

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER

25-HK+-18685

PURCHASING AUTHORITY NUMBER (if applicable)

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

Department of Housing and Community Development

CONTRACTOR'S NAME

City and County of San Francisco, 1035Vets, LLC, Swords to Plowshares: Veterans Rights Organization

2. The term of this Agreement is:

START DATE

Upon HCD Approval

THROUGH END DATE

Fifteen (15) Years

3. The maximum amount of this Agreement is:

\$39,044,030.00

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

EXHIBITS	TITLE	PAGES
Exhibit A	Authority, Purpose and Scope of Work	15
Exhibit B	Budget Detail and Payment Provisions	4
Exhibit C*	State of California General Terms and Conditions	GTC - 02/2025
Exhibit D	Homekey+ General Terms and Conditions	16
Exhibit E	Project-Specific Provisions and Special Terms and Conditions	16
TOTAL NUMBER OF PAGES ATTACHED		51

Items shown with an asterisk (), are hereby incorporated by reference and made part of this agreement as if attached hereto.**These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>*

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

See Attached

CONTRACTOR BUSINESS ADDRESS See Attached	CITY See Attached	STATE See Attached	ZIP See Attached
PRINTED NAME OF PERSON SIGNING See Attached	TITLE See Attached		
CONTRACTOR AUTHORIZED SIGNATURE See Attached	DATE SIGNED See Attached		

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME

Department of Housing and Community Development

CONTRACTING AGENCY ADDRESS 651 Bannon Street Suite 400	CITY Sacramento	STATE CA	ZIP 95811
PRINTED NAME OF PERSON SIGNING	TITLE Contract Services Section Manager		
CONTRACTING AGENCY AUTHORIZED SIGNATURE	DATE SIGNED		

California Department of General Services Approval (or exemption, if applicable)

Exempt per; SCM Vol. 1 4.04.A.3 (DGS memo dated 06/12/1981)

CONTRACTOR

City and County of San Francisco

a California

DocuSigned by:

Shireen McSpadden

By: CAD7B781896B449...

Date: 1/29/2026 | 2:00 PM PST

Shireen McSpadden
Executive Director, Department of Homelessness and Supportive Housing

Address:

1 South Van Ness Avenue, Fifth Floor. Attn: MOHCD
San Francisco, CA 94103

1035Vets, LLC

a California nonprofit limited liability company

DocuSigned by:

T. Garner

By: DEC3E049A878425...

Date: 1/29/2026 | 12:46 PM PST

Tramecia Garner
Executive Director

Address:

401 Van Ness Ave., Suite 313
San Francisco, CA 94103

Swords to Plowshares: Veterans Rights Organization

a California nonprofit public benefit corporation

DocuSigned by:

T. Garner

By: DEC3E049A878425...

Date: 1/29/2026 | 12:46 PM PST

Tramecia Garner
Executive Director

Address:

401 Van Ness Ave., Suite 313
San Francisco, CA 94102

STATE OF CALIFORNIA
STANDARD AGREEMENT
STD 213 (Rev. 04/2020)

City and County of San Francisco
1035Vets, LLC
Swords to Plowshares: Veterans Rights Organization
25-HK+-18685

CONTRACTOR

City and County of San Francisco

Approved As To Form

David Chiu City Attorney

By: 
7C608639D022490...

Date: 1/29/2026 | 3:02 PM PST

Keith Nagayama

Deputy City Attorney

Address:

1 South Van Ness Avenue, Fifth Floor. Attn: MOHCD
San Francisco, CA 94103

Prep Date: 10/02/2025

EXHIBIT A

AUTHORITY, PURPOSE AND SCOPE OF WORK

1. Authority

California Assembly Bill No. 140 (Chapter 111, Statutes of 2021) (“**AB 140**”) and California Assembly Bill No. 531 (Chapter 789, Statutes of 2023) added section 50675.1.3 and 50675.1.5 to the Multifamily Housing Program (“**MHP**”) (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code). Health and Safety Code section 50675.1.3 and 50675.1.5 provide the statutory basis for the Homekey+ Program (“**Homekey+**” or “**Program**”). Health and Safety Code section 50675.1, subdivision (d) authorizes the Department of Housing and Community Development (“**Department**” or “**HCD**”) to administer MHP.

The Department issued a Homekey+ Program Notice of Funding Availability on November 26, 2024, which was subsequently amended January 31, 2025. (the “**NOFA**”). The NOFA incorporates by reference the MHP, as well as the Multifamily Housing Program Final Guidelines, dated May 18, 2023 (“**MHP Guidelines**”), both as amended and in effect from time to time. The NOFA, further, incorporates by reference, the Uniform Multifamily Regulations (UMRs) (Cal. Code Regs., tit. 25, § 8300 et seq.), effective November 15, 2017, and as subsequently amended, except to the extent that any UMR provision would be inconsistent with the provisions of the NOFA.

Homekey+ grant funds are derived primarily from Proposition 1 bond funds established by the Behavioral Health Infrastructure Bond Act (BHIBA) (AB 531, Chapter 789, Statutes of 2023). Homekey+ funds are also derived from Assembly Bill 129 (Chapter 40, Statutes 2023) and Assembly Bill 166 (Chapter 48, Statutes 2024) or Round 5 and 6, respectively, of the Homeless Housing Assistance Prevention (HHAP). In accordance with HSC Section 50232, subdivision (h), the administration of HHAP 5 funds is not subject to the rulemaking provisions of the Administrative Procedure Act (APA) ((Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code)). In accordance with HSC Section 50239, subdivision (h), the administration of HHAP 6 funds is not subject to the rulemaking provisions of the APA.

This STD 213, Standard Agreement (“**Agreement**”) is entered under the authority and in furtherance of the Program. This Agreement is the result of an Application by the Grantee, as defined below, for funding under the Program (the “**Grant**”). As such, this Agreement shall be executed by the Grantee. Where the Grantee comprises a Public

Homekey+ Program

NOFA Date: 11/26/2024; Amended 1/31/2025; 08/07/2025

Project Name: 1035 Van Ness

Approved Date: 09/24/2025

Prep. Date: 10/02/2025

EXHIBIT A

Entity or Tribal Entity, as defined below, and one or more additional entities, all entities shall execute the Agreement.

This Agreement hereby incorporates by reference the Application, as well as the project report prepared by the Department in reliance on the representations and descriptions included in that Application. This Agreement is governed by the following (collectively, the “**Program Requirements**”), and each of the following, as amended and in effect from time to time, is incorporated hereto as if set forth in full herein:

- A. AB 140;
- B. AB 531
- C. AB 129 and AB 166 (HHAP Homekey+ Supplemental funds)
- D. The above-referenced MHP statutory scheme;
- E. The NOFA;
- F. The MHP Guidelines;
- G. The UMRs;
- H. The award letter issued by the Department to the Grantee; and
- I. All other applicable law.

2. Purpose

The Homekey+ Program is intended to provide housing for individuals and families who have a Behavioral Health Challenge as defined in the California Welfare and Institutions Code Section 5965.02 to include but not be limited to a serious mental illness, as described in subdivision (c) or (d) of WIC Section 14184.402, or a substance use disorder, as described in WIC Section 5891.5. Enrollment in Medi-Cal or in any other health plan shall not be a condition for accessing housing or continuing to be housed. The Homekey+ program must serve those with a Behavioral Health Challenge and who are homeless or who are at risk of homelessness, as defined in Part 578.3 of Title 24 of the Code of Federal Regulations. Funds in the NOFA allocated to Veterans units must also serve a person who served in the active military, naval, or air service, and who was

Homekey+ Program
NOFA Date: 11/26/2024; Amended 1/31/2025; 08/07/2025
Project Name: 1035 Van Ness
Approved Date: 09/24/2025
Prep. Date: 10/02/2025

EXHIBIT A

discharged or released under conditions other than dishonorable and who is experiencing or at risk of homelessness as defined in Title 24 CFR Part 578.3 (“**Target Population**”).

Grantee applied to the Department for the Grant to conduct one or more of the activities outlined in Paragraph 4 below. By entering into this Agreement and thereby accepting the award of Program Grant funds, the Grantee agrees to comply with the Program Requirements and the terms and conditions of this Agreement.

3. Definitions

Any capitalized terms that are not defined below shall have the definitions set forth in the NOFA, the MHP statutes, and the MHP Guidelines. In the event of any conflict, the definitions in this Agreement and the NOFA are controlling.

- A. **“Affordability Covenant”** means the legally binding 55-year instrument which **(a)** is recorded in first position against Project real property for the benefit of the state, regional, local, or Tribal Grantee; **(b)** imposes use, operation, occupancy, and affordability restrictions on the real property and improvements; and **(c)** duly names HCD as a third-party beneficiary with the right and privilege, but not the obligation, of enforcement thereof, **(d)** incorporates the Homekey+ Program Requirements by reference, and **(e)** is otherwise in form and substance acceptable to HCD. Upon its execution, the Affordability Covenant shall be binding, effective, and enforceable against all successors, transferees, and assignees, in accordance with Section 208 of the NOFA, after a certificate of occupancy or its equivalent has been issued for the Project, or if no such certificate is issued, from the date of initial occupancy of the Project. Affordability Covenants on Tribal trust land are addressed separately under Section 208 of the NOFA.
- B. **“Application”** means the application for Grant funds that was submitted in response to the Homekey+ NOFA.
- C. **“Area Median Income”** or **“AMI”** means the most recent applicable county area median family income published by the California Tax Credit Allocation Committee (TCAC) or HCD.
- D. **“Assisted Unit”** means a Homekey+ funded residential dwelling unit in Permanent Supportive Housing (PSH) that is subject to rent, income, occupancy,

Homekey+ Program

NOFA Date: 11/26/2024; Amended 1/31/2025; 08/07/2025

Project Name: 1035 Van Ness

Approved Date: 09/24/2025

Prep. Date: 10/02/2025

EXHIBIT A

and other restrictions in accordance with t Homekey + Program Requirements.
See also **"Youth Assisted Unit."**

- E. **"At Risk of Homelessness"** has the same meaning as defined in Title 24 Code of Federal Regulations Part 578.3.
- F. **"Award"** means the portion of program funds available for a Grantee to expend toward the Homekey+ program Eligible Uses.
- G. **"Behavioral Health Challenge"** has the same meaning as defined in NOFA Article VII. Definitions Section (vii.).
- H. **"Capital Award"** means the portion of the Award available for a Grantee to expend toward Project acquisition, any needed Rehabilitation, new construction, master leasing, and affordability covenant costs.
- I. **"Case Manager"** is a social worker or other qualified person who has or is supervised by a person with a relevant master's degree. At its sole discretion, the Department may approve Supportive Service plans where Case Managers cannot be supervised by a person with a master's degree. A Case Manager facilitates individualized service planning, and the assessment, coordination, monitoring, referral, and advocacy of services to meet tenants' Supportive Services needs, including, but not limited to, access to medical and mental health services, substance use disorder treatment and services, vocational training, employment, home and community-based services and crisis management and interventions. Resident service coordinators are not Case Managers. For Homekey+ tenants who are also HUD-VASH program participants, the Case Manager for services will be the applicable U.S. Department of Veterans Affairs (VA) Case Manager (or third-party provider selected by the VA), in accordance with the HUD-VASH Program.
- J. **"Chronically Homeless"** means a person who is chronically homeless, as defined in Title 24 Code of Federal Regulations Part 578.3.
- K. **"City"** means a City or City and County that is legally incorporated to provide local government services to its population. A City can be organized either under the general laws of this state or under a charter adopted by the local voters.

EXHIBIT A

- L. **“Co-Applicant”** means the nonprofit corporation, for-profit corporation, limited liability company (LLC), and/or limited partnership (LP) that is jointly applying for Homekey+ funds with a state, regional, or Local Public Entity, or with a Tribal Entity.
- M. **“Conditional Award Letter” or “Conditional Award Commitment and Acceptance of Terms and Conditions letter”** means a letter specifying the portion of program funds available for a Grantee to expend toward eligible program uses once the Grantee has acknowledged and fulfilled the terms and conditions.
- N. **“Continuum of Care”** means the same as defined by Title 24 CFR Part 578.3.
- O. **“Coordinated Entry System”** means a centralized or coordinated process developed pursuant to Section 578.7 of Title 24 of the Code of Federal Regulations, as that section read on January 10, 2019, designed to coordinate homelessness program tenant intake, assessment, and provision of referrals. To satisfy this subdivision, a centralized or coordinated assessment system shall cover the geographic area, be easily accessed by individuals and families seeking housing or services, be well advertised, and include a comprehensive and standardized assessment tool.
- P. **“Date of Award”** means the date of the Conditional Award Commitment and Acceptance of Terms and Conditions letter issued from the Department to the Grantee.
- Q. **“Designated Payee”** means the Co-Grantee that will serve as the payee of the Program Grant funds. If applicable, the Designated Payee is identified at Exhibit E of this Agreement.
- R. **“Eligible Applicant”** means a City; county; a City and county; any other state, regional, and Local Public Entity, including a council of government, metropolitan planning organization, and regional transportation planning agency designated in Section 29532.1 of the Government Code; or a Tribal Entity(ies) as defined in this NOFA. For purposes of this definition, a “Local Public Entity” is further defined in accordance with HSC section 50079. As allowed or required by context, “Applicant” shall be interpreted to include any of the foregoing entities, as well as that entity’s Co- Applicant. Upon receiving an Award of Homekey+

EXHIBIT A

funds, the Eligible Applicant and any Co-Applicant(s) will, both individually and collectively, be referred to as the “Grantee” for purposes of the Homekey+ NOFA. Please see NOFA Section 200 for specific eligible applicant requirements for Homekey+ HHAP Supplemental Funds.

- S. **“Eligible Uses”** means the activities that may be funded by the Homekey+ Program Grant. Those activities are listed at Paragraph 4 below of this Agreement, and at Health and Safety Code section 50675.1.3, subdivision (a).
- T. **“Expenditure Deadline for Capital Funds”** means the date by which the capital Award must be fully expended, as noted in Exhibit E of this Agreement.
- U. **“Expenditure Deadline for Operating Funds”** means the date by which the operating Award must be fully expended, as noted in Exhibit E of this agreement.
- V. **“Foster Youth”** means a child or nonminor dependent, as defined by Section 475 of Title IV-E of the Social Security Act (42 U.S.C. Sec. 675(8)) and subdivision (v) of Section 11400 of the Welfare and Institutions Code, who has been removed from the custody of their parent, legal guardian, or Indian custodian pursuant to Section 361 or 726 of the Welfare and Institutions Code, and who has been ordered into any placement described in paragraphs (2) to (9), inclusive, of subdivision (e) of Section 361.2 of, or paragraph (4) of subdivision (a) of Section 727 of, the Welfare and Institutions Code.
- W. **“Grantee”** means the Eligible Applicant (and, if applicable, the Co- Applicant) that has been awarded funds under Homekey+, and that will be held responsible for compliance with and performance of all Homekey+ Program Requirements. The Grantee may comprise one or more entities, so long as the Grantee structure includes an “Eligible Applicant,” as that term is defined in this NOFA. All such entities shall, in their individual and collective capacity as the “Grantee,” be bound by the Homekey+ Standard Agreement and each and every one of the Homekey+ program terms, conditions, and requirements. On the STD 213 portion of this Agreement, the Grantee is identified as the Contractor.
- X. **“Homekey+ Program Requirements (or “Program Requirements”)**” means the following, all as amended and in effect from time to time:
 - 1) the Homekey+ Program Notice of Funding Availability.

EXHIBIT A

- 2) Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code.
 - 3) the Grantee's application for Homekey+ funding.
 - 4) the Project report prepared by HCD in reliance on the representations and descriptions included in the Grantee's application for Homekey+ funding.
 - 5) the Conditional Award letter issued by HCD to the Grantee.
 - 6) the relevant STD 213, Standard Agreement for the Homekey+ funding; and,
 - 7) all other applicable law.
- Y. **"Homeless"** has the same meaning as defined in Title 24 CFR Part 578.3.
- Z. **"Homeless Youth"** means a child, a youth, or a current or former foster youth through the age of 25 who qualifies as "Homeless" under any of the relevant definitions set forth or identified in Title 24 Code of Federal Regulations Part 578.3.
- AA. **"Housing First"** has the same meaning as in Welfare and Institutions Code section 8255, including all the core components listed therein.
- BB. **"Lead Service Provider"** or **"LSP"** is the organization that has overall responsibility for the provisions of Supportive Services and implementation of the Supportive Services plan in the Project. The LSP may directly provide comprehensive case management services or contract with other agencies that provide services. For HUD-VASH tenants, the LSP will enable the applicable Veterans Affairs Case Manager to administer services in accordance with the HUD-VA Supportive Housing (VASH) Program.
- CC. **"Local Public Entity"** is defined at Health and Safety Code section 50079, and means any county, city, city and county, the duly constituted governing body of an Indian reservation or rancheria, tribally designated housing entity as defined in Section 4103 of Title 25 of the United States Code and Section 50104.6.5, redevelopment agency organized pursuant to Part 1 (commencing with Section 33000) of Division 24, or housing authority organized pursuant to Part 2 (commencing with Section 34200) of Division 24, and also includes any state

Homekey+ Program

NOFA Date: 11/26/2024; Amended 1/31/2025; 08/07/2025

Project Name: 1035 Van Ness

Approved Date: 09/24/2025

Prep. Date: 10/02/2025

EXHIBIT A

- agency, public district, or other political subdivision of the state, and any instrumentality thereof, that is authorized to engage in or assist in the development or operation of housing for persons and families of low or moderate income. In addition, and in accord with this Health and Safety Code definition, the term “**Local Public Entity**” also includes two or more local public entities acting jointly.
- DD. “**Manager’s Unit**” is a unit in which the onsite manager of the Project resides. A Manager’s Unit will not be an Assisted Unit. Manager’s Units may be included for Homekey+ funding under the development budget; however, no Manager’s Unit may be included in funding requests for a Homekey+ operating award. Manager’s Units shall be restricted to households at or below 60% AMI.
- EE. “**Operating Award**” means the amount awarded by HCD to pay for the recurring expenses of the Project, such as utilities; maintenance; management fees; taxes; licenses; and Supportive Services costs, which may include staffing and service coordination. Operating Expenses do not include debt service or required reserve account deposits.
- FF. “**Operating Expenses**” means the amount approved by HCD that is necessary to pay for the recurring expenses of the Project, such as utilities; maintenance; management fees; taxes; licenses; and Supportive Services costs, which may include staffing and service coordination. Operating Expenses do not include debt service or required reserve account deposits.
- GG. “**Performance Milestones**” means the indicators and metrics of progress and performance that are identified as such at Exhibit E of this Agreement. Grantee’s failure to satisfy any one of the Performance Milestones will constitute a breach of this Agreement and will entitle the Department to exercise all available remedies, including the recapture of disbursed Grant funds and the cancellation of this Agreement.
- HH. “**Performing Debt**” refers to non-government, long-term (or permanent) financing of a Project intended to generate a profit for a private or non-profit lender requiring ongoing mandatory debt service payments.
- II. “**Permanent Supportive Housing**” or “**PSH**” means housing with no limit on length of stay, that is occupied by the Target Population, and that is linked to onsite or offsite services that assist the supportive housing resident in retaining

Homekey+ Program

NOFA Date: 11/26/2024; Amended 1/31/2025; 08/07/2025

Project Name: 1035 Van Ness

Approved Date: 09/24/2025

Prep. Date: 10/02/2025

EXHIBIT A

the housing, improving their health status, and maximizing their ability to live and, when possible, work in the community, as defined at California Government Code Section 65582 (g) , except that "Permanent Supportive Housing" shall include associated facilities if used to provide services to housing residents.

- JJ. **“Positive Youth Development”** or **“PYD”** is an intentional, prosocial approach that engages youth within their communities, schools, organizations, peer groups, and families in a manner that is productive and constructive; recognizes, utilizes, and enhances young people’s strengths; and promotes positive outcomes for young people by providing opportunities, fostering positive relationships, and furnishing the support needed to build on their leadership strengths.
- KK. **“Project”** means a structure or set of structures with common financing, ownership, and management, which provides Permanent Supportive Housing for the Target Population, and which is subject to an appropriate Affordability Covenant in accordance with Section 208 of the NOFA.
- LL. **“Rehabilitation”** means repairs and improvements to a substandard residential structure necessary to make it meet Rehabilitation standards. As used in this section, “substandard residential structure” has the same meaning as the term “substandard building,” as defined in HSC Section 17920.3. “Rehabilitation” also includes improvements and repairs made to a residential structure acquired for the purpose of preserving its affordability and use by the Target Population.
- MM. **“Secondary Tenant”** means 1) Veterans who are Homeless whose incomes are up to 50% AMI and are receiving income as a result of service-connected disability benefits, or 2) Veterans experiencing homelessness with an income of up to 60% AMI.
- NN. **“Scope of Work”** or **“Work”** means the work to be performed by the Grantee to accomplish the Program purpose.
- OO. **“Sponsor”** means the legal entity or combination of legal entities with continuing control of the Project. Where a Grantee is or will be organized as a limited partnership, Sponsor includes the general partner or general partners who have effective control over the operation of the partnership, or, if the general partner is controlled by another entity, the controlling entity. Sponsor does not include the seller of the property to be developed as the Project, unless the seller will retain

EXHIBIT A

control of the Project for the period of time necessary to ensure Project feasibility as determined by the Department.

- PP. **“Standard Agreement”** means the STD 213, STD 215, all exhibits attached thereby and any and all amendments thereto.
- QQ. **“Supportive Services”** means social, health, educational, income support, employment, and housing stability services and benefits; coordination of community building and educational activities; individualized needs assessment and case management; and individualized assistance with obtaining services and benefits.
- RR. **“Target Population”** means individuals, or households with an individual, who are experiencing homelessness or who are At Risk of Homelessness as defined under part 578.3 of Title 24 of the Code of Federal Regulations and who have or are suspected of having a Behavioral Health Challenge. These individuals and households must include a person described in Welfare and Institutions Code (WIC) subdivision (c) or (d) of Section 14184.402, or a person with a substance use disorder, as described in Section 5891.5. However, enrollment in Medi-Cal or in any other health plan shall not be a condition for accessing housing or continuing to be housed. For Veteran-serving Projects the Target Population also includes Veterans.
- SS. **“TCAC”** means the California Tax Credit Allocation Committee.
- TT. **“Tribal Entity(ies)”** means an entity that meets any of the following criteria:
- 1) Meets the definition of Indian tribe under section 4103(13)(B) of title 25 of the United States Code;
 - 2) Meets the definition of Tribally Designated Housing Entity under section 4103(22) of title 25 of the United States Code;
 - 3) Is not a federally recognized tribe, but is either:
 - a) Listed in the petitioner list of the Office of Federal Acknowledgment (OFA) within the Office of the Assistant Secretary – Indian Affairs of

EXHIBIT A

the Department of the Interior pursuant to Part 82.1 of Title 25 of the Code of Federal Regulations; or

- b) Is an Indian tribe located in the State of California and identified on the contact list maintained by the Native American Heritage Commission for the purpose of consultation pursuant to Government Code section 65352.3.

UU. **“Veteran”** means a person who served in the active military, naval, or air service, and who was discharged or released under conditions other than dishonorable and who is experiencing or at risk of homelessness as defined in Title 24 CFR Part 578.3.

VV. **“Youth Assisted Unit”** means an Assisted Unit serving Homeless Youth or Youth at Risk of Homelessness. See also **“Assisted Unit.”**

WW. **“Youth at Risk of Homelessness”** means a child, a youth, or a current or former foster youth through the age of 25 who qualifies as “at risk of homelessness” or “homeless” under any of the relevant definitions set forth or identified at Part 578.3 of Title 24 of the Code of Federal Regulations.

4. Eligible Uses

Grantee shall apply the Awards to one or more of the following uses. All costs in connection with such Eligible Uses must be incurred on or after March 5, 2024, by the Expenditure Deadline for Capital Funds, and by the Expenditure Deadline for Operating Funds, respectively and as applicable. Grantee’s use of the funds and scope of work (**“Scope of Work”** or **“Work”**) are specified at Exhibit E of this Agreement.

- A. Acquisition or rehabilitation, or acquisition and rehabilitation, of motels, hotels, hostels, or other sites and assets, including apartments or homes, adult residential facilities, residential care facilities for the elderly, manufactured housing, commercial properties, and other buildings with existing uses that could be converted to Permanent Supportive Housing (PSH).
- B. Master leasing of properties for PSH.
- C. Conversion of units from nonresidential to residential PSH (i.e. adaptive reuse)

Homekey+ Program
NOFA Date: 11/26/2024; Amended 1/31/2025; 08/07/2025
Project Name: 1035 Van Ness
Approved Date: 09/24/2025
Prep. Date: 10/02/2025

EXHIBIT A

- D. Conversion of Interim Housing to PSH (as described in NOFA Section 502)
- E. New construction of dwelling units as described in NOFA Section 201 and 501.
- F. Gap financing as defined in NOFA Section 502.
- G. The purchase of affordability covenants and restrictions for units.
- H. Relocation costs for individuals who are being displaced as a result of the Homekey+ Project.
- I. Capitalized operating subsidies for PSH units purchased, converted, or altered with Homekey+ Grant funds provided pursuant to Health and Safety Code section 50675.1.3.

5. Rent Standards

- A. Permanent Supportive Housing. Rent limits for initial occupancy, and for each subsequent occupancy, of an Assisted Unit shall not exceed 30 percent of that Assisted Unit's designated income-eligibility level with exceptions as noted below for Veteran Units.
- B. Veteran Units may also be subject to the Department's Secondary Tenant policy, which determines that if units cannot be filled with Veterans at or below 30% AMI, Secondary Tenants can be housed. Rents for any redesignated units are determined by income that corresponds to the Secondary Tenant's household income.

6. Program Deadlines

- A. All Program deadlines begin 60 days after the Homekey+ Conditional Award letter date. HCD may, in its sole and absolute discretion, approve an extension of the acquisition, Rehabilitation, construction, and/or occupancy deadlines if the Grantee demonstrates, to HCD's satisfaction, that the relevant delay is caused by reasonably unforeseeable events, conditions, or circumstances. Construction labor shortages and supply chain issues do not constitute reasonably unforeseeable events, conditions, or circumstances for purposes of an extension request. Extension requests shall be submitted in electronic format on a form provided by HCD.

Homekey+ Program
NOFA Date: 11/26/2024; Amended 1/31/2025; 08/07/2025
Project Name: 1035 Van Ness
Approved Date: 09/24/2025
Prep. Date: 10/02/2025

EXHIBIT A

- B. HCD may reimburse eligible costs incurred beginning on March 5, 2024, with the exception of operating costs.
- C. Project types in NOFA Section 201 are subject to the dates in the milestones listed in Exhibit E.

7. Performance Milestones

- A. Grantee shall complete each of the Performance Milestones set forth at Exhibit E of this Agreement by the date designated for such completion therein (each, a “**Milestone Completion Date**”). The Performance Milestones shall include, but not be limited to, any applicable Expenditure Deadline for Capital Funds, Expenditure Deadline for Operating Funds, or occupancy deadline.
- B. The Department may, in its sole and absolute discretion, approve an extension of the acquisition, rehabilitation, construction, and/or occupancy deadlines if the Grantee demonstrates, to the Department’s satisfaction, that the relevant delay is caused by reasonably unforeseeable events, conditions, or circumstances.
- C. In no event will the Department approve an extension request in the absence of Grantee’s demonstration of good cause for said extension, along with Grantee’s reasonable assurances that the extension will not result in Grantee’s failure to meet other Performance Milestones or any Expenditure Deadline under this Agreement. Construction labor shortages and supply chain issues do not constitute reasonably unforeseeable events, conditions, or circumstances for purposes of an extension request.
- D. The Department may, in its sole and absolute discretion, grant an extension of the Expenditure Deadline for Operating Funds for a total of up to 15 years from occupancy in accordance with NOFA section 204 (vi).

8. Reporting Requirements

- A. Grantee shall submit an annual Homekey+ Program Report and Homekey+ Expenditure Report, and comply with all additional reporting requirements, as set forth and specified at Section 601 of the NOFA, all in accordance with the Milestone Completion Date(s) set forth at Exhibit E of this Agreement.
- B. After satisfaction of each Performance Milestone, the Grantee shall promptly report its progress, in writing, to the Department.

Homekey+ Program
NOFA Date: 11/26/2024; Amended 1/31/2025; 08/07/2025
Project Name: 1035 Van Ness
Approved Date: 09/24/2025
Prep. Date: 10/02/2025

EXHIBIT A

- C. Upon the Department's request and as specified, the Grantee shall provide progress reports in connection with the development plan and any updates to the timeline for completion of the Project. The development plan should include the Project's completion milestones and any updates or substantial changes.
- D. In addition, the Grantee shall submit to the Department such periodic reports, updates, and information as deemed necessary by the Department to monitor compliance and/or perform Program evaluation. Any requested data or information shall be submitted in electronic format on a form provided by the Department.

9. Department Contract Coordinator

The Department's Contract Coordinator for this Agreement is the Deputy Director of the Division of State Financial Assistance, or the Deputy Director's designee. Unless otherwise informed, Grantee shall mail any notice, report, or other communication required under this Agreement by First-Class Mail to the Department Contract Coordinator at the following address or email to MultifamilyGrants@hcd.ca.gov:

California Department of Housing and Community Development
Attention: Homekey+ Program
Multifamily Grant Management Branch
651 Bannon St, Suite 400, 95811
P. O. Box 952050
Sacramento, CA 94252-2050

10. Grantee Contract Coordinator

The Grantee Contract Coordinator for this Agreement may coordinate with the Multifamily Grant Management Branch Manager for the Homekey+ Program. Unless otherwise informed, the Department shall mail any notice, report, or other communication required under this Agreement by First-Class Mail, or through a

Homekey+ Program
NOFA Date: 11/26/2024; Amended 1/31/2025; 08/07/2025
Project Name: 1035 Van Ness
Approved Date: 09/24/2025
Prep. Date: 10/02/2025

City and County of San Francisco, 1035Vets, LLC, &
Swords to Plowshares: Veterans Rights Organization
25-HK+-18685
Page 15 of 15

EXHIBIT A

commercial courier, to the Grantee Contract Coordinator at the address specified at Exhibit E of this Agreement.

Homekey+ Program
NOFA Date: 11/26/2024; Amended 1/31/2025; 08/07/2025
Project Name: 1035 Van Ness
Approved Date: 09/24/2025
Prep. Date: 10/02/2025

EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Budget Detail

The Award set forth in this Agreement has been made available to expend toward the Homekey+ Eligible Uses per the terms set forth herein. The Department has approved the additional funding commitments leveraged against the Homekey site as named in Exhibit E, Budget Detail. Any new sources encumbered against the project site after the execution of this agreement must receive prior written approval by HCD and must, upon recordation, subordinate to the Homekey+ use restriction. Encumbrance of unapproved sources against the Homekey+ site and securing of any sources in a lien position superseding Homekey+ will constitute a breach of the Standard Agreement.

2. Conditions of Disbursement

For all project types, except New Construction Cost Containment (Section 501 of the NOFA) the Department will disburse the amount corresponding to the Grantee's request for funds after this Agreement has been fully executed and after the Department receives the Grantee's request for funds, with all required supporting documents appended thereto.

The Grantee must open escrow prior to requesting Capital Award funds from the Department. The Department will disburse remaining award funds, including Operating Award funds, via check. The Grantee may only request Operating Award funds, if applicable, after providing confirmation that construction and/or Rehabilitation on the Project is completed, and the Project is ready to occupy. HCD reserves the right to disburse funds prior to construction completion if the Grantee sufficiently demonstrates need for Homekey+ operational funds prior to construction completion.

The Grantee shall append the following supporting documents to the request for funds, all in form and substance acceptable to the Department:

- A. Wire Instructions, including the name and address of the escrow company, the name of the escrow officer, and the escrow number in a form provided by the Department.
- B. An Affordability Covenant must be submitted to the Department for review prior to the close of escrow and approved by the Department, in its sole and reasonable discretion, for recordation at the close of escrow;

Homekey+ Program (Homekey+)
NOFA Date: 11/26/2024; as amended 01/31/2025; 08/07/2025
Project Name: 1035 Van Ness
Approved Date: 09/24/2025
Prep. Date: 10/02/2025

EXHIBIT B

- C. Payee Data Record (STD 204) or Government Agency Taxpayer ID Form, as applicable;
- D. An authorizing resolution or set of authorizing resolutions that, in the Department's reasonable determination, materially comports with the Program Requirements (if the Grantee has not already submitted same);
- E. Documentary evidence of any eligible costs incurred on or after March 5, 2024 and before the execution of this Agreement;
- F. Certification of compliance with California's prevailing wage law, as well as all applicable federal prevailing wage law; or for Tribal Grantees, a Tribal Wage Determination; the Grantee cannot request funds for rehabilitation or construction until they have provided a certification of compliance with prevailing wage laws signed by the Grantee and their selected general contractor, as detailed in Section 509 of the NOFA;
- G. A copy of the Department-approved relocation plan for the Project, or a copy of a Department-issued Certification Regarding Non-Application of Relocation Benefits and Indemnification Agreement which has been duly executed by the Grantee and approved by the Department;
- H. Evidence of the insurance coverages required under the Program NOFA Section 606 and/or a written acknowledgment of self-insured status;
- I. A current title report (dated within 15 days of the request for funds); or for tribal trust land, a title status report ("TSR") or an attorney's opinion regarding chain of title and current title status; if there are any items to be cleared, paid off, or subordinated, the Department will require that all findings be resolved in escrow;
- J. Any forms, certifications, environmental clearances, NEPA, or documentation required pursuant to Paragraph 1. F – Additional Conditions Precedent to Disbursement listed in Exhibit E of this Agreement; and
- K. Any other forms, certifications, or documentation deemed necessary by the Department prior to disbursement of Grant funds.

Homekey+ Program (Homekey+)

NOFA Date: 11/26/2024; as amended 01/31/2025; 08/07/2025

Project Name: 1035 Van Ness

Approved Date: 09/24/2025

Prep. Date: 10/02/2025

EXHIBIT B

3. Performance

- A. After disbursement of the funds, the Grantee shall meet each Performance Milestone set forth at Exhibit E by the relevant Milestone Completion Date. After satisfaction of each Performance Milestone, the Grantee shall promptly report its progress, in writing, to the Department. Grantee may apply to the Department for an extension of a Milestone Completion Date as allowed by the NOFA and this Agreement.

- B. FAILURE TO SATISFY ANY ONE OF THE PERFORMANCE MILESTONES WILL CONSTITUTE A BREACH OF THIS AGREEMENT AND ENTITLES THE DEPARTMENT TO MANDATE THE GRANTEE TO RETURN TO THE DEPARTMENT ANY FUNDS DISBURSED; IN ANY SUCH INSTANCE, THE DEPARTMENT MAY ALSO CANCEL THIS AGREEMENT WITHOUT OWING ANY DAMAGES OR OTHER PAYMENT TO GRANTEE.

4. Fiscal Administration

- A. All Capital Award funds must be wired to an escrow company licensed to do business in the State of California and in good standing.

- B. Any Capital Award funds that have not been expended by the Expenditure Deadline for Capital Funds must be returned to the Department with accrued interest. Any Operating Award funds that have not been expended by the Expenditure Deadline for Operating Funds must be returned to the Department with accrued interest. Checks shall be made payable to the Department of Housing and Community Development and shall be mailed to the Department at the address below, no later than thirty (30) calendar days after the applicable Expenditure Deadline.

Department of Housing and Community Development
Accounting Division
651 Bannon Street, Suite 400
Sacramento, California 95811

5. Supplantation of Funds

Homekey+ Program (Homekey+)
NOFA Date: 11/26/2024; as amended 01/31/2025; 08/07/2025
Project Name: 1035 Van Ness
Approved Date: 09/24/2025
Prep. Date: 10/02/2025

City and County of San Francisco, 1035Vets, LLC, &
Swords to Plowshares: Veterans Rights Organization
25-HK+-18685
Page 4 of 4

EXHIBIT B

Grantee may not use Homekey+ funding to supplant performing debt or existing funds that have already been funded or awarded through other permanent sources, including HCD sources. Expenses that have been or will be reimbursed under any permanent public program funds are not eligible uses of Homekey+ funding, with the exception of any Homekey+ funds Awarded for reimbursement dating back to March 5, 2024.

Homekey+ Program (Homekey+)
NOFA Date: 11/26/2024; as amended 01/31/2025; 08/07/2025
Project Name: 1035 Van Ness
Approved Date: 09/24/2025
Prep. Date: 10/02/2025

EXHIBIT D

HOMEKEY+ GENERAL TERMS AND CONDITIONS

1. Effective Date, Term of Agreement, Timing, and Deadlines

- A. This Agreement, when fully executed by the Department and the Grantee, is effective upon the date of the Department representative's signature on the STD 213, Standard Agreement (such date, the "**Effective Date**").
- B. This Agreement shall terminate fifteen (15) years from the Effective Date, as stated in Section 2 of the STD 213, Standard Agreement (such date, the "**Expiration Date**").
- C. Grantee will receive the disbursement of Program funds after satisfying all conditions precedent to such disbursement, as set forth under Paragraph 2 of Exhibit B and, as necessary and applicable, under Section 4 – Additional Conditions Precedent to Disbursement of Exhibit E.
- D. Any expenses incurred prior to March 5, 2024, after the Expenditure Deadline for Capital Funds, or after the Expenditure Deadline for Operating Funds, respectively and as applicable, are not eligible for payment under the Program, unless an alternate arrangement is legally permissible and has been approved by the Department in advance and in writing.
- E. Grant funds that have not been expended by the applicable Expenditure Deadlines shall revert to the Department in the absence of an alternate arrangement that has been approved by the Department in advance and in writing.

2. Termination for Cause

The Department may terminate this Agreement for cause at any time by giving at least fourteen (14) calendar days' advance written notice to the Grantee. Upon such termination, Grantee shall return any unexpended funds to the Department within thirty (30) calendar days of the date on the Department's written notice of termination, unless the Department has approved an alternate arrangement in advance and in writing, as provided below. Such termination will not limit any other remedies that may be available to the Department under this Agreement, at law, or in equity. Cause shall consist of Grantee's breach of, or failure to satisfy, any of the terms or conditions of this Agreement. Cause includes but is not limited to the following:

Homekey+ Program

NOFA Date: 11/26/2024; as amended 01/31/2025; 08/07/2025

Project Name: 1035 Van Ness

Approved Date: 09/24/2025

Prep. Date: 10/02/2025

EXHIBIT D

- A. Grantee's failure to satisfy the Performance Milestones, conditions precedent to disbursement, or to expend the Award, as specified.
- B. Grantee's failure to timely satisfy each or any of the conditions set forth in these Homekey + General Terms and Conditions, the Project-Specific Provisions and Special Terms and Conditions set forth at Exhibit E of this Agreement (including any one of the Performance Milestones), or the award letter.
- C. Grantee's violation of any of the Program Requirements.
- D. The Department's determination of the following:
 - 1) Any material fact or representation, made or furnished to the Department by the Grantee in connection with the Application or the award letter, shall have been untrue or misleading at the time that such fact or representation was made known to the Department, or subsequently becomes untrue or misleading; or
 - 2) Grantee has concealed any material fact from the Department related to the Application or the Project.
- E. The Department's determination that the objectives and requirements of the Homekey + Program cannot be met in accordance with applicable timeframes, as memorialized by this Agreement.

In the event of this or any other breach, violation, or default by the Grantee, the Department may give written notice to the Grantee to cure the breach, violation, or default. If the breach, violation, or default is not cured to the Department's satisfaction within a reasonable time, as determined by the Department in its sole and absolute discretion, then the Department may declare a default under this Agreement and seek any and all remedies that are available under this Agreement, at law, or in equity.

3. Cancellation

- A. It is mutually understood between the parties that this Agreement may have been written for the mutual benefit of both parties before ascertaining the availability of funds appropriated by the California Legislature to avoid program and fiscal

Homekey+ Program
NOFA Date: 11/26/2024; as amended 01/31/2025; 08/07/2025
Project Name: 1035 Van Ness
Approved Date: 09/24/2025
Prep. Date: 10/02/2025

EXHIBIT D

delays that would occur if this Agreement were executed after that determination was made.

- B. The Department may cancel this Agreement, in whole or in part, if the California Legislature enacts any restrictions, limitations, or conditions that impact this Agreement or the funding of this Agreement; or cancellation is otherwise permitted under state contracting law.
- C. To cancel this Agreement pursuant to this paragraph, the Department shall give thirty (30) calendar days' advance written notice to the Grantee. The Grantee shall return any unexpended portion of its Grant award to the Department within thirty (30) calendar days from the date on the Department's written notice of cancellation, unless (i) the parties have agreed upon an alternate arrangement in advance and in writing; or (ii) an alternate arrangement is necessary for one or both parties to remain in compliance with HHAP or other applicable law.

4. **Eligible Activities**

Grant funds awarded to the Grantee shall be applied to the eligible uses set forth at Exhibit A and described in greater detail at Exhibit E. Payment for any cost which is not authorized by this Agreement, or which cannot be adequately documented shall be disallowed and must be reimbursed to the Department or its designee.

5. **Performance Milestones**

Grantee shall timely satisfy and complete all Performance Milestones, as identified at Exhibit E of this Standard Agreement.

6. **Article XXXIV**

Homekey + provides Permanent Supportive Housing for persons (including Veterans and Youth) who are homeless, chronically homeless, or at risk of homelessness, and who are living with a Behavioral Health Challenge. As such, Article XXXIV, section 1 of the California Constitution is not applicable to Homekey + funded development, consistent with Health and Safety Code sections 37000-37002.

7. **Appraisals**

Grantee shall, at the request of the Department, provide an appraisal of any real property or any interest in real property that is acquired with the Grant funds. Any such

Homekey+ Program

NOFA Date: 11/26/2024; as amended 01/31/2025; 08/07/2025

Project Name: 1035 Van Ness

Approved Date: 09/24/2025

Prep. Date: 10/02/2025

EXHIBIT D

appraisal shall be prepared in a form, and by a qualified appraiser, acceptable to the Department.

8. Environmental Compliance

Grantee shall provide a Phase I Environmental Site Assessment (“**ESA**”) for the Project, in conformance with ASTM Standard Practice E 1527, evaluating whether the Project is affected by any recognized environmental conditions. If the Phase I ESA discloses evidence of recognized environmental conditions and Grantee desires to proceed with the Project, the Grantee shall provide the Department with a Phase II report and any additional reports as required by the Department and in a form acceptable to the Department. Any remediation work shall be subject to Department approval. Grantee shall also provide an asbestos assessment and a lead-based paint report for the Department’s approval if the Project involves rehabilitation or demolition of existing improvements.

Projects, including phased Projects, that satisfy the requirements HSC 50675.1.5, shall be exempt from the California Environmental Quality Act (CEQA) Projects under this section are considered a “use by right”, which are specifically exempt from CEQA (CA Public Resources Code section 21000 et seq.). (HSC 50675.1.5(e)(2)(A)). Moreover, HSC 50675.1.5(c) specifically exempts HCD actions taken to “provide financial assistance or insurance for the development and construction of Projects” from CEQA review. HCD encourages Eligible Applicants to fully engage with HCD’s technical assistance and to review the CEQA exemption set forth at HSC section 50675.1.5 and the provision for land use consistency and conformity set forth at HSC section 50675.1.3, subdivision (i).

Applicants should consult with their counsel for legal advice in construing application of the foregoing exemptions to their Project. It is entirely within an Applicant’s discretion to determine whether to use the statutory CEQA exemption, whether the exemption applies to the Applicant’s proposed activity, or whether some other mechanism applies and could be used to satisfy obligations under CEQA.

The exemption from CEQA pursuant to HSC 50675.1.5 does not exempt Homekey+ Projects from the National Environmental Policy Act (NEPA). Applicants must determine if NEPA applies to the Homekey+ Project and plan to receive the relevant clearances before the Project proceeds with the acquisition or physical activities, as applicable. HCD is not responsible for determining which Projects require NEPA clearance.

Homekey+ Program

NOFA Date: 11/26/2024; as amended 01/31/2025; 08/07/2025

Project Name: 1035 Van Ness

Approved Date: 09/24/2025

Prep. Date: 10/02/2025

EXHIBIT D

Nevertheless, applicants shall provide HCD a status and timeline of any required NEPA review at the time of application.

9. **Insurance**

- A. Grantee shall obtain the insurance coverages identified in the NOFA. Grantee shall maintain such insurance coverages for either the term of this Agreement or the term of any required restrictive covenant or regulatory agreement, whichever applicable term is longer. Grantee shall name the State of California and the Department, as well as their respective appointees, officers, agents, and employees, as additional insureds on all such policies. Such policies shall provide for notice to the Department in the event of any lapse of coverage or insurance claim thereunder. Prior to disbursement of any Grant funds, Grantee shall provide evidence satisfactory to the Department of its compliance with these insurance requirements.
- B. If Grantee is self-insured, in whole or in part, as to any of the required types and levels of coverage, the Grantee shall provide the Department with a written acknowledgment of its self-insured status prior to disbursement of any Grant funds. If the Grantee abandons its self-insured status at any time after execution of this Agreement, the Grantee shall immediately notify the Department, and shall promptly comply with the insurance coverage requirements under the Program.

10. **Granted Funding Commitments**

Grantee shall demonstrate its capacity to provide the development and operating funding commitments represented to the Department, as set forth in Exhibit E, Budget Detail. The Department reserves the right to request that Grantee provides additional documentary evidence of such capacity at any point.

11. **Relocation**

Grantee must comply with all applicable federal, state, and local relocation law. Pursuant to relocation law, a Grantee must have a relocation plan approved by the Department prior to proceeding with any phase of a Project or other activity that will result in the displacement of persons, businesses, or farm operations. To ensure that displaced persons and entities do not suffer a disproportionate impact as a result of

Homekey+ Program

NOFA Date: 11/26/2024; as amended 01/31/2025; 08/07/2025

Project Name: 1035 Van Ness

Approved Date: 09/24/2025

Prep. Date: 10/02/2025

EXHIBIT D

Projects which benefit the public, all notices to vacate and relocation services must be provided to them in accordance with applicable law. In addition, before the Homekey + award will be disbursed, Grantee must have either of the following:

- A. Department-approved relocation plan; or
- B. Department-issued Certification Regarding Non-Application of Relocation Benefits and Indemnification Agreement, which has been duly executed by the Grantee and approved by the Department.

12. **One-for-One Replacement of Assisted Units**

One-for-one replacement of Assisted Units is permissible if approved in advance by the Department per Section 300 of the NOFA, after the Department's determination, in its sole and absolute discretion, that such replacement will not reduce the inventory of units that are already available at affordable rents to households that are at or under 30 percent AMI.

13. **Site Control**

Unless and except as otherwise expressly approved in writing by the Department or provided at Exhibit E to this Agreement, the Grantee shall have control of the property at all times, and such control shall not be contingent on the approval of any other party. The status and nature of the Grantee's title and interest in the property must be acceptable to the Department. Site control may be evidenced by one of the following:

- A. Fee title.
- B. A leasehold interest on the property with provisions that enable the lessee to make improvements on and encumber the property provided that the terms and conditions of any proposed lease shall permit compliance with, and satisfaction of, all Program objectives and requirements, including, without limitation, those set forth in this Agreement. If the Grantee's interest in the property is a leasehold, and the lessee and the lessor are affiliated or related parties, then the Department may require both the lessee and the lessor to execute this Agreement.
- C. An executed disposition and development agreement, or irrevocable offer of dedication to a public agency.

Homekey+ Program

NOFA Date: 11/26/2024; as amended 01/31/2025; 08/07/2025

Project Name: 1035 Van Ness

Approved Date: 09/24/2025

Prep. Date: 10/02/2025

EXHIBIT D

- D. A sales contract, or other enforceable agreement for the acquisition of the property. If this form of evidence was relied upon at the time of Application, the Department may impose additional Performance Milestones (e.g., presentation of additional or supplemental evidence of eventual site control closer to any projected close of escrow).
- E. A letter of intent, executed by a sufficiently authorized signatory of the Grantee, that expressly represents to the Department, without condition or reservation, that, upon successful application, the Grantee shall purchase or otherwise acquire a sufficient legal interest in the property to accomplish the purpose of the award. The letter of intent must also be duly acknowledged by the party selling or otherwise conveying an interest in the subject property to the Grantee. If this form of evidence was relied upon at the time of Application, the Department may impose additional Performance Milestones (e.g., presentation of additional or supplemental evidence of eventual site control closer to any projected close of escrow).
- F. Other evidence of site control that gives the Department assurance (equivalent to A-E above) that the Grantee will be able to complete the Project in a timely manner and in accordance with the Program's objectives and requirements, including, without limitation, those set forth or referenced in this Agreement.

14. **Adaptability and Accessibility**

The Project shall comply with all applicable federal, state and local laws regarding adaptability and accessibility, including, without limitation, the requirements set forth in the Homekey+ NOFA Section 508.

15. **Title Status and Reports**

Grantee shall provide a current title report for the real property on which the Project is located. If Grantee's interest in the property is leasehold, then Grantee shall provide a current title report for the leasehold interest and the fee interest. For tribal trust land, Grantee shall provide a TSR or an attorney's opinion regarding chain of title and current title status. As set forth and specified at Exhibit B of this Agreement, Grantee shall provide such title report or documentation of title status prior to disbursement of any Homekey+ Grant funds.

16. **Title Insurance**

Homekey+ Program

NOFA Date: 11/26/2024; as amended 01/31/2025; 08/07/2025

Project Name: 1035 Van Ness

Approved Date: 09/24/2025

Prep. Date: 10/02/2025

EXHIBIT D

Grantee shall provide evidence of title insurance and an ALTA As-Built Survey that are acceptable to the Department. The condition of title, the insurer, the liability amount, the form of policy, and the endorsements shall be subject to Department approval. The policy shall ensure that Grantee holds good and marketable title (fee simple or leasehold).

17. Property Management Plan

Grantee shall submit a property management plan to the Department for its review and approval. Such management plan shall be consistent with any representations made in the Application, and it shall meet the Homekey+ Program Requirements.

18. Supportive Services Plan

Grantee shall submit a Supportive Services plan to the Department for its review and approval. Such Supportive Services plan shall be consistent with any representations made in the Application, and it shall meet the Homekey+ Program Requirements (e.g., provide for delivery of housing stability services and benefits).

19. Nondiscrimination

Grantee shall adopt a written nondiscrimination policy requiring that no person shall, on the grounds of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, age, medical condition, genetic information, citizenship, primary language, immigration status (except where explicitly prohibited by federal law), arbitrary characteristics, and all other classes of individuals protected from discrimination under federal or state housing laws, individuals perceived to be a member of any of the preceding classes, or any individual or person associated with any of the preceding classes, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with Homekey + funds.

Statutes and regulations prohibiting discrimination are applicable to this Agreement and include, without limitation, the following:

- A. Grantee and any of its contractors, subcontractors, successors, transferees, and assignees shall comply with Title VI of the Civil Rights Act of 1964, which

EXHIBIT D

- prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the U.S. Department of the Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this Agreement. Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the U.S. Department of the Treasury's Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this Agreement;
- B. Equal Employment Opportunity. Except as otherwise provided under [41 CFR Part 60](#), all contracts that meet the definition of "federally assisted construction contract" in [41 CFR Part 60-1.3](#) must include the equal opportunity clause provided under [41 CFR 60-1.4\(b\)](#), in accordance with Executive Order [11246](#), "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at [41 CFR part 60](#), "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.";
- C. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.); Grantee shall affirmatively further fair housing, in accordance with the Civil Rights Act of 1964 (42 U.S.C §2000a, et seq.), and the Fair Housing Act (42 U.S.C. §3601, et seq.), according to 42 U.S.C. §5306, et seq. and in compliance with California statute (Gov. Code sections 65583, et seq.). Grantee shall comply with the Fair Housing Amendment Act of 1988 (Public Law 100-430). Grantee shall develop and implement an affirmative fair housing marketing plan that is satisfactory to the Department. Appropriate aspects of the initial plan shall be incorporated into the ongoing management plan to ensure positive outreach and informational efforts to those who are least likely to know about and apply for Interim Housing or Permanent Housing. Grantee is encouraged to refer to the guidelines for Affirmative Fair Housing Marketing Plans issued by the U.S. Department of Housing and Urban Development ("**HUD**"). Grantee shall comply with all applicable state and federal fair housing laws;
- D. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794); prohibiting recipients of federal funds from discrimination against persons with disability; the Americans With Disabilities Act of 1990 prohibiting all public discrimination against persons with disabilities; the Age Discrimination Act of

Homekey+ Program

NOFA Date: 11/26/2024; as amended 01/31/2025; 08/07/2025

Project Name: 1035 Van Ness

Approved Date: 09/24/2025

Prep. Date: 10/02/2025

EXHIBIT D

1975 prohibiting age-based discrimination in federally funded activities; Executive Order 11063 prohibiting discrimination in disposition of properties owned or financed with federal funds, as amended by Executive Order 12259; and Executive Order 11246 regarding fair employment, as amended by Executive Orders 11375, 11478 and 12086; and HUD regulations heretofore issued or to be issued to implement these authorities relating to civil rights;

- E. The Age Discrimination Act of 1975, as amended (42 U.S.C. § 6101 et seq.); The Age Discrimination Act of 1975, as amended (42 U.S.C. § 6101 et seq.); prohibiting age-based discrimination in federally funded activities.

Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. § 12101 et seq.); Americans With Disabilities Act of 1990 prohibiting all public discrimination against persons with disabilities. The State of California nondiscrimination statutes, regulations, and standards set forth and identified in the NOFA and at Exhibit C of this Agreement.

20. Affirmative Fair Housing Marketing Plan and Fair Housing Compliance

- A. Grantee shall affirmatively further fair housing, in accordance with the Civil Rights Act of 1964 (42 U.S.C §2000a, et seq.), and the Fair Housing Act (42 U.S.C. §3601, et seq.), according to 42 U.S.C. §5306, et seq. and in compliance with California statute (Gov. Code sections 65583, et seq.). Grantee shall comply with the Fair Housing Amendment Act of 1988 (Public Law 100-430).
- B. Grantee shall develop and implement an affirmative fair housing marketing plan that is satisfactory to the Department. Appropriate aspects of the initial plan shall be incorporated into the ongoing management plan to ensure positive outreach and informational efforts to those who are least likely to know about and apply for Interim Housing or Permanent Housing. Grantee is encouraged to refer to the guidelines for Affirmative Fair Housing Marketing Plans issued by the U.S. Department of Housing and Urban Development (“HUD”). Grantee shall comply with all applicable state and federal fair housing laws.

21. Grantee Acknowledgment of the Pet Friendly Housing Act of 2017

By executing this Agreement, Grantee acknowledges that the Pet Friendly Housing Act of 2017 (California Health & Safety Code, § 50466) requires each housing development, if it is financed on or after January 1, 2018 pursuant to Division 31 of the California Health and Safety Code, to authorize a resident of the housing development to own or

Homekey+ Program

NOFA Date: 11/26/2024; as amended 01/31/2025; 08/07/2025

Project Name: 1035 Van Ness

Approved Date: 09/24/2025

Prep. Date: 10/02/2025

EXHIBIT D

otherwise maintain one or more common household pets within the resident's dwelling unit, subject to applicable state laws and local governmental ordinances related to public health, animal control, and animal anticruelty.

22. **Final Certificate of Occupancy**

Grantee shall provide a final certificate of occupancy (or an equivalent form of occupancy certification or approval) issued by the local agency having jurisdiction over such certificates.

23. **Occupancy**

The Assisted Units shall be occupied by the Target Population, and such units shall be in decent, safe, and sanitary condition at the time of their occupancy. In addition, the Grantee shall certify, upon occupancy, that it will employ the core components of Housing First (as set forth at Welfare and Institutions Code section 8255) as part of its property management plan and Supportive Services plan.

24. **Tenant Selection**

Referrals to Assisted Units shall be made through the local Coordinated Entry System ("CES"), or another comparable prioritization system based on greatest need shall be used. All referral protocols for Assisted Units shall be developed in collaboration with the local Continuum of Care and implemented consistently with the Program Requirements.

25. **Participation in Statewide HDIS/HMIS**

Grantee shall support Continuum of Care participation in the statewide Homeless Data Integration System ("HDIS"). As required by and in accordance with state and federal law (including all applicable privacy law), Grantee shall further disclose relevant data to the local Homeless Management Information System ("HMIS") and comparable data collection systems.

26. **Affordability Covenant**

A. An Affordability Covenant shall be recorded against the Project real property in

Homekey+ Program

NOFA Date: 11/26/2024; as amended 01/31/2025; 08/07/2025

Project Name: 1035 Van Ness

Approved Date: 09/24/2025

Prep. Date: 10/02/2025

EXHIBIT D

accordance with Section 208 of the NOFA and this Agreement.

- B. The Public Entity or Tribal Entity shall prepare and cause a 55-year Affordability Covenant to be recorded against the Project real property except in the event that the Permanent Housing Project is located on tribal trust land, in which case a 50-year Affordability Covenant shall be recorded against the Project real property.
- C. The Affordability Covenant shall require integration of the Target Population within all entrances, common areas, and buildings that comprise the Project.
- D. The Affordability Covenant shall include occupancy and rent restrictions that maintain the Project's accessibility to the Target Population over the full term of the Affordability Covenant.
- E. All Affordability Covenants are subject to the advance written approval of the Department, and shall be acceptable to the Department in form, substance, and priority. Project-specific requirements and deadlines are set forth at Exhibit E of this Agreement.

27. **Restrictions on Sales, Transfers, and Encumbrances**

Grantee shall not, for the duration of this Agreement, sell, assign, transfer, or convey the Project, or any interest therein or portion thereof, without the express prior written approval of the Department.

The Grantee who garnered the experience points at the application stage must be the entity who controls the owner of the Project, through close of escrow, and into management and operation of the project. Organizational documents demonstrating that the experienced Grantee has the authority to exercise control of the borrowing entity in compliance with Section 8301(s) of the Uniform Multifamily Regulations (UMR) must be submitted to the Department for review and approved by the Department prior to execution of the Standard Agreement.

28. **Retention, Inspection, and Audit of Records**

- A. Grantee is responsible for maintaining records which fully disclose the activities funded by the Grant. Grantee shall retain all records for a period of five (5) years after the expiration of this Agreement, unless a longer retention period is stipulated. If any litigation, claim, negotiation, audit, monitoring, inspection or other action commences during this required retention period, all records must be

Homekey+ Program

NOFA Date: 11/26/2024; as amended 01/31/2025; 08/07/2025

Project Name: 1035 Van Ness

Approved Date: 09/24/2025

Prep. Date: 10/02/2025

EXHIBIT D

retained until a full and final resolution of the action.

- B. At any time during the term of this Agreement, the Department may perform or cause to be performed a financial audit of any and all phases of the Project. At the Department's request, the Grantee shall provide, at its own expense, a financial audit prepared by a certified public accountant. The audit shall be performed by a qualified state, local, independent, or Department auditor. Where an independent auditor is engaged, the audit services agreement shall include a clause which permits the Department to have access to the independent auditor's relevant papers, records, and work product.
- C. If there are audit findings, the Grantee shall submit a detailed response to the Department for each audit finding. The Department will review the response. If the Department determines, in its sole and absolute discretion, that the response is satisfactory, the Department will conclude the audit process and notify the Grantee in writing. If the Department determines, in its sole and absolute discretion, that the response is not satisfactory, the Department will contact the Grantee, in writing, and explain the action required to cure any audit deficiencies. Such action could include the repayment of ineligible costs or other remediation.
- D. If so directed by the Department upon the termination or expiration of this Agreement, the Grantee shall deliver all records, accounts, documentation, and other materials that are relevant to this Agreement to the Department as depository.

29. **Site Inspection**

The Department reserves the right, upon reasonable notice, to inspect the Project to determine whether it meets the Program Requirements. If the Department reasonably determines that the site is not acceptable for the Project in accordance with] the Program Requirements, the Department reserves the right to rescind the award and the Grant. Nothing in this paragraph is intended to create or imply any obligation of the Department to inspect the Project.

30. **Compliance with State and Federal Laws, Rules, Guidelines, and Regulations**

- A. Grantee, its agencies or instrumentalities, contractors, sub-grantees, and subrecipients shall comply with all local, state, and federal laws, statutes, and regulations, as well as policies and guidelines established by the Department for the administration of the Homekey + program.

Homekey+ Program

NOFA Date: 11/26/2024; as amended 01/31/2025; 08/07/2025

Project Name: 1035 Van Ness

Approved Date: 09/24/2025

Prep. Date: 10/02/2025

EXHIBIT D

31. Updated Information

If there is any change in the information that has been provided to the Department, Grantee shall promptly provide the Department with updated documentation (e.g., updated sources and uses). All changes shall be subject to Department approval. In addition, Grantee shall promptly notify the Department, in writing, of any changes in Grantee or Co-Grantee organization, authorization, or capacity.

32. Survival of Obligations

The obligations of the Grantee, as set forth in this Agreement, shall survive the termination or expiration of this Agreement.

33. Litigation

Grantee shall notify the Department immediately of any claim or action undertaken by or against it which affects or may affect this Agreement or the Department and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement, the Program Requirements, the interests of the Department, and the objectives of the Homekey + Program.

34. Entire Agreement; Severability

This Agreement constitutes the entire agreement between the Grantee and the Department. All prior representations, statements, negotiations, and undertakings with regard to the subject matter hereof are superseded hereby. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remaining terms and provisions of this Agreement, or the application of such terms or provisions to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

35. Modification or Waiver under AB 1010

The Department reserves the right to waive or modify any requirement under this Agreement, or any Program Requirement, as authorized by and in accordance with California Assembly Bill No. 1010 (Chapter 660, Statutes of 2019) ("**AB 1010**"), which is codified at California Health and Safety Code section 50406, subdivision (p).

Homekey+ Program

NOFA Date: 11/26/2024; as amended 01/31/2025; 08/07/2025

Project Name: 1035 Van Ness

Approved Date: 09/24/2025

Prep. Date: 10/02/2025

EXHIBIT D

36. Waivers

No waiver of any breach, violation, or default under this Agreement shall be held to be a waiver of any other or subsequent breach or violation thereof or default thereunder. The Department's failure, at any time, to enforce the provisions of this Agreement or to require the Grantee's performance under this Agreement shall in no way be construed as a waiver of such provisions or performance, and it shall not affect the validity of this Agreement or the Department's right to enforce this Agreement.

37. Disputes

In the event of any conflict between this Agreement and any Grantee documents or side agreements, this Agreement and the Program Requirements shall prevail, are applicable, and shall be enforceable by the Department even if the Department provided review or approval of such documents and side agreements.

38. Consent

The parties agree that wherever the consent or approval of the Department or Grantee is required under this Agreement, such consent or approval shall not be unreasonably withheld, conditioned, or delayed, unless the same is specified as being in that party's sole and absolute discretion, or other words of similar import.

39. Grantee Liability

Grantee shall remain liable to the Department for performance under this Standard Agreement and compliance with all Program Requirements regardless of any Department-approved transfer or assignment of interest, or of any designation of a third party for the undertaking of all or any part of the Scope of Work. Likewise, each Co-Grantee shall remain jointly and severally liable to the Department for performance under this Standard Agreement and compliance with all Program Requirements regardless of any Department-approved transfer or assignment of interest; any designation of a third party for the undertaking of all or any part of the Scope of Work; or the Co-Grantees' identification of a Designated Payee.

40. Defense and Indemnification

Grantee agrees to defend, indemnify, and hold harmless the Department, and its appointees, agents, employees, and officers, from any losses, damages, liabilities,

Homekey+ Program

NOFA Date: 11/26/2024; as amended 01/31/2025; 08/07/2025

Project Name: 1035 Van Ness

Approved Date: 09/24/2025

Prep. Date: 10/02/2025

EXHIBIT D

claims, actions, judgments, court costs and legal or other expenses (including attorneys' fees), which may arise in connection with Grantee's use of the Grant funds and performance under this Agreement. If any attorney, including the California Attorney General, is engaged by the Department to enforce, construe, or defend any provision of this paragraph, with or without the filing of any legal action or proceeding, Grantee shall, individually or jointly, pay to the Department, immediately upon demand, the amount of all attorneys' fees and costs incurred by the Department in connection therewith.

41. Time Is of the Essence

Time is of the essence under this Agreement, and in the performance of every term, covenant, and obligation contained herein.

Homekey+ Program
NOFA Date: 11/26/2024; as amended 01/31/2025; 08/07/2025
Project Name: 1035 Van Ness
Approved Date: 09/24/2025
Prep. Date: 10/02/2025

EXHIBIT E

PROJECT-SPECIFIC PROVISIONS AND SPECIAL TERMS AND CONDITIONS

1. PROJECT-SPECIFIC PROVISIONS

Project Name: 1035 Van Ness

Address: 1035 Van Ness San Francisco, CA 94109

Assessor Parcel Numbers (APNs): Lot 028; Block 0714

A. Award, Payee and Eligible Use(s)

The Department issued the Grantee a Homekey+ Program **Conditional Award Letter** dated September 19th, 2025. The **Award** is a grant in the amount of \$39,044,030. The Payee of these funds is City and County of San Francisco. Grantee will use the funds to provide Permanent Supportive Housing for the Target Population and subpopulations in the Homekey+ Assisted Units as specified in the unit mix chart included herein. Specifically, the Grantee will apply these funds towards the following eligible use(s):

- 1) Acquisition and Rehabilitation of a former assisted living facility to provide Permanent Supportive Housing for the Target Population.
- 2) Capitalized operating subsidy for the Homekey+ Assisted Units

B. Homekey+ Award.

The Homekey+ Award is comprised of:

Total Award	\$39,044,030.00
Capital Award	\$32,800,000.00
Acquisition	\$27,750,000.00
Rehabilitation	\$5,050,000.00
Master Leasing	\$0.00
New Construction	\$0.00
Affordability Covenants	\$0.00
Relocation Award	\$0.00
Operating Award	\$2,524,030.00
Veteran Units Additional Operating Award	\$3,720,000.00

Homekey+ Program
 NOFA Date: 11/26/2024, as amended 01/31/2025; 08/07/2025
 Project Name: 1035 Van Ness
 Approved Date: 09/24/2025
 Prep. Date: 10/02/2025

EXHIBIT E

C. Unit Mix [see next page] Table 1: Homekey+ Unit Mix

Number of Bedrooms	Number of Homekey + Funded Units	AMI% or Manager Unit	Homekey+ Population	Restriction to Subset of Homekey+ Population
SRO/ Studio	58	30%	58	Veterans At-Risk of Homelessness
SRO/ Studio	66	30%	66	Veterans Experiencing Homelessness
Veterans Units Total	124			
Homekey+ General Population Total	0			
Youth Units Total	0			
Manager Units Total	0			
Total Homekey+ Units	124			

Homekey+ Program
 NOFA Date: 11/26/2024, as amended 01/31/2025; 08/07/2025
 Project Name: 1035 Van Ness
 Approved Date: 09/24/2025
 Prep. Date: 10/02/2025

EXHIBIT E

Unit Mix Notes: California law 25 CCR § 42 requires an onsite manager, maintenance, or other person responsible for rental housing of 16 or more units. TCAC regulations allow for an alternative option to provide an equivalent number of desk or security staff capable of responding to emergencies for the hours when property management staff is not working. The 1035 Van Ness Project will provide 24/7 property management staff capable of responding to emergencies who live nearby in lieu of having an onsite manager and manager's unit.

Referrals to Homekey+ Assisted Units shall be made through the local Coordinated Entry System (CES), or another comparable prioritization system based on greatest need for housing and services, to determine the most appropriate referral. Grantees must demonstrate efforts to coordinate with their local county behavioral health department, to ensure the referral process to the Homekey+ units is aligned with the requirements of the Homekey+ program. Homekey+ Assisted Units should be reserved for serving the Target Population where households are more appropriately served by Permanent Supportive Housing, including referrals from people exiting encampments. Households with lower levels of need may be better served by other housing and less intense service interventions.

Homekey+ Program

NOFA Date: 11/26/2024, as amended 01/31/2025; 08/07/2025

Project Name: 1035 Van Ness

Approved Date: 09/24/2025

Prep. Date: 10/02/2025

EXHIBIT E**2. PROJECT DETAILS**

- A. **Project Narrative.** 1035 Van Ness is a Permanent Supportive Housing acquisition and rehabilitation project with a total of 124 units, including zero manager units. The project dedicates 66 units to serve Veterans Experiencing Homelessness with a Behavioral Health Condition and 58 units serving Veterans At-Risk of Homelessness. Nineteen of the units will exceed federal and state accessibility requirements for persons with mobility disabilities and 13 units will include features accessible to persons with hearing or vision disabilities. Each unit will include a private bathroom, air conditioning unit, furnishings, and kitchenette equipped with microwave, two-burner stove, refrigerator, sink, and cabinet/countertop space. Units will also have access to free high speed internet service. The project will consist of one nine-story building that includes a 24/7 staffed front desk, offices, common area, and outdoor terrace. Off-site amenities located within one mile of the project include a library, transportation stops, a medical clinic, public parks, and multiple full scale grocery stores.
- B. **Units Serving Veterans.** This project received funding for 124 Homekey+ Veterans units. Grantee shall abide by all additional representations in the Application that qualified the Grantee for funding for Veterans Assisted Units. Projects with units allocated for Veterans Projects must provide housing for Veteran households that include at least one Veteran Experiencing or At Risk of Homelessness with a Behavioral Health Challenge. If units cannot be filled with Veterans at or below 30% AMI, Secondary Tenants can be housed, in accordance with NOFA Section 500. Secondary Tenants are defined as either: 1) Veterans who are At Risk of or Experiencing Homelessness whose incomes are up to 50% AMI and are receiving income as a result of service-connected disability benefits, or 2) Veterans Experiencing Homelessness with an income of up to 60% AMI. Rents for any redesignated units are determined by income that corresponds to the Secondary Tenant's household income.

This Project received an additional operating award of \$30,000 per unit for 124 units, totaling \$3,720,000. This funding is Awarded to pay for qualifying Operating Expenses, and it must be expended no later than ten (10) years from initial occupancy.

Homekey+ Program

NOFA Date: 11/26/2024, as amended 01/31/2025; 08/07/2025

Project Name: 1035 Van Ness

Approved Date: 09/24/2025

Prep. Date: 10/02/2025

EXHIBIT E

3. SCOPE OF WORK

A. Acquisition, Construction and/or Rehabilitation Detail:

The project is a Type 1 construction, fully sprinklered building, and will include interior renovations including restoring additional units to increase unit count from 106 to 124, bathroom and kitchen upgrades, amenity upgrades including services and property management offices, terrace restoration, and ADA upgrades.

B. Supportive Services and Staffing Detail:

Grantee shall ensure that the Case Manager ratio(s) for this project will be maintained at a 20:1 ratio for the 66 units designated for Veterans Experiencing Homelessness. The project will maintain a 29:1 ratio for the 58 units serving Veterans At-Risk of Homelessness. Grantee will coordinate with Swords to Plowshares: Veterans Rights Organization as the property manager.

Grantee will coordinate with Swords to Plowshares: Veterans Rights Organization to act as Lead Service Provider. Services include those required in NOFA Section 302 (1-24)

C. GRANTEE CONTRACT COORDINATOR(S)

Authorized Representative Name:	Shireen McSpadden
Authorized Representative Title:	Executive Director, Department of Homelessness & Supportive Housing
Entity Name:	City and County of San Francisco
Address:	440 Turk Street San Francisco, CA 94102
Telephone No.:	628-652-7700
E-Mail Address:	shireen.mcspadden@sfgov.org

Homekey+ Program
 NOFA Date: 11/26/2024, as amended 01/31/2025; 08/07/2025
 Project Name: 1035 Van Ness
 Approved Date: 09/24/2025
 Prep. Date: 10/02/2025

EXHIBIT E

Authorized Representative Name:	Tramecia Garner
Authorized Representative Title:	Executive Director
Entity Name:	1035Vets, LLC
Address:	401 Van Ness Ave., #313 San Francisco, CA 94102
Telephone No.:	415-252-4787
E-Mail Address:	tgarner@stp-sf.org

Authorized Representative Name:	Tramecia Garner
Authorized Representative Title:	Executive Director
Entity Name:	Swords to Plowshares: Veterans Rights Organization
Address:	401 Van Ness Ave., #313 San Francisco, CA 94102
Telephone No.:	415-252-4787
E-Mail Address:	tgarner@stp-sf.org

4. ADDITIONAL CONDITIONS PRECEDENT TO DISBURSEMENT

A. Prior to disbursement of Homekey+ funds, the following Conditions must be satisfied:

B. Encumbrances Subordinated to Homekey+:

The following financing sources and encumbrances must be recorded in a junior position to the Homekey+ Affordability Covenant, or be formally subordinated to Homekey+ prior to disbursement:

- 1) City and County of San Francisco letter dated May 16, 2025, for \$8,000,000.00 of Department of Supportive Housing and Homelessness loan funding to support costs associated with rehabilitation and conversion

Homekey+ Program
 NOFA Date: 11/26/2024, as amended 01/31/2025; 08/07/2025
 Project Name: 1035 Van Ness
 Approved Date: 09/24/2025
 Prep. Date: 10/02/2025

EXHIBIT E

Encumbrances to be Removed from Title by Time of Closing:

- 1) Taxes and assessments, general and special, for the fiscal year 2025 – 2026.
- 2) Covenants, Conditions and Restrictions “Non-Discriminatory Provisions” dated December 13, 1966.
- 3) Deed of Trust between 1035Vets, LLC and The San Francisco Accelerator Fund, a California nonprofit public corporation with Assignment of Rents, Security Agreement, and Fixture Filing, to secure an indebtedness of the amount stated below and any other amounts payable under the terms there of, Amount: \$38,806,267.00 Dated: July 9, 2025.
- 4) Order of Abatement dated January 9, 2020, to be removed upon completion of construction of the Project.
- 5) Declaration of Affordable Housing Restrictions and Restrictive covenants, dated July 9, 2025, to be replaced by HCD Affordability Covenant – new recorded Declaration of Affordability Covenant – new recorded Declaration of Affordability Housing Restrictions and Covenants, as approved by HCD.

6) BUDGET DETAIL

- A. Grantee represented to the Department the following commitments for the development and construction of the Homekey+ Project:

Development Sources:

- 1) Homekey+ Award letter dated September 19th, 2025, for a funding commitment of \$27,750,000.00 for acquisition, \$5,050,000.00 for rehabilitation.
- 2) City and County of San Francisco letter dated May 16th, 2025, for \$8,000,000.00 of Department of Supportive Housing and Homelessness loan funding to support costs associated with rehabilitation and conversion.

- B. Grantee shall maintain the ongoing affordability of the Project by leveraging the following non-Homekey+ sources for operating expenses:

Operating Sources:

- 1) Homekey+ Award letter dated September 19th, 2025, for a funding commitment of \$2,524,030.00 for Capitalized Operating Subsidy Reserve (COSR), and \$3,720,000.00 for Veterans Units Additional Operating Subsidy.

Homekey+ Program

NOFA Date: 11/26/2024, as amended 01/31/2025; 08/07/2025

Project Name: 1035 Van Ness

Approved Date: 09/24/2025

Prep. Date: 10/02/2025

EXHIBIT E

- 2) City and County of San Francisco letter dated May 16th, 2025, for operating, funding for Project years 1 through 15, for a total funding commitment of \$8,649,977.00 from the Department of Supportive Housing and Homelessness Local Operating Subsidy Program (LOSP).
- 3) City and County of San Francisco letter dated May 16th, 2025, for operating, funding for Project years 1 through 5, for a total funding commitment of \$2,945,544.00 from the Department of Supportive Housing and Homelessness Services Grant.
- 4) A Department of Veterans Affairs letter dated May 28th, 2025, totaling \$40,075,200.00 of Department of Housing and Urban Development (HUD) Veterans Affairs Supportive Housing (VASH) to be used as a rental subsidy.

Homekey+ Program

NOFA Date: 11/26/2024, as amended 01/31/2025; 08/07/2025

Project Name: 1035 Van Ness

Approved Date: 09/24/2025

Prep. Date: 10/02/2025

EXHIBIT E

7) PERFORMANCE MILESTONES

Performance Milestones	Milestone Completion Date
Expenditure Deadline for Capital Funds.	February 18, 2027, which includes 60 days from the date of the Award letter.
Complete Construction of the Homekey+ Project must be achieved.	November 18, 2026, which includes 60 days from the date of the Award letter.
Full occupancy by the Target Population must be accomplished in accordance with the descriptions and representations set forth in the Application.	February 18, 2027, which includes 60 days from the date of the Award letter.
NEPA Authorization to Use Grant Funds (AUGF) must be submitted upon construction completion.	November 18, 2026, which includes 60 days from the date of the Award letter
Grantee must have an approved Supportive Services Plan by full occupancy.	February 18, 2027
A copy of Grantee’s written nondiscrimination policy (in accordance with <u>Exhibit D</u> of this Agreement) must be submitted to the Department.	July 18, 2026, which includes 60 days from the date of the Award letter.
A copy of the Notice of Exemption from the California Environmental Quality Act (CEQA) filed with the Office of Planning and Research (OPR) as applicable.	July 18, 2026, which includes 60 days from the date of the Award letter.

Homekey+ Program
 NOFA Date: 11/26/2024, as amended 01/31/2025; 08/07/2025
 Project Name: 1035 Van Ness
 Approved Date: 09/24/2025
 Prep. Date: 10/02/2025

EXHIBIT E

Performance Milestones	Milestone Completion Date
Expenditure Deadline for Operating Funds.	February 18, 2037, which is 10 years from the date of full occupancy
A Homekey+ Program and Report must be submitted to the Department as specified and described in the NOFA.	March 31 – Each year for five (5) years following the Effective Date of this Agreement. The annual report is required for at least five years following full occupancy of the Project and until the Homekey+ operating funds are fully expended.
A Homekey+ Expenditure Report must be submitted to the Department.	July 31 – Each year until the full Homekey+ Award has been fully expended.

8) TERMS AND CONDITIONS

The following Special Terms and Conditions are applicable to this Project and shall control notwithstanding anything to the contrary herein:

A. Affordability Covenant

- 1) The state, regional, local, or tribal Grantee shall ensure that the Project is duly encumbered with a 55-year Affordability Covenant that **(a)** is recorded in first position against the Project for the benefit of the state, regional, local, or tribal Grantee; **(b)** restricts the use, operation, occupancy, and affordability of the Project in accordance with this Homekey+ Agreement and the applicable Program Requirements in the NOFA; **(c)** duly names the Department as a third-party beneficiary with the right and privilege, but not the obligation, of enforcement thereof; **(d)** incorporates the Homekey+ Program Requirements by reference and **(e)** is otherwise in form and substance acceptable to the Department.

Homekey+ Program
 NOFA Date: 11/26/2024, as amended 01/31/2025; 08/07/2025
 Project Name: 1035 Van Ness
 Approved Date: 09/24/2025
 Prep. Date: 10/02/2025

EXHIBIT E

- 2) The Affordability Covenant must be recorded against the real property of the Project site prior to the disbursement of funds as specified in Exhibit B. The Grantee shall obtain the Department's express written approval of the Affordability Covenant prior to the recordation of the same. After recordation, the Grantee shall promptly provide the Department with a conformed copy of the recorded Affordability Covenant and a title report to confirm lien priority.
- 3) All Homekey+ funds must be wired to an escrow company as specified in Exhibit B. The Applicant shall identify the name and address of the escrow company, the name of the escrow officer, the escrow number, and any other information requested by HCD. The appropriate Affordability Covenant must be on file and approved by HCD to be included in the escrow transaction for recordation.
- 4) The Affordability Covenant must be recorded as a lien against the Project in first position, and must remain in first position, over all other Project agreements, covenants, or other matters of record on the real property for the period of affordability required by the Program.

9) Project-Specific Special Terms and Conditions**A. Application Scoring Terms and Conditions**

- 1) Grantee application was prioritized for receiving at least 10 points per NOFA Section 305, Application Scoring Criteria, (3)(a), for sustained operating leverage evidenced by Project rental or operating subsidies.

Grantee has committed to non-Homekey+ rental or operating subsidies (including funded services) to maintain the ongoing affordability and sustainability of Project operations that are outlined in Section 6, Budget Detail. Any budget modifications must be submitted to HCD for approval and must address how the project affordability and sustainability will be maintained.

- 2) Grantee has committed to a 55-year use restriction for the project and has waived any potential accommodation by the Department to increase income limits, as per NOFA Section 305, Application Scoring Criteria, (5)(b), for 100 percent of the Assisted Units.

Homekey+ Program

NOFA Date: 11/26/2024, as amended 01/31/2025; 08/07/2025

Project Name: 1035 Van Ness

Approved Date: 09/24/2025

Prep. Date: 10/02/2025

EXHIBIT E

- 3) Grantee has committed to the following accessibility details for the project, as per NOFA Section 305, Application Scoring Criteria, (5)(c), the project will exceed the state and federal accessibility requirements set forth in the NOFA. At least 15 percent of the project's Assisted Units must have features accessible to persons with mobility disabilities and at least 10 percent of the project's units must have features accessible to persons with hearing or vision disabilities.

B. Supportive Services Plan Terms and Conditions

HCD may request necessary updates to the Supportive Services plan or related documents, including fully executed written agreements. All updates must be approved prior to occupancy as determined by the milestones listed in this Standard Agreement.

C. Site Control Terms and Conditions

- 1.) Grantee demonstrated site control by providing evidence of a sales contract at the time of Application.

D. Miscellaneous Terms and Conditions

- 1.) California law 25 CCR § 42 requires an onsite manager, maintenance, or other responsible person for rental housing of 16 or more units. TCAC regulations allow for an alternative option to provide an equivalent number of desk or security staff capable of responding to emergencies for the hours when property management staff is not working. The 1035 Van Ness Project will provide 24/7 property management staff capable of responding to emergencies who live nearby in lieu of having an onsite manager and manager's unit.

- 10) **Project Development Budget:** (Please see the next page for the development sources and uses budget from the application that was approved by HCD's Awards Committee.)

Budget detail included for the purpose of showing the Homekey+ Award details, including project reserves and developer fee. Other budget sources and uses will not be monitored by HCD.

Homekey+ Program

NOFA Date: 11/26/2024, as amended 01/31/2025; 08/07/2025

Project Name: 1035 Van Ness

Approved Date: 09/24/2025

Prep. Date: 10/02/2025

EXHIBIT E

Homekey Approved Development Sources & Uses Budget

Residential Sources and Uses Budget

USES OF FUNDS	Total Cost from Dev Budget	Homekey+ Grant	City & County of SF Loan					
LAND COST/ACQUISITION								
Land Cost or Value	\$27,750,000	\$27,750,000						
Demolition	\$0							
Legal	\$161,125	\$161,125						
Land Lease Rent Prepayment	\$0							
Total Land Cost or Value	\$27,911,125	\$27,911,125	\$0	\$0	\$0	\$0	\$0	\$0
Existing Improvements Cost or Value	\$0							
Off-Site Improvements	\$0							
Total Acquisition Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Land Cost / Acquisition Cost	\$27,911,125	\$27,911,125	\$0	\$0	\$0	\$0	\$0	\$0
Predevelopment Interest/Holding Cost	\$238,310	\$238,310						
Assumed, Accrued Interest on Existing Debt (Rehab/Acq)	\$0							
Excess Purchase Price Over Appraisal	\$0							
REHABILITATION								
Site Work	\$0							
Structures	\$6,037,818	\$4,650,565	\$1,387,253					
General Requirements	\$196,000		\$196,000					
Contractor Overhead	\$134,334		\$134,334					
Contractor Profit	\$134,334		\$134,334					
Prevailing Wages	\$0							
General Liability Insurance	\$158,758		\$158,758					
Urban Greening	\$0							

Homekey+ Program
 NOFA Date: 11/26/2024, as amended 01/31/2025; 08/07/2025
 Project Name: 1035 Van Ness
 Approved Date: 09/24/2025
 Prep. Date: 10/02/2025

EXHIBIT E

Other Rehabilitation (Specify)	\$0						
Other Rehabilitation (Specify)	\$0						
Other Rehabilitation (Specify)	\$0						
Total Rehabilitation Costs	\$6,661,244	\$4,650,565	\$2,010,679	\$0	\$0	\$0	\$0
Total Relocation Expenses	\$0						

NEW CONSTRUCTION

Site Work	\$0						
Structures	\$0						
General Requirements	\$0						
Contractor Overhead	\$0						
Contractor Profit	\$0						
Prevailing Wages	\$0						
General Liability Insurance	\$0						
Urban Greening	\$0						
Other New Construction (Specify)	\$0						
Other New Construction (Specify)	\$0						
Other New Construction (Specify)	\$0						
Other New Construction (Specify)	\$0						
Other New Construction (Specify)	\$0						
Other New Construction (Specify)	\$0						
Other New Construction (Specify)	\$0						
Total New Construction Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0

ARCHITECTURAL FEES

Design	\$268,195		\$268,195				
Supervision	\$50,120		\$50,120				
Total Architectural Costs	\$318,315	\$0	\$318,315	\$0	\$0	\$0	\$0
Total Survey & Engineering	\$0						

CONSTRUCTION INTEREST & FEES

Construction Loan Interest	\$829,314		\$829,314				
Origination Fee	\$194,000		\$194,000				
Credit Enhancement/Application Fee	\$0						
Bond Premium	\$0						
Cost of Issuance	\$0						
Title & Recording	\$25,000		\$25,000				
Taxes	\$0						
Insurance	\$0						
Employment Reporting	\$0						
Other Construction Int. & Fees (Inspection)	\$9,000		\$9,000				
Other Construction Int. & Fees (Specify)	\$0						
Total Construction Interest & Fees	\$1,057,314	\$0	\$1,057,314	\$0	\$0	\$0	\$0

Homekey+ Program
 NOFA Date: 11/26/2024, as amended 01/31/2025; 08/07/2025
 Project Name: 1035 Van Ness
 Approved Date: 09/24/2025
 Prep. Date: 10/02/2025

EXHIBIT E

PERMANENT FINANCING

Loan Origination Fee	\$0						
Credit Enhancement/Application Fee	\$0						
Title & Recording	\$20,000		\$20,000				
Taxes	\$0						
Insurance	\$0						
Other Perm. Financing Costs (Specify)	\$0						
Other Perm. Financing Costs (Specify)	\$0						
Total Permanent Financing Costs	\$20,000	\$0	\$20,000	\$0	\$0	\$0	\$0
<i>Subtotals Forward</i>	\$36,206,308	\$32,800,000	\$3,406,308	\$0	\$0	\$0	\$0

LEGAL FEES

Legal Paid by Applicant	\$25,000		\$25,000				
Other Attorney Costs (Acq/bridge lender counsel)	\$40,000		\$40,000				
Other Attorney Costs (Perm financing counsel)	\$25,000		\$25,000				
Other Attorney Costs (Specify)	\$0						
Total Attorney Costs	\$90,000	\$0	\$90,000	\$0	\$0	\$0	\$0

RESERVES

<u>Operating Reserve</u>	\$1,033,973		\$1,033,973				
<u>Replacement Reserve</u>	\$20,667		\$20,667				
<u>Transition Reserve Pool Fee</u>	\$0						
Rent Reserve	\$0						

Homekey+ Program
 NOFA Date: 11/26/2024, as amended 01/31/2025; 08/07/2025
 Project Name: 1035 Van Ness
 Approved Date: 09/24/2025
 Prep. Date: 10/02/2025

EXHIBIT E

<u>Transition Reserve Pool Fee</u>	\$0						
Rent Reserve	\$0						
Debt Service (including all HCD 0.42% Fees and Bond Issuer Fee)	\$0						
Other Reserve Costs (Specify)	\$0						
Other Reserve Costs (Specify)	\$0						
Total Reserve Costs	\$1,054,639	\$0	\$1,054,640	\$0	\$0	\$0	\$0

CONTINGENCY COSTS

Construction Hard Cost Contingency	\$974,459		\$974,459				
Soft Cost Contingency	\$168,520		\$168,520				
Total Contingency Costs	\$1,142,979	\$0	\$1,142,979	\$0	\$0	\$0	\$0

OTHER PROJECT COSTS

TCAC App/Allocation/Monitoring Fees	\$0						
Environmental Audit	\$0						
Local Development Impact Fees	\$0						
Permit Processing Fees	\$75,000		\$75,000				
Capital Fees	\$0						
Marketing	\$0						
Furnishings	\$452,600		\$452,600				
Market Study	\$0						
Accounting/Reimbursable	\$0						
Appraisal Costs	\$0						
Broadband Readiness	\$0						
Other Costs (Insurance)	\$250,000		\$250,000				
Other Costs (Property taxes)	\$330,873		\$330,873				
Other Costs (CM)	\$47,600		\$47,600				
Other Costs (Specify)	\$0						
Other Costs (Specify)	\$0						
Total Other Costs	\$1,156,073	\$0	\$1,156,073	\$0	\$0	\$0	\$0
SUBTOTAL PROJECT COST	\$39,650,000	\$32,800,000	\$6,850,000	\$0	\$0	\$0	\$0

DEVELOPER COSTS

Developer Overhead/Profit	\$1,000,000		\$1,000,000				
Consultant/Processing Agent	\$0						
Project Administration	\$150,000		\$150,000				
Broker Fees Paid to a Related Party	\$0						
Construction Oversight by Developer	\$0						
Other Developer Costs (Specify)	\$0						
Total Developer Costs	\$1,150,000	\$0	\$1,150,000	\$0	\$0	\$0	\$0
TOTAL PROJECT COST	\$40,800,000	\$32,800,000	\$8,000,000	\$0	\$0	\$0	\$0

TOTAL PROJECT COSTS	\$40,800,000	\$32,800,000	\$8,000,000	\$0	\$0	\$0	\$0
----------------------------	---------------------	---------------------	--------------------	------------	------------	------------	------------

Homekey+ Program
 NOFA Date: 11/26/2024, as amended 01/31/2025; 08/07/2025
 Project Name: 1035 Van Ness
 Approved Date: 09/24/2025
 Prep. Date: 10/02/2025