

## **Downtown San Mateo RFP – Clarifying Questions**

December 17, 2017

1. Please elaborate on the alternative sources you propose to use if the Infill Grant is not available? Are you proposing an additional loan from the City as a possible source or is this proposed to be from a private financing source? Would the loan be for the housing project or the parking garage?

MidPen is proposing to finance and build the joint housing and public parking garage, estimated at a sum of \$101MM, as one development, with the affordable housing and associated residential parking being owned by the tax credit limited partnership, and with the public garage being owned and operated by the City of San Mateo. There is more than one way to structure this arrangement, and if selected, MidPen will work with the City to ascertain its preferences and consult outside tax counsel to set up the exact structure in the most efficient and advantageous way.

As currently structured, the housing development is making a one-time, lump-sum, land lease payment to the City. The payment on the land lease is then used by the City as a source to pay for the public garage hard costs.

Given this lease payment structure, substitution for IIG can occur as either funding going directly to the parking, or indirectly through the housing to the parking. We propose that the most appropriate source to replace IIG would be for the City to leverage a loan against future parking revenue. (Or the parking loan could go with MidPen first, then get assigned to the City when we transfer title of the garage to the City.) MidPen will assist in lining up a private lender to leverage this loan, or the City could play a more direct role here as well by increasing its parking fund contribution, given that parking revenue will flow directly back the City.

Other financing sources may also become available as the state operationalizes SB2 funding and if SB3 wins voter approval in 2018. The \$5MM potential gap in the \$101MM proposed development stems entirely from the extra public parking stalls in the garage.

2. The rents you used for your cash flow analysis were different than those specified in the RFP. Can you submit a revised pro forma/cash flow using the rents specified. Attached is more detailed information about the rent assumptions developed by staff for RFP document. If you have questions on these, please contact Sandy Council.

MidPen apologizes for inadvertently not using the prescribed net rents as specified in the RFP, and instead using the standard TCAC limits in our original proposal. We have hereby made the changes to the different unit types, in accordance to the table provided. Taking into account the increases in utility allowance (more utility payments to tenants), we took a corresponding decrease in utility costs in the operating budget.

These changes (increase in one-bedroom rents and decrease in three-bedroom rents) decreased the amount of sum perm debt and surplus cash debt, which resulted in a public subsidy increase of \$1.33MM, shown in the revised proforma as an increase in AHF subsidy. We do believe there is room for rent increases: that 80% restricted units should set rents at 80% AMI, and 120% restricted units could set rents at 100% AMI (rather than 96% AMI, given market conditions). Such rent increases would help decrease the subsidy gap.

In addition, this conflict between how TCAC and the State calculate rent limits by bedroom sizes can be resolved by citing a State code section that allows a project to defer to federal standards, when federal sources such as LIHTC are used. This preferred solution of using TCAC rent limits was utilized at both Peninsula Station and Delaware Pacific, and would eliminate the new gap.

3. Please provide a sources and uses table for the public parking garage, including both hard and soft costs and all sources of funding. Describe the proposed terms for the City contribution and also clarify any assumptions on the use of parking revenues.

In our proposal, the housing and parking were combined together in one merged, mixed-use development, with one sources and uses table. This is consistent with how mixed-use affordable housing projects are commonly financed, where total project sources are allocated to pay for residential and non-residential components. MidPen has completed this complex deal structure work before at Station Center and Alma Point with commercial space and public parking. As we have with other jurisdictions in the region, we will work diligently with the City, the City Attorney, and outside counsel to design the most advantageous financing structure to allocate sources and uses for residential and non-residential components,.

<b>Permanent Sources - Garage, Public Parking Stalls</b>	
City Contribution (redirected from Lease Payment)	\$ 10,500,000
City Parking Funds	\$ 5,000,000
Other Sources	\$ 4,078,965
<b>Total Sources</b>	<b>\$ 19,578,965</b>
<b>Uses of Fund - Garage, Public Parking Stalls</b>	
Hard Cost Only	\$ 15,500,000
General Contractor Requirements/Overhead	\$ 1,561,150
Hard Cost Contingency and Escalation	\$ 1,695,683
Architecture and Engineering	\$ 649,091
Other Soft Costs	\$ 173,041
<b>Total Uses</b>	<b>\$ 19,578,965</b>

If the City does desire to finance the public parking garage separately, it would have to identify another parking source in the amount of roughly \$4MM. As it stands currently in our proposal, the \$5MM of City parking funds and the \$10.5MM of City contribution derived from the housing land lease payment would be contributed as equity to pay for the 535 public stalls in the parking garage. The City will own the garage, and all parking proceeds would flow directly to the City, per the description in the proposal and in Question 1.

4. What is the length of the proposed ground lease term?

MidPen shares the City’s priorities and is committed to maintaining all of its portfolio properties as permanently affordable. We propose a 75-year ground lease term, in excess of the 55-year TCAC regulatory period, to ensure the development is financeable by our debt and equity partners.

