

AMENDED IN COMMITTEE

5/25/17

FILE NO. 170562

RESOLUTION NO.

1 [Grant Agreement - BTW Housing Partners, L.P. - Local Operating Subsidy Program Contract
2 - John Burton Advocates for Youth Housing Complex, 800 Presidio Avenue - Not to Exceed
3 \$7,780,147]

4 **Resolution authorizing the Director of the Mayor's Office of Housing and Community**
5 **Development to execute a Local Operating Subsidy Program Grant Agreement with**
6 **BTW Housing Partners, L.P., a California limited partnership, to provide operating**
7 **subsidies for formerly homeless Transition Age Youth households at John Burton**
8 **Advocates for Youth Housing Complex, 800 Presidio Avenue, for total a term of 15**
9 **years and six months, starting July 1, 2017, and ending December 31, 2032, in an**
10 **amount not to exceed \$7,780,147.**

11
12 WHEREAS, The Mayor's Office of Housing and Community Development ("MOHCD")
13 administers a variety of housing programs that provide financing for the development of new
14 housing and the rehabilitation of single- and multi-family housing for low- and moderate-
15 income households in San Francisco; and

16 WHEREAS, In 2016, the City and County of San Francisco ("City") founded the
17 Department of Homelessness and Supportive Housing ("HSH"), with one of its goals to reduce
18 the number of chronically homeless households that numbered 1,700 per the 2015 Point in
19 Time Homeless Count; and

20 WHEREAS, MOHCD developed the Local Operating Subsidy Program ("LOSP") in
21 order to establish long-term financial support to operate and maintain permanent affordable
22 housing for homeless households; and

23 WHEREAS, Through the LOSP, the City subsidizes the difference between the cost of
24 operating housing for homeless persons and all other sources of operating revenue for a
25 given project, such as tenant rental payments, commercial space lease payments, Continuum

1 of Care (“CoC”) Shelter Plus Care Program subsidies, project-based Section 8 rent subsidies
2 and California Mental Health Services Act operating subsidies; and

3 WHEREAS, All supportive housing projects selected for capital funding by the
4 Citywide Affordable Housing Loan Committee (“Loan Committee”) are eligible to receive
5 LOSP funds; and

6 WHEREAS, The Board of Supervisors authorizes City funding for LOSP projects as
7 part of the Annual Appropriation Ordinance; and

8 WHEREAS, MOHCD enters into grant agreements with supportive housing owners and
9 operators for LOSP projects in consultation with HSH, administers LOSP contracts, reviews
10 annual audits and prepares recommendations for annual adjustments to project funding,
11 monitors compliance with LOSP requirements in accordance with capital funding regulatory
12 agreements, and if necessary, takes appropriate action to enforce compliance; and

13 WHEREAS, BTW Housing Partners, L.P., a California limited partnership
14 (“Developer”), is the owner and developer of John Burton Advocates for Youth Housing
15 Complex, located at 800 Presidio Avenue (“Project”), which will provide 48 studios and 2 two-
16 bedroom units (one of which is a resident manager unit), including 24 studios and 1 two-
17 bedroom units for formerly homeless transition age youth ages 18 – 24 at 800 Presidio
18 Avenue; and

19 WHEREAS, On March 3, 2017, the Loan Committee recommended approval to the
20 Mayor of a LOSP grant award for the Project in an amount not to exceed \$7,780,147; and

21 WHEREAS, MOHCD proposes to provide a LOSP grant in the amount not to
22 exceed \$7,780,147 to the Developer pursuant to a LOSP Grant Agreement (“Agreement”) in
23 substantially the form on file with the Clerk of the Board of Supervisors in File No. 170562 and
24 in such final form as approved by the Director of MOHCD and the City Attorney; and
25

1 WHEREAS, the Agreement is for a 15.5 year term, starting July 1, 2017, and ending
2 December 31, 2032, and therefore requires Board of Supervisors authorization; now,
3 therefore, be it

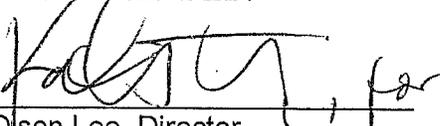
4 RESOLVED, That the Board of Supervisors hereby authorizes the Director of MOHCD
5 or his designee to execute the Agreement for an amount not to exceed \$7,780,147; and, be it

6 FURTHER RESOLVED, That this Board of Supervisors authorizes MOHCD to proceed
7 with actions necessary to implement the Agreement following execution, and ratifies,
8 approves and authorizes all actions heretofore taken by any City official in connection with
9 such Agreement; and, be it

10 FURTHER RESOLVED, That this Board of Supervisors hereby authorizes the Director
11 of MOHCD or his designee to enter into any amendments or modifications to the Agreement,
12 including without limitation, the exhibits that the Director determines, in consultation with the
13 City Attorney, are in the best interest of the City, do not materially increase the obligations or
14 liabilities for the City or materially diminish the benefits of the City, are necessary or advisable
15 to effectuate the purposes and intent of this Resolution and are in compliance with all
16 applicable laws, including the City Charter; and, be it

17 FURTHER RESOLVED, That within thirty (30) days of the contract being fully executed
18 by all parties, the MOHCD shall provide the final contract to the Clerk of the Board for
19 inclusion into the official file.

20
21 RECOMMENDED:

22 
23 _____
24 Olson Lee, Director
25 Mayor's Office of Housing and Community Development

Items 12, 13, 14, 15, 16, 17 and 18
Files 17-0557, 17-0558, 17-0559, 17-0560, 17-0561, 17-0562 and 17-0563

Department:
Mayor's Office of Housing and Community Development

EXECUTIVE SUMMARY

Legislative Objectives

- The seven proposed resolutions approve approximately 15-year Local Operating Subsidy Program (LOSP) agreements with seven nonprofit affordable housing providers: (i) Alabama Street Housing Associates, LP for Mosaica Senior Apartments at 655 Alabama Street for a not to exceed \$1,258,693; (ii) Alabama Street Housing Associates, LP for Mosaica Family Apartments at 680 Florida Street for a not to exceed \$3,616,321; (iii) 650 Eddy, LP for Arnett Watson Apartments at 650 Eddy Street for a not to exceed \$19,018,559; (iv) Armstrong Place Associates, LP for Armstrong Place at 5600 Third Street for a not to exceed \$4,237,156; (v) Hotel Essex, LP at 684 Ellis Street for a not to exceed \$18,623,354; (vi) BTW Housing Partners, LP for John Burton Advocates for Youth Housing Complex at 800 Presidio Avenue for a not to exceed \$7,780,147; and (vii) Polk Senior Housing Associates, LP for 990 Polk Senior Apartments at 990 Polk Street for a not to exceed \$13,131,321.

Key Points

- MOHCD provides operating subsidies to owners and operators of 26 supportive housing facilities through its Local Operating Subsidy Program (LOSP). LOSP was created to bridge the gap between the cost of providing housing and the amount that very low income, formerly homeless tenants can afford to pay. In FY 2016-17, MOHCD is anticipated to pay \$12,117,510 in operating subsidies to 26 supportive housing nonprofit providers for 1,464 units throughout the City, for an average subsidy of \$690 per unit of housing per month.

Fiscal Impact

- Under the proposed agreements, the amount of the subsidy to be paid to each nonprofit provider will be adjusted annually based on MOHCD's review of the occupancy rate and actual operating expenditures. Funding for the proposed agreements are General Fund monies appropriated annually in the DSHS budget, which are subject to Board of Supervisors annual appropriation approval. The annual General Fund subsidies for these seven proposed LOSP agreements are anticipated to increase from \$4,291,721 in FY 2017-18 to \$5,762,986 in FY 2031-32. The total costs over the approximately 15-year term for the seven proposed LOSP agreements are estimated to be \$67,665,552.

Recommendations

- Amend the proposed resolutions to clarify the term of each agreement.
- Amend (i) File 17-0559 to state that the current agreement between MOHCD and 650 Eddy, LP for Arnett Watson Apartments will terminate on June 30, 2017; and (ii) File 17-0561 to state that the current agreement between MOHCD and Hotel Essex, LP will terminate on June 30, 2017.
- Approve the proposed resolutions as amended.
- Request that MOHCD continue to include an update on the Local Operating Subsidy Program (LOSP) in the MOHCD Annual Progress Report submitted to the Board of Supervisors on supportive housing.

MANDATE STATEMENT

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of \$10 million or more, or (3) requires a modification of more than \$500,000 is subject to Board of Supervisors approval.

BACKGROUND

The Mayor's Office of Housing and Community Development (MOHCD), in collaboration with the Department of Homelessness and Supportive Housing (DHS¹), currently provides operating subsidies to non-profit owners and operators of 26 supportive housing facilities, through its Local Operating Subsidy Program (LOSP). The program was started in 2004 as a part of the Mayor's ten year "San Francisco Plan to Abolish Chronic Homelessness," which had a goal of providing 3,000 new supportive housing units within 10 years to low income persons who were formerly homeless. Supportive housing provides social and other related services as well as housing to formerly homeless persons in order to improve their social outcomes and in an attempt to reduce the City's associated health, mental health, social services, criminal justice, and other related costs.

According to Ms. Anne Romero, MOHCD Senior Project Manager, tenants in supportive housing have very low incomes (below 20 percent of area median income)². Under the agreements between the City and housing operators, rent in supportive housing units is capped to a fixed percentage of a tenant's income (50 percent in Direct Access to Housing (DAH)³ subsidized units, 30 percent in all other subsidized units). The LOSP was created to bridge the gap between the cost of operating the housing and the amount the tenants can afford to pay, thereby providing long-term financial incentives to owners and operators to create and maintain permanent supportive housing units.

As shown in Table 1 below, between FY 2012-13 and FY 2016-17, the number of LOSP agreements has grown from 17 to 26, the number of subsidized units increased from 984 to 1,464 and the overall annual General Fund costs have grown from \$6,594,816 to \$12,117,510. In FY 2016-17, MOHCD is anticipated to pay \$12,117,510 in operating subsidies to 26 supportive housing nonprofit providers for 1,464 units throughout the City, for an average subsidy of \$690 per unit of housing per month.

¹ MOHCD previously collaborated with the Department of Public Health (DPH) and the Human Services Agency (HSA) prior to the creation of the Department of Homelessness and Supportive Housing (DHS), which combines key homeless serving programs and contracts from the two agencies.

² 20 percent of area median income (AMI) for one person in 2017 is \$16,150 annually.

³ Established by the San Francisco Department of Public Health – Housing and Urban Health Section (SFDPH-HUH) in 1998, the Direct Access to Housing (DAH) is a permanent supportive housing program targeting low-income San Francisco residents who are homeless and have special needs.

Table 1: Actual Local Operating Subsidy Program Agreements, Subsidized Units, Budget, and Subsidy per Unit – FY 2012-13 through FY 2016-17

Fiscal Year	Number of Local Operating Subsidy Program Agreements	Number of Subsidized Units of Housing	Total Annual Budgeted Amount	Average Subsidy per Unit per Year	Average Subsidy per Unit per Month
FY 2012-13	17	984	\$6,594,816	\$6,702	\$559
FY 2013-14	21	1,218	9,377,788	7,699	642
FY 2014-15	26	1,454	12,231,928	8,413	701
FY 2015-16	26	1,459	12,359,887	8,471	706
FY 2016-17	26	1,464	12,117,510	8,277	690

As shown in Table 2 below, MOHCD estimates that over the next five years, or by FY 2021-22, the LOSP will provide subsidies to 56 housing projects covering 2,564 units of supportive housing at an overall General Fund cost of \$28,804,991 in FY 2021-22, or an average cost of \$936 per unit per month.

Table 2: Estimated Local Operating Subsidy Program Agreements, Subsidized Units, Budget, and Subsidy per Unit – FY 2017-18 through FY 2021-22

Fiscal Year	Number of Local Operating Subsidy Program Agreements	Number of Subsidized Units	Total Annual Budgeted amount	Average Subsidy per Unit per Year	Average Subsidy per Unit per Month
FY 2017-18	27	1,494	\$14,660,916	\$9,813	\$818
FY 2018-19	32	1,639	15,965,857	10,351	812
FY 2019-20	42	2,008	18,946,526	9,436	786
FY 2020-21	43	2,116	22,956,054	10,849	904
FY 2021-22	56	2,564	28,804,991	11,234	936

DETAILS OF PROPOSED LEGISLATION

The seven proposed resolutions authorize MOHCD to execute seven new approximately 15-year Local Operating Subsidy Program (LOSP) agreements with nonprofits providing housing to low income persons who were formerly homeless, replacing six existing 9-year agreements with six current nonprofit providers and adding one new agreement with a new provider as follows:

- File 17-0557: Alabama Street Housing Associates, LP for Mosaica Senior Apartments at 655 Alabama Street for a not to exceed \$1,258,693 and a term of 15 years from January 1, 2018 through December 31, 2032. The proposed new agreement replaces the current 9-year LOSP agreement with Mosaica Senior Apartments from approximately April 2009 and through April 2018. According to Ms. Romero, the current agreement will now terminate on December 31, 2017.

- File 17-0558: Alabama Street Housing Associates, LP for Mosaica Family Apartments at 680 Florida Street for a not to exceed \$3,616,321 and a term of 15 years from January 1, 2018 through December 31, 2032. The proposed new agreement replaces the current 9-year LOSP agreement with Mosaica Family Apartments from approximately April 2009 and through April 2018. According to Ms. Romero, the current agreement will now terminate on December 31, 2017.
- File 17-0559: 650 Eddy, LP for Arnett Watson Apartments at 650 Eddy Street for a not to exceed \$19,018,559 and a term of 15 years from July 1, 2017 through June 30, 2032. The proposed new agreement replaces the current 9-year LOSP agreement with Arnett Watson Apartments from 2009 through December 2017. According to Ms. Romero, the existing agreement will now terminate in October 2017, resulting in a three-month overlap between the two agreements. The proposed legislation should be amended to terminate the existing agreement with 650 Eddy, LP on June 30, 2017 prior to the start of the new agreement on July 1, 2017.
- File 17-0560: Armstrong Place Associates, LP for Armstrong Place at 5600 Third Street for a not to exceed \$4,237,156 and a term of 15 years and two months from November 1, 2017 through December 31, 2032. The current LOSP agreement with Armstrong Place covers a 9-year term, beginning in 2011 to 2020. Due to two requests for supplemental disbursements to cover operating shortfalls⁴, the current LOSP agreement authority will not be sufficient to cover the Armstrong Place operating costs subsidized by LOSP through the end of the agreement period. Based on disbursements made to date and projected operating costs, the project is estimated to exhaust the full contract amount by November 2017.
- File 17-0561: Hotel Essex, LP at 684 Ellis Street for a not to exceed \$18,623,354 and a term of 15 years and six months from July 1, 2017 through December 31, 2032. The proposed new agreement replaces the current 9-year LOSP agreement with Hotel Essex from 2008 to 2017. According to Ms. Romero, the existing agreement will now terminate in October 2017, resulting in a three-month overlap between the two agreements. The proposed legislation should be amended to terminate the existing agreement with Hotel Essex, LP on June 30, 2017 prior to the start of the new agreement on July 1, 2017.
- File 17-0562: BTW Housing Partners, LP for John Burton Advocates for Youth Housing Complex at 800 Presidio Avenue for a not to exceed \$7,780,147 and a term of 15 years

⁴ During the first several years of operations of the Armstrong Place agreement, several significant operational changes were made. BRIDGE Housing, the project sponsor, assumed property management responsibilities from Eskaton, and also entered into contracts for security/front desk staffing. These two changes resulted in LOSP budget shortfalls during 2012 and 2013, for which BRIDGE Housing requested and was approved for a supplemental disbursement of LOSP funding in February 2015. More recently, BRIDGE Housing submitted another request for a supplemental disbursement of LOSP funding for shortfalls experienced in 2015 and 2016, due to lower than projected rental income and escalating operating costs. The request for a supplemental disbursement to cover shortfalls from the 2015 and 2016 operating years was approved by MOHCD in January 2017.

and six months. The proposed agreement is a new agreement with the funding period beginning on July 1, 2017 through December 31, 2032.

- File 17-0563: Polk Senior Housing Associates, LP for 990 Polk Senior Apartments at 990 Polk Street for a not to exceed \$13,131,321 and a term of 15 years and six months. The proposed new agreement replaces the current 9-year LOSP agreement with 990 Polk Senior Apartments, beginning in July 2008 and expiring in June 2017. The proposed agreement would renew the agreement with the funding period beginning on July 1, 2017 through December 31, 2032.

Table 3 below shows the target population, total number of units, and the number of units to be subsidized under the proposed LOSP agreements.

Table 3: Summary of Proposed LOSP Agreements

Project: Address	Target Population	Total Number of Units	LOSP Funded Units
Mosaica Senior: 655 Alabama	Seniors	24	11
Mosaica Family: 680 Florida	Families	93	20
Arnett Watson: 650 Eddy	Families and Adults	83	79
Armstrong Place: 5600 3 rd Street	Seniors	116	23
Hotel Essex: 684 Ellis Street	Adults	84	84
John Burton: 800 Presidio	Transition Age Youth (TAY) ⁵	50	25
990 Polk Senior: 990 Polk Street	Seniors	110	50
Total		560	292

Each of the projects and project sponsors are summarized below:

Mosaica Senior Housing (File 17-0557)

Mosaica Senior Housing at 655 Alabama Street is a 24 unit affordable senior development with 11 units targeted to homeless seniors under the proposed LOSP agreement. The site was developed adjacent to Mosaica Family Housing by Citizens Housing Corporation (CHC) and then transferred to the Tenderloin Neighborhood Development Corporation (TNDC) when CHC ended operations. Supportive services are provided by Lutheran Social Services. The project sponsor is the TNDC.

Mosaica Family Housing (File 17-0558)

Mosaica Family Housing at 680 Florida Street is a 93 unit affordable family housing development with 20 units targeted to homeless families under the proposed LOSP agreement. The project was completed in 2010 and developed by CHC and subsequently transferred to the TNDC when CHC ended operations. The site is developed adjacent to Mosaica Senior Housing. Supportive services are provided by Lutheran Social Services. The project sponsor is the TNDC.

⁵ Transition Age Youth are disconnected homeless youth between the ages of 18-24 years old.

Arnett Watson Apartments (File 17-0559)

Arnett Watson Apartments at 650 Eddy Street in the Tenderloin provides 83 units of supportive housing for homeless families and adults. The site was developed by Community Housing Partnership (CHP) and the TNDC and is owned and operated by CHP. 47 one and two bedroom units are for homeless families, and 32 studios are for homeless adults, for a total of 79 units under the proposed LOSP agreement. Services are provided by CHP. The project sponsor is CHP.

Armstrong Place (File 17-0560)

Armstrong Place at 5600 Third Street is a 116 unit senior housing development with 23 units targeted to homeless seniors under the proposed LOSP agreement. The development completed construction in 2011 and is financed with Department of Housing and Urban Development (HUD) 202⁶ capital dollars and a Project Rental Assistance Contract (PRAC) on 72 units. The project sponsor is BRIDGE Housing.

Hotel Essex (File 17-0561)

Hotel Essex at 864 Ellis Street is a building that was rehabilitated by CHP to create 84 efficiency studio units for single homeless adults and is located in the Tenderloin. All 84 units are to be funded under the proposed LOSP agreement. Support services are provided by CHP. The project sponsor is CHP.

John Burton Advocates for Youth Housing Complex at Booker T. Washington (File 17-0562)

John Burton Advocates for Youth Housing Complex at 800 Presidio is a 50 unit affordable housing development with 25 of the units under the proposed LOSP new agreement targeted to homeless or at-risk Transition Age Youth (TAY) ages 18-24, including former foster youth. The building will complete construction in June 2017 and is located adjacent to the newly constructed Booker T. Washington Community Service Center, which provides programs for families and youth. The housing development is a partnership between the Booker T. Washington Community Service Center and the John Stewart Company with services provided by First Place for Youth. The project sponsors are Booker T. Washington Community Service Center and the John Stewart Company.

990 Polk Street (File 17-0563)

990 Polk Street Senior Housing at 990 Polk Street is a 110 unit affordable senior housing development with 50 units targeted to homeless seniors under the proposed LOSP agreement. 10 of the 50 LOSP units are for clients referred by the Mental Health Services Act (MHSA) and serve homeless seniors with serious mental illness. This development was developed by CHC and subsequently transferred to TNDC when CHC ended operations. Support services are provided by Lutheran Social Services. The project sponsor is TNDC.

⁶ The Section 202 program provides capital advances and operating subsidies to facilitate the creation of multifamily housing for very low-income elderly persons.

Approval of Local Operating Subsidy Program Providers

According to Ms. Romero, the seven nonprofit providers were approved for LOSP subsidies as part of the evaluation by the Citywide Affordable Housing Loan Committee⁷ of applications responding to various Notice of Funding Availability (NOFA) for capital funding for acquisition and predevelopment financing for supportive housing for homeless persons, or Request for Proposals (RFP) for specific development sites.

Ms. Romero advises that the operating subsidies to be paid to the seven nonprofit affordable housing owners and operators are necessary because revenue generated by the affordable housing developments, including outside grants, tax credits and tenant rents, are not sufficient to fund permanent supportive housing to low income persons who were formerly homeless.

Funding for the proposed agreements are General Fund monies allocated annually in the DSHS budget, which is subject to Board of Supervisors annual appropriation approval. The proposed agreements are administered by MOHCD, under work order agreements with DSHS. Ms. Romero notes that, if any of the seven proposed LOSP agreements are not approved, or if any of the General Fund appropriations are not approved in the current or future 14 fiscal years, then the individual nonprofit housing providers would not be able to provide such specified housing units for very low income formerly homeless target populations.

FISCAL IMPACT

Under the proposed LOSP agreements, the rent charged to tenants living in these subsidized units would be capped at a fixed percentage of a tenant's income (50 percent in Direct Access to Housing (DAH) subsidized units, 30 percent in all other subsidized units). According to Ms. Romero, in 2015, the average tenant's rent was \$326 per unit per month. The projected City LOSP subsidy amount for the units covered under the proposed agreements is the difference between the rent paid by individual tenants and the actual cost to operate the unit per month. The actual operating cost is the amount necessary to cover each facility's operating expenses, which includes property management and office staff, utilities, taxes, licenses, insurance, maintenance, security and required reserves. The amount of the projected subsidy is specified in each agreement, and (i) is subject to revision annually by MOHCD based on the prior years' occupancy, and (ii) is contingent on the annual General Fund appropriation, to DSHS, under work orders with MOHCD, by the Board of Supervisors.

The Attachment provided by MOHCD summarizes the projected LOSP expenditures for each of the seven projects, over the approximately 15-year term of each agreement. As shown in the Attachment, the City's FY 2017-18 subsidy provided per housing unit ranges from \$324 per month at the Mosaica Senior Housing project to \$1,277 per month at the John Burton Advocates for Youth project. According to Ms. Romero, the significant variation in the subsidy per unit is primarily due to the number of the LOSP units per project because economies of scale allow property management and other housing staff requirements to be spread over a

⁷ The Citywide Affordable Housing Loan Committee is composed of the Directors and/or senior staff of the Mayor's Office of Housing and Community Development, the Office of Community Investment and Infrastructure, and the Department of Homelessness and Supportive Housing.

greater number of units. Over the approximately 15-year term, the subsidies per unit are projected to increase.

As summarized in Table 4 below, the total costs over the approximately 15-year term for the seven projects is estimated to be \$67,665,552. The annual General Fund subsidies for these seven projects are anticipated to increase from \$4,291,721 in FY 2017-18 to \$5,762,986 in FY 2031-32. The average cost of each unit's subsidy that would be provided over the approximately 15-year term of each of these agreements is shown in Table 4, ranging from \$114,427 for each of the 11 units in the Mosaica Senior Housing project to \$311,206 for each of the 25 units at the John Burton Advocates for Youth Housing project.

Table 4: Projected Subsidy Expenditures under the Proposed Seven Agreements

Project	Number of LOSP Units	Total LOSP Cost	Average Cost Per Unit for Agreement Term
Mosaica Senior (File 17-0557)	11	\$1,258,693	\$114,427
Mosaica Family (File 17-0558)	20	3,616,321	180,816
Arnett Watson (File 17-0559)	79	19,018,558	240,741
Armstrong Place (File 17-0560)	23	4,237,157	184,224
Hotel Essex (File 17-0561)	84	18,623,354	221,707
John Burton (File 17-0562)	25	7,780,148	311,206
990 Polk Senior (File 17-0563)	50	13,131,321	262,626
TOTAL:	292	\$67,665,552	

As noted above, funding for the proposed agreements are General Fund monies appropriated annually in the Department of Homelessness and Supportive Housing (DHS) budget, which are subject to Board of Supervisors annual appropriation approval. The proposed agreements are administered by MOHCD, under work order agreements with DHS, such that MOHCD would be party to each of the proposed LOSP agreements on behalf of the City.

POLICY CONSIDERATION

The Budget and Legislative Analyst's January 2012 Performance Audit of San Francisco's Affordable Housing Policies recommended that MOHCD report annually to the Board of Supervisors on (i) completed and planned supportive housing units for chronically homeless individuals and families, and (ii) funding strategies for planned but not constructed units. According to Ms. Romero, MOHCD reports on the LOSP contracts in the MOHCD Annual Progress Report, which contains all of MOHCD's required reports for the Board of Supervisors. The Budget and Legislative Analyst continues to recommend that MOHCD include an annual report on the LOSP in its Annual Progress Report to the Board of Supervisors.

RECOMMENDATIONS

1. Amend the proposed resolutions to clarify the term of each agreement as follows:

File	Provider	Agreement Start Date	Agreement End Date	Term
17-0557	Alabama Street Housing Associates	January 1, 2018	December 31, 2032	15 yrs
17-0558	Alabama Street Housing Associates	January 1, 2018	December 31, 2032	15 yrs
17-0559	650 Eddy, LP	July 1, 2017	June 30, 2032	15 yrs
17-0560	Armstrong Place Associates, LP	November 1, 2017	December 31, 2032	15 yrs, 2 mo
17-0561	Hotel Essex, LP	July 1, 2017	December 31, 2032	15 yrs, 6 mo
17-0562	BTW Housing Partners, LP	July 1, 2017	December 31, 2032	15 yrs, 6 mo
17-0563	Polk Senior Housing Associates, LP	July 1, 2017	December 31, 2032	15 yrs, 6 mo

2. Amend (i) File 17-0559 to state that the current agreement between MOHCD and 650 Eddy, LP for Arnett Watson Apartments will terminate on June 30, 2017 prior to the start of the new LOSP agreement on July 1, 2017; and (ii) File 17-0561 to state that the current agreement between MOHCD and Hotel Essex, LP will terminate on June 30, 2017 prior to the start of the new LOSP agreement on July 1, 2017.
3. Approve the proposed resolutions as amended.
4. Request that MOHCD continue to include an update on the Local Operating Subsidy Program (LOSP) in the MOHCD Annual Progress Report submitted to the Board of Supervisors on supportive housing.

Combined Exhibit A

Fiscal Year	John Burton Advocates for Youth, 800 Predella			Armstrong Place, 3600 3rd Street			Mosalca Family, 630 Florida Street			Mosalca Senior, 555 Alabama Street			Hotel Essex, 864 Ellis Street			Arnett Watson Apts, 630 Eddy Street			Polk and Geary Senior, 930 Polk Street		
	Months of Contract	Projected Local Operating Subsidy Program Expenditure	Average Local Operating Subsidy Program Subsidy Per Unit Per Month	Months of Contract	Projected Local Operating Subsidy Program Expenditure	Average Local Operating Subsidy Program Subsidy Per Unit Per Month	Months of Contract	Projected Local Operating Subsidy Program Expenditure	Average Local Operating Subsidy Program Subsidy Per Unit Per Month	Months of Contract	Projected Local Operating Subsidy Program Expenditure	Average Local Operating Subsidy Program Subsidy Per Unit Per Month	Months of Contract	Projected Local Operating Subsidy Program Expenditure	Average Local Operating Subsidy Program Subsidy Per Unit Per Month	Months of Contract	Projected Local Operating Subsidy Program Expenditure	Average Local Operating Subsidy Program Subsidy Per Unit Per Month	Months of Contract	Projected Local Operating Subsidy Program Expenditure	Average Local Operating Subsidy Program Subsidy Per Unit Per Month
FY 2017-18*	18	\$ 574,817	\$ 1,277	18	\$ 210,573	\$ 909	18	\$ 165,888	\$ 469	18	\$ 64,203	\$ 324	18	\$ 1,422,414	\$ 941	12	\$ 973,477	\$ 1,027	18	\$ 877,752	\$ 517
FY 2018-19	12	\$ 401,833	\$ 1,339	12	\$ 204,466	\$ 741	12	\$ 177,565	\$ 740	12	\$ 87,071	\$ 308	12	\$ 989,015	\$ 981	12	\$ 1,013,167	\$ 1,069	12	\$ 627,859	\$ 662
FY 2019-20	12	\$ 416,866	\$ 1,390	12	\$ 215,210	\$ 780	12	\$ 186,835	\$ 778	12	\$ 70,070	\$ 331	12	\$ 1,021,107	\$ 1,013	12	\$ 1,045,992	\$ 1,103	12	\$ 660,178	\$ 696
FY 2020-21	12	\$ 432,444	\$ 1,441	12	\$ 226,410	\$ 820	12	\$ 196,482	\$ 819	12	\$ 73,204	\$ 355	12	\$ 1,065,227	\$ 1,057	12	\$ 1,086,096	\$ 1,146	12	\$ 693,839	\$ 732
FY 2021-22	12	\$ 448,587	\$ 1,495	12	\$ 238,083	\$ 863	12	\$ 203,220	\$ 847	12	\$ 69,810	\$ 329	12	\$ 1,088,932	\$ 1,080	12	\$ 1,127,706	\$ 1,190	12	\$ 728,903	\$ 769
FY 2022-23	12	\$ 465,216	\$ 1,551	12	\$ 250,250	\$ 907	12	\$ 213,666	\$ 890	12	\$ 73,294	\$ 355	12	\$ 1,119,012	\$ 1,110	12	\$ 1,170,876	\$ 1,235	12	\$ 761,605	\$ 803
FY 2023-24	12	\$ 482,650	\$ 1,609	12	\$ 262,931	\$ 953	12	\$ 224,538	\$ 936	12	\$ 76,812	\$ 362	12	\$ 1,156,118	\$ 1,147	12	\$ 1,215,662	\$ 1,282	12	\$ 789,800	\$ 844
FY 2024-25	12	\$ 500,611	\$ 1,669	12	\$ 276,148	\$ 1,001	12	\$ 235,855	\$ 983	12	\$ 80,552	\$ 410	12	\$ 1,194,603	\$ 1,185	12	\$ 1,252,246	\$ 1,321	12	\$ 839,592	\$ 886
FY 2025-26	12	\$ 519,221	\$ 1,731	12	\$ 289,923	\$ 1,050	12	\$ 247,635	\$ 1,032	12	\$ 84,460	\$ 440	12	\$ 1,234,524	\$ 1,225	12	\$ 1,290,220	\$ 1,361	12	\$ 881,054	\$ 929
FY 2026-27	12	\$ 537,254	\$ 1,791	12	\$ 304,280	\$ 1,102	12	\$ 259,899	\$ 1,063	12	\$ 88,545	\$ 471	12	\$ 1,275,926	\$ 1,266	12	\$ 1,339,510	\$ 1,419	12	\$ 924,363	\$ 975
FY 2027-28	12	\$ 557,293	\$ 1,857	12	\$ 319,243	\$ 1,157	12	\$ 272,668	\$ 1,136	12	\$ 92,613	\$ 509	12	\$ 1,318,866	\$ 1,308	12	\$ 1,390,638	\$ 1,467	12	\$ 969,299	\$ 1,022
FY 2028-29	12	\$ 577,332	\$ 1,926	12	\$ 334,837	\$ 1,213	12	\$ 285,965	\$ 1,192	12	\$ 97,274	\$ 537	12	\$ 1,363,999	\$ 1,353	12	\$ 1,443,671	\$ 1,523	12	\$ 1,016,247	\$ 1,072
FY 2029-30	12	\$ 599,377	\$ 1,998	12	\$ 351,090	\$ 1,272	12	\$ 299,813	\$ 1,249	12	\$ 101,936	\$ 572	12	\$ 1,409,583	\$ 1,399	12	\$ 1,498,877	\$ 1,581	12	\$ 1,065,398	\$ 1,124
FY 2030-31	12	\$ 621,595	\$ 2,072	12	\$ 368,029	\$ 1,333	12	\$ 314,236	\$ 1,309	12	\$ 106,808	\$ 609	12	\$ 1,457,478	\$ 1,446	12	\$ 1,555,726	\$ 1,641	12	\$ 1,116,244	\$ 1,177
FY 2031-32	12	\$ 644,612	\$ 2,149	12	\$ 385,684	\$ 1,397	12	\$ 328,259	\$ 1,372	12	\$ 111,901	\$ 648	12	\$ 1,507,148	\$ 1,495	12	\$ 1,614,894	\$ 1,703	12	\$ 1,169,488	\$ 1,234
TOTAL:	186	\$ 7,780,148		186	\$ 4,297,157		186	\$ 3,616,321		186	\$ 1,258,693		186	\$ 18,623,354		180	\$ 19,018,558		186	\$ 13,131,921	
# of LOSP Units	25			23			20			11			84			79			50		

*Some contracts in FY 2017-18 received LOSP surplus funds from FY 2016-17. MOHCD requested to use these funds to transition new or renewal contracts to a calendar year to simplify the accounting. Therefore, some contracts reflect a total of 18 months, which includes a one-time six month additional subsidy.

TOTAL: \$ 67,665,552

30

2

Total LOSP by Fiscal Year for 7 projects

Total LOSP 2017-18	\$ 4,297,157
Total LOSP 2018-19	\$ 3,480,976
Total LOSP 2019-20	\$ 3,616,258
Total LOSP 2020-21	\$ 3,773,702
Total LOSP 2021-22	\$ 3,905,241
Total LOSP 2022-23	\$ 4,053,959
Total LOSP 2023-24	\$ 4,218,511
Total LOSP 2024-25	\$ 4,379,609
Total LOSP 2025-26	\$ 4,547,037
Total LOSP 2026-27	\$ 4,729,877
Total LOSP 2027-28	\$ 4,920,760
Total LOSP 2028-29	\$ 5,119,325
Total LOSP 2029-30	\$ 5,325,674
Total LOSP 2030-31	\$ 5,540,116
Total LOSP 2031-32	\$ 5,762,986
Total 7 projects over contract	\$ 67,665,552

Project	Target Population	Service Agency	LOS P New or Renewal Projects coming on line in 2017-18					UNIT MIX - HOMELESS UNITS					TOTAL
			TI Units	TI Homeless Units	TI LOSP units	15 Year LOSP Contract	Other Operating Subsidies	Studios	1-BR	2-BR	3-BR	4-BR	
John Burton	YAY	First Place for Youth	50	25	25	\$ 7,780,148	None	24	1			25	
Armstrong	Seniors	Providence Foundation	116	23	23	\$ 4,237,157	HUD PRAC	12	11			23	
Mosalca Family	Families	Lutheran Social Services	93	24	20	\$ 3,616,321	Shelter Plus Care	0	3	13	2	2	20
Mosalca Senior	Seniors	Lutheran Social Services	24	11	11	\$ 1,258,693	None	9	2			11	
Hotel Essex	Adults	Community Housing Partnership	84	84	84	\$ 18,623,354	Shelter Plus Care	84				84	
Arnett Watson	Families and Single Adults	Community Housing Partnership	83	83	79	\$ 19,018,558	Shelter Plus Care	32	33	14		79	
930 Polk	Seniors, 10 units targeted to MHSA	Lutheran Social Services	110	50	50	\$ 13,131,921	None (project has MHSA capital dollars that restricts 10 units to MHSA clients)	45	5	0	0	50	
TOTAL:			560	300	292	\$ 67,665,552		206	54	28	2	292	

**CITY AND COUNTY OF SAN FRANCISCO
MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT**

GRANT AGREEMENT

between

CITY AND COUNTY OF SAN FRANCISCO

and

BTW HOUSING PARTNERS, L.P.

For

JOHN BURTON ADVOCATES FOR YOUTH HOUSING COMPLEX

800 PRESIDIO

THIS GRANT AGREEMENT (this "**Agreement**") is made this _____, by and between BTW HOUSING PARTNERS, L.P., a California limited partnership ("**Grantee**"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("**City**") acting by and through the Mayor's Office of Housing and Community Development ("**MOHCD**").

WITNESSETH:

WHEREAS, Grantee submitted the Application Documents (as hereinafter defined) to MOHCD for a grant through MOHCD's Local Operating Subsidy Program ("**Program**"); and

WHEREAS, City desires to provide such a grant on the terms and conditions set forth herein; and

WHEREAS, the City's Board of Supervisors authorized execution of this Agreement on _____, pursuant to Resolution No. _____.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained in this Agreement and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

**ARTICLE 1
DEFINITIONS**

1.1 Specific Terms. Unless the context otherwise requires, the following capitalized terms (whether singular or plural) shall have the meanings set forth below:

"**ADA**" shall mean the Americans with Disabilities Act (including all rules and regulations thereunder) and all other applicable federal, state and local disability rights legislation, as the same may be amended, modified or supplemented from time to time.

"**Additional Leasing Date**" shall have the meaning given to it in Section 4.1.

"**Agreement Date**" means the date this Agreement is duly executed and delivered by Grantee and MOHCD.

“Annual Monitoring Report” shall have the meaning given to it in Section 6.1.

“Annual Operating Budget” means the operating budget for the Project approved by City attached hereto as **Exhibit B**, as amended by Grantee and City from time-to-time.

“Anti-Displacement Housing Preference” means one member lives in a census tract that has been identified as having the greatest risk of displacement. These census tract are located citywide and include the Western Addition, Bayview, the Mission, the Richmond, Russian Hill and South of Market neighborhoods, as further described in the approved Marketing Plan. The ADHP applies to up to 40% of the units in this project (20 units) but does not apply to the LOSP units.

“Applicable Laws” means all applicable present or future federal, state, local and administrative laws, rules, regulations, codes, orders and requirements.

“Application Documents” shall mean collectively: (i) the grant application submitted by Grantee for a Program grant, including all exhibits, schedules, appendices and attachments thereto; (ii) all documents, correspondence and other written materials submitted in respect of such grant application; and (iii) all amendments, modifications or supplements to any of the foregoing approved in writing by City.

“Approved Shortfall” means the amount that is approved by MOHCD, if any, by which the Assisted Units Operating Costs (as defined in Section 5.6) for any Business Year during the Term exceed the Project Income attributable to the Assisted Units for such Business Year.

“Assisted Units” means 25 residential units at the Project.

“Business Year” means each period of twelve (12) months used by the Project to define the beginning and end of the year for purposes of accounting and other reporting.

“CFR” means the Code of Federal Regulations.

“Certificate of Preference” means the form establishing a priority right for tenant selection, as further described in the Operational Rules.

“Certificate of Preference Holder” means a person or household that has been issued a Certificate of Preference.

“Charter” shall mean the Charter of City.

“Charter Documents” shall have the meaning given in Section 6.2.

“City” means the City and County of San Francisco.

“City Loan Documents” means the MOHCD Loan Agreement and the documents executed in connection therewith.

“Controller” shall mean the Controller of City.

“Director” means MOHCD’s Director or an authorized representative of the Director.

“Effective Date” means the Initial Leasing Date.

“Event of Default” shall have the meaning set forth in Section 11.1.

“First Subsidy Payment” shall mean the Subsidy Payment for the initial period starting from the Effective Date.

“Grant Amount” shall have the meaning set forth in Section 5.1.

“Grant Funds” shall mean any and all funds allocated or disbursed to Grantee under this Agreement.

“Gross Rent” means the aggregate annual sum charged to Tenants for rent and utilities, with utility charges limited to an allowance determined by the

“HSH” means the **San Francisco Department of Homelessness and Supportive Housing**.

“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.

“Indemnified Parties” shall mean City, including MOHCD and all of City’s commissions, departments, agencies and other subdivisions, and City’s elected officials, directors, officers, employees, agents, and representatives, and their respective successors and assigns.

“Initial Leasing Date” shall be the date when the first Assisted Unit is leased and occupied by a Tenant.

“Loan Committee” means the City review committee that selects Program grantees.

“LOSP Clients” means the formerly homeless individuals or households that HSH deems eligible for Program assistance pursuant to the Program criteria set forth on the attached **Exhibit D** (as such criteria may be amended from time to time by MOHCD) as administered by Grantee pursuant to this Agreement, the LOSP Policies and Procedures Manual and the Services Agreement.

“LOSP Policies and Procedures Manual” means the document published jointly by MOHCD and HSH describing the program’s operational policies and procedures, as may be amended from time to time.

“Maintenance Duties” shall have the meaning given to it in Section 4.8(a).

“Median Income” means median income as published annually by MOHCD, derived from the Income Limits determined by HUD for the for the San Francisco area, adjusted solely for household size, but not high housing cost area.

“MOHCD” shall mean the Mayor’s Office of Housing and Community Development of the City and County of San Francisco.

“MOHCD Loan Agreement” means that certain loan agreement, dated as of August 24, 2015, between MOHCD and Grantee with respect to a \$10,440,463 loan as well as a predevelopment loan dated April 25, 2012 in the amount of \$1,788,848.

“Operating Costs” means the following costs: (a) all charges incurred in the operation of the Project for utilities, real estate taxes and assessments and premiums for insurance required under this Agreement, the City Loan Documents or the Senior Loan Documents; (b) salaries, wages and any other compensation due and payable to the employees or agents of Grantee employed in connection with the Project, including all related withholding taxes, insurance premiums, Social Security payments and other payroll taxes or payments; (c) Qualified Minimal Debt Service Payments, if any; (d) the asset management fees, partnership management fees, investor services fee and deferred developer fees described in the Annual Operating Budget or otherwise approved by MOHCD in writing ; (e) all other expenses actually incurred to cover the operation of the Project to the standards required under this

Agreement, including maintenance and repairs, and property management fees (to the extent such fees are permitted to be made under the MOHCD Loan Agreement); (f) required deposits to the Replacement Reserve Account (as defined in the MOHCD Loan Agreement), Operating Reserve Account, and any other reserve account required under this Agreement (excluding the Subsidy Reserve Account), the City Loan Documents or the Senior Loan Documents; and (g) any extraordinary expenses arising from the ownership or operation of the Project approved in advance and in writing by MOHCD. "Operating Costs" shall not include any loan payments to be made under the City Loan Documents, the Senior Loan Documents or any other loan payments other than Qualified Minimal Debt Service Payments, nor any costs Grantee incurs in providing services to a Project tenant other than the services to be provided under such Project tenant's lease or otherwise approved hereunder.

"Operating Reserve Account" means the interest-bearing operating reserve depository account Grantee is required to maintain pursuant to the MOHCD Loan Agreement.

"Operational Rules" means MOHCD's Operational Rules for San Francisco Housing Lotteries and Rental Lease Up Activities dated August 1, 2015, as amended from time to time.

"Operating Statement" shall have the meaning set forth in Section 6.1.

"Opinion" means an opinion of Grantee's California legal counsel, satisfactory to MOHCD, that Grantee is a duly formed, validly existing limited partnership in good standing under the laws of the State of California, has the power and authority to enter into this Agreement and will be bound by its terms when executed and delivered, that each of Grantee's general partners is a duly formed, validly existing nonprofit corporation in good standing under the laws of the State of California, which has established and maintains valid nonprofit status under Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended, and all rules and regulations promulgated thereunder or is a duly formed, validly existing limited liability company whose sole member is nonprofit corporation in good standing under the laws of the State of California, which has established and maintains valid nonprofit status under Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended, and all rules and regulations promulgated thereunder and each has the power and authority to act as Grantee's general partner, and that addresses any other matters MOHCD reasonably requests.

"Program" means the Local Operating Subsidy Program, through which MOHCD provides operating subsidies to housing projects that provide permanent supportive housing for formerly homeless individuals and households.

"Program Transition Reserve Account" shall have meaning given to it in Section 2.5.

"Project" means the fifty (50) unit housing project commonly known as John Burton Advocates for Youth Housing Complex, which is located on the Real Property.

"Project Income" means all income and receipts in any form received by Grantee from the operation, use or ownership of the Project, calculated on an accrual basis, including rents, fees, deposits (other than tenant security deposits), reimbursements and other charges paid to Grantee by MOHCD in connection with the Project (other than Grant Funds), and any funds held in the Subsidy Reserve Account.

"Project Operating Account" means a checking account maintained by Grantee, which shall be held in a bank or savings and loan institution acceptable to MOHCD as a segregated account insured by the Federal Deposit Insurance Corporation or other comparable federal insurance program.

"Projected Shortfall" means the amount, if any, by which the Assisted Units Operating Costs (as defined in Section 5.6) for any Business Year during the Term are projected to exceed the Project Income obtained from the Assisted Units for such Business Year.

“Qualified Minimal Debt Service Payment” means a minimal debt service payment that Grantee must make under the MOHCD Loan Agreement, the Senior Loan Documents or any additional affordable housing loan for the Project, provided that Grantee first obtains MOHCD’s written consent to such additional loan, including any proposed repayments to be made to such additional loan.

“Real Property” shall mean the real property described on the attached **Exhibit C**.

“Referral” means HSH documentation of eligibility of LOSP client being referred for permanent supportive housing at the project.

“Senior Loan Documents” means the following documents: the loan documents executed by Grantee in connection with the Construction loan from Citibank, N.A. in the amount of \$15,000,000.

“Services Agreement” means the Contract for Services dated April 1, 2017, and between Tenant Services Contractor and HSH for the provision of services to LOSP Clients at the Project.

