

**LOAN AGREEMENT
(CITY AND COUNTY OF SAN FRANCISCO
LOW AND MODERATE INCOME AFFORDABLE HOUSING ASSET FUND; AND
2023 CERTIFICATES OF PARTICIPATION)**

By and Between

THE CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation, represented by the Mayor,
acting by and through the Mayor's Office of Housing and Community Development,

and

1234 GREAT HIGHWAY LLC, a California limited liability company

for

1234 Great Highway, San Francisco, CA 94122
\$24,000,000
Low and Moderate Income Housing Asset Fund: \$4,047,507
2023 Certificates of Participation: \$19,952,493

Dated as of December 11, 2023

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- A Schedules of Income and Rent Restrictions
- B-1 Table of Sources and Uses of Funds
- B-2 Annual Operating Budget
- B-3 20-Year Cash Flow Proforma
- C Form of Tenant Income Certification
- D First Source Hiring Requirements and Numerical Goals
- E Governmental Requirements
- F Lobbying/Debarment Certification Form
- G Form of Annual Monitoring Report
- H Tenant Selection Plan Policy
- I MOHCD Tenant Screening Criteria Policy
- J Developer Fee Policy
- K Hold Harmless Policy
- L Insurance Requirements
- M Reserved
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- P MOHCD Residual Receipts Policy

LOAN AGREEMENT
(City and County of San Francisco
Low and Moderate Income Housing Asset Fund and 2023 Certificates of Participation)
1234 Great Highway, San Francisco, CA 94122

THIS LOAN AGREEMENT ("Agreement") is entered into as of December 11, 2023, by and between the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation (the "City"), represented by the Mayor, acting by and through the Mayor's Office of Housing and Community Development ("MOHCD"), and **1234 GREAT HIGHWAY LLC**, a California limited liability company ("Borrower").

RECITALS

A. The San Francisco Board of Supervisors designated the Mayor's Office of Housing and Community Development the Successor Housing Agency of the San Francisco Redevelopment Agency, effective February 1, 2012, upon dissolution of state redevelopment agencies. Pursuant to California Assembly Bill 1484, the Successor Housing Agency was required to create a fund called the Low and Moderate Income Housing Asset Fund ("LMIH Asset Fund") to collect proceeds from former redevelopment agency housing assets transferred to the City and County of San Francisco. Monies in the LMIH Asset Fund are derived from loan repayments and other housing asset program income and will be used in accordance with California Redevelopment Law. The funds provided from the LMIH Asset Fund under this Agreement will be referred to herein as the "LMIH Funds."

B. On June 2, 2023, the City enacted Ordinance 102-23, which provided for the issuance of up to \$146,800,000 in Certificates of Participation to finance and refinance certain capital improvement, affordable housing and community facilities development projects within the City and County of San Francisco, including site acquisition, demolition and site preparation, design work, construction, repairs, renovations, improvements and the equipment of such facilities, including through the retirement of certain commercial paper notes of the City issued for such purposes (the "2023 Certificates of Participation"). To the extent permitted by law, the City intends to reimburse with proceeds of the 2023 Certificates of Participation amounts disbursed under this Agreement to Borrower for the development and construction of affordable housing. The proceeds from the 2023 Certificates of Participation provided under this Agreement will be referred to herein as the "2023 COP Funds," and together with the LMIH Funds, collectively, the "Funds."

C. MOHCD issued a Notice of Funding Availability on January 7, 2023, to solicit qualified affordable housing developers for Site Acquisition and Predevelopment Financing for New Affordable Rental Housing ("NOFA"). In response to the NOFA, MOHCD selected Tenderloin Neighborhood Development Corporation, a California nonprofit public benefit corporation ("TNDC") and Self-Help for the Elderly, a California nonprofit public benefit corporation ("SHE") as co-developers to acquire, develop, and construct new affordable housing on the Site (defined below). TNDC, as the current sole member, formed the Borrower for the purpose of undertaking the activities described in the NOFA.

D. Borrower owns a fee interest in the real property located at 1234, 1270 and 1280 Great Highway, San Francisco, CA 94122, which includes a 59-unit commercial motel (the "Site"). Borrower desires to demolish the existing improvements and construct on the Site a new approximately 216-unit multifamily residential project affordable to low-income and formerly homeless seniors, including a commercial shell for community serving space (the "Commercial Space," and collectively, the "Project").

E. Borrower obtained a loan from the San Francisco Housing Accelerator Fund in the amount of \$24,000,000 for acquisition of the Site and predevelopment activities related to the Project ("SFHAF Loan"). Borrower desires to use approximately \$23,348,500 of the Funds to refinance the outstanding balance of the SFHAF Loan.

F. The Citywide Affordable Housing Loan Committee has reviewed Borrower's application for Funds and, in reliance on the accuracy of the statements in that application, has recommended to the Mayor that the City make a loan of Funds to Borrower (the "Loan") in the amount of Twenty-Three Million Three Hundred Forty-Eight Thousand Five Hundred and No/100 Dollars (\$23,348,500.00) related to the acquisition of the Site ("Acquisition Amount"), and Six Hundred Fifty-One Thousand Five Hundred and No/100 Dollars (\$651,500.00) for certain costs related to the predevelopment of the Project ("Predevelopment Amount"), for a total amount of Twenty Four Million and No/100 Dollars (\$24,000,000.00) (the "Funding Amount") under this Agreement to fund certain costs related to the Project. The Funding Amount is comprised of (i) LMIH Funds in the amount of \$4,047,507.00 and (ii) 2023 Certificates of Participation in the amount of \$19,952,493.00.

G. On December 11, 2023, the City's Board of Supervisors and the Mayor approved this Agreement by Resolution No. 0551-23 for the purpose of developing the Project.

AGREEMENT

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

ARTICLE 1 DEFINITIONS.

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

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

"Agreement" means this Loan Agreement.

"Agreement Date" means the date first written above.

"Annual Monitoring Report" has the meaning set forth in **Section 10.3.**

“Annual Operating Budget” means an annual operating budget for the Project attached hereto as **Exhibit B-2**, which may not be adjusted without the City's prior written approval.

“Approved Plans” has the meaning set forth in **Section 5.2**.

“Approved Specifications” has the meaning set forth in **Section 5.2**.

“Acquisition Amount” has the meaning set forth in **Recital F**.

"Acquisition Maturity Date" has the meaning set forth in Section 3.1(a).

“Acquisition Note” means the promissory note executed by Borrower in favor of the City in the original principal amount of the Acquisition Amount.

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

"Borrower" means 1234 Great Highway LLC, a California limited liability company, whose sole member/manager is Tenderloin Neighborhood Development Corporation, a California nonprofit public benefit corporation, and its authorized successors and assigns.

“Cash Out Policy” means the MOHCD Cash Out Acquisition/Rehabilitation, Resyndication, And Refinancing Policy dated June 19, 2020, as it may be amended from time to time.

"CFR" means the Code of Federal Regulations.

"Charter Documents" means: (a) in the case of a corporation, its articles of incorporation and bylaws; (b) in the case of a partnership, its partnership agreement and any certificate or statement of partnership; and (c) in the case of a limited liability company, its operating agreement and any LLC certificate or statement.

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

"City Documents" means this Agreement, the Notes, the Deed of Trust, the Declaration of Restrictions, and any other documents executed or, delivered in connection with this Agreement.

"City Project" has the meaning set forth in **Exhibit E, Section 13(c)**.

"CNA" means a 20-year capital needs assessment or analysis of replacement reserve requirements, as further described under the CNA Policy.

"CNA Policy" means MOHCD's Policy For Capital Needs Assessments dated November 5, 2013, as it may be amended from time to time.

"Commercial Income" means all receipts received by Borrower from the operation of the Commercial Space, including rents, fees, deposits (other than security deposits), any accrued interest disbursed from any reserve account authorized under this Agreement for a purpose other than that for which the reserve account was established, reimbursements and other charges paid to Borrower in connection with the Commercial Space.

"Commercial Shell" means all components of an unfinished Commercial Space as further defined by MOHCD's commercial space policy, as it may be amended from time to time.

"Commercial Space" has the meaning set forth in **Recital D** and further defined in MOHCD's commercial space policy as it may be amended from time to time. As used in this Agreement, the term excludes non-residential space in the Project to be used primarily for the benefit of the Tenants.

"Commercial Surplus Cash" means Commercial Income remaining after payment of the sum of commercial debt service, operating expenses for the Commercial Space and reserve deposits for the Commercial Space but excludes depreciation, amortization, depletion, other non-cash expenses or expenditures from reserve accounts.

"Community-Serving Purposes" means a non-residential use, approved by MOHCD in writing, that provides a direct benefit to the residents of the Project and the community in which the Project is located, including, but not limited to, family resource center, early childhood education center, community bicycle workspace, or other community serving commercial use under MOHCD's Commercial Space Underwriting Guidelines.

"Completion Date" has the meaning set forth in **Section 5.6**.

"Compliance Term" has the meaning set forth in **Section 3.2**.

"Construction Contract" has the meaning set forth in **Section 5.2**.

"Conversion Date" means the date on which construction financing for the Project is converted into permanent financing, if applicable.

"Declaration of Restrictions" means a recorded declaration of restrictions in form and substance acceptable to the City that requires Borrower and the Project to comply with the use restrictions in this Agreement for the Compliance Term, even if the Loan is repaid or otherwise satisfied, this Agreement terminates or the Deed of Trust is reconveyed.

"Deed of Trust" means the deed of trust executed by Borrower granting the City a lien on the Site and the Project to secure Borrower's performance under this Agreement and the Notes, in form and substance acceptable to the City.

"Department of Building Inspection" has the meaning set forth in **Section 5.2**.

"Developer" means TNDC and SHE, and their authorized successors and assigns.

"Developer Fee Policy" means the MOHCD Policy on Development Fees for Tax Credit Projects dated October 16, 2020, as amended from time to time, attached hereto as **Exhibit J**.

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

"Development Expenses" means all costs incurred by Borrower and approved by the City in connection with the development of the Project, including: (a) hard and soft development costs; (b) deposits into required capitalized reserve accounts; (c) costs of converting Project financing, including bonds, into permanent financing; (d) the expense of a cost audit; and (e) allowed Developer Fees.

"Development Proceeds" means the sum of: (a) funds contributed or to be contributed to Borrower by Borrower's limited partner as capital contributions, equity or for any other purpose under Borrower's limited partnership agreement; and (b) the proceeds of all other financing for the Project.

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

"Distributions" has the meaning set forth in **Section 13.1**.

"Early Retention Release Contractors" means contractors who will receive retention payments upon satisfaction of requirements set forth in **Section 4.7**.

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

"Environmental Laws" means all present and future federal, state, local and administrative laws, ordinances, statutes, rules and regulations, orders, judgments, decrees, agreements, authorizations, consents, licenses, permits and other governmental restrictions and requirements relating to health and safety, industrial hygiene or the environment or to any Hazardous Substance or Environmental Activity, including the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (commonly known as the "Superfund" law) (42 U.S.C. §§ 9601 *et seq.*), the Resource Conservation and Recovery Act of 1976, as amended by the Solid Waste and Disposal Act of 1984 (42 U.S.C. §§ 6901 *et seq.*); the National Environmental Policy Act of 1969 ("NEPA") (24 CFR §§ 92 and 24 CFR §§ 58); the California

Hazardous Substance Account Act (also known as the Carpenter-Presley-Tanner Hazardous Substance Account Law and commonly known as the "California Superfund" law) (Cal. Health & Safety Code §§ 25300 *et seq.*); and the Safe Drinking Water and Toxic Enforcement Act of 1986 (commonly known as "Proposition 65") (Cal. Health & Safety Code §§ 25249.2 *et seq.*); and Sections 25117 and 25140 of the California Health & Safety Code.

"Escrow Agent" has the meaning set forth in **Section 4.2**.

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

"Excess Proceeds" means Development Proceeds remaining after payment of Development Expenses. For the purposes of determining Excess Proceeds, no allowed Project Expenses may be included in Development Expenses.

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

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

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

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

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

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

"HCD" means the California Department of Housing and Community Development.

“Hold Harmless Policy” means the Hold Harmless Policy for MOHCD’s Income Limits & Maximum Rents dated May 3, 2019, as amended from time to time, attached hereto as **Exhibit K**.

“Homeless” means an individual or a family who lacks a fixed, regular, and adequate nighttime residence and who has a primary nighttime residence in one or more of the following categories: (a) Anyone staying in a mission or homeless or domestic violence shelter, i.e., a supervised public or private facility that provides temporary living accommodations; (b) Anyone displaced from housing due to a disaster situation; (c) Anyone staying outdoors; for example, street, sidewalk, doorway, park, freeway underpass; (d) Anyone staying in a car, van, bus, truck, RV, or similar vehicle; (e) Anyone staying in an enclosure or structure that is not authorized or fit for human habitation by building or housing codes, including abandoned buildings ("squats") or sub-standard apartments and dwellings; (f) Anyone staying with friends and/or extended family members (excluding parents and children) because they are otherwise unable to obtain housing; (g) Any family with children staying in a Single Room Occupancy (SRO) hotel room (whether or not they have tenancy rights); (h) Anyone staying in temporary housing for less than 6 months where the accommodations provided to the person are substandard or inadequate (for example, in a garage a very small room, or an overly crowded space); (i) Anyone staying in a Single Room Occupancy (SRO) hotel room without tenancy rights; (j) Anyone formerly homeless (formerly in one of the above categories (a) through (i)) who is now incarcerated, hospitalized, or living in a treatment program, half-way house, transitional housing; or (k) Anyone formerly homeless (formerly in one of the above categories (a) through (i)) who has obtained and resided in supportive housing or permanent housing for less than 30 days.

“Homeless Household” means a household that meets the referring agency’s definition of Homeless Household for initial occupancy and upon available vacancies thereafter, as per the Local Operating Subsidy contract.

“HSH” means the San Francisco Department of Homelessness and Supportive Housing, or other successor agency.

"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.

"In Balance" means that the sum of undisbursed Funds and any other sources of funds that Borrower has closed or for which Borrower has firm commitments will be sufficient to complete acquisition/construction/rehabilitation of the Project, as determined by the City in its sole discretion.

"Income Restrictions" means the maximum household income limits for Qualified Tenants, as set forth in **Exhibit A**.

"Indemnitee" means, individually or collectively, (i) City, including MOHCD and all commissions, departments, agencies and other subdivisions of City; (ii) City's elected officials, directors, officers, employees, agents, successors and assigns; and (iii) all persons or entities acting on behalf of any of the foregoing.

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

"Life of the Project" means the period of time in which the Project continues to operate as a multi-family apartment project substantially similar to its current condition in terms of square footage and number of units, and in the event the Project is substantially damaged or destroyed by fire, the elements, an act of any public authority or other casualty, and is subsequently replaced by a multi-family residential project substantially similar to its current condition in terms of square footage and number of units, the life of such replacement project will be deemed to be a continuation of the life of the Project.

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

"Local Operating Subsidy" means an operating subsidy provided by the City to Borrower for the operation of the Project, the amount of which is sufficient to permit Borrower to operate the Project in accordance with the terms of this Agreement with Qualified Tenants at income levels specified by MOHCD in writing which are below those set forth in **Exhibit A**.

"Local Operating Subsidy Program" or "LOSP" means the program administered by MOHCD that regulates the distribution of Local Operating Subsidy.

"Loss" or "Losses" includes any and all loss, liability, damage, obligation, penalty, claim, action, suits, judgment, fee, cost, expense or charge and reasonable attorneys' fees and costs, including those incurred in an investigation or a proceeding in court or by mediation or arbitration, on appeal or in the enforcement of the City's rights or in defense of any action in a bankruptcy proceeding.

"Manager" means TNDC.

"Marketing and Tenant Selection Plan" has the meaning set forth in **Section 6.1**.

"Median Income" means median income as published annually by MOHCD for the City and County of San Francisco, adjusted solely for household size, and derived in part from the income limits and area median income determined by HUD for the San Francisco area, but not adjusted for a high housing cost area (also referred to as unadjusted median income)

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

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

"Notes" means, collectively, the Predevelopment Note and the Acquisition Note.

"Official Records" means the official records of San Francisco County.

"Operating Reserve Account" has the meaning set forth in **Section 12.2**.

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

"Out of Balance" means that the sum of undisbursed Funds and any other sources of funds that Borrower has closed or for which Borrower has firm commitments will not be sufficient to complete acquisition/construction/rehabilitation of the Project, as determined by the City in its sole discretion.

"Partnership Fees" means annual partnership management fees in the amounts approved by the City in the Annual Operating Budget and limited partner fees in amounts approved by the City in the Annual Operating Budget.

"Payment Date" means the first June 30th following the Completion Date and each succeeding June 30th until the Predevelopment Maturity Date or Acquisition Maturity Date, as applicable.

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

"Predevelopment Amount" has the meaning set forth in **Recital F**.

"Predevelopment Maturity Date" has the meaning set forth in Section 3.1(b).

"Predevelopment Note" means the promissory note executed by Borrower in favor of the City in the original principal amount of the Predevelopment Amount.

"Preferences and Lottery Manual" means MOHCD's Marketing, Housing Preferences and Lottery Procedures Manual dated October 19, 2020, as amended from time to time.

"Preferences Ordinance" means Chapter 47 of the San Francisco Administrative Code, as amended from time to time.

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

"Project Expenses" means the following costs, which may be paid from Project Income in the following order of priority to the extent of available Project Income: (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 or by other lenders providing secured financing for the Project; (b) salaries, wages and any other compensation due and payable to the employees or

agents of Borrower employed in connection with the Project, including all related withholding taxes, insurance premiums, Social Security payments and other payroll taxes or payments; (c) required payments of interest and principal, if any, on any junior or senior financing secured by the Site and used to finance the Project that has been approved by the City; (d) all other expenses actually incurred to cover operating costs of the Project, including maintenance and repairs and the fee of any managing agent as indicated in the Annual Operating Budget; (e) annual base rent under the ground lease; f required deposits to the Replacement Reserve Account, Operating Reserve Account and any other reserve account required under this Agreement; (g) the approved annual asset management fees indicated in the Annual Operating Budget and approved by the City; and (h) any extraordinary expenses approved in advance by the City (other than expenses paid from any reserve account); and (i) Supportive Services as defined below. Partnership Fees are not Project Expenses.

"Project Income" means all income and receipts in any form received by Borrower from the operation of the Project, including, but not limited to, the following: (a) rents, fees, charges, and deposits (other than tenant's refundable security deposits); (b) Section 8 or other rental subsidy payments received for the Project, supportive services funding (if applicable); (c) price index adjustments and any other rental adjustments to leases or rental agreements; (d) proceeds from vending and laundry room machines; (e) the proceeds of business interruption or similar insurance; (f) any accrued interest disbursed from any reserve account required under this Agreement for a purpose other than that for which the reserve account was established; (g) reimbursements and other charges paid to Borrower in connection with the Project; and (h) other consideration actually received from the operation of the Project, including non-residential uses of the Site. Project Income does not include interest accruing on any portion of the Funding Amount or tenant's refundable security deposits, or Commercial Income.

"Project Operating Account" has the meaning set forth in **Section 11.1**.

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

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

"Qualified Tenant" means a Tenant household composed only of Seniors and earning no more than the maximum permissible annual income level allowed under this Agreement as set forth in **Exhibit A**. The term "Qualified Tenant" includes each category of Tenant designated in **Exhibit A**.

"Rent" means the aggregate annual sum charged to Tenants for rent and utilities in compliance with **Article 7**, with utility charges to Qualified Tenants limited to an allowance determined by the SFHA.

"Replacement Cost" means all hard construction costs of the Project, not including the cost of site work and foundations but including construction contingency, for the purpose of establishing the amount of the Replacement Reserve Account. This defined term is not intended to affect any other calculation of replacement cost for any other purpose.

"Replacement Reserve Account" has the meaning set forth in **Section 12.1**.

"Residual Receipts" means Project Income remaining after payment of Project Expenses and Partnership Fees. The amount of Residual Receipts will be based on figures contained in audited financial statements.

"Residual Receipts Policy" means the Mayor's Office of Housing and Community Development Residual Receipts Policy effective April 1, 2016, as amended from time to time, attached hereto as **Exhibit P**.

"Retention" has the meaning set forth in **Section 4.7**.

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

"Senior" means an individual aged 62 or older (except as permitted by applicable Law), or as defined by the requirements of funding from a government agency, approved by the City for the Project.

"Senior Lien" has the meaning set forth in **Section 22.1**.

"Senior Operating Subsidy" means an operating subsidy provided to Borrower by the City, the amount of which is sufficient to permit Borrower to operate the Project in accordance with the terms of this Agreement with Qualified Tenants at income levels specified by MOHCD in writing which are below those set forth in **Exhibit A**.

"SFHA" means the San Francisco Housing Authority.

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

"Supportive Services" means Services provided to the Tenants, including, not limited to, case management provided by social workers, healthy aging activities, employment services, urban agriculture/food distribution, social events and activities, assistance with public benefits applications, technology assistance, and services to address other community-identified needs in the amount shown in the approved 20-Year Cash Flow Proforma., see also **Section 3.9**. "Table" means: (a) the Table of Sources and Uses, (b) the Annual Operating Budget, and (c) the 20-Year Cash Flow Proforma.

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

"TCAC" means the California Tax Credit Allocation Committee.

"Tenant" means any residential household in the Project, whether or not a Qualified Tenant.

"Tenant Screening Criteria Policy" has the meaning set forth in **Section 6.3**.

"Title Policy" means an ALTA extended coverage lender's policy of title insurance in form and substance satisfactory to the City, issued by an insurer selected by Borrower and satisfactory to the City, together with any endorsements and policies of coinsurance and/or reinsurance required by the City, in a policy amount equal to the Funding Amount, insuring the Deed of Trust and indicating the Declaration of Restrictions as valid liens on the Site, each subject only to the Permitted Exceptions.

"20-Year Cash Flow Proforma" means the 20-year cash flow proforma for the Project attached as **Exhibit B-3**.

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

"Waiting List" has the meaning set forth in **Section 6.5**.

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

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

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

(c) Accounting terms and financial covenants will be determined, and financial information will be prepared, in compliance with GAAP as in effect on the date of

performance. References to any Law, specifically or generally, will mean the Law as amended, supplemented or superseded from time to time.

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

ARTICLE 2 FUNDING.

2.1 Funding Amount. The City agrees to lend to Borrower a maximum principal amount equal to the Funding Amount in order to refinance the SFHAF Loan and finance predevelopment activities for the Project, as further described in the Table of Sources and Uses. The Funding Amount will be disbursed according to the terms and subject to the conditions set forth in this Agreement.

2.2 Use of Funds. Borrower acknowledges that the City's agreement to make the Loan is based in part on Borrower's agreement to use the Funds solely for the purpose set forth in **Section 2.1** and agrees to use the Funds solely for that purpose in accordance with the approved Table of Sources and Uses. Notwithstanding anything to the contrary contained herein, City will not approve expenditure of Funds for expenses incurred by Borrower prior to the Agreement Date, except for certain closing costs and predevelopment expenses incurred by the Borrower and approved by MOHCD after June 22, 2023. Notwithstanding the foregoing, City will not approve any expenditure of 2023 COP Funds for expenses incurred by Borrower earlier than sixty (60) days prior to the City's declaration of its official intent to reimburse such expenses with proceeds of the 2023 COP Funds, unless otherwise authorized by the Internal Revenue Code.

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

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

2.5 Conditions to Additional Financing. The City may grant or deny any application by Borrower for additional financing for the Project in its sole discretion. Borrower will satisfy the following conditions before applying to the City for additional financing:

(a) Borrower will explore ways to leverage an additional approximately \$15.8 million in state tax credit equity, which would significantly lower the City's construction/permanent financing. Borrower will report back to MOHCD on a quarterly basis on possible leveraging options;

(b) The proposed Project is not showing the commercial build out as a community facility, which could garner more tax credits, and thereby reduce MOHCD's construction/permanent financing. Borrower will submit to MOHCD an evaluation of such community facility prior to MOHCD issuing a preliminary commitment for construction/permanent financing;

(c) Borrower will provide more information to MOHCD on a quarterly basis on the feasibility of funding for Community Resilient Centers;

(d) Borrower will work with MOHCD staff and Project's General Contractor to value engineer the construction budget with the goal of continually reducing construction costs inclusive of contractor contingency, bid contingency and escalation to start of construction;

(e) Borrower will provide an interim use financial report dated as of December 2023;

(f) Borrower will deliver to MOHCD a revised annual operating budget to bring the Project's debt service and operating budget in compliance with MOHCD underwriting guidelines;

(g) In consultation with MOHCD, Borrower will bring the Project's service provider Full Time Equivalent staff and budgets in compliance with both HSH and MOHCD standards for LOSP units;

(h) Borrower will provide MOHCD and HSH with a services plan and budget with proposed staffing levels that meet MOHCD underwriting standards and HSH guidelines. Any changes to the current proposed plan and budget will need to be represented to MOHCD and HSH at least 90 days prior to preliminary construction/permanent loan commitment approval (estimated May 2025);

(i) Borrower will provide a detailed commercial budget to MOHCD and research alternative sources to offset the construction costs of the Commercial Space;

and

(j) Borrower will apply for an AHP loan for permanent financing of the Project to the Federal Home Loan Bank of San Francisco in 2025, pending SF Planning approval of an entitlements application. If Borrower's application for the AHP loan is denied, Borrower will continue to apply for an AHP loan to the Federal Home Loan Bank of San Francisco until Borrower is no longer eligible for AHP funding. If awarded AHP funds, and subject to any requirements of the San Francisco Federal Home Loan Bank Affordable Housing Program,

Borrower will use the AHP loan to repay any bridge loan provided by the City for construction of the Project. Borrower will submit to MOHCD a preliminary AHP application with a self-score prior to submission to the Federal Home Loan Bank.

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

3.1 Maturity Dates.

(a) Acquisition Amount. Borrower will repay all amounts owing under the Acquisition Note on the date that is the earlier of (i) Borrower's closing of construction financing for the Project, or (ii) the Outside Construction Commencement Date (the "Acquisition Maturity Date"), in accordance with Section 3.5 and 3.8 herein.

(b) Predevelopment Amount. Borrower will repay all amounts owing under the Predevelopment Note on the date that is the fifty-fifth (55th) anniversary of the Conversion Date (the "Predevelopment Maturity Date"); provided, however, subject to **Section 3.8**, if Borrower fails to commence construction of the Project on or before December 31, 2028 (the "Outside Construction Commencement Date"), the Predevelopment Maturity Date will be the Outside Construction Commencement Date. The City may agree to extend the Outside Construction Commencement Date in its sole and absolute discretion.

3.2 Compliance Term; Declaration of Restrictions. Borrower will comply with all provisions of the City Documents relating to the use of the Site and the Project as set forth in the Declaration of Restrictions to be recorded in the Official Records, for the period commencing on the date the Deed of Trust is recorded in the Official Records and continuing for the Life of the Project (the "Compliance Term"), even if the Loan is repaid or otherwise satisfied or the Deed of Trust is reconveyed before the end of the Compliance Term. Notwithstanding the foregoing, upon closing of Project construction financing and transfer of the Site to the City, the Deed of Trust and the Declaration of Restrictions will each be either amended and restated or will each be terminated and replaced by a new Deed of Trust and a new Declaration of Restrictions recorded on the Borrower's leasehold interest in the Site.

3.3 Interest. Except as provided in **Section 3.4**, no interest will be charged on the Acquisition Amount. Except as provided in **Section 3.4**, the outstanding principal balance of the Predevelopment Amount will bear simple interest at a rate of three percent (3%) per annum, as provided in the Predevelopment Note; provided, however, that prior to the Outside Construction Commencement Date, the Director of MOHCD will have the right, in his or her reasonable discretion, to reduce the Predevelopment Note interest rate to as low as zero percent (0%) upon receipt of adequate documentation supporting the need for such reduction in order to make the Project financially feasible.

3.4 Default Interest Rate. Upon the occurrence of an Event of Default under any City Document, the principal balance of the Loan will bear interest at the default interest rate set forth in the Note, with such default interest rate commencing as of the date an Event of Default occurs and continuing until such Event of Default is fully cured. In addition, the default interest rate

will apply to any amounts to be reimbursed to the City under any City Document if not paid when due or as otherwise provided in any City Document.

3.5 Repayment of Principal and Interest. The outstanding principal balance of the Predevelopment Amount, together with all accrued and unpaid interest, if any, will be due and payable on the Predevelopment Maturity Date according to the terms set forth in full in the Predevelopment Note. The outstanding principal balance of the Acquisition Amount, together with all accrued and unpaid interest, if any, will be due and payable on the Acquisition Maturity Date according to the terms set forth in full in the Acquisition Note. The Acquisition Note will be deemed repaid in full upon Borrower's transfer of the Site to the City on or before the closing of construction financing for the Project, or a transfer of the Site under Section 3.8 herein. Except as set forth in the Notes, no prepayment of the Loan will be permitted without the prior written consent of the City in its sole and absolute discretion.

3.6 Changes in Funding Streams. The City's agreement to make the Loan on the terms set forth in this Agreement and the Note is based in part on Borrower's projected sources and uses of all funds for the Project, as set forth in the Table of Sources and Uses. Borrower covenants to give written notice to the City within thirty (30) days of any significant changes in budgeted funding or income set forth in documents previously provided to the City. Examples of significant changes include loss or adjustments (other than regular annual adjustments) in funding under Continuum of Care, Section 8 or similar programs.

3.7 Additional City Approvals. Borrower understands and agrees that City is entering into this Agreement in its proprietary capacity and not as a regulatory agency with certain police powers. Borrower understands and agrees that neither entry by City into this Agreement nor any approvals given by City under this Agreement will be deemed to imply that Borrower will obtain any required approvals from City departments, boards or commissions which have jurisdiction over the Property. By entering into this Agreement, City is in no way modifying or limiting the obligations of Borrower to develop the Property in accordance with all local laws. Borrower understands that any development of the Property will require approvals, authorizations and permits from governmental agencies with jurisdiction over the Property, which may include, without limitation, the San Francisco City Planning Commission and the San Francisco Board of Supervisors. Notwithstanding anything to the contrary in this Agreement, no party is in any way limiting its discretion or the discretion of any department, board or commission with jurisdiction over the Project, including but not limited to a party hereto, from exercising any discretion available to such department, board or commission with respect thereto, including but not limited to the discretion to (i) make such modifications deemed necessary to mitigate significant environmental impacts, (ii) select other feasible alternatives to avoid such impacts, including the "No Project" alternative; (iii) balance the benefits against unavoidable significant impacts prior to taking final action if such significant impacts cannot otherwise be avoided, or (iv) determine not to proceed with the proposed Project.

3.8 Land Banking Provisions.

(a) Borrower acknowledges that the City's willingness to provide financing is contingent upon Borrower's identification of sources of funding acceptable to the City sufficient

to construct and complete the Project. In the event the City determines in its sole discretion by the Outside Construction Commencement Date that the Project is unlikely to be developed within a reasonable time period for any reason, including Borrower's inability to obtain necessary financing for the Project, upon thirty (30) days' prior written notice to Borrower, the City may require Borrower to transfer the fee title to the Site to either: (i) another nonprofit corporation, limited partnership or limited liability company designated by the City with the intention that the transferee develop the Site as affordable housing under a new loan agreement acceptable to the City; or (ii) to the City for an amount equal to the outstanding principal balance of the Loan, plus accrued and unpaid interest, and City will cancel and return the Notes to the Borrower.

(b) In the event Borrower realizes income from the use of the Site before the initiation of the construction or sale, the income will be used solely for costs associated with maintenance of the Site, with any excess placed in an interest-bearing account to be applied towards Project costs or to be turned over to the City with the proceeds of sale. Borrower will obtain the City's prior written approval to use the Site for any purpose other than the Project at any time during the Compliance Term.

3.9 Failure to Provide Budgeted Supportive Services. If Borrower fails to provide Supportive Services in the amount shown in the approved 20-Year Cash Flow Proforma, Borrower will provide notice to the City within ten (10) business days of the date the Supportive Services were terminated, which notice will include, at a minimum, a proposed plan to restore the Supportive Services within a reasonable period of time. If at the time such notice is provided, Borrower is unable to propose a feasible plan for restoring the Supportive Service, Borrower will include in the notice a detailed explanation as to the cause of the termination of Supportive Services and the reasons why it would not be feasible to restore the Supportive Services within a reasonable period of time.

ARTICLE 4 CLOSING; DISBURSEMENTS.

4.1 Generally. Subject to the terms of this Agreement, the City will make Disbursements in an aggregate sum not to exceed the Funding Amount to or for the account of Borrower in accordance with this Agreement and the approved line item budget contained in the Table of Sources and Uses.

4.2 Closing. Unless otherwise agreed by the City and Borrower in writing, Borrower will establish an escrow account with the title company issuing the Title Policy, or any other escrow agent Borrower chooses, subject to the City's approval (the "Escrow Agent"). The parties will execute and deliver to the Escrow Agent written instructions consistent with the terms of this Agreement. In the event the escrow does not close on or before the expiration date of escrow instructions signed by the City, or any other mutually agreed date, the City may declare this Agreement to be null and void.

4.3 Conditions Precedent to Closing. The City will authorize the close of the Loan only upon satisfaction of all conditions precedent in this Section as follows:

- (a) Borrower will 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) the Acquisition Note; (ii) the Predevelopment Note; (iii) this Agreement (in duplicate); (iv) the Deed of Trust; (v) the Declaration of Restrictions; (vi) the Authorizing Resolutions; and (vii) subordination, nondisturbance and attornment agreements from each commercial tenant in possession, or holding any right of possession, of any portion of the Site; and (viii) any other City Documents reasonably requested by the City;
- (b) Borrower will have delivered to the City: (i) Borrower's Charter Documents. The Charter Documents will be delivered to the City in their original form and as amended from time to time and be accompanied by a certificate of good standing for Borrower issued by the California Secretary of State and, if Borrower is organized under the laws of a state other than California, a certificate of good standing issued by the Secretary of State of the state of organization, issued no more than ninety (90) days before the Agreement Date;
- (c) Borrower will have delivered to the City evidence of all insurance policies and endorsements required under **Exhibit L** of this Agreement and, if requested by the City, copies of such policies;
- (d) Borrower will have delivered to the City a preliminary report on title for the Site dated no earlier than thirty (30) days before the Agreement Date;
- (e) Borrower will provide the commercial lease with the motel operator and any other documents related to the use of the Site as a commercial motel;
- (f) Borrower will provide to MOHCD updated operating and development budgets that meet MOHCD Underwriting Guidelines, including the budget for Public Art;
- (g) Borrower will have delivered to the City a "Phase I" environmental report for the Site, or any other report reasonably requested by the City, prepared by a professional hazardous materials consultant acceptable to the City;
- (h) The Escrow Agent will have received and is prepared to record the Declaration of Restrictions and Deed of Trust as valid liens in the Official Records, subject only to the Permitted Exceptions.
- (i) Borrower will obtain the City's prior written approval of Borrower's predevelopment expenses that will be reimbursed through a disbursement of Funds in escrow; and
- (j) The Escrow Agent will have committed to provide to the City the Title Policy in form and substance satisfactory to the City.

4.4 Disbursement of Funds. Following satisfaction of the conditions in **Section 4.3**, the City will authorize the Escrow Agent to disburse Funds as provided in the joint City/Borrower escrow instructions and the Escrow Agent's closing statement. The Borrower will be responsible for providing a copy of the Escrow Agent's closing statement to the City for approval prior to the Escrow Agent disbursing the Funds.

ARTICLE 5 DEMOLITION, REHABILITATION OR CONSTRUCTION.

5.1 Labor Requirements. Borrower's procurement procedures, contracts, and subcontracts will comply, and where applicable, require its contractors and subcontractors to comply, with the applicable labor requirements under **Exhibit E** of this Agreement, including, but not limited to, the selection of all contractors and professional consultants for the Project and payment of prevailing wage.

5.2 Plans and Specifications. Before starting any demolition, rehabilitation or construction on the Site, Borrower will deliver to the City, and the City will have reviewed and approved, plans and specifications and the construction contract for the Project entered into between Borrower and Borrower's general contractor and approved by the City (the "**Construction Contract**"). The plans approved by the City will also be approved by the City and County of San Francisco's Department of Building Inspection (the "**Department of Building Inspection**") (collectively, the "Approved Plans") prior to the start of any demolition, rehabilitation or construction on the Site. The Approved Plans will be explicitly identified in the Construction Contract. The specifications approved by the City, including the funder requirements and the technical specifications (the "Approved Specifications") will also be explicitly identified in the Construction Contract. The Construction Contract may include funder requirements not otherwise addressed in the Approved Specifications. After completion of the Project, Borrower will retain the Approved Plans as well as "as-built" plans for the Project, the Approved Specifications and the Construction Contract, all of which Borrower will make available to the City upon request.

