9)	22/30
Total Base Score	**92/100**
Eligible Multiplier	**125%**
Total After Multiplier	**115/100**

The SSP Scoring Rubric was intended for typical SSP Projects, which are generally fully occupied at acquisition. The SSP Scoring Rubric does not account for projects with this level of vacancy. As a result, consideration of existing residents and future residents was incorporated in the Housing Affordability and Community Stabilization categories.

4.2 Preservation and Seismic Safety Program (PASS)

The Preservation and Seismic Safety Program (PASS) provides low-cost and long-term financing to fund seismic retrofits, as well as the acquisition, rehabilitation, and preservation of affordable multi-family housing. The Program was created to complement the City's anti-displacement and preservation strategy, including the Small Sites Program. PASS was initially funded by repurposing $261 million in underutilized bond authority funds from the 1992 Seismic Safety Loan Program. $72 million was funded in the first issuance of the PASS program in February 2019. The second issuance of $103 million closed in December 2020. The third issuance is scheduled for late 2024/early 2025. The Project is considered an eligible property under Section 2.1 of the PASS Program Regulations.

5. SITE

5.1 Brief Site Description.

Located in the Mission Neighborhood between South Van Ness and Capp Streets, 2901-2929 16th Street is a four-story, 71-unit mixed-use building, with 63 residential units (2901 16th Street) and 8 commercial units (2901-2929 16th Street). No units will be added or removed during rehabilitation.

5.2 Site Characteristics.

Address:	2901-2929 16th Street
Lot/Block:	Lot 001/Block 3570
Lot Square footage:	14,967 sf
Building age:	110 years old
Number of buildings:	1
Number of floors:	4
Building typology:	Residential (Apartment 15 units or more)
Unusual characteristics (including surrounding uses):	Historic Building (Class A)

5.3 Environmental Issues/Site Suitability.

Phase I/II Site Assessment Status and Results: A Phase I Environmental Site Assessment report was prepared by Partner Engineering and Science, Inc. on July 6, 2023. The Phase I identified the following Recognized Environmental Conditions ("RECs") during its assessment:

- During the building's history, units 2909, 2921, and 2929 have building permits and/or tenant names that indicate that tenants provided dry cleaning or self-serve coin operated laundry services. Because of the lack of detailed information regarding the chemicals used, and the variations of dry-cleaning chemicals that existed from decade to decade, the existence of dry-cleaning facilities at the Site is considered an REC.

Due to the age of the building, the report suggested the possibility of asbestos containing materials ("ACMs") and lead-based paint ("LBP) onsite. Because of the RECs and suspected ACMs and LBP, Partner recommended the following:

- A limited subsurface investigation should be conducted to determine the presence or absence of soil, soil vapor, and/or groundwater contamination due to the historical use of the subject property. The limited subsurface investigation will be required as a closing condition.

- An Operations and Maintenance (O&M) Program should be implemented to safely manage the suspect ACMs and LBP located at the subject property.

Potential/Known Hazards: A Phoenix Environmental Consulting, LLC Environmental Assessment Asbestos Inspection Report, dated July 15, 2023, was requested to determine the presence of ACMs. Fifteen bulk samples were collected from the apartments and common hallways only. The samples were taken to determine if asbestos was present in the sheet vinyl, ceramic flooring, plaster and skim coat, hardwood flooring, or vinyl tile. No asbestos was detected in the bulk samples.

An Environmental Lead Detect, Inc. Lead Paint Inspection report, dated June 21, 2023, was requested to determine the presence of lead paint in the building. Lead paint was detected in some of the units, half of the commercial spaces, in the interior common areas, and in the exterior surfaces. Remediation of lead-containing materials is recommended, but at the very least, an Operations & Maintenance Program for any remaining lead-containing materials after rehabilitation is complete, will be required as a condition of this loan.

5.4 Commercial Space.

Seven of the eight commercial spaces are currently occupied. Businesses include Irma's Pampanga Filipino Restaurant (2901 16th Street), Vanysol Hair Salon (2905 16th Street), El Yucateco Bakery (2907 16th Street), Cocina Maya Restaurant (2909 16th Street), ewaste SF Electronics Recycling and Paper Shredding (2915 16th Street), City Club Bar (2919 16th Street), and Don Rafa's Cyclery (2929 16th Street). Long-term tenants include Irma's Filipino Restaurant (operating since 1998) and an ewaste SF Electronics Recycling and Paper Shredding (operating since 2005). Because of the relatively stable commercial occupancy, the proforma assumes a 20% commercial vacancy loss assumption. As a condition of this loan, MEDA will work with Irma's and any other potentially qualifying business to determine if they are eligible to be designated as a Legacy Business with the City, and MEDA will provide a commercial leasing plan to address the current and any future vacancies.

6. ENTITLEMENTS

6.1 Zoning.

The Property is zoned UMU – Urban Mixed Use and is in the 68-X Height and Bulk District. The rehabilitation work will not change the use, height, or bulk of the building.

6.2 Local/Federal Environmental Review.

Staff expects the Project to fall within the Categorical Exemption 1- Existing Facilities under CEQA. MEDA will be required to obtain formal Planning Department determination when required, including for issues related to historic preservation.

6.3 Article 34 Authority.

The MOHCD approval letter is pending and will be issued prior to closing.

7. DEVELOPMENT PLAN

7.1 Site Control.

Purchase Price: $20,350,000

Status of Purchase & Sale Contract: Executed May 3, 2024

P & S Contingencies:

Financing Contingency- 6/21/2024

Hard Closing Date and other deadlines: 8/29/2024

7.2 Appraisal.

The property was appraised by Golden Gate Appraisal, Inc. on May 17, 2024. The value conclusions were:

Market Values	
As Is	$20,350,000
Hypothetical Stabilized Value with Market Rents	$25,080,000
Hypothetical Value with MOHCD Restricted Rents	$22,440,000

7.3 Title Issues.

No title issues were identified in the preliminary title report dated April 21, 2023.

7.4 Proposed Property Ownership Structure.

MEDA Small Properties LLC will own fee title to the land and the improvements of the subject property. Mission Economic Development Agency is the sole member and manager of MEDA Small Properties LLC.

7.5 Rehabilitation Scope.

2901 16th Street is in moderate, serviceable condition overall. However, it is an unreinforced brick masonry-steel frame building in need of a (voluntary) seismic upgrade, with a worn exterior and building envelope, and insufficient mechanical, plumbing, electrical, and fire systems. Roughly half of the units had been remodeled with flooring, kitchen cabinetry and appliances, and bathroom upgrades prior to acquisition. This is a Class A historic resource.

The rehabilitation scope was determined through the following:

- Review of the Capital Plan, prepared by Association Reserves, dated July 21, 2023, with updated Capital Needs Assessment costs prepared by Sponsor December 18, 2023.
- Review of the Structural Conditions Assessment, prepared by Jaime Neilson Structural Engineer, dated July 11, 2023.
- The MOHCD Construction Rep inspection, accompanied by structural engineer Russell Berkowitz.

- Structural engineer's drawings for seismic upgrade, prepared by Jaime Neilson Structural Engineer, dated April 19, 2024. Jaime Neilson has been active with the Concrete Building Safety Working Group, and he is well versed in the current and future codes related to seismic upgrades for concrete and brick masonry buildings. Because this building has a steel frame, it has not been on the unreinforced masonry list. In 1999, the property underwent a minor seismic upgrade with a brace frame installed at one of the commercial units.
- Three general contractors' walk throughs, preliminary scope reviews, and their detailed pricing provided April 30, 2024.

The proposed repairs and upgrades are projected to keep the building in above-average condition for at least 20 years. Significant items from rehabilitation scope include:

1. Seismic upgrade: New footings, foundations, brace frames, and steel columns and beams in the basement with reinforcing connections to the first residential floor
2. Exterior: All windows replaced with wood at visible facades and vinyl at back facades; brick repointing throughout
3. Electrical system: Service upgrade, new main panel, subpanels and wiring, new lighting, and intercom system
4. Roof: Roof repairs, skylights (7) replacement
5. Common Area: Minor laundry room upgrades
6. Unit Upgrades: New interior doors, hardware and closet doors, and painting and flooring at 36 units; new cabinets, countertops, and kitchen appliances at 36 units; full bathroom upgrades at 20 units; new bathroom exhaust at all units. 4 units on the first residential floor will comply with Chapter 11B alterations accessibility upgrades.
7. HVAC: Bath exhaust at all units, kitchen hoods at 46 units
8. Fire systems: Fire Alarm and Sprinkler systems upgrades throughout
9. Commercial Spaces: ADA bathroom and path of travel upgrades to accompany the seismic reinforcing work; one new mini-split furnace to serve each commercial space; new patch and paint; new polished concrete slab

7.6 MOHCD Construction Representative Evaluation

The level of rehabilitation scope and the construction budget for the Project are roughly comparable to several rehab projects in the MOHCD portfolio. The Throughline scattered sites and South Park scattered sites projects, with structural and systems upgrades, provide useful comparisons, giving MOHCD staff confidence about the validity of budget for this project. Because rehab projects vary so much, comparisons across the portfolio lack sufficient accuracy. However, to put the costs into perspective, this project is priced at $171K/unit. South Park and Throughline were $233K/unit and $260K/unit respectively. The efficiency of working in one building rather than scattered sites may account for the lower cost for 16th Street, among other factors.