“Subsidy Payment” means a payment made by MOHCD to Grantee pursuant to the terms of this Agreement, which shall be made in the manner and in the amount specified in Article 5 below.

“Subsidy Reserve Account” means a checking account maintained by Grantee, which shall be held in a bank or savings and loan institution acceptable to MOHCD as a segregated account insured by the Federal Deposit Insurance Corporation or other comparable federal insurance program, and used only for the purposes specified in Section 4.3.

“Tenant” shall mean a LOSP Client who leases an Assisted Unit.

“Tenant-Paid Rent” means the annual amount charged to Tenants for rent, not including any applicable utility allowance, which must be included when calculating Gross Tenant Rent.

“Tenant Services Contractor” shall mean First Place for Youth, a California non-profit public benefit corporation.

“Term” shall have the meaning given to in Section 3.

“Termination Notice Date” shall have the meaning given to in Section 4.1.

“Transition Plan” shall have the meaning given to in Section 2.5.

“Underlying Restricted Rent” is the maximum Gross Rent allowed under the MOHCD Loan Agreement or any other more-restrictive covenants under City-approved funding agreements.

“Vacancy Period” shall have the meaning given to in Section 4.1.

“15-Year Cash Flow” means the cash flow projection described in the attached **Exhibit B**.

1.2 Additional Terms. The terms “as directed,” “as required” or “as permitted” and similar terms shall refer to the direction, requirement, or permission of MOHCD. The terms “sufficient,” “necessary” or “proper” and similar terms shall mean sufficient, necessary or proper in the sole judgment of MOHCD. The terms “approval,” “acceptable” or “satisfactory” or similar terms shall mean approved by, or acceptable to, or satisfactory to MOHCD. The terms “include,” “included” or “including” and similar terms shall be deemed to be followed by the words “without limitation”. The use of the term “subcontractor,” “successor” or “assign” herein refers only to a subcontractor (“subgrantee”), successor or assign expressly permitted under Article 13.

1.3 References to this Agreement. References to this Agreement include: (a) any and all appendices, exhibits, schedules, attachments hereto; (b) any and all statutes, ordinances, regulations or other

documents expressly incorporated by reference herein; and (c) any and all amendments, modifications or supplements hereto made in accordance with Section 17.2. References to articles, sections, subsections or appendices refer to articles, sections or subsections of or appendices to this Agreement, unless otherwise expressly stated. Terms such as “hereunder,” herein or “hereto” refer to this Agreement as a whole.

ARTICLE 2
APPROPRIATION AND CERTIFICATION OF GRANT FUNDS;
LIMITATIONS ON CITY’S OBLIGATIONS

2.1 Risk of Non-Appropriation of Grant Funds. This Agreement is subject to the budget and fiscal provisions of the Charter. City shall have no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements or for other MOHCD expenditures. Grantee acknowledges that MOHCD’s obligation to make Subsidy Payments under this Agreement is expressly conditioned on the (a) appropriation of sufficient funds to HSH for Subsidy Payments and transfer of such funds from HSH to MOHCD (or as MOHCD may direct such funds to be transferred directly by HSH to Grantee), which appropriation and transfer is subject to HSH’s annual operating budget, or (b) appropriation of sufficient funds for Subsidy Payments to MOHCD’s annual operating budget. If the funds appropriated for Program subsidy payments in a given year will be insufficient to fund the total Program subsidy payments MOHCD intended to make in such year, MOHCD shall have the right to reduce the amount of Program subsidy payments and to select the qualifying projects subject to such reduced payments.

Notwithstanding the foregoing, however, qualifying projects that are not financed with State Department of Housing and Community Development Multifamily Housing Program Supportive Housing Component funds (“**HCD Funds**”) will be subject to such Program subsidy payment reductions before any such reductions are made to qualifying projects financed with HCD Funds.

If MOHCD determines that Subsidy Payments for any given period must be reduced due to a shortfall in appropriated Program funds (a “**Non-Appropriation Event**”), MOHCD shall notify Grantee that a Non-Appropriation Event has occurred. City’s obligation to make any Subsidy Payments in excess of those for which sufficient funds have been appropriated shall automatically terminate as of such Non-Appropriation Event, except as may be required pursuant to Section 2.5 below. Grantee acknowledges that HSH’s and MOHCD’s annual operating budgets are each subject to the discretion of City’s Mayor and Board of Supervisors and a Non-Appropriation Event may occur during the Term and, accordingly, that Subsidy Payments may subsequently not be made in the amounts projected pursuant to this Agreement. Grantee’s assumption of such risks is part of the consideration for this Agreement. If this Agreement is terminated, Grantee shall not be required to renew leases for residents of the Assisted Units, subject to applicable local, federal and state law.

2.2 Certification of Controller; Guaranteed Maximum Costs. No funds shall be available under this Agreement until prior written authorization certified by the Controller. In addition, as set forth in Section 21.10-1 of the San Francisco Administrative Code:

(a) City’s obligations hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification, the current Controller certification for Grant Funds is only for the First Subsidy Payment, and Controller certification will be a condition precedent for all other Subsidy Payments to the extent that Project Transition Reserve Account funds are not available to fund such Subsidy Payments.

(b) Except as may be provided by City ordinances governing emergency conditions, City and its employees and officers are not authorized to request Grantee to perform services or to provide materials, equipment and supplies that would result in Grantee performing services or providing materials, equipment and supplies that are beyond the scope of the services, materials, equipment and supplies specified in this Agreement unless this Agreement is amended in writing and approved as required by law to authorize the additional services, materials, equipment or supplies. City is not required to pay Grantee for services, materials, equipment or supplies provided by Grantee if they are beyond the scope of the

services, materials, equipment and supplies agreed upon herein and were not approved by a written amendment to this Agreement lawfully executed by City.

(c) City and its employees and officers are not authorized to offer or promise to Grantee additional funding for this Agreement that would exceed the maximum amount of funding provided for herein. Additional funding for this Agreement in excess of the maximum provided herein shall require lawful approval and certification by the Controller. City is not required to honor any offered or promised additional funding that exceeds the maximum provided in this Agreement, which requires lawful approval and certification of the Controller when the lawful approval and certification by the Controller has not been obtained.

(d) The Controller is not authorized to make payments on any agreement for which funds have not been certified as available for such purposes in the budget of HSH or MOHCD or by supplemental appropriation.

2.3 Automatic Termination for Nonappropriation or Nontransfer of Funds. This Agreement shall automatically terminate, without penalty, liability or expense of any kind to City, at the end of the period of the City's Business Year that a Non-Appropriation Event occurs, except as otherwise set forth in Section 2.5.

2.4 SUPERSEURE OF CONFLICTING PROVISIONS. IN THE EVENT OF ANY CONFLICT BETWEEN ANY OF THE PROVISIONS OF THIS ARTICLE 2 AND ANY OTHER PROVISION OF THIS AGREEMENT, THE APPLICATION DOCUMENTS OR ANY OTHER DOCUMENT OR COMMUNICATION RELATING TO THIS AGREEMENT, THE TERMS OF THIS ARTICLE 2 SHALL GOVERN.

2.5 Program Transition Reserve Account. All LOSP subsidy payments, including the Subsidy Payments, are conditioned on the appropriation of sufficient funds therefor and the transfer of such funds to MOHCD's annual budget. MOHCD intends to establish a reserve account, as MOHCD deems appropriate and in its sole discretion, to fund all or a portion of selected LOSP subsidy payments in the event sufficient funds are not so appropriated or transferred (the "**Program Transition Reserve Account**"). If there is a Non-Appropriation Event, City shall use Program Transition Reserve Account funds to disburse such Subsidy Payments to the extent there are sufficient Program Transition Reserve Account funds for such disbursements.

If there is a Non-Appropriation Event, and City fully funds the following year's Subsidy Payment in the amount shown on Exhibit A (whether with Program Transition Reserve Account funds or otherwise), this Agreement shall remain in effect through the last day of the period for which such Subsidy Payment is made. In the event City continues to fully fund subsequent Subsidy Payments, this Agreement shall remain in effect through the last day of the period for which each such subsequent Subsidy Payment is made.

City shall have no obligation to replenish or supplement the Program Transition Reserve Account. City shall have the right to, at MOHCD's discretion, use Program Transition Reserve Account funds to make subsidy payments to LOSP grantees other than Grantee. The Program Transition Reserve Account shall remain the City's property at all times and any interest that accrues thereon shall remain the sole property of City and will be deemed part of the Program Transition Reserve Account. If any funds remain in the Program Transition Reserve Account at the expiration of the Term or earlier termination of this Agreement, such funds shall remain with City and Grantee shall have no rights thereto.

Grantee agrees that it shall not make any distributions or payments of Residual Receipts, as defined in the MOHCD Loan Agreement, until City has approved the distribution or payment of such Residual Receipts.

**ARTICLE 3
TERM**

The term of this Agreement (the “**Term**”) shall commence on the Effective Date and shall terminate on the fifteenth (15th) anniversary of the Effective Date, unless earlier terminated in accordance with the terms herein.

**ARTICLE 4
PERFORMANCE OF GRANT OBLIGATIONS**

4.1 Lease of Assisted Units.

(a) Commencing on the Initial Leasing Date, Grantee shall lease all of the Assisted Units to the LOSP Clients it selects from Referrals supplied by the City.

If an Assisted Unit lease terminates at any time, Grantee shall deliver written notice of such termination to City within five (5) business days of such termination (the “**Termination Notice Date**”). City shall accordingly deliver one (1) Referral to Grantee within fifteen (15) business days of receiving such Assisted Unit lease termination notice and Grantee shall lease such vacated Assisted Unit to an LOSP Client it selects from such Referrals within the sixty (60) day period immediately following its receipt of such Referrals (each such additional lease up date shall be referred to as an “**Additional Leasing Date**”). The period of time between a Termination Notice Date and the corresponding Additional Leasing Date shall be referred to as a “**Vacancy Period**”. After the Initial Leasing Date, an Assisted Unit may remain vacant during any Vacancy Period applicable to such Assisted Unit. If Grantee does not approve any of the LOSP Clients to be residents of the Project, or if City fails to timely deliver the required Referrals at any time, until City delivers such Referrals, Grantee can submit a request to City to use a qualified candidate identified by Grantee that satisfies the requirements of **Exhibit D**, and such request shall not be unreasonably denied.

(b) Grantee shall give preference in occupying all Project residential units first to Certificate of Preference Holders in accordance with the Operational Rules and the Preferences Ordinance; provided that such applicants satisfy all other applicable eligibility requirements under the City Loan Documents and the Senior Loan Documents.

(d) Grantee shall have sole discretion in approving the LOSP Clients that will be Tenants, provided that Grantee’s decision not to rent an Assisted Unit to an LOSP Client referred to Grantee by City shall not be unreasonably withheld or conditioned, and provided further that Grantee shall not, except as otherwise required by this Agreement, discriminate against or permit discrimination against any person or group of persons because of race, color, creed, national origin, ancestry, age, sex, sexual orientation, disability, gender identity, height, weight, source of income or acquired immune deficiency syndrome (AIDS) or AIDS related condition (ARC) in the leasing of the Assisted Units.

(e) Grantee shall comply with the Tenant Selection Plan Policy set forth in the attached **Exhibit H** when selecting tenants for the Assisted Units.

(f) Grantee shall comply with the Tenant Screening Criteria Policy set forth in the attached **Exhibit I** when screening tenants for the Assisted Units.

(g) Grantee shall rent each Assisted Unit to a Tenant pursuant to a separate lease agreement that complies with this Agreement. Each Tenant lease shall provide for termination of such lease and such Tenant’s consent to immediate eviction if the Tenant has made any material misrepresentation in the initial income certification made by Tenant to City or in any later income certification made by Tenant to Grantee. The lease agreement for each Assisted Unit must also contain the applicable Lease Addendum, which can be found in the **LOSP Policies and Procedures Manual**.

(h) Grantee shall obtain each Tenant's recertification of his/her household income on an annual basis. Such income certifications shall be prepared pursuant to low income housing tax credit guidelines for household income and shall be maintained on file at Grantee's principal office for no less than five (5) years following the date of such certification, and Grantee must file or cause to be filed copies thereof with MOHCD promptly upon MOHCD's request therefor.

(i) Security deposits may be required of Tenants only in accordance with applicable federal regulations, state law and this Agreement. Any security deposits collected must be segregated from all other funds of the Project in an account held in trust for the benefit of the Tenants and other tenants of the Project and disbursed in accordance with California law. The balance in such security deposit account must at all times equal or exceed the aggregate of all security deposits collected plus accrued interest thereon, less any security deposits or interest thereon returned to Tenants or any other tenants of the Project.

4.2 Rent Restrictions.

(a) Gross Rent charged for any Tenant shall be the lower of thirty percent (30%) of a Tenant's gross monthly income, or the maximum rent allowed under the MOHCD Loan Agreement.

(b) With the written approval of DSHH, the Gross Rent charged to a Tenant may be increased as a result of a determination by HSH that such Tenant is no longer eligible under the Program, so long as the Gross Rent charged does not exceed the Underlying Restricted Rent. Notwithstanding the forgoing, Tenants deemed no longer eligible by HSH who remain occupants of the Project shall still be considered a LOSP Client and the Tenant's Unit shall still constitute an Assisted Unit for purposes of compliance with the requirements of this Agreement.

(c) Grantee must provide MOHCD at least annually a report showing actual household income level and Gross Rent for each Tenant.

4.3 Operating Reserve Account; Subsidy Reserve Account. Grantee shall comply with all of its requirements for the Operating Reserve Account under the MOHCD Loan Agreement. In addition, if the Subsidy Payment made to Grantee for a Business Year exceeds the Approved Shortfall for such Business Year, as determined pursuant to the reports delivered under Section 6.1, Grantee shall deposit such excess amount in the Subsidy Reserve Account. Grantee shall not use Subsidy Reserve Account funds, or any interest earned thereon, for any purpose other than as provided in this Agreement. The only funds that shall be held in the Subsidy Reserve Account shall be the moneys deposited therein pursuant to this Section and the interest earned thereon.

If the Approved Shortfall for a Business Year exceeds the Subsidy Payment made to Grantee for such Business Year, Grantee shall first use Subsidy Reserve Account funds, to the extent available, to pay the Assisted Units Operating Costs that comprise such excess shortfall. If the Subsidy Reserve Account plus Subsidy Payment funds are insufficient to pay all of the Assisted Units Operating Costs in any given Business Year, Grantee shall use Operating Reserve Account funds, if any, to pay the remaining Assisted Units Operating Costs, subject to any approval Grantee must obtain from any lender under the Senior Loan Documents or Grantee's tax credit limited partner to so use the Operating Reserve Account funds.

4.4 [Intentionally Omitted]

4.5 Annual Operating Budget. The Annual Operating Budget attached hereto as **Exhibit B** sets forth Grantee's anticipated Operating Costs, Project Income and Projected Shortfall for the Term of the Agreement. Grantee shall pay Operating Costs in conformity with the approved Annual Operating Budget. MOHCD's prior written consent shall not be required before Grantee can spend funds on Operating Costs that differ in amount from the amounts in the Annual Operating Budget.

Grantee can submit requests to change the amount of the Annual Operating Budget and corresponding Subsidy Payment for any year during the term by supplying a written proposal to MOHCD. MOHCD will

provide project-specific guidance about other materials required to analyze the requested change including but not limited to a variance analysis that includes a quantitative assessment of the difference between projected annual income and expenses and actual annual income and expenses, and explanations for the cause of any significant variances.

Any travel expenses incurred by Grantee must be reasonable and must comply with the following:

(i) Lodging, meals and incidental expenses shall not exceed the then-current per diem rates set forth by the United States General Services Administration for the County of San Francisco found at: <https://www.gsa.gov/portal/category/104711>.

(ii) Air transportation expenses must use fares for coach-class accommodations, provided that purchases for air travel must occur no less than one week before the travel day.

(iii) If ground transportation is required, the City urges the use of public transit or courtesy shuttles if provided by a lodging. If courtesy transportation is not provided by a lodging, ground transportation expenses for travel to or from regional airports must not exceed Fifty Dollars (\$50.00) each way. Other ground transportation expenses must not exceed then-current San Francisco taxi rates found at: <https://www.sfmta.com/getting-around/taxi/taxi-rates>. Ground transportation shall not include any expenses for luxury transportation services, such as a limousine, or any expenses related to travel to or from Project site meetings by Borrower's employees.

(iv) Miscellaneous travel expenses must not exceed Fifty Dollars (\$50.00) without prior written approval of the City.

(v) Any Disbursement Request for travel expenses must include supporting documentation, including, without limitation, original itemized receipts showing rates and cost, air travel itinerary, proof of payment, and any written justification requested by the City.

For the purpose of this Section, the terms "lodging," "meals" and "incidental expenses" shall have the same meanings defined in 41 CFR Part 300-3; the term "coach-class" shall have the same meaning defined in 41 CFR Part 301-10.121(a); and the term "miscellaneous" means copying services, printing services, communication services, or other services reasonably related to travel for the Project and approved by the City.

4.6 Grantee's Board of Directors. Grantee's manager, if Grantee is a limited liability company, or Grantee's general partner or the sole member of the limited liability company general partner, if Grantee is a limited partnership, 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 such entity's bylaws and other governing documents and shall adhere to applicable provisions of federal, state and local laws governing nonprofit corporations. Such entity's board of directors shall exercise such oversight responsibility with regard to this Agreement as is necessary to ensure full and prompt performance by Grantee of its obligations under this Agreement.

4.7 [Intentionally Omitted]

4.8 Maintenance and Management of Project.

(a) Grantee shall be responsible for ensuring all Project maintenance, repair and management functions, including the collection of rents, routine and extraordinary repairs and replacement of capital items, and for keeping the Project in a safe and sanitary manner and in good operating condition in accordance with all Applicable Laws, the City Loan Documents and the Senior Loan Documents (collectively, the "Maintenance Duties").

(b) Grantee may contract with a management agent for the performance of the Maintenance Duties subject to MOHCD's prior written approval of both the management agent and the management contract, provided, however, that the arrangement will not relieve Grantee of responsibility for performance of those duties. The John Stewart Company has been approved as the management agent for the Project. A management contract must contain a provision allowing Grantee to terminate the contract without penalty upon no more than thirty (30) days' notice.

(c) MOHCD will provide written notice to Grantee if MOHCD determines that the Maintenance Duties are not being performed in accordance with this Agreement. If Grantee is then in contract with a management agent pursuant to subsection (b) above, and such management agent fails to fully cure such failure within thirty (30) days of the date that MOHCD delivers such written notice, Grantee shall exercise such thirty (30) day termination right, terminate the management contract and make immediate arrangements for cure of such failure and for the continuous and continuing performance of the Maintenance Duties. If, at the time of such notice, Grantee is not in contract with a management agent pursuant to subsection (b) above, in addition to MOHCD's rights hereunder, MOHCD shall have the right to require that Grantee, at Grantee's sole cost, contract with a management agent to perform the Maintenance Duties, or to make other arrangements the City deems necessary to ensure full and timely performance of the Maintenance Duties.

(d) Grantee shall operate the Project in compliance with all Applicable Laws.

4.9 Services Agreement; Provision of Services.

(a) Grantee hereby agrees to allow the Tenant Services Contractor (and any subsequent service provider) access to the Project at all reasonable times for the provision of services to the Project's LOSP Clients. In the event Grantee has concerns with the quality or quantity of the services provided by the Tenant Services Contractor, Grantee shall have the right to meet and confer with MOHCD and HSH to discuss a plan for improving the services provided to Grantee, which plan may include the substitution of a different entity to service as the Tenant Services Coordinator. Any substitution of service provider is under the sole discretion of HSH and subject to HSH's monitoring and oversight. MOHCD shall keep Grantee informed of any material issues related to the ability of the Tenant Services Contractor to satisfactorily perform its obligations under the Services Agreement

(b) Grantee shall promptly provide written notice to MOHCD if Grantee obtains knowledge of any default, or event that with notice or the passage of time or both could constitute a default, under the Services Agreement.

(c) In the event that the Services Agreement is terminated for any reason, or that MOHCD and/or HSH determines that the Tenant Services Contractor needs to be replaced, Grantee shall cooperate in good faith with MOHCD and HSH in obtaining a new service provider for the LOSP Clients in the Project. In such an event, the selection of the new service provider for the Project shall require Grantee's prior consent, which shall not be unreasonably delayed or denied. Grantee hereby agrees and acknowledges that nothing in this Agreement gives Grantee any right to consent to the MOHCD and/or HSH determination to terminate the Services Agreement or to replace the Tenant Services Contractor.

ARTICLE 5 USE AND DISBURSEMENT OF GRANT FUNDS

5.1 Maximum Amount of Grant Funds; Disbursement of Subsidy Payments. In no event shall the total amount of Grant Funds disbursed hereunder exceed Seven Million Seven Hundred Eighty Thousand One Hundred Forty Seven Dollars (\$7,780,147) (the "**Grant Amount**"). Subject to Grantee's performance of its obligations under this Agreement and MOHCD's receipt of sufficient funds, as further set forth in Article 2, the Grant Funds shall be disbursed through Subsidy Payments.

Provided that Grantee is in compliance with all of the conditions for receipt of the First Subsidy Payment, City shall deliver the First Subsidy Payment to Grantee within sixty (60) business days

immediately following the Effective Date. For every subsequent year during the Term, provided that Grantee is in compliance with all of the conditions for receipt of a Subsidy Payment, City shall deliver the Subsidy Payment for such year to Grantee within sixty (60) business days immediately following the date when the funds have been made available for MOHCD for disbursement.

5.2 Subsidy Payment Amounts and Adjustments.

(a) The 15-Year Cash Flow is the Parties' current expectations of Operating Costs and Projected Shortfalls during the Term. The Parties anticipate that the amount of the First Subsidy Payment and each subsequent Subsidy Payment shall be as shown on **Exhibit A**. The First Subsidy Payment amount reflects the Projected Shortfall for the period starting on the Effective Date. Notwithstanding the foregoing initial calculations of the 15-Year Cash Flow and the Subsidy Payment amounts, however, each Subsidy Payment (including the First Subsidy Payment) is subject to further adjustment pursuant to this Section and City's annual review and approval of the applicable Annual Operating Budget. The City shall reduce the subsequent Subsidy Payments by the amount of any funds held in the Subsidy Reserve Account.

(b) The total amount of all Subsidy Payments made hereunder shall not exceed the Grant Amount. If the total amount of all Subsidy Payments made hereunder equals the Grant Amount at any time prior to the expiration of the Term, no further Subsidy Payments shall be made hereunder. If any Subsidy Payment would, if made, cause the total amount of all Subsidy Payments made hereunder to exceed the Grant Amount, such Subsidy Payment shall be accordingly reduced so the total amount of Subsidy Payments made hereunder equals the Grant Amount.

5.3 Use of Grant Funds. Grantee shall use the Grant Funds only for Assisted Units Operating Costs and for no other purpose. Grantee shall expend the Grant Funds in accordance with the Annual Operating Budget.

5.4 Conditions Precedent to Payment of First Subsidy Payment. Grantee shall fully satisfy each of the following conditions prior to delivery of the First Subsidy Payment.

(a) Grantee must have delivered to the City fully executed (and for documents to be recorded, acknowledged) originals of the following documents, in form and substance satisfactory to the City: (i) this Agreement (in triplicate); (ii) the Opinion; and (iii) the Authorizing Resolutions.

(b) Grantee must have delivered its Charter Documents to the City.

(c) Grantee shall be in compliance with all of its obligations under City Loan Documents and the Senior Loan Documents.

(d) Tenant Services Contractor shall be in compliance with all of its obligations under the Services Agreement, and no default, or event that with notice or the passage of time or both could constitute a default, shall exist and remain uncured under the Services Agreement; provided however that disbursement of the First Subsidy Payment shall not be withheld due to an uncured default under the Services Agreement if at the time of expected disbursement, Grantee provides City with sufficient evidence that it is cooperating in good faith with the City and HSH to diligently pursue a cure of said default, which may or may not include Grantee directly providing the required services under the Services Agreement.

(e) No Event of Default, or event that with notice or the passage of time or both could constitute an Event of Default, shall exist and remain uncured as of the date of the Initial Subsidy Payment is to be disbursed hereunder.

5.5 Conditions Precedent to Payment of Subsequent Subsidy Payments. Grantee shall fully satisfy each of the following conditions prior to delivery of any Subsequent Subsidy Payment:

(a) Grantee shall be in compliance with all of its obligations under the City Loan Documents and the Senior Loan Documents.

(b) Tenant Services Contractor shall be in compliance with all of its obligations under the Services Agreement, and no default, or event that with notice or the passage of time or both could constitute a default, shall exist and remain uncured under the Services Agreement; provided however that disbursement of any Subsequent Subsidy Payment shall not be withheld due to an uncured default under the Services Agreement if at the time of expected disbursement, Grantee provides City with sufficient evidence that it is cooperating in good faith with the City and DPH to diligently pursue a cure of said default, which may or may not include Grantee directly providing the required services under the Services Agreement.

(c) No Event of Default, or event that with notice or the passage of time or both could constitute an Event of Default, shall exist and remain uncured as of the date of such Subsidy Payment is to be disbursed hereunder.

5.6 Allocation of Grant Funds and Calculation of Assisted Unit Operating Costs. For the purposes of determining the Subsidy Payment and the Projected Shortfall, City and Grantee have agreed that the parties shall allocate fifty percent (50%) of the total Operating Costs to the Assisted Units ("**Assisted Units Operating Costs**") and fifty percent (50%) of the total Operating Costs to the non-Assisted Units, with the exception of costs related to desk clerk coverage staffing and associated costs which will be paid 100% by the LOSP units. For most budget line items, LOSP units are assigned a prorated share of the total project operating cost. There are some line items where alternative portions of the line item may be proposed. **Exhibit B** depicts the allocation of Operating Costs between the Assisted and non-Assisted Units, including and budget line items for which alternative portions have been allocated to the Assisted/non-Assisted units.

ARTICLE 6 REPORTING REQUIREMENTS; AUDITS; PENALTIES FOR FALSE CLAIMS

6.1 Regular Reports; Operating Statements. Grantee must file electronically with the City no later than one hundred fifty (150) days after the end of Grantee's calendar year annual report forms (the "**Annual Monitoring Report**") that include audited financial statements including any management letters; an income and expense statement for the Project covering the applicable reporting period "**Operating Statement**"; a statement of balances, deposits and withdrawals from all Accounts; and evidence of required insurance. The Annual Monitoring Report must be in substantially the form attached as **Exhibit G** or as later modified by MOHCD during the Term.

Such Annual Monitoring Report shall include a list of the Assisted Units Operating Costs paid by Grantee during such applicable prior Business Year and Grantee's certifications that (a) the total Grant Funds received by Grantee as of the end date of the applicable Business Year have been used only to pay Assisted Units Operating Costs, (b) all of Grantee's representations and warranties in this Agreement remain true and correct in all material respects as if made on the end date of such the applicable Business Year, (c) there is no Event of Default by Grantee as of the end date of the applicable Business Year, and (d) the party signing the Annual Monitoring Report is an officer of Grantee authorized to do so on Grantee's behalf.

6.2 Organizational Documents. Prior to the Effective Date, Grantee shall provide to City the following documents (collectively, the "**Charter Documents**"): a certified certificate of status and (a) if Grantee is a corporation, its bylaws; and a certified copy of its articles of incorporation; (b) if Grantee is limited partnership, its partnership agreement, a certified copy of its certificate of partnership, and the organizational documents of its general partner; and (c) if Grantee is a limited liability company, its operating agreement, a certified copy of its certificate of limited liability company, and the organizational documents of its manager. All certified documents to be provided pursuant to this Section shall be

certified by the California Secretary of State or, if the entity for which a certified document is to be provided was not organized in the State of California, certified by the Secretary of State of such entity's state of organization, no earlier than two (2) months prior to the Effective Date. The Charter Documents must be delivered to the City in their original form, as amended if applicable.

6.3 Notification of Defaults or Changes in Circumstances. Grantee shall notify City immediately of (a) any Event of Default or event that, with the passage of time, would constitute an Event of Default; and (b) any change of circumstances that would cause any of the representations and warranties contained in Article 8 to be false or misleading at any time during the term of this Agreement.

6.4 Financial Statements. As noted in Section 6.1, Grantee shall also deliver to City, no later than one hundred fifty (150) days following the end of any Business Year, an audited balance sheet and the related statement of income and cash flows for such Business Year, certified by a reputable accounting firm as accurately presenting the financial position of Grantee, including any management letters supplied by the auditors.

6.5 Books and Records. Grantee shall establish and maintain accurate files and records of all aspects of Operating Expenses and Project Income and the matters funded in whole or in part with Grant Funds during the term of this Agreement. Without limiting the scope of the foregoing, Grantee shall establish and maintain accurate financial books and accounting records relating to Operating Costs incurred and paid and Grant Funds received and expended under this Agreement, together with all invoices, documents, payrolls, time records and other data related to the matters covered by this Agreement, whether funded in whole or in part with Grant Funds. Grantee shall maintain all of the files, records, books, invoices, documents, payrolls and other data required to be maintained under this Section in a readily accessible location and condition for a period of not less than five (5) years after final payment under this Agreement or until any final audit has been fully completed, whichever is later. Grantee agrees to maintain and make available to MOHCD, during regular business hours, accurate books and accounting records relating to the Project and the Tenants. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon MOHCD by this Section. All financial reports must be prepared and maintained in accordance with GAAP as in effect at the time of performance.

6.6 Inspection and Audit. Grantee shall make available to MOHCD, its employees and authorized representatives, during regular business hours all of the files, records, books, invoices, documents, payrolls and other data required to be established and maintained by Grantee under Section 6.5. Grantee shall permit MOHCD, its employees and authorized representatives to inspect, audit, examine and make excerpts and transcripts from any of the foregoing. The rights of MOHCD pursuant to this Section shall remain in effect so long as Grantee has the obligation to maintain such files, records, books, invoices, documents, payrolls and other data under this Article 6.

6.7 Submitting False Claims; Monetary Penalties. Grantee acknowledges and agrees that it is a "contractor" under and is subject to San Francisco Administrative Code Section 21.35. Under such Section 21.35, any contractor, subgrantee or consultant who submits a false claim shall be liable to City for three times the amount of damages which City sustains because of the false claim. A contractor, subgrantee or consultant who submits a false claim shall also be liable to City for the costs, including attorney's fees, of a civil action brought to recover any of those penalties or damages, and may be liable to City for a civil penalty of up to Ten Thousand Dollars (\$10,000) for each false claim. A contractor, subgrantee or consultant will be deemed to have submitted a false claim to City if the contractor, subgrantee or consultant: (a) knowingly presents or causes to be presented to an officer or employee of City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by City; (c) conspires to defraud City by getting a false claim allowed or paid by City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to City; or (e) is a beneficiary of an inadvertent submission of a false claim to City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to City within a reasonable time after discovery of the false claim.

6.8 Project Monitoring Generally. Grantee understands and agrees that it will be monitored by the City from time to time to assure compliance with all terms and conditions in this Agreement and all Laws. Grantee acknowledges that the City may also conduct periodic on-site inspections of the Project. Grantee must cooperate with the monitoring by the City and ensure full access to the Project and all information related to the Project as reasonably required by the City.

6.9 Notice Requirement for Changes in Director Positions. Grantee and its General Partner entities must provide written notice of the replacement of its executive director, director of housing development, director of property management and/or any equivalent position within thirty (30) days after the effective date of such replacement.

ARTICLE 7 TAXES

7.1 Grantee to Pay All Taxes. Grantee shall pay to the appropriate governmental authority, as and when due, any and all taxes, fees, assessments or other governmental charges, including possessory interest taxes and California sales and use taxes, levied upon or in connection with this Agreement, the Grant Funds or any of the activities contemplated by this Agreement.

7.2 Use of City Real Property. If at any time this Agreement entitles Grantee to the possession, occupancy or use of City real property for private gain, the following provisions shall apply:

(a) Grantee, on behalf of itself and any subgrantees, successors and assigns, recognizes and understands that this Agreement may create a possessory interest subject to property taxation and Grantee, and any subgrantee, successor or assign, may be subject to the payment of such taxes.

(b) Grantee, on behalf of itself and any subgrantees, successors and assigns, further recognizes and understands that any assignment permitted hereunder and any exercise of any option to renew or other extension of this Agreement may constitute a change in ownership for purposes of property taxation and therefore may result in a revaluation of any possessory interest created hereunder. Grantee shall report any assignment or other transfer of any interest in this Agreement or any renewal or extension thereof to the County Assessor within sixty (60) days after such assignment, transfer, renewal or extension.

(c) Grantee shall provide such other information as may be requested by City to enable City to comply with any reporting requirements under applicable law with respect to possessory interests.

7.3 Earned Income Credit (EIC) Forms. Administrative Code Section 12O requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found.

(a) Grantee shall provide EIC Forms to each Eligible Employee at each of the following times:
(i) within thirty (30) days following the date on which this Agreement becomes effective (unless Grantee has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by Grantee; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement.

(b) Failure to comply with any requirement contained in subparagraph (a) of this Section shall constitute a material breach by Grantee of the terms of this Agreement. If, within thirty (30) days after Grantee receives written notice of such a breach, Grantee fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty (30) days, Grantee fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the City may pursue any rights or remedies available under this Agreement or under applicable law.

(c) Any Subcontract entered into by Grantee shall require the subgrantee to comply, as to the subgrantee's Eligible Employees, with each of the terms of this Section.

(d) Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 12O of the San Francisco Administrative Code.

ARTICLE 8 REPRESENTATIONS AND WARRANTIES

Grantee represents and warrants each of the following as of the date of this Agreement and at all times throughout the term of this Agreement:

8.1 Organization; Authorization. Grantee is a limited partnership, and Grantee's managing general partner is a nonprofit corporation, duly organized and validly existing and in good standing under the laws of the jurisdiction in which it was formed, and which has established and maintains valid nonprofit status under Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended, and all rules and regulations promulgated thereunder. Grantee has duly authorized by all necessary action the execution, delivery and performance of this Agreement. Grantee has duly executed and delivered this Agreement and this Agreement constitutes a legal, valid and binding obligation of Grantee, enforceable against Grantee in accordance with the terms hereof.

8.2 Location. Grantee's operations, offices and headquarters are located at the address for notices set forth in Section 15.

8.3 No Misstatements. No document furnished or to be furnished by Grantee to MOHCD in connection with the Application Documents, this Agreement, or any other document relating to any of the foregoing, contains or will contain any untrue statement of material fact or omits or will omit a material fact necessary to make the statements contained therein not misleading, under the circumstances under which any such statement shall have been made.

8.4 Conflict of Interest. Through its execution of this Agreement, Grantee acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of the City's Campaign and Governmental Conduct Code, and Section 87100 *et seq.* and Section 1090 *et seq.* of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify MOHCD if it becomes aware of any such fact during the term of this Agreement.

ARTICLE 9 INDEMNIFICATION AND GENERAL LIABILITY

9.1 Indemnification. Grantee shall indemnify, protect, defend and hold harmless each of the Indemnified Parties from and against any and all Losses arising from, in connection with or caused by: (a) a material breach of this Agreement by Grantee; (b) a material breach of any representation or warranty of Grantee contained in this Agreement; (c) any personal injury caused, directly or indirectly, by any act or omission of Grantee or its employees, subgrantees or agents; (d) any property damage caused, directly or indirectly by any act or omission of Grantee or its employees, subgrantees or agents; (e) the use, misuse or failure of any equipment or facility used by Grantee, or by any of its employees, subgrantees or agents, regardless of whether such equipment or facility is furnished, rented or loaned to Grantee by an Indemnified Party; (f) any tax, fee, assessment or other charge for which Grantee is responsible under Article 7; or (g) any infringement of patent rights, copyright, trade secret or any other proprietary right or trademark of any person or entity in consequence of the use by any Indemnified Party of any goods or services furnished to such Indemnified Party in connection with this Agreement. Grantee's obligations under the immediately preceding sentence shall apply to any Loss that is caused in whole or in part by the active or passive negligence of any Indemnified Party, but shall exclude any Loss caused solely by the willful misconduct or gross negligence of the Indemnified Party. The foregoing

indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigating any claims against the City.

9.2 Duty to Defend; Notice of Loss. Grantee acknowledges and agrees that its obligation to defend the Indemnified Parties under Section 9.1: (a) is an immediate obligation, independent of its other obligations hereunder; (b) applies to any Loss which actually or potentially falls within the scope of Section 9.1, regardless of whether the allegations asserted in connection with such Loss are or may be groundless, false or fraudulent; and (c) arises at the time the Loss is tendered to Grantee by the Indemnified Party and continues at all times thereafter. The Indemnified Party shall give Grantee prompt notice of any Loss under Section 9.1 and Grantee shall have the right to defend, settle and compromise any such Loss; provided, however, that the Indemnified Party shall have the right to retain its own counsel at the expense of Grantee if representation of such Indemnified Party by the counsel retained by Grantee would be inappropriate due to conflicts of interest between such Indemnified Party and Grantee. An Indemnified Party's failure to notify Grantee promptly of any Loss shall not relieve Grantee of any liability to such Indemnified Party pursuant to Section 9.1, unless such failure materially impairs Grantee's ability to defend such Loss. Grantee shall seek the Indemnified Party's prior written consent to settle or compromise any Loss if Grantee contends that such Indemnified Party shares in liability with respect thereto.

9.3 Incidental and Consequential Damages. Losses covered under this Article 9 shall include any and all incidental and consequential damages resulting in whole or in part from Grantee's acts or omissions. Nothing in this Agreement shall constitute a waiver or limitation of any rights that any Indemnified Party may have under applicable law with respect to such damages.

9.4 LIMITATION ON LIABILITY OF CITY. CITY'S OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE AGGREGATE AMOUNT OF GRANT FUNDS ACTUALLY DISBURSED HEREUNDER. NOTWITHSTANDING ANY OTHER PROVISION CONTAINED IN THIS AGREEMENT, THE APPLICATION DOCUMENTS OR ANY OTHER DOCUMENT OR COMMUNICATION RELATING TO THIS AGREEMENT, IN NO EVENT SHALL CITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, THE GRANT FUNDS OR ANY ACTIVITIES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

ARTICLE 10 INSURANCE

10.1 Types and Amounts of Coverage. Without limiting Grantee's liability pursuant to Article 9, Grantee shall maintain in force, during the full term of this Agreement, insurance in the following amounts and coverages:

(a) Grantee and its general partner entities shall provide Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than One Million Dollars (\$1,000,000) each accident, injury, or illness.

(b) Commercial General Liability Insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations.

(c) Commercial Automobile Liability Insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

(d) Professional liability insurance for negligent acts, errors or omission with respect to professional or technical services, if any, required in the performance of this Agreement with limits not less than One Million Dollars (\$1,000,000) each claim.

10.2 Additional Requirements for General and Automobile Coverage. Commercial General Liability and Commercial Automobile Liability insurance policies shall:

(a) Name as additional insured City and its officers, agents and employees. With respect to the Commercial Automobile Insurance the City and its officers, agents and employees shall only be additional insured as to liability arising out of the use, by Grantee's employees, of automobiles, whether owned, leased, hired or borrowed, in connection with the Project.

(b) Provide that such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to limits of liability.

10.3 Additional Requirements for All Policies. Contractor shall provide thirty (30) days' advance written notice to City of cancellation of policy for any reason, nonrenewal or reduction in coverage and specific notice mailed to City's address for notices pursuant to Article 15.

10.4 Required Post-Expiration Coverage. Should any of the insurance required hereunder be provided under a claims-made form, Grantee shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three (3) years beyond the expiration or termination of this Agreement, to the effect that, should occurrences during the term hereof give rise to claims made after expiration or termination of the Agreement, such claims shall be covered by such claims-made policies.

10.5 General Annual Aggregate Limit/Inclusion of Claims Investigation or Legal Defense Costs. Should any of the insurance required hereunder be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

10.6 Evidence of Insurance. Before commencing any operations under this Agreement, Grantee shall furnish to City certificates of insurance, and additional insured policy endorsements, in form and with insurers satisfactory to City, evidencing all coverages set forth above, and shall furnish complete copies of policies promptly upon City's request. Before commencing any operations under this Agreement, Grantee shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

10.7 Effect of Approval. Approval of any insurance by City shall not relieve or decrease the liability of Grantee hereunder.

ARTICLE 11 EVENTS OF DEFAULT AND REMEDIES

11.1 Events of Default. The occurrence of any one or more of the following events shall constitute an "Event of Default" under this Agreement:

(a) **False Statement.** Any statement, representation or warranty contained in this Agreement, in the Application Documents, or in any other document submitted to City under this Agreement is found by City to be false or misleading when made.

(b) **Improper Use of Grant Funds; Failure to Perform Other Covenants and Obligations.** Grantee uses Grant Funds for any purpose other than for the payment of Assisted Units Operating Costs (or reimbursement for its advance payment thereof), fails to use the Subsidy Payments it receives to pay Assisted Units Operating Costs (or reimbursement for its advance payment thereof), or otherwise fails to perform or breaches any other agreement or covenant of this Agreement to be performed or observed by Grantee as and when performance or observance is due and such failure or breach continues for a period of ten (10) days after the date on which such performance or observance is due, or if such breach can not be cured in ten (10) days, then City shall not exercise its remedies hereunder as long as Grantee continues to diligently pursue a cure of the breach; provided, however, that: (i) in the case of an improper use of Grant Funds, in no event shall such cure period extend beyond thirty (30) days after the date on which such performance or observance is due, and (ii) in the case of other defaults under this Section 11.1(b), in no event shall such cure period extend beyond ninety (90) days after the date on which such performance or observance is due.

(c) **Default under City Loan Documents or Senior Loan Documents.** Grantee defaults under any City Loan Document or any of the Senior Loan Documents (after expiration of any grace period expressly stated in any such agreement).

(d) **Voluntary Insolvency.** Grantee (i) is generally not paying its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Grantee or of any substantial part of Grantee's property or (v) takes action for the purpose of any of the foregoing.

(e) **Involuntary Insolvency.** Without consent by Grantee, a court or government authority enters an order, and such order is not vacated within 60 days, (i) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Grantee or with respect to any substantial part of Grantee's property, (ii) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (iii) ordering the dissolution, winding-up or liquidation of Grantee.

(f) **New Encumbrances.** Any lien is recorded against all or any part of the Real Property or the Project without MOHCD's prior written consent, and the lien is not removed from title or otherwise remedied to MOHCD's satisfaction within thirty (30) days after Grantee's receipt of written notice from MOHCD to cure the default, or, if the default cannot be cured within a thirty (30) day period, Grantee will have sixty (60) days to cure the default, or any longer period of time deemed necessary by MOHCD, provided that Grantee commences to cure the default within the thirty (30) day period and diligently pursues the cure to completion.

(g) **Damage or Destruction.** All or a substantial or material portion of the Project is damaged or destroyed by fire or other casualty or is condemned, seized or appropriated by any non-City governmental agency or subject to any action or other proceeding instituted by any non-City governmental agency for any purpose with the result that the Project cannot be operated for its intended purpose.

(h) **Dissolution.** Grantee or Grantee's general partners are dissolved or liquidated or merged with or into any other entity or ceases to exist in its present form 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 all or substantially all of Grantee's assets are sold or otherwise transferred except as permitted.

(i) **Assignment.** Without MOHCD's prior written consent, Grantee assigns or attempts to assign any rights or interest under this Agreement or encumber its interests hereunder, whether voluntarily or involuntarily, or voluntarily or involuntarily assigns or attempts to sell, lease, assign,

encumber or otherwise transfer all or any portion of the ownership interests in Grantee or of its right, title or interest in the Project or the Real Property, other than: (a) leases, subleases or occupancy agreements to occupants of Units and/or Commercial Space in the Project; or (b) security interests for the benefit of lenders securing loans for the Project as approved by the City on terms and in amounts as approved by City in its reasonable discretion (c) transfers from Borrower to a limited partnership or limited liability company formed for the tax credit syndication of the Project, where Borrower or an affiliated nonprofit public benefit corporation is the sole general partner or manager of that entity; (d) transfers of the general partner's or manager's interest in Borrower to a nonprofit public benefit corporation approved in advance by the City; (e) transfers of any limited partnership or membership interest in Borrower to an investor pursuant to the tax credit syndication of the Project or any subsequent transfer of a limited partnership interest in Borrower by an investor limited partner in Borrower, or any direct or indirect transfer of a limited partnership interest or membership interest in any investor limited partner in Borrower; (f) any transfer permitted under the City Documents; or (g) the grant or exercise of an option agreement between Borrower and Borrower's general partner or manager or any of its affiliates in connection with the tax credit syndication of the Project. Any other transfer, assignment, encumbrance or lease without the City's prior written consent will be voidable and, at the City's election, constitute an Event of Default under this Agreement. The City'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 the City's rights under this Agreement.

(j) **Account Transfers.** Without MOHCD's prior written consent, to the extent such consent is required pursuant to this Agreement, Grantee transfers, or authorizes the transfer of, funds in any account required or authorized under this Agreement.

(k) **Changed Financing Condition.** Any material adverse change occurs in the financial condition or operations of Grantee, such as a loss of services funding or rental subsidies (excluding the reduction of any Subsidy Payment hereunder) that has a material adverse impact on the Project.

An Event of Default under this Agreement that remains uncured shall be a default under the City Loan Documents.

11.2 Remedies Upon Event of Default. Upon and during the continuance of an Event of Default, City may do any of the following, individually or in combination with any other remedy:

(a) **Termination.** City may terminate this Agreement by giving a written termination notice to Grantee and, on the date specified in such notice, this Agreement shall terminate and all rights and obligations of Grantee hereunder shall be extinguished. In the event of such termination, the City will allow Grantee to use previously disbursed Subsidy Payment funds to pay for only Operating Costs incurred prior to the termination date. The remaining balance of any Subsidy Payment not used to pay for previously incurred Operating Costs must be returned to the City..