# San Mateo Downtown, Housing + Parking, 50% Middle-Income

Prepared by: *Felix AuYeung*



*Integrated Mixed-Income Development + Public Parking*

**PROJECT DATA**

SITE, BUILDING AND UNIT DETAILS			
<b>LAND</b>			
Acreage	2.41	acres	
Density	68.05	units/acre	
# of Stories	5		
<b>BUILDING</b>			
Residential	120,525	sf	
Circulation and Common	25,281	sf	
Residential Garage	62,320	sf	
Public Garage	203,300	sf	
<b>PARKING</b>			
# of residential spaces	164		
residential parking ratio	1.00		
total # parking spaces	699		
<b>UNIT MIX AND AFFORDABILITY</b>			
Unit Type	# Units	Average Rent	
Studios/SRO	9	1,025	
1-Bedroom	70	1,779	
2-Bedroom	46	1,868	
3-Bedroom	39	2,066	
4-Bedroom	0	-	
<b>Total Unit Count</b>	<b>164</b>		
Average Affordability	87.2%		

SOURCES AND USES			
CONSTRUCTION SOURCES			
		per unit	
Construction Loan	\$ 53,090,030	323,720	
Tax Credit Investor Proceeds	\$ 2,193,067	13,372	
City Housing Funds	\$ 4,500,000	27,439	
Lease Payment Proceeds to Public Pa	\$ 10,500,000	64,024	
City Parking Funds	\$ 5,000,000	30,488	
County AHF	\$ 7,337,081	44,738	
Infill Infrastructure Grant	\$ 5,000,000	30,488	
GP Equity	\$ 5,000,000	30,488	
<b>total</b>	<b>\$ 92,620,178</b>	<b>\$ 564,757</b>	

PERMANENT SOURCES			
		per unit	percent
Amortizing Perm Loan, Tranche A	\$ 29,411,200	179,337	29.0%
Amortizing Perm Loan, Tranche B	\$ 13,311,000	81,165	13.1%
Tax Credit Investor Proceeds	\$ 14,620,448	89,149	14.4%
City Housing Funds	\$ 4,500,000	27,439	4.4%
County AHF	\$ 7,337,081	44,738	7.2%
Infill Infrastructure Grant	\$ 5,000,000	30,488	4.9%
Subordinate Surplus Cash Debt	\$ 6,619,000	40,360	6.5%
GP Equity (from MidPen)	\$ 5,000,000	30,488	4.9%
City Parking Funds	\$ 5,000,000	30,488	4.9%
Lease Payment Proceeds to Public Pa	\$ 10,500,000	64,024	10.4%
<b>total</b>	<b>\$ 101,298,729</b>	<b>\$ 617,675</b>	<b>100%</b>

PERMANENT USES			
	total	per unit	per SF
<b>ACQUISITION</b>			
Land	\$ 10,500,000	\$ 64,024	\$ 70
Other Acquisition Costs	\$ 30,000	\$ 183	\$ 0
<b>Total Acquisition Costs</b>	<b>\$ 10,530,000</b>	<b>\$ 183</b>	<b>\$ 70</b>
<b>HARD COSTS</b>			
Resid. Site Work and Structures	\$ 46,424,977	\$ 283,079	\$ 309
Public Parking Costs	\$ 16,350,000	\$ 99,695	\$ 109
Escalation Contingency	\$ 3,138,749	\$ 19,139	\$ 21
Overhead & Profit/GC/Ins. Bond	\$ 3,954,824	\$ 24,115	\$ 26
Owner Contingency	\$ 3,493,427	\$ 21,301	\$ 23
<b>Total Hard Costs</b>	<b>\$ 73,361,977</b>	<b>447,329</b>	<b>\$ 488</b>
<b>SOFT COSTS</b>			
Architecture and Engineering	\$ 2,586,600	\$ 15,772	\$ 17
Construction Loan interest and fees	\$ 2,829,679	\$ 17,254	\$ 19
Permanent Financing	\$ 442,222	\$ 2,696	\$ 3
Legal Fees	\$ 110,500	\$ 674	\$ 1
Reserves	\$ 943,620	\$ 5,754	\$ 6
Permits and Fees	\$ 2,329,337	\$ 14,203	\$ 15
Other Soft Costs	\$ 664,794	\$ 4,054	\$ 4
Developer Fee	\$ 7,500,000	\$ 45,732	\$ 50
<b>Total Soft Costs</b>	<b>\$ 17,406,752</b>	<b>106,139</b>	<b>\$ 116</b>
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$ 101,298,729</b>	<b>\$ 617,675</b>	<b>\$ 674</b>

FINANCING ASSUMPTIONS		TAX CREDIT ASSUMPTIONS	
Debt Coverage Ratio	1.15	9% CREDIT COMPETITIVENESS	
Construction Underwriting Rate	3.24%	Tiebreaker	N/A
Permanent Interest Rate	5.39%	Set-Aside	N/A
Perm Loan Amortization	40	Geographic Region	N/A
Number of Project-Based Voucher Units	45	Project Type	Family
<b>DEVELOPER FEE</b>		<b>CREDIT AND EQUITY ASSUMPTIONS</b>	
15% of TDC	\$14,069,809	Price	1.02
<b>Total Fee</b>	<b>\$7,500,000</b>	130% Basis Boost?	Yes
Deferred Amount	\$0	100% Tax Credit Eligible?	No
GP Equity	\$5,000,000	Acquisition Credits?	No
Net Developer Fee	\$2,500,000		

OPERATING AND SERVICES EXPENSE ASSUMPTIONS		
Total Residential Operating Expenses	\$ 984,000	Annual Escalation 3.5%
Resident Services Fee	\$ 97,600	
Property Taxes	\$ 178,312	
Replacement Reserves	\$ 65,600	
Debt Admin Fees - Bond Issuer	\$ 49,161	