5.3 Change Orders. Borrower may not approve or permit any change orders to the plans and specifications approved by the City without the City's prior written consent. Borrower will provide adequate and complete justification for analysis of any change order request to the City. The City will provide any questions, comments or requests for additional information to Borrower within five (5) business days of receipt of a change order request. City will review and approve or disapprove of a change order request within ten (10) business days of a complete submission by Borrower. In the event the City fails to approve or disapprove the change order request within such ten (10) business day period, the change order will be deemed approved. Borrower acknowledges that the City's approval of any change order will not constitute an agreement to amend the Table of Sources and Uses or to provide additional Funds for the Project, unless the City agrees in its sole discretion to amend the Table of Sources and Uses or provide additional Funds for that purpose.

5.4 Insurance, Bonds and Security. Before starting any demolition, rehabilitation or construction on the Site, Borrower will deliver to the City insurance endorsements and bonds as described in **Exhibit L**. At all times, Borrower will take prudent measures to ensure the security of the Site.

5.5 Notice to Proceed. No demolition, rehabilitation or construction may commence until Borrower has issued a written notice to proceed with the City's approval.

5.6 Commencement and Completion of Project. Unless otherwise extended in writing by the City, Borrower will: (a) commence demolition and construction by a date no later than December 31, 2026; (b) complete demolition and construction by a date no later than December 31, 2028, in accordance with the plans and specifications approved by the City, as evidenced by a certificate of occupancy or equivalent certification provided by the City's Department of Building Inspection, and an architect's or engineer's certificate of completion (the "Completion Date"); and (c) achieve occupancy of ninety-five percent (95%) of the Units by a date no later than December 31, 2029.

5.7 Rehabilitation/Construction Standards. All rehabilitation or construction will be performed in a first-class manner, substantially in accordance with final plans and specifications approved by the City and in accordance with all applicable codes.

ARTICLE 6 MARKETING.

6.1 Marketing and Tenant Selection Plan. No later than twelve (12) months before the Completion Date, Borrower will deliver to the City for the City's review and approval an affirmative plan for initial and ongoing marketing of the Units and a written Tenant selection procedure for initial and ongoing renting of the Units based on MOHCD's then-current form of marketing and tenant selection plan (the "Marketing and Tenant Selection Plan"), all in compliance with the restrictions set forth in **Exhibit A** and in form and substance acceptable to the City. Borrower will obtain the City's approval of reasonable alterations to the Marketing and Tenant Selection Plan. Borrower will market and rent the Units in the manner set forth in the Marketing and Tenant Selection Plan, as approved by the City.

6.2 Affirmative Marketing and Tenant Selection Plan Requirements. Borrower's Marketing and Tenant Selection Plan will address how Borrower intends to market vacant Units and any opportunity for placement on the Waiting List, as defined in 6.5. The Marketing and Tenant Selection Plan will include as many of the following elements as are appropriate to the Project, as determined by the City.

(a) A reasonable accommodations policy that indicates how Borrower intends to market Units to disabled individuals, including an indication of the types of accessible Units in the Project, the procedure for applying, and a policy giving disabled individuals a priority in the occupancy of accessible Units.

(b) A plan that satisfies the requirement to give preference in occupying units in accordance with the Preferences and Lottery Manual and the Preferences Ordinance.

(c) Advertising in local neighborhood newspapers, community-oriented radio stations, on the internet and in other media that are likely to reach low-income households. All advertising will display the Equal Housing Opportunity logo.

(d) Notices to neighborhood-based, nonprofit housing corporations and other low-income housing advocacy organizations that maintain waiting lists or make referrals for below-market-rate housing.

(e) Notices to SFHA.

(f) Notices to MOHCD

(g) To the extent practicable, without holding Units off the market, the community outreach efforts listed above will take place before advertising vacant Units or open spots on the Waiting List to the general public.

(h) An acknowledgement that, with respect to vacant Units, the marketing elements listed above will only be implemented if there are no qualified applicants interested or available from the Waiting List.

(i) Borrower will use access points and accept referrals from HSH, or its successor agencies.

6.3 Marketing and Tenant Selection Plan & Tenant Screening Criteria Requirements:

(a) Borrower's Marketing and Tenant Selection Plan will comply with the requirements of the Tenant Selection Plan Policy as set forth in the attached Exhibit H. The Marketing and Tenant Selection Plan will be kept on file at the Project at all times.

(b) Borrower's tenant screening criteria will comply with the Tenant Screening Criteria Policy set forth in the attached Exhibit I.

6.4 Marketing Records. Borrower will keep records of: (a) activities implementing the Marketing and Tenant Selection Plan; (b) advertisements; and (c) other community outreach efforts.

6.5 Waiting List. Borrower's Marketing and Tenant Selection Plan will contain, at a minimum, policies and criteria that provide for the selection of tenants from a written waiting list that complies with the Marketing and Tenant Selection Plan (the "Waiting List"). The Marketing and Tenant Selection Plan may allow an applicant to refuse an available Unit for good cause without losing standing on the Waiting List but will limit the number of refusals without cause as approved by the City. Borrower will at all times maintain the Waiting List. Upon the vacancy of any Unit, Borrower will first attempt to select the new Tenant for such Unit from the Waiting List, and will only market the Unit to the general public after determining that no applicants from the Waiting List qualify for such Unit. The Waiting List will be kept on file at the Project at all times.

ARTICLE 7 AFFORDABILITY AND OTHER LEASING RESTRICTIONS.

7.1 Term of Leasing Restrictions. Borrower acknowledges and agrees that the covenants and other leasing restrictions set forth in this Article 7 will remain in full force and effect: (a) for the Compliance Term and survive the prior repayment or other satisfaction of the

Loan, termination of this Agreement or reconveyance of the Deed of Trust; (b) for any Unit that has been subject to a regulatory agreement with TCAC, for a period ending three (3) years after the date of any transfer of the Project by foreclosure or deed-in-lieu of foreclosure; and (c) with respect to any Unit occupied by a Qualified Tenant at expiration of either the Compliance Term or the 3-year period referred to in **Subsection (b)** above, until the Qualified Tenant voluntarily vacates his/her Unit or is evicted lawfully for just cause. The requirements to comply with the provisions of Internal Revenue Code Section 42, including Section 42(h)(6)(E)(ii), are hereby acknowledged.

7.2 Borrower's Covenant.

(a) Borrower covenants to rent all Units (except two (2) Units reserved for the managers of the Project) at all times to Senior households certified as Qualified Tenants at initial occupancy, as set forth in **Exhibit A**. In addition, Fifty Percent (50%) of the Units will be rented to the chronically Senior Homeless Households and those Seniors at-risk of homelessness during the period in which the City's Local Operating Subsidy Program is in operation and the City provides the Local Operating Subsidy to the Project

(b) A Tenant who is a Qualified Tenant at initial occupancy will not be required to vacate the Unit due to subsequent rises in household income, except as provided in **Section 7.3**. After the over-income Tenant vacates the Unit, the vacant Unit will be rented only to Qualified Tenants as provided in this **Article 7**.

7.3 Rent Restrictions.

(a) Rent charged to each Qualified Tenant may not exceed the amounts set forth in **Exhibit A**, *provided that* Rents may be adjusted annually, subject to the limitations below.

(b) Subject to the Hold Harmless Policy, rents for all Units may be increased once annually up to the maximum monthly rent by unit type as published by MOHCD.

(c) With the City's prior written approval, Rent increases for Units exceeding the amounts permitted under **Section 7.3(b)** may be permitted once annually in order to recover increases in approved Project Expenses, provided that: (i) in no event may single or aggregate increases exceed ten percent (10%) per year unless such an increase is contemplated in a City-approved temporary relocation plan or is necessary due to the expiration of Section 8 or other rental subsidies; and (ii) Rents for each Unit may in no event exceed the maximum Rent permitted under **Section 7.3(a)**. City approval for such Rent increases that are necessary to meet all approved Project Expenses will not be unreasonably withheld.

(d) For any Qualified Tenant participating in a Rent or operating subsidy program where the Rent charged is calculated as a percentage of household income, adjustments to Rent charged may be made according to the rules of the relevant subsidy program. There is no limit on the increase/decrease in Rent charged under this provision, as long as it does not exceed

the maximum Rent permitted under **Section 7.3(a)**. There is no limit on the number of Rent adjustments that can be made in a year under this provision.

(e) For any Qualified Tenant that becomes ineligible to continue participating in a rent or operating subsidy program, there is no limit on the increase in Rent charged as long as it does not exceed the maximum Rent permitted under **Section 7.3(a)**.

(f) Unless prohibited under any applicable Laws, including without limitation Section 42 of the Internal Revenue Code of 1986, as amended, if the household income of a Qualified Tenant exceeds the maximum permissible income during occupancy of a Unit, then, upon no less than thirty (30) days' prior written notice to the Tenant or as otherwise required under the Tenant's lease or occupancy agreement, Borrower may adjust the charges for Rent for the previously Qualified Tenant to be equal to thirty percent (30%) of the Tenant's adjusted household income. Rents charged under this provision may exceed the Maximum Rent permitted under **Section 7.3(a)**.

7.4 Certification.

(a) As a condition to initial occupancy, each person who desires to be a Qualified Tenant in the Project will be required to sign and deliver to Borrower a certification in the form shown in **Exhibit C** in which the prospective Qualified Tenant certifies that he/she or his/her household qualifies as a Qualified Tenant. In addition, each person will be required to provide any other information, documents or certifications deemed necessary by the City to substantiate the prospective Tenant's income. Certifications provided to and accepted by the SFHA will satisfy this requirement.

(b) Borrower will require each Qualified Tenant in the Project to recertify to Borrower on an annual basis the Qualified Tenant's household income and in accordance with applicable tax credit requirements.

(c) Income certifications with respect to each Qualified Tenant who resides in a Unit or resided therein during the immediately preceding calendar year will be maintained on file at Borrower's principal office, and Borrower will file or cause to be filed copies thereof with the City promptly upon request by the City.

7.5 Form of Lease. The form of lease for Tenants will provide for termination of the lease and consent to immediate eviction for failure to: (i) qualify as a Qualified Tenant if the Tenant has made any material misrepresentation in the initial income certification, or (ii) submit to Borrower an annual recertification of income. The initial term of the lease will be for a period of not less than one (1) year. Borrower will not terminate the tenancy or refuse to renew any lease of a Unit except for serious or repeated violation of the terms and conditions of the lease, for violation of applicable Laws or other good cause. Any termination or refusal to renew the lease for a Unit will be preceded by not less than thirty (30) days' written notice to the Tenant specifying the grounds for the action.

7.6 Nondiscrimination. Borrower agrees not to 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 operation and use of the Project except to the extent permitted by law or required by any other funding source for the Project. Borrower agrees not to discriminate against or permit discrimination against Tenants using Section 8 certificates or vouchers or assistance through other rental subsidy programs.

7.7 Security Deposits. Security deposits may be required of Tenants only in accordance with applicable state law and this Agreement. Borrower will segregate any security deposits collected from all other funds of the Project in an Account held in trust for the benefit of the Tenants and disbursed in accordance with California law. The balance in the trust Account will at all times equal or exceed the aggregate of all security deposits collected plus accrued interest thereon, less any security deposits returned to Tenants.

7.8 Commercial Space. At least sixty (60) days prior to the date that build-out of the Commercial Space begins, Borrower will obtain MOHCD's review and approval of proposed leases and development plans for the Commercial Space. All leases of Commercial Space will be to bona fide third-party tenants capable of performing their financial obligations under their leases, which will reflect arms'-length transactions at the then-current market rental rate for comparable space, *provided that*, leases for Public Benefit Purposes may be at below-market rates so long as the sum of Project Income and Commercial Income meets approved cash flow requirements for the Project. Allowed uses of Commercial Space will be consistent with all applicable local planning and building codes and be reasonably compatible with the design and purpose of the Project. Each lease of Commercial Space will restrict its use to Public Benefit Purposes or Community-Serving Purposes or all Surplus Cash generated as a result of a market-rate lease of the Commercial Space will be directed toward repayment of the Loan or used for a Public Benefit Purpose. All surplus cash will be subject to the MOHCD Policy on the Use of Residual Receipts. Each lease of Commercial Space will comply with the MOHCD Commercial Underwriting Guidelines as set forth in **Exhibit O** herein.

ARTICLE 8 MAINTENANCE AND MANAGEMENT OF THE PROJECT.

8.1 Borrower's Responsibilities.

(a) Subject to the rights set forth in **Section 8.2**, Borrower will be specifically and solely responsible for causing all maintenance, repair and management functions performed in connection with the Project, including selection of tenants, recertification of income and household size, evictions, collection of rents, routine and extraordinary repairs and replacement of capital items. Borrower will maintain or cause to be maintained the Project, including the Units and common areas, in a safe and sanitary manner in accordance with local health, building and housing codes, California Health and Safety Code 17920.10 and the applicable provisions of 24 CFR Part 35.

(b) Borrower will take prudent measures to ensure the security of the Site. Measures may include erecting a fence; covering and securing all openings in any vacant building and hiring security guards, as appropriate for the circumstances.

8.2 Contracting With Management Agent.

(a) Borrower may contract or permit contracting with a management agent for the performance of the services or duties required in **Section 8.1(a)**, subject to the City's prior written approval of both the management agent and, at the City's discretion, the management contract between Borrower and the management agent, *provided, however*, that the arrangement will not relieve Borrower of responsibility for performance of those duties. Any management contract will contain a provision allowing Borrower to terminate the contract without penalty upon no more than thirty (30) days' notice.

(b) The City will provide written notice to Borrower of any determination that the contractor performing the functions required in **Section 8.1(a)** has failed to operate and manage the Project in accordance with this Agreement. If the contractor has not cured the failure within a reasonable time period, as determined by the City, Borrower will exercise its right of termination immediately and make immediate arrangements for continuous and continuing performance of the functions required in **Section 8.1(a)**, subject to the City's approval.

8.3 Borrower Management. Borrower may manage the Project itself only with the City's prior written approval. The City will provide written notice to Borrower of any determination that Borrower has failed to operate and manage the Project in accordance with this Agreement, in which case, the City may require Borrower to contract or cause contracting with a management agent to operate the Project, or to make other arrangements the City deems necessary to ensure performance of the functions required in **Section 8.1(a)**.

ARTICLE 9 GOVERNMENTAL APPROVALS AND REQUIREMENTS.

9.1 Approvals. Borrower covenants that it has obtained or will obtain in a timely manner and comply with all federal, state and local governmental approvals required by Law to be obtained for the Project. Subject to **Section 17.2**, this Section does not prohibit Borrower from contesting any interpretation or application of Laws in good faith and by appropriate proceedings.

9.2 Borrower Compliance. Borrower will comply, and where applicable, require its contractors to comply, with all applicable Laws governing the use of Funds for the construction, rehabilitation and/or operation of the Project, including those set forth in **Exhibit E** and **Exhibit L**. Borrower acknowledges that its failure to comply with any of these requirements will constitute an Event of Default under this Agreement. Subject to **Section 17.2**, this Section does not prohibit Borrower from contesting any interpretation or application of Laws in good faith and by appropriate proceedings. Construction-related requirements will apply to the Project whether or not the City approves and provides additional financing for the Project.

ARTICLE 10 PROJECT MONITORING, REPORTS, BOOKS AND RECORDS.

10.1 Generally.

(a) Borrower 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. Borrower acknowledges that the City may also conduct periodic on-site inspections of the Project. Borrower will 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.

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

(c) Borrower will 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.

10.2 Monthly Reporting. Borrower will submit monthly reports (the "MOHCD Monthly Project Update") describing progress toward developing the Project with respect to obtaining necessary approvals from other City departments, procuring architects, consultants and contractors, changes in scope, cost or schedule and significant milestones achieved in the past month and expected to be achieved in the coming month. The MOHCD Monthly Project Update will be submitted by email in substantially the form requested by MOHCD until such time as the Project Completion Report is submitted to the City pursuant to **Section 10.5** below.

10.3 Annual Reporting. From and after the Completion Date, Borrower will file with the City annual report forms (the "Annual Monitoring Report") that include audited financial statements with an income and expense statement for the Project covering the applicable reporting period, a statement of balances, deposits and withdrawals from all Accounts, line item statements of Project Expenses, Project Income, Partnership Fees (if any), Residual Receipts and any Distributions made, evidence of required insurance, a description of marketing activities and a rent roll, no later than one hundred fifty (150) days after the end of Borrower's fiscal year. The Annual Monitoring Report will be in substantially the form attached as **Exhibit G** or as later modified during the Compliance Term.

10.4 Capital Needs Assessment. In accordance with the CNA Policy, Borrower will deliver to MOHCD an updated CNA every five (5) years after the Completion Date for approval.

10.5 Project Completion Report. Within the specific time periods set forth below after the completion of rehabilitation or construction, the lease-up and/or permanent financing of the Project, as applicable, Borrower will provide to the City the reports listed below certified by Borrower to be complete and accurate. Subsequent to the required submission of the reports

listed below, Borrower will provide to the City information or documents reasonably requested by the City to assist in the City's review and analysis of the submitted reports:

(a) within ninety (90) days after the Completion Date, a draft cost certification (or other similar project audit performed by an independent certified public accountant) identifying the sources and uses of all Project funds including the Funds;

(b) within one hundred-eighty (180) days after the Completion Date, a report on compliance with the applicable requirements under **Section 5.1** of this Agreement, including the type of work and the dollar value of such work; and

(c) within ninety (90) days after the Completion Date, a report demonstrating compliance with all requirements regarding relocation, including the names of all individuals or businesses occupying the Site on the date of the submission of the application for Funds, those moving in after that date, and those occupying the Site upon completion of the Project.

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

10.7 Delivery of Records. At the request of the City, made through its agents, employees, officers or attorneys, Borrower will provide the City with copies of each of the following documents, certified in writing by Borrower to be complete and accurate:

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

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

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

10.8 Access to the Project and Other Project Books and Records. In addition to Borrower's obligations under **Sections 2.4, 10.1, 10.2, 10.3, 10.4, 10.5, 10.6** and **10.7** and any other obligations to provide reports or maintain records in any City Document, Borrower agrees that duly authorized representatives of the City will have: (a) access to the Project throughout the Compliance Term to monitor the progress of work on the Project and compliance by Borrower with the terms of this Agreement; and (b) access to and the right to inspect, copy, audit and examine all books, records and other documents Borrower is required to keep at all reasonable times, following reasonable notice, for the retention period required under **Section 10.9.**

10.9 Records Retention. Borrower will retain all records required for the periods required under applicable Laws.

ARTICLE 11 USE OF INCOME FROM OPERATIONS.

11.1 Project Operating Account.

(a) Borrower will deposit all Project Income promptly after receipt into a segregated depository account (the "Project Operating Account") established exclusively for the Project. Withdrawals from the Project Operating Account may be made only in accordance with the provisions of this Agreement and the approved Annual Operating Budget, as it may be revised from time to time with the City's approval. Borrower may make withdrawals from the Project Operating Account solely for the payment of Project Expenses and Partnership Fees. Withdrawals from the Project Operating Account (including accrued interest) for other purposes may be made only with the City's express prior written approval.

(b) Borrower will keep accurate records indicating the amount of Project Income deposited into and withdrawn from the Project Operating Account and the use of Project Income. Borrower will provide copies of the records to the City upon request.

ARTICLE 12 REQUIRED RESERVES.

12.1 Replacement Reserve Account.

(a) Commencing no later than sixty (60) days after the Completion Date, or any other date the City designates in writing, Borrower will establish or cause to be established a segregated interest-bearing replacement reserve depository account (the "Replacement Reserve Account"). On or before the 15th day of each month following establishment of the Replacement Reserve Account, Borrower will make monthly deposits from Project Income into the Replacement Reserve Account in the amount necessary to meet the requirements of this Section. The City may review the adequacy of deposits to the Replacement Reserve Account periodically and require adjustments as it deems necessary.

(b) Monthly deposits will equal the lesser of: (i) 1/12th of 0.6% of Replacement Cost; or (ii) 1/12th of the following amount: \$108,500.

After the Project's first five (5) years of operation, Borrower may request adjustments every five (5) years based on its most recently approved CNA.

Borrower may request adjustments every five (5) years based on its most recently approved CNA. If the Project is unable to make a required replacement reserve deposit due to unavailable cash flow, Borrower will submit a plan for review and approval to MOHCD that addresses the cash flow shortfall.

(c) Borrower may withdraw funds from the Replacement Reserve Account solely to fund capital improvements for the Project, such as replacing or repairing structural elements, furniture, fixtures or equipment of the Project that are reasonably required to preserve the Project. Borrower may not withdraw funds (including any accrued interest) from the Replacement Reserve Account for any other purpose without the City's prior written approval.

12.2 Operating Reserve Account.

(a) Commencing no later than sixty (60) days after the Completion Date, or any other date the City designates in writing, Borrower will establish or cause to be established a segregated interest-bearing operating reserve depository account (the "Operating Reserve Account") by depositing funds in an amount equal to twenty-five percent (25%) of the approved budget for Project Expenses for the first full year of operation of the Project. The City may review the adequacy of deposits to the Operating Reserve Account periodically and require adjustments as it deems necessary.

(b) No less than annually after establishing the Operating Reserve Account and continuing until the Compliance Term has expired, Borrower will make additional deposits, if necessary, to bring the balance in the Operating Reserve Account to an amount equal to twenty-five percent (25%) of the prior year's actual Project Expenses.

(c) Borrower may withdraw funds from the Operating Reserve Account solely to alleviate cash shortages resulting from unanticipated and unusually high maintenance expenses, seasonal fluctuations in utility costs, abnormally high vacancies and other expenses that vary seasonally or from month to month in the Project. Borrower may not withdraw funds (including any accrued interest) from the Operating Reserve Account for any other purpose without the City's prior written approval.

ARTICLE 13 DISTRIBUTIONS.

13.1 Definition. "Distributions" refers to cash or other benefits received as Project Income from the operation of the Project and available to be distributed to Borrower or any party having a beneficial interest in the Project, but does not include reasonable payments for property management, asset management and approved deferred Developer Fees or other services performed in connection with the Project.

13.2 Conditions to Distributions. The 20-Year Cash Flow Proforma attached hereto as Exhibit B-2 includes projections of annual Distributions. Exhibit B-2 is not intended to impose limits on the amounts to be annually distributed. Distributions for a particular fiscal year may be made only following: (a) City approval of the Annual Monitoring Report submitted for that year; (b) the City's determination that Borrower is not in default under this Agreement or any other agreement entered into with the City and County of San Francisco or the City for the Project; and (c) the City's determination that the amount of the proposed Distribution satisfies the conditions of this Agreement. The City will be deemed to have approved Borrower's written request for approval of a proposed Distribution unless the City delivers its disapproval or request for more

information to Borrower within thirty (30) business days after the City's receipt of the request for approval.

13.3 Prohibited Distributions. No Distribution may be made in the following circumstances:

(a) when a written notice of default has been issued by any entity with an equitable or beneficial interest in the Project and the default is not cured within the applicable cure periods; or

(b) when the City determines that Borrower or Borrower's management agent has failed to comply with this Agreement; or

(c) if required debt service on all loans secured by the Project and all operating expenses have not been paid current; or

(d) if the Replacement Reserve Account, Operating Reserve Account or any other reserve account required for the Project is not fully funded under this Agreement; or

(e) if the Loan is to be repaid from Residual Receipts, Borrower failed to make a payment when due on a Payment Date and the sum remains unpaid; or

(f) during the pendency of an uncured Event of Default (including Borrower's failure to provide its own funds at any time from and after the closing date of Borrower's financing for construction of the Project that the City determines the Loan is out of balance) under any City Document.

13.4 Borrower's Use of Residual Receipts for Development. To the extent that making a Distribution is not inconsistent with any other financing agreement for the Project, and subject to the limitations in this Article, with the City's prior written approval Borrower may retain a portion of Residual Receipts in lieu of using them to repay the Loan in an amount consistent with the Residual Receipts Policy attached hereto as **Exhibit P**. Borrower acknowledges that the City may withhold its consent to a Distribution in any year in which Residual Receipts are insufficient to meet Borrower's payment obligations under the Note.

ARTICLE 14 SYNDICATION PROCEEDS.

14.1 Distribution and Use. If Borrower is a limited partnership or limited liability company, and unless otherwise approved by the City in writing, Borrower will allocate, distribute and pay or cause to be allocated, distributed and paid all net syndication proceeds and all loan and grant funds as specified in the Table. Borrower will notify the City of the receipt and disposition of any net syndication proceeds received by Borrower during the term of this Agreement.

ARTICLE 15 DEVELOPER FEES.

15.1 Amount. The City has approved the payment of development fees from the Loan in an amount not to exceed Five Hundred Fifty Thousand and No/100 Dollars (\$550,000.00) for predevelopment of the Project prior to the closing date of Borrower’s financing for construction or rehabilitation of the Project and may be entitled to receive additional fees for developing the Project (collectively, “Developer Fees”), subject to the Developer Fee Policy. Borrower agrees that any additional predevelopment loans secured for the Project will not be used for payment of fees paid to the Developer related to predevelopment activities, unless approved in writing by the City in its sole and absolute discretion. Borrower agrees to limit the Developer’s use of Developer Fee to pay only for eligible activities including, but not limited to, the following:

(a) Developer’s organizational capacity building and maintenance programs; working capital; housing development production and related programs; physical improvements to existing housing owned or sponsored by Developer; increasing housing operations and asset management activities; improving tenant improvements or commercial space in existing housing owned or sponsored by Developer; funding community facilities associated with existing housing owned or sponsored by Developer providing supplemental tenant rental assistance for existing housing owned or sponsored by Developer; or programs supporting the welfare of residents residing in existing housing owned or sponsored by Developer; and

(b) Predevelopment, preconstruction and construction costs, including reasonable administrative expenses, of future affordable housing development sponsored by Developer in San Francisco.

15.2 Fee Payment Schedule. Developer will receive payment of the Developer Fees for predevelopment pursuant to pay out below.

Acquisition/Predevelopment Closing	\$165,000	15%
Entitlement Approval	\$165,000	15%
Submission of HCD Funding Application	\$110,000	10%
Submission of CDLAC and TCAC Application	\$110,000	10%
	\$550,000	

ARTICLE 16 TRANSFERS.

16.1 Permitted Transfers/Consent. Borrower will not cause or permit any voluntary transfer, assignment or encumbrance of its interest in the Site or Project or of any ownership interests in Borrower, or lease or permit a sublease on all or any part of the Project, other than: (a) 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; or (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 or is the manager of a limited liability company that is the sole general partner or manager of that entity; (d) transfers of the

general partnership 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; (f) 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 where such agreement has been previously approved in writing by the City; or (g) to remove or replace the General Partner in accordance with the terms of the Partnership Agreement, a transfer of any general partnership interest to a new general partner approved in advance by the City. 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.

ARTICLE 17 INSURANCE AND BONDS; INDEMNITY.

17.1 Borrower's Insurance. Subject to approval by the City's Risk Manager of the insurers and policy forms, Borrower will procure and keep in effect, and cause its contractors and subcontractors to obtain and maintain at all times during any work or construction activities on the Property, the insurance and bonds as set forth in **Exhibit L** from the date the Deed of Trust is recorded in the Official Records until the expiration of the Compliance Term at no expense to the City.

17.2 Borrower's Indemnity Obligations. Borrower will indemnify, protect, defend and hold harmless each of the Indemnitees from and against any and all Losses arising out of: (a) any default by Borrower in the observance or performance of any of Borrower's obligations under the City Documents (including those covenants set forth in **Article 18** below); (b) any failure of any representation by Borrower to be correct in all respects when made; (c) injury or death to persons or damage to property or other loss occurring on or in connection with the Site or the Project, whether caused by the negligence or any other act or omission of Borrower or any other person or by negligent, faulty, inadequate or defective design, building, construction, rehabilitation or maintenance or any other condition or otherwise; (d) any claim of any surety in connection with any bond relating to the construction or rehabilitation of any improvements or offsite improvements; (e) any claim, demand or cause of action, or any action or other proceeding, whether meritorious or not, brought or asserted against any Indemnitee that relates to or arises out of the City Documents, the Loan, the Site or the Project or any transaction contemplated by, or the relationship between Borrower and the City or any action or inaction by the City under, the City Documents; (f) the occurrence, until the expiration of the Compliance Term, of any Environmental Activity or any failure of Borrower or any other person to comply with all applicable Environmental Laws relating to the Project or the Site; (g) the occurrence, after the Compliance Term, of any Environmental Activity resulting directly or indirectly from any Environmental Activity occurring [from and after the date Borrower acquires Control of the Site and] before the expiration of the Compliance Term; (h) any liability of any nature arising from Borrower's contest of or relating to the application of any Law, including any contest permitted under **Sections 9.1, 9.2 and 18.2**; or (i) any claim, demand or cause of action, or any investigation, inquiry, order, hearing, action or other proceeding by or before any Governmental

Agency, whether meritorious or not, that directly or indirectly relates to, arises from or is based on the occurrence or allegation of any of the matters described in clauses (a) through (h) above, *provided that* no Indemnitee will be entitled to indemnification under this Section for matters caused solely by its own gross negligence or willful misconduct.

17.2 Duty to Defend. Borrower acknowledges and agrees that its obligation to defend the Indemnitees under **Section 17.2**: (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 17.2**, 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 Borrower by the Indemnitee and continues at all times thereafter. In the event any action or proceeding is brought against an Indemnitee by reason of a claim arising out of any Loss for which Borrower has indemnified the Indemnitees, upon written notice, Borrower will answer and otherwise defend the action or proceeding using counsel approved in writing by the Indemnitee at Borrower's sole expense. Each Indemnitee will have the right, exercised in its sole discretion, but without being required to do so, to defend, adjust, settle or compromise any claim, obligation, debt, demand, suit or judgment against the Indemnitee in connection with the matters covered by this Agreement. The Indemnitee will give Borrower prompt notice of any Loss and Borrower has the right to defend, settle and compromise any such Loss; provided, however, that the Indemnitee has the right to retain its own counsel at the expense of Borrower if representation of such Indemnitee by the counsel retained by Borrower would be inappropriate due to conflicts of interest between such Indemnitee and Borrower. An Indemnitee's failure to notify Borrower promptly of any Loss does not relieve Borrower of any liability to such Indemnity under **Section 17.2**, unless such failure materially impairs Borrower's ability to defend such Loss. Borrower will seek the Indemnified Party's prior written consent to settle or compromise any Loss if Borrower contends that such Indemnitee shares in liability with respect thereto.

17.3 No Limitation. Borrower's obligations under **Section 17.2** are not limited by the insurance requirements under this Agreement.

17.4 Survival. The provisions of this Section will survive the repayment of the Loan and/or termination of this Agreement.

ARTICLE 18 HAZARDOUS SUBSTANCES.

18.1 Borrower's Representations. Borrower represents and warrants to the City that, to the best of Borrower's actual knowledge, without independent investigation or inquiry as of the Agreement Date, the following statements are true and correct except as disclosed in the Phase I Report dated April 5, 2023 and Phase II Report dated April 13, 2023 prepared by Path Forward Partners, Inc. or otherwise in writing: (a) the Site is not in violation of any Environmental Laws; (b) the Site is not now, nor has it been, used for the manufacture, use, storage, discharge, deposit, transportation or disposal of any Hazardous Substances, except in limited quantities customarily used in residences and offices and in compliance with Environmental Laws; (c) the Site does not consist of any landfill or contain any underground storage tanks; (d) the improvements on the Site do not consist of any asbestos-containing materials or building materials that contain any other Hazardous Substances; (e) no release of any Hazardous Substances in the improvements on

the Site has occurred or in, on, under or about the Site; and (f) the Site is not subject to any claim by any Governmental Agency or third party related to any Environmental Activity or any inquiry by any Governmental Agency (including the California Department of Toxic Substances Control and the Regional Water Quality Control Board) with respect to the presence of Hazardous Substances in the improvements on the Site or in, on, under or about the Site, or the migration of Hazardous Substances from or to other real property.

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

18.3 Survival . Borrower and City agree that this Article 18 is intended as City's written request for information (and Borrower's response) concerning the environmental condition of the Site as security as required by California Code of Civil Procedure § 726.5; and each provision in this Article (together with any indemnity applicable to a breach of any such provision) with respect to the environmental condition of the Site as security is intended by City and Borrower to be an "environmental provision" for purposes of California Code of Civil Procedure § 736, and as such it is expressly understood that Borrower's duty to indemnify City hereunder will survive: (a) any judicial or non-judicial foreclosure under the Deed of Trust, or transfer of the Property in lieu thereof, (b) the release and reconveyance or cancellation of the Deed of Trust; and (c) the satisfaction of all of Borrower's obligation under the City Documents.

ARTICLE 19 DEFAULT.

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

(a) Borrower fails to make any payment required under this Agreement within ten (10) days after the date when due; or

(b) Any lien is recorded against all or any part of the Site or the Project without the City's prior written consent, whether prior or subordinate to the lien of the Deed of Trust or Declaration of Restrictions, and the lien is not removed from title or otherwise remedied to the City's satisfaction within thirty (30) days after Borrower's receipt of written notice from the City to cure the default, or, if the default cannot be cured within a 30-day period, Borrower will have sixty (60) days to cure the default, or any longer period of time deemed necessary by

the City, *provided that* Borrower commences to cure the default within the 30-day period and diligently pursues the cure to completion; or

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

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

(e) All or a substantial or material portion of the improvements on the Site is damaged or destroyed by fire or other casualty, and the City has determined upon restoration or repair that the security of the Deed of Trust has been impaired or that the repair, restoration or replacement of the improvements in accordance with the requirements of the Deed of Trust is not economically practicable or is not completed within two (2) years of the receipt of insurance proceeds; or all or a substantial or material portion of the improvements 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 improvements cannot be operated for their intended purpose; or

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

(g) Without the City's prior written consent, Borrower assigns or attempts to assign any rights or interest under any City Document, whether voluntarily or involuntarily, except as permitted under **Section 16.1**; or

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

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

(j) Either the Deed of Trust or the Declaration of Restrictions ceases to constitute a valid and indefeasible perfected lien on the Site and improvements, subject only to Permitted Exceptions; or

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

(l) Any material adverse change occurs in the financial condition or operations of Borrower, such as a loss of services funding or rental subsidies, that has a material adverse impact on the Project; or

(m) After commencement of construction of the Project, Borrower fails to make any payments or disbursements required to bring the Loan in balance after the City determines that the Loan is out of balance; or

(n) After commencement of construction of the Project, and before a certificate of occupancy or equivalent certification is issued for the Project, Borrower ceases rehabilitation or construction of the Project for a period of twenty-five (25) consecutive calendar days, and the cessation is not excused under **Section 19.3**; or

(o) Borrower is in default of its obligations with respect to the Ground Lease (but only after the Ground Lease has been executed) or any funding obligation (other than the Loan) for the Project, and the default remains uncured following the expiration of any applicable cure periods; or

(p) Borrower is in default of its obligations under any other agreement related to the Project entered into with the City and County of San Francisco, and the default remains uncured following the expiration of any applicable cure periods.

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

(a) The City at its option may declare the unpaid principal balance of the Note, together with default interest as provided in the Note and any other charges due under the Note and the other City Documents, immediately due and payable without protest, presentment,

notice of dishonor, demand or further notice of any kind, all of which Borrower expressly waives.

(b) The City at its option may terminate all commitments to make Disbursements or to release the Site from the Deed of Trust or Declaration of Restrictions, or, without waiving the Event of Default, the City may determine to make further Disbursements or to release all or any part of the Site from the Deed of Trust or Declaration of Restrictions upon terms and conditions satisfactory to the City in its sole discretion.

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

(d) The City, either directly or through an agent or court-appointed receiver, may take possession of the Project and enter into contracts and take any other action the City deems appropriate to complete or construct all or any part of the improvements, subject to modifications and changes in the Project the City deems appropriate.

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

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

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

19.3 Force Majeure. The occurrence of any of the following events will excuse performance of any obligations of the City or Borrower rendered impossible to perform while the event continues: strikes; lockouts; labor disputes; acts of God; inability to obtain labor, materials or reasonable substitutes for either; governmental restrictions, regulations or controls, including, but not limited to, government health orders related to a pandemic or epidemic; judicial orders; enemy or hostile governmental actions; civil commotion; fire or other casualty and other causes beyond the control of the party obligated to perform. The occurrence of a force majeure event will excuse Borrower's performance only in the event that Borrower has provided notice to the City within thirty (30) days after the occurrence or commencement of the event or events, and Borrower's performance will be excused for a period ending thirty (30) days after the termination of the event giving rise to the delay.

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

ARTICLE 20 REPRESENTATIONS AND WARRANTIES.

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

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

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

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

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

(e) None of Borrower, Borrower's principals or Borrower's general contractor, if applicable, has been suspended or debarred by the City, the Department of Industrial Relations, or any Governmental Agency, nor has Borrower, any of its principals or its general contractor, if applicable, been suspended, disciplined or prohibited from contracting with the City or any Governmental Agency. Further, Borrower certifies that neither it nor any of its principals is listed by the General Services Administration as debarred, suspended, ineligible or voluntarily excluded from receiving the Funds on the Agreement Date. In addition, Borrower 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 in addition to obtaining the certification of each contractor or subcontractor whose bid is accepted.

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

(g) The Borrower is duly organized and in good standing under applicable laws of the State of California and is qualified to do business in the City and County of San Francisco.

ARTICLE 21 NOTICES.