(b) **Withholding of Grant Funds.** City may withhold all or any portion of Grant Funds not yet disbursed hereunder. Any Grant Funds withheld pursuant to this Section and subsequently disbursed to Grantee after cure of applicable Events of Default shall be disbursed without interest.

(c) **Offset.** City may offset against all or any portion of undisbursed Grant Funds hereunder or against any payments due to Grantee under the MOHCD Loan Agreement or any other agreement between Grantee and City the amount of any outstanding Loss incurred by any Indemnified Party, including any Loss incurred as a result of the Event of Default.

(d) **Return of Grant Funds.** City may demand the immediate return of any previously disbursed Grant Funds that have been claimed or expended by Grantee in breach of the terms of this Agreement, together with interest thereon from the date of disbursement at the maximum rate permitted under applicable law.

11.3 Remedies Nonexclusive. Each of the remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available under this Agreement, any other City Document and/or Applicable Laws. The remedies contained herein are in addition to all other remedies available to City at law or in equity by statute or otherwise and the exercise of any such remedy shall not preclude or in any way be deemed to waive any other remedy.

ARTICLE 12 DISCLOSURE OF INFORMATION AND DOCUMENTS

12.1 Proprietary or Confidential Information of City. Grantee understands and acknowledges that, in the performance of this Agreement or in contemplation thereof, Grantee may have access to private or confidential information that may be owned or controlled by City and that such information may contain proprietary or confidential information, the disclosure of which to third parties may be damaging to City. Grantee agrees that all information disclosed by City to Grantee shall be held in confidence and used only in the performance of this Agreement. Grantee shall exercise the same standard of care to protect such information as a reasonably prudent nonprofit entity would use to protect its own proprietary or confidential data.

12.2 Sunshine Ordinance. Grantee acknowledges and agrees that this Agreement and the Application Documents are subject to Section 67.24(e) of the San Francisco Administrative Code, which provides that contracts, including this Agreement, grantee's bids, responses to Requests for Proposals (RFPs) and all other records of communications between City and persons or entities seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in such Section 67.24(e) (as it exists on the date hereof) requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. All information provided by Grantee that is covered by such Section 67.24(e) (as it may be amended from time to time) will be made available to the public upon request.

12.3 Financial Projections. Pursuant to San Francisco Administrative Code Section 67.32, Grantee has on or before the date hereof provided to City financial projections, including profit and loss figures, for the Project. The Grantee acknowledges and agrees that the financial projections and audited financial statements required under this Agreement shall be public records subject to disclosure upon request.

ARTICLE 13 ASSIGNMENTS AND SUBCONTRACTING

13.1 No Assignment by Grantee. Grantee shall not, either directly or indirectly, assign, transfer, hypothecate, subcontract or delegate all or any portion of this Agreement or any rights, duties or obligations of Grantee hereunder without the prior written consent of City. This Agreement shall not, nor shall any interest herein, be assignable as to the interest of Grantee involuntarily or by operation of law without the prior written consent of City. A change of ownership or control of Grantee or a sale or transfer of substantially all of the assets of Grantee shall be deemed an assignment for purposes of this Agreement. Notwithstanding any provision of this Agreement to the contrary, this Section 13.1 shall not prevent transfers that are expressly permitted under the City Loan Documents.

13.2 Agreement Made in Violation of this Article. Any agreement made in violation of Section 13.1 shall confer no rights on any person or entity and shall automatically be null and void.

13.3 Subcontracting. Grantee shall not subcontract or assign any portion of this Agreement to any other party without the prior written consent of City; notwithstanding the foregoing, Grantee may subcontract for property management and maintenance without the consent of the City.

13.4 Grantee Retains Responsibility. Grantee shall in all events remain liable for the performance by any assignee or subgrantee of all of the covenants terms and conditions contained in this Agreement.

ARTICLE 14
INDEPENDENT CONTRACTOR STATUS

14.1 Nature of Agreement. Grantee shall be deemed at all times to be an independent contractor and is solely responsible for the manner in which Grantee uses the Grant Funds. Grantee shall at all times remain solely liable for the acts and omissions of Grantee, its officers and directors, employees and agents. Nothing in this Agreement shall be construed as creating a partnership, joint venture, employment or agency relationship between City and Grantee.

14.2 Direction. Any terms in this Agreement referring to direction or instruction from MOHCD or City shall be construed as providing for direction as to policy and the result of Grantee's work only, and not as to the means by which such a result is obtained.

14.3 Consequences of Recharacterization.

(a) Should City, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Grantee is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by Grantee which can be applied against this liability). City shall subsequently forward such amounts to the relevant taxing authority.

(b) Should a relevant taxing authority determine a liability for past services performed by Grantee for City, upon notification of such fact by City, Grantee shall promptly remit such amount due or arrange with City to have the amount due withheld from future payments to Grantee under this Agreement (again, offsetting any amounts already paid by Grantee which can be applied as a credit against such liability).

(c) A determination of employment status pursuant to either subsection (a) or (b) of this Section 14.3 shall be solely for the purposes of the particular tax in question, and for all other purposes of this Agreement, Grantee shall not be considered an employee of City. Notwithstanding the foregoing, if any court, arbitrator, or administrative authority determine that Grantee is an employee for any other purpose, Grantee agrees to a reduction in City's financial liability hereunder such that the aggregate amount of Grant Funds under this Agreement does not exceed what would have been the amount of such Grant Funds had the court, arbitrator, or administrative authority had not determined that Grantee was an employee.

ARTICLE 15
NOTICES AND OTHER COMMUNICATIONS

15.1 Requirements. Unless otherwise specifically provided herein, all notices, consents, directions, approvals, instructions, requests and other communications hereunder shall be in writing, shall be addressed to the person and address set forth below and shall be (a) deposited in the U.S. mail, first class, certified with return receipt requested and with appropriate postage, (b) hand delivered, (c) sent by facsimile (if a facsimile number is provided below), provided that a copy of such notice shall be deposited in the U.S. mail, first class, or (d) deposited with a nationally-recognized overnight delivery service, provided that next business-day delivery is requested:

If to MOHCD or City:

Mayor's Office of Housing and Community Development
One South Van Ness, 5th Floor
San Francisco, CA 94103
Attn: Asset Manager
Telephone No.: 415-701-5500
Facsimile No.: 415-701-5501

If to Grantee: BTW Housing Partners, L.P.
1388 Sutter Street, 11th Floor
San Francisco, CA 94109
Attn: Jack D. Gardner, President

With a copy to: _____

Attention: General Counsel

15.2 Notice to Limited Partner. The City agrees to deliver a copy of any notice of default to Borrower's limited partner at the address set forth below at the same time and in the same manner as notice is delivered to Borrower. The City's failure to deliver notice under this Section will not affect or impair the City's right to enforce its rights at law or in equity arising by reason of an Event of Default.

To: Raymond James Tax Credit Fund XX L.L.C.
c/o Raymond James Tax Credit Funds, Inc.
880 Carillon Parkway
St. Petersburg, Florida 33716
Attention: Steve Kropf, President.

With copies to: Kyle Arndt, Esq.
Bocarsly Emden Cowan Esmail & Arndt LLP
633 W. 5th Street, 64th Floor
Los Angeles, California 90071
Facsimile No.: 213-239-0410"

15.3 Effective Date. All communications sent in accordance with Section 15.1 shall become effective on the date of receipt. Such date of receipt shall be determined by: (a) if mailed, the return receipt, completed by the U.S. postal service; (b) if sent by hand delivery, a receipt executed by a duly authorized agent of the party to whom the notice was sent; (c) if sent by facsimile, the date of telephonic confirmation of receipt by a duly authorized agent of the party to whom the notice was sent or, if such confirmation is not reasonably practicable, the date indicated in the facsimile machine transmission report of the party giving such notice; or (d) if sent by nationally-recognized overnight delivery service, the next business day following deposit therewith, provided that next business-day delivery is requested.

15.4 Change of Address. From time to time any party hereto may designate a new address for purposes of this Article 15 by notice to the other party.

ARTICLE 16 COMPLIANCE

16.1 Reserved.

16.2 Nondiscrimination; Penalties.

(a) **Grantee Shall Not Discriminate.** In the performance of this Agreement, Grantee agrees not to discriminate against any employee, City and County employee working with such grantee or subgrantee, applicant for employment with such grantee or subgrantee, or against any person seeking

accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

(b) **Subcontracts.** Grantee shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subgrantees to comply with such provisions. Grantee's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

(c) **Non-Discrimination in Benefits.** Grantee 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 the City 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 entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) **Condition to Contract.** As a condition to this Agreement, Grantee shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

(e) **Incorporation of Administrative Code Provisions by Reference.** The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Grantee shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters of the Administrative Code, including the remedies provided in such Chapters. Without limiting the foregoing, Grantee understands that pursuant to Sections 12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of Fifty Dollars (\$50) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Grantee and/or deducted from any payments due Grantee.

16.3 MacBride Principles--Northern Ireland. Pursuant to San Francisco Administrative Code Section 12F.5, City urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. City urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Grantee acknowledges and agrees that he or she has read and understood this Section.

16.4 Tropical Hardwood and Virgin Redwood Ban. Pursuant to Section 804(b) of the San Francisco Environment Code, City urges all grantees not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

16.5 Drug-Free Workplace Policy. Grantee acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City premises. Grantee and its employees, agents or assigns shall comply with all terms and provisions of such Act and the rules and regulations promulgated thereunder.

16.6 Resource Conservation; Liquidated Damages. Chapter 5 of the San Francisco Environment Code (Resource Conservation) is incorporated herein by reference. Failure by Grantee to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of contract. If Grantee

fails to comply in good faith with any of the provisions of Chapter 5, Grantee shall be liable for liquidated damages in an amount equal to Grantee's net profit under this Agreement, or five percent (5%) of the total contract amount, whichever is greater. Grantee acknowledges and agrees that the liquidated damages assessed shall be payable to City upon demand and may be offset against any monies due to Grantee from any contract with City.

16.7 Compliance with ADA. Grantee acknowledges that, pursuant to the ADA, programs, services and other activities provided by a public entity to the public, whether directly or through a grantee or contractor, must be accessible to the disabled public. Grantee shall not discriminate against any person protected under the ADA in connection with its activities hereunder and shall comply at all times with the provisions of the ADA.

16.8 Requiring Minimum Compensation for Employees.

a. Grantee agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at www.sfgov.org/olse/mco. A partial listing of some of Grantee's obligations under the MCO is set forth in this Section. Grantee is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Section.

b. The MCO requires Grantee to pay Grantee's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and Grantee is obligated to keep informed of the then-current requirements. Any subcontract entered into by Grantee shall require the subgrantee to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is Grantee's obligation to ensure that any subgrantees of any tier under this Agreement comply with the requirements of the MCO. If any subgrantee under this Agreement fails to comply, City may pursue any of the remedies set forth in this Section against Grantee.

c. Grantee shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

d. Grantee shall maintain employee and payroll records as required by the MCO. If Grantee fails to do so, it shall be presumed that the Grantee paid no more than the minimum wage required under State law.

e. The City is authorized to inspect Grantee's job sites and conduct interviews with employees and conduct audits of Grantee.

f. Grantee's commitment to provide the Minimum Compensation is a material element of the City's consideration for this Agreement. The City in its sole discretion shall determine whether such a breach has occurred. The City and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Grantee fails to comply with these requirements. Grantee agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the City and the public will incur for Grantee's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

g. Grantee understands and agrees that if it fails to comply with the requirements of the MCO, the City shall have the right to pursue any rights or remedies available under Chapter 12P (including

liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, Grantee fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Grantee fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

h. Grantee represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

i. If Grantee is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than \$25,000, but Grantee later enters into an agreement or agreements that cause Grantee to exceed that amount in a fiscal year, Grantee shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Grantee and this department to exceed \$25,000 in the fiscal year.

16.9 Limitations on Contributions. Through execution of this Agreement, Grantee acknowledges that it is familiar with Section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City 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) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, 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. Grantee 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. Grantee further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Grantee's board of directors; Grantee's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Grantee; any subgrantee listed in the bid or contract; and any committee that is sponsored or controlled by Grantee. Additionally, Grantee acknowledges that Grantee must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126.

16.10 First Source Hiring Program.

a. **Incorporation of Administrative Code Provisions by Reference.** The provisions of Chapter 83 of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with, and be bound by, all of the provisions that apply to this Agreement under such Chapter, including but not limited to the remedies provided therein. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 83.

b. **First Source Hiring Agreement.** As an essential term of, and consideration for, any contract or property contract with the City, not exempted by the First Source Hiring Administrator ("FSHA"), the Contractor shall enter into a first source hiring agreement ("agreement") with the City, on or before the effective date of the contract or property contract. Contractors shall also enter into an agreement with the City for any other work that it performs in the City. Such agreement shall:

(1) Set appropriate hiring and retention goals for entry level positions. The employer shall agree to achieve these hiring and retention goals, or, if unable to achieve these goals, to establish good faith efforts as to its attempts to do so, as set forth in the agreement. The agreement shall take into consideration the employer's participation in existing job training, referral and/or brokerage programs. Within the discretion of the FSHA, subject to appropriate modifications, participation in such programs may be certified as meeting the requirements of this Chapter. Failure either to achieve the specified goal, or to establish good faith efforts will constitute noncompliance and will subject the employer to the provisions of Section 83.10 of this Chapter.

(2) Set first source interviewing, recruitment and hiring requirements, which will provide the San Francisco Workforce Development System with the first opportunity to provide qualified economically disadvantaged individuals for consideration for employment for entry level positions. Employers shall consider all applications of qualified economically disadvantaged individuals referred by the System for employment; provided however, if the employer utilizes nondiscriminatory screening criteria, the employer shall have the sole discretion to interview and/or hire individuals referred or certified by the San Francisco Workforce Development System as being qualified economically disadvantaged individuals. The duration of the first source interviewing requirement shall be determined by the FSHA and shall be set forth in each agreement, but shall not exceed 10 days. During that period, the employer may publicize the entry level positions in accordance with the agreement. A need for urgent or temporary hires must be evaluated, and appropriate provisions for such a situation must be made in the agreement.

(3) Set appropriate requirements for providing notification of available entry level positions to the San Francisco Workforce Development System so that the System may train and refer an adequate pool of qualified economically disadvantaged individuals to participating employers. Notification should include such information as employment needs by occupational title, skills, and/or experience required, the hours required, wage scale and duration of employment, identification of entry level and training positions, identification of English language proficiency requirements, or absence thereof, and the projected schedule and procedures for hiring for each occupation. Employers should provide both long-term job need projections and notice before initiating the interviewing and hiring process. These notification requirements will take into consideration any need to protect the employer's proprietary information.

(4) Set appropriate record keeping and monitoring requirements. The First Source Hiring Administration shall develop easy-to-use forms and record keeping requirements for documenting compliance with the agreement. To the greatest extent possible, these requirements shall utilize the employer's existing record keeping systems, be nonduplicative, and facilitate a coordinated flow of information and referrals.

(5) Establish guidelines for employer good faith efforts to comply with the first source hiring requirements of this Chapter. The FSHA will work with City departments to develop employer good faith effort requirements appropriate to the types of contracts and property contracts handled by each department. Employers shall appoint a liaison for dealing with the development and implementation of the employer's agreement. In the event that the FSHA finds that the employer under a City contract or property contract has taken actions primarily for the purpose of circumventing the requirements of this Chapter, that employer shall be subject to the sanctions set forth in Section 83.10 of this Chapter.

(6) Set the term of the requirements.

(7) Set appropriate enforcement and sanctioning standards consistent with this Chapter.

(8) Set forth the City's obligations to develop training programs, job applicant referrals, technical assistance, and information systems that assist the employer in complying with this Chapter.

(9) Require the developer to include notice of the requirements of this Chapter in leases, subleases, and other occupancy contracts.

c. Hiring Decisions. Contractor shall make the final determination of whether an Economically Disadvantaged Individual referred by the System is “qualified” for the position.

d. Exceptions. Upon application by Employer, the First Source Hiring Administration may grant an exception to any or all of the requirements of Chapter 83 in any situation where it concludes that compliance with this Chapter would cause economic hardship.

e. Liquidated Damages. Contractor agrees:

(1) To be liable to the City for liquidated damages as provided in this section;

(2) To be subject to the procedures governing enforcement of breaches of contracts based on violations of contract provisions required by this Chapter as set forth in this section;

(3) That the contractor’s commitment to comply with this Chapter is a material element of the City’s consideration for this contract; that the failure of the contractor to comply with the contract provisions required by this Chapter will cause harm to the City and the public which is significant and substantial but extremely difficult to quantify; that the harm to the City includes not only the financial cost of funding public assistance programs but also the insidious but impossible to quantify harm that this community and its families suffer as a result of unemployment; and that the assessment of liquidated damages of up to \$5,000 for every notice of a new hire for an entry level position improperly withheld by the contractor from the first source hiring process, as determined by the FSHA during its first investigation of a contractor, does not exceed a fair estimate of the financial and other damages that the City suffers as a result of the contractor’s failure to comply with its first source referral contractual obligations.

(4) That the continued failure by a contractor to comply with its first source referral contractual obligations will cause further significant and substantial harm to the City and the public, and that a second assessment of liquidated damages of up to \$10,000 for each entry level position improperly withheld from the FSHA, from the time of the conclusion of the first investigation forward, does not exceed the financial and other damages that the City suffers as a result of the contractor’s continued failure to comply with its first source referral contractual obligations;

(5) That in addition to the cost of investigating alleged violations under this Section, the computation of liquidated damages for purposes of this section is based on the following data:

A. The average length of stay on public assistance in San Francisco’s County Adult Assistance Program is approximately 41 months at an average monthly grant of \$348 per month, totaling approximately \$14,379; and

B. In 2004, the retention rate of adults placed in employment programs funded under the Workforce Investment Act for at least the first six months of employment was 84.4%. Since qualified individuals under the First Source program face far fewer barriers to employment than their counterparts in programs funded by the Workforce Investment Act, it is reasonable to conclude that the average length of employment for an individual whom the First Source Program refers to an employer and who is hired in an entry level position is at least one year; therefore, liquidated damages that total \$5,000 for first violations and \$10,000 for subsequent violations as determined by FSHA constitute a fair, reasonable, and conservative attempt to quantify the harm

caused to the City by the failure of a contractor to comply with its first source referral contractual obligations.

(6) That the failure of contractors to comply with this Chapter, except property contractors, may be subject to the debarment and monetary penalties set forth in Sections 6.80 et seq. of the San Francisco Administrative Code, as well as any other remedies available under the contract or at law; and

Violation of the requirements of Chapter 83 is subject to an assessment of liquidated damages in the amount of \$5,000 for every new hire for an Entry Level Position improperly withheld from the first source hiring process. The assessment of liquidated damages and the evaluation of any defenses or mitigating factors shall be made by the FSHA.

f. Subcontracts. Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of Chapter 83 and shall contain contractual obligations substantially the same as those set forth in this Section.

16.11 Prohibition on Political Activity with City Funds. In accordance with S. F. Administrative Code Chapter 12.G, no funds appropriated by the City and County of San Francisco for this Agreement may be expended for organizing, creating, funding, participating in, supporting, or attempting to influence any political campaign for a candidate or for a ballot measure (collectively, “Political Activity”). The terms of San Francisco Administrative Code Chapter 12.G are incorporated herein by this reference. Accordingly, an employee working in any position funded under this Agreement shall not engage in any Political Activity during the work hours funded hereunder, nor shall any equipment or resource funded by this Agreement be used for any Political Activity. In the event Grantee, or any staff member in association with Grantee, engages in any Political Activity, then (i) Grantee shall keep and maintain appropriate records to evidence compliance with this Section, and (ii) Grantee shall have the burden to prove that no funding from this Agreement has been used for such Political Activity. Grantee agrees to cooperate with any audit by the City or its designee in order to ensure compliance with this Section. In the event Grantee violates the provisions of this Section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement and any other agreements between Grantee and City, (ii) prohibit Grantee from bidding on or receiving any new City contract for a period of two (2) years, and (iii) obtain reimbursement of all funds previously disbursed to Grantee under this Agreement.

16.12 Preservative-treated Wood Containing Arsenic. Grantee may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term “preservative-treated wood containing arsenic” shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Grantee may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Grantee from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term “saltwater immersion” shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

16.13 Supervision of Minors. Grantee, and any subgrantees, shall comply with California Penal Code section 11105.3 and request from the Department of Justice records of all convictions or any arrest pending adjudication involving the offenses specified in Welfare and Institution Code section 15660(a) of any person who applies for employment or volunteer position with Grantee, or any subgrantee, in which he or she would have supervisory or disciplinary power over a minor under his or her care.

If Grantee, or any subgrantee, is providing services at a City park, playground, recreational center or beach (separately and collectively, “Recreational Site”), Grantee shall not hire, and shall prevent its subgrantees from hiring, any person for employment or volunteer position to provide those services if that

person has been convicted of any offense that was listed in former Penal Code section 11105.3 (h)(1) or 11105.3(h)(3).

If Grantee, or any of its subgrantees, hires an employee or volunteer to provide services to minors at any location other than a Recreational Site, and that employee or volunteer has been convicted of an offense specified in Penal Code section 11105.3(c), then Grantee shall comply, and cause its subgrantees to comply with that section and provide written notice to the parents or guardians of any minor who will be supervised or disciplined by the employee or volunteer not less than ten (10) days prior to the day the employee or volunteer begins his or her duties or tasks. Grantee shall provide, or cause its subgrantees to provide City with a copy of any such notice at the same time that it provides notice to any parent or guardian.

Grantee shall expressly require any of its subgrantees with supervisory or disciplinary power over a minor to comply with this section of the Agreement as a condition of its contract with the subgrantee.

Grantee acknowledges and agrees that failure by Grantee or any of its subgrantees to comply with any provision of this section of the Agreement shall constitute an Event of Default.

16.14 Protection of Private Information. Grantee agrees to comply fully with and be bound by all of the provisions of Chapter 12M of the San Francisco Administrative Code (“Protection of Private Information”), including the remedies provided. The provisions of Chapter 12M are incorporated herein by reference and made a part of this Agreement as though fully set forth. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12M. Consistent with the requirements of Chapter 12M, Grantee agrees to all of the following:

(a) Neither Grantee nor any of its subgrantees shall disclose Private Information obtained from the City in the performance of this Agreement to any other subgrantee, person, or other entity, unless one of the following is true:

- (1) The disclosure is authorized by this Agreement;
- (2) The Grantee received advance written approval from the Contracting Department to disclose the information; or
- (3) The disclosure is expressly required by a judicial order.

(b) Any disclosure or use of Private Information authorized by this Agreement shall be in accordance with any conditions or restrictions stated in this Agreement. Any disclosure or use of Private Information authorized by a Contracting Department shall be in accordance with any conditions or restrictions stated in the approval.

(c) “**Private Information**” shall mean any information that: (1) could be used to identify an individual, including without limitation, name, address, social security number, medical information, financial information, date and location of birth, and names of relatives; or (2) the law forbids any person from disclosing.

(d) Any failure of Grantee to comply with Chapter 12M shall be a material breach of this Agreement. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate this Agreement, debar Grantee, or bring a false claim action against Grantee.

16.15 Public Access to Meetings and Records. If the Grantee receives a cumulative total per year of at least \$250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, the Grantee shall comply with and be bound by all the applicable provisions of that Chapter. By executing this Agreement, the Grantee agrees to open its meetings and records to the public in the manner set forth in Sections 12L.4 and 12L.5 of the

Administrative Code. The Grantee further agrees to make good-faith efforts to promote community membership on its Board of Directors in the manner set forth in Section 12L.6 of the Administrative Code. The Grantee acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Agreement. The Grantee further acknowledges that such material breach of the Agreement shall be grounds for the City to terminate and/or not renew the Agreement, partially or in its entirety.

16.16 Graffiti Removal. Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with the City's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and County and its residents, and to prevent the further spread of graffiti.

Grantee shall remove all graffiti from any real property owned or leased by Grantee in the City and County of San Francisco within forty eight (48) hours of the earlier of Grantee's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This Section is not intended to require a Grantee to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 *et seq.*) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. Sections 101 *et seq.*).

Any failure of Grantee to comply with this Section shall constitute an Event of Default of this Agreement.

16.17 Food Service Waste Reduction Requirements. Grantee agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Grantee agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Grantee agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Grantee's failure to comply with this provision.

16.18 Slavery Era Disclosure.

(a) Grantee acknowledges that this Agreement shall not be binding upon the City until the Director receives the affidavit required by the San Francisco Administrative Code's Chapter 12Y, "San Francisco Slavery Era Disclosure Ordinance."

(b) In the event the Director finds that Grantee has failed to file an affidavit as required by Section 12Y.4(a) and this Agreement, or has willfully filed a false affidavit, the Grantee shall be liable for liquidated damages in an amount equal to the Grantee's net profit on the Agreement, 10 percent of the total amount of the Agreement, or \$1,000, whichever is greatest as determined by the Director. Grantee acknowledges and agrees that the liquidated damages assessed shall be payable to the City upon demand and may be set off against any monies due to the Grantee from any Agreement with the City.

(c) Grantee shall maintain records necessary for monitoring their compliance with this provision.

16.19 Compliance with Other Laws. Without limiting the scope of any of the preceding sections of this Article 16, Grantee shall keep itself fully informed of City's Charter, codes, ordinances and regulations and all state, and federal laws, rules and regulations affecting the performance of this Agreement and shall at all times comply with such Charter codes, ordinances, and regulations rules and laws.

ARTICLE 17 MISCELLANEOUS

17.1 No Waiver. No waiver by MOHCD or City of any default or breach of this Agreement shall be implied from any failure by MOHCD or City to take action on account of such default if such default persists or is repeated. No express waiver by MOHCD or City shall affect any default other than the default specified in the waiver and shall be operative only for the time and to the extent therein stated. Waivers by City or MOHCD of any covenant, term or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The consent or approval by MOHCD or City of any action requiring further consent or approval shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent similar act.

17.2 Modification. This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Agreement.

17.3 Administrative Remedy for Agreement Interpretation. Should any question arise as to the meaning or intent of this Agreement, the question shall, prior to any other action or resort to any other legal remedy, be referred to the director or president, as the case may be, of MOHCD who shall decide the true meaning and intent of the Agreement. Such decision shall be final and conclusive.

17.4 Governing Law; Venue. The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California, without regard to its conflict of laws principles. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

17.5 Headings. All article and section headings and captions contained in this Agreement are for reference only and shall not be considered in construing this Agreement.

17.6 Entire Agreement. This Agreement and the Application Documents set forth the entire Agreement between the parties, and supersede all other oral or written provisions. If there is any conflict between the terms of this Agreement and the Application Documents, the terms of this Agreement shall govern. The following appendices are attached to and a part of this Agreement:

- Exhibit A, Projected Project Subsidy Payments
- Exhibit B, Annual Operating Budget for Initial Operating Period and 15-Year Cash Flow
- Exhibit C, Real Property Legal Description
- Exhibit D, LOSP Client Selection Criteria
- Exhibit E, Intentionally Ommitted
- Exhibit F, Lobbying/Debarment Certification Form
- Exhibit G, Annual Monitoring Report

Exhibit H, Tenant Selection Plan Policy - LOSP
Exhibit I, Tenant Screening Criteria Policy - LOSP

17.7 Certified Resolution of Signatory Authority. Upon request of City, Grantee shall deliver to City a copy of the corporate resolution(s) authorizing the execution, delivery and performance of this Agreement, certified as true, accurate and complete by the secretary or assistant secretary of Grantee.

17.8 Severability. Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

17.9 Successors; No Third-Party Beneficiaries. Subject to the terms of Article 13, the terms of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors and assigns. Nothing in this Agreement, whether express or implied, shall be construed to give any person or entity (other than the parties hereto and their respective successors and assigns and, in the case of Article 9, the Indemnified Parties) any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

17.10 Survival of Terms. The obligations of Grantee and the terms of the following provisions of this Agreement shall survive and continue following expiration or termination of this Agreement:

Section 6.4 Financial Statements.

Section 6.5 Books and Records.

Section 6.6 Inspection and Audit.

Section 6.7 Submitting False Claims; Monetary Penalties

Section 6.8 Ownership of Results.

Article 7 Taxes

Article 9 Indemnification and General Liability

Section 10.4 Required Post-Expiration Coverage.

Article 12 Disclosure of Information and Documents

Section 13.4 Grantee Retains Responsibility.

Section 14.3 Consequences of Recharacterization.

This Article 17 Miscellaneous

17.11 Further Assurances. From and after the date of this Agreement, Grantee agrees to do such things, perform such acts, and make, execute, acknowledge and deliver such documents as may be reasonably necessary or proper and usual to complete the transactions contemplated by this Agreement and to carry out the purpose of this Agreement in accordance with this Agreement.

17.12 Cooperative Drafting. This Agreement has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first specified herein.

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
Edwin M. Lee
Mayor

By: _____
Olson Lee
Director, Mayor's Office of Housing and
Community Development

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

By: _____
Deputy City Attorney

GRANTEE:

By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.

I have read and understood Section 16.2, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

BTW HOUSING PARTNERS, L.P., a California limited partnership

By: Booker T Washington Community Service Center, a California nonprofit public benefit corporation, its managing general partner

By: _____
Patricia Scott
Executive Director

By: JSCo BTW LLC,
a California limited liability company,
its administrative general partner

By: John Stewart Company,
a California corporation,
its manager

By: _____
Jack D. Gardner
President

Federal Tax ID #: _____

City Vendor Number: _____

Exhibit A – Projected Project Subsidy Payments

LOSP FUNDING SCHEDULE	
Project Address:	John Burton Advocates for Youth Housing Complex
Project Start Date:	7/1/2017

Exhibit A

Calendar Year	Full Year Funding Amount	# Months to Fund	Total Disbursement for Calendar Year	Estimated Disbursement Date
CY-1 2017	\$374,581	6	\$187,290	7/1/2017
CY-2 2018	\$387,327	12	\$387,327	1/1/2018
CY-3 2019	\$401,833	12	\$401,833	1/1/2019
CY-4 2020	\$416,866	12	\$416,866	1/1/2020
CY-5 2021	\$432,444	12	\$432,444	1/1/2021
CY-6 2022	\$448,587	12	\$448,587	1/1/2022
CY-7 2023	\$465,316	12	\$465,316	1/1/2023
CY-8 2024	\$482,650	12	\$482,650	1/1/2024
CY-9 2025	\$500,611	12	\$500,611	1/1/2025
CY-10 2026	\$519,221	12	\$519,221	1/1/2026
CY-11 2027	\$537,254	12	\$537,254	1/1/2027
CY-12 2028	\$557,233	12	\$557,233	1/1/2028
CY-13 2029	\$577,932	12	\$577,932	1/1/2029
CY-14 2030	\$599,377	12	\$599,377	1/1/2030
CY-15 2031	\$621,595	12	\$621,595	1/1/2031
CY-16 2032	\$644,612	12	\$644,612	1/1/2032
Total Contract Amount:			\$7,780,147	

Exhibit B – Annual Operating Budget for Initial Operating Period and 15-Year Cash Flow

MOHCD Proforma - Year 1 Operating Budget

Application Date: 11/16/2016
 Total # Units: 60
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2017

Project Name: John Burton Foundation Housing Complex
 Project Address: 800 Presidio Ave.
 Booker T. Washington Community Service Center
 Project Sponsor: and John Stewart Company

Correct errors noted in Col N!

INCOME	LOSP Allocation		Total	Comments	Alternative LOSP Split	LOSP	non-LOSP	Approved By (read)
	50%	50%						
Residential - Tenant Rents	75,000	305,852	380,852	Links from 'New Proj - Rent & Unit Mx' Worksheet	Alternative LOSP Split	LOSP	non-LOSP	Approved By (read)
Residential - Tenant Assistance Payments (Non-LOSP)	0	0	0	Links from 'New Proj - Rent & Unit Mx' Worksheet	Residential - Tenant Assistance Payments (Non-LOSP)			
Residential - LOSP Tenant Assistance Payments	374,581	0	374,581					
Commercial Spaces	0	0	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	Alternative LOSP Split	LOSP	non-LOSP	Approved By (read)
Supportive Services Income	0	0	0		Supportive Services Income			
Interest Income - Project Operations	0	0	0	Links from 'Utilities & Other Income' Worksheet				
Laundry and Vending	5,200	5,200	10,400	Links from 'Utilities & Other Income' Worksheet. Not included in previous budget.	Projected LOSP Split	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Tenant Charges	0	0	0	Links from 'Utilities & Other Income' Worksheet	Tenant Charges			
Miscellaneous Residential Income	0	0	0	Links from 'Utilities & Other Income' Worksheet				
Other Commercial Income	0	0	0	Links from 'Commercial Op. Budget' Worksheet	Alternative LOSP Split	LOSP	non-LOSP	Approved By (read)
Withdrawal from Capitalized Reserve (deposited to operating account)	0	0	0		Withdrawal from Capitalized Reserve (deposited to operating account)			
Gross Potential Income	454,781	311,152	765,933					
Vacancy Loss - Residential - Tenant Rents	(3,750)	(15,258)	(19,008)	Vacancy loss is 5% of Tenant Rents.				
Vacancy Loss - Residential - Tenant Assistance Payments	0	0	0	#DIV/0!				
Vacancy Loss - Commercial	0	0	0	Links from 'Commercial Op. Budget' Worksheet				
EFFECTIVE GROSS INCOME	451,031	295,894	746,925	PUPA: 14,928				

OPERATING EXPENSES	LOSP Allocation		Total	Comments	Alternative LOSP Split	LOSP	non-LOSP	Approved By (read)
	50%	50%						
Management								
Management Fee	16,500	16,500	33,000	\$\$\$ PUPM	Alternative LOSP Split	LOSP	non-LOSP	Approved By (read)
Asset Management Fee	3,600	3,600	7,200		Asset Management Fee			
Sub-total Management Expenses	20,100	20,100	40,200	PUPA: 804				
Salaries/Benefits								
Office Salaries	150,125	0	150,125	24 hour desk clerk coverage, \$17/hr. (incl. \$15/hr others - increased \$19,244)	Alternative LOSP Split	LOSP	non-LOSP	Approved By (read)
Manager's Salary	28,500	28,500	57,000	Decreased \$3,428	Manager's Salary	100.00%	0.00%	
Health Insurance and Other Benefits	37,812	12,604	50,416	Decreased \$433 - 75% allocated to LOSP for 80% split of Desk Clerk costs	Health Insurance and Other Benefits	75.00%	27.00%	
Other Salaries/Benefits	0	0	0		Other Salaries/Benefits			
Administrative Rent-Free Unit	9,960	9,960	19,920	11 manager unit - increased \$3,420 to current 80% AMI TCAC rent. Also included in Income	Administrative Rent-Free Unit			
Sub-total Salaries/Benefits	226,397	51,064	277,461	PUPA: 5,649				
Administration								
Advertising and Marketing	600	600	1,200					
Office Expenses	4,750	4,750	9,500					
Office Rent	0	0	0		Projected LOSP Split	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Legal Expense - Property	4,500	4,500	9,000		Legal Expense - Property	50.00%	50.00%	
Audit Expense	4,250	4,250	8,500					
Bookkeeping/Accounting Services	2,550	2,550	5,100	\$\$50 PUPM	Projected LOSP Split	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Bad Debt	0	0	0		Bad Debt			
Miscellaneous	3,000	3,000	6,000	Payroll processing fee, other - increased \$5,300				
Sub-total Administration Expenses	19,650	19,650	39,300	PUPA: 799				
Utilities								
Electricity	14,125	14,125	28,250	Estimate per similar size property	Projected LOSP Split	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Water	2,250	2,250	4,500	Estimate per similar size property	Electricity	50.00%	50.00%	
Gas	7,350	7,350	14,700	Estimate per similar size property				
Sewer	4,250	4,250	8,500	Estimate per similar size property				
Sub-total Utilities	27,975	27,975	55,950	PUPA: 1,119				
Taxes and Licenses								
Real Estate Taxes	750	750	1,500		Alternative LOSP Split	LOSP	non-LOSP	Approved By (read)
Payroll Taxes	17,253	8,710	25,963	Increased \$1,888 - 72% allocated to LOSP for 80% split of Desk Clerk costs	Real Estate Taxes			
Miscellaneous Taxes, Licenses and Permits	750	750	1,500		Payroll Taxes	72.00%	26.00%	
Sub-total Taxes and Licenses	18,753	8,210	26,963	PUPA: 539				
Insurance								
Property and Liability Insurance	27,500	27,500	55,000		Alternative LOSP Split	LOSP	non-LOSP	Approved By (read)
Fidelity Bond Insurance	80	80	160		Worker's Compensation	66.00%	34.00%	
Worker's Compensation	11,757	6,057	17,814	Decreased \$5,287 - 65% allocated to LOSP for 80% split of Desk Clerk costs				
Director's & Officers' Liability Insurance	0	0	0					
Sub-total Insurance	39,317	33,617	72,934	PUPA: 1,459				
Maintenance & Repair								
Payroll	27,434	27,434	54,867	One maintenance person - increased \$67	Projected LOSP Split	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Supplies	10,000	10,000	20,000	Maintenance, Janitorial and Security	Supplies	50.00%	50.00%	
Contracts	13,600	13,600	27,200	Elevator, pest control, landscaping, window cleaning, building equipment HVAC	Contracts			
Garbage and Trash Removal	9,000	9,000	18,000		Alternative LOSP Split	LOSP	non-LOSP	Approved By (read)
Security Patrol/Control	0	0	0		Security Patrol/Control			
HVAC Repairs and Maintenance	0	0	0					
Vehicle and Maintenance Equipment Operation and Repairs	250	250	500					
Miscellaneous Operation and Maintenance Expenses	4,000	4,000	8,000	Fire protection, uniforms laundry, etc.				
Sub-total Maintenance & Repair Expenses	64,284	64,284	128,567	PUPA: 2,671				
Supportive Services								
Commercial Expenses	0	0	0	Links from 'Commercial Op. Budget' Worksheet	Supportive Services	LOSP	non-LOSP	Approved By (read)
TOTAL OPERATING EXPENSES w/o RESERVE/CGL BASE	416,476	224,899	641,375	PUPA: 12,828				

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MOHCD Proforma - Year 1 Operating Budget

Application Date:	11/15/2016	LOSP Units	Non-LOSP Units
Total # Units:	60	25	25
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations):	2017	LOSP/Non-LOSP Allocation	
		50%	50%

Project Name: John Burton Foundation Housing Complex
 Project Address: 800 Presidio Ave.
 Booker T. Washington Community Service Center
 and John Stewart Company
 Project Sponsor:
 Correct errors noted in Col NI

Reserves/Ground Lease Base Rent/Bond Fees			
Ground Lease Base Rent	0	0	0
Bond Monitoring Fee	1,250	1,250	2,500
Replacement Reserve Deposit	15,000	15,000	30,000
Operating Reserve Deposit	0	0	0
Owner Required Reserve 1 Deposit	0	0	0
Other Required Reserve 2 Deposit	0	0	0
Required Reserve Deposits, Commercial	0	0	0
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	16,250	16,250	32,500

TOTAL OPERATING EXPENSES w/ RESERVES/CL BASE	432,726	241,146	673,872
NET OPERATING INCOME (INCOME minus OP EXPENSES)	18,306	64,706	73,012

DEBT SERVICE (hard debt/amortized loans)			
Hard Debt - First Lender	0	0	0
Hard Debt - Second Lender (Other HCD Program or other 2nd Lender)	8,305	8,305	16,609
Hard Debt - Third Lender (Other HCD Program or other 3rd Lender)	0	0	0
Hard Debt - Fourth Lender	0	0	0
Commercial Hard Debt Service	0	0	0
TOTAL HARD DEBT SERVICE	8,305	8,305	16,609

CASH FLOW (NOI minus DEBT SERVICE)	10,000	46,401	56,401
Commercial Only Cash Flow	0	0	0
AVAILABLE CASH FLOW	10,000	46,401	56,401

USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL			
Below the Line Asset Mgt Fee (non-common to new projects, see policy)	0	0	0
Partnership Management Fee (see policy for limits)	7,500	7,500	15,000
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	2,500	2,500	5,000
Owner Payments	0	0	0
Non-amortizing Loan Pmt - Lender 1 (select lender in comments field)	0	0	0
Non-amortizing Loan Pmt - Lender 2 (select lender in comments field)	0	0	0
Deferred Developer Fee (Extra Amt on Max Fee from col 1130)	0	0	0
TOTAL PAYMENTS PRECEDING MOHCD	10,000	10,000	20,000

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	0	36,401	36,401
Residual Receipts Calculation			
Does Project have a MOHCD Residual Receipt Obligation?	Yes	Project has MOHCD ground lease?	No
Will Project Defer Developer Fee?	Yes	Max Deferred Developer Fee Amt (Use for data entry above. Do not link):	0
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:	50%	Sum of DOF from LOSP and non-LOSP:	0
% of Residual Receipts available for distribution to soft debt lenders in	50%	Ratio of Sum of DOF and calculated 50%:	NDIV(0)

Soft Debt Lenders with Residual Receipts Obligations	(Select lender name/program from drop down)	Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OCCL - Soft Debt Loans	All MOHCD/OCCL Loans payable from res. recs	\$12,228,947	75.56%
MOHCD/OCCL - Ground Lease Value	Ground Lease		0.00%
HCD (soft debt loan) - Lender 3	HCD-HYMHP	\$3,954,424	24.44%
Other Soft Debt Lender - Lender 4			0.00%
Other Soft Debt Lender - Lender 5			0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE			
MOHCD Residual Receipts Amount Due	27,508	27,508	50% of residual receipts, multiplied by 75.56% - MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	27,508	27,508	Enter/override amount of residual receipts proposed for loan repayment.
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	0	0 if applicable, MOHCD residual receipts amt due LEGS amt proposed for loan repaymt.

