

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



London Breed
Mayor

Eric D. Shaw
Director

MEMO TO: Citywide Affordable Housing Loan Committee
FROM: Matt Lewis
RE: Maitri Compassionate Care and Peter Claver Community – Request for Modification of MOHCD Loan Agreements
DATE: September 16, 2022

Introduction

Maitri AIDS Hospice and Catholic Charities CYO are requesting modifications to the City's existing loan agreements for their respective properties, Maitri Compassionate Care and Peter Claver Community. The requests are being made as part of the restructuring of the Residential Care Facilities for the Chronically Ill (RCFCI) program in San Francisco. Maitri and Peter Claver are now the only two remaining RCFCI facilities, serving as a critical resource for the community living with HIV/AIDS. The loan modifications are being requested to reduce debt service burdens and improve long-term financial feasibility, extend loans whose terms have come due, and extend loans whose terms are scheduled to come due imminently. All loan modifications will promote the properties' financial feasibility by assisting the operators in their fundraising efforts and supporting their large operating budgets.

The restructuring of the RCFCI portfolio unfolded per the recommendations of the consultant Integriti3D's July 3, 2020 report, "[Strategic Assessment of HOPWA-Funded Residential Care Facilities for the Chronically Ill](#)." The three other former RCFCIs have been transitioned to permanent supportive housing, as the AIDS crisis has ebbed, and as better treatments have allowed people infected with HIV to live more independently. Given the scarcity of RCFCI beds, supporting the financial stability of these properties is urgent and critically needed. The proposed changes to the property's loan agreements will involve no additional capital by the City and return great benefits to these properties.

The specific loan modifications being requested include:

- Extend the term of the \$833,000 Housing Opportunities for People with AIDS (HOPWA) loan to Maitri for 55 years, make repayment forgivable, eliminate its required annual payment, forgive any missed payments, and
- Extend the term of the \$400,000 San Francisco Community Housing Rehabilitation Loan Program (CHRP)/CDBG loan to Peter Claver for 55 years and make repayment forgivable, and
- Extend the term of the \$450,936 HOPWA loan to Peter Claver for 55 years, make repayment forgivable, and forgive the accrued interest.

Description and History of Projects

Maitri Compassionate Care

Located at 401 Duboce in Duboce Triangle, Maitri Compassionate Care (“Maitri”) is a 15-bed SRO with 24-hour licensed care for formerly homeless and extremely low-income persons living with HIV/AIDS. Maitri provides skilled nursing services, hospice care and recovery support after gender affirmation surgery. Of the 15 beds, 14 are HOPWA-dedicated and restricted by the City at 50% San Francisco AMI (SFAMI), but actual incomes average 14% SFAMI. Tenant rent contributions are based on 30% of actual income and represent a marginal contribution to project income. Approximately 85% of project income comes from fundraising and operating grants from HUD, DPH and MOHCD. The property also has two commercial tenants that produce approximately 13% of project income.

Maitri was founded in 1987 as a volunteer response to the HIV/AIDS crisis. The current facility, which opened in 1997, was developed with a 1997 \$833,000 HOPWA loan and a 1995 \$1,662,301 HOPWA loan, both from the San Francisco Redevelopment Agency (SFRA). In 1999, the SFRA provided an additional HOPWA loan of approximately \$28,425 for further capital needs. In addition to development financing, MOHCD provides substantial operating support to the property through the Community Development division. It has periodically funded capital needs improvements with Community Development grants, and the Community Development division provides an annual HOPWA operations subsidy of \$498,032 that funds nursing services and other operating expenses for the HOPWA units. The facility is owned by Maitri AIDS Hospice, a California nonprofit corporation.

Peter Claver Community

Located at 1340 Golden Gate Avenue in the Western Addition, Peter Claver Community is a 32 unit, 24-hour licensed care facility that serves chronically ill persons living with HIV/AIDS. Of the 32 beds, 31 units are reserved for persons living with HIV/AIDS, with income up to or below 50% SFAMI. The property operations are supported by a HUD Project-Based Section 8 contract on 31 of 32 beds, as well as capital grants and \$767,082 in annual HOPWA operating subsidy from the Community Development division. Catholic Charities is the operator. The property is owned by 1340 Golden Gate Associates, a California limited partnership. 899 Guerrero Street Inc. serves as general partner, and Catholic Charities CYO serves as the limited partner. The limited partner entity owns the land and ground leases it to the partnership.