SCHEDULE		
MILESTONE	ESTIMATE	ACTUAL
Execute DDA	1/1/2018	
Entitlement	1/1/2019	
Funding Committed	7/1/2019	
Tax Credit Award	10/1/2019	
Construction Start	3/1/2020	
Construction Complete	6/1/2021	
100% Occupied	9/1/2021	

Resident Services Scope and Staffing
<i>Family Services Program</i>

CASH FLOW - YEARS 1-5 and 15						
	2017	2018	2019	2020	2021	2031
Effective Gross Income	4,371,492	4,451,804	4,533,760	4,617,395	4,702,747	5,659,502
Operating Expenses	(984,000)	(1,018,440)	(1,054,085)	(1,090,978)	(1,129,163)	(1,592,795)
Services Expenses	(97,600)	(101,016)	(104,552)	(108,211)	(111,998)	(157,985)
Loan Admin Fees	(21,361)	(21,361)	(21,361)	(21,361)	(21,361)	(21,361)
Reserves	(65,600)	(65,600)	(65,600)	(65,600)	(65,600)	(65,600)
<b>Net Operating Income</b>	<b>3,024,619</b>	<b>3,063,509</b>	<b>3,102,646</b>	<b>3,142,018</b>	<b>3,181,614</b>	<b>3,586,482</b>
Debt Service Loan 1	(1,793,990)	(1,793,990)	(1,793,990)	(1,793,990)	(1,793,990)	(1,793,990)
Debt Service Loan 2	(811,929)	(811,929)	(811,929)	(811,929)	(811,929)	(811,929)
Debt Service Loan 3	(27,800)	(27,800)	(27,800)	(27,800)	(27,800)	(27,800)
<b>Cash Flow</b>	<b>390,900</b>	<b>429,790</b>	<b>468,927</b>	<b>508,299</b>	<b>547,895</b>	<b>952,763</b>
DCR	1.15	1.16	1.18	1.19	1.21	1.36
LP Fee	7,000	7,210	7,426	7,649	7,879	10,588
Deferred Developer Fee	0	0	0	0	0	-
Partnership Management Fee	25,000	25,750	26,523	27,318	28,138	37,815
Residual Receipts - Private	323,010	357,147	391,480	425,999	460,691	813,924
Residual Receipts - Public	35,890	39,683	43,498	47,333	51,188	90,436
Incentive Management Fee	0	0	0	0	0	0
Other						



**San Mateo Downtown, Housing + Parking, 50% Middle-Income**  
**SOURCES AND USES**

Page Notes:

**Construction Period Sources**

Lien #	Loan Type	Lender	Construction Amount	Construction Loan Term (in months)	Underwriting Rate	Index and Spread	Deferred/Residual Receipts	50% Test for 4% Deals
1	Construction Loan	CalHFA	\$ 53,090,030	21	3.24% LIBOR plus 180			54% Passes 50% Test
2	County AHF	County	\$ 7,337,081	660			Resid Rec	
3	City Housing Funds	City	\$ 4,500,000	660			Deferred	
4	City Parking Funds	City	\$ 5,000,000	N/A				
5	Subordinate Surplus Cash Debt	CalHFA	\$ -	N/A			Perm only	
6	Infill Infrastructure Grant	HCD	\$ 5,000,000	N/A				
7	Lease Payment Proceeds to Public Parking	City	\$ 10,500,000	N/A				
N/A	Tax Credit Investor Proceeds	TBD	\$ 2,193,067	N/A	% during const:		15%	
N/A	GP Equity	MidPen	\$ 5,000,000	N/A				
Total Sources			\$ 92,620,178					
Total Development Costs			\$ 92,620,178					
SURPLUS / (GAP)			\$ 0					

**Permanent Sources**

Lien #	Loan Type	Lender	Perm Amount	Type of Debt	Amortization Period	Loan Term	Note Rate	Annual Perm Payment	DCR	Counts as Public Funds?	
1	Amortizing Perm Loan, Tranche A	CalHFA	\$ 29,411,200	Amortizing	40		40	5.39%	\$ 1,793,990	1.15	No
1	Amortizing Perm Loan, Tranche B	CalHFA	\$ 13,311,000	Amortizing	40		40	5.39%	\$ 811,929	1.15	No
2	County AHF	County	\$ 7,337,081	Residual Receipts	n/a		55	3.00%			Yes
2	City Housing Funds	City	\$ 4,500,000	Residual Receipts	n/a		55	3.00%			Yes
3	City Parking Funds	City	\$ 5,000,000	Equity							No
4	Subordinate Surplus Cash Debt	CalHFA	\$ 6,619,000	Residual Receipts	n/a		40	5.00%			Yes
5	Infill Infrastructure Grant	HCD	\$ 5,000,000	Grant							Yes
6	Lease Payment Proceeds to Public Parking	City	\$ 10,500,000	Equity							No
N/A	Tax Credit Investor Proceeds	TBD	\$ 14,620,448	Equity	N/A	N/A					No
N/A	GP Equity (from MidPen)	MidPen	\$ 5,000,000	Equity	N/A	N/A					No
N/A	Deferred Developer Fee	MidPen	\$ -	Deferred	N/A	N/A					No
Total Sources			\$ 101,298,729								
Total Development Costs			\$ 101,298,729								
SURPLUS / (DEFICIT)			\$ 0								
TIEBREAKER: N/A											