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE			
DEBT SERVICE		8,893	
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE			
HCD Residual Receipts Amount Due		8,893	50% of residual receipts, multiplied by 24.44% - HCD-HYMHP's pro rata share of all soft debt
Lender 4 Residual Receipts Due		0	
Lender 5 Residual Receipts Due		0	
Total Non-MOHCD Residual Receipts Debt Service		8,893	

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

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John Burton Foundation Housing Complex

Total # Units:	LOSP Units		Non-LOSP Units		Comments (related to annual inc assumptions)	Year 1 2017			Year 2 2018			Year 3 2019		
	60	25	25			LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
	50.00%	50.00%	50.00%	% annual increase		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
INCOME														
Residential - Tenant Rents		1.0%	2.5%			75,000	305,952	380,952	75,750	313,601	389,351	76,508	321,441	397,948
Residential - Tenant Assistance Payments (Non-LOSP)		n/a	n/a			-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments		n/a	n/a			374,581	-	374,581	367,327	-	367,327	401,833	-	401,833
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%			5,200	5,200	10,400	5,330	5,330	10,660	5,463	5,463	10,927
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						454,781	311,152	765,933	468,407	318,931	787,338	483,804	326,904	810,708
Vacancy Loss - Residential - Tenant Rents		n/a	n/a			(3,750)	(3,800)	(7,550)	(3,728)	(3,728)	(7,456)	(3,856)	(3,856)	(7,713)
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a			-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial		n/a	n/a			-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME						451,031	295,854	748,885	464,620	303,151	770,111	470,978	310,832	793,010
OPERATING EXPENSES														
Management														
Management Fee		3.5%	3.5%	1st Year to be set according to HUD schedule.		16,500	16,500	33,000	17,078	17,078	34,156	17,675	17,675	35,350
Asset Management Fee		3.5%	3.5%	per MOHCD policy		3,600	3,600	7,200	3,728	3,728	7,456	3,856	3,856	7,713
Sub-total Management Expenses						20,100	20,100	40,200	20,806	20,806	41,607	21,532	21,532	43,063
Salaries/Benefits														
Office Salaries		3.5%	3.5%			150,125	-	150,125	155,379	-	155,379	160,618	-	160,618
Manager's Salary		3.5%	3.5%			28,500	28,500	57,000	29,498	29,498	58,995	30,530	30,530	61,060
Health Insurance and Other Benefits		3.5%	3.5%			37,812	12,604	50,416	39,135	13,045	52,181	40,935	13,522	54,457
Other Salaries/Benefits		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit		3.5%	3.5%			9,960	9,960	19,920	10,309	10,309	20,617	10,669	10,669	21,339
Sub-total Salaries/Benefits						226,397	51,064	277,461	234,321	62,851	297,172	242,522	54,701	297,223
Administration														
Advertising and Marketing		3.5%	3.5%			600	600	1,200	621	621	1,242	643	643	1,285
Office Expenses		3.5%	3.5%			4,750	4,750	9,500	4,916	4,916	9,833	5,098	5,098	10,177
Office Rent		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Legal Expense - Property		3.5%	3.5%			4,500	4,500	9,000	4,658	4,658	9,315	4,821	4,821	9,641
Audit Expense		3.5%	3.5%			4,200	4,200	8,400	4,399	4,399	8,798	4,553	4,553	9,105
Bookkeeping/Accounting Services		3.5%	3.5%			2,550	2,550	5,100	2,629	2,629	5,278	2,722	2,722	5,483
Bad Debts		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Miscellaneous		3.5%	3.5%			3,000	3,000	6,000	3,105	3,105	6,210	3,214	3,214	6,427
Sub-total Administration Expenses						19,650	19,650	39,300	20,338	20,338	40,676	21,050	21,050	42,099
Utilities														
Electricity		3.5%	3.5%			14,125	14,125	28,250	14,619	14,619	29,239	15,131	15,131	30,262
Water		3.5%	3.5%			2,250	2,250	4,500	2,329	2,329	4,658	2,410	2,410	4,821
Gas		3.5%	3.5%			7,350	7,350	14,700	7,607	7,607	15,215	7,874	7,874	15,747
Sewer		3.5%	3.5%			4,250	4,250	8,500	4,399	4,399	8,798	4,553	4,553	9,105
Sub-total Utilities						27,975	27,975	55,950	28,964	28,964	57,968	29,968	29,968	59,935
Taxes and Licenses														
Real Estate Taxes		3.5%	3.5%			750	750	1,500	776	776	1,553	803	803	1,607
Payroll Taxes		3.5%	3.5%			17,253	6,710	23,963	17,857	6,944	24,802	18,462	7,188	25,670
Miscellaneous Taxes, Licenses and Permits		3.5%	3.5%			750	750	1,500	776	776	1,553	803	803	1,607
Sub-total Taxes and Licenses						19,753	8,210	27,963	19,410	8,497	27,907	20,089	8,794	28,883
Insurance														
Property and Liability Insurance		3.5%	3.5%			27,500	27,500	55,000	28,463	28,463	56,925	29,458	29,458	58,917
Fidelity Bond Insurance		3.5%	3.5%			60	60	120	62	62	124	64	64	128
Walker's Compensation		3.5%	3.5%			11,757	6,057	17,814	12,169	6,269	18,437	12,595	6,488	19,083
Director's & Officers' Liability Insurance		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Sub-total Insurance						39,317	33,617	72,934	40,693	34,793	75,487	42,118	36,011	78,123
Maintenance & Repair														
Payroll		3.5%	3.5%			27,434	27,434	54,867	28,394	28,394	56,787	29,387	29,387	58,775
Supplies		3.5%	3.5%			10,000	10,000	20,000	10,350	10,350	20,700	10,712	10,712	21,425
Contractors		3.5%	3.5%			13,600	13,600	27,200	14,076	14,076	28,152	14,559	14,559	29,137
Garbage and Trash Removal		3.5%	3.5%			9,000	9,000	18,000	9,315	9,315	18,630	9,641	9,641	19,282
Security Payroll/Contract		3.5%	3.5%			-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Vehicle and Maintenance Equipment Operation and Repairs		3.5%	3.5%			250	250	500	259	259	518	268	268	536
Miscellaneous Operating and Maintenance Expenses		3.5%	3.5%			4,000	4,000	8,000	4,160	4,160	8,320	4,285	4,285	8,570
Sub-total Maintenance & Repair Expenses						64,284	64,284	128,567	66,533	66,533	133,057	68,862	68,862	137,724
Supportive Services														
Commercial Expenses		3.5%	3.5%			-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES w/o RESERVES/GL BASE RENT/BOND FEES						418,478	224,899	641,375	431,053	232,770	663,823	446,140	240,917	687,057
Reserves/Ground Lease Base Rent/Bond Fees														
Ground Lease Base Rent						-	-	-	-	-	-	-	-	-
Bond Monitoring Fee						1,250	1,250	2,500	1,250	1,250	2,500	1,250	1,250	2,500
Reclamation Reserve Deposit						15,000	15,000	30,000	15,000	15,000	30,000	15,000	15,000	30,000
Operating Reserve Deposit						-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit						-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit						-	-	-	-	-	-	-	-	-
Required Reserve Deposits, Commercial						-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees						16,250	16,250	32,500	16,250	16,250	32,500	16,250	16,250	32,500
TOTAL OPERATING EXPENSES w/ RESERVES/GL BASE RENT/BOND FEES						432,728	241,149	673,875	447,303	249,020	696,323	462,390	257,167	719,557
NET OPERATING INCOME (INCOME MINUS OP EXPENSES)						18,305	54,706	73,010	17,317	54,230	71,547	17,689	53,865	71,253
DEBT SERVICE ("hard debt"/amortized loans)														
Hard Debt - First Lender					Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pmt, or other 2nd Lender)					Enter comments re: annual increase, etc.	8,305	8,305	16,609	8,305	8,305	16,609	8,305	8,305	16,609
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					Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE						8,305	8,305	16,609	8,305	8,305	16,609	8,305	8,305	16,609
CASH FLOW (NOI minus DEBT SERVICE)						10,000	46,401	56,401	9,013	45,925	54,938	9,284	45,360	54,644

MOHCD Proforma - 20 Year Cash Flow for Loan Document

Total # Units:	LOSP Units		Non-LOSP Units		Year 1 2017			Year 2 2018			Year 3 2019		
	26	25	50.00%	50.00%	LOSP	ROI	Total	LOSP	ROI	Total	LOSP	ROI	Total

INCOME

Commercial Only Cash Flow	Year 1 2017			Year 2 2018			Year 3 2019					
Allocation of Commercial Surplus to LOSP/Non-LOSP (residual income)	-	-	-	-	-	-	-	-	-	-	-	-
AVAILABLE CASH FLOW	10,000	46,401	56,401	9,013	45,928	54,938	9,284	46,380	54,644			

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)
 Partnership Management Fee (see policy for limits)
 Investor Service Fee (aka "IP Asset Mgt Fee") (see policy for limits)
 Other Payments
 Non-amortizing Loan Pmt - Lender 1
 Non-amortizing Loan Pmt - Lender 2
 Deferred Developer Fee (Enter amt <= Max Fee from call 130)
TOTAL PAYMENTS PRECEDING MOHCD

	LOSP	ROI	Total	LOSP	ROI	Total	LOSP	ROI	Total
DSCR:			4.4			4.31			4.29
3.5% per MOHCD policy	-	-	-	-	-	-	-	-	-
3.5% per MOHCD policy	7,500	7,500	15,000	7,763	7,763	15,525	8,034	8,034	16,068
per MOHCD policy no annual increase	2,500	2,500	5,000	2,280	2,280	4,560	2,280	2,280	4,560
Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD	10,000	10,000	20,000	9,013	9,013	18,025	9,284	9,284	18,568

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)

Does Project have a MOHCD Residual Receipt Obligation?
 Will Project Defer Developer Fee?
 1st Residual Receipts Split - Lender/Deferred Developer Fee
 2nd Residual Receipts Split - Lender/Owner

Yes
 Yes
 50% / 50%
 67% / 33%
 Dist. Soft
 Debt Loans

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
AINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE

	LOSP	ROI	Total	LOSP	ROI	Total	LOSP	ROI	Total
Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	27,506	27,506	55,012	18,596	18,596	37,192	18,174	18,174	36,348
Proposed Total MOHCD Amt Due less Loan Repayment	8,895	8,895	17,790	6,013	6,013	12,025	5,877	5,877	11,752
Allocation per pro rata share of all soft debt loans, and HCD residual receipt policy	8,895	8,895	17,790	6,013	6,013	12,025	5,877	5,877	11,752
TOTAL MOHCD RESIDUAL RECEIPTS DEBT SERVICE	36,401	36,401	72,802	36,913	36,913	73,818	36,076	36,076	72,097

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

8.895%	8,895	8,895	17,790	6,013	6,013	12,025	5,877	5,877	11,752
0.00%	-	-	-	-	-	-	-	-	-
0.00%	-	-	-	-	-	-	-	-	-
Total Non-MOHCD Residual Receipts Debt Service	8,895	8,895	17,790	6,013	6,013	12,025	5,877	5,877	11,752

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

	-	-	-	12,304	12,304	24,608	12,025	12,025	24,050
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
REMAINDER	-	-	-	12,304	12,304	24,608	12,025	12,025	24,050

REPLACEMENT RESERVE - RUNNING BALANCE
 Replacement Reserve Starting Balance
 Replacement Reserve Deposits
 Replacement Reserve Withdrawals (Ideally tied to CNA)
 Replacement Reserve Interest
RR Running Balance

	-	-	-	30,000	30,000	60,000	30,000	30,000	60,000
	30,000	30,000	60,000	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
RR Running Balance	30,000	30,000	60,000	30,000	30,000	60,000	30,000	30,000	60,000

OPERATING RESERVE - RUNNING BALANCE
 Operating Reserve Starting Balance
 Operating Reserve Deposits
 Operating Reserve Withdrawals
 Operating Reserve Interest
OR Running Balance

	-	-	-	319,653	319,653	639,306	319,653	319,653	639,306
	319,653	319,653	639,306	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
OR Running Balance	319,653	319,653	639,306	319,653	319,653	639,306	319,653	319,653	639,306

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 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

	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Running Balance	-								

John Burton Foundation Housing Complex

Total # Units:	LOSP Units		Non-LOSP Units		Comments (related to annual inc assumptions)	Year 4 2020			Year 5 2021			Year 6 2022		
	25	25	25	25		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
	% annual inc LOSP	% annual inc	% annual inc	% annual inc										
60	25	25	25	25										
INCOME														
Residential - Tenant Rents	n/a	n/a	n/a	n/a		17,273	329,477	406,749	78,045	337,714	415,759	78,828	348,157	424,982
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a	n/a	n/a										
Residential - LOSP Tenant Assistance Payments	n/a	n/a	n/a	n/a		416,868		416,868	432,444		432,444	448,587		448,587
Commercial Space	n/a	n/a	n/a	n/a										
Residential Parking	2.5%	2.5%	2.5%	2.5%										
Miscellaneous Rent Income	2.5%	2.5%	2.5%	2.5%										
Supportive Services Income	2.5%	2.5%	2.5%	2.5%										
Interest Income - Project Operations	2.5%	2.5%	2.5%	2.5%										
Laundry and Vending	2.5%	2.5%	2.5%	2.5%		5,600	5,600	11,200	5,740	5,740	11,480	5,883	5,883	11,767
Tenant Charges	2.5%	2.5%	2.5%	2.5%										
Miscellaneous Residential Income	2.5%	2.5%	2.5%	2.5%										
Other Commercial Income	n/a	n/a	n/a	n/a										
Withdraw from Capitalized Reserve (deposit to operating account)	n/a	n/a	n/a	n/a	Link from Reserve Section below, as applicable									
Gross Potential Income						499,738	325,077	824,815	618,229	343,454	959,683	532,298	352,040	895,338
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	n/a	n/a		(3,856)	(16,474)	(20,337)	(3,902)	(16,856)	(20,788)	(3,941)	(17,309)	(21,245)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a	n/a	n/a										
Vacancy Loss - Commercial	n/a	n/a	n/a	n/a										
EFFECTIVE GROSS INCOME						495,874	318,603	814,477	614,327	326,598	938,895	528,357	334,732	874,093
OPERATING EXPENSES														
Management														
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule			18,294	18,294	36,588	18,234	18,234	37,858	18,597	18,597	39,194
Asset Management Fee	3.5%	3.5%	per MOHCD policy			3,991	3,991	7,983	4,131	4,131	8,262	4,276	4,276	8,551
Sub-total Management Expenses						22,285	22,285	44,570	23,065	23,065	46,130	23,872	23,872	47,745
Salaries/Benefits														
Office Salaries	3.5%	3.5%				168,446	-	168,446	172,272	-	172,272	178,301	-	178,301
Manager's Salary	3.5%	3.5%				31,598	31,598	63,197	32,704	32,704	65,409	33,849	33,849	67,698
Health Insurance and Other Benefits	3.5%	3.5%				41,923	13,874	55,897	43,390	14,463	57,854	44,909	14,970	59,879
Other Salaries/Benefits	3.5%	3.5%				-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%	3.5%				11,043	11,043	22,086	11,429	11,429	22,859	11,829	11,829	23,659
Sub-total Salaries/Benefits						251,010	56,616	307,626	299,798	58,597	318,395	298,989	80,648	329,537
Administration														
Advertising and Marketing	3.5%	3.5%				665	665	1,330	689	689	1,377	713	713	1,425
Office Expenses	3.5%	3.5%				5,266	5,266	10,533	5,451	5,451	10,901	5,642	5,642	11,283
Office Rent	3.0%	3.5%				-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%				4,989	4,989	9,978	5,164	5,164	10,328	5,345	5,345	10,690
Audit Expense	3.5%	3.5%				4,712	4,712	9,424	4,877	4,877	9,754	5,048	5,048	10,095
Bookkeeping/Accounting Services	3.5%	3.5%				2,827	2,827	5,654	2,926	2,926	5,852	3,029	3,029	6,057
BBB Debit	3.5%	3.5%				-	-	-	-	-	-	-	-	-
Miscellaneous	3.5%	3.5%				3,326	3,326	6,652	3,443	3,443	6,886	3,563	3,563	7,126
Sub-total Administration Expenses						21,768	21,768	43,537	22,649	22,649	45,088	23,338	23,338	46,676
Utilities														
Electricity	3.5%	3.5%				15,681	15,681	31,362	16,209	16,209	32,418	16,776	16,776	33,552
Water	3.5%	3.5%				2,495	2,495	4,990	2,582	2,582	5,164	2,672	2,672	5,345
Gas	3.5%	3.5%				8,149	8,149	16,298	8,434	8,434	16,869	8,729	8,729	17,459
Sewer	3.5%	3.5%				4,712	4,712	9,424	4,877	4,877	9,754	5,048	5,048	10,095
Sub-total Utilities						31,016	31,016	62,033	32,102	32,102	64,204	33,228	33,228	66,451
Taxes and Licenses														
Real Estate Taxes	3.5%	3.5%				832	832	1,663	861	861	1,721	891	891	1,782
Payroll Taxes	3.5%	3.5%				19,129	7,439	26,568	19,739	7,699	27,438	20,492	7,969	28,461
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%				832	832	1,663	861	861	1,721	891	891	1,783
Sub-total Taxes and Licenses						20,792	8,102	28,894	21,520	8,421	30,941	22,273	9,750	32,024
Insurance														
Property and Liability Insurance	3.5%	3.5%				30,490	30,490	60,979	31,557	31,557	63,114	32,681	32,681	65,323
Fidelity Bond Insurance	3.5%	3.5%				67	67	133	69	69	138	71	71	143
Worker's Compensation	3.5%	3.5%				13,035	6,716	19,751	13,492	6,950	20,442	13,884	7,194	21,157
Director's & Officers' Liability Insurance	3.5%	3.5%				-	-	-	-	-	-	-	-	-
Sub-total Insurance						43,592	37,272	80,863	45,117	38,576	83,693	46,697	39,824	86,623
Maintenance & Repair														
Payroll	3.5%	3.5%				30,416	30,416	60,832	31,481	31,481	62,961	32,582	32,582	65,165
Supplies	3.5%	3.5%				11,087	11,087	22,174	11,475	11,475	22,950	11,877	11,877	23,754
Contract	3.5%	3.5%				15,079	15,079	30,157	15,606	15,606	31,213	16,153	16,153	32,306
Garbage and Trash Removal	3.5%	3.5%				9,978	9,978	19,957	10,328	10,328	20,656	10,689	10,689	21,378
Security Patrol Contract	3.5%	3.5%				-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance	3.5%	3.5%				-	-	-	-	-	-	-	-	-
Vehicle and Maintenance Equipment Operation and Repair	3.5%	3.5%				277	277	554	287	287	574	297	297	594
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%				4,435	4,435	8,870	4,590	4,590	9,180	4,751	4,751	9,501
Sub-total Maintenance & Repair Expenses						71,272	71,272	142,545	73,767	73,767	147,534	76,349	76,349	152,697
Supportive Services														
Commercial Expenses	3.5%	3.5%				-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES w/ RESERVES/GL BASE RENT/BOND FEES						461,754	249,349	711,104	477,918	258,077	735,993	494,643	287,109	761,762
Reserves/Ground Lease Base Rent/Bond Fees														
Reserves/Ground Lease Base Rent/Bond Fees														
Ground Lease Base Rent														
Bond Monitoring Fee						1,250	1,250	2,500	1,250	1,250	2,500	1,250	1,250	2,500
Replacement Reserve Deposit						15,000	15,000	30,000	15,000	15,000	30,000	15,000	15,000	30,000
Operating Reserve Deposit						-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit						-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit						-	-	-	-	-	-	-	-	-
Required Reserve Deposits/Commercial						-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees						16,250	16,250	32,500	16,250	16,250	32,500	16,250	16,250	32,500
TOTAL OPERATING EXPENSES w/ RESERVES/GL BASE RENT/BOND FEES						478,004	265,599	743,604	494,168	274,327	768,493	510,893	283,359	794,262
NET OPERATING INCOME (INCOME minus OP EXPENSES)						17,870	53,003	70,873	18,161	52,241	70,402	18,462	51,373	69,835
DEBT SERVICE ("hard debt"/amortized loans)														
Hard Debt - First Lender					Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% p/yr, or other 2nd Lender)					Enter comments re: annual increase, etc.	8,305	8,305	16,609	8,305	8,305	16,609	8,305	8,305	16,609
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					Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE						8,305	8,305	16,609	8,305	8,305	16,609	8,305	8,305	16,609
CASH FLOW (NOI minus DEBT SERVICE)						9,565	44,698	54,264	9,856	43,937	53,793	10,157	43,068	53,226

MOHCD Proforma - 20 Year Cash Flow for Loan Document

INCOME	Total # Units:	LOSP Units		Non-LOSP Units		Year 4 2020			Year 5 2021			Year 6 2022		
		25	25	25	25	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
		50.00%	50.00%	% annual Inc LOSP	% annual Increase	Comments (related to annual inc assumptions)								
Commercial Only Cash Flow														
Allocation of Commercial Surplus to LOSP/Non-LOSP (Residual Income)														
AVAILABLE CASH FLOW														
DSCR: 4.27 (Year 4) / 4.24 (Year 5) / 4.2 (Year 6)														
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)														
Partnership Management Fee (see policy for limits)														
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)														
Other Payments														
Non-amortizing Loan Pmt - Lender 1														
Non-amortizing Loan Pmt - Lender 2														
Deferred Developer Fee (Earl and Max Fee from cell 113)														
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? Yes														
1st Residual Receipts Split - Lender/Deferred Developer Fee 50% / 50%														
2nd Residual Receipts Split - Lender/Owner 67% / 33%														
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														
AINING 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)														
REPLACEMENT RESERVE - RUNNING BALANCE														
Replacement Reserve Starting Balance														
Replacement Reserve Deposits														
Replacement Reserve Withdrawals (Ideally tied to CNA)														
Replacement Reserve Interest														
RR Running Balance														
OPERATING RESERVE - RUNNING BALANCE														
Operating Reserve Starting Balance														
Operating Reserve Deposits														
Operating Reserve Withdrawals														
Operating Reserve Interest														
OR Running Balance														
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														

John Burton Foundation Housing Complex

	Total # Units:		Comments (related to annual Inc assumptions)	Year 7 2023			Year 8 2024			Year 9 2025		
	50	25		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
	50.00%	50.00%		% annual inc LOSP	% annual increase		% annual inc LOSP	% annual increase		% annual inc LOSP	% annual increase	
INCOME												
Residential - Tenant Rents				78,614	354,811	434,425	80,410	383,691	444,091	81,214	372,773	453,987
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments	n/a	n/a		465,316	-	465,316	482,650	-	482,650	500,611	-	500,611
Commercial Space	n/a	2.5%		-	-	-	-	-	-	-	-	-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Standby Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		6,030	6,030	12,061	6,181	6,181	12,362	6,336	6,336	12,671
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%		-	-	-	-	-	-	-	-	-
Withdraw from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-	-	-	-	-
Gross Potential Income				550,980	360,941	911,801	689,241	389,882	939,103	588,181	378,108	967,269
Vacancy Loss - Residential - Tenant Rents	n/a	n/a		(3,881)	(17,741)	(21,221)	(4,021)	(18,184)	(22,205)	(4,051)	(18,639)	(22,899)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a		-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME				546,979	343,100	890,080	685,220	371,678	916,898	584,100	360,470	944,570
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	20,283	20,283	40,565	20,893	20,893	41,985	21,727	21,727	43,455
Asset Management Fee	3.5%	3.5%	per MOHCD policy	4,425	4,425	8,851	4,580	4,580	9,160	4,741	4,741	9,481
Sub-total Management Expenses				24,708	24,708	49,416	25,473	25,473	51,146	26,468	26,468	52,936
Salaries/Benefits												
Office Salaries	3.5%	3.5%		184,542	-	184,542	191,001	-	191,001	197,666	-	197,666
Manager's Salary	3.5%	3.5%		35,034	-	35,034	36,260	-	36,260	37,529	-	37,529
Health Insurance and Other Benefits	3.5%	3.5%		46,481	15,494	61,974	49,107	16,036	64,143	49,791	16,597	66,388
Other Salaries/Benefits	3.5%	3.5%		12,243	12,243	24,487	12,672	12,672	25,344	13,115	13,115	26,231
Administrative Park-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				278,300	27,740	341,070	289,040	64,889	353,008	288,122	67,242	355,363
Administration												
Advertising and Marketing	3.5%	3.5%		738	738	1,475	763	763	1,527	790	790	1,580
Office Expenses	3.5%	3.5%		5,839	5,839	11,678	6,043	6,043	12,087	6,255	6,255	12,510
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		5,532	5,532	11,063	5,725	5,725	11,451	5,928	5,928	11,851
Audit Expense	3.5%	3.5%		5,224	5,224	10,448	5,407	5,407	10,814	5,596	5,596	11,193
Bookkeeping/Accounting Services	3.5%	3.5%		3,135	3,135	6,269	3,244	3,244	6,489	3,358	3,358	6,716
Risk Retention	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Miscellaneous	3.5%	3.5%		3,688	3,688	7,376	3,817	3,817	7,634	3,850	3,850	7,701
Sub-total Administration Expenses				24,165	24,165	48,330	25,000	25,000	50,001	25,875	25,875	51,751
Utilities												
Electricity	3.5%	3.5%		17,363	17,363	34,726	17,971	17,971	35,942	18,600	18,600	37,200
Water	3.5%	3.5%		2,765	2,765	5,532	2,863	2,863	5,725	2,963	2,963	5,925
Gas	3.5%	3.5%		9,035	9,035	18,070	9,351	9,351	18,703	9,679	9,679	19,357
Sewer	3.5%	3.5%		5,224	5,224	10,448	5,407	5,407	10,814	5,596	5,596	11,193
Sub-total Utilities				34,388	34,388	69,777	35,592	35,592	71,184	36,838	36,838	73,675
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		922	922	1,844	954	954	1,908	988	988	1,975
Payroll Taxes	3.5%	3.5%		21,209	8,248	29,457	21,951	8,637	30,488	22,718	8,835	31,555
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		922	922	1,844	954	954	1,908	988	988	1,975
Sub-total Taxes and Licenses				23,053	10,092	33,144	23,860	10,445	34,304	24,695	10,811	35,505
Insurance												
Property and Liability Insurance	3.5%	3.5%		33,805	33,805	67,609	34,988	34,988	69,975	36,212	36,212	72,424
Fidelity Bond Insurance	3.5%	3.5%		74	74	148	76	76	153	79	79	158
Workers' Compensation	3.5%	3.5%		14,553	7,445	21,898	14,958	7,706	22,664	15,482	7,976	23,458
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				48,331	41,324	89,655	50,023	42,770	92,792	51,773	44,267	96,040
Maintenance & Repair												
Payroll	3.5%	3.5%		33,723	33,723	67,446	34,903	34,903	69,806	36,125	36,125	72,249
Supplies	3.5%	3.5%		12,293	12,293	24,586	12,723	12,723	25,446	13,168	13,168	26,336
Contractor	3.5%	3.5%		16,716	16,716	33,433	17,303	17,303	34,606	17,909	17,909	35,817
Garbage and Trash Removal	3.5%	3.5%		11,063	11,063	22,127	11,451	11,451	22,901	11,857	11,857	23,703
Security Patrol/Contract	3.5%	3.5%		-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		307	307	615	318	318	636	329	329	658
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		4,917	4,917	9,834	5,089	5,089	10,178	5,267	5,267	10,534
Sub-total Maintenance & Repair Expenses				79,021	79,021	158,042	81,787	81,787	163,573	84,649	84,649	169,238
Supplive Services												
Commercial Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES w/o RESERVES/GL BASE RENT/BOND FEES				511,955	278,458	788,414	529,874	286,134	816,008	548,419	298,149	844,588
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent				-	-	-	-	-	-	-	-	-
Bond Monitoring Fee				1,250	1,250	2,500	1,250	1,250	2,500	1,250	1,250	2,500
Required Reserve Deposit				15,000	15,000	30,000	15,000	15,000	30,000	15,000	15,000	30,000
Operating Reserve Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposits, Commercial				-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				16,250	16,250	32,500	16,250	16,250	32,500	16,250	16,250	32,500
TOTAL OPERATING EXPENSES w/ RESERVES/GL BASE RENT/BOND FEES				528,205	292,708	820,914	546,124	302,384	848,508	564,669	312,399	877,088
NET OPERATING INCOME (INCOME minus OP EXPENSES)				18,774	50,392	69,166	19,097	49,294	68,350	19,431	48,071	67,502
DEBT SERVICE ("hard debt"/amortized loans)												
Hard Debt - First Lender				-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% Pymt. or other 2nd Lender)				8,305	8,305	16,609	8,305	8,305	16,609	8,305	8,305	16,609
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)				-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender				-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service				-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE				8,305	8,305	16,609	8,305	8,305	16,609	8,305	8,305	16,609
CASH FLOW (NOI minus DEBT SERVICE)				10,469	42,087	52,557	10,792	40,989	51,741	11,126	39,766	50,893

MOHCD Proforma - 20 Year Cash Flow for Loan Document

INCOME	Total # Units:	LOSP Units		Non-LOSP Units		Year 7 2023			Year 8 2024			Year 9 2025		
		25	25	25	25	LOSP	LOSP	Total	LOSP	LOSP	Total	LOSP	LOSP	Total
		50.00%	50.00%	% annual Inc	% annual increase	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total

Commercial Only Cash Flow	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AVAILABLE CASH FLOW	10,469	42,088	52,557	10,792	40,989	51,781	11,128	39,766	50,893					

USES OF CASH FLOW BELOW (This row also shows DSCR.)	DSCR:			DSCR:			DSCR:							
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL														
Below-the-Sun 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	9,219	9,219	18,439	9,542	9,542	19,084	9,876	9,876	19,752			
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	3.5%	per MOHCD policy	1,250	1,250	2,500	1,250	1,250	2,500	1,250	1,250	2,500			
Other Payments	-	-	-	-	-	-	-	-	-	-	-			
Non-amortizing Loan Pmt - Lender 1	-	-	-	-	-	-	-	-	-	-	-			
Non-amortizing Loan Pmt - Lender 2	-	-	-	-	-	-	-	-	-	-	-			
Deferred Developer Fee (Enter amt - Max Fee from call 113)	-	-	-	-	-	-	-	-	-	-	-			
TOTAL PAYMENTS PRECEDING MOHCD	10,469	10,469	20,938	10,792	10,792	21,584	11,128	11,128	22,252					

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)

Does Project have a MOHCD Residual Receipt Obligation?	Yes	Year 15 is year indicated below:				
Will Project Defer Developer Fee?	Yes	2031				
1st Residual Receipts Split - Lender/Deferred Developer Fee	50% / 50%	2nd Residual Receipts Split Begins:	2018			
2nd Residual Receipts Split - Lender/Owner	87% / 13%					

MOHCD RESIDUAL RECEIPTS DEBT SERVICE	Debt Loans	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	2023	2024	2025
MOHCD Residual Receipts Amount Due	78.56%	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	15,928	15,212	14,428
Proposed MOHCD Residual Receipts Amount to Loan Repayment			15,928	15,212	14,428
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			-	-	-
AINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE			15,890	14,985	14,212

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE	Debt Loans	Allocation per pro rata share of all soft debt loans, and HCD residual receipt policy	2023	2024	2025
HCD Residual Receipts Amount Due	24.44%	Allocation per pro rata share of all soft debt loans, and HCD residual receipt policy	5,151	4,919	4,686
Lender 4 Residual Receipts Due	0.00%		-	-	-
Lender 6 Residual Receipts Due	0.00%		-	-	-
Total Non-MOHCD Residual Receipts Debt Service			5,151	4,919	4,686

REMAINDER (Should be zero unless there are distributions below)					
Owner Distributions/Incentive Management Fee		10,539	10,066	9,547	
Other Distributions/Uses		10,539	10,066	9,547	
Final Balance (should be zero)		-	-	-	

REPLACEMENT RESERVE - RUNNING BALANCE	RR Running Balance	2023	2024	2025
Replacement Reserve Starting Balance		180,000	210,000	240,000
Replacement Reserve Deposits		30,000	30,000	30,000
Replacement Reserve Withdrawals (ideally tied to CNA)		-	-	-
Replacement Reserve Interest		-	-	-
RR Running Balance		-	-	-

OPERATING RESERVE - RUNNING BALANCE	OR Running Balance	2023	2024	2025
Operating Reserve Starting Balance		319,653	319,653	319,653
Operating Reserve Deposits		-	-	-
Operating Reserve Withdrawals		-	-	-
Operating Reserve Interest		-	-	-
OR Running Balance		319,653	319,653	319,653

OTHER REQUIRED RESERVE 1 - RUNNING BALANCE	Other Required Reserve 1 Running Balance	2023	2024	2025
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 Required Reserve 2 Running Balance	2023	2024	2025
Other Reserve 2 Starting Balance		-	-	-
Other Reserve 2 Deposits		-	-	-
Other Reserve 2 Withdrawals		-	-	-
Other Reserve 2 Interest		-	-	-
Other Required Reserve 2 Running Balance		-	-	-

MOHCD Proforma - 20 Year Cash Flow for Loan Document

INCOME	Total # Units: 50	LOSP Units		Non-LOSP Units		Year 10 2026			Year 11 2027			Year 12 2028		
		25	25	25	25	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
		% annual Inc	% annual Increase	Comments (related to annual inc assumptions)										
Commercial Only Cash Flow														
Allocation of Commercial Surplus to LOSP/non-LOSP (related to income)														
AVAILABLE CASH FLOW						11,472	38,413	49,885	10,579	36,922	47,502	10,950	35,387	46,236
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)														
Partnership Management Fee (see policy for limits)														
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)														
Other Payments														
Non-amortizing Loan Pmt - Lender 1														
Non-amortizing Loan Pmt - Lender 2														
Deferred Developer Fee (Cdn's amt = Max Fee from call 1130)														
TOTAL PAYMENTS PRECEDING MOHCD						11,472	11,472	22,943	10,579	10,579	21,159	10,950	10,950	21,900
DSCR:								4			3.88			3.78
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)						0	26,941	26,941	0	26,343	26,343	0	24,337	24,337
Does Project have a MOHCD Residual Receipt Obligation?														
Will Project Defer Developer Fee?														
1st Residual Receipt Split - Lender/Deferred Developer Fee														
2nd Residual Receipt Split - Lender/Owner														
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														
AINING 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)														
REPLACEMENT RESERVE - RUNNING BALANCE														
Replacement Reserve Starting Balance														
Replacement Reserve Deposits														
Replacement Reserve Withdrawals (Ideally tied to CNA)														
Replacement Reserve Interest														
RR Running Balance														
OPERATING RESERVE - RUNNING BALANCE														
Operating Reserve Starting Balance														
Operating Reserve Deposits														
Operating Reserve Withdrawals														
Operating Reserve Interest														
OR Running Balance														
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														

John Burton Foundation Housing Complex

INCOME	Total # Units: 50	LOSP Units		Non-LOSP Units	Year 13 2029			Year 14 2030			Year 15 2031		
		25	25		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
		50.00%	50.00%		% annual inc LOSP	% annual increase	(related to annual inc assumptions)						
Residential - Tenant Rents					84,512	411,471	495,983	85,357	421,758	507,115	86,211	432,302	518,513
Residential - Tenant Assistance Payments (Non-LOSP)				n/a									
Residential - LOSP Tenant Assistance Payments				n/a	577,932		577,932	599,377		599,377	621,555		621,555
Commercial Space				2.5%									
Residential Parking				2.5%									
Miscellaneous Rent Income				2.5%									
Subordinate Services Income				2.5%									
Interest Income - Project Operations				2.5%									
Laundry and Vending				2.5%	6,993	6,993	13,987	7,168	7,168	14,337	7,347	7,347	14,695
Tenant Charges				2.5%									
Miscellaneous Residential Income				2.5%									
Other Commercial Income				n/a									
Withdrawal from Capitalized Reserve (deposit to operating account)				n/a									
Gross Potential Income					669,437	416,465	1,087,902	691,902	428,928	1,120,829	715,153	439,850	1,154,802
Vacancy Loss - Residential - Tenant Rents				n/a	(4,229)	(20,574)	(24,799)	(4,268)	(21,088)	(25,356)	(4,311)	(21,619)	(25,920)
Vacancy Loss - Residential - Tenant Assistance Payments				n/a									
Vacancy Loss - Commercial				n/a									
EFFECTIVE GROSS INCOME					665,211	397,891	1,063,103	687,634	407,839	1,095,473	710,842	418,035	1,128,877

OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	24,933	24,933	49,865	25,805	25,805	51,611	26,708	26,708	53,417
Asset Management Fee	3.5%	3.5%	per MCHCD policy	5,440	5,440	10,880	5,630	5,630	11,260	5,827	5,827	11,655
Sub-total Management Expenses				30,372	30,372	60,745	31,436	31,436	62,871	32,535	32,535	65,072
Salaries/Benefits												
Office Salaries	3.5%	3.5%		226,849		226,849	234,789		234,789	243,007		243,007
Manager's Salary	3.5%	3.5%		43,065	43,065	86,131	44,573	44,573	89,146	46,133	46,133	92,266
Health Insurance and Other Benefits	3.5%	3.5%		57,137	19,045	76,182	59,136	19,712	78,848	61,206	20,402	81,608
Other Salaries/Benefits	3.5%	3.5%										
Administrative Bank-Fee Unit	3.5%	3.5%		15,050	15,050	30,100	15,577	15,577	31,154	16,172	16,172	32,344
Sub-total Salaries/Benefits				342,101	77,161	419,262	354,075	79,862	433,937	366,468	82,657	449,125
Administration												
Advertising and Marketing	3.5%	3.5%		907	907	1,813	938	938	1,877	971	971	1,942
Office Expenses	3.5%	3.5%		7,178	7,178	14,355	7,429	7,429	14,858	7,689	7,689	15,378
Office Rent	3.5%	3.5%										
Legal Expense - Property	3.5%	3.5%		6,800	6,800	13,600	7,038	7,038	14,076	7,284	7,284	14,568
Audit Expense	3.5%	3.5%		6,422	6,422	12,844	6,647	6,647	13,294	6,879	6,879	13,759
Bookkeeping/Accounting Services	3.5%	3.5%		3,853	3,853	7,706	3,988	3,988	7,976	4,128	4,128	8,255
Bad Debt	3.5%	3.5%										
Miscellaneous	3.5%	3.5%		4,533	4,533	9,066	4,692	4,692	9,384	4,856	4,856	9,712
Sub-total Administration Expenses				29,692	29,692	59,385	30,732	30,732	61,463	31,807	31,807	63,615
Utilities												
Electricity	3.5%	3.5%		21,344	21,344	42,688	22,091	22,091	44,182	22,864	22,864	45,728
Water	3.5%	3.5%		3,400	3,400	6,800	3,519	3,519	7,038	3,642	3,642	7,284
Gas	3.5%	3.5%		11,106	11,106	22,212	11,495	11,495	22,990	11,897	11,897	23,795
Sewer	3.5%	3.5%		6,422	6,422	12,844	6,647	6,647	13,294	6,879	6,879	13,759
Sub-total Utilities				42,272	42,272	84,544	43,702	43,702	87,503	43,833	43,833	88,566
Taxes and Licenses												
Retail Excise Taxes	3.5%	3.5%		1,133	1,133	2,267	1,173	1,173	2,346	1,214	1,214	2,428
Payroll Taxes	3.5%	3.5%		26,071	10,139	36,210	26,983	10,494	37,477	27,938	10,851	38,789
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		1,133	1,133	2,267	1,173	1,173	2,346	1,214	1,214	2,428
Sub-total Taxes and Licenses				28,338	12,405	40,743	29,329	12,840	42,169	30,358	13,289	43,645
Insurance												
Property and Liability Insurance	3.5%	3.5%		41,554	41,554	83,108	43,009	43,009	86,019	44,514	44,514	89,028
Fidelity Bond Insurance	3.5%	3.5%		91	91	181	94	94	188	97	97	194
Workers' Compensation	3.5%	3.5%		17,766	9,162	26,918	18,388	9,473	27,860	19,031	9,804	29,835
Director's & Officers' Liability Insurance	3.5%	3.5%										
Sub-total Insurance				59,411	50,797	110,208	61,490	52,675	114,068	63,643	64,415	118,058
Maintenance & Repair												
Payroll	3.5%	3.5%		41,454	41,454	82,908	42,905	42,905	85,810	44,406	44,406	88,813
Supplies	3.5%	3.5%		15,111	15,111	30,221	15,640	15,640	31,279	16,187	16,187	32,374
Contractors	3.5%	3.5%		20,551	20,551	41,101	21,270	21,270	42,540	22,014	22,014	44,028
Garbage and Trash Removal	3.5%	3.5%		13,600	13,600	27,199	14,076	14,076	28,151	14,568	14,568	29,137
Security Payroll/Contract	3.5%	3.5%										
HVAC Repairs and Maintenance	3.5%	3.5%										
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		378	378	756	391	391	782	405	405	809
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		6,044	6,044	12,089	6,296	6,296	12,512	6,475	6,475	12,950
Sub-total Maintenance & Repair Expenses				97,137	97,137	194,274	100,537	100,537	201,073	104,055	104,055	208,111
Supportive Services												
Commercial Expenses	3.5%											

TOTAL OPERATING EXPENSES w/o RESERVES/GL BASE RENT/BOND FEES												
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent												
Bond Monitoring Fee				1,250	1,250	2,500	1,250	1,250	2,500	1,250	1,250	2,500
Replacement Reserve Deposit				15,000	15,000	30,000	15,000	15,000	30,000	15,000	15,000	30,000
Operating Reserve Deposit												
Other Required Reserve 1 Deposit												
Other Required Reserve 2 Deposit												
Required Reserve Deposits, Commercial												
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				16,250	16,250	32,500	16,250	16,250	32,500	16,250	16,250	32,500
TOTAL OPERATING EXPENSES w/ RESERVES/GL BASE RENT/BOND FEES				645,574	356,088	1,001,662	667,600	387,692	1,035,582	690,398	389,293	1,070,690
NET OPERATING INCOME (INCOME minus OP EXPENSES)				19,638	41,804	61,441	20,034	39,657	59,891	20,445	37,742	59,187

DEBT SERVICE ("hard debt"/amortized loans)												
Hard Debt - First Lender												
Hard Debt - Second Lender (HCD Program 0.42% p/yr, or other 2nd Lender)				8,305	8,305	16,609	8,305	8,305	16,609	8,305	8,305	16,609
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)												
Hard Debt - Fourth Lender												
Commercial Hard Debt Service												
TOTAL HARD DEBT SERVICE				8,305	8,305	16,609	8,305	8,305	16,609	8,305	8,305	16,609

CASH FLOW (NOI minus DEBT SERVICE)												
CASH FLOW				11,333	33,499	44,832	11,730	31,552	43,282	12,140	29,437	41,578

MOHCD Proforma - 20 Year Cash Flow for Loan Document

Total # Units:	LOSP Units		Non-LOSP Units		Year 13 2029			Year 14 2030			Year 15 2031		
	25	25	25	25	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
50	50.00%	50.00%											
INCOME													
Commercial/Only Cash Flow													
Allocation of Commercial Receipts to LOSP/Non-LOSP (residual income)													
AVAILABLE CASH FLOW					11,333	33,499	44,832	11,730	31,652	43,382	12,140	29,437	41,578
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)													
Partnership Management Fee (see policy for limits)													
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)													
Other Payments													
Non-amortizing Loan Pmt - Lender 1													
Deferred Developer Fee (Enter limit = Max Fee from bid 1130)													
TOTAL PAYMENTS PRECEDING MOHCD					11,333	11,333	22,666	11,730	11,730	23,460	12,140	12,140	24,280
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)					0	22,166	22,166	(0)	19,922	19,922	0	17,297	17,297
Does Project have a MOHCD Residual Receipt Obligation?													
Will Project Defer Developer Fee?													
1st Residual Receipts Split - Lender/Deferred Developer Fee													
2nd Residual Receipts Split - Lender/Owner													
MOHCD RESIDUAL RECEIPTS DEBT SERVICE													
MOHCD Residual Receipts Amount Due													
Proposed MOHCD Residual Receipts Amount to Loan Repayment					75.56%	11,167	11,167	9,866	9,866	8,714	8,714	8,714	8,714
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease													
ANING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE					11,000	11,000	11,000	9,837	9,837	8,583	8,583	8,583	
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE													
HCD Residual Receipts Amount Due													
Lender 4 Residual Receipts Due					24.44%	3,611	3,611	3,229	3,229	2,818	2,818	2,818	
Lender 5 Residual Receipts Due					0.00%	-	-	-	-	-	-	-	
Lender 6 Residual Receipts Due					0.00%	-	-	-	-	-	-	-	
Total Non-MOHCD Residual Receipts Debt Service					3,611	3,611	3,611	3,229	3,229	2,818	2,818	2,818	
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													
Replacement Reserve Deposits													
Replacement Reserve Withdrawals (Ideally Fed to CNA)													
Replacement Reserve Interest													
RR Running Balance					360,000	360,000	360,000	360,000	360,000	420,000	420,000	420,000	
OPERATING RESERVE - RUNNING BALANCE													
Operating Reserve Starting Balance													
Operating Reserve Deposits													
Operating Reserve Withdrawals													
Operating Reserve Interest													
OR Running Balance					319,653	319,653	319,653	319,653	319,653	319,653	319,653	319,653	
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					-	-	-	-	-	-	-	-	