The budget of $10.76M is based on Structural Engineer's drawings (with guidance from a Geotechnical Engineer), the capital needs assessment, and a comprehensive owner assessment of the needs of the interiors, as well as the MOHCD CR assessments, and walk throughs and pricing from three general contractors who have done many MOHCD-funded rehabs. The Project Team used the highest bid as the basis for this financing request. The construction cost is buffered by 30% in contingencies which is reasonable and comparable to other similar rehabs int eh portfolio: 2% contractor contingency, 13% design/bid/plan check contingency, and 15% hard cost contingency. The contingencies account for the risks inherent in historic planning reviews and requirements, anticipated cost escalation due to the delay between the pricing exercise and subcontractor bids, potential unforeseen conditions common to older buildings, and the potential for anything the contractor may have overlooked in their pricing in terms of qualification and exclusions. Factoring in the next highest bidder's pricing, this total construction cost is $1.22M higher, suggesting the highest bidder padded the costs conservatively, thus providing yet more buffer for the unknowns. Though the project obtained pricing from general contractors, this Project will be formally bid out to contractors and subcontractors in Fall 2025.

Given the existing structural condition, the safety of the residents has taken priority and drives the budget. This voluntary, but substantial, seismic upgrade accounts for $3.2M of the budget. Below is the rough breakdown of the primary cost drivers:

Seismic retrofit	$3,200,000
Unit upgrades	$2,100,000
Exterior upgrades	$1,500,000
Electrical upgrades	$1,500,000
Fire alarm and sprinklers	$300,000

7.7 Performance Schedule

No.	Performance Milestone	Estimated or Actual Date
1.	SSP Financing Commitment	6/21/2024
2.	**Site Acquisition**	**8/29/2024**
3.	**Pre-Construction- Design Team Procurement**	
	Design Bid/Scope of Work Preparation	9/12/2024
	Design Packet Internal Review	9/26/2024
	Design RFP NOISB and Bid Posting Approval	10/17/2024
	Design Bid Posting	11/14/2024
	Design Team Contract Signing	1/16/2024
4.	**Pre-Construction- Permits**	
	Building Permit Application Submitted	5/16/2025
	Permit Approval Intake (Planning and DBI)	8/14/2025

5.	**Pre-Construction- Construction Team Procurement**	
	Construction Bid/SOW Preparation (Residential and Structural)	8/28/2025
	Construction Packet Internal Review	9/11/2025
	Construction NOISB and Bid Posting Approval	10/2/2025
	Construction Bid Posting	10/30/2025
	Construction Team Contract Signing	11/27/2025
6.	**Construction**	
a.	Notice to Proceed Approved by MOHCD	12/25/2025
b.	Permits Pulled	1/8/2026
c.	Structural Scope Complete	10/6/2024
b.	Residential Scope Construction	1/14/2027
e.	PG&E Inspection and Perm Power Connection	3/18/2027
7.	**Marketing & Lease-up**	
a.	Lease Vacant Units	7/18/2027
8.	**Close Out MOHCD SSP Loan**	**8/29/2024**
9.	**Close Out MOHCD PASS Loan(s)**	**3/31/2024**

7.8 Population to Be Served

The occupied units at the Project accommodate long-term residents that include families and seniors. Most existing residents are low-income and come from a variety of ethnic and racial backgrounds. Currently, the average rent AMI of the ten existing households is 50.5% of AMI. Approximately 20 units will be set aside for homeless and formerly homeless households. Vacant units not set aside for referrals will be leased to low- to moderate-income households. The household income of tenants that occupy the Project after its acquisition must be less than 120% of AMI.

7.9 Unit Mix & Affordability

The average rent AMI of the Project at full occupancy, including the potential homeless referral units and associated subsidy, will be approximately 60% of AMI. The ten existing households currently have an average rent AMI of 50.5%. The approximately 20 set-aside referral units are projected to have an average rent of 60% of AMI, which includes any applicable subsidy, and non-set aside units are projected to have an average rent of around 63% AMI. Recent market studies conducted at 1979 Mission Street and other area comps highlighted that 2024 Fair Market Rent, which is currently $2,592 for a studio, is likely not achievable at this building in this current rental market. The Project will be required to provide a comp study to support additional underwriting for the PASS loan, as a condition of this loan.

The Project qualifies for the Small Sites Program with at least 80% of the Project (51 out of 63 households) having "income certified" and earning an average income at or below 80% AMI. Small Sites Guidelines allow counting vacant units towards the income certification requirement. Because the Project has over 51 vacancies, it automatically satisfies this requirement. To conform with SSP Guidelines, the Project will aim to achieve an average rent of 80% of AMI.

7.10 Marketing & Occupancy Preferences.

The Project is planning to set aside approximately 20 units for homeless and formerly homeless households. So long as these approximately 20 units are used for direct referrals, they will not be subject to MOHCD's marketing procedures subject to City Attorney approval and any other required departmental approval. All units not being used for direct referrals, and any units that cease to be used for direct referrals in the future, are subject to MOHCD's marketing procedures and future vacant units will be marketed according to multifamily marketing procedures. These units will be subject to the Certificate of Preference Program and the Live/Work in San Francisco Preference, and if more than five units in the building are marketed at the same time, the Displaced Tenant Housing Preference Program. Submission of a Marketing Plan six months before rehabilitation is complete will be a condition of this loan.

7.11 Relocation

The Project is anticipating offsite relocation of 10 households for up to one year. The Sponsor anticipates $420K in residential relocation costs. The Project will require commercial relocation for up to nine months. During those nine months, the businesses will not pay rent, and the Sponsor will provide each business with a monthly stipend equal to their monthly amount of rent. The Sponsor will continue to market the vacant commercial unit, despite the forthcoming rehabilitation. Assuming all eight commercial units are occupied at the time of rehabilitation, the cost of the rent concession and stipend will be approximately $609K.

Item	Cost	Total
Move In/Move Back	$6,000/unit (10 units)	$60,000
Relocation Rent	$3,000/unit/month (10 units for 12 months)	$360,000
Commercial Relocation Rent Concession	$32,686/month (9 months)	$304,515
Commercial Relocation Stipend	$32,686/month (9 months)	$304,515
Commercial Relocation Moving and Storage	$20,000/unit (8 units)	$160,000
Total Relocation Costs		$1,189,030

A MOHCD-approved residential and commercial relocation plan will be required as a closing condition. The Sponsor will also be required to provide executed SNDAs for all commercial businesses and executed relocation agreements for existing tenants.

8. DEVELOPMENT TEAM

8.1 Project Manager.

Name: Lupe Mercado

Percentage Time Spent on Project: 20%

8.2 Architect.

Firm: Architect will be procured through CMD-approved bidding process.

8.3 Contractor.

Firm: Contractor will be procured through CMD-approved bidding process.
Procurement Requirements: Prevailing wage and LBE

8.4 Construction Manager.

Firm: Construction Manager will be procured through CMD-approved bidding process.

8.5 Other Consultants. Other Consultants will be procured through the CMD bidding process, as necessary.

9. FINANCING PLAN

9.1 Sources and Uses. See **Exhibit A**

9.2 Loan Terms

The Project is requesting the following loan and terms:

Program	**SSP**
Term	**40 years**
Note Type	**Soft debt Loan**

Loan Amount **Per unit**	**$30,000,000** **$422,535**
Rate	**3% simple**
Repayment type	residual receipts
Loan Priority	Subordinate to senior financing & City's Declaration of Restrictions

1. SSP Term: 40 years from closing.
2. SSP Repayment: Residual receipts
3. SSP Priority: Subordinate to the City's Declaration of Restrictions.

9.3 Underwriting Requirements & Refinancing Assumptions

The following underwriting requirements and refinancing assumptions have been applied to determine the size of the respective loans:

Residential Vacancy	5% to ensure project stability, which is lower than the 10% in the Small Sites Program Guidelines. 5% is requested due to the high unit count of the building.
Commercial Vacancy	20% to comply with Small Sites Program Guidelines. Seven out of eight commercial spaces are currently occupied.
Replacement and Operating Reserves	Replacement and Operating Reserves will be funded when the Project takes on the PASS loan. Projected to be funded through Year 20 of the Project's lifecycle to ensure that refinancing will not be required until at least that time. See more on reserves in **Section 9.4.1** below.

9.4 Development Budget

Development Budget Analysis/Comments. All fees are sized based on the current SSP Guidelines.

