

File No. 190934

Committee Item No. 3

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date September 25, 2019

Board of Supervisors Meeting

Date _____

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Completed by: Linda Wong

Date September 20, 2019

Completed by: Linda Wong

Date _____

1 [Loan Agreement - 4840 Mission Housing Associates LP - 4840 Mission Street - Not to
2 Exceed \$18,600,000]

3 **Resolution approving and authorizing the Director of the Mayor's Office of Housing and**
4 **Community Development to execute documents relating to a loan to provide financing**
5 **for predevelopment activities for the construction of a 100% affordable 137-unit**
6 **multifamily rental housing project known as 4840 Mission, including the payoff of an**
7 **acquisition loan, completion of additional architectural design and design consultant**
8 **work, and other predevelopment activities, in an aggregate amount not to exceed**
9 **\$18,600,000; approving the form of and authorizing the execution of a first amendment**
10 **to the loan agreement, an amended and restated promissory note, and an amendment**
11 **to the deed of trust; ratifying and approving any action heretofore taken in connection**
12 **with the project, as defined herein; granting general authority to City officials to take**
13 **actions necessary to implement this Resolution, as defined herein; and finding that the**
14 **loan is consistent with the General Plan, and the eight priority policies of Planning**
15 **Code, Section 101.1.**

16
17 WHEREAS, The City and County of San Francisco, acting through the Mayor's Office
18 of Housing and Community Development ("MOHCD"), administers a variety of housing
19 programs that provide financing for the development of new affordable housing and the
20 rehabilitation of single- and multi-family housing for low- and moderate-income households
21 and resources for homeowners in San Francisco; and

22 WHEREAS, MOHCD enters into loan agreements with affordable housing developers
23 for the purpose of developing 100% affordable housing within the City; and

24 WHEREAS, 4840 Mission Housing Associates LP, a California limited partnership (the
25 "Borrower"), an affiliate of nonprofit housing developer BRIDGE Housing Corporation, a

1 California nonprofit public benefit corporation, has acquired the property commonly known as
2 4840 Mission Street (the "Property") in order to develop a 100% affordable rental housing
3 project for extremely-low, very-low, low-, and moderate-income households with 1-, 2-, and 3-
4 bedroom units, and ancillary space for residential property staff offices, a community-serving
5 space, and commercial space, a portion of which is intended to be occupied by Mission
6 Neighborhood Health Center, to be commonly known as "4840 Mission" (the "Project"); and

7 WHEREAS, MOHCD provided Borrower with a predevelopment loan of \$6,000,000 to
8 finance, in part, Borrower's acquisition of the Property and predevelopment due diligence
9 associated with the development of the Project, which loan was evidenced by a loan
10 agreement, secured promissory note, and declaration of restrictions, and secured by a deed
11 of trust; and

12 WHEREAS, Borrower also received a loan from the San Francisco Housing
13 Accelerator Fund ("SFHAF") to fund the acquisition of the Property; and

14 WHEREAS, Borrower has requested the City to provide additional financing to
15 Borrower to pay off their acquisition loan, complete architectural design and design consultant
16 work and other predevelopment activities work for the construction of the Project; and

17 WHEREAS, MOHCD has reviewed the request for funding application and has
18 determined that paying off Borrower's acquisition loan from SFHAF will reduce the cost of the
19 Project, and therefore recommended approval of Borrower's loan request; and

20 WHEREAS, On September 6, 2019, the Citywide Affordable Housing Loan Committee
21 recommended approval to the Mayor of a loan for Project in an amount not to exceed
22 \$18,600,000 (the "Loan"); and

23 WHEREAS, MOHCD desires to provide the Loan to the Borrower pursuant to a Loan
24 Agreement as amended by a First Amendment to Loan Agreement, an Amended and
25 Restated Promissory Note, and an amendment to the Deed of Trust (collectively, "Loan

1 Documents”), in substantially the form on file with the Clerk of the Board in File No. 190934
2 and in such final form as approved by the Director of MOHCD and the City Attorney; and

3 WHEREAS, The material terms of the Loan Documents include: (i) a minimum term of
4 57 years; (ii) an interest rate of up to 3%; (iii) annual repayment of the loan through residual
5 receipts from the completed Project; (iv) the residential part of the Property will be restricted
6 for no less than 57 years as 100% affordable housing to low- and moderate-income
7 households with annual maximum rent and income established by MOHCD; (v) the loan will
8 be secured by a deed of trust recorded against the Property; and

9 WHEREAS, The Planning Department has determined the Project is eligible for
10 affordable housing streamlined approval under California Senate Bill 35 (SB-35) (California
11 Government Code Section 65913.4), and therefore does not require CEQA analysis, as
12 provided in the Planning Department’s Notice of Final Approval of an SB 35 Project dated July
13 2, 2019 (BPA No. 2019.0319.5605); and

14 WHEREAS, By letter dated June 14, 2019, the Planning Department found the Project
15 to be consistent with the General Plan, and with the Eight Priority Policies under Planning
16 Code, Section 101.1; now, therefore, be it

17 RESOLVED, This Board affirms the Planning Department’s determination that the
18 proposed Project loan is consistent, on balance, with the General Plan, and with Planning
19 Code Section, 101.1 for the reasons set forth in the Director of Planning’s letter; and, be it

20 FURTHER RESOLVED, That the Board of Supervisors hereby approves the Loan
21 Documents, and authorizes the Director of MOHCD or the Director’s designee to enter into
22 the Loan Documents for of the Project, including, without limitation, modifications of the Loan
23 Documents, and preparation and attachment of, or changes to, any of all of the exhibits and
24 ancillary agreements, and any other documents or instruments necessary in connection
25

1 therewith, that the Director determines, in consultation with the City Attorney, are in the best
2 interest of the City, do not materially increase the obligations or liabilities for the City or
3 materially diminish the benefits of the City, or are necessary or advisable to effectuate the
4 purposes and intent of this Resolution and are in compliance with all applicable laws,
5 including the City Charter; and, be it

6 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes and
7 delegates to the Director of MOHCD and/or the Director of Property, and their designees, the
8 authority to undertake any actions necessary to protect the City's financial security in the
9 Project and enforce the affordable housing restrictions, which may include, without limitation,
10 acquisition of a Project site upon foreclosure and sale at a trustee sale, acceptance of a deed
11 in lieu of foreclosure, or curing the default under a senior loan; and, be it

12 FURTHER RESOLVED, That all actions authorized and directed by this Resolution and
13 heretofore taken are hereby ratified, approved and confirmed by this Board of Supervisors;
14 and be it

15 FURTHER RESOLVED, That within thirty (30) days of the Loan Documents being fully
16 executed by all parties, MOHCD shall provide the Loan Agreement to the Clerk of the Board
17 for inclusion into the official file.

18
19 RECOMMENDED:

20 

21 _____
22 Daniel Adams, Acting Director
23 Mayor's Office of Housing and Community Development
24
25

<p>Item 3 File 19-0934</p>	<p>Department: Mayor's Office</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p>	
<p>The proposed resolution would authorize the Director of the Mayor's Office of Housing and Community Development (MOHCD) to amend an existing loan agreement with BRIDGE Housing Corporation (BRIDGE), to increase the loan amount by \$12,600,000, from \$6,000,000 to \$18,600,000, to pay for pre-development costs for the affordable housing development at 4840 Mission Street.</p>	
<p style="text-align: center;">Key Points</p>	
<ul style="list-style-type: none"> • The proposed project at 4840 Mission Street, sponsored by BRIDGE, includes 137 affordable housing units, 39 residential parking spaces, residential property staff offices, a health center operated by Mission Neighborhood Health Center, and commercial space, and has an estimated total construction cost of \$83,009,416. • Total acquisition costs for 4840 Mission Street are \$12,000,000. MOHCD entered into a loan agreement with BRIDGE in 2017 for \$6,000,000, which included \$3,000,000 toward the acquisition costs. BRIDGE obtained an additional three-year \$9,000,000 loan from the San Francisco Housing Accelerator Fund in 2017 to fund the remaining acquisition costs. • The proposed loan amendment of \$12,600,000 will be used to pay off the \$9,000,000 San Francisco Housing Accelerator Fund loan and for other predevelopment costs. According to MOHCD, paying off the \$9,000,000 San Francisco Housing Accelerate Fund loan will save interest costs and total development costs for the project. 	
<p style="text-align: center;">Fiscal Impact</p>	
<ul style="list-style-type: none"> • The loan amount under the amended loan agreement is \$12,510,000 (rather than \$12,600,000 as stated in the proposed resolution), funded by Inclusionary Affordable Housing fees. The proposed loan amount represents approximately 21 percent of the fund balance for the Inclusionary Affordable Housing Fee program. 	
<p style="text-align: center;">Policy Consideration</p>	
<ul style="list-style-type: none"> • Substantial changes to the project design made after the original loan award to BRIDGE in 2017 resulted in the estimated total project cost increasing from approximately \$45 million to \$83 million. According to MOHCD, project changes are evaluated by the Citywide Affordable Housing Loan Committee, which determines whether the proposed project continues to meet MOHCD's underwriting guidelines and aligns with the financing plan prior to making a recommendation on the loan. 	
<p style="text-align: center;">Recommendations</p>	
<ul style="list-style-type: none"> • Amend the proposed resolution to authorize the Director of MOHCD to execute loan documents for a total loan amount not to exceed \$18,510,000 rather than \$18,600,000 as stated in the resolution. • Approve the proposed resolution, as amended. 	

MANDATE STATEMENT

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission in excess of \$10 million or 10 years is subject to Board of Supervisors approval by resolution. Ordinance 202-19, adopted by the Board of Supervisors in August 2019, authorized the Director of the Mayor's Office of Housing and Community Development to enter into loan and grant agreements of more than 10 years without further Board of Supervisors approval if the total loan or grant amount is less than \$10 million.

BACKGROUND

In April 2016, the Mayor's Office of Housing and Community Development (MOHCD) released a Notice of Funding Availability (NOFA) for acquisition and predevelopment financing for affordable rental housing supported by the 2015 General Obligation Housing Bond – Proposition A. The proposed project at 4840 Mission Street, sponsored by BRIDGE Housing Corporation (BRIDGE), was selected out of a pool of submittals and received the highest score in the competitive process.

The project sponsor originally proposed to use modular design as a method of cost containment; however, the current project design is for traditional construction due to community and decision maker input. The initial conceptual design, which included 114 affordable housing units, property staff offices, and 20 for-sale market rate townhouses, no parking, and a health center, had an estimated total construction cost of \$45,007,090 as of April 2017.¹ The current design, which includes 137 affordable housing units, 39 residential parking spaces, residential property staff offices, a health center operated by Mission Neighborhood Health Center, and commercial space, has an estimated total construction cost of \$83,009,416.

The construction cost estimates for the project have increased due to a combination of escalation of material and labor costs over time, the redesign of the project (including switching from modular to on-site construction), and other additions to the scope such as three additional housing units, parking spaces, and commercial space.

The original design assumed 112 of the 114 units would be affordable for households at or below 60 percent of the area median income (AMI), with 23 units set aside for homeless families, and operating subsidies provided by the Local Operating Subsidy Program (LOSP).

The current design has a mix of units affordable for households at or below 30 percent of AMI up to 105 percent of AMI, with an income average of 59 percent of AMI. The current plan includes 35 units set aside for households voluntarily relocating from the HOPE SF Potrero development.

In May 2017, MOHCD executed a \$6,000,000 loan agreement with BRIDGE to finance the predevelopment costs and acquisition of 4840 Mission Street. Of the \$6,000,000 in committed funds, \$3,000,000 are 2015 General Obligation Housing Bond proceeds and \$3,000,000 are

¹ According to Ms. Heavens, construction cost escalation is assumed to be 5 percent per year, but the actual cost of construction is not known until a project is bid out.

Inclusionary Affordable Housing Fee revenues. The original loan agreement was recommended for approval by the Citywide Affordable Housing Loan Committee and was not subject to Board of Supervisors approval at the time.

The \$6 million predevelopment loan included \$3 million toward the \$12 million acquisition of 4840 Mission Street. Because MOHCD was unable to provide the full \$12 million to fully fund the acquisition of the site in 2017, the project sponsor obtained an additional three-year \$9,000,000 loan from the San Francisco Housing Accelerator Fund in June 2017.

The project sponsor has made \$1,112,268 in interest payments to date; no payments were applied to principal. An additional interest payment of \$71,320 will be due in October 2019, for total interest payments of \$1,183,588. According to Ms. Cindy Heavens, Project Manager at MOHCD, MOHCD is amending the existing loan agreement between MOHCD and BRIDGE Housing to pay off the \$9 million San Francisco Housing Accelerator Fund loan prior to the loan payoff date of June 2020 in order to reduce the interest costs of the loan and the total development cost for the project.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would: (1) authorize the Director of the Mayor's Office of Housing and Community Development (MOHCD) to execute documents relating to a loan to provide financing for predevelopment activities for the construction of a 100 percent affordable 137-unit rental housing project known as 4840 Mission, including the payoff of an acquisition loan, completion of additional architectural design and design consultant work, and other predevelopment activities, in an aggregate amount not to exceed \$18,600,000; (2) authorize the execution of a first amendment to the loan agreement, an amended and restated promissory note, and an amendment to the deed of trust; (3) ratify and approve any action taken in connection with the project; and (4) find that the loan is consistent with the City's General Plan and the priority policies of Planning Code Section 101.1.

MOHCD has an existing pre-development loan agreement with BRIDGE Housing of \$6,000,000, as noted above. The proposed resolution would approve the first amendment to the existing pre-development loan agreement, increasing the loan amount by \$12,600,000, for a total pre-development loan of \$18,600,000.

MOHCD expects to close the loan transaction with BRIDGE in October 2019. The loan documents will restrict the project as affordable housing to low- and moderate-income households with annual maximum rent and income established by MOHCD for no less than 57 years. The loan will be secured by a deed of trust recorded against the property. According to Ms. Heavens, affordability of the project will be further restricted by the terms of the loan provided by MOHCD, and potential bond appropriation, which will be subject to future Board of Supervisors approval.

Loan repayment obligations are limited to the availability of residual receipts, or annual cash flow after operating costs have been paid. Interest not paid to the City each year due to lack of available residual receipts will be forgiven and will not accrue. For any year when the replacement reserve balance is less than 1.5 times the original replacement reserve amount,

one-third is retained by the project sponsor, and the other two-thirds is deposited into the replacement reserve. In the event that the replacement reserve balance is greater than 1.5 the original amount, then the City would receive repayment on the loan.

FISCAL IMPACT

Sources and Uses

The total loan amount between MOHCD and BRIDGE Housing is \$18,510,000, which includes \$6,000,000 previously loaned and \$12,510,000 to be loaned under the proposed first amendment. The \$12,510,000 loan would be used to repay the \$9,000,000 loan between BRIDGE Housing and the San Francisco Housing Accelerator Fund, and other pre-development costs.² Sources and uses of loan funds are shown in Table 1 below.

Table 1: Sources and Uses of Funds for 4840 Mission Street

Sources	Original Loan	First Loan Amendment (File 19-0934)	Total
Proposition A General Obligation Bond	\$3,000,000		\$3,000,000
Inclusionary Affordable Housing Fee	3,000,000	\$12,510,000	15,510,000
Total	\$6,000,000	\$12,510,000	\$18,510,000
Uses			
Acquisition	\$3,000,000	\$9,000,000	\$12,000,000
Legal/Closing Costs/Broker's Fee	47,911		47,911
Holding Costs ^a	1,425,887	407,657	1,833,544
Architecture & Design	714,986	1,802,499	2,517,485
Engineering & Environmental Studies	103,601	80,000	183,601
Financing Costs	135,000	0	135,000
Legal Costs	66,798	62,218	129,016
Other Development Costs	345,332	444,863	790,195
Soft Cost Contingency	0	323,248	323,248
Developer Fee	160,485	389,515	550,000
Total	\$6,000,000	\$12,510,000	\$18,510,000

^a Includes interest on the SFHAF loan, predevelopment loan interest, and security/maintenance for the vacant site.

² Total acquisition costs for 4340 Mission Street are \$12,000,000, including \$3,000,000 under the original loan agreement between MOHCD and BRIDGE Housing, and \$9,000,000 under the first amendment to the loan agreement.

City Subsidy

The current City subsidy per unit would total \$135,036, or \$94.34 per square foot, as shown in Table 2 below.

Table 2: City Subsidy for 4840 Mission Street

Number of units	137
Total building area	196,095 sf
Total City subsidy	\$18,500,000
City Subsidy per unit	\$135,036
City Subsidy per sf	\$94.34

Fund Balance

The proposed loan amount represents approximately 21 percent of the fund balance of the funding source, the Inclusionary Affordable Housing Fee program. As of July 1, 2019, the fund balance for the Inclusionary Affordable Housing Fee program was approximately \$60.2 million. Of the Inclusionary Affordable Housing Fee program fund balance, MOHCD has allocated but not yet encumbered \$35.2 million in FY 2019-20 (including the proposed \$12.5 million loan for 4840 Mission) and \$20.6 million in FY 2020-21, according to Mr. Benjamin McCloskey, Deputy Director of Finance and Administration at MOHCD.

POLICY CONSIDERATION

Project Changes after NOFA Award

As discussed above, substantial changes to the project design made after the 2016 NOFA award resulted in the estimated total project cost increasing from approximately \$45 million to \$83 million. It is not possible to know if the current project proposal with higher estimated construction costs would have received a different score in the competitive NOFA process that may have resulted in a different award decision by the MOHCD panel.

According to Ms. Mara Blitzer, Director of Housing Development at MOHCD, upon each loan request, project changes are evaluated by the Citywide Affordable Housing Loan Committee.³ The loan committee determines whether the proposed project continues to meet MOHCD’s underwriting guidelines and align with the financing plan prior to making a recommendation on the loan.

³ The Citywide Affordable Housing Loan Committee consists of the MOHCD Director, the Office of Community Investment and Infrastructure Executive Director, the Department of Homelessness and Supportive Housing Deputy Director for Programs. If this body approves the funding request, it forwards its recommendation for funding to the Mayor for consideration.

RECOMMENDATIONS

1. Amend the proposed resolution to authorize the Director of MOHCD to execute loan documents for a total loan amount not to exceed \$18,510,000 rather than \$18,600,000 as stated in the resolution.
2. Approve the proposed resolution, as amended.

FIRST AMENDMENT TO THE
LOAN AGREEMENT

(City and County of San Francisco Affordable Housing Fund Inclusionary Affordable Housing
Program and 2015 General Obligation Bond for Affordable Housing)
(4840 Mission Street)

This First Amendment to the Loan Agreement (City and County of San Francisco Affordable Housing Fund Inclusionary Affordable Housing Program and 2015 General Obligation Bond for Affordable Housing) ("First Amendment") is made as of _____, 2019, by and between the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, represented by the Mayor, acting through the Mayor's Office of Housing (the "City"), and **4840 MISSION HOUSING ASSOCIATES LP**, a California limited partnership (the "Borrower").

RECITALS

A. The City previously loaned Six Million and No/100 Dollars (\$6,000,000) (the "Loan") to Borrower to finance acquisition and predevelopment due diligence for the property located at 4840 Mission Street, San Francisco, (the "Site") on which the Borrower would construct a 114-unit multifamily rental housing development known as the "4840 Mission" (the "Project"). The Loan is evidenced by the following documents: (1) a Loan Agreement (City and County of San Francisco Affordable Housing Fund Inclusionary Affordable Housing Program and 2015 General Obligation Bond for Affordable Housing) dated May 11, 2017 (the "Agreement"); (2) a Secured Promissory Note made by Borrower in an amount of the Loan to the order of the City dated May 11, 2017 (the "Original Note"); (3) a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated and recorded on June 7, 2017 as Serial Number 2017-K460376-00 of Official Records; and (4) a Declaration of Restrictions dated and recorded on June 7, 2017 as Serial Number 2017- K460375-00 of Official Records (the "Declaration"). All initially capitalized terms used but not defined in this First Amendment have the meanings given to those terms in the Agreement.

B. Since entering into the above-referenced City Documents, the Project has been revised to include up to 137 units of affordable housing for low and very low income households (including two manager's unit) (the "Residential Project") and a ground floor commercial shell with a total of approximately 15,726 square feet for two (2) commercial spaces (the "Commercial Spaces").

C. In order to pay off an acquisition loan from San Francisco Housing Accelerator Fund used to purchase the Site in 2017 referenced un Recital E of the Agreement, and complete the predevelopment activities, the Borrower has requested an additional loan of [Twelve Million Five Hundred Ten Thousand and No/100 Dollars (\$12,510,000)] (the "Additional Loan"). The City has agreed to increase the Loan by the Additional Loan, subject to the terms and conditions of the Agreement and this First Amendment. The Additional Loan will be comprised of Jobs-Housing Linkage Program Affordable Housing Fund, Fee Funds, and Housing Trust Fund.

D. In addition, due to adjustments in the proposed development schedule, Borrower and City desire to amend certain provisions in the Agreement related to the new development schedule.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth in the City Documents, the City and the Borrower agree as follows:

1. Amendments to Agreement.

(a) Changes to Project. Recital C is deleted in its entirety and replaced with the following new Recital C:

C. Borrower has acquired a fee interest in the real property located at 4840 Mission Street, San Francisco, California (the "Site"), using the Loan and funding from the San Francisco Housing Accelerator Fund ("SFHAF"). Borrower desires to use the Funds to pay off the acquisition loan from SFHAF, and to pay predevelopment costs for the construction development of the Site which Borrower currently anticipates will consist of a 137-unit multifamily rental housing development, affordable to low-income households, including the construction of a commercial shell for two commercial spaces (the "Commercial Space"), and community spaces all to be known as "4840 Mission" (the "Project"). The maximum income and rent requirements for the Project and set forth in Exhibit A shall remain in effect even if the Local Operating Subsidy (defined therein) is no longer available to the Project.

(b) Funding Amount. Recital D is deleted in its entirety and replaced with the following new Recital D:

D. The City has reviewed Borrower's application for Funds and, in reliance on the accuracy of the statements in that application, has agreed to make a loan of Funds to Borrower (the "Loan") in the amount of [Eighteen Million Five Hundred Ten Thousand and No/100 Dollars (\$18,510,000.00)] (the "Funding Amount") under this Agreement to fund certain costs related to the Project. The Funding Amount is comprised of (i) Fee Funds in the amount of [Fifteen Million Five Hundred Ten Thousand and No/100 Dollars (\$15,510,000)], (ii) Bond Funds in the amount of Three Million and No/100 Dollars (\$3,000,000).

(c) Payoff of SFHAF. Recital E is deleted in its entirety.

(d) Definitions. The following defined terms are added to Section 1.1:

"HOPE SF" means the nation's first large-scale public housing transformation and community development project aimed at disrupting intergenerational poverty, reducing social isolation, and creating vibrant mixed-income communities without mass displacement of current residents. Launched in 2007, HOPE SF is a twenty-year human and real estate capital commitment, now

spanning five mayoral administrations. Unlike prior redevelopment efforts that have largely displaced existing populations, HOPE SF is committed to current public housing residents, to breaking intergenerational patterns related to the insidious impacts of trauma and poverty, and to creating economic and social opportunities for families through deep investments in education, economic mobility, health, and safety.

“HOPE SF Property” means any of the four specific HOPE SF public housing developments of Hunters View, Alice Griffith, Sunnysdale Velasco, and Potrero and Potrero Annex.

(e) Funding Amount. Section 2.1 (Funding Amount) is deleted in its entirety and replaced with the following new Section 2.1:

2.1 Funding Amount. The City agrees to lend to Borrower a maximum principal amount equal to the Funding Amount in order to finance acquisition and predevelopment due diligence associated with the potential development of 137 units of affordable housing for very low- and low- income households. The Funding Amount will be disbursed according to the terms and subject to the conditions set forth in this Agreement.

(f) Use of Funds. Section 2.2 (Use of Funds) is deleted in its entirety and replaced with the following new Section 2.2:

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 shall not approve expenditure of Funds for expenses incurred by Borrower prior to September 15, 2016, but City will allow reimbursements of expenditures from the Loan for costs associated with the Project and acquisition deposits beginning July 15, 2015. The City will allow reimbursement of expenditures from the Loan for costs associated with Project predevelopment activities and to pay off of the original acquisition loan to Borrower from SFHAF.

(g) Conditions to Additional Financing. Section 2.5 (Conditions to Additional Financing) is deleted in its entirety and replaced with the following new Section 2.5:

2.5 Conditions to Additional Financing. If Borrower desires to obtain additional financing for the Project, then Borrower must satisfy the following:

(a) At least ninety (90) days before submitting the final application to MOHCD for construction or permanent financing:

(i) Borrower will submit to MOHCD a financial analysis that assumes a competitive State of California Housing and Community Development (“HCD”) Multifamily Housing Program (“MHP”) application. The financial analysis must include 40 units set-aside for families relocating from HOPE SF Property supported by project-based vouchers and 20 units for homeless families supported by LOSP. Borrower’s financial analysis must accompany a design that is consistent with MHP requirements. Sponsor’s financial analysis must include a MHP self-score and tie-breaker analysis.

(ii) Borrower must provide a comprehensive schedule detailing permits, affordable housing financing, and commercial space financing, and construction start and completion, and marketing and lease-up.

(iii) Borrower must submit a comprehensive draft services plan covering the entire property and including LOSP and households voluntarily moving from HOPE SF Potrero and Potrero Annex.

(iv) Borrower must provide a thorough commercial space financing plan that includes information about Mission Neighbor Health Clinic proposed ownership structure; New Market Tax Credit funding availability; ground lease payment potential; tenant improvement costs and funding sources; fundraising needs and potential; and repayment options for MOHCD expenditures on the warm shell.

(v) If design features are changed in response to rising costs, Borrower must secure all City approvals for those changes. Borrower must work with MOHCD construction team to review the proposed design and manage impact of potential design changes and rising costs to project.

(vi) Borrower must provide explanation with supporting documents for all construction management costs.

(h) Maturity Date. Section 3.1 (Maturity Date) is deleted in its entirety and replaced with the following new Section 3.1:

3.1 Maturity Date. Borrower must repay all amounts owing under the City Documents on the date that is the later of (a) the Fifty Seventh (57th) anniversary of the date the Deed of Trust is recorded in the Recorder’s Office of San Francisco County or (b) the Fifty

Fifth (55th) anniversary of the Conversion Date (the “**Maturity Date**”).

(i) Commencement and Completion of Project. Section 5.6 (Commencement and Completion of Project) is deleted in its entirety and replaced with the following new Section 5.6:

5.6 Commencement and Completion of Project. Unless otherwise extended in writing by the City Borrower must: (a) commence demolition, rehabilitation or construction no later fourteen months after Borrower’s receipt of a tax credit reservation or bond allocation; (b) complete demolition and construction by no later than two years following commencement of construction 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 thirty-one months following commencement of construction.

(j) Marketing and Tenant Selection Plan & Tenant Screening Criterial Requirements. Section 6.3 (Marketing and Tenant Selection Plan & Tenant Screening Criterial Requirements) is deleted in its entirety and replaced with the following new Section 6.3:

6.3 Marketing and Tenant Selection Plan & Tenant Screening Criteria and HOPE SF Resident Selection Criteria Requirements:

(a) Borrower’s Marketing and Tenant Selection Plan shall comply with the requirements of the Tenant Selection Plan Policy as set forth in the attached **Exhibit H**. The Tenant Screening Criteria and HOPE SF Selection Criteria are a component of the Marketing and Tenant Selection Plan. The Marketing and Tenant Selection Plan must be kept on file at the Project at all times.

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

(c) Borrower’s HOPE SF resident selection criteria must comply with the HOPE SF Resident Selection Criteria set forth in the attached **Exhibit J**. In the event of a conflict between **Exhibit J** and **Exhibits H and I**, **Exhibits H and I** will control with respect to any HOPE SF Unit.

(k) Waiting List. Section 6.5 (Waiting List) is deleted in its entirety and replaced with the following new Section 6.5:

6.5 Waiting List.

(a) Borrower's Marketing and Tenant Selection Plan, related to the Units without LOSP Assistance or project-based vouchers and/or not designated as public housing replacement units, must 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 shall limit the number of refusals without cause as approved by the City. Borrower shall at all times maintain the Waiting List. Upon the vacancy of any Unit (without LOSP Assistance or project-based vouchers and/or not designated as public housing replacement units), Borrower shall first attempt to select the new Tenant for such Unit from the Waiting List, and shall only market the Unit to the general public after determining that no applicants from the Waiting List qualify for such Unit. The Waiting List must be kept on file at the Project at all times.

(b) Borrower's Marketing and HOPE SF Resident Selection Plan related to the project-based vouchers and/or Units designated as public housing replacement units must contain, at a minimum, policies and criteria that provide for the selection of tenants. The parties intend that the SFHA or its designee or successor or assignee will maintain the public housing replacement unit waitlist for the Project at all times.

(l) HUD Requirements. A new Section 6.6 (HUD Requirements) is added as follows:

6.6 HUD Requirements. Notwithstanding anything to the contrary contained in this Article 6, City acknowledges and agrees that for any Units receiving subsidy from HUD, the requirements set forth in this Section 6 shall be subject and subordinate to any HUD requirements, and in the event of any inconsistencies, the HUD requirements, as applicable shall control. The parties intend that SFHA (or its designee or successor or assignee) and project-based voucher units for which the Project expects to receive an Agreement to Enter into Housing Assistance Payment Contract ("AHAP") (and/or Housing Assistance Payment Contract ("HAP")) from which the management agent will receive referrals for lease-up. Notwithstanding the forgoing, Borrower will only be obligated to accept those tenants that meet the eligibility requirements of Borrower's project funding sources, which will be outlined in the Marketing and Tenant Selection Plan (including the Marketing and

HOPE SF Resident Selection Plan) approved by MOHCD pursuant to this Agreement.

(m) Developer Fees. Section 15.1 (Developer Fee Amount) and Section 15.2 (Payment Schedule) are deleted in their entirety and Section 15.1 is replaced with the following new Section 15.1:

15.1 Amount. Borrower or its designee(s) is entitled to receive fees from the Loan proceeds for predevelopment of the Project prior to the closing date of Borrower's construction financing for the Project in an amount not to exceed Five Hundred Fifty Thousand and No/100 Dollars (\$550,000.00) and may be entitled to receive additional fees for development the Project ("collectively, "Developer Fees"), subject to the terms and conditions set forth in the Developer Fee Agreement, as it may be amended, between the City and Borrower and in an amount consistent with MOHCD policy in effect on the closing date of Borrower's construction financing for the Project. Borrower acknowledges that Borrower has received \$160,485 of the \$550,000 in Developer Fees payable during the acquisition and predevelopment as provided in such Developer Fee Agreement.

(n) Exhibit A Schedules of Income and Rent Restrictions. Exhibit A Schedules of Income and Rent Restrictions is deleted in its entirety and replaced with the new Exhibit A, attached hereto as Attachment 1.

(o) Exhibit B-1 Table of Sources and Uses of Funds. Exhibit B-1 Table of Sources and Uses of Funds is deleted in its entirety and replaced with the new Exhibit B-1, attached hereto as Attachment 2.

(p) Exhibit B-2 Annual Operating Budget. Exhibit B-2 Annual Operating Budget is deleted in its entirety and replaced with the new Exhibit B-2, attached hereto as Attachment 3.

(q) B-3 20-Year Cash Flow Proforma. Exhibit B-3 20-Year Cash Flow Proforma is deleted in its entirety and replaced with the new Exhibit B-3, attached hereto as Attachment 4.

(r) Exhibit H Tenant Selection Plan Policy. Exhibit H Tenant Selection Plan Policy is deleted in its entirety and replaced with the new Exhibit H, attached hereto as Attachment 5.

(s) Exhibit J HOPE SF Resident Selection Criteria. The new Exhibit J HOPE SF Resident Selection Criteria is added, as attached hereto as Attachment 6.

2. Amended and Restated Promissory Note. Concurrently herewith, Borrower will execute an Amended and Restated Promissory Note in favor of the City (the "New Note"), in form and substance acceptable to the City. Accordingly, the City hereby acknowledges and agrees that the New Note will supersede and replace the Original Note, and as of the date of the New Note, the Original Note will be canceled, returned to Borrower and of no further force or effect. A copy of the New Note is attached to this Amendment as Attachment 7.

3. Representations and Warranties.

(a) All of the representations and warranties made by Borrower to the City in the Agreement and other City Documents continue to be true and complete as of the date of this First Amendment.

(b) No event has occurred and is continuing that constitutes an event of default or potential event of default under the Agreement, Note, or any other City Documents.

4. Miscellaneous.

(a) References. No reference to this First Amendment is necessary in any instrument or document at any time referring to the Agreement, the Note, or any other City Document. Any reference to such documents will be deemed a reference to such documents as amended by this First Amendment.

(b) No Other Amendments. Except as amended by this First Amendment, the Agreement will remain unmodified and in full force and effect.

(c) Counterparts. This First Amendment may be executed in two or more counterparts, each of which will be deemed an original, but all of which when taken together will constitute one and the same instrument.

(d) Successors and Assigns. The terms, covenants, and conditions contained in this First Amendment will bind and inure to the benefit of Borrower and the City and, except as otherwise provided herein, their personal representatives and successors and assigns.

(e) Further Instruments. The parties hereto agree to execute such further instruments and to take such further actions as may be reasonably required to carry out the intent of this First Amendment.

5. Conditions Precedent to Closing. In order for the City to authorize the close of the Additional Loan, Borrower must have delivered to the City fully executed (and for documents to be recorded, acknowledged, as the case may be) originals of the following documents, in form and substance satisfactory to the City: (i) this First Amendment (in duplicate); (ii) the New Note in substantially the form attached hereto as Attachment 5, (iii) the Authorizing Resolutions; and (iv) any other City Documents reasonably requested by the City.

Signatures Appear on Following Page

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

BORROWER:

4840 MISSION HOUSING ASSOCIATES LP,
a California limited partnership

By: 4840 Mission Housing LLC,
a California limited liability company,
its general partner

By: Northpoint Housing, Inc.,
a California nonprofit public benefit
corporation, its managing member

By: _____
Smitha Seshadri
Vice President

THE CITY:

CITY AND COUNTY OF SAN FRANCISCO, a
municipal corporation

By: _____
London N. Breed
Mayor

By: _____
Daniel Adams
Acting Director, Mayor's Office of
Housing and Community Development

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

By: _____
Eileen Chauvet
Deputy City Attorney

Attachment 1

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:

Unit Size	No. of Units	Maximum Income Level
Studio	7	60% of Median Income
1 BR	50	60% of Median Income
2 BR	46	60% of Median Income
3 BR	10	60% of Median Income
3 BR	1	Manager's Unit

The unit mix and affordability set forth in this Exhibit A are only anticipated as this time, and may change, subject to City approval, prior to construction loan closing.

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:

- (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.

