

Citywide Affordable Housing Loan Committee

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

Balboa Reservoir Building E
\$2,000,000 additional in Predevelopment
and
up to \$37,531,286
Preliminary Gap Financing Commitment

Evaluation of Request for:	Preliminary Gap Loan Commitment
Loan Committee Date:	August 16, 2024
Prepared By:	Ryan VanZuylen, Sr. Project Manager
MOHCD Asset Manager:	Carmen Otero
MOHCD Construction Representative:	Sarah Tenpas
Sources and Amounts of New Funds Recommended:	\$500,000 – AHF Jobs Housing \$2,000,000 – Housing Trust Fund \$2,849,113 – AHF Inclusionary \$31,182,173 – 2024 GO Bonds
Sources and Amounts of Previous City Funds Committed:	\$1,000,000 – CPMC Funds
NOFA/PROGRAM/RFP:	Balboa Reservoir Development Agreement
Applicant/Sponsor(s) Name:	BRIDGE Housing Corporation

EXECUTIVE SUMMARY

Sponsor Information:

Project Name:	Balboa Reservoir Building E	Sponsor(s):	BRIDGE Housing Corporation
Project Address (w/ cross St):	11 Frida Kahlo (at North Street) 94112	Ultimate Borrower Entity:	Balboa Lee Avenue, L.P.

Project Summary:

Balboa Reservoir Building E is the first of four affordable multifamily housing developments planned as part of the Balboa Reservoir Master Plan Development (“Reservoir”). The Reservoir is a 17-acre site located across from City College, formerly owned by the San Francisco Public Utilities Commission (“SFPU”) but now owned by BRIDGE Housing, and currently used as a surface parking lot. In 2017, BRIDGE Housing (“Sponsor” or “BRIDGE”) and Avalon Bay were selected as the Master Plan developers (“Master Developers”), with BRIDGE leading the affordable housing component of the Reservoir. The Balboa Reservoir Development Agreement (“DA”) was approved by the Board of Supervisors in August 2020 and was executed and recorded on March 10, 2021. Under the DA, each affordable parcel will be transferred to MOHCD for a nominal amount. MOHCD will then provide a ground lease to the Sponsor to maintain affordability in perpetuity. Balboa Reservoir Building E would be the first building to start construction at the Reservoir.

Balboa Reservoir Building E will be a 7-story 100% affordable development with 128 family units including 56 one-bedrooms, 39 two-bedrooms, 32 three-bedrooms and one two-bedroom manager’s unit (“Project”). Thirty-one units will be restricted at 30% TCAC AMI (roughly 40% MOHCD AMI), 36 at 50% TCAC AMI (roughly 65% MOHCD AMI) and 60 at 60% TCAC AMI (roughly 80% MOHCD AMI). The Project has 1:1 bike storage and does not include parking. The design for the Project is currently at 50% Construction Drawings.

The Sponsor is requesting up to \$37,531,286 in preliminary gap financing to apply for Round 2 CDLAC by the August 27, 2024, deadline. In addition to the preliminary gap approval, the Sponsor is requesting an additional \$2,000,000 in predevelopment funds until construction closing. On April 16, 2021, Loan Committee approved \$13,594,128 in preliminary gap funds including \$1,000,000 in predevelopment funding to apply for HCD IIG and AHSC funding. The Project was awarded \$26M in IIG funds for infrastructure-related costs on December 2, 2021, and \$29,585,486 in AHSC funds on February 4, 2022 (\$19.6M for housing permanent financing and \$9.98M in transportation-related grants). The AHSC program requires that the Project receive all permanent financing within two years of the award and the Project successfully received an extension to obtain all financing by January 1, 2025. To meet this deadline and keep the AHSC award, the Project will need to secure a CDLAC/TCAC award by December 2024 meaning it must apply for tax credits in 2024 CDLAC Round 2 by August 27, 2024, if it is to retain its state funding awards. If awarded tax credits, the Sponsor plans to start construction in June 2025 and complete construction June 2027.

Project Description:

Construction Type:	Midrise, Type III over Type I	Project Type:	New Construction
Number of Stories:	7	Lot Size (acres and sf):	.69 acres / 31,008 sf

Evaluation of Request for Preliminary Gap Financing
 Balboa Reservoir Building E, 11 Frida Kahlo

August 16, 2024
 Page 3 of 48

Number of Units:	128	Architect:	Y.A. Studio and Van Meter Williams Pollack
Total Residential Area:	152,838 sf	General Contractor:	Nibbi and Pilot JV
Total Commercial Area:	0 sf	Property Manager:	BRIDGE Housing
Total Building Area:	152,838 sf	Supervisor and District:	Sup. Melgar D7
Land Owner:	BRIDGE Housing		
Total Development Cost (TDC):	\$140,013,247	Total Acquisition Cost:	\$1,397,174
TDC/unit:	\$1,093,853	TDC less land cost/unit:	\$1,082,938
Loan Amount Requested:	\$37,531,286	Request Amount / unit:	\$293,213
HOME Funds?	N	Parking?	N

PRINCIPAL DEVELOPMENT ISSUES

- **Balboa Reservoir Projects risk losing \$78 million in total state funding across the site if Building E does not start construction in June 2025. Without state funding, the entire Balboa Reservoir development would be paused indefinitely. See Sections 1.1 and 6.4.**
 - This Project, Building E, was awarded \$23 million in AHSC funds in February 2022 which required all financing to be secured by February 2024. The Project received an extension to receive all financing by January 1, 2025. To secure financing by January the Project must apply for tax credits this August and receive an award this December. This would set a 180-day CDLAC timeline to start construction by June 2025.
 - This Project was also awarded \$26 million in December 2021 in Round 7 IIG funds for infrastructure across the Balboa Reservoir site. The award has a legislatively set disbursement date of 6/30/25 which is in the process of being extended, but Building E must still start construction in June 2025 to continue to receive IIG funds. If Building E loses its AHSC award (by not receiving tax credits) then it cannot start construction and would also lose its IIG award. Without the IIG award, the infrastructure needed for both buildings cannot begin.
 - The next affordable project at Balboa Reservoir, Building A, was awarded \$36 million in Round 7 AHSC funds in September 2023. If Building E loses its IIG award then infrastructure cannot start and Building A cannot start construction by the deadline of its AHSC award and risks losing AHSC funds.
- **Balboa Reservoir infrastructure work is partially unfunded but needed to prepare site for Building E vertical construction.** Infrastructure work at the site has been delayed since the market rate developer, Avalon, paused the project in January 2023 due to the downturn in market conditions for the townhomes that would have helped fund the horizontal work. After negotiations between the Sponsor, City agencies and MOHCD, it was decided to rephase infrastructure to prioritize the affordable parcels (Buildings E and A) to avoid losing HCD IIG funding and move forward with the affordable buildings. It is anticipated that rephasing the infrastructure will decrease the IIG award amount by roughly \$6 million. MOHCD has agreed to negotiate providing an infrastructure loan to start infrastructure work so Building E can start construction by the HCD deadlines. The terms of that loan are still being negotiated and a separate request will come to Loan Committee in fall 2024. The Sponsor plans to obtain Board of Supervisors approval for the infrastructure loan in January 2025 and start work in March 2025. Critical path items include approving the SIP and finalizing documents related to the Final Map and Public Improvement Agreement. See Section 4.7.
- **High GP equity and offsite improvement costs.** While TDC per unit is within average to other projects in the MOHCD pipeline, the Project budget includes high GP equity (\$13.6M) and offsite infrastructure improvement costs (\$11.2M) to generate more tax credit equity. This increases TDC per unit, bedroom and square foot considerably. These line items are used to increase basis and generate roughly \$7 million in additional equity. See Sections 4.3, 4.7, 6.4.1, 6.5.5 and 6.5.6.
- **MOHCD's gap increased by roughly \$24 million since last Loan Committee approval.** The financing plan approved by Loan Committee in April 2021 included state tax credits and a Master Developer Subsidy which led to a MOHCD gap request of \$13.6 million. The gap is now \$37.5 million. The Project applied for tax credits in August 2022 and was not awarded due to not being competitive for state tax credits. This loan request removes state tax credits

and Master Developer Subsidy from the financing plan which increases MOHCD’s gap significantly. Additionally, the offsite improvements add \$6.5 million to MOHCD’s gap but earn additional tax credit equity. MOHCD will work with the Sponsor to structure debt for repayment of the City’s bridge infrastructure loan for the additional gap seen here in this evaluation. See Section 6.4.

- MOHCD’s contribution per the Development Agreement will be greatly exceeded.** The DA states MOHCD is responsible for 33% of financing for the affordable units as calculated as \$239,000/unit (adjusted annually for CPI) multiplied by 33% of total affordable units. The DA envisioned 530 units which after adjusting for inflation brings MOHCD’s total contribution to \$51,405,230. With this \$37.5 million gap request, an anticipated gap request for Building A in the \$20-30 million range, and additional commitments for Building B and a bridge infrastructure loan, this total MOHCD contribution will be exceeded. Given the significant state funding, MOHCD believes this is the best path forward to accelerate production of housing at the site while utilizing as many state resources as possible. See Section 6.4.
- High Sponsor staff turnover results in lack of institutional knowledge for the Project.** The Balboa Reservoir project experienced significant staff turnover in the last three years which has resulted in a lack of consistent experience and familiarity over time. While the Project is now fully staffed with two employees for Building E and two additional employees for infrastructure, there is a steep learning curve given looming deadlines. See Section 1.3.3.

SOURCES AND USES SUMMARY

Predevelopment Sources	Amount	Per Unit	Terms	Status
MOHCD	\$1,000,000	\$1,813	3% @ 55 years RR	Committed
MOHCD	\$2,000,000			This Request
Total	\$3,000,000			

Permanent Sources	Amount	Per Unit	Terms	Status
MOHCD	\$37,531,286	\$293,213	57 yrs @ 3% / Res Rec	This Request
Perm Loan	\$15,672,000	\$122,438	40 years @ 6.91%	Not Com
AHSC AHD + STI	\$20,789,777	\$162,420	55 years @ 3% / Res Rec	Committed
Deferred Developer Fee	\$1,030,000	\$8,047		
General Partner Developer Fee	\$13,601,029	\$106,258		
Limited Partner	\$51,389,155	\$401,478	TC Equity: \$0.98	Not Com
Total	\$140,013,247	\$1,093,853		

Permanent Uses	Amount	Per Unit	Per SF
Acquisition	\$1,627,286	\$12,713	\$10.65
Hard Costs	\$99,310,255	\$775,861	\$649.77
Soft Costs	\$20,849,463	\$162,886	\$136.42
Reserves	\$1,125,214	\$8,791	\$7.36
Developer Fee	\$17,101,029	\$133,602	\$111.89
Total	\$140,013,247	\$1,093,853	\$916.09

1. BACKGROUND

1.1. Project History Leading to This Request.



In 2014, then Mayor Ed Lee established the Public Lands for Housing Program, through which four publicly owned sites within the City were identified to provide up to 4,000 new units of affordable housing by 2020. The Balboa Reservoir, a nearly 17-acre vacant reservoir (“Site”) used for surface public parking across from City College of San Francisco (“CCSF”) and owned by the San Francisco Public Utilities Commission (“SFPUC”), is the largest site identified by this program.

Per the SFPUC, on March 31, 2015, through Ordinance No. 45-15, the Board of Supervisors established the Balboa Reservoir Community Advisory Committee (“BRCAC”) to advise the Board, the Mayor, and City departments regarding any proposed development under the Public Land for Housing Program at the Balboa Reservoir. In 2017, the City released an RFP for the Balboa Reservoir site and after an extremely competitive process awarded the development to a collaboration between Avalon Bay and BRIDGE Housing as master co-developers, along with Mission Housing, Pacific Union Development Company (no longer part of the team, originally planned to build CCSF parking garage), and Habitat for Humanity of Greater San Francisco. Mission Housing is planned to develop Building B.

In August 2020, the Board of Supervisors approved the Balboa Reservoir Development Agreement (“DA”), Balboa Reservoir Special Use District (“SUD”), General Plan Amendments, Zoning Map Amendments, and Design Guidelines. The DA was recorded on March 10, 2021.

The land was acquired by BRIDGE (as Master Developer) from the SFPUC on December 20, 2022, for \$11,400,000 for the roughly 16-acre site (SFPUC is retaining one acre of the site). The sale occurred using an exempt conveyance, where a final map is not recorded, to provide a partial exemption from transfer tax, and the affordable parcels were created via the exempt conveyance and a Notice of Special Restrictions entered into by BRIDGE on those parcels. Ultimately, the final map will need to be recorded to facilitate the sale of individual parcels for development and is planned to be recorded when the infrastructure Public Improvement Agreement (“PIA”) is approved by the Board of Supervisors in late 2024/early 2025. BRIDGE and MOHCD started to meet with City agencies to finalize the Final Map and PIA in spring 2024. After infrastructure improvements, and upon construction start, BRIDGE will transfer the land for Building E to MOHCD and MOHCD will ground lease it back to the BRIDGE limited partnership entity.