21.1 Written Notice. All notices required by this Agreement will be made in writing and may be communicated by personal delivery, by a nationally recognized courier that obtains receipts, facsimile (if followed within one (1) business day by first class mail) or by United States certified mail, postage prepaid, return receipt requested. Delivery will be deemed complete as of the earlier of actual receipt (or refusal to accept proper delivery) or five (5) days after mailing, *provided that* any notice that is received after 5 p.m. on any day or on any weekend or holiday will be deemed to have been received on the next succeeding business day. Notices will be addressed as follows:

To the City: City and County of San Francisco
Mayor's Office of Housing and Community Development
1 South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
Attn: Director

To Borrower: 1234 Great Highway LLC
Attn: Tenderloin Neighborhood Development Corporation
201 Eddy Street
San Francisco, CA 94102
Attn: CEO

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

21.2 Required Notices. Borrower agrees to provide notice to the City in accordance with **Section 21.1** of the occurrence of any change or circumstance that: (a) will have an adverse effect on the physical condition or intended use of the Project; (b) from and after the closing date of Borrower's financing for construction or rehabilitation of the Project,] causes the Loan to be Out of Balance; or (c) will have a material adverse effect on Borrower's operation of the Property or ability to repay the Loan.

ARTICLE 22 GENERAL PROVISIONS.

22.1 Subordination. The Deed of Trust may be subordinated to other financing secured by and used for development of the Project (in each case, a "**Senior Lien**"), but only if MOHCD determines in its sole discretion that subordination is necessary to secure adequate acquisition, construction, rehabilitation and/or permanent financing to ensure the viability of the Project. Following review and approval by MOHCD and approval as to form by the City Attorney's Office, the Director of MOHCD or his/her successor or designee will be authorized to execute any approved subordination agreement without the necessity of any further action or approval. The Declaration of Restrictions will not be subordinated to any financing secured by and used for the Project, except as permitted under San Francisco Administrative Code Chapter 120.

22.2 No Third Party Beneficiaries. Nothing contained in this Agreement, nor any act of the City, may be interpreted or construed as creating the relationship of third party beneficiary, limited or general partnership, joint venture, employer and employee, or principal and agent between the City and Borrower or Borrower's agents, employees or contractors.

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

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

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

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

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

22.8 Inconsistencies in City Documents. In the event of any conflict between the terms of this Agreement and any other City Document, the terms of this Agreement control unless

otherwise stated; *provided, however*, that any provision in this Agreement in conflict with any Law will be interpreted subject to that Law.

22.9 Governing Law; Venue. This Agreement is governed by California law and the City's Charter and Municipal Code without regard to its choice of law rules. Any legal suit, action, or proceeding arising out of or relating to this Agreement shall be instituted in the Superior Court for the City and County of San Francisco, and each party agrees to the exclusive jurisdiction of such court in any such suit, action, or proceeding (excluding bankruptcy matters). The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action, or proceeding in such court and irrevocably waive and agree not to plead or claim that any suit, action, or proceeding brought in San Francisco Superior Court relating to this Agreement has been brought in an inconvenient forum. The Parties also unconditionally and irrevocably waive any right to remove any such suit, action, or proceeding to Federal Court.

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

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

22.12 Reserved.

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

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

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

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

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

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

22.19 Borrower's Personnel. The Project will be implemented only by competent personnel under the direction and supervision of Borrower.

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

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

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

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

from sub-borrowers or other persons or entities implementing the Project to ensure that the City obtains the rights set forth in this Section.

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


EXHIBITS


- A Schedules of Income and Rent Restrictions
- B-1 Table of Sources and Uses of Funds
- B-2 Annual Operating Budget
- B-3 20-Year Cash Flow Proforma
- C Form of Tenant Income Certification
- D First Source Hiring Requirements and Numerical Goals
- E Governmental Requirements
- F Lobbying/Debarment Certification Form
- G Form of Annual Monitoring Report
- H Tenant Selection Plan Policy
- I MOHCD Tenant Screening Criteria Policy
- J Developer Fee Policy
- K Hold Harmless Policy
- L Insurance Requirements
- M Reserved
- N Reserved
- O MOHCD Commercial Underwriting Guidelines
- P MOHCD Residual Receipts Policy

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

THE CITY:

CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation

By: 
London N. Breed
Mayor

By: 
Eric D. Shaw
Director, Mayor's Office of Housing and Community Development

APPROVED AS TO FORM:


DAVID CHIU
City Attorney

By: 
Deputy City Attorney

BORROWER:

1234 Great Highway LLC, a California limited liability company

By: Tenderloin Neighborhood Development Corporation, a California nonprofit public benefit corporation
Its: sole member and manager

By: 
Name: Marissa Leon
Title: Chief Executive Officer

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

THE CITY:

CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation

By: _____
London N. Breed
Mayor

By: _____
Eric D. Shaw
Director, Mayor's Office of Housing and Community Development

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: _____
Deputy City Attorney

BORROWER:

1234 Great Highway LLC, a California limited liability company

By: Tenderloin Neighborhood Development Corporation, a California nonprofit public benefit corporation
Its: sole member and manager

By: _____
Name: Maria Leon
Title: Chief Executive Officer

EXHIBIT A
Schedules of Income and Rent Restrictions

1. **Income and Rent Restrictions.** Maximum rent is 30% of maximum income level. As used in this Agreement, the term "Qualified Tenant" includes each category of Tenant included below, which may be subject to change upon Project construction finance closing:

Unit Size	Maximum Income Level (MOHCD Income Level)				Manager Units	Total
	15%	20%	55%	60%		
0 BR	23	24	5	37		89
1 BR	31	32	6	50	2	121
2 BR			3	3		6
						216

All Units (except 2 managers units) will be rented at all times to tenants who are Seniors. In addition, Fifty Percent (50%) of the Units will be made available to the chronically Senior Homeless Households or those Seniors at risk of homelessness during the period in which the City's Local Operating Subsidy program is in operation and the City provides such subsidy to the Project under the LOSP Agreement. If the LOSP is terminated, discontinued or reduced at no fault of Borrower with respect to the Project, then the rent restrictions above may be altered but only to the extent necessary for the Project to remain financially feasible, as determined in City's reasonable discretion; provided that:

(a) Borrower diligently pursues an additional or alternative source of income or subsidy acceptable to the City to replace the rental subsidies.

(b) One hundred percent (100%) of the Units formerly under the LOSP will at all times be occupied by Qualified Tenants whose Adjusted Income does not exceed sixty percent (60%) of Median Income and the monthly rent paid by the Qualified Tenants may not exceed (a) thirty percent (30%) of sixty percent (60%) of Median Income, (b) less utility allowance. The maximum initial occupancy income level restrictions when averaged for all Residential Units in the Project may not exceed sixty percent (60%) of Median Income and subject to any applicable regulatory agreement, restrictive covenant, or other encumbrance. To the extent financially feasible, as mutually determined by the Parties, any such rent increase will be limited to (or will be first implemented with) any vacant units.

In such event, the City will use good faith efforts to meet with Borrower within fifteen (15) days after Borrower's request to meet. The relief provided by the foregoing will not be construed as authorizing Borrower to exceed any income or rent restriction imposed on the Project by CDLAC, CTCAC, or under any other agreement. Borrower

covenants and warrants that it will obtain all necessary approvals or relief from any other applicable income or rent limitations before implementing the relief provided in this paragraph.

2. Rent and Utilities. The total amount for rent and utilities (with the maximum allowance for utilities determined by the San Francisco Housing Authority) charged to a Qualified Tenant may not exceed the greater of:

(i) thirty percent (30%) of the applicable maximum income level, adjusted for household size; or

(ii) the tenant paid portion of the contract rent as determined by the San Francisco Housing Authority for Qualified Tenants holding Section 8 vouchers or certificates.

Rents may be increased as permitted pursuant to Section 7.3 of the Agreement.

EXHIBIT B-1

Table of Sources and Uses of Funds

Application Date: 4/7/23 # Units: 216
 Project Name: 1234 Great Highway # Bedrooms: 222
 Project Address: 1234 Great Highway # Beds:
 Project Sponsor: Tenderloin Neighborhood Development Corporation
 LOSP Project

Don't forget to fill in D135:D138!

SOURCES	24,000,000	2,240,000	720,000	-	-	-	-	Total Sources	Comments
Name of Sources: MOHCD/OCII		HAF Loan	Income from Operations						

USES

ACQUISITION

Acquisition cost or value	21,700,000							21,700,000	
Legal / Closing costs / Broker's Fee	30,000							30,000	
Holding Costs	254,576		177,500					432,076	
Transfer Tax	1,302,000							1,302,000	
TOTAL ACQUISITION	23,286,576	0	177,500	0	0	0	0	23,464,076	

CONSTRUCTION (HARD COSTS)

Unit Construction/Rehab								0	Include FF&E
Commercial Shell Construction								0	
Demolition								0	
Environmental Remediation								0	
Onsite Improvements/Landscaping								0	
Offsite Improvements								0	
Infrastructure Improvements								0	HOPE SF/OCII costs for streets etc.
Parking								0	
GC Bond Premium/GC Insurance/GC Taxes								0	
GC Overhead & Profit								0	
CG General Conditions								0	
Sub-total Construction Costs	0	0	0	0	0	0	0	0	
Design Contingency (remove at DD)								0	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Bid Contingency (remove at bid)								0	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Plan Check Contingency (remove/reduce during Plan Review)								0	4% up to \$30MM HC, 3% \$30-\$45MM, 2% \$45MM+
Hard Cost Construction Contingency								0	5% new construction / 15% rehab
Sub-total Construction Contingencies	0	0	0	0	0	0	0	0	
TOTAL CONSTRUCTION COSTS	0	0	0	0	0	0	0	0	

Construction line item costs as a % of hard costs

SOFT COSTS

Architecture & Design

Architect design fees		784,000						784,000	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)		196,000						196,000	
Architect Construction Admin								0	
Reimbursables		29,400						29,400	
Additional Services		39,200						39,200	
Sub-total Architect Contract	0	1,048,600	0	0	0	0	0	1,048,600	
Other Third Party design consultants (not included under Architect contract)		150,000						150,000	Consultants not covered under architect contract; name consultant type and contract amount
Total Architecture & Design	0	1,198,600	0	0	0	0	0	1,198,600	

Engineering & Environmental Studies

Survey	50,000							50,000	
Geotechnical studies	85,000							85,000	
Phase I & II Reports	50,000							50,000	
CEQA / Environmental Review consultants	10,000							10,000	
NEPA / 106 Review								0	
CNA/PNA (rehab only)								0	
Other environmental consultants								0	Name consultants & contract amounts
Total Engineering & Environmental Studies	195,000	0	0	0	0	0	0	195,000	

Financing Costs

Construction Financing Costs									
Construction Loan Origination Fee								0	
Construction Loan Interest								0	
Title & Recording								0	
CDLAC & CDJAC fees								0	
Bond Issuer Fees								0	
Other Bond Cost of Issuance								0	
Other Lender Costs (specify)								0	
Sub-total Const. Financing Costs	0	0	0	0	0	0	0	0	
Permanent Financing Costs									
Permanent Loan Origination Fee								0	
Credit Enhance. & Appl. Fee								0	
Title & Recording								0	
Sub-total Perm. Financing Costs	0	0	0	0	0	0	0	0	
Total Financing Costs	0	0	0	0	0	0	0	0	

Legal Costs

Borrower Legal fees		50,000						50,000	
Land Use / CEQA Attorney fees		150,000						150,000	
Tax Credit Counsel								0	
Bond Counsel								0	
Construction Lender Counsel								0	
Permanent Lender Counsel								0	
Other Legal (specify)								0	
Total Legal Costs	0	200,000	0	0	0	0	0	200,000	

Other Development Costs

Appraisal	12,000							12,000	
Market Study	15,000							15,000	
Insurance		240,000						240,000	
Property Taxes			542,500					542,500	
Accounting / Audit								0	
Organizational Costs								0	
Entitlement / Permit Fees								0	
Marketing / Rent-up								0	
Furnishings								0	\$2,000/unit; See MOHCD U/W Guidelines: http://sfmohcd.org/documents-reports-and-forms
PGE / Utility Fees		209,629						209,629	
TCAC App / Alloc / Monitor Fees	91,424	41,771						133,195	
Financial Consultant fees		40,000						40,000	
Construction Management fees / Owner's Rep		60,000						60,000	
Security during Construction								0	
Relocation								0	
Community Engagement	200,000							200,000	
Permit Expediter		50,000						50,000	
Other (specify)								0	
Total Other Development Costs	318,424	641,400	542,500	0	0	0	0	1,502,324	

Total Soft Cost Contingency as % of Total Soft Costs 6.5%

Soft Cost Contingency

Contingency (Arch, Eng, Fin, Legal & Other Dev)		200,000						200,000	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	513,424	2,240,000	542,500	0	0	0	0	3,295,924	

RESERVES

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

DEVELOPER COSTS

Developer Fee - Cash-out Paid at Milestones	200,000							200,000	
Developer Fee - Cash-out At Risk								0	
Commercial Developer Fee								0	
Developer Fee - GP Equity (also show as source)								0	
Developer Fee - Deferred (also show as source)								0	
Development Consultant Fees								0	Need MOHCD approval for this cost, N/A for most projects
Other (specify)								0	
TOTAL DEVELOPER COSTS	200,000	0	0	0	0	0	0	200,000	

TOTAL DEVELOPMENT COST

Development Cost/Unit by Source	24,000,000	2,240,000	720,000	0	0	0	0	26,960,000	
Development Cost/Unit as % of TDC by Source	111,111	10,370	3,333	0	0	0	0	124,815	
	89.0%	8.3%	2.7%	0.0%	0.0%	0.0%	0.0%	100.0%	

Acquisition Cost/Unit by Source

	100,463	0	0	0	0	0	0	100,463	
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Construction Cost (inc Const Contingency)/Unit By Source

Construction Cost (inc Const Contingency)/SF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
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*Possible non-eligible GO Bond/COP Amount:

City Subsidy/Unit	0	111,111							
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Tax Credit Equity Pricing:

Construction Bond Amount:		Fill in with value or 'N/A' if not applicable.
Construction Loan Term (in months):		Fill in with value or 'N/A' if not applicable.
Construction Loan Interest Rate (as %):		Fill in with value or 'N/A' if not applicable.

Application Date: 4/7/23 # Units: 216
 Project Name: 1234 Great Highway # Bedrooms: 222
 Project Address: 1234 Great Highway # Beds:
 Project Sponsor: Tenderloin Neighborhood Development Corporation
 LOSP Project

Don't forget to fill in D135:D138!

SOURCES	24,000,000	2,240,000	720,000	-	-	-	-	-	Total Sources	Comments
Name of Sources:	MOHCD/OCII	HAF Loan	Income from Operations							

USES

ACQUISITION

Acquisition cost or value	21,700,000								21,700,000	
Legal / Closing costs / Broker's Fee	30,000								30,000	
Holding Costs	254,576		177,500						432,076	
Transfer Tax	1,302,000								1,302,000	
TOTAL ACQUISITION	23,286,576	0	177,500	0	0	0	0	0	23,464,076	

CONSTRUCTION (HARD COSTS)

Unit Construction/Rehab									0	Include FF&E
Commercial Shell Construction									0	
Demolition									0	
Environmental Remediation									0	
Onsite Improvements/Landscaping									0	
Offsite Improvements									0	
Infrastructure Improvements									0	HOPE SF/OCII costs for streets etc.
Parking									0	
GC Bond Premium/GC Insurance/GC Taxes									0	
GC Overhead & Profit									0	
CG General Conditions									0	
Sub-total Construction Costs	0	0	0	0	0	0	0	0	0	
Design Contingency (remove at DD)									0	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Bid Contingency (remove at bid)									0	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Plan Check Contingency (remove/reduce during Plan Review)									0	4% up to \$30MM HC, 3% \$30-\$45MM, 2% \$45MM+
Hard Cost Construction Contingency									0	5% new construction / 15% rehab
Sub-total Construction Contingencies	0	0	0	0	0	0	0	0	0	
TOTAL CONSTRUCTION COSTS	0	0	0	0	0	0	0	0	0	

Construction line item costs as a % of hard costs

SOFT COSTS

Architecture & Design

Architect design fees		784,000							784,000	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)		196,000							196,000	
Architect Construction Admin									0	
Reimbursables		29,400							29,400	
Additional Services		39,200							39,200	
Sub-total Architect Contract	0	1,048,600	0	0	0	0	0	0	1,048,600	
Other Third Party design consultants (not included under Architect contract)		150,000							150,000	Consultants not covered under architect contract; name consultant type and contract amount
Total Architecture & Design	0	1,198,600	0	0	0	0	0	0	1,198,600	

Engineering & Environmental Studies

Survey	50,000								50,000	
Geotechnical studies	85,000								85,000	
Phase I & II Reports	50,000								50,000	
CEQA / Environmental Review consultants	10,000								10,000	
NEPA / 106 Review									0	
CNA/PNA (rehab only)									0	
Other environmental consultants									0	Name consultants & contract amounts
Total Engineering & Environmental Studies	195,000	0	0	0	0	0	0	0	195,000	

Financing Costs

Construction Financing Costs										
Construction Loan Origination Fee									0	
Construction Loan Interest									0	
Title & Recording									0	
CDLAC & CDJAC fees									0	
Bond Issuer Fees									0	
Other Bond Cost of Issuance									0	
Other Lender Costs (specify)									0	
Sub-total Const. Financing Costs	0	0	0	0	0	0	0	0	0	
Permanent Financing Costs										
Permanent Loan Origination Fee									0	
Credit Enhance. & Appl. Fee									0	
Title & Recording									0	
Sub-total Perm. Financing Costs	0	0	0	0	0	0	0	0	0	
Total Financing Costs	0	0	0	0	0	0	0	0	0	

Legal Costs

Borrower Legal fees		50,000							50,000	
Land Use / CEQA Attorney fees		150,000							150,000	
Tax Credit Counsel									0	
Bond Counsel									0	
Construction Lender Counsel									0	
Permanent Lender Counsel									0	
Other Legal (specify)									0	
Total Legal Costs	0	200,000	0	0	0	0	0	0	200,000	

Other Development Costs

Appraisal	12,000								12,000	
Market Study	15,000								15,000	
Insurance		240,000							240,000	
Property Taxes			542,500						542,500	
Accounting / Audit									0	
Organizational Costs									0	
Entitlement / Permit Fees									0	
Marketing / Rent-up									0	
Furnishings									0	\$2,000/unit; See MOHCD U/W Guidelines: http://sfmohcd.org/documents-reports-and-forms
PGE / Utility Fees		209,629							209,629	
TCAC App / Alloc / Monitor Fees	91,424	41,771							133,195	
Financial Consultant fees		40,000							40,000	
Construction Management fees / Owner's Rep		60,000							60,000	
Security during Construction									0	
Relocation									0	
Community Engagement	200,000								200,000	
Permit Expediter		50,000							50,000	
Other (specify)									0	
Total Other Development Costs	318,424	641,400	542,500	0	0	0	0	0	1,502,324	

Total Soft Cost Contingency as % of Total Soft Costs 6.5%

Soft Cost Contingency

Contingency (Arch, Eng, Fin, Legal & Other Dev)		200,000							200,000	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	513,424	2,240,000	542,500	0	0	0	0	0	3,295,924	

RESERVES

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

DEVELOPER COSTS

Developer Fee - Cash-out Paid at Milestones	200,000								200,000	
Developer Fee - Cash-out At Risk									0	
Commercial Developer Fee									0	
Developer Fee - GP Equity (also show as source)									0	
Developer Fee - Deferred (also show as source)									0	
Development Consultant Fees									0	Need MOHCD approval for this cost, N/A for most projects
Other (specify)									0	
TOTAL DEVELOPER COSTS	200,000	0	0	0	0	0	0	0	200,000	

TOTAL DEVELOPMENT COST

Development Cost/Unit by Source	24,000,000	2,240,000	720,000	0	0	0	0	0	26,960,000	
Development Cost/Unit as % of TDC by Source	111,111	10,370	3,333	0	0	0	0	0	124,815	
	89.0%	8.3%	2.7%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	

Acquisition Cost/Unit by Source

	100,463	0	0	0	0	0	0	0	100,463	
Construction Cost (inc Const Contingency)/Unit By Source	0	0	0	0	0	0	0	0	0	
Construction Cost (inc Const Contingency)/SF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

*Possible non-eligible GO Bond/COP Amount:

City Subsidy/Unit	0	111,111								
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Tax Credit Equity Pricing:

Construction Bond Amount:		Fill in with value or 'N/A' if not applicable.								
Construction Loan Term (in months):		Fill in with value or 'N/A' if not applicable.								
Construction Loan Interest Rate (as %):		Fill in with value or 'N/A' if not applicable.								

EXHIBIT B-2
Annual Operating Budget

Application Date: 4/7/2023
 Total # Units: 216
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2028

Project Name: 1234 Great Highway
 Project Address: 1234 Great Highway
 Tenderloin Neighborhood Development Corporation
 Project Sponsor: Corporation

Correct errors noted in Col N!

INCOME	LOSP/non-LOSP Allocation		Total	Comments	
	LOSP	non-LOSP			
Residential - Tenant Rents	330,000	750,216	1,080,216	Links from 'New Proj - Rent & Unit Mix' Worksheet	Alternative LOSP Split
Residential - Tenant Assistance Payments (Non-LOSP)	631,644	631,644	1,263,288	Links from 'New Proj - Rent & Unit Mix' Worksheet	Residential - Tenant Assistance Payments (No
Residential - LOSP Tenant Assistance Payments	339,749		339,749		
Commercial Space			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
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
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	14,040	14,040	28,080	Links from 'Utilities & Other Income' Worksheet	Projected LOSP Split
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	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	Alternative LOSP Split
Withdrawal from Capitalized Reserve (deposit to operating account)	0	0	0		Withdrawal from Capitalized Reserve (deposit
Gross Potential Income	1,315,433	1,395,900	2,711,333		
Vacancy Loss - Residential - Tenant Rents	(16,500)	(41,452)	(57,952)	Vacancy loss is 5.4% of Tenant Rents.	
Vacancy Loss - Residential - Tenant Assistance Payments	(31,582)	(59,305)	(90,887)	Vacancy loss is 4.7% of Tenant Assistance Payments.	
Vacancy Loss - Commercial			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
EFFECTIVE GROSS INCOME	1,267,351	1,295,143	2,594,076	PUPA: 12,010	

OPERATING EXPENSES					
Management					
Management Fee	76,464	76,464	152,928	1st Year to be set according to HUD schedule.	Alternative LOSP Split
Asset Management Fee	12,140	12,140	24,280		Asset Management Fee
Sub-total Management Expenses	88,604	88,604	177,208	PUPA: 820	

Salaries/Benefits					
Office Salaries	15,368	15,368	30,735		Alternative LOSP Split
Manager's Salary	101,904	101,904	203,808		Manager's Salary
Health Insurance and Other Benefits	63,990	63,990	127,979		Health Insurance and Other Benefits
Other Salaries/Benefits	15,057	15,057	30,113		Other Salaries/Benefits
Administrative Rent-Free Unit	0	0	0		Administrative Rent-Free Unit
Sub-total Salaries/Benefits	196,318	196,318	392,635	PUPA: 1,818	

Administration					
Advertising and Marketing	0	0	0		
Office Expenses	28,282	28,282	56,564		
Office Rent	0	0	0		Projected LOSP Split
Legal Expense - Property	9,000	9,000	18,000		Legal Expense - Property
Audit Expense	5,570	5,570	11,139		
Bookkeeping/Accounting Services	16,848	16,848	33,696		Projected LOSP Split
Bad Debts	15,000	15,000	30,000		Bad Debts
Miscellaneous	19,151	19,151	38,301	Payroll service charges, tech support and maintenance, professional fees, training	
Sub-total Administration Expenses	93,850	93,850	187,700	PUPA: 869	

Utilities					
Electricity	61,204	61,204	122,407		Projected LOSP Split
Water	127,219	127,219	254,437		Electricity
Gas	0	0	0		
Sewer	0	0	0		
Sub-total Utilities	188,422	188,422	376,844	PUPA: 1,745	

Taxes and Licenses					
Real Estate Taxes	1,895	1,895	3,790		Alternative LOSP Split
Payroll Taxes	30,113	30,113	60,225		Real Estate Taxes
Miscellaneous Taxes, Licenses and Permits	4,145	4,145	8,289		Payroll Taxes
Sub-total Taxes and Licenses	36,152	36,152	72,304	PUPA: 335	

Insurance					
Property and Liability Insurance	78,976	78,976	157,951		
Fidelity Bond Insurance	0	0	0		Alternative LOSP Split
Worker's Compensation	18,821	18,821	37,641		Worker's Compensation
Director's & Officers' Liability Insurance	0	0	0		
Sub-total Insurance	97,796	97,796	195,592	PUPA: 906	

Maintenance & Repair					
Payroll	163,078	163,078	326,155		Alternative LOSP Split
Supplies	11,121	11,121	22,241		Payroll
Contracts	91,843	91,843	183,686		Supplies
Garbage and Trash Removal	61,531	61,531	123,061		Contracts
Security Payroll/Contract	150,696	50,232	200,928	4.2 FTE desk clerks	Alternative LOSP Split
HVAC Repairs and Maintenance	8,175	8,175	16,350		Security Payroll/Contract
Vehicle and Maintenance Equipment Operation and Repairs	307	307	613		
Miscellaneous Operating and Maintenance Expenses	0	0	0		
Sub-total Maintenance & Repair Expenses	486,749	386,285	873,034	PUPA: 4,042	

Supportive Services					
Supportive Services	0	87,060	87,060	0.6 FTE Healthy Aging Coordinator	Alternative LOSP Split
Commercial Expenses			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	Supportive Services
TOTAL OPERATING EXPENSES	1,187,891	1,174,487	2,362,377	PUPA: 10,937	

Reserves/Ground Lease Base Rent/Bond Fees					
Ground Lease Base Rent	7,500	7,500	15,000	Ground lease with MOHCD	Provide additional comments here, if needed.
Bond Monitoring Fee	2,600	2,600	5,200		Alternative LOSP Split
Replacement Reserve Deposit	54,000	54,000	108,000		Replacement Reserve Deposit
Operating Reserve Deposit	0	0	0		Operating Reserve Deposit
Other Required Reserve 1 Deposit	0	0	0		Other Required Reserve 1 Deposit
Other Required Reserve 2 Deposit	0	0	0		
Required Reserve Deposits/Commercial			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	64,100	64,100	128,200	PUPA: 594	

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)					
	1,251,991	1,238,587	2,490,577	PUPA: 11,530	
NET OPERATING INCOME (INCOME minus OP EXPENSES)	15,360	56,557	103,499	PUPA: 479	

Min DSCR: 1.09
 Mortgage Rate: 5.00%
 Term (Years): 30
 Supportable 1st Mortgage Pmt: 94,953
 Supportable 1st Mortgage Amt: \$1,473,999
 Proposed 1st Mortgage Amt: \$4,630,000

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

CASH FLOW (NOI minus DEBT SERVICE)					
Commercial Only Cash Flow	15,360	56,557	103,499		
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)	0	0	0		Allocation of Commercial Surplus to LOSP/no
AVAILABLE CASH FLOW	15,360	56,557	103,499		

USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL					
'Below-the-line' Asset Mgt fee (uncommon in new projects, see policy)	12,860	12,860	25,720		
Partnership Management Fee (see policy for limits)	0	0	0		
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	2,500	2,500	5,000		Alternative LOSP Split
Other Payments	0	0	0		Other Payments
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	0	0	0	Provide additional comments here, if needed.	Non-amortizing Loan Pmnt - Lender 1 (select
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)	0	0	0	Provide additional comments here, if needed.	Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt => Max Fee from call #130)	0	0	0	Def. Develop. Fee split: 0%	Deferred Developer Fee (Enter amt => Max F
TOTAL PAYMENTS PRECEDING MOHCD	15,360	15,360	30,720	PUPA: 142	

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)					
	0	41,197	72,779		

Residual Receipts Calculation
 Does Project have a MOHCD Residual Receipt Obligation? **Yes** Project has MOHCD ground lease? **Yes**
 Will Project Deter Developer Fee? **Yes**
 Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1: 50% Max Deferred Developer Fee Amt (Use for data entry above. Do not link.): **25,293** Sum of DD F from LOSP and non-LOSP:
 % of Residual Receipts available for distribution to soft debt lenders in 50% Ratio of Sum of DDF and calculated 50%:

Soft Debt Lenders with Residual Receipts Obligations	(Select lender name/program from drop down)	Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OCII - Soft Debt Loans	All MOHCD/OCII Loans payable from res. repts		0.00%
MOHCD/OCII - Ground Lease Value or Land Acq Cost	Ground Lease Value	\$150,000	100.00%
HCD (soft debt loan) - Lender 3			0.00%
Other Soft Debt Lender - Lender 4			0.00%
Other Soft Debt Lender - Lender 5			0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE					
MOHCD Residual Receipts Amount Due		72,779	72,779	50% of residual receipts, multiplied by 100% -- MOHCD's pro rata share of all soft debt	
Proposed MOHCD Residual Receipts Amount to Loan Repayment		72,779	72,779	Enter/override amount of residual receipts proposed for loan repayment.	
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		0	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan pymt.	

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE					
			0		

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE					
HCD Residual Receipts Amount Due			0		
Lender 4 Residual Receipts Due			0		
Lender 5 Residual Receipts Due			0		
Total Non-MOHCD Residual Receipts Debt Service			0		

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

Application Date: 4/7/2023
 Total # Units: 216
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2028

INCOME			
Residential - Tenant Rents		non-LOSP	Approved By (reqd)
Residential - Tenant Assistance Payments (Non-LOSP)	non-LOSP		
Residential - LOSP Tenant Assistance Payments			
Commercial Space			
Residential Parking			
Miscellaneous Rent Income	LOSP	non-LOSP	Approved By (reqd)
Supportive Services Income			
Interest Income - Project Operations			
Laundry and Vending	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Tenant Charges			
Miscellaneous Residential Income			
Other Commercial Income	LOSP	non-LOSP	Approved By (reqd)
Withdrawal from Capitalized Reserve (deposit to operating account)	to operating account		
Gross Potential Income			
Vacancy Loss - Residential - Tenant Rents			
Vacancy Loss - Residential - Tenant Assistance Payments			
Vacancy Loss - Commercial			
EFFECTIVE GROSS INCOME			

OPERATING EXPENSES			
Management			
Management Fee			Approved By (reqd)
Asset Management Fee			
Sub-total Management Expenses			
Salaries/Benefits			
Office Salaries			Approved By (reqd)
Manager's Salary			
Health Insurance and Other Benefits			
Other Salaries/Benefits			
Administrative Rent-Free Unit			
Sub-total Salaries/Benefits			
Administration			
Advertising and Marketing			
Office Expenses			
Office Rent	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Legal Expense - Property	50.00%	50.00%	
Audit Expense			
Bookkeeping/Accounting Services	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Bad Debts	50.00%	50.00%	
Miscellaneous			
Sub-total Administration Expenses			
Utilities			
Electricity	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Water	50.00%	50.00%	
Gas			
Sewer			
Sub-total Utilities			
Taxes and Licenses			
Real Estate Taxes			Approved By (reqd)
Payroll Taxes			
Miscellaneous Taxes, Licenses and Permits			
Sub-total Taxes and Licenses			
Insurance			
Property and Liability Insurance			
Fidelity Bond Insurance	LOSP	non-LOSP	Approved By (reqd)
Worker's Compensation			
Director's & Officers' Liability Insurance			
Sub-total Insurance			
Maintenance & Repair			
Payroll			Approved By (reqd)
Supplies	50.00%	50.00%	(LOSP-specific expenses must be tracked at entry level in project's)
Contracts			
Garbage and Trash Removal	LOSP	non-LOSP	Approved By (reqd)
Security Payroll/Contract	75.00%	25.00%	
HVAC Repairs and Maintenance			
Vehicle and Maintenance Equipment Operation and Repairs			
Miscellaneous Operating and Maintenance Expenses			
Sub-total Maintenance & Repair Expenses			
Supportive Services		0.00%	100.00%
Commercial Expenses			

TOTAL OPERATING EXPENSES			
Reserves/Ground Lease Base Rent/Bond Fees			
Ground Lease Base Rent			
Bond Monitoring Fee	LOSP	non-LOSP	Approved By (reqd)
Replacement Reserve Deposit			
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			

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)			
NET OPERATING INCOME (INCOME minus OP EXPENSES)			
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)			
Hard Debt - First Lender		0.00%	100.00%
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender 42% pymt, or other 2nd Lender)			
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			
Hard Debt - Fourth Lender			
Commercial Hard Debt Service			
TOTAL HARD DEBT SERVICE			

CASH FLOW (NOI minus DEBT SERVICE)			
Commercial Only Cash Flow			
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)	non-LOSP (residual income)		
AVAILABLE CASH FLOW			
USES OF CASH FLOW BELOW (This row also shows DSCR.)			
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL			
"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)	LOSP	non-LOSP	Approved By (reqd)
Other Payments			
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	lender in comments field		
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)			
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)		0.00%	100.00%
TOTAL PAYMENTS PRECEDING MOHCD			

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)

Residual Receipts Calculation

Does Project have a MOHCD Residual Receipt Obligation?
 Will Project Deter Developer Fee?
 Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1: 0
 % of Residual Receipts available for distribution to soft debt lenders in #DIV/0!