Attachment 2

Exhibit B-1

Table of Sources and Uses
(See Attached)

MOHCD Proffers - Permanent Financing Sources Uses of Funds

Application Date: 8/15/19 # Units: 137
 Project Name: 4640 Mission # Bedrooms: 222
 Project Address: 4640 Mission Street # Beds:
 Project Sponsor: BRIDGE Housing

SOURCES	Total Sources					Comments
	6,000,000	12,510,000	-	-	-	
		MCHCD				
		Pradex 2				

USES	Name of Source:	MCHCD	OCH	Pradex 2	Other	Other	Other	Other
ACQUISITION								
Acquisition cost or value		3,000,000	9,000,000					12,000,000
Legal / Closing costs / Broker's Fee		47,911						47,911
Holding Costs		1,425,867	407,657					1,833,544
Transfer Tax								0
TOTAL ACQUISITION		4,473,798	9,407,657	0	0	0	0	13,881,456

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/OCCL costs for streets etc.)
Financing								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
Design Contingency (remove at DD)								0 (\$45MM+)
Bid Contingency (remove at bid)								0 (\$45MM+)
Plan Check Contingency (remove/reduce during Plan Review)								0 (\$45MM+)
Hard Cost Construction Contingency								0 (15% new construction / 15% rehab)
Sub-total Construction Contingencies		0	0	0	0	0	0	0
TOTAL CONSTRUCTION COSTS		0	0	0	0	0	0	0

SOFT COSTS								
Architecture & Design								
Architect design fees	416,888	352,180						769,168
Design Subconsultants to the Architect (incl. Fees)		894,870						894,870
Architect Construction Admin								0
Reimbursables		56,250						56,250
Additional Services	271,490							271,490
Sub-total Architect Contract	688,479	1,303,300	0	0	0	0	0	1,991,779
Other Third Party design consultants (not included under Architect contract)	29,507	459,199						528,706
Total Architecture & Design	714,986	1,802,499	0	0	0	0	0	2,511,485
Engineering & Environmental Studies								
Survey	3,185	15,000						18,185
Geotechnical studies	3,000	50,000						53,000
Phase I & II Reports	2,132	15,000						17,132
CEQA / Environmental Review consultants	95,314							95,314 (CEQA cost paid during previous 2 designs)
NEPA / 108 Review								0
CNA/CPNA (rehab only)								0
Other environmental consultants								0 (Name consultants & contract amounts)
Total Engineering & Environmental Studies	103,601	80,000	0	0	0	0	0	183,601
Financing Costs								
Construction Financing Costs								0
Construction Loan Origination Fee	135,000							135,000
Construction Loan Interest								0
Title & Recording								0
CDLAC & CCIAC fees								0
Bond Issuer Fees								0
Other Bond Cost of Issuance								0
Other Lender Costs (specify)								0
Sub-total Const. Financing Costs	135,000	0	0	0	0	0	0	135,000
Permanent Financing Costs								0
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	135,000	0	0	0	0	0	0	135,000
Legal Costs								
Borrower Legal fees	66,788	62,218						129,016
Land Use / CEQA Attorney fees								0
Tax Credit Counsel								0
Bond Counsel								0
Construction Lender Counsel								0
Permanent Lender Counsel								0
Other Legal (specify)								0
Total Legal Costs	66,788	62,218	0	0	0	0	0	129,016
Other Development Costs								
Appraisal	8,083							8,083
Market Study	10,394	43,171						53,565
Insurance	2,378							2,378
Property Taxes	285,105	200,000						485,105
Accounting / Audit								0
Organizational Costs		7,500						7,500
Entitlement / Permit Fees		12,235						12,235
Marketing / Rent-up								0
Furnishings								0 (\$2,000/unit; See MOHCD LWW Guidelines: http://mohcd.org/documents-reports-and-forms)
PFCE / Utility Fees								0
TCAC App / Aloc/ Monitor Fees		103,319						103,319
Financial Consultant fees	13,862	38,638						52,500
Construction Management fees / Owner's Rep	20,000	30,000						50,000
Security during construction								0
Relocation								0
Other (Community Outreach)	1,500	10,000						11,500
Other (specify)								0
Other (specify)								0
Total Other Development Costs	345,332	444,863	0	0	0	0	0	790,195
Soft Cost Contingency								
(Contingency (Arch, Eng, Fin, Legal & Other Dev))	0	323,248	0	0	0	0	0	323,248 (Should be either 10% or 5% of total soft costs. 8.5%)
TOTAL SOFT COSTS	1,365,717	2,712,928	0	0	0	0	0	4,078,545

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	160,465	389,518						550,000
Developer Fee - Cash-out At Risk								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	160,465	389,518	0	0	0	0	0	550,000

TOTAL DEVELOPMENT COST								
Development Cost/Unit by Source	43,786	91,314	0	0	0	0	0	135,100
Development Cost/Unit as % of TDC by Source	32.4%	67.6%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Acquisition Cost/Unit by Source	21,888	65,693	0	0	0	0	0	87,591
Construction Cost (inc Const Contingency)/Unit by Source	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

City Subsidy/Unit	43,796
Tax Credit Equity Pricing:	102.00
Construction Bond Amount:	60,827,652
Construction Loan Term (in months):	30 months
Construction Loan Interest Rate (as %):	5.44%

Attachment 3

Exhibit B-2

Annual Operating Budget (See Attached)

MOHCD Programs - Year 1 Operating Budget

Application Date: 8/15/2019 Project Name: 4840 Mission
 Total # Units: 137 Project Address: 4840 Mission Street
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operation): 2024 Project Sponsor: BRIDGE Housing
 TCAC Income Limits in Use!

INCOME	Total	Comments
Residential - Tenant Rents	7,468,768	Links from New Proj - Rent & Unit Mix Worksheet
Residential - Tenant Assistance Payments (Non-LOSP)	726,698	Links from New Proj - Rent & Unit Mix Worksheet
Commercial Space	0	0%
Residential Parking	0	Links from Tables & Other Income Worksheet
Miscellaneous Rent Income	0	Links from Tables & Other Income Worksheet
Supportive Services Income	0	Links from Tables & Other Income Worksheet
Interest Income - Project Operations	0	Links from Tables & Other Income Worksheet
Laundry and Vending	15,174	Links from Tables & Other Income Worksheet
Tenant Charges	0	Links from Tables & Other Income Worksheet
Miscellaneous Residential Income	0	Links from Tables & Other Income Worksheet
Other Commercial Income	0	Links from Commercial Op. Budget Worksheet
Withdrawal from Capitalized Reserve (deposit to operating account)	0	
Gross Potential Income	3,208,298	
Vacancy Loss - Residential - Tenant Rents	(123,338)	Vacancy loss is 5% of Tenant Rents
Vacancy Loss - Residential - Tenant Assistance Payments	(36,335)	Vacancy loss is 5% of Tenant Assistance Payments
Vacancy Loss - Commercial	0	Links from Commercial Op. Budget Worksheet
EFFECTIVE GROSS INCOME	3,048,625	PUPA: 22,255

OPERATING EXPENSES	Total	Comments
Management		
Management Fee	97,920	1st Year to be set according to HUD schedule
Asset Management Fee	0	
Sub-total Management Expenses	97,920	PUPA: 715
Salaries/Benefits		
Office Salaries	81,576	
Manager's Salary	67,840	
Health Insurance and Other Benefits	77,834	
Other Salaries/Benefits	0	
Administrative Rent-Free Unit	0	
Sub-total Salaries/Benefits	227,251	PUPA: 1,659
Administration		
Advertising and Marketing	5,000	
Office Expenses	59,291	
Office Rent	0	
Legal Expense - Property	3,000	
Soft Expenses	11,000	
Bookkeeping/Accounting Services	18,234	
Bad Debts	6,000	
Miscellaneous	0	
Sub-total Administration Expenses	93,525	PUPA: 729

Utilities	Total	Comments
Electricity	65,260	
Water	73,440	
Gas	35,504	
Sewer	101,664	
Sub-total Utilities	275,868	PUPA: 2,013

Taxes and Licenses	Total	Comments
Real Estate Taxes	3,000	
Payroll Taxes	27,730	
Miscellaneous Taxes, Licenses and Permits	1,260	
Sub-total Taxes and Licenses	31,990	PUPA: 232

Insurance	Total	Comments
Property and Liability Insurance	150,000	
Auto and Flood Insurance	0	
Workers Compensation	24,957	
Directors & Officers' Liability Insurance	0	
Sub-total Insurance	174,957	PUPA: 1,277

Maintenance & Repair	Total	Comments
Paints	127,878	
Supplies	20,678	
Contracts	85,582	includes exterminating grounds, repairs, elevator, and other
Garbage and Trash Removal	57,198	
Security Alarm/Contract	118,424	
HVAC Repairs and Maintenance	0	
Vehicle and Maintenance Equipment Operation and Repairs	9,792	
Miscellaneous Operation and Maintenance Expenses	6,508	heating and cooling and dehumidifying
Sub-total Maintenance & Repair Expenses	486,028	PUPA: 3,878

Supportive Services	Total	Comments
Commercial Expenses	100,812	0 Links from Commercial Op. Budget Worksheet
TOTAL OPERATING EXPENSES	1,414,672	PUPA: 10,241

Reserves/Ground Lease Base Rent/Bond Fees	Total	Comments
Ground Lease Base Rent	15,000	Ground lease with MOHCD Provide additional comments here, if needed
Bond Monitoring Fee	24,534	
Replacement Reserve Deposit	88,000	\$500 PUPA
Operating Reserve Deposit	0	
Other Required Reserve 1 Deposit	0	
Other Required Reserve 2 Deposit	0	Links from Commercial Op. Budget Worksheet
Required Reserve Deposits/Commercial	0	Links from Commercial Op. Budget Worksheet
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	108,034	PUPA: 783
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees)	1,524,706	PUPA: 11,128

NET OPERATING INCOME (INCOME minus OP EXPENSES)	Total	Comments
	1,524,247	PUPA: 11,128
		Term (Yrs): 35
		Supportable 1st Mortgage Pmt: 1,385,879
		Supportable 1st Mortgage Amt: \$22,850,147
		Proposed 1st Mortgage Amt: \$22,158,485

DEBT SERVICE/MUST PAY PAYMENTS (Hard debt/normlized loans)	Total	Comments
Hard Debt - First Lender	1,322,318	Tax Exempt Loan Provide additional comments here, if needed
Hard Debt - Second Lender (HCD Program 0.42% Pmt, or other 2nd Lnd)	0	Provide additional comments here, if needed
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	Provide additional comments here, if needed
Hard Debt - Fourth Lender	0	Provide additional comments here, if needed
Commercial Hard Debt Service	0	Links from Commercial Op. Budget Worksheet
TOTAL HARD DEBT SERVICE	1,322,318	PUPA: 8,656

CASH FLOW (FCI) minus DEBT SERVICE	Total	Comments
	201,929	
USES OF CASH FLOW BELOW (This reveals shows DSCR)	1.16	
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL		
Below-the-line Asset Mgt Fee (uncommon in new projects, see policy)	22,500	1st
Property Management Fee (see policy for terms)	5,000	2nd
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	0	
Other Payments	0	Provide additional comments here, if needed
Non-amortizing Loan Pmt - Lender 1 (select lender in comments field)	0	Provide additional comments here, if needed
Non-amortizing Loan Pmt - Lender 2 (select lender in comments field)	0	Provide additional comments here, if needed
Deferred Developer Fee (for rent or base fee from op/11/20)	58,284	Dev. Develop. Fee split 2/5
TOTAL PAYMENTS PRECEDING MOHCD	85,884	PUPA: 627

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS)	Total	Comments
	116,045	
PRECEDING MOHCD	115,365	
Residual Receipts Calculation		
Does Project Have a MOHCD Residual Receipt Obligation?	Yes	Project has MOHCD ground lease? Yes
Will Project Debt 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) \$5,915
% of Residual Receipts available for distribution to soft debt lenders in	50%	

Soft Debt Lenders with Residual Receipt Obligations	Facility Use or Acquisition from a soft debt	Total Principal Amt	Debt % of SFR
MOHCD/DCFC - Soft Debt Loans	All MOHCD/DCFC Loans payable from res. recs	\$5,598,960	82.47%
MOHCD/DCFC - Ground Lease Value or Land Acq Cost	Acquisition Cost	\$1,175,000	17.53%
HCD/DCFC/DCFC - Lender 1			0.00%
Other Soft Debt Lender - Lender 4			0.00%
Other Soft Debt Lender - Lender 5			0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE	Total	Comments
MOHCD Residual Receipts Amount Due	115,365	50% of residual receipts, multiplied by 100% - MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	115,365	Entire/overdue amount of residual receipts proposed for loan repayment
Proposed MOHCD Residual Receipts Amount to Non-soft Ground Lease	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repayment

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE	Total	Comments
	0	
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
DCFC 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)	Total	Comments
Owner Distributions/Income Management Fee	0	
Other Distributions/Uses	0	
Final Balance (should be zero)	0	

Attachment 4

Exhibit B-3

20 Year Cashflow Proforma (See Attached)

4840 Mission

Total # Units: 137

	Year 20	2043
	% annual increase	Total
INCOME		
Residential - Tenant Rents	2.5%	3,943,480
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	1,305,673
Commercial Space	2.5%	-
Other Income	-	-
Gross Potential Income		5,274,551
Vacancy Loss - Residential - Tenant Rents	n/a	(197,174)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	(65,341)
Vacancy Loss - Commercial	n/a	-
EFFECTIVE GROSS INCOME		5,012,036
OPERATING EXPENSES		
Management	3.5%	186,251
Salaries/Benefits	3.5%	436,891
Administration	3.5%	191,914
Utilities	3.5%	550,241
Taxes and Licenses	3.5%	61,481
Insurance	3.5%	336,354
Maintenance & Repair	3.5%	784,418
Supportive Services	3.5%	194,003
Commercial Expenses	-	-
TOTAL OPERATING EXPENSES		2,723,554
RESERVES/GROUND LEASE BASE RENT/BOND FEES		
Reserves/Ground Lease Base Rent/Bond Fees		
Ground Lease Base Rent		15,000
Bond Monitoring Fee		24,534
Replacement Reserve Deposit		68,500
Operating Reserve Deposit		0
Other Required Reserve 1 Deposit		0
Other Required Reserve 2 Deposit		0
Required Reserve Deposits, Commercial		0
Sub-total Reserves/Ground Lease Base Rent/Bond Fees		108,034
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)		2,831,588
NET OPERATING INCOME (INCOME minus OP EXPENSES)		2,180,448
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)		
Hard Debt - First Lender		1,322,918
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		1,322,918
CASH FLOW (NOI minus DEBT SERVICE)		857,530
USES OF CASH FLOW BELOW (This row also shows DSCR.)	DSCR:	1.85
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL		
Deferred Developer Fee (Earl amt. <= Max Fee from row T31)		-
"Below-the-line" Asset Mgt Fee (uncommon in new projects, see policy)	3.5%	-
Partnership Management Fee (see policy for limits)	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		-
TOTAL PAYMENTS PRECEDING MOHCD		-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)		857,530
Does Project have a MOHCD Residual Receipt Obligation?	Yes	
Will Project Defer Developer Fee?	Yes	
1st Residual Receipts Split - Lender/Deferred Developer Fee	30% / 50%	
	Dist. Soft	
MOHCD RESIDUAL RECEIPTS DEBT SERVICE	Debt Loans	
MOHCD Residual Receipts Amount Due	100.00%	571,687
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		-
Proposed MOHCD Residual Receipts Amount to Replacement Reserve		-
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE		285,843
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)		285,843
Owner Distributions/Incentive Management Fee		285,843
Other Distributions/Uses		-
Final Balance (should be zero)		-
RR Running Balance		1,370,000
OR Running Balance		-
Other Required Reserve 1 Running Balance		-
Other Required Reserve 2 Running Balance		-
DEFERRED DEVELOPER FEE - RUNNING BALANCE		
Developer Fee Starting Balance		453
Deferred Developer Fee Earned in Year		-
Developer Fee Remaining Balance		453

Attachment 5

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 shall 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 shall 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 shall be retained for 12 months after the final applicant interview.
- **Delays in the Process.** If delays have occurred or are likely to occur in the application and screening process or the process exceeds the housing provider's normal timeline for application and screening, the housing provider must immediately inform the referring agency and the funding agency, of the status of the application, the reason for the delay and the anticipated time it will take to complete the application process.
- **Problems with the Referring Agency.** If at any point the housing provider has difficulty reaching or getting a response from the applicant and referring agency, the housing provider must immediately contact the referring agency, if possible, and the funding agency, DPH or HSA.

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

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

Reasonable Accommodation and Modification Policy

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

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

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

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

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

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

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

Notice of Denial and Appeal Process

- The housing provider shall:
 - Hold a comparable unit for the household during the entire appeal process.
 - promptly send a written and electronic notice (to the addresses provided) to each applicant denied admission with a written and/or electronic copy to the referring agency and the funding agency. The notice should:

- list all the reasons for the rejection, including the particular conviction or convictions that led to the decision in cases where past criminal offenses were a reason for rejection;
 - explain how the applicant can request an in person appeal to contest the decision;
 - state that an applicant with a disability is entitled to request a reasonable accommodation to participate in the appeal;
 - inform the applicant that he or she is entitled to bring an advocate or attorney to the in person appeal;
 - provide referral information for local legal services and housing rights organizations;
 - describe the evidence that the applicant can present at the appeal;
 - give applicants denied admission a date within which to file the appeal, which shall be at least five (5) 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 five (5) 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 five (5) business days of the in person appeal, provide the applicant with a written decision that states the reason for the decision and the evidence relied upon. A copy of the written decision must be sent (electronically or otherwise) to the referring agency and the funding agency.
- If the rejection is based on a criminal background check obtained from a tenant screening agency, the Fair Chance Ordinance imposes additional notice requirements.

Attachment 6

Exhibit J

HOPE SF Resident Selection Criteria

**HOPE SF
RESIDENT SELECTION CRITERIA
Public Housing Replacement Units**

[Before completing this document, please make sure you have the most current version. Management Agent may receive current version of this document from the MOHCD Project Manager or OCII Development Specialist for the property. You may delete this prompt when submitting form to MOHCD/OCII Staff. However, please submit this document with the redline showing. Do not accept the proposed changes. Staff reviewing the document want to see the changes made when completing this document.]

I. INTRODUCTION

This Resident Selection Plan (the “Plan”) outlines the procedures for selecting residents for the Tax Credit and Project Based Voucher units by [NAME OF PROPERTY MANAGEMENT AGENT] (“Management”) for [NAME OF DEVELOPMENT] located at [ADDRESS OF PROPERTY], a development associated with HOPE SF. HOPE SF is a mayoral initiative that began in 2003 to transform four public housing developments: Hunters View, Alice Griffith, Potrero, Sunnydale Velasco (the “HOPE SF properties”). “HOPE SF property” refers to a specific HOPE SF development.

The procedures in this Plan are to be followed after (1) the lottery and lease-up process conducted by either the Office of Investment & Infrastructure (“OCII”) or Mayor’s Office of Housing and Community Development (“MOHCD”) for tax credit units, and (2) receipt of the San Francisco Housing Authority (“SFHA”) referral for initial or re-lease of public based voucher units.

II. GENERAL PRINCIPLES

[NAME OF PROPERTY MANAGEMENT AGENT]’s and [NAME OF DEVELOPER]’s agree that the goal of this Plan is to ensure that all applicants are screened using consistently applied, fair criteria, to provide a desirable, well-maintained and affordable place to live for an economically, racially, and ethnically integrated resident population, while complying with the provisions of any federal, state, or local law prohibiting discrimination in housing on the basis of race, religion, sex, color, family status, disability status, national origin, marital status, ancestry, gender identity or sexual orientation, source of income, or HIV/AIDS status.

We also agree that [NAME OF PROPERTY MANAGEMENT AGENT] and [NAME OF DEVELOPER] will “screen in” rather than “screen out” applicants who have a criminal record as per San Francisco Police Code Article 49, Sections 4901-4920, or the Fair Chance Ordinance.

Finally, we acknowledge that Management is subject to the Violence Against Women Reauthorization Act of 2013 (VAWA). Guidelines for the adherence to VAWA are attached hereto as Exhibit D.

III. LIMITED ENGLISH PROFICIENCY (LEP)

Reasonable steps will be taken to ensure that persons with Limited English Proficiency (LEP) have meaningful access and an equal opportunity to participate in Management’s services, activities, programs and other benefits. Interpreters, translators and other aids needed to comply with this policy shall be provided free of charge to the person being served, and residents and their families will be informed of the availability of such assistance. Language assistance will be provided through use of a contracted

telephonic interpretation service, competent bilingual staff, staff interpreters, or formal arrangements with local organizations providing interpretation or translation services or technology.

IV. DEFINITIONS

The following definitions apply to all properties related to HOPE SF:

A. An **Entirely Full Time Student Household** (“ESH”) is not eligible to receive housing assistance by the IRS Section 42 Tax Credit/Low Income Housing Tax Credit (“LIHTC”) program, as administered by the California Tax Credit Allocation Committee (“CTCAC”).

1. Further, IRS Section 42 Tax Credit/ LIHTC program defines a full-time student as:

- a. Anyone who has attended or plans to attend school full time for five (5) months of this calendar year. This does not have to be consecutive. Example 1: If an applicant attends school full time from January 20th through May 13th, this is considered five months. If they attend one day in any month, that counts as a full month. Example 2: If an applicant attended full time one day in January, one day in February, one day in April, one in June and one in July, you are considered a full-time student until January 1st of the following year.
- b. Full time enrollment status is determined by the enrollment definitions of the school being attended.

[NAME OF PROPERTY MANAGEMENT AGENT] agrees to comply with the most current ESH definition by IRS Section 42 Tax Credit/ LIHTC program, as administered by the CTCAC.

2. Management may accept an ESH household if one or more of the criteria below are met. If the criteria below change, the most current criteria as defined by IRS Section 42 Tax Credit/LIHTC program, as administered by the California Tax Credit Allocation Committee, will apply.

- a. At least one student receives assistance under Title IV of the Social Security Act (Temporary Assistance to Needy Families or TANF, formerly AFDC);
- b. At least one student is enrolled in a job training program receiving assistance under the Job Training Partnership Act or under other similar Federal, State or local laws, as defined by HUD 4350.3 REV-2;
- c. The household consists of a single parent with their minor children and such parent and the children are not dependents of another individual;
- d. At least one student is married and files a joint tax return or is eligible to file a joint tax return.
- e. At least one household member is between the ages of 18 to 24 and was previously (not currently) under the care and placement responsibility of the State Agency responsible for administering a plan under Part B or Part E of

Title IV of the Social Security Act (Foster Care).

- B. HOPE SF Developer** is the development entity of the specific HOPE SF Property. The HOPE SF Developers are the John Stewart Company for Hunters View, McCormick Barron Salazar for Alice Griffith, BRIDGE Housing Development for Potrero, and Mercy Housing California and Related California for Sunnydale Velasco.
- C. Project Based Voucher Units (“PBV”)** means all PBV housing units receiving rental assistance under Section(o)(13) of the U.S. Housing Act of 1937. Regulations are described in 24 CFR Part 983.
- D. Public Housing Replacement Units (“PHR”)** are units that: (1) have been newly constructed with LIHTC’s; (2) are subsidized with PBV’s, and; (3) are in like-new condition that is less than 5 years old from date of Temporary Certificate of Occupancy (“TCO”) and are intended to serve as replacement units for HOPE SF residents exercising their Right to Revitalized Unit. These units will be regulated per Tax Credit compliance regulations as well as HUD guidelines and the current SFHA Housing Choice Voucher Program Administrative Plan (“Admin Plan”). PHR units may be located at HOPE SF Properties or at a limited number of designated off-site locations.

After 5 years, a PHR unit *may* still be considered new if SFHA and OCII or MOHCD collectively approve an extension. *PBV units will be considered **Expired PHR** units for the purpose of re-leasing of units after 5 years of TCO date (or whenever SFHA and OCII or MOHCD deem the unit no longer new), or all HOPE SF residents at the HOPE SF property who are eligible to exercise their Right to Revitalized Unit have done so.*

HOPE SF residents have a preference to occupy PHR units at HOPE SF Properties or at a limited number of designated off-site locations and fall into one of the follow three PHR applicant categories:

1. **On-Site Applicants** are HOPE SF residents exercising their Right to Revitalized Unit at new affordable units located at same the HOPE SF property from which they acquired their Right to Return.
2. **Off-Site Applicants** are HOPE SF residents exercising their Right to Revitalized Unit at new affordable housing units located at a property other than the HOPE SF property, but operated by the same HOPE SF Developer, the same HOPE SF Developer’s general partner entity, or the same HOPE SF Developer in partnership with another developer as the HOPE SF property from which the HOPE SF residents acquired their Right to Return.
3. **Cross-Site Applicants** are HOPE SF residents exercising their Right to Revitalized Unit at new affordable housing units located at a property operated by a different developer than the developer operating the HOPE SF property from which the HOPE SF residents acquired their Right to Return.

On-Site Applicants whose income exceeds the LIHTC income limit will be designated **PHR No TC Unit**. **PHR No TC Unit** is an unrestricted public housing replacement unit.

- E. Rental Assistance Demonstration (“RAD Units”)** means housing units receiving rental assistance under HUD PIH -2012-32 Notice and all subsequent updates. RAD Units are a form of PBV units, but not all PBV units are RAD. [NAME OF DEVELOPMENT] is anticipated to receive [STATE NUMBER OF RAD UNITS] **RAD Units**. In this document, “**Non-RAD PBV Units**” refers to PBV that are not administered under HUD PIH-2012-32 Notice. [NAME OF DEVELOPMENT] is anticipated to receive [STATE NUMBER OF Non-RAD PBV UNITS] **Non-RAD PBV Units**. [NAME OF DEVELOPMENT] has a total of [STATE TOTAL OF RAD AND Non-RAD PBV UNITS] **PBV units** and this number equals the total of PHR units at [NAME OF DEVELOPMENT].
- F. Right to Return** means the right of: (1) public housing households to a Revitalized Unit referred to in this document as a PHR unit; (2) public housing households right to return to an On-site PHR unit after all on-site residents have exercised their Right to Revitalized Unit; (3) any member of a public housing households to receive a preference in a tax credit unit as long as the household provides proof of residents at existing or former HOPE SF property, pursuant to Chapter 39 of the San Francisco Administrative Code, as amended (Board of Supervisors’ File #120812). Relocation rights for families who are residents of the HOPE SF developments and relocating to PHR units are outlined in the relocation plan for their specific HOPE SF property. All HOPE SF residents must be in good standing in order to move into the Revitalized Units. To be in good standing, requires that the SFHA did not file a Summons and Complaint against any member of the household, and that no member of the household has been evicted (SFHA Board of Commissioners Resolution #5390). Notwithstanding the above, a household is still considered eligible to move if the family has an active Unlawful Detainer action against them, and they are in a repayment agreement and current on the repayment agreement.
- G. Non-PBV Tax Credit (“Non-PBV TC”) Units** are restricted by the IRS Section 42 Tax Credit/LIHTC program, but are not subsidized with a PBV. Non-PBV TC Units are available to qualified members of the general public. Non-PBV TC Units are also considered “lottery units.” [NAME OF PROPERTY MANAGEMENT AGENT] has submitted to MOHCD Below Market Rate staff and the MOHCD Project Manager and/or OCII Development Specialist a Marketing Plan and Tenant Selection Plan for [NAME OF DEVELOPMENT] that covers the “lottery units” and adheres to the current version of the MOHCD Housing Preference and Lottery Procedures Manual. (The current version of the MOHCD Housing Preference and Lottery Procedures Manual is on MOHCD’s website at <https://sfmochd.org>.)

A resident may have a “tenant based” and/or “portable” voucher in **Non-PBV TC Units**. [NAME OF DEVELOPMENT] has a total of [STATE TOTAL OF Non-PBV TC UNITS] **Non-PBV TC Units** without project based vouchers.

V. PREFERENCES

Preferences are not permitted if the preference in any way negates affirmative marketing efforts or fair housing obligations. The following preferences apply:

- A. Regulatory Preferences for Project Based Voucher Units** – The preferences listed below will be given to eligible applicants on the SFHA specific HOPE SF [NAME OF HOPE SF

DEVELOPMENT] Waitlist: [The following should include all preferences stated in the loan evaluation first and loan agreement. The following should also be consistent with all of the site-based preferences for this development that are listed in the current version of the SFHA Housing Choice Voucher (HCV) Administrative Plan, typically found in Chapter 4.]

- 1.
- 2.

Note for HOPE SF properties: In SFHA’s HCV Administrative Plan, “Families with a Right-to-Return” are On-Site Applicants in this documents. “HOPE SF Construction” are Cross-Site Applicants from other HOPE SF properties in this document. When a HOPE SF property nears its final development phases, it is possible that there will be no more On- or Cross- Site Applicants for the PHR units. When and if this happens, SFHA will begin to refer applicants from the HCV Administrative Plan preferences listed after “Families with a Right-to-Return” and “HOPE SF Construction.” When SFHA sends referrals for Non-HOPE SF properties, the referrals will be marked “Waitlist”, and these households are to be processed following the Cross-Site processing described in this document.

Note for properties accepting Off- and Cross- Site Applicants: In SFHA’s HCV Administrative Plan, “Families with a Right-to-Return of [Name of HOPE SF property]” are On-Site and Off-Site Applicants in this documents. However, at new affordable housing units located at a property other than the HOPE SF property, but operated by the same HOPE SF Developer “Families with a Right-to-Return of [Name of HOPE SF property]” are *only* considered Off-Site Applicants. “HOPE SF Construction” are Cross-Site Applicants for [NAME OF DEVELOPMENT]. When [NAME OF DEVELOPMENT] has processed all of the Off- and Cross- Site referrals and the designated PHR units at [NAME OF DEVELOPMENT] cannot or will not be filled by Off- and/or Cross- Site Applicants, SFHA will begin to refer applicants from the HCV Administrative Plan preferences listed after “Families with a Right-to-Return of [Name of HOPE SF property]” and “HOPE SF Construction,” if applicable. When SFHA sends referrals from Non-HOPE SF properties, the referrals will be marked “Waitlist”, and these households are to be processed following the Cross-Site processing described in this document.

B. OCII/MOHCD Preferences for Tax Credit Units – Please see [NAME OF DEVELOPMENT]’s Marketing Plan pages [List Appropriate Pages] for the preferences applied to the Non-PBV TC Units.

Please see [NAME OF DEVELOPMENT]’s Marketing Plan pages [List Appropriate Pages] for Management’s process of *when household wanting to occupy a Non-PBV TC Unit is denied*.

VI. ONSITE TRANSFERS

The following actions are always given priority for current households, if applicable.

1. A unit transfer based on the need for an accessible unit.
2. A unit transfer because of household size.
3. A unit transfer of a non-disabled individual living in a wheelchair accessible unit to accommodate an applicant on the Non-PBV TC Unit waiting list in need of a wheelchair accessible unit. (A lease addendum will be entered into with non-disabled resident living in a wheelchair accessible unit.)
4. A unit transfer based on the need of an emergency temporary relocation. (If a unit becomes uninhabitable due to a catastrophe, the resident family will be given any open unit for temporary living quarters until their own unit is repaired.)

Onsite transfers in PHR units have the same standards as above and must comply with the guidelines in the Admin Plan. Refer to the Admin Plan for additional referral information for off-site PBV units.

VII. APPLICATION PROCESS

Applicants for PHR units for [NAME OF DEVELOPMENT]'s initial lease up will be considered "[DEVELOPER/MANAGEMENT STATE WHETHER THIS DEVELOPMENT WILL FOLLOW On-site, Off-site, or Cross-Site Applicant]".

If at initial lease up, [DEVELOPER/MANAGEMENT, IN THE FOLLOWING SENTENCE DELETE THE APPLICANT TYPE THAT DOES NOT APPLY TO THIS CURRENT PROPERTY LEASE UP] On-, Off-, and Cross- Site applicants residents will not fill all PHR units, SFHA will refer households from the [NAME OF HOPE SF PROPERTY OR OFF-SITE DEVELOPMENT WAITLIST IN THE SFHA ADMIN PLAN] Waitlist in accordance to the preference chart in the SFHA's current Administrative Plan. Referrals sent from the SFHA waitlist that are also HOPE SF Construction, which by definition in this document means Cross-Site, will be identified on the SFHA referral letter by the HOPE SF property at their current location. Referrals sent from the waitlist that are not applicants from HOPE SF properties will be identified on the SFHA referral letter as "Waitlist" and will be considered "Waitlist Applicants" in this document. All Waitlist Applicants will follow the applicant screening process for PHR Units as outlined below. [NAME OF PROPERTY MANAGEMENT AGENT] has assumed that [STATE ASSUMED NUMBER OF PHR UNITS THAT MAY BE FILLED BY SFHA WAITLIST APPLICANTS THAT WILL NOT BE ON-, OFF-, OR CROSS- SITE APPLICANTS] units may be filled by Waitlist Applicants.

A. PRIORITY PROCESSING ORDER.

1. **PHR** [DEVELOPER/MANAGEMENT CHOSE THE PROCESS THAT APPLIES TO YOUR DEVELOPMENT & DELETE THE ONE THAT DOES NOT APPLY]
 - a. *On-Site Applicants*, SFHA has held a processing lottery at each of the HOPE SF properties to establish the processing order of the residents for on-site relocation to PHR units. This will determine the processing order for referrals to Management and unit selection at Revitalized Unit.

- b. **Off-Site and/or Cross-Site Applicants**, SFHA will conduct a survey to determine who is interested in an off-site and/or cross-site move. Households who have expressed an interest will be contacted (up to two times/household) by SFHA to determine interest in moving to off- or cross- site location. If the household is interested the household will be referred to the off-site or cross-site Developer after SFHA's initial intake processing has occurred. As these households are exercising their Right to Revitalized Unit, the households maintains their priority on the HOPE SF [NAME OF HOPE SF DEVELOPMENT] Waitlist. These households may submit documents to SFHA at the household's earliest convenience. However, SFHA will continue to process and refer potential applicants to the Developer on a first-completed basis. Units may be offered in the processing order that the SFHA referral is sent to the Developer. Please note for Revitalized Units at HOPE SF sites, On-Site Applicants will have priority over the Cross-Site Applicants.

[DEVELOPER/MANAGEMENT, IN THE FOLLOWING SENTENCE DELETE THE PROCESS THAT DOES NOT APPLY TO THIS CURRENT PROPERTY LEASE UP] On-, Off-, and Cross- Site applicant households will be referred by the SFHA Waitlist Management Department. Management will contact the applicants a minimum of two times and will use all modes of communication available (phone, email, regular mail, etc.) by [DEVELOPER/MANAGEMENT STATE THE FORM OF CONTACT YOU WILL MAKE TO APPLICANTS] in processing order. If the first applicants in processing order referred by SFHA do not respond and submit Management's required tax credit documentation within 5 business days, Management will contact the next set of applicants in processing order referred by SFHA.

2. **PHR No TC Units and Expired PHR**, after the initial lease-up, units will be offered according to the ascending order of priorities as defined in SFHA's current Administrative Plan and above as described in V.A - Preferences above.
3. **Non-PBV TC Units** -- Please see [NAME OF DEVELOPMENT]'s San Francisco Housing Portal – DAHLIA project posting and the MOHCD Housing Preference and Lottery Procedures Manual for information on where applications will be provided, website address, and discussion about number of times Developer/Management will contact initial lease-up application and the number of days an initial lease-up applicant has to respond to Management's request.

B. PROGRAM INCOME AND ELIGIBILITY REQUIREMENTS –

Applicants who apply to any unit at [NAME OF DEVELOPMENT] must meet income and eligibility tests for the unit type first, before any further screening steps are taken regarding selection criteria. The program income and eligibility tests include:

1. Management has received a completed application form, or pre-application form, and all accompanying consent forms for release of information signed.