**Uses of Funds**

GL Code	Land	Residential	Commercial	Basis Eligible	Const Period	Comments, Notes, etc
Upfront Housing Land Lease Payment		\$ 10,500,000	\$ 10,500,000		\$ 10,500,000	Projected As-Entitled Value
Existing Improvements Value		\$ -	\$ -		\$ -	
Title & Escrow -- Land Closing		\$ 10,000	\$ 10,000		\$ 10,000	
Legal - Acquisition		\$ 20,000	\$ 20,000		\$ 20,000	
Demolition and Land Remediation		\$ -	\$ -		\$ -	
Holding Costs		\$ -	\$ -		\$ -	
Predevelopment Loan Interest (Insert Name Here)		\$ -	\$ -		\$ -	
Predevelopment Loan Interest (MPHC)		\$ -	\$ -		\$ -	
TOTAL LAND COST/ ACQUISITION COST		\$ 10,530,000	\$ 10,530,000		\$ 10,530,000	
Relocation						Comments, Notes, etc
Temp Relocation Budget		\$ -	\$ -		\$ -	
Perm Relocation Budget		\$ -	\$ -		\$ -	
Relocation Consultant Fee		\$ -	\$ -		\$ -	
TOTAL RELOCATION EXPENSES		\$ -	\$ -		\$ -	
Hard Costs						Comments, Notes, etc
Off-Site Improvements		\$ -	\$ -		\$ -	
Site Work		\$ 3,674,286	\$ 3,674,286		\$ 3,674,286	
Residential Structures		\$ 37,830,691	\$ 37,830,691		\$ 37,830,691	
Podium Garage		\$ 4,920,000	\$ 4,920,000		\$ 4,920,000	
Photovoltaic System		\$ -	\$ -		\$ -	
Commercial Shell and Parking		\$ 16,350,000	\$ 16,350,000		\$ 16,350,000	
Commercial Tenant Improvements		\$ -	\$ -		\$ -	
Construction Cost Escalation		\$ 3,138,749	\$ 2,321,249	\$ 817,500	\$ 2,321,249	\$ 3,138,749
TOTAL SITE WORK AND STRUCTURES		\$ 65,913,726	\$ 48,746,226	\$ 17,167,500	\$ 65,913,726	
General Requirements		\$ -	\$ -		\$ -	
Contractor Overhead and Profit		\$ 1,977,412	\$ 1,462,387	\$ 515,025	\$ 1,462,387	\$ 1,977,412
General Liability Insurance and Bond		\$ 659,137	\$ 487,462	\$ 171,675	\$ 487,462	\$ 659,137
Contractor's Contingency		\$ 1,318,275	\$ 974,925	\$ 343,350	\$ 974,925	\$ 1,318,275
Owner Hard Cost Contingency		\$ 3,493,427	\$ 2,583,550	\$ 909,878	\$ 2,583,550	\$ 3,493,427
TOTAL NEW CONSTRUCTION COSTS		\$ 73,361,977	\$ 54,254,549	\$ 19,107,428	\$ 73,361,977	5% contingency
Architecture and Engineering						Comments, Notes, etc
Architecture Design		\$ 1,518,750	\$ 1,123,185	\$ 395,565	\$ 1,123,185	\$ 1,518,750
Architecture Construction Admin		\$ 230,850	\$ 170,724	\$ 60,126	\$ 170,724	\$ 230,850
TOTAL ARCHITECTURE		\$ 1,749,600	\$ 1,293,910	\$ 455,690	\$ 1,293,910	\$ 1,749,600
Civil, Survey, SWPPP		\$ 217,500	\$ 160,851	\$ 56,649	\$ 160,851	\$ 217,500
Geotech (report and testing)		\$ 105,000	\$ 77,652	\$ 27,348	\$ 77,652	\$ 105,000
Materials Testing		\$ 90,000	\$ 66,559	\$ 23,441	\$ 66,559	\$ 90,000
CEQA, NEPA (inc. phase 1 and 2)		\$ 57,000	\$ 42,154	\$ 14,846	\$ 42,154	\$ 57,000
VE/Const Estimating		\$ 35,000	\$ 25,884	\$ 9,116	\$ 25,884	\$ 35,000
Construction Management		\$ 180,000	\$ 133,118	\$ 46,882	\$ 133,118	\$ 180,000
Joint Trench		\$ 37,500	\$ 27,733	\$ 9,767	\$ 27,733	\$ 37,500
Waterproofing		\$ 55,000	\$ 40,675	\$ 14,325	\$ 40,675	\$ 55,000
Energy Consultant/HERS Rater		\$ 60,000	\$ 60,000	\$ -	\$ 60,000	\$ 60,000
Other: Specify		\$ -	\$ -	\$ -	\$ -	\$ -
Other: Specify		\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL ENGINEERING		\$ 837,000	\$ 634,627	\$ 202,373	\$ 634,627	\$ 837,000
TOTAL ARCHITECTURE AND ENGINEERING		\$ 2,586,600	\$ 1,928,537	\$ 658,063	\$ 1,928,537	\$ 2,586,600
Construction Interest & Fees						Comments, Notes, etc
Construction Loan Interest		\$ 1,720,117	\$ 1,720,117	\$ -	\$ 860,058	\$ 1,720,117
Origination Fees / Application Fees		\$ 398,175	\$ 398,175	\$ -	\$ 398,175	\$ 398,175
Lender Expenses (incl site visits, not legal)		\$ 25,000	\$ 25,000	\$ -	\$ 25,000	\$ 25,000
Costs of Issuance (bond projects only)		\$ 216,215	\$ 216,215	\$ -	\$ 216,215	\$ 216,215
Taxes (During Construction)		\$ -	\$ -	\$ -	\$ -	\$ -
Insurance (Builders' Risk, General Liability)		\$ 440,172	\$ 325,527	\$ 114,645	\$ 325,527	\$ 440,172
Title and Recording		\$ 30,000	\$ 22,186	\$ 7,814	\$ 22,186	\$ 30,000
Other: Specify		\$ -	\$ -	\$ -	\$ -	\$ -
Other: Specify		\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL CONSTRUCTION FINANCING		\$ 2,829,679	\$ 2,707,221	\$ 122,458	\$ 1,347,136	\$ 2,829,679
Permanent Financing						Comments, Notes, etc
Origination Fees / Application Fees		\$ 427,222	\$ 427,222	\$ -	\$ -	\$ 427,222
Title & Recording		\$ 10,000	\$ 10,000	\$ -	\$ -	\$ 10,000
Lender Expenses		\$ 5,000	\$ 5,000	\$ -	\$ 1	\$ 5,000
Soft Lender Fees		\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PERMANENT FINANCING		\$ 442,222	\$ 442,222	\$ -	\$ 1	\$ 442,222
Legal Fees						Comments, Notes, etc
Const. Lender Legal Paid by Applicant		\$ 30,000	\$ 30,000	\$ -	\$ 30,000	\$ 30,000
Legal Fees -- General Consulting		\$ 5,500	\$ 4,068	\$ 1,432	\$ 4,068	\$ 5,500
Legal Fees -- Const. Loan Closing		\$ 25,000	\$ 25,000	\$ -	\$ 25,000	\$ 25,000
Legal Fees -- Perm Loan Closing		\$ 10,000	\$ 10,000	\$ -	\$ -	\$ 10,000
Legal Fees - Syndication		\$ 35,000	\$ 35,000	\$ -	\$ -	\$ 35,000
Legal Fees - Organization		\$ 5,000	\$ 5,000	\$ -	\$ -	\$ 5,000
TOTAL LEGAL		\$ 110,500	\$ 109,068	\$ 1,432	\$ 30,000	\$ 110,500
Reserves						Comments, Notes, etc
Operating Reserve (3-6 mos debt and op)		\$ 943,620	\$ 943,620	\$ -	\$ -	\$ 943,620
Services Reserve		\$ -	\$ -	\$ -	\$ -	\$ -
Other Reserves: Specify		\$ -	\$ -	\$ -	\$ -	\$ -
Other Reserves: Specify		\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL RESERVE COSTS		\$ 943,620	\$ 943,620	\$ -	\$ -	\$ 943,620
Other Project Costs						Comments, Notes, etc
Appraisal Cost		\$ 11,250	\$ 11,250	\$ -	\$ 11,250	\$ 11,250
TCAC App/Allocation/Monitoring Fees		\$ 49,544	\$ 49,544	\$ -	\$ 59,335	\$ 49,544
Impact Fees		\$ 1,483,193	\$ 1,483,193	\$ -	\$ 1,483,193	\$ 1,483,193
Waived Impact Fees		\$ -	\$ -	\$ -	\$ -	\$ -
Permit Processing Fees		\$ 846,144	\$ 846,144	\$ -	\$ 846,144	\$ 846,144
Marketing		\$ 121,500	\$ 121,500	\$ -	\$ 121,500	\$ 121,500
Furnishing		\$ 200,000	\$ 200,000	\$ -	\$ 200,000	\$ 200,000
Market Study		\$ 22,500	\$ 22,500	\$ -	\$ -	\$ 22,500
Prevailing Wage Monitor		\$ 20,000	\$ 14,791	\$ 5,209	\$ 14,791	\$ 20,000
Retail Consultant/Broker		\$ -	\$ -	\$ -	\$ -	\$ -
Audit		\$ 20,000	\$ 20,000	\$ -	\$ -	\$ 20,000
Syndication Consultant		\$ 40,000	\$ 40,000	\$ -	\$ -	\$ 40,000
Printing		\$ -	\$ -	\$ -	\$ -	\$ -
Other (Specify)		\$ -	\$ -	\$ -	\$ -	\$ -
Other (Specify)		\$ -	\$ -	\$ -	\$ -	\$ -
Soft Cost Contingency		\$ 180,000	\$ 133,118	\$ 46,882	\$ 133,118	\$ 180,000
TOTAL OTHER COSTS		\$ 2,994,131	\$ 2,942,040	\$ 52,091	\$ 2,994,131	\$ 2,994,131
SUBTOTAL PROJECT COSTS		\$ 93,798,729	\$ 73,857,257	\$ 19,941,472	\$ 60,561,598	\$ 92,370,178
Developer Costs						Comments, Notes, etc
Developer Overhead/Profit		\$ 7,500,000	\$ 7,500,000	\$ -	\$ 7,500,000	\$ 250,000
TOTAL DEVELOPER COSTS		\$ 7,500,000	\$ 7,500,000	\$ -	\$ 7,500,000	\$ 250,000
TOTAL PROJECT COSTS		\$ 101,298,729	\$ 81,357,257	\$ 19,941,472	\$ 68,061,598	\$ 92,620,178

# San Mateo Downtown, Housing + Parking, 50% Middle-Income Gross Potential Income

Page Notes: Manual Input from City Table

Affordability						
Affordable Rent Calculations CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE						
TCAC Rents	Effective: April 14, 2017		Projects Placed in Service on or after 4/14/2017			
COUNTY: SAN MATEO	RURAL STATUS: Non-Rural					
	SRO	Studio	One Bdrm	Two Bdrm	Three Bdrm	Four Bdrm
100% AMI	\$2,304	\$2,304	\$2,633	\$2,962	\$3,290	\$3,555

Section 8 Payment Standards and Contract Rents						
Effective: 2017 FMR						
Source: SMC HA						
	SRO	Studio	One Bdrm	Two Bdrm	Three Bdrm	Four Bdrm
Payment Standard		\$1,915	\$2,411	\$3,018	\$3,927	
Contract Rent		\$1,880	\$2,370	\$2,960	\$3,850	n/a

Gross Potential Rent Calculation																		
Unit Type	Bedrooms Baths	Rent as % of Median	Total Number Of Units (inc MHSA, S8)	MAX GROSS Rent	Less Utility Allowance	Max Net Rents	MPHC Proposed Rents	Actual % AMI Rents	Tax Credit Monthly Income	80% AMI Monthly Income	120% AMI Monthly Income	Tenant Paid Monthly Income	# OF COSR Units	# OF Section 8 Units	Per Unit Section 8 Increment	Total Monthly Section 8 Increment	2017 TCAC TIEBREAKER Increment	2018 TCAC TIEBREAKER Increment
Homeless	Studio	30%	5	\$ 691	(\$76)	\$ 615	\$ 615	30%	\$ 3,076			\$ 3,076		5	\$ 1,265	\$ 6,324	\$ 2,865	\$ 4,015
-	Studio	50%	0	\$ 1,153	(\$76)	\$ 1,077	\$ 1,077	50%	\$ -			\$ -			\$ 803	\$ -	\$ -	\$ -
-	Studio	60%	0	\$ 1,383	(\$76)	\$ 1,307	\$ 1,307	60%	\$ -			\$ -			\$ 573	\$ -	\$ -	\$ -
-	Studio	80%	4	\$ 1,614	(\$76)	\$ 1,538	\$ 1,538	70%	\$ -	\$ 6,152		\$ 6,152			\$ 342	\$ -	\$ -	\$ -
-	Studio	120%	0	\$ 2,220	(\$76)	\$ 2,144	\$ 2,144	96%	\$ -		\$ -	\$ -			\$ (264)	\$ -	\$ -	\$ -
-	One Bdrm	30%	2	\$ 790	(\$93)	\$ 697	\$ 697	30%	\$ 1,394			\$ 1,394		2	\$ 1,673	\$ 3,347	\$ 1,767	\$ 2,294
-	One Bdrm	50%	8	\$ 1,316	(\$93)	\$ 1,223	\$ 1,223	50%	\$ 9,786			\$ 9,786		8	\$ 1,147	\$ 9,174	\$ 7,068	\$ 9,174
-	One Bdrm	60%	24	\$ 1,580	(\$93)	\$ 1,487	\$ 1,487	60%	\$ 35,676			\$ 35,676			\$ 884	\$ -	\$ -	\$ -
-	One Bdrm	80%	15	\$ 1,844	(\$93)	\$ 1,751	\$ 1,751	70%	\$ -	\$ 26,265		\$ 26,265			\$ 619	\$ -	\$ -	\$ -
-	One Bdrm	120%	21	\$ 2,540	(\$93)	\$ 2,447	\$ 2,447	96%	\$ -		\$ 51,387	\$ 51,387			\$ (77)	\$ -	\$ -	\$ -
-	Two Bdrm	30%	3	\$ 889	(\$120)	\$ 769	\$ 769	30%	\$ 2,306			\$ 2,306		3	\$ 2,191	\$ 6,574	\$ 3,908	\$ 4,797
-	Two Bdrm	50%	12	\$ 1,481	(\$120)	\$ 1,361	\$ 1,361	50%	\$ 16,332			\$ 16,332		12	\$ 1,599	\$ 19,188	\$ 15,634	\$ 19,188
-	Two Bdrm	60%	6	\$ 1,777	(\$120)	\$ 1,657	\$ 1,657	60%	\$ 9,943			\$ 9,943			\$ 1,303	\$ -	\$ -	\$ -
-	Two Bdrm	80%	7	\$ 2,075	(\$120)	\$ 1,955	\$ 1,955	70%	\$ -	\$ 13,685		\$ 13,685			\$ 1,005	\$ -	\$ -	\$ -
-	Two Bdrm	120%	16	\$ 2,850	(\$120)	\$ 2,730	\$ 2,730	96%	\$ -		\$ 43,680	\$ 43,680			\$ 230	\$ -	\$ -	\$ -
-	Three Bdrm	30%	3	\$ 987	(\$150)	\$ 837	\$ 837	30%	\$ 2,511			\$ 2,511		3	\$ 3,013	\$ 9,039	\$ 6,075	\$ 7,065
-	Three Bdrm	50%	12	\$ 1,645	(\$150)	\$ 1,495	\$ 1,495	50%	\$ 17,940			\$ 17,940		12	\$ 2,355	\$ 28,260	\$ 24,300	\$ 28,260
-	Three Bdrm	60%	6	\$ 1,975	(\$150)	\$ 1,825	\$ 1,825	60%	\$ 10,950			\$ 10,950			\$ 2,025	\$ -	\$ -	\$ -
-	Three Bdrm	80%	6	\$ 2,304	(\$150)	\$ 2,154	\$ 2,154	70%	\$ -	\$ 12,924		\$ 12,924			\$ 1,696	\$ -	\$ -	\$ -
-	Three Bdrm	120%	12	\$ 3,170	(\$150)	\$ 3,020	\$ 3,020	96%	\$ -		\$ 36,240	\$ 36,240			\$ 830	\$ -	\$ -	\$ -
MNGR	Two Bdrm	MNGR	2	\$ 1,777	(\$120)	\$ 1,657	\$ -					\$ -						
Subtotals			164						\$ 109,914	\$ 59,026	\$ 131,307	\$ 300,247	0	45		\$ 81,906	\$ 61,617	\$ 74,793
									\$ 1,357	\$ 1,845	\$ 2,680				\$ 1,820			

Rent Level Mix - TCAC Affordability Table				
AMI	% of total	9% score	Unit Mix	Enter
Units <= 30% AMI	13	16.0%	SROs	0
Units 35%AMI	-	0.0%	Studios	9
Units 40%AMI	-	0.0%	1-Bed	70
Units 45% AMI	-	0.0%	2-Bed	46
Units 50% AMI	32	39.5%	3-Bed	39
Units 55% AMI	-	0.0%	4-Bed	0
Units 60% AMI	36	44.4%	Total	164
Total Tax Credit Units	81			164
Total Staff Units	2	80% AMI	120% AMI	
Total Units >60% AMI	81	32	49	
Total Units	164			
Average affordability (of tax credit units)		51.2%		

Utility Allowances						
Effective Date: 11/1/2017 Source: HACSM						
Notes: Manual Input from City Table						
Tenants Pay?	Studio	One Bdrm	Two Bdrm	Three Bdrm	Four Bdrm	
Cooking: Gas	3	3	5	7	9	
Cooking: Electric	x 5	6	9	12	14	
Electric (other)	x 17	20	30	42	54	
Heating: Gas	16	20	22	24	26	
Heating: Electric	x 13	15	19	23	27	
Air Conditioning	0	0	0	0	0	
Hot Water: Gas	7	8	11	15	19	
Hot Water: Electric	12	14	18	22	26	
Water	52	53	68	85	104	
Sewer	0	0	0	0	0	
Garbage	24	24	24	24	24	
Other						
TOTAL	35	41	58	77	95	





