OCII
office of
COMMUNITY INVESTMENT
and INFRASTRUCTURE

118-0052018-002

Agenda Item **No. 5(d)**
Meeting of February 20, 2018

MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Nadia Sesay, Executive Director

SUBJECT: Authorizing an Exclusive Negotiations Agreement and a Predevelopment Loan Agreement in an amount not to exceed $5,000,000, with Mission Bay 9 LP, a California Limited Partnership, for the development of approximately 141 affordable rental housing units (including one manager's unit) with supportive services for formerly homeless persons at Mission Bay South Block 9, providing notice that this approval is within the scope of the Mission Bay Redevelopment Project approved under the Mission Bay Final Subsequent Environmental Impact Report ("FSEIR"), a program EIR, and adopting environmental review findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area

---

EXECUTIVE SUMMARY

BRIDGE Housing Corporation ("BRIDGE") and Community Housing Partnership ("CHP"), co-developers of a planned 141-unit affordable rental housing project (the "Project") on Mission Bay South Block 9 (the "Site" or "Block 9"), are requesting approval for an exclusive negotiations agreement and a predevelopment loan of up to $5,000,000. The Project will serve formerly homeless persons and will include on-site supportive services tailored to meet resident needs. The requested funding amount is included in the approved Recognized Obligations Payment Schedule for the fiscal year beginning July 1, 2017 and ending June 30, 2018 as item #415, which was approved by the California Department of Finance.

The Project is located on one of the "Agency Affordable Housing Parcels" as defined in the Mission Bay South Owner Participation Agreement. The development team was approved by the Commission on Community Investment and Infrastructure (the "Commission") on October 17, 2017 (Resolution No. 38-2017) and consists of BRIDGE and CHP as co-developers and project owners, Leddy Maytum Stacy Architects, and CHP as property manager and lead services provider, with additional services provided by HealthRIGHT 360. Together, BRIDGE and CHP are the Project's "Sponsors". The Sponsors have established Mission Bay 9 LP as the development entity for the Project.

The Sponsors are seeking to enter into an Exclusive Negotiations Agreement (Attachment 3) and a Predevelopment Loan Agreement (Attachment 4) for Block 9. This authorization will allow the

One S. Van Ness Ave.
5th Floor
San Francisco, CA
94103

415 749 2400

www.sfocii.org

Sponsors to proceed with Project design and programming, and pursue additional funding sources. The Sponsors intend to pursue modular construction for a portion of the project to reduce costs and expedite vertical construction, addressing the urgent need for supportive housing units. A portion of the predevelopment loan funds will be used for design and engineering related expenses specific to this construction type. The loan request was approved by the Citywide Affordable Housing Loan Committee on January 18, 2018 (Attachment 2).

Staff recommends that the Commission authorize an Exclusive Negotiations Agreement and a Predevelopment Loan Agreement, and adopt environmental findings pursuant to the California Environmental Quality Act.

BACKGROUND

Mission Bay Affordable Housing Development

On September 17, 1998, the SFRA Commission approved the Mission Bay North and South Redevelopment Plans and Owner Participation Agreements ("OPAs") with the Mission Bay master developer, FOCIL-MB, LLC, the successor in interest to Catellus Development Corporation. Since the initial approval of the South OPA, the document has been amended four times to modify the development plan on several parcels.

The enforcement of the North and South OPA's as amended will result in up to 6,514 residential units, with 1,916 units, or approximately 29% of the total, set aside as affordable. The affordable units are comprised of inclusionary affordable units and units developed by non-profit housing developers on OCII Affordable Housing Parcels. OCII Affordable Housing Parcels comprise 15 acres of land that the Master Developer in Mission Bay North and South is required to contribute to OCII. The Mission Bay South Redevelopment Plan (the "Plan") assigns Block 9 a residential land use designation. Pursuant to the OPA and as each Affordable Housing Parcel is ready for development; the parcel will transfer to OCII for the development of affordable housing.

In Mission Bay North, 698 inclusionary and OCII-sponsored units have been completed; OCII's housing obligations in Mission Bay North are complete.

In Mission Bay South, 350 affordable units have been completed to date. This includes 150 affordable rental units at 1180 4th Street (Block 13 East), which houses 100 low-income households and 50 formerly homeless families, and 588 Mission Bay Boulevard North (Block 7 West or "Five 88"), which was completed in 2017 and provides 200 affordable family rental units. Approximately 868 affordable units remain to be completed and leased in Mission Bay South, including the OCII-sponsored affordable rental units currently under construction at 626 Mission Bay Boulevard North (Block 6 East) and 1150 3rd Street (Block 3 East).

# of Affordable Units	Mission Bay North	Mission Bay South	Mission Bay North and South
Built	698	350	1,048
Planned	0	606	606
Under Construction	0	262*	262*
TOTAL	**698**	**1,218**	**1,916**

**The MBS OPA requires OCII to construct a base number of 1,108 affordable housing units. In addition, Section 3.6 of the MBS Housing Program (Attachment 3 to the MBS OPA) allows for OCII to construct an additional 110 affordable housing units, pending assessment of the development impacts and any necessary approvals, for a maximum total of 1,218 affordable housing units.*

In total and as shown in the table above, 1,048 affordable units have been completed and 868 units (including the additional 110 allowable affordable units) remain to be completed in the Mission Bay Project Areas.

Project Background

The program for Block 9 was developed in response to Mayor's 10-year San Francisco Plan to Abolish Chronic Homelessness. OCII released a request for proposals ("RFP") for the Site in April 2017 seeking proposals from a qualified applicant team to develop a high quality affordable rental housing project with extensive on-site services to serve a formerly homeless resident population. The RFP specified that the development program would also include the design, construction, and ongoing maintenance of the extension of Bridgeview Way on the parcel adjacent to Block 9 (between Blocks 9 and 9A and Mission Rock Street and China Basin Street).

An addendum to the RFP, issued on June 7, 2017, required that proposals address two construction scenarios: a conventional construction base line scenario and a scenario proposing alternative construction technologies, such as modular unit construction. The issuance of this addendum was prompted by a desire to respond to the rapid increase in construction costs and the goal of delivering housing for formerly homeless individuals faster than conventional construction. It was determined that the Block 9 site and its housing program was an excellent candidate to consider modular construction.

Following the review of two submittals, the evaluation panel recommended the team led by the Sponsors to develop Block 9. This selection was presented to the Mission Bay Citizens Advisory Committee ("CAC") on September 14, 2017 and was approved by the Commission on October 17, 2017.

Upon completion of the Project, OCII will transfer its assets related to the Site to the Mayor's Office of Housing and Community Development ("MOHCD"), which is the designated Housing Successor Agency under Dissolution Law.

DISCUSSION

Block 9 Development Program

The Block 9 planned development program is outlined below:

Block 9 Development Program	
Number of units	141 (including one manager's unit)
Population	• Homeless individuals / households • Referred to the Project by the San Francisco Department of Homelessness and Supportive Housing ("HSH") through the Coordinated Entry System (prioritized by highest need/vulnerability) • Extremely low-income (at or below 30% of Area Median Income)
Unit sizes	Two unit configurations: • Studios, 390 square feet (85% of units) • Studio+ units, 500 square feet (15% of units)
Parking	2 spaces for vehicles (staff only and/or loading) 75 spaces for bikes (+repair station)
Amenities/community spaces	• Two community rooms • Central ground floor courtyard with fitness trail, seating area, dog run, and pet station • Community garden (split between site and Bridgeview Way), publicly accessible (in partnership with Climate Action Now!) • Resident lounge • Ground floor laundry

In addition, the Project includes the design and construction of the extension of Bridgeview Way. The extension will be pedestrian oriented, allowing vehicular access only for emergency vehicles and garage access for the future affordable housing development on Block 9A.

Services and Staffing

The proposed operating budget allows for front desk coverage 24 hours a day, 7 days a week. In addition, the unit count supports a live-in manager and case management staffing 7 days a week. Services staff will include service leads, counselors, case managers, a nurse, and a part time staff psychiatrist. Staff will focus on addressing housing stability, mental and physical health, substance misuse, crisis prevention, and barriers to employment. Care will be delivered in an equitable and respectful manner that is responsive to cultural beliefs and practices, preferred languages, and other communication needs.

Concept Design

Preliminary designs for Block 9 feature a three-wing structure in a “u” shaped configuration, with a single-loaded central wing (along the western side of the site, adjacent to the Public Safety Building) connecting two double-loaded perpendicular wings (along China Basin Street and Mission Rock Street). The building is four stories tall and wraps around a large landscaped courtyard that opens on to the future Bridgeview Way.

The design emphasizes natural light and ventilation. Corridors terminate in windows and the saw-tooth pattern of the China Basin Street and Mission Rock Street wings provides units with large shaded windows that take advantage of bay views where available. A long, narrow shade garden along the building’s west side allows natural light between Block 9 and the adjacent Public Safety Building.

The ground floor is organized with a “Main Street” concept. The resident entrance, mail area, services suite, laundry, and resident lounge are aligned to promote interaction among residents and allow for active monitoring by staff. This concept has been developed with input from property management and services staff and has proven to be successful at Rene Cazenave Apartments, an OCII building serving a similar tenant population in the Transbay Project Area.

Neighborhood Amenities, Transit Access, and Site Parking

Mission Bay is rich in transit, open space, retail and entertainment amenities. The neighborhood is well-served by public transit, including the existing Muni T line, which stops less than a block away from the Site and connects to the City’s financial district and to BART, and Caltrain which stops approximately 6 blocks away from the Site and runs south down the peninsula. In addition, the Muni 55-16th Street bus line stops approximately 2 blocks from the Site and connects to the Mission and BART.

There are numerous neighborhood serving retail and food destinations within walking distance of Block 9 or reachable by a short bike ride or a few stops on the T Line, including a Safeway supermarket located at 4th and King Streets.

There will be no vehicle parking for Block 9 residents. The two on-site parking spaces will serve only staff or be utilized for deliveries and loading. Based on the Sponsors’ experience in similar projects, there is little demand for resident parking among the target population. The Project will, however, provide ample secured bicycle parking as well as a bicycle repair station.

Predevelopment Loan

On January 19, 2018, the Citywide Affordable Housing Loan Committee approved a $5,000,000 predevelopment loan request to commence predevelopment activities. This loan will allow the Sponsors to work with Leddy Maytum

Stacy Architects and other consultants to develop the design through to full construction drawings and permits, and will fund survey and engineering work, legal costs, due diligence studies, and a developer fee.

The loan bears 3% simple interest and will convert to a permanent loan at the close of construction financing, subject to future Commission approval. A more thorough evaluation of the predevelopment funding request can be found in the attached Citywide Loan Committee Loan Evaluation (the "Loan Evaluation"; Attachment 2). In particular, the Loan Evaluation includes several loan conditions to assist the Developer in achieving its due diligence during the ENA period. These conditions are stated in Section 4.7 of the Predevelopment Loan Agreement (Attachment 4).

Exclusive Negotiations Agreement ("ENA")

The ENA enables the Sponsors to pursue predevelopment activities leading to the execution of a long-term ground lease for Block 9. Per the ENA, the Sponsors have paid a cash sum of $1,000 to OCII as an earnest money deposit. An additional $9,000 will be due to OCII at the time of the execution of the ENA. The total $10,000 is considered the Performance Deposit, which will be held by OCII until construction completion.

The term of the ENA is through February 20, 2020, unless modified by any extension or early termination. The ENA allows for extension up to a maximum of 12 months to be approved by the Executive Director in the event the project incurs unexpected delays. The ENA also authorizes the OCII Executive Director to enter into an option to ground lease for the site, a form of which is included as an attachment to the ENA.

The ENA defines a series of milestones that will result in the execution of a ground lease for the Site between OCII and the Sponsors ("Ground Lease"), including the submittal and approval of schematic design and design development drawing sets, and cost estimates and financings plans. The Sponsors anticipate that the ground lease will be presented to the OCII Commission for consideration in summer 2019.

The ENA is included with this memorandum as Attachment 3.

Project Schedule

The concept design drawings, along with the preliminary financing plan were submitted to OCII during the RFP process in July 2017. A general contractor and a cost estimate are anticipated to be selected and obtained by summer 2018. Design development documents are anticipated to be completed by January 2019.

According to the current schedule, staff expects to return to the Commission for basic concept/schematic design approval for Block 9 in December 2018. The Sponsors will apply for a multifamily housing revenue bond allocation and Low Income Housing Tax Credits in 2019 and will start construction in March 2020; construction is anticipated to be completed by March 2021.

Equal Opportunity Program and Compliance with OCII Policies

The Sponsors are required to comply with OCII's Nondiscrimination in Contracts, Minimum Compensation and Health Care Accountability policies, and will work closely with contract compliance staff to comply with the Small Business Enterprise (SBE) Program on this Project.

During the construction phase, the Sponsors will strive to meet OCII's requirements and goals which include the 50% SBE construction subcontracting participation goal, payment of prevailing wages, and the 50% local construction workforce hiring goal. In its competitive selection of a general contractor, the Sponsors will evaluate the possibility, to the extent practicable and economically feasible, of requiring a joint venture or similar partnership opportunity between the general contractor and an OCII-recognized SBE contractor looking to building capacity.

The Sponsors and their workforce consultants Monica Wilson/Community + Real Estate Development and Le Blanc and Associates will work closely with the OCII Contract Compliance team to release requests for qualifications for consultants and project professionals in February or March 2018.

Community Outreach

Staff presented the RFP to the Mission Bay CAC prior to issuance on March 9, 2017, returned to provide an update following issuance of the RFP addendum on June 8, 2017, and presented the recommended team and proposals on September 14, 2017. In addition, staff attended a community-organized evening meeting on May 18, 2017 to provide additional information and respond to community questions, and organized public tours of comparable housing developments in June and July 2017 (Rene Cazenave Apartments and Richardson Apartments).

The Sponsors will engage in outreach to the community throughout the predevelopment period through presentations to the Mission Bay CAC and meetings with neighborhood groups and organizations (including homeowner associations).

CALIFORNIA ENVIRONMENTAL QUALITY ACT

The predevelopment loan agreement and the ENA facilitate the development of Block 9, which is an Implementing Action within the scope of the Mission Bay Project analyzed in the Final Subsequent Environmental Impact Report for Mission Bay North and South ("FSEIR"), certified by the former San Francisco Redevelopment Agency Commission on September 17, 1998 by Resolution No. 182-98. This action requires no further environmental review beyond the FSEIR pursuant to the State CEQA Guidelines Sections 15180, 15162 and 15163 since it does not involve new significant environmental effects or a substantial increase in the severity of previously identified significant impacts, no substantial changes have occurred with respect to the circumstances under which the project will be undertaken that would require major revisions to the FSEIR due to the involvement of new significant environmental effects, or a substantial increase in the severity of effects identified in the FSEIR, and no new information of substantial importance relating to the development of affordable housing on Block 9 has become available that would require further environmental review.

NEXT STEPS

Staff will return to the OCII Commission for schematic design approval in late 2018 and will return to seek approval for a permanent gap loan and long-term ground lease in summer 2019.

(Originated by Kim Obstfeld, Development Specialist)

Nadia

Nadia Sesay
Executive Director

Attachment 1: OCII Commission Mission Bay Block 9 Developer Selection Memo – October 17, 2017
Attachment 2: Loan Evaluation – January 19, 2018
Attachment 3: Exclusive Negotiations Agreement
Attachment 4: Predevelopment Loan Agreement
Attachment 5: Location Map

OCII
office of
COMMUNITY INVESTMENT
and INFRASTRUCTURE

Attachment 1

118-0262017-002

Agenda Item **No. 5(b)**
Meeting of October 17, 2017

MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Nadia Sesay, Executive Director

SUBJECT: Selecting BRIDGE Housing Corporation and Community Housing Partnership for the development of 141 affordable rental housing units (including one manager's unit) with supportive services for formerly homeless persons at Mission Bay South Block 9; Mission Bay South Redevelopment Project Area

EXECUTIVE SUMMARY

On April 6, 2017, the Office of Community Investment and Infrastructure ("OCII") released a Request for Proposals ("RFP") seeking a team to develop and operate affordable rental housing units with supportive services for formerly homeless persons on Mission Bay South Block 9 ("MBS 9") in the Mission Bay South Redevelopment Project Area. On June 7, 2017, OCII issued an addendum to the RFP seeking additional information in developer submittals and extending the due date. On July 27, 2017, OCII received two proposals in response to the RFP. Both submittals met the minimum threshold requirements for consideration and thus the teams were invited for interviews. Interviews were held on August 23, 2017 and were conducted by an eight-person Evaluation Panel. The Evaluation Panel completed the interviews, discussed both proposals, and scored each proposal using predetermined scoring criteria as described in the RFP. Based on the outcome of the Evaluation Panel's scoring, OCII staff recommends the team led by co-developers BRIDGE Housing Corporation ("BRIDGE") and Community Housing Partnership ("CHP") with Leddy Maytum Stacy ("LMS") Architects.

DISCUSSION

Project Area Background

The San Francisco Redevelopment Agency Commission approved the Mission Bay North and South Redevelopment Plans and Owner Participation Agreements ("OPAs") with the Mission Bay master developer, FOCIL-MB, LLC, the successor in interest to Catellus Development Corporation, on September 17, 1998. Since the initial approval of the South OPA, the document has been amended four times to modify the development plan on several parcels.

One S. Van Ness Ave.
5th Floor
San Francisco, CA
94103

415 749 2400

www.sfocii.org

The enforcement of the North and South OPAs as amended will result in 6,514 residential units, with 1,916 units (approximately 29%) set aside as affordable*. The affordable units are comprised of inclusionary affordable units and units developed by nonprofit housing developers on OCII Affordable Housing Parcels. OCII Affordable Housing Parcels comprise 15 acres of land that the master developer in Mission Bay North and South is required to contribute to OCII.

In Mission Bay North, 698 inclusionary and OCII-sponsored units have been completed.

In Mission Bay South, 350 affordable units have been completed to date. This includes 150 affordable units at 1180 4th Street (Block 13 East), which houses 100 low-income households and 50 formerly homeless families, and Five 88 (588 Mission Bay Boulevard North on MBS Block 7 West), which was completed earlier this year and provides 200 affordable family units. Approximately 868 affordable units remain to be completed and leased in MBS, including the OCII-sponsored affordable development currently under construction on Block 6 East or 626 Mission Bay Boulevard North.

# of Affordable Units	Mission Bay North	Mission Bay South	Mission Bay North and South
Built	698	350	1,048
Under Construction or Planned	0	868*	868*
TOTAL	**698**	**1,218**	**1,916**

* *The MBS OPA requires OCII to construct a base number of 1,108 affordable housing units. In addition, Section 3.6 of the MBS Housing Program (Attachment 3 to the MBS OPA) allows for OCII to construct an additional 110 affordable housing units, pending assessment of the development impacts and any necessary approvals, for a maximum total of 1,218 affordable housing units.*

In total in Mission Bay North and South combined, and as shown in the table above, 1,048 affordable units have been completed and 868 units (including the additional 110 allowable affordable units) remain to be completed in the Mission Bay Project Areas.

Request for Proposals

On April 6, 2017, OCII released an RFP offering an Affordable Housing Parcel (one of the OCII stand-alone 100% affordable sites) for development. MBS 9 is a 47,437 square foot (1.08 acre) rectangular site bounded by Mission Rock Street to the north, the Public Safety Building to the west, China Basin Street to the south, and the future Bridgeview Way to the east. An addendum to the RFP was issued on June 7, 2017 and is described in more detail below.

Extensive notification of the RFP was provided to community groups, developers, contractors (including Small Business Enterprises and minority- and woman-owned contractors), and other community stakeholders through OCII's Citizens Advisory Committees email lists, Mayor's Office of Housing and Community Development's ("MOHCD") RFP interest list, the Department of Homelessness and Supportive Housing's ("HSH") interest list, and newspaper advertising. The RFP was available on OCII's website.

In order to ensure expedited development, OCII sought submittals from qualified teams comprised of: a Qualified Housing Developer, a design architect, a Workforce and Contracting Action Plan ("WCAP") consultant (or identified staff WCAP contact), a property manager, and a services provider (together, the "Applicant") to develop, manage, operate, and provide services for a maximum number of units of affordable rental housing on Block 9. The Mission Bay South OPA defines Qualified Housing Developer as a non-profit organization, governmental or quasi-governmental agency or a limited partnership in which one of the general partners is a non-profit organization. Under the Housing Policy, preference will be given to nonprofit housing development corporations headquartered in San Francisco. The selected Applicant will be required to select its other consultants and contractors in accordance with the OCII's Small Business Enterprise Program.

Upon completion of this project, OCII's assets related to the site will be transferred to MOHCD, which is the designated Housing Successor Agency under Dissolution Law. MOHCD reviewed the RFP and was represented on the Evaluation Panel, and will also review and comment on the project's financial underwriting and funding and disposition documents in order to ensure a smooth transition to MOHCD at project completion.

Development Program

The RFP asked that applicant teams propose a high quality project that:

- Provides for the development of supportive rental housing affordable for formerly homeless extremely low-income households while minimizing local financial subsidy according to the following program requirements:

MBS Block 9 Development Program Guidelines	
Number of units	A maximum number of units presented in a high quality, livable design based on Design for Development standards
Target population	Referred to the Project by HSH through the Coordinated Entry System • Homeless individuals/households • Extremely low-income (at or below 30% AMI) • Prioritized by highest need/vulnerability
Unit types	Furnished studio units (350 to 400 square feet)
Supportive services	Intensive on-site case management to serve a chronically homeless population, half or more of whom will have a mental health condition

- Provides a plan for intensive case management and supportive services by a provider with experience serving a high needs formerly homeless populations;
- Meets design standards pursuant to the 1) Mission Bay Design for Development as amended and (2) the Major Phase Application for Blocks 8, 9, 9a, 10, 10a, and Parks P18, P19, and P20;
- Provides thoughtful services and community spaces that address the needs of the special needs resident population and the providers who will care for them;
- Provides a program that incorporates excellent, visually interesting design and financial feasibility; and,
- Incorporates "green" and sustainable building strategies in accordance with the City's requirements.

Alternative Construction Scenario

An addendum to the RFP, issued on June 7, 2017, required that proposals address two construction scenarios: a conventional construction base line scenario and an alternative scenario proposing alternative construction technologies, such as modular unit construction. The issuance of this addendum was prompted by a desire to respond to the the rapid increase in construction costs, goal of delivering housing for formerly homeless individuals faster than conventional construction, and more widespread adoption of modular construction method in the construction of affordable multifamily housing. Applicants received a time extension of approximately one month to incorporate this scenario into submittals.

Applicant Teams

OCII received two submittals in response to the RFP by the July 27, 2017 deadline. The submittals were reviewed and both met the minimum threshold requirements. Applicant teams were as follows:

- BRIDGE with CHP (as co-developers)
    - Architect: LMS Architects
    - Property Manager: CHP
    - Services Provider: CHP and HealthRIGHT 360
    - WCAP consultant: Monica Wilson/Community + Real Estate Development and Le Blanc and Associates

- Mercy Housing California ("Mercy") with Episcopal Community Services ("ECS") (as co-developers)
    - Architect: Kennerly Architecture and Planning
    - Property Manager: Caritas
    - Services Provider: ECS, St. Anthony Foundation Medical Clinic, Samuel Merritt University School of Nursing, Homebridge
    - WCAP consultant: in-house contact at Mercy Housing

Both teams were invited for an interview with the Evaluation Panel.

Selection Process and Criteria

The proposals were reviewed by each member of the Evaluation Panel in advance of the Applicant interviews, which were held at OCII's offices on August 23, 2017. The Evaluation Panel members consisted of a representative from the Mission Bay Citizens Advisory Committee ("CAC"), representatives from MOHCD and HSH, three OCII housing staff, one member of the OCII design team and project management staff for the Mission Bay Project Area. Two representatives from OCII's contract compliance team were present to monitor the process and provided analysis for scoring the WCAP sections of each submittal. The format of the interviews was as follows: a 30-minute presentation and 55-minute question and answer period to help the Evaluation Panel complete its evaluation.

Proposals were evaluated using the selection criteria set forth in the RFP: a total of up to 45 points were awarded for the proposed development concept and up to 55 points for developer team experience and capacity, for an overall total of up to 100 points. A detailed breakdown of the RFP proposal criteria is provided below:

Maximum Points	Criteria
45	**Proposed Development Concept**
20	Proposed Massing Concept: strength and constructability of proposed massing concept, number of units, conformance with the Redevelopment Plan, Major Phase, and the Design for Development
15	Financial Feasibility & Level of OCII Subsidy
10	Proposed Services Plan
55	**Developer Team Experience and Capacity**
15	Developer experience in developing and marketing affordable housing *comparable* to the housing proposed in this RFP
5	Developer experience with government assisted affordable housing programs and financing sources and/or "green" housing; Developer Workload Capacity
5	Workforce and Contracting Action Plan
10	Architect experience & capacity, including "green" housing
10	Services Provider experience & capacity
10	Property Manager experience & capacity
100	**Maximum Total Points**

Selection Process Results

Both proposals were very strong and presented compelling conceptual plans, however, the Evaluation Panel unanimously awarded the BRIDGE /CHP submittal the highest total score. As shown below, the BRIDGE/CHP proposal received a total score of approximately 94 points.

Applicant Team	Total Score	Average Score
BRIDGE Housing/Community Housing Partnership	**753.5**	**94.2**
Mercy Housing/Episcopal Community Services	714.0	89.3

The BRIDGE/CHP proposal scored highest in the massing, financial feasibility, developer experience, and architectural experience categories. The proposal strengths include:

1. **Design and Massing.** The four-story u-shaped design prioritizes natural light and features thoughtful services spaces and resident amenity spaces. LMS Architects drew from their own direct experience in designing supportive housing buildings as well as from input from CHP property management and services staff who currently manage similar properties in preparing the conceptual site plan. The structure would be wood-frame, reducing costs due to construction of a simpler foundation system than would be needed for a building with a concrete podium. The design also features strong sea level rise resiliency and sustainability measures. The proposed 141 units are more than other recent OCII/MOHCD sponsored supportive developments – Rene Cazanave Apartments (Transbay Project Area) and Richardson Apartments (Hayes Valley) both offer 120

units. However, HSH advises that this number of units allows for economies of scale and allows for an improved staffing model.

2. **Financial Feasibility.** The BRIDGE/CHP financing plan showed a lower cost and potential OCII subsidy per unit. BRIDGE is highly experienced in affordable housing finance and proposed a split financing plan that would utilize both 9% and 4% low income housing tax credits to maximize investor equity. Additional cost savings may be realized through the use of modular construction technology. The BRIDGE/CHP team is prepared to conduct a thorough analysis of this option during schematic design.
3. **Experience.** The development team has significant directly relevant experience in successfully developing and operating affordable housing for formerly homeless persons in San Francisco. CHP has a thorough knowledge of the Local Operating Subsidy Program and other subsidy programs, and a clear understanding of current and existing HSH policies and plans for placing tenants through the coordinated entry system. Additional information regarding the specific qualifications of each team member is provided below.

The Mercy/ECS proposal scored well in the services plan and provider and property management categories, with an innovative care approach that included St. Anthony Foundation, Samuel Merritt University School of Nursing, and Homebridge (in-home care). However, the proposed development was larger than anticipated, consisting of two distinct projects in two separate buildings with a combined 233 total units for formerly homeless persons. Development costs and OCII contributions were higher overall and on a per unit basis (approximately 15% higher than the BRIDGE/CHP proposal).

Recommended Proposal Elements

The BRIDGE/CHP concept proposal envisioned the following development program for Block 9:

BRIDGE/CHP Proposed Development Program	
Number of units	141 (including one manager's unit)
Unit sizes	Two unit configurations: - Studios, 390 square feet (85% of units) - Studio+ units, 500 square feet (15% of units)
Parking	2 spaces for vehicles (staff only and/or loading) 75 spaces for bikes (+repair station)
Amenities/Community Spaces	- Two community rooms - Central ground floor courtyard with fitness trail, seating area, dog run, and pet station - Community garden (split between site and Bridgeview Way), publicly accessible (in partnership with Climate Action Now!) - Resident lounge - Grand floor laundry

Services and Staffing

The proposed operating budget allows for front desk coverage 24 hours a day, 7 days a week. In addition, the unit count supports a live-in manager and case management staffing 7 days a week. Services staff will include service leads, counselors, case managers, a nurse, and a part time staff psychiatrist. Staff will focus on addressing housing stability, mental and physical health, substance misuse, crisis prevention, and barriers to employment.

Care will be delivered in an equitable and respectful manner that is responsive to cultural beliefs and practices, preferred languages, and other communication needs.

Recommended Developer Team Experience

- ***BRIDGE (co-developer):*** BRIDGE will be the co-developer for Block 9. BRIDGE is a San Francisco based nonprofit developer with extensive local affordable housing experience. BRIDGE collaborated with CHP, as well as LMS Architects, on the development of Rene Cazenave Apartments in the Transbay project area (120 supportive units). Other recent projects include Armstrong Place (116 units for seniors and formerly homeless) and Marea Alta, a San Leandro project that utilized modular construction technology (115 family units).
- ***CHP (co-developer, long term owner/operator, property manager, and supportive services provider):*** CHP will co-develop Block 9 with BRIDGE and proposes to be the long term owner and operator. CHP will provide on-site project management and resident supportive services (case management, behavioral health intervention, and tailored employment and training), and will oversee the partnership with HealthRIGHT 360. CHP has directly relevant experience in this role at Rene Cazenave Apartments, Richardson Apartments (120 supportive units in Hayes Valley), and 15 other supportive buildings in San Francisco.
- ***LMS Architects (architect):*** LMS Architects will be the prime architect for the MBS 9 project. LMS Architects has directly relevant experience designing multifamily housing in Mission Bay and affordable housing with supportive services for formerly homeless adults. Recent relevant projects include Mission Bay South Block 3 East (mix of family housing and veteran housing, anticipated to break ground in late 2017), Rene Cazenave Apartments (120 supportive housing units in the Transbay Project Area), and Plaza Apartments (106 supportive housing units in San Francisco).
- ***HealthRIGHT 360 (supportive services provider):*** Formerly known as Haight Ashbury Free Clinics, HealthRIGHT 360 has provided culturally competent health and case management services to vulnerable San Francisco residents for over 50 years. HealthRIGHT 360 will work closely with CHP to provide nursing and psychiatric care for Block 9 tenants.
- ***Monica Wilson/Community + Real Estate Development and Le Blanc and Associates (workforce and contracting consultants):*** Monica Wilson and Brigette Le Blanc will work with the development team and OCII to implement the Workforce and Contracting Action Plan. Ms. Wilson has completed seven development projects in which she achieved or exceeded 50% Small Business Enterprise participation. Ms. Le Blanc specializes in community engagement and has recently worked on Hunters Point Shipyard and the Central Bayside Sewer Improvement Project.

Community Outreach

Staff presented the RFP to the Mission Bay CAC prior to issuance on March 9, 2017, returned to provide an update following issuance of the RFP addendum on June 8, 2017, and presented the recommended team and proposals on September 14, 2017. In addition, staff attended a community-organized evening meeting on May 18, 2017 to provide additional information and respond to community questions, and organized public tours of comparable housing developments in June and July 2017 (Rene Cazenave Apartments and Richardson Apartments).

NEXT STEPS

In early 2018, staff will request the Commission's authorization to enter into an exclusive negotiations agreement and predevelopment loan agreement with the recommended team. In summer 2018, Staff and the team will present a proposed schematic design for the project, at which time the team will provide a recommendation regarding construction type (conventional or modular). As previously noted, this RFP asked respondents to present an alternative modular technology construction scenario in an effort to shorten the construction timeline and reduce development costs. Staff will return to the Commission in late 2018 or early 2019 to seek approval for a permanent gap loan and long-term ground lease.

(Originated by Kim Obstfeld, Development Specialist)

Nadia Sesay
Executive Director

Attachment A: MBS 9 Parcel Location Map
Attachment B: Conceptual Design for MBS 9

Attachment 2

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

Mission Bay South Block 9
$5,000,000
Predevelopment Loan

Evaluation of Request for:	Predevelopment Loan
Loan Committee Date:	January 19, 2018
Prepared By:	Kim Obstfeld
Source of Funds Recommended:	Bond Proceeds
NOFA/PROGRAM/RFP:	OCII RFP
FY 17/18 ROPS Line:	415
Total Previous City Funds Committed:	None
Applicant/Sponsor Name:	BRIDGE Housing ("BRIDGE") and Community Housing Partnership ("CHP")

EXECUTIVE SUMMARY

Sponsor Information:

Project Name:	Mission Bay South Block 9	Sponsor(s):	BRIDGE Housing and Community Housing Partnership
Project Address (w/ cross St):	410 China Basin Street (bordered by China Basin St, Mission Rock Street, the Public Safety Building, and the future extension of Bridgeview Way)	Ultimate Borrower Entity:	Mission Bay 9, L.P.

Project Summary:

BRIDGE Housing ("BRIDGE") and Community Housing Partnership ("CHP"), through Mission Bay 9, L.P., are requesting $5,000,000 in predevelopment financing for Mission Bay South Block 9 ("Block 9"). Block 9 will be a 141-unit affordable rental housing development with supportive services for extremely low-income formerly homeless adults (the "Project"). The Project will be comprised of 122 furnished studios, 18 furnished studio-plus units (intended to accommodate those with in-home care needs), and one manager's unit.

Tenants will be referred to the Project through the Department of Homelessness and Supportive Housing ("HSH") Coordinated Entry System and the Project will be subsidized through the City's Local Operating Subsidy Program (LOSP). The Project will be split in two for financing purposes and anticipated sources for the Project include: 9% and 4% Low Income Housing Tax Credits, Affordable Housing Program grant, tax-exempt bonds (to support a construction loan), and an OCII Loan. While not reflected in the construction sources and uses budget included in this evaluation, it is anticipated that capital funding from the No Place Like Home Program will also be available to the Project.

Project Description:

Construction Type:	Type V	Project Type:	New Construction
Number of Stories:	4	Lot Size (acres and sf):	1.08 acres / 47,437 sf
Number of Units:	141	Architect:	Leddy Maytum Stacy Architects
Total Residential Area:	56,993 sf	General Contractor:	TBD
Total Commercial Area:	N/A	Property Manager:	Community Housing Partnership
Total Building Area:	100,260 sf	Supervisor and District:	Sup. Kim - District 6
Land Owner:	FOCIL (will transfer to OCII)		
Total Development Cost (TDC):	$60,147,565	Total Acquisition Cost:	N/A
TDC/unit:	$426,578	TDC less land cost/unit:	$426,578
Loan Amount Requested:	$5,000,000	Request Amount / unit:	$35,461
HOME Funds?	No		

PRINCIPAL DEVELOPMENT ISSUES

- **9% and 4% Low Income Housing Tax Credit Financing.** The Sponsors anticipate splitting the project for purposes of Low Income Housing Tax Credit financing, including a competitive application for 9% credits through the Special Needs set-aside. While BRIDGE is experienced in financing projects under this structure, it adds complexity, increases soft costs, and impacts the project schedule. Please see section 6.5.1 for further discussion.
- **Modular Construction.** To allow for faster vertical construction and respond more quickly to the homelessness crisis, the Sponsors will pursue the use of modular construction for portions of the project. In addition to shortening the development period, use of this technology will result in cost savings. Block 9 is particularly well-suited for modular construction because of its location, conceptual design, and proposed construction type. The predevelopment loan is sized to account for the additional predevelopment expenses that are unique to modular development, requiring additional upfront expenses. BRIDGE has experience in modular construction, however, use of this technology has been limited in San Francisco and completed by market rate developers. The Sponsors are committed to working through potential financing and permitting issues, and addressing small business enterprise ("SBE") goals workforce considerations. Please see section 4.2.1 for further discussion.
- **No Place Like Home Funding.** OCII and the Sponsors anticipate that the Project will be an appropriate candidate for No Place Like Home ("NPLH") funding. HSH and MOHCD are in the process of establishing program parameters for the City's allocation from the California Department of Housing and Community Development ("HCD"). The Sponsors will be required (as a condition of this predevelopment loan) to work with OCII, MOHCD, and HSH to determine the number of NPLH eligible residents that the project can effectively support through on-site services and proceed with a funding application (pursuant to program guidelines, 50% or less of units will be funded through this source). Please see section 6.5.1 for further discussion.
- **Community Opposition.** Some members of the Mission Bay community have been vocal in their opposition to the Project. OCII staff and the Sponsors have and will continue to engage with the community to address concerns and solicit feedback on elements of the design and programming, as appropriate. In addition, the Sponsors will lead an outreach effort that will seek to respond to concerns, identify and work through key issues, and educate community members on various aspects of the development plans. Please see section 3.1 for further discussion.
- **CHP Staff Capacity.** In recent years, CHP has experienced staff vacancies and turnover in key positions. CHP is working with the Mayor's Office of Housing and Community Development ("MOHCD") to address staffing and asset management concerns. However, adequate staff capacity at CHP is an important consideration for this project throughout the predevelopment, construction, and management stages. To address this concern, a condition is included to require BRIDGE to maintain a minimum five-year ownership role in the Project following conversion to permanent financing, rather than exiting the partnership at the conversion to permanent financing as was initially proposed. This condition was affirmed with the Sponsors during the developer selection interview. Please see section 1.2 and Attachment D for further discussion.

SOURCES AND USES SUMMARY

Predevelopment Sources	Amount	Terms	Status
Acquisition	N/A (ground lease)		
OCII	$5,000,000	55 years @ 3% Def	This Request
Total	**$5,000,000**		

Permanent Sources	Amount	Terms	Status
OCII	$20,627,280	55 yrs @ 3% / Res Rec	Not Committed
Tax Credit Equity	$37,200,594	$1.03* / credit	Not Committed
AHP	$2,000,000	N/A	Not Committed
Sponsor Equity	$319,691	N/A	Committed
Total	**$60,147,565**		

Uses	Amount	Per Unit	Per SF
Acquisition	$0	N/A	N/A
Hard Costs	$47,355,668	$335,856	$472
Soft Costs	$10,072,297	$71,434	$100
Developer Fee	$2,719,691	$19,288	$27
Total	**$60,147,656**	**$426,578**	**$600**

* Due to the pending tax reform legislation, this estimate will be revised down. The Sponsor's financial consultant is modeling the impacts of reduced corporate taxes and will be able to better gauge the extent to which the legislation reduces tax credit demand, and thereby reduces pricing. A lower rate will result in reduced tax credit equity and a larger gap loan from OCII.

1. BACKGROUND

1.1. Project History Leading to This Request.

Housing Production in the Mission Bay Project Area

Block 9 is part of the 303-acre Mission Bay redevelopment district that was administered by the former San Francisco Redevelopment Agency ("SFRA" or "Agency"). Pursuant to state law redevelopment agencies throughout the State of California were eliminated on February 1, 2012 under California Health and Safety Code §§34161 et seq (the "Redevelopment Dissolution Law"). OCII is the Successor Agency to SFRA and is responsible for implementing SFRA's enforceable obligations. On January 24, 2014, the California Department of Finance ("DOF") determined "finally and conclusively" that the Mission Bay South OPA and tax allocation pledge agreement are enforceable obligations under AB 26 and AB 1484. FOCIL-MB, LLC ("FOCIL") is the Master Developer of the Mission Bay redevelopment district.

The Project will be the sixth Agency Affordable Housing Parcel in the Mission Bay South Redevelopment Project Area, and the tenth affordable housing development in the overall Mission Bay Project Area:

Location	Site	Project Name	# of Units	Housing Type	Year Completed
Mission Bay North	Block N2-2	Rich Sorro Commons	100	Family rental	2002
	Block N3A-1	Mission Creek Senior Community	140	Senior rental (including 49 units for homeless seniors)	2006
	Block N5	Crescent Cove	36(2)	Family rental	2007
	Blocks N4-A,N4-A2	Mission Walk	131	Family for-sale	2009
Mission Bay South	Block 13 East	1180 4th Street	150	Family rental (including 50 units for homeless families)	2014
	Block 7 West	Five 88	200	Family rental	2017
	Block 6 East	626 Mission Bay Boulevard North	143	Family rental (including 29 units for homeless families)	2018 (under construction)
	Block 6 West	TBD	140	Family rental (including 25% of units for HOPE SF or homeless families)	2020 (planned)
	Block 3 East	1150 Third Street	119	Homeless Veterans (50 units) and Family rental (50 units)	2019 (under construction)
Total			**1,159**		

---

(1) The MBS OPA requires OCII to construct a base number of 1,108 affordable housing units. In addition, Section 3.6 of the MBS Housing Program (Attachment 3 to the MBS OPA) allows for OCII to construct an additional 110 affordable housing units, pending assessment of the development impacts and any necessary approvals, for a maximum total of 1,218 affordable housing units.
(2) 36 units out of total 234 restricted units built at the Crescent Cove development were OCII-sponsored. The remaining 198 restricted units are Master Developer inclusionary units.

The Mission Bay North and South project area includes the development of 6,514 housing units, with 1,916 units (29%) set aside as affordable (1). To date, 1,048 of those affordable units have been completed, leaving approximately 868 affordable units to be developed. The development of the OCII-sponsored units will be subsidized through a minimum of 20% tax increment affordable housing set-aside generated by Mission Bay North and South, along with excess tax increment not needed for public infrastructure development, as required by the Mission Bay South Owner Participation Agreement ("OPA"). The majority of the 1,916 affordable units will be developed on OCII Affordable Housing Parcels contributed by the Master Developer to OCII pursuant to the Mission Bay OPA. The project site is part of this land contribution.

RFP and Developer Selection Process

On April 6, 2017 OCII staff released the RFP for Mission Bay South Block 9. The RFP established the following program requirements:

Number of units	A maximum number of units presented in a high quality, livable design based on Design for Development standards.
Area Median Income (AMI) and rent restrictions	Extremely low-income individuals/households (incomes at or below 30% AMI). OCII will restrict rents to rates affordable to households earning at or below 60% of AMI as defined annually by MOHCD. Deeper restrictions may be allowed, however, they may not be lower than 25% AMI and must include some units at 30% AMI.
Unit type	Furnished studio apartments
Target population	Referred to the Project by HSH through the Coordinated Entry system: • Homeless individuals/households • Prioritized by highest need/vulnerability and length of homelessness.
Supportive Services	Intensive on-site case management to serve a chronically homeless population, half or more of whom will have a mental health condition.
Construction method	Consideration of alternative construction technologies, e.g. the use of modular units or components, in addition to conventional construction methods.

The deadline for submitting proposals was July 27, 2017 and by that date OCII received two proposals from the following teams:

1. BRIDGE Housing and Community Housing Partnership with Leddy Maytum Stacy Architects
2. Mercy Housing California and Episcopal Community Services with Kennerly Architecture & Planning

Selection Process and Criteria

An evaluation panel interviewed both teams and scored the proposals. The panel that consisted of representatives from MOHCD, HSH, OCII (design, project area management, and housing), as well as a member of the Mission Bay Community Advisory Committee. The panel used the following scoring criteria:

MAXIMUM POINTS	CRITERIA
45	**Proposed Development Concept**
20	Proposed Massing Concept: strength and constructability of proposed massing concept, number of units, conformance with the OPA, Major Phase, and the Design for Development
15	Financial feasibility & level of OCII subsidy
10	Proposed Services Plan
55	**Developer Team Experience and Capacity**
15	Developer experience in developing and marketing affordable housing *comparable* to the housing proposed in this RFP

5	Developer experience with government assisted affordable housing programs and financing sources and/or "green" housing; Developer workload capacity
5	Workforce and Contracting Action Plan
10	Architect experience & capacity, including "green" housing
10	Services Provider experience & capacity
10	Property Manager experience & capacity
100	**Total Points**

The proposal from BRIDGE and CHP received the highest total points. The proposal scored particularly well in the massing and financial feasibility categories.

Based on results from the evaluation panel, OCII staff recommended that BRIDGE and CHP be selected to develop the Project. The recommendation was approved by the OCII Commission on October 17, 2017. Since that time, BRIDGE and CHP have met with OCII staff to discuss the development timeline, process, and preliminary feedback on the conceptual design for the site. The team will soon begin the process of procuring a full consultant team, and is working with OCII contract compliance staff to ensure the participation of local firms.

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

The Borrower entity will be Mission Bay 9, L.P., formed by BRIDGE and CHP to manage, own and operate the Project. (Note that predevelopment work will route through this L.P., however, a second L.P. will need to be set up as the Project is split into two for financing purposes.)

BRIDGE will be a co-developer of the Project and, at the request of OCII in consultation with MOHCD, will continue to be a partner in project for a minimum of five years, subject to specific Project performance provisions, following the conversion to permanent financing. It is anticipated that upon successful completion of established milestones, BRIDGE will exit the partnership. The potential for BRIDGE's longer term partnership was discussed at the developer team evaluation interviews, and it was confirmed that such a structure would be agreeable to both BRIDGE and CHP. The request is a result of concerns regarding staff turnover and asset management at CHP. Please see Attachment D for additional discussion.

CHP will be a co-developer, long term owner, property manager, and services provider for Block 9.

Please see Attachment C Developer Resumes for more details on the team's project management experience. This loan is conditioned upon the execution of memorandum of understanding between BRIDGE and CHP that clearly defines roles and responsibilities and establishes the terms upon which BRIDGE will exit the partnership.

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

Site Description	
Zoning:	Zoning for the site is form-based and is governed by the Redevelopment Plan for the Mission Bay South Redevelopment Project and the Design for Development for the Mission Bay South Project Area. Height limits are calculated as averaged by block (not parcel) and are as follows: 55’ on China Basin Street and Bridgeview Way; on other frontages, a base height of up to 65’ and a mid-rise height of up to 90’ is allowed. 100% lot coverage is allowed up to a maximum height of 40’; above 40’, 75% lot coverage is allowed.
Maximum units allowed by current zoning (N/A if rehab):	The maximum number of units on the site is based on form-based zoning.
Number of units added or removed (rehab only, if applicable):	N/A
Seismic (if applicable):	Seismic Zone 4.
Soil type:	According to the Mission Bay Subsequent Environmental Impact Report (“SEIR”), Block 9 was submerged in shallow water in Mission Bay before it was filled. Existing data in the vicinity indicate there is about 15 to 36 feet of fill. The fill is underlain by weak compressible clay known as Bay Mud with thicknesses of 80 to 120 feet. The development team will assemble a consultant team and will perform a geotechnical analysis during predevelopment.
Environmental Review:	As part of its actions on September 17, 1998 establishing the Mission Bay Redevelopment Project Areas, the Redevelopment and Planning Commissions certified the Final Subsequent Environmental Impact Report (“FSEIR”), adopted findings under the California Environmental Quality Act (“CEQA”), adopted a series of mitigation measures, and established a comprehensive system for mitigation monitoring. The Board of Supervisors and other City departments adopted similar findings and mitigation monitoring plans. BRIDGE and CHP will work with OCII staff to ensure that the mitigation monitoring measures for Block 9 are appropriately documented and implemented. Also, the Sponsors will order a Phase 1 analysis for the property and a Phase II analysis, if necessary.
Adjacent uses (North):	Currently a surface parking lot, planned for a multi-story parking garage serving the Mission Rock development.
Adjacent uses (South):	Block 10a (to the south and east of the Site) is a 99-unit mid-rise condominium building known as “Radiance” that was completed in 2008. Block 10 is a 329-unit mid-rise

	condominium building known as "Madrone" that was completed in 2012.
Adjacent uses (East):	Public Safety Building, which holds a police and fire station.
Adjacent uses (West):	Mission Bay South Block 9a, a vacant site designated as an OCII Affordable Housing Parcel; the site will be temporarily used for a site office by the Mission Bay master developer.
Neighborhood Amenities within 0.5 mile:	Supermarkets: There is a Safeway supermarket located at 4th and King Streets, 0.6 mile from the site. The second closest supermarket is located at 4th and Harrison Streets, 1 mile away from the site. Pharmacy: 2 Pharmacies are located just over half mile of the site – one Walgreens at 4th and Townsend Streets and Safeway at 4th and King Streets. Library: The Mission Bay Public Library is located 0.5 mile) from the site. Parks: Mission Creek Park is 1 blocks from the site; Mission Creek park is 2 blocks from the site; and Bay Front Park is 2 blocks away (the San Francisco Bay Trail can be accessed from this park).
Public Transportation within 0.5 mile:	The site is located 1 block from the Muni Third Street Mission Rock Light Rail station and approximately 0.5 mile from the San Francisco Caltrain station on 4th Street between King and Townsend streets. A stop for the Muni 55-16th street bus line is located 2 blocks from the site.
Article 34:	Article 34 authority is needed and will be requested before the predevelopment loan is encumbered.
Article 38:	Exempt. Project is new construction and is outside the exposure zone map area.
Accessibility:	Per TCAC standards, at least 10% of units will include mobility features and 4% will have communications features. All units will be adaptable.
Green Building:	Per the RFP, the building must either achieve a Green Point Rating of 125 or above, or LEED Gold rating. The OCII design team will work with the Sponsors to ensure the Project meets one of these two thresholds.
Recycled Water:	Not exempt. The project does fall within the boundaries of the designated recycled water use area, and therefore it will be required to comply with the City's Recycled Water Ordinance. As such, the Sponsors will be required to install purple pipe to recycle grey water within the project.
Storm Water Management:	Developments that disturb 5,000 square feet or more of the ground surface must comply with the Storm Water Design Guidelines and submit a Storm Water Control Plan to the SFPUC for review. The development team will meet with SFPUC during the predevelopment period.