John Burton Foundation Housing Complex

INCOME	Total # Units: 60	LOSP Units		Non-LOSP Units		Year 16 2032			Year 17 2033			Year 18 2034		
		25	25	25	25	LOSP	Non-LOSP	Total	LOSP	Non-LOSP	Total	LOSP	Non-LOSP	Total
		% annual inc LOSP	% annual inc Non-LOSP	Comments (related to annual inc assumptions)			LOSP	Non-LOSP	Total	LOSP	Non-LOSP	Total	LOSP	Non-LOSP
Residential - Tenant Rents	n/a	n/a				87,073	443,110	530,182	87,843	454,187	542,131	88,823	465,542	554,365
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a												
Residential - LOSP Tenant Assistance Payments	n/a	n/a				644,612		644,612	668,457		668,457	693,160		693,160
Commercial Space	n/a	n/a												
Residential Parking	2.5%	2.5%												
Miscellaneous Rent Income	2.5%	2.5%												
Support/OT Services Income	2.5%	2.5%												
Interest Income - Project Operations	2.5%	2.5%												
Laundry and Vending	2.5%	2.5%				7,531	7,531	16,062	7,719	7,719	16,439	7,912	7,912	16,825
Rentor Charges	2.5%	2.5%												
Miscellaneous Residential Income	2.5%	2.5%												
Other Commercial Income	n/a	n/a												
Withdrawal from Capitalized Reserve (disposal to operating account)	n/a	n/a												
Link from Reserve Section below, as applicable														
Gross Potential Income						739,218	450,641	1,189,857	764,170	461,807	1,226,027	789,896	473,455	1,263,350
Vacancy Loss - Residential - Tenant Rents	n/a	n/a				(4,350)	(22,155)	(26,509)	(4,397)	(22,709)	(27,107)	(4,441)	(23,277)	(27,718)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a												
Vacancy Loss - Commercial	n/a	n/a												
EFFECTIVE GROSS INCOME						734,868	428,485	1,163,348	759,773	439,108	1,198,921	785,454	450,177	1,235,631
OPERATING EXPENSES														
Management														
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.			27,643	27,643	55,287	28,611	28,611	57,222	29,612	29,612	59,224
Asset Management Fee	3.5%	3.5%	per MOHCD policy			6,031	6,031	12,063	6,242	6,242	12,485	6,461	6,461	12,922
Sub-total Management Expenses						33,675	33,675	67,349	34,853	34,853	69,706	36,073	36,073	72,146
Salaries/Benefits														
Office Salaries	3.5%	3.5%				251,512		251,512	260,315		260,315	269,426		269,426
Manager's Salary	3.5%	3.5%				47,747	47,747	95,495	49,419	49,419	98,837	51,148	51,148	102,297
Health Insurance and Other Benefits	3.5%	3.5%				63,349	21,116	84,464	65,565	21,853	87,421	67,860	22,620	90,480
Other Salaries/Benefits	3.5%	3.5%												
Administrative Rent-Free Unit	3.5%	3.5%				16,886	16,886	33,773	17,271	17,271	34,541	17,875	17,875	35,750
Sub-total Salaries/Benefits						379,294	85,650	464,944	392,569	88,544	481,114	406,309	97,643	497,952
Administration														
Advertising and Marketing	3.5%	3.5%				1,005	1,005	2,010	1,040	1,040	2,081	1,077	1,077	2,154
Office Expenses	3.5%	3.5%				7,958	7,958	15,916	8,236	8,236	16,473	8,525	8,525	17,049
Office Rent	3.5%	3.5%												
Legal Expenses - Property	3.5%	3.5%				7,539	7,539	15,078	7,803	7,803	15,606	8,076	8,076	16,152
Audit Expense	3.5%	3.5%				7,120	7,120	14,240	7,369	7,369	14,739	7,627	7,627	15,255
Bookkeeping/Accounting Services	3.5%	3.5%				4,272	4,272	8,544	4,422	4,422	8,844	4,676	4,676	9,353
Bad Debts	3.5%	3.5%												
Miscellaneous	3.5%	3.5%				5,028	5,028	10,056	5,202	5,202	10,404	5,384	5,384	10,768
Sub-total Administration Expenses						32,921	32,921	65,841	34,073	34,073	68,146	35,265	35,265	70,631
Utilities														
Electricity	3.5%	3.5%				23,664	23,664	47,329	24,493	24,493	48,986	25,350	25,350	50,700
Water	3.5%	3.5%				3,770	3,770	7,539	3,901	3,901	7,803	4,038	4,038	8,076
Gas	3.5%	3.5%				12,314	12,314	24,628	12,745	12,745	25,490	13,191	13,191	26,382
Sewer	3.5%	3.5%				7,120	7,120	14,240	7,369	7,369	14,739	7,627	7,627	15,255
Sub-total Utilities						46,868	46,868	93,736	48,508	48,508	97,017	50,206	50,206	100,412
Taxes and Licenses														
Real Estate Taxes	3.5%	3.5%				1,257	1,257	2,513	1,300	1,300	2,601	1,346	1,346	2,692
Permit Taxes	3.5%	3.5%				28,925	11,241	40,146	29,977	11,634	41,612	30,954	12,042	43,036
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%				1,257	1,257	2,513	1,300	1,300	2,601	1,346	1,346	2,692
Sub-total Taxes and Licenses						31,418	13,754	45,172	32,578	14,235	46,763	33,658	14,734	48,390
Insurance														
Property and Liability Insurance	3.5%	3.5%				46,072	46,072	92,144	47,685	47,685	95,369	49,354	49,354	98,707
Fidelity Bond Insurance	3.5%	3.5%				101	101	201	104	104	208	108	108	215
Worker's Compensation	3.5%	3.5%				19,697	10,147	29,845	20,387	10,502	30,889	21,100	10,870	31,970
Director's & Officers' Liability Insurance	3.5%	3.5%												
Sub-total Insurance						65,870	56,320	122,190	68,176	58,291	126,467	70,562	60,331	130,893
Maintenance & Repair														
Paint	3.5%	3.5%				45,961	45,961	91,921	47,588	47,588	95,176	49,234	49,234	98,468
Supplies	3.5%	3.5%				16,753	16,753	33,507	17,340	17,340	34,680	17,947	17,947	35,894
Contracts	3.5%	3.5%				22,785	22,785	45,569	23,582	23,582	47,164	24,408	24,408	48,815
Garbage and Trash Removal	3.5%	3.5%				15,078	15,078	30,156	15,606	15,606	31,212	16,152	16,152	32,304
Security/Personnel Contract	3.5%	3.5%												
HVAC Repairs and Maintenance	3.5%	3.5%												
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%				419	419	838	433	433	867	449	449	897
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%				6,701	6,701	13,403	6,936	6,936	13,872	7,179	7,179	14,357
Sub-total Maintenance & Repair Expenses						107,697	107,697	215,395	111,467	111,467	222,933	115,368	115,368	230,736
Subsidiary Services														
Commercial Expenses	3.5%	3.5%												
TOTAL OPERATING EXPENSES w/ RESERVES/GL BASE RENT/BOND FEES						697,743	376,784	1,074,527	722,164	389,972	1,112,135	747,439	403,621	1,151,060
Reserves/Ground Lease Base Rent/Bond Fees														
Ground Lease Base Rent														
Bond Monitoring Fee						1,250	1,250	2,500	1,250	1,250	2,500	1,250	1,250	2,500
Replacement Reserve Deposit						15,000	15,000	30,000	15,000	15,000	30,000	15,000	15,000	30,000
Operating Reserve Deposit														
Other Required Reserve 1 Deposit														
Other Required Reserve 2 Deposit														
Required Reserve Deposits, Commercial														
Sub-total Reserves/Ground Lease Base Rent/Bond Fees						16,250	16,250	32,500	16,250	16,250	32,500	16,250	16,250	32,500
TOTAL OPERATING EXPENSES w/ RESERVES/GL BASE RENT/BOND FEES						713,993	393,034	1,107,027	738,414	406,222	1,144,635	763,689	419,871	1,183,560
NET OPERATING INCOME (INCOME minus OP EXPENSES)						20,870	35,491	66,321	21,309	32,976	64,286	21,785	30,307	52,071
DEBT SERVICE ("hard debt"/amortized loans)														
Hard Debt - First Lender														
Enter comments re: annual increase, etc.														
Hard Debt - Second Lender (HCD Program 0.42% pmt. or other 2nd Lender)						8,305	8,305	16,609	8,305	8,305	16,609	8,305	8,305	16,609
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						8,305	8,305	16,609	8,305	8,305	16,609	8,305	8,305	16,609
CASH FLOW (NOI minus DEBT SERVICE)						12,565	27,147	39,712	13,005	24,671	37,676	13,440	22,002	35,462

MOHCD Proforma - 20 Year Cash Flow for Loan Document

INCOME	Total # Units:	LOSP Units		Non-LOSP Units		Year 16 2032			Year 17 2033			Year 18 2034			
		25	25	Comments (related to annual inc assumptions)			LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
		% annual inc	% annual increase	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
Commercial Only Cash Flow	50														
Allocation of Commercial 9 Units to LOSP/non-LOSP (residual receipt)															
AVAILABLE CASH FLOW						12,565	27,147	38,712	13,005	24,671	37,676	13,480	22,002	35,482	
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)															
Partnership Management Fee (see policy for limits)						3.5%									
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)						3.5%									
Other Promote															
Non-amortizing Loan Pmt / Lender 1															
Non-amortizing Loan Pmt - Lender 2															
Deferred Developer Fee (Enter amt & Max Fee from cell J130)															
TOTAL PAYMENTS PRECEDING MOHCD						12,565	27,147	25,130	13,005	13,005	26,010	13,460	13,460	26,920	
DSCR:								3.39			3.27			3.14	
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)						0	14,582	14,582	(0)	11,667	11,667	(0)	8,542	8,542	
Does Project have a MOHCD Residual Receipt Obligation?															
Will Project Omit Developer Fee?															
1st Residual Receipt Split - Lender/Deferred Developer Fee															
2nd Residual Receipt Split - Lender/Owner															
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															
AINING 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)															
REPLACEMENT RESERVE - RUNNING BALANCE															
Replacement Reserve Starting Balance															
Replacement Reserve Deposits															
Replacement Reserve Withdrawals (fidelity tied to CNA)															
Replacement Reserve Interest															
RR Running Balance															
OPERATING RESERVE - RUNNING BALANCE															
Operating Reserve Starting Balance															
Operating Reserve Deposits															
Operating Reserve Withdrawals															
Operating Reserve Interest															
OR Running Balance															
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															

Year 15 is year indicated below:	2031	2018
Yes		
50% / 50%		
67% / 33%		
Dat. Soft Debt Loans		
75.56%	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	
	Proposed Total MOHCD Amt Due less Loan Repayment	
24.44%	Allocation per pro rata share of all soft debt loans, and HCD residual receipt policy.	
0.00%		
0.00%		

MOHCD Proforma - 20 Year Cash Flow for Loan Document

INCOME	Total # Units:	LOSP Units		Non-LOSP Units		Year 19 2035			Year 20 2036			
		25	25									
		50.00%	50.00%	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total			
Commercial Only Cash Flow												
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)												
AVAILABLE CASH FLOW						13,931	16,130	33,081	14,419	18,045	30,464	
USES OF CASH FLOW BELOW (This row also shows DSCR.)						DSCR:			2.89			
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	13,931	13,931	27,862	14,419	28,838
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)							per MOHCD policy no annual increase					
Other Payments												
Non-amortizing Loan Pmt - Lender 1							Enter comments re: annual increase, etc.					
Non-amortizing Loan Pmt - Lender 2							Enter comments re: annual increase, etc.					
Deferred Developer Fee (Enter amt & Max Fee from call 1130)												
TOTAL PAYMENTS PRECEDING MOHCD						13,931	13,931	27,862	14,419	14,419	28,838	
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)						0	5,199	5,199	0	1,626	1,626	
Does Project have a MOHCD Residual Receipt Obligation?		Yes	Year 15 is year indicated below									
Will Project Defer Developer Fee?		Yes	2031									
1st Residual Receipts Split - Lender/Deferred Developer Fee		50%/50%	2nd Residual Receipts Split Begins:	2018								
2nd Residual Receipts Split - Lender/Owner		87%/13%										
MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
MOHCD Residual Receipts Amount Due												
Proposed MOHCD Residual Receipts Amount to Loan Repayment								2,619			819	
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease								2,619			819	
AMING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE								2,580			807	
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due												
Lender 4 Residual Receipts Due								847			285	
Lender 5 Residual Receipts Due								0.00%			-	
Total Non-MOHCD Residual Receipts Debt Service								847			285	
REMAINDER (Should be zero unless there are distributions below)								1,733			542	
Owner Distributions/Incentive Management Fee								1,733			542	
Other Distributions/Uses								-			-	
Final Balance (should be zero)								-			-	
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance								540,000			570,000	
Replacement Reserve Deposits								30,000			30,000	
Replacement Reserve Withdrawals (fideliy tied to CNA)								-			-	
Replacement Reserve Interest								-			-	
RR Running Balance								-			-	
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance								319,653			319,653	
Operating Reserve Deposits								-			-	
Operating Reserve Withdrawals								-			-	
Operating Reserve Interest								-			-	
OR Running Balance								319,653			319,653	
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								-			-	

Exhibit C – Legal Description of Real Property

PARCEL I:

Condominium Unit R, Lot 56, as shown on the Condominium Plan (the "Plan") recorded August 25, 2015 in the Office of the Recorder of the City and County of San Francisco, State of California as Document No. 2015-K114697, as further described in the 800 Presidio Declaration of Restrictions (referred to herein as "the Plan"), recorded August 26, 2015 in the Office of the Recorder of the City and County of San Francisco, State of California as Document No. 2015-K115010, and as further defined in Condominium Map entitled Parcel Map 7046, (referred to herein as "the Map") which was filed for record on December 3, 2014 in Condominium Map Book 125, at Pages 123 through 124, in the Office of the Recorder of the City and County of San Francisco, State of California.

EXCEPTING AND RESERVING THEREFROM any portion of the common area lying within said Unit.

ALSO EXCEPTING AND RESERVING THEREFROM:

- (a) Easements through said Unit, appurtenant to the common area and all other Units, for support and repair of the common area and all other Units.
- (b) Easements, appurtenant to the common area for encroachment upon the air space of the Unit by those portions of the common area located within the Unit.

PARCEL II:

An undivided 50% interest in and to the Common Area as shown and defined on the Plan, excepting and Reserving therefrom the following:

- (a) Exclusive easements, other than Parcel III, as shown and reserved for use to Units in the Plan.
- (b) Non-exclusive easements appurtenant to all units for ingress and egress, support, repair and maintenance.

PARCEL III:

- (a) The exclusive easement to use the Parking Areas designated P-R-1 and P-R-2 on the Plan.
- (b) The exclusive easement to use the Terrace Areas designated T-R on the Plan.

PARCEL IV:

A non-exclusive easement appurtenant to Parcel I above for support, repair and maintenance, and for ingress and egress through the Common Area in accordance with California Civil Code Section 6652.

PARCEL V:

Encroachment easements appurtenant to the Unit in accordance with the provisions of the Plan. Assessor's Lot 56 (formerly Lot 13), Block 1073.

Exhibit D - LOSP Client Selection Criteria

**JOHN BURTON ADVOCATES FOR YOUTH HOUSING AT
BOOKER T. WASHINGTON**

**25 Transitional Age Youth Supportive Housing Units
RESIDENT SELECTION CRITERIA AND PROCESS MAY 2017**

The purpose of this document is to establish the referral process and fair, equitable, and easily understood practices for accepting and rejecting applicants for occupancy in John Burton Advocates for Youth Housing at Booker T. Washington. These criteria are in compliance with requirements of the Federal Low Income Housing Tax Credit Program, the Tax Credit Allocation Committee of the State of California, the California Department of Housing and Community Development and the City of San Francisco's Mayor's Office of Housing and Community Development.

It is not the intent of these practices to deny the housing to any applicant, but rather to ensure that the residential community is a healthy one characterized by vitality, safety and security for all residents and visitors.

REFERRALS

Unit Allocation

- All applicants for the 25 units of TAY housing must be San Francisco (or wards of San Francisco) homeless or at risk of homelessness and between the age 18-24 at the time of application.
- 15 of the 25 units (60%) will be set aside for former foster care youth who are in San Francisco or wards of San Francisco. 5 of these 15 units will be for youth who meet THP Plus eligibility requirements and 10 of these 15 units will be for youth with a history of being in foster care.
- 10 of the 25 units (40%) will be for other San Francisco homeless youth (which could include foster youth).

Initial Rent-up

- During the initial rent-up, agencies that serve former foster youth who are homeless or at risk of homelessness will refer applicants into 15 of the 25 TAY units.
- During the initial rent-up, agencies that serve homeless youth will refer applicants into 10 of the 25 TAY units.
- The breakdown for referral agencies is as follows:

Foster Care

5 for THP Plus Referrals (through Guardian Scholars and HSA)

4 for BTWCSC

6 for First Place for Youth

= 15 total former foster care (60%)

Other Homeless Youth

- 3 for BTWCSC
- 2 for Young Community Developers
- 2 for Bayview Senior Services
- 1 for At the Crossroads
- 1 for Larkin Street
- 1 for LYRIC
- = 10 other homeless youth which may include former foster youth (40%)

- In the event that a referral agency is unable to identify qualified applicants for a specific unit, the City reserves the right to refer other youth who meet the funders' qualifications.
- During the initial rent-up and when filling subsequent vacancies, all referrals will be processed by the City and County of San Francisco and presented to the Management Agent.
- The Management Agent will determine whether or not the referrals are qualified based on pre-established Marketing and Tenant Selection Criteria.

Coordinated Entry

HSH plans to expand Coordinated Entry to become the single access and assessment process for access to all transitional and permanent supportive housing. A key requirement of Coordinated Entry is prioritization and a move away from "first come first served" methods for managing access to shelter and housing. Once Coordinated Entry is fully implemented, access to all interventions in the homeless crisis response system for youth will be managed using a standard assessment and a prioritization system. Coordinated Entry is currently active for individual adult placements into Shelter Plus Care, other federally funded supportive housing and housing designated for veterans. Coordinated Entry procedures are or will be developed and implemented for homeless families, transitional age youth and all other adult populations. Once the City and County of San Francisco's coordinated entry and placement system (aka the ONE System) is operational, referrals will be made through this centralized system and not via individual agencies. All referrals will be processed by the City and County of San Francisco and presented to the property manager. The 15-unit set-aside for foster care youth will continue under this system.

POLICY ON NON-DISCRIMINATION

With respect to the treatment of applicants, the Management Agent will not discriminate against any individual or family because of race, color, creed, national or ethnic origin or ancestry, religion, sex, sexual preference, gender identity, age, disability, handicap, military status, source of income, marital status or presence of children in a household, HIV status, or any other arbitrary basis. No criteria will be applied or information considered pertaining to attributes of behavior that may be imputed by some to a particular group or category. All criteria shall be applied equitably and all information considered on an applicant shall be related solely to the attributes and behavior of individual members of the household as they may affect residency.

APPLICATION PROCESSING PROCEDURES

TRANSITIONAL AGE YOUTH (TAY) UNITS

Transitional Age Youth (TAY) Units - The referrals for the TAY applicants (for the 25 TAY units) are managed by the City and County of San Francisco's Department of Homelessness and

Supportive Housing (HSH). The youth programs manager oversees the process. As part of the referral process the Department works with local agencies that serve youth who are homeless or at risk of homelessness and act as “access points” for housing. These agencies identify young people who are eligible and appropriate referrals for the housing. Once a youth is identified, the application is completed and sent to HSH. The youth programs manager reviews the application for accuracy and eligibility and sends it to property management for final review. Please note that all referrals come through pre-identified access point agencies. Youth cannot apply directly to the building. Once the City and County of San Francisco’s coordinated entry and placement system (aka the ONE System) is operational, referrals will be made through this centralized system and not via individual agencies. All referrals will be processed by the City and County of San Francisco and presented to the property manager.

In order to locate applicants and properly process applications, applicants are asked to **COMPLETELY AND ACCURATELY** supply the information requested on the application. Additionally, applicants must sign each application thereby attesting to the truthfulness of the information provided. Applications which are not completely filled out **will not be considered**.

ELIGIBILITY CRITERIA

These guidelines are written and adhered to in order to foster objectivity and fairness and not as a means to deny housing to people who need it or desire it.

Any verifiable action to CURE a problem area will be considered (For example: paying off a past due balance to landlords or other creditors).

Introduction:

The criteria and guidelines will help to ensure the overall health of the replacement housing in the following ways:

- By ensuring that residents have sufficient resources in order to pay their rent thereby minimizing costly evictions for nonpayment.
- By ensuring that residents are interested in a safe and peaceful environment and are able and willing to contribute to the safety and harmony of the community.
- By ensuring that residents have a history of being respectful of property thereby ensuring that the complex is one in which all can take pride.
- Booker T. Washington is a non-smoking building, persons will not be allowed to smoke in the building or in their unit.

In determining whether an applicant is eligible for occupancy, the following criteria will apply:

- The applicants must meet the definition of a household which is one, two, or more persons sharing residency whose income and resources are available to meet the household’s needs.
- Income: The applicants must not exceed the maximum *income* (as defined by the most restrictive of Tax Credit or HUD Metro Fair Market Rent Area (HMFA) that contains San

Francisco limits as published by MOHCD) and meet the minimum income set forth in Table A.

TABLE A

Studio	Minimum Annual Income	Maximum Annual Income
1 person	\$4,344	\$21,555
Two Bedroom		
2 people	\$4,344	\$43,200
3 people	\$4,344	\$48,500
4 people	\$4,344	\$53,850
5 people	\$4,344	\$48,150

These limits will be adjusted as published by HUD yearly to reflect changes in the Area Median Income. Applicant households whose annual income exceeds the limits published at the time of move in, will not be eligible for occupancy. Gross annual income as defined by HUD includes the gross amount (before deductions for taxes, insurance, etc.) of income, including income from assets, anticipated being received by all household members 18 years of age and over during the twelve months following the date of certification or recertification.

The applicant and all household members over the age of 18 must supply sufficient information to enable the housing provider to request and receive written third-party verification from all income sources including, but not limited to: a) Employment; b) Public Assistance programs; c) Savings and Checking accounts; d) Pensions; e) Disability income; f) All assets including residences, property, stocks, bonds, annuities, retirement accounts, etc.

➤ Full Time Student Status: Units comprised of full-time students do not qualify to reside in tax credit properties. However, there are exceptions as outlined by the IRS under IRC §42(i)(3)(D) that include:

- Receiving assistance under Title IV of the Social Security Act (AFDC, TANF);
- Enrolled in a job training program receiving assistance under the Work Force Investment Act (WIA), (formerly the Job Training Partnership Act) or under another similar federal, state, or local laws;
- Single parents with minor children, all of whom are full-time students and such parents and children are not dependents of another individual (children in household can be claimed as dependents on either parent's tax return).
- All members of household are married and have filed a joint tax return or are entitled to file a joint tax return

- Rental History: Current landlord references will be obtained to inquire if there are documented lease violations and for cause evictions along with an unlawful detainer search. All previous landlords during the previous two years will also be contacted. Any documented behavior which would constitute a material violation of the standard lease to be used at the replacement housing may be considered grounds for ineligibility. A poor rental history is defined as:
 - A judgment against an applicant obtained by the current or previous landlord in the past two years. "No-fault" judgements (Ellis Act, owner Move In, et.) will not be counted against the applicant.
 - A documented unmet obligation (such as rent payment) owed to a previous landlord within the past two years.
 - Negative landlord reference within the past two years that consists of documented lease violations and/or evictions for cause.
 - Absence of rental history will not be grounds for denial.

- Credit: The applicant must have a responsible credit history. A credit check will be obtained for all household members age 18 or older for the past two years. A poor credit history without mitigating circumstances (such as excessive medical bills due to illness, injury or disability) and/or no ability or willingness to cure the deficiencies may be grounds to deem an applicant ineligible for housing. A poor credit history is defined as:
 - Total amount of collections (including governmental tax liens) in excess of \$5,000 within past two years.
 - A bankruptcy filed within the last two years). An exception for medical and/or student loan expenses will be permitted or other mitigating circumstances.
 - An exception for extraordinary medical and/or student loan expenses or other mitigating circumstances may be permitted.

- Criminal Background Check: In compliance with Article 49 of the San Francisco Police Code, the background check will not be reviewed until all other qualifications have been met. A check will be made of criminal conviction records for the past seven years for all adult Applicants of the household. Reports will be obtained from local and/or state records and may also include local Police records. If the Applicant has resided in a state other than California and has a past felony conviction, a report will be required from that state or federal organization. Generally, public records of this sort are only available for the past seven (7) years. Felony convictions and/or unresolved arrests will be grounds for rejection if such offenses involve physical violence to persons or property, domestic violence, sexual abuse, sales of narcotics, illegal weapons possession, any form of assault, breaking and entering, burglary or drug related criminal offenses. A documented lease violation where any member of a household is currently engaged in illegal use of drugs or for which the owner has reasonable cause to believe that a member's illegal use or pattern of use of a drug may interfere with the health, safety, and right to peaceful enjoyment of the property by other residents (i.e., thefts).

Under the Fair Chance Ordinance, applicants will be provided the criminal background record and provided an opportunity to respond and to provide evidence of mitigating factors.

- Failure to present all members of the applicants' household at the scheduled interview(s).
- Falsification of any information provided on an application.

APPEALS PROCEDURES

If an applicant household is deemed ineligible for occupancy, they will be notified in writing of the determination, and the notification will include the reasons for the determination. All applicants who are determined to be ineligible will also be notified of their right to appeal the determination in writing. Applicants will have 10 BUSINESS DAYS for income and credit denials and 14 BUSINESS DAYS for criminal denials to appeal. During this phase mitigating circumstances will be considered. If the applicant(s) does not exercise their appeal right in writing and within the required period, the applicant(s) will be ineligible for housing and their application removed from the processing list as well as from the waiting list.

Applicants who appeal the initial decision of ineligibility will meet with an Owners Representative who had no involvement in making the original decision of ineligibility. The applicant may bring to the meeting any documentation, evidence, or additional information. The Management Agent will also confer with staff and review the applicant's file in its entirety. The Management Agent will make a decision based on the merits of all information reviewed. A written decision will be placed in the applicants file.

Persons with a disability have the right to request reasonable accommodations to participate in the hearing process. During any appeal a comparable unit will be held until a final determination is made.

RESIDENT ACCEPTANCE

Applicants will be offered available units based upon the time of the qualification and readiness to move. They will be offered the first appropriately sized unit for their household. All offers of units will be made in writing.

The Community has accessible units designed for persons with physical disabilities and units designed for persons with visual and/or hearing impairments. Qualified household's requiring these special unit design features will be given occupancy preference.

REASONABLE ACCOMMODATIONS

The Management Agent is committed to ensuring that its policies and procedures are in compliance with the provisions of all Federal and State laws designed to prohibit discrimination in housing on the basis of all protected classifications including race, color, national origin, religion, creed, sex, familial status, age, handicap/disability, gender, gender identity, gender expression, sexual orientation, marital status, ancestry, source of income, genetic information or other arbitrary characteristics. In addition, The Management Agent adheres to applicable laws and regulations regarding accessibility for the disabled.

The Management Agent will grant all reasonable requests for accommodations or modifications from disabled applicants and disabled residents as required by applicable laws. Generally speaking, an “accommodation” is a change, exception, or adjustment to a rule, policy, practice, or service that may be necessary for a person with a disability to have an equal opportunity to use and enjoy a dwelling, including public and common spaces.” Modifications generally are defined as structural changes “to an existing premises occupied or to be occupied by a person with a disability if such modifications may be necessary to afford such person full enjoyment of the premises.”

Whether the request is reasonable will be evaluated on a case-by-case basis consistent with applicable laws. If the Management Agent determines a request is not reasonable, the Management Agent will engage in an interactive process with the applicant to discuss, among other things, possible alternative accommodations or modifications that would effectively meet the disability-related needs without a fundamental alteration to operations and without imposing an undue financial and administrative burden.

An applicant or resident (or another person acting on behalf of the individual needing an accommodation) may request a reasonable accommodation or modification at any time--from the point of expressing interest in housing through the duration of tenancy. The Management Agent may request written verification that:

- the person making the request is disabled as defined by applicable law (if the disability is not obvious);
- describes the needed accommodation or modification; and
- shows the relationship between the person’s disability and the need for the requested accommodation (if the relationship or nexus is not obvious).

The Management Agent will make every effort to accommodate requests in a discreet and expedient manner. An initial response to requests for accommodations or modifications will be provided within 10 days of submission; however, a longer time may be required depending on the circumstances such as if bids are required for specific modifications or we are unable to obtain verifications if required.

All accommodation requests and modification requests require approval by a staff person above the Property Manager. No request can be denied without review and approval by the Management Agent’s Regional 504 Coordinator.

Exhibit E – Intentionally Ommitted

Exhibit F -- Lobbying/Debarment Certification Form

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.

BTW HOUSING PARTNERS, L.P., a California limited partnership:

By: Booker T Washington Community Service Center, a California nonprofit public benefit corporation, its managing general partner

By: _____
Patricia Scott
Executive Director

By: JSCo BTW LLC,
a California limited liability company,
its administrative general partner

By: John Stewart Company,
a California corporation,
its manager

By: _____
Jack D. Gardner
President

G

EXHIBIT G – ANNUAL MONITORING REPORT

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



Edwin M. Lee
Mayor

Olson Lee
Director

March 16, 2017

Notice of Availability of 2016 Annual Monitoring Report Form
(including new audit requirements and wait list submittal)

Announcement of Serious Incident Protocol

MOHCD is pleased to announce the availability of the Annual Monitoring Report (AMR) forms for Reporting Year 2016 (RY2016). The forms can be downloaded from the [Asset Management page](#) of the MOHCD web site. A training on how to complete the AMR will be held at MOHCD on April 13th from 9 a.m. to 12 noon. See below for more information.

New Audit Requirement and Deadline: To provide sufficient time for project sponsors to complete AMRs in accordance with the City's "New Audit Requirements for MOHCD-Funded Projects," the report is now due 5 months after the end of a project's business year. (Previously, it was due 4 months after.) For projects whose business year ended December 31, 2016, the report will be due on May 31, 2017 for the period January 1, 2016, through December 31, 2016. For projects not owned by a single-asset entity and whose financial activity is accounted for and audited with the parent corporation's finances, sponsors may request up to a one-month extension of the deadline to allow for additional time to complete consolidated audited financial statements in accordance with the new audit requirements.

New Waiting List Submittal Requirement: To aid the City in its efforts to ensure that the allocation of MOHCD-financed affordable housing resources is conducted in a consistent, fair, appropriate and inclusive manner, MOHCD is now requiring all sponsors to submit the current version of a project's waiting list with the Annual Monitoring Report.

Submissions for RY2016 and any outstanding reports from prior reporting years will be accepted only in the RY2016 format.

Completion and Submission Instructions

The Annual Monitoring Report consists of the following 3 parts:

I. AMR_RY2016 – project name.xlsx – This is a Microsoft Excel spreadsheet that is comprised of the following worksheets:

Instructions	3C. Demographic Summary (new)
1A. Property & Residents (revised)	4. Narrative
1B. Transitional Programs	5. Project Financing
1C. Eviction Data	6. Services Funding (enhanced)
2. Fiscal Activity (revised)	7. Supplementary Audit Information Required by MOHCD (new)
3A. Occupancy & Rent Info (revised)	Completeness Tracker
3B. Demographic Information (new)	

Provide all applicable information that is requested in worksheets 1-7. Use the Instructions to

help you complete each form and the Completeness Tracker to help you to determine when each worksheet is complete.

Use Question #1 on the Narrative worksheet to explain any data that you provide that may be unclear or better understood with additional information. In addition, certain questions in this report prompt you to supply an explanation for your answers on the Narrative worksheet. *Failure to supply the required explanation will render your submission incomplete.*

Submit this report as an Excel file only; do not convert it to pdf or another file type. Changing the format of AMR_RY2016.xlsx without MOHCD's prior approval is not allowed. Do not overwrite any validations for any of the cells, alter any formulas or add or delete any rows or columns. If you need to revise the form in order to successfully complete the report, submit a request to moh.amr@sfgov.org.

II. Owner Compliance Certification Form and Documentation of Insurance – The certification form is a Microsoft Word document that must be completed, signed and dated by the Executive Director (or other authorized officer) of the entity that owns the project. Scan the form along with documentation of insurance and email it to MOHCD as a single document. For each project, you must provide certificates of liability insurance and property insurance that are *current as of the date of submittal of the AMR*.

III. Audited Financial Statements – Provide financial statements for the project for Reporting Year 2016. They must be prepared by a certified public accountant in accordance with generally accepted accounting principles, applicable regulations and laws and with the City's "New Audit Requirements for MOHCD-Funded Projects" a copy of which is attached and posted on MOHCD's Asset Management web page. If the project is owned by a single asset entity, provide separate financial statements just for the project, otherwise provide audited statements for the parent corporation. Also include copies of any Management Letters and special notes from the auditor that pertain to the property and the financial statements.

IV. Waiting List – Submit a copy of the project's waiting list that is current as of the date of submittal. The waiting list must include the following information for each person or household who has applied to live at the project and is still waiting to be considered for an available unit: name of head-of-household, contact information, date of application, number of people in the household, stated household income and desired unit size. This requirement is not applicable to transitional housing projects, residential treatment programs, shelters, group homes or permanent supportive housing for homeless people that is leased through a closed referral system.

Completed AMRs must be submitted electronically, via one email message per project to moh.amr@sfgov.org, or if desired, for multiple projects, via flash drive or compact disc sent to Mike McLoone at MOHCD. If the documents that comprise the report are too large to attach to a single email, compress the files into a zip file and attach it to the email.

Updates to the Reporting Form

The RY2016 AMR form has been revised from the form for RY2015, as follows:

- Data for Race/Ethnicity – Must now be provided for each tenant household rather than in summary form for the project. Also, race and ethnicity have been split into two, separate demographic categories. For additional information on these changes, see the email notice from MOHCD dated 9/29/16 regarding new requirements for collection of ethnicity and race data.
- Worksheet 1A – Most of the demographic questions have been moved to the new worksheet, "3B. Demographic Information," and the order of the remaining items has been changed to improve the flow of information.
- Worksheet 2 – A new line item titled "Capital Maintenance Repairs/Improvements" has been

added to the expense section to account for capital costs that were paid out of the operating account and may be reimbursed by the Replacement Reserve. The "Reserve Account Details" section has been revised to improve functionality. The section for cash flow "waterfall" (distribution of Surplus Cash) has been simplified and now requires the user to enter the distribution priority as well as the amount of any Residual Receipts loan payment that is due to MOHCD, which previously was auto-calculated.

- Worksheet 3A – Has been shortened by moving the data related to female-headed households, elderly households, number of children and disability to worksheet 3B.
- Worksheet 3B – New worksheet where ethnicity, race and other demographic information must be entered for each tenant household.
- Worksheet 3C – New worksheet where summaries of demographic information for a project are auto-generated, based on data entered on worksheet 3A and 3B.
- Worksheet 6 – Has been enhanced so that supportive services that are selected on Worksheet 1A are auto-filled into Worksheet 6
- Worksheet 4 – New section added where reporters must provide the details of miscellaneous administrative and maintenance expenditures that exceed \$10,000
- Worksheet 7 – This new worksheet has been added in connection with the City's "New Audit Requirements for MOHCD-Funded Projects." Most fields on this sheet are auto-filled with data that is entered on Worksheet 2. Printouts of this sheet may be used to produce the "Supplementary Information Required by MOHCD" that must now be included in the project's audited financial statements. If the auditor elects to use this sheet for this purpose, some data entry on the sheet is required in the yellow-highlighted cells.

AMR Training – April 13, 9am-12noon

To facilitate completion of the AMR by project sponsors, MOHCD will conduct a training on April 13 from 9 a.m. to 12 noon in our office at 1 South Van Ness Avenue, 5th Floor, Room 5080. We strongly encourage the primary staff person responsible for completion of the report to attend. Space is limited. Please RSVP to Ricky Lam at ricky.lam@sfgov.org or 415-701-5542.

Serious Incident Protocol

To ensure that MOHCD is kept informed of serious incidents that occur at projects financed by this office, we have established the following protocol for reporting serious, negative events such as accidents, criminal activity or equipment failure. The report should be filed only after emergency procedures have been followed and the situation has been stabilized.

The Mayor's Office of Housing and Community Development requests that owners of projects financed by this office notify us immediately if a serious incident occurs at their properties and meets one or more of the following parameters:

- Involves serious injury or death
- Is a serious, violent crime that involves a major police action (e.g. shooting)
- Causes the building or a significant number of units to be off-line
- Requires a resident to move out of a unit one month or longer
- Damage to the building is significant enough to require the use of reserves

The owner should notify the MOHCD asset manager assigned to the project and provide the following information:

- The date of the incident
- A description of the incident

- A description of what has been and is being done in response
- The name, phone and email of the staff that should be contacted if there are questions
- Confirmation that 1) the property insurance is current and 2) the insurance company has been contacted; a brief summary of their response, if available
- Statement of whether or not the organization plans to use the project's reserves to pay for corrective action

Available Units and Waiting List Openings

Before advertising the availability of units for lease in a project or the opening of the waiting list, owners and property managers must notify MOHCD of this action by completing a Marketing Plan Template and submitting it to the assigned staff person on MOHCD's asset management and compliance monitoring team. The template is available on the [Asset Management page](#) of our web site, under "Marketing Requirements for MOHCD-Financed Multifamily Rental Projects." Once the marketing plan is approved, MOHCD will post information about the available units or opening of the wait list on this [page of our web site](#). General information for people seeking affordable housing in San Francisco can also be found on our web site at [this location](#).

**Owner Compliance Certification and Insurance & Tax Certification Form
2016 Annual Monitoring Report
San Francisco Mayor's Office of Housing and Community Development**

***** This form must be completed by Project Owner or authorized agent. *****

Complete this form, sign and date it, scan it along with current liability and property insurance certificates into a single PDF file, then email the file along with AMR_RY2016 – project name.xlsx, audited financial statements, and current waiting list to moh.amr@sfgov.org.

Project Name: _____

Project Street Address: _____

Reporting Period – Start Date: _____ End Date: _____

Owner Compliance Certification

The undersigned owner, having received housing development funds pursuant to a housing development program funding agreement/s entered into with the City and County of San Francisco ("CCSF") for the purpose of purchasing, constructing and/or improving low-income housing, does hereby certify as follows:

Initial all statements below, and supply data to make the statement complete where needed (look for underlined blanks; e.g.: _____). For any statements that are not true, you must supply a detailed explanation on the Annual Monitoring Report Narrative Worksheet. The failure to provide a conforming response to all statements below will render incomplete the entire Annual Monitoring Report ("AMR") submission for this project, which may result in a default condition under the funding agreement/s, and also subject the owner to scoring penalties in future efforts to obtain funding from MOHCD for this project and any other project.

	True	False	
1			The CCSF Mayor's Office of Housing and Community Development ("MOHCD") has been alerted by the owner prior to any actions taken by the owner that affect the value of the property associated with this project, including but not limited to the establishment of any liens or encumbrances on the property; and, where required, the owner has obtained written authorization from MOHCD prior to taking any such actions.
2			The undersigned is not in default of the terms of any Agreements with CCSF for this project, nor has it been in default on any other loans, contracts or obligations on this property during the reporting period.
3			The undersigned has not been the subject of any actions relating to any other loans, contracts or obligations on this property which might have a material adverse financial impact on the property.
4			The owner has not lost or failed to renew funding for supportive services for the project during the reporting period and has made available (or caused to be made available through another party) all supportive services that are required by existing, applicable funding and regulatory agreements.
5			The owner has not lost or failed to renew funding for operating subsidy/ies for the project during the reporting period.
6			The owner has paid all taxes due for the reporting period and prior reporting periods.
7			The undersigned has marketed the units in the manner set forth in the marketing and resident selection provisions of the funding agreement/s entered into with CCSF.

Owner Compliance Certification and Insurance & Tax Certification Form
2016 Annual Monitoring Report
San Francisco Mayor's Office of Housing and Community Development

	True	False	
8			The project has met affordability and other leasing provisions set forth in the funding agreement/s entered into with CCSF during the entire reporting period. As of the end date of the reporting period, _____ units (<i>supply exact number</i>) were occupied or held vacant and available for rental by low-income tenants meeting the income qualifications pursuant to the funding agreement/s entered into with CCSF.
9			The undersigned has obtained a tenant income certification and/or third party documentation to support that certification from each tenant household occupying a unit restricted to occupancy by income-qualified tenants. All income certifications are maintained onsite with respect to each qualified tenant who resides in a unit or resided therein during the immediately preceding business year.
10			The total charges for rent and a utility allowance to each income-qualified tenant in a restricted unit do not exceed the maximum rent specified in the funding agreement/s entered into with CCSF as adjusted by the most recent HUD income and rent figures, which have been taken from the figures that are supplied by MOHCD on its website.
11			All withdrawals from the replacement and operating reserve accounts have been made in accordance with the MOHCD funding agreement/s, unless approved in writing by MOHCD.
12			Security deposits required of tenants of the project are in accordance with applicable laws and the funding agreement/s entered into with CCSF.
13			The undersigned has obtained and will maintain insurance policies in accordance with requirements of the funding agreement/s entered into with CCSF as may be reasonably updated from time to time, and has supplied with this AMR certificates of insurance that are current through the end of the reporting period.
14			The undersigned has maintained the units and common areas in a decent, safe and sanitary manner in accordance with all local health, building, and housing codes and in accordance with the HUD Housing Quality Standards.
15			The data submitted in Section 1A – Property & Residents of the Annual Monitoring Report regarding any violation/s of any health, building, or housing codes is complete and accurate; all required copies of violations/citations that were not resolved by the end of the reporting periods are also included with this AMR submission.
16			The undersigned has made best efforts to: (a) keep the units in good repair and available for occupancy; and (b) keep the Project fully rented and occupied.
17			All questions in the Annual Monitoring Report submitted for this reporting period have been answered fully and truthfully; answers have been supplied for all of questions requiring detailed responses on the Annual Monitoring Narrative Worksheet and any related documents have been submitted as attachments.
18			The project has received additional equity proceeds in the amount of \$ _____ (<i>supply amount</i>) from low-income housing tax credit investors during the reporting period.
19			Accurate information has been provided in Worksheet 2 - Fiscal Activity about any Federal Program Income earned by this project during the reporting period.
20			Any amounts charged as Asset Management Fees are reflected accurately under Income & Expenses in Worksheet 2 - Fiscal Activity of the Annual Monitoring Report, and all such amounts have been used exclusively toward asset management of this project. Asset Management Fees taken beyond pre-approved levels have been documented as required in response to question 7 in Section 4 - Narrative.

**Owner Compliance Certification and Insurance & Tax Certification Form
2016 Annual Monitoring Report
San Francisco Mayor's Office of Housing and Community Development**

	True	False	
21			The calculation of cash flow in Worksheet 2 - Fiscal Activity accurately reflects all expenses incurred and income earned, and the proposed distribution of any Residual Receipts would be in accordance with all relevant agreements and policies.
22			The Waiting List that has been submitted with the 2016 Annual Monitoring Report is an accurate and correct record as of the last day of the reporting period of the households who have applied to live at the Project, including the name of the head-of-household (or a suitable alternative), date of application, number of people in the household, stated household income and desired unit size.

Property and Liability Insurance

Enter the information requested below, and attach a current copy (each) of the Property and Liability Insurance Certificates. SCAN the documents and send them as an attachment along with the complete AMR to MOHCD via e-mail to: moh.amr@sfgov.org.

Property Insurance		
	Property Street Address:	
	Policy Number:	
	Policy Effective Date:	
	Policy Expiration Date:	
Liability Insurance		
	Property Street Address:	
	Policy Number:	
	Policy Effective Date:	
	Policy Expiration Date:	

Tax Certification

Enter the information requested below. You do **NOT** need to submit copies of the invoice or checks used to pay the tax.

Property Tax		
	Tax Year:	
	Amount of Tax Paid:	
	Date Paid:	
	Amount outstanding from taxes due for Reporting Period:	
	Amount outstanding from taxes due prior to Reporting Period:	

***** This form must be completed by Project Owner or authorized agent *****

The undersigned, acting under authority of the ownership of this project, executes this Certification, subject to the pains and penalties of perjury, and certifies that the foregoing is true and correct in all respects.

Name: _____ Title: _____

Signature: _____ Date: _____

Annual Monitoring Report - Instructions - Reporting Year 2016 - Mayor's Office of Housing & Community Development

The instructions and definitions below are organized by the worksheets contained within this Annual Monitoring Report. Please review the instructions below and within each worksheet thoroughly as instructions may have changed.

Updated 02/16/2017

1A. Property & Residents

Please follow the instructions provided on the worksheet.

1B. Transitional Programs Only

Please follow the instructions provided on the worksheet.

1C. Eviction Data

Please follow the instructions provided on the worksheet.

2. Fiscal Activity

Income and Expenses

The purpose of the Income and Expenses form is to track actual income and expenses over the reporting period. In addition to the instructions below, please follow instructions provided on the worksheet.

INSTRUCTIONS:

Column B - "Description of Income Accounts" and "Description of Expense Accounts". A complete description of the Income Accounts and Expense Accounts are provided below. Refer to the descriptions when completing the Fiscal Activity Worksheet. The Chart of Accounts uses account categories prescribed by generally accepted accounting principles and closely follows accounts prescribed by HUD, the State of California's Housing and Community Development Department, and the City's Quarterly Program Income Worksheet.

Column D - "Account Number". Each number represents an account in the Chart of Accounts, see below for more info.

Column F - "Residential". This column is for the essential recurring income and expenses related to the operation of a rental housing property, group home, project serving special needs populations or a transitional housing program.

Column H - "Non-Residential". This column is used to report income and expenses related to commercial space or other non-residential space in a project.

Income

Rental Income

5120 Housing Units Gross Potential Tenant Rents. This account records gross rent payable by the tenant for all residential units. Offsetting debits to this account are Account 6331, Administrative Rent Free Unit.

5121 Rental Assistance Payments. This account records rental assistance payments received or earned by the project through the LOSP, HUD Section 8 program (project-based or tenant-based assistance), HUD Section 202/811 programs, Shelter Plus Care program, HOPWA program, Rent Supplement, HOME Tenant-Based Assistance and VASH.

5140 Commercial Unit Rents. This account records gross rental income from stores, offices, rented basement space, furniture and equipment or other commercial facilities provided by the property.

Vacancy Loss

5220 Rent Income - Residential Units Vacancy Loss. ENTER AS NEGATIVE NUMBER. This account records total loss of residential rental income due to vacant residential units.

5240 Rent Income - Commercial Units Vacancy Loss. ENTER AS NEGATIVE NUMBER. This account records total loss of commercial rental income due to vacant commercial units.

Other Income

5170 Garage and Parking Spaces. This account records the gross rental income from all garage and parking spaces.

5190 Miscellaneous Rent Income. This account records gross rental income expectancy not otherwise described above.

5300 Supportive Services Income. Accounts in this series are used primarily by group home projects or other projects restricted to a special needs population (e.g., group home for mentally disabled or senior apartments). These accounts record revenues received or payable (other than rents) for services provided to tenants (e.g., meal services, housekeeping, etc.). Supportive service-related expenses are charged to accounts in the 6900 series. Enter the total of all revenues received or payable, and identify the source(s) of the income in cell D39.

5400 Interest Income - Project Operations. This account records interest income received or accrued on the Project Operating Account/s; DO NOT RECORD interest earned on the Replacement Reserve or Operating Reserve here.

5910 Laundry and Vending. This account records project revenues received from laundry and vending machines owned or leased by the project.

5920 Tenant Charges. This account records charges collected from tenants for damages to apartment units and for fees paid by tenants for cleaning of an apartment unit (other than regular housekeeping services), any security deposits forfeited by tenants moving out of the project and charges assessed to tenants for rent checks returned for insufficient funds and for late payment of rents.

5990 Other Revenue. This account records project revenue not otherwise described in the above revenue accounts.

Expenses
Management

6320 Management Fee. This account records the cost of management agent services contracted by the project. This account does not include charges for bookkeeping or accounting services paid directly by the project to either the management agent or another third party.

Salaries/Benefits

6310 Office Salaries. This account records salaries paid to office employees whether the employees work on site or not. Front-line responsibilities include for example, taking applications, verifying income and processing maintenance requests. The account does not include salaries paid to occupancy, maintenance and regional supervisors who carry out the agent's responsibility for overseeing or supervising project operations and personnel. These salaries are paid from the management fee. This account also does not include the project's share of payroll taxes (Account 6711) or other employee benefits paid by the project.

6330 Manager's Salary. This account records the salary paid to property managers. It does not include the project's share of payroll taxes or other employee benefits or compensation provided to residents managers in lieu of residents managers' salary payments.

6723 Employee Benefits: Health Insurance & Disability Insurance. This account records the cost of employee benefits paid and charged to the project for health insurance and disability insurance.

XXXX Employee Benefits: Retirement & Other Salary/Benefit Expenses. This account records the cost of employee benefits paid and charged to the project for retirement and any other employee salary/benefits.

6331 Administrative Rent Free Unit. This account records the contract rent of any rent free unit provided to a resident manager which would otherwise be considered revenue producing.

Administration

6210 Advertising and Marketing. This account records the cost of advertising the rental property.

6311 Office Expenses. This account records office expense items such as supplies, postage, stationery, telephone and copying.

6312 Office Rent. This account records the rental value of an apartment, otherwise considered potentially rent-producing, but used as the project office or as a model apartment. The account is normally debited by journal entry.

6340 Legal Expense - Property. This account records legal fees or services incurred on behalf of the project (as distinguished from the borrower/grantee entity). For example, agents charge legal fees for eviction procedures to this account.

6350 Audit Expense. This account records the auditing expenses incurred by the project that are directly related to requirements for audited financial statements and reports. This account does not include the auditor's charge for preparing the borrower/grantee's Federal, State and local tax returns. This account does not include the cost of routine maintenance or review of the project's books and records.