The Project previously applied for state and federal tax credits but was not awarded due to limited state credits. The Project applied and was successfully awarded California Department of Housing and Community Development (“HCD”) Infill Infrastructure Grant (“IIG”) and Affordable Housing Sustainable Community (“AHSC”) funds on December 2, 2021, and February 4, 2022, respectively. The AHSC award required all permanent funding to be secured within two years of the award by February 2, 2024. However, the Sponsor and MOHCD successfully received an extension for all financing to be secured by January 1, 2025. HCD indicated there will not be another extension available. The IIG award has a fund disbursement deadline of June 30, 2025, which can only be extended by the California Department of Finance (“DOF”) since

the date is set legislatively. Building E will not finish construction by this deadline. HCD has indicated that several projects in California that also received Round 7 IIG awards will not be complete and is formally requesting an extension from DOF. There is no date set for when DOF will decide but HCD, the Sponsor and MOHCD believe the deadline will be extended given the severe impact retracting the funds would have across the state. Additionally, the Sponsor submitted a revised IIG application on July 14, 2024, that prioritizes the affordable parcels Buildings E and A. It is anticipated that this will result in a reduced IIG award (\$20 million instead of \$26 million) for infrastructure. HCD is reviewing the application and will provide its formal analysis by August 13, 2024. If the award is reduced below \$20 million then the Sponsor will request more funds from MOHCD to fill the infrastructure gap.

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

On November 10, 2016, following nearly two years of community outreach, the SFPUC and the Office of Economic and Workforce Development (“OEWD”) initiated a developer selection process by issuing a request for qualifications (“RFQ”) to solicit developers interested in acquiring the Balboa Reservoir to build housing and utilize open space. An RFQ evaluation panel comprised of City staff and community representatives evaluated the RFQ responses and recommended three top-scoring teams to the SFPUC General Manager. The three top-scoring teams were subsequently invited to respond to the Balboa Reservoir RFP.

On March 9, 2017, the City announced the three finalist development teams for the RFP: (i) a collaboration between Avalon Bay and BRIDGE Housing as master co-developers, with Mission Housing, Pacific Union Development Company, and Habitat for Humanity of Greater San Francisco, (ii) a collaboration between the Emerald Fund and Mercy Housing, and (iii) a collaboration between Related California, Sares-Regis Group of Northern California, Tenderloin Neighborhood Development Corporation, and Curtis Development. The three development teams were invited to submit their development proposals by June 2, 2017.

On August 23, 2017, the Balboa Reservoir developer selection process concluded with the selection of Avalon Bay and BRIDGE Housing proposal as the highest scoring proposal. This proposal envisioned up to 1,100 housing units, of which 50% are designated as affordable to low to middle income households; approximately 4.2 acres of parks and open space; a childcare center; and parking facilities shared by the Project’s City College community.

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

1.3.1. Borrower. Balboa Lee Avenue, L.P.

1.3.2. Joint Venture Partnership. N/A

1.3.3. Demographics of Board of Directors, Staff and People Served.

Staff of SF-based organization				Staff of development team			
Total staff		179		Total staff		11	
Gender				Gender			
Female	▾	113	63%	Female	▾	9	82%
Male	▾	66	37%	Male	▾	2	18%
Race & Ethnicity				Race & Ethnicity			
AIAN		0	0%	AIAN		0	0%
Asian		64	44%	Asian		4	36%
Black		28	19%	Black		2	18%
Hawaiian		1	1%	Hawaiian		0	0%
White		51	35%	White		5	45%
Another race		0	0%	Another race		0	0%
Two or more races		8	4%	Two or more		0	0%
Declined/Unknown		0	0%	Declined/Unknown		0	0%
Hispanic		27	15%	Hispanic		0	0%
Note: Race and ethnicity are mutually-exclusive.				Note: Race and ethnicity are mutually-exclusive.			

1.3.1. Racial Equity Vision. In its 2019-2024 Strategic Plan, BRIDGE Housing pledged to promote a culture that celebrates diversity, equity and inclusion (DEI). According to the plan, this work is “essential to BRIDGE’s effectiveness and commitment to its employees and the communities it serves.” In Fall and Winter of 2020-21, BRIDGE Housing partnered with Promise54, a consulting firm that helps mission-driven organizations advance DEI priorities. The Subcommittee, working with Promise54, developed BRIDGE’s three-year plan between December 2020 and March 2021, with periodic input and feedback from the Senior Leadership Team and Board. BRIDGE is focusing on 5 main DEI strategies, Recruit-Hiring-Advance, Capacity Building, Transparency Accountability, External Commitments, and Culture.

1. Recruit, Hiring, Advance: Map and communicate career pathways for all BRIDGE staff by role and title, including pathways for staff who are non-managers; Actively recruit at smaller, local junior colleges and HBCUs (historically Black colleges and universities) and enhance diverse pipelines through internships for candidates with marginalized

identities; Leverage current networks and internal talent by creating incentives for referrals from current employees (e.g. bonus, additional PTO, etc.); Enhance internal advancement by frequently communicating job opportunities internally (e.g. weekly email, job bulletin, during performance evaluations with managers); Develop and enact an explicit commitment to achieve broader diversity of Board membership that is reflective of the diversity of BRIDGE residents and employees.

2. Capacity Building: Develop and communicate a management/leadership DEI philosophy for leaders, managers and the Board to embody and implement; Institute management training for all managers to develop managerial capacity and skills, including support, coaching and resources for ongoing discussions of DEI with expectation that SLT/Leadership are cheerleaders for DEI and model DEI vulnerability; All Staff: Analyze BRIDGE's internal forms and training materials to remove biased language (e.g. gender binary options) going forward; Provide a series of mandatory, interactive DEI trainings for all staff (e.g. antibias) to positively impact engagement with all audiences, including colleagues, partners, residents, etc.; Educate all staff about personal pronouns as they relate to gender identity, including the practice of adding pronouns to email signatures, to foster a sense of inclusivity and belonging; During annual reviews, give direct reports the opportunity to provide feedback about their managers to the managers' supervisors; feedback from direct reports offers different perspectives on managers' strengths and areas for growth.

3. Transparency / Accountability: Build shared strategic vision for DEI with specific goals and progress to date that is public and documented; Create opportunities for more Board and staff interaction, beyond Senior Leadership Team members; Define and socialize shared DEI definitions and beliefs; Evaluate/review business units (and leaders) for DEI outcomes; Develop and implement a method to assess how the Board is regularly incorporating inclusion and equity into the work of the Board.

4. External Commitments: Commit to contracting (30%+) directly or through subcontract with businesses owned by people who are Black, indigenous, people of color and/or women during the procurement process for goods/services across the organization, with an emphasis on increasing equity for people who have been historically Marginalized; Support partners (e.g. the California Tax Credit Allocation Committee) to embrace DEI by making changes to their documentation and processes; Set targets for and create evaluation/reporting processes for commercial and community serving spaces to promote businesses and services owned by people who are Black, indigenous, people of color and/or women.

5. Culture: Demonstrate DEI commitment by creating an environment where participation in culture building will become part of every employee's work schedule; Provide a rotational program between different teams at BHC and between BPMC/BHC (e.g. shadow for 2-3 days).

1.3.2. Relevant Experience. For 38 years, BRIDGE, a San Francisco based nonprofit, has completed 175 projects comprising over 16,000 units of housing, including 22 projects and 2,357 units in San Francisco. BRIDGE developments serve a wide range of residents, from market-rent paying families to fixed-income seniors, to public housing residents, to the formerly chronically homeless. BRIDGE has a pipeline of new projects in construction (45 projects with over 5,000 units), and in predevelopment (an additional 2,263 units, including Potrero, a HOPE SF development, and Jordan Downs, a public housing rehabilitation development in Los Angeles).

1.3.3. Project Management Capacity.

John Mooyman, Associate Project Manager, is in charge of CDLAC/TCAC application submittals as well as assisting the senior project manager. John joined BRIDGE Housing in June 2024 and previously served as a Project Manager for Environmental Foresight, a Landscape Architecture firm in the San Francisco Bay Area. John will dedicate 50% of his time to the Project.

Josh Carrillo, Senior Project Manager, oversees managing consultants and overall project progression through perm conversion. This includes leading updates to the scope, schedule and budget. Josh joined BRIDGE Housing in July 2024 and previously served as a Project Manager for Northwest Housing Alternatives where he spent five years developing multifamily affordable housing in Portland, Oregon. Josh will dedicate 50% of his time to the Project.

Additionally, BRIDGE hired a consultant to assist with the CDLAC Round 2 tax credit application due August 2024 and two new staff members focusing on Balboa Reservoir infrastructure:

- Andrew Johnson, Senior Project Manager, who joined in May 2024 and will be leading the infrastructure component of the development, and
- Ernie Theurer, Associate Project Manager, who will assist on infrastructure.

1.3.4. Past Performance.

1.3.4.1. City audits/performance plans. In recent years, the Sponsor experienced significant staff turnover, specifically at Balboa Reservoir and Potrero HOPE SF projects, which has interrupted progress at the site. When Avalon paused the project in January 2023, BRIDGE reduced staff resources to the project while working with MOHCD too apply for AHSC for Building A. In spring 2024, the Sponsor lost the director overseeing the Project. As a condition of previous MOHCD loans, the Sponsor regularly provides staffing updates for BRIDGE projects within the MOHCD portfolio.

The Sponsor hired four new staff members in spring 2024 (two senior project managers and two associate project managers) for the Balboa Reservoir project and now meets with regularly MOHCD senior leadership to discuss opportunities to enhance communication and build the working relationship between the Sponsor and MOHCD. The Sponsor committed to improving communication and transparency with MOHCD and staff.

1.3.4.2. Marketing/lease-up/operations. In the lease up of two recent developments (La Fenix and Avanza 490) the Sponsor’s staff was fair, culturally competent, and allowed time for applicants that needed further assistance related to the Fair Chance Ordinance. Compliance turnaround time is slower for the Sponsor than most other 100% affordable project sponsors. This may be a result of the loss of Sponsor lease up staff, changing TCAC compliance rules during the pandemic, and site staff inexperience in completing the TIC and other lease up documentation. There were sometimes multiple rounds of corrections.

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

Site Description	
Zoning:	Master Development - Balboa Reservoir Special Use District (Approved August 2020)
Maximum units allowed by current zoning (N/A if rehab):	Density not set by zoning but by Balboa Reservoir Special Use District.
Seismic (if applicable):	CBC Seismic Design Category E; PML SUL TBD pending further analysis in pre-dev period
Soil type:	Soil in the Site vicinity is considered to be Urban Land, with clayey soil.
Environmental Review:	EIR Certified May 2020, upheld in appeal August 2020.
Adjacent uses (North):	Riordan High School
Adjacent uses (South):	Ocean Avenue Neighborhood Commercial Corridor
Adjacent uses (East):	City College of San Francisco

Adjacent uses (West):	Westwood Park – RH1(D) - single family homes
Neighborhood Amenities within 0.5 miles:	Grocery stores (Whole Foods and convenience stores), Muni (K, J, 43, 8, 8BX, 49, 29, 54, 23, 36), BART, restaurants, shops, bakeries, high schools (Riordan, Lick Wilmerding, City College)
Public Transportation within 0.5 miles:	MUNI Ocean Avenue, 43, Balboa Park BART
Article 34:	Will obtain Article 34 authority prior to gap.
Article 38:	Exempt per Planning website
Accessibility:	15% (24 units) will be accessible; 10% (13 units) will be accessible for households with hearing and/or visual impairments. 91units will be adaptable.
Green Building:	The Sponsor was awarded AHSC funding and will achieve LEED for Homes Midrise Gold for residential construction. The Project is 100% electric, will utilize solar power, contains zero parking, and is using green building best practices.
Recycled Water:	Exempt. Affordable buildings in the Reservoir are exempt.
Storm Water Management:	The master infrastructure plan was approved and the Project is required to implement Best Management Practices to reduce the flow and volume of runoff from the Project Site. The stormwater control plan includes drainage management areas (DMAs) with either localized or centralized management facilities. Building E will benefit from centralized stormwater management facilities, per the Infrastructure Master Plan (IMP). Currently the Stormwater control plan has finished design development and is working through 85% construction documents.

2.1. Description. The site is a generally flat 30,310 square foot lot located at 11 Frida Kahlo Way at the current City College overflow parking.

2.2. Zoning. Density not set by zoning but by Balboa Reservoir Special Use District. There is a height maximum of 78 feet.

2.3. Probable Maximum Loss. N/A

2.4. Local/Federal Environmental Review. N/A

2.5. Environmental Issues. Phase I and Phase II complete for master development site. There is a site mitigation plan in place.

Adjacent uses and neighborhood amenities. See above.

2.6. Green Building. The Balboa Reservoir Master Plan has a comprehensive sustainability plan that refers to both site-wide and building specific commitments to Green Building. The Planning Department pushed the Project to exceed City standards for sustainability; these commitments include:

- LEED Gold or better on every building
- Goal for all electric building
- Greenhouse Gas (GHG) neutral

- Transportation Demand Management (TDM) ordinance compliance
- 20% Electric Vehicle (EV) charging stations at buildings with parking
- Non-toxic interiors
- Energy efficient design
- 25% of building energy (sitewide) via onsite renewable energy sources
- Water conservation measures, including plumbing fixtures, drought tolerant plants, and drip irrigation
- Non-potable water through gray water, exempt per DA.