2.1. Zoning.

Land use restrictions and design guidelines in Mission Bay South are defined in the Mission Bay South Design for Development. The Design for Development document supersedes the San Francisco Planning Code in its entirety, and the Sponsor is developing within the guidelines.

2.2. Local/Federal Environmental Review.

CEQA clearance was obtained through the Mission Bay EIR. It is not currently anticipated that NEPA clearance will be necessary because no federal funds are anticipated.

2.3. Environmental Issues.

- Phase I/II Site Assessment Status and Results.

  Once consultants have been sourced, the Sponsor will be responsible for conducting a Phase I study and Phase II study, if necessary.

- Potential/Known Hazards.

  Soil contaminants currently exist in the Project Area and are assumed to exist at the Site. The principal chemicals that have been detected in the Project Area are petroleum hydrocarbons and inorganic compounds (e.g. heavy metals). Additionally, asbestos was detected in the soil primarily from serpentine rock, which was imported to fill Mission Bay. No significant concentrations of Volatile Organic Compounds were detected in soil or groundwater. Limited concentrations of select volatiles such as benzene were found around the former petroleum storage facilities in the Mission Bay South Redevelopment Project Area, but are not expected to affect the Site. None of the chemicals were detected at concentrations that would pose a threat to human health following the completion of the planned development in the Project Area.

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

2.5. Green Building. See table above.

3. OTHER ENTITLEMENTS ISSUES

3.1. Community Support.

The Mission Bay Citizens Advisory Committee (“CAC”) has generally been supportive of the Project; however, as noted in “Principal Development Issues” above, some members of the Mission Bay community have been vocal in their opposition. In particular, some are opposed to affordable apartments that will serve a formerly homeless population. To date, OCII staff has presented aspects of the project at three meetings of the Mission Bay Citizens Advisory Committee (“CAC”). Staff also presented at a community-organized evening meeting, facilitated afternoon and evening tours of similar properties (Richardson Apartments and Rene Cazenave Apartments) for members of the public, and presented at an evening meeting of the Bay View Boat Club.

The Sponsors have prepared a draft community outreach plan. The plan calls for multiple initial meetings with groups of stakeholders, such as homeowners associations, business groups, and community organizations.

In addition, the Sponsors will present the Block 9 concept design to the Mission Bay CAC and will again meet with community organizations to discuss aspects of the design and obtain feedback. The Sponsors will then return to the Mission Bay CAC to present a complete schematic design.

The Sponsors will also work closely with the community to discuss “good neighbor” practices, property management plans, and building operations.

4. DEVELOPMENT PLAN

4.1.1. Site Control.

FOCIL-MB, LLC ("FOCIL"), the master developer of Mission Bay South, currently owns the site. Pursuant to the Mission Bay Owner's Participation Agreement ("OPA"), the site will be transferred at no cost to OCII for the development of affordable housing. The OPA requires a 100-day notice to FOCIL to express OCII's intent to exercise a Memorandum of Option transferring ownership of the site to OCII.

4.1.2. Proposed Property Ownership Structure

After FOCIL transfers the site to OCII (typically concurrently with the close of construction financing), OCII will lease the site to the limited partnerships created by BRIDGE/CHP prior to construction. For financing purposes, to generate the most tax credit equity, there will be two separate ownership entities (one for the 9% tax credit project and one for the 4% tax credit project), each associated with a specific portion of the project, divided into condominiums or air rights parcels.

OCII will retain ownership of the land until the project is transferred to MOHCD after permanent conversion, and the limited partnerships will own the improvements. The air rights leases will have 75-year initial terms with options to extend for another 24 years and will require annual in base rent in accordance with MOHCD's Policy on Ground Leases.

4.2. Proposed Design.

The proposed Project features three wings in a "u" shaped configuration, with a single-loaded central wing (along the western side of the parcel, adjacent to the Public Safety Building) connecting two double-loaded perpendicular wings (along China Basin Street and Mission Rock Street). The building is four-stories tall and wraps around a large landscaped courtyard that opens on to the future Bridgeview Way.

Bridgeview Way will be a primarily pedestrian alley dividing Blocks 9 and 9a (Block 9a is also an OCII affordable housing parcel that will be developed in the future), however, it will also allow for emergency vehicle access and may include parking garage access for the future Block 9a development. A long, narrow shade garden along the building's west side allows natural light between Block 9 and the adjacent Public Safety Building. Four photo-voltaic arrays and two prominent trellises are located on the low-slope roof.

The design emphasizes natural light and ventilation. Corridors terminate in windows and the saw-tooth pattern of the China Basin Street and Mission Rock Street wings provides units with large shaded windows that take advantage of bay views where available.

The ground floor is organized with a "Main Street" concept. The resident entrance, mail area, services suite, laundry, and resident lounge are aligned to promote interaction among residents and allow for active monitoring by staff.

Resident amenities, including two that also feature direct access for members of the Mission Bay South community, include:

- Services and management suites, and staff break room
- Large resident courtyard with seating areas, fitness trail, dog run, and pet station
- Community room with kitchen, with an opening to a terrace in the central courtyard
- Resident lounge

- Shared laundry room
- Linen/storage closets on each floor for in-home care providers
- Bicycle parking and repair station
- De-bug room for pest control
- Two parking spaces for staff and/or deliveries
- Public room with terrace and entry from Bridgeview Way
- Community garden along Bridgeview Way, to be managed by Climate Action Now!

In response to sidewalk settlement issues in Mission Bay, the building is set back from the street. The ground floor and courtyard are raised 1-1.5' above the sidewalks to prevent the need for costly soil off-haul during construction and to mitigate flooding.

Avg Unit SF by type:	Average unit sizes are above TCAC minimums: • 390 square feet for studio units • 500 square feet for studio-plus units*
Residential SF:	56,993
Circulation SF:	21,803
Parking Garage & Service SF:	13,300
Common Area SF:	3,136 (interior)
Community Serving SF:	1,616
Building Total SF:	100,260

* Studio plus units are designed to accommodate those with in-home care needs, and are therefore larger than traditional studio units.

4.2.1. Modular Construction.

There is a critical need to address homelessness in San Francisco with supportive housing units as is proposed in the Project. To expedite Project vertical construction and to reduce Project costs, the Sponsors intend to utilize off-site or modular construction modalities. OCII issued an addendum to the request for proposals ("RFP") for Block 9, requiring that applicants provide massing diagrams and financing scenarios showing both traditional on-site construction and alternative or modular unit construction. The project is well-suited for modular construction in that there are few unit configuration types, the site is flat and rectangular, and there are potential staging options in the project area.

The Sponsors anticipate that modular construction will result in total development cost savings of approximately 9% and construction time savings of up to 6 months for this Project, resulting in a 12-month construction schedule. The costs savings using modular construction are approximately $38k per unit, a total development cost savings of approximately $5.4 million (reduced from $65.6 million to $60.1 million). OCII's contribution is reduced by approximately $23k per unit, from $23.9 million to $20.6 million.

As a result of cost savings from modular construction, estimates for the Project are well below the average for comparable projects. As shown in Attachment G, the average total development cost per units for comparable projects is $533,118 while cost per unit for Block 9 is estimated at $426,578.

While BRIDGE has recent and directly relevant experience in completing affordable projects using modular construction, few projects of this type have been completed in San Francisco. A condition has been included to ensure that the Sponsors work diligently to identify and resolve potential issues associated with the construction type.

Overall, approximately 70% of the construction work will be completed on-site. The ground floor will be fully site-built, using wood frame construction. This will allow for higher ceilings (modular construction limits ceiling heights at 11 feet due to shipping restrictions), and the provision of long spans and larger open spaces necessary for community gathering rooms.

Upper floors will be built using off-site modular construction for the circulation and units. As designed, modular unit widths are standardized at 14 feet, allowing for efficient transport, and most units can be paired in single modules that are under 72 feet in length, which reduces the number of modules needed. A paired module would contain two housing units and a portion of the building hallway. Interior unit finishes will be installed by the modular manufacturer prior to shipping. All exterior building finishes will be installed on-site after the modules are placed.

4.3. Proposed Rehab Scope. N/A

4.4. Construction Supervisor/Construction Specialist's evaluation

Concept Plan Mission Bay Block 9

Building Configuration: Orienting activity and views inward to the courtyard has several beneficial aspects:

- The Public Safety Building to the west is double the height of Block 9. A narrow shade garden separating the two buildings allows light and a verdant backdrop to an otherwise unsightly view. Keeping the buildings separate also eliminates the need to provide the full-length expansion joint assembly typically required between abutting buildings.
- While the building is visually open to the public passageway, it is protected by a security fence. The open courtyard and adjacent community green of Block 9 are separate and secured from the public way and protected from prevailing winds.

Modular Construction: Block 9's repeated and stacked studio unit layout without a podium level readily adapts the design to modular construction. The Type V modules are the least expensive to fabricate and easiest to assemble. Whether wood or steel frame, the concept is adjustable to comply with building, fire, energy, and life safety codes. The modular concept has proved to render notable savings in time and cost when compared to the standard site built method. In recent years, construction costs per square foot using the modular (prefab) model have shown to vary between 1% and 15% less than with the wholly site-built method. Total time has shown to have been reduced by 15% to 30% when compared to conventional construction. The shortened project duration is considered an added bonus given the mounting challenges to provide housing for those of greatest need and often the most vulnerable among the population.

First Floor Uses and activation of the street: Each side of the property affords controlled entry, logically assigned to the resident entry on China Basin Street, the entry to the community room along the public passage way, Entry to the Manager's unit at the far end of the passage and service/parking entries along Mission Rock Street.

The most prominent of the street facades is along China Basin Street. In addition to the more notable entries, the streetwall is lined with ground-floor units and landscaping. The least visible façade of the north faces the future parking structure. Building services are logically assigned to creating this north facing streetwall. The "service suite", consisting of counseling and treatment rooms, is aptly located in the private wing fronting the shade garden. The remaining first-floor activities, consisting mostly of living units and community activity, face the landscaped courtyard.

Community Uses/Amenities: The community room (and adjacent kitchen) take ample advantage of extending the floor plain out to the courtyard terrace. This allows multi-use functions for varied activities, and also permits relaxation and longer-range exterior vistas without the need to venture outside the property

4.5. Commercial Space.

N/A

4.6. Service Space.

As currently designed, the Project will include a services suite along the main traffic route of the building. The suite's placement is designed to encourage residents to engage with services staff. The layout is intended to balance participant privacy with selective transparency to make the space inviting and to allow for natural light and visibility. The suite will include open counseling areas, private meeting spaces, consultation rooms, an exam room, and record storage.

The CHP services team and HSH will work closely with LMS Architects to refine the design for this space and ensure that the design meets the needs of both staff and residents.

4.7. Target Population

All of the Project's 140 affordable units will serve formerly homeless adults. Potential tenants will be referred to the Project by HSH via the Coordinated Entry system. If No Place Like Home funding is available to the project, a portion of the units may be reserved for those with a mental health diagnosis.

Tenants will generally have experienced a long duration of homelessness, history of trauma, and will be in need of intensive support. The provision of specialized services will be critical to the success of this Project and its tenants. The services plan is discussed in Section 7 below.

4.8. Marketing & Occupancy Preferences

As previously noted, all of the Project's 140 affordable units will serve formerly homeless adults and will be referred to the Project by HSH via the Coordinated Entry System. HSH is actively working to determine the specific parameters for prioritizing individuals/households for referral. Generally, HSH will prioritize referrals based on length of homelessness and level of need. All referred applicants will be persons experiencing homelessness in San Francisco.

HSH will work with MOHCD to give first priority to Certificate of Preference holders, assuming that this preference does not conflict with other funding sources and that the Certificate holder meets all other tenant eligibility criteria.

4.9. Relocation.

Block 9 is currently used as a temporary staging area for the Mission Bay master developer. The master developer will voluntarily move to Block 9a, leaving Block 9 as vacant, undeveloped land; relocation law does not apply.

5. DEVELOPMENT TEAM

Development Team			
Consultant Type	**Name**	**SBE/LBE**	**Outstanding Procurement Issues**
Project Manager	Carrie Horton, BRIDGE	N	N
Project Manager	Daniel Potter, CHP	N	N
Architect	LMS Architects	N	N
Landscape Architect	TBD	TBD	TBD
JV/other Architect	TBD	TBD	TBD
General Contractor	TBD	TBD	TBD
Owner's Rep/Construction Manager	TBD	TBD	TBD
Financial Consultant	California Housing Partnership Corporation	N	N
Other Consultant	TBD	TBD	TBD
Legal	TBD	TBD	TBD
Property Manager	CHP	N	N
Services Provider	CHP	N	N

5.1. Outstanding Procurement Issues.

There are no outstanding procurement issues. Upon predevelopment loan approval, the Sponsor will work with OCII's Contract Compliance team to issue an RFP for the above mentioned consultants.

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

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

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

6.2. Disbursement Status.

No sums of money have yet been disbursed. However, the Project has incurred costs dating back to October 17, 2017. Staff recommends that the Loan Committee approve payment of costs dating back to the Commission on Community Investment and Infrastructure's ("CCII's") approval of the predevelopment loan agreement and Exclusive Negotiations Agreement ("ENA") so long as these previously incurred costs are deemed acceptable and correspond to the predevelopment budget attached herein.

6.3. Fulfillment of Loan Conditions.

N/A.

6.4. Proposed Predevelopment Financing

6.4.1. Predevelopment Sources Evaluation Narrative

The Proposed Predevelopment Loan is the only predevelopment source for the Project.

6.4.2. Predevelopment Uses Evaluation

The Sponsors are seeking a predevelopment loan of $5M. The budget includes costs related to design through construction documents, survey and engineering sites studies, permit fees, legal and tax credits costs, and a portion of the developer fee. In addition to these typical costs, the budget includes an architectural and engineering fee of $140k for manufacturing design services for the modular units. It also includes a $1.2M materials deposit and $160k prototype deposit that will be payable to the selected modular unit manufacturer.

6.4.3.

Predevelopment Budget		
Underwriting Standard	**Meets Standard? (Y/N)**	**Notes**
Acquisition Cost is based on appraisal	N/A	Not applicable.
Architecture and Engineering Fees are within standards	Y	The Sponsor is estimating that $1,749,828 in architecture and survey and engineering fees will be spent during predevelopment.
Bid Contingency is at least 5% of total hard costs	Y	Bid Contingency is 5%.
Escalation amount is commensurate with time period until expected construction start, not to exceed 15%	Y	Escalation on hard costs totals 8.37%. Hard costs estimates were provided by Nibbi Brothers in July 2017. Construction is projected to begin in October 2019.
Construction Management Fees are within standards	Y	The construction management fee is $85,000 for the preconstruction period – spanning from construction manager selection in early 2018 to the close of construction financing in late 2020, which is less than the maximum annual amount of $40,000 allowed during predevelopment per MOHCD's underwriting guidelines.
Developer Fee is within standards	Y	The developer fee to be disbursed during predevelopment totals $500,000 (approximately 21% of the total project management fee of $2,400,000 (the remaining $319,691 will be taken as general partner equity)). The portion of the fee Sponsor is projecting to receive during the

		predevelopment period in compliance with MOHCD's guidelines.
Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is 11%.
Financing Costs are reasonable	N/A	At this time the Sponsor does not expect to seek predevelopment financing other than OCII.

6.5. Potential Proposed Permanent Financing

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

6.5.1. Permanent Sources Evaluation Narrative:

- OCII Loan: The current budget assumes an OCII subsidy of approximately $20.6M or $146,293 a unit. This amount will be increased should the amount of equity be reduced, and reduced if/when NPLH funding is confirmed. The OCII subsidy will be used during predevelopment and construction.

- LIHTC Equity: The Sponsor is projecting LIHTC equity in the amount of $37.2M, or $263,834 per unit. This is based on a split 9%/4% tax credit award. One application will maximize 9% credits under the non-profit or special needs set-aside and the remaining units will be included in a non-competitive 4% application. This will require the creation of two limited partnerships and that the building be split into two condominiums or air rights parcels. The Sponsors will seek to use the same lender and tax credit investor for both deals. While this approach does result in increased soft costs, these costs are more than offset by the significant increase to tax credit equity. BRIDGE has successfully executed split 9%/4% tax credit deals in the recent past. OCII has also completed a deal with this structure (Alice Griffith Phase 3).

  LIHTC equity is currently shown to generate $1.03 per credit. Based on the pending tax reform legislation, this estimate will need to be revised down. CHPC will model updated pricing based on new tax rates and is working through assumptions that account for the potential reduction in demand. CHPC estimates that prices may be reduced to a low as $0.93. In BRIDGE's recent experience, pricing has been very similar for both 9% and 4% credits. During the predevelopment period, OCII staff will work with the Sponsor and its financial advisor to achieve the best possible tax credit pricing and other loan terms for the project with the goal of maximizing leveraged sources.

- NPLH: The construction budget does not currently include an award from this source, however, it is anticipated that NPLH funds will be appropriate for this Project and may provide capital funding for up to 50% of units. According to HCD program guidelines, the maximum award is up to $125,000 per unit for units funded by 9% tax credits and up to $175,000 per unit for units funded by 4% tax credits. Staff has included a loan condition specifying that the Sponsors must pursue NPLH funds during the predevelopment period.

- Construction Loan: The Sponsor is projecting a construction loan provided by a single lender, funded with both tax-exempt bonds and taxable financing (meeting the 50% test) for the 4% portion. The loan will total approximately $34.7M with a blended 4.25% interest rate. Interest is assumed for 20 months, allowing for construction (12 months), lease-up (4 months), and conversion (4 months).
- AHP: At $2,000,000 the Sponsor anticipates that the Project will be very competitive for AHP funding and has assumed a per unit subsidy of approximately $14,000/unit). Staff has included a loan condition that the Sponsor review scoring and submit an application for an AHP grant.
- GP Capital Contribution: The Sponsor assumes a general partner capital contribution of $319,691 to the Project that enables it to leverage additional tax credit equity as it will be included in the project's tax credit basis.

6.5.2. Permanent Uses Evaluation:

Development Budget		
Underwriting Standard	**Meets Standard? (Y/N)**	**Notes**
Hard Cost per unit are within standards	Y	$335,856 / unit (includes contingencies and escalation). Costs will be monitored closely during the predevelopment period.
Construction Hard Cost Contingency is at least 5% (new construction) or 15% (rehab)	Y	Hard cost contingency is 5%. Design, Bid, and plan check contingencies total 15%.
Architecture and Engineering Fees are within standards	N	Total architecture and engineering costs of $3,580,000 are 8% of hard costs excluding contingency. These are based on the architect's estimate of costs and the contract must be negotiated. The estimate is high relative to comparable projects. The Sponsors will work with the architect to establish an acceptable fee.
Construction Management Fees are within standards	Y	The construction management fee is within the maximum allowable per MOHCD's underwriting guidelines for a large project.
Developer Fee is within standards, see also disbursement chart below	Y	Total Cash Dev Fee is $2,400,000 ($2 million as the base fee + $400,000 as compensation for a large development, per OCII/MOHCD Underwriting Guidelines. (See further details below.) Total At-Risk Cash Dev Fee is $1,400,000.
Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is at 10% (not including construction loan interest).
Capitalized Operating Reserves are a minimum of 3 months	Y	Capitalized Operating Reserve is equal to 3 months of expenses.

Capitalized Replacement Reserves are a minimum of $1,000 per unit (Rehab only)	N/A	N/A

Cash Developer Fee Disbursement Schedule		
Payment Milestone	**% of Project Mgmt. Fee**	**Amount**
At acquisition or closing of preconstruction financing	15%	$150,000
During or at end of predevelopment	35%	$350,000
By project close-out	50%	$500,000
Total Project Management Fee	**100%**	**$1,000,000**
At Risk Fee*		**$1,400,000**
Total Cash Developer Fee		**$2,400,000**
GP Equity		$319,691
Total Developer Fee		**$2,719,691**

----

* Per MOHCD's Developer Fee Policy, the total Project Management fee will be $1,000,000 and the total at risk fee will be $1,400,000 (including the additional cash out allowed due to the project's larger size). The At-Risk Fee will be held back from distribution in order to cover any cost overruns that exceed the contingency amounts held in the Sponsor's budget, per MOHCD's Developer Fee Policy.

6.6. This Request/Phasing Narrative

N/A

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

7.1. Annual Operating Budget

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

7.2. Income

The Project will be supported by LOSP. Tenants will pay 30% of their monthly income toward rent. For predevelopment purposes, this is currently estimated at $300 per month, per unit, resulting in annual rent revenue of $504,000. As a condition to this loan, the Sponsors will work with OCII, MOHCD, and HSH to review this assumption based on data from existing projects and assumptions regarding the anticipated tenant population for Block 9.

Income from the LOSP contract will be set at an amount that covers the difference between the cost to operate the property and the annual income from tenant rents. For the first year, this is estimated at $1,165,297.

7.3. Annual Operating Expenses Evaluation

<table>
<tr><th colspan="3">Operating Proforma</th></tr>
<tr><th>Underwriting Standard</th><th>Meets Standard? (Y/N)</th><th>Notes</th></tr>
<tr><td>Debt Service Coverage Ratio is between minimum 1.10:1 and maximum 1.15:1 at year 15</td><td>N/A</td><td>The project is 100% LOSP and will not support permanent debt.</td></tr>
<tr><td>Debt Service Coverage Ratio stays above 1.00:1 for entirety of projected 20-year cash flow</td><td>N/A</td><td>The project is 100% LOSP and will not support permanent debt.</td></tr>
<tr><td>Vacancy meets TCAC Standards</td><td>Y</td><td>Vacancy is 5% of tenant rents per TCAC and LOSP standards.</td></tr>
<tr><td>Annual Income Growth is increased at 2.5% per year</td><td>Y</td><td>Income escalation factor is 1%, as is required under LOSP guidelines.</td></tr>
<tr><td>Annual Operating Expenses are increased at 3.5% per year</td><td>Y</td><td>Expenses escalation factor is 3.5%.</td></tr>
<tr><td>Base year operating expenses per unit are reasonable per comparables</td><td>Y</td><td>Total Operating Expenses are $10,709 per unit per year, excluding reserves. This is lower than comparable CHP properties, achieving an economy of scale similar to that of Bishop Swing House (owned/operated by Episcopal Community Services).

<u>Comps Based on 2018 Estimates</u>
1. Plaza Apartments (106 units, 100% LOSP, compl 2005) <u>$13,986</u>
2. Richardson Apartments (120 units, 100% LOSP, compl 2011) <u>$11,962</u>
3. Rene Cazenave Apartments (120 units, 100% LOSP, compl 2013) <u>$11,982</u>
4. Bishop Swing House (135 units, 88% LOSP, compl 2009) <u>$9,469</u></td></tr>
<tr><td>Property Management Fee is at allowable HUD Maximum</td><td>Y</td><td>Total Property Management Fee is $131,976 or $78 PUPM in accordance with HUD’s schedule.</td></tr>
<tr><td>Property Management staffing level is reasonable per comparables</td><td>Y</td><td>1 FTE Senior Site Manager
1 FTE Assistant Manager
1 FTE Resident Manager
4.2 FTE Desk Clerks (24/7 coverage)
2 FTE Maintenance Staff
2 FTE Janitors
This level of property management staffing is consistent with LOSP buildings in the</td></tr>
</table>

		Sponsor's portfolio. The staffing structure will be refined during predevelopment.
Asset Management and Partnership Management Fees meet standards	Y	Annual AM fee is $19,750 Annual PM Fee is $19,750 These amounts are consistent with MOHCD maximums for 2017.
Replacement Reserve Deposits meet or exceed TCAC minimum standards	Y	Replacement Reserves are $500 per unit per year (based on comparable projects).
Limited Partnership Asset Management Fee (aka Investor Service Fee) meets standards	N	This is set at $10,000 a year with no escalation. This amount is necessary, because the project will be structured as two separate deals. The annual amount of $5,000 per project with no escalation complies with MOHCD standards.

7.4. Capital Needs Assessment & Replacement Reserve Analysis

N/A

8. SUPPORT SERVICES

8.1. Services Plan.

As previously noted, this project will serve a high needs formerly homeless population. On-site supportive services will be provided by CHP in partnership with HealthRIGHT 360 (HR360). CHP will provide resident engagement, case management, behavioral health services, housing retention, employment training, and transitional employment services. HR360 will provide intensive health services including nursing, psychiatric care, primary medical, mental health, and substance use disorder treatment.

The overall resident services staff assigned to the site is 10.15 FTE. Case management is provided at a ratio of 1:20. Positions are as follows:

0.1 FTE	Director of Clinical and Strategic Initiatives (CHP)
0.5 FTE	Resident Services Manager (CHP)
2.0 FTE	Resident Services Team Lead (CHP)
3.0 FTE	Resident Services Counselor (CHP)
0.5 FTE	Clinical Services Manager (CHP)
2.5 FTE	Clinical Case Manager (CHP)
0.05 FTE	Medical Director (HR360)
1.0 FTE	Registered Nurse (HR360)
0.5 FTE	Staff Psychiatrist (HR360)

8.2. Service Budget.

Annual CHP services expenses are estimated to total $1,215,377 per year. This will be funded by an HSH contract (62%), Medi-Cal billing (30%), and CHP leveraged funding (8%). The budget is estimated in the table below:

Expenditure	Source			Total Budget
	HSH Contract	**Medi-Cal Billing**	**CHP Leveraged**	
Salaries	$291,390	$119,340	--	$410,730
Benefits	$87,417	$35,802	--	$123,219
Operating Expenses	$277,620	$160,475	--	$438,095
Indirect Costs	$98,464	$47,343	--	$145,807
In-Kind Services	--	--	$97,527	$97,527
TOTAL	**$754,890**	**$362,960**	**$97,527**	**$1,215,377**

Annual HealthRight 360 expenses are estimated to total $366,018 per year. This will be funded by an HSH contract (56%) and Medi-Cal billing (44%).

8.3. DPH/HSA Assessment of Service Plan and Budget.

To be provided with the gap funding request. Margot Antonetty, Manager of Adult Housing Programs at HSH, was a member of the selection panel for this RFP and will participate in planning for services and management. A condition of this loan request is to work closely with OCII, HSH, and MOHCD to develop an appropriate supportive services plan and budget for this Project.

9. THRESHOLD ELIGIBILITY REQUIREMENTS

The Request for Proposals defined minimum threshold requirements to be considered for selection. Both respondents to the RFP satisfied the minimum requirements for review and consideration.

10. RANKING CRITERIA

Please see RFP and Developer Selection Process (section 1.1).

11. STAFF RECOMMENDATIONS

11.1. Proposed Loan/Grant Terms

11.2.

Financial Description of Proposed Loan	
Loan Amount:	$5,000,000
Loan Term:	The Repayment Term will begin on the date of execution of the loan and end at either (1) the close of construction financing for the Project or, (2) the Developer and OCII execute a construction/permanent loan agreement that

	incorporates the predevelopment and permanent loan amounts.
Loan Maturity Date:	This predevelopment loan will convert to a 55-year construction/permanent loan with a 3% interest rate.
Loan Repayment Type:	Residual Receipts.
Loan Interest Rate:	3% (In the event that it is possible to conform to the true debt analysis to the satisfaction of the investor and lender the OCII loan interest rate may be reduced to a rate as low as 0% subject to approval from the Director of MOHCD and the Executive Director of OCII.)

11.3. Recommended Developer Fee Disbursement Milestones

Disbursement Condition	**Amount to be Disbursed**
ENA Execution/Secure Predevelopment Funding	$150,000
Submittal of schematic design & cost estimate	$87,500
Site permit application submitted	$87,500
Submittal of 50% CD set and cost estimate	$87,500
Building permit application submitted	$87,500
Total	**$500,000**

11.4. Recommended conditions prior to gap financing

1. Sponsors will work with OCII to address considerations specific to modular construction, including but not limited to:
    - Establish and implement a plan to address OCII workforce and contracting goals;
    - Identify a modular unit manufacturer, confirm production capacity;
    - Collaborate with OCII's design/construction review team, the San Francisco Department of Building Inspection, the San Francisco Mayor's Office on Disability, and other local entities, to ensure that the Project adheres to local review and permitting requirements; and
    - Determine staging needs and collaborate with OCII and the Mission Bay master developer to identify a feasible unit staging plan.

    Sponsors will not place any deposit on, or execute a construction contract or use predevelopment loan funds prior to OCII's approval. A deposit for materials may only occur after OCII approval of the schematic design.
2. Sponsors will execute and provide to OCII a memorandum of understanding ("MOU") that clearly defines the roles and responsibilities of BRIDGE and CHP. The MOU will confirm that BRIDGE will remain in the partnership after the

conversion to permanent financing until all of the following conditions have been satisfied:

- Provide evidence that the property tax exemption for the Project has been secured within one year of permanent financing conversion;
- For five consecutive years:
    - Achieve and maintain an annual stabilized occupancy of 95%; and
    - Provide evidence that initial required and annual deposits for replacement and operating reserves for the Project have been made in full.

3. CHP will provide quarterly updates to OCII regarding progress in filling open positions, and improving asset management and financial reporting procedures.
4. Sponsors will work with staff at OCII, MOHCD, and HSH to review tenant rent contribution assumptions and will adjust, as appropriate, based on data from existing supportive housing sites and assumptions regarding the anticipated tenant population.
5. Sponsors will monitor program parameters for NPLH funds and will work with OCII, MOHCD, and HSH to determine an appropriate funding level for this Project. Sponsors will follow application procedures for this source, when determined.
6. Sponsors will coordinate with HSH when determining maximum income levels for funding applications to ensure that AMI levels are set at a level that is appropriate for the anticipated tenant population. Sponsors must balance application competitiveness with the need for flexibility in accommodating tenants who receive subsidy payments or maintain employment.
7. Sponsors will issue an RFQ for a general contractor in accordance with OCII's Contract Compliance specifications, will obtain cost estimates from the selected contractor, and will work with their architectural team to ensure that the site's development costs are managed to OCII's approval. Sponsors will cooperate with OCII and competitively solicit a general contractor with the intent of creating a joint venture or similar partnership opportunity, to the extent practicable and economically feasible, between a general contractor and an OCII-recognized SBE contractor. Furthermore, Sponsors will cooperate and require the general contractor to exercise good faith efforts to select subcontractors who either are SBEs or, if they are not SBEs, are willing to create joint ventures or similar partnership opportunities with SBEs.
8. Sponsors will review guidelines for the Federal Home Loan Bank's Affordable Housing Program and will submit an application that seeks to maximize funding from this source.
9. Sponsors will work with the architect to establish an acceptable fee, subject to OCII approval, in keeping with the MOHCD Fee Proposal Guidelines for Architect and Engineering Basic Services.
10. Sponsors will work closely with OCII, HSH, and MOHCD to draft a comprehensive services plan and budget for the Project.
11. Sponsors will conduct ongoing outreach to the Mission Bay community to solicit input, address concerns, and educate community members on various aspects of the Project.

12. LOAN COMMITTEE MODIFICATIONS

Condition #10 is modified to also include collaboration with the Department of Public Health and the Department of Aging and Adult Services in preparing a services plan and budget. With HSH, these parties will study the feasibility of the provider Medi-Cal billing assumptions and discuss housekeeping/in-home care partnerships.

LOAN COMMITTEE RECOMMENDATION

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

[✓] APPROVE. [ ] DISAPPROVE. [ ] TAKE NO ACTION.

Date: 1/19/18

Kate Hartley, Director
Mayor's Office of Housing

[✓] APPROVE. [ ] DISAPPROVE. [ ] TAKE NO ACTION.

Date:

Kerry Abbott, Deputy Director for Programs
Department of Homelessness and Supportive Housing

[✓] APPROVE. [ ] DISAPPROVE. [ ] TAKE NO ACTION.

Date: 1-19-18

for Nadia Sesay, Executive Director
Office of Community Investment and Infrastructure

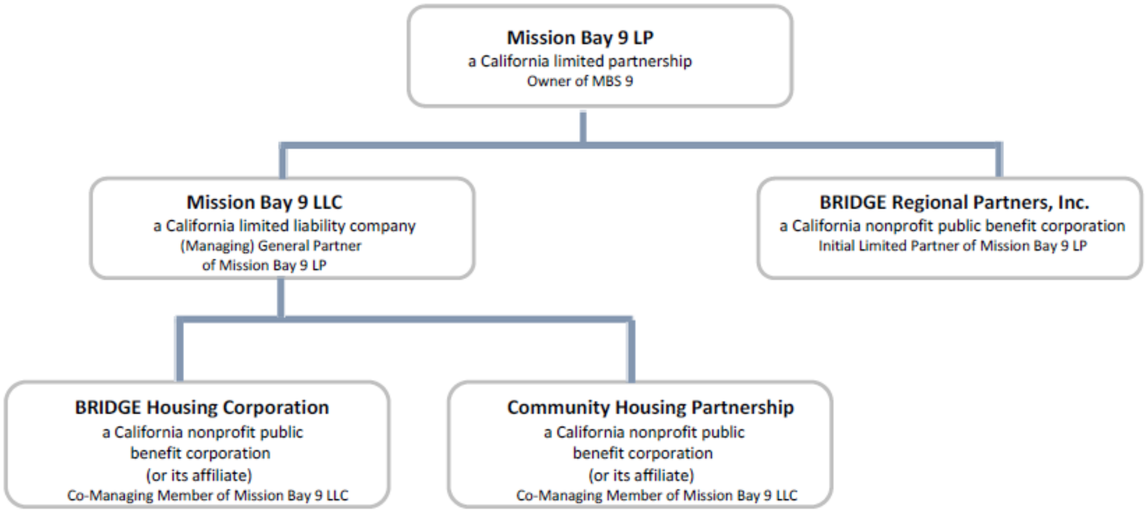
Attachments:
A. Project Milestones/Schedule
B. Borrower Org Chart
C. Developer Resumes
D. Asset Management Analysis of Sponsor
E. Site Map with amenities
F. Elevations and Floor Plans, if available
G. Comparison of City Investment in Other Housing Developments
H. Sources and Uses
I. Development Budget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

Attachment A: Project Milestones and Schedule

No.	Performance Milestone	Estimated or Actual Date	Contractual Deadline
A.	Prop I Noticing (if applicable)	N/A	
1	Acquisition/Predev Financing Commitment	2/6/2018	N/A
2.	Site Acquisition	N/A	
3.	Development Team Selection		
a.	Associate Architect	5/1/2018	10/1/2018
b.	General Contractor	5/1/2018	10/1/2018
c.	Owner's Representative	3/1/2018	8/30/2018
d.	Property Manager	Complete	
e.	Service Provider	Complete	
f.	Factory Fabricator	5/1/2018	10/1/2018
4.	Design		
a.	Submittal of Schematic Design & Cost Estimate	9/1/2018	2/1/2019
b.	Submittal of Design Development & Cost Estimate	12/1/2018	4/1/2019
c.	Submittal of 50% CD Set & Cost Estimate	2/1/2019	6/1/2019
d.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	5/1/2019	10/1/2019
5.	Environ Review/Land-Use Entitlements		
a.	CEQA Environ Review Submission	N/A	
b.	NEPA Environ Review Submission	N/A	
c.	CUP/PUD/Variances Submission	N/A	
6.	Permits		
a.	Site Permit Submission	12/1/2018	5/1/2019
b.	HCD Permit for Modular	6/1/2019	12/1/2019
7.	Modular Materials and Prototype Deposits	6/1/2019	12/1/2019
8.	Request for Bids Issued	7/1/2019	12/1/2019
9.	Service Plan Submission		
a.	Preliminary	12/1/2018	4/1/2019
b.	Interim	N/A	
c.	Update / Final	5/11/2019	Contractual for gap loan
10.	Additional City Financing		
a.	Gap Financing Application	9/1/2018	2/1/2019
11.	Other Financing		

a.	NPLH Application	TBD (2018)	
b.	Construction Financing RFP	7/1/2019	8/1/2019
c.	AHP Application	March 2018	March 2019
d.	CDLAC Application	May 2019	7/1/2020
e.	TCAC Application (9%)	June 2019	12/1/2019
f.	TCAC Application (4%)	June 2019	12/1/2019
g.	Selection of Tax Credit Investor	2/1/2019	Contractual for gap loan
12.	Closing		
a.	Construction Closing	October 2019	Contractual for gap loan
b.	Permanent Financing Closing	May 2020	Contractual for gap loan
13.	Construction		
a.	Notice to Proceed	10/15/2019	Contractual for gap loan
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	10/15/2020	Contractual for gap loan
14.	Marketing/Rent-up		
a.	Early Outreach Plan Submission	N/A	
b.	Marketing Plan Submission	N/A	
c.	Commence Marketing	N/A	
d.	95% Occupancy	2/1/2021	Contractual for gap loan
15.	Cost Certification	11/1/2021	Contractual for gap loan
16.	8609	11/1/2021	Contractual for gap loan
17.	Close Out MOH/OCII Loan(s)	11/1/2021	Contractual for gap loan

Attachment B: Borrower Org Chart



Attachment C: Developer Resumes

BRIDGE HOUSING

BRIDGE is a San Francisco-based non-profit housing developer. BRIDGE has completed over 2,000 affordable homes in San Francisco, and over 14,000 in projects throughout the West Coast. BRIDGE's development experience includes:

- Rene Cazenave Apartments: 120 units of newly constructed supportive housing, located in Transbay, and built in collaboration with CHP (as well as Leddy Maytum Stacy Architects). The project was completed in 2013.
- Celadon at 9th & Broadway (San Diego): 250 newly constructed units serving families, transitional aged youth, and adults with mental health diagnoses. The project was completed in 2015.
- Marea Alta (San Leandro): 115 newly constructed units serving low-income families. The project was built using modular construction and was completed in 2016.

Carrie Horton, Senior Project Manager

Carrie Horton joined the Northern California development team in 2014 as a senior project manager and has been responsible for the permanent financing conversions of Rene Cazenave Apartments, Sierra Vista, and Sutterview. She is currently managing the permanent financing conversions of Phase 1 RAD projects, Sanchez, Duboce, and Woodside, and is managing Transbay 9, a complex 80/20 project, in partnership with Essex Property Trust.

Kevin Griffith, Director of Business Development

Kevin Griffith has over 20 years of experience in real estate development with a particular emphasis on affordable housing. Mr. Griffith joined BRIDGE in 1998 and as a project manager led the development of eight projects including over 800 units of rental and for-sale housing.

Smitha Seshadri, Vice President

Smitha went to BRIDGE from Habitat for Humanity Greater San Francisco, where she served as Vice President of Real Estate since April 2015. At Habitat, she was deeply involved in building the organization's infrastructure, leading real estate development and construction teams, planning for strategic growth, and implementing the processes and procedures to track increasingly complex budgets and managing financial risk. Prior to Habitat, she worked for BRIDGE for nine years, as a senior project manager and then director of development. During her tenure, she delivered $175 million worth of projects under budget, including the resyndication of the Carquinez Apartments, Ironhorse at Central Station, 474 Natoma, and St. Joseph's in Oakland, which won a 2015 Urban Land Institute Global Award for Excellence.

COMMUNITY HOUSING PARTNERSHIP

CHP is a San Francisco non-profit organization founded in 1990 to create and implement solutions to homelessness. CHP's total portfolio consists of over 1,100 units of supportive housing across 16 buildings, housing over 1,500 individuals. CHP has acted as co-developer, owner, property manager, and services provider at several comparable supportive housing sites:

- Richardson Apartments: 120 units of newly constructed supportive housing, located in Hayes Valley, and built in collaboration with Mercy Housing. The project was completed in 2011.

- Rene Cazenave Apartments: 120 units of newly constructed supportive housing, located in Transbay, and built in collaboration with BRIDGE (as well as Leddy Maytum Stacy Architects). The project was completed in 2013.
- Edward II: 25 units of supportive housing for transitional aged youth, located in the Cow Hollow/Marina neighborhood. The project was a rehabilitation and was completed in 2014.

Daniel Potter, Project Manager

Daniel Potter joined CHP in 2017 and has been working in affordable housing development since 2012. Before joining CHP, Mr. Potter was employed at Habitat for Humanity East Bay/Silicon Valley, a non-profit affordable housing developer in Oakland. While at Habitat, Mr. Potter oversaw the development of several new home subdivisions for very low-, low-, and moderate-income families. He was responsible for the projects from site acquisition through project completion and led the predevelopment of Habitat's first multifamily condominium in Fremont.

Serena Callaway, Director of Real Estate Development (recent hire, starts at CHP on January 8, 2018)

Serena Callaway will join CHP in January 2018 from Silicon Valley Bank where she was Vice President of Community Development Finance. While at Silicon Valley Bank, Ms. Callaway closed $161M in affordable housing financing. She underwrote deals using 4% and 9% tax credits and a variety of state programs and gap loan sources. Previously, Ms. Callaway was a Senior Project Manager for Tenderloin Neighborhood Development Corporation where she managed construction and renovation for numerous San Francisco projects including Franciscan Towers, Willie B. Kennedy Apartments, the Aarti Hotel, and Civic Center Residence. Ms. Callaway holds a Master of City Planning from the University of California at Berkeley and a Bachelor of Arts from Mount Holyoke College.

Attachment D: Asset Management Evaluation of Project Sponsor

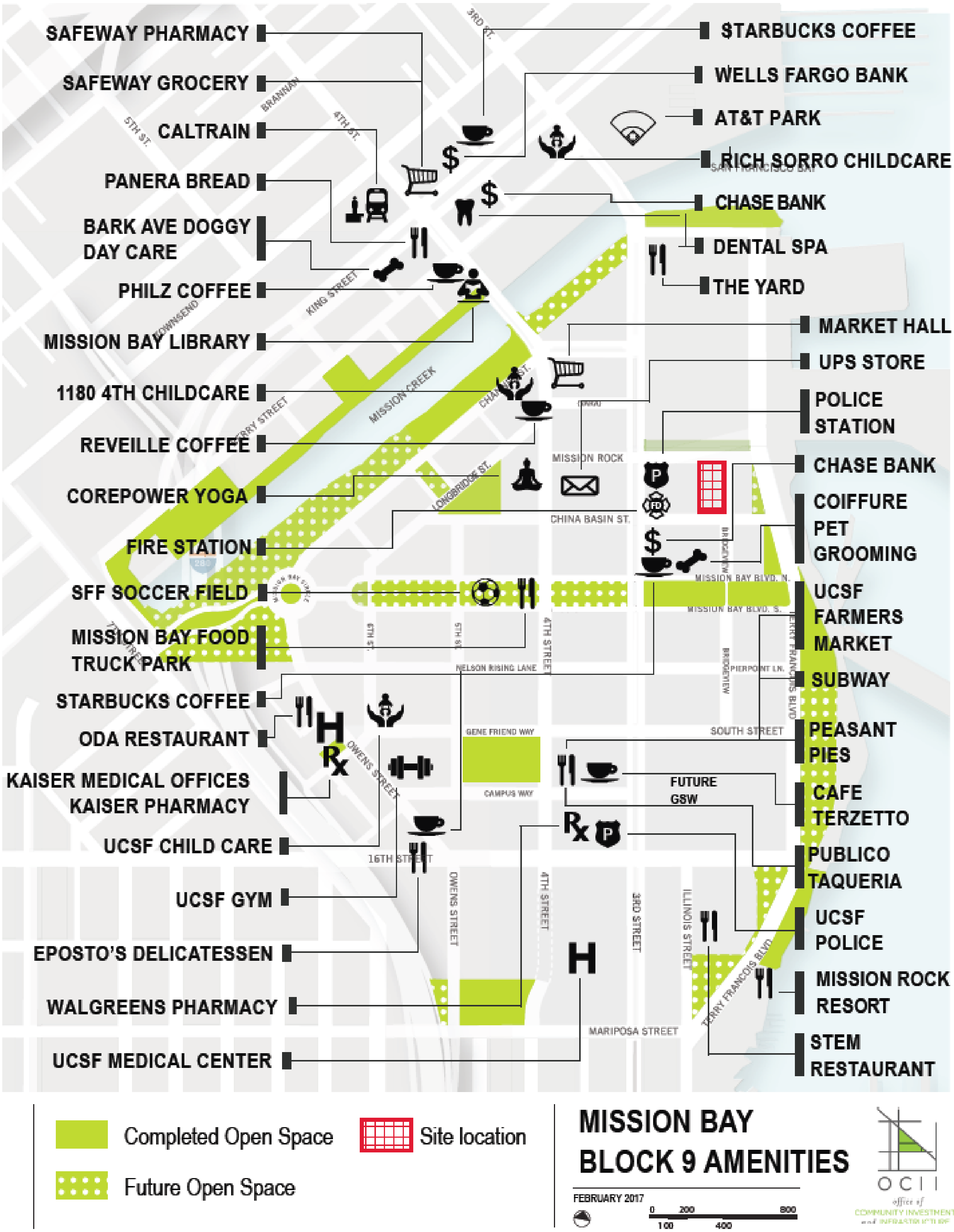
CHP's asset management portfolio consists of 15 properties totaling 1,109 units, with an average building size of 100 units. Sizes range from 24 units at Edward II to 120 units at both Richardson Apartments and Rene Cazenave Apartments. CHP's asset management team is managed by the Chief Portfolio Officer (a new position) and consists of one Senior Asset Manager, one Asset Manager, and one half time Asset Management Assistant. For the 2017/2018 fiscal year, the asset management division budget is $247,000.

MOHCD has active concerns about the asset management capacity of CHP. CHP has not defaulted but has experienced six-figure annual operating budget shortfalls at two projects that required emergency funding from the City. In the past two years, CHP has also experienced higher than usual turnover on its management team; among senior staff, and among property managers. Oversight of asset management shifted during the vacancies.

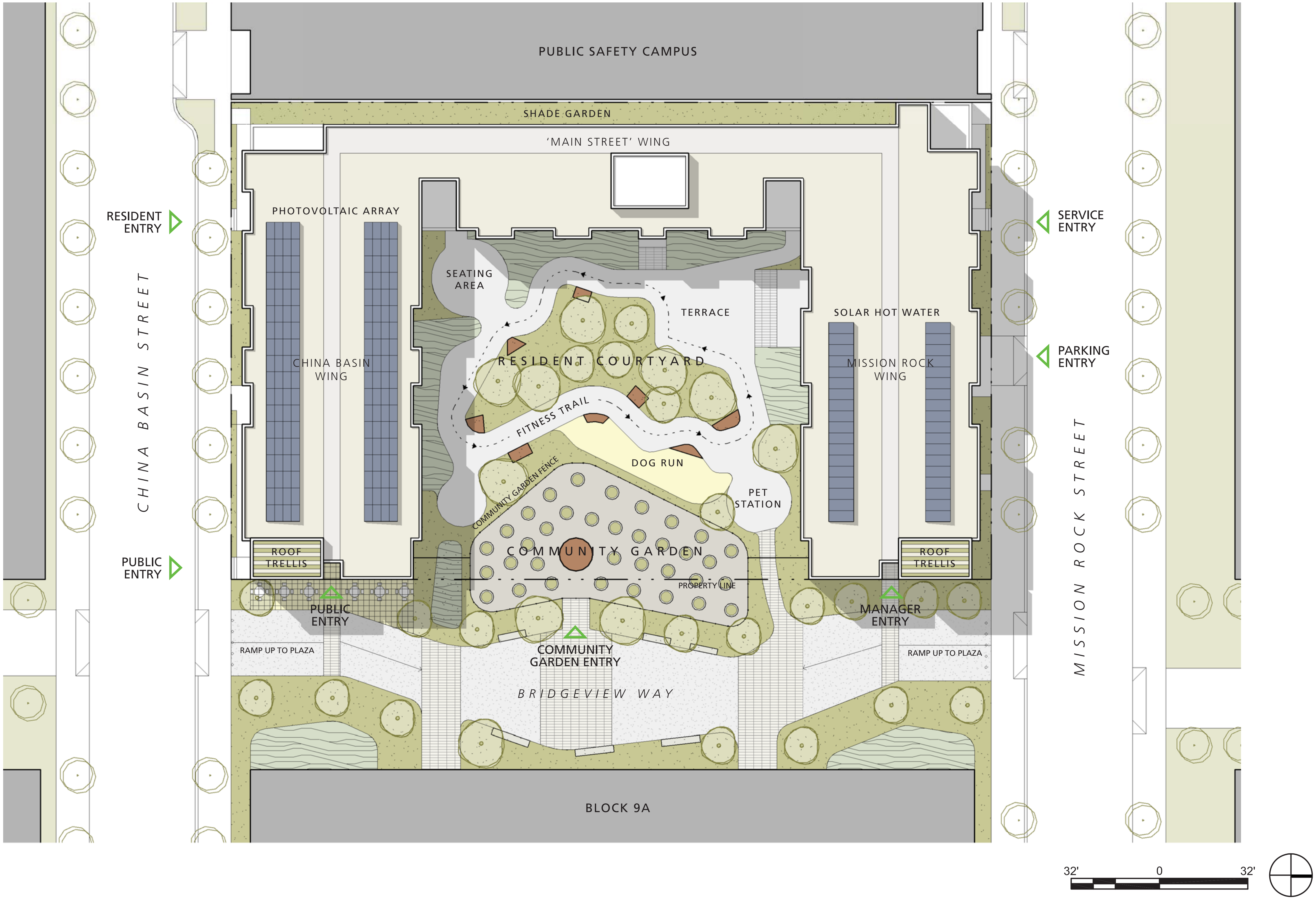
MOHCD is also concerned that CHP's financial systems do not facilitate production of the reporting needed to exercise proper cost controls on a monthly/interim basis.

CHP has initiated remedial steps: RAD conversions are underway for three projects that will result in increases in contract rents that should stabilize the operating budgets. CHP recently hired a new Director of Real Estate Development and intensive recruiting efforts are under way for vacant positions. Given the nature of the challenges it is facing, MOHCD anticipates that CHP will need until mid-2018 to produce outcomes that show improved asset management capacity.

Attachment E: Site Map with amenities



Attachment F: Elevations and Floor Plans



07.30.2017

A.7.b.i – SITE PLAN

MISSION BAY SOUTH BLOCK 9

BRIDGE Housing
LMS^A
community housing partnership

07.30.2017

A.7.b.iii – GROUND FLOOR PLAN

MISSION BAY SOUTH BLOCK 9

BRIDGE Housing

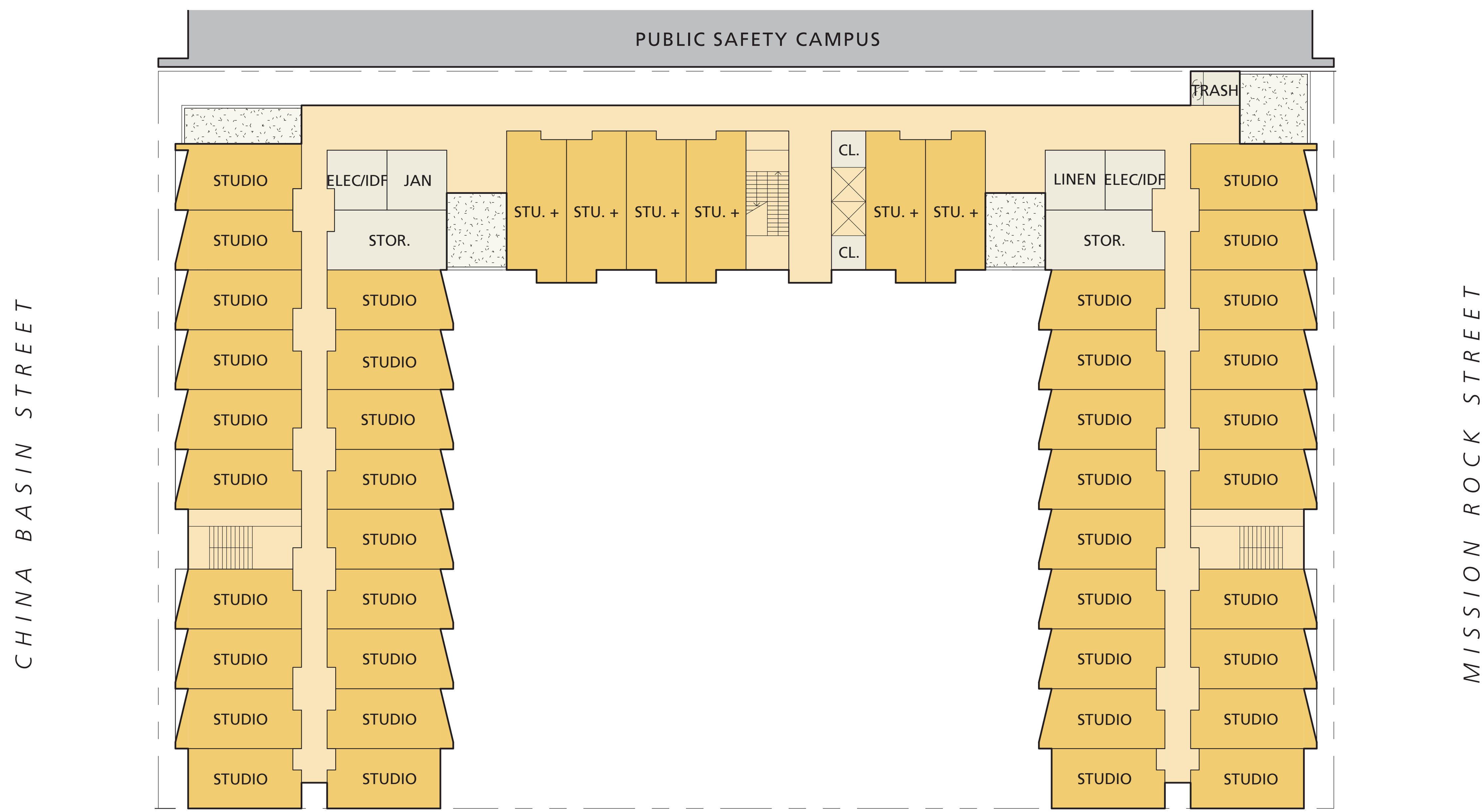
community housing partnership

LMS^A

07.30.2017

A.7.b.iii – LEVEL 2 PLAN

MISSION BAY SOUTH BLOCK 9



BRIDGE Housing LMSA

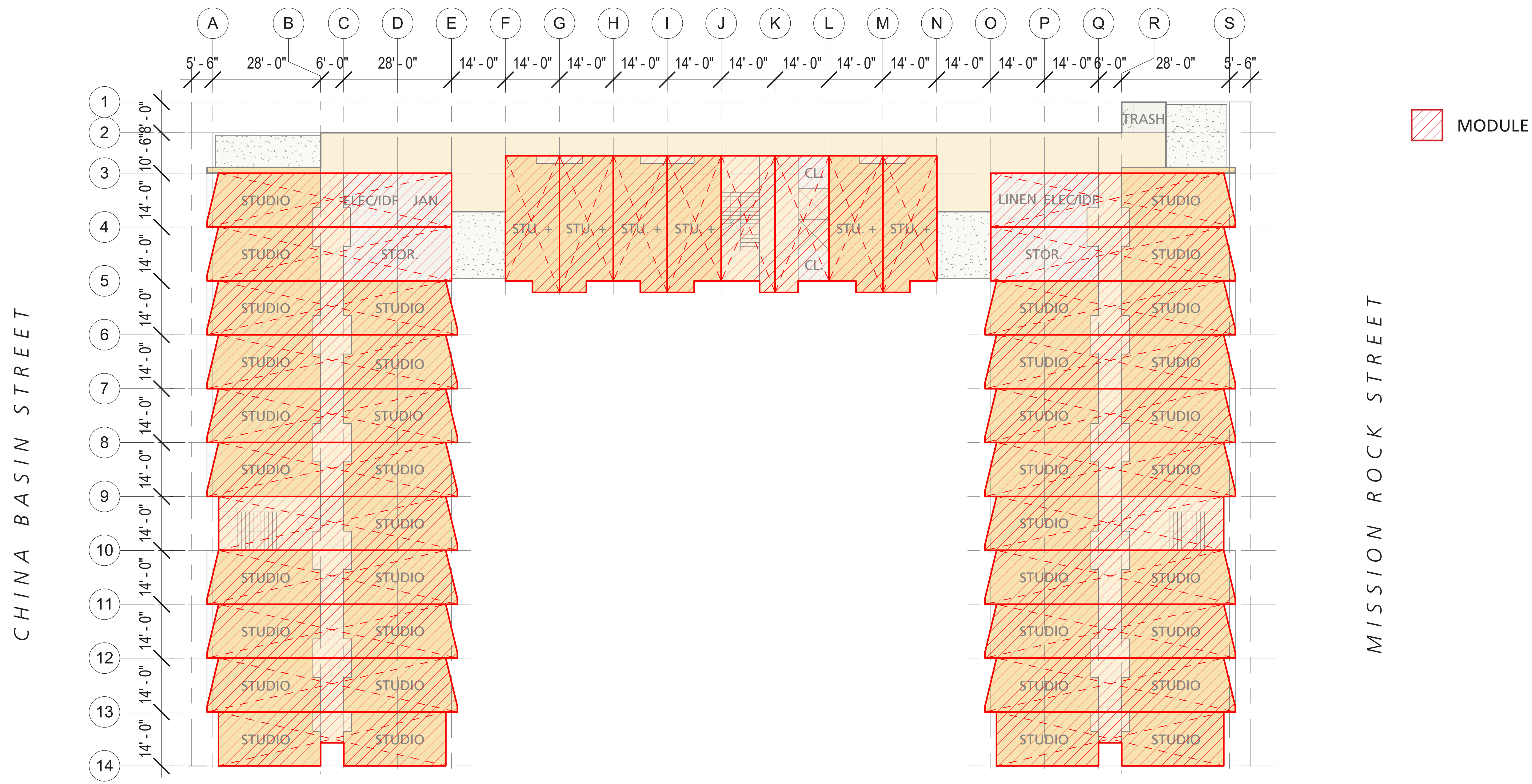
07.30.2017

A.7.b.iii – LEVEL 2 PLAN - MODULAR CONSTRUCTION

MISSION BAY SOUTH BLOCK 9

BRIDGE Housing

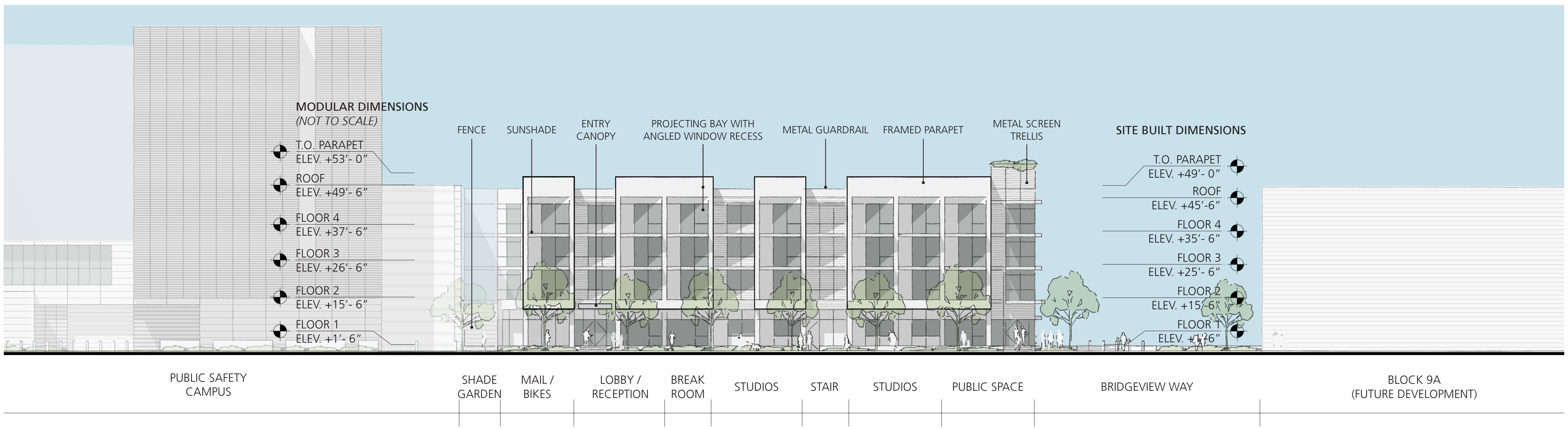
LMSA



07.30.2017

A.7.b.iv – SOUTH ELEVATION

MISSION BAY SOUTH BLOCK 9



32' 0 32'

BRIDGE Housing

community housing partnership

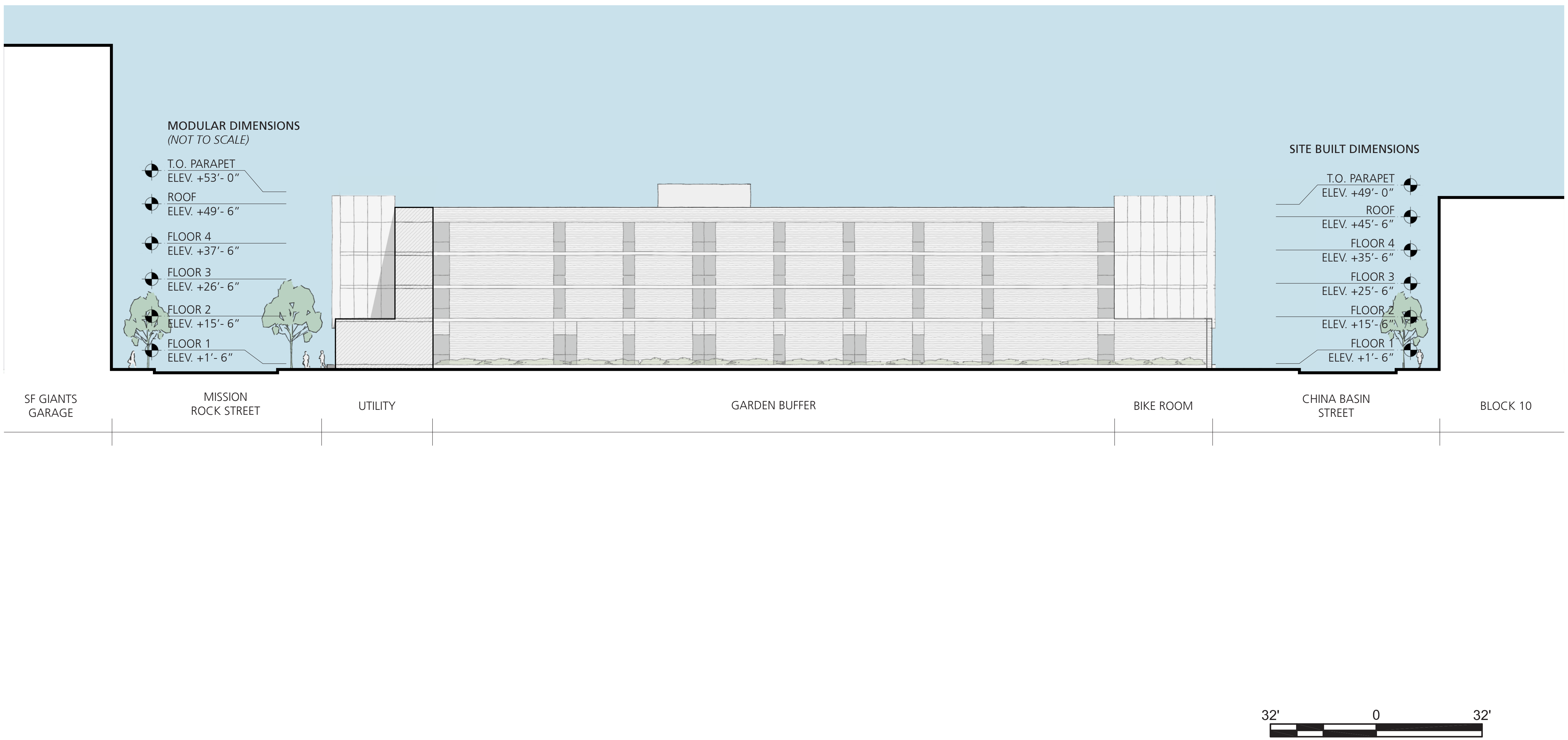
LMSA

07.30.2017

A.7.b.iv – EAST ELEVATION

MISSION BAY SOUTH BLOCK 9

07.30.2017



A.7.b.iv – WEST ELEVATION

MISSION BAY SOUTH BLOCK 9

BRIDGE Housing

LMSA

community housing partnership

07.30.2017

A.7.b.iv – NORTH ELEVATION

MISSION BAY SOUTH BLOCK 9

BRIDGE Housing

LMSA

community housing partnership

Attachment G: Comparison of City Investment in Other Housing Developments

SRO / SENIOR NEW CONSTRUCTION Cost Comparison

Updated	1/11/2018													
PROJECTS COMPLETED						*Building Square Footage*			*Total Project Costs*					
Project Name	*Address*	*Lot sq.ft*	*Compl. Date*	*# of Units*	*# of BR[1]*	*Res.[2]*	*Non-Res.*	*Total*	*Acq. Cost*	*Constr. Cost[6]*	*Soft Cost*	*Total Dev. Cost*	*Local Subsidy[3]*	*Comments*
Vera Haile Senior Housing	121 Golden Gate	14,156	11/1/13	90	91	68,851	0	68,851	$2,703,814	$28,944,978	$10,412,187	$42,060,979	$10,836,646	10 stories / concrete / senior (high-rise type)
Transbay Block 11 - Rene Casanave	25 Essex	17,196	3/1/13	120	120	76,460	3,395	79,855	$922,933	$34,877,169	$12,616,045	$48,416,147	$18,879,547	8 story Type IA -Supportive housing (HOPWA, DAH)
Dr. George Davis Sr. Community	1751 Carroll Ave	80,209	5/1/2016	121	125	90,475	62,340	152,815	$4,991,545	$43,459,308	$11,557,097	$60,007,950	$26,221,201	4 Type V over 2 Type IA. (bsmt pkg) & comml. Kitchen (significant non-res.)
Willie B. Kennedy - Rosa Parks II	1239 Turk Street	26,191	8/1/2016	98	100	74,376	19,757	94,133	$5,512,000	$32,315,955	$11,541,547	$49,369,502	$14,143,000	5 Story Type V over Type I with Community Space and Structured pkg.
Completed Average:		**34,438**		**107**	**109**	**77,541**	**21,373**	**98,914**	**$3,532,573**	**$34,899,352**	**$11,531,719**	**$49,963,645**	**$17,520,099**	
PROJECTS UNDER CONSTRUCTION						*Building Square Footage*			*Total Project Costs*					
Project Name	*Address*	*Lot sq.ft*	*Compl. Date*	*# of Units*	*# of BR[1]*	*Res.[2]*	*Non-Res.*	*Total*	*Acq. Cost[3]*	*Constr. Cost[4]*	*Soft Cost*	*Total Dev. Cost*	*Local Subsidy[5]*	*Comments*
95 Laguna Senior	95 Laguna	14,300	May-19	79	82	58,500	7,500	66,000	$5,012,000	$30,682,809	$11,344,000	$47,038,809	$16,222,000	7 Story / Concrete and steel / senior
Under Construction Average:		**14,300**		**79**	**82**	**58,500**	**7,500**	**66,000**	**$5,012,000**	**$30,682,809**	**$11,344,000**	**$47,038,809**	**$16,222,000**	
PROJECTS IN PREDEVELOPMENT						*Building Square Footage*			*Total Project Costs*					
Project Name	*Address*	*Lot sq.ft*	*Compl. Date*	*# of Units*	*# of BR[1]*	*Res.[2]*	*Non-Res.*	*Total*	*Acq. Cost[3]*	*Constr. Cost[4]*	*Soft Cost*	*Total Dev. Cost*	*Local Subsidy[5]*	*Comments*
Casa De La Mission	3001 24th Street	6,250	May-21	45	46	30,030	1,720	31,750	$3,150,000	$15,410,981	$6,353,222	$24,914,203	$11,250,000	5 story / 4 Type V over Type I with 1,700 sf. retail
Forest Hill Senior	250 Laguna Honda	70,796	Feb-20	150	151	90,850	19,150	110,000	$3,410,000	$53,418,262	$16,876,169	$73,704,431	$19,020,750	5 story / 4 Type V over Type I with 62 pkg spaces, 3,200 community space
735 Davis - Senior Housing	735 Davis	10,805	Mar-20	54	55	46,228	1,000	47,228	$ -	$23,866,166	$6,583,453	$30,449,619	$8,903,730	Type IIIA & V over Type I Podium (5-6 stories)
1296 Shotwell	1296 Shotwell	11,672	Feb-21	94	95	68,921	1,083	70,004	$55,000	$41,077,965	$11,987,165	$53,120,130	$29,607,770	7-8 Floors Type I - complex foundation, tight site + com.y design req.
In Predevelopment Average		**24,881**		**86**	**87**	**59,007**	**5,738**	**64,746**	**$1,653,750**	**$33,443,343**	**$10,450,002**	**$45,547,096**	**$17,195,563**	
ALL PROJECTS	***Average:***	***24,540***		***91***	***93***	***65,016***	***11,537***	***76,553***	***$3,399,441***	***$33,008,502***	***$11,108,574***	***$47,516,516***	***$16,979,220***	
Mission Bay South Block 9	**410 China Basin Street**	**47,437**	**31-Oct**	**141**	**141**	**86,960**	**13,300**	**100,260**	**$0**	**$47,355,668**	**$12,791,897**	**$60,147,565**	**$20,627,280**	

PROJECTS COMPLETED	*Acquisition by Unit/Bed/SF*			*Construction by Unit/Bed/SF*			*Soft Costs By Unit/Bed/SF*			**Total Dev Costs by Unit/Bed/SF**			**Subsidy**	
Project Name	*Acq/unit*	*Acq/BR*	*Acq/lot sq.ft*	*Const/unit*	*Const/BR*	*Const/sq.ft[4]*	*Soft/unit*	*Soft/BR*	*Soft/sq.ft[4]*	*TDC/unit*	*TDC/BR*	*TDC/sq.ft[4]*	*Subsidy /unit*	*Leveraging[5]*
Vera Haile Senior Housing	$30,042	$29,712	$191	$321,611	$318,077	$420	$115,691	$114,420	$151	$467,344	$462,209	$611	$120,407	26%
TB Block 11 - Rene Casanave	$7,691	$7,691	$54	$290,643	$290,643	$456	$105,134	$105,134	$158	$403,468	$403,468	$606	$157,330	39%
Dr. George Davis Sr. Community	$41,252	$39,932	$62	$359,168	$347,674	$480	$95,513	$92,457	$76	$495,933	$480,064	$393	$216,704	44%
Willie B. Kennedy - Rosa Parks II	$56,245	$55,120	$210	$329,755	$323,160	$434	$117,771	$115,415	$123	$503,770	$493,695	$524	$144,316	29%
Completed Average:	**$33,808**	**$33,114**	**$129**	**$325,294**	**$319,888**	**$448**	**$108,527**	**$106,856**	**$127**	**$467,629**	**$459,859**	**$534**	**$159,689**	**34%**
PROJECTS UNDER CONST.	*Acquisition by Unit/Bed/SF*			*Construction by Unit/Bed/SF*			*Soft Costs By Unit/Bed/SF*			**Total Dev Costs by Unit/Bed/SF**			**Subsidy**	
Project Name	*Acq/unit*	*Acq/BR*	*Acq/lot sq.ft*	*Const/unit*	*Const/BR*	*Const/sq.ft[6]*	*Soft/unit*	*Soft/BR*	*Soft/sq.ft[6]*	*Gross TDC/unit*	*Gross TDC/BR*	*Gross TDC/sq.ft[6]*	*Subsidy /unit*	*Leveraging[7]*
95 Laguna Senior	$63,443	$61,122	$350	$388,390	$374,181	$524	$143,595	$138,341	$172	$595,428	$573,644	$713	$205,342	34%
Under Construction Average:	**$63,443**	**$61,122**	**$350**	**$388,390**	**$374,181**	**$524**	**$143,595**	**$138,341**	**$172**	**$595,428**	**$573,644**	**$713**	**$205,342**	**34%**
PROJECTS IN PREDEV.	*Acquisition*			*Construction*			*Soft Costs*			**Total Development Costs**			**Subsidy**	
Project Name	*Acq/unit*	*Acq/BR*	*Acq/lot sq.ft*	*Const/unit*	*Const/BR*	*Const/sq.ft[6]*	*Soft/unit*	*Soft/BR*	*Soft/sq.ft[6]*	*Gross TDC/unit*	*Gross TDC/BR*	*Gross TDC/sq.ft[6]*	*Subsidy /unit*	*Leveraging[7]*
Casa De La Mission	$70,000	$68,478	$504	$342,466	$335,021	$485	$141,183	$138,114	$200	$553,649	$541,613	$785	$244,565	44%
250 Laguna Honda Senior	$22,733	$22,583	$48	$356,122	$353,763	$486	$112,508	$111,763	$153	$491,363	$488,109	$670	$125,965	26%
735 Davis	$0	$0	$0	$441,966	$433,930	$505	$121,916	$119,699	$139	$563,882	$553,629	$645	$161,886	29%
1296 Shotwell	$585	$579	$5	$437,000	$432,400	$587	$127,523	$126,181	$171	$565,108	$559,159	$759	$311,661	55%
In Predevelopment Average:	**$30,911**	**$30,354**	**$184**	**$380,185**	**$374,238**	**$492**	**$125,202**	**$123,192**	**$164**	**$536,298**	**$527,784**	**$700**	**$177,472**	**33%**
ALL PROJECTS Average	***$42,721***	***$41,530***	***$221***	***$364,623***	***$356,102***	***$488***	***$125,775***	***$122,797***	***$154***	***$533,118***	***$520,429***	***$649***	***$180,834***	***34%***
SUBJECT PROPERTY	**$0**	**$0**	**$0**	**$335,855.80**	**$335,856**	**$472**	**$90,723**	**$90,723**	**$128**	**$426,578**	**$426,578**	**$600**	**$146,293**	**34%**

Notes: [1] includes studios as a bedroom
[2] Residential sq. ft. includes circulation, recreation, and common areas; excludes parking (non-res.)
[3] All non-amortized local funds
[4] *Total* square footage, ***not*** escalated from completion of project (see Compl. Dates)
[5] Leveraging= subsidy/unit as % of TDC/unit
[6]Completed construction costs are escalated using ENR Constructino Cost Index (see Cost Escal Per CCI Sheet tab)

Attachment H: Sources and Uses, Attachment I: Development Budget, Attachment J: 1st Year Operating Budget, Attachment K 20 Year Cash Flow

Application Date:	7/27/17	**# Units:**	**141**	
Project Name:	Mission Bay Blk 9 - MODULAR CONSTRUCTION	***# Bedrooms:***		**LOSP Project**
Project Address:		**# Beds:**		
Project Sponsor:	Community Housing Partnership / BRIDGE Housing			

					Total Sources	Comments	
SOURCES	**5,000,000**	**-**	**-**	**-**	**5,000,000**		
Name of Sources:	MOHCD/OCII						
USES							
ACQUISITION							
Acquisition cost or value					0		
Demolition					0		
Legal/Closing costs					0		
Broker's fee					0		
TOTAL ACQUISITION	**0**	**0**	**0**	**0**	**0**		
CONSTRUCTION (HARD COSTS)							
Site Work							
Environmental Remediation					0		
Grading/Earthwork					0		
Underpinning/shoring					0		
Total Site Work	**0**	**0**	**0**	**0**	**0**		
Unit Construction/Rehab	1,360,000				1,360,000	Includes $1.2 M materials deposit and $160k prototype deposit	
Parking					0		
Landscaping					0		
Overhead/Profit/Gen'l Conditions					0		
TOTAL CONSTRUCTION COSTS	**1,360,000**	**0**	**0**	**0**	**1,360,000**		
Construction Contingency					**0**		0.0%
SOFT COSTS							
Architecture/Engineering							
Design	1,609,828						
Construction Administration	140,000					Modular contractor A&E	
Printing							
Total Arch./Engineer. Fees	**1,749,828**	**0**	**0**	**0**	**1,749,828**		128.7%
Survey & Engineering Studies							
Survey	15,000				15,000		
Geotechnical studies	30,000				30,000		
Phase I & II Reports	35,000				35,000		
Total Survey & Engineering	**80,000**	**0**	**0**	**0**	**80,000**		
Financing Costs							
Predevelopment Financing Costs							
Predev. Loan Application Fee					0		
Predev. Loan Interest					0		
Title & Recording					0		
Sub-total Predev. Financing Costs	*0*	*0*	*0*	*0*	*0*		
Construction Financing Costs							
Construction Loan Origination Fee					0		
Construction Loan Interest					0		
Title & Recording					0		
Sub-total Const. Financing Costs	*0*	*0*	*0*	*0*	*0*		
Premanent Financing Costs							
Permanent Loan Origination Fee					0		
Credit Enhance. & Appl. Fee					0		
Title & Recording					0		
Sub-total Perm. Financing Costs	0	0	0	0	0		
Total Financing Costs	**0**	**0**	**0**	**0**	**0**		
Legal Costs							
Lender Legal Pd. By Applicant					0		
Tax Credit Attorney					0		
Developer Legal Counsel	90,000				90,000		
Total Legal Costs	**90,000**	**0**	**0**	**0**	**90,000**		
Appraisal	15,000				15,000		
Property Taxes					0		
Insurance					0		
Relocation					0		
TCAC App/Alloc/Monitor Fees	186,990				186,990		
CEQA Environmental Review					0		
Entitlement/Permit Fees	500,000				500,000		
Marketing/Rent-up					0		
Furnishings					0		
Market Study	10,000				10,000		
NEPA/106 Review					0		
Contracts Legal/Cost Cert	45,000				45,000		
Sub-total Soft Costs	***2,676,818***	***0***	***0***	***0***	***2,676,818***		
Soft Cost Contingency	318,182				**318,182**		11.9%
TOTAL SOFT COSTS	**2,995,000**	**0**	**0**	**0**	**2,995,000**		
RESERVES							
Operating Reserves					0		
Replacement Reserves					0		
Other (specify)					0		
Other (specify)					0		
Other (specify)					0		
Other (specify)					0		
TOTAL RESERVES	**0**	**0**	**0**	**0**	**0**		
DEVELOPER COSTS							
Developer Overhead/Profit (Fee)	500,000				500,000		
Development Consultant Fees					0		
Financial Consultant Fees	60,000				60,000		
Construction Management Fee	85,000				85,000		
Project Administration					0		
Other (specify)					0		
TOTAL DEVELOPER COSTS	**645,000**	**0**	**0**	**0**	**645,000**		
Syndication Costs					**0**		
TOTAL DEVELOPMENT COST	**5,000,000**	**0**	**0**	**0**	**5,000,000**		
Development Cost/Unit	35,461	0	0	0	35,461		
Construction Cost (including Construction Contingency)/SF					**14**		
Tax Credit Equity Pricing:							

Application Date:	7/27/17	**# Units:**	141	
Project Name:	Mission Bay Blk 9 - MODULAR CONSTRUCTION	***# Bedrooms:***	141	**LOSP Project**
Project Address:		**# Beds:**		
Project Sponsor:	Community Housing Partnership / BRIDGE Housing			

							Total Sources	**Comments**	
SOURCES	**20,627,280**	**2,000,000**	**37,200,594**	**319,691**	**-**	**-**	**60,147,565**		
Name of Sources:	MOHCD/OCII	AHP	LP Equity	GP Equity					
USES									
ACQUISITION									
Acquisition cost or value							0		
Demolition							0		
Legal/Closing costs							0		
Broker's fee							0		
TOTAL ACQUISITION	**0**	**0**	**0**	**0**	**0**	**0**	**0**		
CONSTRUCTION (HARD COSTS)									
Site Work									
Environmental Remediation	178,946						178,946	Per contractor estimate	
Grading/Earthwork	741,743						741,743	Per contractor estimate	
Underpinning/shoring							0		
Total Site Work	**920,689**	**0**	**0**	**0**	**0**	**0**	**920,689**		
Unit Construction/Rehab	4,203,114	2,000,000	33,831,310				40,034,424	Per contractor estimate, modular, Includes $1.2 M materials deposit and $160k prototype deposit	
Parking							0	No resident pkg; staff pkg in other lines	
Landscaping	776,239						776,239	Per contractor estimate	
Overhead/Profit/Gen'l Conditions	0		3,369,284				3,369,284	Within TCAC standards	
TOTAL CONSTRUCTION COSTS	**5,900,042**	**2,000,000**	**37,200,594**	**0**	**0**	**0**	**45,100,636**		
Construction Contingency	2,255,032						**2,255,032**	Per City underwriting guidelines	5.0%
SOFT COSTS									
Architecture/Engineering									
Design	2,880,000						2,880,000	Per architect estimate	
Construction Administration	700,000						700,000	Shorter construction schedule	
Printing							0		
Total Arch./Engineer. Fees	**3,580,000**	**0**	**0**	**0**	**0**	**0**	**3,580,000**		0.0%
Survey & Engineering Studies									
Survey	15,000						15,000	Based on comparable projects	
Geotechnical studies	75,000						75,000	Based on comps with similar soils	
Phase I & II Reports	35,000						35,000	Based on comparable projects	
Total Survey & Engineering	**125,000**	**0**	**0**	**0**	**0**	**0**	**125,000**		
Financing Costs									
Predevelopment Financing Costs									
Predev. Loan Application Fee							0		
Predev. Loan Interest							0		
Title & Recording							0		
Sub-total Predev. Financing Costs	*0*	*0*	*0*	*0*	*0*	*0*	**0**		
Construction Financing Costs									
Construction Loan Origination Fee	501,859						501,859	Includes all issuance costs for bonds	
Construction Loan Interest	1,125,672						1,125,672	Shorter construction schedule	
Title & Recording	90,000						90,000	Based on comparable projects	
Sub-total Const. Financing Costs	*1,717,531*	*0*	*0*	*0*	*0*	*0*	**1,717,531**		
Premanent Financing Costs									
Permanent Loan Origination Fee							0		
Credit Enhance. & Appl. Fee							0		
Title & Recording	5,000						5,000		
Sub-total Perm. Financing Costs	5,000	0	0	0	0	0	5,000		
Total Financing Costs	**1,722,531**	**0**	**0**	**0**	**0**	**0**	**1,722,531**		
Legal Costs									
Lender Legal Pd. By Applicant	75,000						75,000	Based on comparable projects	
Tax Credit Attorney	60,000						60,000	Reflects 9%/4% tax credit structure	
Developer Legal Counsel	90,000						90,000	Based on comparable projects	
Total Legal Costs	**225,000**	**0**	**0**	**0**	**0**	**0**	**225,000**		
Appraisal	15,000						15,000	Based on comparable projects	
Property Taxes	0						0		
Insurance	450,000						450,000	Shorter construction schedule	
Relocation							0		
TCAC App/Alloc/Monitor Fees	186,990						186,990	Based on expected allocation	
CEQA Environmental Review	0						0		
Entitlement/Permit Fees	1,025,000						1,025,000	Based on comparable projects	
Marketing/Rent-up	300,000						300,000	Based on comparable rent-ups	
Furnishings	737,000						737,000	Per MOHCD underwriting	
Market Study	10,000						10,000	Based on comparable projects	
NEPA/106 Review	0						0		
Contracts Legal/Cost Cert	45,000						45,000	Based on comparable projects	
Sub-total Soft Costs	***8,421,521***	***0***	***0***	***0***	***0***	***0***	**8,421,521**		
Soft Cost Contingency	729,585						729,585	10% of soft costs not incl construction loan interest	8.7%
TOTAL SOFT COSTS	**9,151,106**	**0**	**0**	**0**	**0**	**0**	**9,151,106**		
RESERVES									
Operating Reserves	403,600						403,600	3-month operating costs, reserves	
Replacement Reserves							0		
Settlement Reserve	250,000						250,000	Based on comparable MB projects	
Other (specify)							0		
Other (specify)							0		
Other (specify)							0		
TOTAL RESERVES	**653,600**	**0**	**0**	**0**	**0**	**0**	**653,600**		
DEVELOPER COSTS									
Developer Overhead/Profit (Fee)	2,400,000			319,691			2,719,691	Fee exceeding City policy recontributed	
Development Consultant Fees							0		
Financial Consultant Fees	60,000						60,000	Based on consultant estimate	
Construction Management Fee	150,000						150,000		
Project Administration							0		
Other (specify)							0		
TOTAL DEVELOPER COSTS	**2,610,000**	**0**	**0**	**319,691**	**0**	**0**	**2,929,691**		
Syndication Costs	57,500						57,500	Based on consultant estimate, 9%/4%	
TOTAL DEVELOPMENT COST	**20,627,280**	**2,000,000**	**37,200,594**	**319,691**	**0**	**0**	**60,147,565**		
Development Cost/Unit by Source	146,293	14,184	263,834	2,267	0	0	426,578		
Development Cost/Unit as % of TDC by Source	34.3%	3.3%	61.8%	0.5%	0.0%	0.0%	100.0%		
Acquisition Cost/Unit by Source	0	0	0	0	0	0	0		
Construction Cost (inc Const Contingency)/Unit By Source	57,837	14,184	263,834	0	0	0	335,856		
Construction Cost (inc Const Contingency)/SF	80.98	19.86	369.42	0.00	0.00	0.00	470.26		
City Subsidy/Unit	146,293								
Tax Credit Equity Pricing:			1.03						

Application Date:	**1/10/2018**	LOSP Units	Non-LOSP Units		**Project Name:**	**Mission Bay Blk 9 - MODULAR CONSTRUCTION**
Total # Units:	**141**	**141**	**0**		**Project Address:**	
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations)**:**	**2021**	LOSP/non-LOSP Allocation			**Project Sponsor:**	**Community Housing Partnership / BRIDGE Hou**
		100%	0%			

INCOME	**LOSP**	**non-LOSP**	**Total**	**Comments**
Residential - Tenant Rents	504,000	0	504,000	Links from 'New Proj - Rent & Unit Mix' Worksheet
Residential - Tenant Assistance Payments (Non-LOSP)	0	0	0	Links from 'New Proj - Rent & Unit Mix' Worksheet
Residential - LOSP Tenant Assistance Payments	1,165,297		1,165,297	
Commercial Space			0	Links from 'Commercial Op. Budget' Worksheet
Residential Parking	0	0	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Rent Income	0	0	0	Links from 'Utilities & Other Income' Worksheet
Supportive Services Income	0	0	0	
Interest Income - Project Operations	0	0	0	Links from 'Utilities & Other Income' Worksheet
Laundry and Vending	0	0	0	Links from 'Utilities & Other Income' Worksheet
Tenant Charges	0	0	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Residential Income	0	0	0	Links from 'Utilities & Other Income' Worksheet
Other Commercial Income			0	Links from 'Commercial Op. Budget' Worksheet
Withdrawal from Capitalized Reserve (deposit to operating account)	0	0	0	
Gross Potential Income	**1,669,297**	**0**	**1,669,297**	
Vacancy Loss - Residential - Tenant Rents	(25,200)	0	(25,200)	Vacancy loss is 5% of Tenant Rents.
Vacancy Loss - Residential - Tenant Assistance Payments	0	0	0	#DIV/0!
Vacancy Loss - Commercial			0	Links from 'Commercial Op. Budget' Worksheet
EFFECTIVE GROSS INCOME	**1,644,097**	**0**	**1,644,097**	***PUPA: 11,660***

OPERATING EXPENSES				
Management				
Management Fee	131,976	0	131,976	Based on $78 Per Unit Per Month fee range set by HUD range ($52-$78)
Asset Management Fee	19,750	0	19,750	Based on maximum fee set by MOHCD ($19,750)
Sub-total Management Expenses	**151,726**	**0**	**151,726**	***PUPA: 1,076***
Salaries/Benefits				
Office Salaries	60,000	0	60,000	Based on allocations for Central property management staff - updated
Manager's Salary	63,378	0	63,378	Based on comparable salary range for Senior Site Manager - updated
Health Insurance and Other Benefits	100,800	0	100,800	Based on $9k per FTE, for (11.2) employees and oversight staff - updated
Other Salaries/Benefits	52,451	0	52,451	Based comparable salary range for Assistant Site Manager - updated
Administrative Rent-Free Unit	0	0	0	
Sub-total Salaries/Benefits	**276,629**	**0**	**276,629**	***PUPA: 1,962***
Administration				
Advertising and Marketing	250	0	250	No waitlist activities required, all applications received through Coordinated Entry
Office Expenses	43,500	0	43,500	Travel, credit checks, phone, office supplies, IT maint, printing, copier lease, postage
Office Rent	53,247	0	53,247	Based on (11.2) FTE employees
Legal Expense - Property	10,000	0	10,000	Based on (4) evictions per year, at $1,500 each, and general legal consult at $4,000
Audit Expense	19,327	0	19,327	Based on per unit allocations of agency audit costs, plus partnership audit costs
Bookkeeping/Accounting Services	13,680	0	13,680	Based on per unit allocations of agency bookkeeping costs
Bad Debts	4,000	0	4,000	Based on actuals for comparable properties with third party payee services
Miscellaneous	29,190	0	29,190	Based on agency allocated costs
Sub-total Administration Expenses	**173,194**	**0**	**173,194**	***PUPA: 1,228***
Utilities				
Electricity	74,870	0	74,870	Based on actuals for comparable properties, minus 10% savings from solar array
Water	49,350	0	49,350	Based on actuals for comparable properties with landscaping ($350 Per Unit Per Year)
Gas	32,740	0	32,740	Based on actuals for comparable properties, minus 10% savings from solar array
Sewer	77,550	0	77,550	Based on actuals for comparable properties ($550 Per Unit Per Year)
Sub-total Utilities	**234,510**	**0**	**234,510**	***PUPA: 1,663***
Taxes and Licenses				
Real Estate Taxes	5,000	0	5,000	Based on actuals for comparable properties
Payroll Taxes	34,194	0	34,194	Based on payroll tax rate of 7.65% for (11.2) FTE allocated office staff
Miscellaneous Taxes, Licenses and Permits	6,405	0	6,405	Based on actuals for comparable properties
Sub-total Taxes and Licenses	**45,599**	**0**	**45,599**	***PUPA: 323***
Insurance				
Property and Liability Insurance	91,778	0	91,778	Based on actuals for comparable properties
Fidelity Bond Insurance	0	0	0	N/A
Worker's Compensation	31,542	0	31,542	Based on payroll workers comp rate of 8.26% for (11.2) FTE allocated office staff
Director's & Officers' Liability Insurance	2,412	0	2,412	Based on allocated insurance costs for agency D&O
Sub-total Insurance	**125,732**	**0**	**125,732**	***PUPA: 892***
Maintenance & Repair				
Payroll	170,000	0	170,000	Maintenance (1 FTE Supervisor & 1 FTE Technician) and (2) Janitors (2)FTE) - updated
Supplies	58,326	0	58,326	Fire Protection, Fire Extinguishers, Furnishings, appliances parts, flooring, unit turnover
Contracts	47,750	0	47,750	Exterminating, Solutions, Elevator, Alarms, Janitor Service,
Garbage and Trash Removal	36,378	0	36,378	Based on actuals from comparable properties ($258 per unit)
Security Payroll/Contract	160,000	0	160,000	Based on (4.2) FTE Front Desk Clerks, for 24/7 lobby coverage - updated
HVAC Repairs and Maintenance	4,500	0	4,500	Based on actuals for comparable properties, adjusted for unit count
Vehicle and Maintenance Equipment Operation and Repairs	1,250	0	1,250	Based on allocated portfolio costs and property distance
Miscellaneous Operating and Maintenance Expenses	24,400	0	24,400	Shared cost of Bridgeview Way maintenance based on comparable offsite improvements
Sub-total Maintenance & Repair Expenses	**502,604**	**0**	**502,604**	***PUPA: 3,565***
Supportive Services	0	0	0	Supportive Services budgeted separately
Commercial Expenses			0	Links from 'Commercial Op. Budget' Worksheet
TOTAL OPERATING EXPENSES w/o RESERVES/GL BASE RENT/BOND	***1,509,994***	***0***	***1,509,994***	***PUPA: 10,709***

Reserves/Ground Lease Base Rent/Bond Fees					
Ground Lease Base Rent	15,000	0	15,000	Ground lease with MOHCD	Provide additional comments here, if needed.
Bond Monitoring Fee	5,640	0	5,640	$40 per unit	
Replacement Reserve Deposit	70,500	0	70,500	$500 per unit based on comparable projects	
Operating Reserve Deposit	13,212	0	13,212	3.5% inflation on (3) month operating reserve	
Other Required Reserve 1 Deposit	0	0	0		
Other Required Reserve 2 Deposit	0	0	0		
Required Reserve Deposit/s, Commercial			0	Links from 'Commercial Op. Budget' Worksheet	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	**104,352**	**0**	**104,352**	***740***	
TOTAL OPERATING EXPENSES w/ RESERVES/GL BASE RENT/BOND FEES	**1,614,347**	**0**	**1,614,347**	***11449***	
NET OPERATING INCOME (INCOME minus OP EXPENSES)	**29,750**	**0**	**29,750**	***211***	

Min DSCR:	1.1
Available for DS in Yr 1:	27,045
Mortgage Rate:	5%
Term (Years):	30
ble 1st Mortgage Amt:	$419,839
Proposed 1st Mortgage Amt:	$23,283,738

DEBT SERVICE ("hard debt"/amortized loans)					
Hard Debt - First Lender	0	0	0		Provide additional comments here, if needed.
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)	0	0	0		Provide additional comments here, if needed.
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	0	0		Provide additional comments here, if needed.
Hard Debt - Fourth Lender	0	0	0		Provide additional comments here, if needed.
Commercial Hard Debt Service			0	Links from 'Commercial Op. Budget' Worksheet	
TOTAL HARD DEBT SERVICE	**0**	**0**	**0**	***PUPA: 0***	
CASH FLOW (NOI minus DEBT SERVICE)	**29,750**	**0**	**29,750**		
Commercial Only Cash Flow			0		

		LOSP Units	Non-LOSP Units			
Application Date:	**1/10/2018**				**Project Name:**	**Mission Bay Blk 9 - MODULAR CONSTRUCTIO**
Total # Units:	**141**	**141**	**0**		**Project Address:**	
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations)**:**	**2021**	LOSP/non-LOSP Allocation			**Project Sponsor:**	**Community Housing Partnership / BRIDGE Hou**
		100%	0%			

	LOSP	Non-LOSP	Total	Comments	
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)	0	0			
AVAILABLE CASH FLOW	**29,750**	**0**	**0**		
USES OF CASH FLOW BELOW (This row also shows DSCR.)					
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL					
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	0	0	0		
Partnership Management Fee (see policy for limits)	19,750	0	19,750	Based on maximum fee set by MOHCD ($19,750)	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	10,000	0	10,000	$5,000 per partnership; two (2) partnerships for 9%/4% tax credit structure	
Other Payments	0	0	0	N/A	
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	0	0	0		Provide additional comments here, if needed.
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)	0	0	0		Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	0	0	0	#DIV/0!	
TOTAL PAYMENTS PRECEDING MOHCD	**29,750**	**0**	**29,750**	***PUPA: 211***	
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	0	0	**0**		

Residual Receipts Calculation

Does Project have a MOHCD Residual Receipt Obligation?	**Yes**	Project has MOHCD ground lease?	**Yes**
Will Project Defer Developer Fee?	No		
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:	33%		
% of Residual Receipts available for distribution to soft debt lenders in Yr 1:	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	$23,283,738	99.36%
MOHCD/OCII - Ground Lease Value	Ground Lease	$150,000	0.64%
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	Non-LOSP	Total	Comments
MOHCD Residual Receipts Amount Due	0	0	67% of residual receipts, multiplied by 100% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	0	0	Enter/override amount of residual receipts proposed for loan repayment.
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repymt.
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE		**0**	