6351 Bookkeeping Fees/Accounting Services. This account records the cost of bookkeeping fees or automated accounting services not included in the management fee but paid to either the agent or a third party.

6370 Bad Debts. This account records by journal entry the amount of tenant accounts receivable that the agent estimates uncollectible at the end of the accounting period.

6390 Miscellaneous Administrative Expenses. This account records administrative expenses not otherwise classified in the 6300 Series. If the project had miscellaneous administrative expenses greater than \$10,000, a detailed itemization of these expenses must be provided in the Narrative worksheet.

Utilities

6450 Electricity

6451 Water

6452 Gas

6453 Sewer

Taxes and Licenses

6710 Real Estate Taxes. This account records payments made for real estate taxes of the project.

6711 Payroll Taxes (Project's Share). This account records the project's share of FICA and State and Federal Unemployment taxes.

6790 Miscellaneous Taxes, Licenses and Permits. This account records any taxes, licenses, permit fees or costs of insurance assessed to the property and not otherwise categorized in the 6700 Series.

Insurance

6720 Property and Liability Insurance. This account records the cost of project property and commercial general/auto liability insurance.

6721 Fidelity Bond Insurance. This account records the cost of insuring project employees who handle cash.

6722 Workers' Compensation. This account records the cost of workers' compensation insurance for project employees.

6724 Directors and Officers Liabilities Insurance. This account records the cost of insurance to cover financial protection for the directors and officers of the ownership entity in the event they are sued in conjunction with the performance of their duties as they relate to the property.

Maintenance and Repairs

6510 Payroll. This account records the salaries of project employees whose perform services including but not limited to janitorial/cleaning, exterminating, grounds, repairs, elevator maintenance and decorating. This account does not include the property's share of payroll taxes (FICA and Unemployment) or other employee benefits paid by the property.

6515 Supplies. This account records all cost of supplies charged to the property for janitorial cleaning, exterminating, grounds, repairs and decorating.

6520 Contracts. This account records the cost of contracts the owner or agent executes with third parties on behalf of the property for janitorial/cleaning, exterminating, grounds, repairs, elevator maintenance and decorating.

6525 Garbage and Trash Removal. This account records the cost of removing garbage and rubbish from the project. The account does not include salaries paid to janitors who collect the trash.

6530 Security Payroll/Contract. This account records the project's payroll costs attributable to the protection of the project or the costs of a protection contract that the owner or agent executes on behalf of the project.

6546 HVAC Repairs and Maintenance. This account records the cost of repairing and maintaining heating or air conditioning equipment owned by the project. Agents should capitalize repairs of significant amounts which extend the useful life of the equipment.

6570 Vehicle and Maintenance Equipment Operation and Repairs. This account records the cost of operating and repairing project motor vehicles and maintenance equipment. Motor vehicle insurance is not included in this account but is charged to account 6720.

6590 Miscellaneous Operating and Maintenance Expenses. This account records the cost of maintenance and repairs not otherwise classified in the 6400 and 6500 account Series. If the project had miscellaneous operating and maintenance expenses greater than \$10,000, a detailed itemization of these expenses must be provided in the Narrative worksheet.

Supportive Services

6900 Supportive Service Expenses. Accounts in this series are used primarily by group home projects and other projects restricted to a special needs population. The accounts record expenses directly related to special services provided to the tenants (e.g., food, housekeeping, case managers, social activity coordinator, etc.).

Reserve Account Activity

1320 Replacement Reserve Required Annual Deposits. This account records the required amount of deposits made to a segregated Replacement Reserve bank account from the project's Operating Account during the reporting period. See below for more guidance about data entry required for replacement reserve eligible expenditures.

1365 Operating Reserve Deposits. This account records amount of deposits made to a segregated Operating Reserve bank account from the project's Operating Account during the report period.

XXXX Operating Reserve Account Withdrawals. Enter the total amount of withdrawals made from the Operating Reserve, which will be deposited into the project's Operating Account during the reporting period.

1330 Other Reserve Accounts - Deposits. This account records amount of deposits made to segregated reserve bank accounts not identified above during the report period. Deposits are assumed to have been funded by the project's operating account and will decrease the surplus cash amount in row 136. You should provide the name of the account in cell D132.

XXXX Other Reserve Accounts - Withdrawals. This line is used to record the amount of withdrawals made from other segregated reserve bank accounts during the reporting period. Withdrawals entered are assumed to have been deposited into the project's operating account and will increase the surplus cash amount in row 136. You should provide the name of the account in cell D133.

3A. Occupancy & Rent Info

Accurate and complete household and tenancy data must be submitted on the Occupancy & Rent Info worksheet as evidence that the project complies with the income eligibility and rent affordability restrictions of MOHCD's funding agreements. Enter the data described below into the chart in Section 3a - Occupancy & Rent Info for the tenant population that occupied the project as of the end of the reporting period. *For vacant units and manager's units, you must supply data in columns D, E, P, R and T. All other columns should be left blank.*

COLUMN DESCRIPTION

C. **Row Number.** Do not enter data in this column.

D. **Unit No.** Enter the unit number (or bed number for transitional or group housing) for each unit/bed in the property.

E. **Unit Type.** Use the drop down menu to select the unit type (also shown below):

Bed = (measurement for Group homes or transitional housing)

"SRO" = Single Room Occupancy unit

"Studio" = Studio unit

"1BR" = 1 Bedroom unit

"2BR" = 2 Bedroom unit

"3BR" = 3 Bedroom unit

"4BR" = 4 Bedroom unit

"5+BR" = 5 or more Bedroom unit

F. **Date of Initial Occupancy.** Enter the date when the tenant occupied their *first unit in the project*. For tenants who have transferred to another unit in the project, this date will be different than the date when they moved into their current unit.

G. **Household Annual Income at Initial Occupancy.** Enter the tenant's annual household income from the initial income certification that was done before they moved into their *first unit in the project*. For tenants who have transferred to another unit in the project, this amount will be different than the amount from the recertification that was done when they moved into their current unit.

H. **Household Size at Initial Occupancy.** Enter the number of people that was in the tenant's household when they occupied their first unit in the project. For tenants who have transferred to another unit in the project, this number may be different than it was when they moved into their current unit.

I. **Date of Most Recent Income Recertification.** Enter date of most recent income recertification. Leave blank for vacant units.

J. **Household Annual Income as of Most Recent Recertification within reporting period.** Enter annual income of the household from the most recent recertification. OK to leave blank ONLY if ALL funders do not require annual income recertifications.

K. **Household Size as of Most Recent Recertification within reporting period.** Enter the number of occupants in the unit from the most recent recertification within the reporting period.

L. **Minimum Occupancy for Unit Type.** The data here is automatically entered from items 25-31 on Worksheet #1A.

M. **Maximum Occupancy for Unit Type.** The data here is automatically entered from items 25-31 on Worksheet #1A.

N. **Overhoused or Overcrowded?** The data here is automatically generated based on entries in column K and on items 26-32 on Worksheet #1A.

O. **Overhoused or Overcrowded - Narrative** A household is "Overhoused" if there are fewer people residing in the unit than the minimum occupancy. "Overcrowded" means that there are more people residing in the unit than the maximum occupancy. If the data in column N indicates that the household is overhoused or overcrowded, please describe any extenuating circumstances that justify the overhoused/overcrowded status and summarize efforts that you have made to transfer the tenant to a unit that is appropriate for the size of the household, if applicable.

P. **Rental Assistance.** From the drop-down menu, select one code only to indicate the type of assistance, if any, being provided to the tenant (low-income units only). Select "None" if no rental assistance comes with the unit or none is provided to the tenant.

"Section 8 - Project Based" = The unit comes with Section 8 subsidy that will remain with the unit after the tenant moves out.

"Section 8 - Tenant Voucher" = Tenant is receiving assistance through the Section 8 Certificate or Voucher programs.

"PRAC - 202" = The unit receives a subsidy through a Project Rental Assistance Contract from HUD's 202 program.

"PRAC - 811" = The unit receives a subsidy through a Project Rental Assistance Contract from HUD's 811 program.

"S+C" = Tenant is receiving tenant-based assistance, or the unit has project-based assistance, from the Shelter Plus Care program.

"HOPWA" = Tenant is receiving tenant-based assistance, or the unit comes with project-based rental assistance, from the Housing Opportunities for People With AIDS program.

"VASH" = Tenant is receiving tenant-based assistance, or the unit comes with project-based rental assistance, from the Veterans Administration Supportive Housing program.

"LOSP" = The unit receives a subsidy through the City's Local Operating Subsidy Program.

"DAH (DPH)" = The unit receives a subsidy through the City's Direct Access to Housing Program of DPH.

"HSA Master Lease" = The unit receives a subsidy through the City's Master Lease Program of the Human Services Agency.

"HOME TBA" = Tenant receives assistance from a HOME-funded rental assistance program.

"Rent Supplement" = Tenant receives a supplemental rent payment from an outside agency.

"Other" = Tenant is receiving, or unit comes with, rental assistance through another Federal, State or local program.

- Q. **Amount of Rental Assistance.** Enter the dollar amount of rental assistance that is paid on behalf of the household/tenant.
- R. **Amount of Maximum Gross Rent Allowed for Unit.** Enter the maximum rent for the unit that is allowed by the most restrictive funder of the project.
- S. **Amount of Tenant Paid Rent for Unit.** Enter only the amount of rent that the tenant pays. Do not include any rental assistance paid on behalf of the tenant by another party.
- T. **Utility Allowance.** If the tenant pays for utilities, enter the Utility Allowance allowed for the unit. Enter zero (0) if the Utilities are paid by the project.
- U. **Date of Most Recent Rent Increase within the Reporting Period. ONLY FOR UNITS THAT DO NOT HAVE RENTAL ASSISTANCE OR SUBSIDY.** Enter date of most recent rent increase for unit.
- V. **Amount of Most Recent Rent Increase within the Reporting Period. ONLY FOR UNITS THAT DO NOT HAVE RENTAL ASSISTANCE OR SUBSIDY.** Enter amount of most recent rent increase for unit.
- W. **Percentage of Most Recent Rent Increase. THIS IS A SELF-CALCULATING CELL - ENTER NO DATA HERE.**

3B. Demographic

The two ethnic categories are defined below:

- **Hispanic or Latino.** A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race. The term "Spanish origin" can be used in addition to "Hispanic" or "Latino."
- **Not Hispanic or Latino.** A person not of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.

The 10 racial categories are defined below:

- **American Indian or Alaska Native.** A person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment.
- **Asian.** A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.
- **Black or African American.** A person having origins in any of the black racial groups of Africa.
- **Native Hawaiian or Other Pacific Islander.** A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.
- **White.** A person having origins in any of the original peoples of Europe, the Middle East or North Africa.
- **American Indian or Alaska Native and Black or African American.** A person having these multiple race heritages as defined above.
- **American Indian or Alaska Native and White.** A person having these multiple race heritages as defined above.
- **Asian and White.** A person having these multiple race heritages as defined above.
- **Black or African American and White.** A person having these multiple race heritages as defined above.
- **Other/Multi-Racial.** For reporting individual responses for a person that is not included in any of the categories listed above.

Female-headed Household. For each residential unit, enter "Yes" if the head of household is a woman that is either alone or with one or more children. Enter "No" if the head of the household is not a woman.

Elderly Household. For each residential unit, enter "Yes" if the head of household is a person that is at least 62 years of age. Enter "No" if the head of the household is younger than 62.

Number of Children Under Age 18 in Household. Enter the number of occupants in the unit that were under age 18 as of the end date of the reporting period.

Disability (Physical/Visual/Hearing/None). If the unit is occupied by a tenant with any of the listed disabilities, select the disability from the drop-down menu. Select "None" if the unit is not occupied by a physically, visually, or hearing disabled tenant.

3C. Summary of Reported Household Demographics

No data entry required. Output based on information reported from Worksheets 3A and 3B.

4. Narrative

Please follow the instructions provided on the worksheet.

5. Project Financing

Supply the info requested about all current financing of the project. Lenders should be listed in lien order, i.e., with the most-senior lender in the first lien position, the most-junior lender in last lien position.

6. Services Funding

For each service that is provided based on your answers to questions 51-61 on Worksheet 1A, you must supply additional info about each service provider on Worksheet 6. Services Funding.

7. Supplementary Audit Information - Required by MOHCD

Use this template to satisfy the audit requirement for MOHCD-funded projects. Project Owners/auditors may enter data directly into this worksheet and then print it to create the required Supplemental Schedules in the Audited Financial Statement. Alternatively, the audit requirement may be satisfied by using a form generated by the Sponsor's accounting system, as long as the form includes all the elements contained within MOHCD's template.

Completeness Tracker

Use this worksheet to track your work and to verify that you have completed all required data entry.

Links to Relevant Policies

Double click on the following web links to access the policy documents posted at SFGOV for your reference. The web address of the pages on the web are included for manual navigation as well.

MOHCD Forms Page at SFMOHCD.ORG

<http://sfmohcd.org/documents-reports-and-forms>

Program Income Overview

http://sfmohcd.org/sites/default/files/FileCenter/Documents/5141-MOH_ProgIncomeOverview.pdf

MOHCD Residual Receipt Policy

<http://sfmohcd.org/sites/default/files/Documents/CURRENTResidualRecPolicy%202016.pdf>

MOHCD Insurance Requirements Policy

http://sfmohcd.org/sites/default/files/FileCenter/Documents/5140-INSURANCE%20EXHIBIT%20K_2014-05-21.pdf

MOHCD Operating Fees Policy

<http://sfmohcd.org/sites/default/files/Documents/CURRENT%20OperatingFeesPolicy%202016.pdf>

**Annual Monitoring Report - Property & Residents - Reporting Year 2016 -
Mayor's Office of Housing & Community Development**

#	<i>IDENTIFYING INFO</i>
1	Reporting Period Start Date (m/d/yyyy)
2	Reporting Period End Date (m/d/yyyy)
3	Property Name (select from drop down)
4	Property Full Street Address (e.g. "123 Main Street")
	<i>CONTACT INFO</i>
5	Sponsor Executive Director Name
6	Sponsor Executive Director Phone Number
7	Sponsor Executive Director E-mail
8	Property Management Company
9	Property Manager Name
10	Property Manager Phone Number
11	Property Manager E-mail
12	Property Supervisor Name
13	Property Supervisor Phone Number
14	Property Supervisor E-mail
15	Property Owner Name
16	Property Owner Contact Person
17	Property Owner Contact Phone Number
18	Property Owner Contact E-mail
19	Property Asset Manager Name
20	Property Asset Manager Phone Number
21	Property Asset Manager E-mail
22	AMR Preparer's Name
23	AMR Preparer's Phone Number
24	AMR Preparer's E-mail

PROPERTY/MARKETING INFO					
25		Is the project any of the following: Transitional Housing, Residential Treatment Program, Shelter or Transitional Group Home? (select "yes" or "no" from the drop-down menu to the left.) <i>If you answer "yes", skip questions 26 through 39 below, and continue with question 40. Also, you must complete worksheet "1B.TransitionalProg."</i>			
What is the Unit Mix for the Property? Please include any manager's units in this tally.					
	Unit Types	Number Of Units	Occupancy Standard: Minimum HH Size for this Unit Type*	Occupancy Standard: Maximum HH Size for this Unit Type*	*Occupancy Standards should be described in project's Approved Tenant Selection and Marketing Plan. If not defined there, supply the standards used organization-wide.
26	Single Room Occupancy (SRO) Units		1		
27	Studio Units		1		
28	One-Bedroom (1BR) Units		1		
29	Two-Bedroom (2BR) Units				
30	Three-Bedroom (3BR) Units				
31	Four-Bedroom (4BR) Units				
32	Five- or More (5+BR) Bedroom Units				
33	TOTAL # Units-->	0			
34		Vacancies - How many vacancies occurred at the project during the reporting period? (Be sure that the number you report here is not less than the number of vacant units that are included on worksheet 3.)			
35		0	Evictions - How many evictions occurred during the reporting year? (This data in this field is automatically calculated from the data that is entered on worksheet 1C. You must complete worksheet 1C, unless the project is transitional housing, a residential treatment program, a shelter or a transitional group home.)		
36		# 4	Vacant Unit Rent-Up Time - (<i>in DAYS</i>) State the average vacant unit rent-up time. This is the period from the time a household moves out to when the unit is rented again. If this period exceeds 30 days, you must answer Question # 4 on the Narrative worksheet. (<i>Click on # 4 at left to jump to Narrative worksheet.</i>)		
37			Waiting List - How many applicants are currently on the waiting list?		
38			When was the waiting list last updated? (m/yyyy)		
39		# 5	Affirmative Marketing - Did you conduct any marketing of the project during the reporting period? If you conducted marketing during the reporting period, you must answer Question #5 on the Narrative worksheet. (<i>Click on #5 at left to jump to Narrative worksheet.</i>)		

40		What is the date of the last Capital Needs Assessment? (m/d/yyyy)
41		What is the projected date of the next Capital Needs Assessment? (m/d/yyyy)
42	# 2	How many Health, Building or Housing Code Violations were issued against the property in the reporting year? (If there were no violations enter "0"). If the property was cited for code violations in the reporting year or has open, unresolved violations from prior years as indicated below, you must answer Question #2 on the Narrative worksheet. (Click on #2 at left to jump to Narrative worksheet.)
43		How many Health, Building or Housing Code Violations were open from <i>prior</i> years?
44		How many Health, Building or Housing Code Violations were cleared in the reporting year?
45	# 3	Are there urgent Major Property Repairs needed on the property in the next two years? (Yes/No) If there are needed major repairs you must answer Question #3 on the Narrative worksheet. (Click on #3 at left to jump to Narrative worksheet.)
46	# 3	If the property has Immediate Capital Needs and lacks adequate funds in the Replacement Reserve (or elsewhere) to cover the costs, please supply the amount of funds needed to make up the difference, and supply additional explanation in question #3 of the Narrative report. (Click on # 3 at left to jump to Narrative worksheet.)
47		As of the last day of the reporting period, how many units were fully Accessible to Physically Impaired Tenants ?
48		As of the last day of the reporting period, how many units were Adaptable for Physically Impaired Tenants ?
49		As of the last day of the reporting period, how many units were fully Accessible to Visually Impaired Tenants ?
50		As of the last day of the reporting period, how many units were fully Accessible to Hearing Impaired Tenants ?

Resident Services: AN ANSWER IS REQUIRED FOR questions 51-61. Indicate below any services that were available to the residents free of charge, on site or at another designated location within 1/4 mile of the project. You must also provide additional information about each of the marked services below on Worksheet "6.Services"		
51	no	Go To WS6 After School Program/s (y/n)
52	no	Go To WS6 Licensed Day Care Service (<i>participant fees are allowable for day care ONLY</i>) (y/n)
53	no	Go To WS6 Youth Program/s (y/n)
54	no	Go To WS6 Educational Classes (e.g. basic skills, computer training, ESL) (y/n)
55	no	Go To WS6 Health and Wellness Services/Programs (y/n)
56	no	Go To WS6 Employment Services (y/n)
57	no	Go To WS6 Case Management, Information and Referrals (y/n)
58	no	Go To WS6 Benefits Assistance and Advocacy; Money Management; Financial Literacy and Counseling (y/n)
59		Go To WS6 Support Groups, Social Events, Organized Tenant Activities (y/n)
60		Go To WS6 Other Service #1 - Please specify in column G.
61		Go To WS6 Other Service #2 - Please specify in column G.

POPULATION SERVED

Target / Actual Populations: As of the last day of the reporting period, what are the Actual and Target Populations (expressed as Number of Households) for the Project?

Under Target Population, enter the number of units at the project that, as a requirement of a specific funding source (e.g. 202, HOPWA, McKinney), are targeted to and set aside for the target populations shown in the table. Under Actual Population, enter the number of households at the project that, as of the end of the reporting period, contained at least one person who is a member of the populations shown in the table.

		Target Population		Actual Population	
62		0	Families	0	Families
63		0	Persons with HIV/AIDS	0	Persons with HIV/AIDS
64		0	Housing for Homeless	0	Housing for Homeless
65		0	Mentally or Physically Disabled	0	Mentally or Physically Disabled
66		0	Senior Housing	0	Senior Housing
67		0	Substance Abuse	0	Substance Abuse
68		0	Domestic Violence Survivor	0	Domestic Violence Survivor
69		0	Veterans	0	Veterans
70		0	Formerly Incarcerated	0	Formerly Incarcerated
71		0	Transition-Aged Youth ("TAY")	0	Transition-Aged Youth ("TAY")

Remember, SAVE YOUR WORK!

Annual Monitoring Report - Transitional Programs - Reporting Year 2018 - Mayor's Office of Housing & Community Development

Project Address: _____

Project Capacity: What is the target capacity of this project? (All blanks in this section must be filled with a number of "0" or greater in order for the worksheet to be complete.)

	A. Num Singles Not In Families	B. Num Families	C1. Num Adults In Families	C2. Num Children In Families	D. Num of Beds
1					
2	0				Total Households (Singles and Families) That Can Be Served

Persons Served During Operating Year (All blanks in this section must be filled with a number of "0" or greater in order for the worksheet to be complete.)

	A. Num Singles Not In Families	B. Num Families	C1. Num Adults In Families	C2. Num Children In Families	
3					Num on the first day of operating year
4					Num entering the program during the operating year
5	0				Total Households (Singles and Families) Served
6					Num who left the program during the operating year
7	0	0	0	0	Num in the program on the last day of the operating year
8	0				Total Households in program on the last day of the operating year
9					<-Capacity Utilization Rate (by Household as of last Day of Operating Year)

If the Capacity Utilization Rate is **LESS** than 75% you must respond to the following:

10		1. Explain the reason(s) why the capacity utilization rate is as low as it is; and
11		2. Describe plan/s to raise the capacity utilization rate to at least 75%, with specific timeline.

Length of Stay: For the 0 households that LEFT the program during the operating year, how many were in the project for the following lengths of time? (Total in cell H28 should match total of cells H14 + I14. All blanks in this section must be filled with a number of "0" or greater in order for the worksheet to be complete.)

12		Less than 1 month
13		1 to 2 months
14		3 - 6 months
15		7 months - 12 months
16		13 months - 24 months
17		25 months - 3 years
18	0	TOTAL # HH's that left the program

Destination: For the 0 households reported to have LEFT the program during the operating year, how many left for the following destinations? (Total in cell H53 should match total of cells H14 + I14. All blanks in this section must be filled with a number of "0" or greater in order for the worksheet to be complete.)

19		Rental - House or Apartment (no subsidy)	PERMANENT
20		Public Housing	
21		Section 8 Voucher	
22		Subsidized Rental - house or apartment	
23		Homeownership	
24		Moved in with family or friends	
25	0	Permanent Housing Subtotal	
26		Transitional Housing for homeless persons	TRANSITIONAL
27		Moved in with family or friends TEMPORARILY	
28	0	Transitional Housing Subtotal	
29		Psychiatric hospital	INSTITUTIONAL
30		Inpatient alcohol or other drug treatment facility	
31		Jail/Prison	
32		Medical Facility	
33	0	Institutional Subtotal	
34		Emergency Shelter	OTHER
35		Places not meant for human habitation (e.g. street)	
36		Unknown	
37		Other	
38	0	Other Subtotal	
39	0	TOTAL # HH's that left the program	

Annual Monitoring Report - Eviction Data - Reporting Year 2016 - Mayor's Office of Housing & Community Development

Project Address:

This section of the AMR must be completed for all projects, except for transitional housing or residential treatment services.

Number of households who lived in the project during the reporting period:

1 | Number of households who lived in the project AT ANY TIME during the reporting period. Be sure to include all households that moved in during the reporting period.

Number of households in the project who received Notices of Eviction during the reporting period for each of the following reasons:

(If more than one reason applies to a household, report only the primary reason.) You MUST answer every question (i.e., enter zero if applicable).

2	Breach of Lease Agreement
3	Capital Improvement
4	Condo Conversion
5	Demolition
6	Denial of Access to Unit
7	Development Agreement
8	Ellis Act Withdrawal
9	Failure to Sign Lease Renewal
10	Good Samaritan Tenancy Ends
11	Habitual Late Payment of Rent
12	Illegal Use of Unit
13	Lead Remediation
14	Non-payment of Rent
15	Nuisance
16	Other
17	Owner Move In
18	Roommate Living in Same Unit
19	Substantial Rehabilitation
20	Unapproved Subtenant
21	0 Total number of households who received Notices of Eviction

Number of unlawful detainer actions filed in court by the owner against tenants in the project during the reporting period for each of the following reasons:

(If more than one reason applies to a household, report only the primary reason.) You MUST answer every question (i.e., enter zero if applicable).

22	Breach of Lease Agreement
23	Capital Improvement
24	Condo Conversion
25	Demolition
26	Denial of Access to Unit
27	Development Agreement
28	Ellis Act Withdrawal
29	Failure to Sign Lease Renewal
30	Good Samaritan Tenancy Ends
31	Habitual Late Payment of Rent
32	Illegal Use of Unit
33	Lead Remediation
34	Non-payment of Rent
35	Nuisance
36	Other
37	Owner Move In
38	Roommate Living in Same Unit
39	Substantial Rehabilitation
40	Unapproved Subtenant
41	0 Total number of unlawful detainer actions filed

Number of households evicted from the project during the reporting period for each of the following reasons:

(If more than one reason applies to a household, report only the primary reason.) You MUST answer every question (i.e., enter zero if applicable).

42	Breach of Lease Agreement
43	Capital Improvement
44	Condo Conversion
45	Demolition
46	Denial of Access to Unit
47	Development Agreement
48	Ellis Act Withdrawal
49	Failure to Sign Lease Renewal
50	Good Samaritan Tenancy Ends
51	Habitual Late Payment of Rent
52	Illegal Use of Unit
53	Lead Remediation
54	Non-payment of Rent
55	Nuisance
56	Other
57	Owner Move In
58	Roommate Living in Same Unit
59	Substantial Rehabilitation
60	Unapproved Subtenant
61	0 Total number of households evicted (total also used to answer question #35 on Worksheet 1A)

	B	D	F	H	J
15	Annual Monitoring Report - Fiscal Activity - Reporting Year 2016 - Mayor's Office of Housing & Community Development				
16	INCOME & EXPENSES				
17	12 Month Report Period	Start Date	10/1/00	End Date	10/1/00
18	Number of Units	0			
19		Amount			
20	Description of Income Accounts	Number	Residential	Non-Residential	Total
21					
22	Rental Income				
23	Housing Units - Gross Potential Tenant Rents	5120			
24	Rental Assistance Payments (Identify ALL sources in row below if applicable, including Local Funding)	5121			
25	Sources				
26	Commercial Unit Rents	5140			
27	sub-total Gross Rental Income:		\$0.00	\$0.00	\$0.00
28	Vacancy Loss - enter amounts as negative numbers!				
29	Housing Units	5220			
30	Commercial	5240	\$0.00	\$0.00	\$0.00
31	sub-total Vacancies:		\$0.00	\$0.00	\$0.00
32					
33	NET RENTAL INCOME:		\$0.00	\$0.00	\$0.00
34					
35	Other Income				
36	Garage and Parking Spaces	5170			
37	Miscellaneous Rent Income	5190			
38	Supportive Services Income - Do not enter supportive services income if it is tracked in a separate budget and not appropriate per HUD/CO loan terms to be included in Residual Receipts calculation.	5300			
39	Supportive Services Income Sources - Identify program source(s) if applicable				
40	Interest Income - Project Operations (From Operating Account Only)	5400			
41	Laundry and Vending	5910			
42	Tenant Charges	5920			
43	Other Revenue	5990			
44	sub-total Other Income Received:		\$0.00	\$0.00	\$0.00
45					
46	TOTAL INCOME RECEIVED:		\$0.00	\$0.00	\$0.00
47					
48	INCOME & EXPENSES				
49					
50	Description of Expense Accounts	Amount	Residential	Non-Residential	Total
51	Management				
52	Management Fee	6300			
53	"Above the Line" Asset Management Fee (amount allowable may be limited, see Asset Mgt. Fee Policy)				
54	sub-total Management Expenses:		\$0.00	\$0.00	\$0.00
55	Salaries/Benefits				
56	Office Salaries	6310			
57	Manager's Salary	6330			
58	Employee Benefits: Health Insurance & Disability Insurance	6723			
59	Employee Benefits: Retirement & Other Salary/Benefit Expenses				
60	Administrative Rent Fee Link	6331			
61	sub-total Salary/Benefit Expenses:		\$0.00	\$0.00	\$0.00
62	Administration				
63	Advertising and Marketing	6210			
64	Office Expenses	6311			
65	Office Rent	6312			
66	Legal Expense - Property	6340			
67	Audit Expense	6350			
68	Bookkeeping/Accounting Services	6351			
69	Post Office	6370			
70	Miscellaneous Administrative Expenses (insert check & explain if >\$100)	6399			
71	sub-total Administrative Expenses:		\$0.00	\$0.00	\$0.00
72	Utilities				
73	Electricity	6450			
74	Water	6451			
75	Gas	6452			
76	Sever	6453			
77	sub-total Utilities Expenses:		\$0.00	\$0.00	\$0.00
78	Taxes and Licenses				
79	Real Estate Taxes	6710			
80	Payroll Taxes	6711			
81	Miscellaneous Taxes, Licenses, and Permits	6719			
82	sub-total Taxes and License Expenses:		\$0.00	\$0.00	\$0.00
83	Insurance				
84	Property and Liability Insurance	6720			
85	Fidelity Bond Insurance	6721			
86	Workers' Compensation	6722			
87	Directors & Officers Liability Insurance	6724			
88	sub-total Insurance Expenses:		\$0.00	\$0.00	\$0.00
89	Maintenance and Repairs				
90	Payroll	6510			
91	Supplies	6515			
92	Contracts	6520			
93	Garbage and Trash Removal	6525			
94	Security Payroll/Contract	6530			
95	HVAC Repairs and Maintenance	6546			
96	Vehicle and Maintenance Equipment Operation and Repairs	6570			
97	Miscellaneous Operating and Maintenance Expenses (insert check & explain if >\$100)	6590			
98	sub-total Maintenance Repair Expenses:		\$0.00	\$0.00	\$0.00
99	Supportive Services do not enter supportive services expenses if tracked in separate budget and not eligible to be counted against project income for residual receipts calculation.	6900			
100					
101	SUB-TOTAL OPERATING EXPENSES:		\$0.00	\$0.00	\$0.00
102	Capital Maintenance Repairs/Improvements eligible for payment by Replacement Reserve. If capital costs were entered in amounts for Maintenance & Repairs section above and are eligible for payment by the Replacement Reserve, please enter details in Replacement Reserve-Eligible Expenditures below, beginning from row 207. Amounts provided in P210-216 will be linked to cell F102 and netted out from operating expenses.		\$0.00		
103	Non-Capital Maintenance Repair Expenses eligible for payment by Replacement Reserve. Only enter amounts here if they were included in amounts entered for Maintenance & Repairs section above and will be reimbursed by Replacement Reserve. Amount will be netted out from operating expenses. Enter as positive number.				
104	TOTAL OPERATING EXPENSES:		\$0.00	\$0.00	\$0.00
105					
106		Actual	Residential	Non-Residential	Total
107	TOTAL INCOME RECEIVED:	\$0.00	\$0.00	\$0.00	\$0.00
108	TOTAL OPERATING EXPENSES:	\$0.00	\$0.00	\$0.00	\$0.00
109	NET OPERATING INCOME:	\$0.00	\$0.00	\$0.00	\$0.00

	B	D	F	H	J
Annual Monitoring Report - Fiscal Activity - Reporting Year 2016 - Mayor's Office of Housing & Community Development					
110					
111	4. Ground Lease Base Rent & Debt Service (Principal and Interest)	Name of Lessor or Lender / Description Other Amt Paid	Residential	Non-Residential	Total
112	Ground Lease - Base Rent (provide Lessor name to the right)				
113	Bond Monitoring Fee				
114	Lender1 - Principal Paid (provide lender name to the right)				
115	Interest Paid				
116	Other Amount (describe to the right)				
117	Lender2 - Principal Paid (provide lender name to the right)				
118	Interest Paid				
119	Other Amount (describe to the right)				
120	Lender3 - Principal Paid (provide lender name to the right)				
121	Interest Paid				
122	Other Amount (describe to the right)				
123	Lender4 - Principal Paid (provide lender name to the right)				
124	Interest Paid				
125	Other Amount (describe to the right)				
126	Total Ground Lease Base Rent + Debt Service Payments		\$0.00	\$0.00	\$0.00
127					
128	5. Reserve Account Activity Impacting Operating Account				
129	Replacement Reserve Required Annual Deposit (Source is Operating Account.) Enter as positive number.	1320			\$0.00
130	Operating Reserve Deposits (Source is Operating Account.) Enter as positive number.	1365			\$0.00
131	Operating Reserve Account Withdrawals (For deposits to Operating Account.) Enter as positive number.				\$0.00
132	Other Required Reserve Account Deposits (Source is Operating Account. Enter as positive number. Identify reserve account in next col (1330))				\$0.00
133	Other Required Reserve Account Withdrawals (For deposits to Operating account. Enter as positive number. Identify account in next col →)				\$0.00
134	Net Reserve Activity:		\$0.00	\$0.00	\$0.00
135	Surplus Cash, Detail (NOL minus Debt Service and Reserve Activity)		\$0.00	\$0.00	\$0.00
136					
137					
138	If amount for Surplus Cash above is negative, you must provide a detailed explanation to question #8 on the Narrative worksheet - you must NOT supply data for any of the fields for Use of Surplus Cash below			Go to your Narrative question #8	
139	Surplus Cash, Total				\$0.00
140	Distribution of Surplus Cash/Residual Receipts - (Response is Required.) In the space below, please provide a detailed narrative summary of allowable distributions of Surplus Cash that accurately reflects the requirements under all MOHCD agreements as well as the requirements of other lenders and any other agreements that govern. Please include the calculation methodology, applicable annual increases, etc. For proposed distribution amounts entered in column J, rows 143-154, select the distribution priority for each of the uses of cash below/surplus cash in column H. If distribution of surplus cash is not allowed under MOHCD agreements or other lender agreements, enter N/A in the box below.				
141					
142	USES OF SURPLUS CASH THAT ARE AUTHORIZED TO BE PAID PRIOR TO CALCULATION OF RESIDUAL RECEIPTS PAYMENTS (IF APPLICABLE)		Distribution Priority (select below)		
143	6. Operating Reserve Replenishments (Deposits made out of surplus cash to satisfy minimum balance requirements)				
144	7. "Governmental" Asset Mgt Fee (only written authorization from City/PHA may be required, see Asset Mgt. Fee Policy)				
145	8a. Partnership Management fee due from this reporting period, if any (tax credit projects only; not allowed if project is beyond 15-year compliance period)				
146	8b. Partnership Management fee accrued but unpaid from PRIOR reporting periods, if any (tax credit projects only; per City policy, not allowed if project is beyond 15-year compliance period)				
147	9a. Investor Services Fee (aka LP Asset Management Fee) due from this reporting period, if any (tax credit projects only; per City policy, not allowed if project is beyond 15-year compliance period)				
148	9b. Investor Services Fee (aka LP Asset Management Fee) accrued but unpaid from PRIOR reporting periods, if any (tax credit projects only; per City policy, not allowed if project is beyond 15-year compliance period)				
149	10. Deferred Developer fee, if any				
150	11. Other payments: use question #1 on the Narrative (worksheet #4) to provide details about any fees or other payments, including ground lease residual rent payments for a non-MOHCD/DCCL ground lease. Failure to provide details will result in disallowance of this expense. You may only include payments that were approved by MOHCD at time of funding that are also explicitly authorized by a Partnership Agreement or similar project document.			Go to next narrative question #1	
151	12a1. Debt Pmt to other lender1: Principal Paid (note lender name to right)				
152	12a2. Debt Pmt to other lender1: Interest Paid				
153	12b1. Debt Pmt to other lender2: Principal Paid (note lender name to right)				
154	12b2. Debt Pmt to other lender2: Interest Paid				
155	Total Payments preceding Residual Receipts Calculation:				\$0.00
156					
157	13. RESIDUAL RECEIPTS				\$0.00
158					
159	13a. MOHCD Residual Receipts Due for Loan Repayment				
160	13b. MOHCD Residual Receipts Due for Ground Lease Residual Rent Payment				
161	13c. Subtotal Residual Receipts Payments to MOHCD				\$0.00
162	13d. Residual Receipts Debt Pmt to other lender3 (note lender name to right)				
163	13e. Residual Receipts Debt Pmt to other lender4 (note lender name to right)				
164	13f. Residual Receipts Debt Pmt to other lender5 (note lender name to right)				
165	Total Residual Receipts Payments:				\$0.00
166					
167	DO NOT SUBMIT YOUR PROPOSED RESIDUAL RECEIPT PAYMENT TO MOHCD WITH THIS AMR. MOHCD WILL REVIEW YOUR PROPOSED PAYMENT AND GENERATE AN INVOICE IF THE CALCULATION CAN BE VERIFIED AS APPROPRIATE; IF THE CALCULATION CANNOT BE VERIFIED, MOHCD WILL CONTACT YOU.				
168	Remaining Balance				\$0.00
169					
170	Proposed Owner Distributions (provide description in column D and enter amount in column J. If an amount is entered, a description is required)				
171	Proposed Other Distributions/Fees (provide description in column D and enter amount in column J. If an amount is entered, a description is required. If you had a Calendar Year LOGP surplus, please acknowledge that and note exact amount.)				
172					
173	Final Balance: should be ZERO except when Surplus Cash (cell F136) is negative				\$0.00

	B	C	D	E	F	G	H	I	J
15	Annual Monitoring Report - Fiscal Activity - Reporting Year 2016 - Mayor's Office of Housing & Community Development								
174	OPERAING RESERVE ACCOUNT DETAILS								
175	Enter Beginning and Ending Balances in each of the categories listed below. Changes in asset categories will auto calculate.								
176	Minimum Required Balance:								
177	Beginning Balance:								
178	Actual Annual Deposit (don't edit - taken from page 1 account number 1355):				\$0.00				
181	Interest Earned:								
182	Annual Withdrawal Amount (enter as negative number):								
183	Ending Balance (don't edit cell - calculated):				\$0.00				
184	Required Annual Deposits:								
185	Total Operating Expenses plus debt service (don't edit cell - calculated):				\$0.00				
186	If the calculated percentage shown to the right (Op Reserve Account Ending Balance divided by Total Op Expenses) is less than 25.5%, you must describe how the project will remedy the shortfall in the adjacent cell.								
187	If the calculated percentage shown to the right is greater than 26.5%, you must explain why the Op Reserve balance exceeds MOHCD's requirement in the adjacent cell.								
188					0.00%				
189	REPLACEMENT RESERVE (Do not leave blank for any questions arising for a number, asset min instead)								
190	Minimum Required Balance:								
191	Beginning Balance:								
192	Actual Annual Deposit:								
193	Interest Earned:								
194	Annual Withdrawal Amount (enter as negative number):								
195	Ending Balance (don't edit cell - calculated):				\$0.00				
196	Required Annual Deposit (do not edit - taken from page 1 account number 1320):				\$0.00				
197	Describe how the amount of annual deposit and the minimum required balance is determined.								
198	CHANGES TO ASSET CATEGORIES								
199	Enter Beginning and Ending Balances in each of the categories listed below. Changes in asset categories will auto calculate.								
200	Building & Improvements				Balance, 1/00/1900	Changes		Balance, 1/00/1900	
201	Offsite Improvements					\$0.00			
202	Site Improvements					\$0.00			
203	Land Improvements					\$0.00			
204	Furniture, Fixtures & Equipment					\$0.00			
205	Other					\$0.00			
206	Replacement Reserve-Eligible Expenditures: Provide details below about the Capital and non-Capital Expenditures that are Replacement Reserve-eligible.								
207	Capital Repairs and Improvements: Enter capital repairs and improvement costs associated with the reporting year. For each category in rows 200-205 above that shows a positive change, an entry is required in each corresponding category in rows 210-215. If the operating account is used to fund the repair, and is later reimbursed by the replacement reserve during the reporting year, show the repair cost under "Replacement Reserve". If the operating account is used to fund the repair and was not reimbursed by the replacement reserve during the reporting year, show the repair cost under "Operating Account". Use the section below to supply a description of the capital repairs and improvements made.								
208	Capital Repairs and Improvements Funded By:								
209	Capital Repairs and Improvements - Categories	Replacement Reserve	Operating Account	Other Source	Total Amount				
210	Building & Improvements				\$0.00				
211	Offsite Improvements				\$0.00				
212	Site Improvements				\$0.00				
213	Land Improvements				\$0.00				
214	Furniture, Fixtures & Equipment				\$0.00				
215	Other				\$0.00				
216	Total	\$0.00	\$0.00	\$0.00	\$0.00				
217	Total Expenses of Capital Repairs and Improvements								
218	Non-Capital Replacement Reserve Eligible Expenditures (i.e., labor costs): Enter the amounts used to fund non-capital replacement reserve eligible expenditures. Use the section below to supply explanation.								
219	Paid out of Operating Budget, to be reimbursed by RR (shows the amount entered in row 191) above								
220	Paid Directly from Replacement Reserve				\$0.00				
221	Other Source								
222	Total Non-Capital Replacement Reserve Eligible Expenditures								
223	Total								
224	Total Replacement Reserve Eligible Expenditures: the Replacement Reserve Withdrawal for the reporting period should not exceed the Total Eligible Expenditures. You must account for the total amount of the RR withdrawal amount across the Total RR.								
225	TOTAL REPLACEMENT RESERVE ELIGIBLE EXPENDITURES: the Replacement Reserve Withdrawal for the reporting period should not exceed the Total Eligible Expenditures. You must account for the total amount of the RR withdrawal amount across the Total RR.								
226	RR Withdrawal Amount	\$0.00			Total RR-Eligible Expenditures	\$0.00			
227	Notes About RR Withdrawal Amount across the Total RR-Eligible Expenditures								
228									
229									

	B	D	F	H	J
15	Annual Monitoring Report - Fiscal Activity - Reporting Year 2016 - Mayor's Office of Housing & Community Development				
230	FEDERAL PROGRAM INCOME REPORT				
231	This section must be completed if the project received any CDBG funding, even if the amount of CDBG program income during the reporting period was zero. For more information, use the following link or copy this web address for manual navigation:				
232	http://www.ci.cmh.org/Node/1/ShowDocument.aspx?document=5161				
233	Or review of Federal (HOME and CDBG) Program Income				
234	Or review of Federal (HOME and CDBG) Program Income				
235	CDBG PROGRAM INCOME				
236	Proposed amounts to be used to fund eligible CDBG activities as described in the Federal CDBG Program Regulations at 24 CFR 570.201-206 and consistent with the City's 2015-2019 Consolidated Plan, 2015-17 Action Plan as follows:				
237		AMOUNT		DESCRIPTION	
238				Amount to be used for CDBG eligible activity1 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right).	
239				Amount to be used for CDBG eligible activity2 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right).	
240				Amount to be used for CDBG eligible activity3 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right).	
241				Amount to be deposited for use on future eligible CDBG activities that will be undertaken by June 30, 2015 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right).	
242				Other (provide amount in cell to the right, plus activity description and regulation citation in column furthest to the right).	
243				Total CDBG Program Income Calculation (see instructions for guidance on how to calculate)	
244	To ensure the eligible use of CDBG Program Income, the recipient of Federal CDBG funding hereby requests approval by the Mayor's Office of Housing and Community Development for the use of CDBG program income received during the 2016 reporting period as depicted above.				

Annual Monitoring Report - Occupancy & Rent Info - Reporting Year 2016 - Mayor's Office of Housing & Community Development

Project Address: _____ Data supplied on this worksheet must be from the rent roll of the last month of the reporting period that was entered on worksheet 1A. 1/0/1900 # Units: 0

- Provide the data requested for the tenant population that was residing in the project at the end of the Reporting Period.
- Identify manager's unit with the unit number, follow by "- Mgr". For example, if the manager occupies Unit 501, in column D, enter "501 - Mgr." For vacant units and manager's units, provide data in columns D, E, P, R and T only.
- For tenants who moved in during the reporting period, the data entered in columns F, G & H (at initial occupancy) should be the same as the data entered in columns I, J & K (within reporting period), respectively.
- For tenants who have transferred units within the project, report the initial occupancy data (occupancy date, income, household size) for the first unit that the tenant occupied in the project, i.e. when they first moved in to the building.
- Before using the "paste" function to enter data in columns E and P (Orange Highlighting in Column Header), please check the drop-down-menus to ensure that the data you are pasting conforms with the choices of the drop-down menu. This will help prevent you from submitting forms with invalid data. Any forms with invalid data will be returned with instructions to fix and resubmit.