# San Mateo Downtown, Housing + |

## CASH FLOW PROJECTION

Year		16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Calendar		2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Tax Credit Tenant Payments	2.5%	1,910,250	1,958,007	2,006,957	2,057,131	2,108,559	2,161,273	2,215,305	2,270,687	2,327,454	2,385,641	2,445,282	2,506,414	2,569,074	2,633,301	2,699,134
80% AMI Tenant Payments	2.5%	1,025,847	1,051,493	1,077,780	1,104,725	1,132,343	1,160,652	1,189,668	1,219,410	1,249,895	1,281,142	1,313,171	1,346,000	1,379,650	1,414,141	1,449,495
Moderate Income Tenant Payments	1.5%	1,969,971	1,999,520	2,029,513	2,059,956	2,090,855	2,122,218	2,154,051	2,186,362	2,219,157	2,252,445	2,286,231	2,320,525	2,355,333	2,390,663	2,426,523
Section 8 Payments	1.0%	1,141,080	1,152,490	1,164,015	1,175,656	1,187,412	1,199,286	1,211,279	1,223,392	1,235,626	1,247,982	1,260,462	1,273,067	1,285,797	1,298,655	1,311,642
Other Income	2.5%	22,802	23,372	23,956	24,555	25,169	25,798	26,443	27,104	27,782	28,477	29,188	29,918	30,666	31,433	32,219
<b>Scheduled Gross Income</b>		<b>6,069,950</b>	<b>6,184,882</b>	<b>6,302,222</b>	<b>6,422,022</b>	<b>6,544,338</b>	<b>6,669,227</b>	<b>6,796,746</b>	<b>6,926,955</b>	<b>7,059,915</b>	<b>7,195,686</b>	<b>7,334,334</b>	<b>7,475,924</b>	<b>7,620,520</b>	<b>7,768,193</b>	<b>7,919,011</b>
Low Income Residential Vacancy	5.0%	(146,805)	(150,475)	(154,237)	(158,093)	(162,045)	(166,096)	(170,249)	(174,505)	(178,867)	(183,339)	(187,923)	(192,621)	(197,436)	(202,372)	(207,431)
Moderate Residential Vacancy	5.0%	(99,639)	(101,145)	(102,673)	(104,226)	(105,801)	(107,401)	(109,025)	(110,673)	(112,347)	(114,046)	(115,771)	(117,522)	(119,300)	(121,105)	(122,937)
Section 8 Vacancy	5.0%	(57,054)	(57,625)	(58,201)	(58,783)	(59,371)	(59,964)	(60,564)	(61,170)	(61,781)	(62,399)	(63,023)	(63,653)	(64,290)	(64,933)	(65,582)
<b>Effective Gross Income</b>		<b>5,766,452</b>	<b>5,875,638</b>	<b>5,987,111</b>	<b>6,100,921</b>	<b>6,217,121</b>	<b>6,335,766</b>	<b>6,456,909</b>	<b>6,580,607</b>	<b>6,706,919</b>	<b>6,835,902</b>	<b>6,967,618</b>	<b>7,102,127</b>	<b>7,239,494</b>	<b>7,379,783</b>	<b>7,523,061</b>
Operating Expenses	3.5%	(1,648,543)	(1,706,242)	(1,765,961)	(1,827,769)	(1,891,741)	(1,957,952)	(2,026,481)	(2,097,407)	(2,170,817)	(2,246,795)	(2,325,433)	(2,406,823)	(2,491,062)	(2,578,249)	(2,668,488)
Bond Issuer Fee		(21,361)	(21,361)	(21,361)	(21,361)	(21,361)	(21,361)	(21,361)	(21,361)	(21,361)	(21,361)	(21,361)	(21,361)	(21,361)	(21,361)	(21,361)
Services Fee paid from income	3.5%	(163,514)	(169,237)	(175,160)	(181,291)	(187,636)	(194,203)	(201,001)	(208,036)	(215,317)	(222,853)	(230,653)	(238,726)	(247,081)	(255,729)	(264,679)
Property Taxes	2.0%	(239,985)	(244,784)	(249,680)	(254,674)	(259,767)	(264,963)	(270,262)	(275,667)	(281,180)	(286,804)	(292,540)	(298,391)	(304,359)	(310,446)	(316,655)
Replacement Reserves	0.0%	(65,600)	(65,600)	(65,600)	(65,600)	(65,600)	(65,600)	(65,600)	(65,600)	(65,600)	(65,600)	(65,600)	(65,600)	(65,600)	(65,600)	(65,600)
<b>Net Operating Income</b>		<b>3,627,449</b>	<b>3,668,413</b>	<b>3,709,349</b>	<b>3,750,226</b>	<b>3,791,016</b>	<b>3,831,686</b>	<b>3,872,205</b>	<b>3,912,536</b>	<b>3,952,644</b>	<b>3,992,489</b>	<b>4,032,031</b>	<b>4,071,227</b>	<b>4,110,032</b>	<b>4,148,398</b>	<b>4,186,278</b>
Debt Service (Tranche A)		(1,793,990)	(1,793,990)	(1,793,990)	(1,793,990)	(1,793,990)	(1,793,990)	(1,793,990)	(1,793,990)	(1,793,990)	(1,793,990)	(1,793,990)	(1,793,990)	(1,793,990)	(1,793,990)	(1,793,990)
Debt Service (Tranche B)		(811,929)	(811,929)	(811,929)	(811,929)	(811,929)	(811,929)	(811,929)	(811,929)	(811,929)	(811,929)	(811,929)	(811,929)	(811,929)	(811,929)	(811,929)
CalHFA Maintenance Fee (Tranche C)		(27,800)	(27,800)	(27,800)	(27,800)	(27,800)	(27,800)	(27,800)	(27,800)	(27,800)	(27,800)	(27,800)	(27,800)	(27,800)	(27,800)	(27,800)
<b>Net Available Cash</b>		<b>993,730</b>	<b>1,034,694</b>	<b>1,075,630</b>	<b>1,116,507</b>	<b>1,157,297</b>	<b>1,197,967</b>	<b>1,238,486</b>	<b>1,278,817</b>	<b>1,318,925</b>	<b>1,358,770</b>	<b>1,398,312</b>	<b>1,437,508</b>	<b>1,476,313</b>	<b>1,514,679</b>	<b>1,552,559</b>
Debt Coverage Ratio		1.38	1.39	1.41	1.42	1.44	1.45	1.47	1.49	1.50	1.52	1.53	1.55	1.56	1.58	1.59
Asset Management Fee	7,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Partnership Management Fee	25,000	38,949	40,118	41,321	42,561	43,838	45,153	46,507	47,903	49,340	50,820	52,344	53,915	55,532	57,198	58,914
Cash Flow prior to Residual Receipts		954,781	994,577	1,034,308	1,073,946	1,113,459	1,152,815	1,191,979	1,230,915	1,269,585	1,307,950	1,345,967	1,383,593	1,420,780	1,457,481	1,493,645
Payments to Surplus Cash Debt	90%															
Payments to Public Loans	10%															
<b>Tranche C Surplus Cash Loan</b>																
Cash Flow to Investor	90%	0														
Improved Low Income Units Vacancy	2.00%															
Tranche C Loan Amount	-\$6,619,000															
Blended IRR	5.00%															
<b>Residual Receipts to Public Lenders</b>	10%	<b>716,086</b>	<b>745,933</b>	<b>775,731</b>	<b>805,460</b>	<b>835,094</b>	<b>864,611</b>	<b>893,984</b>	<b>923,186</b>	<b>952,189</b>	<b>980,963</b>	<b>1,009,475</b>	<b>1,037,695</b>	<b>1,065,585</b>	<b>1,093,111</b>	<b>1,120,234</b>
County	7,337,081	443,858	462,358	480,828	499,255	517,624	535,919	554,126	572,226	590,204	608,039	625,712	643,203	660,491	677,552	694,364
City Housing Funds	4,500,000	272,228	283,575	294,903	306,205	317,471	328,692	339,858	350,960	361,985	372,924	383,764	394,491	405,094	415,558	425,869
<b>Cash Flow to Owner</b>	0%	<b>238,695</b>	<b>248,644</b>	<b>258,577</b>	<b>268,487</b>	<b>278,365</b>	<b>288,204</b>	<b>297,995</b>	<b>307,729</b>	<b>317,396</b>	<b>326,988</b>	<b>336,492</b>	<b>345,898</b>	<b>355,195</b>	<b>364,370</b>	<b>373,411</b>