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE	Total	Comments
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)	**0**	
Owner Distributions/Incentive Management Fee	0	
Other Distributions/Uses	0	
Final Balance (should be zero)	**0**	

Application Date:	**1/10/2018**	
Total # Units:	**141**	
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations)**:**	**2021**	**sing**

INCOME

	Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)
Residential - Tenant Rents				
Residential - Tenant Assistance Payments (Non-LOSP)	(Non-LOSP)			
Residential - LOSP Tenant Assistance Payments				
Commercial Space				
Residential Parking				

	Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)
Miscellaneous Rent Income				
Supportive Services Income	Supportive Services Income			
Interest Income - Project Operations				

	Projected LOSP Split	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Laundry and Vending				
Tenant Charges	Tenant Charges			
Miscellaneous Residential Income				
Other Commercial Income				
Withdrawal from Capitalized Reserve (deposit to operating account)				
Gross Potential Income				
Vacancy Loss - Residential - Tenant Rents				
Vacancy Loss - Residential - Tenant Assistance Payments				
Vacancy Loss - Commercial				
EFFECTIVE GROSS INCOME				

OPERATING EXPENSES

Management	Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)
Management Fee	Management Fee			
Asset Management Fee	Asset Management Fee			
Sub-total Management Expenses				

Salaries/Benefits	Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)
Office Salaries	Office Salaries			
Manager's Salary	Manager's Salary			
Health Insurance and Other Benefits	Health Insurance and Other Benefits			
Other Salaries/Benefits	Other Salaries/Benefits			
Administrative Rent-Free Unit	Administrative Rent-Free Unit			
Sub-total Salaries/Benefits				

Administration	Projected LOSP Split	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Advertising and Marketing				
Office Expenses				
Office Rent				
Legal Expense - Property	Legal Expense - Property	*100.00%*	*0.00%*	
Audit Expense				
Bookkeeping/Accounting Services				
Bad Debts	Bad Debts	*100.00%*	*0.00%*	
Miscellaneous				
Sub-total Administration Expenses				

Utilities	Projected LOSP Split	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Electricity	Electricity	*100.00%*	*0.00%*	
Water				
Gas				
Sewer				
Sub-total Utilities				

Taxes and Licenses	Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)
Real Estate Taxes	Real Estate Taxes			
Payroll Taxes	Payroll Taxes			
Miscellaneous Taxes, Licenses and Permits				
Sub-total Taxes and Licenses				

Insurance	Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)
Property and Liability Insurance				
Fidelity Bond Insurance				
Worker's Compensation	Worker's Compensation			
Director's & Officers' Liability Insurance				
Sub-total Insurance				

Maintenance & Repair	Projected LOSP Split	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Payroll				
Supplies	Supplies	*100.00%*	*0.00%*	
Contracts	Contracts			

	Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)
Garbage and Trash Removal				
Security Payroll/Contract	Security Payroll/Contract			
HVAC Repairs and Maintenance				
Vehicle and Maintenance Equipment Operation and Repairs				
Miscellaneous Operating and Maintenance Expenses				
Sub-total Maintenance & Repair Expenses				

	Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)
Supportive Services	Supportive Services			
Commercial Expenses				

TOTAL OPERATING EXPENSES w/o RESERVES/GL BASE RENT/BOND

Reserves/Ground Lease Base Rent/Bond Fees	Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)
Ground Lease Base Rent				
Bond Monitoring Fee				
Replacement Reserve Deposit	Replacement Reserve Deposit			
Operating Reserve Deposit	Operating Reserve Deposit			
Other Required Reserve 1 Deposit	Other Required Reserve 1 Deposit			
Other Required Reserve 2 Deposit				
Required Reserve Deposit/s, Commercial				
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				

TOTAL OPERATING EXPENSES w/ RESERVES/GL BASE RENT/BOND FEES

NET OPERATING INCOME (INCOME minus OP EXPENSES)

DEBT SERVICE ("hard debt"/amortized loans)	Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)
Hard Debt - First Lender	Hard Debt - First Lender	0	*100.00%*	
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)	Hard Debt - Second Lender (HCD Program 0			
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	Hard Debt - Third Lender (Other HCD Progra			
Hard Debt - Fourth Lender	Hard Debt - Fourth Lender			
Commercial Hard Debt Service				
TOTAL HARD DEBT SERVICE				

CASH FLOW (NOI minus DEBT SERVICE)

Commercial Only Cash Flow

Application Date: **1/10/2018** **ı**
Total # Units: **141**
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations)**:** **2021** **sing**

Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)	Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)			
AVAILABLE CASH FLOW				
USES OF CASH FLOW BELOW (This row also shows DSCR.)				
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL	**Alternative LOSP Split**	**LOSP**	**non-LOSP**	Approved By (reqd)
"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)	**Alternative LOSP Split**	**LOSP**	**non-LOSP**	Approved By (reqd)
Other Payments	Other Payments			
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)			
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)				
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	Deferred Developer Fee (Enter amt <= Max Fee from cell I130)			
TOTAL PAYMENTS PRECEDING MOHCD				

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)

Residual Receipts Calculation
Does Project have a MOHCD Residual Receipt Obligation?
Will Project Defer Developer Fee?
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:
% of Residual Receipts available for distribution to soft debt lenders in Yr 1:

Soft Debt Lenders with Residual Receipts Obligations
MOHCD/OCII - Soft Debt Loans
MOHCD/OCII - Ground Lease Value
HCD (soft debt loan) - Lender 3
Other Soft Debt Lender - Lender 4
Other Soft Debt Lender - Lender 5

MOHCD RESIDUAL RECEIPTS DEBT SERVICE
MOHCD Residual Receipts Amount Due
Proposed MOHCD Residual Receipts Amount to Loan Repayment
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE
HCD Residual Receipts Amount Due
Lender 4 Residual Receipts Due
Lender 5 Residual Receipts Due
Total Non-MOHCD Residual Receipts Debt Service

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

Mission Bay Blk 9 - MODULAR CONSTRUCTION

	LOSP Units	Non-LOSP Units
Total # Units:		
141	141	0
	100.00%	0.00%

INCOME	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Year 1 2021 LOSP	Year 1 2021 non-LOSP	Year 1 2021 Total	Year 2 2022 LOSP	Year 2 2022 non-LOSP	Year 2 2022 Total	Year 3 2023 LOSP	Year 3 2023 non-LOSP	Year 3 2023 Total
Residential - Tenant Rents	1.0%	2.5%		504,000	-	504,000	509,040	-	509,040	514,130	-	514,130
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments	n/a	n/a		1,165,297		1,165,297	1,183,608		1,183,608	1,233,472		1,233,472
Commercial Space	n/a	2.5%				-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%				-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-	-	-	-	-
Gross Potential Income				1,669,297	-	1,669,297	1,692,648	-	1,692,648	1,747,602	-	1,747,602
Vacancy Loss - Residential - Tenant Rents	n/a	n/a		(25,200)	-	(25,200)	(25,452)	-	(25,452)	(25,707)	-	(25,707)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				1,644,097	-	1,644,097	1,667,196	-	1,667,196	1,721,896	-	1,721,896
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	131,976	-	131,976	136,595	-	136,595	141,376	-	141,376
Asset Management Fee	3.5%	3.5%	per MOHCD policy	19,750	-	19,750	20,441	-	20,441	21,157	-	21,157
Sub-total Management Expenses				151,726	-	151,726	157,036	-	157,036	162,533	-	162,533
Salaries/Benefits												
Office Salaries	3.5%	3.5%		60,000	-	60,000	62,100	-	62,100	64,274	-	64,274
Manager's Salary	3.5%	3.5%		63,378	-	63,378	65,596	-	65,596	67,892	-	67,892
Health Insurance and Other Benefits	3.5%	3.5%		100,800	-	100,800	104,328	-	104,328	107,979	-	107,979
Other Salaries/Benefits	3.5%	3.5%		52,451	-	52,451	54,287	-	54,287	56,187	-	56,187
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				276,629	-	276,629	286,311	-	286,311	296,332	-	296,332
Administration												
Advertising and Marketing	3.5%	3.5%		250	-	250	259	-	259	268	-	268
Office Expenses	3.5%	3.5%		43,500	-	43,500	45,023	-	45,023	46,598	-	46,598
Office Rent	3.5%	3.5%		53,247	-	53,247	55,111	-	55,111	57,040	-	57,040
Legal Expense - Property	3.5%	3.5%		10,000	-	10,000	10,350	-	10,350	10,712	-	10,712
Audit Expense	3.5%	3.5%		19,327	-	19,327	20,003	-	20,003	20,704	-	20,704
Bookkeeping/Accounting Services	3.5%	3.5%		13,680	-	13,680	14,159	-	14,159	14,654	-	14,654
Bad Debts	3.5%	3.5%		4,000	-	4,000	4,140	-	4,140	4,285	-	4,285
Miscellaneous	3.5%	3.5%		29,190	-	29,190	30,212	-	30,212	31,269	-	31,269
Sub-total Administration Expenses				173,194	-	173,194	179,256	-	179,256	185,530	-	185,530
Utilities												
Electricity	3.5%	3.5%		74,870	-	74,870	77,490	-	77,490	80,203	-	80,203
Water	3.5%	3.5%		49,350	-	49,350	51,077	-	51,077	52,865	-	52,865
Gas	3.5%	3.5%		32,740	-	32,740	33,886	-	33,886	35,072	-	35,072
Sewer	3.5%	3.5%		77,550	-	77,550	80,264	-	80,264	83,073	-	83,073
Sub-total Utilities				234,510	-	234,510	242,718	-	242,718	251,213	-	251,213
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		5,000	-	5,000	5,175	-	5,175	5,356	-	5,356
Payroll Taxes	3.5%	3.5%		34,194	-	34,194	35,391	-	35,391	36,629	-	36,629
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		6,405	-	6,405	6,629	-	6,629	6,861	-	6,861
Sub-total Taxes and Licenses				45,599	-	45,599	47,195	-	47,195	48,847	-	48,847
Insurance												
Property and Liability Insurance	3.5%	3.5%		91,778	-	91,778	94,990	-	94,990	98,315	-	98,315
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		31,542	-	31,542	32,646	-	32,646	33,789	-	33,789
Director's & Officers' Liability Insurance	3.5%	3.5%		2,412	-	2,412	2,496	-	2,496	2,584	-	2,584
Sub-total Insurance				125,732	-	125,732	130,133	-	130,133	134,687	-	134,687
Maintenance & Repair												
Payroll	3.5%	3.5%		170,000	-	170,000	175,950	-	175,950	182,108	-	182,108
Supplies	3.5%	3.5%		58,326	-	58,326	60,367	-	60,367	62,480	-	62,480
Contracts	3.5%	3.5%		47,750	-	47,750	49,421	-	49,421	51,151	-	51,151
Garbage and Trash Removal	3.5%	3.5%		36,378	-	36,378	37,651	-	37,651	38,969	-	38,969
Security Payroll/Contract	3.5%	3.5%		160,000	-	160,000	165,600	-	165,600	171,396	-	171,396
HVAC Repairs and Maintenance	3.5%	3.5%		4,500	-	4,500	4,658	-	4,658	4,821	-	4,821
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		1,250	-	1,250	1,294	-	1,294	1,339	-	1,339
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		24,400	-	24,400	25,254	-	25,254	26,138	-	26,138
Sub-total Maintenance & Repair Expenses				502,604	-	502,604	520,195	-	520,195	538,402	-	538,402
Supportive Services		3.5%		-	-	-	-	-	-	-	-	-
Commercial Expenses						-			-			-
TOTAL OPERATING EXPENSES w/o RESERVES/GL BASE RENT/BOND FEES				1,509,994	-	1,509,994	1,562,844	-	1,562,844	1,617,543	-	1,617,543
PUPA (w/o Reserves/GL Base Rent/Bond Fees)						10,709			-			-
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent				15,000	-	15,000	15,000	-	15,000	15,000	-	15,000
Bond Monitoring Fee				5,640	-	5,640	5,640	-	5,640	5,640	-	5,640
Replacement Reserve Deposit				70,500	-	70,500	70,500	-	70,500	70,500	-	70,500
Operating Reserve Deposit				13,212	-	13,212	13,212	-	13,212	13,212	-	13,212
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial				-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				104,352	-	104,352	104,352	-	104,352	104,352	-	104,352
TOTAL OPERATING EXPENSES w/ RESERVES/GL BASE RENT/BOND FEES				1,614,347	-	1,614,347	1,667,196	-	1,667,196	1,721,896	-	1,721,896
PUPA (w/ Reserves/GL Base Rent/Bond Fees)						11,449			-			-
NET OPERATING INCOME (INCOME minus OP EXPENSES)				29,750	-	29,750	-	-	-	-	-	-
DEBT SERVICE ("hard debt"/amortized loans)												
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service						-			-			-
TOTAL HARD DEBT SERVICE				-	-	-	-	-	-	-	-	-
CASH FLOW (NOI minus DEBT SERVICE)				29,750	-	29,750	-	-	-	-	-	-

	LOSP Units	Non-LOSP Units		Year 1			Year 2			Year 3		
Total # Units:												
141	141	0										
	100.00%	0.00%		2021			2022			2023		
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	**LOSP**	**non-LOSP**	**Total**	**LOSP**	**non-LOSP**	**Total**	**LOSP**	**non-LOSP**	**Total**
Commercial Only Cash Flow						-			-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				29,750	-	29,750	-	-	-	-	-	-
USES OF CASH FLOW BELOW (This row also shows DSCR.)			**DSCR:**									
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)		3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)		3.5%	per MOHCD policy	19,750	-	19,750	-	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	10,000	-	10,000	-	-	-	-	-	-
Other Payments				-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)				-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD				29,750	-	29,750	-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				-	-	-	-	-	-	-	-	-
Does Project have a MOHCD Residual Receipt Obligation?		Yes										
Will Project Defer Developer Fee?		No										
Residual Receipts split for all years. - Lender/Owner		67% / 33%										
MOHCD RESIDUAL RECEIPTS DEBT SERVICE		Dist. Soft Debt Loans										
MOHCD Residual Receipts Amount Due		99.36%	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			-			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-			-			-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			Proposed Total MOHCD Amt Due less Loan Repayment			-			-			-
AINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE						-			-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due		0.00%	No HCD Financing			-			-			-
Lender 4 Residual Receipts Due		0.00%				-			-			-
Lender 5 Residual Receipts Due		0.00%				-			-			-
Total Non-MOHCD Residual Receipts Debt Service						-			-			-
REMAINDER (Should be zero unless there are distributions below)						-			-			-
Owner Distributions/Incentive Management Fee						-			-			-
Other Distributions/Uses						-			-			-
Final Balance (should be zero)						-			-			-
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance						-			70,500			141,000
Replacement Reserve Deposits						70,500			70,500			70,500
Replacement Reserve Withdrawals (ideally tied to CNA)						-			-			-
Replacement Reserve Interest						-			-			-
RR Running Balance						-			-			-
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance						-			13,212			26,425
Operating Reserve Deposits						13,212			13,212			13,212
Operating Reserve Withdrawals						-			-			-
Operating Reserve Interest						-			-			-
OR Running Balance						13,212			26,425			39,637
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE												
Other Reserve 1 Starting Balance						-			-			-
Other Reserve 1 Deposits						-			-			-
Other Reserve 1 Withdrawals						-			-			-
Other Reserve 1 Interest						-			-			-
Other Required Reserve 1 Running Balance						-			-			-
OTHER RESERVE 2 - RUNNING BALANCE												
Other Reserve 2 Starting Balance						-			-			-
Other Reserve 2 Deposits						-			-			-
Other Reserve 2 Withdrawals						-			-			-
Other Reserve 2 Interest						-			-			-
Other Required Reserve 2 Running Balance						-			-			-

Mission Bay Blk 9 - MODULAR CONSTRUCTION

	LOSP Units	Non-LOSP Units										
Total # Units:												
141	141	0		Year 4			Year 5			Year 6		
	100.00%	0.00%		2024			2025			2026		
INCOME	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
Residential - Tenant Rents	1.0%	2.5%		519,272	-	519,272	524,464	-	524,464	529,709	-	529,709
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments	n/a	n/a		1,285,202		1,285,202	1,338,864		1,338,864	1,394,528		1,394,528
Commercial Space	n/a	2.5%				-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%				-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-	-	-	-	-
Gross Potential Income				1,804,473	-	1,804,473	1,863,329	-	1,863,329	1,924,237	-	1,924,237
Vacancy Loss - Residential - Tenant Rents	n/a	n/a		(25,964)	-	(25,964)	(26,223)	-	(26,223)	(26,485)	-	(26,485)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				1,778,510	-	1,778,510	1,837,105	-	1,837,105	1,897,752	-	1,897,752
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	146,324	-	146,324	151,445	-	151,445	156,746	-	156,746
Asset Management Fee	3.5%	3.5%	per MOHCD policy	21,897	-	21,897	22,664	-	22,664	23,457	-	23,457
Sub-total Management Expenses				168,221	-	168,221	174,109	-	174,109	180,203	-	180,203
Salaries/Benefits												
Office Salaries	3.5%	3.5%		66,523	-	66,523	68,851	-	68,851	71,261	-	71,261
Manager's Salary	3.5%	3.5%		70,269	-	70,269	72,728	-	72,728	75,273	-	75,273
Health Insurance and Other Benefits	3.5%	3.5%		111,759	-	111,759	115,670	-	115,670	119,719	-	119,719
Other Salaries/Benefits	3.5%	3.5%		58,153	-	58,153	60,189	-	60,189	62,295	-	62,295
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				306,704	-	306,704	317,438	-	317,438	328,549	-	328,549
Administration												
Advertising and Marketing	3.5%	3.5%		277	-	277	287	-	287	297	-	297
Office Expenses	3.5%	3.5%		48,229	-	48,229	49,917	-	49,917	51,664	-	51,664
Office Rent	3.5%	3.5%		59,036	-	59,036	61,102	-	61,102	63,241	-	63,241
Legal Expense - Property	3.5%	3.5%		11,087	-	11,087	11,475	-	11,475	11,877	-	11,877
Audit Expense	3.5%	3.5%		21,428	-	21,428	22,178	-	22,178	22,954	-	22,954
Bookkeeping/Accounting Services	3.5%	3.5%		15,167	-	15,167	15,698	-	15,698	16,248	-	16,248
Bad Debts	3.5%	3.5%		4,435	-	4,435	4,590	-	4,590	4,751	-	4,751
Miscellaneous	3.5%	3.5%		32,363	-	32,363	33,496	-	33,496	34,669	-	34,669
Sub-total Administration Expenses				192,023	-	192,023	198,744	-	198,744	205,700	-	205,700
Utilities												
Electricity	3.5%	3.5%		83,010	-	83,010	85,915	-	85,915	88,922	-	88,922
Water	3.5%	3.5%		54,715	-	54,715	56,630	-	56,630	58,612	-	58,612
Gas	3.5%	3.5%		36,299	-	36,299	37,570	-	37,570	38,885	-	38,885
Sewer	3.5%	3.5%		85,981	-	85,981	88,990	-	88,990	92,105	-	92,105
Sub-total Utilities				260,005	-	260,005	269,106	-	269,106	278,524	-	278,524
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		5,544	-	5,544	5,738	-	5,738	5,938	-	5,938
Payroll Taxes	3.5%	3.5%		37,911	-	37,911	39,238	-	39,238	40,612	-	40,612
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		7,101	-	7,101	7,350	-	7,350	7,607	-	7,607
Sub-total Taxes and Licenses				50,556	-	50,556	52,326	-	52,326	54,157	-	54,157
Insurance												
Property and Liability Insurance	3.5%	3.5%		101,756	-	101,756	105,317	-	105,317	109,003	-	109,003
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		34,971	-	34,971	36,195	-	36,195	37,462	-	37,462
Director's & Officers' Liability Insurance	3.5%	3.5%		2,674	-	2,674	2,768	-	2,768	2,865	-	2,865
Sub-total Insurance				139,401	-	139,401	144,280	-	144,280	149,330	-	149,330
Maintenance & Repair												
Payroll	3.5%	3.5%		188,482	-	188,482	195,079	-	195,079	201,907	-	201,907
Supplies	3.5%	3.5%		64,667	-	64,667	66,930	-	66,930	69,273	-	69,273
Contracts	3.5%	3.5%		52,941	-	52,941	54,794	-	54,794	56,712	-	56,712
Garbage and Trash Removal	3.5%	3.5%		40,333	-	40,333	41,745	-	41,745	43,206	-	43,206
Security Payroll/Contract	3.5%	3.5%		177,395	-	177,395	183,604	-	183,604	190,030	-	190,030
HVAC Repairs and Maintenance	3.5%	3.5%		4,989	-	4,989	5,164	-	5,164	5,345	-	5,345
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		1,386	-	1,386	1,434	-	1,434	1,485	-	1,485
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		27,053	-	27,053	28,000	-	28,000	28,980	-	28,980
Sub-total Maintenance & Repair Expenses				557,246	-	557,246	576,750	-	576,750	596,936	-	596,936
Supportive Services		3.5%		-	-	-	-	-	-	-	-	-
Commercial Expenses						-			-			-
TOTAL OPERATING EXPENSES w/o RESERVES/GL BASE RENT/BOND FEES				1,674,157	-	1,674,157	1,732,753	-	1,732,753	1,793,399	-	1,793,399
PUPA (w/o Reserves/GL Base Rent/Bond Fees)						-			-			-
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent				15,000	-	15,000	15,000	-	15,000	15,000	-	15,000
Bond Monitoring Fee				5,640	-	5,640	5,640	-	5,640	5,640	-	5,640
Replacement Reserve Deposit				70,500	-	70,500	70,500	-	70,500	70,500	-	70,500
Operating Reserve Deposit				13,212	-	13,212	13,212	-	13,212	13,212	-	13,212
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial				-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				104,352	-	104,352	104,352	-	104,352	104,352	-	104,352
TOTAL OPERATING EXPENSES w/ RESERVES/GL BASE RENT/BOND FEES				1,778,510	-	1,778,510	1,837,105	-	1,837,105	1,897,752	-	1,897,752
PUPA (w/ Reserves/GL Base Rent/Bond Fees)						-			-			-
NET OPERATING INCOME (INCOME minus OP EXPENSES)				-	-	-	-	-	-	-	-	-
DEBT SERVICE ("hard debt"/amortized loans)												
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service						-			-			-
TOTAL HARD DEBT SERVICE				-	-	-	-	-	-	-	-	-
CASH FLOW (NOI minus DEBT SERVICE)				-	-	-	-	-	-	-	-	-

	LOSP Units	Non-LOSP Units		Year 4	2024		Year 5	2025		Year 6	2026	
Total # Units: 141	**141**	**0**										
	100.00%	0.00%										
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	**LOSP**	**non-LOSP**	**Total**	**LOSP**	**non-LOSP**	**Total**	**LOSP**	**non-LOSP**	**Total**
Commercial Only Cash Flow						-			-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				-	-	-	-	-	-	-	-	-
USES OF CASH FLOW BELOW (This row also shows DSCR.)			***DSCR:***									
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)		3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)		3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	-	-	-	-	-	-	-	-	-
Other Payments				-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)				-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD				-	-	-	-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				-	-	-	-	-	-	-	-	-
Does Project have a MOHCD Residual Receipt Obligation?		***Yes***										
Will Project Defer Developer Fee?		***No***										
Residual Receipts split for all years. - Lender/Owner		***67% / 33%***										
MOHCD RESIDUAL RECEIPTS DEBT SERVICE		*Dist. Soft Debt Loans*										
MOHCD Residual Receipts Amount Due		*99.36%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			-			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-			-			-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			Proposed Total MOHCD Amt Due less Loan Repayment			-			-			-
AINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE						-			-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due		*0.00%*	No HCD Financing			-			-			-
Lender 4 Residual Receipts Due		*0.00%*				-			-			-
Lender 5 Residual Receipts Due		*0.00%*				-			-			-
Total Non-MOHCD Residual Receipts Debt Service						-			-			-
REMAINDER (Should be zero unless there are distributions below)						-			-			-
Owner Distributions/Incentive Management Fee						-			-			-
Other Distributions/Uses						-			-			-
Final Balance (should be zero)						-			-			-
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance						211,500			282,000			352,500
Replacement Reserve Deposits						70,500			70,500			70,500
Replacement Reserve Withdrawals (ideally tied to CNA)						-			-			-
Replacement Reserve Interest						-			-			-
RR Running Balance						-			-			-
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance						39,637			52,850			66,062
Operating Reserve Deposits						13,212			13,212			13,212
Operating Reserve Withdrawals						-			-			-
Operating Reserve Interest						-			-			-
OR Running Balance						52,850			66,062			79,275
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE												
Other Reserve 1 Starting Balance						-			-			-
Other Reserve 1 Deposits						-			-			-
Other Reserve 1 Withdrawals						-			-			-
Other Reserve 1 Interest						-			-			-
Other Required Reserve 1 Running Balance						-			-			-
OTHER RESERVE 2 - RUNNING BALANCE												
Other Reserve 2 Starting Balance						-			-			-
Other Reserve 2 Deposits						-			-			-
Other Reserve 2 Withdrawals						-			-			-
Other Reserve 2 Interest						-			-			-
Other Required Reserve 2 Running Balance						-			-			-

Mission Bay Blk 9 - MODULAR CONSTRUCTION

	LOSP Units	Non-LOSP Units										
Total # Units:												
141	***141***	***0***			**Year 7**			**Year 8**			**Year 9**	
	100.00%	*0.00%*			**2027**			**2028**			**2029**	
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Residential - Tenant Rents	1.0%	2.5%		*535,006*	-	535,006	*540,356*	-	540,356	*545,760*	-	545,760
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments	n/a	n/a		*1,452,265*		*1,452,265*	*1,512,148*		*1,512,148*	*1,574,254*		*1,574,254*
Commercial Space	n/a	2.5%				-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%				-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-	-	-	-	-
Gross Potential Income				***1,987,271***	**-**	**1,987,271**	***2,052,504***	**-**	**2,052,504**	***2,120,014***	**-**	**2,120,014**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a		*(26,750)*	-	(26,750)	*(27,018)*	-	(27,018)	*(27,288)*	-	(27,288)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				***1,960,521***	**-**	**1,960,521**	***2,025,487***	**-**	**2,025,487**	***2,092,726***	**-**	**2,092,726**
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	*162,232*	-	162,232	*167,910*	-	167,910	*173,787*	-	173,787
Asset Management Fee	3.5%	3.5%	per MOHCD policy	*24,278*	-	24,278	*25,128*	-	25,128	*26,007*	-	26,007
Sub-total Management Expenses				***186,510***	**-**	**186,510**	***193,038***	**-**	**193,038**	***199,794***	**-**	**199,794**
Salaries/Benefits												
Office Salaries	3.5%	3.5%		*73,755*	-	73,755	*76,337*	-	76,337	*79,009*	-	79,009
Manager's Salary	3.5%	3.5%		*77,908*	-	77,908	*80,635*	-	80,635	*83,457*	-	83,457
Health Insurance and Other Benefits	3.5%	3.5%		*123,909*	-	123,909	*128,246*	-	128,246	*132,734*	-	132,734
Other Salaries/Benefits	3.5%	3.5%		*64,476*	-	64,476	*66,732*	-	66,732	*69,068*	-	69,068
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				***340,048***	**-**	**340,048**	***351,949***	**-**	**351,949**	***364,268***	**-**	**364,268**
Administration												
Advertising and Marketing	3.5%	3.5%		*307*	-	307	*318*	-	318	*329*	-	329
Office Expenses	3.5%	3.5%		*53,473*	-	53,473	*55,344*	-	55,344	*57,281*	-	57,281
Office Rent	3.5%	3.5%		*65,454*	-	65,454	*67,745*	-	67,745	*70,116*	-	70,116
Legal Expense - Property	3.5%	3.5%		*12,293*	-	12,293	*12,723*	-	12,723	*13,168*	-	13,168
Audit Expense	3.5%	3.5%		*23,758*	-	23,758	*24,589*	-	24,589	*25,450*	-	25,450
Bookkeeping/Accounting Services	3.5%	3.5%		*16,816*	-	16,816	*17,405*	-	17,405	*18,014*	-	18,014
Bad Debts	3.5%	3.5%		*4,917*	-	4,917	*5,089*	-	5,089	*5,267*	-	5,267
Miscellaneous	3.5%	3.5%		*35,882*	-	35,882	*37,138*	-	37,138	*38,438*	-	38,438
Sub-total Administration Expenses				***212,900***	**-**	**212,900**	***220,351***	**-**	**220,351**	***228,063***	**-**	**228,063**
Utilities												
Electricity	3.5%	3.5%		*92,034*	-	92,034	*95,256*	-	95,256	*98,589*	-	98,589
Water	3.5%	3.5%		*60,664*	-	60,664	*62,787*	-	62,787	*64,985*	-	64,985
Gas	3.5%	3.5%		*40,246*	-	40,246	*41,654*	-	41,654	*43,112*	-	43,112
Sewer	3.5%	3.5%		*95,329*	-	95,329	*98,665*	-	98,665	*102,119*	-	102,119
Sub-total Utilities				***288,273***	**-**	**288,273**	***298,362***	**-**	**298,362**	***308,805***	**-**	**308,805**
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		*6,146*	-	6,146	*6,361*	-	6,361	*6,584*	-	6,584
Payroll Taxes	3.5%	3.5%		*42,033*	-	42,033	*43,504*	-	43,504	*45,027*	-	45,027
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		*7,873*	-	7,873	*8,149*	-	8,149	*8,434*	-	8,434
Sub-total Taxes and Licenses				***56,053***	**-**	**56,053**	***58,015***	**-**	**58,015**	***60,045***	**-**	**60,045**
Insurance												
Property and Liability Insurance	3.5%	3.5%		*112,819*	-	112,819	*116,767*	-	116,767	*120,854*	-	120,854
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		*38,773*	-	38,773	*40,130*	-	40,130	*41,535*	-	41,535
Director's & Officers' Liability Insurance	3.5%	3.5%		*2,965*	-	2,965	*3,069*	-	3,069	*3,176*	-	3,176
Sub-total Insurance				***154,557***	**-**	**154,557**	***159,966***	**-**	**159,966**	***165,565***	**-**	**165,565**
Maintenance & Repair												
Payroll	3.5%	3.5%		*208,973*	-	208,973	*216,287*	-	216,287	*223,858*	-	223,858
Supplies	3.5%	3.5%		*71,698*	-	71,698	*74,207*	-	74,207	*76,804*	-	76,804
Contracts	3.5%	3.5%		*58,697*	-	58,697	*60,751*	-	60,751	*62,878*	-	62,878
Garbage and Trash Removal	3.5%	3.5%		*44,718*	-	44,718	*46,283*	-	46,283	*47,903*	-	47,903
Security Payroll/Contract	3.5%	3.5%		*196,681*	-	196,681	*203,565*	-	203,565	*210,689*	-	210,689
HVAC Repairs and Maintenance	3.5%	3.5%		*5,532*	-	5,532	*5,725*	-	5,725	*5,926*	-	5,926
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		*1,537*	-	1,537	*1,590*	-	1,590	*1,646*	-	1,646
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		*29,994*	-	29,994	*31,044*	-	31,044	*32,130*	-	32,130
Sub-total Maintenance & Repair Expenses				***617,829***	**-**	**617,829**	***639,453***	**-**	**639,453**	***661,833***	**-**	**661,833**
Supportive Services		3.5%		-	-	-	-	-	-	-	-	-
Commercial Expenses						-			-			-
TOTAL OPERATING EXPENSES w/o RESERVES/GL BASE RENT/BOND FEES				***1,856,168***	***-***	***1,856,168***	***1,921,134***	***-***	***1,921,134***	***1,988,374***	***-***	***1,988,374***
PUPA (w/o Reserves/GL Base Rent/Bond Fees)						**-**			**-**			**-**
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent				*15,000*	-	15,000	*15,000*	-	15,000	*15,000*	-	15,000
Bond Monitoring Fee				*5,640*	-	5,640	*5,640*	-	5,640	*5,640*	-	5,640
Replacement Reserve Deposit				*70,500*	-	70,500	*70,500*	-	70,500	*70,500*	-	70,500
Operating Reserve Deposit				*13,212*	-	13,212	*13,212*	-	13,212	*13,212*	-	13,212
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial				-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				***104,352***	**-**	**104,352**	***104,352***	**-**	**104,352**	***104,352***	**-**	**104,352**
TOTAL OPERATING EXPENSES w/ RESERVES/GL BASE RENT/BOND FEES				***1,960,521***	**-**	**1,960,521**	***2,025,487***	**-**	**2,025,487**	***2,092,726***	**-**	**2,092,726**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)						**-**			**-**			**-**
NET OPERATING INCOME (INCOME minus OP EXPENSES)				**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
DEBT SERVICE ("hard debt"/amortized loans)												
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service						-			-			-
TOTAL HARD DEBT SERVICE				**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
CASH FLOW (NOI minus DEBT SERVICE)				**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

	LOSP Units	Non-LOSP Units		Year 7			Year 8			Year 9		
Total # Units: 141	***141***	***0***		**2027**			**2028**			**2029**		
	100.00%	*0.00%*										
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Commercial Only Cash Flow						-			-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				-	-	-	-	-	-	-	-	-
USES OF CASH FLOW BELOW (This row also shows DSCR.)			***DSCR:***									
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)		3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)		3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	-	-	-	-	-	-	-	-	-
Other Payments				-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)				-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD				-	-	-	-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				-	-	-	-	-	-	-	-	-
Does Project have a MOHCD Residual Receipt Obligation?		***Yes***										
Will Project Defer Developer Fee?		***No***										
Residual Receipts split for all years. - Lender/Owner		***67% / 33%***										
MOHCD RESIDUAL RECEIPTS DEBT SERVICE		*Dist. Soft Debt Loans*										
MOHCD Residual Receipts Amount Due		*99.36%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			-			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-			-			-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			Proposed Total MOHCD Amt Due less Loan Repayment			-			-			-
AINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE						-			-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due		*0.00%*	No HCD Financing			-			-			-
Lender 4 Residual Receipts Due		*0.00%*				-			-			-
Lender 5 Residual Receipts Due		*0.00%*				-			-			-
Total Non-MOHCD Residual Receipts Debt Service						-			-			-
REMAINDER (Should be zero unless there are distributions below)						-			-			-
Owner Distributions/Incentive Management Fee						-			-			-
Other Distributions/Uses						-			-			-
Final Balance (should be zero)						-			-			-
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance						423,000			493,500			564,000
Replacement Reserve Deposits						70,500			70,500			70,500
Replacement Reserve Withdrawals (ideally tied to CNA)						-			-			-
Replacement Reserve Interest						-			-			-
RR Running Balance						-			-			-
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance						79,275			92,487			105,700
Operating Reserve Deposits						13,212			13,212			13,212
Operating Reserve Withdrawals						-			-			-
Operating Reserve Interest						-			-			-
OR Running Balance						92,487			105,700			118,912
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE												
Other Reserve 1 Starting Balance						-			-			-
Other Reserve 1 Deposits						-			-			-
Other Reserve 1 Withdrawals						-			-			-
Other Reserve 1 Interest						-			-			-
Other Required Reserve 1 Running Balance						-			-			-
OTHER RESERVE 2 - RUNNING BALANCE												
Other Reserve 2 Starting Balance						-			-			-
Other Reserve 2 Deposits						-			-			-
Other Reserve 2 Withdrawals						-			-			-
Other Reserve 2 Interest						-			-			-
Other Required Reserve 2 Running Balance						-			-			-

Mission Bay Blk 9 - MODULAR CONSTRUCTION

	LOSP Units	Non-LOSP Units										
Total # Units: 141	141	0		Year 10 2030			Year 11 2031			Year 12 2032		
	100.00%	0.00%										
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	**LOSP**	**non-LOSP**	**Total**	**LOSP**	**non-LOSP**	**Total**	**LOSP**	**non-LOSP**	**Total**
Residential - Tenant Rents	1.0%	2.5%		551,217	-	551,217	556,730	-	556,730	562,297	-	562,297
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments	n/a	n/a		1,638,663		1,638,663	1,705,455		1,705,455	1,774,716		1,774,716
Commercial Space	n/a	2.5%				-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%				-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-	-	-	-	-
Gross Potential Income				**2,189,880**	**-**	**2,189,880**	**2,262,185**	**-**	**2,262,185**	**2,337,013**	**-**	**2,337,013**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a		(27,561)	-	(27,561)	(27,836)	-	(27,836)	(28,115)	-	(28,115)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				**2,162,319**	**-**	**2,162,319**	**2,234,348**	**-**	**2,234,348**	**2,308,898**	**-**	**2,308,898**
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	179,870	-	179,870	186,165	-	186,165	192,681	-	192,681
Asset Management Fee	3.5%	3.5%	per MOHCD policy	26,917	-	26,917	27,859	-	27,859	28,834	-	28,834
Sub-total Management Expenses				**206,787**	**-**	**206,787**	**214,025**	**-**	**214,025**	**221,515**	**-**	**221,515**
Salaries/Benefits												
Office Salaries	3.5%	3.5%		81,774	-	81,774	84,636	-	84,636	87,598	-	87,598
Manager's Salary	3.5%	3.5%		86,378	-	86,378	89,401	-	89,401	92,530	-	92,530
Health Insurance and Other Benefits	3.5%	3.5%		137,380	-	137,380	142,188	-	142,188	147,165	-	147,165
Other Salaries/Benefits	3.5%	3.5%		71,485	-	71,485	73,987	-	73,987	76,577	-	76,577
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				**377,017**	**-**	**377,017**	**390,213**	**-**	**390,213**	**403,870**	**-**	**403,870**
Administration												
Advertising and Marketing	3.5%	3.5%		341	-	341	353	-	353	365	-	365
Office Expenses	3.5%	3.5%		59,286	-	59,286	61,361	-	61,361	63,509	-	63,509
Office Rent	3.5%	3.5%		72,570	-	72,570	75,110	-	75,110	77,739	-	77,739
Legal Expense - Property	3.5%	3.5%		13,629	-	13,629	14,106	-	14,106	14,600	-	14,600
Audit Expense	3.5%	3.5%		26,341	-	26,341	27,263	-	27,263	28,217	-	28,217
Bookkeeping/Accounting Services	3.5%	3.5%		18,644	-	18,644	19,297	-	19,297	19,972	-	19,972
Bad Debts	3.5%	3.5%		5,452	-	5,452	5,642	-	5,642	5,840	-	5,840
Miscellaneous	3.5%	3.5%		39,783	-	39,783	41,175	-	41,175	42,617	-	42,617
Sub-total Administration Expenses				**236,046**	**-**	**236,046**	**244,307**	**-**	**244,307**	**252,858**	**-**	**252,858**
Utilities												
Electricity	3.5%	3.5%		102,040	-	102,040	105,612	-	105,612	109,308	-	109,308
Water	3.5%	3.5%		67,259	-	67,259	69,613	-	69,613	72,050	-	72,050
Gas	3.5%	3.5%		44,621	-	44,621	46,183	-	46,183	47,799	-	47,799
Sewer	3.5%	3.5%		105,693	-	105,693	109,392	-	109,392	113,221	-	113,221
Sub-total Utilities				**319,613**	**-**	**319,613**	**330,800**	**-**	**330,800**	**342,377**	**-**	**342,377**
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		6,814	-	6,814	7,053	-	7,053	7,300	-	7,300
Payroll Taxes	3.5%	3.5%		46,603	-	46,603	48,234	-	48,234	49,922	-	49,922
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		8,729	-	8,729	9,035	-	9,035	9,351	-	9,351
Sub-total Taxes and Licenses				**62,147**	**-**	**62,147**	**64,322**	**-**	**64,322**	**66,573**	**-**	**66,573**
Insurance												
Property and Liability Insurance	3.5%	3.5%		125,084	-	125,084	129,462	-	129,462	133,993	-	133,993
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		42,989	-	42,989	44,493	-	44,493	46,050	-	46,050
Director's & Officers' Liability Insurance	3.5%	3.5%		3,287	-	3,287	3,402	-	3,402	3,521	-	3,521
Sub-total Insurance				**171,360**	**-**	**171,360**	**177,357**	**-**	**177,357**	**183,565**	**-**	**183,565**
Maintenance & Repair												
Payroll	3.5%	3.5%		231,693	-	231,693	239,802	-	239,802	248,195	-	248,195
Supplies	3.5%	3.5%		79,492	-	79,492	82,275	-	82,275	85,154	-	85,154
Contracts	3.5%	3.5%		65,078	-	65,078	67,356	-	67,356	69,714	-	69,714
Garbage and Trash Removal	3.5%	3.5%		49,579	-	49,579	51,315	-	51,315	53,111	-	53,111
Security Payroll/Contract	3.5%	3.5%		218,064	-	218,064	225,696	-	225,696	233,595	-	233,595
HVAC Repairs and Maintenance	3.5%	3.5%		6,133	-	6,133	6,348	-	6,348	6,570	-	6,570
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		1,704	-	1,704	1,763	-	1,763	1,825	-	1,825
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		33,255	-	33,255	34,419	-	34,419	35,623	-	35,623
Sub-total Maintenance & Repair Expenses				**684,998**	**-**	**684,998**	**708,973**	**-**	**708,973**	**733,787**	**-**	**733,787**
Supportive Services		3.5%		-	-	-	-	-	-	-	-	-
Commercial Expenses						-			-			-
TOTAL OPERATING EXPENSES w/o RESERVES/GL BASE RENT/BOND FEES				**2,057,967**	**-**	**2,057,967**	**2,129,996**	**-**	**2,129,996**	**2,204,546**	**-**	**2,204,546**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)						**-**			**-**			**-**
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent				15,000	-	15,000	15,000	-	15,000	15,000	-	15,000
Bond Monitoring Fee				5,640	-	5,640	5,640	-	5,640	5,640	-	5,640
Replacement Reserve Deposit				70,500	-	70,500	70,500	-	70,500	70,500	-	70,500
Operating Reserve Deposit				13,212	-	13,212	13,212	-	13,212	13,212	-	13,212
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial				-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				**104,352**	**-**	**104,352**	**104,352**	**-**	**104,352**	**104,352**	**-**	**104,352**
TOTAL OPERATING EXPENSES w/ RESERVES/GL BASE RENT/BOND FEES				**2,162,319**	**-**	**2,162,319**	**2,234,348**	**-**	**2,234,348**	**2,308,898**	**-**	**2,308,898**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)						**-**			**-**			**-**
NET OPERATING INCOME (INCOME minus OP EXPENSES)				**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
DEBT SERVICE ("hard debt"/amortized loans)												
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service						-			-			-
TOTAL HARD DEBT SERVICE				**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
CASH FLOW (NOI minus DEBT SERVICE)				**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

	LOSP Units	Non-LOSP Units		Year 10	2030		Year 11	2031		Year 12	2032	
Total # Units: 141	141	0										
	100.00%	0.00%										
INCOME	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
Commercial Only Cash Flow						-			-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				-	-	-	-	-	-	-	-	-
USES OF CASH FLOW BELOW (This row also shows DSCR.)			*DSCR:*									
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)		3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)		3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	-	-	-	-	-	-	-	-	-
Other Payments				-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)				-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD				-	-	-	-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				-	-	-	-	-	-	-	-	-
Does Project have a MOHCD Residual Receipt Obligation?		*Yes*										
Will Project Defer Developer Fee?		*No*										
Residual Receipts split for all years. - Lender/Owner		*67% / 33%*										
MOHCD RESIDUAL RECEIPTS DEBT SERVICE		*Dist. Soft Debt Loans*										
MOHCD Residual Receipts Amount Due		*99.36%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			-			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-			-			-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			Proposed Total MOHCD Amt Due less Loan Repayment			-			-			-
AINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE						-			-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due		*0.00%*	No HCD Financing			-			-			-
Lender 4 Residual Receipts Due		*0.00%*				-			-			-
Lender 5 Residual Receipts Due		*0.00%*				-			-			-
Total Non-MOHCD Residual Receipts Debt Service						-			-			-
REMAINDER (Should be zero unless there are distributions below)						-			-			-
Owner Distributions/Incentive Management Fee						-			-			-
Other Distributions/Uses						-			-			-
Final Balance (should be zero)						-			-			-
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance						634,500			705,000			775,500
Replacement Reserve Deposits						70,500			70,500			70,500
Replacement Reserve Withdrawals (ideally tied to CNA)						-			-			-
Replacement Reserve Interest						-			-			-
RR Running Balance						-			-			-
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance						118,912			132,124			145,337
Operating Reserve Deposits						13,212			13,212			13,212
Operating Reserve Withdrawals						-			-			-
Operating Reserve Interest						-			-			-
OR Running Balance						132,124			145,337			158,549
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE												
Other Reserve 1 Starting Balance						-			-			-
Other Reserve 1 Deposits						-			-			-
Other Reserve 1 Withdrawals						-			-			-
Other Reserve 1 Interest						-			-			-
Other Required Reserve 1 Running Balance						-			-			-
OTHER RESERVE 2 - RUNNING BALANCE												
Other Reserve 2 Starting Balance						-			-			-
Other Reserve 2 Deposits						-			-			-
Other Reserve 2 Withdrawals						-			-			-
Other Reserve 2 Interest						-			-			-
Other Required Reserve 2 Running Balance						-			-			-