C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Row Num	Unit No.	Unit Type (Bed / BR / Studio / 1BR / 2BR / 3BR / 4BR / 5+BR)	Date of INITIAL OCCUPANCY (m/d/yyyy)	Household Annual Income AT INITIAL OCCUPANCY	Household Size AT INITIAL OCCUPANCY (number)	Date Of Most Recent Income Recertification WITHIN REPORTING PERIOD (m/d/yyyy)	Household Annual Income as of Most Recent Recertification WITHIN REPORTING PERIOD	Household Size (number) as of Most Recent Recertification WITHIN REPORTING PERIOD	Min Occupancy for Unit Type (per data entered on worksheet 1A)	Max Occupancy for Unit Type (per data entered on worksheet 1A)	Is the Household Overhoused or Overcrowded?	Overhoused / Overcrowded - Narrative. (Explanation required for each row where indicator is displayed in Column N and Col O cell shows no highlighting. Describe any extenuating circumstances that justify the Overhoused/Overcrowded status; summarize efforts made to transfer HH to unit of appropriate size.)	Rental Assistance Type (select "none" if none)	Amount of Rental Assistance	Amount of Maximum Gross Rent Allowed for Unit (enter \$0 if n/a)	Amount Tenant Paid Rent for Unit	Utility Allowance (Enter \$0 if all utilities are included.)	Date Of Most Recent Rent Increase WITHIN THE REPORTING PERIOD (m/d/yyyy)	Amount of Most Recent Rent Increase WITHIN THE REPORTING PERIOD	%age of Rent Increase (calculated, do not enter)
1																				
2																				
3																				
4																				
5																				
6																				
7																				
8																				
9																				
10																				
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**Annual Monitoring Report - Summary of Reported Household Demographics - Reporting Year 2016 -
Mayor's Office of Housing & Community Development**

Project Address:	Last Day of Reporting Period	1/0/1900	# Units:	0
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Household Size

	# Reported Households	% of Total
One Person Household	0	
Two Person Household	0	
Three Person Household	0	
Four Person Household	0	
Five Person Household	0	
Six Person Household	0	
Seven or more Person Household	0	
TOTAL Households*	0	
TOTAL Residents	0	

*Excludes 0 unit(s) reported as manager's or vacant unit(s).

Other Household Demographics

	# Reported
Female Headed Households	0
Elderly Households	0
Households with Children Under 18	0
Number of Children Under 18	0
Households with Tenant with Physical Disability	0
Households with Tenant with Visual Disability	0
Households with Tenant with Hearing Disability	0
Households with Tenant with No Disability	0

Head of Household Race/Ethnicity

	# Reported Head of HH	% of Total
Hispanic/Latino	0	
Not Hispanic/Latino		
American Indian/Alaskan Native	0	
Asian	0	
Black/African American	0	
Native Hawaiian/Other Pacific Islander	0	
White	0	
American Indian/Alaskan Native and Black/African American	0	
American Indian/Alaskan Native and White	0	
Asian and White	0	
Black/African American and White	0	
Other/Multiracial	0	
Not Reported	0	
Total Head of Households	0	

Target and Actual Population Served

<i>Target Population</i>		<i>Actual Population</i>	
0	<i>Families</i>	0	<i>Families</i>
0	<i>Persons with HIV/AIDS</i>	0	<i>Persons with HIV/AIDS</i>
0	<i>Housing for Homeless</i>	0	<i>Housing for Homeless</i>
0	<i>Mentally or Physically Disabled</i>	0	<i>Mentally or Physically Disabled</i>
0	<i>Senior Housing</i>	0	<i>Senior Housing</i>
0	<i>Substance Abuse</i>	0	<i>Substance Abuse</i>
0	<i>Domestic Violence Survivor</i>	0	<i>Domestic Violence Survivor</i>
0	<i>Veterans</i>	0	<i>Veterans</i>
0	<i>Formerly Incarcerated</i>	0	<i>Formerly Incarcerated</i>
0	<i>Transition-Aged Youth ("TAY")</i>	0	<i>Transition-Aged Youth ("TAY")</i>

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**Annual Monitoring Report - Narrative - Reporting Year 2016 -
Mayor's Office of Housing & Community Development**

Project Street Address:

Reporting Period - Start Date: 1/0/1900

Reporting Period - End Date: 1/0/1900

MOHCD created the questions below to allow project owners to supply additional information about a small number of measurements that may indicate that a project is having difficulties. By providing this information, project owners will help provide context for the conclusions that can be made about the measurements. MOHCD will use the measurements and the information below to prioritize the projects that need closer scrutiny and support. Please supply as much information as is readily available.

1. Explanations & Comments

Use this space to record notes about any peculiarities in the data entry process. For example, if you entered a formula instead of a single number for a field, make a note here re: for which question on which worksheet that was done, and describe the formula & underlying numbers. Also use this field to describe in detail any amounts entered for "Other payments" on the worksheet "2.Fiscal," item 11.

2. Code Violations

Provide the following for any violations or citations of Health or Building or Housing Codes that were issued during the reporting period, or were issued in a prior reporting period but remained open during any time of the current reporting period:

Violation or Citation #	Date Issued	Issued By	Description	Cleared? (y/n)

(add additional rows as needed)

**** ONLY FOR ALL VIOLATIONS THAT WERE NOT RESOLVED by the end of the reporting period: You must also attach a SCANNED copy of each Violation/Citation to your AMR submittal. ****

Violation or Citation #	Date Cleared	Issued By	Description of Remedy

(add additional rows as needed)

**** ONLY FOR ALL VIOLATIONS THAT WERE NOT RESOLVED by the end of the reporting period: You must also attach a SCANNED copy of each Violation/Citation to your AMR submittal. ****

3. Major Repairs

Describe any major repair or replacement needs that have been identified as being required within the next 2 years, and any related plans to pay for whatever is needed.

4. Vacant Unit Rent-Up Time

0

If the project had an average VACANT UNIT RENT-UP TIME greater than 30 days for question 36 on the worksheet "1A.Prop&Residents," you must supply the following:

- a. A description of the work done to analyze the cause/s of the high turnaround time, and what the identified causes are; and
- b. A description of the work done to identify means of reducing the turnaround time, and all viable remedies that have been identified; and
- c. A description of the plan to implement any remedies, including specific timelines for the implementation work.

5. Affirmative Marketing

0

Did you conduct any marketing of the project during the reporting period? If yes, please describe the marketing that was conducted, including

- a. when the marketing was conducted and how it was intended to reach populations least likely to apply for the project;
- b. any advertising, direct mailings, emailings and web postings that were done; and
- c. how many households were on the waiting list prior to the marketing and how many were on it after the marketing was completed.

6. Vacancy Rate

----->

If the project had a VACANCY RATE greater than 15%, as may be shown above from the Income Expense section of the worksheet "2.Fiscal," you must supply the following:

- a. A description of the work done to analyze the cause/s of the vacancy rate, and what the identified causes are; and
- b. A description of the work done to identify means of reducing the vacancy rate, and all viable remedies that have been identified; and
- c. A description of the plan to implement any remedies, including specific timelines for the implementation work.

7. Miscellaneous Expenses: Administrative/Operating & Maintenance

If the project had miscellaneous administrative or miscellaneous operating & maintenance expenses greater than \$10,000 respectively, you must provide a detailed itemization of these individual expenses below. Total expenses must equal the total amount reported on the worksheet "2.Fiscal."

Misc. Admin Expenses

Expense Description	Amount	HUD Acct #	Notes
Total:	0.00		
Diff. from Fiscal Activity WS:			

Misc. Operating & Maintenance Expenses

Expense Description	Amount	HUD Acct #	Notes
Total:	0.00		
Diff. from Fiscal Activity WS:			

8. Negative Cash Flow

If the project had NEGATIVE CASH FLOW, as may be shown above from the Income Expense section of worksheet "2.Fiscal," you must supply the following:

- a. A description of the work done to analyze the cause/s of the shortfall, and what the identified causes are; and
- b. A description of the work done to identify remedies for the shortfall, and all viable remedies that have been identified; and
- c. A description of the plan to implement any remedies, including specific timelines for the implementation work.
- d. If the project has a Project-Based Section 8 Housing Assistance Payments (HAP) contract, please also supply the date of the last increase to the HAP contract, the date when the project will submit the next HAP contract rent increase, and any related comments about whether the project has been diligent in seeking annual increases to the HAP contract.

Annual Monitoring Report - Project Financing - Reporting Year 2016 - Mayor's Office of Housing & Community Development

Provide information about all current financing of the project. Lenders should be listed in lien order, i.e., with the most-senior lender in the first lien position, the most-junior lender in last lien position.

Project Address:

Current Project Financing

Lien Order	Lender (and Loan Program if applicable)	Loan Amount	Interest Rate	Maturity Date	Repayment Terms	Monthly Debt Service Payment	Outstanding Principal Balance As Of End of Prior Reporting Period	Accrued Interest As Of End of Prior Reporting Period
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								

Project Street Address:

**Schedule of Operating Revenues
For the Year Ended December 31, 1900**

Rental Income	Total
5120 Gross Potential Tenant Rents	\$0
5121 Rental Assistance Payments (inc. LOSP)	0
5140 Commercial Unit Rents	0
Total Rent Revenue:	\$0
Vacancies	
5220 Apartments	\$0
5240 Stores & Commercial	0
Total Vacancies:	\$0
Net Rental Income: (Rent Revenue Less Vacancies)	\$0
Other Revenue	
5170 Rent Revenue - Garage & Parking	\$0
5190 Misc. Rent Revenue	0
5300 Supportive Services Income	0
5400 Interest Revenue - Project Operations (From Operating Acct Only)	0
5400 Interest Revenue - Project Operations (From All Other Accts)	0
5910 Laundry & Vending Revenue	0
5920 Tenant Charges	0
5990 Misc. Revenue	0
Total Other Revenue:	\$0
Total Operating Revenue:	\$0

Project Street Address:

Schedule of Operating Expenses
For the Year Ended December 31, 1900

	<u>Total</u>
Management	
6320 Management Fee	\$0
"Above the Line" Asset Management Fee	0
Total Management Expenses:	<u>\$0</u>
Salaries/Benefits	
6310 Office Salaries	\$0
6330 Manager's Salary	0
6723 Employee Benefits: Health Insurance & Disability Insurance	0
Employee Benefits: Retirement & Other Salary/Benefit Expenses	0
6331 Administrative Rent Free Unit	0
Total Salary/Benefit Expenses:	<u>\$0</u>
Administration	
6210 Advertising and Marketing	\$0
6311 Office Expenses	0
6312 Office Rent	0
6340 Legal Expense - Property	0
6350 Audit Expense	0
6351 Bookkeeping/Accounting Services	0
6370 Bad Debts	0
6390 Miscellaneous Administrative Expenses	0
Total Administrative Expenses:	<u>\$0</u>
Utilities	
6450 Electricity	\$0
6451 Water	0
6452 Gas	0
6453 Sewer	0
Total Utilities Expenses:	<u>\$0</u>
Taxes and Licenses	
6710 Real Estate Taxes	\$0
6711 Payroll taxes	0
6790 Miscellaneous Taxes, Licenses, and Permits	0
Total Taxes and Licenses Expenses:	<u>\$0</u>
Insurance	
6720 Property and Liability Insurance	\$0
6721 Fidelity Bond Insurance	0
6722 Workers' Compensation	0
6724 Directors & Officers Liabilities Insurance	0
Total Insurance Expenses:	<u>\$0</u>

Project Street Address:

**Schedule of Operating Expenses
For the Year Ended December 31, 1900**

Maintenance and Repairs	Total
6510 Payroll	\$0
6515 Supplies	0
6520 Contracts	0
6525 Garbage and Trash Removal	0
6530 Security Payroll/Contract	0
6546 HVAC Repairs and Maintenance	0
6570 Vehicle and Maintenance Equipment Operation and Repairs	0
6590 Miscellaneous Operating and Maintenance Expenses	0
Total Maintenance and Repairs Expenses:	<u>\$0</u>
6900 Supportive Services	\$0
Capital and Non-Capital Expenditures to be Reimbursed from Replacement Reserve	\$0
Total Operating Expenses:	<u>\$0</u>

Financial Expenses

Enter amounts in yellow highlighted cells. Leave no cells blank. Enter "0" if applicable.

6820 Interest on Mortgage (or Bonds) Payable	
6825 Interest on Other Mortgages	
6830 Interest on Notes Payable (Long Term)	
6840 Interest on Notes Payable (Short Term)	
6850 Mortgage Insurance Premium/Service Charge	
6890 Miscellaneous Financial Expenses	
Total Financial Expenses:	<u>\$0</u>
6000 Total Cost of Operations before Depreciation:	<u>\$0</u>
5060 Operating Profit (Loss):	<u>\$0</u>

Depreciation & Amortization Expenses

Enter amounts in yellow highlighted cells. Leave no cells blank. Enter "0" if applicable.

6600 Depreciation Expense	
6610 Amortization Expense	
Operating Profit (Loss) after Depreciation & Amortization:	<u>\$0</u>

Net Entity Expenses

the right.

7190	
7190	
7190	
7190	
7190	
7190	
7190	
7190	
7190	
7190	
Total Net Entity Expenses:	<u>\$0</u>

3250 Change in Total Net Assets from Operations (Net Loss) \$0
Amount computed in cell E139 should match audited financial statement.

Project Street Address:

**Computation of Operating Cash Flow/Surplus Cash
For the Year Ended December 31, 1900**

	Total
Operating Revenue	\$0
Interest earned on restricted accounts	0
Adjusted Operating Revenue	<u>\$0</u>
 Operating Expenses	 \$0
 Net Operating Income	 \$0
 Other Activity	
Ground Lease Base Rent	\$0
Bond Monitoring Fee	0
Mandatory Debt Service - Principal	0
Mandatory Debt Service - Interest	0
Mandatory Debt Service - Other Amount	0
Deposits to Replacement Reserve Account	0
Deposits to Operating Reserve Account	0
Deposits to Other Restricted Accounts per Regulatory Agreement	0
Withdrawals from Operating Reserve Account	0
Withdrawals from Other Required Reserve Account	0
Total Other Activity:	<u>\$0</u>
 Allocation of Non-Residential Surplus (LOSP only)	 <u> </u>
Operating Cash Flow/Surplus Cash:	<u>\$0</u>

Distribution of Surplus Cash Ahead of Residual Receipts Payments

Select the Distribution Priority number from Worksheet 2. Fiscal Activity for payments to be paid ahead of residual receipts payments.

Total

Total Cash Available for Residual Receipts Distribution: \$0

Distribution of Residual Receipts

Select the Distribution Priority number from Worksheet 2. Fiscal Activity for payments to be paid with remaining residual receipts.

Total

Total Residual Receipts Distributions to Lenders: \$0

Proposed Owner Distribution \$0
Proposed Other Distribution/Uses 0

Total Residual Receipts Distributions to Lenders and Owners: \$0

Project Street Address:

**Summary of Replacement Reserve and Operating Reserve Activity
For the Year Ended December 31, 1900**

	Replacement Reserve	Operating Reserve
Balance, December 31, 1899	\$0	\$0
Actual Annual Deposit	0	0
Interest Earned	0	0
Withdrawals	0	0
Balance, December 31, 1900	<u>\$0</u>	<u>\$0</u>

**Annual Monitoring Report - Completeness Tracker - Reporting Year 2016 -
Mayor's Office of Housing & Community Development**

This checklist is a tool to help you track progress toward completion. NOTE: Do not submit the AMR until all items are "COMPLETED."

Reporting Start Date: 1/0/00 Project Address: _____
Reporting End Date: 1/0/00

Submission Instructions:
Once all worksheets below are "COMPLETED", email the AMR, completed Owner Compliance Certification, along with the attachments required under the Insurance and Tax Certification per page 3 of the Owner Certification, waitlist, and audited financial statements to: moh.amr@sfgov.org.

Worksheet 1A. Property & Residents	INCOMPLETE
Questions 1 thru 4	incomplete
Questions 5 thru 24	incomplete
Questions 25 thru 39	incomplete
Questions 40 thru 50	incomplete
Questions 51 thru 61	incomplete
Worksheet 1B. Transitional Programs	To Be Determined
Questions 1 thru 11	To Be Determined
Questions 12 thru 18	To Be Determined
Questions 19 thru 39	To Be Determined
Worksheet 1C. Eviction Data	To Be Determined
Question 1	To Be Determined
Questions 2 thru 21	To Be Determined
Questions 22 thru 41	To Be Determined
Questions 42 thru 61	To Be Determined
Worksheet 2. Fiscal Activity	INCOMPLETE
Rental Income - Housing Unit GPTR	incomplete
Vacancy Loss - Housing Units	incomplete
Operating Expenses	incomplete
Surplus Cash/Residual Receipts (Rows 140 - 171)	incomplete
Operating Reserve (Rows 177 - 186)	incomplete
Replacement Reserve (Rows 188 - 198)	incomplete
Changes to Real Estate Assets (Rows 198 - 205)	incomplete
Replacement Reserve Eligible Expenditures (Rows 209 - 228)	incomplete
Program Income (Rows 230 - 243)	incomplete
Worksheet 3A. Occupancy & Rent Info	INCOMPLETE
Does number of units entered on Worksheet 3 match total units entered on Worksheet 1A or the total households that can be served in Worksheet 1B?	To Be Determined
For each row with a Unit Number, was data entered in cells for Subsidy Type and Utility Allowance?	To Be Determined
Narrative Provided for All rows indicating Overhoused or Overcrowded?	To Be Determined
Worksheet 3B. Demographic Information	To Be Determined
Is Ethnicity and Race selected for each household?	To Be Determined
Worksheet 4. Narrative	To Be Determined
2	To Be Determined
3	To Be Determined
4	To Be Determined
5	To Be Determined
6	To Be Determined
7	To Be Determined
8	To Be Determined
Worksheet 5. Project Financing	INCOMPLETE
Worksheet 6. Services Funding	To Be Determined
Worksheet 7. Supplementary Information Required by MOHCD	Worksheet incomplete. If using AMR to generate Schedules required for Audited Financial Statement, please complete the required data entry.

EXHIBIT H
Tenant Selection Plan Policy - LOSP

This policy is in addition to the obligations to comply with applicable federal, state and local civil rights laws, including laws pertaining to reasonable accommodation and limited English proficiency (LEP),¹ and the applicable provision of the Violence Against Women Act, Pub. Law 109-62 (January 5, 2006), as amended.

Application Process

- **Application Materials.** The housing provider's written and/or electronic application materials should:
 - outline the screening criteria that the housing provider will use;
 - be in compliance with San Francisco Police Code Article 49 or the Fair Chance Ordinance,
 - outline how an applicant may request a modification of the admission process and/or a change in admission policies or practices as a reasonable accommodation;
 - be written in language that is clear and readily understandable,
- **First Interview.** In accordance with the housing provider policies, an initial interview is required to assess each applicant's minimum eligibility requirements for housing units.
- **Second Interview.** Before issuing a denial, the housing provider should consider offering a second interview to resolve issues and inconsistencies, gather additional information, and assist as much as possible with a determination to admit the applicant.
- **Confidentiality.** All information provided will be kept confidential and be used only by the housing provider, the referring agency and the funding agency for the purpose of assisting and evaluating the applicant in the admission process. All applicant information shall be retained for 12 months after the final applicant interview.
- **Delays in the Process.** If delays have occurred or are likely to occur in the application and screening process or the process exceeds the housing provider's normal timeline for application and screening, the housing provider must immediately inform the referring agency and the funding agency, of the status of the application, the reason for the delay and the anticipated time it will take to complete the application process.
- **Problems with the Referring Agency.** If at any point the housing provider has difficulty reaching or getting a response from the applicant and referring agency, the housing provider must immediately contact the referring agency, if possible, and the funding agency, HSH.

¹See for e.g., Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), 42 U.S.C. §§ 3601, et seq.; 24 C.F.R. Part 100; Title VI of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000d-2000d-7; Executive Order 13,166, Improving Access to Services for Persons with Limited English Proficiency (August 11, 2000); Department of Housing and Urban Development Limited English Proficiency Guidance, 72 Fed. Reg. 2732 (Jan. 22, 2007); Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794; 24 C.F.R. Parts 8 and 9; Title II of the Americans with Disabilities Act of 1990, as amended; California Fair Employment and Housing Act, Gov't Code §§ 12,955-12,956.2; Unruh Civil Rights Act, Civil Code § 51; California Disabled Persons Act, Civil Code § 51.4; Dymally-Alatorre Bilingual Services Act, Gov't Code §7290-7299.8; San Francisco Language Access Ordinance, No. 202-09 (April 14, 2009)

- **Limited English Proficiency Policy.** Throughout the application process, the housing provider must comply with City policy for language access requirements for applicants with limited English proficiency.

Reasonable Accommodation and Modification Policy

Reasonable Accommodation: The application process should provide information about how an applicant may make a reasonable accommodation request. At any stage in the admission process, an applicant may request a reasonable accommodation, if the applicant has a disability and as a result of the disability needs a modification of the provider's rules, policies or practices, including a change in the way that the housing provider communicates with or provides information to the applicant that would give the applicant an equal chance to be selected by the housing provider to live in the unit.

Reasonable Modification: Applicant may request a reasonable modification if he or she has a disability and as a result of the disability needs:

- a physical change to the room or housing unit that would give the applicant an equal chance to live at the development and use the housing facilities or take part in programs on site;
- a physical change in some other part of the housing site that would give the applicant an equal chance to live at the development and use the housing facilities or take part in programs on site.

Response to Request: The housing provider shall respond to a request for reasonable accommodation or modification within ten (10) business days. The response may be to grant, deny, or modify the request, or seek additional information in writing or by a meeting with the applicant. The housing provider will work with the applicant and referring agency to determine if there are ways to accommodate the applicant.

The housing provider shall grant the request if the provider determines that:

- the applicant has a disability;
- reasonable accommodation or modification is necessary because of the disability; and
- the request is reasonable (i.e., does not impose an undue financial or administrative burden or fundamentally alter the nature of the housing program.)

If the reasonable accommodation request is denied, the rejection must explain the reasons in writing. If the denial of the reasonable accommodation request results in the applicant being denied admission to the unit, the provisions of the section on Notice of Denial and Appeal Process apply.

Notice of Denial and Appeal Process

- The housing provider shall:
 - Hold a comparable unit for the household during the entire appeal process.

- promptly send a written and electronic notice (to the addresses provided) to each applicant denied admission with a written and/or electronic copy to the referring agency and the funding agency. The notice should:
 - list all the reasons for the rejection, including the particular conviction or convictions that led to the decision in cases where past criminal offenses were a reason for rejection;
 - explain how the applicant can request an in person appeal to contest the decision;
 - state that an applicant with a disability is entitled to request a reasonable accommodation to participate in the appeal;
 - inform the applicant that he or she is entitled to bring an advocate or attorney to the in person appeal;
 - provide referral information for local legal services and housing rights organizations;
 - describe the evidence that the applicant can present at the appeal;
 - give applicants denied admission a date within which to file the appeal, which shall be at least ten (10) business days from the date of the notice;
 - unless an extension is agreed to by the applicant and the housing provider, hold the appeal within ten (10) business days of the request for the appeal;
 - confine the subject of the appeal to the reason for denial listed in the notice;
 - give the applicant a chance to present documents and/or witnesses showing that he or she will be a suitable tenant;
 - have an impartial supervisor or manager from the housing provider, but who is not the person who made the initial decision or a subordinate of the person who made the initial decision, conduct the appeal;
 - within 5 business days of the in person appeal, provide the applicant with a written decision that states the reason for the decision and the evidence relied upon. A copy of the written decision must be sent (electronically or otherwise) to the referring agency and the funding agency.
- If the rejection is based on a criminal background check obtained from a tenant screening agency, the Fair Chance Ordinance imposes additional notice requirements.

EXHIBIT I
Tenant Screening Criteria Policy – LOSP

The City expects that housing providers will use maximum feasible efforts to ensure that those individuals and families who are referred are accepted for occupancy in a timely fashion. To that end, the City has adopted the following screening criteria for applicants with a criminal record. If a problem arises in the application and screening process that may cause unreasonable delay in screening outcome, the housing provider should immediately notify the referring agency and HSH to assist with an expeditious resolution.

The screening criteria and considerations outlined below encourage providers to “screen in” rather than “screen out” applicants. These requirements are also designed to satisfy the requirements of San Francisco Police Code Article 49, Sections 4901-4920 or the Fair Chance Ordinance. This policy describes a minimum level of leniency; providers are encouraged to adopt less restrictive policies and processes whenever appropriate. For example, providers may opt not to review or consider applicant criminal records at all.

Screening Criteria

- Housing providers shall not automatically bar applicants who have a criminal record² in recognition of the fact that past offenses do not necessarily predict future behavior, and many applicants with a criminal record are unlikely to re-offend.
- Housing providers shall not consider:
 - arrests that did not result in convictions, except for an open arrest warrant;
 - convictions that have been expunged or dismissed under Cal. Penal Code § 1203.4 or 1203.4a;³
 - juvenile adjudications.
- Housing providers shall consider:
 - the individual circumstances of each applicant; and
 - the relationship between the offense, and
 - (1) the safety and security of other tenants, staff and/or the property; and
 - (2) mitigating circumstances such as those listed below.
 - only those offenses that occurred in the prior 3 years, except in exceptional situations, which must be documented and justified, such as where the housing provider staff is aware that the applicant engaged in violent criminal activity against staff, residents or community members and/or that the applicant intentionally submitted an application with materially false information regarding criminal activity. As necessary, HSH will assess the justification for a longer look-back period and determine whether an exception is warranted. In these exceptional situations, the housing provider may consider offenses that occurred in the prior 5 years.
 - mitigating factors, including, but not limited to:

² The policy recognizes that some housing may be subject to mandatory laws that require the exclusion of an applicant based upon certain types of criminal activity.

³ The purpose of the statute is allow a petitioner to request a dismissal of the criminal accusations, a change in plea or setting aside of a verdict and to seek to have certain criminal records sealed or expunged and a release “from all penalties and disabilities resulting from the offense.”

- (1) the seriousness of the offense;
- (2) the age and/or circumstances of the applicant at the time of the offense;
- (3) evidence of rehabilitation, such as employment, participation in a job training program, continuing education, participation in a drug or alcohol treatment program, or letters of support from a parole or probation officer, employer, teacher, social worker, medical professional, or community leader;
- (4) if the offense is related to acts of domestic violence committed against the applicant;
- (5) if the offense was related to a person's disability.

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

Evaluation of Request for Funding: **Local Operating Subsidy Program (LOSP)
Contract**

Prepared By: Anne Romero

Loan Committee Date: March 3, 2017

Sponsor Name: BTW Housing Associates, L.P.
Project Name: John Burton Advocates for Youth Housing
Project Address (w. cross street): 800 Presidio (at Sutter)
Number of Units/Beds (specify): 50 units including 25 LOSP units set aside for
homeless or at-risk Transition Age Youth
Up to \$374,581 First Year budget
Up to \$7,780,147 through 15.5 years

1. SUMMARY AND BACKGROUND

BTW Housing Partners, L.P., a California limited partnership established by the Booker T. Washington Community Service Center (BTWCSC) and the John Stewart Company (JSCo), requests \$374,581 for the first year and \$7,780,147 over the 15.5 year contract period in General Funds from the Local Operating Subsidy Program (LOSP) to subsidize operations for 25 units set aside for homeless or at risk transitional age youth at the 50-unit John Burton Advocates for Youth Housing (Project).

Founded in 1919 and incorporated in 1923, BTWCSC has provided support for African American families since the end of World War I. BTWCSC had operated from the current building site since 1952, and the organization had long outgrown the building's ability to support a range of community programs for families and youth in the Western Addition. Nearly ten years ago BTWCSC started to plan a rebuilding of their community center with a portion of the site dedicated to housing for former foster youth. BTWCSC applied for predevelopment funding under the 2009 MOHCD Transitional Age Youth (TAY) Housing NOFA and later partnered with Equity Community Builders as developer and JSCo as partner for the housing.

The housing and community center are being built as an integrated building, located in separate condominiums, and are financed separately. The new 50 units of housing are

being built on the corner of Presidio and Sutter with 24 studio units and one 2-BR targeted to homeless or at-risk transitional age youth, including former foster youth. 24 studios are for renters at 50% and 60% AMI. The community center continues to be owned by BTWCSC and the housing is owned by BTW Housing Partners, L.P., with co-GP partners of BTWCSC and an affiliate of The John Stewart Company. The adjacent new community center will create a state-of-the-art facility with a new gymnasium, dedicated Childcare Center, a Mind/Body Wellness Center, and youth program spaces. The Project is under construction and will be complete by June 1, 2017.

2. PROJECT OPERATIONS

2.1. Unit Mix

The housing has 48 studio units ranging in size from 270 sf to 536 sf and two 2-BR units, one of which will be the resident manager unit. The TAY units will include 24 studios and one 2-BR unit. The 2-BR unit will provide housing for parenting youth as may the largest TAY studios.

	TAY Supportive Housing	50% / 60% AMI	Resident Manager Unit
Studios	24	24	
2-BR	1		1
TOTAL	25	24	1

2.2. Target Population and Referrals

The TAY population is restricted by financing from MOHCD under the TAY Housing NOFA and the State Department of Housing & Community Development (HCD) Multifamily Housing Program Supportive Housing for Youth (MHP Supportive for Youth). The Department of Homelessness and Supportive Housing (HSH) will provide TAY referrals from various referral agencies that meet the MHP Supportive for Youth and City criteria for initial lease up. Once the City's new Coordinated Entry system is up and running, future vacancies will be filled through this system. 60% of the TAY units will target former foster care youth that meet the underlying homeless or at-risk criteria as follows and defined in a Letter of Agreement between the sponsor, HSH, MOHCD and John Burton Advocates for Youth:

Unit Allocation

- All applicants for the 25 units of TAY housing must be San Francisco (or wards of San Francisco) homeless or at risk of homelessness and between the age 18-24 at the time of application.
- 15 of the 25 units (60%) will be set aside for former foster care youth who are in San Francisco or wards of San Francisco. 5 of these 15 units will be for youth who

meet Transitional Housing Program (THP) Plus eligibility requirements and 10 of these 15 units will be for youth with a history of being in foster care.

- 10 of the 25 units (40%) will be for other San Francisco homeless youth (which could include foster youth).

Initial Rent-up

- During the initial rent-up, agencies that serve former foster youth who are homeless or at risk of homelessness will refer applicants into 15 of the 25 TAY units.
- During the initial rent-up, agencies that serve homeless youth will refer applicants into 10 of the 25 TAY units.

- The breakdown for referral agencies is as follows:

Foster Care

5 for THP Plus Referrals (through Guardian Scholars and HSA)

4 for BTWCSC

6 for First Place for Youth

= 15 total former foster care (60%)

Other Homeless Youth

3 for BTWCSC

2 for Young Community Developers

2 for Bayview Senior Services

1 for At the Crossroads

1 for Larkin Street

1 for LYRIC

= 10 other homeless youth which may include former foster youth (40%)

- In the event that a referral agency is unable to identify qualified applicants for a specific unit, the City reserves the right to refer other youth who meet the funders' qualifications.
- During the initial rent-up and when filling subsequent vacancies, all referrals will be processed by the City and County of San Francisco and presented to the property manager, which is JSCO.
- JSCO will determine whether or not the referrals are qualified based on pre-established Marketing and Tenant Selection Criteria.

Coordinated Entry

HSH plans to expand Coordinated Entry to become the single access and assessment process for access to all transitional and permanent supportive housing. A key requirement of Coordinated Entry is prioritization and a move away from "first come first served" methods for managing access to shelter and housing. Once Coordinated Entry is fully implemented, access to all interventions in the homeless crisis response system for youth

will be managed using a standard assessment and a prioritization system. Coordinated Entry is currently active for individual adult placements into Shelter Plus Care, other federally funded supportive housing and housing designated for veterans. Coordinated Entry procedures are or will be developed and implemented for homeless families, transitional age youth and all other adult populations. Once the City and County of San Francisco's Coordinated Entry and placement system (aka the ONE System) is operational, referrals will be made through this centralized system and not via individual agencies. All referrals will be processed by the City and County of San Francisco and presented to the property manager. The 15-unit set-aside for foster care youth will continue under this system.

2.3. Annual Operating Budget

Please see the attached annualized budget for the initial year which shows total operating expenses of \$641,375 or \$12,828 PUPA.

2.3.1 Income

Tenant Rents: – Tenant-paid rents are projected to provide a total of \$380,952 across the project in the first full year of operations, primarily made up from 50% and 60% AMI unit rents. The TAY supportive housing tenants will pay 30% of their income for rent, projected to average \$250 per month, which is equivalent to 13% AMI income level. This estimate is supported by actual TAY tenant paid rents in 2015 of \$309 / month at Edward II and \$197 at 1100 Ocean. The electricity bill will be paid by tenants and a utility allowance is factored into the rent calculation.

Income – Other: Miscellaneous income from laundry and vending are budgeted at \$10,400 per year.

Income – Local Operating Subsidy: LOSP subsidy is projected at \$374,581 for the first year, or \$14,983 PUPA. The subsidy is sized to fund a break-even budget, including operating expenses, replacement reserve deposits, Asset Management Fee, and MHP Supportive for Youth mandatory annual interest payment.

2.3.2 Operating Expenses: Total annual operating expenses in Year One before debt service and reserves are \$641,375, or \$12,828 PUPA. The portion attributed to the LOSP units is \$416,476, or \$16,659 PUPA. All operating expenses have a prorated split between the TAY and non-TAY units (50/50), except for desk clerk coverage which is being attributed 100% to the LOSP units, along with desk clerk associated health insurance and benefits, payroll tax and Workers Comp insurance. Desk clerk coverage is included to support the TAY supportive housing units, and has been demonstrated at Edward II and 1100 Ocean to play a critical role for stable TAY housing property management. Given the building's small size, cashflow on the 24 non-TAY units cannot support any share of desk clerk coverage and this staffing cost allocation is justified. Given the relatively small size of the building at 50 units and 24 hour desk clerk coverage, the operating cost is reasonable.

Staffing. The staffing plan includes 1 FTE resident property manager and 1 FTE maintenance staff, as well as 4.5 FTE desk clerks for 24 hour desk clerk coverage. One of these staff will reside in the 2-BR resident manager unit. Supportive services will be provided by First Place for Youth and are funded under a separate contact with HSH (see Section 3). At this proposed staffing level the ratio of property management staff to households is 1:8 which is reasonable given that the project is half supportive housing.

Position	FTE	Notes
Property Manager	1	\$57,000 salary
Maintenance Worker	1	\$54,000 salary
Desk Clerk	4.5	Full time desk clerk coverage
TOTAL	6.5	1 staff per 8 households

Management Fees. The Sponsor will collect \$55 per unit per month in property management fees, which meets HUD's 2014 regional schedule for these charges.

Asset Management Fee. An asset management fee in the amount of \$7,200 is requested above the line as permitted by the MOH Asset Management Fee policy. The full fee is not being taken given restricted cashflow and the small size of the project.

Salaries and Benefits. Salaries and benefits are budgeted at \$277,467, covering the salaries for the Resident Manager and 24/7 desk clerk coverage and benefits for all employees.

Administration. Administration line items are budgeted at \$39,300, and cover typical functions such as marketing, office expenses, legal, audit, book keeping and payroll processing, and are reasonable.

Utilities: Utilities are budgeted at \$55,950. While the building is individually metered for electricity, the line item covers electricity, water, gas for the common areas and building wide boilers for domestic hot water and heating. It also includes sewer.

Taxes: The line item covers local real estate assessments and payroll taxes and is based off the current tax rate.

Insurance: Insurance is budgeted at \$72,934 for Property & Liability, Workers Comp and Crime Insurance, and is based on current premium rates. This amount is based on other JSCo properties and a preliminary estimate from the insurance broker.

Maintenance and Repair: Budgeted at \$128,567, this line item includes payroll for one full time maintenance worker, contracts for exterminating, fire alarm and elevator, garbage and trash removal; and is reasonable.

Replacement Reserve Deposits: Replacement reserve deposits are shown at \$600 per unit per year in compliance with HCD requirements.

Debt Service. HCD MHP Supportive capital funding requires a mandatory annual interest payment of .42% resulting in annual payment of \$16,609 per year.

Partnership Management and Investor Services Fees: \$15,000 is budgeted for partnership management which increases at 3.5% and investor services fee is budgeted at \$5,000 with no increase as permitted by MOHCD's asset management policy.

2.3.3. Operating Cost Comparisons

Comparison to LOSP Portfolio:

The Project's proposed PUPA operating cost of \$12,828 before debt and reserves is above the average of other LOSP project operating cost. Within MOHCD's LOSP portfolio of 27 projects, operating expenses PUPA in 2015 escalated to 2017 for comparison purposes ranged from a low of \$6.5K to a high of \$20.9K, and an average of \$12.1K.

**2015 PUPA Operating Expenses Escalated to 2017
 for comparison purposes**

TIHDI: Island Bay Homes	\$20,988
Edward II	\$20,245
Zygmunt Arendt House	\$17,323
149 Mason Street Apartments	\$14,536
Bayview Hill Gardens	\$14,104
Vera Halle Senior Housing	\$13,873
Arnett Watson Apartments	\$13,462
Plaza Apartments	\$13,232
John Burton Advocates for Youth Hsg.	\$12,888
Folsom + Dore Apartments	\$12,592
Kelly Cullen Community	\$12,465
Hotel Essex	\$12,394
10th & Mission Family Housing	\$12,190
AVERAGE	\$12,140
Mission Creek Senior Community	\$12,031
Richardson Apartments (Parcel G)	\$11,856
Mosaica Family Apartments	\$11,575
Rene Cazenave Apartments (Parcel 11A)	\$11,548
990 Polk	\$11,518
Mission Bay South	\$11,421
Casa Quezada	\$11,052
Edith Witt Senior Community	\$10,658
1100 Ocean	\$9,672
Bishop Swing Community House	\$9,464
Arlington Hotel	\$9,441
Armstrong Place	\$8,629
The Coronet	\$7,494
Mosaica Senior Apartments	\$6,696
Broadway Sansome Family Housing	\$6,581
	\$0
	\$5,000
	\$10,000
	\$15,000
	\$20,000
	\$25,000

Operating Expenses by Expense Category:

Drilling down to the general expense categories of the operating budget, the Project's budget is lean, and *below* the 2015 escalated to 2017 average expenditures of Management, Admin, Utilities, and Maintenance / Repairs. However, the Project is significantly higher in Salaries / Benefits and Payroll Taxes due to 24 hour desk clerk coverage spread across a small number of units. Insurance is also higher on a per unit basis, partly due to the small size of the project.

**Operating Expenses PUPA by Expense Categories, 2015 Escalated to 2017
 (before reserves, debt)**

2015 PUPA Expenses	Mgmt	Salaries/ Benefits	Admin	Utilities	Taxes/ Licenses	Insurance	Maintenance/ Repairs
800 Presidio	\$804	\$5,549	\$786	\$1,119	\$539	\$1,459	\$2,571
<i>LOSP Portfolio Average</i>	<i>\$993</i>	<i>\$2,537</i>	<i>\$1,389</i>	<i>\$1,679</i>	<i>\$390</i>	<i>\$1,032</i>	<i>\$3,655</i>

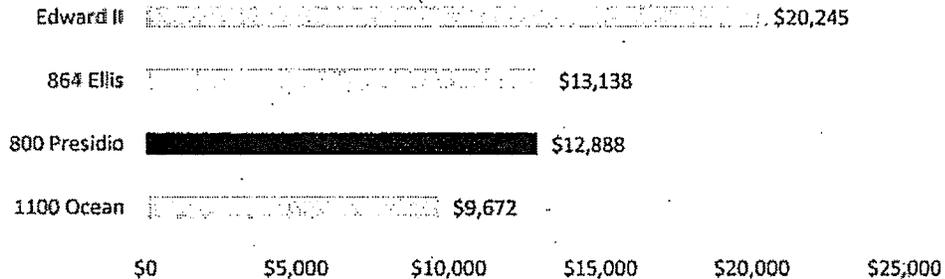
Comparison to other TAY housing Projects:

There are four comparable TAY supportive housing projects, each with around 25 units of TAY housing. The operating cost is closely associated with the total building size and inclusion of desk clerk coverage. Whereas 864 Ellis is a stand-alone TAY building with 25 units, it does not include desk clerk coverage. 1100 Ocean and 800 Presidio obtain some economies of scale by having 72 and 50 units respectively to spread operating costs across as mixed population projects; both include 24 hour desk clerk coverage. Edward II is the smallest project at 24 units, has 24 desk clerk coverage, and is the most expensive to operate on a per unit basis.

**Comparison with other TAY Housing Operating Expenses PUPA
 2015 escalated to 2017
 (before reserves, debt and excluding support services)**

Project	Total Number of Units	Number of TAY Units	% Supportive	2015 PUPA Expenses
1100 Ocean	72	25	35%	\$9,672
<i>800 Presidio</i>	<i>50</i>	<i>25</i>	<i>50%</i>	<i>\$12,888</i>
864 Ellis	25	25	100%	\$13,138
Edward II	24	24	100%	\$20,245

2015 PUPA escalated to 2017 Operating Cost TAY Projects



2.4. 20-Year Cash Flow. The attached 20 Year Cash Flow Projection shows the estimated amount of annual subsidy that will be needed for the 15.5 year grant period. New LOSP contracts are moving to a calendar year disbursement to meet the calendar year tax credit reporting period, and end on December 31, making this proposed contract a 15.5 year contract. The projection was made using MOHCD's standard underwriting guidelines.

- tenant rent and miscellaneous income trends at 2.5% per year, per MOHCD Underwriting Guidelines. 5% vacancy loss is assumed on the tenant rent income, which complies with MOHCD underwriting guidelines for a LOSP funded project.
- Operating expenses trend at 3.5% per year.
- Debt Service Coverage Ratio is not applicable as the only debt service is the MHP Supportive for Youth minimum debt service payment.
- The non-TAY units have positive yet lean cashflow through Year 20.

3. SUPPORT SERVICES EVALUATION

3.1. Services Narrative

Overview: A total of 25 Transition Aged Youth (TAY) will live at John Burton Advocates for Youth Housing. All will be homeless or at risk of homelessness in San Francisco (or in the case of foster youth, a ward of San Francisco living outside of San Francisco) at time of referral into the housing. The lead service provider for the TAY population will be First Place for Youth funded by the Department of Homelessness and Supportive Housing. First Place for Youth was the original service provider identified under the TAY NOFA application. Services will be provided to the TAY residents as long as they are tenants of the building (regardless of age) and occupy a

TAY designated unit. Services are highly encouraged but not mandated as a requirement of their lease. Tenants pay 30% of their income towards rent.

Services: The primary service needs of the TAY population will be assistance in achieving housing stability, applying for and/or maintaining relevant benefits or entitlements (GA, food stamps, SSI), budget and financial training and accessing community resources related to basic needs (food, clothing, household items), health, mental health, substance abuse, money management, education and employment.

Engagement and Assessment: The key to success in providing services on a voluntary basis is demonstrating the availability, usefulness (from the tenant perspective), and reliability of the services offered. TAY residents will meet with the First Place for Youth TAY Services Coordinator upon move-in as part of new tenant orientation. The TAY Services Coordinator will engage with tenants in a number of ways so as to appeal to residents with different levels and type of needs. Residents will have the opportunity to engage through one-one-one appointments, support groups on specific topics, and community building events and activities.

Service Coordination and Linkages: The TAY Services Coordinator will serve as a liaison and provide coordination between property management. The primary focus of the onsite TAY supportive services staff will be to link TAY residents with community resources in the areas of health, mental health, substance abuse, education and employment.

Community Building: The onsite TAY Services supportive services staff will facilitate a regular schedule of group events on-site designed to build community among TAY residents, including group meals, support groups, movie nights, and outings. The purpose of these activities is to promote pro-social peer interaction and help TAY residents build support networks.

Housing Retention: Another key focus of services will be to ensure that TAY residents remain housed. Because most residents will not have lived independently before coming to the property, they will need assistance understanding and complying with terms of tenancy and paying rent. The TAY supportive services staff will hold regularly scheduled groups that focus on skills building related to successful independent living; developing or improving money-management skills; using available transportation; and finding and using healthcare services. The TAY supportive services staff will be a point of contact when a TAY resident is at risk of eviction due to a lease violation or nonpayment of rent.

Crisis Management: The TAY supportive services staff will be on-call to assist with crisis management.

Coordination: The services team will also work collaboratively with Property Management to ensure that residents are successful at staying housed. The services team will meet with property management once a month to address issues related to improving residents' tenancy and overall housing community wellbeing.

Transitioning Out: The services staff is tasked with both stabilizing youth and preparing them for a second transition as they mature and become ready to move forward. In order to assist youth in preparing for a long-term housing placement, services staff will begin a housing planning process as soon as a youth has stabilized in housing, or within 90 days of placement. The housing plan will consider the youth's ability to obtain and maintain employment, family/household circumstances, likely income source, any known disability, and the youth's own transition planning. Services staff will then break the housing plan into a timeline with goals. Goals may include vocational training, credit clean-up, an educational program, an SSI application, or a childcare plan. Staff will also work with youth to begin saving money on a monthly basis to prepare to rent in the private market.

3.2. Services Budget – HSH has entered into a separate services contract with First Place for Youth for \$115,000 / year for service provision.

4. CONCLUSION

The proposed operating budget and LOSP request to support the TAY units at the Project are both reasonable. The high per unit operating cost is a direct result of the small project size and 24 hour desk clerk coverage, both of which will contribute to a successful TAY project. The operating budget is lean and in some cases the sponsor is not taking the full fee allowed by MOHCD Underwriting Guidelines because there is not sufficient cashflow.

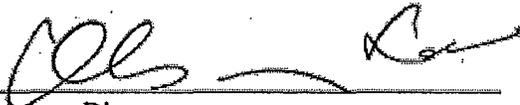
5. RECOMMENDED CONDITIONS

6. LOAN COMMITTEE MODIFICATIONS

LOAN COMMITTEE RECOMMENDATION

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

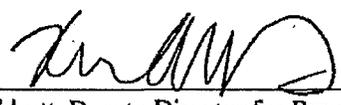
APPROVE. DISAPPROVE. TAKE NO ACTION.



Olson Lee, Director
Mayor's Office of Housing

Date: 3/3/17

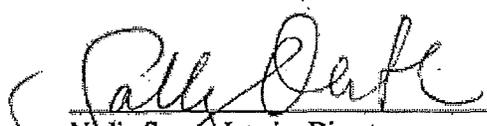
APPROVE. DISAPPROVE. TAKE NO ACTION.



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

Date: 3-3-17

APPROVE. DISAPPROVE. TAKE NO ACTION.



