

Citywide Affordable Housing Loan Committee

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

3434 18th Street

\$1,500,000 Permanent Funding (PASS) Request

Evaluation of Request for:	\$1,500,000
Loan Committee Date:	October 11, 2024
Prepared By:	Sophie Rubin, Project Manager
MOHCD Asset Manager:	Carmen Otero
MOHCD Construction Rep:	Harry Wong and Sarah Tenpas
Sources and Amounts of New Funds Recommended:	\$1,500,000 PASS loan – Tranche 2020C
Sources and Amounts of Previous City Funds Committed:	\$140,000 CDBG/CHRP (\$273,176 with accrued interest) (1983) \$767,075 OCII Tax Exempt Bond Grant (2017) \$117,713 CDBG - Site Acquisition (Forgiven 2002)
NOFA/PROGRAM/RFP:	Preservation and Seismic Safety (PASS) Loan Program
Applicant/Sponsor(s) Name:	Mission Housing Development Corporation (Mission Housing or MHDC)

Evaluation of Request for PASS Senior Financing
 3434 18th St, San Francisco, 94110

October 11, 2024
 Page 2

EXECUTIVE SUMMARY

Sponsor Information:

Project Name:	3434 18 th Street	Sponsor(s):	Mission Housing Development Corporation (MHDC)
Project Address (w/ cross St):	3434 18 th St., SF, CA 94110, cross street San Carlos Street	Ultimate Borrower Entity:	Mission Housing Development Corporation

Project Summary:

3434 18th Street is a small property owned by Mission Housing Development Corporation (Mission Housing or the Sponsor). It previously featured 8 units in the Mission District and underwent a rehabilitation in 2021-2022 that included the addition of 3 new accessory dwelling units (ADUs), bringing the property to 11 units.

The rehabilitation and ADU addition were funded using cash-out refinance funds that were approved by Loan Committee on May 21, 2021 as part of the “Cash-Out Policy Reinvestment Waiver” (Cash-Out Waiver or COW) for Mission Housing in which the proceeds from the refinance of a property, Mariposa Gardens (Resource Property), was used to rehabilitate five other properties (Receiver Properties) owned by Mission Housing and within MOHCD’s portfolio. At the time that cash-out was approved, it was determined that 3434 18th street had sufficient cashflow to afford a senior mortgage. The use of PASS funds as a permanent, senior financing source to repay the Resource Property for a portion of the rehabilitation costs was preliminarily approved as a component of the 2021 COW loan evaluation to maximize the cash-out proceeds that could be used at other Receiver Properties that do not generate sufficient cash flow to leverage debt. At the time of Loan Committee approval in 2021, the expectation was that the PASS financing would be underwritten, and the final amount approved after the rehabilitation was complete.

The rehabilitation concluded in 2023, and this loan evaluation constitutes the review and request for that permanent PASS financing. MOHCD staff is recommending Loan Committee approval for the Sponsor’s request for \$1,500,000 in PASS financing to repay a portion of the rehabilitation costs to the Resource Property, Mariposa Gardens so that further rehabilitations of Mission Housing properties can proceed as contemplated in the 2021 Cash-Out Waiver. The rehabilitation at 3434 18th Street provided major updates to all units to improve the quality of life for existing residents in an existing MOHCD building while also providing three new affordable units and extending and deepening the City’s affordability restrictions for a project in the Mission District.

Project Description:

Construction Type:	Residential single-story wood framed	Project Type:	Rehabilitation
Number of Stories:	3	Lot Size (acres and sf):	0.0585 acres/2,550 sf
Number of Units:	11	Architect:	N/A
Total Residential Area:	2,898 sf	General Contractor:	N/A
Total Commercial Area:	N/A	Property Manager:	Caritas
Total Building Area:	4,348 sf	Supervisor and District:	Hilary Ronen /District 9
Land Owner:	Mission Housing Development Corporation		
Total Development Cost (TDC) (current rehab)	\$4,835,882	Total Acquisition Cost:	N/A
TDC current rehab/unit:	\$285,407 (8 rehab) and \$805,000 (3 new) ADU	TDC less land cost/unit:	TBD
Loan Amount Requested:	\$1,500,000 (PASS)	Request Amount / unit:	\$136,364
HOME Funds?	N	Parking?	N

PRINCIPAL DEVELOPMENT ISSUES

- Conservative PASS financing:** The PASS financing regulations require a minimum debt service coverage ratio (DSCR) of 1.15 in year 1. There is no maximum DSCR, so this is not a policy waiver request. However, projects almost always maximize their PASS financing in order to maximize funds available for rehabilitation. In this case, the Project’s rehab is complete and is requesting \$1,500,000 in order to pay back a portion of Excess Proceeds initially used for the Project’s rehab, as approved by Mission’s Housing Cash-Out Waiver. This proposed PASS financing results in in a year 1 DSCR of 1.37, which decreases to 1.26 in year 1 (a DSCR low of 1.15 can be achieved with \$1,650,000 in debt). The proposed PASS loan was sized according to the anticipated remaining work to be completed at other Mission Housing portfolio properties that are approved under MOHCD’s Cash-Out Waiver. Additionally, given that this property has experienced 22%-36% vacancy loss in recent years, due to all 11 units being filled through the Housing Authority waitlists, MOHCD staff approves of the request for less PASS financing.

SOURCES AND USES SUMMARY

Permanent Sources	Amount	Per Unit	Terms	Status
PASS - Market Rate	\$913,500	\$83,045	40 yrs @ 3.87% amort	This request
PASS – Below Market Rate	\$504,000	\$45,878	40 yrs @ .96% amort	This request
PASS - Deferred	\$82,500	\$7,500	40 yrs balloon payment	This request
CDBG *Existing* Loan (from 1983)	\$140,000	\$12,727	55 yrs @ 3% / Res Rec	Committed & spent
Cash-Out Waiver funds	\$3,205,882	\$291,444	Private Grant	Committed & spent
Total	\$4,835,882	\$438.932		

Permanent Uses	Amount	Per Unit	Per SF
Existing Debt	\$140,000	\$12,727	\$33
Hard Costs	\$3,806,651	\$346,059	\$906
Soft Costs	\$731,957	\$66,542	\$174
Reserves	\$70,130	\$6,375	\$17
Developer Fee	\$79,516	\$7,229	\$19
Total	\$4,835,882	\$438,932	\$1,149

1. BACKGROUND

1.1. Project History Leading to This Request.

3434 18th Street is an 11-unit, 3-story building located in the Mission neighborhood targeting low-income and very low-income individuals, with an average existing resident household income of 24.5% MOHCD AMI. The Project was originally built as an 8-unit apartment building in the 1920s. In 1983, the site was acquired by Mission Housing Development Corporation (Mission Housing, or Sponsor) with financing from a Mod-Rehab Section 8 contract and a \$140,000 Community Housing Rehabilitation Program (CHRP) loan from MOHCD backed by Community Development Block Grant (CDBG) funds, as well as an additional \$117,713 CDBG loan that was forgiven in 2002. The \$140,000 loan was recast in 2017 and now matures in 2072. In 2017 the property was additionally granted \$767,075 in Office of Community Investment and Infrastructure (OCII) funds to complete a seismic soft story retrofit. In 2019 the Mod- Rehab contract was converted to a 20-year Project-based Section 8 contract.

In 2023 Mission Housing completed a rehabilitation of the Project that included significant renovations to the original 8 units as well as the addition of 3 new accessory dwelling units (ADUs). All 3 ADUs will be restricted through a new Declaration of Restrictions recorded at closing that meet PASS program requirements. The 8 existing units at the property are restricted at 50% MOHCD AMI by the existing project-based Section 8 contract. This \$4.5M rehabilitation was completed using Cash Out Waiver (COW) funds from another Mission Housing property, Mariposa Gardens, and PASS funds were planned from the time the COW was approved by Loan Committee on May 21, 2021, to allow the Sponsor to recover a portion of rehabilitation and ADU construction costs and then do more rehab across the other receiver properties from the COW, namely 2019 23rd street and Dunleavy.

Permanent financing will consist of \$1,500,000 in PASS funds and \$3,205,882 in cash-out refinance proceeds from Mariposa Gardens. Existing operating and replacement reserves of \$231,848 were also used. Although MOHCD issued a preliminary approval letter for up to \$2.35M in PASS financing in February 2022, Mission Housing is only requesting \$1,500,000 in PASS funds, as this is the amount that needs to be repaid to Mariposa Gardens to enable other Mission Housing portfolio rehabilitations, as contemplated by the Cash-Out Waiver approved by Loan Committee in May 2021. It also enables the property to take a conservative approach to hard debt, with an assumed vacancy rate of 20% given that it is a small property and the units are filled through the Housing Authority waitlist (which led to a 22% vacancy rate for 2022 and a 36% vacancy for 2023) and a 1.37 DSCR in year 1 (although it declines to 1.26 in year 19 due to the small size of the Project and the fact that costs rise faster than rents in the projections).

1.2. Applicable NOFA/RFQ/FRP.

(See Attachment E for Threshold Eligibility Requirements and Ranking Criteria)

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

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)

Mission Housing Development Corporation is a nonprofit, community-based organization creating and preserving high-quality affordable housing, and providing supportive services for residents of low and moderate incomes in the Mission District and throughout San Francisco.

Since 1971, Mission Housing Development Corporation has provided affordable housing, now owning or managing 35 buildings. The organization currently serves 3,000 residents in 1,600 units. One thousand additional 100% affordable rental units are being developed.

The majority of Mission Housing’s portfolio are in the Mission district, though it also has buildings in the Bayview district, Mission Bay, Noe Valley, Sunset district, Balboa Park, and a is in predevelopment for new housing in Forest Hill. Mission Housing has collaborated in developing and managing properties with other San Francisco entities such as BART, BRIDGE, MEDA, Good Samaritan Family Resource Center, and the San Francisco Housing Development Corporation.

In addition to 1,600 residential units, Mission Housing owns 32 commercial spaces connected to the residential buildings, most of which are self-managed. These commercial spaces are leased to non-profits, community organizations, child-care centers, small business owners, and businesses that enhance the neighborhoods.

1.2.1. Joint Venture Partnership. N/A.

Demographics of Board of Directors, Staff and People Served.

Board breakdown by race:

Asian	17%
Hispanic	50%

White	33%
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Board breakdown by gender:

Male	50%
Female	50%

Mission Housing does not request demographic information from its employees but reports that a large majority of its upper management are from minority backgrounds.

1.2.2. Racial Equity Vision.

Mission Housing was founded as a community-based organization with a “people first,” mindset that involves respecting and building relationships with residents and staff. Mission Housing believes collaboration with community, city, and state partners are essential to successfully advocating for equitable solutions to affordable housing.

Mission Housing has indicated they are inclusive of all people, including people of all identities and abilities/disabilities. The organization believes that housing is a human right and that everyone should have a home and community where they feel a sense of belonging. As well as honoring and celebrating all cultures and welcoming cultural differences, Mission Housing has indicated their efforts to be transparent and base decisions on what is best for their residents, their surrounding communities, and their organization.