3. COMMUNITY SUPPORT

3.1. Prior Outreach. In 2015 the City of San Francisco appointed the Balboa Reservoir Community Advisory Committee (BRCAC) which started work in 2014, establishing the parameters for development. In 2017 the BRCAC supported the City's developer selection process. Once the development team was selected the BRCAC met to discuss and review the developer's proposal including site design, amenities, open space programming, affordability, connection to the neighborhood, and surrounding infrastructure. The BRCAC will continue to work with the master developers through detailed design and construction. The BOS extended the BRCAC to serve through July of 2021 and it has since stopped meeting. Local opposition came from two constituencies: City College professors who were mainly concerned about losing parking on the Reservoir and neighborhoods to the West and North with concerns about traffic and construction impacts such as dust and noise. Their concerns were addressed through the entitlement process.

3.2. Future Outreach. Moving forward, BRIDGE will continue its engagement with the community to solicit input on the revised project phasing. We are in the process of securing permits for both Building E and the Infrastructure, during which time the public will be invited to provide feedback and suggestions. In addition, BRIDGE will maintain regular communication with neighboring schools, offering them access to current parking facilities for major events and keeping them updated on project developments to ensure a strong, ongoing relationship. To further enhance transparency, BRIDGE will keep an updated list of interested community members and provide timely project updates via email and the project website as we progress towards securing financing, closing, and beginning construction. This will include updates on the construction plan and timeline. A Community Liaison will be appointed prior to the start of construction to address any questions or concerns related to the project. Additionally, BRIDGE will host two public meetings each year during the construction phase, inviting both residents of the project and the surrounding community to provide feedback on our construction management practices.

3.3. 1998 Proposition I Citizens' Right-To-Know. Proposition I noticing was completed in March 2021.

4. DEVELOPMENT PLAN

4.1. Site Control. In February 2021, the Master Developer entered into an Agreement for Sale of Real Estate or Purchase and Sale Agreement (PSA) for a base price of \$11,400,000 with the SFPUC, for nearly 17 acres. The land closing occurred on December 20, 2022. The Sponsor elected to take the offered seller carryback financing from the PUC, which includes a 3% simple interest rate and annual \$400k payments, with a balloon payment due by December 31, 2026. The price paid at closing (and amount of seller carryback financing) was \$11,006,965, which is the \$11.4 million price plus \$606,965 of accrued interest as of the closing date, less \$1 million in payments made by Sponsor to the PUC as of that date. To determine the acquisition cost of the parcel Building E sits on, the Sponsor divided the purchase price for the entire site equal to the base price of \$11,400,000 plus accrued interest through the closing date of \$606,965 totaling \$12,006,965 by the total number of units on site (1100) to reach \$10,915 price per unit land cost. This amount multiplied by 128 units at Building E totals \$1,397,174.

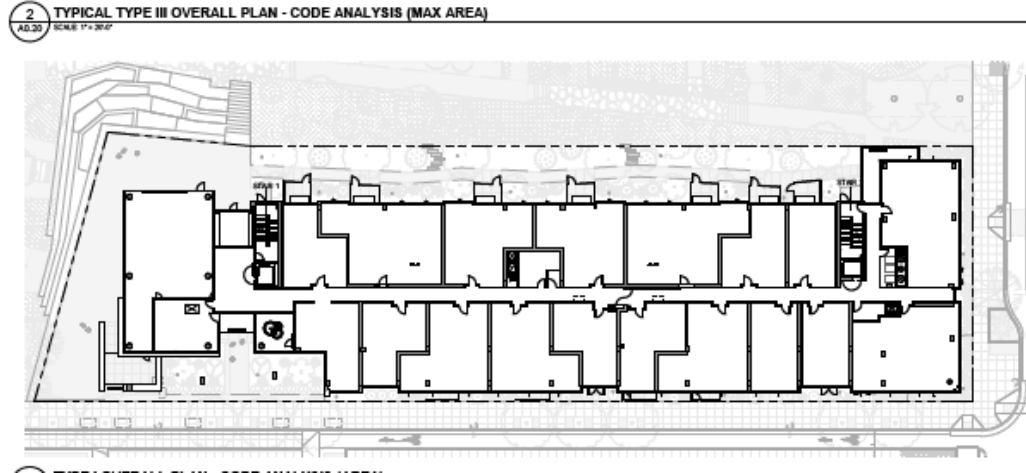
The Sponsor has completed the tentative mapping process (approved by the City on November 28, 2022) and plans to submit the Final Map and Street Improvement Plan ("SIP") to the Department of Public Works Infrastructure Task Force ("DPW-ITF") in fall 2024. The project team has been coordinating with OEWD and DPW-ITF to manage the process.

4.1.1. Proposed Property Ownership Structure. The Sponsor has an Option Agreement in place for the sale of the property from the Master Developer, BHC Balboa Builders, LLC, to the limited partnership to prove site ownership for the CDLAC application. At the close of construction financing for the Project, the land will be transferred from Balboa Lee Avenue, L.P. to MOHCD for a nominal cost, at which time MOHCD and the Project's limited partnership, Balboa Lee Avenue, L.P., will enter into a long-term ground lease of 75 years, with an option to extend up to 99 years. Base rent payment to MOHCD will be the standard \$15,000 annually with residual rents based on the unrestricted value of the land. The acquisition loan will be forgiven upon the transfer to MOHCD. As is standard in MOHCD ground lease agreements, the LP will own the improvements.

4.2. Proposed Design. Building E will be the first affordable housing development at Balboa Reservoir with 127 affordable family units and one unit reserved for building staff. In addition to the residential uses, a large, private community room will be available to residents for gatherings and functions. No parking will be provided on-site. Bicycles will be parked at a 1 space per unit ratio with additional space for cargo bikes and e-bike charging. The building will be six and seven stories, with 5 stories of Type

III-A construction over two stories of Type I-A construction. The site fronts on Lee Avenue to the east, North Street to the north and the future Reservoir Park to the west. The gross building area is approximately 154,927 square feet. The 128-unit building is intended to serve families and includes a mix of 56 one-bedroom, 40 two bedroom, and 32 three-bedroom units. The building is a simple double loaded corridor with a mix of units, common spaces, and utilities at the ground floor, anchored by the large community room at the southern end. The community room opens to a terrace that will serve as 'spill out' space during community events and open space for the building residents. Ground floor units will have patios and stoops to provide a buffer between the street, park and residences. Other ground floor amenities include laundry facilities, bike storage, teen lounge and on-site property management. Upper levels will be primarily residential except for a common multipurpose room on the third floor and laundry facilities on each level.





Residential SF:	152,838
Commercial SF:	0
Building Total SF:	152,838

UNIT TYPES	Avg Unit SF - This Project	CTCAC-Required Minimum SF
1BR:	624	450
2BR:	900	700
3BR:	1,170	900

4.3. Construction Supervisor/Construction Representative’s Evaluation

Balboa Reservoir Building E is a 7-story building with 128 multi-bedroom units and will be the first building of the Balboa Reservoir Master Plan. The site permit is set to be approved once the Preliminary Stormwater Control Plan is approved this fall. The building has a two-floor concrete podium and 5 levels of wood framing sitting on top to a long “I” shape with a small wing on the north end. Design is at 85% Construction Documents (CDs).

Compared to similar multifamily projects in MOHCD’s portfolio, Building E is 13% higher than average for total development cost (“TDC”) per unit and almost 25% above average for TDC per bedroom and square foot (sqft). Total development cost per bedroom is \$603,505/BR and \$916/sqft. The TDC per unit is higher than average at \$1,093,853/unit. Much of these higher costs can be attributed to the high costs for offsite improvements included in the budget to generate tax credit equity. With those removed, TDC/unit is roughly average and TDC/BR and TDC/sqft are only slightly higher than average.

Soft costs run significantly higher than comparable projects at \$305,279/unit, 48% higher, and \$256/sqft, 66% higher than comparable projects (average is \$205,924/unit and \$155/sqft). One reason for higher average soft cost is that the developer is carrying \$17 million in tax credit eligible basis developer fee (including \$13.6M in GP equity), which significantly impacts the soft cost comparisons. If total developer fee (including cash out fee, GP equity, and deferred fee) were reduced to \$7 million, soft costs would be \$200,345/unit which is in line with the average, but the Project would lose over \$3 million in tax credit equity and add considerably to MOHCD's gap amount.

Compared to similar buildings in MOHCD's portfolio, hard costs per unit are roughly average at \$775,861/unit, the per bedroom is within average (9% higher than average) at \$400,086 and construction/square foot cost is 11% higher than average at \$650/sqft. Total hard cost includes a developer's 5% construction contingency and 2.9% escalation (which also covers bid contingency). Hard costs also include \$11,181,336 for offsite improvements which are basis eligible infrastructure-related costs.

The construction estimate based on 85% CDs, excluding owner and escalation contingency, is \$80,970,737. Included in the construction budget is 2% contractor contingency at \$1,498,108.

Construction costs increased 1.8% since the 50% CD estimate from March 14, 2024. This was because of added escalation costs and a significant price increase in storefront and window costs. Limited cost savings have been implemented since the 50% CDs due to a pause in design coordination because of infrastructure coordination delays.

Building E will be a unique project in the MOHCD portfolio because it will be constructed simultaneously with the Balboa Reservoir Infrastructure, similar to what will be done on the Sunnydale HOPE SF Campus with Block 7, Block 9 and Phase 3 Infrastructure. Building E's sister project, Building A, is scheduled to start construction by Q1 2026 and may also overlap with Building E's construction. The construction of infrastructure at the same time as vertical construction will require significant coordination to avoid change orders due to site access.

Another logistical challenge will be receiving a building pad and site ready parcel from the Balboa Infrastructure team by June 2025. Any delays to the Balboa Reservoir Infrastructure project could impact the Building E construction. Balboa Infrastructure team is also considering partial build out of the infrastructure scope and constructing an interim park that is in Building E's backyard. The design of these buildouts will need to ensure they do not impact Building E's Stormwater Control Plan ("SCP") and will still make the space livable for future residents.

Building E's design and coordination was paused for roughly 9-12 months. The project team will need to take additional time and care to review the budget, design, schedule and plans set up in past years and validate they still work for the project site. They will also need to complete the SCP to start their addenda process. The approval of the SCP has been dependent on the Infrastructure team, and any further delays to their coordination could impact the ability to continue design.

4.4. Commercial Space. N/A

4.5. Service Space. The current configuration includes a 4,600 square foot community room with a kitchen, restrooms, and storage room. There is also a small teen room with a millwork bench, cabinetry, and tables used for service activities. The building also contains a resident manager office, a security room, and a work room for service providers.

4.6. Interim Use. N/A

4.7. Infrastructure. Infrastructure work must start and provide grading and pad readiness before the Project can start vertical construction. The work will include demolition, grading, street and transportation improvements, open space improvements, combined sewer system, stormwater management, and pad readiness for Buildings E and A. The Sponsor has been in discussions with City agencies including OEWD, SFMTA, SFPUC, SF Public Works, and MOHCD for 3-4 years to complete the infrastructure scope and bring down costs. On December 2, 2021, this Project received \$26 million in IIG funds to be used for infrastructure work at the Balboa Reservoir site. Originally, the IIG funds were for the originally envisioned first phase of infrastructure that would include Buildings E, F, C and D with Buildings C and D market rate developments and Building F as educator housing. As infrastructure discussions continued, costs grew higher than anticipated due to increased construction costs and added scope requirements by City agencies including a new auxiliary water system and replacing stormwater lines along Ocean Avenue. Additionally, due to increased interest rates and declining market rents, Avalon Bay decided to pause development of the market rate buildings which would have helped pay for infrastructure. The Sponsor tried to value engineer many of the cost overruns but a significant funding gap remained.

The Sponsor and MOHCD have had several conversations with HCD about the rephased infrastructure and believe that the new IIG application will result in a roughly \$20 million IIG award. The IIG award has a fund disbursement deadline of June 30, 2025, which can only be extended by the California DOF since the date is set legislatively. Building E will not finish construction by this deadline. HCD has indicated that several projects in California that also received Round 7 IIG awards will not be

complete and is formally requesting an extension from DOF. There is no date set for when DOF will decide but HCD, the Sponsor and MOHCD believe the deadline will be extended given the severe impact retracting the funds would have across the state.

Given the anticipated reduction to the IIG award, the Sponsor anticipates a gap in infrastructure funds which MOHCD has agreed to fill to accelerate production at Balboa Reservoir and not lose nearly \$78 million in state funding. The terms of that loan are still being negotiated and a separate request will come to Loan Committee in fall 2024. To earn as much tax credit equity as possible on Building E to reduce MOHCD's overall contribution to the vertical and horizontal work, \$11 million in offsite improvements that are tax credit basis eligible have been included in the Building E budget to earn roughly \$4.5 million in tax credit equity. While this will reduce MOHCD's infrastructure gap and garner more equity for Building E, this increases total Building E costs and thus MOHCD's vertical gap. MOHCD will work with the Sponsor to structure debt for repayment to the City for the additional gap in this Project from offsite improvements. The Sponsor and MOHCD plan to have infrastructure Final Map and Public Improvement Agreements approved by the Board of Supervisors in December 2024/January 2025 and start horizontal work in March 2025.

4.8. Communications Wiring and Internet Access. The Project will provide Gratis WIFI in community spaces, including the Community Room and Lobby, as well as the communal Laundry Room that is shared by residents. The Project will provide the open cabling infrastructure from the MPOE and Telecommunications Room to the residential units needed to accommodate multiple telecommunication service providers including internet/cable.

4.9. Public Art Component. Public art was not included as part of the Development Agreement.

4.10. Marketing, Occupancy, and Lease-Up

The Project's target population is families. All units will be entered in the DAHLIA lottery and subject to preferences as per the Development Agreement (DA). The DA expands the standard geography for households eligible for neighborhood preference (#3 below) to include residents of adjacent District 11. Preference will be observed in the following order:

MOHCD Preference	Applicant Category
1	Certificate of Preference (COP) Holders

2	Displaced Tenants Housing Preference (DTHP) Certificate Holders (20%)
3	Neighborhood Preference (25%)*
4	Live or Work in San Francisco
5	All Other Applicants

*Due to this Project projecting to receive state funding from the AHSC program, the Neighborhood Preference set aside is reduced to 25% of available units, instead of 40%.

4.11. Relocation. N/A

5. DEVELOPMENT TEAM

Development Team			
Consultant Type	Name	SBE/LBE	Outstanding Procurement Issues
Architect	VNMWP	Y	N
Landscape Architect	GLS	Y	N
JV/other Architect	Y.A. studio	Y	N
General Contractor	Nibbi/Pilot JV		
Owner's Rep/Construction Manager	Waypoint	N	N
Financial Consultant	CHPC	N	N
Legal	Lubin Olson	N	N
Property Manager	BPMC	N	N
Services Provider	TBD		

5.1. Procurement Plan. The San Francisco Contract Monitoring Division (CMD) has assigned an 18% LBE/SBE participation goal for both the Balboa Reservoir Community as well as Balboa Building E. The current AIA contract has delineated 18.71% of its cost and scope to be allocated towards SBEs. The Sponsor is exceeding the LBE goal with 58% of current professional contracts identified as LBE.

5.2. Opportunities for BIPOC-Led Organizations. BRIDGE has an internal commitment within the Diversity, Equity, and Inclusion Plan to contracting (30%+) directly or through subcontract with businesses owned by people who are Black, indigenous, people of color and/or women during the procurement process for goods/services across the organization, with an emphasis on increasing equity for people who have been historically marginalized.

This commitment is in the early stages of implementation and BRIDGE is actively assessing the effectiveness of its contracting efforts towards achieving this goal. Currently, BRIDGE is analyzing baseline data from their service providers. Their findings indicate that 75% of their service partners are led by BIPOC individuals or women. To advance this goal within the construction sector, BRIDGE has amended its existing construction contracts to mandate that 30% of subcontractors, consultants, material suppliers, and/or vendors be Minority Business Enterprise (MBE) qualified.

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

6.1. Prior MOHCD/OCII Funding:

Loan Type/ Program	Loan Date	Loan Amount	Interest Rate	Maturity Date	Repayment Terms	Outstanding Principal Balance
Predevelopment	September 24, 2021	\$1,000,000	3%	57 years from recorded DOT	Residual Receipts	\$0

6.2. Disbursement Status. There are no funds remaining in the predevelopment loan. The Loan Committee approved payment of costs no earlier than April 16, 2021, so long as these costs are deemed acceptable and correspond to the predevelopment budget. This request includes approval of an additional \$2 million in predevelopment for costs incurred after this Loan Committee date August 16, 2024.

6.3. Fulfillment of Loan Conditions. Below is the status of Loan Conditions since this project was last at Loan Committee for Predevelopment Loan Request:

- Sponsor will share all Financial Consultant budget updates with MOHCD **Status: In progress.**
- Sponsor will provide and MOHCD will approve an infrastructure analysis showcasing the supported share of the affordable housing before applying to IIG. **Status: Complete.**
- Sponsor will work with MOHCD to complete and bring on construction Manager through RFQ process. **Status: Complete.**
- Sponsor will work with MOHCD to complete and bring on general contractor through RFQ process. **Status: Complete.**
- BRIDGE to provide analysis for competitiveness for CDLAC. **Status: Complete.**
- BRIDGE to provide analysis for competitiveness for AHP. **Status: Included in updated Loan Conditions below.**
- Sponsor must provide a detailed marketing plan that addresses the City’s racial equity goals related to housing access prior to Loan Committee approval. **Status: Sponsor will provide within 12 months of TCO (included in Loan Conditions below).**
- BRIDGE to provide infrastructure coordination and finance plan and ways to mitigate any increased cost. **Status: In progress.**
- Sponsor will provide a updated service plan and budget to MOHCD. **Status: Included in Loan Conditions below.**

- MOHCD will approve all additional predevelopment funding sources and developer fee payout. **Status: Complete.**
- MOHCD will approve Lender/Investor RFP before published and review and approve all Lender/Investor responses. **Status: Included in Loan Conditions below.**
- The Sponsor will provide a detailed analysis of how the total land costs were derived and proportionally attributed to each housing parcel closer to gap. **Status: Complete.**
- The Sponsor will provide a detailed analysis of how the total entitlement costs were derived and proportionally attributed to each housing parcel closer to gap. **Status: Complete.**

6.4. Proposed Permanent Financing

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

- Private mortgage (\$15,672,000): Lender TBD, 40-year amortization (20-year term), 6.905% interest rate including 2.00% spread and 0.50% cushion. Sponsor will maximize mortgage at gap financing.
- 4% Tax Credit Equity (\$51,389,155): Investor TBD, \$0.97 per credit. This is slightly lower than other projects in the MOHCD pipeline that have closed in the last 2-3 months.
- AHSC (\$20,789,777): Includes Affordable Housing Development (AHD) loan and Sustainable Transportation Infrastructure (STI) grant. AHD loan: 55-year, 3% simple interest, mandatory payment equal to 0.42% of loan; remainder based on residual receipts. STI grant: These funds are drawn on a reimbursement basis. Sponsor will work with MOHCD to draw down these funds as soon as possible so MOHCD's gap does not have to bridge these funds. This award requires that all permanent financing for the Project be secured by January 1, 2025.
- MOHCD Loan (\$37,531,286): 57-year term (from recorded DOT), 3.0% simple interest with residual receipts payments.
- AHP: The Project's self-score is 66. Sponsor will apply for AHP to reduce MOHCD's gap.
- Deferred Developer Fee (\$1,030,000): Calculated based on 6.35% HCD limit on net allowable fee.
- General Partner Equity (\$13,601,029): GP equity calculated by subtracting deferred developer fee and cash fee from net allowable fee. Although it adds to TDC, it generates tax credit basis and contributes roughly \$5.4M in additional tax credit equity to the Project.

- Construction Loan (\$57,332,348): While not a permanent source, the construction loan terms are 7.72% over 28 months with lender TBD.

6.5.2 CDLAC Tax-Exempt Bond Application:

CDLAC Self-Score	
Opportunity Map Resource Level	Highest Resource
TCAC Housing Type (new construction only)	Large Family
Bond Allocation Request Amount	\$70,800,000
Total Self-Score (out of 120 points)	120
Tiebreaker Score	132.26%

6.5.3 HOME Funds Narrative: N/A

6.5.4 Commercial Space Sources and Uses Narrative: N/A

6.5.5 Permanent Uses Evaluation:

Development Budget		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Hard Cost per unit is within standards	Y	\$775,861/unit. Per unit hard costs are with 1-2% of average.
Construction Hard Cost Contingency is at least 5% (new construction) or 15% (rehab)	Y	Hard Cost Contingency is 5%. The Sponsor is carrying 3% in escalation until June 2025 which also includes contingency for price changes until GMP.
Architecture and Engineering Fees are within standards	Y	A&E fees are within MOHCD underwriting guidelines. Architecture fees total \$2,403,018 and Engineering fees are \$36,000.
Construction Management Fees are within standards	Y	Construction management fees are \$250,000.
Developer Fee is within standards, see also disbursement chart below	Y	Project management fee: \$1,100,000 Additional PM fee: \$270,000 <i>(to be added to At-risk fee)</i> At risk fee: \$1,100,000 Deferred fee: \$1,030,000 GP equity: \$12,873,016 Commercial fee: \$0 Total fee: \$16,373,016

Consultant and legal fees are reasonable	Y	Legal fees are reasonable at \$382K for borrower legal, bond counsel and lender counsel. Consultant fees are reasonable at \$75,000.
Entitlement fees are accurately estimated	Y	Entitlement fees were calculated by Building E's proportional share of affordable units across the site. Permit fees are comparable to other projects.
Construction Loan interest is appropriately sized	Y	Sized using 52% Average Outstanding Balance.
Insurance is appropriately sized	Y	Insurance was recently quoted at \$2,646,283.
Soft Cost Contingency is 5-10% per standards	Y	Soft Cost Contingency is 6.5% of soft costs excluding construction loan interest and origination fee per MOHCD Guidelines.
Capitalized Operating Reserves are a minimum of 3 months	Y	Capitalized Operating Reserve is equal to 3 months operating expenses including debt service and AHSC payment.
Acquisition Costs	Y	Acquisition costs are calculated from Building E's proportional share of the purchase price from SFPUC (\$11.3M). This is estimated at \$10,915/unit which calculates to \$1,397,174 for Building E.
Offsite improvements*		The Sponsor maximized offsite improvements that are tax credit basis eligible (\$11.18M) to earn as much equity as possible.*

***Offsite improvements:** The Sponsor is also requesting a separate bridge loan for infrastructure at Balboa Reservoir as part of a separate Loan Committee request. Since Building E can earn tax credit equity on eligible offsite infrastructure improvement costs, the Sponsor maximized those costs as part of this budget which increases MOHCD's gap loan (MOHCD's gap increases roughly 60% of added offsite improvements). MOHCD and the Sponsor are negotiating how to structure the debt for repayment to the City for the additional gap included in this eval for offsite work.

6.5.6 Developer Fee Evaluation: The milestones for the payment of the developer fee to the sponsor are specified below. Total developer fee is comparatively high due to the significant GP equity to raise eligible basis. This added GP equity adds approximately \$4.5 million in tax credit equity.

Total Developer Fee:	\$16,373,016	
Project Management Fee Paid to Date:	\$385,000	
Amount of Remaining Project Management Fee:	\$715,000	

Amount of Fee at Risk (the "At Risk Fee"):	\$1,370,000	
Amount of Commercial Space Developer Fee (the "Commercial Fee"):	\$0	
Amount of Fee Deferred (the "Deferred Fee"):	\$1,030,000	
Amount of General Partner Equity Contribution (the "GP Equity"):	\$12,873,016	
Milestones for Disbursement of that portion of Developer Fee remaining and payable for Project Management	Amount Paid at Milestone	Percentage Project Management Fee
Infrastructure Permit Issued	\$165,000	15%
Construction close	\$220,000	20%
Construction Complete	\$220,000	20%
Project close-out	\$110,000	10%
Milestones for Disbursement of that portion of Developer Fee defined as At Risk Fee		Percentage At Risk Fee
100% lease up and draft cost certification	\$274,000	20%
Permanent conversion	\$685,000	50%
Project close-out	\$411,000	30%

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

7.1. Annual Operating Budget. The project has no rental subsidies.

7.2. Annual Operating Expenses Evaluation.

Operating Proforma		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Debt Service Coverage Ratio is minimum 1.1:1 in Year 1 and stays above 1:1 through Year 17	Y	DSCR is 1.15 at Year 1 and 1.43 at Year 17. On MOHCD proforma it is showing 1.14 but CHPC shows 1.15 since they calculate \$15K ground lease below the line.
Vacancy rate meets TCAC Standards	Y	Vacancy rate is 5%
Annual Income Growth is increased at 2.5% per year or 1% for LOSP tenant rents	Y	Income escalation factor is 2.5%
Annual Operating Expenses are increased at 3.5% per year	Y	Expenses escalation factor is 3.5%
Base year operating expenses per unit are reasonable per comparables	Y	Total Operating Expenses are \$11,713 per unit. This is lower than comparable projects in MOHCD's portfolio.
Property Management Fee is at allowable <u>HUD Maximum</u>	Y	Total Property Management Fee is \$84,480 or \$55 PUPM

Property Management staffing level is reasonable per comparables	Y	Proposed staffing: 1.0 FTE Property Manager (PM) 1.0 FTE Office Admin 1.0 FTE Maintenance Repair staff 1.0 FTE Security 1.0 FTE Janitor
Asset Management and Partnership Management Fees meet standards	N	Annual AM Fee is \$22,670/yr Annual PM Fee is \$24,280/yr Max AMF and PMF is \$50,249 for 2024. Sponsor is showing \$46,950 total.
Replacement Reserve Deposits meet or exceed TCAC minimum standards	Y	Replacement Reserves are \$500 per unit per year
Limited Partnership Asset Management Fee meets standards	Y	Currently set at \$5K/year without escalation. Will most likely need to be raised to match market.

This Project’s operating expenses are lower than all similar new construction projects containing 100-150 units without formerly homeless households. When escalated to 2024 prices, the average PUPA is \$15,392 for similar projects (including 111 Jones, Carter Terrace, O’Farrell Towers, Maria Manor, International Hotel, Natalie Gubb Commons and Heritage Hotel) while this Project’s PUPA expenses are \$11,713. Utilities and insurance may need to be revisited to reflect more realistic costs.

7.3. Capital Needs Assessment & Replacement Reserve Analysis. N/A

7.4. Income Restrictions for All Sources.

UNIT SIZE		MAXIMUM INCOME LEVEL	
	No. of Units	MOHCD	TCAC
LOTTERY			
1 BR	15	36% MOHCD AMI	30% TCAC AMI
2 BR	10	39% MOHCD AMI	30% TCAC AMI
3 BR	6	40% MOHCD AMI	30% TCAC AMI
Sub-Total	31		
1 BR	18	61% MOHCD AMI	50% TCAC AMI
2 BR	12	65% MOHCD AMI	50% TCAC AMI

3 BR	6	67% MOHCD AMI	50% TCAC AMI
Sub-Total	36		
1 BR	23	73% MOHCD AMI	60% TCAC AMI
2 BR	17	78% MOHCD AMI	60% TCAC AMI
3 BR	20	81% MOHCD AMI	60% TCAC AMI
Sub-Total	60		
STAFF UNITS			
2 BR	1		
TOTAL			
PROJECT AVERAGE		64%	50%
AVERAGE FOR LOTTERY UNITS ONLY		64%	50%

7.5. MOHCD Restrictions.

Unit Size	No. of Units	Maximum Income Level
1 BR	15	36% of Median Income
2 BR	10	39% of Median Income
3 BR	6	40% of Median Income
1 BR	18	61% of Median Income
2 BR	12	65% of Median Income
3 BR	6	67% of Median Income
1 BR	23	73% of Median Income
2 BR	17	78% of Median Income
3 BR	20	81% of Median Income
2 BR	1	Manager's Unit

8. SUPPORT SERVICES

8.1. Services Plan. At Building E, all households will have access to a range of on-site and off-site referral services coordinated by BRIDGE through its direct-service partnerships and in collaboration with local service providers. Since Building E will be a mixed-income affordable housing development, including households ranging from 30-60% TCAC AMI, BRIDGE's resident programs plan will focus on 3 essential areas: Service Coordination for resource and benefit referrals, adult and family programming, and community building activities and events. The goal is to meet resident needs by filling local service gaps while avoiding redundancy by leveraging external community resources.

Physical spaces, including a private services office and a community-serving event space, are planned in the development plan of Building E.

These facilities will host programming that builds community, integrates resident populations within the surrounding community, and supports children, youth and adult residents at all income levels. As appropriate, BRIDGE and its service partners will provide materials, program information and referral resources in appropriate languages based on resident demographics.

Service Coordination will leverage partnerships with community agencies to connect families and individuals to food resources (SNAP, Community Basket, pantries etc.), energy assistance, housing assistance (including rental assistance, if needed), medical/medication assistance, life skills and education classes, recovery treatment and more. One on-site Resident Services Coordinator will be contracted to provide resident needs-assessments, information and resource referrals, individual support and systems navigation through regular office hours, resident outreach and community building events. The RSC will also facilitate groups, workshops and presentations on issues that are relevant to residents. Topics such as financial empowerment, parenting skills, domestic violence prevention, health and safety, disaster preparedness, housing/tenant advocacy, etc. have proven to be helpful to residents. These activities provide residents with an opportunity to socialize, address individual and/or family issues, and improve interpersonal skills.

BRIDGE will partner with on-site service partner and property management staff to produce and promote educational and family enrichment programs and activities, such as: health and wellness programming, job readiness, career and college exploration, academic support, cultural enrichment, leadership development, organized play groups for mothers/fathers with young children, casual gatherings such as weekly coffee hours, community celebrations for cultural holidays and community meetings to inform and address community needs and resources.

Housing Stabilization: Since the income level of the residents at Building E will be between 30% and 60% TCAC AMI, BRIDGE anticipates a range of tenancy fluency and a need for service support with regards to housing stabilization, housing retention, lease education and trust building between residents and property management. Marginally housed households who do not have a history of responsive and/or supportive housing providers may harbor distrust stemming from histories of housing loss or instability. In addition, many families will need support in enhancing skills such as managing finances/budgeting, feeling safe in interacting with neighbors and maintenance staff, and unit care. The onsite RSC will offer support and referral assistance on any housing related issues including early intervention on Property issues; referral to legal assistance when indicated; supporting mediation for conflict

resolution among tenants; and facilitation to establish open dialogue between service staff and management.

The cornerstone of the services plan is tied to the BRIDGE Programs Team maintaining existing agency relationships and developing new partnerships with local, culturally and competent service providers. The specific services to be provided by each organization at Building E will be described through a formal MOU between BRIDGE and its partners; including specific activities and objectives, reporting expectations and timelines. BRIDGE will be responsible for the overall coordination of the services programs, including ensuring the fulfillment of financing obligations and reporting

8.2. Services Budget. The operating proforma includes \$84,000 annually to cover services, which includes 1.0 FTE Resident Services Coordinator, plus 0.2 FTE Regional Director Supervision. Employee salaries and benefits are approximately \$69,110 annually. Programmatic expenses, insurance and overhead are another \$14,907. The Sponsor identified Urban Services YMCA as the service provider for Building E which will provide a minimum of 60 Adult Education and Community Building Activities offered each year.

8.3. HSH Assessment of Service Plan and Budget. N/A

9. STAFF RECOMMENDATIONS

9.1. Proposed Loan/Grant Terms

Financial Description of Proposed Loan	
Loan Amount:	\$37,531,286
Loan Term:	57 years from recorded DOT
Loan Maturity Date:	2082
Loan Repayment Type:	Residual Receipts
Loan Interest Rate:	3%
Date Loan Committee approves prior expenses can be paid:	April 16, 2021

9.2. Recommended Loan Conditions

1. MOHCD will work with the Sponsor to structure debt for repayment to the City of additional gap funding (\$6-7 million) included in this request for as part of offsite infrastructure improvements.
2. Sponsor will share with MOHCD staff any Value Engineering documentation, including but not limited to Value Engineering logs,

budgets, and design documents. Additionally, the Sponsor must provide MOHCD with information outlining cost containment, efficiencies, and innovation strategies.

3. The Sponsor must provide MOHCD with construction due diligence items no later than 60 days from closing. These items include, but are not limited to, a subcontractor bid leveling and analysis, final Guaranteed Maximum Price (GMP)/Schedule of Values (SOV), SOV qualifications, construction insurance documents (including general contractor insurance certificates, builder's risk form, and payment and performance bond form), and a construction contract.
4. Sponsor must provide for MOHCD review: a) the Request for Proposals (RFP) for equity investors and lenders before it is finalized and distributed; b) all raw financial data from developer or financial consultant prior to selection; c) matrix of all selected investors and lenders; and, d) all Letters of Intent from financial partners.
5. Sponsor must provide initial draft marketing plan within 9 months of anticipated TCO, outlining the affirmative steps they will take to market the project to the City's preference program participants, including COP Holders, Displaced Tenants, and Neighborhood Residents, as well as how the marketing is consistent with the Mayor's Racial Equity statement and promotion of positive outcomes for African American San Franciscans.
6. Sponsor will provide MOHCD with quarterly updates before gap to Builder's Risk, Worker's Compensation and General Liability insurance to more accurately size insurance in the development budget.
7. Sponsor will determine if capitalized transit reserves are needed for AHSC or if included as part of the AHSC PGM grant. If already included, Sponsor will remove from the budget.
8. Sponsor to provide updated analysis for AHP and apply each year application is available until construction is complete to reduce the MOHCD gap.
9. Prior to gap, MOHCD must approve all land, infrastructure hard and soft cost, entitlement, master planning, and DA related costs being allocated to Buildings E, A, and B.
10. Sponsor must provide MOHCD with a detailed construction cash flow and the related interest calculations from the cash flow at least 60 days before closing.
11. Any cost savings or increased sources will be used to reduce the MOHCD gap loan.

12. Sponsor must provide MOHCD with detailed monthly updates via the MOH Monthly Project Update, including on:
 1. Community outreach completed, and
 2. Outcomes achieved related to racial equity goals,
13. Sponsor must provide quarterly updated response to any letters requesting corrective action.
14. Any new predevelopment loan proceeds can only be used for new expenses related to Building E housing after this Loan Committee date. It cannot be used to cover past housing or infrastructure costs or for any new infrastructure expenses.
15. Sponsor and MOHCD must come to an agreement of all substantial and financial terms of the repayable infrastructure loan related to Buildings E, A and the townhome parcels by no later than October 31, 2024.
16. Sponsor will provide a plan on how Master Developers will fulfill their Master Developer RCP contributions on future housing parcels and an analysis of anticipated City subsidy request for remaining affordable buildings by no later than October 31, 2024.
17. Sponsor must secure all infrastructure financing (including HCD approval for changes to IIG) and permitting prior to final MOHCD gap loan approval by no later than December 1, 2024.

10. LOAN COMMITTEE MODIFICATIONS

LOAN COMMITTEE RECOMMENDATION

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

APPROVE. DISAPPROVE. TAKE NO ACTION.

DocuSigned by:
Daniel Adams
208C20630F76437...
Daniel Adams, Director
Mayor's Office of Housing and Community Development

Date: 8/19/2024 | 9:06 AM PDT

APPROVE. DISAPPROVE. TAKE NO ACTION.

DocuSigned by:
Elizabeth Hewson
4FDD57FBFA564EF...
Elizabeth Hewson for Salvador Menjivar, Director of
Housing
Department of Homelessness and Supportive Housing

Date: 8/16/2024 | 4:31 PM PDT

APPROVE. DISAPPROVE. TAKE NO ACTION.

DocuSigned by:
Elizabeth Colomello
2BF262B00E9C423...
Elizabeth Colomello for Thor Kaslofsky, Executive
Director
Office of Community Investment and Infrastructure

Date: 8/19/2024 | 2:05 PM PDT

APPROVE. DISAPPROVE. TAKE NO ACTION.

DocuSigned by:
Vishal Trivedi
83D9B405C6594F...
Vishal Trivedi for Anna Van Degna, Director
Controller's Office of Public Finance

Date: 8/16/2024 | 4:43 PM PDT

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

Attachment A: Project Milestones and Schedule

No.	Performance Milestone	Estimated or Actual Date	Notes
A.	Prop I Noticing (if applicable)	<u>March 2021</u>	
1	Acquisition/Predev Financing Commitment	<u>April 2021</u>	
2.	Site Acquisition	<u>Dec 2022</u>	
3.	Development Team Selection		
a.	Architect	<u>February 2021</u>	
b.	General Contractor	<u>January 2022</u>	
c.	Owner's Representative	<u>January 2022</u>	
d.	Property Manager	<u>Self-managed</u>	
e.	Service Provider	<u>August 2024</u>	
4.	Design		
a.	Submittal of Schematic Design & Cost Estimate	<u>August 2021</u>	
b.	Submittal of Design Development & Cost Estimate	<u>March 2022</u>	
c.	Submittal of 50% CD Set & Cost Estimate	<u>May 2022</u>	
d.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	<u>Dec 2022</u>	
5.	Commercial Space	<u>N/A</u>	
a.	Commercial Space Plan Submission	<u>N/A</u>	
b.	LOI/s Executed	<u>N/A</u>	
6.	Environ Review/Land-Use Entitlements		
a.	SB 35 Application Submission	<u>N/A</u>	
b.	CEQA Environ Review Submission	<u>August 2017</u>	
c.	NEPA Environ Review Submission	<u>N/A</u>	
d.	CUP/PUD/Variances Submission	<u>N/A</u>	
7.	PUC/PG&E		
a.	Temp Power Application Submission	<u>October 2024</u>	
b.	Perm Power Application Submission	<u>October 2024</u>	
8.	Permits		
a.	Building / Site Permit Application Submitted	<u>July 2022</u>	<u>Expect site permit in fall 2024</u>

b.	Addendum #1 Submitted	<u>January 2025</u>	
c.	Addendum #2 Submitted	<u>January 2025</u>	
9.	Request for Bids Issued	<u>January 2025</u>	
10.	Service Plan Submission		
a.	Preliminary	<u>March 2025</u>	
b.	Final	<u>Dec 2026</u>	
11.	Additional City Financing		
a.	Preliminary Gap Financing Application	<u>April 2021 and August 2024</u>	
b.	Gap Financing Application	<u>March 2025</u>	
12.	Other Financing		
a.	IIG Award	<u>Dec 2, 2021</u>	
b.	AHSC Award	<u>Feb 4, 2022</u>	
c.	Construction Financing RFP	<u>January 2025</u>	
d.	AHP Application	_____	
e.	CDLAC Application	<u>August 2024</u>	
f.	TCAC Application	<u>August 2024</u>	
g.	Other Financing Application	_____	
h.	LOSP Funding Request	<u>N/A</u>	
13.	Closing		
a.	Construction Loan Closing	<u>June 2025</u>	
b.	Conversion of Construction Loan to Permanent Financing	<u>Dec 2027</u>	
14.	Construction		
a.	Notice to Proceed	<u>June 2025</u>	
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	<u>May 2027</u>	
15.	Marketing/Rent-up		
a.	Marketing Plan Submission	<u>July 2026</u>	
b.	Commence Marketing	<u>August 2026</u>	
c.	95% Occupancy	<u>Sept 2027</u>	
16.	Cost Certification/8609	<u>June 2028</u>	
17.	Close Out MOH/OCII Loan(s)	<u>June 2028</u>	

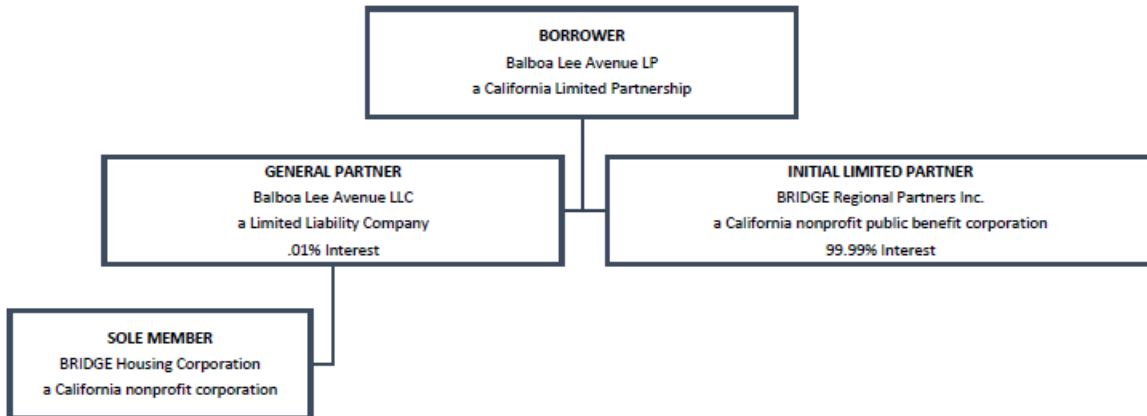
Attachment B: Borrower Org Chart

DEVELOPER ORGANIZATION STRUCTURE

BRIDGE Housing Corporation (“BRIDGE”) is the Developer and Applicant of Balboa Reservoir Building E (the “Project”). The Project will be owned by Balboa Lee Avenue LP. The Limited Partnership will be comprised of a General Partner, Balboa Lee Avenue LLC, and an Initial Limited Partner, BRIDGE Regional Partners, Inc. Upon closing the Initial Limited Partner will be replaced with the tax credit investor.

As reflected in the chart below, Balboa Lee Avenue LLC, is the General Partner of Balboa Lee Avenue LP. Balboa Lee Avenue LLC was formed on July 29, 2021. BRIDGE Housing Corporation is the Sole Member and Manager of Balboa Lee Avenue LLC. There are no other Members.

The governing board of BRIDGE Housing Corporation, Sole Member and Manager of Balboa Lee Avenue LLC, are Kenneth M. Novack, Connie Moore, Ray Carlisle, Daryl J. Carter, Robert Freed, Joe Hagan, Nancy Hemmenway, Michael McAfee Ed McNamara, Ron Nahas, Adrienne E. Quinn, Molly Turner and Paul Stein. The principals of BRIDGE Housing Corporation are Kenneth T. Lombard, Thuong Luong, Delphine Sherman, Jim Mather, Kurt Creager, Kimberly McKay, Smitha Seshadri, Brad Wiblin, Rebecca V. Hlebasko, Aruna Doddapaneni, Alison Lorig, Simone Robinson, Marie Debor, Katherine Fleming, Thomas Hesse, Lyn Hikida, Mary Kelley, Erik Lund, Kristine Miranda, Susan Neufeld, and Christian Wiedel.



Attachment C: Development Staff Resumes

See attached.



Work Experience

2024 BRIDGE Housing

- Associate Project Manager

2019-2024 Min Design

- Project Manager
- Architectural Designer

2018-2019 Matt Hollis Architects

- Architectural Designer

2017 IwamotoScott Architects

- Intern

Education

2018 UC Berkeley BA in Architecture

Judith Lee Stronach Scholar

Ernest E Theurer IV Associate Project Manager- Norcal

Ernest (Ernie) Theurer joined BRIDGE Housing in June of 2024 as an Associate Project Manager. In this role, Ernie assists with the development of various real estate master plans and rehabilitation projects in the Bay Area.

Ernie's previous experience in architecture lead him to work on a variety of projects from cultural institutions, private single-family residences and affordable multi family. He served as both a designer and a project manager at Min Design and Matt Hollis Architects. In these roles, he participated in the design of affordable multi family projects in San Francisco such as 750 Golden Gate and managed the City of San Francisco 911 Call Center renovation. His work in single family residential design was granted an AIA SF Design Award in 2024.

Ernie received his Bachelor of Arts in Architecture from the University of California Berkeley in 2018. There he was awarded the Judith Lee Stronach Scholarship (2016) to volunteer in Ahmedabad, in Gujrat India to observe and assist in the development of energy efficient building practices. He was awarded the Judith Lee Stronach Scholarship (2017) again to study the difference in bamboo construction in Indonesia.

Projects (Current)

North Berkeley Bart Phase 1: This project is a 120 unit affordable family housing Transit development project in Berkeley California.

North Berkeley Bart Phase 2: This project is a 120 unit affordable family housing Transit development project in Berkeley California.

Gatewood Village: This renovation project has 196 units over a 15 building campus.

Balboa Reservoir Infrastructure: This project is to provide infrastructure elements to several affordable family housing projects on the site.



Work Experience

2022-2023: Senior Project Manager
Lendlease Google Development Ventures

2016-2021: Senior Project Manager
Maximus Real Estate Partners

2000-2016: Project Architect Gensler

Professional Affiliations/Registrations

ULI, Member, 2016-Present
Registered Architect, Texas

Education

Master's of Architecture, Arizona State University
B.A. Journalism & Public Relations, The Ohio State University

Andrew Johnson **Senior Project Manager of Development—NorCal**

Andrew joined Bridge Housing as a Senior Project Manager of Development in May of 2024. In this role, he is responsible managing affordable real estate projects in all stages of development, including project feasibility, predevelopment, Design Entitlements, building permitting and regulatory approvals, preconstruction, and construction.

Andrew brings broad experience to BRIDGE, as a former practicing architect and development manager he has worked directly on projects as a design team member and managed the more extensive process from an owner's perspective. Andrew has deep experience with new developments and redevelopment/repositioning projects. As a development manager, his experience includes due diligence, project planning, feasibility analysis, and predevelopment management, including identifying and finalizing program requirements, developing and managing budgets and schedules, and managing the design process. Andrew is comfortable vetting, hiring, and managing consultants and have successfully collaborated with and directed design and construction teams. He often led as the point of contact with regulatory agencies, including managing the project's local planning entitlements and permit regulatory requirements. As a former architect, Andrew brings solid design sensibility and technical understanding to ensure the design process provides value through creative problem-solving while integrating critical project constraints. As a project-driven professional, he works to ensure projects are successful, and brings a high level of project ownership to his work.

Prior to joining BRIDGE, Andrew led the successful entitlements of a 687 unit, multi family TOD project on a brownfield site in San Leandro. Worked to deliver the North Bay Shore Master Plan a 151 Acre ecologically driven Plan with 7,000 new homes and 3 million square feet of office, and 31 acres of public parks, and Design Delivery of Parkmerced Phase 1A, B, C & D

Projects (Current)

North Berkley BART TOD Master Plan, including a Phase I including a 120-unit affordable family project.
Balboa Reservoir Master Plan, infrastructure mapping, permitting, and two affordable family projects.



JOHN MOOYMAN

Associate Project Manager

John Mooyman joined Bridge Housing as Associate Project Manager in June 2024. In this role, he is managing the predevelopment of two midrise affordable housing projects in two master planned communities within the Bay Area.

Engaging in freelance development work for the past year, John has experience crafting equity investment packages, modeling out extensive 5-year discounted cashflows on existing assets, and inventorying portfolios to identify prospects for higher density inclusionary housing development.

Prior to affordable housing development, Mr. Mooyman worked as a project manager at a landscape architecture firm in the East Bay overseeing teams of landscape designers across 36 projects of diverse scales and product types, encompassing single-family, multi-family, office, parks, streetscapes, industrial, and master planned communities. These developments were logistically complex projects with large numbers of stakeholders involved, required quick turnarounds, and relied on strong team coordination. While working as a landscape architect, John also studied the nuances of developing net positive energy communities and published a research paper with the Taylor & Francis: Journal of Urbanism on The Feasibility of Residential Microgrids.

John Mooyman received his Bachelor of Science in Landscape Architecture from the University of California, Davis and his master's degree in Real Estate Development and Design from the University of California, Berkeley. While in the master's program, he focused his time on studying affordable housing finance and participated in multiple competitions including the 2024 ULI Hines Competition where his team received an honorable mention. John was also awarded the UC Berkeley College of Environmental Design Fellowship for his research in building operations sustainability.

Projects (Current)

Balboa Reservoir Affordable

1051 Mission Affordable

4840 Mission Affordable

Work Experience

2023-2024: Development Freelancing

- Acquisitions
- Financial modeling
- Developer investment presentations

2019-2023: Project Manager,

Environmental Foresight, Inc.

- Master planned community layout and design
- Site analysis
- Project risk management

2018-2019: Landscape Designer, Project
Invigorate

- Stormwater management basin design
- Community outreach

2017-2018: Design Intern, Susan Friedman
Landscape Architecture

- Design presentation
- Site surveys

2016-2017: Survey Intern, F3 & Associates
Inc.

- BIM 3D modeling
- Survey data analytics

Professional Affiliations

Urban Land Institute (ULI) 2023-2024; Non-Profit Housing (NPH) 2023-2024; Berkeley Real Estate Club (BREC) 2023-2024; Berkeley Real Estate Alumni Association (BREAA) 2024; Boy Scouts of America (BSA) 2012-2016

Education

2024: Masters in Real Estate Development & Design, University of California, Berkeley
2021: B.S. Landscape Architecture, University of California, Davis



JOSHUA R. CARRILLO

Senior Project Manager—NoCal

Joshua Carrillo joined BRIDGE Housing as Senior Project Manager – NoCal in July 2024. In this role, he is responsible for managing multiple real estate projects in development in the Northern California region.

In his 8-year career in affordable housing development with Northwest Housing Alternatives and Neighborhood Partnership Housing Services, Mr. Carrillo served as both a Project Manager and Director of Real Estate Development. In these roles, he oversaw the development of hundreds of units of affordable housing across Southern California and the Portland, OR metro area. One of those affordable housing projects, which is located in Tigard, OR, was featured in Affordable Housing Finance in 2022. Mr. Carrillo is also a licensed Real Estate Broker in California where he successfully brokered over \$35 million in single-family and Missing Middle Housing real estate transactions.

In addition to his work in affordable housing, Mr. Carrillo's experience includes serving as a Property Manager and Project Coordinator for the City of Beaverton where he provided due diligence for the acquisition of several commercial properties in Downtown Beaverton and managed the City of Beaverton's property management portfolio of publicly owned properties.

Joshua Carrillo received his Bachelor of Science (Political Science) from Northeastern University in Boston, MA and a Master of Urban and Regional Planning from the University of California, Irvine and an MBA from Portland State University. Mr. Carrillo has held various volunteer roles in the community – including having served as a member of Oregon City's Comprehensive Plan Update Advisory Team (PAT), the City of Gladstone's Needed Housing Advisory Committee (NHAC) and the City of Beaverton's Urban Renewal Advisory Committee (URAC) and the Board of Governors for the City Club of Portland where he provided board oversight over the organization.

Projects (Current)

- 1. Balboa Reservoir Building E:** This is a 128-unit affordable family housing development in San Francisco.
- 2. Balboa Reservoir Building A:** This development will provide 159 affordable family apartments in San Francisco.
- 3. 1051 Mission:** This is a 158-unit affordable family housing development in South San Francisco.

Work Experience

2024-Present: Senior Project Manager, BRIDGE Housing Corporation

2019-2024: Project Manager, Northwest Housing Alternatives

2015-2019: Project Coordinator, City of Beaverton

2011-2014: Neighborhood Partnership Housing Services

- Director of Real Estate Development
- Real Estate Broker-of-Record
- Homeownership and Redevelopment Manager

2006-2007: Research Associate, Boston City Council

2004: Research Associate, Boston Municipal Research Bureau

Professional Affiliations

City Club of Portland, Board Member 2022-2023;

City of Beaverton Urban Renewal Advisory Committee, Advisory Member;

City of Gladstone Needed Housing

Advisory Committee, Advisory Member;

Oregon City Comprehensive Plan Update

Project Advisory Team, Advisory Member;

Project Management Institute (PMI),

Member, 2017-2024,

ULI, Member, 2015-Present

Education

2019: MBA, Portland State University

2009: Master of Urban and Regional Planning, University of California, Irvine

2007: B.S. Political Science, Northeastern University

Attachment D: Asset Management Evaluation of Project Sponsor**# of projects and avg. # of units/project currently in sponsor's asset management portfolio**

- BRIDGE Housing Corporation's Asset Management team currently manages a portfolio of approximately 130 projects across the Pacific Coast with an average of 100 units per property.

sponsor's current asset management staffing – job titles, FTEs, avg # units assigned to each FTE, org chart and status of each position (filled/vacant)

- Within asset management, BRIDGE currently has:
 - (1) Accounts Payable Specialist that is a FTE
 - (2) Asset Management Administrators that are FTE
 - (2) Asset Management Administrators that are PTE
 - (1) Asset Management Analyst that is a temporary FTE
 - (2) Asset Management Analysts who are FTE
 - (4) Asset Managers who are all FTE
 - (2) Senior Asset Managers who are FTE
 - (2) Directors of Asset Management that are FTE
 - (1) Senior Vice President of Asset Management that is a FTE
- BRIDGE is currently looking to hire one Senior Asset Manager to complete the asset management division in the San Francisco office. Each FTE member of the asset management team is assigned anywhere between 1,100 units to 2,400 units to manage.

description of scope and range of duties of sponsor's asset management team

- The asset management team is responsible for the financial operations of properties and serves as the primary contact for the portfolio's investors and lenders. The portfolio includes a mix of property and financing types, including a number of public housing properties. Asset management acts as the representative of the owner of each property and as such, they are directly responsible for ensuring that the long-term financial health of properties in the portfolio meets BRIDGE, owner, and lender requirements. The asset management department works closely with several cross-functional teams focused on the financial health of the portfolio,

including Property Management and individual property site staff, Accounting, Legal, Insurance, and Development. Asset management has extensive external contact with BRIDGE's consultants (legal, financial, etc.), regulatory agencies, lenders and investors. Some of their duties are listed below

- o Creating and maintaining comprehensive asset management/strategy plans for each property in assigned portfolio.
- o Limited partner buyouts and refinancing of debt.
- o Work with Development and Property Management to create accurate pro forma and long-term strategic plans for new properties.
- o Portfolio analysis and summary reports to determine concerns impacting the financial and/or physical health of the asset.
- o Ensure properties are meeting financial goals as projected/required under all agreements or regulations
- o Review all reporting information due to investors/lenders
- o Research partnership agreements, financing documents, regulatory agreements, tax returns, and other source documents to determine constraints and barriers to long-term needs
- o Conduct site visits, document property condition and develop corrective action as appropriate
- o Review all governing documents for new and existing properties
- o Evaluate property plans to ensure surplus cash will meet long-term corporate cash flow targets
- o Manage annual budget process with assigned portfolio; propose solutions to cash-flow issues
- o Monitor portfolio to ensure that financial performance is in-line with the budget and that variance explanations meet BRIDGE and investor/lender requirements
- o Monitor and review audits to ensure surplus distributions are made correctly and on a timely basis
- o Monitor that properties moving into operations are meeting financial performance according to the pro forma
- o Establish and maintain good working relationships with lenders and investors as the primary contact for properties in the assigned portfolio
- o Negotiate with partners and/or lenders as needed to amend agreements
- o Facilitate approval processes with lenders and/or investors as needed
- o Develop and sponsor occasional meetings to review portfolios with investors, lenders, and internal groups, including the coordination of on-site property visits in the portfolio
- o Prepare annual Board reports for single purpose entities and projects with outside partners

- Coordinate all responses to questions from investors/lenders on assigned portfolio

description of sponsor's coordination between asset management and other functional teams, including property management, accounting, compliance, facilities management, etc.

- Asset Management works closely with the property management, accounting, and compliance teams to ensure that BRIDGE's portfolio of properties operate efficiently. Asset Management, Property Management, Accounting, and Compliance teams are all based out of BRIDGE's Headquarters in San Francisco. Asset Management meets with these other team formally in regularly scheduled meetings, but also in an ad hoc fashion to discuss issues at the properties and to work cooperatively to resolve them. Asset Management and Compliance are both under the leadership of Natalia Williams, who serves as BRIDGE Housing Corp.'s Senior Vice President of Asset Management and Compliance. The senior leadership team members that head Property Management and Finance meet to discuss high level strategy and best practices that trickle down through the corporate office to the site level to ensure that the property staff are knowledgeable, engaged, empowered, and make thoughtful decisions.

sponsor's budget for asset management team – shown as cost center for projects in SF

- BRIDGE has an asset management team (which includes compliance and waitlist teams) across its portfolio of approx. 130 properties. There are several asset managers who oversee SF properties, in addition to properties outside of SF. On average, the cost of asset management including compliance and some overhead allocation is \$70k per year per property. As BRIDGE adds more properties to its portfolio and finds ways to increase efficiencies, this number will decrease over time.

of projects expected to be in sponsor's AM portfolio in 5 years and, if applicable, plans to augment staffing to manage growing portfolio

- BRIDGE expects to manage 33 new development projects, including Balboa Reservoir Building E, within the next 5 years. In addition to these new properties, BRIDGE is also looking to acquire new acquisitions, but these are highly opportunistic. At the moment, there is only one active acquisition in the Bay Area that is being pursued. BRIDGE is committed to growing our asset management capacity to match our growing portfolio in the Bay Area.

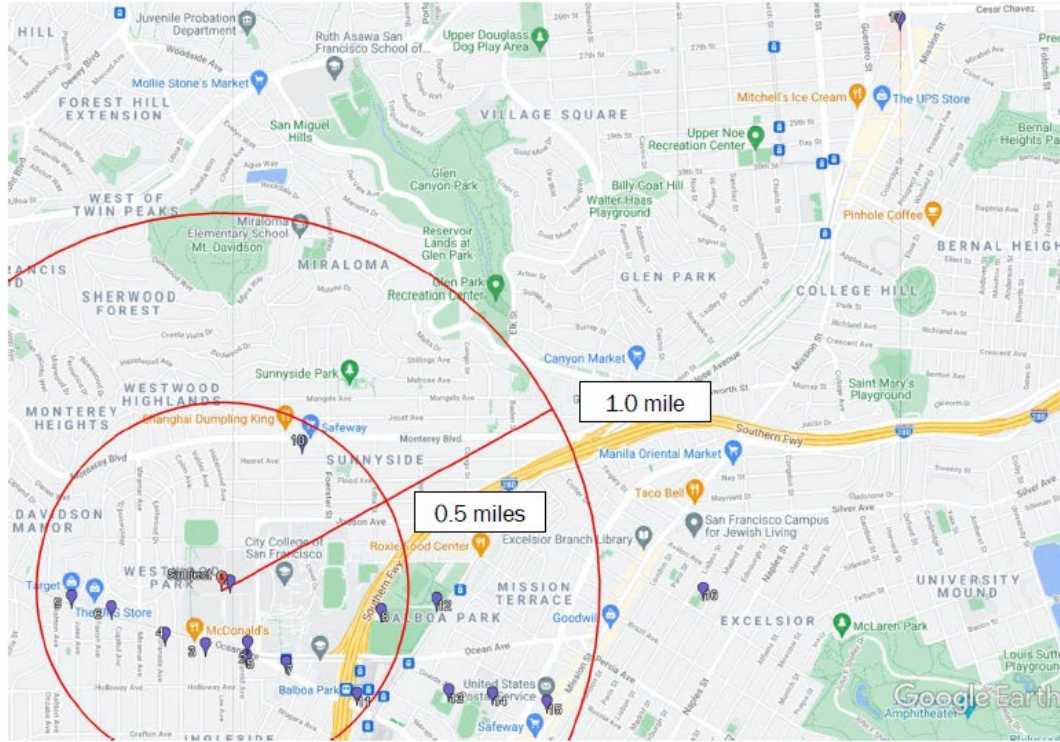
Attachment E: Threshold Eligibility Requirements and Ranking Criteria

N/A

Attachment F: Site Map with amenities

Locational Amenities Map

The Subject will be located in close proximity to many amenities and services. The following map and table below display the distances and location of various services from the site.



LOCATIONAL AMENITIES

#	Service or Amenity	Distance from Subject (Crow)
1	Bus Stop	<0.1 miles
2	Fire Station	0.2 miles
3	Wells Fargo Bank	0.2 miles
4	Ingleside Community Center	0.2 miles
5	Gas Station	0.2 miles
6	Walgreens	0.3 miles
7	Light Rail Station	0.3 miles
8	Police Station	0.4 miles
9	Target	0.4 miles
10	Safeway	0.5 miles
11	Bart Station	0.5 miles
12	Balboa Park	0.6 miles
13	James Denman Middle School	0.7 miles
14	Balboa High School	0.8 miles
15	Post Office	0.9 miles
16	Monroe Elementary School	1.3 miles
17	CPMC Mission Bernal Campus	2.4 miles

Attachment G: Elevations and Floor Plans

See attached.

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

See attached.

Affordable Multifamily Housing New Construction Cost Comparison - San Francisco

Updated 8/12/2024		Acquisition costs by Unit/Bed/SF			Construction by Unit/Bed/SF			Soft Costs By Unit/Bed/SF			Total Development Cost (Not including Land)			Subsidy	
	Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/ sq.ft ²	Soft/unit	Soft/BR	Soft/ sq.ft ²	TDC/unit	TDC/BR	TDC/ sq.ft ²	Subsidy / unit	Leveraging ⁷	
Delta of Subject and Comparable Projects	\$ 11,102	\$ 6,199	45.12397748	\$ 1,583	\$ 35,990	\$ 66	\$ 99,355	\$ 64,156	\$ 100	\$ 122,842	\$ 111,813	\$ 183	(16,128)	113.1%	
Delta Percentage	689%	760%	1178%	0%	9%	11%	48%	62%	65%	13%	23%	25%	-5%	163%	
SUBJECT PROJECT	Balboa Res. Bldg E	\$ 12,713	\$ 7,014	\$ 49	\$ 775,861	\$ 428,061	\$ 650	\$ 305,279	\$ 168,430	\$ 256	\$ 1,093,853	\$ 603,505	\$ 916	\$ 282,620	74.2%
Comparable Projects	Average:	\$ 1,611	\$ 816	\$ 3.83	\$ 774,278	\$ 392,072	\$ 584	\$ 205,924	\$ 104,274	\$ 155	\$ 971,012	\$ 491,692	\$ 733	\$ 298,748	69.2%

Costs **lower** than comparable average (within 10%)
 Costs **higher** than comparable average (within 10%)

	Average:	Building Square Footage				Total Project Costs				Notes on Financing (e.g., TCAC)	Building Type (e.g., Type II over Type I)	Stories	Comments (stage of design/pricing; date of LC; unusual conditions such as childcare center)				
		Lot sq.ft	Completion/ start date	# of Units	# of BR ¹	Res. ²	Non-Res.	Sq. ft.	Total sq. ft.					Acq. Cost ³	Constr. Cost ⁴	Soft Cost	Total Dev. Cost w/acc costs
ALL PROJECTS	Average:	31,279		121	193	119,041	13,534	130,801	\$ 171,653	\$ 81,997,856	\$ 21,732,728	\$ 103,421,741	\$ 31,005,428				
Comparable Projects Completed (filtered)	Average:	46,770		117	218	128,919	13,965	142,883	\$337,978	\$82,763,167	\$17,399,768	\$100,500,913	\$28,935,093				
Comparable Projects Under Construction (filtered)	Average:	42,626		101	200	117,735	23,172	140,908	25,834	\$3,872,978	\$21,886,905	\$102,190,898	\$38,443,055				
Comparable Projects In Predevelopment (filtered)	Average:	50,515		115	239	139,991	17,321	157,312	\$172,280	\$91,069,405	\$29,251,572	\$120,493,256	\$32,055,000				
Total Comparable Projects	Average:	46,637		111	219	128,882	18,152	147,034	\$178,697	\$85,901,850	\$22,846,082	\$107,728,356	\$33,144,383				
SUBJECT PROJECT	Balboa Res. Bldg E	33,240	May-25	128	232	152,838	-	152,838	\$ 1,627,286	\$ 99,310,255	\$ 39,075,706	\$ 140,013,247	\$ 36,175,360	AHSC	Type3A over 1A	7	
Delta of Subject and Comp Project Averages		-13.397		17	13	23,956	-18,152	5,804	\$1,448,589	\$13,408,405	\$16,229,624	\$32,284,891	\$3,030,977				
Delta Percentage		-29%		15%	6%	19%	-100%	4%	811%	16%	71%	30%	9%				

PROJECTS COMPLETED																	
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR ¹	Building Square Footage			Total Project Costs			Total Dev. Cost w/acc costs	Local Subsidy ⁵	Notes on Financing	Building Type	Stories	Comments (stage of design/pricing; date of LC; unusual conditions such as childcare center)
						Res. ²	Non-Res.	Total	Acq. Cost ³	Constr. Cost ⁴	Soft Cost						
Hunters View Phase II - Block 10	146 West Point Road	52,333	Jun-18	72	144	90,274	13,328	103,602	\$ -	\$ 54,492,048	\$ 8,732,464	\$ 63,224,512	\$ 17,393,406	9% LHTC	Type IIIA over Type I	5	Childcare
Potrero Block X (Vertical)	25th and Connecticut	30,000	Sep-19	72	139	86,569	28,952	115,521	\$ 20,700	\$ 71,591,990	\$ 12,766,230	\$ 84,378,920	\$ 17,893,093		Type IIIA & V over Type I	4-6	No infrastr. Cost
Hunters View Phase II - BI 7 & 11	227-229 West Point Rd	82,703	May-17	107	239	117,023	23,857	140,880	\$ -	\$ 70,171,296	\$ 9,272,003	\$ 79,443,299	\$ 19,737,243	2 HCD Loans (MHP & IG)	Type III-V over Type I flat	2+	downslope
Transbay 7 - Natalie Gubb Comm	222 Beale Street	29,209	Oct-18	120	208	118,251	5,000	123,251	\$ 35,000	\$ 72,197,858	\$ 16,314,468	\$ 88,512,326	\$ 25,500,000	HCD AHSC Loan	Type I Position	4-8	system plus Childcare shell
88 Broadway - Family Housing	88 Broadway	38,182	Jul-01	125	221	140,279	8,700	148,979	\$ -	\$ 84,493,230	\$ 27,768,298	\$ 112,261,528	\$ 27,908,676		Type IIIA & V over Type I	5-6	Family
Mission Bay BI 6 East	626 Mission Bay Blvd. No.	63,250	Nov-18	143	276	162,080	9,719	171,799	\$ 148,125	\$ 94,504,972	\$ 15,222,907	\$ 109,876,004	\$ 35,750,000	HCD AHSC Loan	Type IIIA -V over Type I	6	and infrastructure
1990 Folsom Street	1990 Folsom	29,047	Sep-21	143	228	138,824	15,063	153,887	\$ 2,500,000	\$ 93,237,245	\$ 25,816,512	\$ 121,353,757	\$ 46,711,496		Type I and Type VA	2 & 8	Type I
891 China Basin (MB South 6W)	891 China Basin St	49,437	Aug-21	152	294	178,050	7,098	185,148	\$ -	\$ 121,508,899	\$ 23,515,332	\$ 145,024,231	\$ 40,726,827	HCD IG Grant	Type III and Type V	7	parking spaces, 4,640 of child care