1. Sufficiency of Reserves

Vacancy Reserve: The Sponsor is requesting a vacancy reserve of up to $1,408,000 to support the building's operations during rehabilitation. The reserve is sized to cover vacancy loss from maintaining vacant units, building operations, and interest-only PASS debt service. The Vacancy Reserve maintains a 5% contingency for unanticipated expenses. Vacancy Reserves will be retained by MOHCD and released through MOCHD's standard draw process. As a loan condition, any remaining funds in the Project's Vacancy Reserve will be required to seed the deposit for the Project's Replacement Reserve, once rehabilitation is complete. Please see the Replacement Reserve section below for more.

Commercial Vacancy Reserve: The Sponsor is requesting a Capitalized Commercial Vacancy Reserve in the amount of $71,575 to support any unanticipated operations period vacancy. The capitalized reserves are sized based per MOHCD's Commercial Underwriting Guidelines at $10,000 plus $5/sf ($10,000 + 12,315 sf * $5/sf = $71,575) for operations period vacancy.

Replacement Reserves: Replacement Reserves will not be capitalized until the Project completes its rehabilitation. At that time, any remaining funds from the Vacancy Reserve will seed the initial deposit to the Replacement Reserves, and a Replacement Reserve deposit of approximately $2.25M, which will include any remaining Vacancy Reserve funds, will be deposited into the Replacement Reserve account to pay necessary replacement costs for the next 20 years, as specified in an approved 20-year CNA, in accordance with SSP Guidelines. An estimated $312,169 in welfare tax exemption refunds is expected to be added to the Replacement Reserves when it is received in 2027.

Operating Reserves: Operating Reserves will not be capitalized until the Project completes its rehabilitation. At that time, capitalized operating reserves in the amount of approximately $352,860 (25% of the first-year operating budget) are budgeted to support unanticipated operating costs for at least 20 years, in line with SSP Guidelines.

2. Developer Fee

Developer fee in the amount of $815,000 meets the SSP Guidelines and is broken down as follows:

- $105,000 standard cash-out at acquisition
- An additional $710,000 ($10,000 per unit per SSP Guidelines) payable at the end of rehabilitation. This fee is at risk, covering any construction cost overruns for the Project.

9.5 Disbursement

This request includes both the acquisition and rehabilitation portions of the Project. Funds for the acquisition, developer fee, and closing costs will be released at escrow through a closing draw. Vacancy reserves and all other funds will be released on a reimbursement basis through MOHCD's standard draw process.

MEDA has been incurring costs for the Project since June 1, 2023, when it began contracting for due diligence work. Thus, with this approval, MEDA may submit draws for reimbursement of invoices related to the Project dated on or after June 1, 2023. A MOHCD Construction Representative will monitor the progress of the rehabilitation and provide approval for construction-related draws.

10. PROJECT OPERATIONS

10.1 **Annual Operating Budget:** see Exhibit B

10.2 Annual Operating Budget Analysis/Comments.

The Project's Annual Operating Budget includes the following:

PUPY Operating Expense: (w/out reserves):	$10,827 The operating budget will continue to be underwritten as the pathway for the referral units is determined.
Annual Reserve Deposits:	$21,300 per SSP Underwriting Guidelines of $300/PUPY, beginning in Year 3.
Property Taxes:	The Project will qualify for the full welfare tax exemption for all residential units. The commercial spaces are not welfare tax exempt and associated property taxes are included in the Operating Budget in the amount of $64,619. The Welfare Tax Exemption will be applied for upon construction completion and any associated refunds will be deposited into the Project's replacement reserve within 60 days of receipt by the Sponsor.
Surplus Cash:	$101,708 in 2028 (Year 4), the first full year of stabilized operations.
Annual Monitoring Fees:	None until the PASS loan is assumed around early 2025.
Asset Management Fee:	MEDA has requested that Asset Management Fee be applied according to the MOHCD's Multifamily Affordable Housing Operating Fee Policy rather than the SSP Guidelines.

10.3 20-year Cash Flow & Debt Service Coverage Ratio (DSCR)

As required by the SSP Guidelines, the cash flow remains positive for 20 years even with the following assumptions: 2.5% escalation of income per year and 3.5% escalation in expense assumptions.

11. RECOMMENDED CLOSING CONDITIONS

1. All reserve accounts must be established in separate FDIC insured, interest-bearing accounts prior to closing.
2. Sponsor must provide, and MOHCD must approve, residential and commercial relocation plans.
3. Sponsor must provide executed SNDAs for the commercial businesses and executed relocation agreements for the residential tenants.
4. Sponsor must provide MOHCD with the recommended limited subsurface investigation before the date of the Mayor’s signature on the loan documents.
5. Sponsor must have initiated CMD procurement process by close of escrow.
6. MEDA must submit a MOHCD-approved Property Management Plan. The Property Management Plan must address how MEDA will plan for the property management needs of properties with direct referral tenants.

12. RECOMMENDED LOAN CONDITIONS

1. Once received, the approximately $312,169 Welfare Tax Exemption refund must be deposited into the replacement reserve.
2. MEDA must submit an Operations and Maintenance (O&M) Program to MOHCD for review and approval within 60 days of closing.
3. MEDA must meet with MOHCD staff monthly to discuss progress towards securing agreements for referral units.
4. Marketing plan must be submitted no later than 6 months before anticipated Construction Completion Date.
5. MEDA must apply for Historic or 4% Tax Credits, if deemed feasible by MOHCD.
6. MEDA will provide a MOHCD-approved commercial leasing plan for the vacant commercial unit and any future vacancies, within 60 days of closing.
7. MEDA will work with the existing commercial tenants to determine eligibility for designation as a legacy business within 90 days of closing.
8. A rent comp study will be required within 90 days of closing.
9. The Sponsor will work with MOHCD to determine DAHLIA requirements, if any, for referral units.
10. The Sponsor will provide MOHCD with monthly Project reports and will meet with MOHCD staff no less than monthly, or as required by MOHCD.
11. The Sponsor will deposit any remaining funds from the Project’s Vacancy Reserve into the Replacement Reserve account, once the Project’s rehabilitation is complete.
12. Any excess funds remaining after the Project is complete and all reserves have been fully funded will be used to pay down the Project’s SSP loan, and loan documents will be amended to reflect the reduced SSP loan amount.

Attachments:

Appendix A	Calculation of Maximum Allowable SSP Subsidy Per Unit (According to November 2022 SSP Guidelines)
Appendix B	Development and Asset Management Teams
Appendix C	Recent Development Activity
Exhibit A	Sources and Uses
Exhibit B	Annual Operating Budget
Exhibit C	20-Year Cash Flow

LOAN APPROVAL RECOMMENDATION

[ ] APPROVE. [ ] DISAPPROVE.

____ Date: ____________________

Daniel Adams, Director
Mayor's Office of Housing and Community Development

[ ] APPROVE. [ ] DISAPPROVE.

____ Date: ____________________

Marc Slutzkin, Deputy Director
Office of Community Investment and Infrastructure

[ ] APPROVE. [ ] DISAPPROVE.

____ Date: ____________________

Salvador Menjivar, Housing Director
Department of Homelessness and Supportive Housing

[ ] APPROVE. [ ] DISAPPROVE.

____ Date: ____________________

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

FW: REQUEST FOR PERMANENT FINANCING FOR 2901 16TH STREET

Adams, Dan (MYR) <Dan.Adams@sfgov.org>

Fri 6/21/2024 11:34 AM

To:Amaya, Vanessa (MYR) <Vanessa.Amaya@sfgov.org>

I also vote yes for the above listed request.

Daniel Adams
Director
Mayor's Office of Housing and Community Development
City and County of San Francisco

Request for Permanent Financing for 2901 16th Street

Slutzkin, Marc (CII) <marc.slutzkin@sfgov.org>

Fri 6/21/2024 11:50 AM

To:Amaya, Vanessa (MYR) <Vanessa.Amaya@sfgov.org>
Cc:Ely, Lydia (MYR) <lydia.ely@sfgov.org>;Kaslofsky, Thor (CII) <Thor.Kaslofsky@sfgov.org>;Colomello, Elizabeth (CII) <elizabeth.colomello@sfgov.org>;Adams, Dan (MYR) <Dan.Adams@sfgov.org>

Hi Vanessa,

I approve the above request on behalf of OCII.

Thanks

Marc

OCII office of COMMUNITY INVESTMENT and INFRASTRUCTURE

Marc Slutzkin
Deputy Director

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

2901 16th St.

Menjivar, Salvador (HOM) <salvador.menjivar1@sfgov.org>
Thu 7/11/2024 11:48 AM
To:Amaya, Vanessa (MYR) <Vanessa.Amaya@sfgov.org>
Cc:Ely, Lydia (MYR) <lydia.ely@sfgov.org>

I support Mission Economic Development Agency (MEDA) request of up to $30,000,000 in Small Sites Program funding for the permanent financing of the property located at 2901 16*th* Street, a project comprised of 63 residential units and eight commercial spaces.