As part of a strategic plan update, Mission Housing is developing a new racial equity vision. No timeline has been provided for completion. MOHCD staff will continue to encourage Sponsor to outline specific initiatives planned to improve racial equity outcomes for both the organization, and outcomes for current residents, neighbors of Mission Housing properties in San Francisco, and frontline staff.

1.3.3 Relevant Experience.

- Mariposa Gardens (2021; \$1.45M): Soft story retrofit of garages. In unit rehabs of several units.
- Maria Alicia Apartments (2020; \$4.6M): Detail provided in section 4.2.
- Hotel Madrid (South Park) (2020; \$3.6M): Complete gut rehab of entire building and all units along with soft story retrofit.
- Parkview Hotel (South Park) (2020; \$9.4M): Complete gut rehab of entire building and all units along with soft story retrofit.
- Grand Oriente (South Park) (2020; \$7.48M): Complete gut rehab of entire building and all units along with soft story retrofit.
- 2800 Bryant Street (2022; \$1.87M): Completed soft story retrofit, replaced façade of building, reinforced and replaced roof. Added new heat pumps.

- Kapuso (with Related California) (2023; \$93.4M): New Construction
- SFHA Scattered Sites (2023; \$7.5M): Major rehab of all 5 sites, including upgrades to all systems and conversion to 100% electric

Total portfolio:

	Developed (new construction and rehab)	Owned
No. Projects	17	45
No. Units	369	1600

1.3.4 Project Management Capacity.

Projected time dedication by staff member:

- Beatriz Ordonez, Senior Asset Manager: 20%
- Saradevi Dillon, Asset Manager-Assistant: 20%
- Kevin Kitchingham, Director of Housing Dev and Construction: 5% supervisory
- Nicole Reams, Director of Asset Management: 5% supervisory

See Attachments C and D for bios and more detail on asset management.

1.3.5 Past Performance.

1.1.1.1. City audits/performance plans.

Mission Housing works closely with Housing Services at MOHCD and had some staffing challenges during COVID but were open and transparent with MOHCD about those issues, which have since been rectified. Mission Housing is on track to complete work as projected this year. They are responsive, and attend required meetings. While they have experienced significant turnover, recruitment and training has been sufficient according to MOHCD Housing Services, who reports supervisors are skilled and supportive, and that the Sponsor generally collaborates well with the City and seems committed to a strong working relationship with property management partner Caritas. Caritas sometimes requires support and guidance to manage properties in accordance with MOHCD policies and procedures, as well as completing tasks according to MOHCD guidelines, but Mission Housing is working with the Housing Services team to improve staff training and supervision, and overall Housing Services does not find cause for larger concern.

MOHCD Housing Services is not aware of any fiscal concerns and support Mission Housing in their request for support from MOHCD.

Compliance Monitoring at MOHCD also report that Mission Housing has been performing without any issues.

1.1.1.2. Marketing/lease-up/operations.

Recent marketing efforts as assessed by MOHCD’s Marketing team:

Mission Housing most recently marketed and leased-up Kapuso at the Upper Yard located at 2340 San Jose Ave. They hired Caritas Management to complete the Marketing Plan and lease-up activities for the 91 Tax Credit units. Initially, during the Marketing Plan review period and the 21-day marketing period the MHDC project management team was very involved. They created an effective and professional marketing video and did on-the-ground marketing to run concurrently with the MOHCD marketing requirements (print publications, social media posts, outreach flyer distribution to organizations that serve targeted groups, etc.). Although they failed to place the DAHLIA banner on the building, their marketing was successful with 8,474 total applications, including 11 Certificate of Preference Holders, 25 Displaced Tenant Certificate holders, 1,555 Neighborhood Preference households, and 7,458 Live or Work in San Francisco Families. Overall, it was a very successful marketing outcome.

Lease-up began on March 23, 2023, with Caritas Management taking the lead. From the onset, MOHCD staff voiced concern that they needed 10 staff to handle a lease-up of this size (they had four staff). MOHCD staff met with the lease-up team weekly until they were 100% leased on December 29, 2023. The sponsor ended up offering significant concessions to meet their originally targeted lease-up date (although they did meet it.) The staff was knowledgeable and prepared; however, they were understaffed for most of the lease-up. The HBMR team and the front desk received calls and emails that applicants and their housing counselors were not able to get into contact with leasing agents. There was a lack of support from MHDC to Caritas staff, as this was their first lease-up in many years of a new 100% Affordable project. Eventually, the lease-up team was able to gather additional temporary staff and completed the lease-up within the deadline of December 31, 2023. Going forward MOHCD will require MHDC to take on more of an active role in all aspects of the project including monitoring Caritas with lease-up activities and adjusting to their needs such as staffing, rent concessions, and rent reductions to ensure that a project’s lease-up is effective and timely.

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

Site Description	
Zoning:	RTO-M (Residential Transit-Oriented – Mission)
Maximum units allowed by current zoning (N/A if rehab):	N/A
Number of units added or removed (rehab only, if applicable):	Three
Seismic (if applicable):	N/A

Soil type:	No unusual conditions were observed regarding soils per the 2023 CNA
Environmental Review:	Phase I and II
Adjacent uses (North):	Multi family apartments
Adjacent uses (South):	Multi family apartments
Adjacent uses (East):	Multi family apartments
Adjacent uses (West):	Multi family apartments
Neighborhood Amenities within 0.5 miles:	Casa Latina Market, Mi Tierra Market, Native American Health Center, Full Gospel Chapel, Mission Pet Hospital, Community Thrift Store, SFPD Mission Station, Dearborn Community Garden, The Women’s Building, Rhea’s Deli and Market, Mission Community Pool, Playground and Tennis Courts, Sutter Pacific Medical Foundation, Guerro Market and Deli, Foodhall, La Raza Centro Legal, Mission Highschool.
Public Transportation within 0.5 miles:	BART & MUNI: 16 th St. Mission Station
Article 34:	Rehab and ADU creation were paid for with Excess Proceeds so units were not previously subject to Article 34. Now that they are being restricted, MOHCD will issue an Article 34 allocation of 3 units for the ADUs prior to closing
Article 38:	Exempt – not a substantial rehabilitation
Accessibility:	28%, mobility
Green Building:	building electrified as a component of the rehabilitation
Recycled Water:	Exempt
Storm Water Management:	N/A

Description. The parcel is rectangular shaped and is located on the north side of 18th Street. The other parcels in the vicinity are primarily multi-unit, wood framed apartment buildings like the subject building. Commercial shopping areas, schools and other small business are in the immediate vicinity. Access to public transportation is also available in the immediate vicinity.

2.1. Zoning. N/A

- 2.2. Probable Maximum Loss. N/A
- 2.3. Local/Federal Environmental Review. N/A
- 2.4. Environmental Issues. N/A – portfolio rehabilitation
- 2.5. Adjacent uses and neighborhood amenities. See table above
- 2.6. Green Building.

The ADUs were built with hybrid electric water heaters and new packaged heat pump space conditioning for each unit. For existing dwelling units, gas furnaces and gas storage water heaters were removed, and hybrid electric water heaters were installed for each unit. In kitchens, gas-ranges were replaced with electric.

3. COMMUNITY SUPPORT

- 3.1. Prior Outreach Mission Housing worked extensively with both the existing building tenants (both residential and commercial) as well as the immediate surrounding neighbors to ensure everyone was up to date on all relevant information.

The rehab was fully funded with Excess Proceeds obtained from the refinance of a separate Mission Housing building and thus was not subject to mandatory community meetings. However, Mission Housing made sure the surrounding neighbors were always informed and did not receive any permit appeals or push back.

- 3.2. Future Outreach. N/A – rehab complete
- 3.3. 1998 Proposition I Citizens' Right-To-Know N/A – development funded with Excess Proceeds

4. DEVELOPMENT PLAN

4.1. Site Control.

- 4.1.1. Property Ownership Structure. Mission Housing purchased the building in 1983 and is the sole owner.

4.2. Rehab Scope. Completed in 2023.

Interior remodels of all 8 existing units included new paint, replacement of space conditioning with packaged heat pumps, replacement of water heating with hybrid electric water heaters, replacement of galvanized with copper pipe and replacement of damaged light fixtures. Bathrooms were upgraded with new flooring, vanities, exhausts, and tubs, toilets, and showerheads as needed. Kitchens received new sinks and faucets, electric ranges and exhaust hoods; refrigerators, flooring, and cabinets were repaired and updated as needed.

Common areas received electrical service upgrades, new windows, new paint, insulation added to the attic, and new lobby flooring. On the exterior, facades were repaired, exterior

ducts removed, and narrow planters added to windows. Sidewalks, curbs, and cutters were improved, including the addition of street trees.

Three new ADUs were created by converting a 6-spot garage. They are all-electric, designed for accessibility, with vinyl tile flooring throughout, except for ceramic flooring in the bathrooms.

Approximate Square Footage per Unit	500 s.f.
Living Square Footage	2,898 s.f.
Assessor's Parcel No.	3576032
Parcel Size	2,550 s.f.

4.3. Construction Supervisor/Construction Representative's Evaluation The scope provided by the Sponsor in section 4.2 aligns with work seen in the field. Eight existing units were remodeled and updated per site plans issued on November 5th, 2021. Final inspection was completed September 11th, 2023. The renovations addressed the Capital Needs Assessment (CNA) immediate needs dated May 13th, 2019. Kitchen and bathroom cabinetry, flooring, appliances and electrical, plumbing and mechanical were replaced in units and common spaces. Six parking stalls were renovated into three ADUs under a site permit approved on January 5th, 2022. Work was completed and certificate of final occupancy was issued on September 11th, 2023.

4.4. Commercial Space. N/A

4.5. Service Space. There is no dedicated service space at the property. However, MHDC works with their Resident Services team to provide referrals to the residents as needed.

4.6. Interim Use. N/A – occupied rehab

4.7. Infrastructure. N/A

4.8. Communications Wiring and Internet Access. Building is currently serviced by Comcast/Xfinity and Sonic Fiber. These services are available for residents to subscribe for a fee.

4.9. Public Art Component. N/A

4.10. Marketing, Occupancy, and Lease-Up. This was an occupied rehab. However, two of the new ADUs were slow to lease after completion in September 2023. There are also two vacant units that Mission Housing has been working with the Housing Authority to fill. They have a standing, weekly meeting with the Housing Authority which has been ongoing for a year in order to fill the vacancies at the Mission Housing Scattered Sites (of which 3434 18th st is one property).

4.11. Relocation. All relocation is complete at this time. For the rehab, Mission Housing conducted temporary relocations. It created a relocation plan with support provided by OPC Services, which moved up to 10 households twice, starting by conducting interviews with residents to ascertain needs, informing households of the process, providing advisory assistance, preparing and issuing notices to vacate, MOUs,

and return notices, coordinating and monitoring moves, and keeping case documentation.