2. Applicants for **Non-PBV TC Units and PHR** units must meet the income requirements of Section 42 of the Internal Revenue Code outlined in the Restrictive covenants and MOHCD area median income (“MOHCD AMI”). [If desired, include specific income restrictions here.] The Agent will seek third-party verification and second-party documentation in conformance with the IRS code’s Restrictive Covenants, as administered by the CTCAC.
3. On-site Applicants may be over income and exceed the 24 C.F.R Part 5 and/or MOHCD AMI. However, when the On-Site Applicant moves out, the next household to occupy the unit will meet the most restrictive of the 24 C.F.R. Part 5 or MOHCD AMI, and the PBV associated with that unit will be available.
4. All definitions relating to income are based on 24 C.F.R. Part 5 and MOHCD AMI, as published annually by MOHCD, except otherwise noted.
5. All applicants for the **PHR or Expired PHR** units must meet the eligibility requirements outlined in the SFHA’s current Administrative Plan.
6. The Tax Credit student rule applies to the **Non-PBV TC Units**, and the HUD and LIHTC full-time student rules apply to the **PHR** units.
7. For **PHR** units, a previous eviction could preclude a household from consideration if the loss of rental subsidy is due to Housing Authority rule violations.

C. UNIT TYPES & RESTRICTIONS - The income restrictions below are for [NAME OF DEVELOPMENT] and are posted in the Leasing Office.

[DEVELOPER/PROPERTY MANAGEMENT, COMPLETE CHART BELOW. YOU MAY CREATE/INSERT NEW LINE TO KEEP UNIT TYPES, TAX CREDIT AND/OR PHR, WITH LIKE AMI’S TOGETHER]

Unit Type	# of Non-PBV TC Units	# of PHR RAD PBV Units	# of PHR Non-RAD PBV Units	# of PHR No TC Units	Maximum % AMI per LIHTC	Maximum % AMI per 24 CFR Part 5	Target % AMI for unit and funding type
1 BR	#	#	#	#	%	%	%
2 BR	#	#	#	#	%	%	%
3 BR	#	#	#	#	%	%	%
4 BR	#	#	#	#	%	%	%
5 BR	#	#	#	#	%	%	%

TOTAL	#	#	#	#			
-------	---	---	---	---	--	--	--

[DEVELOPER/PROPERTY MANAGEMENT, PLEASE EXPAND OR COLLAPSE CHART TO MATCH YOUR UNIT TYPES AND INCOMES]

D. UNIT SIZE/OCCUPANCY STANDARDS – Upon initial occupancy, no more than two persons will be assigned to a bedroom, plus one adult. Children under six years of age do not count toward the occupancy minimum. Maximum household size cannot exceed San Francisco Department of Building Inspection occupancy standards with regard to square footage per occupant. **(If there is State of California Housing and Community Development funding in the project, then occupancy standards may be different and Developer/Manager should state the most restrictive occupancy standard below.)** Households will be accommodated in accordance with the following occupancy standards:

[DEVELOPER/MANAGEMENT, MOHCD/HOPE SF HAS LISTED THE HUD OCCUPANCY STANDARDS IN THE CHART BELOW. PLEASE MODIFY THIS CHART TO INCLUDE THE OCCUPANCY STANDARD WITH THE HIGHEST MINIMUM FROM FOR THIS DEVELOPMENT.]

	<u>Minimum</u>	<u>Maximum</u>
1. Studio	1	2
One Bedroom	1	3
Two Bedroom	2	5
Three Bedroom	3	7
Four Bedroom	4	9
Five Bedroom	5	11

The above listed Occupancy Chart above adheres to the occupancy standards set by [DEVELOPER/MANAGEMENT, NAME THE REGULATORY AGENCY OCCUPANCY STANDARD YOUR PROPERTY MANAGEMENT DEPARTMENT WILL FOLLOW FOR THIS DEVELOPMENT.]

2. The head of household must be 18 years of age or older, or an emancipated minor.
3. A Live-In Aide is allowed to live in the apartment due to a reasonable accommodation. They may be allowed a separate bedroom.
4. * Children 6 years and under do not count toward minimum occupancy standard.
5. For PBV units, the occupancy standard of SFHA will apply per the current Administrative Plan. If there is a conflict between SFHA occupancy standards and another regulatory agency’s occupancy standards, the regulatory agency with the highest minimum occupancy for this development will prevail.

** Developer/Management makes sure this language is consistent with what was negotiated in the marketing plan with your OCII and/or MOHCD Project Manager and MOHCD Below Market Rate Staff.*

E. WAITING LISTS

Two waiting lists will be maintained.

1. Non-PBV TC Units

Please see [NAME OF DEVELOPMENT]'s Housing Preferences and Lottery Procedures Manual for a description of the **Non-PBV TC Units** waiting list process that includes a discussion about maintaining the lottery waitlist, filling vacancies in a Non-PBV TC Units, creating a waitlist for residents who need to transfer to a different Non-PBV TC Units and process for filling vacancies in accessible Non-PBV TC Units. The Non-PBV TC Units will be Waiting List A.

Please note that the HOPE SF Resident Selection Criteria is one part of the entire Marketing Plan for this development. The Marketing Plan for this development includes the Marketing and Tenant Selection Plan for Initial Rental Units that covers the Non-PBV TC Units, the current version of the MOHCD Housing Preference and Lottery Procedures Manual, and this HOPE SF Resident Selection Criteria. The MOHCD Housing Preference and Lottery Procedures Manual is available on the MOHCD website at <https://sfmochd.org>.

2. PHR

Waiting List B will be maintained for the PHR units by SFHA. Waiting List B will be maintained according to family size, type of unit for applicant households, total household income, and status in relation to preferences. Waiting List B will be used for units which have been set aside for persons on the HOPE SF [NAME OF HOPE SF DEVELOPMENT] Waitlist. After on-site residents have exercised their Right to Revitalized Units, households will be selected from site-based waiting list(s) based on waitlist position as shown in the preference list in the current SFHA Admin Plan.

a. Vacancy in a PHR Units after Initial Lease Up

1. When a unit becomes available, Management completes SFHA's Applicant Referral Request form. Once completed, Management emails scanned copies to the SFHA's Waitlist Management Department Program Manager and SFHA's Leased Housing Department/RAD Program Manager.
2. The Program Managers from SFHA's Waitlist Management Department and Lease Housing Department/RAD work together to refer a potential resident in the order of the preference from SFHA's waitlist for [NAME OF PROPERTY], as listed in the SFHA Admin Plan.

VIII. APPLICANT SCREENING

For a quick reference of all the information in Section VIII – Applicant Screening, please see Exhibit A.

A. Processing Priority (applies to all Non-PBV TC Units and PHR units)

1. Units designed specifically for individuals with a physical impairment:

- a. For this development, "physical impairment" is defined as mobility impairment which necessitates the features in a mobility unit. Features in a mobility unit include, but are not limited to, required wheel-chair turning space in unit, arm reach requirements to appliances, lowered cabinets, roll-in showers. For all units designed specifically with mobility features, priority will be given to those applicants needing such modifications. .

[NAME OF PROPERTY MANAGEMENT AGENT] will follow the process for mobility impairment units that is written in the current version of the MOHCD Housing Preferred and Lottery Procedures Manual.

2. Units designed for individuals with a hearing or vision impairment:
 - a. For all units designed specifically with hearing and/or vision features, priority will be given to those applicants and households where a member is in need of such modifications.

B. Initial Interview – All household members must be present at the initial interview (applies to all Non-PBV TC Units and PHR units).

At the scheduled interview, all eligibility factors will be explained to the applicants, with particular emphasis on the Applicant Screening Requirements. During the interview, the staff person will do the following:

1. Clarify any information provided by the applicant;
2. Income qualification verification, including self-employment: soliciting third-party verification from all sources in order to determine annual household income (the maximum income levels apply to the LIHTC and PBV programs), and all assets, including bank accounts;
3. Make copies of photo identification, i.e. Driver's License or state I.D. card, passport, travel visa, I-94s or employment cards for adults 18 years of age and older, and birth certificates for children under the age of 18 years of age;
4. Make copies of photo identification, i.e. Driver's License or state I.D. card, passport, travel visa, I-94s or employment cards for adults 18 years of age and older, and birth certificates for children under the age of 18 years of age;
5. Answer any questions the applicant may have
6. Provide Fair Chance Ordinance ("FCO") language.

C. Income Qualification/Gross Rent as Percentage of Gross Income

1. Non-PBV TC Units

- a. To protect [NAME OF DEVELOPMENT] from rent loss and rent delinquency, residents are eligible for the "lottery units" if their income is two times the net rent.
- b. All income must be verified by Management.

- c. For determining gross rent as percentage of gross income, gross rent shall be calculated using tenant rent plus utility allowance. If there is no utility allowance, tenant rent shall be considered gross rent.
- d. Income qualification adheres to the the current version of the MOHCD Housing Preference and Lottery Procedures Manual and is consistent with the Marketing Plan and Tenant Selection Plan for [NAME OF DEVELOPMENT] that covers the “lottery units.” Please see section [LIST SECTION IN THE THE MARKETING & TENANT SELECTION PLAN COVERING INCOME QUALIFICATION] of the Marketing Plan and Tenant Selection Plan for [NAME OF DEVELOPMENT].

2. PHR

a. *On-Site Applicants:*

- i. SFHA staff will calculate the tenant paid portion for the priority household. The tenant paid portion will be listed on the SFHA referral and the amount shown on the referral will be the Total Tenant Payment (TTP). Given the requirements of certain funding sources, PHR units may have differing underlying rent restrictions based on AMI. In such cases, Management will match applicant income to the AMI level appropriate for each unit

Management will calculate area median income (AMI) for purposes of HOPE SF income reporting that is submitted to the MOHCD Project Manager/OCII Community Development Specialist for [NAME OF DEVELOPMENT] during initial lease-up. On the reporting form, Management must indicate if AMI’s are based on MOHCD or CTCAC AMI’s.

- ii. If an On-site Applicant is over income, the new affordable development must accept the On-site Applicant. The over-income unit will remain a PHR unit, but it will no longer be classified a tax credit unit if the income of the resident exceeds the current maximum of California Tax Credit Allocation Committees maximum income for tax credit eligible unit. Such instances will be reviewed on a phase-by-phase basis.
- iii. If an On-site Applicant household is also an ESH, the new affordable development must accept the On-site Applicant. The ESH will remain in a PHR unit, but it will no longer be classified a tax credit unit as it is out of compliance with the IRS Section 42 Tax Credit/ LIHTC program. Such instances will be reviewed on a phase-by-phase basis.

b. *Off-site/Cross-Site Applicants*

- i. SFHA staff will calculate the tenant paid portion for the priority household. The tenant paid portion will be listed on the SFHA referral and the amount shown on the referral will be the Total Tenant Payment (TTP). Management will calculate area median income (AMI) for

purposes of HOPE SF income reporting that is submitted weekly to the MOHCD Project Manager/OCII Community Development Specialist for [NAME OF DEVELOPMENT] during lease-up. Also, if [NAME OF DEVELOPMENT] has multiple AMI levels, including those for PHR units, Management will do its best to categorize the current AMI level per the affordable financing program for the unit.

- ii. As the owner of Right to Revitalized Units accepting Off-Site and/or Cross-Site Applicants did not anticipate, during its financial feasibility analysis, accepting any over-income Off-Site or Cross-Site Applicants, over-income Off-Site and/or Cross-Site Applicants will not be accepted or referred to [NAME OF DEVELOPMENT].
- iii. As the owner of Right to Revitalized Units accepting Off-Site and/or Cross-Site Applicants did not anticipate, during its financial feasibility analysis, accepting any ESHs, ESHs will not be accepted or referred to [NAME OF DEVELOPMENT].

3. Expired PHR

Expired PHR units will follow the same process identified above for Cross-Site Applicants. As the PHR units are expired, the owner of [NAME OF DEVELOPMENT] will not be required to accept any over-income SFHA referred residents. Over-income SFHA referred households may have a negative long term financial impact to [NAME OF DEVELOPMENT].

D. References

1. Non-PBV TC Units: Please see [NAME OF DEVELOPMENT]'s San Francisco Housing Portal – DAHLIA project posting pages for a description of Managements process and/or policy for receiving rental history references for the tax credit units.
2. PHR
 - a. *On-site Applicants*: Management will not take rental references for Onsite Applicants
 - b. *Off-site Applicants*: Management will not take rental references for Offsite Applicants
 - c. *Cross-Site Applicants*: Management will take rental references for Cross-Site Applicants. [MANAGEMENT STATE PROCESS & INCLUDE IN DESCRIPTION THE TIME PERIOD IN WHICH RENTAL HISTORIES WILL BE CONSIDERED.]
3. Expired PHR: Expired PHR units will follow the same process identified above under References - PHR Units: Cross-Site Applicants.

E. Credit and Unlawful Detainer (“UD”) Checks

1. Non-PBV TC Units

- a. Management will request credit histories on each adult member of each applicant household and will request written documentation from the applicant's current landlord and former landlords for the past two (2) years. Documented lease violations with regard to non-payment or late rent payment, disturbance of neighbors, destruction of property that would pose a threat to other residents will inform the leasing agent about past performance meeting rental obligations. If Management receives any negative information from a former landlord with documented proof of a lease, code or house rules violation(s) within the last 2 years, the application may be rejected.
- b. Applicants who have failed to pay amounts due or failed to reach a satisfactory agreement to pay those amounts will also be considered ineligible. Mitigating circumstances (i.e., late fee/charges disputes) will be considered.
- c. Management will initiate an eviction history and credit report. An unlawful detainer shall go back no further than three (3) years. The applicant shall be notified of such action in advance.
- d. Except in a criminal background check, if there is a finding of any kind except that would negatively impact an application, the applicant will be notified in writing. The applicant will have 5 business days to appeal to Management for reconsideration. A comparable unit will be held while the applicant is going through the appeals process.
- e. If there is a finding during the criminal background, in accordance with Article 49 of the San Francisco Police Code, an applicant will have 14 calendar days to appeal and a comparable unit will be held for 14 calendar days.

2. PHR

- a. *On-site Applicants*: credit checks are not to be conducted for On-Site Applicants.
- b. *Off-site Applicants*: credit checks are not to be conducted for Off-Site Applicants.
- c. *Cross-Site Applicants*: Management [will/will not] conduct credit and unlawful detainer checks on Cross-Site Applicants. Management's process will [DEVELOPER/MANAGER SELECT THE TRUE STATEMENT "follow the process described above under VIII.E. Credit and Unlawful Detainer Checks – Non-PBV TC Units." OR "be as described below". (MANAGEMENT TO DESCRIBE PROCESS).]
 - i. If there is a finding of any kind which would negatively impact an application, the applicant will be notified in writing. With the written notification, [NAME OF PROPERTY MANAGEMENT AGENT] will

include the HOPE SF “Encouragement” letter provided in Exhibit C.

Developer/Property Manager, please note that your MOHCD Project Manager and/or OCII Development Specialist will provide you with the most recent “Encouragement Letter” in Word. Please make sure to request it from your MOHCD Project Manager or OCII Development Specialist if you did not receive it with the Word version of this document.

3. Expired PHR: [MANAGEMENT STATE WHICH CREDIT AND UD CHECK PROCESS IT WILL FOLLOW FOR EXPIRED PHR UNITS.]

Please note: At Sunnydale and Potrero and due to the size of the relocation efforts and timing of new construction, it is possible that On-Site Applicants may move into Expired PHR units. If or when this occurs, On-Site Applicants in Expired PHR units at the HOPE SF property must be processed as On-Site Applicants in new PHR units and must follow the process in Section VIII.E.2.a above.

F. Criminal Background Checks

1. Non-PBV TC Units: Management will conduct criminal background checks on all applicants to Non-PBV TC Units.
2. PHR
 - a. On-site Applicants: [NAME OF MANAGEMENT COMPANY] will *not* conduct criminal background checks on On-Site Applicants who meet the definition of “good standing” with SFHA and are referred for the new development.
 - b. Off-site Applicants: [NAME OF MANAGEMENT COMPANY] will *not* conduct criminal background checks on Off-Site Applicants who have met the definition of “good standing” with SFHA and are referred for [NAME OF DEVELOPMENT].
 - c. Cross-Site Applicants: Management [will/will not] conduct criminal background checks on Cross-Site Applicants.
3. Expired PHR: Management will conduct criminal background checks for all applicants.
4. All criminal background checks MUST be conducted in accordance with the Fair Chance Ordinance (FCO) Article 49 San Francisco Police Code—Protections for People with Prior Arrests or Conviction Records. [FULL NAME OF PROPERTY MANAGEMENT AGENT STAFF] has no authority over the applications received from households interested in [NAME OF DEVELOPMENT]. [FULL NAME OF PROPERTY MANAGEMENT AGENT STAFF] is *not* involved in the collection of households’ application or documents submitted with the application or review, approval or denial of applications for this project. [FULL NAME OF PROPERTY

MANAGEMENT AGENT STAFF] will obtain the criminal record upon approval of the applicants' eligibility in all areas other than criminal background. Each criminal background report request and response will be time and date stamped via email or via hand stamped to ensure review was completed after the provisional approval of the application.

Under the Fair Chance Ordinance, the applicant has the right to the following:

1. All other qualifications for affordable housing will be decided BEFORE Management knows anything about prior arrest or conviction records. Management may run a criminal history report at the same time as a rental or credit history but will not look at it prior to determining the applicant is qualified.
2. Management will not ask the applicant about a prior record for any household member through a rental application form or in an interview.
3. The applicant will be provided with a copy of Fair Chance Ordinance notice before Management runs the background report.
4. The following six "off-limits" categories will not be requested or considered on the criminal records check of any household member:
 - arrests that did not result in conviction
 - participation in a diversion or deferral judgment program
 - expunged, judicially dismissed, invalidated or otherwise inoperative convictions
 - juvenile record
 - a conviction more than 7 years old
 - an infraction
5. Each record will be assessed individually, in which only the "directly-related" convictions and unresolved arrests in the record are considered. In considering whether a conviction / unresolved arrest is directly-related, Management shall look at whether the conduct has a direct and specific negative bearing on the safety of persons or property, and given the nature of the housing, whether the housing offers the opportunity for the same/similar offense to occur, whether circumstances leading to the conduct will recur in [NAME OF DEVELOPMENT] and whether supportive services, when available, might reduce the likelihood of a recurrence.
6. The applicant will be provided with a copy of the background report and told which conviction or unresolved arrest is the basis for the potential denial. The applicant will have 14 days to respond orally or in writing to request reversal of the denial. The applicant can respond by:

- Pointing out any inaccuracies in the report;
 - Providing evidence of rehabilitation. Evidence of rehabilitation include satisfying parole/probation, receiving education/training, participating in alcohol or drug treatment programs, letters of recommendation, age at the time of conviction, and/or;
 - Explaining any mitigating factors about the circumstances of the conviction. (Mitigating factors include physical or emotional abuse, coercion, untreated abuse/mental illness that led to the conviction).
7. The applicant has a right to call the Human Rights Commission to understand their rights or file a complaint (within 60 days of violation) without any negative action or retaliation taken against the applicant by [NAME OF PROPERTY MANAGEMENT AGENT]. For more information, contact the Human Rights Commission at (415) 252-2500 or email hrc.info@sfgov.org.

G. Fees

Fees for processing income, credit, unlawful detainer and criminal checks will not be charged, except as indicated below:

1. Non-PBV TC Units: A fee of [MANAGEMENT STATE THE DOLLAR AMOUNT OF THE UD, CREDIT, AND CRIMINAL CHECK. IF A FEE IS CHANGED IT CANNOT EXCEED \$25.00. IF NO FEE IS CHARGED, PLEASE SHOW AS "\$0.00"] per adult applicant 18 years or older is required at the time of the initial interview for the unlawful detainer, credit and criminal checks. Applicants will be reviewed for criminal background in accordance with Article 49 of the San Francisco Police Code, the Fair Chance Ordinance. The fee must be paid by Money Order
2. PHR
 - a. On-site Applicants: Not applicable.
 - b. Off-site Applicants: Not applicable
 - c. Cross-Site Applicants: Management [will/will not] collect a fee for the credit, unlawful detainer, and criminal checks. [IF MANAGEMENT WILL TAKE A FEE. MANAGEMENT STATE THE AMOUNT OF THE FEE AND WHEN CROSS-SITE APPLICANTS MUST PAY FEE.]
3. Expired PHR: [MANAGEMENT STATE WHICH FEE PROCESS IT WILL FOLLOW FOR EXPIRED PHR UNITS.]

IX. FINAL ELIGIBILITY DETERMINATION

A. Notification of Eligibility: Upon completion of eligibility determination, eligible applicants will be notified in writing of their status and given an approximate date when they can expect to receive an offer of a unit. The basis of the final eligibility will be as follows:

1. Non-PBV TC Units

- a. After the applicant's initial eligibility has been determined with regard to household annual income, rental history, and credit history, Management will make a final eligibility determination after reviewing the criminal report on each adult applicant.
- b. Once final eligibility is determined, the staff will ask applicants to select their first, second and third choice of unit according to household size and income. When leasing up, units are assigned in lottery rank order. Once a household passes income, rental and credit checks, Management assigns and holds the applicant's first, second, or third choice whichever is available.
- c. A comparable unit will be held while the applicant is going through the appeals process.

2. PHR

a. *On- and Off- site Applicants:*

- i. Management will make a final eligibility determination after receiving the referral from SFHA, conducting initial interview, and completing the income qualification and determining unit size for household configuration. (Unit size based on household configuration is on SFHA referral letter.)
- ii. Once final eligibility is determined, Management will proceed to execute lease documents and assign the next unit available for which the household has been deemed eligible.
- iii. [NAME OF MANAGEMENT COMPANY] will offer units to On- and Off-Site Applicants in referral order, the order in which the referrals were sent by SFHA's Waitlist Department.

b. *Cross-Site Applicants:*

- i. Management will make a final eligibility determination after receiving the referral from SFHA, conducting initial interview, completing the income qualification, determining unit size for household configuration, and completing rent reference, credit, UD, and criminal background checks. (Unit size based on household configuration is on SFHA referral letter.) Off-Site Applicants will be notified in writing of their status and given an approximate date when they can expect to receive an offer of a unit
- ii. Once final eligibility is determined, the Management will proceed to execute lease documents and assign the next unit available for which the household has been deemed eligible.
- iii. [NAME OF MANAGEMENT COMPANY] will offer units to Cross-Site Applicants in referral order, the order in which the referrals were sent by SFHA's Waitlist Department.

3. Expired PHR: [MANAGEMENT STATE WHICH FINAL ELIGIBILITY

DETERMINATION PROCESS IT WILL FOLLOW FOR EXPIRED PHR UNITS.]

B. Notification of Ineligibility. If an applicant is deemed ineligible. The applicant will be notified in writing of his/her ineligibility. The ineligibility letter will include: (i) the reason for the denial, (ii) notification that the applicant has a right to an informal review, (iii) the process for an informal review. A summary of acceptable grounds for denial can be found in Exhibit B. Management will include in the ineligible letter a copy of Encouragement Letter found in Exhibit C for Off-Site or Cross-Site applicants that have been determined ineligible.

X. APPEALS OF DENIALS

For all Non-PBV TC Units, Management will report all Non-PBV TC Units applicant denials and appeals to MOHCD Below Market Rate on a weekly basis through the lease up.

For all PHR Units, Management will report all PHR Units applicant denials and appeals to SFHA's Waitlist Management Department's Program Manager II, MOHCD Project Manager or OCII Development Specialist of the HOPE SF property, MOHCD Project Manager of [NAME OF DEVELOPMENT], and the HOPE SF property's service and/or relocation and readiness provider on a weekly basis through the lease up.

Non-PBV TC Units applicants, Off- and Cross- Site Applicants determined ineligible for admission by Management may appeal through an informal review of the determination. Non-PBV TC Units applicants, Off- and Cross- Site Applicants must make the request within [MANAGEMENT COMPANY LIST NUMBER OF DAYS FOR APPEAL] calendar days of the date of [NAME OF MANAGEMENT COMPANY'S] notice of ineligibility and/or denial letter. Within [MANAGEMENT COMPANY LIST NUMBER OF DAYS TO SCHEDULE AND REVIEW APPEAL] calendar days of receiving the request, Management must schedule the review and notify the applicant of the place, date and time of informal interview.

Informal reviews will be conducted by an impartial review officer who had no involvement in the ineligibility determination. The review officer will be selected by [NAME OF MANAGEMENT COMPANY]. [NAME OF MANAGEMENT COMPANY] has selected [MANAGEMENT COMPANY PROVIDE THE TITLE AND/OR POSITION OF THE PERSON SELECTING THE IMPARTIAL REVIEW OFFICER] to be the impartial review officer. [MANAGEMENT COMPANY PROVIDE THE TITLE AND/OR POSITION OF THE PERSON SELECTING THE IMPARTIAL REVIEW OFFICER] may be contacted by phone at [MANAGEMENT COMPANY PROVIDE THE PHONE NUMBER OF THE IMPARTIAL REVIEW OFFICER] and by email at [MANAGEMENT COMPANY PROVIDE THE EMAIL OF THE IMPARTIAL REVIEW OFFICER], and has an office located at [MANAGEMENT COMPANY PROVIDE THE FULL ADDRESS OF THE IMPARTIAL REVIEW OFFICER'S OFFICE]. The applicant may bring to the review any documentation or evidence he/she wishes and the applicant's evidence along with the data compiled by Management will be considered by the review officer.

The review officer will make a determination based upon the merits of the evidence presented by Management and applicant. Within [MANAGEMENT COMPANY LIST NUMBER OF DAYS REVIEWER HAS TO MAIL APPEAL] days of the date of the review, the review officer will mail a written decision to the applicant and place a copy of the decision in the

applicant's file.

XI. OCCUPANCY PROTECTION FOR HUD-ASSISTED HOUSEHOLDS IN NON-PBV TC UNITS, PHR, AND EXPIRED PHR

A. Management must complete the current version of the *Tenancy Addendum Section 8 Project-based Voucher Program (form HUD 52530.c)* for any and all residents at [NAME OF DEVELOPMENT] with a Housing Choice Voucher (HCV). HCV units include RAD Units, Non-RAD PBV Units, and “tenant based” and/or “portable” HCV for residents residing in Non-PBV TC Units. Management sends the fully completed and executed HUD 52530.c to the SFHA RAD Program Manager, Leased Housing Department.

1. Non-PBV TC Units: *HUD-Assisted households in Non-PBV TC Units applies to households with a HCV that are commonly called “tenant based” and/or “portable.”* In this case, [NAME OF MANAGEMENT COMPANY] has no authority to terminate the “tenant based” and/or “portable” HCV of tenants. Owners may only terminate tenancy in limited circumstances as prescribed in the *Housing Assistance Payment Contract (HAP Contract) Section 8 Tenant-Based Assistance Housing Choice Voucher Program (form HUD-52641)* and by the terms of the lease and must follow HUD and state/local procedures. Terminations for reasons other than those permitted by HUD are prohibited. The lease agreement details the grounds for termination of tenancy, which does include failure to meet LIHTC requirements, including LIHTC-specific income and student eligibility rules.

a. SFHA requires that a household pay 30% of their adjusted household income. If at the annual or interim recertification SFHA determines that 30% of the household’s adjusted gross income is equal to or higher than the contract rent, SFHA will give household 180 days before removing the household from the HCV program. If during the 180 day period there have been no changes to the household’s income, SFHA will send the household a letter indicating that the household will be removed from the HCV program. *There is nothing in SFHA’s letter that states the households must vacant or leave the unit.*

2. PHR & Expired PHR [NAME OF MANAGEMENT COMPANY] has no authority to terminate the RAD and/or Non-RAD PBV rental subsidy of the residents. Owners may only terminate tenancy in limited circumstances as prescribed in the *Tenancy Addendum Section 8 Project-based Voucher Program (form HUD 52530.c)* and by the terms of the lease and must follow HUD and state/local procedures. Terminations for reasons other than those permitted by HUD are prohibited. The lease agreement details the grounds for termination of tenancy which does include failure to meet LIHTC requirements, including LIHTC-specific income and student eligibility rules.

a. RAD Units: SFHA requires that households pay 30% of their adjusted household income even if it exceeds the contract rent. If at the annual or interim recertification

SFHA determines that 30% of the households' adjusted gross income is equal to or above the contract rent, the households in the PHR RAD Unit is allowed to remain in the unit, as referenced in SFHA's current Housing Choice Voucher Program Administrative Plan and as regulated in the HUD PIH -2012-32 Notice and all subsequent updates. SFHA will not pay subsidy on the unit when the households are able to pay the full contract rent. Households retain all other rights under the lease, including the right to occupy the unit. This provision is only utilized for residents living in the HOPE SF property prior to conversion, and those who will return to the HOPE SF property after conversion. All other residents fall under XI.A.1.a.

- b. Non- RAD PBV Units: Please see XI.A.1.a above, as these units process will be similar to households with a "tenant based" and/or "portable" in Non-PBV TC Units.

EXHIBIT A

Screening Criteria Summary

Screening Criteria	Non-PBV TC Units	PHR On-Site	PHR No TC Units (Allowed only at HOPE SF Properties)	PHR Off-Site	PHR Cross-Site	Expired PHR
Annual household income	Yes; Use the maximum per MOHCD or TCAC limits for the specific development	Yes, for CTCAC purposes only. Resident <u>cannot</u> be denied due to income. Use the maximum per MOHCD or TCAC limits for the specific development. Maximum income is at or below HUD 50% AMI.	Yes, for CTCAC purposes only. Resident <u>cannot</u> be denied due to income; Use the maximum per MOHCD or TCAC limits for the specific development. Maximum income is at or below HUD 50% AMI. Income of Initial Household in unit may exceed the MOHCD, TCAC, or HUD limits. At or below HUD 50% AMI	Yes; Use the maximum per MOHCD or TCAC limits for the specific development. Maximum income is at or below HUD 50% AMI. Households may <u>not</u> exceed the MOHCD or TCAC limits.	Yes; Use the maximum per MOHCD or TCAC limits for the specific development. Maximum income is at or below HUD 50% AMI. Households may <u>not</u> exceed the MOHCD or TCAC limits.	Yes; The lower of TCAC limit for the unit or 50% HUD AMI.
Entirely Full Time Student Household Status	Yes, by Developer; follows Section 42, as administered by CTCAC.	Yes, by Developer; follows Section 42, as administered by CTCAC.	Yes, by Developer; follows Section 42, as administered by CTCAC. If ESH, may be assigned to PHR No TC Unit.	Yes, by Developer; follows Section 42, as administered by CTCAC.	Yes, by Developer; follows Section 42, as administered by CTCAC.	Yes, by Developer; follows Section 42, as administered by CTCAC.
Household occupancy standard	Highest minimum and maximum occupancy limits of development funders (See Occupancy chart In Section VII.D.1)	Highest minimum and maximum occupancy limits of development funders (See Occupancy chart In Section VII.D.1)	Highest minimum and maximum occupancy limits of development funders (See Occupancy chart In Section VII.D.1)	Highest minimum and maximum occupancy limits of development funders (See Occupancy chart In Section VII.D.1)	Highest minimum and maximum occupancy limits of development funders (See Occupancy chart In Section VII.D.1)	Highest minimum and maximum occupancy limits of development funders (See Occupancy chart In Section VII.D.1)
Rental history	Yes; by Developer as stated in the Marketing Plan, Section VIII.D.1 of this document, and restated in Exhibit B.	No screening per Right to Return Ordinance	No screening per Right to Return Ordinance	No screening per Right to Return Ordinance	Yes; by Developer as stated in Section VIII.D.2 and restated in Exhibit B of this document.	Yes; by Developer as stated in Section VIII.D.3 and restated in Exhibit B of this document.

Unlawful Detainer	Yes; by Developer as stated in the Marketing Plan, Section VIII.E.1 of this document, and restated in Exhibit B.	SFHA to determine if households is in eviction proceedings. Developer may <u>not</u> screen per Right to Return to Revitalized Unit Ordinance.	SFHA to determine if households is in eviction proceedings. Developer may <u>not</u> screen per Right to Return to Revitalized Unit Ordinance	SFHA to determine if households is in eviction proceedings. Developer may <u>not</u> screen per Right to Return to Revitalized Unit Ordinance.	Yes; by Developer as stated in Section VIII.E.2 and restated in Exhibit B of this document.	Yes; by Developer as stated in Section VIII.E.3 and restated in Exhibit B of this document.
Credit	Yes; by Developer as stated in the Marketing Plan, Section VIII.E.1 of this document, and restated in Exhibit B.	No screening per Right to Return Ordinance	No screening per Right to Return Ordinance	No screening per Right to Return Ordinance	Yes; by Developer as stated in Section VIII.E.2 and restated in Exhibit B of this document.	Yes; by Developer as stated in Section VIII.E.3 and restated in Exhibit B of this document.
Criminal background	Yes; by Developer as stated in the Marketing Plan, Section VIII.F.1 of this document, and restated in Exhibit B.	No screening per Right to Return Ordinance	No screening per Right to Return Ordinance	No screening per Right to Return Ordinance	Yes; by Developer as stated in Section VIII.F.2 and restated in Exhibit B of this document.	Yes; by Developer as stated in Section VIII.F.3 and restated in Exhibit B of this document.

EXHIBIT B
Permissible Denial Categories

1. Non-PBV TC Units: Applicants in unsubsidized tax credit units may be denied for the reasons listed in the Marketing Plan and Tenant Selection Plan for [NAME OF DEVELOPMENT]. Please see sections [List all sections that contain information regarding denying potential residents.]
 - 1) Annual Income, Occupancy Standard, Entirely Fully Time Student Household Status, Regulatory Programs other than SFHA and MOHCD.
 - Non-PBV TC Applicants annual income (including assets) is not within the established restrictions for the property.
 - Non-PBV TC Applicants household size does not meet minimum or exceeds maximum occupancy standard for [NAME OF DEVELOPMENT] as provided in Section IIV.D of this document.
 - Non-PBV TC Applicants household does not meet all program regulated eligibility requirements, including Entirely Fully Time Student Household for [NAME OF DEVELOPMENT].
 - 2) Rental History
 - [MANAGEMENT LIST ANY OTHER REASONS A NON-PBV TC APPLICANT WILL BE DENIED BASED ON RENTAL HISTORY.]
 - 2) Credit & Unlawful Detainers
 - [MANAGEMENT LIST ANY OTHER REASONS A NON-PBV TC APPLICANT WILL BE DENIED BASED CREDIT & UNLAWFUL DETAINERS.]
 - 3) Criminal Background Check

All items for denial below must be in compliance with the Fair Chance Ordinance.

 - [MANAGEMENT LIST ANY OTHER REASONS A NON-PBV TC APPLICANT WILL BE DENIED BASED ON THE CRIMINAL BACKGROUND CHECK.]
 - 4) Personal History

HOPE SF, MOHCD, and OCII recognize that personal history checks are required by CTCAC, especially when the applicant

household has no rental history.

- [MANAGEMENT LIST ANY OTHER REASONS A NON-PBV TC APPLICANT WILL BE DENIED BASED ON PERSONAL HISTORY CHECK.]