Soft Debt Lenders with Residual Receipts Obligations			
MOHCD/OCII - Soft Debt Loans			
MOHCD/OCII - Ground Lease Value or Land Acq Cost			
HCD (soft debt loan) - Lender 3			
Other Soft Debt Lender - Lender 4			
Other Soft Debt Lender - Lender 5			
MOHCD RESIDUAL RECEIPTS DEBT SERVICE			
MOHCD Residual Receipts Amount Due			
Proposed MOHCD Residual Receipts Amount to Loan Repayment			
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE			
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE			
HCD Residual Receipts Amount Due			
Lender 4 Residual Receipts Due			
Lender 5 Residual Receipts Due			
Total Non-MOHCD Residual Receipts Debt Service			
REMAINDER (Should be zero unless there are distributions below)			
Owner Distributions/Incentive Management Fee			
Other Distributions/Uses			
Final Balance (should be zero)			

EXHIBIT B-3
20-Year Cash Flow Proforma

1234 Great Highway

INCOME	Total # Units:		Year 1			Year 2			Year 3				
	216	108	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total		
			50.00%	50.00%									
Residential - Tenant Rents			1.0%	2.5%	330,000	750,216	1,080,216	333,300	768,971	1,102,271	336,633	768,196	1,124,829
Residential - Tenant Assistance Payments (Non-LOSP)			n/a	n/a	631,644	631,644	1,263,288	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments			n/a	n/a	339,749	-	-	962,541	-	962,541	1,002,046	-	1,002,046
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%	14,040	14,040	28,080	14,391	14,391	28,782	14,751	14,751	29,502
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	-	-	-	-	-	-	-	-	-
Gross Potential Income					1,315,433	1,395,900	2,711,333	1,310,232	783,362	2,093,594	1,353,430	802,946	2,156,376
Vacancy Loss - Residential - Tenant Rents			n/a	n/a	(16,500)	(41,452)	(57,952)	(16,665)	(38,449)	(55,114)	(16,832)	(39,410)	(56,241)
Vacancy Loss - Residential - Tenant Assistance Payments			n/a	n/a	(31,582)	(59,305)	(59,305)	-	-	-	-	-	-
Vacancy Loss - Commercial			n/a	n/a	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME					1,267,351	1,295,143	2,594,076	1,293,567	744,914	2,038,480	1,336,598	763,537	2,100,135
OPERATING EXPENSES													
Management													
Management Fee			3.5%	3.5%	76,464	76,464	152,928	79,140	79,140	158,280	81,910	81,910	163,820
Asset Management Fee			3.5%	3.5%	12,140	12,140	24,280	12,565	12,565	25,130	13,005	13,005	26,009
Sub-total Management Expenses					88,604	88,604	177,208	91,705	91,705	183,410	94,915	94,915	189,830
Salaries/Benefits													
Office Salaries			3.5%	3.5%	15,368	15,368	30,736	15,905	15,905	31,811	16,462	16,462	32,924
Manager's Salary			3.5%	3.5%	101,904	101,904	203,808	105,471	105,471	210,941	109,162	109,162	218,324
Health Insurance and Other Benefits			3.5%	3.5%	63,990	63,990	127,979	66,229	66,229	132,458	68,547	68,547	137,094
Other Salaries/Benefits			3.5%	3.5%	15,057	15,057	30,113	15,583	15,583	31,167	16,129	16,129	32,258
Administrative Rent-Free Unit			3.5%	3.5%	-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits					196,318	196,318	392,635	203,189	203,189	406,377	210,300	210,300	420,600
Administration													
Advertising and Marketing			3.5%	3.5%	-	-	-	-	-	-	-	-	-
Office Expenses			3.5%	3.5%	28,282	28,282	56,564	29,272	29,272	58,544	30,296	30,296	60,593
Office Rent			3.5%	3.5%	-	-	-	-	-	-	-	-	-
Legal Expense - Property			3.5%	3.5%	9,000	9,000	18,000	9,315	9,315	18,630	9,641	9,641	19,282
Audit Expense			3.5%	3.5%	5,570	5,570	11,139	5,764	5,764	11,529	5,966	5,966	11,932
Bookkeeping/Accounting Services			3.5%	3.5%	16,848	16,848	33,696	17,438	17,438	34,875	18,048	18,048	36,096
Bad Debts			3.5%	3.5%	15,000	15,000	30,000	15,525	15,525	31,050	16,068	16,068	32,137
Miscellaneous			3.5%	3.5%	19,151	19,151	38,301	19,821	19,821	39,642	20,514	20,514	41,029
Sub-total Administration Expenses					93,850	93,850	187,700	97,135	97,135	194,270	100,534	100,534	201,069
Utilities													
Electricity			3.5%	3.5%	61,204	61,204	122,407	63,346	63,346	126,691	65,563	65,563	131,125
Water			3.5%	3.5%	127,219	127,219	254,437	131,671	131,671	263,342	136,280	136,280	272,559
Gas			3.5%	3.5%	-	-	-	-	-	-	-	-	-
Sewer			3.5%	3.5%	-	-	-	-	-	-	-	-	-
Sub-total Utilities					188,422	188,422	376,844	195,017	195,017	390,034	201,842	201,842	403,685
Taxes and Licenses													
Real Estate Taxes			3.5%	3.5%	1,895	1,895	3,790	1,961	1,961	3,923	2,030	2,030	4,060
Payroll Taxes			3.5%	3.5%	30,113	30,113	60,225	31,166	31,166	62,332	32,257	32,257	64,515
Miscellaneous Taxes, Licenses and Permits			3.5%	3.5%	4,145	4,145	8,289	4,290	4,290	8,579	4,440	4,440	8,879
Sub-total Taxes and Licenses					36,152	36,152	72,304	37,417	37,417	74,832	38,727	38,727	77,454
Insurance													
Property and Liability Insurance			3.5%	3.5%	78,976	78,976	157,951	81,740	81,740	163,479	84,601	84,601	169,201
Fidelity Bond Insurance			3.5%	3.5%	-	-	-	-	-	-	-	-	-
Worker's Compensation			3.5%	3.5%	18,821	18,821	37,641	19,479	19,479	38,958	20,161	20,161	40,322
Director's & Officers' Liability Insurance			3.5%	3.5%	-	-	-	-	-	-	-	-	-
Sub-total Insurance					97,796	97,796	195,592	101,219	101,219	202,438	104,762	104,762	209,523
Maintenance & Repair													
Payroll			3.5%	3.5%	163,078	163,078	326,155	168,785	168,785	337,570	174,693	174,693	349,385
Supplies			3.5%	3.5%	11,121	11,121	22,242	11,510	11,510	23,019	11,913	11,913	23,825
Contracts			3.5%	3.5%	91,843	91,843	183,686	95,058	95,058	190,115	96,385	96,385	196,769
Garbage and Trash Removal			3.5%	3.5%	61,531	61,531	123,061	63,684	63,684	127,368	65,913	65,913	131,826
Security Payroll/Contract			3.5%	3.5%	150,696	150,696	301,391	155,970	155,970	311,940	157,429	157,429	314,858
HVAC Repairs and Maintenance			3.5%	3.5%	8,175	8,175	16,350	8,461	8,461	16,922	8,757	8,757	17,515
Vehicle and Maintenance Equipment Operation and Repairs			3.5%	3.5%	307	307	613	317	317	634	328	328	657
Miscellaneous Operating and Maintenance Expenses			3.5%	3.5%	-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses					486,749	486,749	973,498	503,785	503,785	1,007,590	513,418	513,418	1,026,916
Supportive Services													
Commercial Expenses			3.5%	3.5%	-	87,060	87,060	-	90,107	90,107	-	93,261	93,261
TOTAL OPERATING EXPENSES					1,187,891	1,174,487	2,362,377	1,229,467	1,215,594	2,445,060	1,272,498	1,258,139	2,530,637
Reserves/Ground Lease Base Rent/Bond Fees													
Ground Lease Base Rent					7,500	7,500	15,000	7,500	7,500	15,000	7,500	7,500	15,000
Bond Monitoring Fee					2,600	2,600	5,200	2,600	2,600	5,200	2,600	2,600	5,200
Replacement Reserve Deposit					84,000	84,000	168,000	84,000	84,000	168,000	84,000	84,000	168,000
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					94,100	94,100	188,200	94,100	94,100	188,200	94,100	94,100	188,200
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees)					1,251,991	1,238,587	2,490,577	1,293,567	1,279,694	2,573,260	1,336,598	1,322,239	2,658,837
NET OPERATING INCOME (INCOME minus OP EXPENSES)													
					15,360	56,557	103,499	-	(534,780)	(534,780)	-	(558,703)	(558,703)
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)													
Hard Debt - First Lender					-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pmt, or other 2nd Lender)					-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)					-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender					-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service					-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE					-	-	-	-	-	-	-	-	-
CASH FLOW (NOI minus DEBT SERVICE)					15,360	56,557	103,499	-	(534,780)	(534,780)	-	(558,703)	(558,703)
Commercial Only Cash Flow					-	-	-	-	-	-	-	-	-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)					-	-	-	-	-	-	-	-	-
AVAILABLE CASH FLOW					15,360	56,557	103,499	-	(534,780)	(534,780)	-	(558,703)	(558,703)
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)			3.5%	3.5%	per MOHCD policy	12,860	12,860	25,720	-	-	-	-	-
Partnership Management Fee (see policy for limits)			3.5%	3.5%	per MOHCD policy	-	-	-	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			3.5%	3.5%	per MOHCD policy no annual increase	2,500	2,500	5,000	-				

INCOME	Total # Units: 216	LOSP Units		Non-LOSP Units		Year 1 2028			Year 2 2029			Year 3 2030		
		108		108		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
		% annual inc LOSP	% annual increase	50.00%	50.00%									
Other Reserve 2 Withdrawals														
Other Reserve 2 Interest														
Other Required Reserve 2 Running Balance														

1234 Great Highway

INCOME	Total # Units:			Year 4 2031			Year 5 2032			Year 6 2033		
	216	108	108	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
	50.00%	50.00%	50.00%									
INCOME												
Residential - Tenant Rents	1.0%	2.5%		339,999	807,901	1,147,900	343,399	828,098	1,171,497	346,633	848,801	1,195,634
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments	n/a	n/a		1,043,017	-	1,043,017	1,085,505	-	1,085,505	1,129,565	-	1,129,565
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%		15,120	15,120	30,239	15,498	15,498	30,995	15,885	15,885	31,770
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		-	-	-	-	-	-	-	-	-
Gross Potential Income				1,398,135	823,020	2,221,156	1,444,402	843,596	2,287,997	1,492,283	864,686	2,356,968
Vacancy Loss - Residential - Tenant Rents	n/a	n/a		(17,000)	(40,395)	(57,395)	(17,170)	(41,405)	(58,575)	(17,342)	(42,440)	(59,782)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a		-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME				1,381,135	782,625	2,163,761	1,427,232	802,191	2,229,422	1,474,941	822,245	2,297,187
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	84,777	84,777	169,554	87,744	87,744	175,488	90,815	90,815	181,630
Asset Management Fee	3.5%	3.5%	per MOHCD policy	13,460	13,460	26,920	13,931	13,931	27,862	14,419	14,419	28,837
Sub-total Management Expenses				98,237	98,237	196,474	101,675	101,675	203,350	105,234	105,234	210,467
Salaries/Benefits												
Office Salaries	3.5%	3.5%		17,038	17,038	34,076	17,635	17,635	35,269	18,252	18,252	36,504
Manager's Salary	3.5%	3.5%		112,983	112,983	225,966	116,937	116,937	233,874	121,030	121,030	242,060
Health Insurance and Other Benefits	3.5%	3.5%		70,946	70,946	141,893	73,429	73,429	146,859	75,999	75,999	151,999
Other Salaries/Benefits	3.5%	3.5%		16,693	16,693	33,387	17,278	17,278	34,555	17,882	17,882	35,765
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				217,661	217,661	435,321	225,279	225,279	450,558	233,164	233,164	466,327
Administration												
Advertising and Marketing	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Office Expenses	3.5%	3.5%		31,357	31,357	62,714	32,454	32,454	64,908	33,590	33,590	67,180
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		9,978	9,978	19,957	10,328	10,328	20,655	10,689	10,689	21,378
Audit Expense	3.5%	3.5%		6,175	6,175	12,350	6,391	6,391	12,782	6,615	6,615	13,230
Bookkeeping/Accounting Services	3.5%	3.5%		18,680	18,680	37,359	19,333	19,333	38,667	20,010	20,010	40,020
Bad Debts	3.5%	3.5%		16,631	16,631	33,262	17,213	17,213	34,426	17,815	17,815	35,631
Miscellaneous	3.5%	3.5%		21,233	21,233	42,466	21,976	21,976	43,951	22,745	22,745	45,490
Sub-total Administration Expenses				104,053	104,053	208,106	107,695	107,695	215,390	111,464	111,464	222,929
Utilities												
Electricity	3.5%	3.5%		67,857	67,857	135,715	70,232	70,232	140,465	72,691	72,691	145,381
Water	3.5%	3.5%		141,049	141,049	282,099	145,986	145,986	291,972	151,096	151,096	302,191
Gas	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Utilities				208,907	208,907	417,814	216,219	216,219	432,437	223,786	223,786	447,572
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		2,101	2,101	4,202	2,175	2,175	4,349	2,251	2,251	4,501
Payroll Taxes	3.5%	3.5%		33,386	33,386	66,773	34,555	34,555	69,110	35,764	35,764	71,528
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		4,595	4,595	9,190	4,756	4,756	9,512	4,922	4,922	9,845
Sub-total Taxes and Licenses				40,082	40,082	80,165	41,485	41,485	82,971	42,937	42,937	85,874
Insurance												
Property and Liability Insurance	3.5%	3.5%		87,562	87,562	175,123	90,626	90,626	181,252	93,798	93,798	187,596
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		20,867	20,867	41,733	21,597	21,597	43,194	22,353	22,353	44,706
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				108,428	108,428	216,856	112,223	112,223	224,446	116,151	116,151	232,302
Maintenance & Repair												
Payroll	3.5%	3.5%		180,807	180,807	361,614	187,135	187,135	374,270	193,685	193,685	387,370
Supplies	3.5%	3.5%		12,329	12,329	24,659	12,761	12,761	25,522	13,208	13,208	26,415
Contracts	3.5%	3.5%		101,828	101,828	203,656	105,392	105,392	210,784	109,081	109,081	218,161
Garbage and Trash Removal	3.5%	3.5%		68,220	68,220	136,440	70,608	70,608	141,215	73,079	73,079	146,158
Security Payroll/Contract	3.5%	3.5%		167,079	167,079	334,158	172,927	172,927	345,854	178,980	178,980	357,960
HVAC Repairs and Maintenance	3.5%	3.5%		9,064	9,064	18,128	9,381	9,381	18,762	9,709	9,709	19,419
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		340	340	680	352	352	703	364	364	728
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				539,667	539,667	1,079,334	556,556	556,556	1,117,062	578,105	578,105	1,156,891
Supportive Services	3.5%	3.5%		-	96,525	96,525	-	99,903	99,903	-	103,400	103,400
Commercial Expenses												
from Commercial Op. Budget Worksheet: Commercial to Residential allocation: 100%												
TOTAL OPERATING EXPENSES				1,317,035	1,302,174	2,619,210	1,363,132	1,347,750	2,710,882	1,410,841	1,394,922	2,805,763
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent				7,500	7,500	15,000	7,500	7,500	15,000	7,500	7,500	15,000
Bond Monitoring Fee				2,600	2,600	5,200	2,600	2,600	5,200	2,600	2,600	5,200
Replacement Reserve Deposit				54,000	54,000	108,000	54,000	54,000	108,000	54,000	54,000	108,000
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				64,100	64,100	128,200	64,100	64,100	128,200	64,100	64,100	128,200
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				1,381,135	1,366,274	2,747,410	1,427,232	1,411,850	2,839,082	1,474,941	1,459,022	2,933,963
NET OPERATING INCOME (INCOME minus OP EXPENSES)												
				-	(583,649)	(583,649)	-	(609,660)	(609,660)	-	(636,776)	(636,776)
DEBT SERVICE/MUST PAY PAYMENTS ('hard debt'/amortized loans)												
Hard Debt - First Lender				-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)				-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)				-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender				-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service				-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE												
				-	(583,649)	(583,649)	-	(609,660)	(609,660)	-	(636,776)	(636,776)
CASH FLOW (NOI minus DEBT SERVICE)												
Commercial Only Cash Flow				-	-	-	-	-	-	-	-	-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-	-	-	-	-	-	-	-
AVAILABLE CASH FLOW												
				-	(583,649)	(583,649)	-	(609,660)	(609,660)	-	(636,776)	

	Total # Units: 216	LOSP Units		Non-LOSP Units		Year 4 2031			Year 5 2032			Year 6 2033		
		108		108		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
		% annual inc	% annual increase	Comments (related to annual inc assumptions)										
INCOME														
Other Reserve 2 Withdrawals														
Other Reserve 2 Interest														
Other Required Reserve 2 Running Balance														

1234 Great Highway

INCOME	Total # Units:	LOSP Units	Non-LOSP Units	Comments (related to annual inc assumptions)	Year 7 2034			Year 8 2035			Year 9 2036		
					LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
Residential - Tenant Rents	216	108	108		350,302	870,021	1,220,322	353,805	891,771	1,245,576	357,343	914,065	1,271,408
Residential - Tenant Assistance Payments (Non-LOSP)		n/a	n/a		-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments		n/a	n/a		1,175,252	-	1,175,252	1,222,625	-	1,222,625	1,271,743	-	1,271,743
Commercial Space		n/a	2.5%	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-
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%		16,282	16,282	32,564	16,689	16,689	33,378	17,106	17,106	34,213
Tenant Charges		2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income		2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income		n/a	2.5%	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)		n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-	-	-	-	-
Gross Potential Income					1,541,836	886,303	2,428,138	1,593,119	908,460	2,501,579	1,646,192	931,172	2,577,364
Vacancy Loss - Residential - Tenant Rents		n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(17,515)	(43,501)	(61,016)	(17,690)	(44,589)	(62,279)	(17,867)	(45,703)	(63,570)
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial		n/a	n/a		-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME					1,524,321	842,802	2,367,122	1,575,428	863,872	2,439,300	1,628,325	885,468	2,513,793
OPERATING EXPENSES													
Management													
Management Fee		3.5%	3.5%	1st Year to be set according to HUD schedule.	93,994	93,994	187,988	97,284	97,284	194,567	100,688	100,688	201,377
Asset Management Fee		3.5%	3.5%	per MOHCD policy	14,923	14,923	29,846	15,445	15,445	30,891	15,966	15,966	31,972
Sub-total Management Expenses					108,917	108,917	217,834	112,729	112,729	225,458	116,675	116,675	233,349
Salaries/Benefits													
Office Salaries		3.5%	3.5%		18,891	18,891	37,781	19,552	19,552	39,104	20,236	20,236	40,472
Manager's Salary		3.5%	3.5%		125,266	125,266	250,532	129,650	129,650	259,301	134,188	134,188	268,376
Health Insurance and Other Benefits		3.5%	3.5%		78,659	78,659	157,319	81,413	81,413	162,825	84,262	84,262	168,524
Other Salaries/Benefits		3.5%	3.5%		18,508	18,508	37,017	19,156	19,156	38,312	19,827	19,827	39,653
Administrative Rent-Free Unit		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits					241,224	241,224	482,649	249,771	249,771	499,541	258,513	258,513	517,025
Administration													
Advertising and Marketing		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Office Expenses		3.5%	3.5%		34,766	34,766	69,532	35,983	35,983	71,965	37,242	37,242	74,484
Office Rent		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property		3.5%	3.5%		11,063	11,063	22,127	11,451	11,451	22,901	11,851	11,851	23,703
Audit Expense		3.5%	3.5%		6,846	6,846	13,693	7,086	7,086	14,172	7,334	7,334	14,668
Bookkeeping/Accounting Services		3.5%	3.5%		20,710	20,710	41,421	21,435	21,435	42,871	22,186	22,186	44,371
Bad Debts		3.5%	3.5%		18,439	18,439	36,878	19,084	19,084	38,168	19,752	19,752	39,504
Miscellaneous		3.5%	3.5%		23,541	23,541	47,082	24,365	24,365	48,730	25,218	25,218	50,435
Sub-total Administration Expenses					115,366	115,366	230,731	119,403	119,403	238,807	123,583	123,583	247,165
Utilities													
Electricity		3.5%	3.5%		75,235	75,235	150,469	77,868	77,868	155,736	80,593	80,593	161,187
Water		3.5%	3.5%		156,384	156,384	312,768	161,857	161,857	323,715	167,522	167,522	335,045
Gas		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Utilities					231,619	231,619	463,237	239,725	239,725	479,451	248,116	248,116	496,232
Taxes and Licenses													
Real Estate Taxes		3.5%	3.5%		2,329	2,329	4,659	2,411	2,411	4,822	2,495	2,495	4,991
Payroll Taxes		3.5%	3.5%		37,016	37,016	74,032	38,312	38,312	76,624	39,652	39,652	79,305
Miscellaneous Taxes, Licenses and Permits		3.5%	3.5%		5,095	5,095	10,189	5,273	5,273	10,546	5,458	5,458	10,915
Sub-total Taxes and Licenses					44,440	44,440	88,880	45,995	45,995	91,991	47,605	47,605	95,211
Insurance													
Property and Liability Insurance		3.5%	3.5%		97,081	97,081	194,162	100,479	100,479	200,958	103,996	103,996	207,991
Fidelity Bond Insurance		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation		3.5%	3.5%		23,135	23,135	46,270	23,945	23,945	47,890	24,783	24,783	49,566
Director's & Officers' Liability Insurance		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance					120,216	120,216	240,433	124,424	124,424	248,848	128,779	128,779	257,557
Maintenance & Repair													
Payroll		3.5%	3.5%		200,464	200,464	400,928	207,480	207,480	414,960	214,742	214,742	429,484
Supplies		3.5%	3.5%		13,670	13,670	27,340	14,148	14,148	28,297	14,644	14,644	29,287
Contracts		3.5%	3.5%		112,898	112,898	225,797	116,850	116,850	233,700	120,940	120,940	241,879
Garbage and Trash Removal		3.5%	3.5%		75,637	75,637	151,273	78,284	78,284	156,568	81,024	81,024	162,048
Security Payroll/Contract		3.5%	3.5%		185,244	185,244	370,488	191,227	191,227	382,454	196,438	196,438	392,876
HVAC Repairs and Maintenance		3.5%	3.5%		10,049	10,049	20,098	10,401	10,401	20,802	10,765	10,765	21,530
Vehicle and Maintenance Equipment Operation and Repairs		3.5%	3.5%		377	377	754	390	390	780	404	404	807
Miscellaneous Operating and Maintenance Expenses		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses					598,339	598,339	1,196,678	619,281	619,281	1,238,454	630,955	630,955	1,261,619
Supportive Services		3.5%	3.5%		-	107,019	107,019	-	110,765	110,765	-	114,641	114,641
Commercial Expenses													
from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%					-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES					1,460,221	1,443,744	2,903,965	1,511,328	1,494,275	3,005,603	1,564,225	1,546,574	3,110,799
RESERVES/GROUND LEASE BASE RENT/BOND FEES													
Ground Lease Base Rent					7,500	7,500	15,000	7,500	7,500	15,000	7,500	7,500	15,000
Bond Monitoring Fee					2,600	2,600	5,200	2,600	2,600	5,200	2,600	2,600	5,200
Replacement Reserve Deposit					54,000	54,000	108,000	54,000	54,000	108,000	54,000	54,000	108,000
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					64,100	64,100	128,200	64,100	64,100	128,200	64,100	64,100	128,200
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)					1,524,321	1,507,844	3,032,165	1,575,428	1,558,375	3,133,803	1,628,325	1,610,674	3,239,999
NET OPERATING INCOME (INCOME minus OP EXPENSES)						(665,042)	(665,042)		(694,503)	(694,503)		(725,206)	(725,206)
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)													
Hard Debt - First Lender				Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)				Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)				Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender				Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service				from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE													
CASH FLOW (NOI minus DEBT SERVICE)						(665,042)	(665,042						

	Total # Units: 216	LOSP Units		Non-LOSP Units		Year 7 2034			Year 8 2035			Year 9 2036		
		108		108		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
		% annual inc	% annual increase	Comments (related to annual inc assumptions)										
INCOME														
Other Reserve 2 Withdrawals														
Other Reserve 2 Interest														
Other Required Reserve 2 Running Balance														

1234 Great Highway

Total # Units:	LOSP Units		Non-LOSP Units		Year 10 2037			Year 11 2038			Year 12 2039				
	216	108	108	50.00%	% annual inc LOSP	% annual increase	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
INCOME															
Residential - Tenant Rents					1.0%	2.5%	360,916	936,917	1,297,833	364,525	960,340	1,324,865	368,171	984,348	1,352,519
Residential - Tenant Assistance Payments (Non-LOSP)					n/a	n/a	-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments					n/a	n/a	1,322,668	-	1,322,668	1,375,465	-	1,375,465	1,430,200	-	1,430,200
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%	17,534	17,534	35,068	17,972	17,972	35,945	18,422	18,422	36,843
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	-	-	-	-	-	-	-	-	-
Gross Potential Income							1,701,119	954,451	2,655,570	1,757,963	978,312	2,736,275	1,816,793	1,002,770	2,819,563
Vacancy Loss - Residential - Tenant Rents					n/a	n/a	(18,046)	(46,846)	(64,892)	(18,226)	(48,017)	(66,243)	(18,409)	(49,217)	(67,626)
Vacancy Loss - Residential - Tenant Assistance Payments					n/a	n/a	-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial					n/a	n/a	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME							1,683,073	907,605	2,590,678	1,739,737	930,295	2,670,032	1,798,384	953,553	2,751,937
OPERATING EXPENSES															
Management															
Management Fee					3.5%	3.5%	104,213	104,213	208,425	107,860	107,860	215,720	111,635	111,635	223,270
Asset Management Fee					3.5%	3.5%	16,546	16,546	33,091	17,125	17,125	34,249	17,724	17,724	35,448
Sub-total Management Expenses							120,758	120,758	241,516	124,985	124,985	249,969	129,359	129,359	258,718
Salaries/Benefits															
Office Salaries					3.5%	3.5%	20,944	20,944	41,889	21,677	21,677	43,355	22,436	22,436	44,872
Manager's Salary					3.5%	3.5%	138,885	138,885	277,769	143,746	143,746	287,491	148,777	148,777	297,554
Health Insurance and Other Benefits					3.5%	3.5%	87,211	87,211	174,422	90,264	90,264	180,527	93,423	93,423	186,845
Other Salaries/Benefits					3.5%	3.5%	20,520	20,520	41,041	21,239	21,239	42,477	21,982	21,982	43,964
Administrative Rent-Free Unit					3.5%	3.5%	-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits							267,561	267,561	535,121	276,925	276,925	553,550	286,618	286,618	573,235
Administration															
Advertising and Marketing					3.5%	3.5%	-	-	-	-	-	-	-	-	-
Office Expenses					3.5%	3.5%	38,545	38,545	77,091	39,895	39,895	79,789	41,291	41,291	82,582
Office Rent					3.5%	3.5%	-	-	-	-	-	-	-	-	-
Legal Expense - Property					3.5%	3.5%	12,266	12,266	24,532	12,695	12,695	25,391	13,140	13,140	26,279
Audit Expense					3.5%	3.5%	7,591	7,591	15,181	7,856	7,856	15,713	8,131	8,131	16,263
Bookkeeping/Accounting Services					3.5%	3.5%	22,962	22,962	45,924	23,766	23,766	47,532	24,598	24,598	49,195
Bad Debts					3.5%	3.5%	20,443	20,443	40,887	21,159	21,159	42,318	21,900	21,900	43,799
Miscellaneous					3.5%	3.5%	26,100	26,100	52,200	27,014	27,014	54,027	27,959	27,959	55,918
Sub-total Administration Expenses							127,908	127,908	255,816	132,385	132,385	264,769	137,018	137,018	274,036
Utilities															
Electricity					3.5%	3.5%	83,414	83,414	166,828	86,334	86,334	172,667	89,355	89,355	178,711
Water					3.5%	3.5%	173,386	173,386	346,772	179,454	179,454	358,909	185,735	185,735	371,470
Gas					3.5%	3.5%	-	-	-	-	-	-	-	-	-
Sewer					3.5%	3.5%	-	-	-	-	-	-	-	-	-
Sub-total Utilities							256,800	256,800	513,600	265,788	265,788	531,576	275,090	275,090	550,181
Taxes and Licenses															
Real Estate Taxes					3.5%	3.5%	2,583	2,583	5,165	2,673	2,673	5,346	2,767	2,767	5,533
Payroll Taxes					3.5%	3.5%	41,040	41,040	82,080	42,477	42,477	84,953	43,963	43,963	87,927
Miscellaneous Taxes, Licenses and Permits					3.5%	3.5%	5,649	5,649	11,297	5,846	5,846	11,692	6,051	6,051	12,102
Sub-total Taxes and Licenses							49,271	49,271	98,543	50,996	50,996	101,992	52,781	52,781	105,562
Insurance															
Property and Liability Insurance					3.5%	3.5%	107,635	107,635	215,271	111,403	111,403	222,805	115,302	115,302	230,604
Fidelity Bond Insurance					3.5%	3.5%	-	-	-	-	-	-	-	-	-
Worker's Compensation					3.5%	3.5%	25,650	25,650	51,301	26,548	26,548	53,096	27,477	27,477	54,955
Director's & Officers' Liability Insurance					3.5%	3.5%	-	-	-	-	-	-	-	-	-
Sub-total Insurance							133,286	133,286	266,572	137,951	137,951	275,902	142,779	142,779	285,558
Maintenance & Repair															
Payroll					3.5%	3.5%	222,258	222,258	444,516	230,037	230,037	460,074	238,088	238,088	476,176
Supplies					3.5%	3.5%	15,156	15,156	30,312	15,687	15,687	31,373	16,236	16,236	32,471
Contracts					3.5%	3.5%	125,173	125,173	250,345	129,554	129,554	259,107	134,088	134,088	268,176
Garbage and Trash Removal					3.5%	3.5%	83,880	83,880	167,760	86,795	86,795	173,590	89,833	89,833	179,665
Security Payroll/Contract					3.5%	3.5%	205,383	205,383	410,766	212,572	212,572	425,144	220,012	220,012	439,949
HVAC Repairs and Maintenance					3.5%	3.5%	11,142	11,142	22,283	11,532	11,532	23,063	11,935	11,935	23,871
Vehicle and Maintenance Equipment Operation and Repairs					3.5%	3.5%	418	418	835	432	432	865	447	447	895
Miscellaneous Operating and Maintenance Expenses					3.5%	3.5%	-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses							663,389	663,389	1,326,778	666,608	666,608	1,333,569	674,613	674,613	1,349,603
Supportive Services															
Commercial Expenses					3.5%	3.5%	-	118,654	118,654	-	122,807	122,807	-	127,105	127,105
TOTAL OPERATING EXPENSES							1,618,973	1,600,705	3,219,677	1,675,637	1,656,729	3,332,366	1,734,284	1,714,715	3,448,999
Reserves/Ground Lease Base Rent/Bond Fees															
Ground Lease Base Rent							7,500	7,500	15,000	7,500	7,500	15,000	7,500	7,500	15,000
Bond Monitoring Fee							2,600	2,600	5,200	2,600	2,600	5,200	2,600	2,600	5,200
Replacement Reserve Deposit							54,000	54,000	108,000	54,000	54,000	108,000	54,000	54,000	108,000
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							64,100	64,100	128,200	64,100	64,100	128,200	64,100	64,100	128,200
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)							1,683,073	1,664,805	3,347,877	1,739,737	1,720,829	3,460,566	1,798,384	1,778,815	3,577,199
NET OPERATING INCOME (INCOME minus OP EXPENSES)															
								(757,199)	(757,199)		(790,534)	(790,534)		(825,262)	(825,262)
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)															
Hard Debt - First Lender							-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)							-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)							-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender							-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service							-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE															
CASH FLOW (NOI minus DEBT SERVICE)															
Commercial Only Cash Flow								(757,199)	(757,199)		(790,534)	(790,534)		(825,262)	(825,262)
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)															

INCOME	Total # Units: 216	LOSP Units		Non-LOSP Units		Year 10 2037			Year 11 2038			Year 12 2039		
		108		108		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
		% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)										
Other Reserve 2 Withdrawals														
Other Reserve 2 Interest														
<i>Other Required Reserve 2 Running Balance</i>														

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INCOME	Total # Units: 216	LOSP Units 108		Non-LOSP Units 108		Year 13 2040			Year 14 2041			Year 15 2042		
		% annual inc	% annual inc	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	
		50.00%	50.00%		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	
Residential - Tenant Rents		1.0%	2.5%		371,852	1,008,957	1,380,809	375,571	1,034,181	1,409,752	379,326	1,060,036	1,439,362	
Residential - Tenant Assistance Payments (Non-LOSP)		n/a	n/a		-	-	-	-	-	-	-	-	-	
Residential - LOSP Tenant Assistance Payments		n/a	n/a		1,496,942	-	1,496,942	1,545,762	-	1,545,762	1,606,734	-	1,606,734	
Commercial Space		n/a	2.5%	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-		
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%		18,882	18,882	37,764	19,354	19,354	38,709	19,838	19,838	39,676	
Tenant Charges		2.5%	2.5%		-	-	-	-	-	-	-	-		
Miscellaneous Residential Income		2.5%	2.5%		-	-	-	-	-	-	-	-		
Other Commercial Income		n/a	2.5%	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-		
Withdrawal from Capitalized Reserve (deposit to operating account)		n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-	-	-	-		
Gross Potential Income					1,877,677	1,027,839	2,905,516	1,940,687	1,053,535	2,994,222	2,005,898	1,079,874	3,085,772	
Vacancy Loss - Residential - Tenant Rents		n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(18,593)	(50,446)	(69,040)	(18,779)	(51,709)	(70,488)	(18,966)	(53,002)	(71,968)	
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a		-	-	-	-	-	-	-	-		
Vacancy Loss - Commercial		n/a	n/a		-	-	-	-	-	-	-	-		
EFFECTIVE GROSS INCOME					1,859,084	977,391	2,836,476	1,921,909	1,001,826	2,923,735	1,986,932	1,026,872	3,013,804	
OPERATING EXPENSES														
Management														
Management Fee		3.5%	3.5%	1st Year to be set according to HUD schedule.	115,542	115,542	231,085	119,586	119,586	239,173	123,772	123,772	247,544	
Asset Management Fee		3.5%	3.5%	per MOHCD policy	18,344	18,344	36,688	18,986	18,986	37,973	19,651	19,651	39,302	
Sub-total Management Expenses					133,887	133,887	267,773	138,573	138,573	277,146	143,423	143,423	286,846	
Salaries/Benefits														
Office Salaries		3.5%	3.5%		23,221	23,221	46,443	24,034	24,034	48,068	24,875	24,875	49,751	
Manager's Salary		3.5%	3.5%		153,984	153,984	307,968	159,373	159,373	318,747	164,951	164,951	329,903	
Health Insurance and Other Benefits		3.5%	3.5%		96,693	96,693	193,386	100,077	100,077	200,154	103,579	103,579	207,159	
Other Salaries/Benefits		3.5%	3.5%		22,751	22,751	45,503	23,548	23,548	47,095	24,372	24,372	48,744	
Administrative Rent-Free Unit		3.5%	3.5%		-	-	-	-	-	-	-	-	-	
Sub-total Salaries/Benefits					296,649	296,649	593,298	307,032	307,032	614,064	317,778	317,778	635,556	
Administration														
Advertising and Marketing		3.5%	3.5%		-	-	-	-	-	-	-	-	-	
Office Expenses		3.5%	3.5%		42,736	42,736	85,472	44,232	44,232	88,464	45,780	45,780	91,560	
Office Rent		3.5%	3.5%		-	-	-	-	-	-	-	-	-	
Legal Expense - Property		3.5%	3.5%		13,600	13,600	27,199	14,076	14,076	28,151	14,568	14,568	29,137	
Audit Expense		3.5%	3.5%		8,416	8,416	16,832	8,710	8,710	17,421	9,015	9,015	18,031	
Bookkeeping/Accounting Services		3.5%	3.5%		25,458	25,458	50,917	26,350	26,350	52,699	27,272	27,272	54,544	
Bad Debts		3.5%	3.5%		22,666	22,666	45,332	23,459	23,459	46,919	24,280	24,280	48,561	
Miscellaneous		3.5%	3.5%		28,938	28,938	57,876	29,951	29,951	59,901	30,999	30,999	61,998	
Sub-total Administration Expenses					141,814	141,814	283,628	146,777	146,777	293,555	151,914	151,914	303,829	
Utilities														
Electricity		3.5%	3.5%		92,483	92,483	184,966	95,720	95,720	191,439	99,070	99,070	198,140	
Water		3.5%	3.5%		192,236	192,236	384,472	198,964	198,964	397,928	205,928	205,928	411,856	
Gas		3.5%	3.5%		-	-	-	-	-	-	-	-	-	
Sewer		3.5%	3.5%		-	-	-	-	-	-	-	-	-	
Sub-total Utilities					284,719	284,719	569,437	294,684	294,684	589,367	304,998	304,998	609,995	
Taxes and Licenses														
Real Estate Taxes		3.5%	3.5%		2,863	2,863	5,727	2,964	2,964	5,927	3,067	3,067	6,135	
Payroll Taxes		3.5%	3.5%		45,502	45,502	91,004	47,095	47,095	94,189	48,743	48,743	97,486	
Miscellaneous Taxes, Licenses and Permits		3.5%	3.5%		6,263	6,263	12,525	6,482	6,482	12,964	6,709	6,709	13,417	
Sub-total Taxes and Licenses					54,628	54,628	109,256	56,540	56,540	113,080	58,519	58,519	117,038	
Insurance														
Property and Liability Insurance		3.5%	3.5%		119,337	119,337	238,675	123,514	123,514	247,028	127,837	127,837	255,674	
Fidelity Bond Insurance		3.5%	3.5%		-	-	-	-	-	-	-	-	-	
Worker's Compensation		3.5%	3.5%		28,439	28,439	56,878	29,434	29,434	58,869	30,465	30,465	60,929	
Director's & Officers' Liability Insurance		3.5%	3.5%		-	-	-	-	-	-	-	-	-	
Sub-total Insurance					147,776	147,776	295,553	152,949	152,949	305,897	158,302	158,302	316,604	
Maintenance & Repair														
Payroll		3.5%	3.5%		246,421	246,421	492,843	255,046	255,046	510,092	263,973	263,973	527,945	
Supplies		3.5%	3.5%		16,804	16,804	33,608	17,392	17,392	34,784	18,001	18,001	36,001	
Contracts		3.5%	3.5%		138,781	138,781	277,562	143,638	143,638	287,277	148,606	148,606	297,332	
Garbage and Trash Removal		3.5%	3.5%		92,977	92,977	185,954	96,231	96,231	192,462	99,599	99,599	199,198	
Security Payroll/Contract		3.5%	3.5%		227,712	227,712	455,424	238,692	238,692	477,384	244,931	244,931	489,861	
HVAC Repairs and Maintenance		3.5%	3.5%		12,353	12,353	24,706	12,785	12,785	25,571	13,233	13,233	26,466	
Vehicle and Maintenance Equipment Operation and Repairs		3.5%	3.5%		463	463	926	479	479	959	496	496	992	
Miscellaneous Operating and Maintenance Expenses		3.5%	3.5%		-	-	-	-	-	-	-	-	-	
Sub-total Maintenance & Repair Expenses					735,511	735,511	1,471,022	761,254	761,254	1,521,387	787,898	787,898	1,575,833	
Supportive Services														
Commercial Expenses		3.5%	3.5%	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%	-	131,554	131,554	-	136,158	136,158	-	140,924	140,924	
TOTAL OPERATING EXPENSES					1,794,984	1,774,730	3,569,714	1,857,809	1,836,845	3,694,654	1,922,832	1,901,135	3,823,967	
Reserves/Ground Lease Base Rent/Bond Fees														
Ground Lease Base Rent					7,500	7,500	15,000	7,500	7,500	15,000	7,500	7,500	15,000	
Bond Monitoring Fee					2,600	2,600	5,200	2,600	2,600	5,200	2,600	2,600	5,200	
Replacement Reserve Deposit					54,000	54,000	108,000	54,000	54,000	108,000	54,000	54,000	108,000	
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					64,100	64,100	128,200	64,100	64,100	128,200	64,100	64,100	128,200	
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)					1,859,084	1,838,830	3,697,914	1,921,909	1,900,945	3,822,854	1,986,932	1,965,235	3,952,167	
NET OPERATING INCOME (INCOME minus OP EXPENSES)														
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)														
Hard Debt - First Lender					-	-	-	-	-	-	-	-	-	
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)					-	-	-	-	-	-	-	-	-	
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)					-	-	-	-	-	-	-	-	-	
Hard Debt - Fourth Lender					-	-	-	-	-	-	-	-	-	
Commercial Hard Debt Service					-	-	-	-	-	-	-	-	-	
TOTAL HARD DEBT SERVICE														
CASH FLOW (NOI minus DEBT SERVICE)														
Commercial Only Cash Flow					-	(861,438)	(861,438)	-	(899,119)	(899,119)	-	(938,363)	(938,363)	
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)					-	-	-	-	-	-	-	-	-	
AVAILABLE CASH FLOW														
USES OF CASH FLOW BELOW (This row also shows DSCR.)														
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL														
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)		3.5%	3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-	
Partnership Management Fee (see policy for limits)		3.5%	3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)														