The property was acquired and rehabbed in 1988 with Low Income Housing Tax Credits and a \$400k CHRP/CDBG loan. Catholic Charities subsequently refinanced and rehabbed the property to help the facility meet the licensing requirements of its RCFCI program. This was made possible through a \$222,756 HOPWA loan in 1993, which was amended to include another \$28,181 in 1994, and amended once more in 1995 for an additional \$200,000. (Total HOPWA Loan is \$450,936.) Payments on the HOPWA loan are deferred, but the loan term was only made to be 30 years, making it due in 2028. The CHRP/CDBG loan matured in 2019 but has not yet been extended. The HOPWA loan carries a compounding 7.63% interest rate, resulting in a large sum of accrued interest- \$2,415,694 by the end of 2022- which has raised concerns among program donors and made fundraising more difficult.

Role of RCFCIs in HIV Housing Plan

As San Francisco progresses in meeting the 2020-2025 HIV Housing Plan’s goals and strategies, attention has been focused on ensuring that people living with HIV/AIDS have appropriate residential care to meet their health needs. After consultation with community leaders, advocates, experts in assisted living and medical providers, it was determined that having five RCFCI facilities was no longer necessary as 50% of current clients did not need 24 hour medical care but rather could live in a transitional housing facility that assists them to live independently as their health improves. Operating RCFCIs is becoming increasingly expensive for non-profit operators every year. A goal within the HIV Housing Plan is to ensure that San Francisco is a good steward of HIV funding resources which includes the improvement and efficiency of housing service delivery; this includes providing options for clients to move between levels of care as dictated by a client’s medical provider.

As Peter Claver and Maitri are the two remaining RCFCIs in San Francisco, the evaluation of the loan terms is imperative in ensuring HIV/AIDS residential programs are appropriately funded without unnecessary burden to the non-profit operator. The remaining three programs have become transitional programs thereby expanding the continuum of care and providing clients an opportunity to improve their quality of life and the prevention of institutionalization of those with little to no income and supports.

Current MOHCD Financing

The City’s existing financing on this project consists of the amounts shown below.

Maitri Compassionate Care

Loan Program	Loan Amount	Interest Rate	Maturity Date	Repayment Terms	Outstanding Principal Balance
HOPWA	\$1,622,301	0%	7/31/2045	Forgivable	\$1,622,301
HOPWA	\$833,000	0%	4/30/2047	Periodic-\$24,045 annual payment	\$400,090
HOPWA	\$28,425	0%	1/26/2049	Forgivable	\$28,425

Peter Claver Community

Loan Program	Loan Amount	Interest Rate	Maturity Date	Repayment Terms	Outstanding Principal Balance	Accrued Interest (through 2022)
SF CHRP/CDBG	\$400,000	9.17%	5/10/2019	N/A- term expired	\$109,214	\$0
HOPWA	\$450,936	7.63%	9/30/2028	Deferred payment	\$450,936	\$2,415,694

The repayment structure of the HOPWA loans for Maitri and Peter Claver are unique among the current and former RCFCIs. This became clear as MOHCD and its community partners restructured

the 5 RCFCIs in 2019-2021. All other HOPWA loans to the current and former RCFCIs are forgivable, deferred payment loans. Modifying these loan to make them forgivable and deferring payments will put these facilities on par with the former RCFCIs.