5) Other

- Non-PBV TC Applicants and all household members not showing up for interview with [NAME OF MANAGEMENT COMPANY] for [NAME OF DEVELOPMENT]. Exceptions will be granted for hospitalization, medical reasons, emergency, etc., (or some other time acceptable to Management) prior to completion of Initial Certification.
- Non-PBV TC Applicants not providing completed and signed applications, release of information, and application fee (if required).
- Non-PBV TC Applicants not providing landlord references covering the last three years of residency.
- Non-PBV TC Applicants not providing appropriate proof of all income sources and assets.
- Non-PBV TC Applicants not providing any other documents required to determine eligibility.
- Intentional falsification of any information on the application by Non-PBV TC Applicants.
- Other good cause: including, but not limited to, failure to meet any of the selection criteria in this document.
- Non-PBV TC Applicant declines an apartment offer after eligibility is determined by [NAME OF MANAGEMENT COMPANY]. Non-PBV TC Applicant's decline of an apartment is considered to be a withdrawal of the rental application for [NAME OF DEVELOPMENT] by the Non-PBV TC Applicant. [NAME OF MANAGEMENT COMPANY] will contact Non-PBV TC Applicant a minimum of two (2) times and will use all modes of communication available (phone, email, regular mail, etc.) by [DEVELOPER/MANAGEMENT STATE THE FORM OF CONTACT YOU WILL MAKE TO APPLICANTS]. Management will take into consideration cases of reasonable accommodation or other mitigating circumstances.
- Failure to update application for Waiting List A within specified times when notified no less than two times.

- [MANAGEMENT LIST ANY OTHER REASONS A NON-PBV TC APPLICANT WILL BE DENIED.]

2. PHR:

- a. On-site Applicants: Only On-site Applicants that are in good standing, per the Right to Return ordinance, will be referred to [NAME OF MANAGEMENT COMPANY] for [NAME OF DEVELOPMENT] by SFHA. On-site Applicants referred to [NAME OF MANAGEMENT COMPANY] are assumed to be in good standing and may not be denied placement into a PHR unit.
- b. Off-site Applicants: Only Off-site Applicants that are in good standing, per the Right to Return ordinance, will be referred to [NAME OF MANAGEMENT COMPANY] for [NAME OF DEVELOPMENT] by SFHA. Off-site Applicants referred to [NAME OF MANAGEMENT COMPANY] for [NAME OF DEVELOPMENT] are assumed to be in good standing. [NAME OF MANAGEMENT COMPANY] may deny Off-site Applicants if one of the the three following occurs: *[Property Management Agents, please note that the prompts below are permanent requirements and may not be changed without permission from your MOHCD Project Manager or OCII Development Specialist. If you must change the language below or your process is different, please show your proposed request using Word redline function and state the reason for your proposed change. In addition, the denial letter must clearly state the reason for denial, and it must state the time period a resident has to appeal the denial. The denial letter must be provided to the MOHCD Project Manager or OCII Development Specialist for review and approval along with this document. Any and all denial letters sent to a HOPE SF Off-Site Applicant must include the completed HOPE SF "Encouragement Letter." Please make sure to request the current version of the "Encouragement Letter" from your MOHCD Project Manager or OCII Development Specialist.]*
 - 1) Eligibility income exceeding the maximum allowed;
 - 2) Family composition not appropriate for available bedroom sizes at [NAME OF DEVELOPMENT];
 - 3) Intentional falsification of any information on the application;
 - 4) All members of household are full-time students and do not meet any of the criteria outlined in the Entirely Full-Time Student Household, as defined in this document.
 - 5) Failure to present all members of the family at the full family interview, except for hospitalization, medical reasons, emergency, etc.,

(or some other time acceptable to management) prior to completion of Initial Certification;

6) Declines an apartment offer after being contacted three (3) times;

c. Cross-site Applicants: Only Cross-site Applicants that are in good standing, per the Right to Return ordinance, will be referred to [NAME OF MANAGEMENT COMPANY] for [NAME OF DEVELOPMENT] by SFHA. Cross-site Applicants referred to [NAME OF MANAGEMENT COMPANY] for [NAME OF DEVELOPMENT] are assumed to be in good standing. [NAME OF MANAGEMENT COMPANY] may deny Cross-site Applicants for any of the following: *[Property Management Agents, please note that the prompts below are permanent requirements and may not be changed without permission from your MOHCD Project Manager or OCII Development Specialist. If you must change the language below or your process is different, please show your proposed request using Word redline function and state the reason for your proposed change. In addition, the denial letter must clearly state the reason for denial, and it must state the time period a resident has to appeal the denial. The denial letter must be provided to the MOHCD Project Manager or OCII Development Specialist for review and approval along with this document. Any and all denial letters sent to a HOPE SF Cross-Site Applicant must include the completed HOPE SF "Encouragement Letter." Please make sure to request the current version of the "Encouragement Letter" from your MOHCD Project Manager or OCII Development Specialist.]*

1) Annual Income, Occupancy Standard, Entirely Fully Time Student Household Status, Regulatory Programs other than SFHA and MOHCD.

- Cross-site Applicants annual income (including assets) is not within the established restrictions for the property.
- Cross-site Applicants household size does not meet minimum or exceeds maximum occupancy standard for [NAME OF DEVELOPMENT] as provided in Section IIV.D of this document.
- Cross-site Applicants household does not meet all program regulated eligibility requirements, including Entirely Fully Time Student Household for [NAME OF DEVELOPMENT].

2) Rental History

- May not have a judgement against the the Cross-site Applicants head-of-household(s) obtained by the current or previous landlord within the last two (2) years. No fault events will not count against Cross-site Applicants.

- Cross-site Applicants may not have an unmet obligation owed to a previous landlord within the last two (2) years.
- Cross-site Applicants who have not made timely payments ninety (90) days prior to the date of processing may be denied. Cross-site Applicants who have three (3) or more unpaid late payments twelve (12) months prior to the application processing date for [NAME OF DEVELOPMENT] may be denied. Cross-site Applicants who have late fees paid off in any period of time prior to the application processing date for [NAME OF DEVELOPMENT] may not be denied.
- [MANAGEMENT LIST ANY OTHER REASONS A CROSS-SITE APPLICANT WILL BE DENIED BASED ON RENTAL HISTORY IF NOT CAPTURED IN ABOVE BULLETS.]

3) Credit & Unlawful Detainers

- Total unmet credit problems, including governmental tax liens, within the last three (3) years, must not be in excess of \$2,500.
- Cross-Site Applicants may not have bankruptcy discharged within the last three (3) years.
- Cross-Site Applicants may not have seven (7) or more unmet credit problems of any value within the last three (3) years.

4) Criminal Background Check

All items for denial below must be in compliance with the Fair Chance Ordinance.

- Any adult, age 18 or over, Cross-Site Applicant who is subject to any states sex offender lifetime registration requirement.
- Felony conviction.
- An established documented pattern of criminal activity.
- The documented manufacturing, selling or possession of any drugs or illegal substances, or documented established pattern of manufacturing, selling or possession of any drugs or illegal substances.
- Documented incidences of physical violence to person or property, violent criminal activity, sexual abuse, illegal weapons possession, any form of assault, breaking and entering, burglary or drug related criminal activity, or any

act that would threaten the health, safety or right to peaceful enjoyment by other residents, or employees and contractors who work with the community.

5) Personal History

HOPE SF, MOHCD, and OCII recognize that personal history checks are required by CTCAC, especially when the applicant household has no rental history. As Cross-Site Applicants will have a rental history of 12 months within the last three years or longer at a HOPE SF property, personal history checks are NOT allowed as a reason for denial in a PHR unit.

6) Other

- Cross-Site Applicants and all household members not showing up for interview with [NAME OF MANAGEMENT COMPANY] for [NAME OF DEVELOPMENT]. Exceptions will be granted for hospitalization, medical reasons, emergency, etc., (or some other time acceptable to Management) prior to completion of Initial Certification.
- Cross-Site Applicants not providing completed and signed applications, release of information, and application fee (if required).
- Cross-Site Applicants not providing landlord references covering the last three years of residency.
- Cross-Site Applicants not providing appropriate proof of all income sources and assets.
- Cross-Site Applicants not providing any other documents required to determine eligibility.
- Intentional falsification of any information on the application by Cross-Site Applicants.
- Other good cause: including, but not limited to, failure to meet any of the selection criteria in this document.
- Cross-Site Applicant declines an apartment offer after eligibility is determined by [NAME OF MANAGEMENT COMPANY]. Cross-Site Applicant's decline of an apartment is considered to be a withdrawal of the rental application for [NAME OF DEVELOPMENT] by the Cross-Site Applicant. [NAME OF MANAGEMENT COMPANY] will contact Cross-Site Applicant a minimum of two (2) times and will use all modes of communication available (phone, email, regular mail, etc.) by [DEVELOPER/MANAGEMENT STATE THE FORM OF

CONTACT YOU WILL MAKE TO APPLICANTS].
Management will take into consideration cases of reasonable accommodation or other mitigating circumstances.

- [MANAGEMENT LIST ANY OTHER REASONS A CROSS-SITE APPLICANT WILL BE DENIED.]

Consideration may be given for extenuating/mitigating circumstances where any of the denial items above would be required as a reasonable accommodation when determining the acceptability of tenancy. Cross-Site Applicants with disabilities have the right to request reasonable accommodations to participate in the informal hearing process for [NAME OF DEVELOPMENT].

3. Expired PHR: [MANAGEMENT STATES WHICH DENIAL PROCESS IT WILL FOLLOW FOR EXPIRED PHR UNITS.]

For PHR units, it is the Off-Site, Cross-Site, and PBV/TC (including expired PHR) Applicant's responsibility to provide SFHA with current household configuration and total household income information.

EXHIBIT C
Encouragement Letter

Encouragement letter follows this cover

EXHIBIT D
Violence Against Women Reauthorization Act of 2013 (VAWA)

- A. **Protections.** VAWA protections apply to individuals and families applying for or residing in housing governed by the project-based Section 8 program, various HUD programs, and other affordable housing programs. The law protects victims or survivors of domestic violence, dating violence, sexual assault, or stalking, as well as their immediate family members generally, from being evicted or being denied housing assistance on the basis that the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault or stalking if the applicant or tenant otherwise qualifies for admission, assistance, participation or occupancy. VAWA also provides that an incident of actual or threatened domestic violence, dating violence, sexual assault, or stalking, does not qualify as a serious or repeated violation of the lease nor does it constitute good cause for terminating the assistance, tenancy, or occupancy rights of the victim or survivor. Furthermore, criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking is not grounds for terminating the victim’s or survivor’s tenancy. If permitted by applicable law, including, but not limited to Article 49 of the San Francisco Police Code “Procedures for Considering Arrests or Convictions and Related Information in Employment and Housing Decisions” commonly referred to as the Fair Chance Ordinance (“FCO”), [NAME OF PROPERTY MANAGEMENT AGENT] (“Management”) may bifurcate (divide a lease as a matter of law) in order to evict, remove, or terminate the assistance of the offender while allowing the victim or survivor, who is a tenant or lawful occupant, to remain in the unit, with [Property Management Agent to state the position of the staff that will grant approval] approval.

VAWA ensures that victims are not denied housing and housing assistance solely because the person is a victim of a VAWA crime or incident; however, being a victim of a VAWA crime or incident is not reason to change the eligibility or applicant screening requirements set forth in the Resident Selection Criteria, unless such requirements interfere with protections provided under VAWA.

For example: Management may waive the requirement to review landlord history if the victim has provided necessary documentation to certify their status as a victim and if contacting a previous landlord would put the applicant’s location at risk of exposure to the accused perpetrator.

- B. **Definitions.** The following definitions are provided as assistance in understanding and implementing VAWA protections. The definitions for domestic violence, dating violence, sexual assault, or stalking and affiliated individual have been incorporated into the United States Housing Act.

- **Domestic Violence** includes felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, or intimate partner of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with

or has cohabitated with the victim as a spouse or intimate partner, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.

- **Dating Violence** means violence committed by a person: (A) who is or has been in a social relationship of a romantic or intimate nature with the victim, and (B) where the existence of such a relationship shall be determined based on a consideration of the following factors: (i) the length of the relationship; (ii) the type of relationship; and (iii) the frequency of interaction between the persons involved in the relationship.
- **Sexual Assault** means any nonconsensual sexual act proscribed by Federal, tribal or State law, including when the victim lacks capacity to consent.
- **Stalking** means engaging in a course of conduct directed at a specific person that would cause a reasonable person to (1) fear for the person's individual safety or the safety of others, or (2) suffer substantial emotional distress.
- **Affiliated Individual** means, with respect to a person: (a) a spouse, parent, brother, sister, or child of that person, or an individual to whom that person stands in the place of a parent to a child (for example, the affiliated person is a child in the care, custody, or control of that individual); or (b) any individual, tenant, or lawful occupant living in the household of that person.
- **Bifurcate** means to divide a lease as a matter of law, subject to the permissibility of such process under the requirements of the applicable program and State or local law, such that certain tenants or lawful occupants can be evicted or removed while the remaining household members can continue to reside in the unit under the same lease requirements or as may be revised depending upon the eligibility for continued occupancy of the remaining tenants and lawful occupants.

C. **Protections for Victims or Survivors of Domestic Violence, Dating Violence, Sexual Assault, or Stalking.** The law offers the following protections against eviction or denial of housing based on domestic violence, dating violence, sexual assault, or stalking:

1. An applicant's or program participant's status as a victim or survivor of domestic violence, dating violence, sexual assault, or stalking is not a basis for denial of rental assistance or for denial of admission, if the applicant otherwise qualifies for assistance or admission.
2. An incident or incidents of actual or threatened domestic violence, dating violence, sexual assault, or stalking will not be construed as serious or repeated violations of the lease or other "good cause" for terminating the assistance, tenancy, or occupancy rights of a victim or survivor of abuse.

3. Criminal activity directly related to domestic violence, dating violence, sexual assault, or stalking, engaged in by a member of a tenant's household or any guest or other person under the tenant's control, shall not be cause for termination of assistance, tenancy, or occupancy rights of the victim or survivor of the criminal acts.
4. Assistance may be terminated or a lease "bifurcated" in order to remove an offending household member from the home. Whether or not the individual is a signatory to the lease and lawful tenant, if he/she engages in physical violence against family members or others, he/she stands to be evicted, removed, or have his/her occupancy rights terminated. This action is taken while allowing the victim or survivor, who is a tenant or a lawful occupant, to remain. Decisions to bifurcate a lease or evict a tenant under VAWA will be made consistent with the requirements of the FCO, including, but not limited to, Sections 4907(f) and (g).
5. The provisions protecting victims or survivors of domestic violence, dating violence, sexual assault, or stalking engaged in by a member of the household, may not be construed to limit Management, when notified, from honoring various court orders issued to either protect the victim or survivor or address the distribution of property in case a family breaks up.
6. The authority to evict or terminate assistance is not limited with respect to a victim or survivor that commits unrelated criminal activity. Furthermore, if Management can show an actual and imminent threat to other tenants or those employed at or providing service to the property if an unlawful tenant's residency is not terminated, then evicting a victim or survivor is an option, VAWA notwithstanding. Ultimately, Management may not subject victims or survivors to more demanding standards than other tenants.
7. VAWA protections shall not supersede any provision of any federal, state, or local law that provides greater protection for victims or survivors of domestic violence, dating violence, sexual assault, or stalking. The laws offering greater protection are applied in instances of domestic violence, dating violence, sexual assault, or stalking.

D. **Confidentiality**. The Notice of Occupancy Rights under VAWA provides notice to the resident/applicant of the confidentiality of information about a person seeking to exercise VAWA protections and the limits thereof. The identity of the victim and all information provided to Management relating to the incident(s) of abuse covered under VAWA will be retained in confidence. Information will not be entered into any shared database nor provided to a related entity, except to the extent that the disclosure is:

1. Requested or consented to by the victim in writing; or
2. Required for use in an eviction proceeding or termination of assistance; or
3. Otherwise required by applicable law.

Management will retain all documentation relating to an individual's domestic violence,

dating violence, sexual assault and/or stalking in a separate file that is kept in a separate secure location from other applicant or resident files.

- E. **Certification.** Management response to an incident of actual or threatened domestic violence, dating violence, sexual assault, or stalking that could potentially have an impact on a tenant's participation in the housing program may request in writing that an individual complete, sign, and submit within 14 business days of the request, the HUD-approved VAWA certification form.

Alternatively, in lieu of the certification form or in addition to it, Management may accept a) a federal, state, tribal, territorial, or local police record or court record or b) documentation signed and attested to by a professional (employee, agent or volunteer of a victim service provider, an attorney, medical personnel, etc.) from whom the victim or survivor has sought assistance in addressing domestic violence, dating violence, sexual assault, or stalking or the effects of the abuse. The signatory attests under penalty of perjury (28 U.S.C. § 1746) to his/her belief that the incident in question represents bona fide abuse, and the victim or survivor of domestic violence, dating violence, sexual assault, or stalking has signed or attested to the documentation. Such information may not be sufficient to bifurcate a lease or evict a household member under the FCO and Management will comply with all applicable laws when making decisions to terminate a tenancy or take other action against a household member under VAWA.

The victim is not required to name his/her accused perpetrator if doing so would result in imminent threat or if the victim does not know the name of his/her accused perpetrator.

- F. **Tenants' Rights and Responsibilities.** Tenants and family members of tenants who are victims or survivors of domestic violence, dating violence, sexual assault, or stalking are protected by VAWA from being evicted or from housing assistance being terminated because of the acts of violence against them.

If requested, tenants are required to submit to Management, a completed Certification of Domestic Violence, Dating Violence or Stalking, Form HUD-91066 (*currently, a new Certification form is in use until HUD notification*), or other supporting documentation as described in E., above, within 14 business days of Management's request, or any extension of that date provided by the Management. If the certification or other supporting documentation is not provided within the specified timeframe, the landlord may begin eviction proceedings.

If the tenant has sought assistance in addressing domestic violence, dating violence, sexual assault, or stalking from a federal, state, tribal, territorial jurisdiction, local police or court, the tenant may submit written proof of this outreach.

It is possible for someone lawfully occupying the unit, who is also a victim or survivor, to be evicted or removed from the home. If the victim or survivor commits separate criminal activity, a landlord may evict them for engaging in crime. Furthermore, if a victim or survivor poses "an actual and imminent threat to other tenants or those employed at or

providing service to the property,” they could be evicted, despite VAWA. Of paramount consideration within VAWA is that the landlord may not hold the victim or survivor to a more demanding standard than other tenants.

Victims are encouraged to seek police/legal protection from their accused perpetrator. In some cases, Management may file a restraining order against the accused perpetrator to prevent the accused perpetrator from entering the property.

Attachment 7

AMENDED AND RESTATED NOTE

AMENDED AND RESTATED SECURED PROMISSORY NOTE
(Affordable Housing Fund Inclusionary Affordable Housing Program and
2015 General Obligation Bond for Affordable Housing)

San Francisco, CA

Principal Amount: \$18,510,000

Date: _____, 2019

FOR VALUE RECEIVED, the undersigned, **4840 MISSION HOUSING ASSOCIATES LP**, a California Limited Partnership ("Maker"), hereby promises to pay to the order of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, or holder (as the case may be, "Holder"), the principal sum of Eighteen Million Five Hundred Ten Thousand and No/100 Dollars (\$18,510,000) (the "Funding Amount"), or so much of the Funding Amount as may be disbursed from time to time pursuant to the Agreement described in **Section 1** below, as provided in this Note.

This Amended and Restated Promissory Note ("Note") replaces in its entirety that promissory note executed by Maker for the benefit of Holder dated May 11, 2017, in the principal amount of Six Million Dollars (\$6,000,000), (the "Original Note"). Upon execution of this Note by Maker, the Original Note will be cancelled and returned to Maker.

1. Agreement. This Note is given under the terms of that certain Loan Agreement (City and County of San Francisco Affordable Housing Fund Inclusionary Affordable Housing Program and 2015 General Obligation Bond for Affordable Housing) dated March 11, 2017, by and between Maker and Holder, as amended by the First Amendment to Loan Agreement dated as of the date set forth above (collectively, the "Agreement"), which Agreement is incorporated herein by reference. Definitions and rules of interpretation set forth in the Agreement apply to this Note. In the event of any inconsistency between the Agreement and this Note, this Note will control.

2. Interest. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of three percent (3%) per annum, simple interest, from the date of the close of escrow through the date of full payment of all amounts owing under the City Documents. Interest will be calculated on the basis of actual days elapsed and a 360-day year, which will result in higher interest charges than if a 365-day year were used.

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

4. Repayment of Funding Amount. Subject to Section 13.4 of the Agreement, Maker must make annual payments of principal and interest (each, a "Payment") in an amount equal to the Residual Receipts, if any, attributable to the prior calendar year, beginning on the

first June 30th after the end of the calendar year of the Completion Date, and continuing each June 30th thereafter up to and including the Maturity Date, as defined below (each, a "Payment Date"). All Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; (b) accrued and unpaid interest; and (c) reduction of the principal balance of the Loan. The entire principal balance of the Loan, together with all accrued and unpaid default interest (if any) and other unpaid fees and costs incurred (all together, the "Payment"), will be due and payable on the date that is the later of (a) the Fifty-Seventh (57th) anniversary of the date the Deed of Trust is recorded in the Recorder's Office of San Francisco County or (b) the fifty-fifth (55th) anniversary of the Conversion Date (the "Maturity Date"). If the Maturity Date falls on a weekend or holiday, it will be deemed to fall on the next succeeding business day.

5. Security. Maker's obligations under this Note are secured by the Deed of Trust.

6. Terms of Payment.

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

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

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

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

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

6.6 Except as otherwise set forth herein or in the Agreement, no prepayment of this Note shall be permitted without Holder's prior written consent.

7. Default.

7.1 Any of the following will constitute an Event of Default under this Note:

- (a) Maker fails to make any Payment required under this Note within ten (10) days of the date it is due; or
- (b) the occurrence of any other Event of Default under the Agreement or other instrument securing the obligations of Maker under this Note or under any other agreement between Maker and Holder with respect to the Project.

7.2 Upon the occurrence of any Event of Default, without notice to or demand upon Maker, which are expressly waived by Maker (except for notices or demands otherwise required by applicable laws to the extent not effectively waived by Maker and any notices or demands specified in the City Documents), Holder may exercise all rights and remedies available under this Note, the Agreement or otherwise available to Holder at law or in equity. Maker acknowledges and agrees that Holder's remedies include the right to accelerate the Maturity Date by declaring the outstanding principal balance of the Loan, together with all accrued and unpaid interest and unpaid fees and costs incurred, due and payable immediately, in which case, the Maturity Date will be superseded and replaced by the date established by Holder.

8. Waivers.

8.1 Maker expressly agrees that the term of this Note or the date of any payment due hereunder may be extended from time to time with Holder's consent, and that Holder may accept further security or release any security for this Note, all without in any way affecting the liability of Maker.

8.2 No extension of time for any Payment made by agreement by Holder with any person now or hereafter liable for the payment of this Note will operate to release, discharge, modify, change or affect the original liability of Maker under this Note, either in whole or in part.

8.3 The obligations of Maker under this Note are absolute, and Maker waives any and all rights to offset, deduct, or withhold any Payments or charges due under this Note for any reason whatsoever.

9. Miscellaneous Provisions.

9.1 All notices to Holder or Maker must be given in the manner and at the addresses set forth in the Agreement, or to the addresses Holder and/or Maker hereafter designate in accordance with the Agreement.

9.2 In the event of any legal proceedings arising from the enforcement of or a default under this Note or in any bankruptcy proceeding of Maker, the non-prevailing party promises to pay all reasonable costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the proceeding, as provided in the Agreement.

9.3 This Note may be amended only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification, or discharge is sought.

9.4 This Note is governed by and must be construed in accordance with the laws of the State of California, without regard to the choice of law rules of the State.

9.5 Time is of the essence in the performance of any obligations hereunder.

"MAKER"

4840 MISSION HOUSING ASSOCIATES LP,
a California limited partnership

By 4840 Mission Housing LLC,
a California limited liability company,
its general partner

By: Northpoint Housing, Inc.,
a California nonprofit public benefit corporation,
its managing member

By: _____
Smitha Seshadri
Vice President



SAN FRANCISCO PLANNING DEPARTMENT

General Plan Referral

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

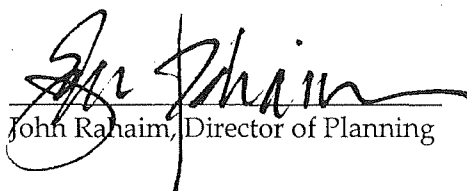
Date: June 14, 2019
Case No. 2016-012545GPR
4840 Mission Street Mixed-Use Affordable Housing

Block/Lot No.: 6959/19, 6959/25, 6959/26, 6959/31
Project Sponsor: Kearstin Dischinger
Bridge Housing Corporation
600 California Street, Suite 900
San Francisco, CA 94108

Applicant: Cindy Heavens
Mayor's Office of Housing and Community Development
(MOHCD)
1 South Van Ness Avenue, 5th Floor
San Francisco, CA 94102
(415) 701-5581
cindy.heavens@sfgov.org

Staff Contact: John M. Francis – (415) 575-9147
john.francis@sfgov.org

Recommendation: Finding the project, on balance, is **in conformity** with
the General Plan

Recommended
By: 
John Rahaim, Director of Planning

PROJECT DESCRIPTION

The Project is a mixed-use development in the Excelsior District at 4840 Mission Street. The development site is ±1.5 acres and includes up to 137 below market rate affordable rental units over a new ±10,000 square foot Clinic and a ±6,000 square commercial space. One hundred percent of the units are affordable. The development includes 39 residential parking stalls that are not visible from the street and are located partially below grade as well as a publicly accessible mid-block passage between Mission Street and Alemany Boulevard. The project site is currently occupied by the Valenti Marini Perata Funeral Home. The project provides a unique opportunity to establish a mixed-use, affordable housing development and create new commercial space as well as clinical space for the community-based Mission Neighborhood Health Clinic.

The submittal is for a General Plan Referral to recommend whether the Project is in conformity with the General Plan, pursuant to Section 4.105 of the Charter, and Section 2A.52 and 2A.53 of the Administrative Code.

ENVIRONMENTAL REVIEW

Project approved under California Senate Bill 35; considered a ministerial approval and is not subject to CEQA.

GENERAL PLAN COMPLIANCE AND BASIS FOR RECOMMENDATION

The Project is Bridge Housing's proposed construction of a mixed-use development with up to 137 rental units of below market rate affordable housing. The Project is consistent with seven of the Eight Priority Policies of Planning Code Section 101.1 as described in the body of this letter and is, on balance, **in-conformity** with the following Objectives and Policies of the General Plan:

HOUSING ELEMENT

POLICY 1.7

Consider public health objectives when designating and promoting housing development sites.

A healthy neighborhood has a balance of housing and the amenities needed by residents at a neighborhood level, such as neighborhood serving retail, particularly stores offering fresh produce, childcare and medical services.

In addition to being located adjacent to a Safeway supermarket and other neighborhood-serving businesses, the proposed project includes a new community-based health clinic.

POLICY 1.8

Promote mixed use development, and include housing, particularly permanently affordable housing, in new commercial, institutional or other single use development projects.

Mixed-use buildings in San Francisco allow residents to live above street-front commercial space, services or institutional uses. Housing should continue to be considered as a joint use with all compatible non-residential uses.

The neighborhood-serving health clinic in the ground floor of the proposed affordable housing project will contribute positively to the Excelsior District's vibrant mixed-use environment on Mission Street.

POLICY 1.10

Support new housing projects, especially affordable housing, where households can easily

rely on public transportation, walking and bicycling for the majority of daily trips.

Housing with easy access to transit facilitates the City's efforts to implement the City's Transit First policy. Additionally, housing near transit can provide site efficient and cost effective housing.

The proposed affordable housing project will be well-served by high frequency Muni lines on Mission Street to Downtown San Francisco and is within a 0.7 mile (15 minute) walking distance from the Balboa Park BART Station.

POLICY 8.1

Support the production and management of permanently affordable housing.

Non-profit housing development corporations develop most of San Francisco's subsidized affordable housing. The City should continue to provide technical and financial assistance to support continued operations and enhanced capacity of these entities.

The City via MOHCD is seeking to support the development of the proposed affordable housing project by financing its acquisition and pre-development activities in coordination with the Project Sponsor.

POLICY 12.2

Consider the proximity of quality of life elements, such as open space, child care, and neighborhood services, when developing new housing units.

San Francisco's neighborhoods support a variety of life choices through the quality of life elements they provide. Such elements include open space, child care facilities and other neighborhood services such as libraries, neighborhood-serving retail (including grocery stores), community centers, medical offices, personal services, locally owned businesses, and a pedestrian and bike-friendly environment. These elements enable residents to continue to live in their neighborhood as their needs change and encourage neighborhood relationships. Access to these amenities and services at a neighborhood level enables residents to make many trips on foot or public transportation.

The proposed project is located directly adjacent to a Safeway supermarket and on a stretch of Mission Street that includes many neighborhood services and amenities. It is in a very pedestrian-friendly environment that will allow residents to meet their daily needs locally and conveniently without the need for a privately-owned vehicle. The proposed project is within a half mile of both Balboa Park and Crocker Amazon Playground and Athletic Fields.

PROPOSITION M FINDINGS – PLANNING CODE SECTION 101.1

Planning Code Section 101.1 establishes Eight Priority Policies and requires review of discretionary approvals and permits for consistency with said policies. The Project is found to be consistent with the Eight Priority Policies as set forth in Planning Code Section 101.1 for the following reasons:

Eight Priority Policies Findings

The subject project is found to be consistent with the Eight Priority Policies of Planning Code Section 101.1 in that:

The proposed project is found to be consistent with the eight priority policies of Planning Code Section 101.1 in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced.

The Project includes new ground floor space that is anticipated to be utilized for a health clinic and commercial uses; it therefore creates new opportunities for resident employment in and ownership of neighborhood-serving retail.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhood.

The Project would have a positive effect on neighborhood character by activating a largely vacant site, creating new active ground floor uses, and providing a new mid-block pedestrian passage from Mission Street to Alamany Boulevard. Additionally, it will add up to 137 new below market rate affordable rental units to the city's housing stock. The existing housing character will be not be negatively affected.

3. That the City's supply of affordable housing be preserved and enhanced.

The Project would enhance the city's supply of affordable housing by adding up to 137 new below market rate affordable rental units.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking.

Due to the Project's low parking ratio of 1 space for every 3.5 residential units, it will largely cater to residents who do not own a private vehicle and therefore would not result in commuter traffic impeding MUNI's transit service, overburdening the streets or altering current neighborhood parking.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for residential employment and ownership in these sectors be enhanced.

The Project would not negatively affect the existing economic base in this area.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

The Project would not adversely affect achieving the greatest possible preparedness against injury and loss of life in an earthquake.

7. That landmarks and historic buildings be preserved.

The existing building is not a designated landmark under Article 10, does not have a designation under Article 11, and is not contributory to a designated or potential historic district. However, it has been found to eligible for the California Register of Historic Resources and therefore is considered a "Category A Historic Resource" under "San Francisco Preservation Bulletin No. 16 -- City and County of San Francisco Planning Department CEQA Review Procedures for Historic Resources." While the existing building is proposed to be demolished, it would be demolished to enable the production of much needed affordable housing in an area that is rich with supporting uses, transit and other modes of non-vehicular travel. The new mixed-use affordable project would contribute to the existing character of Mission Street and the Excelsior District.

8. That our parks and open space and their access to sunlight and vistas be protected from development.

The Project would have no adverse effect on parks and open space or their access to sunlight and vista.

RECOMMENDATION:	Finding the Project, on balance, in-conformity with the General Plan.
------------------------	--

cc: Cindy Heavens, MOHCD

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**LOAN AGREEMENT
(CITY AND COUNTY OF SAN FRANCISCO
AFFORDABLE HOUSING FUND INCLUSIONARY AFFORDABLE HOUSING
PROGRAM and
2015 GENERAL OBLIGATION BOND FOR AFFORDABLE HOUSING)**

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

4840 MISSION HOUSING ASSOCIATES LP
a California limited partnership

for

4840 MISSION STREET
4840 Mission Street
\$6,000,000

2015 General Obligation Bond: \$3,000,000
Affordable Housing Fund (Inclusionary Fees): \$3,000,000

Dated as of May 11, 2017

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- 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
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- 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 Reserved
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- M Form of Deed of Trust
- N Form of Declaration of Restrictions
- O Reserved
- P MOHCD Residual Receipts Policy

LOAN AGREEMENT
(City and County of San Francisco)
Affordable Housing Fund Inclusionary Affordable Housing Program and
2015 General Obligation Bond for Affordable Housing)
(4840 Mission Street)

THIS LOAN AGREEMENT ("Agreement") is entered into as of May
11, 2017 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 4840 MISSION HOUSING
ASSOCIATES LP, a California limited partnership ("Borrower").

RECITALS

A. Under the Inclusionary Affordable Housing Program set forth in Sections 415.1 *et seq.* of the San Francisco Planning Code, the Citywide Affordable Housing Fund receives in-lieu Affordable Housing Fees ("Fees") paid by housing developers to satisfy requirements of the Inclusionary Affordable Housing Program. The City may use the Fees received by the Citywide Affordable Housing Fund (the "Fee Funds") to finance housing affordable to qualifying households. MOHCD administers the Funds pursuant to Section 10.100-49 of the San Francisco Administrative Code and enforces agreements relating to them.

B. On November 3, 2015, the voters of the City and County of San Francisco approved Proposition A, which provided for the issuance of up to \$310 million in general obligation bonds to finance the construction, acquisition, improvement, rehabilitation, preservation and repair of certain affordable housing improvements (the "Bond"). To the extent permitted by law, the City intends to reimburse itself with proceeds of the Bond amounts disbursed to Developer under this Agreement. The City may use the Bonds under this Agreement (the "Bond Funds") to finance housing affordable to qualifying households (and together with the Fee Funds, the "Funds").

C. Borrower intends to acquire a fee interest in the real property located at 4840 Mission Street, San Francisco, California (the "Site"). Borrower desires to use the Funds to pay predevelopment costs associated with acquiring the Site, the construction development on the site which Borrower currently anticipates will consist of a 114-unit multifamily rental housing development, affordable to low-income households, including the construction of a commercial shell for one commercial space (the "Commercial Space"), and community spaces all to be known as 4840 Mission (the "Project"). The maximum income and rent requirements for the Project and set forth in Exhibit A shall remain in effect even if the Local Operating Subsidy (defined therein) is no longer available to the Project.

D. The City has reviewed Borrower's application for Funds and, in reliance on the accuracy of the statements in that application, has agreed to make a loan of Funds to Borrower (the "Loan") in the amount of Six Million and No/100 Dollars (\$6,000,000.00) (the "Funding

Amount”) under this Agreement to fund certain costs related to the Project. The Funding Amount is comprised of (i) Fee Funds in the amount of Three Million and No/100 Dollars (\$3,000,000) and (ii) Bond Funds in the amount of Three Million and No/100 Dollars (\$3,000,000).

E. Borrower has secured the following additional financing for the Project (as defined below): a predevelopment loan from San Francisco Housing Accelerator Fund (“SFHAF”) in the amount of Nine Million and No/100 Dollars (\$9,000,000.00) under a loan agreement that will be executed concurrently herewith.

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 must be maintained in accordance with **Section 2.3.**

“Acquisition” means the date of the escrow closing for Site acquisition by Borrower.

“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 for in **Section 5.2.**

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

“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 4840 Mission Housing Associates LP, a California limited partnership whose general partner is 4840 Mission Housing LLC, a California limited liability company, whose managing member is Northpoint, Inc., a California nonprofit public benefit corporation, whose parent company is BRIDGE Housing Corporation, a California nonprofit public benefit (“Manager”), and its authorized successors and assigns.

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

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

“CFR” means the Code of Federal Regulations.