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

Date: 3-3-17

- Attachments:
- A. LOSP Program Description
 - B. 1st Year Operating Budget
 - C. 20-year Operating Pro Forma
 - D. LOSP Funding Schedule A

Attachment A: LOSP Program Description

As part of the City and County of San Francisco's effort to address the needs of the growing homeless population, the City has prioritized the development of non-profit owned and operated permanent supportive housing for formerly homeless individuals and families. While capital financing can be leveraged for this population, stakeholders realized these units cannot be feasibly operated at the scale needed if they rely solely on scarce federal or state operating subsidies.

In June 2004, the City launched its *Ten Year Plan to Abolish Chronic Homelessness* (the 2004 10-Year Plan), a multifaceted approach that included a locally funded operating subsidy as a key element and established the Local Operating Subsidy Program (LOSP) in 2006 to support the creation of permanent supportive housing at a large scale. The operating subsidy leverages capital financing by integrating homeless units into Low Income Housing Tax Credit projects without burdening them with operating deficits. LOSP was created by the Mayor's Office of Housing and Community Development (MOHCD) in partnership with the Department of Public Health (DPH) and the Human Services Agency (HSA).

On July 1, 2016, the City's diverse programs addressing homelessness were brought under the new Department of Homelessness and Supportive Housing (HSH), which combines key homeless-serving programs and contracts previously located across several City departments. The new department consolidates the functions of DPH Direct Access to Housing (DAH) and HSA Housing & Homeless programs. San Francisco is developing a Coordinated Entry System (CES) for all homeless populations to best match households to the appropriate intervention and ensure those with the highest needs are prioritized.

Through 15-year grant agreements with MOHCD, which are subject to annual appropriations by the Board of Supervisors, LOSP pays the difference between the cost of operating housing for homeless persons and all other sources of operating revenue for a given project, such as tenant rental payments, commercial space lease payments, or other operating subsidies. HSH refers homeless applicants to the housing units as well as provides services funding to the projects under a separate contract.

Contract periods for LOSP contract renewals will transition from a fiscal year basis to a calendar year basis for more streamlined accounting with the tax credit reporting year. For John Burton Advocates for Youth Housing, the LOSP contract will start on July 2017 and end on December 31, 2032, resulting in a 15.5 year term. After the July 2017 disbursement, all disbursements moving forward would be on a calendar year basis.

Attachment B: 1st Year Operating Budget

MHCD Programs - Year 1 Operating Budget for Loan Document

Application Date: 11/15/2016
 Total # Units: 60
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2017

Non-LOSP	
LOSP Units	Units
25	25

Project Name: John Burton Foundation Housing Complex
 Project Address: 800 Presidio Ave.
 Project Sponsor: Booker T. Washington Community Service Center

INCOME	LOSP/Non-LOSP Allocation		Total	Comments
	LOSP (50%)	non-LOSP (50%)		
Residential - Tenant Rents	75,000	305,952	380,952	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	374,581	0	374,581	
Commercial Space	0	0	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	5,200	5,200	10,400	Links from 'Utilities & Other Income' Worksheet Not included in previous budget
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	0	0	Links from 'Commercial Op. Budget' Worksheet
Withdrawal from Capitalized Reserve (deposit to operating account)	0	0	0	
Gross Potential Income	454,781	311,152	765,933	
Vacancy Loss - Residential - Tenant Rents	(3,750)	(15,288)	(19,038)	Vacancy Loss is 8% of Tenant Rents
Vacancy Loss - Residential - Tenant Assistance Payments	0	0	0	#DIV/0!
Vacancy Loss - Commercial	0	0	0	Links from 'Commercial Op. Budget' Worksheet
EFFECTIVE GROSS INCOME	451,031	295,864	746,895	PUPA: 14,838

OPERATING EXPENSES

Management				
Management Fee	18,500	18,500	37,000	\$55 PUPM
Asset Management Fee	3,600	3,600	7,200	
Sub-total Management Expenses	20,100	20,100	40,200	PUPA: 804
Salaries/Benefits				
Office Salaries	150,125	0	150,125	24 hour desk clerk coverage, \$17/hr lead, \$15/hr others - Increased \$13,244
Manager's Salary	28,500	28,500	57,000	Decreased \$3,428
Health Insurance and Other Benefits	37,812	12,604	50,416	Decreased \$433 - 75% allocated to LOSP for 80% split of Desk Clerk costs
Other Salaries/Benefits	0	0	0	
Administrative Rent-Free Unit	9,980	9,980	19,960	In Rent and Unit Mix.
Sub-total Salaries/Benefits	228,317	41,084	277,401	PUPA: 8,548
Administration				
Advertising and Marketing	600	600	1,200	
Office Expenses	4,750	4,750	9,500	
Office Rent	0	0	0	
Legal Expense - Property	4,500	4,500	9,000	
Audit Expense	4,250	4,250	8,500	
Bookkeeping/Accounting Services	2,550	2,550	5,100	\$8.50 PUPM
Bad Debts	0	0	0	
Miscellaneous	3,000	3,000	6,000	Payroll processing fee, other - Increased \$5,300
Sub-total Administration Expenses	18,650	19,800	38,450	PUPA: 768
Utilities				
Electricity	14,125	14,125	28,250	Estimate per similar size property
Water	2,250	2,250	4,500	Estimate per similar size property
Gas	7,350	7,350	14,700	Estimate per similar size property
Sewer	4,250	4,250	8,500	Estimate per similar size property
Sub-total Utilities	27,975	27,975	55,950	PUPA: 1,119
Taxes and Licenses				
Real Estate Taxes	750	750	1,500	
Payroll Taxes	17,283	8,710	25,993	Increased \$1,086 - 72% allocated to LOSP for 80% split of Desk Clerk costs
Miscellaneous Taxes, Licenses and Permits	750	750	1,500	
Sub-total Taxes and Licenses	18,783	9,510	28,293	PUPA: 839
Insurance				
Property and Liability Insurance	27,500	27,500	55,000	
Fidelity Bond Insurance	80	80	160	
Workers Compensation	11,757	8,057	19,814	Decreased \$5,257 - 86% allocated to LOSP for 80% split of Desk Clerk costs
Director's & Officers' Liability Insurance	0	0	0	
Sub-total Insurance	39,337	35,637	74,974	PUPA: 1,488
Maintenance & Repair				
Payroll	27,434	27,434	54,867	One maintenance person - Increased \$87
Supplies	10,000	10,000	20,000	Maintenance, Janitorial and Security
Contracts	13,600	13,600	27,200	Elevator, pest control, landscaping, window cleaning, building equipment HVAC
Garbage and Trash Removal	9,000	9,000	18,000	
Security Payroll/Contract	0	0	0	
HVAC Repair and Maintenance	0	0	0	
Vehicle and Maintenance Equipment Operation and Repairs	250	250	500	
Miscellaneous Operating and Maintenance Expenses	4,000	4,000	8,000	Fire protection, uniforms laundry, etc.
Sub-total Maintenance & Repair Expenses	64,284	64,284	128,567	PUPA: 2,571
Supportive Services				
Commercial Expenses	0	0	0	Links from 'Commercial Op. Budget' Worksheet
TOTAL OPERATING EXPENSES w/ RESERVES/CL BASE RENT/BOND FEES	416,478	224,398	641,375	PUPA: 12,828

Reserve/Ground Lease Base Rent/Bond Fees				
Ground Lease Base Rent	0	0	0	Provide additional comments here, if needed.
Bond Monitoring Fee	1,250	1,250	2,500	MCH Bond Monitoring Fee
Replacement Reserve Deposit	15,000	15,000	30,000	MHP required \$600 PUPA
Operating Reserve Deposit	0	0	0	
Other Required Reserve 1 Deposit	0	0	0	
Other Required Reserve 2 Deposit	0	0	0	
Required Reserve Deposits, Commercial	0	0	0	Links from 'Commercial Op. Budget' Worksheet
Sub-total Reserve/Ground Lease Base Rent/Bond Fees	16,250	16,250	32,500	659

TOTAL OPERATING EXPENSES w/ RESERVES/CL BASE RENT/BOND FEES	432,728	241,149	673,875	13475
NET OPERATING INCOME (INCOME minus OP EXPENSES)	18,308	54,766	72,010	1459

Mn DISCR: 11
 Available for OS in Yr 1: 66,373
 Mortgage Rate: 5%
 Term (Years): 30
 1st Mortgage Amt: \$1,030,335
 Proposed 1st Mortgage Amt: \$3,954,424

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% pmt. or other 2nd Lender)	6,305	6,305	12,600	HCD-HYAMP
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	0	0	Links from 'Commercial Op. Budget' Worksheet
TOTAL HARD DEBT SERVICE	6,305	6,305	12,600	PUPA: 332

CASH FLOW (NO) minus DEBT SERVICE	10,000	46,461	56,461	
Commercial Only Cash Flow			0	

MOHCD Proforma - Year 1 Operating Budget for Loan Document

Application Date: 11/15/2016
 Total # Units: 50
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2017

Project Name: John Burton Foundation Housing Complex
 Project Address: 800 Presidio Ave.
 Project Sponsor: Booker T. Washington Community Service Center

	LOSP Units	Non-LOSP Units
	25	25

	LOSP/Non-LOSP Allocation
	50% / 50%
	0 / 0

Allocation of Commercial Surplus to LOSP/Non-LOSP (Residual Income)
 AVAILABLE CASH FLOW 10,000 48,401 48,401
 USES OF CASH FLOW BELOW (This row also shows DSCR) 4.40

USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL

	LOSP	Non-LOSP	Total
Below the line Asset Mgt Fee (uncommon in new projects, see below)	0	0	0
Partnership Management Fee (see policy for limits)	7,500	7,500	15,000
Investor Service Fee (aka "LIF Asset Mgt Fee") (see policy for limits)	2,500	2,500	5,000
Other Precedence	0	0	0
Non-amortizing Loan Pmt - Lender 1 (select lender in comments field)	0	0	0
Non-amortizing Loan Pmt - Lender 2 (select lender in comments field)	0	0	0
Deferred Developer Fee (Enter amt <= Max Fee from call #130)	0	0	0
TOTAL PAYMENTS PRECEDING MOHCD	10,000	10,000	20,000

Devl. Develop. Fee 104.0% PIPA: 499

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD) 0 36,401 36,401

Residual Receipts Calculation
 Does Project have a MOHCD Residual Receipt Obligation? Yes Project has MOHCD ground lease? No
 Will Project Defer Developer Fees? Yes
 Max Deferred Developer Fee/Bonus % of Residual Receipts in Yr 1: 50% (Use for data entry above. Do not enter if 0)
 % of Residual Receipts available for distribution to soft debt lenders in Yr 1: 50% (Use for data entry above. Do not enter if 0)

Soft Debt Lenders with Residual Receipt Obligations	(Select lender name program from drop down)	Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OCI - Soft Debt Loans	All MOHCD/OCI Loans payable from net rents	\$17,228,047	75.58%
MOHCD/OCI - Ground Lease Value	Ground lease	0.00%	0.00%
HCD (soft debt loan) - Lender 2	HCD-HYVHP	\$3,954,424	24.44%
Other Soft Debt Lender - Lender 4		0.00%	0.00%
Other Soft Debt Lender - Lender 5		0.00%	0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE

MOHCD Residual Receipts Amount Due	27,506	27,506	50% of residual receipts, multiplied by 75.58% = MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	27,506	27,506	Entire/overhead amount of residual receipts proposed for loan repayment
Proposed MOHCD Residual Receipts Amount to Residual Receipts	0	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repaymt

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE 0 3,885 3,885

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE

HCD Residual Receipts Amount Due	3,885	3,885	50% of residual receipts, multiplied by 24.44% = HCD-HYVHP's pro rata share of all soft debt
Lender 4 Residual Receipts Due	0	0	
Lender 5 Residual Receipts Due	0	0	
Total Non-MOHCD Residual Receipts Debt Service	3,885	3,885	

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: 11/15/2016
 Total # Units: 50
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2017
 and John Stewart Company

INCOME

	Alternative LOSP Split	LOSP	non-LOSP	Approved By (req'd)
Residential - Tenant Rents				
Residential - Tenant Assistance Payments (Non-LOSP)	(Non-LOSP)			
Residential - LOSP Tenant Assistance Payments				
Commercial Space				
Commercial Parking				
Miscellaneous Rent Income	Alternative LOSP Split	LOSP	non-LOSP	Approved By (req'd)
Supportive Services Income	Supportive Services Income			
Interest Income - Project Operations				
Laundry and Vending	Projected LOSP Split	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
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

	Alternative LOSP Split	LOSP	non-LOSP	Approved By (req'd)
Management	Alternative LOSP Split	LOSP	non-LOSP	Approved By (req'd)
Management Fee	Management Fee			
Asset Management Fee	Asset Management Fee			
Sub-total Management Expenses				
Salaries/Benefits	Alternative LOSP Split	LOSP	non-LOSP	Approved By (req'd)
Office Salaries	Office Salaries		1 0.00%	
Manager's Salary	Manager's Salary			
Health Insurance and Other Benefits	Health Insurance and Other Benefits		1 21.00%	
Other Salaries/Benefits	Other Salaries/Benefits			
Administrative Rent-Free Unit	Administrative Rent-Free Unit			
Sub-total Salaries/Benefits				

Administration

Advertising and Marketing				
Office Expenses				
Office Rent	Projected LOSP Split	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Legal Expense - Property	Legal Expense - Property		50.00%	50.00%
Audit Expense				
Bookkeeping/Accounting Services	Projected LOSP Split	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Bad Debt	Bad Debt			
Miscellaneous				
Sub-total Administration Expenses				

Utilities

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

Taxes and Licenses

	Alternative LOSP Split	LOSP	non-LOSP	Approved By (req'd)
Real Estate Taxes	Real Estate Taxes			
Payroll Taxes	Payroll Taxes		1 28.00%	
Miscellaneous Taxes, Licenses and Permits				
Sub-total Taxes and Licenses				

Insurance

Property and Liability Insurance				
Fidelity Bond Insurance	Alternative LOSP Split	LOSP	non-LOSP	Approved By (req'd)
Worker's Compensation	Worker's Compensation		1 34.00%	
Director's & Officers' Liability Insurance				
Sub-total Insurance				

Maintenance & Repair

Payroll	Projected LOSP Split	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Supplies	Supplies		50.00%	50.00%
Contracts	Contracts			
Garbage and Trash Removal	Alternative LOSP Split	LOSP	non-LOSP	Approved By (req'd)
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				

Supportive Services

Commercial Expenses	Supportive Services			
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TOTAL OPERATING EXPENSES w/o RESERVES/OL BASE RENT/BOND FEES

Reserves/Ground Lease Base Rent/Bond Fees

Ground Lease Base Rent				
Bond Monitoring Fee	Alternative LOSP Split	LOSP	non-LOSP	Approved By (req'd)
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				
Requested Reserve Deposits, Commercial				
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				

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

NET OPERATING INCOME (INCOME minus OP EXPENSES)

	Alternative LOSP Split	LOSP	non-LOSP	Approved By (req'd)
DEBT SERVICE (hard debt/amortized loans)	Alternative LOSP Split	LOSP	non-LOSP	Approved By (req'd)
Hard Debt - First Lender	Hard Debt - First Lender		0 100.00%	
Hard Debt - Second Lender (HCD Program D.42% pymt. or other 2nd Lender)	Hard Debt - Second Lender (HCD Program D			
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	Hard Debt - Third Lender (Other HCD Program			
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

MOHCD Proforma - Year 1 Operating Budget for Loan Document

Application Date: 11/15/2016
 Total \$ Units: 50
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2017
 and John Stewart Company

Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)	Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)			Approved By: (sign)
AVAILABLE CASH FLOW				
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)	Alternative LOSP Fee	LOSP	non-LOSP	Approved By: (sign)
Partnership Management Fee (see policy for limits)				
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	Alternative LOSP Fee	LOSP	non-LOSP	Approved By: (sign)
Other Payments	Other Payments			
Non-amortizing Loan Pmt - Lender 1 (select lender in comments field)	Non-amortizing Loan Pmt - Lender 1 (select lender in comments field)			
Non-amortizing Loan Pmt - Lender 2 (select lender in comments field)	Non-amortizing Loan Pmt - Lender 2 (select lender in comments field)			
Deferred Developer Fee (Est. amt. - Max Fee from call 1130)	Deferred Developer Fee (Est. amt. - Max Fee from call 1130)			
TOTAL PAYMENTS PRECEDING MOHCD				

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)

Residual Receipts Calculated
 Does Project have a MOHCD Residual Receipt Obligation?
 Will Project Defeat 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/OCIL - Soft Debt Lender	
MOHCD/OCIL - 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 Distribution/Incentive Management Fee	
Other Distributions/Uses	
Final Balance (should be zero)	

Attachment C: 20-year Operating Proforma

John Burton Foundation Housing Complex

Total # Units:	LOSP		Non-LOSP		Year 7		Year 8		Year 9		Year 10		Year 11		LOSP
	22	22	22	22	2023		2024		2025		2026		2027		
	50.00%	50.00%	50.00%	50.00%	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	
INCOME															
Residential (rent) Plans	1.0%	2.1%	424,182	47,814	472,000	472,000	472,000	472,000	472,000	472,000	472,000	472,000	472,000	472,000	472,000
Commercial (Lease) Agreements/ Payments (Non-LOSP)	0%	0%	0	0	0	0	0	0	0	0	0	0	0	0	
Other Income	0%	0%	0	0	0	0	0	0	0	0	0	0	0	0	
EXPENSES															
Operating Expenses	3.5%	3.5%	15,125	24,724	39,849	40,418	28,315	22,375	21,140	21,424	18,820	17,364	17,364	17,364	
Reserve/Depreciation	1.5%	1.5%	6,217	21,900	28,117	34,170	210,000	44,944	303,000	241,122	43,342	32,343	588,438	61,478	
Property Taxes	3.5%	2.5%	28,310	24,824	24,156	44,210	25,000	25,000	25,000	21,112	23,878	17,181	20,711	20,711	
Utilities	3.5%	3.5%	24,417	24,344	24,344	24,344	24,344	24,344	24,344	24,344	24,344	24,344	24,344	24,344	
Insurance	3.5%	3.5%	10,217	23,251	17,762	10,144	23,940	10,144	24,304	24,304	10,811	22,224	10,114	24,744	
Management & Maintenance	3.5%	3.5%	15,217	48,201	21,293	29,432	30,000	22,770	22,770	21,773	44,287	44,287	44,287	44,287	
Administrative Services	3.5%	3.5%	15,217	1,251	16,468	16,468	16,468	16,468	16,468	16,468	16,468	16,468	16,468	16,468	
Interest Expense	3.5%	3.5%	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL OPERATING EXPENSES w/ RESERVE/DEPR. BASE RENT/BOND FEES															
			791,752	511,955	276,458	748,414	629,874	236,134	818,006	644,419	396,140	644,348	547,614	308,814	674,128
TOTAL OPERATING EXPENSES w/ RESERVE/DEPR. BASE RENT/BOND FEES (PUPA Fee Reserve/Depr. Base Rent/Bond Fee)															
			0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL OPERATING EXPENSES w/ RESERVE/DEPR. BASE RENT/BOND FEES (PUPA Fee Reserve/Depr. Base Rent/Bond Fee)															
			791,752	511,955	276,458	748,414	629,874	236,134	818,006	644,419	396,140	644,348	547,614	308,814	
NET OPERATING INCOME (INCOME minus OP EXPENSES)															
			66,835	18,774	50,382	68,166	19,087	49,294	64,290	19,431	48,071	67,502	19,776	46,717	66,484
DEBT SERVICE (Based on debt amortization)															
Debt Service			18,609	8,305	8,305	18,609	8,305	8,305	18,609	8,305	8,305	18,609	8,305	8,305	18,609
TOTAL DEBT SERVICE															
			18,609	8,305	8,305	18,609	8,305	8,305	18,609	8,305	8,305	18,609	8,305	8,305	
CASH FLOW (Net Income minus DEBT SERVICE)															
			48,226	10,469	42,077	49,557	10,782	40,989	51,781	11,126	39,766	50,893	11,471	38,412	47,875
USES OF CASH FLOW BELOW (This row also shows DSCR)															
USES THAT PRECEED MOHCO DEBT SERVICE BY WATERFALL															
Proposed MOHCO Residual Receipts Amount Due	3.5%	3.5%	11,578	15,928	15,928	15,928	15,928	15,928	15,928	15,928	15,928	15,928	15,928	15,928	
Proposed MOHCO Residual Receipts Amount to Loan Repayment	3.5%	3.5%	16,319	15,626	15,626	15,626	15,626	15,626	15,626	15,626	15,626	15,626	15,626	15,626	
Proposed MOHCO Residual Receipts Amount to Residual Ground Lease	3.5%	3.5%	3,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	
TOTAL PAYMENTS PRECEDING MOHCO															
			31,147	32,804	32,804	32,804	32,804	32,804	32,804	32,804	32,804	32,804	32,804	32,804	
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCO)															
			17,079	(22,335)	9,273	16,753	(22,022)	8,185	18,977	(21,678)	7,062	18,089	(21,392)	15,113	
Does Project have a MOHCO Residual Receipt Obligation?															
Yes															
MOHCO RESIDUAL RECEIPTS DEBT SERVICE															
Proposed MOHCO Residual Receipts Amount Due	50% / 50%		11,578	15,928	15,928	15,928	15,928	15,928	15,928	15,928	15,928	15,928	15,928	15,928	
Proposed MOHCO Residual Receipts Amount to Loan Repayment	50% / 50%		16,319	15,626	15,626	15,626	15,626	15,626	15,626	15,626	15,626	15,626	15,626	15,626	
Proposed MOHCO Residual Receipts Amount to Residual Ground Lease	50% / 50%		3,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	
REMAINING BALANCE AFTER MOHCO RESIDUAL RECEIPTS DEBT SERVICE															
			16,991	16,991	16,991	16,991	16,991	16,991	16,991	16,991	16,991	16,991	16,991	16,991	
NON-MOHCO RESIDUAL RECEIPTS DEBT SERVICE															
Proposed MOHCO Residual Receipts Amount Due	24.64%		5,381	5,381	5,381	5,381	5,381	5,381	5,381	5,381	5,381	5,381	5,381	5,381	
Proposed MOHCO Residual Receipts Amount to Loan Repayment	0.00%		0	0	0	0	0	0	0	0	0	0	0	0	
Proposed MOHCO Residual Receipts Amount to Residual Ground Lease	0.00%		0	0	0	0	0	0	0	0	0	0	0	0	
REMAINING BALANCE AFTER NON-MOHCO RESIDUAL RECEIPTS DEBT SERVICE															
			11,610	11,610	11,610	11,610	11,610	11,610	11,610	11,610	11,610	11,610	11,610	11,610	
REMAINDER (Should be zero unless there are distributions below)															
Developer Fee (Should be zero)			0	0	0	0	0	0	0	0	0	0	0	0	
RR Running Balance			180,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000	
OR Running Balance			319,653	319,653	319,653	319,653	319,653	319,653	319,653	319,653	319,653	319,653	319,653	319,653	
Other Required Reserve 1 Running Balance			0	0	0	0	0	0	0	0	0	0	0	0	
Other Required Reserve 2 Running Balance			0	0	0	0	0	0	0	0	0	0	0	0	
DEFERRED DEVELOPER FEE - RUNNING BALANCE															
Developer Fee (Should be zero)			0	0	0	0	0	0	0	0	0	0	0	0	
Deferred Developer Fee (Should be zero)			0	0	0	0	0	0	0	0	0	0	0	0	
Developer Fee Amortization Schedule															

MOHCD Proforma - 20 Year Cash Flow Summary

John Burton Foundation Housing Complex

Total # Units:	LOSP Units		Non-LOSP Units		Year 12		Year 13			Year 14			Year 15			Year 16			Year 17		
	25	25	25	25	2026		2026			2030			2031			2032			2033		
	80.00%	80.00%	% annual inc. LOSP	% annual increase	non-LOSP	Total	LOSP	non-LOSP	Total												
INCOME																					
Commercial - Tenant Rents					401,438	485,111	84,512	411,471	495,963	85,267	427,758	507,175	86,211	432,302	518,513	87,073	443,110	530,182	87,943	454,187	542,131
Residential - Tenant Assistance Payments (Non-LOSP)																					
Commercial Space																					
Other Income																					
UNLESS POTENTIAL INCOME																					
Vacancy Loss - Residential - Tenant Rents					408,254	1,653,088	424,137	418,465	1,687,902	491,902	428,925	1,170,828	715,153	438,559	1,154,802	739,218	450,241	1,189,257	784,120	461,907	1,229,027
Vacancy Loss - Residential - Tenant Assistance Payments					120,072	124,256	11,226	120,573	124,759	14,259	121,068	125,304	14,311	121,615	125,528	14,364	122,155	126,029	14,417	122,699	127,102
Vacancy Loss - Commercial																					
EFFECTIVE GROSS INCOME					324,187	1,237,752	348,211	397,991	1,063,161	647,824	407,839	1,094,472	710,842	618,045	1,124,377	724,662	428,485	1,149,248	759,723	459,198	1,190,821
OPERATING EXPENSES																					
Management	3.5%	3.5%	29,345	58,691	30,372	30,372	60,744	31,430	31,430	62,871	32,536	32,536	65,072	33,875	33,875	67,749	34,853	34,853	69,706	35,708	
Salaries/Benefits	3.5%	3.5%	74,252	425,085	342,101	77,161	419,263	354,075	79,842	433,917	368,434	82,657	449,125	379,294	85,560	464,844	392,569	89,544	481,114	39,544	
Administration	3.5%	3.5%	29,688	57,377	29,688	29,688	59,376	30,752	30,752	61,504	31,807	31,807	63,614	32,951	32,951	65,902	34,073	34,073	68,148	35,281	
Utilities	3.5%	3.5%	40,843	81,686	42,272	42,272	84,544	43,762	43,762	87,524	45,285	45,285	90,570	46,869	46,869	93,750	48,508	48,508	97,017	49,710	
Taxes and Licenses	3.5%	3.5%	11,044	22,088	22,088	12,496	40,143	29,329	12,840	42,160	30,356	13,299	43,645	31,418	13,754	45,172	32,519	14,226	46,753	14,226	
Insurance	3.5%	3.5%	49,679	104,481	59,411	59,411	118,822	61,490	61,490	122,980	63,843	63,843	127,686	66,370	66,370	132,740	68,875	68,875	138,547	71,467	
Maintenance & Repair	3.5%	3.5%	23,852	187,704	97,137	97,137	194,274	100,537	100,537	201,073	104,055	104,055	208,111	107,697	107,697	215,395	111,467	111,467	222,933	115,781	
Supportive Services	3.5%	3.5%																			
Commercial Expenses	3.5%	3.5%																			
TOTAL OPERATING EXPENSES w/ RESERVES/CL. BASE RENT/BOND FEES					329,346	926,288	629,224	330,838	968,181	631,350	351,732	1,029,082	674,148	384,043	1,034,180	647,743	378,764	1,074,527	722,184	349,572	1,112,135
Reserve/Ground Lease Base Rent/Bond Fees						32,500			32,500			32,500			32,500			32,500			32,500
TOTAL OPERATING EXPENSES w/ RESERVES/CL. BASE RENT/BOND FEES					344,598	958,788	645,574	330,838	1,000,681	663,850	384,232	1,061,582	706,696	386,283	1,070,680	712,983	388,264	1,107,027	754,684	389,572	1,144,635
NET OPERATING INCOME (INCOME minus OP EXPENSES)					43,591	32,648	19,639	41,804	61,441	20,284	39,857	39,891	20,445	37,742	54,187	30,870	35,451	58,281	21,209	33,978	54,285
DEBT SERVICE ("hard debt"/amortized loans)																					
Hard Debt - First Lender																					
Hard Debt - Second Lender (MOHCD Program @ 4% pmt, or other 2nd Lender)																					
Hard Debt - Third Lender (Other MOHCD Program, or other 3rd Lender)																					
Hard Debt - Fourth Lender																					
Commercial Hard Debt Service																					
TOTAL HARD DEBT SERVICE					8,305	18,609	8,305	8,305	18,609	8,305	8,305	18,609	8,305	8,305	18,609	8,305	8,305	18,609	8,305	8,305	18,609
CASH FLOW (NOI minus DEBT SERVICE)					35,287	48,258	11,333	33,499	44,832	11,730	31,552	49,282	12,140	29,437	41,578	12,545	27,147	39,712	13,005	24,871	37,676
Commercial Only Cash Flow																					
USES OF CASH FLOW BELOW (This row also shows DSCR)																					
USES THAT PRECEED PROCEEDING DEBT SERVICE BY WATERFALL																					
Deferred Developer Fee (Enter amt. w/ Max. Fee from row 131)																					
Below-the-line Asset Mgt Fee (applies to non-invest projects, see policy)																					
Partnership Management Fee (see policy for limits)																					
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)																					
Other Payments																					
Non-amortizing Loan Pmt - Lender 1																					
Non-amortizing Loan Pmt - Lender 2																					
TOTAL PAYMENTS PRECEDING MOHCD					10,950	21,900	11,333	11,333	22,666	11,730	11,730	23,460	12,140	12,140	24,280	12,545	12,545	25,130	13,005	13,005	28,010
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)					24,337	24,337	0	22,169	22,166	0	19,822	19,822	0	17,297	17,297	0	14,842	14,842	0	11,867	11,667
Does Project have a MOHCD Residual Receipt Obligation? Yes																					
Will Project Defeat Developer Fee? Yes																					
1st Residual Receipt Split: Lender/Deferred Developer Fee																					
MOHCD RESIDUAL RECEIPTS DEBT SERVICE																					
MOHCD Residual Receipts Amount Due																					
Proposed MOHCD Residual Receipts Amount to Loan Paymen																					
Proposed MOHCD Residual Receipts Amount to Residual Unpaid Lease																					
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE					12,277			11,000		8,271		6,543		5,296		4,049		2,799		1,552	
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE																					
MOHCD Residual Receipts Amount Due																					
Lender 4 Residual Receipts Due																					
Lender 5 Residual Receipts Due																					
Total Non-MOHCD Residual Receipts Debt Service					3,964			3,911		3,229		2,619		2,018		1,417		816		215	
REMAINDER (Should be zero unless there are distributions below)					8,112			7,289		5,042		3,924		2,829		1,632		1,083		737	
Owner Distributions/Dividends/Management Fee																					
Other Distributions/Uses																					
Final Balance (should be zero)																					
RR Running Balance																					
OR Running Balance																					
Other Required Reserve 1 Running Balance																					
Other Required Reserve 2 Running Balance																					
DEFERRED DEVELOPER FEE - RUNNING BALANCE																					
Developer Fee Starting Balance																					
Deferred Developer Fee Earned in Year																					
Developer Fee Remaining Balance																					

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John Burton Foundation Housing Complex

Total # Units:	LOSP Units		Non-LOSP Units		Year 18 2034			Year 19 2035			Year 20 2036		
	25	25	25	25	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
	50	50	50	50									
INCOME													
Residential - Tenure/Lease	10%	21%	18,823	410,435	429,258	429,258	429,258	477,181	477,181	477,181	501,508	499,110	1,000,618
Residential - Tenure/Lease/Assessment Payments (Non-LOSP)	n/a	n/a	-	-	-	-	-	-	-	-	-	-	-
Commercial Space	n/a	2.5%	-	-	-	-	-	-	-	-	-	-	-
Other Income	n/a	n/a	-	-	-	-	-	-	-	-	-	-	-
Other Potential Income	n/a	n/a	-	-	-	-	-	-	-	-	-	-	-
MOHCD Loans - Residential/Lease Rates	n/a	0%	-	-	136,000	472,458	1,368,158	318,377	485,591	1,301,868	844,190	467,423	1,311,613
MOHCD Loans - Residential/Lease/Assessment Payments	n/a	0%	(4,441)	(25,277)	(25,277)	(25,277)	(25,277)	(25,277)	(25,277)	(25,277)	(25,277)	(25,277)	(25,277)
MOHCD Loans - Other	n/a	0%	-	-	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME			784,844	479,171	1,264,031	447,000	447,000	441,100	1,211,611	819,418	472,844	1,292,262	
OPERATING EXPENSES													
Management	3.5%	3.5%	27,657	16,623	44,280	44,280	44,280	44,280	44,280	44,280	44,280	44,280	44,280
Security/Insurance	3.5%	3.5%	204,999	81,343	286,342	286,342	286,342	286,342	286,342	286,342	286,342	286,342	286,342
Maintenance	3.5%	3.5%	35,266	38,785	74,051	74,051	74,051	74,051	74,051	74,051	74,051	74,051	74,051
Utilities	3.5%	3.5%	50,206	50,206	100,412	100,412	100,412	100,412	100,412	100,412	100,412	100,412	100,412
Power and Services	3.5%	3.5%	33,874	14,354	48,228	48,228	48,228	48,228	48,228	48,228	48,228	48,228	48,228
Insurance	3.5%	3.5%	10,642	30,331	40,973	40,973	40,973	40,973	40,973	40,973	40,973	40,973	40,973
Maintenance & Major	3.5%	3.5%	115,348	115,348	230,696	230,696	230,696	230,696	230,696	230,696	230,696	230,696	230,696
Supporting Services	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-	-
Commercial Expenses	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES w/o RESERVE/BOND BASE RENT/BOND FEES			747,439	402,821	1,150,260	779,800	417,747	1,197,547	800,876	432,304	1,233,180		
Reserve/Unwind Loans Base Rent/Bond Fees			-	-	-	-	-	-	-	-	30,600		
TOTAL OPERATING EXPENSES w/ RESERVE/BOND BASE RENT/BOND FEES			747,439	402,821	1,150,260	779,800	417,747	1,197,547	800,876	432,304	1,263,780		
NET OPERATING INCOME (INCOME minus OP EXPENSES)			21,785	30,307	62,071	22,238	27,435	49,870	22,723	24,340	47,072		
DEBT SERVICE (Hard debt/amortized loans)													
Hard Debt - First Lender			8,300	8,300	16,600	8,300	8,300	16,600	8,300	8,300	16,600		
Hard Debt - Second Lender (MOHCD Program @ 4.2% pmt. or other 2nd Lender)			8,300	8,300	16,600	8,300	8,300	16,600	8,300	8,300	16,600		
Hard Debt - Third Lender (Other MOHCD Program or other 3rd Lender)			8,300	8,300	16,600	8,300	8,300	16,600	8,300	8,300	16,600		
Hard Debt - Fourth Lender			8,300	8,300	16,600	8,300	8,300	16,600	8,300	8,300	16,600		
Commercial Hard Debt Service			8,300	8,300	16,600	8,300	8,300	16,600	8,300	8,300	16,600		
TOTAL HARD DEBT SERVICE			32,800	32,800	65,600	32,800	32,800	65,600	32,800	32,800	65,600		
CASH FLOW (NOI minus DEBT SERVICE)			11,485	22,007	25,471	12,931	18,130	23,041	14,419	18,040	30,472		
Commercial Only Cash Flow			-	-	-	-	-	-	-	-	-		
USES OF CASH FLOW BELOW (This row also shows DSCR)													
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL													
Deferred Developer Fee (25% amt. or Max Fee from row 13)	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-	-
Reserve/Unwind Loans Base Rent/Bond Fees	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-	-
Reserve/Unwind Loans Base Rent/Bond Fees	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-	-
Other Payments	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-	-
Other Payments	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-	-
Other Payments	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-	-
Other Payments	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD			12,460	12,460	24,920	12,460	12,460	24,920	12,460	12,460	24,920		
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)			(1)	9,547	9,547	0	5,199	5,199	0	1,820	1,820		
Does Project have a MOHCD Residual Receipt Obligation?			Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
Will Project Developer Pay?			Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
1st Residual Receipt Split - Lender/Deferred Developer Fee			50% / 50%	50% / 50%	50% / 50%	50% / 50%	50% / 50%	50% / 50%	50% / 50%	50% / 50%	50% / 50%		
MOHCD RESIDUAL RECEIPTS DEBT SERVICE			2,515	2,515	5,030	2,515	2,515	5,030	2,515	2,515	5,030		
Residual Receipts Amount Due			2,515	2,515	5,030	2,515	2,515	5,030	2,515	2,515	5,030		
Residual Receipts Amount Due to Lender/Deferred Developer Fee			2,515	2,515	5,030	2,515	2,515	5,030	2,515	2,515	5,030		
Residual Receipts Amount Due to Lender/Deferred Developer Fee			2,515	2,515	5,030	2,515	2,515	5,030	2,515	2,515	5,030		
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE			4,232	4,232	8,464	4,232	4,232	8,464	4,232	4,232	8,464		
Residual Receipts Amount Due			4,232	4,232	8,464	4,232	4,232	8,464	4,232	4,232	8,464		
Residual Receipts Amount Due to Lender/Deferred Developer Fee			4,232	4,232	8,464	4,232	4,232	8,464	4,232	4,232	8,464		
Residual Receipts Amount Due to Lender/Deferred Developer Fee			4,232	4,232	8,464	4,232	4,232	8,464	4,232	4,232	8,464		
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE			24,444	24,444	48,888	24,444	24,444	48,888	24,444	24,444	48,888		
Residual Receipts Amount Due			24,444	24,444	48,888	24,444	24,444	48,888	24,444	24,444	48,888		
Residual Receipts Amount Due to Lender/Deferred Developer Fee			24,444	24,444	48,888	24,444	24,444	48,888	24,444	24,444	48,888		
Residual Receipts Amount Due to Lender/Deferred Developer Fee			24,444	24,444	48,888	24,444	24,444	48,888	24,444	24,444	48,888		
TOTAL NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE			1,280	1,280	2,560	1,280	1,280	2,560	1,280	1,280	2,560		
Residual Receipts Amount Due			1,280	1,280	2,560	1,280	1,280	2,560	1,280	1,280	2,560		
Residual Receipts Amount Due to Lender/Deferred Developer Fee			1,280	1,280	2,560	1,280	1,280	2,560	1,280	1,280	2,560		
Residual Receipts Amount Due to Lender/Deferred Developer Fee			1,280	1,280	2,560	1,280	1,280	2,560	1,280	1,280	2,560		
REMAINDER (Should be zero unless there are distributions below)			9,484	9,484	18,968	9,484	9,484	18,968	9,484	9,484	18,968		
Owner Distributions/Reserve Management Fee			9,484	9,484	18,968	9,484	9,484	18,968	9,484	9,484	18,968		
Other Distributions/Uses			9,484	9,484	18,968	9,484	9,484	18,968	9,484	9,484	18,968		
Final Balance (should be zero)			0	0	0	0	0	0	0	0	0		
RR Running Balance			540,000	540,000	540,000	540,000	540,000	540,000	540,000	540,000	540,000		
DR Running Balance			319,853	319,853	319,853	319,853	319,853	319,853	319,853	319,853	319,853		
Other Required Reserve 1 Running Balance			-	-	-	-	-	-	-	-	-		
Other Required Reserve 2 Running Balance			-	-	-	-	-	-	-	-	-		
DEFERRED DEVELOPER FEE - RUNNING BALANCE													
Deferred Developer Fee			-	-	-	-	-	-	-	-	-	-	-
Deferred Developer Fee Earned to Date			-	-	-	-	-	-	-	-	-	-	-
Developer Fee Remaining Balance			-	-	-	-	-	-	-	-	-	-	-

Attachment D: LOSP Funding Schedule A

MOHCD Proforma - Exhibit A

LOSP FUNDING SCHEDULE	
Project Address:	John Burton Foundation Housing Complex
Project Start Date:	7/1/2017

Exhibit A

Calendar Year	Full Year Funding Amount	# Months to Fund	Total Disbursement for Calendar Year	Estimated Disbursement Date
CY-1 2017	\$374,581	6	\$187,290	7/1/2017
CY-2 2018	\$387,327	12	\$387,327	1/1/2018
CY-3 2019	\$401,833	12	\$401,833	1/1/2019
CY-4 2020	\$416,866	12	\$416,866	1/1/2020
CY-5 2021	\$432,444	12	\$432,444	1/1/2021
CY-6 2022	\$448,587	12	\$448,587	1/1/2022
CY-7 2023	\$465,316	12	\$465,316	1/1/2023
CY-8 2024	\$482,650	12	\$482,650	1/1/2024
CY-9 2025	\$500,611	12	\$500,611	1/1/2025
CY-10 2026	\$519,221	12	\$519,221	1/1/2026
CY-11 2027	\$537,254	12	\$537,254	1/1/2027
CY-12 2028	\$557,233	12	\$557,233	1/1/2028
CY-13 2029	\$577,932	12	\$577,932	1/1/2029
CY-14 2030	\$599,377	12	\$599,377	1/1/2030
CY-15 2031	\$621,595	12	\$621,595	1/1/2031
CY-16 2032	\$644,612	12	\$644,612	1/1/2032
Total Contract Amount:			\$7,780,147	

CITYWIDE AFFORDABLE HOUSING LOAN COMMITTEE

Director, Mayor's Office of Housing and Community Development
Interim Director, Office of Community Investment and Infrastructure
Director, Housing & Homeless Programs, Department of Homelessness & Supportive Housing

Friday, March 3rd, 2017
11:00 A.M. – 1:00 P.M.
1 South Van Ness Ave., 5th Floor
Conference Room 5080

AGENDA

REQUEST FOR PREDEVELOPMENT FUNDS FOR THE DEVELOPMENT OF 114 UNITS OF AFFORDABLE FAMILY HOUSING

4840 Mission St (4840 Mission)

Request for \$3,000,000 in predevelopment financing for the development of 114 units of affordable family housing in the Excelsior/Outer Mission District. 4840 Mission will also include twenty percent of its units for formerly homeless families.

Bridge Housing Corporation

REQUEST FOR 15.5 YEAR LOCAL OPERATING SUBSIDY PROGRAM (LOSP) CONTRACT COMMITMENT

800 Presidio Ave (John Burton Advocates for Youth Housing)

Request for LOSP contract commitment in the amount of \$7,780,147 to support operations ~~services~~ for twenty-five units for homeless or at risk transitional age youth. Building mix includes twenty-five LOSP units and twenty-five affordable rental units.

BTW Housing Associates

REQUEST FOR 15.5 YEAR LOCAL OPERATING SUBSIDY PROGRAM (LOSP) CONTRACT RENEWAL

990 Polk Street (990 Polk Senior Apartments)

Request for LOSP contract renewal in the amount of \$13,131,321 for continued operations ~~and services~~ for fifty units of formerly homeless seniors.

Tenderloin Neighborhood Development Corporation

REQUEST FOR 15.5 YEAR LOCAL OPERATING SUBSIDY PROGRAM (LOSP) CONTRACT RENEWAL

684 Ellis Street (Hotel Essex)

Request for LOSP contract renewal in the amount of \$18,556,031 for continued operations ~~and services~~ for eighty-four units for formerly homeless individuals.

Community Housing Partnership

OFFICE OF THE MAYOR
SAN FRANCISCO



EDWIN M. LEE

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: *for* Mayor Edwin M. Lee 
RE: Local Operating Subsidy Program Contract – 800 Presidio Avenue – Not
to Exceed \$7,780,147
DATE: May 9, 2017

Attached for introduction to the Board of Supervisors is a resolution authorizing the Director of the Mayor's Office of Housing and Community Development to execute a Local Operating Subsidy Program ("LOSP") Grant Agreement with BTW Housing Partners, L.P., a California limited partnership, to provide operating subsidies for formerly homeless Transition Age Youth ("TAY") households at John Burton Advocates for Youth Housing Complex, 800 Presidio Avenue, for a fifteen and a half year period, in an amount not to exceed \$7,780,147.

I respectfully request this item be heard in Budget & Finance Committee on May 25, 2017.

Should you have any questions, please contact Mawuli Tugbenyoh (415) 554-5168.

RECEIVED
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SALVATORE
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FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
 (S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors

Contractor Information <i>(Please print clearly.)</i>
Name of contractor: BTW Housing Partners, L.P., a California limited partnership

Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.

The borrowing entity for the John Burton Advocates for Youth Housing Complex is **BTW Housing Partners, L.P.**, a California limited partnership. BTW Housing Partners, L.P. has no employees and decisions are made by its general partners, JSCO BTW LLC and Booker T. Washington Community Service Center.

JSCO BTW LLC, Administrative Partner: the sole member of JSCO BTW LLC is the John Stewart Company.
 (1) Board of Directors: John K. Stewart (**Chairman**); Jack D. Gardner (**President and CEO**); Daniel Levine (**Secretary**); Marie Tustin
 (2) Jack D. Gardner (**President and CEO**); Noah G. Schwartz (**COO**)
 (3) N/A
 (4) N/A
 (5) N/A

The **Booker T. Washington Community Service Center**, Managing General Partner.
 (1) Laurence D. Griffin (**President**); Andrea Hayes (**Secretary**); Carlos Reed (**Vice President**); Phillip Stone (**Treasurer**)
 Jimi R. Harris; Farah Makras; Eric M. Safire; Shelley Bradford Bell; Stephanie Tomao; Yoongi Tom; Adam Goldenberg; Gail Jackson-McCray; Julian Davis; Michaela Alioto-Pier
 (2) Patricia Scott: CEO,CFO & COO
 (3) NA
 (4) NA
 (5) NA

Contractor address:
 BTW Housing Partners, L.P., 1388 Sutter Street, 11th Floor, San Francisco, CA 94109

Date that contract was approved:	Amount of contract: \$7,780,147
----------------------------------	---------------------------------

Describe the nature of the contract that was approved:
 Local Operating Subsidy Program (LOSP) Grant Agreement for 15.5 years in a total amount of up to \$7,780,147 to subsidize the cost of operations of 25 units for homeless or at-risk transitional age youth at the 50-unit affordable housing development.

Comments:

- This contract was approved by (check applicable):
- the City elective officer(s) identified on this form (Mayor Edwin M. Lee)
 - a board on which the City elective officer(s) serves: San Francisco Board of Supervisors
Print Name of Board
 - the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information <i>(Please print clearly.)</i>	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed