

File No. 250235

Committee Item No. 6

Board Item No. 13

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date March 26, 2025

Board of Supervisors Meeting Date April 8, 2025

Cmte Board

- | | | |
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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget and Legislative Analyst Report |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Contract/Agreement |
- Draft PASS Amended and Restated Loan Agreement
 - Draft Amended and Restated Promissory Note
 - Draft PASS Market Rate Loan Promissory Note
 - Draft PASS Below Market Rate Loan Promissory Note
 - Draft PASS Deferred Loan Promissory Note
 - Draft Deed of Trust
 - Draft PASS Deed of Trust
 - Draft Amended and Restated Declaration of Restrictions (Woolsey)
 - Draft Amended and Restated Declaration of Restrictions (Eddy)
 - Draft Amended and Restated Declaration of Restrictions (17th Street)
 - Draft HOME Substitution of Trustee Full Reconveyance (Woolsey)
 - Draft HOME Substitution of Trustee Full Reconveyance (Eddy)
 - Draft HOPWA Substitution of Trustee Full Reconveyance (Eddy)
 - Draft HOPWA Substitution of Trustee Full Reconveyance (17th Street)
 - Draft Hotel Tax Substitution of Trustee Full Reconveyance
 - Draft Developer Fee Agreement
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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>CAHLC Approved Loan Evaluation 2/7/2025</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>PLN General Plan Referral 8/8/2024</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>MOHCD Presentation 3/26/2025</u> |
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Completed by: Brent Jalipa Date March 20, 2025

Completed by: Brent Jalipa Date April 3, 2025

1 [Loan Agreement - Hazel Eddy Woolsey LLC - 1652-1654 Eddy Street, 3554-17th Street, and
2 195 Woolsey Street - Not to Exceed \$11,595,214]

3 **Resolution approving and authorizing the Director of the Mayor's Office of Housing**
4 **and Community Development ("MOHCD") with Hazel Eddy Woolsey LLC to execute**
5 **documents relating to a loan in an aggregate total amount not to exceed \$11,595,214**
6 **to finance the acquisition, rehabilitation, and permanent financing of three existing**
7 **affordable multifamily rental housing projects for low-income households, known as**
8 **the "Bernal Bundle" consisting of a total of 26 residential rental units and two**
9 **commercial units in three buildings located at 1652-1654 Eddy Street, 3554-17th**
10 **Street, and 195 Woolsey Street (collectively, the "Project"); affirming the Planning**
11 **Department's determination under the California Environmental Quality Act;**
12 **adopting findings that the Project and the proposed transactions are consistent with**
13 **the General Plan, and the eight priority policies of Planning Code, Section 101.1; and**
14 **authorizing the Director of MOHCD or his or her designee to execute the loan**
15 **documents for the Project and make certain modifications to such loan documents,**
16 **as defined herein, and take certain actions in furtherance of this Resolution, as**
17 **defined herein.**

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

1 WHEREAS, The funding for these loans and grants comes from a variety of
2 sources, all of which are restricted to affordable housing and are subject to various housing
3 program restrictions; and

4 WHEREAS, MOHCD enters into loan agreements with affordable housing
5 developers and operators; administers loan agreements; reviews annual audits and
6 monitoring reports; monitors compliance with affordable housing requirements in
7 accordance with capital funding regulatory agreement; and if necessary, takes appropriate
8 action to enforce compliance; and

9 WHEREAS, Among its programs, MOHCD administers the Preservation and
10 Seismic Safety Program ("PASS Program"), which provides low-cost and long-term
11 financing for the acquisition, rehabilitation, and preservation of multi-family housing as well
12 as seismic retrofits; the PASS Program plays a critical role in advancing the City's anti-
13 eviction and preservation strategies by providing access to a nimble source of financing not
14 currently available on the conventional market; and

15 WHEREAS, MOHCD issued a Notice of Funding Availability for Existing Nonprofit
16 Owned Rental Housing Capital Repairs ("NOFA") on February 17, 2023, to solicit qualified
17 affordable housing developers for capital improvements and repairs in existing affordable
18 housing units serving low-income households, including homeless households; in response
19 to the NOFA, MOHCD selected Bernal Heights Housing Corporation, a California nonprofit
20 public benefit corporation ("Bernal"), to rehabilitate three affordable housing buildings; in
21 response, Bernal formed Hazel Eddy Woolsey LLC, a California limited liability company
22 ("Borrower"), for the purpose of undertaking the activities described in the NOFA; and

23 WHEREAS, Borrower seeks to acquire and rehabilitate 26 total units of affordable
24 residential rental housing and two commercial units located at 1652-1654 Eddy Street;
25 3554-17th Street; and 195 Woolsey Street, in order to address certain urgent life safety

1 repairs (collectively, the “Project”); and

2 WHEREAS, The City previously provided several loans for the acquisition and
3 rehabilitation of the Project to the Housing Services Affiliate of the Bernal Heights
4 Neighborhood Center, a California nonprofit public benefit corporation, and Bernal Heights
5 Housing Corporation, a California nonprofit public benefit corporation, for the acquisition
6 and rehabilitation of the Project (collectively, the “Original Borrowers”); and

7 WHEREAS, The Borrower has agreed to assume the original loans from the Original
8 Borrowers for the Project; and

9 WHEREAS, The Borrower has requested, and MOHCD desires to consent to, the
10 consolidation of the original loans for the Project; and

11 WHEREAS, The Borrower has requested, and MOHCD desires to loan, up to
12 \$6,281,158 in additional funds pursuant to the NOFA and the PASS Program for the
13 Project; and

14 WHEREAS, On April 5, 2024, the Citywide Affordable Housing Loan Committee,
15 consisting of representatives of MOHCD, the Department of Homelessness and Supportive
16 Housing, the Office of Community Investment and Infrastructure, and the Controller’s Office
17 of Public Finance, recommended approval to the Mayor of the acquisition, rehabilitation,
18 and permanent financing loan for the Project in a total amount not to exceed \$10,395,214;
19 and

20 WHEREAS, On February 7, 2025, the Citywide Affordable Housing Loan
21 Committee, consisting of representatives of MOHCD, the Department of Homelessness
22 and Supportive Housing, the Office of Community Investment and Infrastructure, and the
23 Controller’s Office of Public Finance, recommended approval to the Mayor of an increase in
24 loan amount to the Project for a total amount not to exceed \$11,595,214; and

1 WHEREAS, The form of loan documents (collectively, the “Loan Documents”)
2 evidencing and securing the loan for the Project are on file with the Clerk of the Board in
3 File No. 250235, and include: Amended and Restated Declarations of Restrictions; an
4 Amended and Restated Loan Agreement; one or more Promissory Notes; and one or more
5 Deeds of Trust; and

6 WHEREAS, Amended and Restated Declarations of Restrictions will restrict the
7 Project as affordable housing to low-income households with annual maximum rent and
8 income established by MOHCD for as long as the Project or any modification of the Project
9 remains in existence; and

10 WHEREAS, The Amended and Restated Declaration of Restrictions for the Project
11 will not be subordinated to any third party financing instrument; and

12 WHEREAS, The Planning Department, by letter dated August 8, 2024 (“Planning
13 Letter”), has determined that the proposed Project is not an activity subject to the California
14 Environmental Quality Act (“CEQA”) Guidelines, Section 15378(b)(4), and is consistent, on
15 balance, with the General Plan, and the eight priority policies of Planning Code,
16 Section 101.1, which Planning Letter is on file with the Clerk of the Board of Supervisors in
17 File No. 250235, and incorporated herein by this reference; now, therefore, be it

18 RESOLVED, That the Board of Supervisors hereby affirms the Planning
19 Department’s determination under CEQA and finds that the Project is consistent, on
20 balance, with the General Plan, and the eight priority policies of Planning Code, Section
21 101.1 for the reasons set forth in the Planning Letter; and, be it

22 FURTHER RESOLVED, That the Board of Supervisors hereby approves the Loan
23 Documents, and authorizes the Mayor and the Director of MOHCD or the Director’s
24 designee to negotiate and enter into agreements based upon and substantially in the form
25 of the Loan Documents for the Project (including, without limitation, modifications of the

1 Loan Documents, and preparation and attachment of, or changes to, any of the exhibits
2 and ancillary agreements) and any other documents or instruments necessary in
3 connection therewith, that the Director of MOHCD determines, in consultation with the City
4 Attorney, are in the best interest of the City, do not materially increase the obligations or
5 liabilities for the City or materially diminish the benefits of the City, or are necessary or
6 advisable to effectuate the purposes and intent of this Resolution and are in compliance
7 with all applicable laws, including the City Charter; and, be it

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

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

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

RECOMMENDED:

 /s/

Daniel Adams

Director, Mayor’s Office of Housing and Community Development

Item 6 File 25-0235	Department: Mayor's Office of Housing and Community Development (MOHCD)
EXECUTIVE SUMMARY	
<p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> The proposed resolution would approve an amended and restated loan agreement in an amount not to exceed \$11,595,214 from the Mayor's Office of Housing and Community Development (MOHCD) to Bernal Heights Housing Corporation (BHHC) for the acquisition, rehabilitation, and permanent financing of three buildings located at 1652-1654 Eddy Street, 3554 17th Street, and 195 Woolsey Street, collectively known as the Bernal Bundle. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> The Bernal Bundle is a scattered site rehabilitation project of three affordable housing properties owned by BHHC totaling 26 residential units: (1) Positive Match, located at 1652 Eddy Street, (2) Hazel Betsey, located at 3554 17th Street, and (3) 195 Woolsey Street. The City previously provided loans to the three sites to acquire and rehabilitate the properties, and the total outstanding principal on those loans is \$4,114,056. In 2023, MOHCD issued a Notice of Funding Availability (NOFA) for Existing Nonprofit (ENP) owned rental housing capital repairs and awarded BHHC a loan to provide funding for the Bernal Bundle. In 2024, BHHC was awarded an additional \$1.2 million in loan funding from the Elevator Modernization Program (EMP) to replace the Hazel Betsey elevator. The rehabilitation scope includes elevator replacement, seismic retrofits, flooring replacement, fire escape upgrades, fire alarm systems, window replacement, roof repair, electrical upgrades, security intercom replacement, lighting and fan upgrades, exterior stair and deck repairs, plumbing upgrades, exterior paint, siding replacement, asbestos abatement, and HVAC upgrades. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> The proposed loan provides \$11,595,214 for the Bernal Bundle, including a soft debt loan of up to \$7,884,214 and a PASS loan of up to \$3,711,000. The soft debt loan includes an ENP loan of \$3,770,158, which includes elevator modernization funding of \$1,200,000, and the refinance of \$4,114,056 in existing loans. The soft debt loan would be repaid based on residual income in the project. The ENP loan amount (\$3,770,158), which includes the General Fund, Housing Trust Fund, and Certificate of Participation amounts, is equal to \$145,006 per unit. According to the 20-year cash flow analysis for the project, the project's revenues are sufficient to cover operating expenses, debt service, reserves, and management fees. <p style="text-align: center;">Recommendation</p> <ul style="list-style-type: none"> Approve the proposed resolution. 	

MANDATE STATEMENT

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

BACKGROUND

PASS Program

The Mayor's Office of Housing and Community Development (MOHCD) administers the Preservation and Seismic Safety (PASS) program, which was authorized by voters in 2016 and provides low-cost financing to fund the acquisition and preservation of affordable housing and seismic retrofits to existing buildings. The program is funded by \$260.7 million in general obligation bonds, including \$156.0 million for market-rate loans and \$104.7 million for below market-rate loans. Unlike other MOHCD permanent loans for affordable housing which are structured as soft debt and repaid through residual receipts, PASS program loans are structured as hard debt, which means they must be repaid every month for the duration of the lending period.

Bernal Bundle

The Bernal Bundle is a scattered site rehabilitation project of three properties owned by Bernal Heights Housing Corporation (BHHC) totaling 26 residential units:

1. Positive Match, located at 1652 Eddy Street, is a permanent supportive housing site for homeless families with adults with HIV/AIDS who also have a substance abuse and/or mental health diagnosis. The site has seven units: 1 one-bedroom, 5 two-bedrooms, and 1 three-bedroom unit. Catholic Charities provides on-site supportive services in a rented commercial space.
2. Hazel Betsey, located at 3554 17th Street, is a permanent supportive housing site for formerly homeless families and individuals with HIV/AIDS who also have a substance abuse and/or mental health diagnosis. The site has nine units: six studios and 3 one-bedroom units. Catholic Charities provides on-site supportive spaces in a rented commercial space.
3. 195 Woolsey Street has 10 studio units for low-income and disabled adults. There are no on-site supportive services.

The City previously provided loans to the three sites to acquire and rehabilitate the properties, with loans disbursed between 1995 and 2017. The total outstanding principal on those loans is \$4,114,056.

Project Selection

In February 2023, MOHCD issued a Notice of Funding Availability (NOFA) for Existing Nonprofit (ENP) owned rental housing capital repairs. BHHC responded to the NOFA and MOHCD scored

BHHC's application 86.65 out of 120 possible points, which exceeded the minimum score of 70 points, and awarded BHHC a loan to provide funding for the Bernal Bundle. In April 2024, the Citywide Affordable Housing Loan Committee approved BHHC's request for a loan with ENP and PASS funding, existing loan consolidation and recast, and interest forgiveness for the Bernal Bundle project in an amount not to exceed \$10,395,214. The loan was not executed and therefore it did not come to the Board of Supervisors for approval.

In 2024, the Department of Homelessness and Supportive Housing (HSH) issued a NOFA for the Elevator Modernization Project (EMP) program to repair or replace elevators in permanent supportive housing buildings. The NOFA was undersubscribed, and MOHCD and HSH awarded a portion of unused funds to BHHC to replace the Hazel Betsey elevator.¹ In February 2025, the Citywide Affordable Housing Loan Committee approved an increase in the loan amount to the project for a total amount not to exceed \$11,595,214 to reflect the additional funds for elevator repair.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would: (1) authorize the MOHCD Director to execute loan documents for the permanent financing of the Bernal Bundle buildings located at 1652-1654 Eddy Street, 3554 17th Street, and 195 Woolsey Street, for a total loan amount not to exceed \$11,595,214; (2) affirm the Planning Departments' determination under the California Environmental Quality Act (CEQA); (3) find that the loan is consistent with the General Plan and Planning Code; and (4) authorize the MOHCD Director or their designee to modify the loan documents and take certain actions in furtherance of the resolution.

The documents approved as part of this resolution include: (1) a Loan Agreement between the City and Hazel Eddy Woolsey LLC (an affiliate of BHHC); (2) Declarations of Restrictions for affordable housing; (3) Promissory Notes; and (4) Deeds of Trust.

Loan Agreement and Repayment

The proposed loan agreement provides for a loan amount not to exceed \$11,595,214, which includes a soft debt loan of up to \$7,884,214 and a PASS loan of up to \$3,711,000. The soft debt loan includes an ENP loan of \$3,770,158, which includes elevator modernization funding of \$1,200,000, and the refinance of \$4,114,056 in existing loans. The PASS loan is funded by PASS General Obligation Bond Series 2020C and includes three components: (1) a market-rate loan; (2) a below market-rate loan; and (3) a deferred loan. MOHCD combines PASS market-rate loans with PASS affordable loans (below market-rate and deferred) to create a blended interest rate and maximize total bond proceeds available for affordable housing preservation projects. The interest rates and repayment terms for the loans are provided in Exhibit 1 below based on the terms in the four separate promissory notes (one for each type of PASS loan and one for the ENP loan. The PASS loans mature 42 years after the recordings of the deeds of trust or 40 years after

¹ According to MOHCD, HSH awarded \$6,415,057 of the \$10,000,000 of COP funds available in their Elevator Modernization NOFA to eligible projects. That left \$3,584,943 for other uses, including MOHCD projects, which also includes the \$1.2M going to the Bernal Bundle.

the project completion date, and the ENP loan matures 55 years after the recording of the deed of trust.

Exhibit 1: PASS and Existing Nonprofit Capital Loan Summary for Bernal Bundle

Loan	Amount	Annual Interest Rate	Interest Type	Repayment
PASS Market Rate	\$2,259,999	3.87%	Compound	Monthly Payments
PASS Below Market Rate	1,246,896	0.96%	Compound	Monthly Payments
PASS Deferred	204,105	0.96%	Compound	Repaid at Maturity
<i>PASS Subtotal</i>	<i>\$3,711,000</i>			
Exiting Nonprofit, Elevator Repair, Recast	7,884,214	3.00%	Simple	Annual Payments, equal to 2/3 of Residual Receipts
Total	\$11,595,214			

Source: Master Promissory Notes

Required Rents

The Declarations of Restrictions, which cover all loan products, outline required rents for all units in each of the three properties in the Bernal Bundle. Income restrictions are as follows:

1. **Positive Match (1652 Eddy Street):** All seven units are rented to households with up to 50 percent of Area Median Income (AMI).
2. **Hazel Betsey (3554 17th Street):** All nine units are rented to households with up to 50 percent of AMI.
3. **195 Woolsey Street:** two units are rented to households with up to 50 percent of AMI, and eight units are rented to households with up to 60 percent of AMI.

Occupancy

According to MOHCD, the Bernal Bundle has struggled to achieve the 90 percent occupancy requirement set as a condition for loan closing by the proposed loan approved by the Affordable Housing Loan Committee in 2024. As of February 2025, 12 of the 26 total units, or 46 percent, were vacant. This is partially due to property management turnover and a lack of referrals of HIV-positive tenants from the San Francisco Housing Authority and MOHCD.² According to Amanda Fukutome-Lopez, MOHCD Multifamily Lending Project Manager, BHHHC has been working with SFHA and HSH to fill referral units at Positive Match and Hazel Betsey. BHHHC has received referrals for approximately seven to eight new households, across those two sites, who plan to move in shortly. After these units are occupied, approximately four to five units will remain vacant. BHHHC staff is currently working through the DAHLIA waitlist for 195 Woolsey to identify potential tenants to fill the vacant units at that site.

Because PASS is a hard debt product and the exiting nonprofit loan is a soft debt product based on residual receipts, MOHCD has amended the loan agreement to state that PASS loan

² The proposed loan includes \$2.5 million in Housing Opportunities for Persons With AIDS (HOPWA) funds, a U.S. Department of Housing and Urban Development (HUD). HOPWA funds are dedicated to projects for people who are HIV positive.

disbursements are subject to the 90 percent occupancy requirement, rather loan closing for all funds.

Rehabilitation Scope

The proposed loan funds approximately \$7 million in rehabilitation work (including soft costs) that will be undertaken by BHHC and overseen by MOHCD.

The rehabilitation scope includes elevator replacement, seismic retrofits, flooring replacement, fire escape upgrades, fire alarm systems, window replacement, roof repair, electrical upgrades, security intercom replacement, lighting and fan upgrades, exterior stair and deck repairs, plumbing upgrades, exterior paint, siding replacement, asbestos abatement, and HVAC upgrades. According to the MOHCD loan evaluation memo to the Citywide Affordable Housing Loan Committee, the rehabilitation scope was based on a Capital Needs Assessment.

Under the proposed loan agreement, construction must begin by April 30, 2025 and be completed by March 1, 2026. The project must achieve 100 percent occupancy by April 30, 2026.

FISCAL IMPACT

The proposed loan would provide up to \$11,595,214 to finance the acquisition, rehabilitation, and permanent financing of the Bernal Bundle. The sources and uses of funds are shown in Exhibit 2 below.

Exhibit 2: Sources and Uses of Proposed Loan

Sources	Amount
ENP Loan & Refinance of Existing Loans	\$7,884,214
PASS Market-Rate Loan	2,259,999
PASS Below Market-Rate Loan	1,246,896
PASS Deferred Loan	204,105
<i>Subtotal, City Loans</i>	<i>11,595,214</i>
Bernal Equity	166,642
Total Sources	\$11,761,856

Uses	Amount
Acquisition (Refinance of Existing Loans)	\$4,012,936
Construction (Includes 19% Contingency)	6,284,078
Soft Costs (Includes 10% Contingency)	693,888
Reserves	166,642
Developer Fee	604,313
Total Uses	\$11,761,856

Source: Proposed Loan Agreement

According to Multifamily Lending Project Manager Fukutome-Lopez, the refinancing of existing loans is intended to extend the affordable housing deed restriction period for the Bernal Bundle properties. In addition to the refinancing, MOHCD is waiving approximately \$1.8 million in interest from the existing loans to improve BHHC's balance sheet. Since the ENP loan is soft debt

based on residual receipts, MOHCD only anticipates soft debt service payments when the properties are near full occupancy.

Construction costs include a 19 percent hard cost contingency and 10 percent soft cost contingency. Reserves are funded by existing Bernal Bundle equity and include \$66,642 in operating reserves and \$100,000 in replacement reserves.³ Total costs include \$604,313 in developer costs and \$693,888 in soft costs, including \$140,622 in relocation costs.⁴

ENP Loan and Existing Funding Sources

The proposed ENP loan is funded by:

- \$2,500,000 from the General Fund
- \$70,158 from the Housing Trust Fund
- \$1,200,000 from 2023 Certificates of Participation (COP) funds (for elevator replacement)

The existing loan sources to be refinanced are:

- \$228,869 from Hotel Tax Funds
- \$1,350,178 from HOME funds (affordable housing developer fees)
- \$2,535,009 from HOPWA funds (Housing Opportunities for Persons With AIDS, U.S. Department of Housing and Urban Development funding)

City Subsidy and PASS Loan

The not-to-exceed City loan of \$11.6 million is equal to approximately \$445,970 per unit, including PASS funding of \$142,731 per unit and soft debt of \$303,239 per unit. The ENP loan amount (\$3,770,158), which includes the General Fund, Housing Trust Fund, and Certificate of Participation amounts, is equal to \$145,006 per unit. The elevator replacement loan of \$1.2 million exceeds the maximum award of \$500,000 per project anticipated by the EMP NOFA, but MOHCD believes the additional funds are justified because after the original MOHCD award of ENP Funds, it was determined that the initial estimate for elevator repair was insufficient, and that the additional funding was required to maintain minimum housing quality standards for the nine disabled households at Hazel Betsey. The higher per unit cost limit from the ENP NOFA was waived because the site is very small, and the limit could not facilitate the elevator replacement, which MOHCD determined was necessary.

Because PASS funding is a hard debt product, there is no subsidy guideline for PASS funding, but PASS loans are constrained and sized based on a minimum debt service coverage ratio of 1.15, a maximum loan-to-value ratio of 90 percent, and a maximum loan-to-cost ratio of 80 percent.

³ Operating reserves support unanticipated operating costs for at least 20 years. Replacement reserves support the project's capital needs over time.

⁴ MOHCD anticipates that BHHHC would have to relocate a total of four households from Hazel Betsey and 195 Woolsey for approximately two to three weeks, and the commercial spaces (occupied by Catholic Charities) for up to six months. The relocation budget also allows for possible relocation of up to 10 additional tenants during the rehabilitation period.

Operating Revenues and Expenses

According to the 20-year cash flow analysis for the project, the project's revenues are sufficient to cover operating expenses, reserves, and management fees. Project revenues consist of tenant rents, rental assistance through a Housing Assistance Payment contract for the Positive Match units and a Continuum of Care contract for the Hazel Betsey units, and commercial rents from Catholic Charities. The operating budget assumes annual rental income loss of five percent for the residential units and 10 percent for commercial space. As mentioned above, after newly referred tenants move in, approximately 15 to 19 percent of units will be vacant.

PASS loans must be repaid according to the terms discussed above. A portion of net income after operating expenses (residual receipts) will be used to repay the remaining City loan.

RECOMMENDATION

Approve the proposed resolution.

**AMENDED AND RESTATED LOAN AGREEMENT
(CITY AND COUNTY OF SAN FRANCISCO
PASS LOAN PROGRAM, HOTEL TAX FUND, GENERAL FUND, HOUSING TRUST
FUND, HOME PROGRAM, HOPWA, 2023 CERTIFICATES OF PARTICIPATION)**

By and Between

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

and

HAZEL EDDY WOOLSEY LLC,
a California limited liability company

for

BERNAL BUNDLE
1652-1654 Eddy Street; 3554 17th Street; and 195 Woolsey Street

HOME Funds: \$1,350,178.00
General Funds: \$2,500,000.00
Housing Trust Funds: \$70,158.00
Hotel Tax Funds: \$228,869.00
HOPWA Funds: \$2,535,009.00
2023 COP Funds: \$1,200,000.00
\$7,884,214.00

PASS – Market Rate Loan: \$2,259,999.00
PASS – Below Market Rate Loan: \$1,246,896.00
PASS – Deferred Loan: \$204,105.00
2016 G.O. Bond (Series 2020C): \$3,711,000.00

Total: \$11,595,214.00

Dated as of [_____], 2024

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**AMENDED AND RESTATED
LOAN AGREEMENT**

(City and County of San Francisco)

(PASS Loan Program; Hotel Tax Fund; General Fund; Housing Trust Fund; 2023 COP Funds;
HOPWA; and HOME Program)

(Bernal Bundle: 1652-1654 Eddy Street; 3554 17th Street; and 195 Woolsey Street)

THIS AMENDED AND RESTATED LOAN AGREEMENT (“Agreement”) is entered into as of _____, 2024, by and between the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation (the “City”), represented by the Mayor, acting by and through the Mayor’s Office of Housing and Community Development (“MOHCD”), and **HAZEL EDDY WOOLSEY LLC**, a California limited liability company (“Borrower”).

RECITALS

A. The Redevelopment Agency of the City and County of San Francisco (“Agency”) previously provided Housing Opportunities for Persons with AIDS (“HOPWA”) capital loans (“HOPWA Funds”) to develop affordable housing on a portion of the Property for persons with AIDS. Under California State Assembly Bill No. 1X26 (Chapter 5, Statutes of 2011-12, first Extraordinary Session) (“AB 26”), the Agency dissolved as a matter of law on February 1, 2012, and pursuant to AB 26, as amended by California State Assembly Bill No. 1484 (“AB 1484”), and Resolution No. 11-12, adopted by the City’s Board of Supervisors and Mayor on January 26, 2012, Ordinance No. 215-12, adopted by the City’s Board of Supervisors and Mayor on October 12, 2012, and the approved housing asset list submitted by City to, and approved by, the State of California Department of Finance pursuant to AB 1484 (Cal. Health & Safety Code Section 34176(a)(2)), City is successor in interest to the Agency’s rights and obligations with respect to the HOPWA loan agreements, as amended. The City is authorized under a HOPWA Loan Agreement with HUD, executed pursuant to the AIDS Housing Opportunity Act (42 U.S.C. §§ 12901 to 12912), to provide qualifying sponsors with resources for meeting the housing needs of persons living with Human Immunodeficiency Virus and/or Acquired Immune Deficiency Syndrome (“HIV/AIDS”).

B. The City is authorized under a HOME Investment Partnership Agreement with the United States Department of Housing and Urban Development (“HUD”), executed pursuant to Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990 (42 U.S.C. §§ 12701 *et seq.* and 24 CFR §§ 92) to distribute HOME Investment Partnership Program (“HOME”) funds under this Agreement (the “HOME Funds”) for the specific and special purpose of increasing the housing stock in the City for low- and very low-income persons.

C. The City is authorized under San Francisco Business and Tax Regulations Code Section 515.01(b)(3)(F) to use a portion of hotel tax funds collected by the City under this Agreement (the “Hotel Tax Funds”) to assist in the construction or rehabilitation of low-income rental housing for the elderly or physically handicapped.

D. On April 11, 2006, through Ordinance 71-06, the San Francisco Board of Supervisors appropriated funds from the City’s General Fund to the Mayor’s Office of Housing

and Community Development for the acquisition, construction and rehabilitation of family housing, housing for seniors or persons with disabilities affordable to households earning up to sixty percent (60%) of the San Francisco Median Income (SFMI) adjusted for household size. The City is authorized by this ordinance to provide a portion of the funds under this Agreement (the “General Funds”) to Borrower for the development of affordable housing.

E. In November 2012, the voters of the City approved Proposition C, which established a Housing Trust Fund to provide funds for the creation, acquisition, and rehabilitation of rental and ownership housing affordable to households earning up to 120% of the area median income, including, without limitation, the acquisition of land for such purpose (the “Housing Trust Funds”). Under Section 16.110 *et seq.* of the San Francisco City Charter, the City is authorized to provide funds from the Housing Trust Funds under this Agreement to Borrower for the development of affordable housing.

F. On November 3, 1992, the voters of the City and County of San Francisco approved Proposition A, which provided for the issuance of up to \$350 million in general obligation bonds to establish and fund a Seismic Safety Loan Program. On November 8, 2016, the voters of the City and County of San Francisco approved Proposition C expanding the permitted use of the bonds to finance the costs to acquire, improve, rehabilitate and convert at-risk multi-unit residential buildings to permanent affordable housing. Under Chapter 66 of the San Francisco Administrative Code and the Preservation and Seismic Safety (“PASS”) Program Regulations adopted by MOHCD, the City is authorized to provide a portion of proceeds of the bonds (the “2016 G.O. Bond (Series 2020C)”, or the “PASS Bonds”) under this Agreement to Borrower for the preservation of affordable housing. The proceeds of the PASS Bonds and the fees are collectively referred to as the “PASS Funds.”

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

H. The funds provided from the PASS Funds, the HOPWA Funds, the Hotel Tax Funds, the General Funds, the Housing Trust Funds, the HOME Funds, and the 2023 COP Funds under this Agreement are collectively referred to as the “Funds.”

I. MOHCD issued a *Notice of Funding Availability for Existing Nonprofit Owned Rental Housing Capital Repairs* (“NOFA”) on February 17, 2023, to solicit qualified affordable housing developers for capital improvements and repairs in existing affordable housing units serving low-income households, including homeless households. In response to the NOFA,

MOHCD selected Bernal Heights Housing Corporation to rehabilitate the three buildings of affordable housing. Bernal Heights Housing Corporation formed the Borrower for the purpose of undertaking the activities described in the NOFA.

J. Borrower owns or will own a fee interest in the real property located at 1652-1654 Eddy Street (“Positive Match”), 3554 17th Street (“Hazel Betsey”), and 195 Woolsey Street (“195 Woolsey”), all in San Francisco, California (collectively, the “Site”). The Site is currently developed as three multifamily residential properties with a total of 26 residential rental housing units and 2 commercial units (the “Commercial Space”). Borrower desires to use the Funds to acquire, rehabilitate and preserve the Site as residential housing affordable to low-income households and including 2 commercial units (collectively, the “Project”). The Funds are necessary to complete certain life safety repairs at the Project, including certain seismic and soft-story work, window repair/replacement, HVAC repairs, roof replacement, electrical upgrades, and fire escape repairs.

K. The City previously provided the following financing to the Housing Services Affiliate of the Bernal Heights Neighborhood Center (HSA), a California nonprofit public benefit corporation, and Bernal Heights Housing Corporation, a California nonprofit public benefit corporation (collectively, the “Original Borrowers”), in connection with the Site:

1. Hotel Tax loan for Positive Match (the “Hotel Tax Original Loan”) in the total principal amount of Two Hundred Twenty-Eight Thousand Eight Hundred Sixty-Nine and No/100 Dollars (\$228,869.00) (“Original Hotel Tax Funding Amount”);
2. HOME Program loan for Positive Match (the “Positive Match HOME Original Loan”) in the total principal amount of Nine Hundred Twenty-One Thousand Seven Hundred Twenty-Five and No/100 Dollars (\$921,725.00) (“Positive Match HOME Original Funding Amount”);
3. HOPWA Program loan for Positive Match (the “Positive Match HOPWA Original Loan”) in the total principal amount of One Million Seventy Thousand One Hundred Nineteen and No/100 Dollars (\$1,070,119.00) (the “Positive Match HOPWA Original Funding Amount”);
4. HOPWA Capital Grant for Positive Match in the total principal amount of Two Hundred Ninety Thousand One Hundred Seventy Eight and No/100 Dollars (\$290,178.00);
5. HOME Program loan for 195 Woolsey (the “Woolsey HOME Original Loan”) in the total principal amount of Four Hundred Twenty-Eight Thousand Four Hundred Fifty-Three and No/100 Dollars (\$428,453.00) (“195 Woolsey HOME Original Funding Amount” and together with the Positive Match HOME Original Funding Amount, the “Original HOME Funding Amount”);
6. HOPWA Program loan for Hazel Betsey (the “Hazel Betsey HOPWA Original Loan #1”) in the total principal amount of One Million Two Hundred Forty-Three Thousand Three Hundred Fifteen and No/100 Dollars (\$1,243,315.00) (the “Hazel Betsey HOPWA Original Funding Amount #1”); and
7. HOPWA Program loan for Hazel Betsey (the “Hazel Betsey HOPWA Original Loan #2” and together with the Hazel Betsey HOPWA Original Loan #1, the “Hazel Betsey Original HOPWA Loans”) in the total principal amount of Two Hundred Twenty-One Thousand Five Hundred Seventy-Five and No/100 Dollars (\$221,575.00) (the “Hazel Betsey HOPWA

Original Funding Amount #1” and together with the Hazel Betsey HOPWA Original Funding Amount #2 and the Positive Match HOPWA Original Funding Amount, the “Original HOPWA Funding Amount”).

The Hotel Tax Original Loan, the Positive Match HOME Original Loan, the Woolsey HOME Original Loan, the Positive Match HOPWA Original Loan, and the Hazel Betsey Original HOPWA Loans shall collectively be referred to herein as the “Original Loans.” The Original Hotel Tax Funding Amount, Original HOME Funding Amount, and Original HOPWA Funding Amount shall collectively be referred to herein as the “Original Funding Amount.”

L. Original Borrowers intend to assign to Borrower, and Borrower intends to assume, all of Original Borrower’s rights and duties with respect to the Original Loans (the “Assignment and Assumption”). The consent of the City is required for the Assignment and Assumption. The City has reviewed Borrower’s request for the Assignment and Assumption and in reliance on the accuracy of the information provided by Borrower, has consented to this request. In connection with such Assignment and Assumption, the City and Borrower have agreed to consolidate the principal associated with the Original City Loans into a single modified loan to the Borrower in an amount equal to the Original Funding Amount to be governed by the terms of this Agreement.

M. In addition, the Citywide Affordable Housing Loan Committee has reviewed Borrower’s application for General Funds, 2023 COP Funds, and Housing Trust Funds and, in reliance on the accuracy of the statements in that application, has recommended to the Mayor that the City make a new loan of General Funds and Housing Trust Funds to Borrower (the “ENP Loan” and together with the Original Loans, the “Consolidated Loan”) in the maximum principal amount of Three Million Seven Hundred Seventy Thousand One Hundred Fifty-Eight and No/100 Dollars (\$3,770,158.00) (the “ENP Funding Amount” and together with the Original Funding Amount, the “Consolidated Loan Funding Amount”) under this Agreement to fund certain costs related to the Project. The ENP Funding Amount is comprised of (i) General Funds in the principal amount of Two Million Five Hundred Thousand and no/100 Dollars (\$2,500,000.00); (ii) Housing Trust Funds in the principal amount of Seventy Thousand One Hundred Fifty-Eight and No/100 Dollars (\$70,158.00); and (iii) 2023 COP Funds in the principal amount of [One Million Two Hundred Thousand and No/100 Dollars (\$1,200,000.00)].

N. In addition, the City has reviewed Borrower’s application for PASS Funds and, in reliance on the accuracy of the statements in that application, has agreed to make a new loan of PASS Funds to Borrower (the “PASS Loan” and together with the Consolidated Loan, the “Loan”) in the maximum principal amount of Three Million Seven Hundred Eleven Thousand and No/100 Dollars (\$3,711,000.00) (the “PASS Loan Amount” and together with the Consolidated Loan Funding Amount, the “Funding Amount”) for the rehabilitation and permanent financing of the Project under this Agreement and is comprised of the following:

(1) a market rate loan of PASS Funds to Borrower (the “Market Rate Loan”) in the amount of Two Million Two Hundred Fifty-Nine Thousand Nine Hundred Ninety-Nine and No/100 Dollars (\$2,259,999.00) (the “Market Rate Loan Amount”);

(2) a below market rate loan of PASS Funds to Borrower (“BMR Loan”) in the amount of One Million Two Hundred Forty-Six Thousand Eight Hundred Ninety-Six and No/100 Dollars (\$1,246,896.00) (the “BMR Loan Amount”); and

(3) a deferred loan of PASS Funds to Borrower (the “Deferred Loan”) in the amount of Two Hundred Four Thousand One Hundred Five and No/100 Dollars (\$204,105.00) (the “Deferred Loan Amount”).

The Market Rate Loan, the BMR Loan, and the Deferred Loan are hereinafter collectively referred to as the “PASS Loan.”

O. Borrower has secured the following additional financing for the Project (as defined below):

1. rental assistance payments under a Housing Assistance Payment (“HAP”) contract and budget authority with SFHA in the amounts sufficient to fund one (1) one-bedroom, five (5) two-bedroom and one (1) three-bedroom units;

2. a Continuum of Care (“CoC”) contract with HSH in the amounts sufficient to fund six (6) studio and three (3) one-bedroom units;

3. an equity contribution from Borrower in the amount of One Hundred Sixty Thousand and No/100 Dollars (\$160,000.00).

P. On the Agreement Date, this Agreement will amend, restate, supersede and replace the loan agreements for the Original Loans. Concurrently herewith, Borrower will also (i) execute an amended and restated promissory note in favor of the City in the amount of the Consolidated Loan Funding Amount, (ii) execute and record a deed of trust to secure the Consolidated Loan, (iii) execute three PASS promissory notes, (iv) execute and record a deed of trust to secure such PASS promissory notes, (v) execute and record an amended and restated declaration of restrictions, and (vi) execute a developer fee agreement with the Developer. As of the Agreement Date, the City will cancel and return the promissory notes evidencing the Original Loans and reconvey the deeds of trust securing the promissory notes evidencing the Original Loan.

Q. On [_____], 2025, the City’s Board of Supervisors and the Mayor approved this Agreement by Resolution No. [_____] for the purpose of developing the Project.

AGREEMENT

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

ARTICLE 1 DEFINITIONS.

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

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

“Agreement” means this Loan Agreement.

“Agreement Date” means the date first written above.

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

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

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

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

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

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

“BMR Loan Amount” has the meaning set forth in **Recital N**.

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

“Borrower” means HAZEL EDDY WOOLSEY LLC, a California limited liability company whose sole member is Bernal Heights Housing Corporation, a California nonprofit public benefit corporation (“Manager”), and its authorized successors and assigns.

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

“CFR” means the Code of Federal Regulations.

“Charter Documents” means: (a) in the case of a corporation, its articles of incorporation and bylaws; (b) in the case of a partnership, its partnership agreement and any certificate or statement of partnership; and (c) in the case of a limited liability company, its operating agreement and any LLC certificate or statement. The Charter Documents must be delivered to the City in their original form and as amended from time to time and be accompanied by a certificate of good standing for Borrower issued by the California Secretary of State and, if Borrower is organized under the laws of a state other than California, a certificate of good standing issued by the Secretary of State of the state of organization, issued no more than ninety (90) days before the Agreement Date.

“CHDO” means a Community Housing Development Organization, as defined in 24 CFR § 92.2.

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

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

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

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

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

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

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

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

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

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

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

“Consolidated Loan Deed of Trust” means the deed of trust executed by Borrower granting lien on the Site and the Project to secure Borrower’s performance under this Agreement, Declaration of Restrictions, and the Consolidated Loan Note, in form and substance acceptable to the City.

“Consolidated Loan Funding Amount” has the meaning set forth in **Recital M**.

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

“Consolidated Loan Maturity Date” has the meaning set forth in Section 3.1(a).

“Consolidated Loan Payment Date” means the first December 31st following the Completion Date, each succeeding December 31st until the Consolidated Loan Maturity Date.

“Contracting Manual” means the Contracting Manual (2006 Amendment) for Federally Funded Construction Projects Financed by the Mayor’s Office of Housing, issued by MOHCD on November 18, 2002, as amended on May 22, 2007, as the same may be further amended from time to time.

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

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

“Deeds of Trust” means, collectively, the Consolidated Loan Deed of Trust and the PASS Deed of Trust.

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

“Deferred Loan Amount” has the meaning set forth in **Recital N**.

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

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

“Developer” means Bernal Heights Housing Corporation, a California nonprofit public benefit corporation, and its authorized successors and assigns.

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

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

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

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

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

“Distributions” has the meaning set forth in **Section 13.1**.

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

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

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

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

“Environmental Laws” means all present and future federal, state, local and administrative laws, ordinances, statutes, rules and regulations, orders, judgments, decrees, agreements, authorizations, consents, licenses, permits and other governmental restrictions and requirements relating to health and safety, industrial hygiene or the environment or to any Hazardous Substance or Environmental Activity, including the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (commonly known as the “Superfund” law) (42 U.S.C. §§ 9601 *et seq.*), the Resource Conservation and Recovery Act of 1976, as amended by the Solid Waste and Disposal Act of 1984 (42 U.S.C. §§ 6901 *et seq.*); the National Environmental Policy Act of 1969 (“NEPA”) (24 CFR §§ 92 and 24 CFR §§ 58); the California Hazardous Substance Account Act (also known as the Carpenter-Presley-Tanner Hazardous Substance Account Law and commonly known as the “California Superfund” law) (Cal. Health & Safety Code §§ 25300 *et seq.*); and the Safe Drinking Water and Toxic Enforcement Act of 1986 (commonly known as “Proposition 65”) (Cal. Health & Safety Code §§ 25249.2 *et seq.*); and Sections 25117 and 25140 of the California Health & Safety Code.

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

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

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

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

“Federal Funding” means funding provided by the federal government for capital improvements, operations or other direct financial assistance of the Project.

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

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

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

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

“HAP” has the meaning set forth in **Recital O**.

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

“HCD” means the California Department of Housing and Community Development.

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

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

“Homeless” means (a) individuals who lack a fixed, regular, and adequate nighttime residence; this includes a subset for an individual who is exiting an institution where he or she resided for 90 or fewer days and who resided in an emergency shelter or a place not meant for human habitation immediately before entering that institution; (b) individuals who will imminently lose their primary nighttime residence; and/or (c) individuals who are fleeing or are attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or family member.

“HOPWA” has the meaning set forth in **Recital A**.

“HOPWA Regulations” means the HUD Regulations at 24 CFR 574 *et seq.*, as they may be amended from time to time.

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

“HUD” means the United States Department of Housing and Urban Development acting by and through the Secretary of Housing and Urban Development and any authorized agents.

“HUD AMI” means area median income determined by HUD for the San Francisco area, adjusted for household size.

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

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

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

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

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

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

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

“Manager” means Bernal Heights Housing Corporation, a California nonprofit public benefit corporation.

“Market Rate Loan” has the meaning set forth in **Recital N**.

“Market Rate Loan Amount” has the meaning set forth in **Recital N**.

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

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

“Maturity Date” means the Consolidated Loan Maturity Date and/or the PASS Loan Maturity Date, as applicable.

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

“MOHCD” means the Mayor’s Office of Housing and Community Development or its successor.

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

“NOFA” has the meaning set forth in **Recital I**.

“Notes” means, collectively, the Consolidated Loan Note, the Deferred Note, the BMR Note, and the Market Rate Note.

“Official Records” means the official records of the City and County of San Francisco.

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

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

“Original Borrowers” has the meaning set forth in **Recital K**.

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

“Original Loans” has the meaning set forth in **Recital K**.

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

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

“PASS Loan Amount” has the meaning set forth in **Recital N**.

“PASS Loan Maturity Date” has the meaning set forth in Section 3.1(b).

“PASS Deed of Trust” means the deed of trust executed by Borrower granting the City a

lien on the Site and the Project to secure Borrower's performance under this Agreement, the Market Rate Note, the BMR Note, and the Deferred Note, in form and substance acceptable to the City.

“PASS Program Regulations” means the Preservation and Seismic Safety Program (PASS) Regulations.

“PASS Payment Date” means the first day of the month that is one full calendar month after the date that the PASS Deed of Trust is recorded in the Recorder’s Office of San Francisco County. Furthermore, “Payment Date” shall also refer to each succeeding 1st day of the month until the Maturity Date.

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

“Person with HIV/AIDS” means any person who has AIDS, including infection with the Human Immunodeficiency Virus (HIV), as supported by a physician's letter.

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

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

“Project” means the development described in **Recital H**. If indicated by the context, “Project” means the Site and the improvements developed on the Site.

“Project Expenses” means the following costs, which may be paid from Project Income in the following order of priority to the extent of available Project Income: (a) all charges incurred in the operation of the Project for utilities, real estate taxes and assessments and premiums for insurance required under this Agreement or by other lenders providing secured financing for the Project; (b) salaries, wages and any other compensation due and payable to the employees or agents of Borrower employed in connection with the Project, including all related withholding taxes, insurance premiums, Social Security payments and other payroll taxes or payments; (c) required payments of interest and principal, if any, on any junior or senior financing secured by the Site and used to finance the Project that has been approved by the City; (d) all other expenses actually incurred to cover operating costs of the Project, including maintenance and repairs and the fee of any managing agent as indicated in the Annual Operating Budget; (e) required deposits to the Replacement Reserve Account, Operating Reserve Account and any other reserve account required under this Agreement; (f) the approved annual asset management fees indicated in the Annual Operating Budget and approved by the City; and (g) any extraordinary expenses approved in advance by the City (other than expenses paid from any reserve account).

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

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

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

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

"Qualifying Very Low Income Tenant" means a Person with HIV/AIDS whose family or household income is fifty percent (50%) or less of the Median Income, and the dependent children thereof.

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

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

“Residual Receipts” means Project Income remaining after payment of Project Expenses. The amount of Residual Receipts will be based on figures contained in audited financial statements.

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

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

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

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

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

“SFHA” means the San Francisco Housing Authority.

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

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

“Table” means: (a) the Table of Sources and Uses, (b) the Annual Operating Budget, and (c) the 20-Year Cash Flow Proforma.

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

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

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

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

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

“Unit” means a residential rental unit within the Project.

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

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

(a) The masculine, feminine or neutral gender and the singular and plural forms include the others whenever the context requires. The word “include(s)” means

“include(s) without limitation” and “include(s) but not limited to,” and the word “including” means “including without limitation” and “including but not limited to” as the case may be. No listing of specific instances, items or examples in any way limits the scope or generality of any language in this Agreement. References to days, months and years mean calendar days, months and years unless otherwise specified. References to a party mean the named party and its successors and assigns.

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

(c) Accounting terms and financial covenants will be determined, and financial information will be prepared, in compliance with GAAP as in effect on the date of performance. References to any Law, specifically or generally, will mean the Law as amended, supplemented or superseded from time to time.

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

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

ARTICLE 2 FUNDING.

2.1 Funding Amount. The City agrees to lend to Borrower a maximum principal amount equal to the Funding Amount in order to finance the acquisition and rehabilitation of the Project to address urgent life safety repairs, including necessary seismic and soft-story work, window repair/replacement, HVAC repairs, roof replacement, electrical upgrades, and fire escape repairs, and provide permanent financing to preserve the Project as residential housing affordable to low-income households. The Funding Amount will be disbursed according to the terms and subject to the conditions set forth in this Agreement.

2.2 Use of Funds. Borrower acknowledges that the City's agreement to make the Loan is based in part on Borrower's agreement to use the Funds solely for the purpose set forth in **Section 2.1** and agrees to use the Funds solely for that purpose in accordance with the approved Table of Sources and Uses. Notwithstanding anything to the contrary contained herein, City will

not approve expenditure of Funds for expenses incurred by Borrower prior to July 31, 2023, the date of the NOFA award.

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

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

2.5 Conditions to Additional Financing. The City may grant or deny any application by Borrower for additional financing for the Project in its sole discretion.

2.6 Reserved.

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

3.1 Maturity Date.

(a) Consolidated Loan. For the Consolidated Loan, Borrower will repay all amounts owing under the Consolidated Loan Note on the date that is the fifty-fifth (55) anniversary of the date the Consolidated Loan Deed of Trust is recorded in the Official Records (the "Consolidated Loan Maturity Date").

(b) PASS Loans. For the PASS Loans, Borrower will repay all amounts owing under the Market Rate Note, Below Market Rate Note, and Deferred Note on the date that is the earlier of (a) the forty-second (42nd) anniversary of the date that is the first day of the first full month following the date that the PASS Deed of Trust is recorded in the Official Records or (b) the fortieth (40th) anniversary of the date that is the first full month following the Completion Date (the "PASS Loan Maturity Date").

3.2 Compliance Term; Declaration of Restrictions. Borrower will comply with all provisions of the City Documents relating to the use of the Site and the Project as set forth in the Declaration of Restrictions to be recorded in the Official Records, for the period commencing on the date the Deeds of Trust are recorded in the Official Records and continuing for the Life of the

Project (the “Compliance Term”), even if the Loan is repaid or otherwise satisfied or the Deeds of Trust are reconveyed before the end of the Compliance Term.

3.3 Interest.

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

(b) PASS Loans. The PASS Loans will bear interest rates as follows:

(i) The outstanding principal balance of the Market Rate Loan will bear interest at a rate of 3.87289% per annum, compounding monthly, as provided in the Market Rate Note.

(ii) The outstanding principal balance of the BMR Loan will bear interest at a rate of 0.95763% per annum, compounding monthly, as provided in the BMR Note.

(iii) The outstanding principal balance of the Deferred Loan will bear interest at a rate of 0.95763% per annum compounding monthly, as provided in the Deferred Note.

3.4 Default Interest Rate. Upon the occurrence of an Event of Default under any City Document, the principal balance of the Loan will bear interest at the default interest rate set forth in the Notes, with such default interest rate commencing as of the date an Event of Default occurs and continuing until such Event of Default is fully cured. In addition, the default interest rate will apply to any amounts to be reimbursed to the City under any City Document if not paid when due or as otherwise provided in any City Document.

3.5 Repayment of Principal and Interest. Except as set forth in Section 3.5.1 below, the outstanding principal balance of the Loan, together with all accrued and unpaid interest, if any, will be due and payable on the Maturity Date according to the terms set forth in full in the Notes. Except as set forth in the Notes, no prepayment of the Loan will be permitted without the prior written consent of the City in its sole and absolute discretion. As of the Agreement Date, the interest that had accrued under the Original Loans, in the total amount of up to [\$1,839,173.00], is forgiven.

3.5.1 Notification and Repayment of Excess Proceeds. Borrower will notify the City in writing within thirty (30) days after the date on which Borrower receives any Excess Proceeds. Borrower will repay all Excess Proceeds to the City no later than sixty (60) days after such notification, unless the City has elected to waive such payment. The City will use such Excess Proceeds to reduce the balance of the Loan.

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

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

3.8 Additional Borrower Covenants. Borrower hereby covenants and agrees to perform the following additional obligations during the Compliance Term:

- (a) Borrower shall accept rental assistance (such as Section 8, or any successor or similar rent subsidy programs) to the extent that Rent charged for the Unit complies with such program regulations and a Qualified Tenant who submits a voucher or other form of rental assistance has been selected through the marketing process described in **Article 6** and is otherwise qualified for the Unit.
- (b) To the extent possible, as allowable by applicable law, and in compliance with MOHCD’s marketing procedures outlined in Article 6 of this Agreement, Borrower will maximize the occupancy of the Units.
- (c) If existing asbestos and lead are not fully abated by the Completion Date, Borrower will deliver to MOHCD a reasonably acceptable plan governing asbestos containing materials and lead-based hazards at the Site by no later than one hundred twenty (120) days after the Completion Date.
- (d) Borrower will continue to identify additional capital sources for rehabilitation work, including utilizing the Low-Income Weatherization Program where applicable. Borrower will also apply for Affordable Housing Program funds in 2025.
- (e) Borrower will implement rent increases at 195 Woolsey to bring existing Tenants closer to a 30% rent burden.

- (f) To contain costs, the Borrower will coordinate with 360 Management and MOCHD to select a highly experienced general contractor, oversee design-build sub selection and bids, coordinate specifications across trades, maintain a 6-month construction schedule to keep general conditions costs down, and quickly turnaround value engineering and scope re-prioritization as needed.
- (g) Borrower will work with Catholic Charities to maximize the length of commercial leases at Hazel Betsey and Positive Match.
- (h) Borrower must meet with the MOHCD Project Manager, Asset Manager, and Plus Housing Programs Manager and/or the Marketing and Lottery Manager biweekly from February 7, 2025 through the date of full occupancy to discuss marketing and lease-up progress, including other MOHCD staff where appropriate.
- (i) PASS loan funds will not be drawn down until the Project achieves 90% occupancy.
- (j) PASS loan funds will not be drawn down until all ENP NOFA funds have been drawn down with the exception of any costs that would be ineligible under PASS, but eligible under the ENP NOFA, and that would need to be expended after PASS disbursement.
- (k) For Positive Match, BHHC will 1) update MOHCD weekly via email on the status of the lease up until the building is fully occupied and 2) provide an updated tenant selection plan to Caritas.

ARTICLE 4 CLOSING; DISBURSEMENTS.

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

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

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

(a) Borrower will have delivered to the City fully executed (and for documents to be recorded, acknowledged) originals of the following documents, in form and substance satisfactory to the City: (i) the Notes; (ii) this Agreement (in duplicate); (iii) the Deeds of Trust; (iv) the Declaration of Restrictions; (v) the Opinion; (vi) the Authorizing Resolutions; (vii) the Developer Fee Agreement; (viii) subordination, nondisturbance and attornment agreements from each commercial tenant in possession, or holding any right of possession, of any portion of the Site; and (vii) any other City Documents reasonably requested by the City.

(b) Borrower will have delivered to the City: (i) Borrower's Charter Documents; (ii) a comprehensive maintenance and operating plan for the Project duly approved by Borrower's governing body that includes, but is not limited to, plans for emergencies and emergency maintenance, vacant unit turnover, preventive maintenance and inspection schedule, and marketing and resident selection; (iii) a CNA that has been duly approved by Borrower's governing body; and (iv) any supporting documentation relating to its CHDO status as reasonably requested by the City. The Charter Documents will be delivered to the City in their original form and as amended from time to time and be accompanied by a certificate of good standing for Borrower issued by the California Secretary of State and, if Borrower is organized under the laws of a state other than California, a certificate of good standing issued by the Secretary of State of the state of organization, issued no more than ninety (90) days before the Agreement Date.

(c) Borrower will have delivered to the City evidence of all insurance policies and endorsements required under **Exhibit L** of this Agreement and, if requested by the City, copies of such policies.

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

(e) Borrower will have delivered to the City a "Phase I" environmental report for the Site, or any other report reasonably requested by the City, prepared by a professional hazardous materials consultant acceptable to the City.

(f) The Escrow Agent will have received and is prepared to record the Declaration of Restrictions and Deeds of Trust as valid liens in the Official Records, subject only to the Permitted Exceptions.

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

(i) The City will have approved Borrower's relocation plan.

(j) Any non-MOHCD loans will be paid off through non-MOHCD loan proceeds through escrow.

(k) Borrower must have submitted into escrow for disbursement to the City the following PASS Program Costs and fees associated with the PASS Loan:

(i) Origination Fee – On or before the Agreement Date, the Borrower shall pay MOHCD a fee equal to \$46,388.00. The Borrower shall pay the Origination Fee to MOHCD by certified or official bank check or other means of payment acceptable to MOHCD.

(ii) City Attorney Expenses – On or before the Agreement Date, the Borrower shall pay MOHCD a fee equal to \$15,000. The Borrower shall pay the City Attorney Expenses fee to MOHCD by certified or official bank check or other means of payment acceptable to MOHCD.

(iii) Compliance Monitoring Fee – The initial installment of this fee, which must be paid in full on or before the Agreement Date to cover the first year of monitoring, is \$2,500.00. Thereafter, the fee for the coming year, which is due on the anniversary of the Agreement Date, is \$2,500. For Properties subject to City-imposed affordability restrictions, the fee is payable annually in advance for the duration of the Compliance Term. For Properties not subject to such restrictions, the fee is payable annually in advance through Loan maturity or prepayment.

(iv) Loan Servicing Fee – The cost of this fee is \$2,500 annually in advance. The first installment of the fee, which covers the first year of servicing, must be paid in full on or before the Agreement Date. Thereafter, the fee for the coming year is due on the anniversary of the Agreement Date through Loan maturity or prepayment.

(v) Adjustments – All fees in this Section shall be increased proportionately in the event of an increase in the Loan, but shall not be decreased in the event of a reduction in the Loan.

(l) Borrower must draft, and MOHCD must approve, an updated leasing plan for the Project and tenant selection plans for the Sites.

4.4 Disbursement of Funds. Following satisfaction of the conditions in **Section 4.3**, the City will authorize the Escrow Agent to disburse a portion of the Funds as provided in the City's escrow instructions.

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

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

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

(c) With respect to any Expenditure Request that covers rehabilitation or construction costs, Borrower will have certified to the City that the Project complies with the labor standards set forth in **Section 5.1**, if applicable.

(d) With respect to any Expenditure Request that covers travel expenses, Borrower's travel expenses will be reasonable and will comply with the following:

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

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

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

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

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

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

(e) The Loan will be In Balance.

(f) A certificate, satisfactory to MOHCD, from either the Borrower's architect or engineer, stating that (i) the Project has been rehabilitated substantially in accordance

with the Plans and Specifications and is free from defects in materials and workmanship, and (ii) the rehabilitation of the Project and the intended operation of the Project are in substantial compliance with the applicable zoning, environmental, preservation and all other applicable laws, ordinances, rules, regulations, restrictions and governmental requirements.

(g) The Borrower shall provide MOHCD with a certificate, substantially in the form attached hereto as **Exhibit Q** and satisfactory to MOHCD stating that the Project meets the requirements of the PASS Program Regulations underwriting guidelines including, but not limited to, the following:

(i) Loan-to-value ratio (“LTV”) that does not exceed the lesser of (a) 90% of appraised value or (b) 80% of total development costs based upon a numerator equal to the principal balance of the PASS Loan and a denominator equal to the “as complete-restricted” value set forth in that certain appraisal for the Project prepared by James G. Palmer Appraisals Inc. dated June 6, 2022

(ii) Debt service coverage ratio (“DSC”) of at least 1.15x, or such lower ratio as otherwise determined by MOHCD (but in no event lower than 1.10x), based upon a 30 day operating statement for the Project prepared on an accrual basis

(iii) Budgets must assume no more than 2.0% annual growth in operating income and no less than 3.0% annual growth in operating expenses.

(iv) Residential Vacancy Loss assumption of 5%

(v) Tenant Assistance Vacancy Loss assumption of 5%

(h) All escrows, reserves and accounts for the Project required as of such date to be funded shall be fully funded in their required amounts, as evidenced by bank statements.

(i) Borrower delivered the PASS Deed of Trust to the City, duly executed and acknowledged by Borrower. The PASS Deed of Trust must have been recorded as a valid lien in the Official Records, subject only to the Permitted Exceptions. A title company shall have committed to issue the Title Policy to City, and Borrower shall have delivered all documents reasonably required by such title company to issue the Title Policy, including, but not limited to, subordination agreements with HCD and Borrower. Borrower shall pay all amounts charged by the title company for the issuance of the Title Policy; provided that such amounts may be included in the Expenditure Request.

(j) Borrower delivered to City the Market Rate Note, the BMR Note, and the Deferred Note, each duly executed and acknowledged by Borrower.

(k) The Borrower has delivered to the City a current certificate of insurance acceptable to the City evidencing satisfaction of the insurance requirements under **Exhibit L**.

4.6 Loan In Balance. The City may require Borrower to pay certain costs incurred in connection with the Project from sources of funds other than the Loan at any time the City determines that the Loan is Out of Balance. When the City is satisfied that the Loan is again In Balance, the City will recommence making Disbursements for Expenditure Requests meeting the conditions set forth above.

4.7 Retention. In addition to the other conditions to Disbursements, Borrower acknowledges that the amount of hard costs or tenant improvements costs included in any Expenditure Request associated with rehabilitation or construction, when added to previously approved costs, may not exceed ninety percent (90%) of the approved budgeted costs on a line item basis. The remaining ten percent (10%) of approved budgeted hard costs or tenant improvement costs associated with rehabilitation or construction will be held by the City and/or other Project lenders (the “**Retention**”) and may be released only upon satisfaction of all requirements listed in the Construction Manager’s Checklist for Release of Retention as follows:

(a) Early Retention Release. After fifty percent (50%) of the rehabilitation or construction of the Project is complete as determined by the City, Borrower may submit a written request to the City to release up to fifty percent (50%) of the Retention, provided that the following prerequisites have been met: (i) all work required to be performed by all parties for whom the City agrees to release the Retention (the “**Early Retention Release Contractors**”) has been completed in conformance with the terms of the applicable contract documents, the plans and specifications approved by the City and all applicable Laws; (ii) the applicable Early Retention Release Contractors have filed unconditional lien waivers satisfactory to the City; (iii) no liens or stop notices have been filed against the Project and no claims are pending; (iv) the City determines that the contingency is in balance and adequate to complete the Project; (v) the Project is on schedule, and (vi) Expenditure Requests will not exceed 95% of the approved budgeted costs on a line item basis.

(b) Retention Release After Project Completion. Borrower may request disbursement of the remaining percentage amount of the Retention only upon the satisfaction of each of the following conditions, unless otherwise approved in writing by the City: (i) completion of rehabilitation or construction of the Project in accordance with the plans and specifications approved by the City, as evidenced by a certificate of occupancy or equivalent certification provided by the City's Department of Building Inspection, and an architect's or engineer's certificate of completion; (ii) timely recordation of a notice of completion; and (iii) either expiration of the lien period and the absence of any unreleased mechanics' liens or stop notices or recordation of the lien releases of all contractors, subcontractors and suppliers who provided labor or materials for the Project.

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

ARTICLE 5 DEMOLITION, REHABILITATION OR CONSTRUCTION.

5.1 Selection Requirements. In the selection of all contractors and professional consultants for the Project, Borrower must comply with the City’s procurement requirements and

procedures as described in the Contracting Manual and with the requirements of the Small Business Enterprise Program (“SBE Program”) as set forth in the SBE Manual according to the procedures established by the City's Contract Monitoring Division.

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

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

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

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

5.6 Commencement and Completion of Project. Unless otherwise extended in writing by the City, Borrower will: (a) commence rehabilitation or construction by a date no later than April 30, 2025; (b) complete rehabilitation or construction by a date no later than March 1, 2026,

in accordance with the plans and specifications approved by the City, as evidenced by a certificate of occupancy or equivalent certification provided by the City's Department of Building Inspection, and an architect's or engineer's certificate of completion (the "Completion Date"); and (c) achieve occupancy of One Hundred percent (100%) of the Units by a date no later than April 30, 2026.

5.7 Rehabilitation/Construction Standards. All rehabilitation or construction will be performed in a first class manner, substantially in accordance with final plans and specifications approved by the City and in accordance with all applicable codes. All newly constructed Units must meet the requirements of the Model Energy Code most recently published by the Council of American Building Officials. All Units must meet the accessibility requirements under 24 CFR part 8, implementing Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) and the design and construction requirements under 24 CFR § 100.205, implementing the Fair Housing Act (42 U.S.C. §§ 3601-3619).

5.8 Construction Monitoring. During the rehabilitation work on the Site, and in addition to the monitoring and reporting requirements described in Article 10 of this Agreement, Borrower must include the City's construction representative in any meetings between Borrower and Borrower's general contractor.

ARTICLE 6 MARKETING.

6.1 Marketing and Tenant Selection Plan. No later than sixty (60) days before the completion of the rehabilitation, Borrower will deliver to the City for the City's review and approval an affirmative plan for ongoing marketing of the Units and a written Tenant selection procedure for ongoing renting of the Units based on MOHCD's then-current form (the "Marketing and Tenant Selection Plan") all in compliance with the restrictions set forth in **Exhibit A** and in form and substance acceptable to the City. Borrower will obtain the City's approval of reasonable alterations to the Marketing and Tenant Selection Plan. Borrower will market and rent the Units in the manner set forth in the Marketing and Tenant Selection Plan, as approved by the City.

6.2 Affirmative Marketing and Tenant Selection Plan Requirements.

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

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

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

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

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

(e) Notices to SFHA.

(f) Notices to MOHCD

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

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

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

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

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

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

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

ARTICLE 7 AFFORDABILITY AND OTHER LEASING RESTRICTIONS.

7.1 Term of Leasing Restrictions. Borrower acknowledges and agrees that the covenants and other leasing restrictions set forth in this Article 7 will remain in full force and effect: (a) for the Compliance Term and survive the prior repayment or other satisfaction of the Loan, termination of this Agreement or reconveyance of the Deeds of Trust; and (b) following the expiration of the Compliance Term with respect to any Unit then occupied by a Qualified Tenant, until the Qualified Tenant voluntarily vacates his/her Unit or is evicted lawfully for just cause.

7.2 Borrower's Covenant.

(a) Borrower covenants to rent all Units at all times to households certified as Qualified Tenants at initial occupancy, as set forth in **Exhibit A**. Borrower further covenants that no HOME funds will be allocated to the construction or rehabilitation of a manager's Unit. If the Project contains 5 or more units, at least 20% must be reserved for very low-income Tenants, as defined under the HOME program regulations. In addition, all seven (7) Units at Positive Match must be rented to holders of Section 8 certificates or vouchers or similar rental subsidy benefits, unless these rental subsidy programs are no longer in operation. In addition, all nine (9) Units at Hazel Betsey will be made available to the Homeless or those at risk of homelessness during the period in which the Continuum of Care program is in operation and the City provides the Continuum of Care rental assistance subsidy to the Project under a Continuum of Care grant agreement.

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

(c) Notwithstanding the minimum affordability requirements of HUD set forth in Exhibit R, all seven (7) Units at Positive Match and all nine (9) Units at Hazel Betsey will be rented or held vacant at all times to Qualifying Very Low Income Tenants. Borrower acknowledges and agrees that that income and rent restrictions under this Agreement are lower than the minimum requirements under HOPWA. Income determination will be made at the time of initial occupancy of a Unit by a tenant.

7.3 Rent Restrictions.

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

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

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

(d) For any Qualified Tenant participating in a Rent or operating subsidy program where the Rent charged is calculated as a percentage of household income, adjustments to Rent charged may be made according to the rules of the relevant subsidy program. There is no limit on the increase/decrease in Rent charged under this provision, as long as it does not exceed the maximum Rent permitted under **Section 7.3(a)**. There is no limit on the number of Rent adjustments that can be made in a year under this provision.

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

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

7.4 Certification.

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

(b) Borrower will require each Qualified Tenant in the Project to recertify to Borrower on an annual basis the Qualified Tenant's household income.

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

7.5 Form of Lease. The form of lease for Tenants will provide for termination of the lease and consent to immediate eviction for failure to qualify as a Qualified Tenant if the Tenant has made any material misrepresentation in the initial income certification. The form of lease must also comply with 24 CFR § 92.253. The initial term of the lease will be for a period of not less than one (1) year. Borrower will not terminate the tenancy or refuse to renew any lease of a Unit except for serious or repeated violation of the terms and conditions of the lease, for violation of applicable Laws or other good cause. Any termination or refusal to renew the lease for a Unit will be preceded by not less than thirty (30) days' written notice to the Tenant specifying the grounds for the action.

7.6 Nondiscrimination. Borrower agrees not to discriminate against or permit discrimination against any person or group of persons because of race, color, creed, national origin, ancestry, age, sex, sexual orientation, disability, gender identity, height, weight, source of income or acquired immune deficiency syndrome (AIDS) or AIDS related condition (ARC) in the operation and use of the Project except to the extent permitted by law or required by any other funding source for the Project. Borrower agrees not to discriminate against or permit discrimination against Tenants using Section 8 certificates or vouchers or assistance through other rental subsidy programs.

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

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

7.9 Other Requirements. Borrower must meet the fair lease and tenant participation program requirements under 24 CFR § 92.303.

ARTICLE 8 MAINTENANCE AND MANAGEMENT OF THE PROJECT.

8.1 Borrower's Responsibilities.

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

8.2 Contracting With Management Agent.

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

(b) The City will provide written notice to Borrower of any determination that the contractor performing the functions required in **Section 8.1(a)** has failed to operate and

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

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

ARTICLE 9 GOVERNMENTAL APPROVALS AND REQUIREMENTS.

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

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

9.3 Additional Federal Requirements. The following provision shall apply as long as Federal Funds are used to finance the Project.

(a) Compliance With Laws Borrower agrees to abide by all applicable Laws, including HUD regulations, pertaining to this Agreement and to any contracts pertaining to the Project. In the event HUD formally amends, waives or repeals any HUD administrative regulation previously applicable to Borrower's performance under this Agreement, MOHCD expressly reserves the right, upon giving notice to HUD and Borrower, to require Borrower's performance as though the regulation were not amended, waived or repealed, subject only to written and binding objection by HUD. Borrower further acknowledges that the City may impose more stringent requirements with regard to affordability restrictions than those required by HUD and agrees to comply with the City's requirements as set forth in this Agreement.

(b) Drug-Free Workplace Borrower acknowledges that under the Federal Drug-Free Workplace Act of 1988 (41 U.S.C. §§ 701 *et seq.*), the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited on its premises. Borrower agrees that any violation of this prohibition by Borrower, its employees, agents or assigns will be deemed an Event of Default under this Agreement.

(c) Restrictions on Lobbying Activities

(i) This Agreement is subject to 31 U.S.C. Section 1352, which provides in part that, with specified exceptions, no appropriated funds may be expended by the recipient of a federal contract, grant, loan or cooperative agreement to pay any person for influencing, or attempting to influence, an officer or employee of any agency, a member of Congress, an officer or employee of Congress or an employee of a member of Congress in connection with any of the following covered federal actions: the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or cooperative agreement.

(ii) If the Funding Amount exceeds \$100,000, Borrower must file with MOHCD at the beginning of the Compliance Term and promptly after the occurrence of any change in the facts certified or disclosed:

(A) a certification substantially the same as that attached hereto as **Exhibit F**, and otherwise, in form and content satisfactory to the City and to HUD, that Borrower, its employees, officers and agents have not made, and will not make, any payment prohibited by **Subsection (i)** above; and

(B) a disclosure form, Federal Standard Form-LLL, "Disclosure of Lobbying Activities," if Borrower, its employees, officers or agents have made or agreed to make any payment using funds from a source other than the Funds that would be prohibited under **Subsection (i)** above if payment were made with Funds. The City will file the disclosure form with HUD and retain the certification for the City's records as required by Law.

(d) Debarment or Suspension Borrower must certify in form and content substantially the same as that attached hereto as **Exhibit F** that neither it nor any of its principals is listed by the General Services Administration as debarred, suspended, ineligible or voluntarily excluded from receiving the Funds on the Agreement Date. In addition, Borrower will review the list to ensure that any contractor or subcontractor who bids for a contract in excess of \$100,000 is not debarred, suspended, ineligible or voluntarily excluded from participating in federal programs and activities in addition to obtaining the certification of each contractor or subcontractor whose bid is accepted.

(e) Single Audit. If Borrower cumulatively expends \$750,000.00 or more in Federal Funds during Borrower's fiscal year, Borrower must conduct a single audit or program-specific audit by an independent auditor in accordance with OMB Uniform Guidance requirements in 2 CFR part 200 subpart F (§200.500 *et seq.*), as it may be amended from time to time ("Single Audit"). Borrower must submit a copy of the Single Audit report to MOHCD within nine (9) months after the end of Borrower's fiscal year or thirty (30) days after receiving the Single Audit report from the auditor.

(f) Other HUD Requirements. The following federal requirements are applicable to all activities funded under this Agreement:

(i) the requirements of the “Uniform Administrative Requirements, Cost Principles, and Audit Requirements For Federal Awards,” 2 CFR part 200, relating to allowable costs chargeable to the Funds and contractual requirements for nonprofit organizations, as applicable; and

(ii) the provisions of 24 CFR part 92, “HOME Investment Partnership Program,” and incorporated sections of 2 CFR part 200, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements For Federal Awards” and all requirements applicable to CHDOs, as described at 24 CFR part 92, specifically subpart G, “Community Housing and Development Organizations,” and the definition of CHDO at 24 CFR Section 92.2, and as described in HUDCPD Notice 9711, “Guidance on Community Housing Development Organizations under the HOME Program.”

(g) HOPWA Requirements. During the period the Units at Positive Match and Hazel Betsey will serve Qualifying Very Low Income Tenants, Borrower will comply with the terms of the HOPWA Regulations, affordability, and use restrictions under Exhibit R. If there is any conflict between Borrower’s compliance obligations under Exhibit R and any other obligation under this Agreement, the HOPWA requirements under Exhibit R will control.

ARTICLE 10 PROJECT MONITORING, REPORTS, BOOKS AND RECORDS.

10.1 Generally.

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

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

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

10.2 Monthly Reporting. Borrower will submit monthly reports (the “MOHCD Monthly Project Update”) describing progress toward developing the Project with respect to obtaining necessary approvals from other City departments, procuring architects, consultants and contractors, changes in scope, cost or schedule and significant milestones achieved in the past

month and expected to be achieved in the coming month. The MOHCD Monthly Project Update will be submitted by email in substantially the form requested by MOHCD until such time as the Project Completion Report is submitted to the City pursuant to **Section 10.5** below.

10.3 Annual Reporting.

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

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

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

10.5 Project Completion Report. Within the specific time periods set forth below after the completion of rehabilitation or construction, the lease-up and/or permanent financing of the Project, as applicable, Borrower will provide to the City the reports listed below certified by Borrower to be complete and accurate. Subsequent to the required submission of the reports listed below, Borrower will provide to the City information or documents reasonably requested by the City to assist in the City's review and analysis of the submitted reports:

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

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

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

(d) within one hundred-eighty (180) days after the Completion Date, and if the Project has used Federal Funds, a report demonstrating compliance with all requirements regarding HUD Section 3, including documentation of total labor hours worked on the Project, total Section 3 hours worked, total wages paid, total Section 3 wages paid, and the names of all

individuals employed to comply with the Section 3 and Section 3 goals, including the total hours worked for each individual and total wages paid to each individual.

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

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

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

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

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

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

10.9 Records Retention. Borrower will retain all records required for the periods required under applicable Laws, including 24 CFR Section 92.508.

ARTICLE 11 USE OF INCOME FROM OPERATIONS.

11.1 Project Operating Account.

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

Operating Account solely for the payment of Project Expenses. Withdrawals from the Project Operating Account (including accrued interest) for other purposes may be made only with the City's express prior written approval.

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

ARTICLE 12 REQUIRED RESERVES.

12.1 Replacement Reserve Account.

(a) Commencing no later than ninety (90) days after the Completion Date, or any other date the City designates in writing, Borrower will establish or cause to be established a segregated interest-bearing replacement reserve depository account (the "Replacement Reserve Account"). On or before the 15th day of each month following establishment of the Replacement Reserve Account, Borrower will make monthly deposits from Project Income into the Replacement Reserve Account in the amount necessary to meet the requirements of this Section. The City may review the adequacy of deposits to the Replacement Reserve Account periodically and require adjustments as it deems necessary.

(b) Borrower will make an initial deposit into the Replacement Reserve Account in an amount equal to Three Hundred Fifty-Six Nine Hundred Ninety-Nine and No/100 Dollars (\$356,999.00). Thereafter, monthly deposits will equal the higher of (i) the amount needed under Borrower's approved CNA, or (ii) 1/12th of the following amount: \$18,200.00.

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

(c) In addition, if at any time the balance of the Replacement Reserve Account is below one and a half (1.5) times the original capitalized replacement reserve balance set forth in **Section 12.1(b)** above, Borrower shall deposit into the Replacement Reserve Account the funds that would otherwise be allocated to the City's share of Residual Receipts until it reaches that amount. Any Residual Receipts remaining above that amount shall be paid to the City in accordance with the Notes.

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

12.2 Operating Reserve Account.

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

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

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

ARTICLE 13 DISTRIBUTIONS.

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

13.2 Conditions to Distributions. The 20-Year Cash Flow Proforma attached hereto as Exhibit B-2 includes projections of annual Distributions. Exhibit B-2 is not intended to impose limits on the amounts to be annually distributed. Distributions for a particular fiscal year may be made only following: (a) City approval of the Annual Monitoring Report submitted for that year; (b) the City's determination that Borrower is not in default under this Agreement or any other agreement entered into with the City and County of San Francisco or the City for the Project; and (c) the City's determination that the amount of the proposed Distribution satisfies the conditions of this Agreement. The City will be deemed to have approved Borrower's written request for approval of a proposed Distribution unless the City delivers its disapproval or request for more information to Borrower within thirty (30) business days after the City's receipt of the request for approval.

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

- (a) when a written notice of default has been issued by any entity with an equitable or beneficial interest in the Project and the default is not cured within the applicable cure periods; or
- (b) when the City determines that Borrower or Borrower's management agent has failed to comply with this Agreement; or
- (c) if required debt service on all loans secured by the Project and all operating expenses have not been paid current; or
- (d) if the Replacement Reserve Account, Operating Reserve Account or any other reserve account required for the Project is not fully funded under this Agreement; or
- (e) if the Loan is to be repaid from Residual Receipts, Borrower failed to make a payment when due on a Payment Date and the sum remains unpaid; or
- (f) during the pendency of an uncured Event of Default (including Borrower's failure to provide its own funds at any time the City determines the Loan is out of balance) under any City Document.

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

ARTICLE 14 SYNDICATION PROCEEDS.

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

ARTICLE 15 DEVELOPER FEES.

15.1 Amount. The City has approved the payment of development fees from the Loan to the Developer in an amount not to exceed Six Hundred Four Thousand Three Hundred Thirteen and No/100 Dollars (\$604,313.00) for developing the Project ("Developer Fees"), subject to the Developer Fee Policy and the terms and conditions set forth in full in the Developer Fee Agreement between the City and Developer.

15.2 Fee Payment Schedule. Developer will receive payment of the Developer Fees pursuant to Section 2(b) of the Developer Fee Agreement.

ARTICLE 16 TRANSFERS.

16.1 Permitted Transfers/Consent. Borrower will not cause or permit any voluntary transfer, assignment or encumbrance of its interest in the Site or Project or of any ownership interests in Borrower, or lease or permit a sublease on all or any part of the Project, other than: (a) leases, subleases or occupancy agreements to occupants of Units and/or Commercial Space in the Project; or (b) security interests for the benefit of lenders securing loans for the Project as approved by the City on terms and in amounts as approved by City in its reasonable discretion. Any other transfer, assignment, encumbrance or lease without the City's prior written consent will be voidable and, at the City's election, constitute an Event of Default under this Agreement. The City's consent to any specific assignment, encumbrance, lease or other transfer will not constitute its consent to any subsequent transfer or a waiver of any of the City's rights under this Agreement.

ARTICLE 17 INSURANCE AND BONDS; INDEMNITY.

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

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

Law, including any contest permitted under **Sections 9.1, 9.2 and 18.2**; or (i) any claim, demand or cause of action, or any investigation, inquiry, order, hearing, action or other proceeding by or before any Governmental Agency, whether meritorious or not, that directly or indirectly relates to, arises from or is based on the occurrence or allegation of any of the matters described in clauses (a) through (h) above, *provided that* no Indemnitee will be entitled to indemnification under this Section for matters caused solely by its own gross negligence or willful misconduct.

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

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

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

ARTICLE 18 HAZARDOUS SUBSTANCES.

18.1 Borrower's Representations. Borrower represents and warrants to the City that, to the best of Borrower's actual knowledge, without independent investigation or inquiry as of the Agreement Date, the following statements are true and correct except as disclosed in the Phase I Environmental Site Assessment Report for 1652 Eddy Street, prepared by Partner Engineering and Science, Inc., dated October 11, 2023; the Phase I Environmental Site Assessment Report for 3554 17th Street, prepared by Partner Engineering and Science, Inc., dated October 11, 2023; and the Environmental Site Assessment Report for 195 Woolsey Street, prepared by Partner Engineering and Science, Inc., dated October 11, 2023 or otherwise in writing: (a) the Site is not

in violation of any Environmental Laws; (b) the Site is not now, nor has it been, used for the manufacture, use, storage, discharge, deposit, transportation or disposal of any Hazardous Substances, except in limited quantities customarily used in residences and offices and in compliance with Environmental Laws; (c) the Site does not consist of any landfill or contain any underground storage tanks; (d) the improvements on the Site do not consist of any asbestos-containing materials or building materials that contain any other Hazardous Substances; (e) no release of any Hazardous Substances in the improvements on the Site has occurred or in, on, under or about the Site; and (f) the Site is not subject to any claim by any Governmental Agency or third party related to any Environmental Activity or any inquiry by any Governmental Agency (including the California Department of Toxic Substances Control and the Regional Water Quality Control Board) with respect to the presence of Hazardous Substances in the improvements on the Site or in, on, under or about the Site, or the migration of Hazardous Substances from or to other real property.

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

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

ARTICLE 19 DEFAULT.

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

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

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

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

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

(e) All or a substantial or material portion of the improvements on the Site is damaged or destroyed by fire or other casualty, and the City has determined upon restoration or repair that the security of the Deeds of Trust has been impaired or that the repair, restoration or replacement of the improvements in accordance with the requirements of the Deeds of Trust is not economically practicable or is not completed within two (2) years of the receipt of insurance proceeds; or all or a substantial or material portion of the improvements is condemned, seized or appropriated by any non-City Governmental Agency or subject to any action or other proceeding instituted by any non-City Governmental Agency for any purpose with the result that the improvements cannot be operated for their intended purpose; or

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

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

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

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

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

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

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

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

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

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

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

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

(a) The City at its option may declare the unpaid principal balance of the Notes, together with default interest as provided in the Notes and any other charges due under the Notes and the other City Documents, immediately due and payable without protest, presentment, notice of dishonor, demand or further notice of any kind, all of which Borrower expressly waives.

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

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

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

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

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

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

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

ARTICLE 20 REPRESENTATIONS AND WARRANTIES.

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

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

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

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

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

(e) None of Borrower, Borrower's principals or Borrower's general contractor has been suspended or debarred by the City, the Department of Industrial Relations, or any Governmental Agency, nor has Borrower, any of its principals or its general contractor been suspended, disciplined or prohibited from contracting with the City or any Governmental Agency. Further, Borrower certifies that neither it nor any of its principals is listed by the General Services Administration as debarred, suspended, ineligible or voluntarily excluded from receiving the Funds on the Agreement Date. In addition, Borrower will review the list to ensure that any contractor or subcontractor who bids for a contract in excess of \$100,000 is not debarred, suspended, ineligible or voluntarily excluded from participating in federal programs and activities in addition to obtaining the certification of each contractor or subcontractor whose bid is accepted.

(f) The Loan is in balance, and the Funding Amount, together with all other committed sources of financing for the Project, are sufficient to complete the Project in accordance with this Agreement.

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

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

ARTICLE 21 NOTICES.

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

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

To Borrower: Hazel Eddy Woolsey LLC
c/o Bernal Heights Housing Corporation
515 Cortland Avenue
San Francisco, CA 94110
Attn: Executive Director

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

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

ARTICLE 22 GENERAL PROVISIONS.

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

22.2 No Third Party Beneficiaries. Nothing contained in this Agreement, nor any act of the City, may be interpreted or construed as creating the relationship of third party

beneficiary, limited or general partnership, joint venture, employer and employee, or principal and agent between the City and Borrower or Borrower's agents, employees or contractors.

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

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

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

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

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

22.8 Inconsistencies in City Documents. In the event of any conflict between the terms of this Agreement and any other City Document, the terms of this Agreement control unless otherwise stated; *provided, however*, that any provision in this Agreement in conflict with any Law will be interpreted subject to that Law.

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

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

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

22.12 Reserved.

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

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

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

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

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

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

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

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

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

EXHIBITS

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

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

THE CITY:

CITY AND COUNTY OF SAN
FRANCISCO, a municipal corporation

BORROWER:

HAZEL EDDY WOOLSEY LLC,
a California limited liability company

By: _____
Daniel Lurie
Mayor

By: Bernal Heights Housing Corporation,
a California nonprofit public benefit
corporation
Its: Sole member

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

By: _____
Name: Gina Dacus
Title: Executive Director

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: _____
Jessica Alfaro-Cassella
Deputy City Attorney

EXHIBIT A
Schedules of Income and Rent Restrictions

1. **Income and Rent Restrictions.** Maximum rent is 30% of maximum income level. The income restrictions must comply with Median Income, as determined by MOHCD, but will not exceed the Maximum HUD Income Level. As used in this Agreement, the term “Qualified Tenant” includes each category of Tenant included below:

1652-1654 Eddy Street: Positive Match

Unit Size	No. of Units	Maximum Income Level	Maximum Income Level HUD	HOME Rent Category
1-BR	1	50% of Median Income	50% of HUD AMI	Low HOME Rents
2-BR	5	50% of Median Income	50% of HUD AMI	
3-BR	1	50% of Median Income	50% of HUD AMI	

3554 17th Street: Hazel Betsey

Unit Size	No. of Units	Maximum Income Level	Maximum Income Level HUD	HOME Rent Category
Studio	6	50% of Median Income	50% of HUD AMI	Low HOME Rents
1-BR	3	50% of Median Income	50% of HUD AMI	

195 Woolsey Street

Unit Size	No. of Units	Maximum Income Level	Maximum Income Level HUD	HOME Rent Category
Studio	2	50% of Median Income	50% of HUD AMI	Low HOME Rents
Studio	8	60% of Median Income	60% of HUD AMI	[High] HOME Rents

Borrower further covenants that no HOME funds will be allocated to the construction or rehabilitation of a manager’s Unit. If the Project contains 5 or more units, at least 20%

must be reserved for very low-income Tenants, as defined under the HOME program regulations.

In addition, all seven (7) Units at Positive Match must be rented to holders of Section 8 certificates or vouchers or similar rental subsidy benefits, unless these rental subsidy programs are no longer in operation.

In addition, all seven (7) Units at Positive Match will be rented at all times to Qualifying Very Low Income Tenants and comply with HOPWA Regulations and the HOPWA Requirements described in Exhibit R.

In addition, all nine (9) Units at Hazel Betsey will be rented at all times to Qualifying Very Low Income Tenants and comply with HOPWA Regulations and the HOPWA Requirements described in Exhibit R.

In addition, all nine (9) Units at Hazel Betsey will be made available to the Homeless or those at risk of homelessness during the period in which the Continuum of Care program is in operation and the City provides the Continuum of Care rental assistance subsidy to the Project under a Continuum of Care grant agreement.

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

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

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

(iii) the maximum allowable total amount for rent and utilities determined under an executed Continuum of Care agreement between HSH and the Borrower.

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

EXHIBIT B-1
Table of Sources and Uses of Funds

Application Date: 7/1/23 # Units: 26
 Project Name: Hazel Eddy Woolsey Bundle # Bedrooms: 53
 Project Address: multiple multiple multiple # Beds:
 Project Sponsor: Bernal Heights Neighborhood Corporation

Small Sites Project

SOURCES	2,670,158	2,259,999	1,246,896	204,105	1,070,119	921,725	228,869	1,464,890	428,453	166,642	1,200,000			Total Sources	11,761,886	Comments
USE:																
Name of Sources:	MOHCD/OCI	PASS- MR	PASS- BMR	PASS- deferred	CCSF- HOPWA (Eddy)	CCSF- HOME (Eddy)	CCSF- HOTEL TAX (Eddy)	CCSF- HOPWA (Hazel Betsy)	CCSF- HOME (Woolsey)	Bernal Equity	HAZEL Elevator Replacement ONLY- HSH EMP					
Permit loans total:	2,570,158															

ACQUISITION					1,070,119	921,725	228,869	1,363,770	428,453						4,012,896	2570158
Acquisition cost or value																
Lease / Closing costs / Broker's Fee																
Holding Costs																
Transfer Tax																
TOTAL ACQUISITION	0	0	0	0	1,070,119	921,725	228,869	1,363,770	428,453	0	0	0	0	0	4,012,936	

CONSTRUCTION (HARD COSTS)																
Unit Construction/Rehab	1,210,468	264,666	1,246,896	204,105				101,120			1,200,000				4,233,255	Include FF&E
Commercial Shell Construction															0	
Demolition															0	
Environmental Remediation															0	
Onsite Improvements/Landscaping															0	
Offsite Improvements															0	
Infrastructure Improvements															0	HOPE SF/OCil costs for streets etc.
Parking															0	
GC Bond Premium/GC Insurance/GC Taxes	51,516	76,965													128,481	
GC Overhead & Profit	183,478	274,115													457,593	
GC General Conditions	189,235	299,289													449,524	
Sub-total Construction Costs	1,631,697	885,015	1,246,896	204,105	0	0	0	101,120	0	0	1,200,000	0	0	5,268,833		
Design Contingency (remove at DD)															0	5% up to \$30MM HC; 4% \$30-\$45MM; 3% \$45MM+
Bit Contingency (remove at bid)	22,428	33,507													55,935	5% up to \$30MM HC; 4% \$30-\$45MM; 3% \$45MM+
Plan Check Contingency (remove/reduce during Plan Review)															0	4% up to \$30MM HC; 3% \$30-\$45MM; 2% \$45MM+
Hard Cost Construction Contingency	384,648	574,662													959,310	5% new construction / 15% rehab
Sub-total Construction Contingencies	407,076	608,169	0	0	0	0	0							1,015,245		
TOTAL CONSTRUCTION COSTS	2,038,773	1,493,184	1,246,896	204,105	0	0	0	101,120	0	0	1,200,000	0	0	6,284,078		Construction line item costs as a % of hard costs 2.4% 8.7% 8.8%