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

“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 Note, the Deed of Trust (if the Site is acquired by Borrower), the Declaration of Restrictions (if the Site is acquired by Borrower 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 defined by MOHCD’s CNA policy, 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 commercial 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 C** 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.

“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**.

“Contracting Manual” means the Contracting Implementation Manual (“CIM”) issued by MOHCD and dated July 2013, as the same may be amended from time to time.

“Control of the Site” means Borrower’s acquisition of fee ownership interest in the Site (or a portion thereof).

“Conversion Date” means the date on which construction financing for the Project is converted into permanent financing.

“Declaration of Restrictions” means a recorded declaration of restrictions in substantially the form and substance attached hereto as **Exhibit N** 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. The unit account and unit mix in the Declaration may change during the predevelopment design phase process, subject to the City’s approval.

“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 Note, in substantially the form and substance attached hereto as **Exhibit M**.

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

“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**.

"Displaced Tenant Preference Certificate Holder" means a person or household that has been issued a certificate under the Displaced Tenant Preference Program, as further described in the Operational Rules.

"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 must certify that the Project costs covered by the Expenditure Request have been paid or incurred by Borrower.

“Funding Amount” has the meaning set forth in **Recital D**.

“Funds” has the meaning set forth in **Recital B**.

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

“General Partner” means 4840 Mission Housing LLC, a California limited liability company.

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

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

“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.

“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**.

“Indemnify” means, whenever any provision of this Agreement requires a person or entity (the “Indemnitor”) to Indemnify any other entity or person (the “Indemnitee”), that the Indemnitor will be obligated to defend, indemnify and protect and hold harmless the Indemnitee, its officers, employees, agent, constituent partners, and members of its boards and commissions harmless from and against any and all Losses arising directly or indirectly, in whole or in part, out of the act, omission, event, occurrence or condition with respect to which the Indemnitor is required to Indemnify an Indemnitee, whether the act, omission, event, occurrence or condition is caused by the Indemnitor or its agents, employees or contractors, or by any third party or any natural cause, foreseen or unforeseen; *provided that* no Indemnitor will be obligated to Indemnify any Indemnitee against any Loss arising or resulting from the gross negligence or intentional wrongful acts or omissions of the Indemnitee or its agents, employees or contractors. If a Loss is attributable partially to the grossly negligent or intentionally wrongful acts or omissions of the Indemnitee (or its agents, employees or contractors), the Indemnitor must Indemnify the Indemnitee for that part of the Loss not attributable to its own grossly negligent or intentionally wrongful acts or omissions or those of its agents, employees or contractors.

“Indemnitee” has the specific meaning set forth in **Section 23.1** and the general meaning set forth in the definition of “Indemnify.”

“Indemnitor” has the meaning set forth in the definition of “Indemnify.”

“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.

“Loan” has the meaning set forth in **Recital D**.

“Local Operating Subsidy” or “LOSP” 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**.

“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 loss, liability, damage, cost, expense or charge and reasonable attorneys’ fees and costs, including those incurred in 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 BRIDGE Housing Corporation, a California nonprofit public benefit corporation.

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

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

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

“Neighborhood Preference Certificate Holder” means a “Residential Certificate of Preference Holder” as defined in the Preferences Ordinance.

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

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

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

“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 partnership 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.

“Outside Acquisition Date” has the meaning set forth in **Section 3.1**

“Payment Date” means the first June 30th after the end of the calendar year of the Completion Date and each succeeding June 30th until the Maturity Date.

“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.

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

“Project” means the development described in **Recital C**. 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) required deposits to the Replacement Reserve Account, Operating Reserve Account and any other reserve account required under this Agreement; (f) the approved annual asset management fees indicated in the Annual Operating Budget and approved by the City; and (g) any extraordinary expenses approved in advance by the City (other than expenses paid from any reserve account).

“Project Fees” means annual partnership management fees, limited partner fees and deferred Developer Fees in amounts approved by the City in the Annual Operating Budget.

“Project Income” means all income and receipts in any form received by Borrower from the operation of the Project, including rents, fees, deposits (other than tenant security deposits), 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, reimbursements and other charges paid to Borrower in connection with the Project. Interest accruing on any portion of the Funding Amount is not Project Income 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.

“Qualified Tenant” means a Tenant household 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 Project Fees. The amount of Residual Receipts must be based on figures contained in audited financial statements.

“Retention” has the meaning set forth in **Section 4.7**.

“SBE Manual” means that certain Small Business Enterprise Program manual dated July 1, 2015, as the same may be amended from time to time.

“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 Lien” has the meaning set forth in **Section 24.1**.

“SFHA” means the San Francisco Housing Authority.

“Site” means the real property described in **Recital C** of this Agreement.

“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.

“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.

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 must be prepared, in compliance with GAAP as in effect on the date of performance. References to any Law, specifically or generally, will mean the Law as amended, supplemented or superseded from time to time.

(d) The terms and conditions of this Agreement and the other 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 must be construed as a whole according to its fair meaning.

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

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

(b) OMB circulars: www.whitehouse.gov/OMB/circulars

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

1.4 Contracting Manual. Borrower shall use the Contracting Manual as a guide to Borrower's responsibilities under Laws and regulations regarding soliciting, awarding and administering contracts associated with projects assisted by federal funds. In the event of a conflict between the terms of the Contracting Manual and this Agreement, the terms of the Agreement shall prevail.

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 finance acquisition and predevelopment due diligence associated with the potential development of 114 units of affordable housing for low and very low income households. 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 shall not approve expenditure of Funds for expenses incurred by Borrower prior to September 15, 2016. City will allow reimbursements of expenditures for costs associated with the Project and acquisition deposits beginning July 15, 2015.

2.3 Accounts; Interest. Each Account to be maintained by Borrower under this Agreement must be held in a bank or savings and loan institution acceptable to 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, any interest earned on funds in any Account must be used for the benefit of the Project.

2.4 Records. Borrower must maintain and provide to 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 must 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 must satisfy the following conditions before applying to the City for additional financing:

- The Borrower will submit to MOHCD and HSH another plan for maximizing AHSC points that does not rely on limiting the homeless units to 15% AMI prior to any predevelopment amendment and/or gap funding request.
- The Borrower will prepare an alternative scenario assuming 25% of units with Project Based Section 8 subsidy for HOPE SF offsite units prior to any predevelopment amendment.
- The Borrower will explore cost containment strategies for construction that include modular design options and present them at the various cost estimates with narrative analysis of the pricing from the general contractor.
- The Borrower must present a thorough commercial space financing plan that includes information about Mission Neighbor Health Clinic proposed ownership structure; New Market Tax Credit funding availability; ground lease payment potential; tenant improvement costs and funding sources; fundraising needs and potential; and repayment options for MOHCD expenditures on the warm shall prior to any gap funding request.

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

3.1 Maturity Date. Borrower must repay all amounts owing under the City Documents on the date that is the later of (a) the Fifty Seventh (57th) anniversary of the date the Deed of Trust is recorded in the Recorder's Office of San Francisco County or (b) the Fifty Fifth (55th) anniversary of the Conversion Date (the "**Maturity Date**") provided, however, that if Borrower fails to acquire Control of the Site on or before June 30, 2020 (the "Outside Acquisition Date"), the Maturity Date shall be the Outside Acquisition Date. The City may agree to extend the Acquisition Date in its sole and absolute discretion; provided, however, the City grants Borrower a one (1) year extension to June 30, 2021, upon Borrower's delivery of evidence that the SFHAF maturity is extended one (1) year.

3.2 Compliance Term; Declaration of Restrictions. (a) If Borrower acquires Control of the Site, Borrower must comply with all provisions of the City Documents relating to the use of the Site (or portion thereof) owned by Borrower and the Project as set forth in the Declaration of Restrictions to be recorded in the official records of San Francisco County, for the period commencing on the date a certificate of occupancy for the Project is and ending on the Maturity Date (the “Compliance Term”), even if the Loan is repaid or otherwise satisfied or the Deed of Trust is reconveyed before that date (subject to the terms and conditions set forth in Section 3.2(b) below).

(b) City understands that Borrower is obligated to lease the Site to the entity (or its affiliate) that is selling the Site to Borrower (the “Seller Lessee”) and City acknowledges such lease of the Property by Borrower to Seller or an affiliate of Seller through February 1, 2018 or such later date as may be agreed to by Borrower, Seller Lessee and MOHCD.

3.3 Interest. The outstanding principal balance of the Loan will bear simple interest at a rate of three percent (3%) per annum, as provided in the Note.

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 Loan, together with all accrued and unpaid interest, will be due and payable on the Maturity Date according to the terms set forth in full in the Note.

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 Shelter + Care, Section 8 or similar programs. The City reserves the right to modify the terms of this Agreement based upon any new information so provided, in its reasonable discretion.

3.7 Notification and Repayment of Excess Proceeds. Borrower must notify the City in writing within thirty (30) days after the later of the date on which Borrower receives its Form 8609 from the California Tax Credit Allocation Committee or the date on which Borrower receives Excess Proceeds from its limited partner or other financing sources. City shall have sixty (60) days after receipt of such notification to provide Borrower with a demand for payment, and upon receipt of the City’s demand, Borrower shall repay all Excess Proceeds to the City. The City shall use such Excess Proceeds to reduce the balance of the Loan.

3.8 Recordation of the Deed of Trust and Declaration of Restrictions. Borrower shall cause each of the following requirements to be fully satisfied on or before the date it acquires Control of the Site:

(a) Borrower shall have delivered the Deed of Trust and the Declaration of Restrictions to City, duly executed and acknowledged by Borrower;

(b) Borrower shall have recorded the Deed of Trust and the Declaration of Restrictions in the Official Records, subject only to the Permitted Exceptions; and

(c) A title company shall have committed to issue the Title Policy to City, and Borrower shall have delivered all documents reasonably required by such title company to issue the Title Policy. Borrower shall pay all amounts charged by the title company for the issuance of the Title Policy; provided that such amounts may be included in a subsequent Expenditure Request.

3.9 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 shall 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 shall 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.

3.10 Recordation of the Deed of Trust and Declaration of Restrictions. Borrower shall cause each of the following requirements to be fully satisfied on or before the date it acquires Control of the Site:

(a) Borrower shall have delivered the Deed of Trust and the Declaration of Restrictions to City, duly executed and acknowledged by Borrower;

(b) Borrower shall have recorded the Deed of Trust and the Declaration of Restrictions in the Official Records, subject only to the Permitted Exceptions; and

(c) A title company shall have committed to issue the Title Policy to City, and Borrower shall have delivered all documents reasonably required by such title company to issue the Title Policy. Borrower shall pay all amounts charged by the title company for the issuance of

the Title Policy; provided that such amounts may be included in a subsequent Expenditure Request.

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 Outside Closing Date, 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 upon satisfaction of the conditions in this Section.

(a) Borrower must have delivered to the City fully executed (and for documents to be recorded, acknowledged) originals of the following documents, in form and substance satisfactory to the City: (i) the Note; (ii) this Agreement (in triplicate); (iii) the Deed of Trust; (iv) the Declaration of Restrictions; (v) the Opinion; (vi) the Authorizing Resolutions; (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 must have delivered to the City: (i) Borrower's Charter Documents..

(c) Borrower must have delivered to the City satisfactory evidence that Borrower has obtained commitments for any additional financing that may be required for the acquisition of the Site, in amounts and from lenders or investors satisfactory to the City in its sole discretion.

(d) Borrower must have delivered to the City insurance endorsements and, if requested by the City, copies of policies for all insurance required under **Exhibit L** of this Agreement.

(e) Borrower must have delivered to the City a preliminary report on title for the Site dated no earlier than thirty (30) days before the Agreement Date.

(f) Borrower must have submitted 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.

(g) The Declaration of Restrictions and Deed of Trust must have been recorded as valid liens in the official records of San Francisco County, subject only to the Permitted Exceptions.

(h) The Escrow Agent must have committed to provide to the City the Title Policy in form and substance satisfactory to the City.

4.4 Disbursement of Funds for Acquisition. In addition to the satisfaction of the conditions in **Section 4.3**, the Loan is to be disbursed for acquisition as described below.

(a) Close of Acquisition. The City will deposit the sum of Four Million Dollars (\$4,000,000.00) to the Escrow Agent to be applied as follows: (1) Three Million Dollars (\$3,000,000) for purchase of the Site; and (2) not to exceed One Million Dollars (\$1,000,000.00) for acquisition soft costs. The Escrow Agent is hereby directed to release the Funds in escrow in accordance with the escrow instructions upon satisfaction of the following conditions:

(i) Borrower must have delivered to the City insurance endorsements and, if requested by the City, copies of policies for all insurance required under **Exhibit L** of this Agreement; (ii) Borrower must have delivered to the City a preliminary report on title for the Site dated no earlier than thirty (30) days before the Agreement Date; (iii) Borrower must have submitted 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; (iv) the Escrow Agent must have committed to provide to the City the Title Policy in form and substance satisfactory to the City; and (v) the Declaration of Restrictions and Deed of Trust must have been recorded concurrently with the disbursement as valid liens in the official records of San Francisco County, subject only to the Permitted Exceptions.

4.5 Disbursements following Acquisition. The City’s obligation to approve any expenditure of Funds after Loan closing is subject to Borrower’s satisfaction of the following conditions precedent.

(a) Borrower must have delivered to the City an Expenditure Request in form and substance satisfactory to the City, together with: (i) copies of invoices, contracts or other documents covering all amounts requested; (ii) a line item breakdown of costs to be covered by the Expenditure Request; and (iii) copies of checks issued to pay expenses covered in the previous Expenditure Request. The City may grant or withhold its approval of any line item contained in the Expenditure Request that, if funded, would cause it to exceed the budgeted line item as previously approved by the City. Additionally, the City must approve all requested reallocations of Funds for line items previously approved by the City.

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

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

(d) The Loan must be in balance with respect to the acquisition and predevelopment expenses shown in Exhibit B-1 of this Agreement.

4.6 Loan In Balance. From and after the closing date of Borrower's financing for construction or rehabilitation of the Project, the City may require Borrower to pay certain costs incurred in connection with the Project from sources of funds other than the Loan at any time the City determines in its reasonable discretion that the Loan is out of balance. When the City is satisfied in its reasonable discretion that the Loan is again in balance, the City will recommence making Disbursements for Expenditure Requests meeting the conditions set forth above.

4.7 Intentionally Omitted.

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

ARTICLE 5 DEMOLITION, REHABILITATION OR CONSTRUCTION.

This Article will apply only if the City later approves increasing the Loan to cover a portion of acquisition and/or construction.

5.1 Selection Requirements. In the selection of all contractors and professional consultants for the Project, Borrower must comply with the City's procurement requirements and procedures as described in the Contracting Manual and with the requirements of the Small Business Enterprise Program ("SBE Program") as set forth in the SBE Manual according to the procedures established by the City's Contract Monitoring Division.

5.2 Plans and Specifications. Before starting any demolition, rehabilitation or construction on the Site, Borrower must have delivered to the City, and the City must 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 must 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 must be explicitly identified in

the Construction Contract. The specifications approved by the City, including the funder requirements and the technical specifications (the "Approved Specifications") must also be explicitly identified in the Construction Contract. The Construction Contract may include funder requirements not otherwise addressed in the Approved Specifications. The Contracting Manual provides further guidance to Borrower regarding the City's policies for the review and approval of plans, specifications and construction contracts. After completion of the Project, Borrower must retain the Approved Plans as well as "as-built" plans for the Project, the Approved Specifications and the Construction Contract, all of which Borrower must 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 must provide adequate and complete backup documentation for analysis of the appropriateness of the change order request to the City. Questions, comment or requests for additional information shall be issued by the City within five (5) business days of receipt of change order request. City shall promptly review and approve or disapprove change order requests within ten (10) 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) day period, the change order shall be deemed approved. If the City disapproves the change order request, it shall specify the reasons for the disapproval in writing. 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 must deliver to the City insurance endorsements and bonds as described in **Exhibit L**. At all times, Borrower must take prudent measures to ensure the security of the Site.

5.5 Notice to Proceed. Subject to Section 5.6, 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 must commence demolition no later than 16 months after CEQA clearance is secured and complete demolition no later than 30 days from the date the demolition permit is issued. The City may agree to extend the commencement of demolition and completion of demolition dates in its sole and absolute discretion.

5.7 Rehabilitation/Construction Standards. All rehabilitation or construction must 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 six (6) months before the Completion Date, Borrower must 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 must obtain the City's approval of reasonable alterations to the Marketing and Tenant Selection Plan. Borrower must 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 must 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 shall 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 first to Certificate of Preference Holders in accordance with the Operational Rules and the Preferences Ordinance.

(c) A plan that satisfies the requirement to give preference in occupying units second to Displaced Tenant Preference Certificate Holders and third to Neighborhood Preference Certificate Holders and third to those that live or work in San Francisco in accordance with the Operational Rules and the Preferences Ordinance; provided, however, that depending on the requirements of non-City funding approved by the City for the Project, the preferences set forth in this paragraph may not apply.

(d) 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 must display the Equal Housing Opportunity logo.

(e) 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.

(f) Notices to SFHA.

(g) Notices to MOHCD

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

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

(j) So long as there is a LOSP Operating Subsidy or other commensurate subsidy to create financially feasible units for the formerly homeless, Borrower must use access points and accept referrals from HSA.

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

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

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

6.4 Marketing Records. Borrower must 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 must 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 shall limit the number of refusals without cause as approved by the City. Borrower shall at all times maintain the Waiting List, excluding the Units set aside for Homeless Households during the term of any LOSP Operating Subsidy. Upon the vacancy of any Unit, Borrower shall first attempt to select the new Tenant for such Unit from the Waiting List, and shall only market the Unit to the general public after determining that no applicants from the Waiting List qualify for such Unit. The Waiting List must 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 will remain in full force and effect if Borrower acquires Control of the Site: (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 one Unit reserved for the manager of the Project) at all times to households certified as Qualified Tenants at initial occupancy, as set forth in **Exhibit A**. In addition, Twenty-Three (20%) of the Units must be rented to Homeless Households 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 may 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 must be rented only to Qualified Tenants as provided in **Section 7.1**.

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) Rents for all Units may be increased once annually by the amount which corresponds to the percentage increase of the annual change in Median Income.

(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 shall 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 must 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 must 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) Each Qualified Tenant in the Project must recertify to Borrower on an annual basis his/her household income.

(c) Income certifications with respect to each Qualified Tenant who resides in a Unit or resided therein during the immediately preceding calendar year must be maintained on file at Borrower's principal office, and Borrower must 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 must provide for termination of the lease and consent to immediate eviction for failure to qualify as a Qualified Tenant if the Tenant has made any material misrepresentation in the initial income certification.

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. Any security deposits collected must be segregated from all other funds of the Project in an Account held in trust for the benefit of the Tenants and disbursed in accordance with California law. The balance in the trust Account must 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, MOHCD must have reviewed and approved proposed leases and development plans for the Commercial Space. All leases of Commercial Space must be to bona fide third party tenants capable of performing their financial obligations under their leases, which must 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 must be consistent with all applicable redevelopment plans and local planning and building codes and be reasonably compatible with the design and purpose of the Project. Each lease of Commercial Space must restrict its use to Public Benefit Purposes or all Surplus Cash generated as a result of a market-rate lease of the Commercial Space must be directed toward repayment of the Loan or used for a Public Benefit Purpose. All surplus cash shall be subject to the MOHCD Policy on the Use of Residual Receipts. Each lease of Commercial Space must comply with MOHCD's commercial space policy as it may be amended from time to time. Each lease of Commercial Space must comply with the MOHCD Commercial Underwriting Guidelines.

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 must 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.

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 must contain a provision allowing Borrower to terminate the contract without penalty upon no more than thirty (30) days' notice. Seller Lessee may also manage and maintain the Site during the term of the Seller Lease. To the extent that the Site is not being managed by the Seller Lessee, MOHCD agrees that BRIDGE Property Management Company is approved as the initial management agent for the Site.

(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 must 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 REQUIREMENTS.

9.1 Borrower Compliance. Borrower must comply, and where applicable, require its contractors to comply, with all applicable Laws governing the use of Funds for the construction, rehabilitation and/or operation of the Project, including 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 23.1**, 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 not apply until Borrower acquires Control of the Site; *provided that*, construction-related requirements will apply to the Project whether or not the City approves and provides additional financing for the Project.

9.2 Intentionally Omitted.

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, if and after Borrower acquires Control of the Site, the City may also conduct periodic on-site inspections of the Site. Borrower must cooperate with the monitoring by the City and ensure full access to the Site, Seller Lessee, and all information related to the Project (if any) as reasonably required by the City.

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

(c) Borrower must provide written notice of the replacement of its executive director, director of housing development, director of property management and/or any equivalent position within thirty (30) days after the effective date of such replacement.

10.2 Monthly Reporting. Borrower must 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 must be submitted by email in substantially the form to be found in the Contracting Manual until such time as the Project Completion Report is submitted to the City pursuant to **Section 10.5** below.

10.3 Annual Reporting.

(a) From and after the Completion Date, Borrower must 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, Project 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 must be in substantially the form attached as **Exhibit G** or as later modified during the Compliance Term.

(b) If the source of Funds is federal, Borrower must also provide an annual accounting of program income, as defined in applicable federal regulations.

10.4 Capital Needs Assessment. Borrower must deliver to MOHCD an updated CNA every five (5) years after the Completion Date for approval. Each CNA must conform with MOHCD's CNA policy as it may be amended from time to time.

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 must 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 shall 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 project completion 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 use of Small Disadvantaged Business Enterprises as defined in the SBE Manual, including the type of work and the dollar value of such work;

(c) within ninety (90) days after seventy-five percent (75%) occupancy, and one hundred percent (100%) occupancy, respectively, a report on the lease-up of the Units including number of leases by race, ethnicity and single-headed household by gender, to the extent available, location of previous residence, and also indicating the Units by income category; and

(d) 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.

(e) within one hundred-eighty (180) days after the Completion Date, and if the Project has used federal funds, a report demonstrating compliance with all requirements regarding HUD Section 3 and MOHCD Section 3 hiring goals, including documentation of total labor hours worked on the Project, total Section 3 hours worked, total wages paid, total Section 3 wages paid, and the names of all individuals employed to comply with the Section 3 and Section 3 goals, including the total hours worked for each individual and total wages paid to each individual.

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

10.7 Delivery of Records. At the request of the City, made through its agents, employees, officers or attorneys, Borrower must 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 must 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 must 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 must 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 Project 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 must 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 must 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 must 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 must 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 must equal the lesser of: (i) 1/12th of 0.6% of Replacement Cost; or (ii) 1/12th of the following amount: \$450.

. 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.

(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 must 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 must 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 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 or rehabilitation 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 must 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 must 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. Borrower is entitled to receive fees from the City Loan in an amount not to exceed One Hundred Sixty Thousand Four Hundred Eighty Five and No/100 Dollars (\$160,485.00) for developing the Project ("Developer Fees"), subject to the schedule set forth below in Section 15.2.

15.2 Payment Schedule. Developer fees from the Loan and shall be disbursed according to the following schedule:

- (a) \$160,485 at acquisition or closing of preconstruction financing.

ARTICLE 16 TRANSFERS.

16.1 Permitted Transfers/Consent. Borrower may not cause or permit any voluntary transfer, assignment or encumbrance of its interest in the Site or Project or of any ownership interests in Borrower, or lease or permit a sublease on all or any part of the Project, other than: (a) leases, subleases or occupancy agreements to occupants of Units and/or Commercial Space in the Project; or (b) security interests for the benefit of lenders securing loans for the Project as approved by the City on terms and in amounts as approved by City in its reasonable discretion (c) transfers from Borrower to a limited partnership or limited liability company formed for the tax credit syndication of the Project, where Borrower or an affiliated nonprofit public benefit corporation is the sole general partner or manager of that entity 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; or (f) the grant or exercise of an option or right of first refusal 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. 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.

17.1 Borrower's Insurance. Subject to approval by the City's Risk Manager of the insurers and policy forms, Borrower must obtain and maintain, or cause to be obtained and maintained, insurance and bonds as set forth in **Exhibit L** from the date the Deed of Trust is recorded in the Recorder's Office of San Francisco County until the expiration of the Compliance Term at no expense to the City..

ARTICLE 18 GOVERNMENTAL APPROVALS.

18.1 Compliance. Borrower covenants that it has obtained or will obtain in a timely manner and comply with all federal, state and local governmental approvals required by Law to be obtained for the Project. Subject to **Section 23.1**, this Section does not prohibit Borrower from contesting any interpretation or application of Laws in good faith and by appropriate proceedings.

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) If and after Borrower acquires Control of the Site, 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) If and after Borrower acquires Control of the Site, 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) From and after the closing date of Borrower's financing for construction or rehabilitation 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) Borrower is in default of its obligations with respect to any funding obligation (other than the Loan) for the Project, and the default remains uncured following the expiration of any applicable cure periods; or

(o) Borrower is in default of its obligations under any other agreement 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; 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.

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 or Borrower's principals or Borrower's general contractor, if applicable, has been suspended or debarred by the Department of Industrial Relations or any Governmental Agency, nor has Borrower or any of its principals or its general contractor, if applicable, been suspended, disciplined or prohibited from contracting with any Governmental Agency.

(f) The Loan is in balance with respect to acquisition and the predevelopment expenses shown in Exhibit B-1 of this Agreement, and the Funding Amount, together with all other committed sources of financing for the Project, are sufficient to acquire the Site and complete predevelopment work in accordance with predevelopment expenses shown in Exhibit B-1 of this Agreement.

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

(h) 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 must be made in writing and may be communicated by personal delivery, facsimile (if followed within one (1) business day by first class mail), by a nationally recognized courier service that obtains receipts, 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 must be addressed as follows:

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

To Borrower: 4840 Mission Housing Associates LP
c/o BRIDGE Housing Corporation
600 California Street
Suite 900
San Francisco, CA 94108
Attn: Alicia Gaylord

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 HAZARDOUS SUBSTANCES.

22.1 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 April 28, 2017 Phase I Report by Group Delta Consultants, 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.

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

ARTICLE 23 INDEMNITY.

23.1 Borrower's Obligations. Borrower must Indemnify the City and its respective officers, agents and employees (individually or collectively, an "Indemnitee") 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 22** above); (b) any failure of any representation by Borrower to be correct in all respects when made; (c) from and after the date Borrower acquires Control of the Site, 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) from and after the date Borrower acquires Control of the Site, 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 from and after the date Borrower acquires Control of 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, from and after the date Borrower acquires Control of the Site, 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, 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, 18.1 and 22.2**; 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. 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 must 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 provisions of this Section will survive the repayment of the Loan and/or termination of this Agreement.

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

ARTICLE 24 GENERAL PROVISIONS.

24.1 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 City hereby approves of the loan and related encumbrances from the Housing Accelerator Fund. [

24.2 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.

24.3 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 must include this requirement as a provision in any contracts for the development of the Project.

24.4 Entire Agreement. This Agreement and its Exhibits incorporate the terms of all agreements made by 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.

24.5 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.

24.6 Borrower Solely Responsible. Borrower is an independent contractor with the right to exercise full control of employment, direction, compensation and discharge of all persons assisting in the performance contemplated under this Agreement. Borrower is solely responsible for: (a) its own acts and those of its agents, employees and contractors and all matters relating to their performance, including compliance with Social Security, withholding and all other Laws governing these matters and requiring that contractors include in each contract that they will be solely responsible for similar matters relating to their employees; (b) any losses or damages incurred by Borrower, any of its contractors or subcontractors and 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.

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

24.8 Inconsistencies in 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.

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

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

24.11 Successors. Except as otherwise limited herein, the provisions of this Agreement bind and inure to the benefit of the undersigned parties and their heirs, executors, administrators, legal representatives, successors and assigns. This provision does not relieve Borrower of its obligation under the 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.

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

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

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

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

24.16 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.

24.17 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.

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

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

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

24.21 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 Intentionally omitted
- E Governmental Requirements
- F Lobbying/Debarment Certification Form

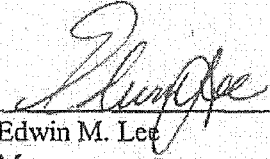
G	Form of Annual Monitoring Report
H	Tenant Selection Plan Policy
I	MOHCD Tenant Screening Criteria Policy
J	Reserved
K	Reserved
L	Insurance Requirements
M	Form of Deed of Trust
N	Form of Declaration of Restrictions
O	Reserved
P	MOHCD Residual Receipts Policy

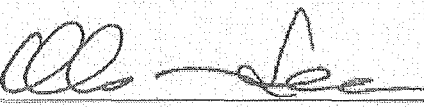
24.24 City's Recourse. The City's recourse against Borrower following an Event of Default is limited as set forth more specifically in the Note.

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: 
Edwin M. Lee
Mayor

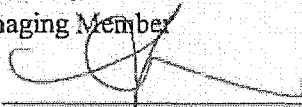
By: 
Olson Lee
Director, Mayor's Office of Housing and Community Development

BORROWER:

4840 MISSION HOUSING ASSOCIATES LP, a California limited partnership

By: 4840 Mission Housing LLC,
a California limited liability company
Its: General Partner

By: Northpoint Housing, Inc.,
a California nonprofit public benefit corporation
Its: Managing Member

By: 
Ann Silverberg
Vice President

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

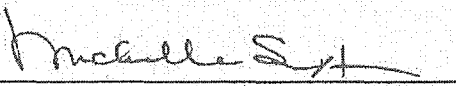
By: 
Deputy City Attorney

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:

Unit Size	No. of Units	Maximum Income Level
Studio	7	60% of Median Income
1 BR	50	60% of Median Income
2 BR	46	60% of Median Income
3 BR	10	60% of Median Income
3 BR	1	Manager’s Unit

The unit mix and affordability set forth in this Exhibit A are only anticipated as this time, and may change, subject to City approval, prior to construction loan closing.

EXHIBIT B-1
Table of Sources and Uses of Funds

Application Date: 4/3/17 # Units: 114
 Project Name: 4840 Mission Street # Bedrooms: 182
 Project Address: 4840 Mission Street # Beds:
 Project Sponsor: BRIDGE Housing Corporation

SOURCES	MOHCD	Other Sources:		Total Sources	Comments
	6,000,000	9,000,000	2,120,874	17,120,874	
		SF Accelerator Fund	Other Lender Financing		

USES

ACQUISITION

	MOHCD	Other Sources			
Acquisition cost or value	3,000,000	9,000,000			12,000,000 Purchase Price on Purchase Agreement, includes \$:
Demolition					0
Legal/Closing costs	450,000				450,000 Legal Closing costs, title/fees; \$330K Transfer Tax
Broker's fee					0
TOTAL ACQUISITION	3,450,000	9,000,000	0	0	12,450,000

CONSTRUCTION (HARD COSTS)

Site Work

Environmental Remediation					0
Grading/Earthwork					0
Underpinning/shoring					0
Total Site Work	0	0	0	0	0
Unit Construction/Rehab					0
Parking					0
Landscaping					0
Overhead/Profit/Gen'l Conditions					0
TOTAL CONSTRUCTION COSTS	0	0	0	0	0
Construction Contingency					0

SOFT COSTS

Architecture/Engineering

Design	950,000		403,694		1,353,694
Construction Administration					0
Printing	10,000		10,000		20,000
Total Arch./Engineer. Fees	960,000	0	413,694	0	1,373,694

Survey & Engineering Studies

Survey	40,000				40,000
Geotechnical studies	40,000		15,000		55,000
Phase I & II Reports	25,000				25,000
Total Survey & Engineering	105,000	0	15,000	0	120,000

Financing Costs

Predevelopment Financing Costs					
Predev. Loan Application Fee	135,000				135,000 1.5% SF AHF fee
Predev. Loan Interest	450,000		110,000		560,000
Title & Recording					0
Sub-total Predev. Financing Costs	585,000	0	110,000	0	695,000

Construction Financing Costs

Construction Loan Origination Fee					0
Construction Loan Interest					0
Title & Recording					0
Sub-total Const. Financing Costs	0	0	0	0	0

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
Total Financing Costs	585,000	0	110,000	0	695,000

Legal Costs

Lender Legal Pd. By Applicant					0
Tax Credit Attorney					0
Developer Legal Counsel	30,000		20,000		50,000
Total Legal Costs	30,000	0	20,000	0	50,000

Appraisal	15,000				15,000
Property Taxes	150,000		150,000		300,000 Assume 1.25%/year for two years
Insurance	40,000		40,000		80,000 Est for Property, Liability, fire, pollution ins for two ye
Relocation					0
ITCAC App/Alloc/Monitor Fees			91,646		91,646
CEQA Environmental Review	150,000		200,000		350,000 Assumption for CEQA costs/legal
Entitlement/Permit Fees			175,535		175,535 Assumption for Entitlements and any fees pre-closin
Marketing/Rent-up					0
Furnishings					0
Market Study	15,000		10,000		25,000
NEPA/106 Review					0
Consultants: Waterproofing, utility, acous	42,000		75,000		117,000
Sub-total Soft Costs	2,092,000	0	1,300,875	0	3,392,875
Soft Cost Contingency	167,515	0	144,034	0	311,549
TOTAL SOFT COSTS	2,259,515	0	1,444,909	0	3,704,424

RESERVES

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

DEVELOPER COSTS

Developer Overhead/Profit (Fee)	160,485		374,465		534,950 Per MOH Policy, max fee eligible through cxn loan c
Development Consultant Fees					0
Financial Consultant Fees	10,000		20,000		30,000
Construction Management Fee	20,000		51,500		71,500
Project Administration					0
Other: Security/lighting/fencing	100,000		230,000		330,000 Lighting/security/fencing services for two years
TOTAL DEVELOPER COSTS	290,485	0	675,965	0	966,450
Syndication Costs					0

TOTAL DEVELOPMENT COST

	6,000,000	9,000,000	2,120,874	0	17,120,874
Development Cost/Unit	52,632	78,947	18,604	0	150,183

Construction Cost (including Construction Contingency)/SF 0

Tax Credit Equity Pricing:

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EXHIBIT B-2
Annual Operating Budget

MOHCD Proforma - Year 1 Operating Budget

Application Date: 7/11/2016
Total # Units: 114
First Year of Operations (provides data assuming that Year 1 is a full year, i.e. 12 months of operations): 2020

Table with 2 columns: LOSP Units, non-LOSP Units. Values: 23, 91.

Project Name: 4840 Mission Street
Project Address: 4840 Mission Street
Project Sponsor: BRIDGE Housing Corporation

Table with columns: INCOME, LOSP, non-LOSP, Total, Comments. Rows include Tenant Rents, Tenant Assistance Payments, Commercial Space, etc.

Table with columns: OPERATING EXPENSES, LOSP, non-LOSP, Total, Comments. Rows include Management Fee, Salaries/Benefits, Office Salaries, etc.

Table with columns: Administration, LOSP, non-LOSP, Total, Comments. Rows include Advertising and Marketing, Office Expenses, Office Rent, etc.

Table with columns: Utilities, LOSP, non-LOSP, Total, Comments. Rows include Electricity, Water, Gas, Sewer, etc.

Table with columns: Taxes and Licenses, LOSP, non-LOSP, Total, Comments. Rows include Real Estate Taxes, Property Taxes, etc.

Table with columns: Insurance, LOSP, non-LOSP, Total, Comments. Rows include Property and Liability Insurance, Fidelity Bond Insurance, etc.

Table with columns: Maintenance & Repair, LOSP, non-LOSP, Total, Comments. Rows include Payroll, Supplies, Contracts, etc.

Table with columns: Supportive Services, LOSP, non-LOSP, Total, Comments. Rows include Commercial Expenses, etc.

Table with columns: TOTAL OPERATING EXPENSES w/o RESERVE/IGL BASE RENT/BOND FEES, LOSP, non-LOSP, Total, Comments.

Table with columns: Reserves/Ground Lease Base Rent/Bond Fees, LOSP, non-LOSP, Total, Comments.

Table with columns: TOTAL OPERATING EXPENSES w/ RESERVE/IGL BASE RENT/BOND FEES, LOSP, non-LOSP, Total, Comments.

Table with columns: NET OPERATING INCOME (INCOME minus OP EXPENSES), LOSP, non-LOSP, Total, Comments.

Table with columns: DEBT SERVICE (Hard debt/Amortized loans), LOSP, non-LOSP, Total, Comments.

Table with columns: CASH FLOW (NOI minus DEBT SERVICE), LOSP, non-LOSP, Total, Comments.

Table with columns: AVAILABLE CASH FLOW, LOSP, non-LOSP, Total, Comments.

Table with columns: USES OF CASH FLOW BELOW (This row also shows DSCR), LOSP, non-LOSP, Total, Comments.

Table with columns: RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD), LOSP, non-LOSP, Total, Comments.

Table with columns: SOFT DEBT LIENHOLDERS WITH RESIDUAL RECEIPTS OBLIGATIONS, LOSP, non-LOSP, Total, Comments.

Table with columns: MOHCD RESIDUAL RECEIPTS DEBT SERVICE, LOSP, non-LOSP, Total, Comments.

Table with columns: REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE, LOSP, non-LOSP, Total, Comments.

Table with columns: NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE, LOSP, non-LOSP, Total, Comments.

Table with columns: REMAINDER (Should be zero unless there are distributions below), LOSP, non-LOSP, Total, Comments.

Application Date: 7/11/2016
 Total # Units: 114
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2020

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

OPERATING EXPENSES	Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)
Management				
Management Fee	Management Fee			
Asset Management Fee	Asset Management Fee			
Sub-total Management Expenses				
Salaries/Benefits	Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)
Office Salaries	Office Salaries			
Manager's Salary	Manager's Salary			
Health Insurance and Other Benefits	Health Insurance and Other Benefits			
Other Salaries/Benefits	Other Salaries/Benefits			
Administrative Rent-Free Unit	Administrative Rent-Free Unit			
Sub-total Salaries/Benefits				
Administration				
Advertising and Marketing				
Office Expenses				
Office Rent	Projected LOSP Split	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Legal Expense - Property	Legal Expense - Property	20.00%	80.00%	
Audit Expense				
Bookkeeping/Accounting Services	Projected LOSP Split	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Bud Data	Bud Data	20.00%	80.00%	
Miscellaneous				
Sub-total Administration Expenses				
Utilities	Projected LOSP Split	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Electricity	Electricity	20.00%	80.00%	
Water				
Gas				
Sewer				
Sub-total Utilities				
Taxes and Licenses				
Real Estate Taxes	Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)
Payroll Taxes	Payroll Taxes			
Miscellaneous Taxes, Licenses and Permits				
Sub-total Taxes and Licenses				
Insurance				
Property and Liability Insurance				
Facility Bond Insurance	Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)
Worker's Compensation	Worker's Compensation			
Director's & Officers' Liability Insurance				
Sub-total Insurance				
Maintenance & Repair				
Payroll	Projected LOSP Split	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Supplies	Supplies	20.00%	80.00%	
Contracts	Contracts			
Garbage and Trash Removal	Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)
Security Payroll/Contract	Security Payroll/Contract	20.00%	80.00%	
HVAC Repairs and Maintenance				
Vehicle and Maintenance Equipment Operation and Repairs				
Miscellaneous Operating and Maintenance Expenses				
Sub-total Maintenance & Repair Expenses				
Supportive Services	Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)
Supportive Services	Supportive Services	0.00%	100.00%	
Commercial Expenses				

TOTAL OPERATING EXPENSES w/ RESERVES/GL BASE RENT/BOND FEES	Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)
Reserves/Ground Lease Base Rent/Bond Fees				
Ground Lease Base Rent				
Bond Monitoring Fee	Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)
Replacement Reserve Deposit	Replacement Reserve Deposit			
Operating Reserve Deposit	Operating Reserve Deposit			
Other Required Reserve 1 Deposit	Other Required Reserve 1 Deposit			
Other Required Reserve 2 Deposit	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 (hard debt/amortized loans)	Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)
Hard Debt - First Lender	Hard Debt - First Lender	0.00%	100.00%	
Hard Debt - Second Lender (MOHCD Program 0.42% pymt. or other 2nd Lender)	Hard Debt - Second Lender (MOHCD Program 0.42% pymt. or other 2nd Lender)			
Hard Debt - Third Lender (Other MOHCD Program, or other 3rd Lender)	Hard Debt - Third Lender (Other MOHCD Program, or other 3rd Lender)			
Hard Debt - Fourth Lender	Hard Debt - Fourth Lender			
Commercial Hard Debt Service				
TOTAL HARD DEBT SERVICE				
CASH FLOW (NOI minus DEBT SERVICE)				
Commercial Only Cash Flow				
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)	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)				
Partnership Management Fee (see policy for limits)				
Investor Services Fee (see TLP Asset Mgt Fee) (see policy for limits)	Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)
Other Payments	Other Payments			
Non-amortizing Loan Pmt - Lender 1 (listed lender in comments field)	Non-amortizing Loan Pmt - Lender 1 (listed lender in comments field)			
Non-amortizing Loan Pmt - Lender 2 (listed lender in comments field)				
Delayed Developer Fee (Enter amt = Max Fee from col F30)	Delayed Developer Fee (Enter amt = Max F)	0.00%	100.00%	
TOTAL PAYMENTS PRECEDING MOHCD				

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	Alternative LOSP Split	LOSP	non-LOSP	Approved By (reqd)
Residual Receipts Calculation				
Does Project have a MOHCD Residual Receipt Obligation?				
Will Project Defr Developer Fee?				
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:	Sum of ODF from LOSP and non-LOSP:		0	
% of Residual Receipts available for distribution to soft debt lenders in Yr 1:	Ratio of Sum of ODF and calculated 50%:		#VALUE!	
Soft Debt Lenders with Residual Receipts Obligations				
MOHCD/OCII - Soft Debt Loans				
MOHCD/OCII - Ground Lease Value				
HCID (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				
HCID 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)				
Other Distributions/Incentive Management Fee				
Other Distributions/Item				
Final Balance (should be zero)				

EXHIBIT B-3
20-Year Cash Flow Proforma

Table with columns for Total # Units, LOSP units, non-LOSP units, and Year 1-3 2020-2022. Rows include INCOME, Rent/Bond Fees, Residential - Tenant Assistance Payments, and Other Commercial Income. Includes sub-totals for Gross Residential Income and Effective Gross Income.

OPERATING EXPENSES Management table. Rows include Management Fee, Asset Management Fee, Office Salaries, Health Insurance, and Administrative Staff. Includes sub-totals for Management Expenses and Salaries/Benefits.

Administration table. Rows include Accounting and Auditing, Office Expenses, Legal Expenses, Audit Expenses, and Misc. Includes sub-totals for Administration Expenses and Utilities.

Taxes and Licenses table. Rows include Real Estate Taxes, Property Taxes, and Miscellaneous Taxes, Licenses and Permits. Includes sub-total for Taxes and Licenses.

Maintenance & Repair table. Rows include Carpet, Supplies, Outdoors, Garbage and Trash Removal, Security, HVAC, and Vehicle and Maintenance Expenses. Includes sub-total for Maintenance & Repair Expenses.

Subtenant Services Commercial Expenses table. Rows include Subtenant Services, Commercial Expenses, and Reserve/Bond Fees. Includes sub-total for Reserve/Bond Fees.

Reserve/Bond Fees table. Rows include Ground Lease Base Rent, Base Rent/Bond Fees, and Other Reserve/Bond Fees. Includes sub-total for Reserve/Bond Fees.

NET OPERATING INCOME (INCOME minus OP EXPENSES) table. Rows include Total Operating Expenses, Net Operating Income, and Debt Service (Hard Debt/Amortized Loans).

DEBT SERVICE (Hard Debt/Amortized Loans) table. Rows include Hard Debt - 1st Lender, Hard Debt - 2nd Lender, and Hard Debt - 3rd Lender. Includes sub-total for Total Hard Debt Service.

CASH FLOW (NOI minus DEBT SERVICE) table. Rows include Commercial Only Cash Flow, Allocation of Commercial Surplus to LOSP/non-LOSP, and Available Cash Flow.

USES OF CASH FLOW BELOW table. Rows include Mortgage Servicing Fee, Other Payments, and Non-Amortizing Loan Pmt - Lender 1. Includes sub-total for Total Payments Preceding MOHCD.

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD) table. Rows include Does Project have a MOHCD Residual Receipt Obligation?, Will Project Deliver Domestic Fee?, and Residual Receipts split for all years - Lender/Owner.

MOHCD RESIDUAL RECEIPTS DEBT SERVICE table. Rows include MOHCD Residual Receipts Amount Due, Proposed MOHCD Residual Receipts Amount to Loan Repayment, and Proposed MOHCD Residual Receipts Amount to Residual Ground Lease.

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE table. Rows include HED Residual Receipts Amount Due, Lender 2 Residual Receipts Due, and Lender 3 Residual Receipts Due.

REMAINDER (Should be zero unless there are distributions below) table. Rows include Owner Distributions/Residuals and Other Distributions/Residuals.

REPLACEMENT RESERVE - RUNNING BALANCE table. Rows include Replacement Reserve Starting Balance, Replacement Reserve Deposits, and Replacement Reserve Withdrawals.

OPERATING RESERVE - RUNNING BALANCE table. Rows include Operating Reserve Starting Balance, Operating Reserve Deposits, and Operating Reserve Withdrawals.

OTHER REQUIRED RESERVE 1 - RUNNING BALANCE table. Rows include Other Reserve 1 Starting Balance, Other Reserve 1 Deposits, and Other Reserve 1 Withdrawals.

OTHER RESERVE 2 - RUNNING BALANCE table. Rows include Other Reserve 2 Starting Balance, Other Reserve 2 Deposits, and Other Reserve 2 Withdrawals.

4840 Mission Street

Table with columns for Total # Units (114), LOSP/Non-LOSP, Year 4 2023, Year 5 2024, Year 6 2025, and Total. Rows include INCOME, Rent/Tenant, Developer, and various fees.

OPERATING EXPENSES Management section including Management Fee, Sales Management Fee, Salaries/Benefits, and Administration.

OPERATING EXPENSES Utilities, Taxes and Licenses, Insurance, and Maintenance & Repair section.

TOTAL OPERATING EXPENSES WITH RESERVE/SGL BASE RENT/BOND FEES, RESERVE/GROUND LEASE BASE RENT/BOND FEES, and DEBT SERVICE (Hard Debt/Soft Debt).

CASH FLOW (NO) minus DEBT SERVICE section, including Commercial Daily Cash Flow, Available Cash Flow, and Debt Service.

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD) section, including MOHCD Residual Receipts Debt Service and Non-MOHCD Residual Receipts Debt Service.

REPLACEMENT RESERVE - RUNNING BALANCE section, including Operating Reserve Starting Balance, Operating Reserve Deposits, and Other Reserve 1-3.

4840 Mission Street

	Total # Units: 114	LOSP		Comments	Year 13 2033			Year 14 2033			Year 15 2034		
		Units 23	Units 91		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
INCOME													
Residential - Tenant Rents		3.5%	2.0%		104,292	1,400,268	1,504,560	107,913	1,405,275	1,513,188	109,487	1,401,487	2,091,097
Residential - Tenant Assistance Payments		Nil	Nil		-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments		Nil	Nil		269,369	-	269,369	277,820	-	277,820	286,650	-	286,650
Commercial Sign		Nil	2.5%		-	-	-	-	-	-	-	-	-
Residential Parking		2.5%	2.5%		-	-	-	-	-	-	-	-	-
Manufactured Rent Income		2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income		2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations		2.5%	2.5%		-	-	-	-	-	-	-	-	-
Family and Veranda		2.5%	2.5%		-	-	-	-	-	-	-	-	-
Tenant Charges		2.5%	2.5%		3,764	19,154	23,918	4,303	19,012	24,315	3,028	20,103	25,128
Manufactured Residential Income		2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income		Nil	2.5%		-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (impact to operating account)		Nil	Nil	Less from Reserve Section below, as appropriate	-	-	-	-	-	-	-	-	-
Effective Gross Income					378,416	1,819,402	2,102,981	390,655	1,864,687	2,255,543	493,923	1,911,699	2,314,633
Vacancy Loss - Residential - Tenant Rents		Nil	Nil	Enter kilometers monthly per relevant MOH policy; assumed representing vacancy rate appropriate	(5,213)	(90,013)	(95,227)	(6,350)	(92,264)	(97,652)	(6,584)	(84,270)	(100,155)
Vacancy Loss - Residential - Tenant Assistance Payments		Nil	Nil		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial		Nil	Nil		-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME					373,202	1,729,389	2,102,981	384,305	1,772,423	2,157,891	397,339	1,816,639	2,214,078
OPERATING EXPENSES													
Management													
Management Fee		3.5%	3.5%	10 Year to be set according to HUD	22,808	89,223	124,029	23,674	102,096	178,370	28,672	108,390	132,802
Asset Management Fee		3.5%	3.5%	per MOHCD policy	3,705	22,065	29,831	3,969	23,812	29,845	3,177	24,708	30,985
Sub-total Management Expenses					30,572	122,288	152,860	31,642	126,908	158,215	32,749	133,098	163,787
Salaries/Benefits													
Office Salaries		3.5%	3.5%		11,221	44,886	56,107	11,614	46,497	58,071	12,021	48,083	60,103
Manager's Salary		3.5%	3.5%		18,153	72,513	90,664	18,767	75,016	93,837	19,424	77,697	97,122
Health Insurance and Other Benefits		3.5%	3.5%		13,121	53,605	79,766	13,581	52,126	78,633	14,527	56,155	71,152
Other Salaries/Benefits		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Administration Rec-Free List		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits					44,500	178,022	226,529	46,962	184,233	225,541	47,675	190,739	238,377
Administration													
Advertising and Printing		3.5%	3.5%		597	2,427	4,533	638	2,743	4,023	871	3,985	4,852
Office Expenses		3.5%	3.5%		3,855	15,541	19,428	4,021	16,085	20,106	4,162	16,648	20,810
Office Rent		3.5%	3.5%		307	1,227	1,533	238	2,753	4,003	3,305	4,806	
Legal Expenses - Property		3.5%	3.5%		3,074	13,297	16,822	2,441	13,743	17,204	3,361	14,245	17,806
Audit Expenses		3.5%	3.5%		3,808	15,710	19,638	4,065	16,760	20,325	4,207	16,819	21,037
Bookkeeping/Accounting Services		3.5%	3.5%		907	3,627	4,533	831	3,742	4,693	971	3,809	4,654
Real Estate		3.5%	3.5%		7,222	28,899	36,112	7,475	29,900	37,915	7,727	30,947	38,684
Marketing		3.5%	3.5%		37,079	149,318	190,397	37,417	150,008	191,085	32,647	142,397	178,947
Sub-total Administration Expenses					57,462	232,287	295,375	57,100	235,123	294,956	57,100	228,377	295,375
Utilities													
Electricity		3.5%	3.5%		16,537	65,149	82,685	17,116	68,644	85,590	17,715	70,666	88,974
Water		3.5%	3.5%		6,527	25,812	32,885	7,116	28,064	35,591	7,715	30,066	38,574
Gas		3.5%	3.5%		9,965	38,380	48,477	9,414	37,855	47,669	9,743	38,973	48,718
sewer		3.5%	3.5%		22,249	89,054	113,698	23,284	94,338	119,672	24,358	97,933	124,291
Sub-total Utilities					64,960	258,633	324,945	67,060	269,700	338,949	69,627	278,119	341,557
Taxes and Licenses													
Real Estate Taxes		3.5%	3.5%		997	2,607	4,533	998	3,353	4,692	971	3,885	4,856
Piped/Tax		3.5%	3.5%		5,339	21,327	26,886	5,526	22,104	27,830	5,770	22,872	28,507
Manufactured Taxes, Licenses and Permits		3.5%	3.5%		378	1,511	1,890	297	1,564	1,965	405	1,619	2,023
Sub-total Taxes and Licenses					6,714	26,444	33,109	6,821	27,421	34,487	7,146	28,477	35,477
Insurance													
Property and Liability Insurance		3.5%	3.5%		30,463	121,619	152,299	33,247	126,186	157,231	33,667	130,603	163,261
Future Lease Insurance		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Workers Compensation		3.5%	3.5%		5,425	21,701	27,127	5,615	22,261	28,074	5,812	23,247	29,059
Director's & Officers' Liability Insurance		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance					35,888	143,320	179,426	37,162	148,447	185,305	39,479	163,850	192,319
Maintenance & Repair													
Paint		3.5%	3.5%		24,038	96,127	124,191	24,419	99,919	125,327	25,160	101,931	125,715
Supplies		3.5%	3.5%		3,385	13,539	16,924	3,603	14,012	17,616	3,608	14,524	18,129
Contractors		3.5%	3.5%		14,088	56,150	71,438	15,202	60,807	76,905	15,734	62,935	78,699
Garbage and Trash Removal		3.5%	3.5%		11,997	47,592	60,450	12,461	49,896	63,213	13,024	55,793	69,662
Security Patrol Contract		3.5%	3.5%		70,645	282,580	353,227	73,119	292,472	366,450	75,677	302,109	378,386
MOHCD Plans and Maintenance		3.5%	3.5%		303	1,199	1,511	313	1,267	1,644	324	1,295	1,618
Vehicle and Maintenance Equipment Operation and Repair		3.5%	3.5%		7,629	30,117	37,746	7,721	30,685	38,600	7,817	31,206	39,853
Manufactured Operating and Maintenance Expenses		3.5%	3.5%		4,470	17,879	22,349	6,096	26,785	33,451	6,921	27,722	34,603
Sub-total Maintenance & Repair Expenses					132,144	540,558	676,322	139,496	569,491	697,472	147,192	579,166	722,558
Supportive Services													
Contract Expenses		3.5%	3.5%		-	63,465	63,465	-	63,688	63,688	-	67,983	67,983
TOTAL OPERATING EXPENSES w/ RESERVE/OL BASE RENT/BOND FEES					338,738	1,418,498	1,757,256	350,616	1,468,146	1,818,760	392,885	1,510,631	1,882,417
RESERVE/OL BASE RENT/BOND FEES													
Ground Lease Base Rent					3,000	12,000	15,000	3,000	12,000	15,000	3,000	12,000	15,000
Bond Monitoring Fee					948	3,792	4,740	948	3,792	4,740	948	3,792	4,740
Replacement Reserve Deposit					13,680	54,720	68,400	13,680	54,720	68,400	13,680	54,720	68,400
Operating Reserve Deposit					-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit					-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit					-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit, Commercial					-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees					17,628	70,512	88,140	17,628	70,512	88,140	17,628	70,512	88,140
TOTAL OPERATING EXPENSES w/ RESERVE/OL BASE RENT/BOND FEES					356,366	1,488,990	1,845,396	368,243	1,538,658	1,906,900	410,513	1,581,143	1,970,557
NET OPERATING INCOME (INCOME minus OP EXPENSES)					16,816	290,379	257,190	17,017	233,969	250,983	17,226	236,896	244,121
DEBT SERVICE (Hard debt/ amortized loans)													
Hard Debt - First Lender					-	148,547	148,547	-	148,547	148,547	-	148,547	148,547
Hard Debt - Second Lender (MOHCD Program 0.42% pmt. or other 2nd Lender)					10,080	40,320	50,400	10,080	40,320	50,400	10,080	40,320	50,400
Hard Debt - Third Lender (Other MOHCD Program, or other 3rd Lender)					-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender					-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service					-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE					10,080	188,867	198,947	10,080	188,867	198,947	10,080	188,867	198,947
CASH FLOW (ND) minus DEBT SERVICE					6,736	51,512	58,243	6,937	45,099	52,036	7,145	38,029	45,174
Commercial Only Cash Flow													
Allocation of Commercial Cash Flow to LOSP/non-LOSP (residual income)					-	-	-	-	-	-	-	-	-
AVAILABLE CASH FLOW					6,736	51,512	58,243	6,937	45,099	52,036	7,145	38,029	45,174
USES OF CASH FLOW BELOW (This row also shows DSCR)													
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL													
"Below the Line" Assets Mgt fees (non-income tax free projects, see policy)		3.5%	3.5%	per MOHCD policy	5,720	22,944	28,600	5,937	23,747	29,684	6,145	24,570	30,723
Property Management fee (see policy for limits)		3.5%	3.5%	per MOHCD policy	1,000	4,000	5,000	1,000	4,000	5,000	1,000	4,000	5,000
Investor Service Fee (Sub-IP Asset Mgt Fee) (see policy for limits)		3.5%	3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-
Other Payments		3.5%	3.5%	because it necessarily will prepay to LOSP (see policy)	-	-	-	-	-	-	-	-	-
Non-Amortizing Loan Pmt - Lender 1		3.5%	3.5%	Enter comments re actual increase, etc.	-	-	-						

4840 Mission Street

Item	LOSP Units	non-LOSP Units	2016			2017			2018					
			2016 Units	% Annual Inc LOSP	% Annual Increase	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
INCOME														
Residential - Tenant Rents	3.5%	2.5%	178,199		1,918,499	2,064,261	199,643	1,837,100	2,106,944	173,837	1,536,438	2,169,871		
Residential - Tenant Assistance Payments	n/a	n/a	-		-	-	-	-	-	-	-	-		
Residential - LOSP - Tenant Assistance Payments	n/a	n/a	226,685		296,885	305,640		300,000	314,900		314,800	314,800		
Commercial - Rent	n/a	2.5%	-		-	-	-	-	-	-	-	-		
Commercial - Parking	2.5%	2.5%	-		-	-	-	-	-	-	-	-		
Miscellaneous Rent Income	2.5%	2.5%	-		-	-	-	-	-	-	-	-		
Supportive Services Income	2.5%	2.5%	-		-	-	-	-	-	-	-	-		
Interest Income - Project Operators	2.5%	2.5%	-		-	-	-	-	-	-	-	-		
Interest Income - Lenders	2.5%	2.5%	5,161		20,405	25,717		1,760	21,700		26,450	5,472		
Lease Charges	2.5%	2.5%	-		-	-	-	-	-	-	-	-		
Miscellaneous Residential Income	2.5%	2.5%	-		-	-	-	-	-	-	-	-		
Other Commercial Income	n/a	n/a	-		-	-	-	-	-	-	-	-		
Withdrawal from Capitalized Reserve (Open to operating account)	n/a	n/a	-		-	-	-	-	-	-	-	-		
Gross Potential Income			416,435		1,959,297	2,374,732		430,005	2,008,200		2,438,285	2,603,487		
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	(3,769)		(95,975)	(102,715)		(5,969)	(99,359)		(106,349)	(108,034)		
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a	-		-	-		-	-		-	-		
Vacancy Loss - Commercial	n/a	n/a	-		-	-		-	-		-	-		
EFFECTIVE GROSS INCOME			410,635		1,862,323	2,272,018		424,033	1,908,842		2,332,945	2,495,453		
OPERATING EXPENSES Management														
Management Fee	3.5%	3.5%	21,603		110,010	137,613		28,465	112,860		142,226	29,467		
Asset Management Fee	3.5%	3.5%	6,393		25,572	31,866		6,677	26,468		33,084	27,394		
Sub-total Management Expenses			33,896		135,582	169,479		35,142	140,328		175,410	56,861		
Office Salaries	3.5%	3.5%	12,441		49,266	62,207		12,877	51,908		64,355	73,238		
Manager's Salary	3.5%	3.5%	20,156		89,417	100,521		20,808	83,211		104,039	21,536		
Health Insurance and Other Benefits	3.5%	3.5%	16,796		67,584	83,982		17,266	69,542		86,952	17,959		
Other Salary/Benefits	3.5%	3.5%	-		-	-		-	-		-	-		
Administrative Staff/Out	3.5%	3.5%	-		-	-		-	-		-	-		
Sub-total Salaries/Benefits			49,344		197,376	246,720		51,071	204,264		255,355	62,699		
Administration	3.5%	3.5%	1,005		4,071	5,109		1,040	4,162		5,207	6,584		
Advertising and Marketing	3.5%	3.5%	4,309		17,231	21,538		4,458	17,834		22,292	27,672		
Office Rent	3.5%	3.5%	-		-	-		-	-		-	-		
Legal Expenses - Property	3.5%	3.5%	1,093		4,071	5,109		1,040	4,162		5,207	6,584		
Audit Expenses	3.5%	3.5%	2,650		14,743	18,420		3,115	15,239		19,074	23,743		
Board Meeting/Accounting Services	3.5%	3.5%	4,265		17,118	21,773		4,367	18,029		22,512	27,974		
Real Estate	3.5%	3.5%	1,005		4,071	5,109		1,040	4,162		5,207	6,584		
Miscellaneous	3.5%	3.5%	2,007		32,030	40,037		2,268	33,151		41,429	42,889		
Sub-total Administration Expenses			23,771		93,466	118,956		24,469	96,766		120,945	129,179		
Utilities	3.5%	3.5%	18,336		73,240	91,675		18,977	75,907		94,884	119,601		
Electricity	3.5%	3.5%	18,336		73,240	91,675		18,977	75,907		94,884	119,601		
Water	3.5%	3.5%	10,064		40,237	50,421		10,247	41,749		52,166	64,913		
Gas	3.5%	3.5%	25,211		100,542	126,053		25,699	102,658		127,008	158,020		
Owner	3.5%	3.5%	71,845		287,636	359,825		74,464	297,935		372,419	468,593		
Sub-total Utilities			71,845		287,636	359,825		74,464	297,935		372,419	468,593		
Taxes and Licenses	3.5%	3.5%	1,005		4,071	5,109		1,040	4,162		5,207	6,584		
Real Estate Taxes	3.5%	3.5%	6,500		23,678	29,966		6,727	24,607		30,634	37,707		
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%	478		1,615	2,034		493	1,754		2,469	3,074		
Sub-total Taxes and Licenses			7,983		29,313	36,965		7,967	29,400		37,567	46,865		
Insurance	3.5%	3.5%	33,793		135,174	168,967		34,916	139,995		174,881	219,800		
Property and Liability Insurance	3.5%	3.5%	-		-	-		-	-		-	-		
Fire/Cyber Insurance	3.5%	3.5%	-		-	-		-	-		-	-		
Water's Contamination	3.5%	3.5%	5,015		20,061	25,076		5,226	20,903		26,444	32,718		
Director's & Officer's Liability Insurance	3.5%	3.5%	-		-	-		-	-		-	-		
Sub-total Insurance			39,809		159,235	199,043		41,702	164,808		206,610	258,528		
Maintenance & Repair	3.5%	3.5%	24,031		100,600	123,271		27,561	110,337		137,021	167,143		
Plumbing	3.5%	3.5%	3,753		15,011	18,764		3,884	15,537		19,421	24,000		
Roofing	3.5%	3.5%	15,000		60,000	75,000		15,000	60,000		75,000	93,750		
Garbage and Trash Removal	3.5%	3.5%	4,421		17,688	22,117		4,576	18,314		22,918	28,643		
Security/Asset Control	3.5%	3.5%	78,326		313,300	391,620		81,067	324,089		406,337	510,823		
Minor Repairs and Maintenance	3.5%	3.5%	335		1,340	1,675		347	1,374		359	4,498		
Vehicle and Maintenance Equipment Operation and Repair	3.5%	3.5%	2,815		11,660	14,676		2,817	12,069		15,068	18,814		
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%	17,173		28,693	35,896		1,704	29,897		37,171	46,240		
Sub-total Maintenance & Repair Expenses			149,850		599,437	748,295		156,104	590,417		732,972	900,660		
Supplies Services	3.5%	3.5%	-		-	-		-	-		-	-		
Commercial Expenses	3.5%	3.5%	-		-	-		-	-		-	-		
TOTAL OPERATING EXPENSES w/ RESERVE/DISK/RENT/BOND FEES			375,987		1,572,714	1,948,302		388,733	1,627,769		2,016,432	2,497,969		
Reserve/Ground Lease Base Rent/Bond Fees			-		-	-		-	-		-	-		
NET OPERATING EXPENSES w/ RESERVE/DISK/RENT/BOND FEES			375,987		1,572,714	1,948,302		388,733	1,627,769		2,016,432	2,497,969		
NET OPERATING INCOME (INCOME MINUS OPERATING EXPENSES)			17,440		289,609	323,716		17,662	210,630		316,513	397,524		
DEBT SERVICE (Hard Debt/Amortized Loans)														
Hard Debt - First Lender			-		-	-		-	-		-	-		
Hard Debt - Second Lender (HSD Program 0.42% punt. or 0.60% 2nd Lender)			148,647		148,547	148,547		148,647	148,647		148,547	148,547		
Hard Debt - Third Lender (Other HSD Program, or other 3rd Lender)			30,000		30,000	30,000		30,000	30,000		30,000	30,000		
Hard Debt - Fourth Lender			-		-	-		-	-		-	-		
Commercial Hard Debt Service			-		-	-		-	-		-	-		
TOTAL HARD DEBT SERVICE			178,647		178,547	178,547		178,647	178,647		178,547	178,547		
CASH FLOW (Net Income Minus Debt Service)			1,116,082		1,111,062	1,111,062		1,111,082	1,111,082		1,111,062	1,111,062		
AVAILABLE CASH FLOW			1,116,082		1,111,062	1,111,062		1,111,082	1,111,082		1,111,062	1,111,062		
USES OF CASH FLOW BELOW (This row also shows DESCR.)														
Financing of New Projects (see comment in row 10)	3.5%	3.5%	6,360		25,428	31,788		6,482	25,339		32,011	40,063		
Partnership Management Fee (see policy for limits)	3.5%	3.5%	1,000		4,000	5,000		1,000	4,000		5,000	6,000		
Investor Service Fee (aka "P Asset Mgt Fee") (see policy for limits)			-		-	-		-	-		-	-		
Other Payments			-		-	-		-	-		-	-		
Reserve/Ground Lease Rent/Bond Fee			-		-	-		-	-		-	-		
Other Expenses			-		-	-		-	-		-	-		
TOTAL PAYMENTS PRECEDING MONCD			7,360		29,428	36,788		7,482	29,339		37,011	46,063		
RESIDUAL RECEIPTS (CASH FLOW MINUS PAYMENTS PRECEDING MONCD)			1,098,722		1,081,634	1,074,274		1,098,722	1,081,634		1,074,274	1,064,999		
Does Project have a MHCD Residual Receipt Obligation?	Yes	No	-		-	-		-	-		-	-		
WB Project Defeasance Fee?	0.67% / 0.25%		-		-	-		-	-		-	-		
Residual Receipts split for all years - Lender/Owner			-		-	-		-	-		-	-		
MONCD RESIDUAL RECEIPTS DEBT SERVICE														
MONCD Residual Receipts Amount Due	100.00%		-		-	-		-	-		-	-		
Proposed MONCD Residual Receipts Amount to Loan Repayment			-		-	-		-	-		-	-		
Proposed MONCD Residual Receipts Amount to Residual Ground Lease			-		-	-		-	-		-	-		
MAINING BALANCE AFTER MONCD RESIDUAL RECEIPTS DEBT SERVICE			-		-	-		-	-		-	-		
NON-MONCD RESIDUAL RECEIPTS DEBT SERVICE														
HCD Residual Receipts Amount Due	0.00%	No HSD Financing	-		-	-		-	-		-	-		
Lender 1 Residual Receipts Due	0.00%		-		-	-		-	-		-	-		
Lender 2 Residual Receipts Due	0.00%		-		-	-		-	-		-	-		
Total Non-MONCD Residual Receipts Debt Service			-		-	-		-	-		-	-		
REMAINDER (Should be zero unless there are distributions below)			-		-	-		-	-		-	-		
Owner Distribution/Dividend/Withdrawal Fee			-		-	-		-	-		-	-		
Other Distributions/Dividends			-		-	-		-	-		-	-		
Final Balance (should be zero)			-		-	-		-	-		-	-		
REPLACEMENT RESERVE - RUNNING BALANCE														
Replacement Reserve Starting Balance			-		-	-		-	-		-	-		
Replacement Reserve Deposits			1,004,400		1,004,400	1,004,400		1,004,400	1,004,400		1,004,400	1,162,800		
Replacement Reserve Withdrawals (only tied to CW)			-		-	-		-	-		-	-		

4840 Mission Street

Financial proforma table for MOHCD Proforma - 20 Year Cash Flow. Includes columns for Total # Units (114), LOSP Units, non-LOSP Units, Year 19 2038, and Year 20 2038. Sections include INCOME, OPERATING EXPENSES, MAINTENANCE & REPAIR, DEBT SERVICE, CASH FLOW, and RESIDUAL RECEIPTS.

EXHIBIT C

Form of Tenant Income Certification Form

[To be attached.]

TENANT INCOME CERTIFICATION QUESTIONNAIRE

One Form per Adult Member of the Household

NAME: _____

Initial Certification

Re-certification

Other

TELEPHONE NUMBER:
() _____

BIN # _____

Unit # _____

INCOME INFORMATION

	YES	NO		MONTHLY GROSS INCOME
1.	<input type="checkbox"/>	<input type="checkbox"/>	I am self employed. (List nature of self employment) _____	(use <u>net</u> income from self-employment only) \$ _____
2.	<input type="checkbox"/>	<input type="checkbox"/>	I have a job and receive wages, salary, overtime pay, commissions, fees, tips, bonuses, and/or other compensation: List the businesses and/or companies that pay you: <div style="text-align: center;"><u>Name of Employer</u></div> 1) _____ \$ _____ 2) _____ \$ _____ 3) _____ \$ _____	
3.	<input type="checkbox"/>	<input type="checkbox"/>	I receive cash contributions of gifts including rent or utility payments, on an ongoing basis from persons not living with me.	\$ _____
4.	<input type="checkbox"/>	<input type="checkbox"/>	I receive unemployment benefits.	\$ _____
5.	<input type="checkbox"/>	<input type="checkbox"/>	I receive Veteran's Administration, GI Bill, or National Guard/Military benefits/income.	\$ _____
6.	<input type="checkbox"/>	<input type="checkbox"/>	I receive periodic social security payments.	\$ _____
7.	<input type="checkbox"/>	<input type="checkbox"/>	The household receives <u>unearned</u> income from family members age 17 or under (example: Social Security, Trust Fund disbursements, etc.).	\$ _____
8.	<input type="checkbox"/>	<input type="checkbox"/>	I receive Supplemental Security Income (SSI).	\$ _____
9.	<input type="checkbox"/>	<input type="checkbox"/>	I receive disability or death benefits other than Social Security.	\$ _____
10.	<input type="checkbox"/>	<input type="checkbox"/>	I receive Public Assistance Income (examples: TANF, AFDC)	\$ _____
11.	<input type="checkbox"/>	<input type="checkbox"/>	I am entitled to receive child support payments.	\$ _____
	<input type="checkbox"/>	<input type="checkbox"/>	I am currently receiving child support payments. If yes, from how many persons do you receive support? _____	\$ _____
	<input type="checkbox"/>	<input type="checkbox"/>	I am currently making efforts to collect child support owed to me. List efforts being made to collect child support: _____ _____	
12.	<input type="checkbox"/>	<input type="checkbox"/>	I receive alimony/spousal support payments	\$ _____
13.	<input type="checkbox"/>	<input type="checkbox"/>	I receive periodic payments from trusts, annuities, inheritance, retirement funds or pensions, insurance policies, or lottery winnings. If yes, list sources: 1) _____ 2) _____	\$ _____ \$ _____
14.	<input type="checkbox"/>	<input type="checkbox"/>	I receive income from real or personal property.	(use <u>net</u> earned income) \$ _____
15.	<input type="checkbox"/>	<input type="checkbox"/>	Student financial aid (public or private, not including student loans) Subtract cost of tuition from Aid received *For Households receiving Section 8 Assistance Only	\$ _____

ASSET INFORMATION

YES	NO		INTEREST RATE	CASH VALUE
16. <input type="checkbox"/>	<input type="checkbox"/>	I have a checking account(s). If yes, list bank(s) 1) _____ 2) _____	_____% _____%	\$ _____ \$ _____
17. <input type="checkbox"/>	<input type="checkbox"/>	I have a savings account(s) If yes, list bank(s) 1) _____ 2) _____	_____% _____%	\$ _____ \$ _____
18. <input type="checkbox"/>	<input type="checkbox"/>	I have a revocable trust(s) If yes, list bank(s) 1) _____	_____%	\$ _____
19. <input type="checkbox"/>	<input type="checkbox"/>	I own real estate. If yes, provide description: _____		\$ _____
20. <input type="checkbox"/>	<input type="checkbox"/>	I own stocks, bonds, or Treasury Bills If yes, list sources/bank names 1) _____ 2) _____ 3) _____	_____% _____% _____%	\$ _____ \$ _____ \$ _____
21. <input type="checkbox"/>	<input type="checkbox"/>	I have Certificates of Deposit (CD) or Money Market Account(s). If yes, list sources/bank names 1) _____ 2) _____ 3) _____	_____% _____% _____%	\$ _____ \$ _____ \$ _____
22. <input type="checkbox"/>	<input type="checkbox"/>	I have an IRA/Lump Sum Pension/Keogh Account/401K. If yes, list bank(s) 1) _____ 2) _____	_____% _____%	\$ _____ \$ _____
23. <input type="checkbox"/>	<input type="checkbox"/>	I have a whole life insurance policy. If yes, how many policies _____		\$ _____
24. <input type="checkbox"/>	<input type="checkbox"/>	I have cash on hand.		\$ _____
25. <input type="checkbox"/>	<input type="checkbox"/>	I have disposed of assets (i.e. gave away money/assets) for less than the fair market value in the past 2 years. If yes, list items and date disposed: 1) _____ 2) _____		\$ _____ \$ _____

STUDENT STATUS

YES	NO	
<input type="checkbox"/>	<input type="checkbox"/>	Does the household consist of all persons who are <u>full-time</u> students (Examples: K-12, College, Trade School, etc.)?
<input type="checkbox"/>	<input type="checkbox"/>	Does the household consist of all persons who have been a <u>full-time</u> student 5 months in the current calendar year?
<input type="checkbox"/>	<input type="checkbox"/>	Does your household anticipate becoming an all full-time student household in the next 12 months?
<input type="checkbox"/>	<input type="checkbox"/>	If you answered yes to any of the previous three questions are you:
<input type="checkbox"/>	<input type="checkbox"/>	• Receiving assistance under Title IV of the Social Security Act (AFDC/TANF/Cal Works - not SSA/SSI)
<input type="checkbox"/>	<input type="checkbox"/>	• Enrolled in a job training program receiving assistance through the Job Training Participation Act (JTPA) or other similar program
<input type="checkbox"/>	<input type="checkbox"/>	• Married and filing (or are entitled to file) a joint tax return
<input type="checkbox"/>	<input type="checkbox"/>	• Single parent with a dependant child or children and neither you nor your child(ren) are dependent of another individual
<input type="checkbox"/>	<input type="checkbox"/>	• Previously enrolled in the Foster Care program (currently age 18-24)

UNDER PENALTIES OF PERJURY, I CERTIFY THAT THE INFORMATION PRESENTED ON THIS FORM IS TRUE AND ACCURATE TO THE BEST OF MY/OUR KNOWLEDGE. THE UNDERSIGNED FURTHER UNDERSTANDS THAT PROVIDING FALSE REPRESENTATIONS HEREIN CONSTITUTES AN ACT OF FRAUD. FALSE, MISLEADING OR INCOMPLETE INFORMATION WILL RESULT IN THE DENIAL OF APPLICATION OR TERMINATION OF THE LEASE AGREEMENT.

PRINTED NAME OF APPLICANT/TENANT _____

SIGNATURE OF APPLICANT/TENANT _____

DATE _____

WITNESSED BY (SIGNATURE OF OWNER/REPRESENTATIVE) _____

DATE _____

TENANT INCOME CERTIFICATION

Initial Certification
 1st Recertification
 Other

Effective Date: _____
 Move-in Date: _____
 (MM/DD/YYYY)

PART I - DEVELOPMENT DATA

Property Name: _____ County: _____ BIN #: _____
 Address: _____ Unit Number: _____ # Bedrooms: _____

PART II. HOUSEHOLD COMPOSITION

HH Mbr #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	F/T Student (Y or N)	Social Security or Alien Reg. No.
1			HEAD			
2						
3						
4						
5						
6						
7						

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

HH Mbr #	(A) Employment or Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income
TOTALS	\$ _____	\$ _____	\$ _____	\$ _____
Add totals from (A) through (D), above			TOTAL INCOME (E):	\$ _____

PART IV. INCOME FROM ASSETS

Hshld Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
TOTALS:			\$ _____	\$ _____
Enter Column (H) Total If over \$5000		\$ _____ X	Passbook Rate 2.00%	= (J) Imputed Income \$ _____
Enter the greater of the total of column I, or J; imputed income			TOTAL INCOME FROM ASSETS (K)	\$ _____
(L) Total Annual Household Income from all Sources [Add (E) + (K)]				\$ _____

HOUSEHOLD CERTIFICATION & SIGNATURES

The information on this form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I/we agree to notify the landlord immediately upon any member becoming a full time student.

Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

Signature	(Date)	Signature	(Date)
Signature	(Date)	Signature	(Date)

PART V. DETERMINATION OF INCOME ELIGIBILITY

TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES: From item (L) on page 1 \$ 	RECERTIFICATION ONLY: Current Income Limit x 140%: \$ _____ Household Income exceeds 140% at recertification: <input type="checkbox"/> Yes <input type="checkbox"/> No
Current Income Limit per Family Size: \$ _____	
Household Income at Move-in: \$ _____	Household Size at Move-in: _____

PART VI. RENT

Tenant Paid Rent \$ _____ Utility Allowance \$ _____	Rent Assistance: \$ _____ Other non-optional charges: \$ _____
GROSS RENT FOR UNIT: (Tenant paid rent plus Utility Allowance & other non-optional charges) \$ _____	Unit Meets Rent Restriction at: <input type="checkbox"/> 60% <input type="checkbox"/> 50% <input type="checkbox"/> 40% <input type="checkbox"/> 30% <input type="checkbox"/> _____%
Maximum Rent Limit for this unit: \$ _____	

PART VII. STUDENT STATUS

ARE ALL OCCUPANTS FULL TIME STUDENTS? <input type="checkbox"/> yes <input type="checkbox"/> no	If yes, Enter student explanation* (also attach documentation) Enter 1-5	*Student Explanation: 1 AFDC / TANF Assistance 2 Job Training Program 3 Single Parent/Dependent Child 4 Married/Joint Return 5 Former Foster Care
---	---	--

PART VIII. PROGRAM TYPE

Mark the program(s) listed below (a. through e.) for which this household's unit will be counted toward the property's occupancy requirements. Under each program marked, indicate the household's income status as established by this certification/recertification.

a. Tax Credit <input type="checkbox"/> See Part V above.	b. HOME <input type="checkbox"/> <i>Income Status</i> <input type="checkbox"/> ≤ 50% AMGI <input type="checkbox"/> ≤ 60% AMGI <input type="checkbox"/> ≤ 80% AMGI <input type="checkbox"/> OI**	c. Tax Exempt <input type="checkbox"/> <i>Income Status</i> <input type="checkbox"/> 50% AMGI <input type="checkbox"/> 60% AMGI <input type="checkbox"/> 80% AMGI <input type="checkbox"/> OI**	d. AHDP <input type="checkbox"/> <i>Income Status</i> <input type="checkbox"/> 50% AMGI <input type="checkbox"/> 80% AMGI <input type="checkbox"/> OI**	e. _____ <input type="checkbox"/> (Name of Program) <i>Income Status</i> <input type="checkbox"/> _____ <input type="checkbox"/> _____ <input type="checkbox"/> OI**
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** Upon recertification, household was determined over-income (OI) according to eligibility requirements of the program(s) marked above.

SIGNATURE OF OWNER/REPRESENTATIVE

Based on the representations herein and upon the proofs 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

INSTRUCTIONS FOR COMPLETING TENANT INCOME CERTIFICATION

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

Part I - Development Data

Check the appropriate box for 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).

Move-in Date Enter the date the tenant has or will take occupancy of the unit.

Effective Date Enter the effective date of the certification. For move-in, this should be the move-in date. For annual recertification, this effective date should be no later than one year from the effective date of the previous (re)certification.

Property Name Enter the name of the development.

County Enter the county (or equivalent) in which the building is located.

BIN # Enter the Building Identification Number (BIN) assigned to the building (from IRS Form 8609).

Address Enter the address of the building.

Unit Number Enter the unit number.

Bedrooms Enter the number of bedrooms in the unit.

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 coded definitions:

H	-	Head of Household	S	-	Spouse
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

Enter the date of birth, student status, and social security number or alien registration number for each occupant.

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. 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 2% and enter the amount in (J), Imputed Income.

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

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 Income Limit per Family Size Enter the Current Move-in Income Limit for the household size.
- Household income at move-in Household size at move-in For recertifications, only. Enter the household income from the move-in certification. On the adjacent line, enter the number of household members from the move-in certification.
- Household Meets Income Restriction Check the appropriate box for the income restriction that the household meets according to what is required by the set-aside(s) for the project.
- Current Income Limit x 140% For recertifications only. Multiply the Current 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, 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 current income limit, then the available unit rule must be followed.

Part VI - Rent

Tenant Paid Rent	Enter the amount the tenant pays toward rent (not including rent assistance payments such as Section 8).
Rent Assistance	Enter the amount of rent assistance, if any.
Utility Allowance	Enter the utility allowance. If the owner pays all utilities, enter zero.
Other 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 Rent for Unit	Enter the total of Tenant Paid Rent plus Utility Allowance and other non-optional charges.
Maximum Rent Limit for this unit	Enter the maximum allowable gross rent for the unit.
Unit Meets Rent Restriction at	Check the appropriate rent restriction that the unit meets according to what is required by the set-aside(s) for the project.

Part VII - Student Status

If all household members are full time* students, check "yes". 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.

**Full time is determined by the school the student attends.*

Part VIII – Program Type

Mark the program(s) for which this household's unit will be counted toward the property's occupancy requirements. Under each program marked, indicate the household's income status as established by this certification/recertification. If the property does not participate in the HOME, Tax-Exempt Bond, Affordable Housing Disposition, or other housing program, leave those sections blank.

Tax Credit	See Part V above.
HOME	If the property participates in the HOME program and the unit this household will occupy will count towards the HOME program set-asides, mark the appropriate box indicating the household's designation.
Tax Exempt	If the property participates in the Tax Exempt Bond program, mark the appropriate box indicating the household's designation.
AHDP	If the property participates in the Affordable Housing Disposition Program (AHDP), and this household's unit will count towards the set-aside requirements, mark the appropriate box indicating the household's designation.
Other	If the property participates in any other affordable housing program, complete the information as appropriate.

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.

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) as incorporated into MOHCD's Section 3 Plan.

1. Section 3 Requirements.

(a) The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. § 1701u ("Section 3"), based on Borrower's receipt of City funds under MOHCD's Section 3 Plan. The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3 be directed to low-and very low-income persons, particularly persons who are recipients of HUD assistance for housing, to the greatest extent feasible.

(b) The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this contract, the parties certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

(c) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and to post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference and set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions and the qualifications for each, the name and location of the person(s) taking applications for each of the positions and the anticipated date work will begin.

(d) The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135 and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

(e) The contractor will certify that any vacant employment positions, including training positions, that are filled: (i) after the contractor is selected but before the contract is executed; and (ii) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

(f) Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default and debarment or suspension from future HUD assisted contracts.

2. Recommended Minimum Numerical Goals. Contractors may demonstrate compliance with the "greatest extent feasible" requirement of Section 3 by meeting the numerical goals set forth below for training, employment and contracting opportunities to Section 3 residents and Section 3 business concerns, which represent minimum numerical goals.

(a) Training and Employment of Section 3 Residents (24 CFR § 135.30(b)). Contractors and subcontractors may demonstrate compliance by committing to employ Section 3 residents as thirty percent (30%) of the aggregate number of new hires (full-time employees for permanent, temporary or seasonal employment) and an overall goal of thirty percent (30%) of total work hours for the entire project.

(b) Contracts with Section 3 Business Concerns (24 CFR § 135.30). Contractors and subcontractors may demonstrate compliance with the requirements of this part by committing to award to Section 3 business concerns:

(i) At least ten percent (10%) of the total dollar amount of all Section 3 covered contracts for building trades work arising in connection with housing rehabilitation, housing construction and other public construction; and

(ii) At least three percent (3%) of the total dollar amount of all other Section 3 covered contracts.

EXHIBIT E
Governmental Requirements

1. Prevailing Wages. Every contract for the rehabilitation or construction of housing assisted with Funds must contain a provision requiring the payment of not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. §§ 276a-276a-5), to all laborers and mechanics employed in the development of any part of the housing, and contracts involving their employment will be subject to the provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-332). 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.

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

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 must incorporate, or cause to be incorporated, in all contracts, subcontracts and agreements relating to activities assisted under the Agreement, a provision similar to that of this Section. Borrower will be responsible for obtaining compliance with conflict of interest provisions by the parties with whom it contracts and, in the event of a breach, Borrower must take prompt and diligent action to cause the breach to be remedied and compliance to be restored.

(b) Borrower represents that it is familiar with the provisions of 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 must comply with all applicable disability access Laws, including the Americans With Disabilities Act (42 U.S.C. §§ 1201 *et seq.*), Section 504 of the Rehabilitation Act (29 U.S.C. § 794) and the Fair Housing Amendments Act (42 U.S.C. §§ 3601 *et seq.*). Borrower is responsible for determining which disability access Laws apply to the Project, including those applicable due to the use of Funds. In addition, before occupancy of the Project, Borrower must provide to 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 must satisfy the requirements of Chapter 36 of the San Francisco Building Code ("Work Practices for Exterior Lead-Based Paint") and the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4821 *et seq.*) and implementing regulations at 24 CFR part 35. Borrower must also comply with the provisions contained in 17 CCR 350000 *et seq.*, and 8 CCR 1532.1 and all other applicable Laws governing lead-based hazards.

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

7. 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), as incorporated into MOHCD's Section 3 Plan. 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 Shall 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 shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code. Borrower's failure to comply with the obligations in this subsection shall 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 shall 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 shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters of the Administrative Code, including the remedies provided in such Chapters. Without limiting the foregoing, 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” shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. 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” shall 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 shall be liable to the City for the statutory penalties set forth in Section 21.35 of the San Francisco Administrative Code. 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, shall be open to inspection immediately after a contract has been awarded. Nothing in such Section 67.24(e) (as it exists on the date hereof) requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. All information provided by 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 that any meeting of the governing body of its general partner/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 must 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 shall 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 12.M.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 shall 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 must be abated as quickly as possible to avoid detrimental impacts on the City and County and its residents, and to prevent the further spread of graffiti.

(a) Borrower shall 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" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.).

(b) Any failure of Borrower to comply with this section of this Agreement shall 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 shall 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 shall have the meanings assigned to such terms in Chapter 12T.

(b) The requirements of Chapter 12T shall only apply to a Borrower's or Subcontractor's operations to the extent those operations are in furtherance of the performance of this Agreement, shall apply only to applicants and employees who would be or are performing work in furtherance of this Agreement, shall 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 shall 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 shall incorporate by reference in all subcontracts the provisions of Chapter 12T, and shall require all subcontractors to comply with such provisions. Borrower's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

(d) Borrower or Subcontractor shall 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 shall 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 shall 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 shall 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 shall 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 shall 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 shall 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 shall 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.

EXHIBIT F

Lobbying/Debarment Certification Form

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

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or cooperative agreement.
2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress or an employee of a member of Congress in connection with this federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

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

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

4840 MISSION HOUSING ASSOCIATES LP

BY: _____

NAME: _____

TITLE: _____

DATE: _____

EXHIBIT G
Form of Annual Monitoring Report

[To be attached]

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



Edwin M. Lee
Mayor

Olson Lee
Director

March 16, 2017

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

Announcement of Serious Incident Protocol

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

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

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

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

Completion and Submission Instructions

The Annual Monitoring Report consists of the following 3 parts:

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

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

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

1 South Van Ness Avenue, Fifth Floor, San Francisco, CA 94103
Phone: (415) 701-5500 Fax: (415) 701-5501 TDD: (415) 701-5503 www.sfgov.org/moh

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

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

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

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

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

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

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

Updates to the Reporting Form

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

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

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

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

AMR Training – April 13, 9am-12noon

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

Serious Incident Protocol

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

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

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

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

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

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

Available Units and Waiting List Openings

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

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

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

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

Project Name: _____

Project Street Address: _____

Reporting Period – Start Date: _____ End Date: _____

Owner Compliance Certification

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

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

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

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

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

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

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

Property and Liability Insurance

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

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

Tax Certification

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

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

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

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

Name: _____ Title: _____

Signature: _____ Date: _____

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

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

Updated 02/16/2017

1A. Property & Residents

Please follow the instructions provided on the worksheet.

1B. Transitional Programs Only

Please follow the instructions provided on the worksheet.

1C. Eviction Data

Please follow the instructions provided on the worksheet.

2. Fiscal Activity

Income and Expenses

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

INSTRUCTIONS:

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

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

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

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

Income

Rental Income

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

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

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

Vacancy Loss

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

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

Other Income

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

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

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

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

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

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

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

Expenses

Management

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

Salaries/Benefits

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

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

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

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

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

Administration

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

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

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

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

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

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

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

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

Utilities

6450 Electricity

6451 Water

6452 Gas

6453 Sewer

Taxes and Licenses

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

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

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

Insurance

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

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

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

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

Maintenance and Repairs

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

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

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

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

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

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

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

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

Supportive Services

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

Reserve Account Activity

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

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

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

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

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

3A. Occupancy & Rent Info

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

COLUMN	DESCRIPTION
C.	Row Number. Do not enter data in this column.
D.	Unit No. Enter the unit number (or bed number for transitional or group housing) for each unit/bed in the property.
E.	Unit Type. Use the drop down menu to select the unit type (also shown below): Bed = (measurement for Group homes or transitional housing) "SRO" = Single Room Occupancy unit "Studio" = Studio unit "1BR" = 1 Bedroom unit "2BR" = 2 Bedroom unit "3BR" = 3 Bedroom unit "4BR" = 4 Bedroom unit "5+BR" = 5 or more Bedroom unit
F.	Date of Initial Occupancy. Enter the date when the tenant occupied their <i>first unit in the project</i> . For tenants who have transferred to another unit in the project, this date will be different than the date when they moved into their current unit.
G.	Household Annual Income at Initial Occupancy. Enter the tenant's annual household income from the initial income certification that was done before they moved into their <i>first unit in the project</i> . For tenants who have transferred to another unit in the project, this amount will be different than the amount from the recertification that was done when they moved into their current unit.
H.	Household Size at Initial Occupancy. Enter the number of people that was in the tenant's household when they occupied their first unit in the project. For tenants who have transferred to another unit in the project, this number may be different than it was when they moved into their current unit.
I.	Date of Most Recent Income Recertification. Enter date of most recent income recertification. Leave blank for vacant units.
J.	Household Annual Income as of Most Recent Recertification within reporting period. Enter annual income of the household from the most recent recertification. OK to leave blank ONLY if ALL funders do not require annual income recertifications.
K.	Household Size as of Most Recent Recertification within reporting period. Enter the number of occupants in the unit from the most recent recertification within the reporting period.
L.	Minimum Occupancy for Unit Type. The data here is automatically entered from items 25-31 on Worksheet #1A.
M.	Maximum Occupancy for Unit Type. The data here is automatically entered from items 25-31 on Worksheet #1A.
N.	Overhoused or Overcrowded? The data here is automatically generated based on entries in column K and on items 26-32 on Worksheet #1A. 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.
O.	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.
P.	"Section 8 - Project Based" = The unit comes with Section 8 subsidy that will remain with the unit after the tenant moves out. "Section 8 - Tenant Voucher" = Tenant is receiving assistance through the Section 8 Certificate or Voucher programs.

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

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

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

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

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

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

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

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

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

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

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

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

3B. Demographic

The two ethnic categories are defined below:

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

The 10 racial categories are defined below:

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

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

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

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

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

3C. Summary of Reported Household Demographics

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

4. Narrative

Please follow the instructions provided on the worksheet.

5. Project Financing

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

6. Services Funding

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

7. Supplementary Audit Information - Required by MOHCD

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

Completeness Tracker

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

Links to Relevant Policies

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

[MOHCD Forms Page at SFMOHCD.ORG](#)

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

[Program Income Overview](#)

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

[MOHCD Residual Receipt Policy](#)

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

[MOHCD Insurance Requirements Policy](#)

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

[MOHCD Operating Fees Policy](#)

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

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

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

PROPERTY/MARKETING INFO

25 Is the project any of the following: Transitional Housing, Residential Treatment Program, Shelter or Transitional Group Home? (select "yes" or "no" from the drop-down menu to the left.) *If you answer "yes", skip questions 26 through 39 below, and continue with question 40. Also, you must complete worksheet "1B.TransitionalProg."*

What is the Unit Mix for the Property? Please include any manager's units in this tally.

Unit Types	Number Of Units	Occupancy Standard: Minimum HH Size for this Unit Type*	Occupancy Standard: Maximum HH Size for this Unit Type*	*Occupancy Standards should be described in project's Approved Tenant Selection and Marketing Plan. If not defined there, supply the standards used organization-wide.
26 Single Room Occupancy (SRO) Units		1		
27 Studio Units		1		
28 One-Bedroom (1BR) Units		1		
29 Two-Bedroom (2BR) Units				
30 Three-Bedroom (3BR) Units				
31 Four-Bedroom (4BR) Units				
32 Five- or More (5+BR) Bedroom Units				
33 TOTAL # Units---->	0			

34 **Vacancies** - How many vacancies occurred at the project during the reporting period? (Be sure that the number you report here is not less than the number of vacant units that are included on worksheet 3.)

35 **0**
Evictions - How many evictions occurred during the reporting year? (This data in this field is automatically calculated from the data that is entered on worksheet 1C. You must complete worksheet 1C, unless the project is transitional housing, a residential treatment program, a shelter or a transitional group home.)

36 **# 4**
Vacant Unit Rent-Up Time - (in DAYS) State the average vacant unit rent-up time. This is the period from the time a household moves out to when the unit is rented again. If this period exceeds 30 days, you must answer Question # 4 on the Narrative worksheet. (Click on # 4 at left to jump to Narrative worksheet.)

37 **Waiting List** - How many applicants are currently on the waiting list?

38 When was the waiting list last updated? (m/yyyy)

39 **# 5**
Affirmative Marketing - Did you conduct any marketing of the project during the reporting period? If you conducted marketing during the reporting period, you must answer Question #5 on the Narrative worksheet. (Click on #5 at left to jump to Narrative worksheet.)

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

Resident Services: AN ANSWER IS REQUIRED FOR questions 51-61. Indicate below any services that were available to the residents free of charge, on site or at another designated location within 1/4 mile of the project. You must also provide additional information about each of the marked services below on Worksheet "6.Services"

51	no	Go To WS6 After School Program/s (y/n)
52	no	Go To WS6 Licensed Day Care Service (<i>participant fees are allowable for day care ONLY</i>) (y/n)
53	no	Go To WS6 Youth Program/s (y/n)
54	no	Go To WS6 Educational Classes (e.g. basic skills, computer training, ESL) (y/n)
55	no	Go To WS6 Health and Wellness Services/Programs (y/n)
56	no	Go To WS6 Employment Services (y/n)
57	no	Go To WS6 Case Management, Information and Referrals (y/n)
58	no	Go To WS6 Benefits Assistance and Advocacy; Money Management; Financial Literacy and Counseling (y/n)
59		Go To WS6 Support Groups, Social Events, Organized Tenant Activities (y/n)
60		Go To WS6 Other Service #1 - Please specify in column G.
61		Go To WS6 Other Service #2 - Please specify in column G.

POPULATION SERVED

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

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

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

Remember, SAVE YOUR WORK!

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

Project Address:

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

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

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

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

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

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

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

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

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

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

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

Project Address:

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

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

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

Number of households in the project who received Notices of Eviction during the reporting period for each of the following reasons:
(If more than one reason applies to a household, report only the primary reason.) *You MUST answer every question (i.e., enter zero if applicable).*

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

Number of unlawful detainer actions filed in court by the owner against tenants in the project during the reporting period for each of the following reasons:
(If more than one reason applies to a household, report only the primary reason.) *You MUST answer every question (i.e., enter zero if applicable).*

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

Number of households evicted from the project during the reporting period for the each of the following reasons:
(If more than one reason applies to a household, report only the primary reason.) *You MUST answer every question (i.e., enter zero if applicable).*

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

	B	D	F	H	J
15	Annual Monitoring Report - Fiscal Activity - Reporting Year 2016 - Mayor's Office of Housing & Community Development				
16	INCOME & EXPENSES				
17	12 Month Report Period	Start Date:	1/1/1900	End Date:	10/1/1900
18		Number of Units	C		
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 HUDSP funding)	5121			
25	Sources				
26	Commercial Unit Rents	5140			
27	sub-total Gross Rental Income:		\$0.00	\$0.00	\$0.00
28	Vacancy Loss - enter amounts as negative numbers!				
29	Housing Units	5220			
30	Commercial	5240			0.00%
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	5100			
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 Residential Receipts calculation.	5300			
39	Supportive Services Income Sources: Identify program source(s) if applicable				
40	Interest Income - Project Operations (From Operating Account Only)	5400			
41	Laundry and Vending	5910			
42	Tenant Charges	5920			
43	Other Revenue	5990			
44	sub-total Other Income Received:		\$0.00	\$0.00	\$0.00
45					
46	TOTAL INCOME RECEIVED:		\$0.00	\$0.00	\$0.00
47					
48	INCOME & EXPENSES				
49		Account	Residential	Non-Residential	Total
50	Description of Expense Accounts	Number			
51	Management				
52	Management Fee	6320			
53	Above the Line Asset Management Fee (Amount allowable may be linked, 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	6461			
75	Gas	6452			
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 these from this section. If you do include these expenses here, be sure to record the amounts in rows 103 (non-capital) and 104 (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	Miscellaneous Operating and Maintenance Expenses (must click & explain if > \$10k)	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.	6900			
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 Expenses below, beginning from row 107. Amounts provided in F210.215 will be linked to cell F107 and netted out from operating expenses.		\$0.00		
103	Non-Capital Maintenance Repair Expenses eligible for payment by Replacement Reserve. Only enter amounts here if they were included in amounts entered for Maintenance & Repairs section above and will be reimbursed by Replacement Reserve. Amount will be netted out from operating expenses. Enter as positive number.				
104	TOTAL OPERATING EXPENSES:		\$0.00	\$0.00	\$0.00
105					
106		Acc Num	Residential	Non-Residential	Total
107	1. TOTAL INCOME RECEIVED:		\$0.00	\$0.00	\$0.00
108	2. TOTAL OPERATING EXPENSES:		\$0.00	\$0.00	\$0.00
109	3. NET OPERATING INCOME:		\$0.00	\$0.00	\$0.00

	B	D	F	H	J	
15	Annual Monitoring Report - Fiscal Activity - Reporting Year 2016 - Mayor's Office of Housing & Community Development					
111	4. Ground Lease Base Rent & Debt Service (Principal and Interest)	Name of Lessor or Lender / Describe Other Amt Paid	Residential	Non-Residential	Total	
112	Ground Lease - Base Rent (provide Lessor name to the right)					
113	Bond Monitoring Fee					
114	Lender1 - Principal Paid (provide lender name to the right)					
115	Interest Paid					
116	Other Amount (describe to the right)					
117	Lender2 - Principal Paid (provide lender name to the right)					
118	Interest Paid					
119	Other Amount (describe to the right)					
120	Lender3 - Principal Paid (provide lender name to the right)					
121	Interest Paid					
122	Other Amount (describe to the right)					
123	Lender4 - Principal Paid (provide lender name to the right)					
124	Interest Paid					
125	Other Amount (describe to the right)					
126	Total Ground Lease Base Rent + Debt Service Payments			\$0.00	\$0.00	\$0.00
127						
128	5. Reserve Account Activity Impacting Operating Account					
129	Replacement Reserve Required Annual Deposit (Source is Operating Account.) Enter as positive number.	1320			\$0.00	
130	Operating Reserve Deposits (Source is Operating Account.) Enter as positive number.	1385			\$0.00	
131	Operating Reserve Account Withdrawals (For deposits to Operating Account.) Enter as positive number.				\$0.00	
132	Other Required Reserve Account Deposits (Source is Operating Account. Enter as positive number. Identify reserve account in col only 1330)				\$0.00	
133	Other Required Reserve Account Withdrawals (For deposits to Operating account. Enter as positive number. Identify account in next col ----)				\$0.00	
134	Net Reserve Activity:			\$0.00	\$0.00	\$0.00
135						
136	Surplus Cash, Detail (NDI minus Debt Service and Reserve Activity)			\$0.00	\$0.00	\$0.00
137						
138	If amount for Surplus Cash above is negative - you must provide a detailed explanation in question #8 on the Narrative worksheet - you must NOT supply data for any of the fields for Uses of Surplus Cash below					
139	Surplus Cash, Total				\$0.00	
140	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 143-154, select the distribution priority for each of the uses of cash. Row/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.					
141						
142	USES OF SURPLUS CASH THAT ARE AUTHORIZED TO BE PAID PRIOR TO CALCULATION OF RESIDUAL RECEIPTS					
143	PAYMENTS (IF APPLICABLE)			Distribution Priority (select below)		
144	6. Operating Reserve Replenishments (Deposits made out of surplus cash to satisfy minimum balance requirements)					
145	7. "Borrow Against" Asset Mgt Fee (prior written authorization from CIG/ISFA may be required, see Asset Mgt. Fee Policy)					
146	8a. Partnership Management fee due from this reporting period, if any (tax credit projects only; not allowed if project is beyond 15-year compliance period).					
147	8b. Partnership Management fee accrued but unpaid from PRIOR reporting periods, if any (tax credit projects only; per City policy, not allowed if project is beyond 15-year compliance period).					
148	9a. Investor Services Fee (aka LP Asset Management Fee) due from this reporting period, if any (tax credit projects only; per City policy, not allowed if project is beyond 15-year compliance period).					
149	9b. Investor Services Fee (aka LP Asset Management Fee) accrued but unpaid from PRIOR reporting periods, if any (tax credit projects only; per City policy, not allowed if project is beyond 15-year compliance period).					
150	10. Deferred Developer fees, if any					
151	11. Other payments: use question #1 on the Narrative (worksheet #1) to provide details about any fees or other payments, including ground lease residual rent payments for a non-MOHCD/COHCD 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.					
152	12a. Debt Pmt to other lender1: Principal Paid (note lender name to right)			N/A		
153	12a. Debt Pmt to other lender1: Interest Paid			N/A		
154	12b. Debt Pmt to other lender2: Principal Paid (note lender name to right)			N/A		
155	12b. Debt Pmt to other lender2: Interest Paid			N/A		
156	Total Payments preceding Residual Receipts Calculation:				\$0.00	
157	13. RESIDUAL RECEIPTS					
158						
159	13a. MOHCD Residual Receipts Due for Loan Repayment			Distribution Priority (select below)		
160	13b. MOHCD Residual Receipts Due for Ground Lease Residual Rent Payment					
161	13c. Subtotal Residual Receipts Payments to MOHCD			\$0.00		
162	13c. Residual Receipts Debt Pmt to other lender3 (note lender name to right)					
163	13c. Residual Receipts Debt Pmt to other lender4 (note lender name to right)					
164	13c. Residual Receipts Debt Pmt to other lender5 (note lender name to right)					
165	Total Residual Receipts Payments:				\$0.00	
166	DO NOT SUBMIT YOUR PROPOSED RESIDUAL RECEIPT PAYMENT TO MOHCD WITH THIS ABL. 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.					
167	Remaining Balance					
168						
169						
170	Proposed Owner Distributions (provide description in column D and enter amount in column J. If an amount is entered, a description is required.)					
171	Proposed Other Distributions/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 (CY) surplus, please acknowledge that the net exact amount.)					
172						
173	Final Balance: should be ZERO except when Surplus Cash (cell F136) is negative				\$0.00	

	B	C	F	H	J
174	Annual Monitoring Report - Fiscal Activity - Reporting Year 2016 - Mayor's Office of Housing & Community Development				
175	RESERVE ACCOUNT DETAILS				
176	OPERATING RESERVE (Do not leave blanks for any questions asking for a number, enter zero instead.)				
177	Minimum Required Balance:				
178	Beginning Balance:				
180	Actual Annual Deposit (don't edit - taken from page 1 account number 1365):		\$0.00		
181	Interest Earned:				
182	Annual Withdrawal Amount (enter as negative number):				
183	Ending Balance (don't edit cell - calculated):		\$0.00		
184	Required Annual Deposit:				
185	Total Operating Expenses plus debt service (don't edit cell - calculated):		\$0.00		
186	If the calculated percentage shown to the right (Op Reserve Account Ending Balance divided by Total Op Expenses) is less than 23.5%, you must describe how the project will remedy the shortfall in the adjacent cell.				
187	If the calculated percentage shown to the right is greater than 26.5%, you must explain why the Op Reserve balance exceeds MCHCD's requirement in the adjacent cell.				
188			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	CHANGES TO REAL ESTATE ASSETS				
199	Enter Beginning and Ending Balances in each of the categories listed below. Changes in asset categories will auto calculate.				
200	Building & Improvements				Balance: 1/6/01\$0.00
201	Office Improvements				Balance: 1/6/01\$0.00
202	Site Improvements				Balance: 1/6/01\$0.00
203	Land Improvements				Balance: 1/6/01\$0.00
204	Furniture, Fixtures & Equipment				Balance: 1/6/01\$0.00
205	Other				Balance: 1/6/01\$0.00
206	Replacement Reserve-Eligible Expenditures: Provide details below about the Capital and non-Capital Expenditures that are Replacement Reserve-eligible.				
207	Capital Repairs and Improvements: Enter capital repairs and improvement costs associated with the reporting year. For each category in rows 208-206 above that shows a positive change, an entry is required in each corresponding category in row 210-215. 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.				
208	Capital Repairs and Improvements Funded By:				
209	Capital Repairs and Improvements - Category	Replacement Reserve	Operating Account	Other Source	Total Amount
210	Building & Improvements				\$0.00
211	Office Improvements				\$0.00
212	Site Improvements				\$0.00
213	Land Improvements				\$0.00
214	Furniture, Fixtures & Equipment				\$0.00
215	Other				\$0.00
216	Total	\$0.00	\$0.00	\$0.00	\$0.00
217	Disbursement of Capital Repairs and Improvements				
218	Non-Capital Replacement Reserve Eligible Expenditures (i.e., labor costs): Enter the amounts used to fund non-capital replacement reserve eligible expenditures. Use section below to supply explanations.				
219	Revenant				Amount
220	Paid out of Operating Budget, to be reimbursed by RR (shows the amount entered in row 181 above)				\$0.00
221	Paid Directly from Replacement Reserve				
222	Other Source				
223	Explanation of Non-Capital Replacement Reserve Eligible Expenditures				
224				Total	\$0.00
225	TOTAL REPLACEMENT RESERVE ELIGIBLE EXPENDITURES: The Replacement Reserve Withdrawal for the reporting period should not exceed the Total RR-eligible Expenditures. You must review these details above or an explanation below if the RR withdrawal amount exceeds the Total RR-eligible Expenditures.				
226		RR Withdrawal Amount-->	\$0.00	Total RR-Eligible Expenditures-->	\$0.00
227	Reconcile About RR Withdrawal Amount in context of Total RR-eligible Expenditures				
228					
229					

	B	D	E	H	J
15	Annual Monitoring Report - Fiscal Activity - Reporting Year 2016 - Mayor's Office of Housing & Community Development				
250	FEDERAL PROGRAM INCOME REPORT				
251	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:				
252	http://www.fha.gov/loans/ShowDocument.aspx?documentid=5181				
253	Overview of Federal HOME and CDBG Program Income				
254					
255					
256	CDBG PROGRAM INCOME				
257	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 CDBG 2015-2018 Consolidated Plan, 2016-17 Action Plan, as follows:				
258		AMOUNT	DESCRIPTION		
259	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):				
260	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):				
261	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):				
262	Amount to be deposited for use on future eligible CDBG activities that will be undertaken by June 30, 2015 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right):				
263	Other (provide amount in cell to the right, plus activity description and regulation citation in column furthest to the right):				
264	Total CDBG Program Income Calculation (see instructions for guidance on how to calculate)				
265	To ensure the eligible use of CDBG Program Income, the recipient of federal CDBG funding hereby requests approval by the Mayor's Office of Housing and Community Development for the use of CDBG program income received during the 2016 reporting period as depicted above.				

**Annual Monitoring Report - Summary of Reported Household Demographics - Reporting Year 2016 -
Mayor's Office of Housing & Community Development**

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

Household Size

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

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

Other Household Demographics

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

Head of Household Race/Ethnicity

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

Target and Actual Population Served

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 2016 -
Mayor's Office of Housing & Community Development**

Project Street Address:

Reporting Period - Start Date: 1/0/1900

Reporting Period - End Date: 1/0/1900

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

1. Explanations & Comments

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

2. Code Violations

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

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

(add additional rows as needed)

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

Violation or Citation #	Date Cleared	Issued By	Description of Remedy

(add additional rows as needed)

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

3. Major Repairs

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

4. Vacant Unit Rent-Up Time

0

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

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

5. Affirmative Marketing

0

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

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

6. Vacancy Rate

----->

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

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

7. Miscellaneous Expenses: Administrative/Operating & Maintenance

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

Misc. Admin Expenses

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

Misc. Operating & Maintenance Expenses

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

8. Negative Cash Flow

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

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

Project Street Address:

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

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

Project Street Address:

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

Maintenance and Repairs	Total
6510 Payroll	\$0
6515 Supplies	0
6520 Contracts	0
6525 Garbage and Trash Removal	0
6530 Security Payroll/Contract	0
6546 HVAC Repairs and Maintenance	0
6570 Vehicle and Maintenance Equipment Operation and Repairs	0
6590 Miscellaneous Operating and Maintenance Expenses	0
Total Maintenance and Repairs Expenses:	<u>\$0</u>

6900 Supportive Services \$0

Capital and Non-Capital Expenditures to be Reimbursed from Replacement Reserve \$0

Total Operating Expenses: \$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:	<u>\$0</u>

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:	<u>\$0</u>

Net Entity Expenses

the right.

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

3250 **Change in Total Net Assets from Operations (Net Loss)** \$0

Amount computed in cell E139 should match audited financial statement.

Project Street Address:

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

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

Distribution of Surplus Cash Ahead of Residual Receipts Payments

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

	Total
Total Cash Available for Residual Receipts Distribution:	<u>\$0</u>

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:	<u>\$0</u>
Proposed Owner Distribution	\$0
Proposed Other Distribution/Uses	0
Total Residual Receipts Distributions to Lenders and Owners:	<u>\$0</u>

Project Street Address:

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

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

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

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

Reporting Start Date:
Reporting End Date:

1/0/00
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.

Worksheet 1A. Property & Residents	INCOMPLETE
Questions 1 thru 4	Incomplete
Questions 5 thru 24	Incomplete
Questions 25 thru 39	Incomplete
Questions 40 thru 50	Incomplete
Questions 51 thru 61	Incomplete

Worksheet 1B. Transitional Programs	To Be Determined
Questions 1 thru 11	To Be Determined
Questions 12 thru 18	To Be Determined
Questions 19 thru 39	To Be Determined

Worksheet 1C. Eviction Data	To Be Determined
Question 1	To Be Determined
Questions 2 thru 21	To Be Determined
Questions 22 thru 41	To Be Determined
Questions 42 thru 61	To Be Determined

Worksheet 2. Fiscal Activity	INCOMPLETE
Rental Income - Housing Unit GPTR	Incomplete
Vacancy Loss - Housing Units	Incomplete
Operating Expenses	Incomplete
Surplus Cash/Residual Receipts (Rows 140 - 171)	Incomplete
Operating Reserve (Rows 177 - 186)	Incomplete
Replacement Reserve (Rows 188 - 196)	Incomplete
Changes to Real Estate Assets (Rows 198 - 205)	Incomplete
Replacement Reserve Eligible Expenditures (Rows 209 - 228)	Incomplete
Program Income (Rows 230 - 243)	OK

Worksheet 3A. Occupancy & Rent Info	INCOMPLETE
Does number of units entered on Worksheet 3 match total units entered on Worksheet 1A or the total households that can be served in Worksheet 1B?	To Be Determined
For each row with a Unit Number, was data entered in cells for Subsidy Type and Utility Allowance?	To Be Determined
Narrative Provided for All rows indicating Overhoused or Overcrowded?	To Be Determined

Worksheet 3B. Demographic Information	To Be Determined
Is Ethnicity and Race selected for each household?	To Be Determined

Worksheet 4. Narrative	To Be Determined
2	To Be Determined
3	To Be Determined
4	To Be Determined
5	To Be Determined
6	To Be Determined
7	To Be Determined
8	To Be Determined

Worksheet 5. Project Financing	INCOMPLETE
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Worksheet 6. Services Funding	To Be Determined
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Worksheet 7. Supplementary Information Required by MOHCD	Worksheet Incomplete. If using AMR to generate Schedules required for Audited Financial Statement, please complete the required data entry.
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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 shall 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 shall 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 shall be retained for 12 months after the final applicant interview.
- **Delays in the Process.** If delays have occurred or are likely to occur in the application and screening process or the process exceeds the housing provider's normal timeline for application and screening, the housing provider must immediately inform the referring agency and the funding agency, of the status of the application, the reason for the delay and the anticipated time it will take to complete the application process.

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 must 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 must comply with City policy for language access requirements for applicants with limited English proficiency.

Reasonable Accommodation and Modification Policy

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

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

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

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

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

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

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

Notice of Denial and Appeal Process

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

- If the rejection is based on a criminal background check obtained from a tenant screening agency, the Fair Chance Ordinance imposes additional notice requirements.

EXHIBIT I

Tenant Screening Criteria Policy

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

Screening Criteria

- Housing providers shall not automatically bar applicants who have a criminal record² in recognition of the fact that past offenses do not necessarily predict future behavior, and many applicants with a criminal record are unlikely to re-offend.
- Housing providers shall not consider:
 - arrests that did not result in convictions, except for an open arrest warrant;
 - convictions that have been expunged or dismissed under Cal. Penal Code § 1203.4 or 1203.4a;³
 - juvenile adjudications.
- Housing providers shall consider:
 - the individual circumstances of each applicant; and
 - the relationship between the offense, and
 - (1) the safety and security of other tenants, staff and/or the property; and
 - (2) mitigating circumstances such as those listed below.
 - only those offenses that occurred in the prior 7 years, except in exceptional situations, which must be documented and justified, such as where the housing provider staff is aware that the applicant engaged in violent criminal activity against staff, residents or community members and/or that the applicant intentionally submitted an application with materially false information regarding criminal activity.
 - 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,

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.”

employer, teacher, social worker, medical professional, or community leader;

- (4) if the offense is related to acts of domestic violence committed against the applicant;
- (5) if the offense was related to a person's disability.

EXHIBIT J
RESERVED

t.

EXHIBIT K

RESERVED

EXHIBIT L
Insurance Requirements

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

1. Borrower, Contractors.

(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) With respect to the Borrower, commercial general liability insurance, with limits no less than One Million Dollars (\$1,000,000) combined single limit per occurrence and Two Million Dollars (\$2,000,000) 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 coverage for any owned, hired and non-owned auto coverage, as applicable;

(d) professional liability insurance of no less than One Million Dollars (\$1,000,000) per claim and Two Million Dollars (\$2,000,000) 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 shall assure that these minimum limits are maintained for no less than three (3) years beyond completion of the constructions or remodeling. Any deductible over One Hundred Thousand Dollars (\$100,000) each claim must 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 Twenty Five Thousand Dollars (\$25,000) each loss, including the City as additional obligee or loss payee;

(f) pollution liability and/or asbestos pollution liability applicable to the work being performed with a limit no less than One Million Dollars (\$1,000,000) per claim or occurrence and Two Million Dollars (\$2,000,000) annual aggregate per policy. This coverage shall be endorsed to include Non-Owned Disposal Site coverage. This policy may be provided

by the Borrower's contractor in lieu of the Borrower securing such policy. If the policy is "claims made" coverage and not maintained by the Borrower, the Borrower must 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 must maintain, or cause its contractors and property managers, as appropriate for each, to maintain, insurance and bonds 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 Twenty Five Thousand Dollars (\$25,000) each loss, including the City 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 Twenty Five Thousand Dollars (\$25,000) each loss, including the City 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 must 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 Twenty Five Thousand Dollars (\$25,000) 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 shall 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 must require that all existing 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 must 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 coverage for any 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) General and automobile liability policies of Borrower, contractors, commercial tenants and property managers must include the City, including its Boards, commissions, officers, agents and employees, as an additional insured by endorsement acceptable to the City.

(b) All policies required by this Agreement must be endorsed to provide no less than thirty (30) days' written notice to the City before cancellation or intended non-renewal is effective. If notice cannot be provided by carrier, then the burden of notice to City shall be borne by the Borrower.

(c) 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) Approval of Borrower's insurance by the City will not relieve or decrease the liability of Borrower under this Agreement.

(e) The City and its officers, agents and employees will not be liable to Borrower for any required premium of policies required of or maintained by Borrower.

(f) The City reserves the right to require an increase in insurance coverage in the event the City determines that conditions show cause for an increase, unless Borrower demonstrates to the City's satisfaction that the increased coverage is commercially unreasonable and unavailable to Borrower.

(g) All liability policies must provide that the insurance is primary to any other insurance available to the additional insureds with respect to claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought and that an act of omission of one of the named insureds that would void or otherwise reduce coverage will not void or reduce coverage as to any other insured, but the inclusion of more than one insured will not operate to increase the insurer's limit of liability.

(h) Any policy in a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs are included in the general annual aggregate limit must be in amounts that are double the occurrence or claims limits specified above.

(i) 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 policy, coverage must be maintained continuously for a period ending no less than three (3) years after recordation of a notice of completion.

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

Exhibit M
Form of Deed of Trust

[To be attached]

Free Recording Requested Pursuant to
Government Code Section 27383

When recorded, mail to:
Mayor's Office of Housing and Community Development
of the City and County of San Francisco
1 South Van Ness Avenue, 5th Floor
San Francisco, California 94103
Attn: Jennifer M. Collins

Assessor's Lot 019, 025, 026, Block 6959

-----Space Above This Line for Recorder's Use-----

**DEED OF TRUST, ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FIXTURE FILING**
(Property Address: 4840 Mission Street)

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING ("Deed of Trust") is made as of _____, 2017, by **4840 MISSION HOUSING ASSOCIATES, L.P.**, a California limited partnership ("Trustor"), whose address is 600 California St, #900, San Francisco, California 94108, to **FIRST AMERICAN TITLE INSURANCE COMPANY** ("Trustee"), whose address is 333 West Santa Clara Street, Suite 700, San Jose, California, for the benefit of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, represented by the Mayor, acting through the Mayor's Office of Housing and Community Development ("Beneficiary"). This Deed of Trust is executed pursuant to a Loan Agreement by and between Trustor and Beneficiary dated as of the date of this Deed of Trust, as it may be amended from time to time (the "Agreement"), the provisions of which are incorporated herein by reference. Definitions and rules of interpretation set forth in the Agreement apply to this Deed of Trust.

1. Grant in Trust. For valuable consideration, Trustor hereby grants, transfers and assigns to Trustee, in trust, with power of sale, for the benefit of Beneficiary, all right, title and interest Trustor now has or may have in the future in the following (all or any part of the following, or any interest in all or any part of it, as the context requires, the "Property"):

(a) that real property situated in the City and County of San Francisco, State of California, described in **Exhibit A** attached hereto and incorporated herein by reference (the "Land"), on which Trustor intends to pay predevelopment costs associated with acquiring the Site to construct a 114-unit multifamily rental housing development, affordable to low-income households, including to construct the commercial shell of a one commercial space (the "Commercial Spaces"), and community spaces which will be known as 4840 Mission, (the "Project"); and

(b) all buildings, structures and other improvements now or in the future located or to be constructed on the Land (the "Improvements"); and

(c) all existing and future leases, subleases, tenancies, subtenancies, licenses, occupancy agreements and concessions ("Leases") relating to the use and enjoyment of all or any part of the Land and Improvements, and any and all guaranties and other agreements relating to or made in connection with any of the Leases; and

(d) except for personal property and removable fixtures installed by tenants or subtenants, all goods, materials, supplies, chattels, furniture, fixtures, equipment and machinery now or later to be attached to, placed in or on, or used in connection with the use, enjoyment, occupancy or operation of all or any part of the Land and Improvements, whether stored on the Land or elsewhere, including all pumping plants, engines, pipes, ditches and flumes, and also all gas, electric, cooking, heating, cooling, air conditioning, lighting, refrigeration and plumbing fixtures and equipment, all of which will be considered to the fullest extent of the law to be real property for purposes of this Deed of Trust; and

(e) all building materials, equipment, work in process or other personal property of any kind, whether stored on the Land or elsewhere, that have been or later will be acquired for the purpose of being delivered to, incorporated into or installed in or about the Land or Improvements; and

(f) all Loan funds, whether disbursed or not, and all funds now or in the future on deposit in the Replacement Reserve Account, the Operating Reserve Account and any other account required or authorized for the Project; and

(g) all proceeds, including proceeds of all present and future fire, hazard or casualty insurance policies and all condemnation awards or payments now or later to be made by any public body or decree by any court of competent jurisdiction for any taking or in connection with any condemnation or eminent domain proceeding, and all causes of action and their proceeds for any damage or injury to the Land, Improvements or the other property described above or any part of them, or breach of warranty in connection with the construction of the Improvements; and

(h) all books and records pertaining to any and all of the property described above, including records relating to tenants under any Leases, the qualifications of any tenants and any certificates, vouchers and other documents in any way related thereto and records relating to the application and allocation of any federal, state or local tax credits or benefits; and

(i) all rents, revenues, issues, royalties, proceeds and profits, including prepaid rent and security deposits ("Rents"), from the Land and the Improvements, subject

to: (i) Trustor's right to collect and retain the same as they become due and payable; and (ii) Beneficiary's rights under **Section 5(d)**; and

(j) All intangible personal property and rights relating to the Property or its operation or used in connection with it, including, without limitation, permits, licenses, plans, specifications, construction contracts, subcontracts, bids, soils reports, engineering reports, land planning maps, drawings, construction contracts, notes, drafts, documents, engineering and architectural drawings, deposits for utility services, installations, refunds due Trustor, trade names, trademarks, and service marks; and

(k) all proceeds of, interest accrued on, additions and accretions to, substitutions and replacements for, and changes in any of the property described above.

This Deed of Trust constitutes a security agreement under, and a fixture filing in accordance with, the California Uniform Commercial Code, as it may be amended from time to time. The filing of a financing statement pertaining to personal property may not be construed in any way as derogating from or impairing the lien of, or the rights or obligations of the parties under, this Deed of Trust.

2. Obligations Secured. This Deed of Trust is given for the purpose of securing the following (collectively, the "Secured Obligations"):

(a) performance of all present and future obligations of Trustor set forth in the Agreement, specifically compliance with certain restrictions on the use of the Property recited in that certain Declaration of Restrictions executed by Trustor, dated as of the date of and being recorded concurrently with this Deed of Trust, as it may be amended from time to time, and the promissory note dated the date of this Deed of Trust made by Trustor to the order of Beneficiary (as it may be amended from time to time, the "Note") and performance of each agreement incorporated by reference, contained therein, or entered into in connection with the Agreement;

(b) payment of the indebtedness evidenced by the Agreement and the Note in the original principal amount of Six Million and No/100 Dollars (\$6,000,000.00), with three percent interest, according to the terms of the Agreement and the Note; and

(c) payment of any additional sums Trustor may borrow or receive from Beneficiary, when evidenced by another note (or any other instrument) reciting that payment is secured by this Deed of Trust.

3. Trustor's Covenants. To protect the security of this Deed of Trust, Trustor agrees as follows:

(a) to perform the Secured Obligations in accordance with their respective terms;

(b) to keep the Land and the Improvements in good condition and repair, normal wear and tear and acts of God excepted; not to remove or demolish any Improvements without Beneficiary's prior written consent; to complete or restore promptly and in good and workmanlike manner any Improvement constructed, damaged or destroyed on the Land; to pay when due all claims for labor performed and materials furnished therefor, subject to Trustor's right to contest any claim in good faith; to comply with all laws affecting the Project, subject to Trustor's right to contest any claim in good faith; not to commit or permit waste with respect to the Land or the Improvements; not to commit, suffer or permit any act upon the Land or the Improvements in violation of law, including Environmental Laws; and to do all other acts made reasonably necessary by the character or use of the Land and the Improvements;

(c) to provide, maintain and deliver to Beneficiary property and liability insurance as required under the Agreement and apply any insurance proceeds as provided below;

(d) to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and reasonable attorneys' fees and costs incurred in any such action or proceeding in which Beneficiary or Trustee may appear and in any suit brought by Beneficiary to foreclose this Deed of Trust following an Event of Default;

(e) to pay in accordance with the Agreement, but in each case prior to delinquency: (i) all taxes and assessments affecting the Property, including assessments on appurtenant water stock; and (ii) all encumbrances, charges and liens, with interest, on the Property or any part thereof that appear to be prior or superior hereto;

(f) should Trustor fail to make any payment or to do any act as herein provided, then, without: (i) obligation to do so; (ii) notice to or demand upon Trustor; or (iii) releasing Trustor from any obligation hereof, Beneficiary or Trustee may: (A) make or do the same in any manner and to the extent as it deems necessary to protect the security hereof; (B) appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; (C) pay, purchase, contest or compromise any encumbrance, charge or lien that in its judgment appears to be prior or superior hereto; and (D) in exercising these powers, pay necessary expenses, employ counsel and pay reasonable attorneys' fees and costs, and Trustor consents to Beneficiary's and/or Trustee's entry upon the Land and Improvements for any purpose set forth in this Subsection, including Beneficiary's exercise of its rights under California Code of Civil Procedure Section 564(c); and

(g) to reimburse within five (5) days of demand all sums expended by Beneficiary or Trustee pursuant to this Deed of Trust, with interest at an annual rate of interest

equal to the lesser of: (i) ten percent (10%); or (ii) the maximum lawful rate from date of expenditure to the date of payment.

4. Insurance and Condemnation Proceeds.

(a) Trustor hereby assigns to Beneficiary any award of damages arising from the condemnation of all or any part of the Property for public use and any insurance proceeds arising from injury to all or any part of the Property or the Project.

(b) Any condemnation award or insurance proceeds must be paid to Beneficiary or, if Beneficiary has consented to subordinate the lien of this Deed of Trust to the lien of another lender for the Project, according to the provisions in the senior lender's loan documents.

(c) If a condemnation award or insurance proceeds are paid to Beneficiary, Beneficiary will release or authorize the release of funds to Trustor, provided that the funds will be used for the reconstruction of the Project in accordance with: (i) projections demonstrating that reconstruction is economically feasible; and (ii) Trustor's construction budget, each of which must be satisfactory to Beneficiary in its reasonable discretion. In all other cases, Beneficiary may choose in its discretion to apply funds to Trustor's obligations under the Note and the Agreement or to any senior obligations, in accordance with the respective priorities of the approved lienholders as their interests may appear of record, with the remaining funds, if any, released to Trustor.

(d) Trustor agrees that Beneficiary's application or release of funds pursuant to this Section will not cure or waive any default or Notice of Default (as defined below) or invalidate any act by Beneficiary performed following a default pursuant to any City Document unless the default has been cured by the application or release of funds.

5. Further Agreements. Trustor further acknowledges and agrees as follows:

(a) Beneficiary does not waive its right either to require prompt payment when due of all other sums secured by this Deed of Trust or to declare Trustor in default for failure to pay timely by accepting payment of any sum secured hereby after its due date.

(b) Trustee may reconvey any part of the Property at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Note for endorsement without affecting the liability of any entity or person for payment of the indebtedness secured hereby.

(c) Upon: (i) written request of Beneficiary stating that all obligations secured hereby have been paid or performed; (ii) Beneficiary's surrender of this Deed of Trust and the Note to Trustee for cancellation and retention or other disposition as Trustee in its

sole discretion may choose; and (iii) payment of its fees, if any, Trustee shall reconvey the Property then held hereunder without covenant or warranty.

(d) As additional security, Trustor hereby irrevocably, absolutely and unconditionally assigns to Beneficiary all Rents, whether now due, past due or to become due, subject to Beneficiary's grant to Trustor of a license to collect and retain Rents as they become due and payable so long as Trustor has not defaulted in performance of the Secured Obligations.

(e) Any voluntary or involuntary conveyance, sale, encumbrance, pledge or other transfer of all or any interest in the Property or in Trustor, including a security interest, in violation of the Agreement will constitute an Event of Default (as defined below) giving Beneficiary the right to exercise its remedies at law or in equity.

(f) For the purposes of this Deed of Trust, Beneficiary from time to time may substitute a successor or successors to Trustee named herein or acting hereunder by instrument in writing executed by Beneficiary and duly acknowledged and recorded in the office of the recorder of San Francisco County, which instrument shall be conclusive proof of proper substitution of a successor trustee or trustees. Without conveyance from Trustee, any successor or substitute trustee will succeed to all title, estate, rights, powers and duties of Trustee. The instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the recording information for this Deed of Trust and the name and address of the new Trustee.

(g) This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns, provided that this subsection does not constitute Beneficiary's consent to any transfer in violation of this Deed of Trust. The term Beneficiary shall mean the holder of the Note, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or the neuter, and the singular number includes the plural.

(h) Trustee accepts this Trust when this duly executed and acknowledged Deed of Trust is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

6. Beneficiary's Rights Following Default. Upon any default by Trustor in performance of the Secured Obligations following expiration of any applicable notice and cure periods ("Event of Default"):

(a) Trustor's license to collect and retain Rents will terminate automatically.

(b) Trustor consents to Beneficiary's entry upon and taking possession of the Property or any part thereof, at any time after the occurrence of an Event of Default without notice, either in person, by agent or by a receiver to be appointed by a court without regard to the adequacy of any security for the indebtedness hereby secured to sue for or otherwise collect and apply Rents, less costs and expenses of operation and collection, including those of the Property, in its own name or in the name of Trustor. Beneficiary's collection and application of Rents shall not cure or waive any Event of Default or Notice of Default or invalidate any act done pursuant to any notice.

(c) Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold the Property ("Notice of Default"), and:

i. Trustee shall cause the Notice of Default to be filed for record. Beneficiary also shall deposit with Trustee this Deed of Trust, the Note and all documents evidencing expenditures secured hereby.

ii. After the lapse of time then required by law following the recordation of a Notice of Default, and notice of sale ("Notice of Sale") having been given as then required by law, Trustee without demand on Trustor may sell the Property at the time and place fixed in the Notice of Sale either as a whole or in separate parcels in any order at public auction to the highest bidder for cash in lawful money of the United States payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at the time and place of sale and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to any purchaser a trustee's deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the trustee's deed of any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary, may purchase at the sale.

iii. After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: (A) all sums expended under the terms of this Deed of Trust not then repaid, with accrued interest at the highest rate allowed by law in effect at the date hereof; (B) all other sums then secured hereby; and (C) the remainder, if any, to the person or persons legally entitled thereto.

7. Notice of Default to Trustor. The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to it at its address set forth above or any succeeding address given by notice in accordance with the Agreement.

"TRUSTOR:"

4840 Mission Housing Associates LP,
a California limited partnership

By: 4840 Mission Housing LLC,
a California limited liability company corporation
Its: General Partner

By: Northpoint Housing, Inc.,
a California nonprofit public benefit corporation
Its: Managing Member

By: _____
Name: _____
Title: _____

[ALL SIGNATURES MUST BE NOTARIZED]

EXHIBIT A
Legal Description of the Land

[To Be Inserted By Title Company at Acquisition Closing]

Street Address:
4840 Mission Street, San Francisco, CA 94112

EXHIBIT N
Form of Declaration of Restrictions

[To be attached]

Free Recording Requested Pursuant to
Government Code Section 27383

Recording requested by and
when recorded mail to:
City and County of San Francisco
Mayor's Office of Housing
and Community Development
1 South Van Ness Avenue, 5th Floor
San Francisco, California 94103
Attn: Jennifer M. Collins

Assessor's Lot 019, 025, 026, Block 6959
Address: 4840 Mission Street, San Francisco, CA

-----Space Above This Line for Recorder's Use-----

DECLARATION OF RESTRICTIONS

4840 Mission Street

THIS DECLARATION OF RESTRICTIONS ("Declaration") is made as of _____, 2017, by **4840 MISSION HOUSING ASSOCIATES, L.P.**, a California limited partnership ("Borrower"), in favor of the **CITY AND COUNTY OF SAN FRANCISCO**, represented by the Mayor, acting through the Mayor's Office of Housing and Community Development (the "City").

RECITALS

A. The City is making a loan (the "Loan") to Borrower of Affordable Housing Fund Fees and Proposition A Bond funds approved by the voters of the City and County of San Francisco on November 3, 2015 to finance costs associated with the development of the real property described in **Exhibit A** attached hereto and incorporated herein by reference (the land, the "Property") as low-income housing (the "Project"). The Loan is evidenced by, among other documents, a Loan Agreement between the City and Borrower dated as of _____, 2017, as it may be amended from time to time (the "Agreement"). The Agreement is incorporated by reference in this Declaration as though fully set forth in this Declaration. Definitions and rules of interpretation set forth in the Agreement apply to this Declaration.

B. Pursuant to the Agreement, Borrower/ has agreed to comply with certain affordability and other use and occupancy restrictions (collectively, the "Regulatory Obligations"), commencing on the Agreement Date, and continuing for fifty-five (55) years (the "Compliance Term"), even if the Loan is repaid or otherwise satisfied or the Deed of Trust is reconveyed.

AGREEMENT

Now, therefore, in consideration of the City's providing the Loan in accordance with the City Documents, Borrower agrees as follows:

1. Borrower must comply with the Regulatory Obligations through the expiration of the Compliance Term, regardless of any reconveyance of the Deed of Trust. Specifically, Borrower agrees as follows, subject to additional terms as set forth in the Agreement:

(a) With the exception of one Unit reserved for the manager of the Project, Units in the Project will at all times be rented only to tenants who qualify as Qualified Tenants at initial occupancy, specifically:

Unit Size	No. of Units	Maximum Income Level
Studio	7	60% of Median Income
1 BR	50	60% of Median Income
2 BR	46	60% of Median Income
3 BR	10	60% of Median Income
3 BR	1	Unrestricted

In addition:

(i) Subject to changes that may be approved by City, twenty percent of the 20% Units must be made available to the chronically homeless or those 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.

(ii)

(b) 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:

(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.

2. During the Compliance Term the City may rely on the Deed of Trust and/or this Declaration, in the City's discretion, to enforce any of the City's rights under the City Documents. In addition to the power of sale granted to the City under the Deed of Trust, Borrower grants to the City an independent power of sale under this Declaration as additional security for Borrower's compliance with the Regulatory Obligations, which the City may exercise in the event that Borrower fails to comply with the Regulatory

Obligations, as provided in applicable provisions of the California Civil Code relating to mortgages, as amended from time to time.

3. This Declaration and the Regulatory Obligations constitute covenants running with the land and bind successors and assigns of Borrower and any non-borrower owner of the Property.

Borrower has executed this Declaration as of the date first written above.

"BORROWER"

4840 Mission Housing Associates LP,
a California limited partnership

By: 4840 Mission Housing LLC,
a California limited liability company corporation
Its: General Partner

By: Northpoint Housing, Inc.,
a California nonprofit public benefit corporation
Its: Managing Member

By: _____
Ann Silverberg
Vice President

[ALL SIGNATURES MUST BE NOTARIZED.]

EXHIBIT A

(Legal Description of the Property)

[To Be Inserted By Title Company at Acquisition Closing]

Street Address:

4840 Mission Street, San Francisco, CA 94112

EXHIBIT O

RESERVED

Exhibit N

EXHIBIT P
Residual Receipts Policy

[To be attached]

EXHIBIT P

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, 2/3 rd s of residual receipts is payable to the City. Larger Tax Credit projects may be eligible to use an alternative ½ - ½ 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.



TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Kanishka Karunaratne Cheng *KK*
RE: Loan Agreement – 4840 Mission Housing Associates LP – 4840 Mission
Street – Not to Exceed \$18,600,000
DATE: Tuesday, September 10, 2019

Resolution approving and authorizing the Director of the Mayor's Office of Housing and Community Development to execute documents relating to a loan to provide financing for predevelopment activities for the construction of a 100% affordable 137-unit multifamily rental housing project known as 4840 Mission, including the payoff of an acquisition loan, completion of additional architectural design and design consultant work, and other predevelopment activities, in an aggregate amount not to exceed \$18,600,000; approving the form of and authorizing the execution of a first amendment to the loan agreement, an amended and restated promissory note, and an amendment to the deed of trust; ratifying and approving any action heretofore taken in connection with the project; granting general authority to City officials to take actions necessary to implement this Resolution; and finding that the loan is consistent the City's General Plan and the priority policies of Planning Code Section 101.1.

Please note that Supervisor Safaí is a co-sponsor of this legislation.

Should you have any questions, please contact Kanishka Karunaratne Cheng at 415-554-6696.

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2019 SEP 10 PM 2:21
BY *[Signature]*



San Francisco Ethics Commission

25 Van Ness Avenue, Suite 220, San Francisco, CA 94102
 Phone: 415.252.3100 . Fax: 415.252.3112
ethics.commission@sfgov.org . www.sfethics.org

Received On:

File #:
190934

Bid/RFP #:

Notification of Contract Approval

SFEC Form 126(f)4

(S.F. Campaign and Governmental Conduct Code § 1.126(f)4)

A Public Document

Each City elective officer who approves a contract that has a total anticipated or actual value of \$100,000 or more must file this form with the Ethics Commission within five business days of approval by: (a) the City elective officer, (b) any board on which the City elective officer serves, or (c) the board of any state agency on which an appointee of the City elective officer serves. For more information, see: <https://sfethics.org/compliance/city-officers/contract-approval-city-officers>

1. FILING INFORMATION

TYPE OF FILING	DATE OF ORIGINAL FILING (for amendment only)
Amendment	05/01/2017
AMENDMENT DESCRIPTION – Explain reason for amendment	
\$12,510,000 additional funding to pay off an acquisition loan and interest, and provide predevelopment funding for architecture and other soft cost for 4840 Mission Street, a 137-unit affordable housing development located in Outer Mission/Excelsior.	

2. CITY ELECTIVE OFFICE OR BOARD

OFFICE OR BOARD	NAME OF CITY ELECTIVE OFFICER
Board of Supervisors	Members

3. FILER'S CONTACT

NAME OF FILER'S CONTACT	TELEPHONE NUMBER
Angela Calvillo	415-554-5184
FULL DEPARTMENT NAME	EMAIL
Office of the Clerk of the Board	Board.of.Supervisors@sfgov.org

4. CONTRACTING DEPARTMENT CONTACT

NAME OF DEPARTMENTAL CONTACT	DEPARTMENT CONTACT TELEPHONE NUMBER
Cindy Heavens	415-701-5581
FULL DEPARTMENT NAME	DEPARTMENT CONTACT EMAIL
MYR Mayor's Office of Housing and Community Development	Cindy.Heavens@sfgov.org

5. CONTRACTOR	
NAME OF CONTRACTOR 4840 Mission Housing Associates LP	TELEPHONE NUMBER 415-321-3515
STREET ADDRESS (including City, State and Zip Code) 600 California Street, Ste. 900, San Francisco, CA 94108	EMAIL

6. CONTRACT		
DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)	ORIGINAL BID/RFP NUMBER	FILE NUMBER (if applicable) 190934
DESCRIPTION OF AMOUNT OF CONTRACT 18,510,000		
NATURE OF THE CONTRACT (Please describe) This is an amendment to a loan agreement for 4840 Mission Street, a 100% affordable 137-unit multifamily rent housing development. The amended loan total is \$18,510,000. The City previously loaned \$6,000,000 to the contractor. The additional \$12,510,000 will be used to payoff acquisition loan and provide architectural designs and other predevelopment work.		

7. COMMENTS

8. CONTRACT APPROVAL	
This contract was approved by:	
<input type="checkbox"/>	THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM
<input checked="" type="checkbox"/>	A BOARD ON WHICH THE CITY ELECTIVE OFFICER(S) SERVES Board of Supervisors
<input type="checkbox"/>	THE BOARD OF A STATE AGENCY ON WHICH AN APPOINTEE OF THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM SITS

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor’s board of directors; (B) the contractor’s principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
1	Parker	Cynthia	CEO
2	Johnson	Susan	Other Principal Officer
3	Valentine	D.	CFO
4	Silverberg	Ann	Board of Directors
5	McKay	Kim	Board of Directors
6	Hlebasko	Rebecca	Board of Directors
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9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor’s board of directors; (B) the contractor’s principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
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9. AFFILIATES AND SUBCONTRACTORS			
List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.			
#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
39			
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48			
49			
50			
<input type="checkbox"/>	Check this box if you need to include additional names. Please submit a separate form with complete information. Select "Supplemental" for filing type.		

10. VERIFICATION	
I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information I have provided here is true and complete.	
I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.	
SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK	DATE SIGNED
BOS Clerk of the Board	