PROJECTS UNDER CONSTRUCTION																	
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR ¹	Building Square Footage			Total Project Costs			Total Dev. Cost w/acc costs	Local Subsidy ⁵	Notes on Financing	Building Type	Stories	Comments (stage of design/pricing; date of LC; unusual conditions such as childcare center)
						Res. ²	Non-Res.	Total	Acq. Cost ³	Constr. Cost ⁴	Soft Cost						
HPSY Block 56	11 Inner Court	28,792	Apr-25	73	147	76,614	15,939	92,553	\$ -	\$ 55,720,684	\$ 16,725,791	\$ 72,446,475	\$ 34,813,441	4% LHTC, AHP	Type V over Type I	5	
Sunnydale Block 3A	1501 Sunnydale Avenue	34,400	Jan-25	80	164	84,595	19,013	113,608	\$ 20,001	\$ 72,470,936	\$ 22,824,983	\$ 95,295,919	\$ 26,044,938	4% Credits: HCD IG & AHSC	Type VA over IA	5	(70% CD w/VE 4/14/2022, 8% escalt
Sunnydale Block 3B	1501 Sunnydale Avenue	39,160	Feb-25	80	178	122,180	38,488	160,668	\$ 20,001	\$ 71,571,738	\$ 19,372,089	\$ 90,943,827	\$ 8,466,742	4% Credits: HCD IG & AHSC	Type VA over IA	6	4/4/2022 escalt/bid and plan check
HPSY Block 52-54	151 and 351 Friedel St	45,580	May-25	112	217	147,190	21,541	168,731	\$ -	\$ 103,737,629	\$ 29,252,420	\$ 132,990,049	\$ 61,518,208	4% credits, IG	Type V over Type 1	5	2 parking spaces on opposite non-contiguous parcels. Parking ratio 1:1.00
Hunters View Ph 3 Block 14 & 17	865 & 853 Hunters View Dr	63,379	May-25	118	283	124,502	20,138	144,640	\$ -	\$ 113,308,925	\$ 25,627,481	\$ 139,008,406	\$ 48,615,000	4% Credits: HCD MHP	Type IIIA over Type I	5-6	44,500 sq ft of childcare center
Shiloh Chisholm Village Ed Hsg	1351 42nd/1360 43rd	44,444	Dec-24	135	212	141,351	23,915	165,266	\$ 115,002	\$ 86,427,967	\$ 17,518,666	\$ 104,051,635	\$ 51,200,000	9% LHTC	Type VA over IA	4	

PROJECTS IN PREDEVELOPMENT																	
Project Name	Address	Lot sq.ft	Start Date (anticipated)	# of Units	# of BR ¹	Building Square Footage			Total Project Costs			Total Dev. Cost w/acc costs	Local Subsidy ⁵	Notes on Financing	Building Type	Stories	Comments (stage of design/pricing; date of LC; unusual conditions such as childcare center)
						Res. ²	Non-Res.	Total	Acq. Cost ³	Constr. Cost ⁴	Soft Cost						
Sunnydale Block 7	Sunrise Wy and Santos St	73,161	Jun-25	89	205	104,500	31,857	136,357	\$ -	\$ 79,433,777	\$ 24,690,898	\$ 104,124,675	\$ 34,549,978	4% Credits: HCD IG & AHSC	Type VA over IA	5	4 parking spaces, 100% SD
Sunnydale Block 9	TBD	52,272	Jun-25	95	225	116,465	27,425	143,890	\$ 20,000	\$ 82,190,900	\$ 26,428,861	\$ 108,619,761	\$ 18,660,015	4% Credits: HCD IG & AHSC	Type VA over IA	5	Parking at 74 ratio; 100% SD
IC4-3 Treasure Island	California & Ave E	55,000	Feb-26	150	315	215,000	10,000	225,000	\$ 25,000	\$ 123,179,014	\$ 33,661,784	\$ 156,840,798	\$ 54,027,788	TCAC 4%, HCD, AHP	Type IIIA 5 stories over on	6	Childcare center, parking 1:0.75
249 Pennsylvania	249 Pennsylvania	21,625	Jun-26	125	210	124,000	-	124,000	\$ 644,119	\$ 79,473,927	\$ 32,224,845	\$ 112,342,891	\$ 20,862,240	TCAC, MHP, IG	Type III over Type I	7	Very early pricing 1/12/2023, concept

Attachment I: Predevelopment Budget

N/A

Attachment J: Development Budget

See attached.

Attachment K: 1st Year Operating Budget

See attached.

Application Date: 8/8/2024
 Total # Units: 128
 Project Name: Balboa Reservoir Building E
 Project Address: 11 Frida Kahlo Way
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2027
 Project Sponsor: BRIDGE Housing Corporation
 TCAC Income Limits In Use!

INCOME	Total	Comments	PUPA	PUPM
Residential - Tenant Rents	2,991,708	Links from 'New Proj - Rent & Unit Mix' Worksheet	23,373	1,948
Residential - Tenant Assistance Payments (SOS Payments)	0	Comments	-	-
Residential - Tenant Assistance Payments (Other Non-LOSP)	0	Links from 'New Proj - Rent & Unit Mix' Worksheet	-	-
Residential - LOSP Tenant Assistance Payments	0		-	-
Commercial Space	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-
Residential Parking	0	Links from 'Utilities & Other Income' Worksheet	-	-
Miscellaneous Rent Income	0	Links from 'Utilities & Other Income' Worksheet	-	-
Supportive Services Income	0		-	-
Interest Income - Project Operations	0	Links from 'Utilities & Other Income' Worksheet	-	-
Laundry and Venting	18,432	Links from 'Utilities & Other Income' Worksheet	-	-
Tenant Charges	0	Links from 'Utilities & Other Income' Worksheet	144	-
Miscellaneous Residential Income	0	Links from 'Utilities & Other Income' Worksheet	-	-
Other Commercial Income	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)	0		-	-
Gross Potential Income	3,010,140			
Vacancy Loss - Residential - Tenant Rents	(150,507)	Vacancy loss is 5% of Tenant Rents.	(1,176)	-
Vacancy Loss - Residential - Tenant Assistance Payments	0	#N/A	-	-
Vacancy Loss - Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-
EFFECTIVE GROSS INCOME	2,859,633	PUPA: 22,341		

OPERATING EXPENSES				
Management				
Management Fee	84,480	1st Year to be set according to HUD schedule	660	55
Asset Management Fee	22,670		177	-
Sub-total Management Expenses	107,150	PUPA: 637		
Salaries/Benefits				
Office Salaries	84,796	Links from 'Staffing' Worksheet	508	-
Manager's Salary	74,000	Links from 'Staffing' Worksheet	578	-
Health Insurance and Other Benefits	38,400		300	-
Other Salaries/Benefits			-	-
Administrative Rent-Free Unit			-	-
Sub-total Salaries/Benefits	177,195	PUPA: 1,384		

Administration				
Advertising and Marketing	500		4	-
Office Expenses			-	-
Office Rent			-	-
Legal Expense - Property	4,000		31	-
Audit Expense	11,000		86	-
Bookkeeping/Accounting Services			-	-
Bad Debts			-	-
Miscellaneous	35,996		281	-
Sub-total Administration Expenses	51,496	PUPA: 402		
Utilities				
Electricity	43,008		336	28
Water	222,720		1,740	145
Gas			-	-
Sewer			-	-
Sub-total Utilities	265,728	PUPA: 2,076		

Taxes and Licenses				
Real Estate Taxes	10,000		78	-
Payroll Taxes	6,250		49	-
Miscellaneous Taxes, Licenses and Permits			-	-
Sub-total Taxes and Licenses	16,250	PUPA: 127		

Insurance				
Property and Liability Insurance	207,943		1,625	-
Fidelity Bond Insurance			-	-
Worker's Compensation			-	-
Director's & Officers' Liability Insurance			-	-
Sub-total Insurance	207,943	PUPA: 1,625		

Maintenance & Repair				
Payroll	102,420	Links from 'Staffing' Worksheet	800	-
Supplies	71,967	painting, repairs, exterminating, grounds, elevator	562	-
Contracts	51,700	Repairs contracts (12,000), Grounds Contracts (24,600), Extermination Contracts (8,100)	404	-
Garbage and Trash Removal	76,800		600	-
Security Payroll/Contract	25,180	Links from 'Staffing' Worksheet	197	-
HVAC Repairs and Maintenance	56,688	includes equipment maintenance and janitor supplies	443	-
Vehicle and Maintenance Equipment Operation and Repairs			-	-
Miscellaneous Operating and Maintenance Expenses	125,696	HDA/TDM	982	-
Sub-total Maintenance & Repair Expenses	510,451	PUPA: 3,988		

Supportive Services	84,000	Links from 'Staffing' Worksheet	656	-
Commercial Expenses	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-

TOTAL OPERATING EXPENSES 1,420,213 **PUPA: 11,095**

Reserves/Ground Lease Base Rent/Bond Fees				
Ground Lease Base Rent	15,000	Ground lease with MOHCD	117	-
Bond Monitoring Fee			-	-
Replacement Reserve Deposit	64,000		500	-
Operating Reserve Deposit			-	-
Other Required Reserve 1 Deposit			-	-
Other Required Reserve 2 Deposit			-	-
Required Reserve Deposits, Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	79,000	PUPA: 677		
Min DSCR: 1.15 Mortgage Rate: 6.48% Term (Years): 40				
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond)	1,499,213	PUPA: 11,713		
NET OPERATING INCOME (INCOME minus OP EXPENSES)	1,360,420	PUPA: 10,628		
Supportable 1st Mortgage Pmt: 1,100,610 Supportable 1st Mortgage Amt: \$15,713,754 Proposed 1st Mortgage Amt: \$15,672,000				

DEBT SERVICE/MUST PAY PAYMENTS (Hard debt/amortized loans)				
Hard Debt - First Lender	1,100,610	Perm Loan		
Hard Debt - Second Lender (HCD Program 0.42% pmt, or other 2nd)	94,718	ANSC AHD Loan		
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0			
Hard Debt - Fourth Lender	0			
Commercial Hard Debt Service	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%		
TOTAL HARD DEBT SERVICE	1,195,328	PUPA: 9,339		

CASH FLOW (NOI minus DEBT SERVICE) 165,092

USES OF CASH FLOW BELOW (This row also shows DSCR) 1.14

USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL				
Below-the-line Asset Mgt Fee (uncommon in new projects, see policy)				
Partnership Management Fee (see policy for limits)	24,280		2	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	5,000		1	
Other Payments				
Non-amortizing Loan Pmt - Lender 1 (select lender in comments field)				
Non-amortizing Loan Pmt - Lender 2 (select lender in comments field)				
Deferred Developer Fee (Enter amt <= Max Fee from cell 1130)	74,857	Def. Develop. Fee split: 55%		
TOTAL PAYMENTS PRECEDING MOHCD	104,137	Deferred Developer Fee exceeds annual limit!	PUPA: 814	

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS) 60,955

Residual Receipts Calculation				
Does Project have a MOHCD Residual Receipt Obligation?	Yes	Project has MOHCD ground lease?	Yes	
Will Project Defer Developer Fee?	Yes			
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr	50%	Max Deferred Developer Fee Amt (Use for data entry above. Do not link.)	67,806	
% of Residual Receipts available for distribution to soft debt lenders	50%			

Soft Debt Lenders with Residual Receipts Obligations	(Select lender name/program from drop down)	Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OCHL - Soft Debt Loans	All MOHCD/OCHL loans payable from res. recs.	\$37,531,286	#N/A
MOHCD/OCHL - Ground Lease Value or Land Acq Cost	Acquisition Cost	\$1	#N/A
HCD (hard debt loans) - Lender 3	ANSC Loan		#N/A
Other Soft Debt Lender - Lender 4			0.00%
Other Soft Debt Lender - Lender 5			0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS #N/A #N/A

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

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

Attachment L: 20-year Operating Proforma

See attached.