The periodic payments on Maitri's \$833k HOPWA loan was also unique and done in response to project conditions. At initial financing, SFRA made the payments a requirement because Maitri's commercial space could provide the income to pay back the loan. Maitri does have two commercial tenants- a veterinary clinic and a yoga studio- that do produce surplus income (\$167,011), but the income is now used to support the services and medical programming, which is not fully funded through grant providers. Maitri also depends on fundraising to provide the services to meet RCFCI licensing requirements, and the pandemic created challenges that eroded this source. Fundraising income was down from \$852,455 in FY 2019/20 to \$416,503 in FY 2020/21. Furthermore, the yoga studio tenant was often closed by public health policy, and Maitri granted them rent deferrals and abatements. As a result, Maitri missed payments on the HOPWA loan in 2021 and 2022, which MOHCD is proposing to forgive as part of these loan modifications.

The elimination of Maitri's \$24,045 annual repayments will also provide a clear benefit to the property's financial sustainability, whose services budget is dependent principally on fundraising and grants from City and federal sources. It would free up \$24,045 annually to provide medical and mental health services to residents, who are some of the community's most vulnerable citizens suffering from AIDS/HIV and other comorbidities or chronic illnesses. Making the loan forgivable could also eliminate the annual \$12,000 in federal and state unrelated business income tax ("UBIT") related to its commercial tenant income. Based on feedback from Maitri's accountants, the loan amendment will have to be crafted so that the forgivability provisions clearly demonstrate that UBIT taxes are not triggered, as is the case for the forgivable 1995 HOPWA loan to Maitri. These savings would support non-services operations, such as property accounting, utilities, and management expenses. Maitri staff report that non-services costs have increased significantly recently and are very difficult to secure funding for from grants and donors. Overall, the approximately \$36,000 in potential property savings would help stabilize the property and address its numerous financial challenges due to significantly increased costs from the COVID-19 pandemic, rising inflation, and a nursing staffing shortage.

Furthermore, the extension and forgiveness provisions would improve both projects' financial positions. Both projects rely significantly on fundraising to meet their intensive service needs, and both sponsors reported that donors have shown reluctance to make contributions when confronted with the looming debt payment provisions that could create insolvency issues. Donors have also said they dislike the possibility that their contributions will go toward paying down debt to the City, rather than being put towards services. Restructuring these loans will make the properties' audits clearer and will present less risk to donors.

Peter Claver's HOPWA loan is particularly problematic for its financial statements. The \$450,936 loan was structured with a compounding interest rate of 7.63%, resulting in a ballooning amount of accrued interest, estimated by MOHCD staff to reach \$2,415,694 by the end of 2022. This loan also matures in 6 years and has caused auditors and donors to become concerned about the impact of the loan's maturation on Catholic Charities' overall corporate sustainability. Catholic Charities is also

primarily a service provider and has difficulty explaining the nature of deferred payment loans to its auditors and financial overseers, who are unaccustomed to these financial structures.

In sum, the proposed modifications will provide much-needed support in the following ways:

- Maitri
 - Operating expenses will be reduced by up to approximately \$36,000 annually, which will redirect funds to support administrative operations and medical services
 - Fundraising efforts will be facilitated by eliminating a large liability from the property's financial statements
 - Donors will also be reassured that contributed funds will not be used to pay down the HOPWA loan
- Peter Claver
 - The matured loan will be resolved
 - Fundraising efforts will be enhanced by eliminating a large liability from the property's financial statements

To that end, MOHCD proposes to modify the following loan terms:

- Make the \$833,000 HOPWA loan to Maitri a forgivable loan, eliminate its periodic payment, forgive any missed periodic payments, and extend the affordability term 55 years
- Extend the term of the matured CHRP/CDBG loan to Peter Claver for 55 years and make repayment forgivable at the end of the term, and forgive the accrued interest
- Extend the term of the HOPWA loan to Peter Claver for 55 years, make repayment forgivable at the end of the term, and forgive the accrued interest

Property Condition

Physical Condition

Neither property is required to regularly conduct a Capital Needs Assessment (CNA), and much like a services-centered organization would, Maitri uses grants from MOHCD's Community Development division to fund capital needs improvements. MOHCD is proposing as a loan condition that both properties conduct a CNA every 5 years. Both Maitri and Peter Claver have replacement reserve obligations under the City loan agreements, sized at 3% of project income, but neither regularly draw on these reserves to make capital needs improvements. MOHCD also proposes to modify the project's reserve requirements to follow the recommendations of a CNA as a loan condition.