Best,

Salvador

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

**Learn: [dhsh.sfgov.org]hsh.sfgov.org | Follow: @SF_HSH |
Like: @SanFranciscoHSH**

RE: REQUEST FOR PERMANENT FINANCING FOR 2901 16TH STREET

Trivedi, Vishal (CON) <vishal.trivedi@sfgov.org>
Fri 6/21/2024 11:28 AM
To:Amaya, Vanessa (MYR) <Vanessa.Amaya@sfgov.org>
Cc:Adams, Dan (MYR) <Dan.Adams@sfgov.org>

I vote yes.

Vishal Trivedi | Financial Analyst
Office of Public Finance | City & County of San Francisco
Email | vishal.trivedi@sfgov.org

Appendix A: Calculation of Maximum Allowable SSP Subsidy Per Unit According to November 2022 SSP Guidelines

Unit type(s)	# of units	Subsidy per unit	Subsidy total
SRO	**2**	**$275,000**	**$550,000**
Studio	**55**	**$350,000**	**$19,250,000**
1-bedroom	**6**	**$400,000/unit**	**$2,400,000**
Commercial Spaces	**8**	**$400,000/unit**	**$3,200,000**
TOTAL		$357,746/unit	$25,400,000
Multiplier bonus for high-scoring projects based on SSP Scoring Rubric:		125%	125%
Maximum Subsidy: **(Project base score of 87/100 and 87/100 with bonus applied)**		$447,183/unit	$31,750,000
Requested Amount		Up to $422,535/unit	Up to $30,000,000

Appendix B: Development and Asset Management Teams.

Jose Garcia, Associate Director, Preservation. Jose attended Cal Poly San Luis Obispo, receiving a B.A. in Business Administration with a concentration in International Business. He is determined to keep a strong Latino Community in the Mission District. Before joining MEDA, Jose was a Relocation Consultant for Overland, Pacific, and Cutler LLC, where he worked alongside MEDA during the rehabbing of five former public housing developments under the Rental Assistance Demonstration (RAD) program (a total of 439 units for seniors and disabled San Franciscans). Jose has been involved in 29 out of the 39 SSP buildings in different phases. Jose has completed one new construction project: 681 Florida, a 130-unit building for formerly homeless individuals and families, and is currently managing 1979 Mission Street. The development is envisioned as two separate buildings on the site, each addressing unique housing needs. The first is anticipated to accommodate up to 150 units, 100% of which will be reserved for formerly houseless individuals. The second building is anticipated to accommodate up to 300 units of family affordable housing.

Lupe Mercado, Assistant Project Manager, Preservation. Lupe holds an associate degree in accounting and has been working with MEDA for six years in various roles in MEDAs ABP, ERAP Housing Coordinator during COVID for MEDA under LISC, Financial Capability Coach, HUD Certified Housing Counselor, Leasing Specialist, and now Assistant Project Manager. She also has one year of experience working with title companies. Lupe holds several certifications, including HUD Certified Housing Counselor, NeighborWorks Post Purchase Education Housing Counselor, Advanced Tax Credit Specialist, Foreign Student Tax Certificate, and COA IRS ITIN. She successfully completed the final construction for 239 Clayton Street and secured permanent loan financing through MOHCD. Similarly, she acquired 40 Sycamore Street with permanent financing through MOHCD.

Michelle Rolon, Assistant Project Manager, Preservation. Michelle attended the University of California, Los Angeles, where she completed her two undergraduate degrees in Chicana/o Studies and Spanish, and a master's degree in Urban and Regional Planning with a focus in Community Economic Development and Housing. Before joining MEDA, she worked as a program manager of the Mission SRO Collaborative (MSROC), where she supported tenant rights advocacy, community programming, and city-wide coalition building. Her work revolves around affordable housing development, multi-ethnic coalition building, and grassroots frameworks in urban planning. Michelle completed construction at 2676 Folsom Street and secured permanent financing through MOHCD. She also oversaw ADU construction at 239 Clayton, and acquired 3661 19th Street with MOHCD financing. Currently, she is supervising construction of 3661 19th Street and 40-42 Sycamore Street.

Sara Lope, Construction Consultant. Sara was the MEDA Construction Manager for over two years and has now transitioned to Construction Management Consultant. She holds a B.A. in Architecture from Newschool of Architecture and Design in San Diego, and a B.A. in Construction Management from Universidad Politecnica de Burgos, Spain. Her architectural background has helped MEDA with ADUs and commercial ADA improvements, and her construction management expertise has allowed her to assist in over 33 SSP projects.

Leslie Molina, Associate Director of Asset Management (100%FTE) Leslie was hired in November 2021. She is responsible for the overall physical and financial health of MEDA's residential and commercial property portfolio. She is a real estate professional with thirty (30) years of experience in the nonprofit, affordable-housing sector and the San Francisco conventional market. She brings a wealth of knowledge and deep understanding of organizational management, financial management and asset management. She holds industry standard certifications from the National Center for Housing Managers (NCHM) and the San Francisco Apartment Association (SFAA). In addition, Leslie holds a real estate license from the California Department of Real Estate and has been a licensed real estate agent for eighteen (18) years. She specializes in single family residence (SFR), residential and commercial condominiums, mixed-use buildings and multi-family units. Leslie has successfully managed and executed real estate strategies that exceed organizational objectives.

Emmanuel Zuniga, Senior Asset Management (100%FTE) Emmanuel Zuniga was hired November 2021. He has over seventeen (17) years of experience in Affordable Housing Property Management with different nonprofit organizations. He has managed multi-family properties that include SRO, Family, TAY units, senior housing, and more. Emmanuel holds the following industry certifications from the National Center for Housing Managers: Tax Credit Specialist; Certified Occupancy Specialist; Certified Manager of Housing; Certified Manager of Maintenance; and Certified Financial Specialist. Emmanuel holds an industry designation as an Accredited Residential Manager from the Institute of Real Estate Management and an industry designation of a Registered Housing Manager from the National Center for Housing Managers.

Karina Parraga, Asset Manager Small Sites Operations (100% FTE) Karina earned a bachelor's degree in Interior Design at the Vicente Rocafuerte University in Ecuador. San Francisco's Mission District is where she began to understand the United States system of operations and became immersed in the community. Karina worked at La Raza Information Center and was an active member of Mujeres Unidas -- their leadership training awarded her the opportunity to become involved in the Latino community. She worked for ten years as a Property Manager at Tenderloin Neighborhood Development Corporation (TNDC), serving San Francisco's most vulnerable populations. Karina has a deep understanding of San Francisco's low-income housing programs, Tax Credit, RAD, and HUD. She is a Tax Credit Specialist and has completed courses in computer technology at City College of San Francisco and UC Berkeley.

Brittany Burrows, Asset Manager of Leasing & Compliance (100% FTE) Brittany holds a BA degree in Criminal Justice from SFSU. She also obtains the following certifications: Tax Credit Specialist, Certified Manager of Housing, Certified Occupancy Specialist, Certified Occupancy Specialist for Public Housing, Certified Manager of Maintenance; and Certified Financial Specialist. In addition, she has a five (5) year High Rise Fire Safety Director certificate with CCSF. Brittany has over 8 years of experience working with nonprofit housing organizations in San Francisco's Tenderloin neighborhood. She is responsible for the leasing and compliance of MEDA's Small Sites Portfolio as it relates to Compliance and Regulatory obligations, which include developing standard operating procedures, compliance policies, and procedures to ensure compliance with program guidelines and local, Federal/State regulatory agreements. This includes reviewing partnership agreements, financing documents, regulatory agreements, and other sources to determine ownership objectives.

Luis Cruz, Affordable Housing Leasing Admin (100% FTE)

Luis has over two (2) years of office administration experience and is currently using his administrative experience to assist the leasing efforts and income certifications for asset management. Luis' role consists of maintaining a high occupancy rate across the portfolio and responding to potential tenant interest for rental properties in person and via digital platforms. In addition, maintain the building's waitlist, and unit showing, answer questions, and finalize leases. Luis also prepares potential tenant background checks, including reference letters, rental history, income verification, and lease application.

Edgar Garcia Solis, Capital Improvements Manager (100% FTE)

Edgar Garcia Solis brings over 15 years of extensive experience in the construction industry to his role. Before joining MEDA, he served as an Assistant Project Manager in construction management with a prominent general contractor, overseeing projects valued at over $15 million. Currently, Edgar serves as the Capital Improvements Manager, leading the charge in stabilizing MEDA's small sites portfolio spread across over 30 properties throughout the city of San Francisco.

Appendix C: Recent Development Activity.

	Name/Location	Status/Year Completed	Total Units
1	3661 19th Street	Acquired 01/27/2023, In Construction	12 Units
2	40 Sycamore Street	Acquired 06/23/2023, In Construction	3 Units
3	566 Natoma	Acquired 6/15/2020, Construction Completed 11/17/2022, Converted 11/14/2023	5 Units
4	3225 24th Street	Acquired 01/19/2020, Construction Completed 11/22/22, Converted 3/24/23	6 Units

Exhibit A: Sources and Uses

MOHCD Proforma - Predevelopment Financing Sources Uses of Funds

Application Date: 6/5/2024 **# Units:** 71 **Small Sites Project**
Project Name: 2901 16th Street ***# Bedrooms:***
Project Address: 2901-2929 16th St **# Beds:**
Project Sponsor: Mission Economic Development Agency

							Total Sources	Comments	
SOURCES	**28,401,531**	**10,265,182**	-	-	-	-	**38,666,714**		
Name of Sources:	MOHCD/OCII	Deferred to Perm							
USES Is source a bridge loan? (select Yes/No)									
Bridge loans total:	-								
ACQUISITION									
Acquisition cost or value	20,350,000						20,350,000		
Legal / Closing costs / Broker's Fee	25,000	0					25,000		
Holding Costs		0					0		
Transfer Tax		0					0		
TOTAL ACQUISITION	**20,375,000**	**0**	**0**	**0**	**0**	**0**	**20,375,000**		
CONSTRUCTION (HARD COSTS)									
Unit Construction/Rehab	2,690,699	4,369,636					7,060,335	Include FF&E	
Commercial Shell Construction		0					0		
Demolition		0					0		
Environmental Remediation		0					0		
Onsight Improvements/Landscaping		0					0		Construction line item costs as a % of hard costs
Offsite Improvements		0					0		
Infrastructure Improvements		0					0	HOPE SF/OCII costs for streets etc.	
Parking		0					0		
GC Bond Premium/GC Insurance/GC Taxes	53,814	87,393					141,207		**1.7%**
GC Overhead & Profit	403,839	655,826					1,059,665		**12.6%**
CG General Conditions	53,814	87,393					141,207		**1.7%**
Sub-total Construction Costs	*3,202,166*	*5,200,248*	*0*	*0*	*0*	*0*	*8,402,414*		
Design Contingency (remove at DD)	160,108	260,013					420,121	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	**5.0%**
Bid Contingency (remove at bid)	128,087	208,010					336,097	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	**4.0%**
Plan Check Contingency (remove/reduce during Plan Revi	128,087	208,010					336,097	4% up to $30MM HC, 3% $30-$45MM, 2% $45MM+	**4.0%**
Hard Cost Construction Contingency	480,325	780,037					1,260,362	5% new construction / 15% rehab	**15.0%**
Sub-total Construction Contingencies	*896,607*	*1,456,070*	*0*	*0*	*0*	*0*	*2,352,677*		
TOTAL CONSTRUCTION COSTS	**4,098,773**	**6,656,318**	**0**	**0**	**0**	**0**	**10,755,091**		
SOFT COSTS									
Architecture & Design									
Architect design fees	141,408	0					141,408	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms	
Design Subconsultants to the Architect (incl. Fees)		0					0		
Architect Construction Admin		0					0		
Reimbursables		0					0		
Additional Services	30,000	0					30,000	Structural Design Fees	
Sub-total Architect Contract	*171,408*	*0*	*0*	*0*	*0*	*0*	*171,408*		
Other Third Party design consultants (not included under Architect contract)		0					0	Consultants not covered under architect contract; name consultant type and contract amount	
Total Architecture & Design	**171,408**	**0**	**0**	**0**	**0**	**0**	**171,408**		
Engineering & Environmental Studies									
Survey		0					0		
Geotechnical studies	23,000	0					23,000		
Phase I & II Reports	2,200	0					2,200		
CEQA / Environmental Review consultants		0					0		
NEPA / 106 Review		0					0		
CNA/PNA (rehab only)	36,095	0					36,095		
Other environmental consultants	43,700	0					43,700	Asbestos: $3,400, Lead Report: $12,500, Pest $3800 + Special Inspections Allowance $24,000	
Total Engineering & Environmental Studies	**104,995**	**0**	**0**	**0**	**0**	**0**	**104,995**		
Financing Costs									
Construction Financing Costs									
Construction Loan Origination Fee		0					0		
Construction Loan Interest		0					0		
Title & Recording		0					0		
CDLAC & CDIAC fees		0					0		
Bond Issuer Fees		0					0		
Other Bond Cost of Issuance		0					0		
Other Lender Costs (specify)		0					0		
Sub-total Const. Financing Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*		
Permanent Financing Costs									
Permanent Loan Origination Fee		118,863					118,863		
Credit Enhance. & Appl. Fee		0					0		
Title & Recording		20,000					20,000		
Sub-total Perm. Financing Costs	*0*	*138,863*	*0*	*0*	*0*	*0*	*138,863*		
Total Financing Costs	**0**	**138,863**	**0**	**0**	**0**	**0**	**138,863**		
Legal Costs									
Borrower Legal fees	20,000	15,000					35,000		
Land Use / CEQA Attorney fees		0					0		
Tax Credit Counsel		0					0		
Bond Counsel		0					0		
Construction Lender Counsel		0					0		
Permanent Lender Counsel	15,000	15,000					30,000		
Other Legal (specify)		0					0		
Total Legal Costs	**35,000**	**30,000**	**0**	**0**	**0**	**0**	**65,000**		
Other Development Costs									
Appraisal	4,000	0					4,000		
Market Study		0					0		
* Insurance	64,043	0					64,043		
* Property Taxes	480,260	0					480,260		
Accounting / Audit		0					0		
* Organizational Costs		0					0		
Entitlement / Permit Fees	97,298	27,910					125,208		
* Marketing / Rent-up	14,200	0					14,200		
* Furnishings		0					0	$2,000/unit; See MOHCD U/W Guidelines: http://sfmohcd.org/documents-reports-and-forms	
PGE / Utility Fees		0					0		
TCAC App / Alloc / Monitor Fees		0					0		
* Financial Consultant fees		0					0		
Construction Management fees / Owner's Rep	35,000	0					35,000		
Security during Construction		0					0		
* Relocation	420,000	0					420,000		
Commercial Relocation	769,030	0					769,030		
PASS Fees		7,255					7,255		Total Soft Cost Contingency as % of Total Soft Costs
Other (specify)	0	0					0		
Total Other Development Costs	**1,883,831**	**35,165**	**0**	**0**	**0**	**0**	**1,918,996**		
Soft Cost Contingency									
Contingency (Arch, Eng, Fin, Legal & Other Dev)	219,523	20,403	0	0	0	0	239,926	Should be either 10% or 5% of total soft costs.	**10.0%**
TOTAL SOFT COSTS	**2,414,758**	**224,430**	**0**	**0**	**0**	**0**	**2,639,187**		
RESERVES									
* Operating Reserves		352,860					352,860		
Replacement Reserves		2,250,000					2,250,000		
* Tenant Improvements Reserves		0					0		
Vacancy Reserve	1,408,000	0					1,408,000		
Capitalized Commercial Vacancy Reserve		71,575					71,575		
Other (specify)		0					0		
TOTAL RESERVES	**1,408,000**	**2,674,435**	**0**	**0**	**0**	**0**	**4,082,435**		
DEVELOPER COSTS									
Developer Fee - Cash-out Paid at Milestones	105,000	0					105,000		
Developer Fee - Cash-out At Risk		710,000					710,000		
Commercial Developer Fee		0							
Developer Fee - GP Equity (also show as source)		0							
Developer Fee - Deferred (also show as source)		0					0		
Development Consultant Fees		0					0	Need MOHCD approval for this cost, N/A for most projects	
Other (specify)		0					0		
TOTAL DEVELOPER COSTS	**105,000**	**710,000**	**0**	**0**	**0**	**0**	**815,000**		
TOTAL DEVELOPMENT COST	**28,401,531**	**10,265,182**	**0**	**0**	**0**	**0**	**38,666,714**		
Development Cost/Unit by Source	400,022	144,580	0	0	0	0	544,602		
Development Cost/Unit as % of TDC by Source	73.5%	26.5%	0.0%	0.0%	0.0%	0.0%	100.0%		
Acquisition Cost/Unit by Source	286,620	0	0	0	0	0	286,620		
Construction Cost (inc Const Contingency)/Unit By Source	57,729	93,751	0	0	0	0	151,480		
Construction Cost (inc Const Contingency)/SF	84.88	137.85	0.00	0.00	0.00	0.00	222.73		

**Possible non-eligible GO Bond/COP Amount:* *3,669,202*
City Subsidy/Unit 400,022

Tax Credit Equity Pricing: N/A
Construction Bond Amount: N/A
Construction Loan Term (in months): N/A
Construction Loan Interest Rate (as %): N/A

Small Sites

Combined Loan to Value Ratio:							**190%**
% of Acquisition Cost by Source	100%	0%	0%	0%	0%	0%	100%

Small Sites Maximum Developer Fee 790,000

Application Date:	6/5/2024	**# Units:**	71	**Small Sites Project**
Project Name:	2901 16th Street	***# Bedrooms:***		
Project Address:	2901-2929 16th St	**# Beds:**		
Project Sponsor:	Mission Economic Development Agency			