INCOME	Total # Units: 216	LOSP Units		Non-LOSP Units		Year 13 2040			Year 14 2041			Year 15 2042		
		108		108		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
		% annual inc	% annual increase	Comments (related to annual inc assumptions)										
Other Reserve 2 Withdrawals														
Other Reserve 2 Interest														
Other Required Reserve 2 Running Balance														

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Total # Units:	LOSP Units		Non-LOSP Units		Year 16 2043			Year 17 2044			Year 18 2045				
	216	108	108												
		50.00%	50.00%	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
INCOME															
Residential - Tenant Rents				1.0%	2.5%		363,120	1,086,536	1,469,656	396,951	1,113,700	1,500,651	390,820	1,141,542	1,532,363
Residential - Tenant Assistance Payments (Non-LOSP)				n/a	n/a		-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments				n/a	n/a		1,669,933	-	1,669,933	1,735,440	-	1,735,440	1,803,335	-	1,803,335
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%		20,334	20,334	40,668	20,842	20,842	41,685	21,364	21,364	42,727
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		-	-	-	-	-	-	-	-	-
Gross Potential Income							2,073,387	1,106,871	3,180,258	2,143,233	1,134,542	3,277,775	2,215,519	1,162,906	3,378,425
Vacancy Loss - Residential - Tenant Rents				n/a	n/a		(19,156)	(54,327)	(73,483)	(19,349)	(55,665)	(75,033)	(19,541)	(57,077)	(76,618)
Vacancy Loss - Residential - Tenant Assistance Payments				n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial				n/a	n/a		-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME							2,054,231	1,052,544	3,106,775	2,123,886	1,078,857	3,202,743	2,195,978	1,105,829	3,301,807
OPERATING EXPENSES															
Management															
Management Fee				3.5%	3.5%	1st Year to be set according to HUD schedule.	128,104	128,104	256,208	132,588	132,588	265,175	137,228	137,228	274,456
Asset Management Fee				3.5%	3.5%	per MOHCD policy	20,339	20,339	40,677	21,051	21,051	42,101	21,787	21,787	43,575
Sub-total Management Expenses							148,443	148,443	296,885	153,638	153,638	307,276	159,015	159,015	318,031
Salaries/Benefits															
Office Salaries				3.5%	3.5%		25,746	25,746	51,492	26,647	26,647	53,294	27,580	27,580	55,159
Manager's Salary				3.5%	3.5%		170,725	170,725	341,449	176,700	176,700	353,400	182,885	182,885	365,769
Health Insurance and Other Benefits				3.5%	3.5%		107,205	107,205	214,409	110,957	110,957	221,914	114,840	114,840	229,681
Other Salaries/Benefits				3.5%	3.5%		25,225	25,225	50,450	26,108	26,108	52,216	27,022	27,022	54,043
Administrative Rent-Free Unit				3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits							328,900	328,900	657,801	340,412	340,412	680,824	352,326	352,326	704,652
Administration															
Advertising and Marketing				3.5%	3.5%		-	-	-	-	-	-	-	-	-
Office Expenses				3.5%	3.5%		47,382	47,382	94,764	49,041	49,041	98,081	50,757	50,757	101,514
Office Rent				3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property				3.5%	3.5%		15,078	15,078	30,156	15,606	15,606	31,212	16,152	16,152	32,304
Audit Expense				3.5%	3.5%		9,331	9,331	18,662	9,657	9,657	19,315	9,995	9,995	19,991
Bookkeeping/Accounting Services				3.5%	3.5%		28,226	28,226	56,453	29,214	29,214	58,428	30,237	30,237	60,473
Bad Debts				3.5%	3.5%		25,130	25,130	50,260	26,010	26,010	52,020	26,920	26,920	53,840
Miscellaneous				3.5%	3.5%		32,084	32,084	64,168	33,207	33,207	66,414	34,369	34,369	68,738
Sub-total Administration Expenses							157,231	157,231	314,463	162,735	162,735	325,469	168,430	168,430	336,861
Utilities															
Electricity				3.5%	3.5%		102,537	102,537	205,074	106,126	106,126	212,252	109,840	109,840	219,681
Water				3.5%	3.5%		213,135	213,135	426,270	220,595	220,595	441,190	228,316	228,316	456,632
Gas				3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer				3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Utilities							315,673	315,673	631,345	326,721	326,721	653,442	338,156	338,156	676,313
Taxes and Licenses															
Real Estate Taxes				3.5%	3.5%		3,175	3,175	6,350	3,286	3,286	6,572	3,401	3,401	6,802
Payroll Taxes				3.5%	3.5%		50,449	50,449	100,898	52,215	52,215	104,429	54,042	54,042	108,084
Miscellaneous Taxes, Licenses and Permits				3.5%	3.5%		6,943	6,943	13,887	7,187	7,187	14,373	7,438	7,438	14,876
Sub-total Taxes and Licenses							60,567	60,567	121,134	62,687	62,687	125,374	64,881	64,881	129,762
Insurance															
Property and Liability Insurance				3.5%	3.5%		132,312	132,312	264,623	136,942	136,942	273,885	141,735	141,735	283,471
Fidelity Bond Insurance				3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation				3.5%	3.5%		31,531	31,531	63,062	32,634	32,634	65,268	33,777	33,777	67,553
Director's & Officers' Liability Insurance				3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance							163,842	163,842	327,685	169,577	169,577	339,154	175,512	175,512	351,024
Maintenance & Repair															
Payroll				3.5%	3.5%		273,212	273,212	546,423	282,774	282,774	565,548	292,671	292,671	585,342
Supplies				3.5%	3.5%		18,631	18,631	37,261	19,283	19,283	38,566	19,958	19,958	39,915
Contractors				3.5%	3.5%		153,869	153,869	307,738	159,254	159,254	318,508	164,828	164,828	329,657
Garbage and Trash Removal				3.5%	3.5%		103,085	103,085	206,170	106,693	106,693	213,386	110,427	110,427	220,855
Security Payroll/Contract				3.5%	3.5%		252,468	252,468	504,936	261,305	261,305	522,610	270,450	270,450	540,900
HVAC Repairs and Maintenance				3.5%	3.5%		13,696	13,696	27,392	14,175	14,175	28,351	14,671	14,671	29,343
Vehicle and Maintenance Equipment Operation and Repairs				3.5%	3.5%		513	513	1,027	531	531	1,063	550	550	1,100
Miscellaneous Operating and Maintenance Expenses				3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses							815,474	815,474	1,630,948	844,016	844,016	1,688,129	873,557	873,557	1,751,813
Supportive Services															
Commercial Expenses				3.5%	3.5%	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%	-	145,856	145,856	-	150,961	150,961	-	156,244	156,244
TOTAL OPERATING EXPENSES							1,990,131	1,967,675	3,957,806	2,059,786	2,036,543	4,096,329	2,131,878	2,107,822	4,239,700
Reserves/Ground Lease Base Rent/Bond Fees															
Ground Lease Base Rent							7,500	7,500	15,000	7,500	7,500	15,000	7,500	7,500	15,000
Bond Monitoring Fee							2,600	2,600	5,200	2,600	2,600	5,200	2,600	2,600	5,200
Replacement Reserve Deposit							54,000	54,000	108,000	54,000	54,000	108,000	54,000	54,000	108,000
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							64,100	64,100	128,200	64,100	64,100	128,200	64,100	64,100	128,200
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)							2,054,231	2,031,775	4,086,006	2,123,886	2,100,643	4,224,529	2,195,978	2,171,922	4,367,900
NET OPERATING INCOME (INCOME minus OP EXPENSES)															
								(979,231)	(979,231)		(1,021,786)	(1,021,786)		(1,066,093)	(1,066,093)
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)															
Hard Debt - First Lender							-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)							-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)							-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender							-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service							-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE															
CASH FLOW (NOI minus DEBT SERVICE)															
Commercial Only Cash Flow															

INCOME	Total # Units: 216	LOSP Units		Non-LOSP Units		Year 16 2043			Year 17 2044			Year 18 2045		
		108		108		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
		% annual inc	% annual increase	Comments (related to annual inc assumptions)										
Other Reserve 2 Withdrawals														
Other Reserve 2 Interest														
Other Required Reserve 2 Running Balance														

1234 Great Highway

INCOME	Total # Units:		Comments (related to annual inc assumptions)	Year 19 2016			Year 20 2017				
	216	108		LOSP Units	LOSP	non- LOSP	Total	LOSP	non- LOSP	Total	
	50.00%	50.00%		% annual inc LOSP	% annual increase						
Residential - Tenant Rents				1.0%	2.5%	394,729	1,170,081	1,564,810	398,676	1,199,333	1,598,009
Residential - Tenant Assistance Payments (Non-LOSP)				n/a	n/a	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments				n/a	n/a	1,873,704	-	1,873,704	1,946,634	-	1,946,634
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%	21,898	21,898	43,795	22,445	22,445	44,890
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	-	-	-	-	-	-
Gross Potential Income						2,290,330	1,191,979	3,482,309	2,367,755	1,221,778	3,589,530
Vacancy Loss - Residential - Tenant Rents				n/a	n/a	(19,736)	(58,504)	(78,240)	(19,934)	(59,967)	(79,900)
Vacancy Loss - Residential - Tenant Assistance Payments				n/a	n/a	-	-	-	-	-	-
Vacancy Loss - Commercial				n/a	n/a	-	-	-	-	-	-
EFFECTIVE GROSS INCOME						2,270,594	1,133,474	3,404,068	2,347,821	1,161,811	3,509,632
OPERATING EXPENSES											
Management											
Management Fee				3.5%	3.5%	142,031	142,031	284,062	147,002	147,002	294,004
Asset Management Fee				3.5%	3.5%	22,550	22,550	45,100	23,339	23,339	46,678
Sub-total Management Expenses						164,581	164,581	329,162	170,341	170,341	340,683
Salaries/Benefits											
Office Salaries				3.5%	3.5%	28,545	28,545	57,090	29,544	29,544	59,088
Manager's Salary				3.5%	3.5%	189,286	189,286	378,571	195,911	195,911	391,821
Health Insurance and Other Benefits				3.5%	3.5%	118,860	118,860	237,720	123,020	123,020	246,040
Other Salaries/Benefits				3.5%	3.5%	27,967	27,967	55,935	28,946	28,946	57,892
Administrative Rent-Free Unit				3.5%	3.5%	-	-	-	-	-	-
Sub-total Salaries/Benefits						364,658	364,658	729,315	377,421	377,421	754,841
Administration											
Advertising and Marketing				3.5%	3.5%	-	-	-	-	-	-
Office Expenses				3.5%	3.5%	52,534	52,534	105,067	54,372	54,372	108,744
Office Rent				3.5%	3.5%	-	-	-	-	-	-
Legal Expense - Property				3.5%	3.5%	16,717	16,717	33,435	17,303	17,303	34,605
Audit Expense				3.5%	3.5%	10,345	10,345	20,691	10,707	10,707	21,415
Bookkeeping/Accounting Services				3.5%	3.5%	31,295	31,295	62,590	32,390	32,390	64,781
Bad Debts				3.5%	3.5%	27,862	27,862	55,725	28,838	28,838	57,675
Miscellaneous				3.5%	3.5%	35,572	35,572	71,144	36,817	36,817	73,634
Sub-total Administration Expenses						174,325	174,325	348,651	180,427	180,427	360,853
Utilities											
Electricity				3.5%	3.5%	113,685	113,685	227,370	117,664	117,664	235,328
Water				3.5%	3.5%	236,307	236,307	472,614	244,578	244,578	489,155
Gas				3.5%	3.5%	-	-	-	-	-	-
Sewer				3.5%	3.5%	-	-	-	-	-	-
Sub-total Utilities						349,992	349,992	699,984	362,242	362,242	724,483
Taxes and Licenses											
Real Estate Taxes				3.5%	3.5%	3,520	3,520	7,040	3,643	3,643	7,286
Payroll Taxes				3.5%	3.5%	55,934	55,934	111,867	57,891	57,891	115,783
Miscellaneous Taxes, Licenses and Permits				3.5%	3.5%	7,698	7,698	15,397	7,968	7,968	15,936
Sub-total Taxes and Licenses						67,152	67,152	134,304	69,502	69,502	139,005
Insurance											
Property and Liability Insurance				3.5%	3.5%	146,696	146,696	293,392	151,831	151,831	303,661
Fidelity Bond Insurance				3.5%	3.5%	-	-	-	-	-	-
Worker's Compensation				3.5%	3.5%	34,959	34,959	69,918	36,182	36,182	72,365
Director's & Officers' Liability Insurance				3.5%	3.5%	-	-	-	-	-	-
Sub-total Insurance						181,655	181,655	363,310	188,013	188,013	376,026
Maintenance & Repair											
Payroll				3.5%	3.5%	302,915	302,915	605,829	313,517	313,517	627,033
Supplies				3.5%	3.5%	20,656	20,656	41,312	21,379	21,379	42,758
Contracts				3.5%	3.5%	170,597	170,597	341,195	176,568	176,568	353,137
Garbage and Trash Removal				3.5%	3.5%	114,292	114,292	228,584	118,292	118,292	236,585
Security Payroll/Contract				3.5%	3.5%	279,916	279,916	559,832	289,713	289,713	579,426
HVAC Repairs and Maintenance				3.5%	3.5%	15,185	15,185	30,370	15,716	15,716	31,433
Vehicle and Maintenance Equipment Operation and Repairs				3.5%	3.5%	569	569	1,139	589	589	1,178
Miscellaneous Operating and Maintenance Expenses				3.5%	3.5%	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses						904,131	904,131	1,808,266	908,472	908,472	1,816,409
Supportive Services				3.5%	3.5%	-	161,713	161,713	-	167,373	167,373
Commercial Expenses						-	-	-	-	-	-
TOTAL OPERATING EXPENSES						2,206,494	2,181,596	4,388,090	2,283,721	2,257,952	4,541,673
Reserves/Ground Lease Base Rent/Bond Fees											
Ground Lease Base Rent						7,500	7,500	15,000	7,500	7,500	15,000
Bond Monitoring Fee						2,600	2,600	5,200	2,600	2,600	5,200
Replacement Reserve Deposit						54,000	54,000	108,000	54,000	54,000	108,000
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						64,100	64,100	128,200	64,100	64,100	128,200
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)						2,270,594	2,245,696	4,516,290	2,347,821	2,322,052	4,669,873
NET OPERATING INCOME (INCOME minus OP EXPENSES)											
						-	(1,112,221)	(1,112,221)	-	(1,160,240)	(1,160,240)
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)											
Hard Debt - First Lender						-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)						-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)						-	-	-	-	-	-
Hard Debt - Fourth Lender						-	-	-	-	-	-
Commercial Hard Debt Service						-	-	-	-	-	-
TOTAL HARD DEBT SERVICE						-	-	-	-	-	-
CASH FLOW (NOI minus DEBT SERVICE)											
Commercial Only Cash Flow						-	(1,112,221)	(1,112,221)	-	(1,160,240)	(1,160,240)
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)						-	-	-	-	-	-
AVAILABLE CASH FLOW						-	(1,112,221)	(1,112,221)	-	(1,160,240)	(1,160,240)
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)				3.5%	3.5%	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)				3.5%	3.5%	-	-	-	-	-	-
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 (Enter amt <= Max Fee from row 131)						-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD						-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)						-	(1,112,221)	(1,112,221)	-	(1,160,240)	(1,160,240)
Does Project have a MOHCD Residual Receipt Obligation? Yes Year 15 is year indicated below:											
Will Project Defer Developer Fee? Yes 2042											
1st Residual Receipts Split - Lender/Deferred Developer Fee 50% / 50% 2nd Residual Receipts Split Begins: 2043											
2nd Residual Receipts Split - Lender/Owner 67% / 33%											
Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):											
MOHCD RESIDUAL RECEIPTS DEBT SERVICE											
MOHCD Residual Receipts Amount Due				100.00%		-	-	-	-	-	-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-	-	-	-	-	-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease						-	-	-	-	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE											
HCD Residual Receipts Amount Due				0.00%		-	-	-	-	-	-
Lender 4 Residual Receipts Due				0.00%		-	-	-	-	-	-
Lender 5 Residual Receipts Due				0.00%		-	-	-	-	-	-
Total Non-MOHCD Residual Receipts Debt Service						-	-	-	-	-	-
REMAINDER (Should be zero unless there are distributions below)											
Owner Distributions/Incentive Management Fee						-	-	-	-	-	-
Other Distributions/Uses						-	-	-	-	-	-
Final Balance (should be zero)						-	-	-	-	-	-
REPLACEMENT RESERVE - RUNNING BALANCE											
Replacement Reserve Starting Balance						-	-	1,944,000	-	-	2,052,000
Replacement Reserve Deposits						-	-	108,000	-	-	108,000
Replacement Reserve Withdrawals (ideally tied to CNA)						-	-	-	-	-	-
Replacement Reserve Interest						-	-	-	-	-	-
RR Running Balance						-	-	2,052,000	-	-	2,160,000
OPERATING RESERVE - RUNNING BALANCE											
Operating Reserve											

	Total # Units: 216	LOSP Units		Non-LOSP Units		Year 19 2046			Year 20 2047		
		108		108		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
		% annual inc	% annual increase	50.00%							
INCOME				Comments (related to annual inc assumptions)							
Other Reserve 2 Withdrawals											
Other Reserve 2 Interest											
Other Required Reserve 2 Running Balance											

EXHIBIT C
Tenant Income Certification Form

PART V. DETERMINATION OF INCOME ELIGIBILITY

RECERTIFICATION ONLY:

TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES: From item (L) on page 1 \$

Unit Meets Federal Income Restriction at:
 60% 50%
 Or Federal A.I.T. at:
 80% 70% 60% 50%
 40% 30% 20%

Current Federal LIHTC Income Limit x 140%:
 \$ _____
 Household Income exceeds 140% at recertification:
 Yes No

Current Federal LIHTC Income Limit per Family Size (Federal Income Restriction at 60%, 50% or A.I.T. (20% - 80%)): \$ _____

If Applicable, Current Federal Bond Income Limit per Family Size: \$ _____
 Household Income as of Move-in: \$ _____

Unit Meets State Deeper Targeting Income Restriction at:
 Other _____%

Household Size at Move-in: _____

PART VI. RENT

Tenant Paid Monthly Rent: \$ _____
 Monthly Utility Allowance: \$ _____
 Other Monthly Non-optional charges: \$ _____

Federal Rent Assistance: \$ _____ *Source: _____
 Non-Federal Rent Assistance: \$ _____ (*0-8)
Total Monthly Rent Assistance: \$ _____

GROSS MONTHLY RENT FOR UNIT: (Tenant paid rent plus Utility Allowance & other non-optional charges) \$

- *Source of Federal Assistance
 1 **HUD Multi-Family Project Based Rental Assistance (PBRA)
 2 Section 8 Moderate Rehabilitation
 3 Public Housing Operating Subsidy
 4 HOME Rental Assistance
 5 HUD Housing Choice Voucher (HCV), tenant-based
 6 HUD Project-Based Voucher (PBV)
 7 USDA Section 521 Rental Assistance Program
 8 Other Federal Rental Assistance
 0 Missing

Maximum Federal LIHTC Rent Limit for this unit: \$ _____

If Applicable, Maximum Federal & State LIHTC Bond Rent Limit for this unit: \$ _____

Unit Meets Federal Rent Restriction at: 60% 50%
 Or Federal A.I.T. at: 80% 70% 60%
 50% 40% 30%
 20%
 If Applicable, Unit Meets Bond Rent Restriction at: 60% 50%
 Unit Meets State Deeper Targeting Rent Restriction at: Other: _____%

** (PBRA) Includes: Section 8 New Construction/Substantial Rehabilitation; Section 8 Loan Management; Section 8 Property Disposition; Section 202 Project Rental Assistance Contracts (PRAC)

PART VII. STUDENT STATUS

ARE ALL OCCUPANTS FULL TIME STUDENTS?
 Yes No

If yes, Enter student explanation* (also attach documentation)

- *Student Explanation:
 1 AFDC / TANF Assistance
 2 Job Training Program
 3 Single Parent/Dependent Child
 4 Married/Joint Return
 5 Former Foster Care

Enter 1-5

PART VIII. PROGRAM TYPE

Identify the program(s) for which this household's unit will be counted toward the property's occupancy requirements.

Select one of the following.
 9% Allocated Federal Housing Tax Credit
 4% Allocated Federal Housing Tax Credit
 Tax-Exempt Bond Only (No tax credits)

Select all that apply.
 HOME (including TCAP)
 CDBG
 Other HUD, including 202, 811, and 236
 National Housing Trust Fund
 USDA Rural Housing Service, including 514, 515, and 538
 Other state or local housing programs

SIGNATURE OF OWNER/REPRESENTATIVE

Based on the representations herein and upon the proof and documentation required to be submitted, the individual(s) named in Part II of this Tenant Income Certification is/are eligible under the provisions of Section 42 of the Internal Revenue Code, as amended, and the Land Use Restriction Agreement (if applicable), to live in a unit in this Project.

SIGNATURE OF OWNER/REPRESENTATIVE _____

DATE _____

PART IX. SUPPLEMENTAL INFORMATION FORM

The California Tax Credit Allocation Committee (CTCAC) requests the following information in order to comply with the Housing and Economic Recovery Act (HERA) of 2008, which requires all Low Income Housing Tax Credit (LIHTC) properties to collect and submit to the U.S. Department of Housing and Urban Development (HUD), certain demographic and economic information on tenants residing in LIHTC financed properties. Although the CTCAC would appreciate receiving this information, you may choose not to furnish it. You will not be discriminated against on the basis of this information, or on whether or not you choose to furnish it. If you do not wish to furnish this information, please check the box at the bottom of the page and initial.

Enter both Ethnicity and Race codes for each household member (see below for codes).

TENANT DEMOGRAPHIC PROFILE						
HH Mbr #	Last Name	First Name	Middle Initial	Race	Ethnicity	Disabled
1						
2						
3						
4						
5						
6						
7						

The Following Race Codes should be used:

- 1 – White – A person having origins in any of the original people of Europe, the Middle East or North Africa.
- 2 – Black/African American – A person having origins in any of the black racial groups of Africa. Terms such as “Haitian” apply to this category.
- 3 – American Indian/Alaska Native – A person having origins in any of the original peoples of North and South America (including Central America), and who maintain tribal affiliation or community attachment.
- 4 – Asian – A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent:
 - 4a – Asian India 4e – Korean
 - 4b – Chinese 4f – Vietnamese
 - 4c – Filipino 4g – Other Asian
 - 4d – Japanese
- 5 – Native Hawaiian/Other Pacific Islander – A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands:
 - 5a – Native Hawaiian 5c – Samoan
 - 5b – Guamanian or Chamorro 5d – Other Pacific Islander

- 6 – Other
- 7 – Did not respond. **(Please initial below)**

Note: Multiple racial categories may be indicated as such: 31 – American Indian/Alaska Native & White, 41 – Asian & White, etc.

The Following Ethnicity Codes should be used:

- 1 – Hispanic – A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race. Terms such as “Latino” or “Spanish Origin” apply to this category.
- 2 – Not Hispanic – A person not of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.
- 3 – Did not respond. **(Please initial below)**

Disability Status:

- 1 – Yes
 - If any member of the household is disabled according to Fair Housing Act definition for handicap (disability):
 - A physical or mental impairment which substantially limits one or more major life activities; a record of such an impairment or being regarded as having such an impairment. For a definition of “physical or mental impairment” and other terms used, please see 24 CFR 100.201, available at <http://fairhousing.com/legal-research/hud-regulations/24-cfr-100201-definitions>.
 - “Handicap” does not include current, illegal use of or addiction to a controlled substance.
 - An individual shall not be considered to have a handicap solely because that individual is a transgender.
- 2 – No
- 3 – Did not respond **(Please initial below)**

Resident/Applicant: I do not wish to furnish information regarding ethnicity, race and other household composition.

(Initials) _____
 (HH#) 1. 2. 3. 4. 5. 6. 7.

INSTRUCTIONS FOR COMPLETING TENANT INCOME CERTIFICATION

This form is to be completed by the owner or an authorized representative.

Part I - Development Data

Enter the type of tenant certification: Initial Certification (move-in), Recertification (annual recertification), or Other. If other, designate the purpose of the recertification (i.e., a unit transfer, a change in household composition, or other state-required recertification).

Effective Date	Enter the effective date of the certification. For move-in, this should be the move-in date. For annual income recertification's, this effective date should be no later than one year from the effective date of the previous (re)certification.
Move-In Date	Enter the most recent date the household tax credit qualified. This could be the move-in date or in an acquisition rehab property, this is not the date the tenant moved into the unit, it is the most recent date the management company income qualified the unit for tax credit purposes.
Property Name	Enter the name of the development.
County	Enter the county (or equivalent) in which the building is located.
TCAC#	Enter the project number assigned to the property by TCAC. Please include hyphens between the state abbreviation, four digit allocating year, and project specific number. For example: CA-2010-123
BIN #	Enter the building number assigned to the building (from IRS Form 8609).
Address	Enter the physical address of the building, including street number and name, city, state, and zip code.
If applicable, CDLAC#	If project is awarded 4% bonds please enter the project number assigned to the property by CDLAC. Please include hyphens between the state abbreviation, four digit allocating year, and project specific number. For example: 16-436
Unit Number	Enter the unit number.
# Bedrooms	Enter the number of bedrooms in the unit.
Square Footage	Enter the square footage for the entire unit.
Vacant Unit	Check if unit was vacant on December 31 of requesting year. For example, for the collection of 2011 data, this would refer to December 31, 2011.

Part II - Household Composition

List all occupants of the unit. State each household member's relationship to the head of household by using one of the following definitions:

H	Head of Household	S	Spouse	U	Unborn Child/Anticipated Adoption or Foster
A	Adult Co-Tenant	O	Other Family Member		
C	Child	F	Foster child(ren)/adult(s)		
L	Live-in Caretaker	N	None of the above		

Date of Birth	Enter each household member's date of birth.
Student Status	Check FT for Full-time student, PT for Part-time student, or N/A if household member is not a student and question does not apply.
Last Four Digits of Social Security Number	For each tenant 15 years of age or older, enter the last four digits of the social security number or the last four digits of the alien registration number. If the last four digits of SSN or alien registration is missing, enter 0000. For tenants under age 15, social security number not required, although please enter 0000.

If there are more than 7 occupants, use an additional sheet of paper to list the remaining household members and attach it to the certification.

Part III - Annual Income

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income, including acceptable forms of verification.

From the third party verification forms obtained from each income source, enter the gross amount anticipated to be received for the twelve months from the effective date of the (re)certification. Complete a separate line for each income-earning member. List **each** respective household member number from Part II. Include anticipated income only if documentation exists verifying pending employment. If any adult states zero-income, please note "zero" in the columns of Part III.

Column (A)	Enter the annual amount of wages, salaries, tips, commissions, bonuses, and other income from employment; distributed profits and/or net income from a business.
Column (B)	Enter the annual amount of Social Security, Supplemental Security Income, pensions, military retirement, etc.
Column (C)	Enter the annual amount of income received from public assistance (i.e., TANF, general assistance, disability, etc.).
Column (D)	Enter the annual amount of alimony, child support, unemployment benefits, or any other income regularly received by the household.
Row (E)	Add the totals from columns (A) through (D), above. Enter this amount.

Part IV - Income from Assets

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income from assets, including acceptable forms of verification.

From the third party verification forms obtained from each asset source, list the gross amount anticipated to be received during the twelve months from the effective date of the certification. If individual household member income is provided, list the respective household member number from Part II and complete a separate line for each member.

Column (F)	List the type of asset (i.e., checking account, savings account, etc.)
Column (G)	Enter C (for current, if the family currently owns or holds the asset), or I (for imputed, if the family has disposed of the asset for less than fair market value within two years of the effective date of (re)certification).
Column (H)	Enter the cash value of the respective asset.
Column (I)	Enter the anticipated annual income from the asset (i.e., savings account balance multiplied by the annual interest rate).
TOTALS	Add the total of Column (H) and Column (I), respectively.

If the total in Column (H) is greater than \$5,000, you must do an imputed calculation of asset income. Enter the Total Cash Value, multiply by 0.06% and enter the amount in (J), Imputed Income.

Row (K)	<i>Enter the greater of the total in Column (I) or (J)</i>	
Row (L)	<i>Total Annual Household Income From all Sources</i>	<i>Add (E) and (K) and enter the total</i>

HOUSEHOLD CERTIFICATION AND SIGNATURES

After all verifications of income and/or assets have been received and calculated, each household member age 18 or older must sign and date the Tenant Income Certification. For move-in, it is recommended that the Tenant Income Certification be signed no earlier than 5 days prior to the effective date of the certification.

Part V – Determination of Income Eligibility

Total Annual Household Income from all Sources	Enter the number from item (L).
Current Federal LIHTC Income Limit per Unit Meets Federal Income Restriction at 60%, 50% or A.I.T (20% - 80%)	Enter the Current Move-in Income Limit for the household size – specifically, the max income limit for the federal 60%, 50% or A.I.T (20% - 80%) set aside.
Current Bond Income Limit per Family Size	Enter the Current most restrictive Move-in Income Limit for the household size – specifically, the max income limit incorporating both federal and in some instances more restrictive state standards as reflected in the 50% or 60% set aside detailed in the Bond Regulatory Agreement.

Household Income at Move-in	For recertifications only. Enter the household income from the move-in certification.
Household Size at Move-in	Enter the number of household members from the move-in certification.
Current Federal LIHTC Income Limit x 140%	For recertifications only. Multiply the current LIHTC Maximum Move-in Income Limit by 140% and enter the total. 140% is based on the Federal Set-Aside of 20/50 or 40/60, or A.I.T. (20% - 60% = 140% X 60%, 70% = 140% X 70% and 80% = 140% X 80%) as elected by the owner for the property, not deeper targeting elections of 30%, 40%, 45%, 50%, etc. Below, indicate whether the household income exceeds that total. If the Gross Annual Income at recertification is greater than 140% of the LIHTC Income Limit per Family Size at Move-in date (above), then the available unit rule must be followed.
Unit Meets Federal Income Restriction at or Federal A.I.T. at	Check the appropriate box for the income restriction that the household meets according to what is required by the federal set-aside(s) for the project.
Unit Meets State Deeper Targeting Income Restriction at	If your agency requires an income restriction lower than the federal limit, enter the percent required.

Part VI - Rent

Tenant Paid Monthly Rent	Enter the amount the tenant pays toward rent (not including rent assistance payments such as Section 8).
Federal Rent Assistance	Enter the amount of rent assistance received from a federal program, if any.
Non-Federal Rent Assistance	Enter the amount of non-federal rent assistance received, if any.
Total Monthly Rent Assistance	Enter the amount of total rent assistance received, if any.
Source of Federal Rent Assistance	If federal rent assistance is received, indicate the single program source.
Monthly Utility Allowance	Enter the utility allowance. If the owner pays all utilities, enter zero.
Other Monthly Non-Optional Charges	Enter the amount of <u>non-optional</u> charges, such as mandatory garage rent, storage lockers, charges for services provided by the development, etc.
Gross Monthly Rent for Unit	Enter the total of Tenant Paid Rent plus Utility Allowance and other non-optional charges. The total may NOT include amounts other than Tenant Paid Rent, Utility Allowances and other non-optional charges. In accordance with the definition of Gross Rent in IRC §42(g)(2)(B), it may not include any rent assistance amount.
Maximum LIHTC Rent Limit for this unit	Enter the maximum allowable gross rent for the unit. This amount must be the maximum amount allowed by the Current Income Limit per Family Size – specifically, the max rent limit for the federal 50%, 60% or A.I.T. (20% - 80%) set aside. This does not include state deeper targeting levels.
Maximum LIHTC Bond Rent Limit for this unit	Enter the maximum allowable gross rent for the unit. This amount must be the maximum amount allowed by the Current Income Limit per Family Size – specifically, the max rent incorporating both federal and in some instances more restrictive state standards as reflected in the 50% or 60% set aside detailed in the Bond Regulatory Agreement.
Unit Meets Federal Rent Restriction at or Federal A.I.T. at	Indicate the appropriate rent restriction that the unit meets according to what is <u>required</u> by the federal set-aside(s) for the project.
Unit Meets Bond Rent Restriction at	Indicate the appropriate rent restriction that the unit meets according to what is <u>required</u> by the federal and state law for the project.
Unit Meets State Deeper Targeting Rent Restriction at	If your agency requires a rent restriction lower than the federal limit, enter the percent required.

Part VII - Student Status

If all household members are full time* students, check “yes”. Full-time status is determined by the school the student attends. If at least one household member is not a full-time student, check “no.”

If “yes” is checked, the appropriate exemption must be listed in the box to the right. If none of the exemptions apply, the household is ineligible to rent the unit.

Part VIII – Program Type

Select the program(s) for which this household’s unit will be counted toward the property’s occupancy requirements. One response from the first column must be selected.

SIGNATURE OF OWNER/REPRESENTATIVE

It is the responsibility of the owner or the owner’s representative to sign and date this document immediately following execution by the resident(s).

The responsibility of documenting and determining eligibility (including completing and signing the Tenant Income Certification form) and ensuring such documentation is kept in the tenant file is extremely important and should be conducted by someone well trained in tax credit compliance.

These instructions should not be considered a complete guide on tax credit compliance. The responsibility for compliance with federal program regulations lies with the owner of the building(s) for which the credit is allowable.

PART IX. SUPPLEMENTAL INFORMATION

Complete this portion of the form at move-in and at recertification’s (only if household composition has changed from the previous year’s certification).

Tenant Demographic Profile

Complete for each member of the household, including minors. Use codes listed on supplemental form for Race, Ethnicity, and Disability Status.

Resident/Applicant Initials

All tenants who wish not to furnish supplemental information should initial this section. Parent/Guardian may complete and initial for minor child(ren).

EXHIBIT D

First Source Hiring Requirements and Numerical Goals

Borrower's use of Funds triggers the following hiring requirements imposed by the City's First Source Hiring Ordinance (San Francisco Administrative Code Chapter 83). Borrower will, or will require its general contractor to, separately execute a First Source Hiring Agreement with the City as set forth below, although the lack of such a separate execution will not affect the requirements of Chapter 83 as incorporated herein.

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 will 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 have the meanings assigned to such terms in Chapter 83.

B. First Source Hiring Agreement. On or before the effective date of the Ground Lease, Borrower will, or will require its general contractor to, enter into a first source hiring agreement ("FSH Agreement") with the City, that will include the terms as set forth in Section 83.9(b). Borrower also enter into a FSH Agreement with the City for any other work that it performs in the City.

C. Hiring Decisions. Borrower or its general contractor will make the final determination of whether an Economically Disadvantaged Individual referred by the System is "qualified" for the position.

D. Exceptions. Upon application by Contractor, 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. Borrower 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 Borrower'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 a contractor 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

7. That in the event the City is the prevailing party in a civil action to recover liquidated damages for breach of a contract provision required by this Chapter, the contractor will be liable for the City's costs and reasonable attorney's fees.

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 will be made by the FSHA.

F. Subcontracts. Any subcontract entered into by Borrower or its general contractor will require the subcontractor to comply with the requirements of Chapter 83 and will contain contractual obligations substantially the same as those set forth in this Section.

EXHIBIT E
Governmental Requirements

1. Prevailing Wages and Working Conditions. Any undefined, initially-capitalized term used in this Section shall have the meaning given to such term in San Francisco Administrative Code Section 6.1. Every contract for the rehabilitation or construction of housing assisted with Funds must comply with Chapter I (commencing with Section 1720) of Part 7 of the California Labor Code (pertaining to the payment of prevailing wages and administered by the California Department of Industrial Relations) and contain a provision requiring: (1) the payment of not less than the Prevailing Rate of Wage to all laborers and mechanics employed in the development of any part of the housing, (2) provide the same hours, working conditions and benefits as in each case are provided for similar work performed in San Francisco County, and (3) employ Apprentices in accordance with state law and San Francisco Administrative Code Section 6.22(n), (collectively, "Prevailing Wage Requirements"). The Prevailing Wage Requirements of this Section apply to all laborers and mechanics employed in the development of the Project, including portions other than the assisted Units. Borrower agrees to cooperate with the City in any action or proceeding against a Contractor or Subcontractor that fails to comply with the Prevailing Wage Requirements. If applicable, Borrower must include, and require its Contractors and Subcontractors (regardless of tier) to include, the Prevailing Wage Requirements and the agreement to cooperate in City enforcement actions in any Construction Contract with specific reference to San Francisco Administrative Code Chapter 6.