Mission Bay Blk 9 - MODULAR CONSTRUCTION

	LOSP Units	Non-LOSP Units										
Total # Units:												
141	***141***	***0***			**Year 13**			**Year 14**			**Year 15**	
	100.00%	*0.00%*			**2033**			**2034**			**2035**	
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Residential - Tenant Rents	1.0%	2.5%		567,920	-	567,920	573,599	-	573,599	579,335	-	579,335
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments	n/a	n/a		1,846,533		1,846,533	1,920,998		1,920,998	1,998,203		1,998,203
Commercial Space	n/a	2.5%				-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%				-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-	-	-	-	-
Gross Potential Income				***2,414,453***	**-**	**2,414,453**	***2,494,597***	**-**	**2,494,597**	***2,577,538***	**-**	**2,577,538**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a		(28,396)	-	(28,396)	(28,680)	-	(28,680)	(28,967)	-	(28,967)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				***2,386,057***	**-**	**2,386,057**	***2,465,917***	**-**	**2,465,917**	***2,548,572***	**-**	**2,548,572**
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	199,425	-	199,425	206,405	-	206,405	213,629	-	213,629
Asset Management Fee	3.5%	3.5%	per MOHCD policy	29,844	-	29,844	30,888	-	30,888	31,969	-	31,969
Sub-total Management Expenses				***229,268***	**-**	**229,268**	***237,293***	**-**	**237,293**	***245,598***	**-**	**245,598**
Salaries/Benefits												
Office Salaries	3.5%	3.5%		90,664	-	90,664	93,837	-	93,837	97,122	-	97,122
Manager's Salary	3.5%	3.5%		95,769	-	95,769	99,121	-	99,121	102,590	-	102,590
Health Insurance and Other Benefits	3.5%	3.5%		152,316	-	152,316	157,647	-	157,647	163,164	-	163,164
Other Salaries/Benefits	3.5%	3.5%		79,257	-	79,257	82,031	-	82,031	84,902	-	84,902
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				***418,006***	**-**	**418,006**	***432,636***	**-**	**432,636**	***447,778***	**-**	**447,778**
Administration												
Advertising and Marketing	3.5%	3.5%		378	-	378	391	-	391	405	-	405
Office Expenses	3.5%	3.5%		65,731	-	65,731	68,032	-	68,032	70,413	-	70,413
Office Rent	3.5%	3.5%		80,460	-	80,460	83,276	-	83,276	86,191	-	86,191
Legal Expense - Property	3.5%	3.5%		15,111	-	15,111	15,640	-	15,640	16,187	-	16,187
Audit Expense	3.5%	3.5%		29,204	-	29,204	30,227	-	30,227	31,285	-	31,285
Bookkeeping/Accounting Services	3.5%	3.5%		20,671	-	20,671	21,395	-	21,395	22,144	-	22,144
Bad Debts	3.5%	3.5%		6,044	-	6,044	6,256	-	6,256	6,475	-	6,475
Miscellaneous	3.5%	3.5%		44,108	-	44,108	45,652	-	45,652	47,250	-	47,250
Sub-total Administration Expenses				***261,708***	**-**	**261,708**	***270,868***	**-**	**270,868**	***280,348***	**-**	**280,348**
Utilities												
Electricity	3.5%	3.5%		113,134	-	113,134	117,093	-	117,093	121,192	-	121,192
Water	3.5%	3.5%		74,571	-	74,571	77,181	-	77,181	79,883	-	79,883
Gas	3.5%	3.5%		49,472	-	49,472	51,204	-	51,204	52,996	-	52,996
Sewer	3.5%	3.5%		117,183	-	117,183	121,285	-	121,285	125,530	-	125,530
Sub-total Utilities				***354,361***	**-**	**354,361**	***366,763***	**-**	**366,763**	***379,600***	**-**	**379,600**
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		7,555	-	7,555	7,820	-	7,820	8,093	-	8,093
Payroll Taxes	3.5%	3.5%		51,669	-	51,669	53,478	-	53,478	55,350	-	55,350
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		9,678	-	9,678	10,017	-	10,017	10,368	-	10,368
Sub-total Taxes and Licenses				***68,903***	**-**	**68,903**	***71,315***	**-**	**71,315**	***73,811***	**-**	**73,811**
Insurance												
Property and Liability Insurance	3.5%	3.5%		138,683	-	138,683	143,537	-	143,537	148,561	-	148,561
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		47,662	-	47,662	49,330	-	49,330	51,057	-	51,057
Director's & Officers' Liability Insurance	3.5%	3.5%		3,645	-	3,645	3,772	-	3,772	3,904	-	3,904
Sub-total Insurance				***189,990***	**-**	**189,990**	***196,639***	**-**	**196,639**	***203,522***	**-**	**203,522**
Maintenance & Repair												
Payroll	3.5%	3.5%		256,882	-	256,882	265,873	-	265,873	275,178	-	275,178
Supplies	3.5%	3.5%		88,135	-	88,135	91,219	-	91,219	94,412	-	94,412
Contracts	3.5%	3.5%		72,154	-	72,154	74,679	-	74,679	77,293	-	77,293
Garbage and Trash Removal	3.5%	3.5%		54,970	-	54,970	56,894	-	56,894	58,885	-	58,885
Security Payroll/Contract	3.5%	3.5%		241,771	-	241,771	250,233	-	250,233	258,991	-	258,991
HVAC Repairs and Maintenance	3.5%	3.5%		6,800	-	6,800	7,038	-	7,038	7,284	-	7,284
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		1,889	-	1,889	1,955	-	1,955	2,023	-	2,023
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		36,870	-	36,870	38,161	-	38,161	39,496	-	39,496
Sub-total Maintenance & Repair Expenses				***759,469***	**-**	**759,469**	***786,051***	**-**	**786,051**	***813,562***	**-**	**813,562**
Supportive Services		3.5%		-	-	-	-	-	-	-	-	-
Commercial Expenses						-			-			-
TOTAL OPERATING EXPENSES w/o RESERVES/GL BASE RENT/BOND FEES				***2,281,705***	**-**	***2,281,705***	***2,361,564***	**-**	***2,361,564***	***2,444,219***	**-**	***2,444,219***
PUPA (w/o Reserves/GL Base Rent/Bond Fees)						**-**			**-**			**-**
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent				15,000	-	15,000	15,000	-	15,000	15,000	-	15,000
Bond Monitoring Fee				5,640	-	5,640	5,640	-	5,640	5,640	-	5,640
Replacement Reserve Deposit				70,500	-	70,500	70,500	-	70,500	70,500	-	70,500
Operating Reserve Deposit				13,212	-	13,212	13,212	-	13,212	13,212	-	13,212
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial				-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				***104,352***	**-**	**104,352**	***104,352***	**-**	**104,352**	***104,352***	**-**	**104,352**
TOTAL OPERATING EXPENSES w/ RESERVES/GL BASE RENT/BOND FEES				***2,386,057***	**-**	**2,386,057**	***2,465,917***	**-**	**2,465,917**	***2,548,572***	**-**	**2,548,572**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)						**-**			**-**			**-**
NET OPERATING INCOME (INCOME minus OP EXPENSES)				**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
DEBT SERVICE ("hard debt"/amortized loans)												
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service						-			-			-
TOTAL HARD DEBT SERVICE				**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
CASH FLOW (NOI minus DEBT SERVICE)				**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

	LOSP Units	Non-LOSP Units										
Total # Units:												
141	***141***	***0***		**Year 13**			**Year 14**			**Year 15**		
	100.00%	*0.00%*		**2033**			**2034**			**2035**		
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Commercial Only Cash Flow						-			-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				-	-	-	-	-	-	-	-	-
USES OF CASH FLOW BELOW (This row also shows DSCR.)			***DSCR:***									
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)		3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)		3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	-	-	-	-	-	-	-	-	-
Other Payments				-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)				-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD				-	-	-	-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				-	-	-	-	-	-	-	-	-
Does Project have a MOHCD Residual Receipt Obligation?		***Yes***										
Will Project Defer Developer Fee?		***No***										
Residual Receipts split for all years. - Lender/Owner		***67% / 33%***										
MOHCD RESIDUAL RECEIPTS DEBT SERVICE		*Dist. Soft Debt Loans*										
MOHCD Residual Receipts Amount Due		*99.36%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			-			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-			-			-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			Proposed Total MOHCD Amt Due less Loan Repayment			-			-			-
AINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE						-			-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due		*0.00%*	No HCD Financing			-			-			-
Lender 4 Residual Receipts Due		*0.00%*				-			-			-
Lender 5 Residual Receipts Due		*0.00%*				-			-			-
Total Non-MOHCD Residual Receipts Debt Service						-			-			-
REMAINDER (Should be zero unless there are distributions below)						-			-			-
Owner Distributions/Incentive Management Fee						-			-			-
Other Distributions/Uses						-			-			-
Final Balance (should be zero)						-			-			-
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance						**846,000**			**916,500**			**987,000**
Replacement Reserve Deposits						**70,500**			**70,500**			**70,500**
Replacement Reserve Withdrawals (ideally tied to CNA)						-			-			-
Replacement Reserve Interest						-			-			-
RR Running Balance						-			-			-
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance						**158,549**			**171,762**			**184,974**
Operating Reserve Deposits						**13,212**			**13,212**			**13,212**
Operating Reserve Withdrawals						-			-			-
Operating Reserve Interest						-			-			-
OR Running Balance						**171,762**			**184,974**			**198,187**
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE												
Other Reserve 1 Starting Balance						-			-			-
Other Reserve 1 Deposits						-			-			-
Other Reserve 1 Withdrawals						-			-			-
Other Reserve 1 Interest						-			-			-
Other Required Reserve 1 Running Balance						-			-			-
OTHER RESERVE 2 - RUNNING BALANCE												
Other Reserve 2 Starting Balance						-			-			-
Other Reserve 2 Deposits						-			-			-
Other Reserve 2 Withdrawals						-			-			-
Other Reserve 2 Interest						-			-			-
Other Required Reserve 2 Running Balance						-			-			-

Mission Bay Blk 9 - MODULAR CONSTRUCTION

	LOSP Units	Non-LOSP Units										
Total # Units: **141**	***141***	***0***		**Year 16 2036**			**Year 17 2037**			**Year 18 2038**		
	100.00%	*0.00%*										
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Residential - Tenant Rents	1.0%	2.5%		*585,128*	-	585,128	*590,980*	-	590,980	*596,889*	-	596,889
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments	n/a	n/a		*2,078,247*		*2,078,247*	*2,161,230*		*2,161,230*	*2,247,257*		*2,247,257*
Commercial Space	n/a	2.5%				-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%				-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-	-	-	-	-
Gross Potential Income				***2,663,376***	**-**	**2,663,376**	***2,752,210***	**-**	**2,752,210**	***2,844,146***	**-**	**2,844,146**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a		*(29,256)*	-	(29,256)	*(29,549)*	-	(29,549)	*(29,844)*	-	(29,844)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				***2,634,119***	**-**	**2,634,119**	***2,722,661***	**-**	**2,722,661**	***2,814,302***	**-**	**2,814,302**
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	*221,106*	-	221,106	*228,845*	-	228,845	*236,854*	-	236,854
Asset Management Fee	3.5%	3.5%	per MOHCD policy	*33,088*	-	33,088	*34,246*	-	34,246	*35,445*	-	35,445
Sub-total Management Expenses				***254,194***	**-**	**254,194**	***263,091***	**-**	**263,091**	***272,299***	**-**	**272,299**
Salaries/Benefits												
Office Salaries	3.5%	3.5%		*100,521*	-	100,521	*104,039*	-	104,039	*107,681*	-	107,681
Manager's Salary	3.5%	3.5%		*106,181*	-	106,181	*109,897*	-	109,897	*113,743*	-	113,743
Health Insurance and Other Benefits	3.5%	3.5%		*168,875*	-	168,875	*174,786*	-	174,786	*180,903*	-	180,903
Other Salaries/Benefits	3.5%	3.5%		*87,874*	-	87,874	*90,949*	-	90,949	*94,132*	-	94,132
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				***463,450***	**-**	**463,450**	***479,671***	**-**	**479,671**	***496,459***	**-**	**496,459**
Administration												
Advertising and Marketing	3.5%	3.5%		*419*	-	419	*433*	-	433	*449*	-	449
Office Expenses	3.5%	3.5%		*72,878*	-	72,878	*75,428*	-	75,428	*78,068*	-	78,068
Office Rent	3.5%	3.5%		*89,207*	-	89,207	*92,330*	-	92,330	*95,561*	-	95,561
Legal Expense - Property	3.5%	3.5%		*16,753*	-	16,753	*17,340*	-	17,340	*17,947*	-	17,947
Audit Expense	3.5%	3.5%		*32,379*	-	32,379	*33,513*	-	33,513	*34,686*	-	34,686
Bookkeeping/Accounting Services	3.5%	3.5%		*22,919*	-	22,919	*23,721*	-	23,721	*24,551*	-	24,551
Bad Debts	3.5%	3.5%		*6,701*	-	6,701	*6,936*	-	6,936	*7,179*	-	7,179
Miscellaneous	3.5%	3.5%		*48,903*	-	48,903	*50,615*	-	50,615	*52,387*	-	52,387
Sub-total Administration Expenses				***290,160***	**-**	**290,160**	***300,316***	**-**	**300,316**	***310,827***	**-**	**310,827**
Utilities												
Electricity	3.5%	3.5%		*125,433*	-	125,433	*129,824*	-	129,824	*134,367*	-	134,367
Water	3.5%	3.5%		*82,678*	-	82,678	*85,572*	-	85,572	*88,567*	-	88,567
Gas	3.5%	3.5%		*54,851*	-	54,851	*56,771*	-	56,771	*58,758*	-	58,758
Sewer	3.5%	3.5%		*129,923*	-	129,923	*134,471*	-	134,471	*139,177*	-	139,177
Sub-total Utilities				***392,886***	**-**	**392,886**	***406,637***	**-**	**406,637**	***420,869***	**-**	**420,869**
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		*8,377*	-	8,377	*8,670*	-	8,670	*8,973*	-	8,973
Payroll Taxes	3.5%	3.5%		*57,287*	-	57,287	*59,292*	-	59,292	*61,367*	-	61,367
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		*10,731*	-	10,731	*11,106*	-	11,106	*11,495*	-	11,495
Sub-total Taxes and Licenses				***76,394***	**-**	**76,394**	***79,068***	**-**	**79,068**	***81,835***	**-**	**81,835**
Insurance												
Property and Liability Insurance	3.5%	3.5%		*153,760*	-	153,760	*159,142*	-	159,142	*164,712*	-	164,712
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		*52,844*	-	52,844	*54,693*	-	54,693	*56,608*	-	56,608
Director's & Officers' Liability Insurance	3.5%	3.5%		*4,041*	-	4,041	*4,182*	-	4,182	*4,329*	-	4,329
Sub-total Insurance				***210,645***	**-**	**210,645**	***218,018***	**-**	**218,018**	***225,648***	**-**	**225,648**
Maintenance & Repair												
Payroll	3.5%	3.5%		*284,809*	-	284,809	*294,778*	-	294,778	*305,095*	-	305,095
Supplies	3.5%	3.5%		*97,716*	-	97,716	*101,136*	-	101,136	*104,676*	-	104,676
Contracts	3.5%	3.5%		*79,998*	-	79,998	*82,798*	-	82,798	*85,696*	-	85,696
Garbage and Trash Removal	3.5%	3.5%		*60,946*	-	60,946	*63,079*	-	63,079	*65,287*	-	65,287
Security Payroll/Contract	3.5%	3.5%		*268,056*	-	268,056	*277,438*	-	277,438	*287,148*	-	287,148
HVAC Repairs and Maintenance	3.5%	3.5%		*7,539*	-	7,539	*7,803*	-	7,803	*8,076*	-	8,076
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		*2,094*	-	2,094	*2,167*	-	2,167	*2,243*	-	2,243
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		*40,879*	-	40,879	*42,309*	-	42,309	*43,790*	-	43,790
Sub-total Maintenance & Repair Expenses				***842,037***	**-**	**842,037**	***871,508***	**-**	**871,508**	***902,011***	**-**	**902,011**
Supportive Services		3.5%		-	-	-	-	-	-	-	-	-
Commercial Expenses						-			-			-
TOTAL OPERATING EXPENSES w/o RESERVES/GL BASE RENT/BOND FEES				***2,529,767***	**-**	***2,529,767***	***2,618,309***	**-**	***2,618,309***	***2,709,949***	**-**	***2,709,949***
PUPA (w/o Reserves/GL Base Rent/Bond Fees)						**-**			**-**			**-**
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent				*15,000*	-	15,000	*15,000*	-	15,000	*15,000*	-	15,000
Bond Monitoring Fee				*5,640*	-	5,640	*5,640*	-	5,640	*5,640*	-	5,640
Replacement Reserve Deposit				*70,500*	-	70,500	*70,500*	-	70,500	*70,500*	-	70,500
Operating Reserve Deposit				*13,212*	-	13,212	*13,212*	-	13,212	*13,212*	-	13,212
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial				-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				***104,352***	**-**	**104,352**	***104,352***	**-**	**104,352**	***104,352***	**-**	**104,352**
TOTAL OPERATING EXPENSES w/ RESERVES/GL BASE RENT/BOND FEES				***2,634,119***	**-**	**2,634,119**	***2,722,661***	**-**	**2,722,661**	***2,814,302***	**-**	**2,814,302**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)						**-**			**-**			**-**
NET OPERATING INCOME (INCOME minus OP EXPENSES)				**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
DEBT SERVICE ("hard debt"/amortized loans)												
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service						-			-			-
TOTAL HARD DEBT SERVICE				**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
CASH FLOW (NOI minus DEBT SERVICE)				**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Total # Units:	LOSP Units	Non-LOSP Units										
141	***141***	***0***			**Year 16**			**Year 17**			**Year 18**	
	100.00%	*0.00%*			**2036**			**2037**			**2038**	
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Commercial Only Cash Flow						-			-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				-	-	-	-	-	-	-	-	-
USES OF CASH FLOW BELOW (This row also shows DSCR.)			***DSCR:***									
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)		3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)		3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	-	-	-	-	-	-	-	-	-
Other Payments				-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)				-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD				-	-	-	-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				-	-	-	-	-	-	-	-	-
Does Project have a MOHCD Residual Receipt Obligation?		***Yes***										
Will Project Defer Developer Fee?		***No***										
Residual Receipts split for all years. - Lender/Owner		***67% / 33%***										
MOHCD RESIDUAL RECEIPTS DEBT SERVICE		*Dist. Soft Debt Loans*										
MOHCD Residual Receipts Amount Due		*99.36%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			-			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-			-			-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			Proposed Total MOHCD Amt Due less Loan Repayment			-			-			-
AINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE						-			-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due		*0.00%*	No HCD Financing			-			-			-
Lender 4 Residual Receipts Due		*0.00%*				-			-			-
Lender 5 Residual Receipts Due		*0.00%*				-			-			-
Total Non-MOHCD Residual Receipts Debt Service						-			-			-
REMAINDER (Should be zero unless there are distributions below)						-			-			-
Owner Distributions/Incentive Management Fee						-			-			-
Other Distributions/Uses						-			-			-
Final Balance (should be zero)						-			-			-
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance						**1,057,500**			**1,128,000**			**1,198,500**
Replacement Reserve Deposits						**70,500**			**70,500**			**70,500**
Replacement Reserve Withdrawals (ideally tied to CNA)						-			-			-
Replacement Reserve Interest						-			-			-
RR Running Balance						-			-			-
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance						**198,187**			**211,399**			**224,612**
Operating Reserve Deposits						**13,212**			**13,212**			**13,212**
Operating Reserve Withdrawals						-			-			-
Operating Reserve Interest						-			-			-
OR Running Balance						**211,399**			**224,612**			**237,824**
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE												
Other Reserve 1 Starting Balance						-			-			-
Other Reserve 1 Deposits						-			-			-
Other Reserve 1 Withdrawals						-			-			-
Other Reserve 1 Interest						-			-			-
Other Required Reserve 1 Running Balance						-			-			-
OTHER RESERVE 2 - RUNNING BALANCE												
Other Reserve 2 Starting Balance						-			-			-
Other Reserve 2 Deposits						-			-			-
Other Reserve 2 Withdrawals						-			-			-
Other Reserve 2 Interest						-			-			-
Other Required Reserve 2 Running Balance						-			-			-

Mission Bay Blk 9 - MODULAR CONSTRUCTION

	LOSP Units	Non-LOSP Units		Year 19			Year 20		
Total # Units: 141	***141***	***0***		**2039**			**2040**		
	100.00%	*0.00%*							
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Residential - Tenant Rents	1.0%	2.5%		*602,858*	-	602,858	*608,887*	-	608,887
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments	n/a	n/a		*2,336,435*		*2,336,435*	*2,428,875*		*2,428,875*
Commercial Space	n/a	2.5%				-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		-	-	-	-	-	-
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-
Other Commercial Income	n/a	2.5%				-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-	-
Gross Potential Income				***2,939,293***	**-**	**2,939,293**	***3,037,762***	**-**	**3,037,762**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a		*(30,143)*	-	(30,143)	*(30,444)*	-	(30,444)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-
EFFECTIVE GROSS INCOME				***2,909,150***	**-**	**2,909,150**	***3,007,318***	**-**	**3,007,318**
OPERATING EXPENSES									
Management									
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	*245,144*	-	245,144	*253,724*	-	253,724
Asset Management Fee	3.5%	3.5%	per MOHCD policy	*36,685*	-	36,685	*37,969*	-	37,969
Sub-total Management Expenses				***281,829***	**-**	**281,829**	***291,693***	**-**	**291,693**
Salaries/Benefits									
Office Salaries	3.5%	3.5%		*111,449*	-	111,449	*115,350*	-	115,350
Manager's Salary	3.5%	3.5%		*117,724*	-	117,724	*121,845*	-	121,845
Health Insurance and Other Benefits	3.5%	3.5%		*187,235*	-	187,235	*193,788*	-	193,788
Other Salaries/Benefits	3.5%	3.5%		*97,427*	-	97,427	*100,837*	-	100,837
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-
Sub-total Salaries/Benefits				***513,835***	**-**	**513,835**	***531,820***	**-**	**531,820**
Administration									
Advertising and Marketing	3.5%	3.5%		*464*	-	464	*481*	-	481
Office Expenses	3.5%	3.5%		*80,801*	-	80,801	*83,629*	-	83,629
Office Rent	3.5%	3.5%		*98,906*	-	98,906	*102,367*	-	102,367
Legal Expense - Property	3.5%	3.5%		*18,575*	-	18,575	*19,225*	-	19,225
Audit Expense	3.5%	3.5%		*35,900*	-	35,900	*37,156*	-	37,156
Bookkeeping/Accounting Services	3.5%	3.5%		*25,410*	-	25,410	*26,300*	-	26,300
Bad Debts	3.5%	3.5%		*7,430*	-	7,430	*7,690*	-	7,690
Miscellaneous	3.5%	3.5%		*54,220*	-	54,220	*56,118*	-	56,118
Sub-total Administration Expenses				***321,706***	**-**	**321,706**	***332,966***	**-**	**332,966**
Utilities									
Electricity	3.5%	3.5%		*139,070*	-	139,070	*143,938*	-	143,938
Water	3.5%	3.5%		*91,667*	-	91,667	*94,875*	-	94,875
Gas	3.5%	3.5%		*60,814*	-	60,814	*62,943*	-	62,943
Sewer	3.5%	3.5%		*144,048*	-	144,048	*149,090*	-	149,090
Sub-total Utilities				***435,600***	**-**	**435,600**	***450,846***	**-**	**450,846**
Taxes and Licenses									
Real Estate Taxes	3.5%	3.5%		*9,287*	-	9,287	*9,613*	-	9,613
Payroll Taxes	3.5%	3.5%		*63,515*	-	63,515	*65,738*	-	65,738
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		*11,897*	-	11,897	*12,314*	-	12,314
Sub-total Taxes and Licenses				***84,700***	**-**	**84,700**	***87,664***	**-**	**87,664**
Insurance									
Property and Liability Insurance	3.5%	3.5%		*170,477*	-	170,477	*176,443*	-	176,443
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		*58,589*	-	58,589	*60,640*	-	60,640
Director's & Officers' Liability Insurance	3.5%	3.5%		*4,480*	-	4,480	*4,637*	-	4,637
Sub-total Insurance				***233,546***	**-**	**233,546**	***241,720***	**-**	**241,720**
Maintenance & Repair									
Payroll	3.5%	3.5%		*315,773*	-	315,773	*326,825*	-	326,825
Supplies	3.5%	3.5%		*108,340*	-	108,340	*112,132*	-	112,132
Contracts	3.5%	3.5%		*88,695*	-	88,695	*91,799*	-	91,799
Garbage and Trash Removal	3.5%	3.5%		*67,572*	-	67,572	*69,937*	-	69,937
Security Payroll/Contract	3.5%	3.5%		*297,198*	-	297,198	*307,600*	-	307,600
HVAC Repairs and Maintenance	3.5%	3.5%		*8,359*	-	8,359	*8,651*	-	8,651
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		*2,322*	-	2,322	*2,403*	-	2,403
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		*45,323*	-	45,323	*46,909*	-	46,909
Sub-total Maintenance & Repair Expenses				***933,581***	**-**	**933,581**	***966,257***	**-**	**966,257**
Supportive Services		3.5%		-	-	-	-	-	-
Commercial Expenses						-			-
TOTAL OPERATING EXPENSES w/o RESERVES/GL BASE RENT/BOND FEES				***2,804,798***	**-**	***2,804,798***	***2,902,966***	**-**	***2,902,966***
PUPA (w/o Reserves/GL Base Rent/Bond Fees)						**-**			**-**
Reserves/Ground Lease Base Rent/Bond Fees									
Ground Lease Base Rent				*15,000*	-	15,000	*15,000*	-	15,000
Bond Monitoring Fee				*5,640*	-	5,640	*5,640*	-	5,640
Replacement Reserve Deposit				*70,500*	-	70,500	*70,500*	-	70,500
Operating Reserve Deposit				*13,212*	-	13,212	*13,212*	-	13,212
Other Required Reserve 1 Deposit				-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-
Required Reserve Deposit/s, Commercial				-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				***104,352***	**-**	**104,352**	***104,352***	**-**	**104,352**
TOTAL OPERATING EXPENSES w/ RESERVES/GL BASE RENT/BOND FEES				***2,909,150***	**-**	**2,909,150**	***3,007,318***	**-**	**3,007,318**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)						**-**			**-**
NET OPERATING INCOME (INCOME minus OP EXPENSES)				**-**	**-**	**-**	**-**	**-**	**-**
DEBT SERVICE ("hard debt"/amortized loans)									
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-
Commercial Hard Debt Service						-			-
TOTAL HARD DEBT SERVICE				**-**	**-**	**-**	**-**	**-**	**-**
CASH FLOW (NOI minus DEBT SERVICE)				**-**	**-**	**-**	**-**	**-**	**-**

	LOSP Units	Non-LOSP Units		Year 19 2039			Year 20 2040		
Total # Units: 141	*141*	*0*							
	100.00%	*0.00%*							
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Commercial Only Cash Flow						-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-	
AVAILABLE CASH FLOW				-	-	-	-	-	-
USES OF CASH FLOW BELOW (This row also shows DSCR.)			***DSCR:***						
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL									
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)		3.5%	per MOHCD policy	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)		3.5%	per MOHCD policy	-	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	-	-	-	-	-	-
Other Payments				-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-	-	-	-	-
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)				-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD				-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				-	-	-	-	-	-
Does Project have a MOHCD Residual Receipt Obligation?		***Yes***							
Will Project Defer Developer Fee?		***No***							
Residual Receipts split for all years. - Lender/Owner		***67% / 33%***							
MOHCD RESIDUAL RECEIPTS DEBT SERVICE		*Dist. Soft Debt Loans*							
MOHCD Residual Receipts Amount Due		*99.36%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-			-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			Proposed Total MOHCD Amt Due less Loan Repayment			-			-
AINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE						-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE									
HCD Residual Receipts Amount Due		*0.00%*	No HCD Financing			-			-
Lender 4 Residual Receipts Due		*0.00%*				-			-
Lender 5 Residual Receipts Due		*0.00%*				-			-
Total Non-MOHCD Residual Receipts Debt Service						-			-
REMAINDER (Should be zero unless there are distributions below)						-			-
Owner Distributions/Incentive Management Fee						-			-
Other Distributions/Uses						-			-
Final Balance (should be zero)						-			-
REPLACEMENT RESERVE - RUNNING BALANCE									
Replacement Reserve Starting Balance						**1,269,000**			**1,339,500**
Replacement Reserve Deposits						**70,500**			**70,500**
Replacement Reserve Withdrawals (ideally tied to CNA)						**-**			**-**
Replacement Reserve Interest						**-**			**-**
RR Running Balance						**-**			**-**
OPERATING RESERVE - RUNNING BALANCE									
Operating Reserve Starting Balance						**237,824**			**251,037**
Operating Reserve Deposits						**13,212**			**13,212**
Operating Reserve Withdrawals						**-**			**-**
Operating Reserve Interest						**-**			**-**
OR Running Balance						**251,037**			**264,249**
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE									
Other Reserve 1 Starting Balance						**-**			**-**
Other Reserve 1 Deposits						**-**			**-**
Other Reserve 1 Withdrawals						**-**			**-**
Other Reserve 1 Interest						**-**			**-**
Other Required Reserve 1 Running Balance						**-**			**-**
OTHER RESERVE 2 - RUNNING BALANCE									
Other Reserve 2 Starting Balance						**-**			**-**
Other Reserve 2 Deposits						**-**			**-**
Other Reserve 2 Withdrawals						**-**			**-**
Other Reserve 2 Interest						**-**			**-**
Other Required Reserve 2 Running Balance						**-**			**-**

EXCLUSIVE NEGOTIATIONS AGREEMENT
Mission Bay South– Block 9
Mission Bay South Redevelopment Project Area

THIS EXCLUSIVE NEGOTIATIONS AGREEMENT (hereinafter "**ENA**" or "**Agreement**") dated as of February 20, 2018, is made by and between the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, hereafter referred to as the Office of Community Investment and Infrastructure, a public body organized and existing under the laws of the State of California ("**OCII**" or "**Successor Agency**") and Mission Bay 9 LP, a California limited partnership whose general partner is Mission Bay 9 LLC, an affiliate of BRIDGE Housing Corporation a California nonprofit public benefit corporation, and Community Housing Partnership, a California nonprofit public benefit corporation, and their authorized successors and assigns (the "**Developer**").

THIS AGREEMENT IS MADE WITH REFERENCE TO THE FOLLOWING FACTS AND CIRCUMSTANCES:

1. In accordance with the California Community Redevelopment Law (Health and Safety Code, section 33000 *et seq*.), the City and County of San Francisco ("**City**"), acting through its Board of Supervisors, approved a Redevelopment Plan for the Mission Bay South Redevelopment Project Area (the "Project Area") by Ordinance No. 335-98 adopted on November 2, 1998. The Redevelopment Plan is referred to as the "Mission Bay South Redevelopment Plan." In cooperation with the City, the Successor Agency was responsible for implementing the Mission Bay South Redevelopment Plan.

2. Pursuant to California Health and Safety Code §§ 34170 *et seq*. (the "**Redevelopment Dissolution Law**") and San Francisco Ordinance No. 215-12 (Oct. 4, 2012) (establishing the Successor Agency Commission ("**Commission**") and delegating to it state authority under the Redevelopment Dissolution Law), the Successor Agency is responsible for implementing the Redevelopment Plan and fulfilling the enforceable obligations under the Mission Bay South Owner Participation Agreement (the "OPA") between the Agency and FOCIL-MB, LLC (the "Master Developer") (Nov. 16, 1998).

3. Under the OPA and its Mission Bay South Housing Program, the Master Developer is obligated to transfer to the Successor Agency approximately 12.2 acres of "building ready" land that has been remediated, graded and served by infrastructure so that the Successor Agency may develop affordable housing. The OPA identifies, in Exhibit F to the Mission Bay South Housing Program, the specific parcels that the Successor Agency is required to develop with affordable housing.

4. On April 6, 2017, OCII initially issued a Request for Proposals, and, on June 7, 2017, OCII issued a Revised Request for Proposals (the "RFP") to develop and operate affordable rental housing units with supportive services for formerly homeless persons on Mission Bay South Block 9 and develop the extension of Bridgeview Way between Blocks 9 and 9A, on parcels identified as Block 8719, Lots 003 and 004 of that certain map entitled "Final Map Planned Development Mission Bay (9-9A and 10-10A)", recorded on May 31, 2005 and filed on pages 6-10 in Book BB of the County's Survey Maps (the "Site"). The OPA identifies the Site as

an affordable housing parcel. Under the RFP, OCII requested that applicants submit information about the use of alternative construction technologies, e.g. the use of modular units or components, in addition to the use of conventional construction methods. The development will result in the construction of approximately 141 units designated for occupancy by formerly homeless persons, referred by the San Francisco Department of Homelessness and Supportive Housing ("HSH"), and a pedestrian-oriented extension of Bridgeview Way (the "Project"). The Project will also include services and management offices and community spaces for residents.

5. On October 17, 2017, the Commission selected, by Resolution No. 38-2017, BRIDGE Housing Corporation and Community Housing Partnership to develop the Project. Developer submitted an application that was responsive to the RFP and included, among other things, information about the feasibility of using modular units or components for the construction of the Project. OCII and Developer intend to execute, subject to approval by the Commission, a predevelopment loan agreement substantially concurrently herewith. In selecting the Developer, OCII relied on, among other things, the Developers' agreement to comply with all of OCII's policies, including but not limited to insurance and indemnification requirements found in the RFP.

6. At its meeting on February 20, 2018, the Commission authorized the OCII Executive Director to negotiate and execute this ENA with the Developer (the development entity formed by BRIDGE Housing Corporation and Community Housing Partnership for the Site) to enable the Developer to pursue predevelopment activities for the construction and management of the Project. The ENA will further define a series of milestones that will result in the execution of an option to ground lease agreement and a long-term ground lease agreement for the Site between OCII and the Developer ("**Ground Lease**") after public hearing and consideration by the Commission.

ACCORDINGLY, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, OCII and the Developer agree as follows:

1. Exclusive Right

For the Exclusive Negotiations Period set forth in Section 2 below, and subject to the terms and conditions of this Agreement, OCII and the Developer, acknowledging that time is of the essence, agree to negotiate diligently and in good faith with each other to enter into the Ground Lease providing for the ground lease of the Site to the Developer, sufficient to establish "site control" meeting the requirements of potential project lenders and the California Tax Credit Allocation Committee. OCII grants to the Developer the exclusive right to negotiate the Ground Lease (the "**Exclusive Right**") during the exclusive negotiations period. OCII agrees not to solicit any other proposals or negotiate with any other developer with respect to the subject of the negotiations set forth herein.

The Developer and OCII acknowledge and agree that, under this Agreement, OCII is not committing itself or agreeing to: (a) enter into the Ground Lease or undertake any exchange or transfer of real property, any disposition of any real property interests to the Developer, (b) approve any land use entitlements, or (c) undertake any other acts or activities relating to the subsequent independent exercise of discretion by OCII or any agency, commission or department of the City. This Agreement does not constitute the disposition of property or the transfer of OCII's or the City's exercise of control over the Site. However, this Agreement allows the OCII Executive Director to enter into an Option to Ground Lease, in the form attached hereto as Attachment 4, for the Project Site in her reasonable discretion should certain conditions be met, as described below in Section 6(f).

As used in this Agreement, Ground Lease may include one or more ground leases in the same substantial form. The parties understand that the anticipated financing for the Project may include a combination of 4% and 9% tax credits. If this financing structure is used for the Project, two different ground leases to different owners may be required. It is anticipated that the Developer would then be the lessee under one Ground Lease and will develop the 4% portion of the Project. BRIDGE Housing Corporation and Community Housing Partnership would then form a comparable tax credit limited partnership to enter into a second Ground Lease with OCII to develop and own the 9% portion of the Project.

2. Term.

(a) The term of the Agreement shall be from February 20, 2018 until February 20, 2020 ("**Initial Term**"), unless extended or earlier terminated pursuant to the provisions herein (the Initial Term, as modified by any extension or early termination, is the "**Exclusive Negotiations Period**").

(b) If not otherwise terminated in accordance with its terms, this ENA shall terminate upon OCII's execution of any Ground Lease approved by the Commission.

3. Negotiation Deposits; OCII/City Costs.

3.1 Negotiation Deposits.

(a) In connection with its selection by the OCII Commission as the Developer of the Site, in response to the RFP, the Developer has paid to OCII the cash sum of One Thousand Dollars ($1,000) as an earnest money deposit (the "**Deposit**"). The Developer will pay to OCII an additional sum of Nine Thousand Dollars ($9,000) in cash (the "**Additional Deposit**") at the time it executes the ENA. The Additional Deposit shall be combined with the Deposit to form the performance deposit **("Performance Deposit")**. Except as provided in Sections 3.1(b) and 3.1(c), the Performance Deposit shall be held by OCII until completion of construction of the Project.

(b) Subject to Section 3.1(b) below, if the parties fail to reach agreement on the Ground Lease despite the Developer's good faith negotiations or if the Ground Lease is not approved by the OCII Commission, executed and delivered as contemplated hereby for any reason outside of the Developer's control, and, in either instance, the Developer is not in default under this Agreement, then upon termination of this Agreement, OCII shall within 30 days return the Performance Deposit (together with interest actually accrued thereon) to the Developer.

(c) OCII shall retain the Performance Deposit, together with any and all accrued interest, if any of the following events occurs: (i) In the event the Developer is in default under the terms of the ENA, and has not cured such default within the period allowed and the Agency, in its sole discretion, has not expressly waived such default in writing, and the ENA is terminated; or (ii) If the Ground Lease is not approved, executed and delivered as contemplated hereby for a reason reasonably determined by the Agency to be within the Developer's control;

4. Extension of Exclusive Negotiations Period.

OCII's Executive Director may extend, in her sole discretion, the Exclusive Negotiations Period for any period up to a total of an additional 12 months beyond the initial term to permit the completion of the negotiations or milestones under the Schedule of Performance, to comply with statutory public notice requirements or to extend for any delays due to challenges, appeals, litigation or actions opposing Developer's project.

5. Obligations of the Developer.

5.1 Schedule of Performance; Scope of Development.

The Developer agrees that it shall diligently and in good faith negotiate with OCII a Ground Lease and related actions under this Agreement based on the development opportunity described in the RFP, the Schedule of Performance attached as Attachment 2 hereto, and the Scope of Development attached as Attachment 3 hereto. The Developer shall, subject to access to the Site from Master Developer, diligently pursue completion of milestones under the Schedule of Performance and additional benchmarks, if any, under this ENA in a timely fashion. The Schedule of Performance may be modified at the request of the Developer, subject to the approval of the OCII Executive Director in her sole discretion, so long as the modification does not exceed the extensions of Exclusive Negotiations Period authorized under Section 4 above.

5.2 Other Obligations of Developer.

(a) The Developer shall be required under this ENA to comply with applicable law and policies, including the requirements of all City and OCII ordinances, resolutions, regulations or other regulatory approvals with respect to the planning, design, and approvals necessary for developing the Site. These requirements include, without limitation, OCII's Small Business Enterprise Program (including, but not limited to, the selection of consultants during the pre-development period), Labor Standards and Prevailing Wages Provisions, Minimum Compensation Policy, and Health Care Accountability Policy.

(b) In addition, the Developer shall comply with the applicable terms of the OPA, Design for Development, and the Design Review and Document Approval Procedures and any amendments thereto. At the request of OCII and/or the City with funds from the Predevelopment Loan Agreement, the Developer shall prepare (or cause expert consultants approved by OCII to prepare) and submit all reports, studies or other information reasonably necessary to obtain regulatory approvals, excluding privileged attorney-client communications, or confidential or proprietary information.

(c) The Developer shall commit sufficient financial and personnel resources required to undertake and complete the development of the Project at the Site as a priority project and to fulfill the Developer's obligations under this Agreement in an expeditious fashion.

(d) In making any entry onto the Site, neither the Developer nor any of its agents, contractors or representatives shall interfere with or obstruct the permitted, lawful use of the Site by its tenants or occupants, if any, or the conduct of their business operations thereon.

5.3 Indemnity.

5.3.1 To the fullest extent permitted by law, the Developer shall hold harmless, defend at its own expense, and indemnify OCII, the City and their respective commissioners, officers, agents and employees (individually or collectively, an "Indemnified Party") against any and all losses, of every kind, nature and description directly or indirectly arising out of, or connected with Developer's obligations under this ENA, except to the extent caused by the willful misconduct or the gross negligence of the Indemnified Party or of the Master Developer. For purposes of this Section, losses will include, but not be limited to: (a) any default by the Developer in the observance or performance of any of the Developer's obligations under the ENA (including, without limitation, those obligations set forth in Section 5.2 above), (b) any failure of any representation by the Developer to be correct in all material respects when made, (c) injury or death to persons or damage to property or other loss occurring on or in connection with the Developer's activities pursuant to this ENA, whether caused by the negligence or any other act or omission of the Developer and its officers, agents and employees, (d) any claim, demand or cause of action, or any action or other proceeding, whether meritorious or not, brought or asserted against any Indemnified Party that relates to or arises out of the Developer's negligent performance under the ENA or the development of the Site by the Developer, or any transaction contemplated by, or the relationship between the Developer and OCII under the ENA, (e) any failure of the Developer or its agents or contractors (but expressly excluding the Indemnified Parties and the Master Developer) to comply with all applicable environmental requirements relating to the development of the Site, or (f) any claim, demand or cause of action, or any investigation, inquiry, order, hearing, action or other proceeding by or before any governmental agency, whether meritorious or not, which directly or indirectly relates to, arises from or is based on the occurrence or allegation of any of the matters described in clauses (a) through (e) above, provided that no Indemnified Party shall be entitled to indemnification under this Section for matters caused solely by such Indemnified Party's gross negligence or willful misconduct. In the event any action or proceeding is brought against an Indemnified Party by reason of a claim arising out of any loss for which the Developer has indemnified the Indemnified Party, and upon written notice from such Indemnified Party, the Developer shall at its sole expense answer and otherwise defend such action or proceeding using counsel approved in writing by the Indemnified Party. The Indemnified Party shall have the right, exercised in its sole discretion, but without being required to do so, to defend, adjust, settle or compromise any claim, obligation, debt, demand, suit or judgment against the Indemnified Party in connection with the matters covered by this Agreement. The provisions of this paragraph shall survive the termination of this Agreement.

5.3.2 The Developer shall further indemnify the Indemnified Party against any release, spill or escape of Hazardous Materials (as defined below) on or about the Site caused by the Developer or its agents, contractors or representatives; except for losses resulting from the (a) gross negligence or willful misconduct of any of the Indemnified Parties or of the Master Developer and its employees, agents, affiliates, consultants, officers, directors, contractors or subcontractors, or (b) claims arising from Hazardous Materials existing on the Site prior to

Developer's lease of the Site except to the extent that Developer's negligence or other acts or omissions exacerbates such conditions. For purposes hereof, "Hazardous Material" means any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended, (42 U.S.C. Sections 9601 et seq.) or under Section 25281 or 25316 of the California Health & Safety Code; any "hazardous waste" as defined in Section 25117 or listed under Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of any existing improvements on the Site, or are naturally occurring substances on, in or about the Site; and petroleum, including crude oil or any fraction, and natural gas or natural gas liquids.

5.3.3 The indemnity shall include, without limitation, the Developer's obligation to pay reasonable Attorney's Fees and Costs (as defined in Section 11.7) and fees of consultants and experts, laboratory costs, and related costs, as well as the Indemnified Party's costs of investigating any loss.

5.4 Insurance.

(a) Developers' Insurance. Without in any way limiting the Developers' indemnification obligations under this Agreement, and subject to reasonable approval by OCII of the insurers and policy forms, Developer shall obtain and maintain, or cause to be obtained and maintained at no cost to OCII, the insurance described in this Section 5.4 during the Term, unless otherwise provided in this Agreement. If and when the Developer and OCII enter into the Ground Lease and other agreements authorizing or funding the construction of the Project, OCII may adjust these insurance requirements to reflect the risks associated with construction-related activities.

(b) Minimum Scope of Insurance. Coverage shall be at least as broad as:

(i.) Insurance Services Office Commercial General Liability coverage (occurrence form CG 00 01 01) or other form approved by OCII, with additional insured endorsement.

(ii.) Insurance Services Office Automobile Liability coverage, code 1 (form number CA 00 01 – "any auto" if any autos are owned) or other form approved by OCII, with additional insured endorsement.

(iii.) Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance and waiver of subrogation.

(iv.) Professional Liability Insurance: Developer must require that all architects, engineers, and surveyors that it directly contracts with for the Project have liability insurance covering their negligent acts, errors and omissions. Developer must provide OCII with copies of consultants' insurance certificates showing such coverage.

(c) Minimum Limits of Insurance. The Developer and/or its contractors and consultants shall maintain limits no less than:

(i.) General Liability: $2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit must apply separately to this project/location or the general aggregate limit must be twice the required occurrence limit ($4,000,000). Applicable Umbrella or Excess Liability limits may be used to meet the terms of this paragraph. Developer should note that the General Liability coverage described herein is applicable only during the predevelopment phase and that OCII will require increased coverage during the construction period.

(ii.) Automobile Liability: $1,000,000 per accident for bodily injury and property damage, including owned (if applicable), hired and non-owned auto coverage.

(iii.) Workers' Compensation and Employer's Liability: Workers' Compensation limits as required by the State of California and Employers Liability with limits of $1,000,000 for bodily injury by accident and $1,000,000 per person and in the annual aggregate for bodily injury by disease.

(iv.) Professional Liability Insurance: $2,000,000 per claim/$4,000,000 policy aggregate covering all negligent acts, errors and omissions of Developer's design team members (including all architects, engineers and surveyors) under direct contract with Developer ("Prime Design Member"). Each Prime Design Member must submit proof of Professional Liability Insurance of $2,000,000/ $4,000,000 covering negligent acts, errors, and omissions. If the Prime Design Members' insurance is "claims made" coverage, these minimum limits shall be maintained by the Prime Design Members for no less than ten years beyond the completion date of the construction. Each Prime Design Member shall procure and maintain coverages against claims for injuries to person or damages to property which may arise from or in connection with performance of the work under this Agreement by itself and its Agents (including subcontractors and consultants), representatives, or employees for whom the Prime Design Member is legally liable. Each Prime Design Member is also required to assess the risks associated with work to be performed by Agents under subcontract and to include in every subcontract the requirement that the Agent maintain adequate insurance coverages with appropriate limits and endorsement s to cover such risks. To the extent that any Agent does not procure and maintain such insurance coverage, Prime Design Member shall assume any and all costs and expenses that may be incurred in fulfilling any indemnity obligations as to itself or any of its Agents for whom the Prime Design Member is legally liable in the absence of coverage.

(v) Crime Policy. Crime policy or fidelity bond covering Developer's officers and employees' against dishonesty with respect to the Funds under the Predevelopment Loan Agreement, in the amount of $75,000 each loss, with any deductible not to exceed $5,000 including the OCII as additional obligee or loss payee.

(d) Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by OCII. At the option of OCII, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects to OCII, the City and County of San Francisco and their respective commissioners, members, officers, agents and employees; or Contractor shall provide a financial guarantee satisfactory to OCII guaranteeing payment of losses and related investigations, claim administration and defense expenses.

(e) Other Insurance Provisions. The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

(i.) The "Office of Community Investment and Infrastructure/Successor Agency to the Redevelopment Agency of the City and County of San Francisco, the City and County of San Francisco and their respective commissioners, members, officers, agents and employees" are to be covered as additional insureds as respects: liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Developer; and liability arising out of work or operations performed by or on behalf of the Developer.

(ii.) For any claims related to this Contract, the Developer's insurance coverage must be primary insurance as respects to OCII, the City and County of San Francisco and their respective commissioners, members, officers, agents, and employees. Any insurance or self-insurance maintained by OCII, the City and County of San Francisco and their respective commissioners, members, officers, agents or employees shall be in excess of Developer's insurance and shall not contribute with it.

(iii.) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the OCII, the City and County of San Francisco, and their respective commissioners, members, officers, agents or employees.

(iv.) Each insurance policy required by this clause must be endorsed to state that coverage will not be suspended, voided, canceled by either party, or reduced in coverage or in limits except after (30) thirty days prior written notice by certified mail, return receipt requested, has been given to OCII. Should the insurance carrier not be able to provide such notice, then the responsibility to provide the notice to OCII shall be borne by the policyholder.

(v.) Developer hereby grants to OCII, and shall require its general contractor, all subcontractors and consultants to grant to OCII, a waiver of any right to subrogation which any insurer of said Developer, contractor, subcontractor, or consultant may acquire against OCII by virtue of the payment of any loss under such insurance. Developer agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not OCII has received a waiver of subrogation endorsement from the insurer.

(viii.) If any of the required policies provide coverage on a claims-made basis:

a. The retroactive date must be shown and must be before the date of the contract or the beginning of contract work.

b. Insurance must be maintained and evidence of insurance must be provided for at least five years after completion of the contract work.

c. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Developer must purchase "extended reporting" coverage for a minimum of five years after completion of contract work unless a longer period is specified in this Section 5.4.

(f) Acceptability of Insurers. Insurance is to be placed with insurers with a current A. M. Best's rating of no less than A:VII, unless otherwise approved by OCII.

(g) Verification of Coverage. Developer must furnish OCII with certificates of insurance effecting coverage before or at the time of execution of this ENA. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be received and approved by OCII before work commences. OCII reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

(h) Design Professionals, Subcontractors and Consultants Insurance. Developer shall require and verify that its general contractor and all subcontractors and consultants (i) maintain workers' compensation, automobile liability, commercial general liability, and professional liability insurance in the amounts and in accordance with the requirements listed above, as applicable, unless otherwise approved under the OCII's Risk Management Policy, and (ii) Developer shall ensure that "Office of Community Investment and Infrastructure/Successor Agency to the Redevelopment Agency of the City and County of San Francisco, the City and County of San Francisco and their respective commissioners, members, officers, agents and employees" are additional insureds on insurance required from subcontractors and consultants. Developer must furnish OCII with general contractor's, architects' and engineers' certificates of insurance and original endorsements effecting coverage required by this paragraph

(i) Review. OCII reserves the right to modify the insurance coverage under this Section, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstances consistent with OCII's Risk Management Policy. The insurance coverage required under this Section shall be evaluated by OCII for adequacy (i) if and when the Term of this Agreement is extended and (ii) if and when OCII and Developer enter into construction-related agreements, such as a Ground Lease. OCII may require Developer to increase the insurance limits and/or forms of coverage in its reasonable discretion provided that such limits and/or coverage is generally available at commercially reasonable rates.

5.5 Force Majeure

The occurrence of any of the following events shall excuse performance of such obligations of Developer as are rendered impossible to perform while such event continues: acts of God;

strikes; lockouts; labor disputes; inability to obtain labor, materials or reasonable substitutes therefor; governmental restrictions, regulations or controls; judicial orders; enemy or hostile governmental actions; civil commotions; fire or other casualty; nonperformance by OCII which prevents the performance of Developer; and other causes beyond the control of the Developer. The occurrence of such events shall excuse performance only in the event that the Developer has provided written notice to OCII within thirty (30) days after the occurrence or commencement of the event of force majeure and such excuse shall terminate thirty (30) days after the termination of the event giving rise to the delay. However, under no circumstances shall this force majeure provision apply to Developer's indemnification and defense obligations under Section 5.3 and/or Developer's insurance obligations under Section 5.4 above.

6. **Obligations of OCII.**

Subject to the provisions of Section 8, OCII agrees as follows:

(a) Subject to environmental review under the California Environmental Quality Act ("CEQA") and the National Environmental Protection Act ("NEPA"), as applicable, the public review process and all required governmental approvals, as further provided in this Agreement, OCII shall use good faith efforts to diligently negotiate, prepare and submit for approval the Ground Lease.

(b) Subject to environmental review under CEQA and the NEPA as applicable, the public review process and all required governmental approvals, as further provided in this Agreement, OCII shall use good faith efforts to acquire fee title to the Site from Master Developer on or prior to the date of Developer's construction loan closing for the project.

(c) OCII shall make available all public record studies and other documents in its possession as necessary to perform the Developer's due diligence investigations of the Site, provided that OCII makes no representations or warranties whatsoever regarding the completeness or accuracy of such information and the Developer must perform its own independent analysis.

(d) OCII shall reasonably cooperate with the Developer in obtaining access to the Site from the Master Developer for the purpose of performing tests, surveys and inspections, and obtaining data necessary or appropriate to negotiate the Ground Lease provided, however, the Developer shall give prior written notice to OCII of any such entry. Subject to any required approval from Master Developer, OCII shall provide the Developer with the same rights of access to the Site that OCII may have from time to time during the Exclusive Negotiations Period, subject to all applicable laws and regulations.

(e) OCII shall reasonably cooperate with the Developer in the provision of information necessary for and assistance in the filing, processing and obtaining of land use entitlements and regulatory approvals, and, to the extent required by law, join with the Developer as a co-applicant in the filing for such approvals, but neither OCII nor the City shall be required to satisfy any conditions for any approval, except as may be specifically agreed to by OCII, or the City, as applicable. In addition, OCII shall cause the Master Developer to coordinate with the Developer in allowing access to the site.

(f) OCII Executive Director shall, at her reasonable discretion, enter into an Option to Ground Lease with Developer as provided in this Agreement if Developer is in conformance with the obligations described in Article 5 and if such Option is necessary to secure Project financing.

7. Non-Assignment.

7.1 Definitions.

For purposes of this Section and where such initially capitalized terms are elsewhere used in this Agreement, the following term shall have the meaning given below:

"Significant Change" means any dissolution, merger, consolidation or other reorganization, or any issuance, sale, assignment, hypothecation or other transfer of legal or beneficial interests in the Developer.

7.2 Non-Assignment.

OCII and the Developer acknowledge and agree that OCII is entering into this Agreement and granting the Exclusive Right to the Developer on the basis of the particular experience, financial capacity, skills and capabilities of the Developer and its members. The Exclusive Right is personal to the Developer, is not assignable and the Agreement shall not be assigned or transferred except by the prior written consent of OCII, which may be given, withheld or conditioned in OCII's sole and absolute discretion.

8. Default and Remedies.

8.1 Events of Default by the Developer.

The occurrence of any of the following shall constitute an event of default on the part of the Developer after OCII gives notice of the default specifying in reasonable detail the basis for the determination of the default:

(a) Failure to pay any sums due under this Agreement within thirty (30) days after written notice by OCII.

(b) Failure to perform or abide by any material provision of this Agreement, including a performance milestone contained in the ENA Schedule of Performance, as it may be extended.

(c) Any material breach of any representation and warranty made by the Developer under Section 9 or any other provision of this Agreement.

(d) Any assignment, attempted assignment or Significant Change in violation of Section 7.2.

(e) Any filing of a petition to have the Developer or any affiliate of Developer adjudicated insolvent and unable to pay its debts as they mature or a petition for reorganization liquidation or arrangement under any bankruptcy or insolvency law, or any assignment for the benefit of creditors, or seeking appointment of a trustee, receiver, liquidator of the Developer or any substantial part of the Developer's assets, if such petition is not dismissed within sixty (60) days.

(f) The debarment or prohibition of the Developer from doing business with any federal, state or local governmental agency, or any debarment or prohibition of any affiliate of the Developer from doing business with any federal, state or local governmental agency to the extent such debarment or prohibition of the affiliate could affect the redevelopment of the Site as contemplated hereby.

(g) Failure to procure or maintain any of the insurance coverage required hereunder so that there is a lapse in required coverage and such breach is not cured within two (2) days.

(h) The occurrence of an uncured default under the terms of the Predevelopment Loan Agreement.

(i) Failure to notify OCII of any material adverse change in the financial condition of the Developer that affects the Developer's ability to complete the Project.

8.2 Remedies of OCII.

(a) In the event of a default by the Developer, except as otherwise provided in this ENA, the Developer shall have thirty (30) days from the receipt of written notice from OCII to cure such default, or, if such default cannot reasonably be cured within such 30-day period, the Developer shall commence action to cure such failure within such 30-day period and diligently and continuously prosecute such action to completion, but in any event no longer than 90 days from the receipt of written notice from OCII to cure such default.

(b) If, after the time provided in Section 8.2(a) above, Developer has not cured the default, OCII may exercise any or all of the following exclusive remedies available to it under this Agreement: (i) terminating the ENA, (ii) retaining the Performance Deposit; and/or (iii) exercising its rights under the Work Product security described below in Section 8.2 (c). If OCII chooses to terminate the ENA, OCII shall provide written notice to Developer of such termination, the ENA shall be terminated as of the date of the notice, and neither party shall have any rights against or liability to the other, except those provisions that are specified to survive such termination shall remain in full force and effect.

(c) Plans, Specifications, Reports and Studies. If OCII terminates this ENA, then subject to the proprietary rights of their authors and any confidentiality agreements and privileges recognized by applicable law, the Developer shall deliver to OCII copies of any and all reports, studies, document lists and plans regarding the redevelopment of the Site in the Developer's possession or prepared by or on behalf of the Developer (the Developer's "**Work Product**"). The Developer shall deliver its Work Product within ten (10) days after written demand from OCII, which obligation shall survive the termination of this Agreement. OCII may use the Work Product for any purpose relating to the Site, provided that OCII shall release the Developer and the Developer's contractor, architect, engineer and other consultants from any losses arising out of the OCII's use of such documents except to the extent that OCII retains any of them and they agree to such continued liability. The Developer and OCII acknowledge that the Work Product also serves as security pursuant to the Predevelopment Loan Agreement and that the provisions of Sections 3.1 and 24.21 of the Predevelopment Loan Agreement shall govern the assignment of the Work Product to OCII.

8.3 Termination and Developer's Risk.

The Developer acknowledges and agrees that, except as otherwise provided under the Predevelopment Loan Agreement, it is proceeding at its own risk and expense until such time as the Ground Lease is approved and without any assurance that the Ground Lease will be approved.

8.4 Damages.

The parties have agreed that OCII's actual damages in the event of a failure to approve, execute and deliver the Ground Lease due to a default by the Developer would be extremely difficult or impracticable to determine. After negotiation, the parties have agreed that, considering all the circumstances existing on the date of this ENA, the amount of the Performance Deposit together with all accrued interest thereon, as herein provided, is a reasonable estimate of the damages that OCII would incur in such event.

IF THE PARTIES DO NOT REACH AGREEMENT ON THE GROUND LEASE OR THE GROUND LEASE IS NOT APPROVED, EXECUTED AND DELIVERED AS CONTEMPLATED HEREBY DUE, IN EITHER INSTANCE, TO ANY DEFAULT BY THE DEVELOPER UNDER THIS ENA, THEN, WITHOUT LIMITING ANY OF ITS OTHER REMEDIES HEREUNDER, AT LAW OR IN EQUITY, OCII SHALL BE ENTITLED TO RETAIN THE PERFORMANCE DEPOSIT, TOGETHER WITH ALL ACCRUED INTEREST THEREON, AS HEREIN PROVIDED, AS LIQUIDATED DAMAGES. BY PLACING THEIR RESPECTIVE INITIALS BELOW, EACH PARTY SPECIFICALLY CONFIRMS THE ACCURACY OF THE STATEMENTS MADE ABOVE AND THE FACT THAT EACH PARTY WAS REPRESENTED BY COUNSEL WHO EXPLAINED, AT THE TIME THIS ENA WAS MADE, THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION.

INITIALS: OCII _____ Developer ______ ______

9. Representations and Warranties of the Developer.

9.1 Representations and Warranties.

The Developer represents, warrants and covenants as follows:

(a) Valid Existence; Good Standing. Developer is a California limited partnership duly organized and validly existing under the laws of the State of California. The Developer has all requisite power and authority to own its property and conduct its business as presently conducted. The Developer has made all filings and is in good standing in the jurisdiction of the State of California.

(b) Authority. The Developer has all requisite power and authority to execute and deliver this Agreement and the agreements contemplated by this Agreement and to carry out and perform all of the terms and covenants of this Agreement.

(c) No Limitation on Ability to Perform. Neither the Developer's partnership agreement or any other agreement or law in any way prohibit, limit or otherwise affect the right or power of the Developer to enter into and perform all of the terms and covenants of this Agreement. The Developer is not a party to or bound by any contract, agreement, indenture, trust agreement, note, obligation or other instrument, which could prohibit, limit or otherwise affect the same. No consent, authorization or approval of, or other action by, and no notice to or filing with, any governmental authority, regulatory body or any other person or entity is required for the due execution, delivery and performance by the Developer of this Agreement or any of the terms and covenants contained in this Agreement. There are no pending or threatened suits or proceedings or undischarged judgments affecting the Developer before any court, governmental agency, or arbitrator which might materially adversely affect the enforceability of this Agreement, the ability of the Developer to perform the transactions contemplated by this Agreement or the business, operations, assets or condition of the Developer.

(d) Valid Execution. The execution and delivery of this Agreement and the agreements contemplated hereby by the Developer have been duly and validly authorized by all necessary actions. This Agreement will be a legal, valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms. The Developer will provide to OCII a written resolution of the Developer authorizing the execution of this Agreement and the agreements contemplated by this Agreement.

(e) Defaults. The execution, delivery and performance of this Agreement do not and will not violate or result in a violation of, contravene or conflict with, or constitute a default under (A) any agreement, document or instrument to which the Developer may be bound or affected, (B) any law, statute, ordinance, regulation, or (C) the partnership agreement of the Developer.

(f) Meeting Financial Obligations; Material Adverse Change. The Developer is meeting its current liabilities as they mature; no federal or state tax liens have been filed against it; and the Developer is not in default or claimed default under any agreement for borrowed money. The Developer shall immediately notify OCII of any material adverse change in the financial condition of the Developer that affect the Developer's ability to complete the Project and such material adverse change shall constitute a default under this Agreement, subject to the cure and remedy provisions of Section 8.

(g) Conflicts of Interest. The Developer is familiar with conflict of interest requirements, including (i) Section 87100 *et seq*. of the California Government Code, which provides that no member, official or employee of OCII, may have any personal interest, direct or indirect, in this Agreement nor shall any such member, official or employee participate in any decision relating to this Agreement which affects her or his personal interest or the interests of any corporation, partnership or association in which she or he is interested directly or indirectly and (ii) OCII's Personnel Policy, which prohibits former OCII employees and consultants from working on behalf of another party on a matter in which they have participated personally and substantially unless OCII consents to such scope of work. As to the provisions referred to in clause (i), the Developer does not know of any facts that constitute a violation of such provisions. As to the policy in clause (ii), the Developer has disclosed to OCII in writing any and all personnel or consultants covered by such policy as of the date of this Agreement, and concurrently herewith the OCII Commission has elected to waive or not to waive the conflict as to such specific personnel or consultants.

(h) Skill and Capacity. The Developer has the skill, resources and financial capacity to acquire, manage and fully redevelop the Site consistent with the development opportunity described in the RFP.

(i) Consultants. As of the date of this Agreement, the Developer has retained the following consultants in connection with the proposed redevelopment of the Site: Leddy Maytum Stacy Architects (planning and architecture) California Housing Partnership Corporation (financial consulting), and Monica Wilson/Community + Real Estate Development and LeBlanc and Associates (workforce and contracting). The Developer shall promptly notify OCII of the termination of any consultant previously approved by OCII, and the Developer shall, to the extent required to fulfill its obligations under this Agreement, replace such consultant with a new consultant reasonably approved by OCII. In addition, the Developer shall promptly notify OCII of the addition of any new consultant associated with the Project. Nothing herein shall limit the provisions of subsection (g) above regarding conflicts of interest.

(j) Not Prohibited from Doing Business. The Developer (nor any affiliates of any of the foregoing) have been debarred or otherwise prohibited from doing business with any local, state or federal governmental agency.

(k) Business Licenses. The Developer has obtained all licenses required to conduct its business in the City and is not in default of any fees or taxes due to the City.

(l) No Claims. The Developer does not have any claim, and shall not make any claim, against OCII and the City, or either of them, or against the Site, or any present or future interest of OCII or the City therein, directly or indirectly, by reason of: any aspect of the RFP or the developer selection process; any statements, representations, acts or omissions made by OCII's and/or City's respective officers, commissioners, employees or agents with regard to the Site or any aspect of the negotiations under this Agreement; and OCII's exercise of discretion, decision and judgment in conformance with this Agreement.

9.2 Continued Accuracy.

If at any time during the Exclusive Negotiations Period any event or circumstance occurs that would render inaccurate or misleading any of the foregoing representations or warranties, the Developer shall immediately notify OCII thereof. It will be an event of default without the requirement of OCII notice specified in Section 8.1, above, if the Developer does not cure such inaccuracy within ten (10) days from the date on which the Developer was obligated to notify OCII and OCII shall have the rights and remedies provided in this Agreement, at equity and in law.

9.3 Survival.

The representations and warranties in this Section 9 shall survive any termination of this Agreement.

10. Notices.

A notice or communication under this Agreement by either party to the other shall be sufficiently given or delivered if dispatched by hand or by registered or certified mail, postage prepaid, addressed as follows:

(i) In the case of a notice or communication to OCII:

Office of Community Investment and Infrastructure
Successor Agency to the San Francisco Redevelopment Agency
1 South Van Ness, 5th Floor
San Francisco, CA 94103
Attn: Executive Director

OCII General Counsel:
Office of Community Investment and Infrastructure
1 South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
Attn: James B. Morales
james.morales@sfgov.org

(ii) And in the case of a notice or communication sent to the Developer:

BRIDGE Housing Corporation
600 California Street, #900
San Francisco, CA 94108
Attn: President & Chief Executive Officer

Community Housing Partnership
20 Jones Street
San Francisco, CA 94102
Attn: Chief Executive Officer

For the convenience of the parties, copies of notice may also be given by email.

Every notice given to a party hereto, pursuant to the terms of this Agreement, must state (or must be accompanied by a cover letter that states) substantially the following:

(a) the Section of this Agreement pursuant to which the notice is given and the action or response required, if any;

(b) if applicable, the period of time within which the recipient of the notice must respond thereto;

(c) if approval is being requested, shall be clearly marked "Request for Approval under the Mission Bay South Redevelopment Project Area, Mission Bay Block 9, Exclusive Negotiations Agreement;" and

(d) if a notice of disapproval or an objection, which requires reasonableness, shall specify with particularity the reasons therefor.

Any mailing address or email address may be changed at any time by giving written notice of such change in the manner provided above at least ten (10) days prior to the effective date of the change. All notices under this Agreement shall be deemed given, received, made or communicated on the date personal receipt actually occurs or, if mailed, on the delivery date or attempted delivery date shown on the return receipt.

11. General Provisions.

11.1 Amendments.

This Agreement may be amended or modified only by a written instrument executed by OCII and the Developer.

11.2 Severability.

If any provision of this Agreement, or its application to any person or circumstance, is held invalid by any court, the invalidity or inapplicability of such provision shall not affect any other provision of this Agreement or the application of such provision to any other person or circumstance, and the remaining portions of this Agreement shall continue in full force and effect, unless enforcement of this Agreement as so modified by and in response to such invalidation would be unreasonable or grossly inequitable under all of the circumstances or would frustrate the fundamental purposes of this Agreement. Without limiting the foregoing, in the event that any applicable federal or state law prevents or precludes compliance with any material term of this Agreement, the parties shall promptly modify, amend or suspend this Agreement, or any portion of this Agreement, to the extent necessary to comply with such provisions in a manner which preserves to the greatest extent possible the benefits to each of the parties to this Agreement and to the Developer before such conflict with federal or state law. However, if such amendment, modification or suspension would deprive OCII or the Developer of the substantial benefits derived from this Agreement or make performance unreasonably difficult or expensive, then the affected party may terminate this Agreement upon written notice to the other party. In the event of such termination, neither party shall have any further rights nor obligations under this Agreement except as otherwise provided herein.

11.3 Non-Waiver.

No waiver made by either party with respect to the performance, or manner or time of performance, or any obligation of the other party or any condition to its own obligation under this Agreement will be considered a waiver with respect to the particular obligation of the other party or condition to its own obligation beyond those expressly waived to the extent of such waiver, or a waiver in any respect in regard to any other rights of the party making the waiver or any other obligations of the other party.

11.4 Non-Liability.

No member, official, agent or employee of OCII or the City will be personally liable to the Developer, or any successor in interest (if and to the extent permitted under this Agreement), in an event of default by OCII or for any amount that may become due to the Developer or successor or on any obligations under the terms of this Agreement. No director, officer, agent or employee or affiliate of the Developer or Developer's affiliates will be personally liable to OCII in an event of default by the Developer or for any amount that may become due to OCII or on any obligations under the terms of this Agreement.

11.5 Successors and Assigns; Third Party Beneficiary.

This Agreement shall inure to the benefit of and bind the respective successors and assigns of OCII and the Developer, subject to the limitations on assignment by the Developer set forth in Section 7 above. This Agreement is for the exclusive benefit of the parties hereto and not for the benefit of any other person and shall not be deemed to have conferred any rights, express or implied, upon any other person.

11.6 Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of California. As part of the consideration for OCII's entering into this Agreement, the Developer agrees that all actions or proceedings arising directly or indirectly under this Agreement may, at OCII's sole option, be litigated in courts located within the County of San Francisco, State of California, and the Developer expressly consents to the jurisdiction of any such local, state or federal court, and consents that any service of process in such action or proceeding may be made by personal service upon the Developer wherever the Developer may then be located, or by certified or registered mail directed to the Developer at the address set forth in this Agreement.

11.7 Attorneys' Fees and Costs.

If either party fails to perform any of its respective obligations under this Agreement or if any dispute arises between the parties hereto concerning the meaning or interpretation of any provision of this Agreement, then the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party on account of such default or in enforcing or establishing its rights under this Agreement, including, without limitation, court costs and reasonable Attorneys' Fees and Costs (as defined below). Any such Attorneys' Fees and Costs incurred by either party in enforcing a judgment in its favor under this Agreement shall be recoverable separately from and in addition to any other amount included in such judgment, and such Attorneys' Fees and Costs obligation is intended to be several from the other provisions of this Agreement and to survive and not be merged into any such judgment. For purposes of this Agreement, the reasonable fees of attorneys of OCII counsel shall be based on the fees regularly charged by private attorneys who have the equivalent number of years of experience in the relevant subject matter and who practice in law firms in the City.

"**Attorneys' Fees and Costs**" means any and all attorneys' fees, costs, expenses and disbursements, including, but not limited to, expert witness fees and costs, travel time and associated costs, transcript preparation fees and costs, document copying, attachment preparation, courier, postage, facsimile, long-distance and communications expenses, court costs and the costs and fees associated with any other legal, administrative or alternative dispute resolution proceeding, fees and costs associated with execution upon any judgment or order, and costs on appeal.

11.8 Interpretation of Agreement.

(a) Attachments. Whenever an "Attachment" is referenced, it means an attachment to this Agreement unless otherwise specifically identified. All such Attachments are incorporated herein by reference.

(b) Captions. Whenever a section, article or paragraph is referenced, it refers to this Agreement unless otherwise specifically identified. The captions preceding the articles and sections of this Agreement have been inserted for convenience of reference only. Such captions shall not define or limit the scope or intent of any provision of this Agreement.

(c) Words of Inclusion. The use of the term "including," "such as" or words of similar import when following any general term, statement or matter shall not be construed to limit such term, statement or matter to the specific items or matters, whether or not language of non-limitation is used with reference thereto. Rather, such terms shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such statement, term or matter.

(d) References. Wherever reference is made to any provision, term or matter "in this Agreement," "herein" or "hereof" or words of similar import, the reference shall be deemed to refer to any and all provisions of this Agreement reasonably related thereto in the context of such reference, unless such reference refers solely to a specific numbered or lettered, section or paragraph of this Agreement or any specific subdivision thereof.

(e) Recitals. In the event of any conflict or inconsistency between the recitals and any of the remaining provisions of this Agreement, the remaining provisions of this Agreement shall prevail.

(f) No Presumption Against Drafter. This Agreement has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein. In addition, each party has been represented by experienced and knowledgeable legal counsel. Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to affect the purposes of the parties and this Agreement.

11.9 Entire Agreement.

This Agreement, including the Attachments, contains all the representations and the entire agreement between the parties with respect to the subject matter of this Agreement. Any prior correspondence, memoranda, agreements, warranties or representations relating to such subject matter are superseded in total by this Agreement. No prior drafts of this Agreement or changes from those drafts to the executed version of this Agreement shall be introduced as evidence in any litigation or other dispute resolution proceeding by either party or any other person and no court or other body shall consider those drafts in interpreting this Agreement.

11.10 Time for Performance.

(a) Expiration. All performance dates, including cure dates, expire at 5:00 p.m., San Francisco, California time, on the performance or cure date.

(b) Weekends and Holidays. A performance date, which falls on a Saturday, Sunday, or City holiday is deemed extended to the next working day.

(c) Days for Performance. All periods for performance specified in this Agreement in terms of days shall be calendar days, and not business days, unless otherwise expressly provided in this Agreement.

(d) Time of the Essence. Time is of the essence with respect to each provision of this Agreement, including, without limitation, each milestone set forth in the attached Schedule of Performance.

11.11 Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

11.12 Approvals and Consents.

Unless this Agreement otherwise expressly provides, all approvals, consents or determinations to be made by or on behalf of (i) OCII under this Agreement shall be made by the OCII's Executive Director or her designee and (ii) the Developer under this Agreement shall be made by the President and Chief Executive Officer of BRIDGE Housing Corporation and the Chief Executive Officer of Community Housing Partnership (the "**Developer Representative**") or such other employee or agent of the Developer as the Developer may designate to act as the Developer Representative for a particular matter. Unless otherwise herein provided, whenever approval, consent or satisfaction is required of a party pursuant to this Agreement, it shall not be unreasonably withheld or delayed. The reasons for disapproval shall be stated in reasonable detail in writing. Approval by the Developer or OCII to or of any act or request by the other shall not be deemed to waive or render unnecessary approval to or of any similar or subsequent acts or requests.

11.13 Real Estate Commissions.

The Developer and OCII each represents to the other that it engaged no broker, agent or finder in connection with this Agreement or the transactions contemplated hereby. In the event any broker, agent or finder makes a claim, the party through whom such claim is made agrees to indemnify the other party from any Losses arising out of such claim.

11.14 Survival.

Following expiration of the Exclusive Negotiations Period, this Agreement shall be deemed terminated and of no further force and effect except for any provision which, by its express terms, survive the expiration or termination of this Agreement. Upon termination of this Agreement (other than a termination due to a default by OCII), the Developer shall furnish copies of plans, specifications, studies and reports to OCII as provided in Section 8.2(c).

11.15 Nondiscrimination and Small Business Enterprise Policy.

(a) There shall be no discrimination against or segregation of any person, or group of persons, on account of race, color, religion, creed, national origin or ancestry, sex, gender identity, age, marital or domestic partner status, sexual orientation or disability (including HIV or AIDS status) in the performance of this Agreement. The Developer will ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, creed, national origin or ancestry, sex, gender identity, age, marital or domestic partner status, sexual orientation or disability (including HIV or AIDS status). Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; selection for training, including apprenticeship; and provision of any services or accommodations to clients or the general public.

(b) The Developer will, in all solicitations or advertisements for employees placed by it or on its behalf, state it is an equal opportunity employer.

(c) The Developer will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement so that such provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

(d). If the Developer intends to utilize subcontractors in the provision of services under this Agreement, it must consult with OCII's Contract Compliance Division and comply with OCII's Small Business Enterprise Policy.

(e). The Developer agrees not to discriminate in the provision of benefits between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, and shall comply fully with all provisions of the OCII's Nondiscrimination in Contracts Policy, adopted by Resolution No. 175-97, as such Policy may be amended from time to time.

(f) The Developer shall provide all services to the public under this Contract in facilities that are accessible to persons with disabilities as required by state and federal law.

11.16 <u>Compliance With Minimum Compensation Policy And Health Care Accountability Policy.</u>

The Developer agrees, as of the date of this Contract and during the term of this Contract, to comply with the provisions of OCII's Minimum Compensation Policy and Health Care Accountability Policy (the "**Policies**"), adopted by Resolution 168-2001, as such policies may be amended from time to time. Such compliance includes providing all "Covered Employees," as defined under Section 2.7 of the Policies, a minimum level of compensation and offering health plan benefits to such employees or to make payments to the City and County of San Francisco's Department of Public Health, or to participate in a health benefits program developed by the City and County of San Francisco's Director of Health.

11.17 <u>Relationship of the Parties</u>.

The subject of this Agreement is a private development with neither party acting as the agent of the other party in any respect. None of the provisions in this Agreement shall be deemed to render OCII a partner in the Developer's business, or joint venturer or member in any joint enterprise with the Developer.

11.18 <u>Cooperation</u>.

In connection with this Agreement, the Developer and OCII shall reasonably cooperate with one another to achieve the objectives and purposes of this Agreement. In so doing, the Developer and OCII shall each refrain from doing anything that would render its performance under this Agreement impossible and each shall do everything that this Agreement contemplates that the Party shall do to accomplish the objectives and purposes of this Agreement. Without limiting the forgoing, Developer and OCII will act reasonably and cooperate in reviewing and implementing OCII contract compliance provisions.

(signatures begin on following page)

IN WITNESS WHEREOF, OCII and the Developer have duly executed and delivered this Agreement as of the date first written above.

OCII, as Successor Agency to the Redevelopment Agency of the City and County of San Francisco, a public body, organized and existing under the laws of the State of California:

By: ___________________________________

Nadia Sesay
Executive Director

APPROVED AS TO FORM:

By: ___________________________________

James B. Morales
Agency General Counsel

DEVELOPER:

Mission Bay 9 LP, a California Limited Partnership

By: Mission Bay 9 LLC, a California limited liability company, its managing general partner

By: BRIDGE Housing, a California nonprofit public benefit corporation, its co-member

By: __________________________

Ann Silverberg, Executive Vice President

By: Community Housing Partnership, a California nonprofit public benefit corporation, its co-member

By: __________________________

Gail Gilman, Chief Executive Officer

Authorized by OCII Resolution No. __-2018, adopted February 20, 2018.

EXCLUSIVE NEGOTIATIONS AGREEMENT

LIST OF ATTACHMENTS

ATTACHMENT 1	Site Description
ATTACHMENT 2	ENA Schedule of Performance
ATTACHMENT 3	ENA Scope of Development
ATTACHMENT 4	Form of Option to Ground Lease

ATTACHMENT 1

Site Description

Real property in the City and County of San Francisco, State of California, described as follows:

Housing Parcel:
Mission Bay Block 9 is located in the Mission Bay South Redevelopment Area, and is a flat parcel of approximately 47,437 square feet. The block's frontage is as follows: 172.5 feet along Mission Rock Street and China Basin Street, 275.0 feet along Block 8 (the Public Safety Building) and the future extension of Bridgeview Way. The Block is currently vacant.

Block 8719, Lot 003

Bridgeview Way Parcel:
The parcel to be developed as an extension of Bridgeview Way is located in the Mission Bay South Redevelopment Area, and is a flat parcel of approximately 18,906 square feet. The parcel's frontage is as follows: 68.75 feet along Mission Rock Street and China Basin Street, and 275 feet along Blocks 9 and 9A. The Block is currently vacant.

Block 8719, Lot 004

ATTACHMENT 2

ENA Schedule of Performance

No.	**Task[1]**	**Deadline**	**Completed**
1.	Submit a preliminary financing plan acceptable to OCII.	7/27/2017	7/27/2017
2.	Submit design concept drawings acceptable to OCII as described in Attachment 3.	7/27/2017	7/27/2017
3.	Submit schematic design drawings acceptable to OCII. The submission shall include the items specified in Attachment 3.	5/1/2019	
4.	Identify a general contractor and obtain a cost estimate based on the schematic design acceptable to OCII.	6/1/2019	
5.	Submit design development documents and cost estimates. The submission shall include the items specified in Attachment 3 unless otherwise amended.	9/1/2019	
6.	Execution of Option to Enter into Ground Lease for CDLAC Application	2/1/2020	
7.	Execution of Ground Lease Agreement.	10/1/2020	

[1] If the Successor Agency Commission approves the use of modular units or components for the design and construction of the Project, the Tasks under this Schedule of Performance will be deemed to include that construction technology.

ATTACHMENT 3

ENA Scope of Development

The development will include construction of approximately 141 units of affordable rental housing for formerly homeless person, referred to the Project by the Department of Homelessness and Supportive Housing ("HSH"). Units will be affordable to households earning up to 60% of area median income (as defined by MOHCD). Units will be comprised of 122 furnished studios, 18 furnished studio-plus units (intended to accommodate those with in-home care needs), and 1 one-bedroom manager's unit. Unit sizes will be approximately:

- 390 square feet for studio units
- 500 square feet for studio-plus units

If the Successor Agency Commission approves the use of modular units or components for the design and construction of the Project, the Scope of Development will be deemed to include that construction technology.

The Project will include on-site supportive services and property management with 24-hour desk coverage. Services will be designed to serve high needs individuals with a history of chronic homelessness. Services may include, but are not limited to, intensive case management, resident engagement, behavioral health services, housing retention, employment training, and transitional employment services; as well as health services including nursing, psychiatric care, primary medical, mental health, and substance use disorder treatment. The specific nature and extent of supportive services shall be determined by the sponsor in cooperation with OCII and HSH.

Development amenities will include:

- Services and management suites, and staff break room;
- Large resident courtyard;
- Community room with kitchen;
- Resident lounge;
- Shared laundry room;
- Linen/storage closets on each floor for in-home care providers;
- Bicycle parking and repair station;
- De-bug room for pest control;
- Two parking spaces for staff and/or deliveries;
- Public room for community events; and
- Community garden along Bridgeview Way.

The Project also includes the construction and ongoing maintenance (which OCII shall cause to be funded in part by the development on Block 9A, when complete) of Bridgeview Way, a pedestrian oriented crossing through Blocks 9 and 9A.

<u>ATTACHMENT 4</u>

OPTION TO GROUND LEASE AGREEMENT

OPTION TO GROUND LEASE AGREEMENT

This Option to Ground Lease Agreement (the **"Agreement"**) is entered into as of this **____** day of **___________**, 20**_____**, by and between SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, hereafter referred to as the Office of Community Investment and Infrastructure, a public body, organized and existing under the laws of the State of California (the "**Successor Agency**" or "**OCII**") and Mission Bay 9 LP, a California limited partnership, and its permitted assignees hereunder ("**Optionee**"), with reference to the following facts:

RECITALS

A. The former Redevelopment Agency and FOCIL-MB, LLC, a Delaware limited liability company ("FOCIL" or "Owner") are the parties to that certain Mission Bay South Owner Participation Agreement dated November 16, 1998 (the "South OPA") recorded on December 3, 1998 in the Official Records of the City and County of San Francisco as Document 98-G477258. The South OPA provides for the redevelopment of certain real property owned by FOCIL which is located in the South Plan Area, which is bounded by Seventh Street, Mariposa Street, relocated Terry Francois Boulevard and China Basin Channel and containing approximately two hundred thirty-eight (238) acres of land (as more particularly described in the South OPA).

B. Pursuant to Attachment C – Mission Bay South Housing Program, of the South OPA (the "Housing Program") approximately twenty-eight (28) acres in the South Plan Area are designated for development by FOCIL with up to three thousand (3,000) Residential Units (the "Total Units"). OCII anticipates development by Qualified Housing Developers of up to eleven hundred (1,100) affordable units (the "Affordable Housing Units"). The Affordable Housing Units will be built on up to 12.2 acres (forty-two percent (42%) of the total housing acreage in the South Plan Area) which land is to be contributed to OCII by FOCIL. FOCIL may develop up to nineteen hundred (1,900) Market Rate Residential Units as the remainder of the Total Units allowed to be developed in the South Plan Area.

C. FOCIL is the fee owner of those certain parcels located in the City and County of San Francisco ("**City**") identified as Block 8719, Lot 003 and Block 8719, Lot 004 of that certain map entitled "Final Map Planned Development Mission Bay (9-9A and 10-10A)", recorded on May 31, 2005 and filed on pages 6-10 in Book BB of the County's Survey Maps and known as Mission Bay Block 9 (the "**Property**").

D. Pursuant to the South OPA including the Housing Program, the Owner is required from time to time to designate certain property as Agency Affordable Housing parcels, and to grant to OCII an option, on specified terms and conditions, to acquire such Agency Affordable Housing Parcels for the development and construction of Affordable Housing Units.

E. Pursuant to the Memorandum of Option dated June 14, 2006 recorded on July 7, 2006 in the Official Records of the City and County of San Francisco as Document 2006-I209319-00, FOCIL has designated OCII and OCII has accepted the designation of the real property Block 8719, Lot 003 more particularly described in Exhibit A attached hereto as an

Agency Affordable Housing parcel, and FOCIL granted to OCII an option to acquire fee title to such property upon the terms and conditions contained in the Housing Program.

F. The OPA requires affordable housing and market rate housing to be developed concurrently pursuant to calculations described in Section 2.6 of Attachment C – Mission Bay South Housing Program and more particularly described in Exhibit B attached hereto.

G. The Optionee is a limited partnership comprised of its general partner, Mission Bay 9 LLC, an affiliate of BRIDGE Housing Corporation, and Community Housing Partnership. The Optionee desires to develop the Property with approximately 141 multifamily units available to formerly homeless persons, including certain ancillary uses ("the **Project**") on a portion of the **Property**.

H. The Optionee intends to develop the Project with 4% and 9% Low Income Housing Tax Credits, tax-exempt bonds, local funds, and other sources, as necessary.

I. In order to apply for Project financing, Optionee desires to obtain from OCII, and OCII desires to grant to Optionee, upon the specific terms and conditions set forth in this Agreement, the exclusive right and option to lease the Property.

NOW, THEREFORE, IN CONSIDERATION OF RECITALS HEREOF AND THE MUTUAL PROMISES CONTAINED IN THIS AGREEMENT, THE PARTIES AGREE AS FOLLOWS:

AGREEMENT

SECTION 1. **<u>Grant of Option</u>**. OCII grants to Optionee the option to ground lease the Property for the consideration and under the terms and conditions set forth in this Agreement **(**the "**Option**").

SECTION 2. **Term of Option: Exercise.**

a. <u>Term and Extension of Term.</u> The term of the Option shall be for a period commencing on the date of this Agreement and ending on or before February 20, 2020, (the **"Initial Term"**) unless extended (the Initial Term, plus any extension, referred to herein as the **"Term"**). So long as the Optionee is not then in default under this agreement or any other agreements with OCII, Optionee may request up to two 6 month extensions of the Initial Term by giving written notice, accompanied by payment of One Dollar ($1.00) (the **"Extension Payment"**), to OCII, at any time prior to the expiration of the Initial Term. The extension is subject to the approval of the OCII Executive Director. The Extended Term shall commence on 12:01 A.M. on the day immediately following the expiration of the Initial Term and shall end on August 20, 2020 for the first extension and February 20, 2021 for the second extension. During the Term, Optionee and OCII staff agree to negotiate in good faith to complete all of the terms and conditions of the ground lease of the Property from OCII to Optionee consistent with this Agreement (upon completion of such negotiations, the **"Ground Lease"**). The final terms of the Ground Lease must be agreed to by Optionee and OCII, and approved by the OCII Commission, before Optionee's exercise of the Option. The Term shall end on the dates set forth above or, if earlier, on the effective date of the Ground Lease.

b. Exercise of Option. At any time following approval of the Ground Lease by the OCII Commission and before the expiration of the Term, so long as the Optionee is not then in default under this agreement or any other agreements with OCII, Optionee may exercise the Option by giving written notice to OCII (the "**Option Notice**"). The form of Ground Lease, as drafted by staff, will be subject to approval by the OCII Commission.

c. Expiration. The Option shall expire at midnight on the last day of the Term. If the expiration date of the Term falls on a Saturday, Sunday or legal holiday in the State of California, then the Option may be exercised on the next following business day. Upon termination of the Option and a written request by OCII, Optionee shall sign and deliver a quitclaim deed or such other document as may be reasonably required by OCII to evidence the termination of the Option.

SECTION 3. **Option Consideration**. The Option is granted in consideration of Optionee's obligation to negotiate in good faith for the Ground Lease and for the advancement of the Project. The Option consideration is related to the Option only and in no way relates to Ground Lease payments that will be owed to OCII. In addition, concurrently with the execution of this Agreement, Optionee shall pay and deliver to OCII $100 as separate and independent consideration ("Independent Consideration") for OCII's execution of this Agreement. The Independent Consideration is non-refundable to Optionee in the event this Agreement terminates prior to Optionee's execution of the Option.

SECTION 4. **Ground Lease of the Project Property**. OCII staff shall prepare the initial form of ground lease substantially in the form used by OCII for projects in which OCII is the fee owner of a particular property that will be developed for affordable housing. The Ground Lease shall be in accordance with the following:

a. Term of Ground Lease. The Ground Lease shall become effective immediately following the full execution by the parties and shall end seventy-five (75) years from the date of construction completion of the Project, provided that the tenant shall have an option to extend the term for an additional twenty-four (24) years for no additional consideration (but rent shall continue during any extended term as set forth below).

b. Taxes and Assessments. The tenant shall be responsible for the payment of any and all property taxes and assessments levied against the leasehold estate and the Property during the entire term of the Ground Lease subject to any abatement available therefrom.

c. Project Use. The Property shall be used during the term of the Ground Lease only for affordable housing, specifically the construction, operation, maintenance and repair or reconstruction of a multifamily residential development with approximately 141 units available to extremely low income and low income households as well as certain ancillary uses. The maximum rent and income levels shall be set at no greater than 60% of area median income, defined as the area median income as determined by the United States Department of Housing and Urban Development for the San Francisco area, adjusted solely for household size, but not high housing cost area. If required by the Project's tax credit investor based on the Project's residual analysis test, and if approved by the OCII Executive Director in his or her reasonable discretion, the Ground Lease may permit increases in the maximum rent and income levels after the 55th year of the Ground Lease term, but such increases shall be limited only to the extent necessary to satisfy the tax credit investor's residual analysis test.

d. Rent. The tenant shall pay the landlord annual rent in the amount of ten percent (10%) of the land value of the Property (as determined by a MAI appraiser selected by, and at the sole cost of, the tenant, and set in the Ground Lease), consisting of $15,000 in base rent and the remainder in residual rent. The residual rent shall be payable only to the extent proceeds are available from the Project. The annual rent shall be adjusted on the fifteenth (15th) anniversary of the expiration of the first full calendar year of the lease term, and every fifteen (15) years thereafter, and shall be equal to ten percent (10%) of then appraised value of the land as determined by a MAI appraiser selected by, and at the sole cost of, the tenant. Any such adjustment shall be made to the residual rent and not the base rent. If required by the Project's tax credit investor based on the Project's residual analysis test, and if approved by the MOHCD Director in his or her reasonable discretion, residual rent shall only be payable after full repayment of any residual-receipts loan provided by OCII. During any year in which there is a Local Operating Subsidy provided to the Project, the base rent and residual rent shall be $1.

e. Construction and Operation of the Project. The tenant shall be responsible, at its sole cost, for construction, operation, and maintenance of the Project during the Ground Lease term.

f. Title to the Property. The Ground Lease shall provide that OCII will own fee title to the land comprising the Property, and the Optionee will own fee title to all improvements constructed or otherwise located on the land, during the Ground Lease term.

g. Disposition of Improvements at End of Lease. At the end of the Ground Lease term, fee title to all the improvements shall vest in OCII without further action of any party, without any obligation by OCII to pay any compensation therefor to the tenant and without the necessity of a deed from the tenant to OCII.

h. Mortgagee Protections. The Ground Lease shall include standard mortgagee protection provisions.

i. Defaults; Right to Cure. OCII will provide any notice of any defaults under the Ground Lease to the tenant's limited partners and lenders, and allow any such parties the right to cure a default by the tenant under the Ground Lease. Pursuant to the terms of the Ground Lease, OCII shall not be entitled to terminate the Ground Lease following any uncured default by the tenant during the fifteen (15) year tax credit compliance period for the Project, except if such default is failure to pay rent.

j. Encumbrances. The Ground Lease will permit the tenant to encumber its leasehold interest in the Property to secure any loans deemed necessary by the tenant, as approved by OCII. Any funds from a loan secured by the Property must be used in or on the Property.

SECTION 5. **Closing.**

a. Expenses. All expenses, fees or costs (except attorneys' fees and costs) incurred in connection with the Ground Lease of the Property, including but not limited to city and county documentary transfer tax, conveyance taxes, recording charges (if any), and costs of title insurance shall be borne by the Optionee. Each party shall bear its own attorneys' fees and costs incurred in connection with negotiation and execution of this Agreement and the Ground Lease.

b. Proration of Taxes. Real property taxes on the Property shall be prorated as of the date of closing of the Ground Lease.

c. Title Insurance**.** The closing of the Ground Lease shall be conditioned on the issuance to the tenant of an ALTA leasehold policy of title insurance, from a title company chosen by the tenant, insuring the tenant's leasehold interest in the Property subject only to reasonable exceptions approved by the tenant.

SECTION 6. **Notices**. All notices or other communications made pursuant to this Agreement shall be in writing and shall be deemed properly delivered, given or served to the parties at the following addresses when (i) mailed by certified mail, postage prepaid, return receipt requested; (ii) sent by express delivery service, charges prepaid with a delivery receipt; or (iii) personally delivered when a delivery receipt is obtained:

OCII:	Office of Community Investment and Infrastructure 1 South Van Ness Avenue, 5th Floor San Francisco, CA 94103 Attn: Executive Director
OCII General Counsel:	Office of Community Investment and Infrastructure 1 South Van Ness Avenue, 5th Floor San Francisco, CA 94103 Attn: James B. Morales
Optionee:	Mission Bay 9 LP c/o BRIDGE Housing Corporation 600 California Street, #900 San Francisco, CA 94108 Attn: President & Chief Executive Officer
	Mission Bay 9 LP c/o Community Housing Partnership 20 Jones Street San Francisco, CA 94102 Attn: Chief Executive Officer

All notices so delivered, mailed or sent shall be deemed received as of the date shown on the delivery receipt as the date of delivery, the date delivery was refused or the date the notice was returned as undeliverable. Either party may change its address for the purposes of this paragraph by giving prior written notice of the change to the other party in the manner provided in this Section 6. Any notice required under this Agreement that is sent by a Party shall be sent to, or contemporaneously copied to, all of the other Parties.

SECTION 7. **Assignment of Option.** Without the prior written consent of OCII, Optionee may assign its rights and obligations under this Agreement to any limited liability company in which Optionee, or its corporate affiliate is the managing general partner, or a limited partnership in which Optionee or its corporate affiliate is a general partner. All other transfers by Optionee shall require the prior written consent of OCII.

SECTION 8. **Binding Effect.** This Agreement and its terms and conditions shall bind upon and inure to the benefit of the parties to this Agreement and their respective successors and permitted assigns.

SECTION 9. **Time.** Time is of the essence of this Agreement.

SECTION 10. **Further Documents.** Upon the reasonable request of the other party, each party will execute, acknowledge and deliver or cause to be executed, acknowledged and delivered, such further instruments and documents as may be reasonably necessary in order to carry out the intent and purpose of this Agreement, including escrow instructions.

SECTION 11. **Commission.** Each party to this Agreement represents to the other party that it has not engaged or used the services of any person, firm or corporation that may claim a broker's commission or finder's fee upon execution of this Agreement or the Ground Lease, and each party to this Agreement agrees to hold the other party harmless from any loss, damage, expense or liability, including attorney's fees, resulting from any claim by any person, firm or corporation based upon its having acted as broker or finder on behalf of said indemnifying party.

SECTION 12. **Captions.** The captions of the paragraphs of this Agreement are for convenience and reference only, and the words contained in the captions shall in no way be held to explain, modify, amplify or aid in the interpretations, constructions or meaning of the provisions of this Agreement.

SECTION 13. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same Agreement.

SECTION 14. **Entire Agreement; Signatures.** This Agreement contains the entire agreement between the parties respecting the matters set forth, and supersedes all prior agreements between the parties respecting the matters set forth.

SECTION 15. **<u>Attorneys' Fees</u>**. In any action between Optionee and OCII to enforce or interpret any of the terms of this Agreement, the prevailing party shall be entitled to recover costs of suit and expenses including, without limitation, reasonable attorneys' fees.

SECTION 16. **<u>Effective Date</u>.** Notwithstanding anything to the contrary contained herein, this Agreement shall not be effective until the date on which the OCII Commission enacts a resolution approving and authorizing this Agreement and the transactions contemplated hereby, following execution of this Agreement by both parties.

IN WITNESS WHEREOF, Optionee and OCII have executed this Agreement as of the date first written above.

OCII:

Office of Community Investment and Infrastructure, Successor Agency to the Redevelopment Agency of the City and County of San Francisco, a public body, organized and existing under the laws of the State of California

By: ___________________________

Nadia Sesay
Executive Director

APPROVED AS TO FORM:

By: ___________________________

James B. Morales
General Counsel

OPTIONEE:

Mission Bay 9 LP, a California limited partnership

By: Mission Bay 9 LLC, a California limited liability company, its managing general partner

By: BRIDGE Housing, a California nonprofit public benefit corporation, its co- member

By: _____________________

Ann Silverberg, Executive Vice President

By: Community Housing Partnership, a California nonprofit public benefit corporation, its co-member

By: _____________________

Gail Gilman, Chief Executive Officer

EXHIBIT A

Property Description

Real property in the City and County of San Francisco, State of California, described as follows:

Housing Parcel:
Mission Bay Block 9 is located in the Mission Bay South Redevelopment Area, and is a flat parcel of approximately 47,437 square feet. The block's frontage is as follows: 172.5 feet along Mission Rock Street and China Basin Street, 275.0 feet along Block 8 (the Public Safety Building) and the future extension of Bridgeview Way. The Block is currently vacant.

Block 8719, Lot 003

Bridgeview Way Parcel:
The parcel to be developed as an extension of Bridgeview Way is located in the Mission Bay South Redevelopment Area, and is a flat parcel of approximately 18,906 square feet. The parcel's frontage is as follows: 68.75 feet along Mission Rock Street and China Basin Street, and 275 feet along Blocks 9 and 9A. The Block is currently vacant.

Block 8719, Lot 004

EXHIBIT B -1

Context Map

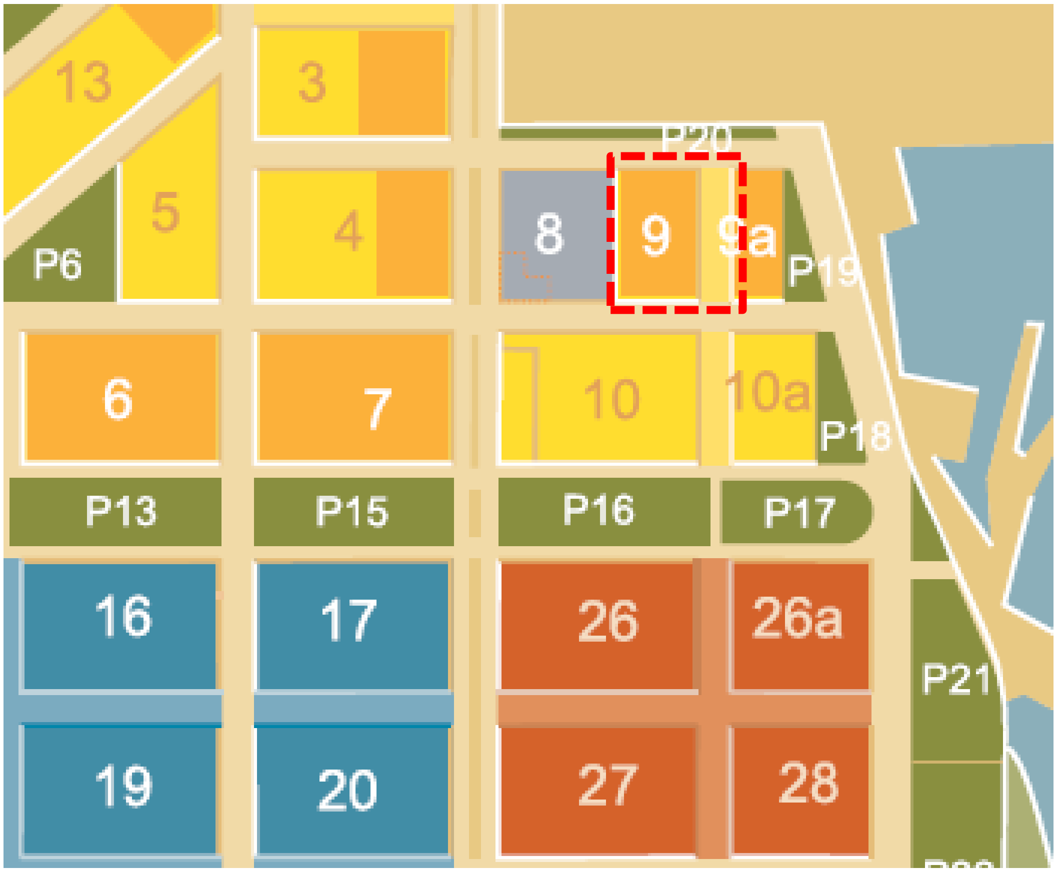
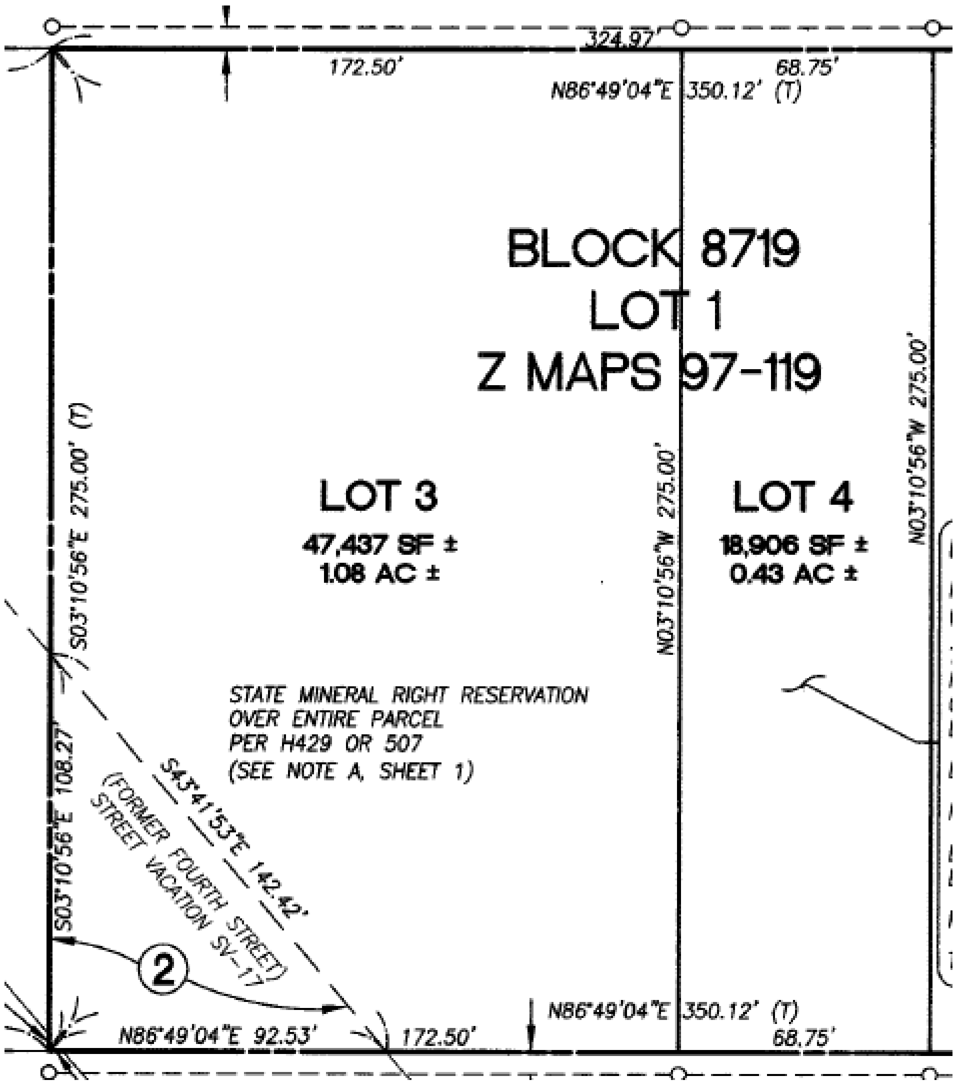


EXHIBIT B -2

Site Plan



LOAN AGREEMENT

By and Between

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO,
a public body, corporate and politic

and

Mission Bay 9 LP a California limited partnership,

for

Mission Bay South Block 9
$5,000,000

Dated as of February 20, 2018

TABLE OF CONTENTS

Page

* * * * * *

EXHIBITS

A	Site Description
B-1	Table of Sources and Uses of Funds
B-2	Intentionally Omitted
B-3	Intentionally Omitted
C	Intentionally Omitted
D	Intentionally Omitted
E	Contract Compliance Policies
F	Insurance Requirements
G	Lobbying/Debarment Certification Form
H	Intentionally Omitted
I	Intentionally Omitted
J	Intentionally Omitted
K	Intentionally Omitted
L	Schedule of Performance
M	OCII Monthly Project Update Form
N	Developer Fee Schedule
O	Assignment of Work Product
P	Consent to Assignment of Work Product
Q	Promissory Note

<u>**LOAN AGREEMENT**</u>
Mission Bay South – Block 9
Mission Bay South Redevelopment Project Area

THIS LOAN AGREEMENT ("**Agreement**" or "**Loan**") is entered into as of February 20, 2018 by and between the **SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO**, hereafter referred to as the Office of Community Investment and Infrastructure, a public body, corporate and politic ("Successor Agency" or "OCII"), and Mission Bay 9 LP, a California limited partnership whose general partner is Mission Bay 9 LLC, an affiliate of BRIDGE Housing Corporation, and Community Housing Partnership, and their authorized successors and assigns ("**Borrower**").

RECITALS

A. In accordance with the California Community Redevelopment Law (Health and Safety Code, section 33000 et seq.) ("**CRL**"), the City and County of San Francisco ("City"), acting through its Board of Supervisors, approved a Redevelopment Plan for the Mission Bay South Redevelopment Project Area (the "**Project Area**") by Ordinance No. 335-98 adopted on November 2, 1998. The Redevelopment Plan is referred to as the "Mission Bay South Redevelopment Plan." In cooperation with the City, the Successor Agency was responsible for implementing the Mission Bay South Redevelopment Plan.

B. Pursuant to California Health and Safety Code §§ 34170 et seq. (the "Redevelopment Dissolution Law") and San Francisco Ordinance No. 215-12 (October 4, 2012) (establishing the Successor Agency Commission ("Commission") and delegating to it state authority under the Redevelopment Dissolution Law), the Successor Agency is responsible for implementing the Redevelopment Plan and fulfilling the enforceable obligations under the Mission Bay South Owner Participation Agreement (the "OPA") between the Agency and FOCIL-MB, LLC (the "Master Developer") (November 16, 1998).

C. Under the OPA and its Mission Bay South Housing Program, the Master Developer is obligated to transfer to the Successor Agency approximately 12.2 acres of "building ready" land that has been remediated, graded and served by infrastructure so that the Successor Agency may develop affordable housing. The OPA identifies, at Exhibit F to the Mission Bay South Housing Program, the specific parcels that the Successor Agency is required to develop with affordable housing.

D. On April 6, 2017, OCII initially issued a Request for Proposals, and, on June 7, 2017, OCII issued a Revised Request for Proposals (the "RFP") to develop and operate affordable rental housing units with supportive services for formerly homeless persons on Mission Bay South Block 9 and develop the extension of Bridgeview Way, on parcels identified as Block 8719, Lots 003 and 004 of that certain map entitled "Final Map Planned Development Mission Bay (9-9A and 10-10A)", recorded on May 31, 2005 and filed on pages 6-10 in Book BB of the County's Survey Maps (the "**Site**"). The OPA identifies the Site as an affordable housing parcel. Under the RFP, OCII requested that applicants submit information about the use of alternative construction technologies, e.g. the use of modular units or components, in addition to the use of conventional construction methods. The development will result in approximately

141 units of affordable rental housing designated for occupancy by formerly homeless persons, referred by the San Francisco Department of Homelessness and Supportive Housing ("HSH") (the "**Project**"). The Project will also include services and management offices, community spaces for residents, and the extension of Bridgeview Way between Mission Bay South Blocks 9 and 9A.

E. On October 17, 2017, the Commission selected, by Resolution No. 38-2017, BRIDGE Housing Corporation ("BRIDGE") and Community Housing Partnership ("CHP") to develop the Project. BRIDGE and CHP submitted an application that was responsive to the RFP and included, among other things, information about the feasibility of using modular units or components for the construction of the Project. OCII and Borrower intend to execute an exclusive negotiations agreement (the "**ENA**") substantially concurrently herewith, subject to approval of the ENA by the Commission. In selecting the Developer, OCII relied on, among other things, the Developers' agreement to comply with all of OCII's policies, including but not limited to insurance and indemnification requirements found in the RFP.

F. On January 19, 2018, the Citywide Affordable Housing Loan Committee (the "**Loan Committee**") reviewed OCII staff's evaluation of the request for funding and recommended that OCII provide Borrower with a predevelopment loan of funds (the "**Funds**") subject to certain terms and conditions that are included in this Agreement.

G. OCII has approved, by Resolution No. __-2018, a loan to the Borrower in an initial amount of Five Million Dollars ($5,000,000.00) (the "**Funding Amount**") under this Agreement to fund certain costs related to the Project. The Oversight Board of the City and County of San Francisco and the California Department of Finance have approved, under Redevelopment Dissolution Law, this expenditure in the Recognized Obligation Payment Schedule for July 1, 2017 to June 30, 2018 ("ROPS 17 – 18") (Oversight Board Resolution No. 1-2017 (January 23, 2017).

H. Under Redevelopment Dissolution Law, OCII must transfer completed affordable housing assets to MOHCD, as the Housing Successor designated under Board of Supervisors Resolution No. 11-12 (January 26, 2012) and Section 34176 of the California Health and Safety Code. If and when Borrower completes the Project and upon permanent financial conversion, OCII intends to transfer the affordable housing loan obligation, asset, and ground lease to MOHCD.

I. Borrower shall use the Funding Amount to pay for Predevelopment Activities associated with development of the Project.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth in this Agreement, the parties agree as follows:

ARTICLE 1 DEFINITIONS.

1.1 Defined Terms. As used in this Agreement, the following words and phrases have the following meanings:

"**Accounts**" means all depository accounts, including reserve and trust accounts, required or authorized under this Agreement or otherwise by the OCII in writing. All Accounts must be maintained in accordance with Section 2.3.

"**Agreement**" has the meaning given in the first paragraph hereof.

"**Agreement Date**" means the date written in the first paragraph hereof.

"**Authorizing Resolutions**" means: (a) in the case of a corporation, a certified copy of resolutions adopted by its board of directors; (b) in the case of a partnership (whether general or limited), a certificate signed by all of its general partners or one or more authorizing resolutions evindencing Borrower's authority to execute, deliver and peform the obligations under the OCII Documents to which Borrower is a part or by which it is bound; and (c) in the case of a limited liability company, a certified copy of resolutions adopted by its board of directors or members, satisfactory to OCII and evidencing Borrower's authority to execute, deliver and perform the obligations under the OCII Documents to which Borrower is a party or by which it is bound.

"**Borrower**" means Mission Bay 9 LP, a California limited partnership whose general partners is Mission Bay 9, LLC, an affiliate of BRIDGE and CHP, and their authorized successors and assigns.

"**CFR**" means the Code of Federal Regulations.

"**Charter Documents**" means: (a) in the case of a corporation, its articles of incorporation and bylaws; (b) in the case of a partnership, its partnership agreement and any certificate or statement of partnership; and (c) in the case of a limited liability company, its operating agreement and any LLC certificate or statement. The Charter Documents must be delivered to OCII in their original form and as amended from time to time and be accompanied by a certificate of good standing for Borrower issued by the California Secretary of State and, if Borrower is organized under the laws of a state other than California, a certificate of good standing issued by the Secretary of State of the state of organization, issued no more than ninety (90) days before the Agreement Date.

"**City**" means the City and County of San Francisco, a municipal corporation, represented by the Mayor, acting by and through MOHCD. Whenever this Agreement provides for a submission to the City or an approval or action by the City, this Agreement refers to submission to or approval or action by MOHCD unless otherwise indicated.

"**CRL**" has the meaning set forth in Recital A.

"**Developer**" means Mission Bay 9 LP, a California limited partnership whose general partner is Mission Bay 9 LLC, an affiliate of BRIDGE and CHP, and their authorized successors and assigns.

"**Developer Fees**" has the meaning set forth in Section 15.1.

"**Disbursement**" means the disbursement of all or a portion of the Funding Amount by OCII as described in Article 4.

"**ENA**" has the meaning set forth in Recital E.

"**Environmental Activity**" means any actual, proposed or threatened spill, leak, pumping, discharge, leaching, storage, existence, release, generation, abatement, removal, disposal, handling or transportation of any Hazardous Substance from, under, into or on the Site.

"**Environmental Laws**" means all present and future federal, state, local and administrative laws, ordinances, statutes, rules and regulations, orders, judgments, decrees, agreements, authorizations, consents, licenses, permits and other governmental restrictions and requirements relating to health and safety, industrial hygiene or the environment or to any Hazardous Substance or Environmental Activity, including the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (commonly known as the "Superfund" law) (42 U.S.C. §§ 9601 *et seq*.), the Resource Conservation and Recovery Act of 1976, as amended by the Solid Waste and Disposal Act of 1984 (42 U.S.C. §§ 6901 *et seq*.); the National Environmental Policy Act of 1969 ("NEPA") (24 CFR §§ 92 and 24 CFR §§ 58); the California Hazardous Substance Account Act (also known as the Carpenter-Presley-Tanner Hazardous Substance Account Law and commonly known as the "California Superfund" law) (Cal. Health & Safety Code §§ 25300 *et seq*.); and the Safe Drinking Water and Toxic Enforcement Act of 1986 (commonly known as "Proposition 65") (Cal. Health & Safety Code §§ 25249.2 *et seq*.); and Sections 25117 and 25140 of the California Health & Safety Code.

"**Event of Default**" has the meaning set forth in Section 19.1.

"**Expenditure Request**" means a written request by Borrower for a Disbursement from the Funding Amount, which must certify that the Project costs covered by the Expenditure Request have been paid or incurred by Borrower.

"**Funding Amount**" has the meaning set forth in Recital G.

"**Funds**" has the meaning set forth in Recital F.

"**GAAP**" means generally accepted accounting principles in effect on the date of this Agreement and at the time of any required performance.

"**Governmental Agency**" means: (a) any government or municipality or political subdivision of any government or municipality; (b) any assessment, improvement, community facility or other special taxing district; (c) any governmental or quasi-governmental agency, authority, board, bureau, commission, corporation, department, instrumentality or public body; or (d) any court, administrative tribunal, arbitrator, public utility or regulatory body.

"**Hazardous Substance**" means any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any Governmental Agency to pose a present or potential hazard to human health or safety or to the environment. Hazardous Substance includes any material or substance listed, defined or otherwise identified as a "hazardous substance," "hazardous waste," "hazardous material," "pollutant," "contaminant," "pesticide" or is listed as a chemical known to cause cancer or reproductive toxicity or is otherwise identified as "hazardous" or "toxic" under any Environmental Law, as well as any asbestos, radioactive materials, polychlorinated biphenyls and any materials containing any of them, and petroleum, including crude oil or any fraction, and natural gas or natural gas liquids. Materials of a type and quantity normally used in the construction, operation or maintenance of developments similar to the Project will not be deemed "Hazardous Substances" for the purposes of this Agreement if used in compliance with applicable Environmental Laws.

"**HUD**" means the United States Department of Housing and Urban Development acting by and through the Secretary of Housing and Urban Development and any authorized agents.

"**Indemnity"** shall have the meaning set forth in Article 23.

"**Laws**" means all statutes, laws, ordinances, regulations, orders, writs, judgments, injunctions, decrees or awards of the United States or any state, county, municipality or Governmental Agency, including the CRL.

"**Loan**" has the meaning given in the first paragraph herof.

"**Loan Closing**" means the date on which all conditions to closing of the loan under Section 4.3 have been met and Borrower.

"**Loan Committee**" has the meaning set forth in Recital F.

"**Loss**" or "**Losses**" includes any loss, liability, claims, damages, costs, expenses or charges, including reasonable attorneys' fees and costs, arising from all acts or omissions of Borrower or its officers, agents, or employees in rendering services under this Agreement.

"**Maturity Date**" has the meaning set forth in Section 3.1.

"**Median Income**" means area median income as determined by HUD for the San Francisco area, adjusted solely for household size, but not high housing cost area.

"**MOHCD**" means the Mayor's Office of Housing and Community Development or its successor.

"**Note**" means the promissory note executed by Borrower in favor of OCII in the original principal amount of the Funding Amount.

"**OCII**" means the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, commonly known as the Office of Community Investment and Infrastructure.

"**OCII Documents**" means this Agreement, the Note, and any other documents executed or, delivered in connection with this Agreement.

"**OCII Monthly Project Update**" has the meaning set forth in Section 10.2.

"**Opinion**" means an opinion of Borrower's California legal counsel, satisfactory to OCII and its legal counsel, that Borrower is a duly formed, validly existing California limited partnership in good standing under the laws of the State of California, has the power and authority to enter into the OCII Documents and will be bound by their terms when executed and delivered, and that addresses any other matters OCII reasonably requests.

"**Permitted Exceptions**" means liens in favor of OCII, real property taxes and assessments that are not delinquent, and any other liens and encumbrances OCII expressly approves in writing in its escrow instructions.

"**Project**" means the development described in Recital D. If indicated by the context, "Project" means the Site and the improvements developed on the Site.

"**Public Benefit Purposes**" means activities or programs that primarily benefit low-income persons, are implemented by one or more nonprofit 501(c)3 public benefit organizations, or have been identified by OCII, a City agency or a community planning process as a priority need in the neighborhood in which the Project is located.

"**Publication**" means any report, article, educational material, handbook, brochure, pamphlet, press release, public service announcement, webpage, audio or visual material or other communication for public dissemination, which relates to all or any portion of the Project or is paid for in whole or in part using the Funding Amount.

"Schedule of Performance" means the schedule attached hereto as Exhibit L that sets forth Project tasks and milestones and the dates by which they will be completed.

"**Section 8**" means rental assistance provided under Section 8(c)(2)(A) of the United States Housing Act of 1937 (42 U.S.C. § 1437f) or any successor or similar rent subsidy programs.

"**Site**" means the real property described in Recital D of this Agreement.

"**Table**" or "**Table of Sources and Uses**" means a table of sources and uses of funds attached hereto as Exhibit B-1, including a line item budget for the use of the Funding Amount, which table may not be adjusted without OCII's prior written approval.

"**Tenant**" means any residential household in the Project.

"**Unit**" means a residential rental unit within the Project.

"**Work Product**" has the meaning set forth in Section 24.21.

1.2 Interpretation. The following rules of construction will apply to this Agreement and the other OCII Documents.

(a) The masculine, feminine or neutral gender and the singular and plural forms include the others whenever the context requires. The word "include(s)" means "include(s) without limitation" and "include(s) but not limited to," and the word "including" means "including without limitation" and "including but not limited to" as the case may be. No listing of specific instances, items or examples in any way limits the scope or generality of any language in this Agreement. References to days, months and years mean calendar days, months and years unless otherwise specified. References to a party mean the named party and its successors and assigns.

(b) Headings are for convenience only and do not define or limit any terms. References to a specific OCII Document or other document or exhibit mean the document, together with all exhibits and schedules, as supplemented, modified, amended or extended from time to time in accordance with this Agreement. References to Articles, Sections and Exhibits refer to this Agreement unless otherwise stated.

(c) Accounting terms and financial covenants will be determined, and financial information must be prepared, in compliance with GAAP as in effect on the date of performance. References to any Law, specifically or generally, will mean the Law as amended, supplemented or superseded from time to time.

(d) The terms and conditions of this Agreement and the other OCII Documents are the result of arms'-length negotiations between and among sophisticated parties who were represented by counsel, and the rule of construction to the effect that any ambiguities are to be resolved against the drafting party will not apply to the construction and interpretation of the OCII Documents. The language of this Agreement must be construed as a whole according to its fair meaning.

1.3 Websites for Statutory References. The statutory and regulatory materials listed below may be accessed through the following identified websites.

(a) CFR provisions: www.access.gpo/nara/cfr

(b) S.F. Administrative Code:
www.sfgov.org/site/government_index.asp#codes

1.4 Contracting Requirements. Borrower shall use the OCII contract compliance requirements for procurement activities, as further set forth in Exhibit E of this Agreement. Without limiting the forgoing, Developer and OCII will act reasonably and cooperate in reviewing and implementing OCII contract compliance provisions.

ARTICLE 2 FUNDING.

2.1 Funding Amount. OCII agrees to lend to Borrower a maximum principal amount of Five Million Dollars ($5,000,000.00) (the "Funding Amount") in order to finance predevelopment costs associated with the Project and described in Exhibit B-1 ("Predevelopment Activities"). The Funding Amount will be disbursed according to the terms and subject to the conditions set forth in this Agreement.

2.2 Use of Funds. Borrower acknowledges that the OCII's agreement to make the Loan is based in part on Borrower's agreement to use the Funds solely for the purpose set forth in Section 2.1 and agrees to use the Funds solely for that purpose in accordance with the approved Table of Sources and Uses. Predevelopment expenses incurred by Borrower beginning October 17, 2017 that are consistent with Exhibit B-1 are reimbursable to Borrower. Such expenses are subject to all conditions of a Expenditure Request, including review and approval by OCII in accordance with the terms of this Agreement.

2.3 Accounts; Interest. Each Account to be maintained by Borrower under this Agreement must be held in a bank or savings and loan institution acceptable to OCII as a segregated account that is insured by the Federal Deposit Insurance Corporation or other comparable federal insurance program. With the exception of tenant security deposit trust accounts, any interest earned on funds in any Account must be used for the benefit of the Project.

2.4 Records. Borrower must maintain and provide to OCII upon request records that accurately and fully show the date, amount, purpose and payee of all expenditures from each Account authorized under this Agreement or by OCII in writing and keep all estimates, invoices, receipts and other documents related to expenditures from each Account. In addition Borrower must provide to OCII promptly following Borrower's receipt, complete copies of all monthly bank statements, together with a reconciliation, for each Account until all funds (including accrued interest) in each Account have been disbursed for eligible uses.

2.5 Conditions to Additional Financing. The OCII may grant or deny any application by Borrower for additional financing for the Project in its sole discretion.

ARTICLE 3 TERMS. Borrower's repayment obligations with respect to the Funding Amount will be evidenced and governed by the Note, which will govern in the event of any conflicting provision in this Agreement.

3.1 Maturity Date. Borrower must repay all amounts owing under the OCII Documents on the date that is the earliest to occur of: (i) the close of construction financing for the Project, or (ii) the date the Borrower and OCII execute a permanent loan agreement that incorporates the Loan Amount and all accrued interest, or (iii) three (3) years from the Agreement Date (the "**Maturity Date**"). Notwithstanding the foregoing, if Borrower's failure to close the construction financing by the Maturity Date is not caused by Borrower's acts or omissions, whether direct or indirect, and if Borrower has acted in good faith and no event has occurred and is continuing that constitutes or with the passage of time would constitute, an Event of Default under any of the OCII Documents, then in such an event, Borrower shall deliver to OCII all of the Work Product, the Note shall be deemed satisfied in full and Borrower shall be deemed to be released from all obligation or liability with respect to this Agreement and the Loan.

3.2 Intentionally Omitted.

3.3 Interest. The outstanding principal balance of the Loan will bear simple interest at a rate of three percent (3%) per annum, as provided in the Note. If a Construction/Permanent Loan for the Project from OCII is subsequently approved by OCII Commission the parties acknowledge that the Borrower may request and OCII may approve a reduced interest rate in order to maintain Project feasibility.

3.4 Default Interest Rate. Upon the occurrence of an Event of Default under any OCII Document, the principal balance of the Loan will bear interest at the default interest compounded annual rate equal to the lesser of: (a) ten percent (10%); or (b) the maximum lawful rate of interest, with such default interest rate commencing as of the date an Event of Default occurs and continuing until such Event of Default is fully cured. In addition, the default interest rate will apply to any amounts to be reimbursed to the OCII under any OCII Document if not paid when due or as otherwise provided in any OCII Document.

3.5 Repayment of Principal and Interest. Subject to Section 3.1 above, the outstanding principal balance of the Loan will be due and payable on the Maturity Date according to the terms set forth in full in the Note. The Note is nonrecourse to Borrower, its general partner and its members.

3.6 Changes In Funding Streams. OCII's agreement to make the Loan on the terms set forth in this Agreement and the Note is based in part on Borrower's projected sources and uses of all activities associated with the Project, as set forth in the Table of Sources and Uses. Borrower covenants to give written notice to the OCII within thirty (30) days of any significant changes in budgeted funding or income set forth in documents previously provided to the OCII. OCII reserves the right to modify the terms of this Agreement based upon any new information so provided in its reasonable discretion.

3.7 Additional OCII Approvals. Borrower understands and agrees that neither entry by OCII into this Agreement nor any approvals given by OCII under this Agreement shall be deemed to imply that Borrower will be granted any required approvals from City departments, boards or commissions which have jurisdiction over the Property. By entering into this

Agreement, OCII is in no way modifying or limiting the obligations of Borrower to develop the Property in accordance with all local laws. Borrower understands that any development of the Property shall require approvals, authorizations and permits from governmental agencies with jurisdiction over the Property. Notwithstanding anything to the contrary in this Agreement, no party is in any way limiting its discretion or the discretion of any department, board or commission with jurisdiction over the Project, including but not limited to a party hereto, from exercising any discretion available to such department, board or commission with respect thereto, including but not limited to the discretion to (i) make such modifications deemed necessary to mitigate significant environmental impacts, (ii) select other feasible alternatives to avoid such impacts, including the "No Project" alternative; (iii) balance the benefits against unavoidable significant impacts prior to taking final action if such significant impacts cannot otherwise be avoided, or (iv) determine not to proceed with the proposed Project.

3.8 Additional Borrower Covenants. There are no borrower covenants in addition to those specified in 4.5 Disbursements.

ARTICLE 4 CLOSING; DISBURSEMENTS.

4.1 Generally. Subject to the terms of this Agreement, OCII will make Disbursements in an aggregate sum not to exceed the Funding Amount to or for the account of Borrower in accordance with this Agreement and the approved line item budget contained in the Table of Sources and Uses. The disbursement schedule may be revised at the request of the Borrower, subject to the written approval of the OCII Executive Director prior to the Loan Closing if needed to ensure the repayment of the Loan complies with applicable financing requirements.

4.2 Closing. In the event Borrower does not satisfy all of the conditions to closing the Loan within a reasonable time, as determined by the OCII in its sole discretion, OCII may declare this Agreement to be null and void.

4.3 Conditions Precedent to Closing. OCII will authorize the close of the Loan upon satisfaction of the conditions in this Section.

(a) Borrower must have delivered to OCII fully executed (and for documents to be recorded, acknowledged) originals of the following documents, in form and substance satisfactory to the OCII: (i) the Note; (ii) this Agreement (in triplicate); (iii) the Opinion; (iv) the Authorizing Resolutions; and (v) any other OCII Documents reasonably requested by OCII.

(b) Borrower must have delivered to OCII Borrower's Charter Documents.

(c) Borrower must have delivered to OCII insurance certificates prior to closing and endorsements within 90 days post closing and before starting work, in addition to, if requested by OCII, copies of policies for all insurance required under Exhibit F of this Agreement.

4.4 Intentionally Omitted.

4.5 Disbursements. OCII's obligation to approve any expenditure of Funds after Loan Closing is subject to Borrower's satisfaction of the following conditions precedent.

(a) Borrower must have delivered to OCII an Expenditure Request in form and substance satisfactory to OCII, together with: (i) copies of invoices, contracts or other documents covering all amounts requested; (ii) a line item breakdown of costs to be covered by the Expenditure Request; and (iii) copies of checks issued to pay expenses covered in the previous Expenditure Request. Any request from Borrower to reallocate Funds between the line items or to change the budget limits for a line item from what is shown in the Table of Sources and Uses must be approved as follows: (1) except for funds moved from the contingency line item to another line item, a requested reallocation of Funds in an amount up to ten percent (10%) of the Loan Amount in the aggregate may be made with the express written approval of OCII's Housing Manager; and (2) except for funds moved from the contingency line item to another line item, a requested reallocation of Funds in an amount that exceed ten percent (10%) of the Loan Amount may be made only with the express written approval of the OCII Executive Director. Reallocations of Funds from contingency line items to other line items shall not require the consent of OCII.

(b) No Event of Default, or event that with notice or the passage of time or both could constitute an Event of Default, may have occurred that remains uncured as of the date of the Expenditure Request.

(c) With respect to any Expenditure Request that covers rehabilitation or construction costs, Borrower must have certified to OCII that the Project complies with the labor standards set forth in Exhibit E, Section 1, if applicable.

4.6 Schedule of Performance. Borrower must perform in accordance with the Schedule of Performance (Exhibit L). The Schedule of Performance may be modified at the request of the Borrower; however, any modification to the Schedule of Performance shall be at the reasonable discretion of the OCII Executive Director and shall require amendment thereto. The OCII Executive Director may amend the Schedule of Performance (in his/her sole discretion) to allow the time of performance to be extended for up to six (6) months from the contractual date set forth in the Schedule of Performance. Any amendments to the Schedule of Performance allowing for extensions of performance beyond said six (6) month period will require approval of the Agency Commission.

4.7 Additional Terms and Conditions. During the predevelopment period and as described below, Borrower shall comply with the following loan conditions based on OCII's requirements and the Loan Committee's recommendations in reviewing and approving the Project's Loan Evaluation on January 19, 2018.

(i) Borrower will work with OCII to address considerations specific to modular construction, including but not limited to:

a. Establish and implement a plan to address OCII workforce and contracting goals;
b. Identify a modular unit manufacturer and confirm production capacity;
c. Collaborate with OCII's design/construction review team, the San Francisco Department of Building Inspection, the San Francisco Mayor's Office on Disabiliy, and other local entities, to ensure that the Project adheres to local review and permitting requirements; and
d. Determine staging needs and collaborate with OCII and the Mission Bay master developer to identify a feasible unit staging plan.

This Agreement, however, does not authorize the Borrower to place any deposit on, or execute, a construction contract, or use predevelopment funds for material purchase prior to OCII approval. A deposit for materials may only occur after OCII approval of the schematic design.

(ii) Borrower will execute and provide to OCII a memorandum of understanding or other agreement ("MOU") that clearly defines the roles and responsibilities of BRIDGE and CHP. The MOU will confirm that BRIDGE will remain a general partner in the partnership after the conversion to permanent financing until all of the following conditions have been satisfied:

a. Provide evidence that the property tax exemption for the Project has been secured within one year of permanent financing conversion (if not secured within this timeframe, then the five year period described in (b) below will be extended in accordance with the time taken beyond the one year period);
b. For five consecutive years:
    i. Achieve and maintain an annual stabilized occupancy rate of 95%; and
    ii. Provide evidence that initial required and annual deposits for replacement and operating reserves have been made in full.

(iii) Commencing in the first quarter of 2018, CHP will provide quarterly updates to OCII describing progress in filling open positions, and improving asset management and financial reporting procedures.

(iv) Borrower will work with staff at OCII, MOHCD, and HSH to reiew tenant rent contribution assumptions and will adjust, as appropriate, based on data from existing supportive housing sites and assumptions regarding the anticipated tenant population.

(v) Borrower will monitor program parameters for No Place Like Home funds and will work with OCII, MOHCD, and HSH to determine an appropriate funding level for this Project. Borrower will follow application procedures for this source, when determined.

(vi) Borrower will coordinate with HSH when determining maximum income levels for funding applications to ensure that AMI levels are set at a level that is appropriate for the anticipated tenant population. Borrower must balance application competitiveness with the need for flexibility in accommodating tenants who receive subsidy payments or maintain employment.

(vii) Borrower will issue a request for qualifications for a general constractor in accordance with OCII's Contract Compliance specifications, will obtain cost estimates from the selected contractor, and will work with their architectural team to ensure that the site's development costs are managed to OCII's approval. Borrower will cooperate with OCII and competitively solicit a general contractor with the intent of creating a joint venture or similar partnership opportunity, to the extent practicable and economically feasible, between a general contractor and an OCII-recognized SBE contractor. Furthermore, Borrower shall cooperate and require the general contractor to exercise good faith efforts to select subcontractors who either are SBEs or, if they are not SBEs, are willing to create joint ventures or similar partnership opportunities with SBEs, to the extent practicable and feasible.

(viii) Borrower will review guidelines for the Federal Home Loan Bank's Affordable Housing Program and will submit an application that seeks to maximize funding from this source.

(ix) Borrower will work with the architect to establish an acceptable fee, subject to OCII approval, in keeping with the MOHCD Fee Proposal Guidelines for Architect and Engineering Basic Services.

(x) Borrower will work closely with OCII, HSH, the Department of Public Health, the Department of Aging and Adult Services and MOHCD to draft a comprehensive services plan and budget for the Project. These parties will study the feasibility of Medi-Cal billing assumptions and discuss housekeeping/in-home care partnerships.

(xi) Borrower will conduct ongoing outreach to the Mission Bay community to solicit input, address concerns, and educate community members on various aspects of the project.

4.8 Limitations on Approved Expenditures. OCII may refuse to approve any expenditure: (a) during any period in which an event that, with notice or the passage of time or both, would constitute an Event of Default remains uncured; or (b) for disapproved, unauthorized or improperly documented expenses. OCII is not obligated to approve expenditure of the full Funding Amount unless approved Expenditure Requests support disbursement of the full Funding Amount, and in no event may the aggregate amount of all Funds disbursed to Borrower under this Agreement exceed the Funding Amount.

ARTICLE 5 INTENTIONALLY OMITTED

ARTICLE 6 INTENTIONALLY OMITTED

ARTICLE 7 INTENTIONALLY OMITTED

ARTICLE 8 INTENTIONALLY OMITTED

ARTICLE 9 GOVERNMENTAL REQUIREMENTS.

9.1 Borrower Compliance. Borrower must comply, and where applicable, require its contractors to comply, with all applicable Laws governing the use of Funds for the construction, rehabilitation and/or operation of the Project, including the requirements of the CRL, Redevelopment Plan, OCII Policies, and those Laws set forth in Exhibit E. Borrower acknowledges that its failure to comply with any of these requirements will constitute an Event of Default under this Agreement.

ARTICLE 10 PROJECT MONITORING, REPORTS, BOOKS AND RECORDS.

10.1 Generally.

(a) Borrower understands and agrees that it will be monitored by OCII from time to time to assure compliance with all terms and conditions in this Agreement and all Laws. Borrower must cooperate with the monitoring by OCII and ensure full access to the Project (following Borrower's acquisition of a ground leasehold interest in the Project) and all information related to the Project as reasonably required by OCII.

(b) Borrower must keep and maintain books, records and other documents relating to the receipt and use of all Funds. Borrower must maintain records of all income, expenditures, assets, liabilities, contracts, operations, tenant eligibility and condition of the Project. All financial reports must be prepared and maintained in accordance with GAAP as in effect at the time of performance.

10.2 Monthly Reporting. Borrower must submit monthly reports (the "**OCII Monthly Project Update**") describing progress toward developing the Project with respect to obtaining necessary approvals from other City departments, procuring architects, consultants and contractors, changes in scope, cost or schedule and significant milestones achieved in the past month and expected to be achieved in the coming month. The OCII Monthly Project Update must be submitted by email in substantially the form attached hereto as Exhibit M until the Project has finalized its Form 8609.

10.3 Response to Inquiries. At the request of OCII, its agents, employees or attorneys, Borrower must respond promptly and specifically to questions relating to the income, expenditures, assets, liabilities, contracts, operations and condition of the Project, the status of any mortgage encumbering the Project and any other requested information with respect to Borrower or the Project.

10.4 Delivery of Records. At the request of OCII, made through its agents, employees, officers or attorneys, Borrower must provide OCII within a reasonable period of time of no less than sixty (60) days from request therefor with copies of each of the following documents, certified in writing by Borrower to be complete and accurate:

(a) all tax returns filed with the United States Internal Revenue Service, the California Franchise Tax Board and/or the California State Board of Equalization on behalf of Borrower and any general partner or manager of Borrower;

(b) all certified financial statements of Borrower and, if applicable, its general partner or manager, the accuracy of which must be certified by an auditor satisfactory to OCII; and

(c) any other records related to Borrower's ownership structure and the use and occupancy of the Site.

10.5 Access to Other Project Books and Records. In addition to Borrower's obligations under Sections 2.4, 10.1, 10.2, and 10.3, any other obligations to provide reports or maintain records in any OCII Document, Borrower agrees that duly authorized representatives of OCII (which shall include MOHCD staff) will have access to and the right to inspect, copy, audit and examine all books, records and other documents Borrower is required to keep at all reasonable times, following reasonable notice, for the retention period required under Section 10.6.

10.6 Records Retention. Borrower must retain all records required for the periods required under applicable Laws.

ARTICLE 11 INTENTIONALLY OMITTED.

ARTICLE 12 INTENTIONALLY OMITTED.

ARTICLE 13 INTENTIONALLY OMITTED.

ARTICLE 14 INTENTIONALLY OMITTED.

ARTICLE 15 DEVELOPER FEES.

15.1 Amount. OCII has approved the payment of cash fees in an amount not to exceed Two Million Four Hundred Thousand and No/100 Dollars ($2,400,000.00), to be distributed to Developer for the development activities of the Project ("Developer Fees"). The cash amount available for the predevelopment period shall not exceed Five Hundred Thousand and No/100 Dollars ($500,000.00). The total Developer Fee of $2,719,691 consists of the cash fees mentioned above as well as $319,691 in Sponsor Equity. All Developer Fees will be paid in accordance with the Developer Fee Schedule attached hereto as Exhibit N. The parties acknowledge that the fee and equity amounts may be updated in connection with any gap financing provided by OCII.

ARTICLE 16 TRANSFERS.

16.1 Permitted Transfers/Consent. Borrower may not cause or permit any voluntary transfer, assignment or encumbrance of its interest in the Site or Project or of any ownership interests in Borrower, or lease or permit a sublease on all or any part of the Project, other than: (a) transfers of the general partnership or manager's interest in Borrower to a nonprofit public benefit corporation approved in advance by OCII; or (b) removal of a general partner of Borrower in accordance with the terms of Borrower's limited partnership agreement. Any other transfer, assignment, encumbrance or lease without OCII's prior written consent, which shall be made by the Executive Director in her sole discretion, will be voidable and, at OCII's election, constitute an Event of Default under this Agreement. OCII's consent to any specific assignment, encumbrance, lease or other transfer will not constitute its consent to any subsequent transfer or a waiver of any of OCII's rights under this Agreement.

ARTICLE 17 INSURANCE AND BONDS.

17.1 Borrower's Insurance. Subject to approval by OCII's Deputy Director for Finance and Administration of the insurers and policy forms, Borrower must obtain and maintain, or cause to be obtained and maintained, insurance and bonds as set forth in Exhibit F throughout the term of this Agreement at no expense to OCII.

ARTICLE 18 GOVERNMENTAL APPROVALS.

18.1 Compliance. Borrower covenants that it has obtained or will obtain in a timely manner and comply with all federal, state and local governmental approvals required by Law to be obtained for the Project.

ARTICLE 19 DEFAULT.

19.1 Event of Default. Any material breach by Borrower of any covenant, agreement, provision or warranty contained in this Agreement or in any of the OCII Documents that remains uncured upon the expiration of any applicable notice and cure periods contained in any OCII Document will constitute an "**Event of Default**," including the following:

(a) Borrower fails to make any payment required under this Agreement within fifteen (15) days after the date when due; or

(b) intentionally omitted; or

(c) Borrower fails to perform or observe any other term, covenant or agreement contained in any OCII Document, and the failure continues for thirty (30) days after Borrower's receipt of written notice from OCII to cure the default, or, if the default cannot be cured within a 30-day period, Borrower will have sixty (60) days to cure the default, or any longer period of time deemed necessary by OCII, *provided that* Borrower commences to cure the default within the 30-day period and diligently pursues the cure to completion; or

(d) Any representation or warranty made by Borrower in any OCII Document proves to have been incorrect in any material respect when made; or

(e) Borrower is in default of its obligations with respect to the Ground Lease, once executed, or any funding obligation (other than the Loan) for the Project, and the default remains uncured following the expiration of any applicable cure periodsor

(f) Borrower is dissolved or liquidated or merged with or into any other entity; or, if Borrower is a corporation, partnership, limited liability company or trust, Borrower ceases to exist in its present form (unless otherwise approved pursuant to Article 16) and (where applicable) in good standing and duly qualified under the laws of the jurisdiction of formation and California for any period of more than ten (10) days; or, if Borrower is an individual, Borrower dies or becomes incapacitated; or all or substantially all of the assets of Borrower are sold or otherwise transferred except as permitted under Section 16.1; or

(g) Without OCII's prior written consent as required under the terms of this Agreement, Borrower assigns or attempts to assign any rights or interest under any OCII Document, whether voluntarily or involuntarily, except as permitted under Section 16.1; or

(h) Without OCII's prior written consent, Borrower voluntarily or involuntarily assigns or attempts to sell, lease, assign, encumber or otherwise transfer all or any portion of the ownership interests in Borrower except as permitted under Article 16; or

(i) Without OCII's prior written consent, Borrower transfers, or authorizes the transfer of, funds in any Account required or authorized under this Agreement; or

(j) intentionally omitted; or

(k) Borrower is subject to an order for relief by the bankruptcy court, or is unable or admits in writing its inability to pay its debts as they mature or makes an assignment for the benefit of creditors; or Borrower applies for or consents to the appointment of any receiver, trustee or similar official for Borrower or for all or any part of its property (or an appointment is made without its consent and the appointment continues undischarged and unstayed for sixty (60) days); or Borrower institutes or consents to any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, custodianship, conservatorship, liquidation, rehabilitation or similar proceeding relating to Borrower or to all or any part of its property under the laws of any jurisdiction (or a proceeding is instituted without its consent and continues undismissed and unstayed for more than sixty (60) days); or any judgment, writ, warrant of attachment or execution or similar process is issued or levied against the Site, the improvements or any other property of Borrower and is not released, vacated or fully bonded within sixty (60) days after its issue or levy; or

(l) Any material adverse change that occurs in the financial condition or operations of Borrower, that has a material adverse impact on the Project that is not cured or addressed according to the time periods and conditions set forth in this Section 19.1 (c); or

(m) intentionally omitted; or

(n) intentionally omitted; or

(o) Borrower is in default of its obligations under any other agreement entered into with OCII or the City and County of San Francisco, including but not limited to the ENA, and the default remains uncured following the expiration of any applicable cure periods.

19.2 Remedies. During the pendency of an uncured Event of Default, OCII may exercise, in its sole discretion, any right or remedy available under this Agreement or any other OCII Document or at law or in equity. All of OCII’s rights and remedies following an Event of Default are cumulative, including the following:

(a) OCII may declare the unpaid principal balance of the Note, together with default interest as provided in the Note and any other charges due under the Note and the other OCII Documents, immediately due and payable without protest, presentment, notice of dishonor, demand or further notice of any kind, all of which Borrower expressly waives.

(b) OCII may terminate all commitments to make Disbursements, or, without waiving the Event of Default, OCII may determine to make further Disbursements upon terms and conditions satisfactory to OCII in its sole discretion.

(c) OCII may perform any of Borrower's obligations in any manner, in OCII's reasonable discretion.

(d) OCII may terminate this Agreement.

(e) OCII may apply to any court of competent jurisdiction for specific performance, or an injunction against any violation, of this Agreement or for any other remedies or actions necessary or desirable to correct Borrower's noncompliance with this Agreement.

(f) Upon the occurrence of an Event of Default described in Section 19.1(k), the unpaid principal balance of the Note, together with default interest as provided in the Note and any other charges due under the Note and the other OCII Documents, will become due and payable automatically.

(g) All costs, expenses, charges and advances of OCII in exercising its remedies or to protect the Project will be deemed to constitute a portion of the principal balance of the Note, even if it causes the principal balance to exceed the face amount of the Note, unless Borrower reimburses OCII within ten (10) days of OCII's demand for reimbursement.

(h) OCII may acquire any Work Product as described in Section 24.21 of this Agreement.

19.3 Force Majeure. The occurrence of any of the following events shall excuse performance of any obligations of OCII or Borrower to the extent that the events cause enforced delays in the performance of a party's obligations under this Agreement: strikes; lockouts; labor disputes; acts of God; inability to obtain labor, materials or reasonable substitutes for either; governmental restrictions, regulations or controls; judicial orders; enemy or hostile governmental actions; civil commotion; fire or other casualty and other causes beyond the control of the party obligated to perform. The occurrence of a force majeure event will excuse Borrower's performance only in the event that Borrower has provided notice to OCII within thirty (30) days after the occurrence or commencement of the event or events, and Borrower's performance will be excused for a period ending thirty (30) days after the termination of the event giving rise to the delay.

ARTICLE 20 REPRESENTATIONS AND WARRANTIES.

20.1 Borrower Representations and Warranties. As a further inducement for OCII to enter into this Agreement, Borrower represents and warrants as follows:

(a) The execution, delivery and performance of the OCII Documents will not contravene or constitute a default under or result in a lien upon assets of Borrower under any applicable Law, any Charter Document of Borrower or any instrument binding upon or affecting Borrower, or any contract, agreement, judgment, order, decree or other instrument binding upon or affecting Borrower.

(b) When duly executed, the OCII Documents will constitute the legal, valid and binding obligations of Borrower. Borrower hereby waives any defense to the enforcement of the OCII Documents related to alleged invalidity of the OCII Documents.

(c) No action, suit or proceeding is pending or, to the best of the Borrower's knowledge, threatened that might affect Borrower or the Project adversely in any material respect.

(d) Borrower is not in default under any agreement to which it is a party, including any lease of real property.

(e) None of Borrower, Borrower's principals or Borrower's general contractor has been suspended or debarred by the Department of Industrial Relations or any Governmental Agency, nor has Borrower, any of its principals or its general contractor been suspended, disciplined or prohibited from contracting with any Governmental Agency.

(f) All statements and representations made by Borrower in connection with the Loan remain true and correct as of the date of this Agreement.

(g) Borrower agrees to provide notice to OCII in accordance with Section 21.1 of the occurrence of any change or circumstance that: (a) will have an adverse effect on the physical condition or intended use of the Project; (b) causes the Loan to be out of balance; or (c) will have a material adverse effect on Borrower's operation of the Property or ability to repay the Loan.

ARTICLE 21 NOTICES.

21.1 Written Notice. All notices required by this Agreement must be made in writing and may be communicated by personal delivery, facsimile (if followed within one (1) business day by first class mail), by nationally recognized courier that obtains receipts, or by United States certified mail, postage prepaid, return receipt requested. Any notice sent by email will be accompanied by a written notice and email notices will not be effective unless accompanied by a written notice. Delivery will be deemed complete as of the earlier of actual receipt (or refusal to accept proper delivery) or five (5) days after mailing, *provided that* any notice that is received after 5 p.m. on any day or on any weekend or holiday will be deemed to have been received on the next succeeding business day. Notices must be addressed as follows:

To OCII:	Office of Community Investment and Infrastructure Successor Agency to the San Francisco Redevelopment Agency 1 South Van Ness, 5th Floor San Francisco, CA 94103 Attn: Executive Director
To OCII General Counsel:	Office of Community Investment and Infrastructure 1 South Van Ness Avenue, 5th Floor San Francisco, CA 94103 Attn: Agency General Counsel Email: james.morales@sfgov.org
To MOHCD:	Mayor's Office of Housing and Community Development 1 South Van Ness Avenue, 5th Floor San Francisco, CA 94103 Attn: Director
To City Attorney’s Office:	Deputy City Attorney

San Francisco City Attorney's Office
City Hall, Rm. 234
1 Dr. Carlton B. Goodlett Pl.
San Francisco, CA 94102-4682
Attn: Heidi J. Gewertz

To Borrower: BRIDGE Housing Corporation
600 California Street, #900
San Francisco CA 94108
Attn: President & Chief Executive Officer

Community Housing Partnership
20 Jones Street
San Francisco, CA 94102
Attn: Chief Executive Officer

or any other address a party designates from time to time by written notice sent to the other party in manner set forth in this Section.

ARTICLE 22 HAZARDOUS SUBSTANCES.

22.1 Borrower's Representations. Intentionally omitted.

22.2 Covenant. Unless OCII otherwise consents in writing, at all times from and after the date of this Agreement, at its sole expense, Borrower must: (a) comply with all applicable Environmental Laws relating to the Site and the Project, and not engage in or otherwise permit the occurrence of any Environmental Activity in violation of any applicable Environmental Laws or that is not customary and incidental to the intended use of the Site, *provided that* nothing contained in this Section will prevent Borrower from contesting, in good faith and by appropriate proceedings, any interpretation or application of Environmental Laws; and (b) deliver to OCII, promptly following the occurrence of any such event, notice of the discovery by Borrower of any event rendering any representation contained in this Section incorrect in any respect if made at the time of such discovery.

ARTICLE 23 INDEMNITY.

23.1 Borrower's Obligations. To the fullest extent permitted by law, Borrower shall hold harmless, defend at its own expense, and indemnify OCII, the City, and their respective officers, agents and employees (individually or collectively, an "Indemnitee") against any and all Losses, of every kind, nature and description directly or indirectly arising out of, or connected with Borrower’s obligations under this Agreement, except to the extent caused by the willful misconduct or the gross negligence of the Indemnitee or of the Master Developer. For purposes of this Article, Losses will include, but not be limited to: (a) any default by Borrower in the observance or performance of any of Borrower's obligations under the OCII Documents (including those covenants set forth in Article 22 above); (b) any failure of any representation by Borrower to be correct in all respects when made; (c) injury or death to persons or damage to property or other Losses occurring on or in connection with Borrower's activities pursuant to this Ageement, whether caused by the negligence or any other act or omission of Borrower ; (d) any claim, demand or cause of action, or any action or other proceeding, whether meritorious or not, brought or asserted against any Indemnitee that relates to or arises out of the OCII Documents, the Loan, the Predevelopment Activities or any transaction contemplated by, or the relationship between Borrower and OCII or Borrower and the City or any action or inaction by OCII or the City under, the OCII Documents; (e) the occurrence of any Environmental Activity or any failure of the Borrower to comply with all applicable Environmental Laws relating to the Project or the Site; (f) the occurrence, after the termination of this Agreement, of any Environmental Activity resulting directly or indirectly from any Environmental Activity occurring before the termination of this Agreement; (g) any liability of any nature arising from Borrower's contest of or relating to the application of any Law, including any contest permitted under Sections 9.1, 18.1 and 22.2; or (h) any claim, demand or cause of action, or any investigation, inquiry, order, hearing, action or other proceeding by or before any Governmental Agency, whether meritorious or not, that directly or indirectly relates to, arises from or is based on the occurrence or allegation of any of the matters described in clauses (a) through (h) above. In the event any action or proceeding is brought against an Indemnitee by reason of a claim arising out of any Loss for which Borrower has indemnified the Indemnitees, and upon written notice from Indemnitee, Borrower shall at its sole expense answer and otherwise defend the action or proceeding using counsel approved in writing by the Indemnitee. Each Indemnitee shall have the right, exercised in its sole discretion, but without being required to do so, to defend, adjust, settle or compromise any claim, obligation, debt, demand, suit or judgment against the Indemnitee in connection with the matters covered by this Agreement. The provisions of this Section will survive the repayment of the Loan and/or termination of this Agreement. For purposes of this Section, "Borrower" shall include Borrower, its officers, employees, agents, contractors and/or subcontractors.

23.2 No Limitation. Borrower's obligations under Section 23.1 are not limited by the insurance requirements under this Agreement.

ARTICLE 24 GENERAL PROVISIONS.

24.1 Intentionally Omitted

24.2 No Third Party Beneficiaries other than City. Nothing contained in this Agreement, nor any act of OCII, may be interpreted or construed as creating the relationship of third party beneficiary, limited or general partnership, joint venture, employer and employee, or principal and agent between OCII and Borrower or Borrower's agents, employees or contractors. Notwithstanding the forgoing, OCII and Borrower hereby acknowledge and agree that as the intended assignee of OCII's rights under the OCII Documents, the City is a third party beneficiary under the OCII Documents.

24.3 No Claims by Third Parties. Nothing contained in this Agreement creates or justifies any claim against OCII by any person or entity with respect to the purchase of materials, supplies or equipment, or the furnishing or the performance of any work or services with respect to the Project. Borrower must include this requirement as a provision in any contracts for the development of the Project.

24.4 Entire Agreement. This Agreement and its Exhibits incorporate the terms of all agreements made by OCII and Borrower with regard to the subject matter of this Agreement. No alteration or variation of the terms of this Agreement will be valid unless made in writing and signed by the parties hereto. No oral understandings or agreements not incorporated herein will be binding on OCII or Borrower.

24.5 OCII Obligations. OCII's sole obligation under this Agreement is limited to providing the Funds as described in this Agreement, up to the Funding Amount. Under no circumstances, including breach of this Agreement, will OCII be liable to Borrower for any special or consequential damages arising out of actions or failure to act by OCII in connection with any of the OCII Documents.

24.6 Borrower Solely Responsible. Borrower is an independent contractor with the right to exercise full control of employment, direction, compensation and discharge of all persons assisting in the performance contemplated under this Agreement. Borrower is solely responsible for: (a) its own acts and those of its agents, employees and contractors and all matters relating to their performance, including compliance with Social Security, withholding and all other Laws governing these matters and requiring that contractors include in each contract that they will be solely responsible for similar matters relating to their employees; (b) any losses or damages incurred by Borrower, any of its contractors or subcontractors and OCII and its officers, representatives, agents and employees on account of any act, error or omission of Borrower in the performance of this Agreement or any other OCII Document and the development and operation of the Project; and (c) all costs and expenses relating to Borrower's performance of obligations under the OCII Documents, the delivery to OCII of documents, information or items under or in connection with any of the OCII Documents and taxes, fees, costs or other charges payable in connection with the execution, delivery, filing and/or recording of any OCII Document or document required under any OCII Document.

24.7 No Inconsistent Agreements. Borrower warrants that it has not executed and will not execute any other agreement(s) with provisions materially contradictory or in opposition to the provisions of this Agreement.

24.8 Inconsistencies in OCII Documents. In the event of any conflict between the terms of this Agreement and any other OCII Document, the terms of this Agreement control unless otherwise stated; *provided, however*, that any provision in this Agreement in conflict with any Law will be interpreted subject to that Law.

24.9 Governing Law. This Agreement is governed by California law without regard to its choice of law rules.

24.10 Joint and Several Liability. If Borrower consists of more than one person or entity, each is jointly and severally liable to OCII for the faithful performance of this Agreement.

24.11 Successors. Except as otherwise limited herein, the provisions of this Agreement bind and inure to the benefit of the undersigned parties and their heirs, executors, administrators, legal representatives, successors and assigns. This provision does not relieve Borrower of its obligation under the OCII Documents to obtain OCII's prior written consent to any assignment or other transfer of Borrower's interests in the Loan, the Site or the ownership interests in Borrower.

24.12 Attorneys' Fees. If any legal action is commenced to enforce any of the terms of this Agreement or rights arising from any party's actions in connection with this Agreement, the prevailing party will have the right to recover its reasonable attorneys' fees (including allocated fees of the City Attorney's Office) and costs of suit from the other party, whether incurred in a judicial, arbitration, mediation or bankruptcy proceeding or on appeal. For the purposes of this Agreement and to the extent that the City Attorney’s Office represents OCII or the City as the successor to this Agreement, the reasonable fees of attorneys in the City Attorney's office will be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter of law for which the City Attorney's services were rendered, who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the City Attorney's Office. An award of attorneys' fees and costs will bear interest at the default rate under the Note from the date of the award until paid.

24.13 Severability. The invalidity or unenforceability of any one or more provisions of this Agreement will in no way affect any other provision.

24.14 Time. Time is of the essence in this Agreement. Whenever the date on which an action must be performed falls on a Saturday, Sunday or federal holiday, the date for performance will be deemed to be the next succeeding business day.

24.15 Further Assurances. Borrower agrees to: (a) pursue in an effective and continuous manner; (b) use best efforts to achieve; and (c) take all actions reasonably required by OCII from time to time to confirm or otherwise carry out the purpose of this Agreement.

24.16 Binding Covenants. Following the recordation of the Memorandum of Ground Lease, the provisions of the OCII Documents constitute covenants running with the land and will be binding upon Borrower and Borrower's successors and assigns, and all parties having or acquiring any right, title or interest in whatever form, including leasehold interests (other than Tenants and approved commercial tenants), in or to any part of the Property, except that the same will terminate and become void automatically at the expiration of the term of this Agreement. Any attempt to transfer any right, title or interest in the Property in violation of these covenants will be void.

24.17 Consent. Except as expressly provided otherwise, whenever consent or approval of a party is required in any OCII Document, that party agrees not to withhold or delay its consent or approval unreasonably.

24.18 Counterparts. This Agreement may be executed in any number of counterparts, all of which will constitute but one agreement.

24.19 Borrower's Personnel. The Project shall be implemented only by competent personnel under the direction and supervision of Borrower. Borrower must provide written notice of the replacement of: the manager, executive director, director of housing development, director of property management and/or any equivalment position of either member of the general partner or the manager of the general partner, within thirty (30) days after the effective date of such replacement.

24.20 Borrower's Board of Directors. Borrower or its managing general partner (or managing member of its managing general partner) shall at all times be governed by a legally constituted and fiscally responsible board of directors. Such board of directors shall meet regularly and maintain appropriate membership, as established in its bylaws and other governing documents, and shall adhere to applicable provisions of federal, state and local laws governing nonprofit corporations. Said board of directors shall exercise such oversight responsibility with regard to this Agreement as is necessary to ensure full and prompt performance by Borrower of its obligations under this Agreement.

24.21 Ownership of Results. Any interest of Borrower or any sub-borrower, in drawings, plans, specifications, studies, reports, memoranda, computation sheets, the contents of computer diskettes, or other documents or Publications prepared by or on behalf of Borrower or any sub-borrower in connection with this Agreement, the implementation of the Project, the services to be performed under this Agreement, or acquired through the use of any Loan proceeds ("**Work Product**"), is hereby pledged to OCII as security for Borrower's obligations under this Agreement and the Note, and upon an Event of Default, subject to all applicable notice and cure periods, shall become the property of and be promptly transmitted by Borrower to OCII. Notwithstanding the foregoing, Borrower may retain and use copies for reference and as documentation of its experience and capabilities.

This Agreement constitutes a security agreement under the California Uniform Commercial Code, as it may be amended from time to time, and Borrower authorizes OCII to file any financing statements OCII elects and deems necessary to perfect its security interest in the Work Product.

24.22 Works for Hire. If, in connection with this Agreement or the implementation of the Project, Borrower or any sub-borrower creates artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, source codes or any other original works of authorship or Publications, such creations shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such creations shall be the property of OCII. If it is ever determined that any such creations are not works for hire under applicable law, Borrower hereby assigns all copyrights thereto to OCII, and agrees to provide any material, execute such documents and take such other actions as may be necessary or desirable to effect such assignment. With the prior written approval of OCII, Borrower may retain and use copies of such creations for reference and as documentation of its experience and capabilities. Borrower shall use commercially reasonable efforts to obtain all releases, assignments or other agreements from sub-borrowers or other persons or entities implementing the Project to ensure that OCII obtains the rights set forth in this Section.

24.23 Recourse. OCII's recourse against Borrower following an Event of Default is limited as set forth more specifically in the Note.

24.24 Assignment. OCII and Borrower hereby acknowledge and agree that, effective upon the completion of the Project, as determined by OCII and MOHCD, all of OCII's rights, interests and obligations under this Agreement shall be assigned to MOHCD. OCII and Borrower hereby agree to execute such further instruments and to take such further actions as may be reasonably required to carry out the intent of this Section 24.24. Upon assignment to MOHCD, all references herein to OCII shall be deemed references to MOHCD.

24.25 Exhibits. The following exhibits are attached to this Agreement and incorporated by reference:

EXHIBITS

A	Site Description
B-1	Table of Sources and Uses of Funds
B-2	Intentionally Omitted
B-3	Intentionally Omitted
C	Intentionally Omitted
D	Intentionally Omitted
E	Contract Compliance Policies
F	Insurance Requirements
G	Lobbying/Debarment Certification Form
H	Intentionally Omitted
I	Intentionally Omitted
J	Intentionally Omitted
K	Intentionally Omitted
L	Schedule of Performance
M	OCII Monthly Project Update Form
N	Developer Fee Schedule
O	Assignment of Work Product
P	Consent to Assignment of Work Product
Q	Promissory Note

[Remainder of page intentionally left blank; signature page to follow.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement at San Francisco, California as of the date first written above.

OCII:
Successor Agency to the Redevelopment Agency of the City and County of San Francisco, a public body, organized and existing under the laws of the State of California:

By: ______________________________
Nadia Sesay
Executive Director

APPROVED AS TO FORM:

By: ______________________________
James B. Morales, Deputy Director and General Counsel

BORROWER:
Mission Bay 9 LP, a California limited partnership

By: Mission Bay 9, LLC a California limited liability company, its managing general partner

By: BRIDGE Housing, a California nonprofit public benefit corporation, its co-member

By: ______________________
Ann Silverberg, Executive Vice President

By: Community Housing Partnership, a California nonprofit public benefit corporation, its co-member

By: ______________________
Gail Gilman, Chief Executive Officer

EXHIBIT A

Site Description

Real property in the City and County of San Francisco, State of California, described as follows:

Housing Parcel:
Mission Bay Block 9 is located in the Mission Bay South Redevelopment Area, and is a flat parcel of approximately 47,437 square feet. The block's frontage is as follows: 172.5 feet along Mission Rock Street and China Basin Street, 275.0 feet along Block 8 (the Public Safety Building) and the future extension of Bridgeview Way. The Block is currently vacant.

Block 8719, Lot 003

Brigeview Way Parcel:
The parcel to be developed as an extension of Bridgeview Way is located in the Mission Bay South Redevelopment Area, and is a flat parcel of approximately 18,906 square feet. The parcel's frontage is as follows: 68.75 feet along Mission Rock Street and China Basin Street, and 275 feet along Blocks 9 and 9A. The Block is currently vacant.

Block 8719, Lot 004

EXHIBIT B-1

Table of Sources and Uses of Funds

EXHIBIT B-2

Intentionally Omitted

EXHIBIT B-3

Intentionally Omitted

EXHIBIT C

Intentionally Omitted.

EXHIBIT D

Intentionally Omitted.

EXHIBIT E

1. Equal Opportunity Policies. Borrower shall comply with OCII's Equal Opportunity Policies:

(i) Small Business Enterprise (SBE) Policy (adopted by Resolution No. 43-2015, July 7, 2015);

(ii) Construction Workforce Agreement;

(iii) Prevailing Wage Policy (adopted by Resolution No. 327-1985 Nov. 12, 1985);

(iv) Nondiscrimination in Contracts and Benefits (adopted by Resolution No. 175-1997);

(v) Health Care Accountability Policy (adopted by Resolution No. 168-2001); and

(vi) Minimum Compensation Policy (adopted by Resolution No. 168-2001).

Copies of the aforementioned policies are available on the OCII website at http://sfocii.org/policies-and-procedures

2. Environmental Review. The Project must meet the requirements of the California Environmental Quality Act (Cal. Pub. Res. Code §§ 2100 *et seq.*) and implementing regulations. and any other environmental reviews as required by any federal funding sources obtained, including the National Environemntal Policy Act ("NEPA").

3. Conflict of Interest.

(a) Except for approved eligible administrative or personnel costs, no employee, agent, consultant, officer or official of Borrower or OCII who exercises or has exercised any function or responsibilities with respect to activities assisted by Funds, in whole or in part, or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in or benefit from the activities assisted under this Agreement, or have an interest, direct or indirect, in any contract, subcontract or agreement with respect thereto, or in the proceeds thereunder either for himself/herself or for those with whom he/she has family or business ties, during his/her tenure and for one year thereafter. In order to carry out the purpose of this Section, Borrower must incorporate, or cause to be incorporated, in all contracts, subcontracts and agreements relating to activities assisted under the Agreement, a provision similar to that of this Section. Borrower will be responsible for obtaining compliance with conflict of interest provisions by the parties with whom it contracts and, in the event of a breach, Borrower must take prompt and diligent action to cause the breach to be remedied and compliance to be restored.

(b) Borrower represents that it is familiar with the provisions of Sections 1090 through 1097 and 87100 *et seq*. of the California Government Code, all of which relate to prohibited conflicts of interest in connection with government contracts. Borrower certifies that it knows of no facts that constitute a violation of any of these provisions and agrees to notify OCII immediately if Borrower at any time obtains knowledge of facts constituting a violation.

(c) In the event of any violation of the conflict of interest prohibitions, Borrower agrees that OCII may refuse to consider any future application for funding from Borrower or any entity related to Borrower until the violation has been corrected to OCII's satisfaction, in OCII's sole discretion.

4. Disability Access. Borrower must comply with all applicable disability access Laws, including the Americans With Disabilities Act (42 U.S.C. §§ 1201 *et seq.*), Section 504 of the Rehabilitation Act (29 U.S.C. § 794) and the Fair Housing Amendments Act (42 U.S.C. §§ 3601 *et seq.*). Borrower is responsible for determining which disability access Laws apply to the Project, including those applicable due to the use of Funds. In addition, before occupancy of the Project, Borrower must provide to OCII a written reasonable accommodations policy that indicates how Borrower will respond to requests by disabled individuals for accommodations in Units and common areas of the Project.

5. Lead-Based Paint. Borrower must satisfy the requirements of Chapter 36 of the San Francisco Building Code ("Work Practices for Exterior Lead-Based Paint") and the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4821 *et seq*.) and implementing regulations at 24 CFR part 35. Borrower must also comply with the provisions contained in 17 CCR 350000 *et seq.*, and 8 CCR 1532.1 and all other applicable Laws governing lead-based hazards.

6. Relocation. Borrower must meet any applicable requirements of the California Relocation Assistance Act (Cal. Gov. Code §§ 7260 *et seq*.) and implementing regulations in Title 25, Chapter 6 of the California Administrative Code and similar Laws.

7. Non-Discrimination in OCII Contracts and Benefits Policy.

(a) Borrower May Not Discriminate. In the performance of this Agreement, Borrower agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, height, weight, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with Borrower, in any of Borrower's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services or membership in all business, social or other establishments or organizations operated by Borrower.

(b) Non-Discrimination in Benefits. Borrower does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco or where the work is being performed for OCII or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a Governmental Agency under state or local law authorizing such registration, subject to the conditions set forth in the Agency's Nondiscrimination in Contracts Policy, adopted by Agency Resolution 175-97, as amended from time to time.

8. Public Disclosure.

(a) Borrower understands and agrees that under the State Public Records Law (Cal. Gov. Code §§ 6250 *et seq.*) and the Agency Public Records Policy, this Agreement and any and all records, information and materials submitted to OCII or the City hereunder are public records subject to public disclosure. Borrower hereby authorizes OCII and the City to disclose any records, information and materials submitted to OCII or the City in connection with this Agreement as required by Law.

9. Limitations on Contributions. Through execution of this Agreement, Borrower acknowledges that it is familiar with section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the Agency for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) the Mayor or members of the Board of Supervisors, (2) a candidate for Mayor or Board of Supervisors, or (3) a committee controlled by such office holder or candidate, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Borrower acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of $50,000 or more. Borrower further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Borrower's board of directors; Borrower's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Borrower; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Borrower. Additionally, Borrower acknowledges that Borrower must inform each of the persons described in the preceding sentence of the prohibitions contained in section 1.126.

Finally, Borrower agrees to provide to OCII the names of each member of Borrower's general partners' (or, if applicable, general partners' managing members) board of directors; Borrower's general partners' (or, if applicable, general partners' managing members) chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Borrower's general partners (or, if applicable, general partners' managing members); any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Borrower.

EXHIBIT F

Insurance Requirements

Borrower must procure and maintain for the duration of the Contract, including any extensions, insurance against claims for injuries to person or damages to property which may arise from or in connection with the performance of the work under this Contract by the Borrower, its agents, representatives, employees or subcontractors. If the Borrower maintains additional coverages and/or higher limits than the minimums shown in this Exhibit F, OCII requires and shall be entitled to the additional coverage and/or the higher limits maintained by the Borrower. If and when the Borrower and OCII enter into a gap loan agreement and other agreements authorizing or funding the construction of the Project, OCII may adjust these insurance requirements to reflect the risks associated with construction-related activities.

B. Minimum Scope of Insurance. Coverage must be at least as broad as:

(1) Insurance Services Office Commercial General Liability coverage (occurrence form CG 00 01), with additional insured endorsement.

(2) Insurance Services Office Automobile Liability coverage, code 1 (form number CA 00 01- any auto if any autos are owned), with additional insured endorsement.

(3) Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance, with waiver of subrogation.

(4) Professional Liability Insurance appropriate to the Borrower's profession covering all negligent acts, errors and omissions.

C. Minimum Limits of Insurance. Borrower must maintain limits no less than:

1) General Liability:

a. $2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit must apply separately to this project/location or the general aggregate limit must be twice the required occurrence limit ($4,000,000). Applicable Umbrella or Excess Liability limits may be used to meet the terms of this paragraph. Borrower should note that the General Liability coverage described herein is applicable only during the predevelopment phase and that OCII will require increased coverage during the construction period.

2) Automobile Liability: $1,000,000 per accident for bodily injury and property damage (if applicable).

3) Workers' Compensation and Employer's Liability: Workers' Compensation limits as required by the State of California and Employer's Liability limits of $1,000,000 for bodily injury by accident and $1,000,000 per person and in the annual aggregate for bodily injury by disease. (Required only if Borrower has employees).

4) Professional Liability: $2,000,000 per claim/$4,000,000 policy aggregate covering all negligent acts, errors and ommissions of Developer's design team members (including all architects, engineers, and surveyors) under direct contract with Developer ("Prime Design Member"). Each Prime Design Member must submit proof of Professional Liabililty Insurance of $2,000,000/$4,000,000 covering negligent acts, errors, and omissions. If the Prime Design Members' insurance is "claims made" coverage, these minimum limits shall be maintained by the Prime Design Member for no less than ten years beyond the completion date of construction. Each Prime Design Member shall procure and maintain coverages against claims for injuries to person or damages to property which may arise from or in connection with the performance of the work under this Agreement by itself and its Agents (including subcontractors and consultants), representatives, or employees for whom the Prime Design Member is legally liable. Each Prime Design Member is also required to assess the risks associated with work to be performed by Agents under subcontract and to include in every subcontract the requirement that the Agement maintain adequate insurance coverages with appropriate limits and endorsements to cover such risks. To the extent that any Agent does not procure and maintain such insurance coverage, Prime Design Member shall assume any and all costs and expenses that may be incurred in fulfilling any indemnity obligations as to itself or any of it Agents for whom the Prime Design Member is legally liable in the absence of coverage.

5) Crime Policy: Crime policy or fidelity bond covering Developer's officers and employees' against dishonesty with respect to the Funds under this Agreement, in the amount of $75,000 each loss, with any deductible not to exceed $5,000 including the OCII as an additional oblige or loss payee.

D. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by OCII. At the option of OCII, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects to OCII, the City and County of San Francisco and their respective commissioners, members, officers, agents and employees; or Borrower shall provide a financial guarantee satisfactory to OCII guaranteeing payment of losses and related investigations, claim administration and defense expenses.

E. Other Insurance Provisions. The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1) The "Office of Community Investment and Infrastructure/Successor Agency to the Redevelopment Agency of the City and County of San Francisco, the City and County of San Francisco and their respective commissioners, members, officers, agents and employees" are to be covered as additional insureds as respects: liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Borrower; and liability arising out of work or operations performed by or on behalf of the Borrower.

2) For any claims related to this Contract, the Borrower's insurance coverage must be primary insurance as respects to OCII, the City and County of San Francisco and their respective commissioners, members, officers, agents, and employees. Any insurance or self-insurance maintained by OCII, the City and County of San

Francisco and their respective commissioners, members, officers, agents or employees shall be in excess of Borrower's insurance and shall not contribute with it.

3) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to OCII, the City and County of San Francisco and their respective commissioners, members, officers, agents or employees.

6) Each insurance policy required by this clause must be endorsed to state that coverage will not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to OCII. Should the insurance carrier not be able to provide such notice, than the responsibility to provide the notice to OCII shall be borne by the policyholder.

7) Borrower hereby grants to OCII, and shall require its general contractor, all subcontractors and consultants to grant to OCII, a waiver of any right to subrogation which any insurer of said Borrower, contractor, subcontractor, or consultant may acquire against OCII by virtue of the payment of any loss under such insurance. Borrower agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not OCII has received a waiver of subrogation endorsement from the insurer.

8) If any of the required policies provide coverage on a claims-made basis:

a. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.

b. Insurance must be maintained and evidence of insurance must be provided for at least five years after completion of the contract of work.

c. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Borrower must purchase "extended reporting" coverage for a minimum of five years after completion of contract work unless a longer period is specified in Section C above.

F. <u>Acceptability of Insurers.</u> Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise approved by OCII's Risk Manager.

G. <u>Verification of Coverage.</u> Borrower must furnish OCII with certificates of insurance and with original endorsements evidencing coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements may be on forms provided by OCII. All certificates and endorsements are to be received and approved by OCII before work commences. OCII reserves the right to require complete, certified copies of all required insurance policies, including endorsements demonstrating the coverage required by these specifications at any time.

H. Design Professionals, Subcontractors and Consultants Insurance. Borrower shall require and verify that its general contractor and all subcontractors and consultants (i) maintain workers' compensation, automobile liability, commercial general liability, and professional liability insurance in the amounts and in accordance with the requirements listed above, as applicable, unless otherwise approved under OCII's Risk Management Policy, and (ii) Borrower shall ensure that "Office of Community Investment and Infrastructure/Successor Agency to the Redevelopment Agency of the City and County of San Francisco, the City and County of San Francisco and their respective commissioners, members, officers, agents, and employees" are additional insureds on insurance required from subcontractors and consultants. Borrower must furnish OCII with general contractor's, architects' and engineers' certificates of insurance and original endorsements effecting coverage required by this paragraph.

I. Review. OCII reserves the right to modify the insurance coverage under this Section, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstances consistent with OCII's Risk Management Policy. The insurance coverage required under this Section shall be evaluated by OCII for adequacy from time to time. OCII may require Developer to increase the insurance limits and/or forms of coverage in its reasonable discretion provided that such limits and/or coverage is generally available at commercially reasonable rates.

<u>EXHIBIT G</u>

<u>Lobbying/Debarment Certification Form</u>

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or cooperative agreement.

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress or an employee of a member of Congress in connection with this federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

This lobbying certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed under Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for such failure.

3. Neither the undersigned nor its principals is listed by the General Services Administration as debarred, suspended, ineligible or voluntarily excluded from receiving the Funds on the Agreement Date. The undersigned will review the list to ensure that any contractor or subcontractor who bids for a contract in excess of $100,000 is not debarred, suspended, ineligible or voluntarily excluded from participating in federal programs and activities and will obtain the certification of each contractor or subcontractor whose bid is accepted that such contractor or subcontractor is not debarred, suspended, ineligible or voluntarily excluded from participating in federal programs and activities.

By: Mission Bay 9 LP, a California limited partnership

By: Mission Bay 9 LLC, a California limited liability company, its managing general partner

By: BRIDGE Housing, a California nonprofit public benefit corporation, its co-member

By: ______________________________
Ann Silverberg, Executive Vice President

By: Community Housing Parnership, a California nonprofit public benefit corporation, its co-member

By: ______________________________
Gail Gilman, Chief Executive Officer

<u>EXHIBIT H</u>

<u>Intentionally Omitted.</u>

EXHIBIT I

Intentionally Omitted

EXHIBIT J

Intentionally Omitted

<u>EXHIBIT K</u>

<u>Intentionally Omitted</u>

EXHIBIT L

Schedule of Performance

No.	Performance Milestone	Estimated or Actual Date	Contractual Deadline
A.	Prop I Noticing (if applicable)	N/A	
1.	Acquisition/Predev Financing Commitment	2/20/2018	N/A
2.	Site Acquisition	N/A	
3.	Development Team Selection		
a.	Associate Architect	7/1/2018	1/1/2019
b.	General Contractor	6/1/2018	12/1/2018
c.	Owner's Representative	Complete	
d.	Property Manager	Complete	
e.	Service Provider	Complete	
f.	Factory Fabricator	9/1/2018	3/1/2019
4.	Design		
a.	Submittal of Schematic Design & Cost Estimate	11/1/2018	5/1/2019
b.	Submittal of Design Development & Cost Estimate	3/1/2019	9/1/2019
c.	Submittal of 50% CD Set & Cost Estimate	6/1/2019	12/1/2019
d.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	7/1/2019	1/1/2020
5.	Environ Review/Land-Use Entitlements		
a.	CEQA Environ Review Submission	N/A	
b.	NEPA Environ Review Submission	N/A	
c.	CUP/PUD/Variances Submission	N/A	
6.	Permits		
a.	Site Permit Submission	2/1/2019	8/1/2019
b.	HCD Permit for Modular Submission	3/1/2019	9/1/2019
7.	Modular Materials and Prototype Deposits	9/1/2019	3/1/2020
8.	Request for Bids Issued	12/1/2019	6/1/2020
9.	Service Plan Submission		
a.	Preliminary	12/1/2018	6/1/2019
b.	Interim	N/A	
c.	Update / Final	5/11/2019	Contractual for gap loan
10.	Additional City Financing		

a.	Gap Financing Application	6/1/2019	12/1/2019
11.	Other Financing		
a.	NPLH Application	TBD (2018)	
b.	Construction Financing RFP	9/1/2019	3/1/2020
c.	AHP Application	March 2019	March 2019
d.	CDLAC Application	July 2019	February 2020
e.	TCAC Application (9%)	July 2019	February 2020
f.	TCAC Application (4%)	July 2019	February 2020
g.	Selection of Tax Credit Investor	1/1/2020	Contractual for gap loan
11.	Closing		
a.	Construction Closing	March 2020	Contractual for gap loan
b.	Permanent Financing Closing	September 2021	Contractual for gap loan
12.	Construction		
a.	Notice to Proceed	March 2020	Contractual for gap loan
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	March 2021	Contractual for gap loan
13.	Marketing/Rent-up		
a.	Early Outreach Plan Submission	N/A	
b.	Marketing Plan Submission	N/A	
c.	Commence Marketing	N/A	
d.	95% Occupancy	7/1/2021	Contractual for gap loan
14.	Cost Certification	11/1/2021	Contractual for gap loan
15.	8609	1/1/2022	Contractual for gap loan
16.	Close Out MOH/OCII Loan(s)	3/1/2022	Contractual for gap loan

EXHIBIT M

OCII Monthly Project Update Form

OCII MONTHLY PROJECT UPDATE FORM

Please complete this Monthly Project Update and email the Word document to the Project Manager, with a copy to Kim Obstfeld (kimberly.obstfeld@sfgov.org), by the first of each month. Please focus on the relevant sections of project progress, and anticipate approvals that will be needed over the next 2 – 3 months from other departments. Use as much space as you need.

I. THE PURPOSE OF THESE UPDATES IS TO TRACK PROJECT PROGRESS

1. *During the pre-construction*
2. *On non-construction issues during construction, and*
3. *After regular monthly construction meetings have ended*

Project Summary Information

Project:	
Sponsor:	
# Units:	
Target Population:	

1. Monthly Update

Month Covered:	Date of Report:
Completed by:	
Estimated Construction Start Date (if changed from previous update, please explain):	
Estimated Total Development Cost (if changed from previous update, please explain):	
Projects OCII gap commitment (excluding OCII funding committed to date): Expected date when OCII gap funding needed: Month: Year:	
Procurement and bidding (architect, consultants and contractors):	
Entitlements, permits and utilities (Planning /dept., DBI, SFFD, DPW, SFWD, MOD, PG&E and DRE)	
Major issues OCII needs to be aware of, including anything that may require OCII's involvement:	

Any changes in the scope, cost, schedule or financing plan? (Attach updated budget and/or schedule, if any, that have occurred since prior month.)
Significant milestones reached during the past month, and any planned to be reached during the coming month. Also include any projected milestones not reached during the last month and the reasons why. (Depending on the phase of the project, please cover efforts to obtain additional financing, relocation, planning, service planning, marketing and rent-up, etc., as applicable for the project.)
FOR OCII STAFF ONLY
Major issues, delays, etc.:
Items for discussion with Director:

EXHIBIT N

Developer Fee Schedule

Developer Fee Disbursement Schedule		
Payment Milestone	**% of Project Mgmt Fee**	**Amount**
At acquisition or closing of preconstruction financing	15%	$150,000
During or at end of predevelopment	35%	$350,000
By end of construction	50%	$500,000
Total Project Management Fee	100%	$1,000,000
At Risk Fee*		$1,400,000
Total Cash Developer Fee		**$2,400,000**
GP Equity		$319,691
Total Developer Fee		**$2,719,691**

* Per MOHCD's Developer Fee Policy, the total Project Management fee will be $1,000,000 and the total at risk fee will be $1,400,000 (including the additional cash out allowed due to the project's larger size). The At Risk Fee will be held back from distribution in order to cover any cost overruns that exceed the contingency amounts held in the Sponsor's budget, per MOHCD's Developer Fee Policy.

EXHIBIT O
ASSIGNMENT OF WORK PRODUCT

Assignment of Architects and Engineers Agreement Plans and Specifications

FOR VALUE RECEIVED, Mission Bay 9 LP, a California limited partnership ("Borrower") does hereby sell, assign, pledge, transfer and set over to the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, a public body, organized and existing under the laws of the State of California, ("Agency") all of its rights, title and interest in and to that certain architect's agreement ("Agreement") entered into by and between Borrower and Leddy Maytum Stacy Architects and any other contracts entered into between Borrower and any licensed design profession or engineer ("Architect" or "Engineer"), and those certain Plans and Specifications and all amendments, modifications, supplements, general conditions and addenda thereto ("Plans") prepared by the Architects and Engineers for the account of Borrower in connection with the development of approximately 141 units of affordable rental housing at Mission Bay South Block 9 and extension of Bridgeview Way, on parcels identified as Block 8719, Lots 003 and 004 of that certain map entitled "Final Map Planned Development Mission Bay (9-9A and 10-10A)", recorded on May 31, 2005 and filed on pages 6-10 in Book BB of the County's Survey Maps and known as Mission Bay Block 9 ("Project"). The Agreement and the Plans are assigned as collateral security for certain indebtedness of Borrower to Agency evidenced by that certain Promissory Note of even date herewith in the principal amount of $5,000,000.00.

Borrower and Architect or Engineer, by executing the Consent to this assignment, agree that Agency does not assume any of Borrower's obligations or duties concerning the Agreement and the Plans, including, but not limited to, the obligation to pay for the preparation of the Agreement and the Plans, until and unless Agency shall exercise its right hereunder.

Borrower hereby irrevocably constitutes and appoints Agency as its attorney-in-fact to demand, receive, and enforce Borrower's rights with respect to the Agreement and the Plans, to give appropriate receipts, releases and satisfactions for and on behalf of Borrower and to do any and all acts in the name of Borrower or in the name of Agency with the same force and effect as Borrower could do if this Assignment had not been made.

Borrower hereby represents and warrants to Agency that no previous assignment of its interest in the Agreement and the Plans has been made, and Borrower agrees not to assign, sell, pledge, transfer, mortgage or otherwise encumber its interest in the Agreement and the Plans so long as this Assignment is in effect.

This Assignment shall be binding upon and inure to the benefit of the heirs, legal representatives, assigns, or successors in interest of the Borrower and Agency.

IN WITNESS WHEREOF, Borrower has caused this Assignment to be executed on ____________, 2018.

BORROWER:
Mission Bay 9 LP, a California limited partnership

By: Mission Bay 9 LLC, a California limited liability company, its managing general partner

By: BRIDGE Housing, a California nonprofit public benefit corporation, its co-member

By: ________________________
Ann Silverberg, Executive Vice President

By: Community Housing Partnership, a California nonprofit public benefit corporation, its co- member

By: ________________________
Gail Gilman, Chief Executive Officer

EXHIBIT P
CONSENT TO ASSIGNMENT OF WORK PRODUCT
Consent to Assignment

FOR VALUE RECEIVED, Mission Bay 9 LP, a California limited partnership, ("Borrower") does hereby sell, assign, pledge, transfer and set over to the Successor Agency to the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, a public body, organized and existing under the laws of the State of California, ("Agency") all of its rights, title and interest in and to that certain architect's agreement ("Agreement") entered into by and between Borrower and Leddy Maytum Stacy Architects ("Architect/Engineer") and those certain Plans and Specifications and all amendments, modifications, supplements, general conditions and addenda thereto ("Plans") prepared by the Architect/Engineer and others for the account of Borrower in connection with the development of approximately 141 units of affordable rental housing at Mission Bay South Block 9 and exentension of Bridgeview Way, on parcels identified as Block 8719, Lots 003 and 004 of that certain map entitled "Final Map Planned Development Mission Bay (9-9A and 10-10A)", recorded on May 31, 2005 and filed on pages 6-10 in Book BB of the County's Survey Maps ("Project"). The Agreement and the Plans are assigned as collateral security for certain indebtedness of Borrower to Agency evidenced by that certain Promissory Note of even date herewith in the principal amounts of $5,000,000.00.

The undersigned has prepared the Plans, hereby consents to the above Assignment hereby waives his/her lien rights, if any, for services rendered to date with respect to the Plans. The undersigned also agrees that in the event of a breach by Borrower of any of the terms and conditions of the Agreement or any other agreement entered into with the undersigned in connection with the Plans, that so long as Borrower's interest in the Plans is assigned to Agency, it will give written notice to Agency of such breach. Agency shall have sixty (60) days from the receipt of such notice of default to remedy or cure said default; however, nothing herein shall require the Agency to cure said default, but only gives it the option to do so.

The undersigned also agrees that in the event of default by Borrower under any of the documents or instruments entered into in connection with said Note, the undersigned, at Agency's request, shall continue performance under the Agreement in accordance with the terms hereof, provided that the undersigned shall be reimbursed in accordance with the Agreement for all services rendered on Agency's behalf including all services rendered on Borrower's behalf.

Dated: ________________, 2018

ARCHITECT:

Leddy Maytum Stacy Architects

By: ______________________________

Name: ____________________________

Title: _____________________________

(*signatures continue on following page*)

ENGINEER:

By: ________________________________

Name: ______________________________

Title: ______________________________

EXHIBIT Q

Promissory Note

PROMISSORY NOTE

Principal Amount: $5,000,000 San Francisco, CA

Date: February 20, 2018

FOR VALUE RECEIVED, the undersigned, MISSION BAY 9 LP, a California limited partnership ("Maker"), hereby promises to pay to the order of the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, hereafter referred to as the Office of Community Investment and Infrastructure, a public body, organized and existing under the laws of the State of California ("OCII", including any successors or assigns), or holder (as the case may be, "Holder"), the principal sum of Five Million and No/100 Dollars ($5,000,000.00) (the "Funding Amount"), or so much of the Funding Amount as may be disbursed from time to time pursuant to the Agreement described in **Section 1** below, together with interest thereon, as provided in this Note.

1. Agreement. This Secured Promissory Note ("Note") is given under the terms of a Loan Agreement by and between Maker and Holder (the "Agreement") dated as of the date set forth above, which Agreement is incorporated herein by reference. Definitions and rules of interpretation set forth in the Agreement apply to this Note. In the event of any inconsistency between the Agreement and this Note, this Note will control.

2. Interest. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of three percent (3%) per annum, simple interest, from the date of disbursement of funds by Holder through the date of full payment of all amounts owing under the OCII Documents. If a Construction/Permanent Loan for the Project from OCII is subsequently approved by OCII Commission the parties acknowledge that the Borrower may request and OCII may approve a reduced interest rate in order to maintain Project feasibility.

3. Default Interest Rate. Upon the occurrence of an Event of Default under any OCII Document, interest will be deemed to have accrued on the outstanding principal balance of the Loan at a compounded annual rate equal to the lesser of: (a) ten percent (10%); or (b) the maximum lawful rate of interest, commencing on the date on which Maker receives written notice from Holder of the Event of Default through the earlier of: (x) the date on which the Event of Default is cured; or (y) the date on which all amounts due under the OCII Documents are paid to Holder. Maker acknowledges and agrees that the default interest that must be paid in the event of an Event of Default pursuant to this Section represents a reasonable sum considering all the circumstances existing on the date of this Note and represents a fair and reasonable estimate of the costs that will be sustained by Holder if Maker defaults. Maker further agrees that proof of actual damages would be costly and inconvenient and that default interest will be paid without prejudice

to Holder's right to collect any other amounts to be paid or to exercise any of its other rights or remedies under any OCII Document.

4. Repayment of Funding Amount. Maker must repay all amounts owing under the OCII Documents in accordance with and subject to Section 3.1 of the Agreement. All Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; (b) accrued and unpaid interest; and (c) reduction of the principal balance of the Loan. The unpaid principal balance of the Loan, together with all accrued and unpaid interest and unpaid costs and fees incurred, will be due and payable on the Maturity Date, as such term is defined in the Agreement. Any Payment Date, including the Maturity Date, that falls on a weekend or holiday will be deemed to fall on the next succeeding business day.

If this Note becomes due and payable, and provided no Event of Default under any of the OCII Documents is then continuing, the Maker may satisfy this Note in full by either (i) making payment in full; or (ii) delivering to the Holder all of the following: (x) the Work Product, as such term is defined in the Agreement, (y) an assignment to the Holder of all of Maker's right, title and interest in and to said Work Product (which assignment shall be in the substantial form of the Assingment of Work Product attached as Exhibit O to the Agreement); and (z) the written consent to such assignment of any architect, engineer or other person or firm that has any right, title or interest in or to the Work Product, to the extent Maker is able to obtain such consent using commercially reasonable efforts.

5. Security. Maker's obligations under this Note are secured by, the pledge of Work Product given in the Assignment of Work Product and the Loan is non-recourse to such Maker, its partner and their members.

6. Terms of Payment.

6.1 All Payments must be made in currency of the United States of America then lawful for payment of public and private debts.

6.2 All Payments must be made payable to Holder and mailed or delivered in person to Holder's office at One South Van Ness Avenue, 5th Floor, San Francisco, CA 94103, or to any other place Holder from time to time designates.

6.3 In no event will Maker be obligated under the terms of this Note to pay interest exceeding the lawful rate. Accordingly, if the payment of any sum by Maker pursuant to the terms of this Note would result in the payment of interest exceeding the amount that Holder may charge legally under applicable state and/or federal law, the amount by which the payment exceeds the amount payable at the lawful interest rate will be deducted automatically from the principal balance owing under this Note.

6.4 Maker waives the right to designate how Payments will be applied pursuant to California Civil Code Sections 1479 and 2822. Holder will have the right in its sole discretion to determine the order and method of application of Payments to obligations under this Note.

6.5 Subject to this Section, Holder will not seek or obtain judgment against Maker for the payment of any amounts due under this Note following a judicial or nonjudicial foreclosure of the Deed of Trust, or exercise of Holder’s rights under the Assignment of Work Product, and Holder's sole recourse against Maker for any default under this Note will be limited to the collateral for the Loan, *provided, however*, that this Section will be deemed void and of no effect if Maker challenges Holder's right to foreclose following an Event of Default in any legal proceeding on the grounds that the OCII Documents are not valid and enforceable under California law. This provision does not limit in any way Holder's right to recover from Maker sums incurred by Holder as a result of Maker's fraud, willful misrepresentation, misapplication of funds (including Loan Funds and Rents (as defined in the Deed of Trust)), waste or negligent or intentional damage to the collateral for the Loan.

6.6 This Note may be prepaid in whole or in part at any time, and from time to time, without penalty provided that notice is given to Holder no later than ninety (90) days prior to prepayment.

7. Default.

7.1 Any of the following will constitute an Event of Default under this Note:

(a) Maker fails to make any Payment required under this Note within ten (10) days of the date it is due; or

(b) the occurrence of any other Event of Default under the Agreement or other instrument securing the obligations of Maker under this Note or under any other agreement between Maker and Holder with respect to the Loan subject to all applicable notice and cure rights.

7.2 Upon the occurrence of any Event of Default, without notice to or demand upon Maker, which are expressly waived by Maker (except for notices or demands otherwise required by applicable laws to the extent not effectively waived by Maker and any notices or demands specified in the OCII Documents), Holder may exercise all rights and remedies available under this Note, the Agreement or otherwise available to Holder at law or in equity. Maker acknowledges and agrees that Holder's remedies include the right to accelerate the Maturity Date by declaring the outstanding principal balance of the Loan, together with all accrued and unpaid interest and unpaid fees and costs incurred, due and payable immediately, in which case, the Maturity Date will be superseded and replaced by the date established by Holder.

8. Waivers.

8.1 Maker expressly agrees that the term of this Note or the date of any payment due hereunder may be extended from time to time with Holder's consent, and that Holder may accept further security or release any security for this Note, all without in any way affecting the liability of Maker.

8.2 No extension of time for any Payment made by agreement by Holder with any person now or hereafter liable for the payment of this Note will operate to release, discharge, modify, change or affect the original liability of Maker under this Note, either in whole or in part.

8.3 The obligations of Maker under this Note are absolute, and Maker waives any and all rights to offset, deduct or withhold any Payments or charges due under this Note for any reason whatsoever.

9. Miscellaneous Provisions.

9.1 All notices to Holder or Maker must be given in the manner and at the addresses set forth in the Agreement, or to the addresses Holder and/or Maker hereafter designate in accordance with the Agreement.

9.2 In the event of any legal proceedings arising from the enforcement of or a default under this Note or in any bankruptcy proceeding of Maker, the non-prevailing party promises to pay all reasonable costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the proceeding, as provided in the Agreement.

9.3 This Note may be amended only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

9.4 This Note is governed by and must be construed in accordance with the laws of the State of California, without regard to the choice of law rules of the State.

9.5 Time is of the essence in the performance of any obligations hereunder.

"MAKER"

Mission Bay 9 LP, a California limited partnership

By: Mission Bay 9 LLC, a California limited liability company, its managing general partner

By: BRIDGE Housing, a California nonprofit public benefit corporation, its co- member

By: ______________________________
Ann Silverberg, Executive Vice President

By: Community Housing Parnership, a California nonprofit public benefit corporation, its co- member

By: ______________________________
Gail Gilman, Chief Executive Officer

Attachment 5: Location Map

Mission Bay South Block 9 & Bridgeview Way

LEGEND:

Public Facility
Parks
Retail
Residential / Market Rate
Residential / Affordable
Hotel / Residential
UCSF Campus
UCSF Medical Center
Commercial Office