5. DEVELOPMENT TEAM

Development Team			
Consultant Type	Name	SBE/LBE	Outstanding Procurement Issues
General Contractor	Nibbi	N	N
Legal	Gubb and Barshay	N	N
Property Manager	Caritas	N	N

5.1. Procurement Plan. The rehab work was financed by Excess Proceeds from another Mission Housing building and therefore not subject to procurement requirements.

5.2. Opportunities for BIPOC-Led Organizations This rehabilitation included a single contract with Nibbi. While not BIPOC-led, Nibbi has a DEI department called the Community Engagement & Workforce Development Department (CEWDD) that oversees the implementation of the practices, including identifying and reducing barriers to entry, ensuring the teams reflect the neighborhoods served, hiring locally, and mentoring small, minority-owned, and women-owned businesses.

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

6.1. Prior MOHCD/OCII Funding:

Source	Current Loan Balance	Per Unit	Terms	Dates
CDBG/CHRP	\$140,000 principal plus \$133,176.33 interest	\$17,500 (for original 8 units on principal)	55 yrs @ 0% deferred	Issued:6/16/2017 Due: 6/30/2072
OCII – Tax Increment (TI)	None	\$95,884 (for original 8 units)	grant	Granted: 6/16/2017

6.2. Disbursement Status.

6.2.1. CDBG Loan. Fully disbursed. Loan conditions met.

OCII TI Grant. Fully disbursed. Grant conditions met.

Mariposa Gardens cash-out waiver funds. Fully disbursed. The Project has incurred costs dating back to December 1, 2021. Loan Committee approves payment of costs no earlier than December 1, 2021, so long as these costs are deemed acceptable and correspond to the budget as approved through the Mariposa Gardens Cash-Out Waiver refinance evaluation approved by Loan Committee on May 21, 2021.

6.3. Fulfillment of Cash-Out Waiver Conditions: All conditions met for cash-out waiver rehabilitations completed thus far.

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

- PASS mortgage (\$1,500,000): City of San Francisco, 40 year, blended amortization (required monthly payments with balloon payment), 2.74% blended interest rate
- Mariposa Gardens Cash Out proceeds (\$3,205,882): Excess Proceeds (grant)
- CDBG/CHRP loan (existing) (\$140,000 principal; \$273,176 with accrued interest): City of San Francisco, residual receipts, 55 year loan at 0% interest expiring in 2072

6.4.2 HOME Funds Narrative. N/A

6.5.4 Commercial Space Sources and Uses Narrative. N/A

6.5.5 Permanent Uses Evaluation:

Note for all construction related items: rehabilitation is already complete; this is a backward-looking analysis of the project budget

Development Budget		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Hard Cost per unit is within standards	Y	Average \$346,059/unit. Note 3 new ADUs were added; cost per ADU is much higher and cost per rehab unit is lower
Construction Hard Cost Contingency was at least 5% (new construction) or 15% (rehab)	N/A	Hard Cost Contingency was set at 6.5%. Considered approved by MOHCD; construction is complete and more was unneeded.
Architecture and Engineering Fees are within standards	Y	\$42,378 or less than 1% of Total Development Cost (TDC)
Construction Management Fees are within standards	Y	\$71,000 or a little under 2% of Total Development Cost (TDC)
Developer Fee is within standards (no disbursement chart as this is a portfolio rehab)	Y	\$79,516, approved through the Cash-Out Waiver Refinance request in May 2021 and taken as a project management fee

Consultant and legal fees are reasonable	Y	“other consultants” was high, at \$184k, but covered HVAC consultant, HERS verifications and MEP design and specifications. Legal fees were low.
Entitlement fees are accurately estimated	Y	Already paid
Construction Loan interest is appropriately sized	N/A	Project paid for with cash-out waiver funds, no construction loan interest
Soft Cost Contingency was 10% per standards	N/A	Soft Cost Contingency was set at 6.5%. Considered approved by MOHCD; construction is complete, and more was unneeded.
Capitalized Operating Reserves are a minimum of 3 months	Y	Operating reserves were not recapitalized after rehabilitation, as there was already a high balance. Operating reserve in 2023 Annual Monitoring Report (AMR) was 63% (almost 8 months)
Capitalized Replacement Reserves are a minimum of \$1,000 per unit (Rehab only)	Y	Almost \$3,000 per unit – per CNA

6.5.6 Developer Fee Evaluation: Developer received the \$79,516 developer fee associated with this Project that was approved in the Mariposa Gardens Cash-Out Waiver refinance approved by Loan Committee on May 21, 2021.

7. PROJECT OPERATIONS (See Attachment K and L for Operating Budget and Proforma)

7.1. Operating Budget.

- The original 8 units retain Section 8 project-based vouchers, contributing to healthy cash flow
- Property expenses are relatively low for a small building, at \$9,722 PUPA
- Maintenance and payroll outlays takes up half the budget, although all costs seem reasonable
- Annual replacement reserves are high, at \$17,600/unit. This amount is dictated by the last CNA, to ensure that the older building has appropriate reserves to take care of the building’s ongoing needs

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 has no guideline maximum. Exceeds minimum with 1.37 in year 1 and 1.26 in year 19. Trends down due to small property size and costs increasing faster than rents.
Vacancy rate is based on project's historical actuals	Y	Vacancy rate is 20%, which is conservative but reasonable given how small the property is, and that vacancies rose to 36% in 2023, due to delays in the Housing Authority's capacity to fill vacant units from their waitlist.
Annual Income Growth is increased at 2.5% per year or 1% for LOSP tenant rents	Y	Tenant rent income escalation factor is 2.5% and Voucher income escalation is 1.5%
Annual Operating Expense escalation is based on project's historical actuals	Y	Expenses escalation factor is 3.5%
Base year operating expenses per unit are reasonable per comparables	Y	Total Operating Expenses are \$9,722 per unit This is on the low side of comparable smaller projects, but aligns with actual Project performance for 2024.
Property Management Fee is at allowable <u>HUD Maximum</u>	N	Total current Property Management Fee is \$13,200 or \$100 PUPM. Note that while this is above the HUD maximum (\$63/unit/month), it is below our SSP guideline maximum, and while this is not a small site acquisition, it is only 11 units and therefore those guidelines may be more reasonable for this Project

Property Management staffing level is reasonable per comparables	Y	Proposed staffing: .1 FTE Senior Property Manager .1 FTE Maintenance Manager .1 FTE Janitor
Asset Management and Partnership Management Fees meet standards	Y	Annual AM Fee is \$7,671/yr No annual PM fee as not tax credit
Replacement Reserve Deposits meet project needs based on CNA	Y	Replacement Reserves are \$17,600 per year, or \$1,600 per unit
Limited Partnership Asset Management Fee meets standards	N/A	Not a tax credit project with an LP

7.3. Capital Needs Assessment & Replacement Reserve Analysis.

Completed by Elizabeth McLachlan Consulting, Inc., on June 14, 2023, after the rehabilitation and addition of the 3 new ADUs was complete. The CNA concluded that the property is in “very good condition” and notes that the immediate needs were structured to “minimize the use of reserves in the future.” Even so, only \$17,000 of immediate needs were identified. With a recommended initial deposit of \$85,000, an annual deposit of \$17,600, or \$1,600/unit/year is recommended. At this amount, the replacement reserve balance dips to a low of about \$6,000 in years 18 and 20. It is worth noting that the CNA consultant’s assumed inflation factor is 1%, which is low given current inflation trends.

7.4. Income Restrictions for All Sources.

The restrictions listed below preserve and extend the current affordability of the 8 units whose rehab was funded by a CDBG/CHRP loan and restricts the 3 newly created ADUs to 60% MOHCD AMI. A Declaration of Restrictions that covers all units at the Project, including the new ADUs will be recorded, ensuring all units are restricted and meet or exceed the minimum PASS requirements for affordability.

7.5. MOHCD Restrictions.

Unit Size	No. of Units	Maximum Income Level (MOHCD AMI)
Studio	6	50 % of Median Income
1 BR	2	50% of Median Income
1 BR	2	60% of Median Income
2 BR	1	60% of Median Income

8. SUPPORT SERVICES

8.1. Services Plan. The Project is not a supportive housing property. There are no dedicated staff on site, however Mission Housing provides services as requested by residents.

8.2. Services Budget. None.

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

9. STAFF RECOMMENDATIONS

9.1. Proposed Loan Terms

Program	PASS			
	Market Rate Note	Below Market Note	Deferred Note	PASS TOTAL
Loan Amount	\$913,500	\$504,000	\$82,500	\$1,500,000
per unit	\$83,045	\$45,818	\$7,500	\$136,364
Rate	3.87289%	0.95763%	0.95763%	2.74201%
Repayment type	fully amortizing		balloon payment at maturity	mixed
Loan Priority	Senior, first position Subordinate to City's existing declaration of restrictions			
Loan Term	40 years			

9.2. Recommended Loan Conditions

1. Within 60 days of the closing of the loan, Sponsor will deliver to MOHCD a reasonably acceptable plan governing lead-based hazards at the site.
2. Declaration of Restrictions for PASS must be recorded at closing.

Evaluation of Request for PASS Senior Financing
3434 18th St, San Francisco, 94110

October 11, 2024
Page 19

3. Sponsor must provide quarterly updated response to any letters requesting corrective action.
4. Sponsor must update MOHCD on status of current marketing plan and ensure that the Project is up to date with a compliant waitlist for DAHLIA.

10. LOAN COMMITTEE MODIFICATIONS


Evaluation of Request for PASS Senior Financing
3434 18th St, San Francisco, 94110

October 11, 2024
Page 20

LOAN COMMITTEE RECOMMENDATION


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

APPROVE. DISAPPROVE. TAKE NO ACTION.

DocuSigned by:

Lydia Ely for Daniel Adams, Director
Mayor's Office of Housing

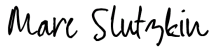
Date: 10/11/2024 | 12:53 PM PDT

APPROVE. DISAPPROVE. TAKE NO ACTION.

DocuSigned by:

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


Date: 10/11/2024 | 12:18 PM PDT

APPROVE. DISAPPROVE. TAKE NO ACTION.

DocuSigned by:

Marc Slutzkin for Thor Kaslofsky, Executive Director
Office of Community Investment and Infrastructure

Date: 10/11/2024 | 12:52 PM PDT

APPROVE. DISAPPROVE. TAKE NO ACTION.

DocuSigned by:

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

Date: 10/11/2024 | 12:21 PM PDT

Evaluation of Request for PASS Senior Financing
3434 18th St, San Francisco, 94110

October 11, 2024

Page 21

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 – N/A
- G. Elevations and Floor Plans, if available
- H. Comparison of City Investment in Other Housing Developments
- I. Construction Budget
- J. Permanent Finance 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
1	Acquisition/Predev Financing Commitment	5/21/2021	Cash-out LC approval
2.	Site Acquisition	N/A	
3.	Development Team Selection		
a.	Architect	10/6/2018	
b.	General Contractor	9/11/2020	
c.	Owner's Representative	N/A	
d.	Property Manager	3/1/2024	Caritas took over for FPI
e.	Service Provider	N/A	
4.	Design	7/20/2021	(only needed for ADUs)
5.	Commercial Space	N/A	
6.	Environ Review/Land-Use Entitlements	2/17/2023	Post-environ. review
7.	PUC/PG&E	6/1/2021	
8.	Permits	7/20/2021	
9.	Request for Bids Issued	N/A	Privately funded
10.	Service Plan Submission	N/A	No services
11.	Additional City Financing	10/11/2024	PASS request made
12.	Other Financing	N/A	
13.	Closing	9/17/2021	Cash-out refi
14.	Construction		
a.	Notice to Proceed	12/2/2021	
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	7/11/2021	
15.	Marketing/Rent-up	N/A	Occupied rehab
16.	Cost Certification/8609	N/A	
17.	Close Out MOH/OCII Loan(s)	1/15/2025	PASS loan closing

Evaluation of Request for PASS Senior Financing
3434 18th St, San Francisco, 94110

October 11, 2024
Page 23

Attachment B: Borrower Org Chart



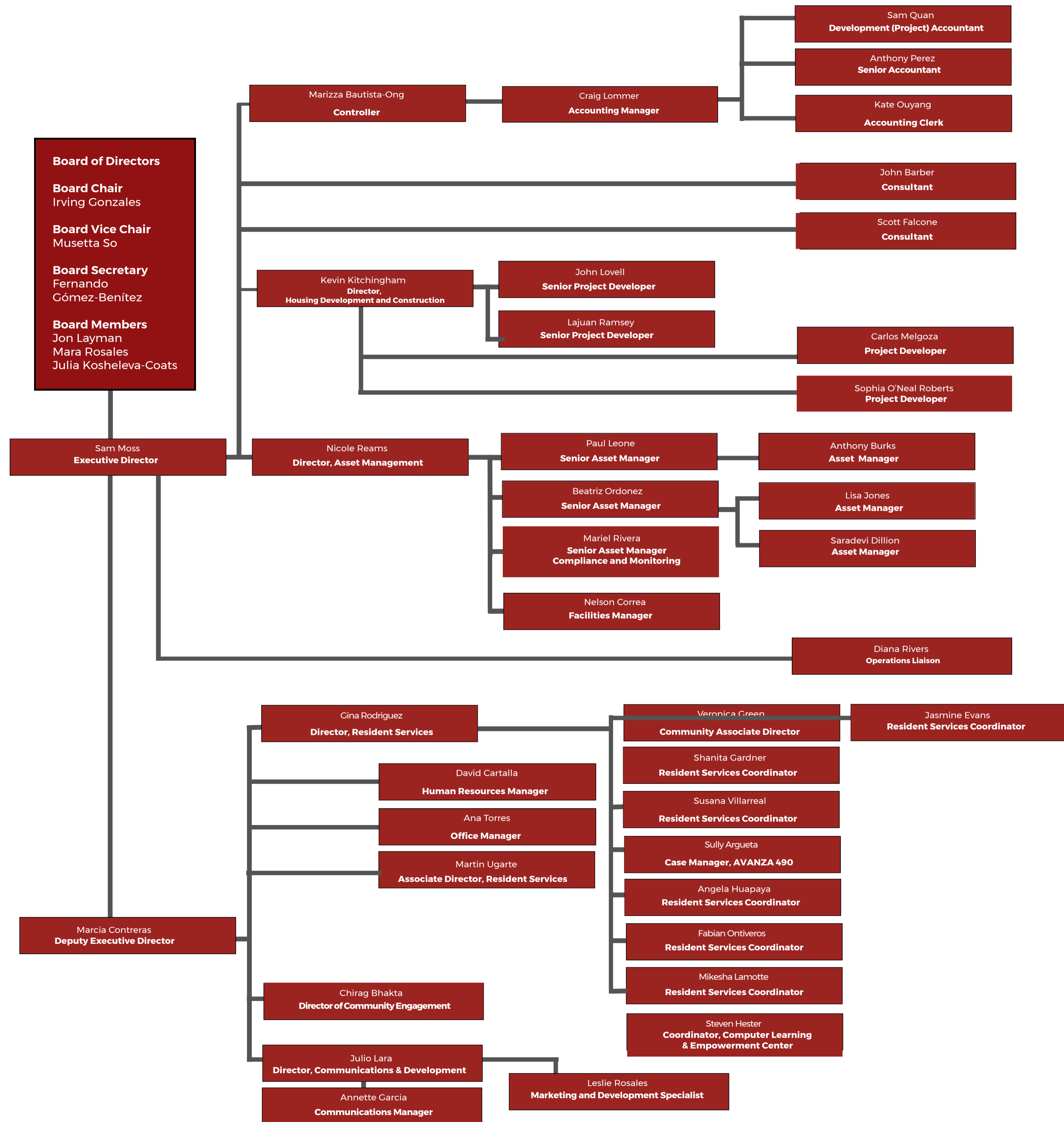
MISSION HOUSING
DEVELOPMENT CORPORATION

STAFF ORGANIZATION CHART

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

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

(415) 864-6432
MissionHousing.org



Attachment C: Development Staff Resumes

Kevin Kitchingham, Director of Housing Development & Construction Management

Kevin Kitchingham has 18 years' experience as an affordable housing professional. His accomplishments include working on more than \$750 million worth of transactions in both the public and private sectors. Before spending a decade at the San Francisco Mayor's Office of Housing and Community Development, Kevin was the Housing Director of a community based non-profit developer in Bernal Heights. In 2015, Kevin was selected by Mayor Ed Lee as a key author of the Mission Action Plan 2020 and he is a keen observer and participant in San Francisco politics, particularly those of the Mission and Bernal neighborhoods. He has also lived and volunteered in the Mission/Bernal neighborhoods.

Nicole Reams, Director of Asset Management

Nicole Reams has been the Director of Asset Management at Mission Housing since 2021. Committed to managing assets for the last two decades, she has worked directly for such companies as DCG Commercial, Fremont Bank, Alameda County, the City and County of San Francisco Homelessness and Supportive Housing Department and Stanford University. She is dedicated to helping communities thrive and has held active roles with the City of Hayward's Downtown Business Improvement Area Advisory Board, Alameda County Assessment Appeals Board, was a Northern California Real Estate Women of Influence Nominee and more recently served on the City of Richmond's Economic Development Committee. Nicole holds a Masters in Business Administration from California State East Bay and a Bachelors in Marketing from Holy Names University.

Beatriz Ordonez, Sr. Asset Manager

Beatriz Ordonez is a dedicated asset manager with extensive experience overseeing the long-term financial and operational health of affordable housing portfolios. She is currently serving as a Senior Asset Manager at Mission Housing since January 2024. In this role, she manages a portfolio of affordable housing properties, ensuring compliance, financial sustainability, and successful collaboration with investors and lenders.

Before rejoining Mission Housing, Beatriz was an Asset Manager at BRIDGE Housing Corporation, where she managed 30 properties, focusing on capital improvement planning, budget management, and regulatory compliance. Prior to that, she also worked at Mission Housing, where she completed the Year 15 buyouts for four properties and managed six Low Income Housing Tax Credit (LIHTC) properties.

Her earlier experience includes a key role at the Mission Economic Development Agency (MEDA), where she managed a portfolio of 33 scattered site properties as part of San Francisco's Small Sites Program. She played an integral role in lease-ups, income certifications, and capital planning.

Beatriz holds certifications as an Asset Management Specialist from NeighborWorks and as a Tax Credit Specialist from the National Center for Housing Management, further enhancing her expertise in affordable housing finance and property management.

Beatriz's career has been defined by her strong ability to collaborate across sectors, with a commitment to ensuring the long-term sustainability and financial health of affordable housing developments.

Evaluation of Request for PASS Senior Financing
3434 18th St, San Francisco, 94110

October 11, 2024

Page 25

Saradevi Dillon, Asset Manager

Saradevi Dillon is a fifth generation Bay Area native. In 2022 she graduated with high honors from College of the Siskiyous with an AA degree in Psychology and Sociology. Saradevi has worked in the non-profit sector for four years and has been at Mission Housing since May of 2023. In 2023 she was a recipient of the Merritt scholarship program for the Asset Manager Specialist + training with CHAM and looks forward to continuing her training to receive the Certified Asset Manager Designation. She has lived in the Mission Terrace neighborhood and loves a good BART holiday sweater.

Attachment D: Asset Management Evaluation of Project Sponsor

Asset Management Performance and Capacity, Per Mission Housing:

“Operating for over 50 years, Mission Housing has maintained a long-term commitment to responsible stewardship of its assets. Mission Housing’s Asset Management team oversees its residential and commercial portfolio and ensures that properties are being managed per budget and regulatory requirements, receive proper and timely maintenance, and have adequate reserves. Mission Housing’s Executive Director served as Director of Asset Management for three years, ensuring the sound financial health of Mission Housing for years to come. Expert asset management has been instrumental in the stability of our diverse portfolio and is crucial to Mission Housing’s ability to lead in service to the community, maintaining affordable housing and protecting longtime San Francisco families at risk of displacement.

Mission Housing’s asset management approach champions collaboration between its Executive Director, asset management department, Controller and accounting staff, project managers, resident services department, and community stakeholders. Asset Managers oversee the compliance and fiscal health of properties which includes United States Department of Housing and Urban development (HUD) Rental Assistance Demonstration 2 (RAD2) conversions, re-syndications of tax credit properties and active management of 29,000 square feet of ground floor retail commercial space, and over 10,000 square feet of non-profit space for Mission Neighborhood Center’s Head Start Childcare.”

Mission Housing owns 36 Buildings and 1,620 units.

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

<u>AM TEAM</u>				
AM	TITLE	# OF BUILDINGS	# OF UNITS	FTE
Paul	Sr. AM	5	373	100%
Beatriz	Sr. AM	17	427	100%
Anthony	AM	7	416	100%

Lisa	AM	7	404	100%
Total		36	1620	
Mariel	Sr. AM - Compliance	36	1620	100%
Nelson	Facilities Manager	36	1620	100%
Saradevi	Administrative Assistant	36	1620	100%
TBD - VACANT	Compliance Analyst	36	1620	100%
Nicole	Dr. AM	36	1620	100%

Description of scope and range of duties of sponsor’s asset management team

Senior Asset Manager Essential Functions, from latest job posting:

The Senior Asset Manager will customarily and regularly exercise discretion and independent judgment in the following job duties:

- Independently monitor the activities of property management firms responsible for the daily operations of the properties, and report significant information to the Director of Asset Management.
- Lead and monitor the third-party property management company in the performance of lease-ups in both new construction and occupied rehabs.
- Identify, evaluate and recommend capital improvement and replacement projects in the agency’s operating portfolio, including potential energy efficiency retrofits.
- Manage LIHTC (low income housing tax credits) capital accounts through annual analysis and exit tax projections; exit limited partner.
- Collaborate with development and finance teams to identify opportunities for rehab and re-syndication; work with Mission Housing’s team to accomplish goals for portfolio, new construction and acquisitions; establish a feedback loop with the current Asset Manager and project development team to capture learnings from portfolio investigations; collaborate with Resident Services on a continual basis to help ensure current services are effective and practical.
- Represent Mission Housing’s ownership concerns and coordinate with property managers, project managers and other development team members to ensure that lease-up, marketing and outreach and maintenance of waiting lists are handled in accordance with the management plan, Mission Housing’s policies and all regulatory requirements; ensure that goals for development are met on time.

- Work collaboratively to create and refine reporting procedures, database and other informational systems to collect data, track projects, enhance communication and distribute to Mission Housing management.
- Directly supervise Asset Manager(s) possibly in the future and provide necessary training.
- Review and analyze monthly property financial statements for reporting to the Executive Director and Board of Directors, as requested.
- Review annual operating budgets to ensure implementation of multi-year plans and coordination with property management.
- Ensure properties are meeting financial goals as projected and required under all agreements and regulations.
- Contribute to preparation of audited financial statements, i.e., related party fees, contingent liabilities, reserves, and surplus cash analysis and distribution and ensure surplus distributions are made correctly and on a timely basis.
- Represent Mission Housing to stakeholders, partners, lenders, property managers, vendors, residents and community members as needed, with an above average level of understanding, and supporting our mission, vision and values.
- Create asset management plans for Mission Housing's operating portfolio.
- Perform site inspections and oversee physical risk management.
- Manage insurance for Mission Housing-controlled portfolio, including claims, setting deductible and coverage levels, and all other insurance-related issues.
- Oversee the creation, collection, and maintenance of physical specifications with the goal of maintaining the integrity of the original designs, while updating and greening the product.
- Lead and perform due diligence on proposed new acquisitions, and make recommendations to the Director of Asset Management on new acquisitions and projects.
- Research partnership agreements, financing documents, regulatory agreements, tax returns, and other source documents to determine constraints and barriers to long-term needs.
- Monitor property commercial spaces and work with brokers to market and negotiate leases with prospective tenants, as needed.
- Negotiate with partners and/or lenders, as needed, to amend agreements.
- Facilitate approval processes with lenders and/or investors, as needed.
- Prepare and review all reporting information due to investors/lenders.
- File welfare exemptions and business entity forms.
- Complete other tasks as assigned related to real estate asset management, policy development, budgets, planning, maintenance of records and systems and administration.

- Perform other duties as considered appropriate and consistent with the mission of Mission Housing, including working at occasional community-building activities, programs and events, as needed, during business hours or on weekends.

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

Asset Management (includes our compliance team and Facilities Manager) works closely with our affiliated subsidiary Caritas Management Company. We meet weekly with the property supervisor, site staff and accountant to discuss each property's financial and physical status and concerns.

sponsor's budget for asset management team: \$1,370,049 annually

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

The Mission Housing Development Team continues to look for opportunities to develop more affordable housing within the City and County of San Francisco. Currently, we have the Balboa Reservoir, 1979 Mission, 490 Laguna Honda in the pipeline. As we get closer to development and lease up, the Asset Management Department will hire based on the needs of the organization.

MOHCD Asset Management has reviewed these statements and numbers.

Attachment E: Threshold Eligibility Requirements and Ranking Criteria

From the Preservation and Seismic Safety (PASS) Program Regulations:

2. LOAN TERMS AND CONDITIONS

All Loans shall be either Market Rate Loans (“MR Loans”), Below Market Rate Loans (“BMR Loans”), or Deferred Loans (as such term is defined in Chapter 66, “Deferred Loans”), each of which shall be structured and administered as described below. For the purposes of these Regulations, “Property” means any legal parcel(s) of real property and improvements eligible for a Loan under the Program, and subject to a Declaration of Restrictions, as provided hereunder, and “Project” means the improvements on such Property.

2.1. Eligible Properties. The proceeds of Loans may be used to cover costs associated with (i) the acquisition, improvement, and/or rehabilitation of at-risk multi-unit residential buildings; (ii) the conversion of such buildings to permanent affordable housing; and (iii) financing the cost of needed seismic, fire, health, and safety upgrades or other major rehabilitation for habitability of such structures and for unreinforced masonry buildings. Proceeds of a Loan shall not be used to finance new construction of a building or acquisition of a building without improvement and/or rehabilitation of such building. Mixed-use Properties are eligible to receive Loans, provided that the majority of the improvements thereon (as determined by square footage or dollar value) are used for residential purposes. MOHCD may issue to a particular Property any number of MR Loans, BMR Loans, and Deferred Loans (as such term is defined in Chapter 66) in any combination thereof. All residential units at Properties must fully conform with City Planning Code requirements applicable to the Property, including zoning, building code compliance, and any relevant neighborhood plan controls. Where there are tenants living in unpermitted units and the units meet minimum livability standards according to Chapter 5 of the San Francisco Housing Code of 2016, Loans may be used to bring such units into compliance with permitting requirements. A Project defined as a “Residential Hotel” under Chapter 41 of the City’s Administrative Code is eligible to receive a Loan; a Project defined as a “Tourist Hotel” under that chapter is not eligible to receive a Loan.

2.2. Eligible Borrowers. Recipients of Loans (“Borrowers”) may be either for-profit or not-for-profit enterprises. However, MOHCD may grant preference to not-for-profit entities when allocating Loan funds. Also, as part of the Loan underwriting process, MOHCD will evaluate all prospective Borrowers based on the enterprise risk criteria described in §6.1 below. Eligible Borrowers may be organized as special-purpose, single-asset entities. In such cases, MOHCD may look to the entity or entities that ultimately own or control the Borrower (the “Sponsors”) when assessing enterprise risk, seeking financial guarantees, or for other purposes.

7. LOAN APPROVAL PROCESS

The process of approving Applications submitted to MOHCD shall proceed as described below.

7.1. Application. To initiate the Loan approval process, prospective Borrowers must submit an Application to MOHCD. Application information and forms shall be made available by

the Director and published on MOHCD's website, or such other convenient location as may be determined by the Director. The Application package will indicate procedures for returning a completed Application, and the expected time frame for the processing thereof. The elements of a typical Application package include the following: · An Application for Program Financing Form; · A MOHCD Pro Forma workbook; · A Deposit and Indemnification Agreement; · An organizational chart for the Project (including the hierarchical relationships, ownership percentages, official names, entity types, and state of formation for all entities that have ownership and/or control interests in the Borrower entity as of Application submission or will have such interests as of Closing); · A narrative description of experience with similar projects (for the Sponsor as well as its partners); · A draft Distribution List with contact information for known transaction parties; and · A check for the Underwriting Deposit as described in §5.1 above.

7.2. Preliminary Approval/Denial. Following Application submission, MOHCD staff will review the Application for consistency with these Regulations and MOHCD's policy priorities, resolve any follow-up inquiries with the Borrower, and present the Application to the Director for evaluation. The Director will either approve or deny the Application (respectively, "Preliminary Approval" or "Preliminary Denial"). Preliminary Approval is merely MOHCD's preliminary finding that, based on the information provided in the Application (in original form or as subsequently amended), the proposed financing (1) is generally feasible, (2) can be executed in a manner consistent with these Regulations, and (3) is recommended for approval by the Loan Committee (as applicable). Preliminary Approval DOES NOT (1) represent any commitment by the City to proceed with the proposed financing; (2) authorize any gap financing by MOHCD, OCII, or the City; (3) signify that the Project complies with the planning, zoning, subdivision, or building, laws or ordinances of the City; or (4) suggest that MOHCD, the City, or any officer or agent of MOHCD or the City will grant any other approval, consent, or permit that may be required in connection with a given Project. Any Preliminary Denials will be in writing and will state the basis for denial. Borrowers may appeal Preliminary Denials to the Director within 10 days of being notified of such denials; any Preliminary Denial not appealed within this 10-day timeframe shall be considered a Final Denial (and thus subject to the terms of §7.3 below). Any appeals of Preliminary Denials must be submitted in writing; the Director's subsequent denial of any such appeal shall also be considered a Final Denial.

7.3. Final Approval/Denial. Following Preliminary Approval, Applications shall be submitted to the Loan Committee for evaluation and final approval or denial as described below. Regardless of whether an Application meets all of the eligibility criteria in these Regulations, the Loan Committee may, in its discretion, choose to deny the Application (also a "Final Denial") or to approve the application (a) with modifications (e.g., a lower Loan amount than requested by the Applicant), (b) subject to certain conditions, or (c) without conditions (each, a "Final Approval"). Notwithstanding the foregoing, with respect to Loans for Projects that have already received a funding commitment from MOHCD's Small Sites Program ("SSP"), or any successor Acquisition Program (collectively with SSP, "Acquisition Program"), Final Approval or Final Denial may be issued pursuant to the Acquisition Program Guidelines. Final Denials are not subject to appeal; Applicants who wish to submit an Application for

Evaluation of Request for PASS Senior Financing
3434 18th St, San Francisco, 94110

October 11, 2024

Page 32

reconsideration following a Final Denial must compensate the City for its costs associated with the denied Application and complete the entire Application process again (including, without limitation, payment of an additional Underwriting Deposit).

Evaluation of Request for PASS Senior Financing
3434 18th St, San Francisco, 94110

October 11, 2024
Page 33

Attachment F: Site Map with amenities

N/A

Attachment G: Elevations and Floor Plans

For ADUs:

SHEETNOTES

1. TV VENT IN LOBBY ABOVE
2. TV TO BE IN BELOW DOORWAY
3. PROVIDE ANGLE STOP WITH OUTLETS FOR DISHWASHER ON HOT SUPPLY AND ICE MAKER ON COLD SUPPLY
4. BE BUILDING COLD WATER SUPPLY UP BACT LOCATION
5. SEE UPPER UNIT FLOOR PLANS UNDER SEPARATE PERMIT FOR HOT WATER HEATING SYSTEMS
6. 7-1/2" WIDE AND 2" HIGH TO EACH UNIT RUN ABOVE AND CLEANOUT 1" ON FLOOR ALL 3 UNITS WITH CLEANOUT PRESSURE OUT FOR CLEANOUT INSTALLATION HOT WATER PIPES
7. CLEANOUT BE CLEANOUT AT STACK BASE TO WALL CLEANOUT ON OUTSIDE WALL PROVIDE STAINLESS STEEL CLEANOUT COVER

PANEL 1A

LOAD	WATTS	LOAD	LOAD	LOAD	LOAD
1. 20A LIT. INTERIOR	400	800	90	LIT. EXTERIOR	20A 2
3. 20A REC. LIVING ROOM	800	1400	800	REC. KITCHEN1	20A 4
3. 20A REC. BATHROOM	800	400	200	REC. KITCHEN2	20A 5
3. 20A REC. BEDROOM	800	1000	1000	REFRIGERATOR	20A 8
7. 20A REC. BEDROOM	700	1000	200	HOOD	20A 10
11. 20A HP-2	1170	3400	200A	HWS 1A	SWAMP 12
13. RANG. ELECTRIC RANGE	5100	100A	200A		14
17. RANG. ELECTRIC RANGE	5100	5100		SPARE	20A 18
19	0	0	0		20
21	0	0	0		22
23	0	0	0		24
25	0	0	0		26
27	0	0	0		28
29	0	0	0		30

CONNECTED KVA PER PHASE: 0.91 11.78

DEMAND FACTOR APPLICATIONS: 0.95 0.95 0.95

RECEPTACLE (FIRST 200W) 2.8 100% 3.4 TOTAL CONNECTED LOAD 21.9 kVA

RECEPTACLE (OVER 200W) 0.5 100% 0.5 SPARE CAPACITY 1.6 kVA

CONTINUOUS LOADS 0.5 100% 0.5 TOTAL SERVICE LOAD 21.4 kVA

NON-CONTINUOUS LOADS 18.6 100% 18.6 TOTAL SERVICE 80.2 kVA

PANEL 1B

LOAD	WATTS	LOAD	LOAD	LOAD	LOAD
1. 20A LIT. INTERIOR	400	800	90	LIT. EXTERIOR	20A 2
3. 20A REC. LIVING ROOM	800	1700	800	REC. KITCHEN1	20A 4
3. 20A REC. BATHROOM	800	400	200	REC. KITCHEN2	20A 5
3. 20A REC. BEDROOM	800	1000	1000	REFRIGERATOR	20A 8
7. 20A REC. BEDROOM	700	1000	200	HOOD	20A 10
11. 20A HP-2	1170	3400	200A	HWS 1B	SWAMP 12
13. RANG. ELECTRIC RANGE	5100	100A	200A		14
17. RANG. ELECTRIC RANGE	5100	5100		SPARE	20A 18
19	0	0	0		20
21	0	0	0		22
23	0	0	0		24
25	0	0	0		26
27	0	0	0		28
29	0	0	0		30

CONNECTED KVA PER PHASE: 0.91 11.58

DEMAND FACTOR APPLICATIONS: 0.95 0.95 0.95

RECEPTACLE (FIRST 200W) 3.4 100% 3.4 TOTAL CONNECTED LOAD 21.1 kVA

RECEPTACLE (OVER 200W) 0.5 100% 0.5 SPARE CAPACITY 1.6 kVA

CONTINUOUS LOADS 0.5 100% 0.5 TOTAL SERVICE LOAD 21.2 kVA

NON-CONTINUOUS LOADS 17.2 100% 17.2 TOTAL SERVICE 80.4 kVA

PANEL 1C

LOAD	WATTS	LOAD	LOAD	LOAD	LOAD
1. 20A LIT. INTERIOR	400	800	90	LIT. EXTERIOR	20A 2
3. 20A REC. LIVING ROOM	800	900	200	REC. KITCHEN1	20A 4
3. 20A REC. BATHROOM	800	400	200	REC. KITCHEN2	20A 5
3. 20A REC. BEDROOM	1000	1000	1000	REFRIGERATOR	20A 8
9. 20A REC. GUEST BEDROOM	800	1000	200	HOOD	20A 10
11. 20A HP-2	1170	3400	200A	HWS 1C	SWAMP 12
13. RANG. ELECTRIC RANGE	5100	1000	200A		14
17. RANG. ELECTRIC RANGE	5100	5100		SPARE	20A 18
19	0	0	0		20
21	0	0	0		22
23	0	0	0		24
25	0	0	0		26
27	0	0	0		28
29	0	0	0		30

CONNECTED KVA PER PHASE: 0.88 11.36

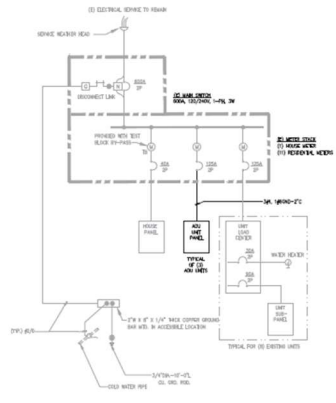
DEMAND FACTOR APPLICATIONS: 0.95 0.95 0.95

RECEPTACLE (FIRST 200W) 4.2 100% 4.2 TOTAL CONNECTED LOAD 22.2 kVA

RECEPTACLE (OVER 200W) 0.5 100% 0.5 SPARE CAPACITY 1.6 kVA

CONTINUOUS LOADS 0.5 100% 0.5 TOTAL SERVICE LOAD 21.7 kVA

NON-CONTINUOUS LOADS 17.2 100% 17.2 TOTAL SERVICE 80.8 kVA



SINGLE LINE DIAGRAM
 1
 ED.02



Attachment H: Comparison of City Investment in other Housing Developments

This Project is most similar to other Cash-Out Waiver refinance properties. Here is a comparison of this property to others in the Mission Housing Mariposa Gardens Cash-Out Waiver refinance request:

Table F: Reinvestment Project Costs Summary and Allocation of Excess Proceeds

Property	Resource	Receiver Properties				
	Mariposa Gardens	Maria Alicia Apts.	3434 18th	2800 Bryant	3019 23rd	Dunleavy Plaza
Total Constr. Costs	\$ 8,875,320	\$ 3,695,200	\$3,615,241	\$1,569,633	\$3,117,409	\$ 2,005,641
<i>Constr. Costs/Unit</i>	<i>140,878</i>	<i>184,760</i>	<i>328,658</i>	<i>224,233</i>	<i>519,568</i>	<i>40,931</i>
Cap. Repl. Reserves	213,781	120,758	-	-	-	248,068
Cap. Op. Reserves	262,106	-	-	-	-	162,192
Relocation Costs	309,237	-	200,000	-	154,800	-
Soft Costs	912,869	264,214	354,614	180,773	162,885	48,399
Constr. Mgmt. Fee	95,000	83,500	71,000	81,500	88,500	75,500
Developer Fee	125,520	75,805	79,516	34,912	66,067	39,929
Total Dev. Costs (A)	\$ 10,793,833	\$ 4,239,477	\$4,320,371	\$1,866,818	\$3,589,661	\$ 2,579,729
<i>TDC/Unit</i>	<i>171,331</i>	<i>211,974</i>	<i>392,761</i>	<i>266,688</i>	<i>598,277</i>	<i>52,648</i>
Excess Proceeds Allocation (B)	n/a	3,910,083	2,665,201	1,866,818	3,589,661	2,579,729
Existing Loan Payoff (C)	3,381,317	377,242	-	-	-	-
TDC + Loan Payoff (A+C)	14,175,150	4,616,719	4,320,371	1,866,818	3,589,661	2,579,729
Gap (A+C-B)/PASS Loan	n/a	706,636	1,655,170	-	-	-

Evaluation of Request for PASS Senior Financing
3434 18th St, San Francisco, 94110

October 11, 2024
Page 36

Attachment I: Construction Budget

Application Date: 7/26/24 # Units: 11
 Project Name: 3434 18th Street # Bedrooms: 12
 Project Address: 3434 18th Street # Beds:
 Project Sponsor: Mission Housing Development Corporation

SOURCES		4,637,132	68,750	140,000	-	-	Total Sources	Comments
	Name of Sources:	MOHCD/OClI	Cash-out waiver funds	Deferred to perm close	existing CDBG debt		4,845,882	

USES

ACQUISITION

Acquisition cost or value				140,000			140,000	
Legal / Closing costs / Broker's Fee			10,000				10,000	
Holding Costs							0	
Transfer Tax							0	
TOTAL ACQUISITION	0	0	10,000	140,000	0	0	150,000	

CONSTRUCTION (HARD COSTS)

Unit Construction/Rehab		3,289,108					3,289,108	
Commercial Shell Construction							0	
Demolition		70,673					70,673	
Environmental Remediation							0	
Onsite Improvements/Landscaping							0	
Offsite Improvements							0	
Infrastructure Improvements							0	HOPE SF/OClI costs for streets etc.
Parking							0	
GC Bond Premium/GC Insurance/GC Taxes		88,468					88,468	2.3%
GC Overhead & Profit		145,705					145,705	3.8%
CG General Conditions		212,697					212,697	5.6%
<i>Sub-total Construction Costs</i>	<i>0</i>	<i>3,806,651</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>3,806,651</i>	
Design Contingency (remove at DD)							0	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Bid Contingency (remove at bid)							0	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Plan Check Contingency (remove/reduce during Plan Review)							0	4% up to \$30MM HC, 3% \$30-\$45MM, 2% \$45MM+
Hard Cost Construction Contingency							0	5% new construction / 15% rehab
<i>Sub-total Construction Contingencies</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	
TOTAL CONSTRUCTION COSTS	0	3,806,651	0	0	0	0	3,806,651	

Construction line item costs as a % of hard costs

SOFT COSTS

Architecture & Design

Architect design fees		42,378					42,378	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)							0	
Architect Construction Admin							0	
Reimbursables							0	
Additional Services							0	
<i>Sub-total Architect Contract</i>	<i>0</i>	<i>42,378</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>42,378</i>	
Other Third Party design consultants (not included under Architect contract)		184,412					184,412	Consultants not covered under architect contract; name consultant type and contract amount
Total Architecture & Design	0	226,790	0	0	0	0	226,790	

Engineering & Environmental Studies

Survey		6,800					6,800	
Geotechnical studies							0	
Phase I & II Reports		9,275					9,275	
CEQA / Environmental Review consultants							0	
NEPA / 106 Review							0	
CNA/PNA (rehab only)		3,976					3,976	
Other environmental consultants		1,000					1,000	Name consultants & contract amounts
Total Engineering & Environmental Studies	0	21,051	0	0	0	0	21,051	

Financing Costs

Construction Financing Costs

Construction Loan Origination Fee							0	
Construction Loan Interest							0	
Title & Recording							0	
CDLAC & CDIAC fees							0	
Bond Issuer Fees							0	
Other Bond Cost of Issuance							0	
Other Lender Costs (specify)							0	
<i>Sub-total Const. Financing Costs</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	
Permanent Financing Costs			38,750				38,750	includes 1st yr monitor and servicing fee
Permanent Loan Origination Fee			38,750				38,750	
Credit Enhance. & Appl. Fee							0	
Title & Recording							0	
<i>Sub-total Perm. Financing Costs</i>	<i>0</i>	<i>0</i>	<i>38,750</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>38,750</i>	
Total Financing Costs	0	0	38,750	0	0	0	38,750	

Legal Costs

Borrower Legal fees		7,624	5,000				12,624	
Land Use / CEQA Attorney fees							0	
Tax Credit Counsel							0	
Bond Counsel							0	
Construction Lender Counsel							0	
Permanent Lender Counsel			15,000				15,000	
Other Legal (specify)							0	
Total Legal Costs	0	7,624	20,000	0	0	0	27,624	

Other Development Costs

Appraisal		3,200					3,200	
Market Study							0	
Insurance		13,511					13,511	
Property Taxes		0					0	
Accounting / Audit							0	
Organizational Costs							0	
Entitlement / Permit Fees		59,729					59,729	
Marketing / Rent-up							0	
Furnishings							0	\$2,000/unit; See MOHCD U/W Guidelines: http://sfmohcd.org/documents-reports-and-forms
PGE / Utility Fees							0	
TCAC App / Alloc / Monitor Fees							0	
Financial Consultant fees							0	
Construction Management fees / Owner's Rep		71,000					71,000	
Security during Construction		8,970					8,970	
Relocation		265,082					265,082	
Other (specify)							0	
Other (specify)							0	
Other (specify)							0	
Total Other Development Costs	0	421,492	0	0	0	0	421,492	

Total Soft Cost Contingency as a % of Total Soft Costs

Soft Cost Contingency

Contingency (Arch, Eng, Fin, Legal & Other Dev)		0		0			0	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	0	676,957	58,750	0	0	0	735,707	0.0%

RESERVES

Operating Reserves		41,767					41,767	
Replacement Reserves		32,241					32,241	
Tenant Improvements Reserves							0	
Other (specify)							0	
Other (specify)							0	
Other (specify)							0	
TOTAL RESERVES	0	74,008	0	0	0	0	74,008	

DEVELOPER COSTS

Developer Fee - Cash-out Paid at Milestones		79,516					79,516	
Developer Fee - Cash-out At Risk							0	
Commercial Developer Fee							0	
Developer Fee - GP Equity (also show as source)							0	
Developer Fee - Deferred (also show as source)							0	
Development Consultant Fees							0	Need MOHCD approval for this cost, N/A for most projects
Other (specify)							0	
TOTAL DEVELOPER COSTS	0	79,516	0	0	0	0	79,516	

TOTAL DEVELOPMENT COST

		4,637,132	68,750	140,000	0	0	4,845,882
Development Cost/Unit by Source		421,557	6,250	12,727	0	0	440,535
Development Cost/Unit as % of TDC by Source		9.1%	1.4%	2.9%	0.0%	0.0%	9.1%

Acquisition Cost/Unit by Source

		0	0	12,727	0	0	12,727
Construction Cost (inc Const Contingency)/Unit By Source		346,059	0	0	0	0	346,059
Construction Cost (inc Const Contingency)/SF		905.91	0.00	0.00	0.00	0.00	905.91

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

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

Evaluation of Request for PASS Senior Financing
3434 18th St, San Francisco, 94110

October 11, 2024
Page 37

Attachment J: Permanent Financing Budget

Application Date: 7/26/24 # Units: 11
 Project Name: 3434 18th Street # Bedrooms: 12
 Project Address: 3434 18th Street # Beds:
 Project Sponsor: Mission Housing Development Corporation

SOURCES	Total Sources						Comments
		903,500	504,000	82,500	140,000	3,215,882	
		Market Rate	Below	Deferred	CDBG "Existing" Loan	Cash-Out Waiver fund remaining	

USES

ACQUISITION

Name of Sources:	MOHCD/OCII	Market Rate	Below	Deferred	CDBG "Existing" Loan	Cash-Out Waiver fund remaining	
Acquisition cost or value	0	844,750	504,000	82,500	140,000	3,215,882	4,787,132
Legal / Closing costs / Broker's Fee							0
Holding Costs							0
Transfer Tax							0
TOTAL ACQUISITION	0	844,750	504,000	82,500	140,000	3,215,882	4,787,132

CONSTRUCTION (HARD COSTS)

* Unit Construction/Rehab							0
* Commercial Shell Construction							0
* Demolition							0
* Environmental Remediation							0
* Onsite Improvements/Landscaping							0
* Offsite Improvements							0
* Infrastructure Improvements							0
Parking							0
GC Bond Premium/GC Insurance/GC Taxes							0
GC Overhead & Profit							0
CG General Conditions							0
Sub-total Construction Costs	0	0	0	0	0	0	0
Design Contingency (remove at DD)							0
Bid Contingency (remove at bid)							0
Plan Check Contingency (remove/reduce during Plan Review)							0
Hard Cost Construction Contingency							0
Sub-total Construction Contingencies	0	0	0	0	0	0	0
TOTAL CONSTRUCTION COSTS	0	0	0	0	0	0	0

Construction line item costs as a % of hard costs

SOFT COSTS

Architecture & Design

Architect design fees							0	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)							0	
Architect Construction Admin							0	
Reimbursables							0	
Additional Services							0	
Sub-total Architect Contract	0	0	0	0	0	0	0	
Other Third Party design consultants (not included under Architect contract)							0	Consultants not covered under architect contract; name consultant type and contract amount
Total Architecture & Design	0	0	0	0	0	0	0	

Engineering & Environmental Studies

Survey							0	
Geotechnical studies							0	
Phase I & II Reports							0	
CEQA / Environmental Review consultants							0	
NEPA / 106 Review							0	
CNA/PNA (rehab only)							0	
Other environmental consultants							0	Name consultants & contract amounts
Total Engineering & Environmental Studies	0	0	0	0	0	0	0	

Financing Costs

Construction Financing Costs								
Construction Loan Origination Fee							0	
Construction Loan Interest							0	
Title & Recording							0	
CDLAC & CDIAC fees							0	
Bond Issuer Fees							0	
Other Bond Cost of Issuance							0	
Other Lender Costs (specify)							0	
Sub-total Const. Financing Costs	0	0	0	0	0	0	0	
Permanent Financing Costs								
Permanent Loan Origination Fee		38,750					38,750	includes 1st yr monitor and servicing fee
Credit Enhance. & Appl. Fee							0	
Title & Recording							0	
Sub-total Perm. Financing Costs	0	38,750	0	0	0	0	38,750	
Total Financing Costs	0	38,750	0	0	0	0	38,750	

Legal Costs

Borrower Legal fees		5,000					5,000	
Land Use / CEQA Attorney fees							0	
Tax Credit Counsel							0	
Bond Counsel							0	
Construction Lender Counsel							0	
Permanent Lender Counsel		15,000					15,000	
Other Legal (specify)							0	
Total Legal Costs	0	20,000	0	0	0	0	20,000	

Other Development Costs

Appraisal							0	
Market Study							0	
* Insurance							0	Estimate includes 30k builders risk
* Property Taxes							0	2yrs capitalized property taxes based on acquisition cost
Accounting / Audit							0	
Organizational Costs							0	
Entitlement / Permit Fees							0	
Marketing / Rent-up							0	
* Furnishings							0	\$2,000/unit; See MOHCD UAW Guidelines on: http://sfmohcd.org/documents-reports-and-forms
PGE / Utility Fees							0	
TCAC App / Alloc / Monitor Fees							0	
* Financial Consultant fees							0	
Construction Management fees / Owner's Rep							0	
Security during Construction							0	
* Relocation							0	4k per month per unit x 4 months
PASS Monitoring & Servicing Fees							0	
Other (specify)							0	
Other (specify)							0	
Total Other Development Costs	0	0	0	0	0	0	0	

Total Soft Cost Contingency as % of Total Soft Costs 0.0%

Soft Cost Contingency

Contingency (Arch, Eng, Fin, Legal & Other Dev)							0	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	0	58,750	0	0	0	0	58,750	

RESERVES

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

DEVELOPER COSTS

Developer Fee - Cash-out Paid at Milestones							0	
Developer Fee - Cash-out At Risk							0	10k per unit
Commercial Developer Fee							0	
Developer Fee - GP Equity (also show as source)							0	
Developer Fee - Deferred (also show as source)							0	
Development Consultant Fees							0	Need MOHCD approval for this cost, N/A for most projects
Project Management Fee							0	
TOTAL DEVELOPER COSTS	0	0	0	0	0	0	0	

TOTAL DEVELOPMENT COST

Development Cost/Unit by Source	0	903,500	504,000	82,500	140,000	3,215,882	4,845,882	
Development Cost/Unit as % of TDC by Source	0.0%	18.6%	10.4%	1.7%	2.9%	66.4%	100.0%	

Acquisition Cost/Unit by Source

	0	76,795	45,818	7,500	12,727	292,353	435,194	
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Construction Cost (inc Const Contingency)/Unit By Source

	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
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*Possible non-eligible GO Bond/COP Amount:

City Subsidy/Unit	0							
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Tax Credit Equity Pricing:

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

Evaluation of Request for PASS Senior Financing
3434 18th St, San Francisco, 94110

October 11, 2024
Page 38

Attachment K: 1st Year Operating Budget

Application Date: 7/26/2024
 Total # Units: 11
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2024

Project Name: 3434 18th Street
 Project Address: 3434 18th Street
 Project Sponsor: Mission Housing Development Corporation

INCOME	Total	Comments	PUPA	PUPM
Residential - Tenant Rents	99,204	Links from 'Existing Proj - Rent Info' Worksheet	9,019	752
Residential - Tenant Assistance Payments (SOS Payments)	0	Comments		
Residential - Tenant Assistance Payments (Other Non-LOSP)	165,648	Links from 'Existing Proj - Rent Info' Worksheet	15,059	1,255
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			-	-
Interest Income - Project Operations	0	Links from 'Utilities & Other Income' Worksheet	-	-
Laundry and Vending	0	Links from 'Utilities & Other Income' Worksheet	-	-
Tenant Charges	0	Links from 'Utilities & Other Income' Worksheet	-	-
Miscellaneous Residential Income	0	Links from 'Utilities & Other Income' Worksheet	-	-
Other Commercial Income	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)			-	-
Gross Potential Income	264,852			
Vacancy Loss - Residential - Tenant Rents	(19,841)	Vacancy loss is 20% of Tenant Rents.	(1,804)	
Vacancy Loss - Residential - Tenant Assistance Payments	(33,130)	Vacancy loss is 20% of Tenant Assistance Payments.	(3,012)	
Vacancy Loss - Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-
EFFECTIVE GROSS INCOME	211,882		PUPA: 19,262	

OPERATING EXPENSES

Management				
Management Fee	13,200	Actuals	1,200	100
Asset Management Fee	7,671	Actuals	697	
Sub-total Management Expenses	20,871		PUPA: 1,897	
Salaries/Benefits				
Office Salaries	0	Links from 'Staffing' Worksheet	-	-
Manager's Salary	7,549	Links from 'Staffing' Worksheet	686	
Health Insurance and Other Benefits	2,418		220	
Other Salaries/Benefits	1,449	Workman's comp	132	
Administrative Rent-Free Unit			-	-
Sub-total Salaries/Benefits	11,416		PUPA: 1,038	
Administration				
Advertising and Marketing	2,000	Marketing and Lease up	182	
Office Expenses			-	-
Office Rent			-	-
Legal Expense - Property	1,100		100	
Audit Expense	1,500		136	
Bookkeeping/Accounting Services	2,000		182	
Bad Debts			-	-
Miscellaneous	1,000	Income Certifications	91	
Sub-total Administration Expenses	7,600		PUPA: 691	
Utilities				
Electricity	1,144		104	9
Water	2,935		267	22
Gas			-	-
Sewer	4,934		449	37
Sub-total Utilities	9,013		PUPA: 819	
Taxes and Licenses				
Real Estate Taxes	619		56	
Payroll Taxes			-	-
Miscellaneous Taxes, Licenses and Permits	800		73	
Sub-total Taxes and Licenses	1,419		PUPA: 129	
Insurance				
Property and Liability Insurance	7,500		682	
Fidelity Bond Insurance			-	-
Worker's Compensation			-	-
Director's & Officers' Liability Insurance			-	-
Sub-total Insurance	7,500		PUPA: 682	
Maintenance & Repair				
Payroll	18,803	Links from 'Staffing' Worksheet	1,709	
Supplies	3,370	Cleaning, grounds and painting	306	
Contracts	17,100	cleaning (units/common areas carpets) exterminating, service patrol, electrical, plumbing,	1,555	
Garbage and Trash Removal	5,603		509	
Security Payroll/Contract	0	Links from 'Staffing' Worksheet	-	-
HVAC Repairs and Maintenance	2,250		205	
Vehicle and Maintenance Equipment Operation and Repairs			-	-
Miscellaneous Operating and Maintenance Expenses	2,000		182	
Sub-total Maintenance & Repair Expenses	49,126		PUPA: 4,466	
Supportive Services	0	Links from 'Staffing' Worksheet	-	-
Commercial Expenses	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-
TOTAL OPERATING EXPENSES	106,945		PUPA: 9,722	
Reserves/Ground Lease Base Rent/Bond Fees				
Ground Lease Base Rent	0	Provide additional comments here, if needed.	-	-
Bond Monitoring Fee	5,000		455	
Replacement Reserve Deposit	17,600		1,600	
Operating Reserve Deposit			-	-
Other Required Reserve 1 Deposit			-	-
Other Required Reserve 2 Deposit			-	-
Required Reserve Deposit/s, Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	22,600		PUPA: 2,055	
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond)	129,545	PUPA: 11,777		
NET OPERATING INCOME (INCOME minus OP EXPENSES)	82,337	PUPA: 7,485		
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)				

Min DSCR: 1.15
 Mortgage Rate: 5.00%
 Term (Years): 40
 Supportable 1st Mortgage Pmt: #VALUE!
 Supportable 1st Mortgage Amt: #VALUE!
 Proposed 1st Mortgage Amt: \$913,500

Hard Debt - First Lender	44,952	Market Rate	Provide additional comments here, if needed.
Hard Debt - Second Lender (HCD Program 0.42% pymt. or other 2nd Lender)	15,172	Below	Provide additional comments here, if needed.
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	N/A	Deferred	Provide additional comments here, if needed.
Hard Debt - Fourth Lender	0		Provide additional comments here, if needed.
Commercial Hard Debt Service	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
TOTAL HARD DEBT SERVICE	60,124		PUPA: 5,466

CASH FLOW (NOI minus DEBT SERVICE) 22,213

USES OF CASH FLOW BELOW (This row also shows DSCR.) 1.37

USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL

"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)			
Partnership Management Fee (see policy for limits)			
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			
Other Payments			
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)			Provide additional comments here, if needed.
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)			Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)		Def. Develop. Fee split: 0%	Provide additional comments here, if needed.
TOTAL PAYMENTS PRECEDING MOHCD	0		PUPA: 0

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS) 22,213

Residual Receipts Calculation

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

Soft Debt Lenders with Residual Receipts Obligations	(Select lender name/program from drop down)	Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OCII - Soft Debt Loans	All MOHCD/OCII Loans payable from res. rects	\$0	100.00%
MOHCD/OCII - Ground Lease Value or Land Acq Cost	Ground Lease Value		0.00%
HCD (soft debt loan) - Lender 3			0.00%
Other Soft Debt Lender - Lender 4			0.00%
Other Soft Debt Lender - Lender 5			0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS 7,404

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE

HCD Residual Receipts Amount Due	0
Lender 4 Residual Receipts Due	0
Lender 5 Residual Receipts Due	0
Total Non-MOHCD Residual Receipts Debt Service	0

REMAINDER (Should be zero unless there are distributions below) 7,404

Owner Distributions/Incentive Management Fee	7,404	100% of Borrower share of 33% of residual receipts
Other Distributions/Uses	0	
Final Balance (should be zero)	0	

Evaluation of Request for PASS Senior Financing
3434 18th St, San Francisco, 94110

October 11, 2024
Page 39

Attachment L: 20-year Operating Proforma

3434 18th Street

Total # Units: 11

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
INCOME	% annual increase	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total
Residential - Tenant Rents	2.5%	99,204	101,684	104,226	106,832	109,503	112,240	115,046	117,922	120,870	123,892	126,990	130,164	133,418	136,754	140,173	143,677	147,269	150,951	154,724	158,592
Residential - SOS Payments	4.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential - Tenant Assistance Payments (Other Non-LOSP)	1.5%	165,648	168,133	170,655	173,215	175,813	178,450	181,127	183,844	186,601	189,400	192,241	195,125	198,052	201,023	204,038	207,098	210,205	213,358	216,558	219,807
Commercial Space	2.5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Potential Income		264,852	269,817	274,881	280,046	285,315	290,690	296,173	301,766	307,472	313,292	319,231	325,289	331,470	337,776	344,211	350,775	357,474	364,309	371,283	378,399
Vacancy Loss - Residential - Tenant Rents	n/a	(19,841)	(20,337)	(20,845)	(21,366)	(21,901)	(22,448)	(23,009)	(23,584)	(24,174)	(24,778)	(25,398)	(26,033)	(26,684)	(27,351)	(28,035)	(28,735)	(29,454)	(30,190)	(30,945)	(31,718)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	(33,130)	(33,627)	(34,131)	(34,643)	(35,163)	(35,690)	(36,225)	(36,769)	(37,320)	(37,880)	(38,448)	(39,025)	(39,610)	(40,205)	(40,808)	(41,420)	(42,041)	(42,672)	(43,312)	(43,961)
Vacancy Loss - Commercial	n/a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME		211,882	216,853	219,905	224,037	228,282	232,652	236,938	241,413	245,977	250,634	255,385	260,231	265,176	270,221	275,368	280,620	285,979	291,447	297,026	302,759
OPERATING EXPENSES																					
Management	3.5%	20,871	21,601	22,358	23,140	23,950	24,788	25,656	26,554	27,483	28,445	29,441	30,471	31,538	32,641	33,780	34,966	36,199	37,477	38,798	40,162
Salaries/Benefits	3.5%	11,416	11,816	12,229	12,657	13,100	13,559	14,033	14,524	15,033	15,559	16,103	16,667	17,250	17,854	18,479	19,126	19,795	20,488	21,205	21,947
Administration	3.5%	7,600	7,866	8,141	8,428	8,721	9,028	9,342	9,669	10,008	10,358	10,721	11,096	11,484	11,886	12,302	12,733	13,178	13,640	14,117	14,611
Utilities	3.5%	9,013	9,328	9,655	9,993	10,343	10,705	11,079	11,467	11,868	12,284	12,714	13,159	13,619	14,096	14,589	15,100	15,628	16,175	16,742	17,328
Taxes and Licenses	3.5%	1,419	1,469	1,520	1,573	1,628	1,685	1,744	1,805	1,869	1,934	2,002	2,072	2,144	2,219	2,297	2,377	2,461	2,547	2,636	2,728
Insurance	3.5%	7,500	7,763	8,034	8,315	8,606	8,908	9,219	9,542	9,876	10,222	10,579	10,950	11,333	11,730	12,140	12,565	13,005	13,460	13,931	14,419
Maintenance & Repair	3.5%	49,126	50,845	52,625	54,467	56,373	58,346	60,388	62,502	64,690	66,954	69,297	71,722	74,233	76,831	79,520	82,303	85,184	88,165	91,251	94,445
Supportive Services	3.5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES		106,945	110,688	114,562	118,572	122,722	127,017	131,463	136,064	140,826	145,755	150,856	156,136	161,601	167,257	173,111	179,170	185,441	191,932	198,649	205,620
Reserves/Ground Lease Base Rent/Bond Fees	PUPA (w/o Reserves/GL Base Rent/Bond Fees)	9,722																			
Ground Lease Base Rent		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bond Monitoring Fee		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Replacement Reserve Deposit		17,600	17,600	17,600	17,600	17,600	17,600	17,600	17,600	17,600	17,600	17,600	17,600	17,600	17,600	17,600	17,600	17,600	17,600	17,600	17,600
Operating Reserve Deposit		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Required Reserve 1 Deposit		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Required Reserve 2 Deposit		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Required Reserve Deposits, Commercial		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-total Reserves/Ground Lease Base Rent/Bond Fees		22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees)		129,545	133,288	137,162	141,172	145,322	149,617	154,063	158,664	163,426	168,355	173,456	178,736	184,201	189,857	195,711	201,770	208,041	214,532	221,249	228,202
NET OPERATING INCOME (INCOME minus OP EXPENSES)		11,777	82,565	82,743	82,865	82,930	82,935	82,876	82,749	82,551	82,279	81,928	81,495	80,975	80,364	79,657	78,850	77,938	76,915	75,777	74,537
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)																					
Hard Debt - First Lender		44,952	44,952	44,952	44,952	44,952	44,952	44,952	44,952	44,952	44,952	44,952	44,952	44,952	44,952	44,952	44,952	44,952	44,952	44,952	44,952
Hard Debt - Second Lender (HCD Program 0.42% pymt. or other 2nd Lender)		15,172	15,172	15,172	15,172	15,172	15,172	15,172	15,172	15,172	15,172	15,172	15,172	15,172	15,172	15,172	15,172	15,172	15,172	15,172	15,172
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Hard Debt - Fourth Lender		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE		60,124	60,124	60,124	60,124	60,124	60,124	60,124	60,124	60,124	60,124	60,124	60,124	60,124	60,124	60,124	60,124	60,124	60,124	60,124	60,124
CASH FLOW (NOI minus DEBT SERVICE)		22,213	22,442	22,619	22,742	22,807	22,811	22,752	22,625	22,428	22,155	21,805	21,371	20,851	20,240	19,534	18,727	17,814	16,792	15,653	3,998
USES OF CASH FLOW BELOW (This row also shows DSCR.)	DSCR:	1.369	1.373	1.376	1.378	1.379	1.379	1.378	1.376	1.373	1.368	1.363	1.355	1.347	1.337	1.325	1.311	1.296	1.279	1.26	1.031
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL																					
Deferred Developer Fee (Enter amt <= Max Fee from row 131)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)	3.5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)		22,213	22,442	22,619	22,742	22,807	22,811	22,752	22,625	22,428	22,155	21,805	21,371	20,851	20,240						