2. Environmental Review. The Project will meet the requirements of the California Environmental Quality Act (Cal. Pub. Res. Code §§ 2100 *et seq.*) and implementing regulations.

3. Conflict of Interest.

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

(b) Borrower represents that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of the San Francisco Campaign and Governmental Conduct Code, and Sections 1090 through 1097 and 87100 *et seq.* of the California Government Code, all of which relate to prohibited conflicts of interest in connection with government contracts. Borrower certifies that it knows of no facts that constitute a violation of any of these provisions and agrees to notify the City immediately if Borrower at any time obtains knowledge of facts constituting a violation.

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

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

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

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

7. Low-Income Hiring Requirements. The use of Funds triggers compliance with certain hiring requirements imposed by the City's First Source Hiring Ordinance (S.F. Admin. Code Chapter 83). To ensure compliance with those requirements, Borrower must include the provisions attached as **Exhibit D** in its contract with the general contractor for the Project. Borrower will be responsible to the City for ensuring compliance with the requirements listed on **Exhibit D**.

8. Non-Discrimination in City Contracts and Benefits Ordinance.

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

(b) Subcontracts. Borrower will 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. Borrower's failure to comply with the obligations in this subsection will constitute a material breach of this Agreement.

(c) Non-Discrimination in Benefits. Borrower does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco or where the work is being performed for 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, Borrower will execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form CMD-12B-101) with supporting documentation and secure the approval of the executed form by the San Francisco Contract Monitoring Division.

(e) Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B ("Nondiscrimination in Contracts") and 12C ("Nondiscrimination in Property Contracts") 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. Borrower will 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, Borrower understands that pursuant to Sections 12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of \$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 Borrower and/or deducted from any payments due Borrower.

9. MacBride Principles. 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. The 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 Borrower acknowledges and agrees that he or she has read and understood this Section.

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

11. Preservative-Treated Wood Containing Arsenic. Borrower may not purchase preservative-treated wood products containing arsenic until the Deed of Trust has been fully reconveyed unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" will 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. Borrower 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 Borrower from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" will mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

12. Submitting False Claims; Monetary Penalties. Any borrower, grantee, contractor, subcontractor or consultant who submits a false claim will be liable to the City for the statutory penalties set forth in that section. A borrower, grantee, contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the borrower, grantee, contractor, subcontractor or consultant:

(a) knowingly presents or causes to be presented to an officer or employee of the 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 the City;

(c) conspires to defraud the City by getting a false claim allowed or paid by the 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 the City; or

(e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

13. Sunshine Ordinance.

(a) Borrower 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, will 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 Borrower 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. Further, Borrower specifically agrees to conduct any meeting of its governing board that addresses any matter relating to the Project or to Borrower's performance under this Agreement as a passive meeting. Further, Borrower specifically agrees that any meeting of the governing body of its manager that addresses any matter relating to the Project or to Borrower's performance under this Agreement will be conducted as a passive meeting.

(b) By executing this Agreement, Borrower agrees to comply with the provisions of Chapter 12L of the San Francisco Administrative Code to the extent applicable.

(c) In accordance with the Citizen's Right to Know Act of 1998 (S. F. Admin. Code Chapter 79), no officer, department, board or commission of the City may approve a City Project, as defined in Chapter 79, unless a sign has been posted on the applicable property at least fifteen (15) days before approval. A City Project is a project that involves new construction, a change in use or a significant expansion of an existing use where the City funding for the project is \$50,000 or more. If the Loan will be used for a City Project, this Agreement will not become effective until fifteen (15) days following the posting of the requisite sign, or, in the alternative, thirty (30) days following the delivery of written notices to residents and owners within 300 feet of the Site, and the City will have the right to nullify or revoke this Agreement without cost or liability of any sort whatsoever at any time before that date. If Borrower believes that

this Agreement relates to a City Project and that the requisite sign has not been posted, Borrower will notify the City so that the City may determine the applicability of Chapter 79, and, if necessary, post the requisite sign.

14. Prohibition on Use of Public Funds for Political Activities. Borrower will comply with San Francisco Administrative Code Chapter 12G, which prohibits funds appropriated by the City for this Agreement from being expended to participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure. Borrower is subject to the enforcement and penalty provisions in Chapter 12G.

15. Nondisclosure of Private Information. Borrower has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, "Nondisclosure of Private Information", and 12M.3, "Enforcement" of Administrative Code Chapter 12M, "Protection of Private Information," which are incorporated herein as if fully set forth. Borrower agrees that any failure of Borrower to comply with the requirements of Section 12M.2 of this Chapter will be a material breach of the Agreement. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate the Agreement, bring a false claim action against Borrower pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar Borrower.

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 will 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.

(a) Borrower will remove all graffiti from any real property owned or leased by Borrower in the City and County of San Francisco within forty eight (48) hours of the earlier of Borrower'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 Borrower 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" will 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. §§ 101 et seq.).

(b) Any failure of Borrower to comply with this section of this Agreement will constitute an Event of Default of this Agreement.

17. Resource-Efficient Building Ordinance. Borrower acknowledges that the City and County of San Francisco has enacted San Francisco Environment Code Chapter 7 relating to resource-efficient City buildings and resource-efficient pilot projects. Borrower hereby agrees it will comply with the applicable provisions of such code sections as such sections may apply to the Property.

18. Consideration of Criminal History in Hiring and Employment Decisions.

(a) Borrower agrees to comply fully with and be bound by all of the provisions of Chapter 12T “City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions,” of the San Francisco Administrative Code (Chapter 12T), including the remedies provided, and implementing regulations, as may be amended from time to time. The provisions of Chapter 12T are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the Chapter 12T is available on the web at www.sfgov.org/olse/fco. A partial listing of some of Borrower’s obligations under Chapter 12T is set forth in this Section. Borrower is required to comply with all of the applicable provisions of 12T, irrespective of the listing of obligations in this Section. Capitalized terms used in this Section and not defined in this Agreement will have the meanings assigned to such terms in Chapter 12T.

(b) The requirements of Chapter 12T will only apply to a Borrower’s or Subcontractor’s operations to the extent those operations are in furtherance of the performance of this Agreement, will apply only to applicants and employees who would be or are performing work in furtherance of this Agreement, will apply only when the physical location of the employment or prospective employment of an individual is wholly or substantially within the City of San Francisco, and will not apply when the application in a particular context would conflict with federal or state law or with a requirement of a government agency implementing federal or state law.

(c) Borrower will incorporate by reference in all subcontracts the provisions of Chapter 12T, and will require all subcontractors to comply with such provisions. Borrower’s failure to comply with the obligations in this subsection will constitute a material breach of this Agreement.

(d) Borrower or Subcontractor will not inquire about, require disclosure of, or if such information is received base an Adverse Action on an applicant’s or potential applicant for employment, or employee’s: (1) Arrest not leading to a Conviction, unless the Arrest is undergoing an active pending criminal investigation or trial that has not yet been resolved; (2) participation in or completion of a diversion or a deferral of judgment

program; (3) a Conviction that has been judicially dismissed, expunged, voided, invalidated, or otherwise rendered inoperative; (4) a Conviction or any other adjudication in the juvenile justice system; (5) a Conviction that is more than seven years old, from the date of sentencing; or (6) information pertaining to an offense other than a felony or misdemeanor, such as an infraction.

(e) Borrower or Subcontractor will not inquire about or require applicants, potential applicants for employment, or employees to disclose on any employment application the facts or details of any conviction history, unresolved arrest, or any matter identified in subsection 16.16(d), above. Borrower or Subcontractor will not require such disclosure or make such inquiry until either after the first live interview with the person, or after a conditional offer of employment.

(f) Borrower or Subcontractor will state in all solicitations or advertisements for employees that are reasonably likely to reach persons who are reasonably likely to seek employment to be performed under this Agreement, that the Borrower or Subcontractor will consider for employment qualified applicants with criminal histories in a manner consistent with the requirements of Chapter 12T.

(g) Borrower and Subcontractors will post the notice prepared by the Office of Labor Standards Enforcement (OLSE), available on OLSE's website, in a conspicuous place at every workplace, job site, or other location under the Borrower or Subcontractor's control at which work is being done or will be done in furtherance of the performance of this Agreement. The notice will be posted in English, Spanish, Chinese, and any language spoken by at least 5% of the employees at the workplace, job site, or other location at which it is posted.

(h) Borrower understands and agrees that if it fails to comply with the requirements of Chapter 12T, the City will have the right to pursue any rights or remedies available under Chapter 12T, including but not limited to, a penalty of \$50 for a second violation and \$100 for a subsequent violation for each employee, applicant or other person as to whom a violation occurred or continued, termination or suspension in whole or in part of this Agreement.

19. Food Service Waste Reduction Requirements. Borrower 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, Borrower agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Borrower 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 will not be considered a penalty, but rather agreed monetary damages sustained by City because of Borrower's failure to comply with this provision.

20. Bottled Drinking Water. Unless exempt, Borrower agrees to comply fully with and be bound by all of the provisions of the San Francisco Bottled Water Ordinance, as set forth in San Francisco Environment Code Chapter 24, including the administrative fines, remedies, and implementing regulations provided therein, as the same may be amended from time to time. The provisions of Chapter 24 are incorporated herein by reference and made a part of this Agreement as though fully set forth.

21. Public Power. From and after the effective date of the Ground Lease, Borrower will procure water and sewer service from the City and electricity, telephone, natural gas, and any other utility service from the City or utility companies providing such services, and will pay all connection and use charges imposed in connection with such services. From and after the effective date of the Ground Lease, as between the City and Borrower, Borrower will be responsible for the installation and maintenance of all facilities required in connection with such utility services to the extent not installed or maintained by the City or the utility providing such service. All electricity necessary for operations on the Site will be purchased from the San Francisco Public Utilities Commission ("PUC"), at PUC's standard rates charged to third parties, unless PUC determines, in its sole judgment, that it is not feasible to provide such service to the Premises. PUC is the provider of electric services to City property, and the Interconnection Services Department of SFPUC's Power Enterprise coordinates with Pacific Gas and Electric Company and others to implement this service. To arrange for electric service to the Site, Borrower will contact the Interconnection Services Department in the Power Enterprise of the SFPUC.

22. Local Business Enterprise and Non-Discrimination in Contracting Ordinance. Borrower will comply with the applicable requirements of the Local Business Enterprise Utilization and Non-Discrimination in Contracting Ordinance under Administrative Code Chapter 14B ("LBE Ordinance") and will incorporate such requirements in contracts with any Contractors and Subcontractors.

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 will 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 will 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.

1234 Great Highway LLC, a California limited liability company

By: Tenderloin Neighborhood Development Corporation. a California nonprofit public benefit corporation

Its: Manager

By: _____

Name: _____

Title: _____

EXHIBIT G
Form of Annual Monitoring Report

[To be attached]

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



London N. Breed
Mayor

Eric D. Shaw
Director

October 21, 2020

Notice of Availability of 2020 Annual Monitoring Report Form
(plus reminders of Marketing Procedure and Serious Incident Protocol)

The Mayor's Office of Housing and Community Development (MOHCD) is pleased to announce the availability of the Annual Monitoring Report (AMR) forms for Reporting Year 2020 (RY2020). The forms are now available to be downloaded from the [Asset Management page](#) of the MOHCD web site. In addition, training videos on how to complete the AMR are available. See below for more information.

IMPORTANT INFORMATION RELATED TO COVID-19

MOHCD recognizes the impact that the COVID-19 crisis is having on the organizations that we support, especially those providing essential services. It is vitally important to take measures to protect your staff, residents and clients from contracting and spreading COVID-19. We urge all affordable housing owners and managers to follow the guidelines, recommendations and orders from the U.S. [Centers for Disease Control](#), the [State of California](#) and the San Francisco [Department of Public Health](#). MOHCD is also taking action to address the needs of the projects under our purview:

- MOHCD [published a memo](#) clarifying MOHCD's current Operating Reserves requirements.
- MOHCD extended the 2020 AMR due date by one month (see below for detailed info) for projects whose business year ran from 7/1/2019 to 6/30/2020.

MOHCD is allowing project sponsors to retain a larger share of 2020 surplus cash/residual receipts than is allowed under their financing agreements with MOHCD. For more information, read the notice regarding the [COVID-19 Allowance](#). This opportunity is limited to projects whose business year ran from 7/1/2019 to 6/30/2020. The COVID-19 Allowance may not be available to some projects that are subject to MOHCD financing, regulatory or ground lease agreements that include limits on distributions of surplus cash/residual receipts. To benefit from the Allowance, owners of such projects will have to request amendments to those agreements that would remove such limits. For more information, read the ["Notice Regarding Option to Remove Caps on Distributions of Residual Receipts."](#)

If this crisis is preventing you from responding thoroughly and quickly to any request from MOHCD, please do whatever you can to let us know of your limitations and to propose alternatives. Thank you for everything that you are doing on behalf of the people your organization serves and for all of the people of San Francisco.

Deadline: For projects whose business year ended June 30, 2020, the report will be due on January 8, 2021, for the period 7/1/2019-6/30/2020, unless noted otherwise in a project-specific notice sent by MOHCD. For any projects whose 2020 business year ended or will end on different dates than those above, the report will be due 5 months from the last date of that business year.

Completion and Submission Instructions

The Annual Monitoring Report consists of the following four parts:

I. AMR_RY2020 – project name.xlsx – This is a Microsoft Excel spreadsheet that is comprised of the following worksheets:

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

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_RY2020.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 2020. 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 "[Audit Requirements for MOHCD-Funded Projects](#)" a copy of which is 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.

MOHCD's audit requirements call for the preparation of a supplemental section to the financial statements that includes the following:

- schedule of operating revenues
- schedule of operating expenses
- computation of cash flow/surplus cash
- summary of project reserve activity

The supplemental section may be prepared by using worksheet #7 of the AMR or a form generated by the accounting system of the project owner or the auditor.

IMPORTANT: Audited financial statements are a required submittal of the Annual Monitoring Report. Do not submit the AMR until the audit has been finalized. AMRs that are submitted without an audit or with a draft audit will not be accepted.

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
- 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. 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.

AMR Training – On-Demand Videos

To facilitate completion of the AMR by project sponsors, MOHCD has created training videos that provide step-by-step instructions on how to complete the Excel reporting form and how to submit the report overall. There are ten video modules that vary in length from two to 30 minutes and may be viewed on-demand from the [Asset Management page](#) of the MOHCD web site. We strongly encourage all persons who are involved in preparing the AMR to watch the videos. If you experience any technical difficulties with accessing and viewing the videos, please contact Ricky Lam at ricky.lam@sfgov.org or 415-701-5542.

Marketing Procedure for 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 waiting list on [DAHLIA](#) – the City's internet portal where members of the public may get information and apply for affordable housing. General information for people seeking affordable housing in San Francisco can also be found on our web site at [this location](#).

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.

MOHCD requests that owners of projects financed by this office notify us in writing 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

Asset Management Team

MOHCD 1 South Van Ness Avenue, 5th Floor San Francisco, CA 94103

<http://sfmohcd.org> P. 415-701-5500 F. 415-701-5501

**Owner Compliance Certification and Insurance & Tax Certification Form
2020 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_RY2020 – 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 or require additional clarification, 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			For any existing operating subsidies supporting the project, during the reporting period, the owner submitted a request for the maximum increase possible.
7			The owner has paid all taxes due for the reporting period and prior reporting periods.
8			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
2020 Annual Monitoring Report
San Francisco Mayor's Office of Housing and Community Development**

	True	False	
9			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.
10			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.
11			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.
12			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.
13			Security deposits required of tenants of the project are in accordance with applicable laws and the funding agreement/s entered into with CCSF.
14			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.
15			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.
16			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.
17			The undersigned has made best efforts to: (a) keep the units in good repair and available for occupancy; (b) keep the Project fully rented and occupied; and (c) maximize rental revenue at the Project by increasing tenant rents, and if applicable, contract rents and commercial rents, the maximum amount permitted under all current regulatory agreements, contracts, regulations and leases, without causing undue rent burden on residential tenants.
18			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.
19			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.
20			Accurate information has been provided in Worksheet 2 - Fiscal Activity about any Federal Program Income earned by this project during the reporting period.
21			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

**Owner Compliance Certification and Insurance & Tax Certification Form
2020 Annual Monitoring Report
San Francisco Mayor's Office of Housing and Community Development**

	True	False	
			project. Asset Management Fees taken beyond pre-approved levels have been documented as required in response to question 7 in Section 4 - Narrative.
22			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.
23			The Waiting List that has been submitted with the 2020 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.

Signature: _____ Date: _____

Name: _____ Title: _____

Annual Monitoring Report - Instructions - Reporting Year 2020 - 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 12/21/2020

1A. Property & Residents

Please follow the instructions provided on the worksheet.

1B. Transitional Programs Only

Use this worksheet to report the activity only of a transitional housing program, including program capacity, number of people served, length of stay and destination upon exit. Please follow the instructions provided on the worksheet.

1C. Eviction Data

MOHCD is required to collect this data by San Francisco Administrative Code Sections 20.500-20.508. 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.

- **NEW:** for each VACANT unit, in column D, enter the unit number, follow by "- Vac". For example, if Unit 201 was vacant, in column D, enter "201 - Vac."
- 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, 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. **Is the Unit Fully-Accessible or Adaptable?** Use the drop down menu to indicate which
- “Accessible - Mobility” = The unit is fully-accessible for persons with mobility impairment.
 - “Accessible - Communication” = The unit is fully-accessible for persons with visual and hearing impairment.
 - “Mobility & Communication” = The unit is fully-accessible for persons with mobility, visual and hearing impairment.
 - “Adaptable” = The unit was designed to be accessible, but some accessibility features may have been omitted or concealed.
 - “Not Accessible or Adaptable” = Not Accessible or Adaptable.
- G. **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.
- H. **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 certification that was done when they moved into their current unit.
- I. **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.
- J. **Date of Most Recent Income Recertification.** Enter date of most recent income recertification. Leave blank for vacant units.
- K. **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.
- L. **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.
- M. **Minimum Occupancy for Unit Type.** The data here is automatically entered from items 25-31 on Worksheet #1A.
- N. **Maximum Occupancy for Unit Type.** The data here is automatically entered from items 25-31 on Worksheet #1A.
- O. **Overhoused or Overcrowded?** The data here is automatically generated based on entries in column K and on items 26-32 on Worksheet #1A.
- P. **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.
- Q. **Is this Unit a HOPWA set-aside unit? (yes/no).** “HOPWA set-aside” units are required when HOPWA capital funding is used to acquire, construct or rehab a project.
- R. **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.
- “RAD - PBV” = As a result of a RAD (Rental Assistance Demonstration) conversion, the project unit comes with a RAD Project-Based Section 8 subsidy that will remain with the unit after the tenant moves out.
 - “TPV” = As a result of a RAD (Rental Assistance Demonstration) conversion, the project unit comes with a HUD Tenant Protection Voucher subsidy to help prevent displacement and/or stabilize the property.
 - “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" = The unit is a HOPWA-designated unit under the project funding from the Housing Opportunities for People With AIDS program. While HOPWA is not a source of tenant-based assistance, if the tenant is receiving any other form of subsidy, please report on the amount of Rental Assistance on this worksheet and note the source of the Rental Assistance in the Narrative section of the AMR.

"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.

"MHSA" = The unit receives a subsidy under CA HCD's Mental Health Services Act.

"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.

- S. **Amount of Rental Assistance.** Enter the dollar amount of rental assistance that is paid on behalf of the household/tenant.
- T. **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.
- U. **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.
- V. **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.
- W. **Household Rent Burden.** THIS IS A SELF-CALCULATING CELL - ENTER NO DATA HERE. If the rent burden is 100% or greater, it is likely that the amount of tenant paid rent and/or the amount of HH income is incorrect, please review the data for accuracy. Typically, rent burdens should be 60% or less. If a unit has a rent subsidy, the typical requirement is for tenants to pay 30% of income toward rent.
- X. **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.
- Y. **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.
- Z. **Percentage of Most Recent Rent Increase.** THIS IS A SELF-CALCULATING CELL - ENTER NO DATA HERE.

3B. Demographic

Gender and Sexual Orientation: on June 30, 2017, MOHCD published and distributed a Notice regarding new requirements to collect this demographic data. Click this cell to review the [Notice](#) if you have any questions about this.

Gender. Provide info for the Head of Household. The 8 possible answers for Gender are:

- Female
- Male
- Genderqueer/Gender Non-binary
- Trans Female
- Trans Male
- Not listed
- Declined/Not Stated
- Question Not Asked

Sexual Orientation. Provide info for the Head of Household. The 7 possible answers for Sexual Orientation are:

- Bisexual
- Gay /Lesbian/Same-Gender Loving
- Questioning /Unsure
- Straight/Heterosexual
- Not listed
- Decline to Answer
- Not Stated

Elderly Household. For each residential unit, enter "Yes" if the anyone in the household is a person that is at least 62 years of age. Enter "No" if everyone in 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. If any members of the household have any of the listed disabilities, select the disability from the drop-down menu. Select "None" if the unit is not occupied by any tenants with a listed disability.

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)

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

[Program Income Overview](http://sfmohcd.org/sites/default/files/FileCenter/Documents/5141-MOH_ProgIncomeOverview.pdf)

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)

<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)

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)

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

**Annual Monitoring Report - Property & Residents - Reporting Year 2020 -
Mayor's Office of Housing & Community Development**

IDENTIFYING INFO	
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")
CONTACT INFO	
5	Sponsor Executive Director Name
6	Phone Number
7	E-mail
8	Property Management Company
9	Property Manager Name
10	Phone Number
11	E-mail
12	Property Supervisor Name
13	Phone Number
14	E-mail
15	Property Owner Name
16	Property Owner Contact Person
17	Phone Number
18	E-mail
19	Asset Manager Name
20	Phone Number
21	E-mail
22	AMR Preparer's Name
23	Phone Number
24	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		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. # 4 Please EXCLUDE any units that are being held vacant to support rehabilitation or other temporary relocation needs. <i>If this period exceeds 30 days, you must answer Question # 4 on the Narrative worksheet. (Click on # 4 at left to jump to Narrative worksheet.)</i>
37		Waiting List - How many applicants are currently on the waiting list? <i>(Please also submit a copy of the waiting list, see AMR submission instructions.)</i>
38		When was the waiting list last updated? (m/yyyy)
39		Affirmative Marketing - Did you conduct any marketing of the project during the reporting period? <i>If you conducted marketing during the reporting period, you must answer Question #5 on the Narrative worksheet. (Click on #5 at left to jump to Narrative worksheet.)</i> # 5
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		How many Health, Building or Housing Code Violations were issued against the property in the reporting year? (If there were no violations enter "0"). <i>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.)</i> # 2
43		# 2 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		Are there urgent Major Property Repairs needed on the property in the next two years? (Yes/No) <i>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.)</i> # 3

46		<p>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.)</p>
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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"

47		Go To WS6	After School Program/s (y/n)
48		Go To WS6	Licensed Day Care Service (<i>participant fees are allowable for day care ONLY</i>) (y/n)
49		Go To WS6	Youth Program/s (y/n)
50		Go To WS6	Educational Classes (e.g. basic skills, computer training, ESL) (y/n)
51		Go To WS6	Health and Wellness Services/Programs (y/n)
52		Go To WS6	Employment Services (y/n)
53		Go To WS6	Case Management, Information and Referrals (y/n)
54		Go To WS6	Benefits Assistance and Advocacy; Money Management; Financial Literacy and Counseling (y/n)
55		Go To WS6	Support Groups, Social Events, Organized Tenant Activities (y/n)
56		Go To WS6	Other Service #1 - Please specify in column G.
57		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	
58		0	Families	0	Families
59		0	Persons with HIV/AIDS	0	Persons with HIV/AIDS
60		0	Housing for Homeless	0	Housing for Homeless
61		0	Mentally or Physically Disabled	0	Mentally or Physically Disabled

62		0	Senior Housing	0	Senior Housing
63		0	Substance Abuse	0	Substance Abuse
64		0	Domestic Violence Survivor	0	Domestic Violence Survivor
65		0	Veterans	0	Veterans
66		0	Formerly Incarcerated	0	Formerly Incarcerated
67		0	Transition-Aged Youth ("TAY")	0	Transition-Aged Youth ("TAY")

Remember, **SAVE YOUR WORK!**

Annual Monitoring Report - Transitional Programs - Reporting Year 2020 - 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	TRANSITIONAL
25	0	Permanent Housing Subtotal	
26		Transitional Housing for homeless persons	TRANSITIONAL
27		Moved in with family or friends <i>TEMPORARILY</i>	
28	0	Transitional Housing Subtotal	INSTITUTIONAL
29		Psychiatric hospital	
30		Inpatient alcohol or other drug treatment facility	
31		Jail/Prison	
32		Medical Facility	
33	0	Institutional Subtotal	OTHER
34		Emergency Shelter	
35		Places not meant for human habitation (e.g. street)	
36		Unknown	
37		Other	
38	0	Other Subtotal	OTHER
39	0	TOTAL # HH's that left the program	

Annual Monitoring Report - Eviction Data - Reporting Year 2020 - 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).

Ethnicity and Race data for households that received Notices of Eviction during the reporting period:

		enter # below	enter # below
2	Breach of Lease Agreement	Indigenous - American Indian/Native American	Black - African
3	Capital Improvement	Indigenous from Mexico, the Caribbean, Central America or South America	Black - African American
4	Condo Conversion	Other Indigenous	Black - Caribbean, Central American, South American or Mexican
5	Demolition	Asian - Chinese	Other Black
6	Denial of Access to Unit	Asian - Filipino	North African
7	Development Agreement	Asian - Japanese	West Asian
8	Ellis Act Withdrawal	Asian - Korean	Other Middle Eastern or North African
9	Failure to Sign Lease Renewal	Asian - Mongolian	Pacific Islander - Chamorro
10	Good Samaritan Tenancy Ends	Asian - Central Asian	Pacific Islander - Native Hawaiian
11	Habitual Late Payment of Rent	Asian - South Asian	Pacific Islander - Samoan
12	Illegal Use of Unit	Asian - Southeast Asian	Other Pacific Islander
13	Lead Remediation	Other Asian	White - European
14	Non-payment of Rent	Latino - Caribbean	Other White
15	Nuisance	Latino - Central American	Not Reported
16	Other	Latino - Mexican	0 Total (must match Total number in E29)
17	Owner Move In	Latino - South American	
18	Roommate Living in Same Unit	Other Latino	Gender data for households that received Notices of Eviction during the reporting period:
19	Substantial Rehabilitation	Sexual Orientation data for households that received Notices of Eviction during the reporting period:	
20	Unapproved Subtenant	Bisexual	Female
21	0 Total number of households who received Notices of Eviction	Gay/Lesbian/Same-Gender Loving	Male
		Questioning/Unsure	Genderqueer/Gender Non-Binary
		Straight/Heterosexual	Trans Female
		Not Listed	Trans Male
		Declined / Not Stated	Not Listed
		0 Total (must match Total number in E29)	0 Total (must match Total number in E29)

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).

Ethnicity and Race data for households for which Unlawful Detainers were filed during the reporting period:

		enter # below	enter # below
22	Breach of Lease Agreement	Indigenous - American Indian/Native American	Black - African
23	Capital Improvement	Indigenous from Mexico, the Caribbean, Central America or South America	Black - African American
24	Condo Conversion	Other Indigenous	Black - Caribbean, Central American, South American or Mexican
25	Demolition	Asian - Chinese	Other Black
26	Denial of Access to Unit	Asian - Filipino	North African
27	Development Agreement	Asian - Japanese	West Asian
28	Ellis Act Withdrawal	Asian - Korean	Other Middle Eastern or North African
29	Failure to Sign Lease Renewal	Asian - Mongolian	Pacific Islander - Chamorro
30	Good Samaritan Tenancy Ends	Asian - Central Asian	Pacific Islander - Native Hawaiian
31	Habitual Late Payment of Rent	Asian - South Asian	Pacific Islander - Samoan
32	Illegal Use of Unit	Asian - Southeast Asian	Other Pacific Islander
33	Lead Remediation	Other Asian	White - European
34	Non-payment of Rent	Latino - Caribbean	Other White
35	Nuisance	Latino - Central American	Not Reported
36	Other	Latino - Mexican	0 Total (must match Total number in E56)
37	Owner Move In	Latino - South American	
38	Roommate Living in Same Unit	Other Latino	Gender data for households for which Unlawful Detainers were filed during the report period:
39	Substantial Rehabilitation	Sexual Orientation data for households for which Unlawful Detainers were filed during the report period:	
40	Unapproved Subtenant	Bisexual	Female
41	0 Total number of unlawful detainer actions filed	Gay/Lesbian/Same-Gender Loving	Male
		Questioning/Unsure	Genderqueer/Gender Non-Binary
		Straight/Heterosexual	Trans Female
		Not Listed	Trans Male
		Declined / Not Stated	Not Listed
		0 Total (must match Total number in E56)	0 Total (must match Total number in E56)

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).

Ethnicity and Race data for households that were Evicted during the reporting period:

		enter # below	enter # below
42	Breach of Lease Agreement	Indigenous - American Indian/Native American	Black - African
43	Capital Improvement	Indigenous from Mexico, the Caribbean, Central America or South America	Black - African American
44	Condo Conversion	Other Indigenous	Black - Caribbean, Central American, South American or Mexican
45	Demolition	Asian - Chinese	Other Black
46	Denial of Access to Unit	Asian - Filipino	North African
47	Development Agreement	Asian - Japanese	West Asian
48	Ellis Act Withdrawal	Asian - Korean	Other Middle Eastern or North African
49	Failure to Sign Lease Renewal	Asian - Mongolian	Pacific Islander - Chamorro
50	Good Samaritan Tenancy Ends	Asian - Central Asian	Pacific Islander - Native Hawaiian
51	Habitual Late Payment of Rent	Asian - South Asian	Pacific Islander - Samoan
52	Illegal Use of Unit	Asian - Southeast Asian	Other Pacific Islander
53	Lead Remediation	Other Asian	White - European
54	Non-payment of Rent	Latino - Caribbean	Other White
55	Nuisance	Latino - Central American	Not Reported
56	Other	Latino - Mexican	0 Total (must match Total number in E83)
57	Owner Move In	Latino - South American	
58	Roommate Living in Same Unit	Other Latino	Gender data for households that were Evicted during the reporting period:
59	Substantial Rehabilitation	Sexual Orientation data for households that were Evicted during the reporting period:	
60	Unapproved Subtenant	Bisexual	Female
61	0 Total number of households evicted (flows to question #35 on Worksheet 1A)	Gay/Lesbian/Same-Gender Loving	Male
		Questioning/Unsure	Genderqueer/Gender Non-Binary
		Straight/Heterosexual	Trans Female
		Not Listed	Trans Male
		Declined / Not Stated	Not Listed
		0 Total (must match Total number in E83)	0 Total (must match Total number in E83)

	B	D	F	H	J
15	Annual Monitoring Report - Fiscal Activity - Reporting Year 2020 - Mayor's Office of Housing & Community Development				
16	INCOME & EXPENSES				
17	12 Month Report Period	Start Date:	1/0/1900	End Date:	1/0/1900
18	Number of Units-->	0			
19		Account			
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 LOOSP funding)	5121			
25	Source/s---->				
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!				vacancy rate
29	Housing Units	5220		Must click & explain if Residential Vac Rate is > 15%	
30	Commercial	5240			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 MOHCD loan terms to be included in Residual Receipts calculation.	5300			
39	Supportive Services Income Source/s- 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		Account Number	Residential	Non-Residential	Total
50	Description of Expense Accounts				
51	Management				
52	Management Fee	6320			
53	"Above the Line" Asset Management Fee (amount allowable may be limited, see Asset Mgt. Fee Policy)				
54	sub-total Management Expense:		\$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 Free Unit	6331			
61	sub-total Salary/Benefit Expense:		\$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	Bad Debts	6370			
70	Miscellaneous Administrative Expenses (must click & explain if >\$10k)	6390			
71	sub-total Administrative Expense:		\$0.00	\$0.00	\$0.00
72	Utilities				
73	Electricity	6450			
74	Water	6451			
75	Gas	6452			

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15	Annual Monitoring Report - Fiscal Activity - Reporting Year 2020 - Mayor's Office of Housing & Community Development				
76	Sewer	6453			
77	sub-total Utilities Expense:		\$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 Expense:		\$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 Liabilities Insurance	6724			
88	sub-total Insurance Expense:		\$0.00	\$0.00	\$0.00
89	Maintenance and Repairs				
90	IMPORTANT NOTE RE: TREATMENT OF CAPITAL AND NON-CAPITAL MAINTENANCE REPAIR EXPENSES ELIGIBLE FOR PAYMENT BY REPLACEMENT RESERVE: If possible, exclude those from this section. If you do include those expenses here, be sure to record the amounts in rows 103 (non-capital) and 210:215 below (capital).				
91	Payroll	6510			
92	Supplies	6515			
93	Contracts	6520			
94	Garbage and Trash Removal	6525			
95	Security Payroll/Contract	6530			
96	HVAC Repairs and Maintenance	6546			
97	Vehicle and Maintenance Equipment Operation and Repairs	6570			
98	<u>Miscellaneous Operating and Maintenance Expenses (must click & explain if >\$10k)</u>	6590			
99	sub-total Maintenance Repair Expense:		\$0.00	\$0.00	\$0.00
100	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.	6930			
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 F210:215 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		Name of Lessor/ Bond Monitoring Agency/ Reserve Account			
106	Ground Lease Base Rent/Bond Fees/Reserves				
107	Ground Lease - Base Rent (provide Lessor name to the right)				\$0.00
108	Bond Monitoring Fee				\$0.00
109	Replacement Reserve Required Annual Deposit (Source is Operating Account.) Enter as positive number.	1320			\$0.00
110	Operating Reserve Deposits (Source is Operating Account.) Enter as positive number.	1365			\$0.00
111	Operating Reserve Account Withdrawals (For deposits to Operating Account.) Enter as positive number.				\$0.00
112	Other Required Reserve Account Deposits (Source is Operating Account. Enter as positive number. Identify reserve account in next col) (1330)				\$0.00
113	Other Required Reserve Account Withdrawals (For deposit to Operating account. Enter as positive number. Identify account in next col ---->				\$0.00
114	Sub-total Ground Lease Base Rent/Bond Fees/Reserves		\$0.00	\$0.00	\$0.00
115					
116	TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)		\$0.00	\$0.00	\$0.00
117		Acct Num	Residential	Non-Residential	Total
118	1. TOTAL INCOME RECEIVED:		\$0.00	\$0.00	\$0.00
119	2. TOTAL OPERATING EXPENSES:		\$0.00	\$0.00	\$0.00
120	3. NET OPERATING INCOME:		\$0.00	\$0.00	\$0.00
121					
122	4. Debt Service (Principal and Interest)	Name of Lender / Describe Other Amt Paid	Residential	Non-Residential	Total
123	Lender1 - Principal Paid (provide lender name to the right)				
124	Interest Paid				
125	Other Amount (describe to the right)				
126	Lender2 - Principal Paid (provide lender name to the right)				
127	Interest Paid				
128	Other Amount (describe to the right)				
129	Lender3 - Principal Paid (provide lender name to the right)				

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15	Annual Monitoring Report - Fiscal Activity - Reporting Year 2020 - Mayor's Office of Housing & Community Development				
130	Interest Paid				
131	Other Amount (describe to the right)				
132	Lender4 - Principal Paid (provide lender name to the right)				
133	Interest Paid				
134	Other Amount (describe to the right)				
135	Total Debt Service Payments		\$0.00	\$0.00	\$0.00
136					
137	Surplus Cash, Detail (NOI minus Debt Service and Reserve Activity)		\$0.00	\$0.00	\$0.00
138					
139	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 Uses of Surplus Cash below		Go to ws4 Narrative question #8		
140	Surplus Cash, Total				\$0.00
141	Distribution of Surplus Cash/Residual Receipts - (Response 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 funders and any other agreements that govern. Please include the calculation methodology, applicable annual increases, etc. For proposed distribution amounts entered in column J, rows 143-165, select the distribution priority for each of the uses of cash flow/surplus cash in column H. If distribution of surplus cash is not allowed under MOHCD agreements or other funder agreements, enter N/A in the box below.				
142					
143	USES OF SURPLUS CASH THAT ARE AUTHORIZED TO BE PAID PRIOR TO CALCULATION OF RESIDUAL RECEIPTS PAYMENTS (IF APPLICABLE)			Distribution Priority (select below)	Leave cells below blank if Surplus Cash is <= \$0.
144	5. Operating Reserve Replenishments (Deposits made out of surplus cash to satisfy minimum balance requirements).				
145	6. "Below-the-line" Asset Mgt fee (prior written authorization from City/SFRA may be required, see Asset Mgt. Fee Policy).				
146	7a. Partnership Management fee due from this reporting period, if any (tax credit projects only; not allowed if project is beyond 15-year compliance period).				
147	7b. Partnership Management fee accrued but unpaid from PRIOR reporting periods, if any (tax credit projects only; per City policy, typically must be paid out of owner distribution, entries usually not allowed here).				
148	8a. 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).				
149	8b. Investor Services Fee (aka LP Asset Management Fee) accrued but unpaid from PRIOR reporting periods, if any (tax credit projects only; per City policy, typically must be paid out of owner distribution, entries usually not allowed here).				
150	9. Deferred Developer fee, if any				
151	10. 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/OCII 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 ws4 Narrative question #1			
152	11ai. Debt Pmt to other lender1: Principal Paid (note lender name to right)				
153	11aai. Debt Pmt to other lender1: Interest Paid				
154	11bi. Debt Pmt to other lender2: Principal Paid (note lender name to right)				
155	11bii. Debt Pmt to other lender2: Interest Paid				
156	Total Payments preceding Residual Receipts Calculation:				\$0.00
157					
158	12. RESIDUAL RECEIPTS				\$0.00
159				Distribution Priority (select below)	Leave cells below blank if Surplus Cash is <= \$0.
160	12a. MOHCD Residual Receipts Due for Loan Repayment				
161	12b. MOHCD Residual Receipts Due for Ground Lease Residual Rent Payment				
162	12c. Subtotal Residual Receipts Payments to MOHCD				\$0.00
163	12d. Residual Receipts Debt Pmt to other lender3 (note lender name to right)				

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15	Annual Monitoring Report - Fiscal Activity - Reporting Year 2020 - Mayor's Office of Housing & Community Development				
164	12e. Residual Receipts Debt Pmt to other lender4 (note lender name to right)				
165	12f. Residual Receipts Debt Pmt to other lender5 (note lender name to right)				
166	Total Residual Receipts Payments:				\$0.00
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					
169	Remaining Balance				\$0.00
170					
171	Proposed Owner Distributions (provide description in column D and enter amount in column J. If an amount is entered, a description is required.)				
172	Proposed Other Distributions/Uses (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 LOSP surplus, please acknowledge that and note exact amount.)				
173					
174	Final Balance: should be ZERO except when Surplus Cash (cell J140) is negative				\$0.00
175					
176	RESERVE ACCOUNT DETAILS				
177					
178	OPERATING RESERVE (Do not leave blanks for any questions asking for a number, enter zero instead.)				
179	Minimum Required Balance:				
180	Beginning Balance:				
181	Actual Annual Deposit from Operating Budget in Current Reporting Period (not editable, data entered in cash flow above, account number 1365):		\$0.00		
182	Additional Deposit (use ONLY to record deposits from the Op Budget attributable to a prior reporting period, or deposits made from an external source)				
183	Interest Earned:				
184	Annual Withdrawal Amount (enter as negative number):				
185	Ending Balance (don't edit cell -- calculated):		\$0.00		
186	Required Annual Deposit:				
187	Total Operating Expenses plus debt service (don't edit cell -- calculated)		\$0.00		
188	If the calculated percentage shown to the right (Op Reserve Account Ending Balance divided by Total Op Expenses) is less than 23.5%, you must describe how the project will remedy the shortfall in the adjacent cell. 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.		0.000%		
189	REPLACEMENT RESERVE (Do not leave blanks for any questions asking for a number, enter zero 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					
199					
200	CHANGES TO REAL ESTATE ASSETS				
201	Enter Beginning and Ending Balances in each of the categories listed below. Changes in asset categories will auto calculate.		Balance, 1/00/1900	Changes	Balance, 1/00/1900
202	Building & Improvements			\$0.00	
203	Offsite Improvements			\$0.00	
204	Site Improvements			\$0.00	
205	Land Improvements			\$0.00	
206	Furniture, Fixtures & Equipment			\$0.00	
207	Other			\$0.00	
208	Replacement Reserve-Eligible Expenditures: Provide details below about the Capital and non-Capital Expenditures that are Replacement Reserve-eligible.				

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15	Annual Monitoring Report - Fiscal Activity - Reporting Year 2020 - Mayor's Office of Housing & Community Development				
209	Capital Repairs and Improvements: Enter capital repairs and improvement costs associated with the reporting year. For each category in rows 201-207 above that shows a positive change, an entry is required in each corresponding category in rows 212-217. If the operating account is used initially 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.				
210	Capital Repairs and Improvements Funded By:				
211	Capital Repairs and Improvements - Categories	Replacement Reserve	Operating Account	Other Source	Total Amount
212	Building & Improvements				\$0.00
213	Offsite Improvements				\$0.00
214	Site Improvements				\$0.00
215	Land Improvements				\$0.00
216	Furniture, Fixtures & Equipment				\$0.00
217	Other				\$0.00
218	Total	\$0.00	\$0.00	\$0.00	\$0.00
219	Description of Capital Repairs and Improvements				
220					
221	Non-Capital Replacement Reserve Eligible Expenditures (i.e., labor costs): Enter the amounts used to fund non-capital replacement reserve eligible expenditures. Use section below to supply explanations.				
222	Source				Amount
223	Paid out of Operating Budget, to be reimbursed by RR (shows the amount entered in row 103 above)				\$0.00
224	Paid Directly from Replacement Reserve				
225	Other Source				
226	Explanation of Non-Capital Replacement Reserve Eligible Expenditures	Total			\$0.00
227					
228	TOTAL REPLACEMENT RESERVE ELIGIBLE EXPENDITURES: the Replacement Reserve Withdrawal for the reporting period should not exceed the Total RR-eligible Expenditures. You must provide more details above or an explanation below if the RR withdrawal amount exceeds the Total RR-Eligible Expenditures.	RR Withdrawal Amount-->	\$0.00	Total RR-Eligible Expenditures-->	\$0.00
229	Notes About RR Withdrawal Amount in excess of Total RR-eligible Expenditures:				
230					
231					
232	FEDERAL PROGRAM INCOME REPORT				
233	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:				
234					
235	http://www.sf-moh.org/Modules/ShowDocument.aspx?documentid=5141				
236	Overview of Federal (HOME and CDBG) Program Income				
237					
238	CDBG PROGRAM INCOME				
239	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 2020-2024 Consolidated Plan, 2020-2021 Action Plans as follows:	AMOUNT	DESCRIPTION		
240	Amount to be used for CDBG eligible activity#1 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right):				
241	Amount to be used for CDBG eligible activity#2 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right):				
242	Amount to be used for CDBG eligible activity#3 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right):				
243	Amount to be deposited for use on future eligible CDBG activities that will be undertaken by June 30, 2019 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right):				
244	Other (provide amount in cell to the right, plus activity description and regulation citation in column furthest to the right):				
245	Total CDBG Program Income Calculation (see instructions for guidance on how to calculate)				
246	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 2020 reporting period as depicted above.				

**Annual Monitoring Report - Summary of Reported Household Demographics - Reporting Year 2020 -
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
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 Mental/Devt Disability	0
Households with Tenant with Other Disability	0
Households with Tenant with More than One Disability	0
Households with Tenant with No Disability	0

Gender

	# Reported Head of HH	% of Total
Female	0	
Male	0	
Genderqueer/Gender Non-binary	0	
Trans Female	0	
Trans Male	0	
Not listed	0	
Declined/Not Stated	0	
Question Not Asked	0	
Total Head of Households	0	

Sexual Orientation

	# Reported Head of HH	% of Total
Bisexual	0	
Gay /Lesbian/Same-Gender Loving	0	
Questioning /Unsure	0	
Straight/Heterosexual	0	
Not listed	0	
Decline to Answer	0	
Not Stated	0	
Question Not Asked	0	
Total Head of Households	0	

Target and Actual Population Served

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

**Annual Monitoring Report - Narrative - Reporting Year 2020 -
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 10.

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

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

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.

Project Street Address:

**Schedule of Operating Revenues
For the Year Ended January 0, 1900**

	<u>Total</u>
Rental Income	
5120 Gross Potential Tenant Rents	\$0
5121 Rental Assistance Payments (inc. LOSP)	\$0
5140 Commercial Unit Rents	\$0
Total Rent Revenue:	<u>\$0</u>
Vacancies	
5220 Apartments	\$0
5240 Stores & Commercial	\$0
Total Vacancies:	<u>\$0</u>
Net Rental Income: (Rent Revenue Less Vacancies)	<u>\$0</u>
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:	<u>\$0</u>
Total Operating Revenue:	<u>\$0</u>

Project Street Address:

**Schedule of Operating Expenses
For the Year Ended January 0, 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 January 0, 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:		\$0

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:		\$0

6000	Total Cost of Operations before Depreciation:	\$0
5060	Operating Profit (Loss):	\$0

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:		\$0

Net Entity Expenses

the right.

7190		
7190		
7190		
7190		
7190		
7190		
7190		
7190		
7190		
7190		
7190		
Total Net Entity Expenses:		\$0

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

Project Street Address:

**Computation of Operating Cash Flow/Surplus Cash
For the Year Ended January 0, 1900**

	Total
Operating Revenue	\$0
Interest earned on restricted accounts	\$0
Adjusted Operating Revenue	\$0
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:	\$0
Allocation of Non-Residential Surplus (LOSP only)	\$0
Operating Cash Flow/Surplus Cash:	\$0

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
<input type="text"/>	
<input type="text"/>	
<input type="text"/>	
<input type="text"/>	
<input type="text"/>	
<input type="text"/>	
<input type="text"/>	
<input type="text"/>	
<input type="text"/>	
<input type="text"/>	
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 January 0, 1900**

	Replacement Reserve	Operating Reserve
Balance, January 0, 1900	\$0	\$0
Actual Annual Deposit	\$0	\$0
Interest Earned	\$0	\$0
Withdrawals	\$0	\$0
Balance, January 0, 1900	\$0	\$0

**Annual Monitoring Report - Completeness Tracker - Reporting Year 2020 -
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
Reporting End Date: 1/0/00

Project Address: _____

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.

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. Prior to submittal, the waiting list must be redacted to exclude any private information that should not be shared publicly, for example, Social Security numbers, ID numbers from other forms of identification, information related to disabilities or other health conditions. Please confer with legal counsel and let MOHCD know if you have any questions prior to submitting a copy of the project's waitlist. 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.

Worksheet 1A. Property & Residents	INCOMPLETE	
Questions 1 thru 4		incomplete
Questions 5 thru 24		incomplete
Questions 25 thru 39		incomplete
Questions 40 thru 46		incomplete
Questions 51 thru 57		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 - 174)		incomplete
Operating Reserve (Rows 177 - 187)		incomplete
Replacement Reserve (Rows 189 - 197)		incomplete
Changes to Real Estate Assets (Rows 202 - 207)		incomplete
Replacement Reserve Eligible Expenditures (Rows 210 - 229)		incomplete
Program Income (Rows 240 - 245)		OK
Worksheet 3A. Occupancy & Rent Info	INCOMPLETE	
Does number of units entered on Worksheet 3A match total units entered on Worksheet 1A or the total households that can be served in Worksheet 1B?		To Be Determined
For each row for which a Unit Number is supplied, was data entered in all of the required cells?		To Be Determined
Narrative Provided for All rows indicating Overhoused or Overcrowded?		To Be Determined
Worksheet 3B. Demographic Information	To Be Determined	
Is Gender and Sexual Orientation/Identity 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	

EXHIBIT H

Tenant Selection Plan Policy

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.** MOHCD will provide an application to be used prior to the housing lottery. The housing provider agrees to use this application to determine lottery eligibility. 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. All applicants will be offered the opportunity for an interview in lottery rank order.
- **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 will 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 will 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.

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)**

- **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 will immediately contact the referring agency, if possible, and the funding agency, DPH or HSA.
- **Limited English Proficiency Policy.** Throughout the application process, the housing provider will 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 will 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 will 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 will 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 will:
 - 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 will 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 will 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

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 will 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 will 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 will 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 7 years, except in exceptional situations, which will 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.
 - mitigating factors, including, but not limited to:
 - (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;

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.”

- (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.

EXHIBIT J

Developer Fee Policy

Mayor's Office of Housing and Community Development
Policy on Development Fees For Tax Credit Projects
Effective October 16, 2020

This MOHCD Policy on Development Fees for Tax Credit Projects applies to all developments seeking City funding in conjunction with new Tax Credit financing for the current project, including recapitalization projects with existing MOHCD loans. This does not apply to non-Tax Credit projects such as Small Sites Program (SSP) projects, which are subject to the SSP Program Guidelines. It also does not apply to HOPE SF or RAD projects, which are subject to separate developer fee policies.

Developers may include fees in their project budgets according to the terms below.

I. MINIMUM FEES: 5% of total development costs.

II. MAXIMUM FEES: Notwithstanding any other section of this Policy, the maximum Total Fee that may be included in basis is the Tax Credit limit (currently 15% of Eligible Basis) subject to the additional limitations identified below.

A. Total Development Fee

("Total Fee") for different project types are further detailed below, and reflect the sum of the Cash-Out Fee (Base, Additional, and Deferred) and Non Cash-Out Fee (Deferred and General Partner Equity Contribution).

B. Fee Components

1. Cash-Out Fee (Base and Additional)

Project Type	9% Project - Maximum Cash-Out Fee	4% Project - Maximum Cash-Out Fee	Notes
New Construction	TCAC Maximum	The lesser of TCAC Maximum or \$2,200,000 (Base) + \$10,000 per unit over 100 units (Additional), if additional cash-out requires no additional MOHCD gap funding.	
Newly Acquired and Substantially Rehabilitated (Per unit Hard Cost >= \$75,000)	TCAC Maximum	Same as new construction fee.	-Hard Cost is defined as "Total Construction Costs" summed in the MOHCD Application in cell K37, Tab 4b-Perms&U.
Substantial Rehabilitation (Per unit Hard Cost >=\$75,000) by Existing or Affiliate GP -- Includes New City Funds or Re-structured City Debt	50% TCAC Maximum	The lesser of TCAC maximum or \$1,100,000 (Base) + \$10,000 per unit over 100 units (Additional), if additional cash-out requires no additional MOHCD gap funding.	-Sponsor may take the allowable fee for Newly Acquired and Rehabilitated projects described above if 1) in the project's original syndication, sponsor did not take the maximum allowable developer fee; or 2) sponsor adds new affordable units to the project.

			<p>-Hard Cost is defined as “Total Construction Costs” summed in the MOHCD Application in cell K37, Tab 4b-Perms&U.</p> <p>-Sponsor cash out permissible only per MOHCD Cash Out Acquisition/Rehabilitation, Resyndication, and Refinancing Policy.</p>
<p>Recapitalization, acquisition, or transfer with less than \$75,000 Per unit hard cost capital improvements</p>	No Fee	No Fee	<p>-Hard Cost is defined as “Total Construction Costs” summed in the MOHCD Application in cell K37, Tab 4b-Perms&U.</p> <p>-Sponsor cash out permissible only per MOHCD Cash Out Acquisition/Rehabilitation, Resyndication, and Refinancing Policy.</p>

- a. A note about Cash-Out Additional Fee: If Eligible Basis is less than Threshold Basis, projects over 100 units may take up to \$10,000 per unit over 100 as cash-out fee, but only if such cash payment does not require additional gap funding from MOHCD (see MOHCD Application, Tab 8-DevFeeCalc, for calculation).
2. Cash-Out Fee (Deferred): If Eligible Basis is less than Threshold Basis, Developers may include a Cash-Out Deferred Fee component in the Total Fee up to the aggregate of 50% of surplus cash flow taken over the project’s first 15 years of operation (after typical payments of base ground rent, the general partner management fee, and investor asset management fee, if applicable). Cash-Out Deferred Fee is shown as both a source and a use of funds in the capital budget. Developers may use industry standard inflators of income and expenses to calculate Cash-Out Deferred Fee.
 - a. Distributions of surplus cash as Deferred Fee are in lieu of (not in addition to) the typical 33.3% distribution of surplus cash to the Sponsor. At Year 15 of operations, or earlier if the Deferred Fee is fully repaid before then, a surplus cash distribution shall commence at 33.3% of surplus cash (after typical payments of base ground rent, the general partner management fee, and investor asset management fee, if applicable).
 - b. For projects supported by the Local Operating Subsidy Program, Cash-Out Deferred Fee must be taken over a minimum time period of 5 years.
3. Non-Cash Out Fee (Deferred and General Partner Equity Contribution): Where Eligible Basis is less than Threshold Basis, Developers should include in Total Fee the maximum amount available for re-contribution as General Partner Equity or as Non-Cash Out Deferred Fee. It is

MOHCD’s intent to use Deferred Fee and General Partner Equity Contribution up to 15% of Eligible Basis to reduce MOHCD’s overall contribution to projects, so that MOHCD may invest its funds in the most projects possible. MOHCD will work with developers, lenders, and investors to ensure that the developer fee structure meets MOHCD financing goals and feasibility considerations.

4. Commercial Developer Fee is not addressed in this Policy. Please see MOHCD’s Commercial Underwriting Guidelines for information regarding development fees associated with Commercial, Community Serving Commercial, and Public Benefit Use spaces.

III. FEE DISTRIBUTION: The Cash-Out Base Fee shall be divided equally between “Project Management Fee” and “At-Risk Fee” (subject to the “At-Risk Fee Adjustment” described below). Any Cash-Out Additional Fee will be distributed as At-Risk Fee. Cash-Out Fees (Base and Additional) shall be distributed according to achievement of certain development milestones, as follows:

Example below assumes Base Fee is \$2.2 M and Additional Fee is \$300,000.

Project Management Milestone	% of Fee Distributed	Fee Amount
Acquisition, if applicable, or predevelopment loan closing (or another agreed-upon milestone if acquisition is not applicable, e.g. being awarded a City-owned site through a RFQ/RFP process)*	15%	\$165,000
During Predevelopment with no more than 50% of the total Project Management Fee to be disbursed prior to construction closing*	35%	\$385,000
At Construction Closing	20%	\$220,000
During Construction (disbursed upon request depending on % of construction completion) or at Completion of Construction	20%	\$220,000
Project Close-Out: Placed-In-Service application; 100% lease-up; City approval of sponsor’s project completion report and documents; and City acceptance of final cost certification.	10%	\$110,000
TOTAL PROJECT MANAGEMENT FEE	100%	\$1,100,000

***Joint Venture development team partners must split all Fee during the pre-development period 50%-50%. This helps ensure the new or emerging partner has access to Fee upfront to support their participation in the project and their capacity building.**

At-Risk Fee Milestone	% of Fee Distributed	Fee Amount
Qualified Occupancy (95% Leased up and Draft Cost Certification Audit)	20%	\$280,000
Permanent Loan Closing/Conversion (Final Cost Certification Audit)	50%	\$700,000
Project Close-Out: Placed-In-Service application; 100% lease-up; City approval of sponsor's project completion report and documents; and City acceptance of final cost certification.	30%	\$420,000
TOTAL AT-RISK FEE	100%	\$1,400,000

A. At-Risk Fee Adjustment

When outside funding sources limit the Cash Out Fee to a value less than allowed under this Policy (e.g., California's Department of Housing and Community Development), the Developer may still be paid a maximum of \$1.1M as a Project Management Fee and the At-Risk Fee shall be reduced to bring the total Cash-Out Fee (Base and Additional) in line with the outside funding source cap.

IV. WAIVERS OF THE DEVELOPER FEE POLICY

The Citywide Affordable Housing Loan Committee may approve a waiver or modification of any portion of this Policy for the purpose of assuring project feasibility. All recommendations related to this Policy are subject to the Mayor's approval in his or her sole discretion.

V. CDBG or HOME REQUIREMENTS

If MOHCD uses CDBG or HOME funds to pay the development fee, it is considered "program income", and, should MOHCD request it, the Sponsor must provide a report to MOHCD on its use of developer fees.

Recipients of CDBG administrative funding may not also receive a Project Management Fee for the same project covering the same time period.

VI. POLICY IMPLEMENTATION

This Policy applies to any development that has not received its gap financing commitment or debt restructuring approval from MOHCD by the effective date of the Policy.

EXHIBIT K

Hold Harmless Policy

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



London N. Breed
Mayor

Kate Hartley
Director

Hold Harmless Policy for MOHCD's Income Limits & Maximum Rents
Effective: 5/3/2019 (update to the initial policy that was effective 2/19/2016)

Background

Every year, the United States Department of Housing and Urban Development ("HUD") publishes area median income ("AMI") data for jurisdictions across the United States. The City and County of San Francisco, acting through its Mayor's Office of Housing and Community Development ("MOHCD"), is a part of the San Francisco HUD Metropolitan Fair Market Rent Area ("SF HMFA"), which contains San Francisco, San Mateo and Marin County. MOHCD uses HUD's unadjusted AMI for SF HMFA as opposed to adjusted AMI, which is inflated to reflect high cost factors, to establish the income limits, maximum rents and sales prices that apply to affordable housing projects and programs regulated by MOHCD.

In 2016, MOHCD established a Hold Harmless Policy which stated that in any year when AMI decreased, MOHCD would maintain the income limits, maximum rents and sales prices at the previous year's levels in order to protect the operational integrity of affordable and inclusionary housing developments.

Purpose

This update to the Hold Harmless Policy (this "Policy") adds a limit to annual increases to income limits, maximum rents and sales prices published by MOHCD in order to mitigate the significant financial burden on low- and moderate-income tenants and homebuyers during periods of high escalation of AMI in San Francisco.

This Policy establishes the following:

- Limit annual increases to income limits, maximum rents, and sale prices to a maximum of 4%ⁱ
- Uphold the current policy of maintaining income limits, maximum rents and sales prices at the previous year's levels in years when AMI, as published by HUD, has decreased.

This Policy is intended to limit harm by:

1. Protecting tenants from displacement due to annual rent increases that would cause a significant financial burden; and
2. Protecting the operational integrity of housing developments so that owners are able to cover operating costs that typically increase annually, even when AMI decreases; and

- Ensuring that San Francisco’s low-, moderate- and middle-income workforce retain access to homeownership opportunities.

Hold Harmless Limits

For the purpose of this Policy:

“**HUD SF AMI**” means the maximum income by household size, maximum rent by unit type, and maximum sales prices as published annually by MOHCD, derived from the median income determined by HUD for the San Francisco area, adjusted solely for household size, but not high housing cost area, also referred to as “Unadjusted Median Income”.

“**MOHCD AMI**” means the maximum income by household size, maximum rent by unit type, and maximum sales prices as published annually by MOHCD under this Policy.

“**Housing Provider**” means any person or entity that owns a multi-family property that is restricted for the purpose of affordable housing and/or subject to MOHCD administration, regulations, or policies.

Limited Increases: Annual increases to MOHCD AMI shall be limited to the lesser of: (1) the percentage amount necessary to adjust MOHCD AMI to match the then-current year’s HUD SF AMI, or (2) four percent (4%)ⁱ. This Policy limits year-over-year increases to MOHCD AMI to 4% in periods of high HUD SF AMI escalation, while allowing MOHCD AMI to “catch up” to HUD SF AMI during periods when HUD SF AMI grows slowly, is static, or decreases.

Limited Decreases: This update to the Policy does not eliminate the Hold Harmless Policy adopted in 2016. In years when the MOHCD AMI matches the HUD SF AMI, and the subsequent year’s HUD SF AMI decreases, MOHCD will maintain the MOHCD AMI from the previous year. If, in subsequent years, HUD SF AMI decreases again, stays flat, or increases to a level that is still lower than before the initial decrease, MOHCD will maintain its published AMI until such time as the HUD SF AMI increases to a level that is greater than the MOHCD AMI.

The application of this Policy may result in the creation of a calculation of MOHCD AMI that is different than the HUD SF AMI. The below chart demonstrates how this Policy would be applied over a hypothetical 6-year period:

	Base Year	Year 2		Year 3		Year 4		Year 5		Year 6	
	AMI	AMI	% Change	AMI	% Change	AMI	% Change	AMI	% Change	AMI	% Change
HUD SF AMI	100.0	108.0	8.0%	107	-0.9%	111	3.9%	109.0	-2.0%	112.5	3.2%
MOHCD AMI	100.0	104.0	4.0%	107	2.9%	111	3.9%	111	0.0%	112.5	1.2%

Utility Allowances

Notwithstanding anything to the contrary in this Policy, it is important to note that a Housing Provider will be required to lower net rents (i.e. tenant-paid rent) as the result of increases in utility allowances in years when the MOHCD AMI matches the HUD SF AMI, and HUD SF AMI has decreased or remained flat. MOHCD AMI establishes the limits for maximum gross rent (aka “Tier 2 rent” under the City’s Inclusionary Housing Manual),” which consists of tenant rent plus utility allowance. If HUD SF AMI decreases or remains flat, and therefore MOHCD AMI remain the same as the previous year, an increase in the utility allowance means that the tenant rent would have to be lowered.

Limited Hardship Waiver

MOHCD will consider, in its sole discretion, a waiver of this Policy from a Housing Provider with rental units restricted under contracts (i.e., loan agreement, grant agreement, or other agreement for funding from the City) with MOHCD upon demonstration that: (1) the MOHCD AMI imposes a financial hardship that puts at risk the Housing Provider's ability to cover reasonable operating costs and debt service, (2) existing tenants will not be unreasonably financially burdened by the Housing Provider's proposed rent increases, and (3) the Housing Provider is not in default under any contract with MOHCD. Any waiver from this Policy approved by MOHCD, in its sole discretion, shall apply for only one year. Housing Providers are solely responsible for providing MOHCD with any documentation requested by MOHCD to support a hardship waiver of this Policy.

ⁱ The application of the 4% increase is made on the amount for the 100% AMI level for a 4-person family. MOHCD continues to using rounding to the nearest \$50 on the calculations for all of the other income levels and household sizes. The use of rounding may create nominal differences in the percentage increases for all of the other max income levels and household sizes, as well as for all of the maximum rents.

EXHIBIT L
Insurance Requirements

Subject to approval by the City's Risk Manager of the insurers and policy forms Borrower will obtain and maintain, or caused to be maintained, the insurance and bonds as set forth below from the date of this Agreement or other applicable date set forth below throughout the Compliance Term at no expense to the City:

1. **Liability Insurance.** Borrower will obtain and maintain, or cause its contractors, subcontractors, property managers and/or agents, as appropriate for each, to obtain and maintain, insurance and bonds as follows:

(a) to the extent Borrower or its contractors and subcontractors have "employees" as defined in the California Labor Code, workers' compensation insurance with employer's liability limits not less than One Million Dollars (\$1,000,000) each accident, injury or illness;

(b) commercial general liability insurance, with limits no less than Two Million Dollars (\$2,000,000) combined single limit per occurrence and Four Million Dollars (\$4,000,000) annual aggregate limit for bodily injury and property damage, including coverage for contractual liability; personal injury; fire damage legal liability; advertisers' liability; owners' and contractors' protective liability; products and completed operations; broad form property damage; and explosion, collapse and underground (XCU) coverage during any period in which Borrower is conducting any activity on, alteration or improvement to the Site with risk of explosions, collapse, or underground hazards;

(c) business 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, hired and non-owned auto coverage, as applicable;

(d) professional liability insurance of no less than Two Million Dollars (\$2,000,000) per claim and Four Million Dollars (\$4,000,000) annual aggregate limit covering all negligent acts, errors and omissions of Borrower's architects, engineers and surveyors. If the professional liability insurance provided by the architects, engineers, or surveyors is "Claims made" coverage, Borrower will assure that these minimum limits are maintained for no less than three (3) years beyond completion of the constructions or remodeling. Any deductible over Fifty Thousand Dollars (\$50,000) each claim will be reviewed by Risk Management; and

(e) a crime policy or fidelity bond covering Borrower's officers and employees against dishonesty with respect to the Funds of no less than Seventy Five Thousand Dollars (\$75,000) each loss, with any deductible not to exceed Five Thousand Dollars (\$5,000) each loss, including the City as additional obligee or loss payee;

(f) as applicable, pollution liability and/or asbestos pollution liability covering the work being performed with a limit no less than Two Million Dollars (\$2,000,000) per claim or occurrence and Two Million Dollars (\$2,000,000) annual aggregate per policy. This

coverage will be endorsed to include Non-Owned Disposal Site coverage. This policy may be provided by the Borrower's contractor, provided that the policy will be "claims made" coverage and Borrower will require Borrower's contractor to maintain these minimum limits for no less than three (3) years beyond completion of the construction or remodeling.

2. Property Insurance. Borrower will maintain, or cause its contractors and property managers, as appropriate for each, to maintain, insurance and bond as follows:

(a) Prior to construction:

(i) Property insurance, excluding earthquake and flood, in the amount no less than One Hundred Percent (100%) of the replacement value of all improvements prior to commencement of construction and City property in the care, custody and control of the Borrower or its contractor, including coverage in transit and storage off-site; the cost of debris removal and demolition as may be made reasonably necessary by such perils, resulting damage and any applicable law, ordinance or regulation; start up, testing and machinery breakdown including electrical arcing; and with a deductible not to exceed Ten Thousand Dollars (\$10,000) each loss, including the City and all subcontractors as loss payees.

(b) During the course of construction:

(i) Builder's risk insurance, special form coverage, excluding earthquake and flood, for one hundred percent (100%) of the replacement value of all completed improvements and City property in the care, custody and control of the Borrower or its contractor, including coverage in transit and storage off-site; the cost of debris removal and demolition as may be made reasonably necessary by such covered perils, resulting damage and any applicable law, ordinance or regulation; start up, testing and machinery breakdown including electrical arcing, copy of the applicable endorsement to the Builder's Risk policy, if the Builder's Risk policy is issued on a declared-project basis; and with a deductible not to exceed Ten Thousand Dollars (\$10,000) each loss, including the City and all subcontractors as loss payees.

(ii) Performance and payment bonds of contractors, each in the amount of One Hundred Percent (100%) of contract amounts, naming the City and Borrower as dual obligees or other completion security approved by the City in its sole discretion.

(c) Upon completion of construction:

(i) Property insurance, excluding earthquake and flood, in the amount no less than One Hundred Percent (100%) of the replacement value of all completed improvements and City property in the care, custody and control of the Borrower or its contractor. For rehabilitation/construction projects that are unoccupied by residential or commercial tenants, Tenant will obtain Property Insurance by the date that the project receives a Certificate of Substantial Completion.

(ii) Boiler and machinery insurance, comprehensive form, covering damage to, loss or destruction of machinery and equipment located on the Site that is used by Borrower for heating, ventilating, air-conditioning, power generation and similar purposes, in an amount not less than one hundred percent (100%) of the actual replacement value of such

machinery and equipment with a deductible not to exceed Ten Thousand Dollars (\$10,000) each loss, including the City as loss payee.

The following notice is provided in accordance with the provisions of California Civil Code Section 2955.5: Under California law, no lender will require a borrower, as a condition of receiving or maintaining a loan secured by real property, to provide hazard insurance coverage against risks to the improvements on that real property in an amount exceeding the replacement value of the improvements on the property.

3. Commercial Space. Borrower will require that all nonresidential tenants' liability insurance policies include Borrower and the City as additional insureds, as their respective interests may appear. Throughout the term of any lease of Commercial Space in the Project, Borrower will require commercial tenants to maintain insurance as follows:

(a) to the extent the tenant has "employees" as defined in the California Labor Code, workers' compensation insurance with employer's liability limits not less than One Million Dollars (\$1,000,000) each accident;

(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 coverage for contractual liability; personal injury; advertisers' liability; including coverage for loss of income due to an insured peril for twelve (12) months; owners' and contractors' protective; broadform property damage; explosion, collapse and underground (XCU); products and completed operations coverage;

(c) business 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, hired and non-owned auto coverage, as applicable;

(d) with respect to any tenant who has (or is required by Law to have) a liquor license and who is selling or distributing alcoholic beverages and/or food products on the leased premises, to maintain liquor and/or food products liability coverage with limits not less than One Million Dollars (\$1,000,000), as appropriate;

(e) special form coverage insurance, including vandalism and malicious mischief, in the amount of 100% of the full replacement cost thereof, covering all furnishings, fixtures, equipment, leasehold improvements, alterations and property of every kind of the tenant and of persons claiming through the tenant; and

(f) full coverage plate glass insurance covering any plate glass on the commercial space.

4. General Requirements.

(a) Required Endorsements. Borrower's insurance policies will include the following endorsements:

(i) Commercial General Liability and Commercial Automobile Liability Insurance policies will be endorsed to name as "Additional Insured" the City and County of San Francisco, its officers, agents, and employees.

(ii) The Workers' Compensation policy(ies) will be endorsed with a waiver of subrogation in favor of the City for all work performed by the Borrower, its employees, agents, contractor(s), and subcontractors.

(iii) Commercial General Liability and Commercial Automobile Liability Insurance policies will 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 the insurance applies separately to each insured against whom claim is made or suit is brought.

(iv) All policies will be endorsed to provide thirty (30) days' advance written notice to the City of cancellation for any reason, intended non-renewal, or reduction in coverages. Notices will be sent to the City address set forth in **Section 21.1** of the Agreement.

Borrower will provide the City with copies of endorsements for each required insurance policy and make each policy available for inspection and copying promptly upon request.

(b) Certificates of Insurance. By no later than Loan closing and annually thereafter, Borrower will 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. Approval of the insurance by City shall not relieve or decrease Borrower's liability under this Agreement.

(c) Waiver of Subrogation – Property Insurance. With respect to any property insurance, Borrower hereby waives all rights of subrogation against the City to the extent of any loss covered by Borrower's insurance, except to the extent subrogation would affect the scope or validity of insurance.

(d) Claims Based Policies. All claims based on acts, omissions, injury or damage occurring or arising in whole or in part during the policy period must be covered. If any required insurance is provided under a claims-made form, Borrower will maintain coverage as follows:

(i) for builder's risk, continuously for a period ending no less than three (3) years after recordation of a notice of completion without lapse, to the effect that, if any

occurrences give rise to claims made after completion of the Project, then those claims will be covered by the claims-made policies; or

(ii) for all other insurance under this Exhibit L, continuously through the Compliance Term and, without lapse, for a period of no less than three (3) years beyond the expiration of the Compliance Term, to the effect that, if any occurrences during the Compliance Term give rise to claims made after expiration of the Agreement, then those claims will be covered by the claims-made policies.

(e) Additional Requirements.

(i) If any of the required insurance is 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 will be double the occurrence or claims limits specified above.

(ii) Any and all insurance policies required under this Exhibit L will contain a clause providing that the City and its officers, agents and employees will not be liable for any required premium.

(iii) On City's request, Borrower and City will periodically review the limits and types of insurance carried under this Exhibit L. If the general commercial practice in the City and County of San Francisco is to carry liability insurance in an amount or coverage materially greater than the amount or coverage then being carried by Borrower for risks comparable to those associated with the Permit Area, then City in its sole discretion may require Permittee to increase the amounts or coverage carried by Borrower to conform to the general commercial practice, unless Borrower demonstrates to the City's satisfaction that the increased coverage is commercially unreasonable and unavailable to Borrower.

(iv) Borrower's compliance with the insurance requirements under this Exhibit L will in no way relieve or decrease Borrower's indemnification obligations under this Agreement or any of Borrower's other obligations under this Agreement.

Exhibit M
Reserved

EXHIBIT N
Reserved

Exhibit O

EXHIBIT O
Commercial Underwriting Guidelines

City and County of San Francisco
Mayor's Office of Housing and Community Development
Commercial Space Underwriting Guidelines
Effective March 3, 2023

The following Mayor’s Office of Housing and Community Development Commercial Space Underwriting Guidelines (these “Guidelines”) are intended to assist applicants (“Sponsors”) for capital financing to prepare financing requests to the City and County of San Francisco (the “City”), represented by the Mayor, acting by and through the Mayor’s Office of Housing and Community Development (“MOHCD”). These Guidelines, along with MOHCD’s Underwriting Guidelines, will also be used by MOHCD staff to evaluate funding requests and present them to the Citywide Affordable Housing Loan Committee (“Loan Committee”) for consideration. The intent of these Guidelines is to support consistency of final loan terms across projects, and to ensure long-term affordability and physical and financial sustainability throughout a project’s loan term.

MOHCD’s Commercial Loans are designed to be paired with residential/affordable housing new construction loans. The Loan Committee maintains the right to set final terms and conditions for a commitment of funds based on the actual circumstances of each project. MOHCD may review and approve any requests for a waiver to these Guidelines in its sole and absolute discretion. These Guidelines will be updated from time to time.

Note: the income and rent limits referenced in these Guidelines are determined and published annually by MOHCD for all multifamily rental housing developments under MOHCD’s purview, including Small Sites, PASS and other rehabilitation-funded projects. All income and rent limits are expressed in MOHCD Area Median Income (AMI).

To the extent that commercial space is required in an affordable housing project, the following guidance is applicable.