Maitri did commission an Asset Reserve Analysis in 2010, with an update in 2017. No major systems replacement was noted as being necessary in the 2017 update. Major recent improvements include an HVAC replacement and roof replacement project, funded through \$257,000 in Community Development capital improvement grants. Since capital needs are not funded through

the replacement reserves currently, it is not possible to determine whether the property can meet its capital needs on its own over the 20-year horizon.

Similarly, Peter Claver used a \$644,000 MOHCD Capital Improvement Grant to conduct several replacements in 2018-2020, including new HVAC equipment, new fire alarms, and an assortment of other minor replacements. No recent CNA is available, however, and projecting replacement needs over the 20-year term is not currently feasible. Catholic Charities staff report that they will soon undertake a roof replacement project financed through corporate funds and replacement reserves.

Staff have concerns about how the properties are being maintained without regular replacement reserve contributions, draws, and 20-year plans, but instead are largely being funded with capital grants and project income. Because of these concerns, staff made a site visit to both properties and generally found them to be in adequate physical condition. Nonetheless, staff are recommending that both Sponsors commit to conducting a third-party CNA every five years, and then fund their replacement reserves per the recommendation of the CNA. Contributions to the replacement reserves may be supplemented by capital needs grants from the Community Development division. The precise terms of this arrangement will be negotiated with the sponsor.

Commercial Income

Maitri has two commercial spaces that generate approximately 13% of the property's income. The leases are with a veterinary clinic and a yoga studio. Both are triple net leases, meaning they obligate the tenants to pay for most expenses. The veterinary clinic has a 2,886 square foot space with a 7-year lease at \$10,336 monthly escalating at 3% annually, while the yoga studio has a 4,919 square foot space with a 10 year lease at \$20,005 monthly, escalating at 3% annually. Peter Claver has no commercial tenants.

Finances

As the only remaining RCFCIs, both properties are among the most services-intense in the MOHCD portfolio and have very large service budgets and obligations that cannot be supported with rental income. Approximately 83% of Maitri's FY2021-20222 annual budget came from fundraising and grants for services from DPH, MOHCD and HUD, with MOHCD contributing \$498,032, and donations and other contributions amounting to \$416,503. Most of the remaining budget is supported with the income from its 2 commercial spaces. Over the 20 year horizon, the property's budget breaks even, but this is only possible with Maitri's extensive fundraising efforts.

Peter Claver Community is similarly supported with HUD and MOHCD grants to support medical services. The property also has a HUD Project-Based Section 8 contract, which has brought in more revenue as payment standards have been raised over the previous 5 years. Catholic Charities contributes its corporate reserves to close operating deficits, as the full scope of services required by RCFCI licensing are more expensive than the grant income they take in. In effect, the property operates at a deficit. The deficits the property runs also demonstrates the need for additional support from MOHCD.

If either property becomes financially unsustainable, due to the loss of grant income or low fundraising returns, both HOPWA agreements allow for the tenant population to transition to any

household at 50% SFAMI, not just HIV/AIDS patients. MOHCD's Community Development division works closely with both operators and monitors their viability.

Neither property has any commercial debt to maintain. Peter Claver paid off its loan with Berkadia in 2019, and Maitri has never had any commercial debt.

MOHCD Affordability Restrictions

As regulated today, both properties have HOPWA restrictions; in Maitri's case at 50% SFAMI for 14 of 15 beds, and in Peter Claver's case, at 50% SFAMI for 31 of 32 beds. Actual SFAMIs of the residents at both properties average 14% SFAMI.

Under the loan modifications, the affordability restrictions would remain the same. In exchange for the new provisions that benefit the sponsors, MOHCD would extend the affordability and protect its investment by securing a purchase option that would become available should the sponsor default under the loan restrictions. This is consistent with current MOHCD lending practices.

Staff Recommendation

MOHCD staff recommends approval in full of the requested modifications to the City's current financing. These changes are important and necessary for the continued operations of both projects. Maitri and Peter Claver are both essential and unique resources for the HIV/AIDS patient community, as the only remaining RCFCIs in San Francisco. The proposed modifications will promote the sponsor's fundraising efforts, preserve funding for services, and ensure both properties continue to fulfill their mission for the foreseeable future.

PROPOSED LOAN CONDITIONS

1. Sponsors will conduct a third-party CNA every five years and fund their replacement reserves per the recommendation of the CNA. Contributions to the replacement reserves may be offset with capital needs grants from the Community Development division. The precise terms of this arrangement will be negotiated with the sponsor and incorporated in the loan amendments.
2. The forgivable loans will be secured with an option to purchase for the City in case of default during the term of the loans.

LOAN COMMITTEE MODIFICATIONS

LOAN COMMITTEE RECOMMENDATION

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

APPROVE. DISAPPROVE. TAKE NO ACTION.

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

Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

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

Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

Thor Kaslofsky, Executive Director
Office of Community Investment and Infrastructure

Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

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

Date: _____

Attachments: Maitri Compassionate Care Operating Budget and Cashflow
 Peter Claver Community Operating Budget and Cashflow

Chavez, Rosanna (MYR)

From: Shaw, Eric (MYR)
Sent: Friday, September 16, 2022 11:27 AM
To: Chavez, Rosanna (MYR)
Subject: LOAN MODIFICATIONS AT PETER CLAVER COMMUNITY

I approve

Eric D. Shaw
Director/ Interim Director HopeSF

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

Chavez, Rosanna (MYR)

From: Menjivar, Salvador (HOM)
Sent: Friday, September 16, 2022 11:43 AM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR)
Subject: LOAN MODIFICATIONS AT PETER CLAVER COMMUNITY AND MAITRI COMPASSIONATE CARE

I vote to support the loan modification for Peter Claver Community and Maitri Compassionate Care as follows:

- Extend the term of the \$833,000 Housing Opportunities for People with AIDS (HOPWA) loan to Maitri for 55 years, make repayment forgivable, eliminate its required annual payment, forgive any missed payments, and
- Extend the term of the \$400,000 San Francisco Community Housing Rehabilitation Loan Program (CHRP)/CDBG loan to Peter Claver for 55 years and make repayment forgivable, and
- Extend the term of the \$450,936 HOPWA loan to Peter Claver for 55 years, make repayment forgivable, and forgive the accrued interest.

Best,

salvador



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

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Chavez, Rosanna (MYR)

From: Colomello, Elizabeth (CII)
Sent: Friday, September 16, 2022 11:28 AM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR); Kaslofsky, Thor (CII)
Subject: Loan Modifications at Peter Claver Community and Maitri Compassionate Care

Hi Rosie,
I approve the subject request on behalf of OCII.
Thanks!
Elizabeth



Elizabeth Colomello
Housing Program Manager

📍 One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
📞 415.749-2488, Cell 415.407-1908
🏠 www.sfocii.org

Chavez, Rosanna (MYR)

From: Katz, Bridget (CON)
Sent: Friday, September 16, 2022 11:27 AM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR)
Subject: Loan Modification at Peter Claver and Maitri

Approve

Bridget Katz

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

Application Date: 4/13/2022 Project Name: Maitri Compassionate Care
 Total # Units: 15 Project Address: 401 Duboce Ave.
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2021 Project Sponsor:

INCOME	Total	Comments
Residential - Tenant Rents	73,092	Links from 'Existing Proj - Rent Info' Worksheet
Residential - Tenant Assistance Payments (Non-LOSP)	0	Links from 'Existing Proj - Rent Info' Worksheet
Commercial Space	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Residential Parking	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Rent Income	0	Links from 'Utilities & Other Income' Worksheet
Supportive Services Income	2,474,477	Total Revenue less gross Commercial Leases revenue & Residential Program Fees
Interest Income - Project Operations	1,440	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	66,000	Links from 'Utilities & Other Income' Worksheet
Other Commercial Income	382,533	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Withdrawal from Capitalized Reserve (deposit to operating account)	337,549	
Gross Potential Income	3,335,091	
Vacancy Loss - Residential - Tenant Rents	0	Vacancy loss is 0% of Tenant Rents.
Vacancy Loss - Residential - Tenant Assistance Payments	0	#DIV/0!
Vacancy Loss - Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
EFFECTIVE GROSS INCOME	3,335,091	PUPA: 222,339

OPERATING EXPENSES

Management		
Management Fee		1st Year to be set according to HUD schedule.
Asset Management Fee		
Sub-total Management Expenses	0	PUPA: 0

Salaries/Benefits		
Office Salaries	1,658,143	
Manager's Salary		
Health Insurance and Other Benefits	228,731	
Other Salaries/Benefits		
Administrative Rent-Free Unit		
Sub-total Salaries/Benefits	1,886,874	PUPA: 125,792

Administration		
Advertising and Marketing	21,508	Printing/Mailhouse & Advertising
Office Expenses	76,591	Telephone & Food & Postage
Office Rent		
Legal Expense - Property		
Audit Expense		
Bookkeeping/Accounting Services	81,674	
Bad Debts		
Miscellaneous	2,555	Travel & Transportation
Sub-total Administration Expenses	182,328	PUPA: 12,155

Utilities		
Electricity	70,702	All Utilities less Comm. Leases Utilities
Water		
Gas		
Sewer		
Sub-total Utilities	70,702	PUPA: 4,713

Taxes and Licenses		
Real Estate Taxes		
Payroll Taxes	134,133	
Miscellaneous Taxes, Licenses and Permits		
Sub-total Taxes and Licenses	134,133	PUPA: 8,942

Insurance		
Property and Liability Insurance	15,486	
Fidelity Bond Insurance		
Worker's Compensation		
Director's & Officers' Liability Insurance		
Sub-total Insurance	15,486	PUPA: 1,032

Maintenance & Repair		
Payroll		
Supplies	32,571	
Contracts		
Garbage and Trash Removal		
Security Payroll/Contract		
HVAC Repairs and Maintenance	24,382	Building maintenance & repair
Vehicle and Maintenance Equipment Operation and Repairs	22,440	Equipment rental & maintenance
Miscellaneous Operating and Maintenance Expenses	13,373	Deprec. Misc. Bad Debts Less Comm Leases Exp
Sub-total Maintenance & Repair Expenses	92,766	PUPA: 6,184

Supportive Services		
Commercial Expenses	215,522	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%

TOTAL OPERATING EXPENSES 2,597,811 PUPA: 173,187

Reserves/Ground Lease Base Rent/Bond Fees		
Ground Lease Base Rent	0	Provide additional comments here, if needed.
Bond Monitoring Fee		
Replacement Reserve Deposit	100,719	
Operating Reserve Deposit	236,830	
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	337,549	PUPA: 22,503

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	2,935,360	PUPA: 195,691	Min DSCR: 1.09
			Mortgage Rate: 5.00%
			Term (Years): 30
			Supportable 1st Mortgage Pmt: 366,726
			Supportable 1st Mortgage Amt: \$5,692,855
			Proposed 1st Mortgage Amt: \$1,622,301

NET OPERATING INCOME (INCOME minus OP EXPENSES) 399,731 PUPA: 26,649

DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)		
Hard Debt - First Lender	0	HOPWA
Hard Debt - Second Lender (HCD Program 0.42% pymt. or other 2nd Lender)	0	Provide additional comments here, if needed.
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	Provide additional comments here, if needed.
Hard Debt - Fourth Lender	0	Provide additional comments here, if needed.
Commercial Hard Debt Service	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
TOTAL HARD DEBT SERVICE	0	PUPA: 0

CASH FLOW (NOI minus DEBT SERVICE) 399,731

USES OF CASH FLOW BELOW (This row also shows DSCR.)		
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL		
Behind-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 Pmt - Lender 1 (select lender in comments field)		Provide additional comments here, if needed.
Non-amortizing Loan Pmt - Lender 2 (select lender in comments field)		Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)		Def. Develop. Fee split: 0%
TOTAL PAYMENTS PRECEDING MOHCD	0	PUPA: 0

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD) 399,731

Residual Receipts Calculation		
Does Project have a MOHCD Residual Receipt Obligation?	No	Project has MOHCD ground lease?
Will Project Defer Developer Fee?	No	
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:	100%	
% of Residual Receipts available for distribution to soft debt lenders in	0%	

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

MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
MOHCD Residual Receipts Amount Due	0	0% of residual receipts, multiplied by 100% - MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment		Enter/override amount of residual receipts proposed for loan repayment.
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repaymt.

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE 399,731

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	

Application Date: 4/13/2022 **Project Name:** Maitri Compassionate Care
Total # Units: 15 **Project Address:** 401 Duboce Ave.
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): **2021** **Project Sponsor:**

REMAINDER (Should be zero unless there are distributions below)

	399,731	
Owner Distributions/Incentive Management Fee	399,731	100% of Borrower share of 100% of residual receipts
Other Distributions/Uses	0	
Final Balance (should be zero)	0	

Application Date: 6/1/2022 Project Name: Peter Claver Community
 Total # Units: 32 Project Address: 1340 Golden Gate Avenue
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2022 Project Sponsor: Catholic Charities

INCOME	Total	Comments
Residential - Tenant Rents	134,904	Links from 'Existing Proj - Rent Info' Worksheet
Residential - Tenant Assistance Payments (Non-LOSP)	639,072	Links from 'Existing Proj - Rent Info' Worksheet
Commercial Space	0	from 'Commercial Op. Budget' Worksheet, Commercial to Residential allocation: 100%
Residential Parking	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Rent Income	13,302	Links from 'Utilities & Other Income' Worksheet
Supportive Services Income	1,596,767	
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	4,696	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	2,388,741	
Vacancy Loss - Residential - Tenant Rents	(6,745)	Vacancy loss is 5% of Tenant Rents.
Vacancy Loss - Residential - Tenant Assistance Payments	(31,954)	Vacancy loss is 5% of Tenant Assistance Payments.
Vacancy Loss - Commercial	0	from 'Commercial Op. Budget' Worksheet, Commercial to Residential allocation: 100%
EFFECTIVE GROSS INCOME	2,350,042	PUPA: 73,439

OPERATING EXPENSES		
Management		
Management Fee	23,808	1st Year to be set according to HUD schedule.
Asset Management Fee	11,000	
Sub-total Management Expenses	34,808	PUPA: 1,088

Salaries/Benefits		
Office Salaries	14,906	
Manager's Salary	62,908	Increased to reflect the manager is now full time. Prior year financials reflect part time.
Health Insurance and Other Benefits		
Other Salaries/Benefits		
Administrative Rent-Free Unit		
Sub-total Salaries/Benefits	77,814	PUPA: 2,432

Administration		
Advertising and Marketing		
Office Expenses	2,436	
Office Rent		
Legal Expense - Property	1,203	
Audit Expense	9,725	
Bookkeeping/Accounting Services	6,000	
Bad Debts	18,250	Actuals were \$75,145 in 2021 due to RCFCI reorganization; estimated at 2.5%
Miscellaneous	7,450	
Sub-total Administration Expenses	45,064	PUPA: 1,408

Utilities		
Electricity	16,351	
Water	8,996	
Gas	1,076	
Sewer	8,074	
Sub-total Utilities	34,497	PUPA: 1,078

Taxes and Licenses		
Real Estate Taxes	282	
Payroll Taxes		
Miscellaneous Taxes, Licenses and Permits	800	
Sub-total Taxes and Licenses	1,082	PUPA: 34

Insurance		
Property and Liability Insurance	0	Paid by owner as a donation to the property
Fidelity Bond Insurance		
Worker's Compensation		
Director's & Officers' Liability Insurance		
Sub-total Insurance	0	PUPA: 0

Maintenance & Repair		
Payroll		
Supplies	24,260	
Contracts	203,820	
Garbage and Trash Removal	16,393	
Security Payroll/Contract	4,783	
HVAC Repairs and Maintenance		
Vehicle and Maintenance Equipment Operation and Repairs		
Miscellaneous Operating and Maintenance Expenses		
Sub-total Maintenance & Repair Expenses	249,256	PUPA: 7,789

Supportive Services	2,496,626	
Commercial Expenses	0	from 'Commercial Op. Budget' Worksheet, Commercial to Residential allocation: 100%

TOTAL OPERATING EXPENSES	2,939,147	PUPA: 91,848
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Reserves/Ground Lease Base Rent/Bond Fees		
Ground Lease Base Rent	28,000	Charities - CYO Provide additional comments here, if needed.
Bond Monitoring Fee		
Replacement Reserve Deposit	23,832	
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	51,832	PUPA: 1,620

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	2,990,979	PUPA: 93,468
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NET OPERATING INCOME (INCOME minus OP EXPENSES)	(640,937)	-PUPA: 20,029
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DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)		
Hard Debt - First Lender	0	Provide additional comments here, if needed.
Hard Debt - Second Lender (HCD Program 0.42% pymt. or other 2nd Lender)	0	Provide additional comments here, if needed.
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	Provide additional comments here, if needed.
Hard Debt - Fourth Lender	0	Provide additional comments here, if needed.
Commercial Hard Debt Service	0	from 'Commercial Op. Budget' Worksheet, Commercial to Residential allocation: 100%
TOTAL HARD DEBT SERVICE	0	PUPA: 0

CASH FLOW (NOI minus DEBT SERVICE)	(640,937)	
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USES OF CASH FLOW BELOW (This row also shows DSCR.)		
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL		
Relationship/Asset Mgt Fee (uncommon in new projects, see policy)		
Partnership Management Fee (see policy for limits)	55,333	Partnership Management Fees payment from cash flow
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)		
Other Payments	203,589	Ground lease payment from cash flow, supports program
Non-amortizing Loan Pmt - Lender 1 (select lender in comments field)		Provide additional comments here, if needed.
Non-amortizing Loan Pmt - Lender 2 (select lender in comments field)		Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)		Def. Develop. Fee split: 0% Provide additional comments here, if needed.
TOTAL PAYMENTS PRECEDING MOHCD	258,922	PUPA: 8,091

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	(899,859)	
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Residual Receipts Calculation		
Does Project have a MOHCD Residual Receipt Obligation?	No	Project has MOHCD ground lease? No
Will Project Defer Developer Fee?	No	
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:	100%	
% of Residual Receipts available for distribution to soft debt lenders in	0%	

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. recpts	\$560,150	41.24%
MOHCD/OCII - Ground Lease Value or Land Acq Cost	Ground Lease Value	\$280,000	20.61%
HCD (soft debt loan) - Lender 3	Catholic Charities - CYO - Loan	\$293,971	21.64%
Other Soft Debt Lender - Lender 4	Catholic Charities - CYO - Ground Lease	\$224,151	16.50%
Other Soft Debt Lender - Lender 5			0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
MOHCD Residual Receipts Amount Due	0	0% of residual receipts, multiplied by 61.85% - MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	0	Enter/override amount of residual receipts proposed for loan repayment.
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repaymt.

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE	0	
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NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
HCD Residual Receipts Amount Due	0	0% of residual receipts, multiplied by 21.64% - Catholic Charities - CYO - Loan's pro rata share
Lender 4 Residual Receipts Due	0	0% of residual receipts, multiplied by 16.5%, Catholic Charities - CYO - Ground Lease's pro rata
Lender 5 Residual Receipts Due	0	
Total Non-MOHCD Residual Receipts Debt Service	0	

Application Date: 6/1/2022 **Project Name:** Peter Claver Community
Total # Units: 32 **Project Address:** 1340 Golden Gate Avenue
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2022 **Project Sponsor:** Catholic Charities

REMAINDER (Should be zero unless there are distributions below)

	0
Owner Distributions/Incentive Management Fee	0
Other Distributions/Uses	0
Final Balance (should be zero)	0