							Total Sources	**Comments**	
SOURCES	**29,157,714**	**5,787,177**	**3,201,680**	**520,142**	**-**	**-**	**38,666,714**		
Name of Sources:	MOHCD/OCII	PASS- MR	PASS- BMR	PASS- deferred					
USES Perm loans total:	34,944,891								
								Perm loan amount is more than bridge loan(s) by: 34944891.07	
ACQUISITION									
Acquisition cost or value	18,892,531	5,787,177	3,201,680	520,142			28,401,531		
Legal / Closing costs / Broker's Fee							0		
Holding Costs							0		
Transfer Tax							0		
TOTAL ACQUISITION	**18,892,531**	**5,787,177**	**3,201,680**	**520,142**	**0**	**0**	**28,401,531**		
CONSTRUCTION (HARD COSTS)									
* Unit Construction/Rehab	4,369,636						4,369,636	Include FF&E	
* Commercial Shell Construction							0		
* Demolition							0		
Environmental Remediation							0		
* Onsight Improvements/Landscaping							0		Construction line item costs as a % of hard costs
* Offsite Improvements							0		
* Infrastructure Improvements							0	HOPE SF/OCII costs for streets etc.	
Parking							0		
GC Bond Premium/GC Insurance/GC Taxes	87,393						87,393		**1.7%**
GC Overhead & Profit	655,826						655,826		**12.6%**
CG General Conditions	87,393						87,393		**1.7%**
Sub-total Construction Costs	*5,200,248*	*0*	*0*	*0*	*0*	*0*	*5,200,248*		
Design Contingency (remove at DD)	260,013						260,013	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	**5.0%**
Bid Contingency (remove at bid)	208,010						208,010	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	**4.0%**
Plan Check Contingency (remove/reduce during Plan Re	208,010						208,010	4% up to $30MM HC, 3% $30-$45MM, 2% $45MM+	**4.0%**
Hard Cost Construction Contingency	780,037						780,037	5% new construction / 15% rehab	**15.0%**
Sub-total Construction Contingencies	*1,456,070*	*0*	*0*	*0*	*0*	*0*	*1,456,070*		
TOTAL CONSTRUCTION COSTS	**6,656,318**	**0**	**0**	**0**	**0**	**0**	**6,656,318**		
SOFT COSTS									
Architecture & Design									
Architect design fees							0	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms	
Design Subconsultants to the Architect (incl. Fees)							0		
Architect Construction Admin							0		
Reimbursables							0		
Additional Services							0		
Sub-total Architect Contract	*0*	*0*	*0*	*0*	*0*	*0*	*0*		
Other Third Party design consultants (not included under Architect contract)							0	Consultants not covered under architect contract; name consultant type and contract amount	
Total Architecture & Design	**0**	**0**	**0**	**0**	**0**	**0**	**0**		
Engineering & Environmental Studies									
Survey							0		
Geotechnical studies							0		
Phase I & II Reports							0		
CEQA / Environmental Review consultants							0		
NEPA / 106 Review							0		
CNA/PNA (rehab only)							0		
Other environmental consultants							0	Name consultants & contract amounts	
Total Engineering & Environmental Studies	**0**	**0**	**0**	**0**	**0**	**0**	**0**		
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*		
Permanent Financing Costs									
Permanent Loan Origination Fee	118,863						118,863		
Credit Enhance. & Appl. Fee							0		
Title & Recording	20,000						20,000		
Sub-total Perm. Financing Costs	*138,863*	*0*	*0*	*0*	*0*	*0*	*138,863*		
Total Financing Costs	**138,863**	**0**	**0**	**0**	**0**	**0**	**138,863**		
Legal Costs									
Borrower Legal fees	15,000						15,000		
Land Use / CEQA Attorney fees							0		
Tax Credit Counsel							0		
Bond Counsel							0		
Construction Lender Counsel							0		
Permanent Lender Counsel	15,000						15,000		
* Other Legal (specify)							0		
Total Legal Costs	**30,000**	**0**	**0**	**0**	**0**	**0**	**30,000**		
Other Development Costs									
Appraisal							0		
Market Study							0		
* Insurance							0		
* Property Taxes							0		
Accounting / Audit							0		
* Organizational Costs							0		
Entitlement / Permit Fees	27,910						27,910		
* Marketing / Rent-up							0		
* Furnishings							0	$2,000/unit; See MOHCD U/W Guidelines on: http://sfmohcd.org/documents-reports-and-forms	
PGE / Utility Fees							0		
TCAC App / Alloc / Monitor Fees							0		
* Financial Consultant fees							0		
Construction Management fees / Owner's Rep							0		
Security during Construction							0		
* Relocation							0		
Commercial Relocation							0		
PASS Fees	7,255						7,255		Total Soft Cost Contingency as % of Total Soft Costs
Other (specify)							0		
Total Other Development Costs	**35,165**	**0**	**0**	**0**	**0**	**0**	**35,165**		
Soft Cost Contingency									
Contingency (Arch, Eng, Fin, Legal & Other Dev)	20,403	0	0	0	0	0	20,403	Should be either 10% or 5% of total soft costs.	**10.0%**
TOTAL SOFT COSTS	**224,430**	**0**	**0**	**0**	**0**	**0**	**224,430**		
RESERVES									
* Operating Reserves	352,860						352,860	Escalated to 2027	
Replacement Reserves	2,250,000						2,250,000		
* Tenant Improvements Reserves							0		
* Vacancy Reserve							0		
* Capitalized Commerical Vacancy Reserve	71,575						71,575		
* Other (specify)							0		
TOTAL RESERVES	**2,674,435**	**0**	**0**	**0**	**0**	**0**	**2,674,435**		
DEVELOPER COSTS									
Developer Fee - Cash-out Paid at Milestones							0		
Developer Fee - Cash-out At Risk	710,000						710,000		
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	**710,000**	**0**	**0**	**0**	**0**	**0**	**710,000**		
TOTAL DEVELOPMENT COST	**29,157,714**	**5,787,177**	**3,201,680**	**520,142**	**0**	**0**	**38,666,714**		
Development Cost/Unit by Source	410,672	81,510	45,094	7,326	0	0	544,602		
Development Cost/Unit as % of TDC by Source	75.4%	15.0%	8.3%	1.3%	0.0%	0.0%	100.0%		
Acquisition Cost/Unit by Source	266,092	81,510	45,094	7,326	0	0	400,022		
Construction Cost (inc Const Contingency)/Unit By Source	93,751	0	0	0	0	0	93,751		
Construction Cost (inc Const Contingency)/SF	137.85	0.00	0.00	0.00	0.00	0.00	137.85		
**Possible non-eligible GO Bond/COP Amount:*	*4,794,071*								
City Subsidy/Unit	410,672								
Tax Credit Equity Pricing:	N/A								
Construction Bond Amount:	N/A								
Construction Loan Term (in months):	N/A								
Construction Loan Interest Rate (as %):	N/A								
Small Sites									
Combined Loan to Value Ratio:							**136%**		
% of Acquisition Cost by Source	67%	20%	11%	2%	0%	0%	100%		
Small Sites Maximum Developer Fee	790,000								

Exhibit B: Annual Operating Budget

Application Date:	**6/5/2024**	**Project Name:**	**2901 16th Street**
Total # Units:	**71**	**Project Address:**	**2901-2929 16th St**
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations)**:**	**2025**	**Project Sponsor:**	**Mission Economic Development Agency**

Small Sites Project

INCOME	**Total**	**Comments**		**PUPA**	**PUPM**	
Residential - Tenant Rents	1,127,111	Links from 'Existing Proj - Rent Info' Worksheet		15,875	1,323	
Residential - Tenant Assistance Payments (SOS Payments)	0	Comments				
Residential - Tenant Assistance Payments (Other Non-LOSP)	0	Links from 'Existing Proj - Rent Info' Worksheet		-	-	
Residential - LOSP Tenant Assistance Payments	0					
Commercial Space	406,020	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%		5,719		
Residential Parking	0	Links from 'Utilities & Other Income' Worksheet		-		
Miscellaneous Rent Income	0	Links from 'Utilities & Other Income' Worksheet		-		
Supportive Services Income				-		
Interest Income - Project Operations	0	Links from 'Utilities & Other Income' Worksheet		-		
Laundry and Vending	0	Links from 'Utilities & Other Income' Worksheet		-		
Tenant Charges	0	Links from 'Utilities & Other Income' Worksheet		-		
Miscellaneous Residential Income	0	Links from 'Utilities & Other Income' Worksheet		-		
Other Commercial Income	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%		-		
Withdrawal from Capitalized Reserve (deposit to operating account)				-		
Gross Potential Income	**1,533,131**					
Vacancy Loss - Residential - Tenant Rents	(56,356)	Vacancy loss is 5% of Tenant Rents.		(794)		
Vacancy Loss - Residential - Tenant Assistance Payments	0	#DIV/0!		-		
Vacancy Loss - Commercial	(81,204)	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%		(1,144)		
EFFECTIVE GROSS INCOME	**1,395,571**	***PUPA: 19,656***				
OPERATING EXPENSES						
Management						
Management Fee	63,254	HUD Fee of $80.84		891	74	
Asset Management Fee	26,009	2023 MOHCD Operating Fees Policy escalated by 3.5% twice for 2025		366		
Sub-total Management Expenses	**89,263**	***PUPA: 1,257***				
Salaries/Benefits						
Office Salaries	0	Links from 'Staffing' Worksheet		-		
Manager's Salary	145,675	Links from 'Staffing' Worksheet		2,052		
Health Insurance and Other Benefits	64,639			910		
Other Salaries/Benefits				-		
Administrative Rent-Free Unit				-		
Sub-total Salaries/Benefits	**210,315**	***PUPA: 2,962***				
Administration						
Advertising and Marketing		Per Joe: Not applicable due to own assistant manager/manager onsite		-		
Office Expenses	4,736	Software		67		
Office Rent				-		
Legal Expense - Property	18,371	$250PUPA		259		-
Audit Expense	3,450	2022 Audit cost per property		49		
Bookkeeping/Accounting Services	17,636	$42 PUPM		248		
Bad Debts				-		
Miscellaneous				-		
Sub-total Administration Expenses	**44,193**	***PUPA: 622***				
Utilities						
Electricity	46,985	O+M PG&E + 15%		662	55	
Water	52,942	O+M Water + 15%		746	62	
Gas				-	-	
Sewer				-	-	
Sub-total Utilities	**99,927**	***PUPA: 1,407***				
Taxes and Licenses						
Real Estate Taxes	64,619	26% Commercial		910		
Payroll Taxes				-		
Miscellaneous Taxes, Licenses and Permits				-		
Sub-total Taxes and Licenses	**64,619**	***PUPA: 910***				
Insurance						
Property and Liability Insurance	51,449	O+M Insurance (+15%)		725		
Fidelity Bond Insurance				-		
Worker's Compensation				-		
Director's & Officers' Liability Insurance				-		
Sub-total Insurance	**51,449**	***PUPA: 725***				
Maintenance & Repair						
Payroll	112,881	Links from 'Staffing' Worksheet		1,590		
Supplies				-		
Contracts	44,570	Janitorial Contracts		628		
Garbage and Trash Removal	22,853	2020 Actuals + 20%		322		
Security Payroll/Contract	0	Links from 'Staffing' Worksheet		-		
HVAC Repairs and Maintenance				-		
Vehicle and Maintenance Equipment Operation and Repairs				-		
Miscellaneous Operating and Maintenance Expenses	20,907	$200 PUPA Misc, + $500 (Pest Control)		294		
Sub-total Maintenance & Repair Expenses	**201,211**	***PUPA: 2,834***				
Supportive Services	0	Links from 'Staffing' Worksheet		-		
Commercial Expenses	7,761	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%		109		
TOTAL OPERATING EXPENSES	***768,738***	***PUPA: 10,827***				
Reserves/Ground Lease Base Rent/Bond Fees						
Ground Lease Base Rent	0		Provide additional comments here, if needed.	-		
Bond Monitoring Fee	7,974	PASS Monitoring Fee		112		
Replacement Reserve Deposit	21,300	$300 PUPY		300		
Operating Reserve Deposit				-		
Other Required Reserve 1 Deposit				-		
Other Required Reserve 2 Deposit				-		
Required Reserve Deposit/s, Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%		-		
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	**29,274**	***PUPA: 412***				
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond	**798,012**	***PUPA: 11,240***				
NET OPERATING INCOME (INCOME minus OP EXPENSES)	**597,559**	***PUPA: 8,416***				

Min DSCR:	1.15
Mortgage Rate:	5.00%
Term (Years):	40
Supportable 1st Mortgage Pmt:	421,352
Supportable 1st Mortgage Amt:	$7,281,813
Proposed 1st Mortgage Amt:	$5,787,177

DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)			
Hard Debt - First Lender	406,577	PASS- MR	Provide additional comments here, if needed.
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Ler	113,004	PASS- BMR	Provide additional comments here, if needed.
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0		Provide additional comments here, if needed.
Hard Debt - Fourth Lender	0		Provide additional comments here, if needed.
Commercial Hard Debt Service	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
TOTAL HARD DEBT SERVICE	**519,582**	***PUPA: 7,318***	
CASH FLOW (NOI minus DEBT SERVICE)	**77,978**		
AVAILABLE CASH FLOW	**77,978**		
USES OF CASH FLOW BELOW (This row also shows DSCR.)	***1.15***		
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL			
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)			
Partnership Management Fee (see policy for limits)			
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			
Other Payments			
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)			Provide additional comments here, if needed.
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)			Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)		Def. Develop. Fee split: 0%	Provide additional comments here, if needed.
TOTAL PAYMENTS PRECEDING MOHCD	**0**	***PUPA: 0***	
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING	**77,978**		

Residual Receipts Calculation

Does Project have a MOHCD Residual Receipt Obligation?	**Yes**	Project has MOHCD ground lease?	**No**
Will Project Defer Developer Fee?	**No**		
Max **Deferred Developer Fee/Borrower** % of Residual Receipts in Yr 1:	33%		
% of Residual Receipts available for distribution to **soft debt lenders** in	67%		

Soft Debt Lenders with Residual Receipts Obligations	*(Select lender name/program from drop down)*	**Total Principal Amt**	**Distrib. of Soft Debt Loans**
MOHCD/OCII - Soft Debt Loans	All MOHCD/OCII Loans payable from res. rects	$29,157,714	100.00%
MOHCD/OCII - Ground Lease Value or Land Acq Cost	Ground Lease Value		0.00%
HCD (soft debt loan) - Lender 3			0.00%
Other Soft Debt Lender - Lender 4			0.00%
Other Soft Debt Lender - Lender 5			0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
MOHCD Residual Receipts Amount Due	51,985	67% of residual receipts, multiplied by 100% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	0	Enter/override amount of residual receipts proposed for loan repayment.
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repymt.
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT	**25,993**	***Total Resid Receipts due not allocated, please revise F142***

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
HCD Residual Receipts Amount Due	0	
Lender 4 Residual Receipts Due	0	
Lender 5 Residual Receipts Due	0	
Total Non-MOHCD Residual Receipts Debt Service	**0**	
REMAINDER (Should be zero unless there are distributions below)	**25,993**	
Owner Distributions/Incentive Management Fee	25,993	100% of Borrower share of 33% of residual receipts
Other Distributions/Uses	0	
Final Balance (should be zero)	**0**	

Exhibit C: 20-Year Cash Flow

2901 16th Street

Small Sites Project

Total # Units: ***71***

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
INCOME	% annual increase	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total
Residential - Tenant Rents	2.5%	199,465	204,451	1,184,170	1,213,775	1,244,119	1,275,222	1,307,103	1,339,780	1,373,275	1,407,607	1,442,797	1,478,867	1,515,838	1,553,734	1,592,578	1,632,392	1,673,202	1,715,032	1,757,908	1,801,855
Residential - SOS Payments	4.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential - Tenant Assistance Payments (Other Non-LOSP)	n/a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Space	2.5%	406,020	104,043	426,575	437,239	448,170	459,374	470,859	482,630	494,696	507,063	519,740	532,733	546,052	559,703	573,696	588,038	602,739	617,807	633,253	649,084
Other Income		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Potential Income		**1,089,485**	**1,172,494**	**1,783,945**	**1,651,014**	**1,692,289**	**1,734,596**	**1,777,961**	**1,822,410**	**1,867,971**	**1,914,670**	**1,962,537**	**2,011,600**	**2,061,890**	**2,113,437**	**2,166,273**	**2,220,430**	**2,275,941**	**2,332,839**	**2,391,160**	**2,450,939**
Vacancy Loss - Residential - Tenant Rents	n/a	(19,946)	(20,445)	(325,647)	(60,689)	(62,206)	(63,761)	(65,355)	(66,989)	(68,664)	(70,380)	(72,140)	(73,943)	(75,792)	(77,687)	(79,629)	(81,620)	(83,660)	(85,752)	(87,895)	(90,093)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	(81,204)	(20,809)	(85,315)	(87,448)	(89,634)	(91,875)	(94,172)	(96,526)	(98,939)	(101,413)	(103,948)	(106,547)	(109,210)	(111,941)	(114,739)	(117,608)	(120,548)	(123,561)	(126,651)	(129,817)
EFFECTIVE GROSS INCOME		**988,334**	**1,131,240**	**1,372,983**	**1,502,877**	**1,540,449**	**1,578,960**	**1,618,434**	**1,658,895**	**1,700,368**	**1,742,877**	**1,786,449**	**1,831,110**	**1,876,888**	**1,923,810**	**1,971,905**	**2,021,203**	**2,071,733**	**2,123,526**	**2,176,614**	**2,231,030**
OPERATING EXPENSES																					
Management	3.5%	89,263	92,388	95,621	98,968	102,432	106,017	109,728	113,568	117,543	121,657	125,915	130,322	134,883	139,604	144,490	149,547	154,782	160,199	165,806	171,609
Salaries/Benefits	3.5%	210,315	217,676	225,294	233,180	241,341	249,788	258,530	267,579	276,944	286,637	296,669	307,053	317,800	328,923	340,435	352,350	364,683	377,446	390,657	404,330
Administration	3.5%	44,193	45,740	47,341	48,998	50,713	52,488	54,325	56,226	58,194	60,231	62,339	64,521	66,779	69,117	71,536	74,039	76,631	79,313	82,089	84,962
Utilities	3.5%	49,964	51,712	107,045	110,791	114,669	118,682	122,836	127,136	131,585	136,191	140,958	145,891	150,997	156,282	161,752	167,413	173,273	179,337	185,614	192,111
Taxes and Licenses	3.5%	-	33,440	69,221	71,644	74,152	76,747	79,433	82,213	85,091	88,069	91,151	94,342	97,644	101,061	104,598	108,259	112,048	115,970	120,029	124,230
Insurance	3.5%	51,449	53,249	55,113	57,042	59,038	61,105	63,243	65,457	67,748	70,119	72,573	75,113	77,742	80,463	83,279	86,194	89,211	92,333	95,565	98,910
Maintenance & Repair	3.5%	178,926	185,188	215,542	223,086	230,894	238,975	247,339	255,996	264,956	274,230	283,828	293,762	304,043	314,685	325,699	337,098	348,897	361,108	373,747	386,828
Supportive Services	3.5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Expenses		7,761	8,032	8,313	8,604	8,906	9,217	9,540	9,874	10,219	10,577	10,947	11,330	11,727	12,137	12,562	13,002	13,457	13,928	14,415	14,920
TOTAL OPERATING EXPENSES		**631,870**	**687,426**	**823,491**	**852,313**	**882,144**	**913,019**	**944,975**	**978,049**	**1,012,281**	**1,047,711**	**1,084,381**	**1,122,334**	**1,161,616**	**1,202,272**	**1,244,352**	**1,287,904**	**1,332,981**	**1,379,635**	**1,427,922**	**1,477,900**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)		***8,900***																			
Reserves/Ground Lease Base Rent/Bond Fees																					
Ground Lease Base Rent		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bond Monitoring Fee		7,974	7,974	7,974	7,974	7,974	7,974	7,974	7,974	7,974	7,974	7,974	7,974	7,974	7,974	7,974	7,974	7,974	7,974	7,974	7,974
Replacement Reserve Deposit		0	0	21,300	21,300	21,300	21,300	21,300	21,300	21,300	21,300	21,300	21,300	21,300	21,300	21,300	21,300	21,300	21,300	21,300	21,300
Operating Reserve Deposit		0	0	0	0	0	0	0	0	0	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Other Required Reserve 1 Deposit		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Required Reserve 2 Deposit		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Required Reserve Deposit/s, Commercial		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-total Reserves/Ground Lease Base Rent/Bond Fees		**29,274**	**7,974**	**29,274**	**29,274**	**29,274**	**29,274**	**29,274**	**29,274**	**29,274**	**35,274**	**35,274**	**35,274**	**35,274**	**35,274**	**35,274**	**35,274**	**35,274**	**35,274**	**35,274**	**35,274**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)		**661,144**	**695,400**	**852,765**	**881,587**	**911,418**	**942,293**	**974,249**	**1,007,323**	**1,041,555**	**1,082,985**	**1,119,655**	**1,157,608**	**1,196,890**	**1,237,546**	**1,279,626**	**1,323,178**	**1,368,255**	**1,414,909**	**1,463,196**	**1,513,174**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)		***9,312***																			
NET OPERATING INCOME (INCOME minus OP EXPENSES)		**327,190**	**435,840**	**520,218**	**621,290**	**629,031**	**636,667**	**644,185**	**651,572**	**658,813**	**659,892**	**666,794**	**673,502**	**679,998**	**686,264**	**692,279**	**698,025**	**703,478**	**708,617**	**713,418**	**717,856**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)																					
Hard Debt - First Lender		282,125	376,167	406,577	406,577	406,577	406,577	406,577	406,577	406,577	406,577	406,577	406,577	406,577	406,577	406,577	406,577	406,577	406,577	406,577	624,223
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)		44,023	58,697	113,004	113,004	113,004	113,004	113,004	113,004	113,004	113,004	113,004	113,004	113,004	113,004	113,004	113,004	113,004	113,004	113,004	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE		**326,148**	**434,864**	**519,582**	**519,582**	**519,582**	**519,582**	**519,582**	**519,582**	**519,582**	**519,582**	**519,582**	**519,582**	**519,582**	**519,582**	**519,582**	**519,582**	**519,582**	**519,582**	**519,582**	**624,223**
CASH FLOW (NOI minus DEBT SERVICE)		**1,042**	**976**	**637**	**101,708**	**109,449**	**117,085**	**124,604**	**131,991**	**139,231**	**140,311**	**147,213**	**153,921**	**160,417**	**166,682**	**172,698**	**178,443**	**183,897**	**189,036**	**193,837**	**93,633**
USES OF CASH FLOW BELOW (This row also shows DSCR.)	**DSCR:**	***1.003***	***1.002***	***1.001***	***1.196***	***1.211***	***1.225***	***1.24***	***1.254***	***1.268***	***1.27***	***1.283***	***1.296***	***1.309***	***1.321***	***1.332***	***1.343***	***1.354***	***1.364***	***1.373***	***1.15***
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL																					
Deferred Developer Fee (Enter amt <= Max Fee from row 131)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)	3.5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)		**1,042**	**976**	**637**	**101,708**	**109,449**	**117,085**	**124,604**	**131,991**	**139,231**	**140,311**	**147,213**	**153,921**	**160,417**	**166,682**	**172,698**	**178,443**	**183,897**	**189,036**	**193,837**	**93,633**
Does Project have a MOHCD Residual Receipt Obligation?	**Yes**																				
Will Project Defer Developer Fee?	**No**																				
Residual Receipts split for all years. - Lender/Owner	**7% / 33%**																				
MOHCD RESIDUAL RECEIPTS DEBT SERVICE	Dist. Soft Debt Loans																				
MOHCD Residual Receipts Amount Due	100.00%	695	651	424	67,806	72,966	78,057	83,069	87,994	92,821	93,540	98,142	102,614	106,944	111,121	115,132	118,962	122,598	126,024	129,224	62,422
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proposed MOHCD Residual Receipts Amount to Replacement Reserve		695	651	424	67,806	72,966	78,057	83,069	87,994	92,821	93,540	98,142	102,614	106,944	111,121	115,132	118,962	122,598	126,024	129,224	62,422
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE		**347**	**325**	**212**	**33,903**	**36,483**	**39,028**	**41,535**	**43,997**	**46,410**	**46,770**	**49,071**	**51,307**	**53,472**	**55,561**	**57,566**	**59,481**	**61,299**	**63,012**	**64,612**	**31,211**
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE																					
HCD Residual Receipts Amount Due	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lender 4 Residual Receipts Due	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lender 5 Residual Receipts Due	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-MOHCD Residual Receipts Debt Service		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REMAINDER (Should be zero unless there are distributions below)		**347**	**325**	**212**	**33,903**	**36,483**	**39,028**	**41,535**	**43,997**	**46,410**	**46,770**	**49,071**	**51,307**	**53,472**	**55,561**	**57,566**	**59,481**	**61,299**	**63,012**	**64,612**	**31,211**
Owner Distributions/Incentive Management Fee		347	325	212	33,903	36,483	39,028	41,535	43,997	46,410	46,770	49,071	51,307	53,472	55,561	57,566	59,481	61,299	63,012	64,612	31,211
Other Distributions/Uses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Final Balance (should be zero)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RR Running Balance		**2,272,500**	**2,295,920**	**2,644,022**	**2,692,186**	**2,416,114**	**2,422,083**	**2,236,255**	**2,023,307**	**1,839,309**	**1,616,239**	**1,419,500**	**1,205,885**	**922,577**	**724,025**	**289,668**	**158,480**	**186,164**	**321,502**	**407,831**	**528,245**
OR Running Balance		**356,388**	**359,952**	**363,552**	**367,187**	**370,859**	**374,568**	**378,313**	**382,097**	**385,918**	**395,777**	**405,734**	**415,792**	**425,950**	**436,209**	**446,571**	**457,037**	**467,607**	**478,283**	**489,066**	**499,957**
Other Required Reserve 1 Running Balance		**800,910**	**241,425**	**68,225**	**68,225**	**68,225**	**68,225**	**68,225**	**68,225**	**68,225**	**68,225**	**68,225**	**68,225**	**68,225**	**68,225**	**68,225**	**68,225**	**68,225**	**68,225**	**68,225**	**68,225**
Other Required Reserve 2 Running Balance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DEFERRED DEVELOPER FEE - RUNNING BALANCE																					
Developer Fee Starting Balance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Developer Fee Earned in Year		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Developer Fee Remaining Balance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-