A. Intent

1. To support culturally vibrant and inclusive neighborhoods by prioritizing Public Benefit Uses, Community Serving Uses, and other benefits that support the affordable housing residents and surrounding community.
2. To maximize benefit to residents of the affordable housing, followed by creation of benefit for the surrounding community. For example, where the housing is designed for families, seek to provide childcare.
3. Provide City resources to support the following areas:
 - a. Economic Development

- b. Community and Social Development
 - c. Sustainable Job Creation and Retention and Wealth Creation
 - d. Investment Diversification and Partnerships Development
 - e. Environmentally Sustainable Outcomes.
4. To align with the City's Consolidated Plan and the policy priorities outlined in the applicable procurement (RFQ, RFP, NOFA) related to anti-displacement measures for residents and businesses. This may include facilitating community and/or nonprofit ownership.
 5. To leverage commercial funding sources from other City departments, foundations, and financial institutions to support Public Benefit Uses and Community Serving Uses in an effort to remove barriers to successful business development in MOHCD-supported residential buildings.
 6. To maintain the financial viability of the affordable housing and vitality of the surrounding neighborhood by avoiding vacancies.

B. Project Eligibility/Applicability

These Guidelines apply to new construction projects only. These Guidelines assume MOHCD owns the land on which the Project is located. In the rare scenario in which that is not the case, MOHCD and the Housing Owner will adjust these Guidelines accordingly to achieve the goals articulated in Section A and the same financing principles related to the use of MOHCD funds.

C. General Loan/Grant Terms

Please see the MOHCD Development Underwriting Guidelines for guidance on the interest rate, term, and other conditions generally associated with MOHCD financing for new construction. Section E provides further details according to the proposed use, funding type and deal structure.

D. Definitions

1. **Affiliated Entity:** An entity that is either controlled by the Housing Owner, controls the Housing Owner, or is under common control with Housing Owner. Control, as used in the previous sentence, means the ownership, directly or indirectly, of the right to vote in or direct the ordinary operations of the entity.
2. **Cold Shell:** Commercial Space improvements as defined in detail in Attachment A.
3. **Commercial Entity:** A legal entity, separate from the Housing Owner, that may either master lease the Commercial Space from the Housing Owner or ground lease the Commercial Space directly from the City, as provided in Permitted Legal Structures, defined below.
4. **Commercial Project Costs:** The total of all hard (construction) and soft costs associated with the development of the Commercial Space.

5. **Commercial Space:** An entire undifferentiated (ie. not divided into different spaces) commercial area for Public Benefit Use, Community Serving Commercial Use, or Commercial Use. If the Project is subdivided, then the Commercial Space would be a condominium or air rights parcel, separate from the Residential Space. It is possible to have more than one Commercial Space in a Project because the developer may intend different uses (for example, a space is finished to Warm Shell for Public Benefit Use, while another area is finished to Cold Shell and Commercial Use is intended). A Commercial Space may be demised (ie. physically divided into separately leased spaces) into more than one Individual Tenant Space as appropriate.
6. **Commercial Space Master Tenant:** A Commercial Entity that is an Affiliated Entity and that leases the Commercial Space from the Housing Owner and subleases Individual Tenant Space(s) to Individual Commercial Tenant(s).
7. **Commercial Use:** A land use, typically retail or other sales and services use, with the sole or chief emphasis on financial gain and that is not a Public Benefit Use or Community Serving Use as defined below. Commercial Uses shall not include uses that, in MOHCD's sole discretion, are inconsistent with fostering a stable environment for families and children, including, but not limited to, bars, liquor stores, tobacco product stores, recreational cannabis shops (medical cannabis dispensaries may be permitted in MOHCD's sole discretion, but only to the extent permitted by funding sources and applicable local, state, and federal law) or other uses that cater exclusively to adults.
8. **Community Serving Use:** A land use, typically retail or other sales and services use, that provides a direct benefit to the community, as determined by MOHCD in its sole discretion. Such use to be documented through a Community Commercial Services Agreement and reported on annually through the MOHCD Annual Monitoring Report. Dimensions of benefit to include:
 - a. Economic Development
 - b. Community and Social Development
 - c. Sustainable Job Creation and Retention and Wealth Creation
 - d. Investment Diversification and Partnerships Development
 - e. Environmentally Sustainable Outcomes

Examples include:

- i. Early childhood education center,
- ii. Nonprofit office/services provision,
- iii. Food market with affordable and healthy produce and other goods,
- iv. Community banking,
- v. Restaurant offers low-cost meals,
- vi. Business hires low-income workers,
- vii. Business owned by underrepresented community, or
- viii. Other neighborhood serving uses that have a demonstrated benefit to the residents of the Project.

- 9. Housing Owner:** The owner, often a Limited Partnership entity, of the residential improvements at the Project.
- 10. Individual Commercial Tenant:** An occupant of Commercial Space rented from the Housing Owner or Commercial Entity (depending on legal structure).
- 11. Individual Tenant Space:** Demised portion (ie. physical boundary of space being leased) of the Commercial Space for lease to an Individual Commercial Tenant.
- 12. Net Commercial Cash Flow:** Commercial Operating Income less the Commercial Operating Expenses for a Lease Year (or portion thereof). **Commercial Operating Expenses** means the reasonable and customary expenses of reasonable operating and routine maintenance and repair expenses incurred by the Housing Owner or Commercial Entity (depending on legal structure) in the operation of the Commercial Space, debt service, and MOHCD-approved reserves. These expenses may include utilities, insurance, equipment maintenance, security, fees (asset management, audit, taxes), debt service, and operating and replacement reserves, all subject to the approval of MOHCD.. **Commercial Operating Income** means all income and receipts in any form received by the Housing Owner or Commercial Entity (depending on legal structure) from the operation of the Commercial Space, including rents, fees, deposits, and reimbursements.
- 13. Project:** A mixed-use, multifamily residential and commercial project, which may include one or more subdivided residential condominium/air rights parcels and commercial condominium/air rights parcels.
- 14. Public Benefit Use:** A land use, typically programs or services, that primarily benefits low-income persons, is implemented by one or more 501(c)(3) public benefit corporations, and has been identified by the City or community as a priority use. Examples include, but are not limited to, childcare centers, adult day health centers, office space for non-profit organizations, supportive services for the residents of the affordable housing development, health clinics that serve the local community at no or low cost, arts-related spaces that provide programs, and classes and/or exhibition spaces available to community members at no or low cost.
- 15. Residential Space:** The entire undifferentiated (ie. not divided into different units/spaces) residential area for future demising (ie. physically dividing into separately leased spaces) and occupancy by residential tenants. If the Project is subdivided, then the Residential Space would be a condominium or air rights parcel, separate from the Commercial Space(s).
- 16. Tenant Improvements:** The Commercial Space improvements paid for by the Individual Commercial Tenant.
- 17. Warm Shell:** Commercial Space improvements as defined in detail in Attachment A.

E. Key Terms for Public Benefit and Community Serving Commercial Uses

In alignment with MOHCD's goals in Section A, MOHCD offers the following capital financing and below market terms for Commercial Space developed for Public Benefit or Community Serving Commercial Uses:

1. Eligible use of MOHCD funds. MOHCD funds may be used for the following Commercial Project Costs:
 - a. Hard Costs:
 - Commercial Warm Shell (see definition in Attachment A)
 - 5% hard cost contingency on *warm shell costs* and cold shell costs
 - May include a "Warm Shell Allowance" of up to \$1 million, for warm shell costs (see Attachment A) that are to be determined. Warm Shell Allowance funds must be spent within 2 years of main building permit TCO, and any unspent funds placed in a controlled bank account.
 - b. Soft Costs:
 - Architecture, construction management and consulting fees for coordination of Tenant Improvements with shell design and construction
 - Pro rata share of Project soft costs that should be split between residential and commercial, as calculated by Project financial consultant
 - Market study and broker fees
 - Permit fees
 - No furnishings, fixtures or equipment (FF&E)
 - c. Capitalized Commercial Reserve:
 - \$10,000 plus \$5/sf capitalized Commercial Reserve for lease up/operations period vacancy (eligible uses, for example, include utilities, real estate taxes, insurance), and/or replacement reserve needs (post-initial occupancy).
 - d. Commercial Tenant Planning Funds:
 - Up to \$50,000 (or 50% of Individual Commercial Tenant(s) annual operating revenue from the last completed fiscal year, whichever is less) per Commercial Tenant to Individual Commercial Tenant(s) to support their design and permitting process and fundraising strategy once MOHCD-approved Letter/s of Intent (LOI) has been executed. Professional fees are allowed and may include Construction Manager/Property Manager and Permit Coordinator.
 - e. Commercial Space Developer Fee:
 - Allowed in addition to Residential Developer Fee, so long as the sum of the Commercial Developer Fees and Residential Developer Fee do not exceed the developer fee limits allowed by TCAC or other funding agencies.

- Up to \$350,000 per Project, including Project Management and At-Risk fees.
- \$75,000 per Project in additional fee will be allowed for completing the condominium or air rights subdivision, subject to MOHCD approval of the subdivision and legal structure
- Milestones for disbursement are as follows:
 - \$75,000 – At subdivision completion, if applicable
 - \$175,000 – For Project Management, earned pro rata at milestones such as approval of the Commercial Space Plan, signing of Letter of Intent with Tenant and execution of Individual Commercial Tenant/s lease/s
 - \$175,000 – At-Risk earned at milestones that may include signing of tenant leases (up to half) and completion of Tenant Improvements and Tenant Occupancy (split pro-rata)
- Commercial Developer’s Responsibilities: Please see Attachment B for description of responsibilities related to commercial space development.

2. Due diligence.

a. Commercial Space Plan, Commercial Proforma, Tenant Improvement Build-out Summary:

- i. Commercial Plan: Developer must prepare and submit to MOHCD for approval prior to receipt of first installment of Project Management developer fee.
- ii. Commercial Proforma: Developer must prepare both a capital Sources and Uses Budget as well as a commercial operating budget.
- iii. Tenant Improvement Buildout Summary: Developer must provide an Excel matrix that includes all data points that will inform the LOI.

b. Market Study: A market study must be provided by a third party (e.g. a broker, appraiser, or market analyst). This should inform the setting of these terms:

- i. Rent, Rent Growth, Annual Rent Adjustments
- ii. Rent Concessions and/or Tenant Improvement Allowances
- iii. Vacancy Rate
- iv. Expenses and Expense Growth Rate
- v. Commercial Property Management Fees, Leasing Agent Fees
- vi. Reserves.

The Marketing Study should include:

- i. Analysis of neighborhood commercial rents including at least three (3) comparable transactions
- ii. Summary of market tenant improvement allowances

- iii. Summary of immediate submarket/vacancy
 - iv. Summary of businesses in the particular neighborhood / voids and concentration
 - v. Opinion on whether a certain business (type or name to be provided by client) will succeed in a particular area
 - c. Commercial Costs in Basis: Evidence that Developer has analyzed whether commercial space is eligible to be included in eligible basis for use of LIHTC (e.g. whether located in a Qualified Census Tract and use is compliant)
3. Permitted legal structures.
 - a. Direct Lease: Housing Owner leases directly to Individual Commercial Tenant(s).
 - b. Commercial Master Lease: Housing Owner leases the Commercial Space to the Commercial Entity (which must be an Affiliated Entity) (the "Commercial Space Master Tenant"). The Commercial Space Master Tenant would then sublease the Individual Tenant Space(s) to Individual Commercial Tenant(s).
 - c. Subdivision: The City ground leases the Residential Space to the Housing Owner. The City separately ground leases the Commercial Space to the Commercial Entity. The Commercial Entity must be an Affiliated Entity or Individual Commercial Tenant (the latter per the terms below in Section D.7.). Subdivision is permissible only under certain circumstances – for example:
 - When there is more than 5,000 square feet of commercial space and multiple tenants
 - When doing so leverages additional/non-City sources to the project, to facilitate tenant ownership, or to increase competitiveness for non-City financing.
4. Use Restrictions. MOHCD will restrict the use, in the ground lease, of all Commercial Spaces for which the Borrower applies for financing under Section E. Any change in use requires MOHCD approval. MOHCD will also prohibit certain specific uses, such as bars and retail liquor sales, in the ground lease.
5. Letters of Intent (LOI) and Master Lease Terms. All LOIs and leases, including the Commercial Master Lease and Individual Commercial Tenant subleases and Direct Leases, are subject to review and approval by MOHCD, in accordance with these Guidelines.
 - a. LOIs: LOIs should conform to the requirements below in subsection c.
 - b. Commercial Master Lease: For projects constructed on a single parcel (see below for subdivided parcels), Commercial Master Lease rent will be structured so that 40% of Net Commercial Cash Flow, if any, will be paid by Commercial Entity to Housing Owner, and 60% of Net Commercial Cash Flow is paid to the Commercial Entity

(ie. the Commercial Space Master Tenant). The Commercial Entity/Commercial Space Tenant must be an Affiliated Entity. (If 40% of Net Commercial Cash Flow is significant, MOHCD may establish an additional rent, based on 40% of Net Commercial Cash Flow projections, in the MOHCD residential ground lease.)

c. Direct Leases and Individual Commercial Tenant Subleases: Commercial rents and/or Common Area Maintenance (CAM) charges should be sized so as to cover the direct, shared, and allocated costs attributable to commercial use, including utilities payable by the property for the Commercial Space, commercial management fees, commercial reserves, and property taxes and insurance attributable to the Commercial Space. Rent adjustments, beyond typical annual escalations to cover expenses, at renewal periods are prohibited. Lease deposits are prohibited (although tenants may be required to pay for damages), assuming Individual Commercial Tenant/s are responsible for funding Tenant Improvements. The term of the lease between an Individual Commercial Tenant(s) and the Housing Owner or Commercial Space Master Tenant cannot exceed the term of the MOHCD financing on the Project (ie. typically, 55 years).

6. MOHCD Commercial Ground Lease and Loan Terms. When the Commercial Space has been subdivided from the Residential Space, MOHCD will convert the Commercial Space development costs funded by MOHCD into a MOHCD Commercial Loan which is executed at permanent conversion. Additionally, MOHCD will enter into a MOHCD Commercial Ground Lease with the Commercial Entity.

a. Commercial Loan Terms: 55-year term. 0% interest rate. Repayment through residual receipts from commercial space only.

b. Commercial Ground Lease Terms: 75-99-year term. Base rent equal to \$1/year. Residual rent will be 40% of Net Commercial Cash Flow to the City. For other key terms, please see the Underwriting Guidelines applicable to residential use. See the Ground Lease Policy.

7. Transfer of Commercial Space Ownership. Any transfer or sale of the Housing Owner's or Commercial Owner's interest in the Commercial Space parcel is subject to MOHCD approval. Under Section E, the ownership of the Commercial Space parcel may only be transferred to an Individual Commercial Tenant if a) the MOHCD Commercial Loan balance has been fully paid, or b) the MOHCD Commercial Loan has been assigned to the Individual Commercial Tenant. If the MOHCD Commercial Loan is assigned to the Individual Commercial Tenant that is a nonprofit, 501(c)(3) exempt organization, MOHCD may forgive 10% of the Loan each year to such Individual Commercial Tenant that is actively in business and contributing to Intent 1 in Section A. As discussed in Section E.4., MOHCD will continue to restrict the use of the Commercial Space through its Commercial Ground Lease.

F. Terms for Commercial Uses

MOHCD offers the following capital financing terms for Commercial Space developed for Commercial Uses not included in Section E:

1. Eligible use of MOHCD funds. MOHCD funds may be used for the following Commercial Project Costs:
 - a. Hard Costs:
 - Commercial Cold Shell (see definition in Attachment A)
 - 5% hard cost contingency on cold shell costs
 - b. Soft Costs:
 - Construction management and consulting fees for coordination of Tenant Improvements with shell construction
 - Pro rata share of Project soft costs that should be split between residential and commercial, as calculated by Project financial consultant
 - No furniture, fixtures or equipment (FF&E)
 - c. Reserves:
 - Capitalized commercial reserve for lease up, tenant improvements, and/or replacement reserve needs consistent with the Market Study (see Section E.2.a. below)
 - e. Commercial Space Developer Fee:
 - Allowed in addition to Residential Developer Fee, so long as the sum of the Commercial Developer Fees and Residential Developer Fee do not exceed the developer fee limits allowed by TCAC or other non-City funding sources.
 - \$200,000 per Project
 - \$75,000 in additional fee will be allowed for completing the condominium or air rights subdivision, subject to MOHCD approval of the subdivision and legal structure
 - Milestones for disbursement are as follows:
 - \$75,000 – At subdivision completion, if applicable
 - \$100,000 – For Project Management, earned pro rata at milestones such as approval of the Commercial Space Plan, signing of Letter of Intent with Tenant and execution of Individual Commercial Tenant/s lease/s
 - \$100,000 – At-Risk earned at milestones that may include signing of tenant leases (up to half) and completion of Tenant Improvements and Tenant Occupancy (split pro-rata)
2. Due diligence. Same as for Public Benefit.
3. Permitted legal structures. Same as for Public Benefit.
4. Use Restrictions. Same as for Public Benefit.
5. Letters of Intent (LOI) and Lease Terms. All LOIs and leases, including the Commercial Master Lease and Individual Commercial Tenant subleases and Direct Leases, are subject to review and approval by MOHCD, in accordance with these Guidelines.
 - a. LOIs: LOIs should conform to the requirements below in subsection c.

b. Commercial Master Lease: Commercial Master Lease rent will be structured so that 40% of Net Commercial Cash Flow, will be paid by Commercial Entity to Housing Owner, and 60% of Net Commercial Cash Flow is payable to the Commercial Entity (ie. the Commercial Space Master Tenant). The Commercial Entity must be an Affiliated Entity. (If 40% of Net Commercial Cash Flow is significant, MOHCD may establish an additional rent, based on Net Commercial Cash Flow projections, in the MOHCD residential ground lease.)

c. Direct Leases and Individual Commercial Tenant Subleases: Commercial rents and/or Common Area Maintenance (CAM) charges should be based on the proposed use and market conditions consistent with the Market Study. Commercial rents charged must be sufficient to cover all direct, shared, and allocated costs attributable to commercial use. Commercial operating expenses shall include all utilities payable by the property for the Commercial Space, commercial property management fees, commercial reserves, and property taxes and insurance attributable to the Commercial Space. The term of the lease between an Individual Commercial Tenant(s) and the Housing Owner or Commercial Space Master Tenant should be consistent with the Market Study.

6. MOHCD Commercial Ground Lease and Loan Terms. When the Commercial Space has been subdivided from the Residential Space, MOHCD will convert the Commercial Space development costs funded by MOHCD into a MOHCD Commercial Loan which is executed at permanent conversion. Additionally, MOHCD will enter into a MOHCD Commercial Ground Lease with the Commercial Entity.

a. Commercial Loan Terms: 55-year term. 3% interest rate. Residual receipts, with 40% Net Commercial Cash Flow due to MOHCD.

b. Commercial Ground Lease Terms: 99-year term. Base rent equal to \$1/year. Residual rent based on residual receipts, with 40% Net Commercial Cash Flow due to MOHCD once MOHCD Commercial Loan balance has been fully paid.

7. Transfer of Commercial Space Ownership. Any transfer or sale of the Housing Owner's or Commercial Owner's interest in the Commercial Space parcel is subject to MOHCD approval. Under Section E, the ownership of the Commercial Space parcel may only be transferred to an Individual Commercial Tenant if the MOHCD Commercial Loan balance has been fully paid. As discussed in Section E.3., MOHCD will continue to restrict the use of the Commercial Space through its Commercial Ground Lease.

G. Applicability of Accessibility, Procurement, Prevailing Wage, and Workforce Requirements

For the scope of the Commercial Space that is being funded by MOHCD and/or is being built out under the Project's construction contract, all City accessibility, procurement, prevailing wage, and workforce requirements related to the Project will apply.

Tenant Improvements that are being built out under a construction contract separate from the Project's and are not funded by MOHCD, and executed on City or other government land, regardless of the source of financing, are subject to all applicable City

accessibility, procurement, prevailing wage and workforce requirements to which the housing Project was subject (with limited exceptions associated with funding sources and thresholds pertaining to construction contract value).

The Mayor's Office on Disability and the Department of Building Inspections are responsible for accessibility requirements. The Contract Monitoring Division is responsible for procurement, the Office of Economic and Workforce Development is responsible for workforce requirements, and the Office of Labor Standards Enforcement oversees the provision of prevailing wages.

If the Individual Commercial Tenant's Tenant Improvements are funded with money from other City agencies (ie. Office of Economic and Workforce Development grants awarded through Community Vision), all requirements pertaining to that funding source will apply.

If the Individual Commercial Tenant's Tenant Improvements are not funded by any public dollars, and not executed on government-owned land or leased land, please consult with MOHCD on the applicability of City accessibility, workforce and prevailing wage requirements.

H. Real Estate Resources for Nonprofit and Small Business Entities

Loans, grants, and technical assistance for nonprofits and small businesses:

- a. San Francisco Arts Commission – [Arts Commission](#)
- b. Office of Economic and Workforce Development – [Nonprofit sector business development](#)
- c. Office of Economic and Workforce Development – [Find a grant](#)
- d. Office of Economic and Workforce Development – Office of Small Business - <https://sf.gov/departments/office-economic-and-workforce-development/office-small-business>
- e. San Francisco Small Business Development Center (Small Business Administration) - <https://www.sfsbdc.org/>
- f. Community Vision - <https://communityvisionca.org/real-estate-solutions/>

I. WAIVER REQUESTS

All waiver requests are subject to the approval of MOHCD staff and the Citywide Affordable Housing Loan Committee, each at its own discretion. Any requests from the Sponsor to waive any part of these Underwriting Guidelines must be submitted in writing to the MOHCD project manager.

<u>ATTACHMENT A</u>		
<u>Scope/Trade</u>	<u>Cold Shell</u>	<u>Warm Shell (Cold Shell plus the following)</u>
Walls/Doors	<p>Exterior/perimeter walls and doors, including, where required, automatic door actuator(s) at entrance(s). Exterior/perimeter walls must be finished with gyp and fire taping to Code.</p> <p>No partition walls or corresponding doors within demised spaces.</p>	<p>Partition walls and doors demising Individual Tenant Space(s). Partition walls, doors and locks for restrooms and kitchenette based on Individual Commercial Tenants and Code requirements. No other partition walls or doors.</p>
Finish	<p>Exposed concrete slab with rough-in Plumbing, depressed to allow for anticipated use (floor sinks, drains). Temporary ramps for Certificate of Completion, as required.</p>	<p>Finished floor and base to minimum specification of Individual Commercial Tenant or exposed slab with clearance to install flooring to level landing at door. Provide wall, floor, and ceiling finish in restrooms. Kitchenette finishes not included.</p>
Specialties	<p>Code required signage. Exterior commercial signage program developed and approved by Planning and MOHCD. Exterior infrastructure (conduit to anticipated location, cabling, and bracket embeds).</p>	<p>Restroom accessories (soap dispenser, diaper changing station, hand dryer or towel dispenser, garbage receptacle, toilet partitions). Exterior signage (not including marquee or specialty) corresponding to Commercial Signage Program provided in Cold Shell graphics, shop drawings, fabrication, and installation. Kitchenette specialties (cabinets, countertops, lighting, appliances, and plumbing) not included. Drop ceilings.</p>
Structural	<p>Anchors for drop-ceiling. Anchors must be cast-in slab minimum 4' on center in each direction or per Code-required minimum details by licensed structural engineer. Coring or block-out for assumed HVAC rough-in. Steel embed brackets for exterior signage connection.</p>	<p>Code required ramps and railings to assumed final finish floor and level landing at entrance(s).</p>

Elevator / Lift	No	As required.
Mechanical	Stub out for heat-pump, space on roof for equipment, and waterproofed pad (or sidewall where possible). Condensate line installation if roof mounted system anticipated. Fire rated shaft for later ducting of restaurant hood(s); supply air / louver on exterior wall.	Exhaust venting of restroom(s) and kitchenette(s). Ductwork to connect location of mechanical equipment to exterior. Condensate line installation if roof mounted system anticipated. Code-required smoke control. In the case of an approved restaurant use, minimum of one (1) grease duct plus make up air (MUA) duct to accommodate Type 1 hood. Type 2 hood shaft and venting may be considered. Does not include water heating (except for code required restrooms) and all other mechanical equipment.
Plumbing	Stub-out for domestic water supply and water meter in meter room. Storm sewer 4". Stub out all plumbing (supply and waste) to minimum Code-required restroom location(s), including floor drains. SFPUC water meters based on fixtures shown in base building permit drawings. Includes sub panel with breakers. No finish.	SFPUC water meters based on establishment of Individual Commercial Tenant/s. Distribution piping for domestic water (hot and cold), waste and vents to plumbing fixture locations within Individual Tenant Space(s). Floor drains and code-required restroom plumbing fixtures (lavatory(ies), water closet(s), urinal(s)). Does not include finish plumbing of stand-alone fixtures and water heating or garbage disposal (except for restroom fixtures).
Electrical	Provide main service. Dedicated meter in electrical room with service to Commercial Space, including sub-breaker panel. Stub out and conduit on ceiling for mechanical. Perimeter walls to have Code-required wall receptacles. Light fixtures in space connected to Commercial Space meter to meet Certificate of Completion requirements only. Emergency lighting back-up power, connect to Lift or	Installation of sub panel at Individual Tenant Space/s. Interior partition wall outlets as required by Code. Bathroom and kitchenette lighting GFCI outlets per Code. Provide outlets for kitchenette appliances, do not include garbage disposal.

	<p>Elevator (where applicable). Fire alarm distribution from panel, zoned and programmed. Exterior lighting for safety and continuity of design.</p> <p>Provide conduits (as needed for commercial HVAC units) from Commercial Space to roof.</p>	
<p>Telephone/Data</p>	<p>Two (2) 2" conduits from MPOE to space for telecom/data/security. Perimeter walls to have data receptacle rings and conduits to space above ceiling adjacent to required electrical wall receptacles. Temporary security camera connected to residential system until Commercial Space is occupied.</p>	<p>Conduit to IDF for data / fiber and telephone / security, as needed. 4' by 4' 3/4" plywood backer board for telcom/data/security systems for each demised space. Interior partition walls to have data receptacle rings and conduits to space above ceiling adjacent to required electrical wall receptacles</p>
<p>Fire Protection/ Alarm</p>	<p>Building Fire Alarm shall be sized, zoned, programmed and tested to include Commercial Space. State and Local SFFD Code requirements for Completion and Certificate of Occupancy must be met. Sprinkler shall be installed, activated and monitored. Sprinkler heads should be "arm-over" configuration to allow for coordination with future ceiling and lighting layout. Sprinkler system should have sufficient capacity and connection points to allow for additional heads required by future room layouts. Fire extinguishers and cabinets installed. Specialty restaurant fire suppression systems not included.</p>	<p>Zoning of Fire Alarm to Individual Tenant Space/s and re-configuration / programming and testing of main building fire panel. Specialty restaurant fire suppression systems not included. Code required bathroom and kitchenette fire alarm items as required. Sprinkler systems should have additional heads as required to conform to the layout of the demising partition(s), restroom(s) and kitchenette(s).</p>

Site Work	No	Where required by regulation or Code, consideration of site work within the Warm shell (e.g., fencing and gates, lighting, curb cuts, curb painting, parking).
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Attachment B

Commercial Developer's Responsibilities include:

1. Establishing the vision for any non-residential spaces that aligns with Section A as well as the applicable procurement (RFQ, RFP, NOFA) through which the developer was selected
2. Developing and iterating commercial objectives and strategies
3. Creating a Commercial Plan including working with brokers and partners to understand the projected market
4. Working with design team to determine designs for commercial units
5. Developing and iterating Commercial Proforma
6. Developing and iterating a Tenant Improvement Summary (final to be submitted upon completion)
7. Working with in-house asset management team and operations team to develop common area maintenance charges and specific property expenses including insurance, real estate taxes, and reserves.
8. Developing commercial marketing materials and distributing materials to various platforms
9. Consistent community engagement and stakeholder conversations and presentations
10. Working with legal teams to create and finalize documents including commercial tenant leases, master leases, CC&Rs, REAs, and Commercial Ground Leases
11. Cultivating relationships with potential commercial tenants
12. Showing commercial spaces to potential tenants
13. Reviewing commercial tenant applications
14. Creating Letters Of Intent (LOIs) and Leases (often requires multiple LOIs for each unit because tenants frequently back out)
15. Collecting required documents for construction
16. Overseeing tenant improvement buildout
17. Collecting required final documents after successful inspections
18. Regular (at least annual) reporting to MOHCD on satisfaction of goals outlined in Community Commercial Services Agreements and/or the loan agreement.

EXHIBIT P
Residual Receipts Policy

Mayor's Office of Housing and Community Development

Residual Receipts Policy

Effective April 1, 2016

INTRODUCTION

The Mayor's Office of Housing and Community Development (MOHCD) typically requires annual payments under the Ground Leases and Loans provided for the purpose of developing or preserving affordable housing to the extent that making payments is feasible and does not jeopardize the long-term affordability or maintenance of safe and secure housing for its residents. Payments may be required under one or a combination of several structures, including amortization, deferral, or payment from residual receipts, depending on the circumstances.

When a development financed by MOHCD is projected to enjoy more income than is needed to pay expenses, service other debt, fully fund its reserves, and make approved payments out of surplus, it is MOHCD's policy that a portion of the remaining "residual" income be directed toward repayment of MOHCD's investment.

MOHCD also permits a modest portion of "residual" income to be distributed by the borrower. Distribution of any portion of "residual receipts" is conditioned on MOHCD's annual determination that certain performance standards and benchmarks have been met.

SUMMARY (see below for detailed requirements)

I. Definition of Residual Receipts	As depicted in the approved MOHCD Operating Budget Proforma for each project, the amount remaining in the annual operating budget after calculation of Net Operating Income (Project Income less Project Expenses) and allowable payments of surplus. .
II. Annual Residual Receipts Payments Due to MOHCD	Generally, $\frac{2}{3}$ rd s of residual receipts is payable to the City. Larger Tax Credit projects may be eligible to use an alternative $\frac{1}{2}$ - $\frac{1}{2}$ split for up the first 10 years of a new tax credit period, see the Developer Fee Policy for more details.
III. When more than one MOHCD contract requires residual payments	The approved MOHCD Operating Budget Proforma is a required exhibit to the last-executed MOHCD contract and must reflect a comprehensive summary of approved cash flow waterfall, listing of all lenders, relative lien positions, underlying loan terms and amounts owed to MOHCD annually across all MOHCD contracts.
IV. When a project has other Lenders in addition to MOHCD that require residual payments	The portion to be repaid to each Lender is typically determined by the proportional amount of capital funded under each loan. The approved MOHCD Operating Budget Proforma must include a list of all loans and details about projected amounts owed annually, including how the portion of residual receipts to be paid to each lender will be calculated, if not based on a proportional amount.
V. Conditions to Distribution of Residual Receipts to Borrower	Distribution of Residual Receipts may be made only upon: (1) MOHCD approval of Annual Monitoring Report; (2) determination by MOHCD that borrower is not in default; and (3) approval by MOHCD of amount of

	Distribution.
VI. Use of Residual Receipts Distributed to the Borrower	MOHCD strongly encourages borrowers to use distributions for activities in San Francisco that would be eligible uses under the CDBG Program Income rules (except to the extent that those rules may prohibit the use of funds for new construction).
VII. Uses of Project Income for Services and other Extraordinary Costs Associated with the Project	Any other use of the income derived from housing developed or preserved with MOHCD financing apart from ordinary and routine operating expenses, debt service or required reserves must be approved by the Loan Committee and the Mayor at the time MOHCD financing is committed and approved.
MOHCD Repayment Waiver Option	The repayment waiver option has been terminated.

I. Definition of Residual Receipts

- A. Residual Receipts is the amount remaining in the annual operating budget after calculation of Net Operating Income (Project Income less Project Expenses) and allowable payments from surplus.
- B. The project-specific Funding Agreements and/or Ground Leases define what Project Income entails and which Project Expenses are allowable. In general, the definition of allowable Project Expenses will include mandatory or “hard” debt service payments, minimum or Base Rent owed under a Ground or Land lease, and required annual payments into Reserve accounts. Each MOHCD contract will include a copy of the approved Operating Budget Proforma.
- C. When MOHCD requires repayments from Residual Receipts, the formula usually requires payment of a portion of the available Residual Receipts. The use of a proportional formula makes it is essential to clearly define which uses of surplus cash have been approved for payment prior to the calculation of the amount owed to MOHCD.
- D. The approved uses of any available surplus may also be referred to as the cash flow waterfall. The approved MOHCD Operating Budget Proforma is used to document the approved cash flow waterfall. In general, the following expenses may be a part of a cash flow waterfall:
 - 1. Fees payable to the project, the GP, the LP or the parent entity
 - 2. Fees payable to project funders
 - 3. “Soft” debt repayments to lenders / lessors

Please see the City’s Developer Fee Policy and Operating Fees Policy for a list of allowable fees and any applicable limits.

- E. Limited Partnership Agreements may also provide a narrative summary of the cash flow waterfall. In the event that a Limited Partnership Agreements is found to be inconsistent with the MOHCD Funding Agreement and/or the approved MOHCD Operating Budget Proforma, the MOHCD documents shall control.

II. Annual Residual Receipts Payments due under MOHCD Ground Leases & Loans

Except as recommended by the Loan Committee and approved by the Mayor on a project by project basis, the portion to be paid to the City shall be $\frac{2}{3}$ rds of Residual Receipts. Larger Tax Credit projects may be eligible to use an alternative $\frac{1}{2}$ - $\frac{1}{2}$ split for up the first 10 years of a new tax credit period and the borrower's portion of Residual Receipts shall be considered payment of Deferred Developer Fee. See the Developer Fee Policy for more details.

Any residual receipts payments shall be applied toward the unpaid balance of MOHCD loan/s according to the terms in the Promissory Note and/or Funding Agreement, and toward the payments required under the MOHCD Ground Lease.

III. When more than one MOHCD contract requires residual payments:

Some projects supported by MOHCD may be governed by more than one MOHCD contract. The MOHCD Operating Budget Proforma provides a comprehensive summary of the approved cash flow waterfall, a listing of all lenders, the relative position of each lien, the amounts owed and the relevant repayment terms, and will also reflect the cumulative amount of repayments owed to MOHCD annually across all MOHCD contracts. Projects governed by more than one MOHCD contract that extend or initiate a MOHCD contract after the effective date of this policy will be required to get approval of a new MOHCD Operating Budget Proforma.

IV. When a project has other Lenders in addition to MOHCD that require residual payments

A. If any other project lenders besides MOHCD require repayment from residual receipts, the portion to be repaid to each Lender will typically be determined by the proportional amount of capital supplied under each loan. For example, if a project received a \$2 million loan from MOHCD and a \$3 million loan from another lender, MOHCD would receive $\frac{2}{5}$ ths of the amount available to be repaid, and the other lender would receive $\frac{3}{5}$ ths of the amount available to be repaid. The approved MOHCD Operating Budget Proforma must include a list of all Loans and provide an appropriate amount of detail about the projected amounts owed annually including details about how the portions to be paid to each lender will be calculated. If a project makes an agreement with any other lender/s after executing a MOHCD contract containing the final MOHCD-approved Operating Budget Proforma, prior to making any payments to such other lender/s, the project must request and be approved in writing to amend the MOHCD-approved Operating Budget Proforma to include the new lender/s.

B. During operations, MOHCD will require Residual Receipts payments using MOHCD's method of calculating surplus and any amounts owed to the MOHCD. If there is a difference in the amount calculated to be owed to any other lenders under another lender's repayment calculation method when compared to MOHCD method, then each lender will be paid according to its calculation, so long as doing so would not result in a reduction in the amount payable to MOHCD.

V. Conditions to Distribution of Residual Receipts to Borrower

- A. Distribution of Residual Receipts to the borrower of a MOHCD loan, or lessee of a MOHCD ground lease, may be made only upon:
1. MOHCD approval of the Annual Monitoring Report submitted for that year; and
 2. Determination by MOHCD that the borrower is not in default under terms of the Loan; and

3. Approval by MOHCD of the amount to be distributed.
- B. No distribution of Residual Receipts shall be made under any of the following circumstances:
1. When a written notice of default has been issued by any lender or investor and such default has not been cured; or
 2. When the City determines that the borrower or the borrower's management agent has failed to maintain the housing and its surroundings in a safe and sanitary manner in accordance with local health, building, and housing codes; or
 3. If any operating expense, including debt service on non-City loans remains unpaid; or
 4. If any required reserve account is not fully funded according to the terms of the MOHCD contract/s; or
 5. In the event of any other material failure to comply with the provisions of the MOHCD contract/s.

VI. Use of Residual Receipts Distributed to the Borrower

MOHCD strongly encourages borrowers to use the portion of Residual Receipts that is not applied toward repayment of MOHCD's loan or payment of residual rent under a MOHCD ground lease for activities in San Francisco that would be eligible uses under the CDBG Program Income rules (except to the extent that those rules may prohibit the use of funds for new construction).

VII. Uses of Project Income for Services and other Extraordinary Costs Associated with the Project

- A. With the exception of Residual Receipts retained by a borrower pursuant to this policy, any other use of the income derived from housing developed or preserved with MOHCD financing apart from ordinary and routine operating expenses, debt service or required reserves must be approved by the Loan Committee and the Mayor at the time MOHCD financing is committed and approved.
- B. The Loan Committee may approve variations of this policy on a project-specific basis, including the payment of costs associated with the provision of social, educational, vocational, counseling or other supportive services to residents either as a project expense or out of that portion of Residual Receipts that would otherwise be repaid to the City.