SOFT COSTS																
Architecture & Design																
Architect design fees	8,019	11,981													20,000	See MOHCD A&E Fee Guidelines: http://slmohcd.org/documents-reports-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)															0	
Architect Construction Admin															0	
Reimbursables															0	
Additional Services															0	
Sub-total Architect Contract	8,019	11,981	0	0	0	0	0							20,000		
Other Third Party design consultants (not included under Architect contract)															0	Consultants not covered under architect contract; name consultant type and contract amount
Total Architecture & Design	8,019	11,981	0	0	0	0	0							20,000		
Engineering & Environmental Studies															0	
Survey															0	
Geotechnical studies	6,014	8,986													15,000	
Phase I & II Reports	10,024	14,976													25,000	
CICQA / Environmental Review consultants															0	
NEPA / 106 Review															0	
CNA/PNA (rehab only)															0	
Other environmental consultants	6,014	8,986													15,000	Name consultants & contract amounts
Total Engineering & Environmental Studies	22,052	32,948	0	0	0	0	0							55,000		
Financing Costs															0	
Construction Financing Costs															0	
Construction Loan Origination Fee															0	
Construction Loan Interest															0	
Title & Recording															0	
CDLAC & CDIAC fees															0	
Bond Issuer Fees															0	
Other Bond Cost of Insurance															0	
Other Lender Costs (specify)															0	
Sub-total Const. Financing Costs	0	0	0	0	0	0	0							0		
Permanent Financing Costs															0	
Permanent Loan Origination Fee	12,775	46,388													59,163	
Credit Enhance. & Appl. Fee		2,500													2,500	
Title & Recording		12,500													12,500	
Sub-total Perm. Financing Costs	12,775	61,388	0	0	0	0	0							74,163		
Total Financing Costs	12,775	61,388	0	0	0	0	0							74,163		
Legal Costs															0	
Borrower Legal fees	4,010	5,990													10,000	
Lend Use / CICQA Attorney fees															0	
Tax Credit Counsel															0	
Bond Counsel															0	
Construction Lender Counsel															0	
Permanent Lender Counsel	14,034	20,966													35,000	
Other Legal (specify)															0	
Total Legal Costs	18,044	26,956	0	0	0	0	0							45,000		
Other Development Costs															0	
Appraisal		9,000													9,000	
Market Study															0	
Insurance	40,096	59,904													100,000	
Property Taxes															0	
Accounting / Audit															0	
Organizational Costs															0	
Entitlement / Permit Fees	4,711	7,038													11,749	
Marketing / Rent-up															0	
Furnishings															0	
PGE / Utility Fees															0	
TCAC App / Alloc / Monitor Fees															0	
Financial Consultant fees	8,019	11,981													20,000	
Construction Management fees / Owner's Rep	60,144	89,856													150,000	
Security during Construction															0	
Relocation	89,815	50,807													140,622	
Other (specify)		5,000													5,000	
Other (specify)															0	
Other (specify)															0	
Total Other Development Costs	202,785	233,586	0	0	0	0	0							436,371		
Soft Cost Contingency															0	
Contingency (Arch, Eng, Fin, Legal & Other Dev)	25,403	37,951	0	0	0	0	0							63,354	Should be either 10% or 5% of total soft costs.	
TOTAL SOFT COSTS	289,078	404,810	0	0	0	0	0							693,888		Total Soft Cost Contingency as % of Total Soft Costs 18.9%

RESERVES																
Operational Reserves										66,642				66,642	-355.630235	
Replacement Reserves										100,000				100,000		
Tenant Improvements Reserves														0		
Other (specify)														0		
Other (specify)														0		
Other (specify)														0		
TOTAL RESERVES	0	0	0	0	0	0	0							166,642		

DEVELOPER COSTS																
Developer Fee - Cash-out Paid at Milestones	242,307	362,006													604,313	942611.625
Developer Fee - Cash-out At Risk															0	
Commercial Developer Fee															0	
Developer Fee - GP Equity (also show as source)															0	
Developer Fee - Deferred (also show as source)															0	
Development Consultant Fees															0	
Other (specify)															0	
TOTAL DEVELOPER COSTS	242,307	362,006	0	0	0	0	0							604,313		

TOTAL DEVELOPMENT COST	2,670,158	2,259,999	1,246,896	204,105	1,070,119	921,725									11,761,886
Development Cost/Unit by Source	86,852	86,923	47,958	7,850	41,158	35,451									452,379
Development Cost/Unit as % of TDC by Source	21.9%	19.2%	19.6%	1.7%	9.1%	7.8%									100.0%
Acquisition Cost/Unit by Source	0	0	0	0	41,158	35,451									156,344
Construction Cost (inc Const Contingency)/Unit By Source	79,414	57,430	47,958	7,850	0	0									241,696
Construction Cost (inc Const Contingency)/SF	110.42	80.87	67.53	11.05	0.00	0.00									340.38
Possible non-eligible GO Bond/COP Amount:		1,354,398													
City Subsidy/Unit		98,652													
Tax Credit Equity Pricing:		N/A													
Construction Bond Amount:		N/A													
Construction Loan Term (in months):		N/A													
Construction Loan Interest Rate (as %):		N/A													

EXHIBIT B-2
Annual Operating Budget

Application Date: 7/1/2023
Total # Units: 26
Project Name: Hazel Eddy Woolsey Bundle
Project Address: multiple (See more on property info page) multiple
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2024
Project Sponsor: Bernal Heights Neighborhood Corporation
Small Sites Project
Correct errors noted in Col NI

INCOME	Total	Comments	PUPA	PUPM
Residential - Tenant Rents	178,423	Links from 'Existing Proj - Rent Info' Worksheet	6,786	565
Residential - Tenant Assistance Payments (SOS Payments)	0	Comments		
Residential - Tenant Assistance Payments (Other Non-LOSP)	513,084	Links from 'Existing Proj - Rent Info' Worksheet	19,734	1,645
Commercial Space	20,000	from 'Commercial Op. Budget' Worksheet, Commercial to Residential allocation: 100%	769	
Residential Parking	0	Links from 'Utilities & Other Income' Worksheet	-	
Miscellaneous Rent Income	0	Links from 'Utilities & Other Income' Worksheet	-	
Supportive Services Income			-	
Interest Income - Project Operations	0	Links from 'Utilities & Other Income' Worksheet	-	
Laundry and Vending	0	Links from 'Utilities & Other Income' Worksheet	-	
Tenant Charges	0	Links from 'Utilities & Other Income' Worksheet	-	
Miscellaneous Residential Income	0	Links from 'Utilities & Other Income' Worksheet	-	
Other Commercial Income	0	from 'Commercial Op. Budget' Worksheet, Commercial to Residential allocation: 100%	-	
Withdrawal from Capitalized Reserve (deposit to operating account)			-	
Gross Potential Income	709,507			
Vacancy Loss - Residential - Tenant Rents	(8,821)	Vacancy loss is 5% of Tenant Rents.	(339)	
Vacancy Loss - Residential - Tenant Assistance Payments	(25,654)	Vacancy loss is 5% of Tenant Assistance Payments.	(987)	
Vacancy Loss - Commercial	(2,000)	from 'Commercial Op. Budget' Worksheet, Commercial to Residential allocation: 100%	(77)	
EFFECTIVE GROSS INCOME	673,032	PUPA: 25,886		

OPERATING EXPENSES

Management				
Management Fee	25,272	1st Year to be set according to HUD schedule.	972	81
Asset Management Fee	11,681		449	
Sub-total Management Expenses	36,953	PUPA: 1,421		
Salaries/Benefits				
Office Salaries	0	Links from 'Staffing' Worksheet	-	
Manager's Salary	45,597	Links from 'Staffing' Worksheet	1,754	
Health Insurance and Other Benefits			-	
Other Salaries/Benefits			-	
Administrative Rent-Free Unit			-	
Sub-total Salaries/Benefits	45,597	PUPA: 1,754		
Administration				
Advertising and Marketing	6,253	includes cost of tenants' credit and background checks	241	
Office Expenses	800		31	
Office Rent			-	
Legal Expense - Property	11,350		437	
Audit Expense	11,700		450	
Bookkeeping/Accounting Services	11,052		425	
Bad Debts			-	
Miscellaneous	1,296	19145 telephone, 3720 payroll processing fees, 1303 misc, 420 prof services	50	
Sub-total Administration Expenses	42,451	PUPA: 1,633		
Utilities				
Electricity	24,164		929	77
Water	22,027		847	71
Gas	18,156		698	58
Sewer			-	
Sub-total Utilities	64,347	PUPA: 2,475		
Taxes and Licenses				
Real Estate Taxes	4,040		155	
Payroll Taxes	600		-	
Miscellaneous Taxes, Licenses and Permits			23	
Sub-total Taxes and Licenses	4,640	PUPA: 178		
Insurance				
Property and Liability Insurance	28,465		1,095	
Fidelity Bond Insurance			-	
Worker's Compensation			-	
Director's & Officers' Liability Insurance			-	
Sub-total Insurance	28,465	PUPA: 1,095		
Maintenance & Repair				
Payroll	93,288	Links from 'Staffing' Worksheet	3,588	
Supplies	12,805	repair materials	493	
Contracts	75,602	elevator	2,908	
Garbage and Trash Removal	30,276		1,164	
Security Payroll/Contract	9,941	Links from 'Staffing' Worksheet	382	
HVAC Repairs and Maintenance		included above in repairs/maintenance	-	
Vehicle and Maintenance Equipment Operation and Repairs		n/a - pay mileage to staff in misc line below	-	
Miscellaneous Operating and Maintenance Expenses	4,300		165	
Sub-total Maintenance & Repair Expenses	226,212	PUPA: 8,700		
Supportive Services	0	Links from 'Staffing' Worksheet	-	
Commercial Expenses	0	from 'Commercial Op. Budget' Worksheet, Commercial to Residential allocation: 100%	-	

TOTAL OPERATING EXPENSES 448,665 PUPA: 17,256

Reserves/Ground Lease Base Rent/Bond Fees

Ground Lease Base Rent	0	Provide additional comments here, if needed.	-	
Bond Monitoring Fee	5,000		192	
Replacement Reserve Deposit	30,686		1,180	
Operating Reserve Deposit	9,223		355	
Other Required Reserve 1 Deposit			-	
Other Required Reserve 2 Deposit			-	
Required Reserve Deposit/s, Commercial	0	from 'Commercial Op. Budget' Worksheet, Commercial to Residential allocation: 100%	-	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	44,909	PUPA: 1,727		

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond)	493,574	PUPA: 18,984		
NET OPERATING INCOME (INCOME minus OP EXPENSES)	179,458	PUPA: 6,902		

DEBT SERVICE/MUST PAY PAYMENTS (hard debt/amortized loans)				
Hard Debt - First Lender	111,210	PASS- MR	Provide additional comments here, if needed.	
Hard Debt - Second Lender (HCD Program 0.42% p/mt, or other 2nd Len	37,535	PASS- BMR	Provide additional comments here, if needed.	
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0		Provide additional comments here, if needed.	
Hard Debt - Fourth Lender	0		Provide additional comments here, if needed.	
Commercial Hard Debt Service	0	from 'Commercial Op. Budget' Worksheet, Commercial to Residential allocation: 100%		
TOTAL HARD DEBT SERVICE	148,746	PUPA: 5,721		

CASH FLOW (NOI minus DEBT SERVICE)

AVAILABLE CASH FLOW 30,712

USES OF CASH FLOW BELOW (This row also shows DSCR.)

USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL	1.21			
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)				
Partnership Management Fee (see policy for limits)				
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)				
Other Payments				
Non-amortizing Loan Pmtnt - Lender 1 (select lender in comments field)			Provide additional comments here, if needed.	
Non-amortizing Loan Pmtnt - Lender 2 (select lender in comments field)			Provide additional comments here, if needed.	
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)		Def. Develop. Fee split: 0%	Provide additional comments here, if needed.	

TOTAL PAYMENTS PRECEDING MOHCD 0 PUPA: 0

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS)

30,712

Residual Receipts Calculation

Does Project have a MOHCD Residual Receipt Obligation? Yes Project has MOHCD ground lease? No
Will Project Defer Developer Fee? No
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1: 33%
% of Residual Receipts available for distribution to soft debt lenders in 67%

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

Enter Total MOHCD/OCII Principal Loan amts

EXHIBIT B-3
20-Year Cash Flow Proforma

EXHIBIT C
Tenant Income Certification Form

TENANT INCOME CERTIFICATION

☐ Initial Certification ☐ Recertification ☐ Other _____

Effective Date: _____
Move-In Date: _____
(MM-DD-YYYY)

PART I - DEVELOPMENT DATA

Property Name: _____ County: _____ TCAC#: _____ BIN#: _____
Address: _____ If applicable, CDLAC#: _____
Unit Number: _____ # Bedrooms: _____ Square Footage: _____

PART II. HOUSEHOLD COMPOSITION

☐ Vacant (Check if unit was vacant on December 31 of the Effective Date Year)

HH Mbr #	Last Name	First Name	Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	Student Status (Check One)	Last 4 digits of Social Security #
1				HEAD		FT <input type="checkbox"/> /PT <input type="checkbox"/> /NA <input type="checkbox"/>	
2						FT <input type="checkbox"/> /PT <input type="checkbox"/> /NA <input type="checkbox"/>	
3						FT <input type="checkbox"/> /PT <input type="checkbox"/> /NA <input type="checkbox"/>	
4						FT <input type="checkbox"/> /PT <input type="checkbox"/> /NA <input type="checkbox"/>	
5						FT <input type="checkbox"/> /PT <input type="checkbox"/> /NA <input type="checkbox"/>	
6						FT <input type="checkbox"/> /PT <input type="checkbox"/> /NA <input type="checkbox"/>	
7						FT <input type="checkbox"/> /PT <input type="checkbox"/> /NA <input type="checkbox"/>	

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

HH Mbr #	(A) Employment or Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income
TOTALS	\$	\$	\$	\$

Add totals from (A) through (D), above

TOTAL INCOME (E):

\$

PART IV. INCOME FROM ASSETS

HH Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset

TOTALS: \$

\$

Enter Column (H) Total

Passbook Rate

If over \$5000

\$ _____ X 0.06%

= (J) Imputed Income

\$

Enter the greater of the total of column I, or J: imputed income

TOTAL INCOME FROM ASSETS (K)

\$

(L) Total Annual Household Income from all Sources [Add (E) + (K)]

\$

HOUSEHOLD CERTIFICATION & SIGNATURES

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

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

Signature

(Date)

Signature

(Date)

Signature

(Date)

Signature

(Date)

PART V. DETERMINATION OF INCOME ELIGIBILITY**RECERTIFICATION ONLY:**

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

\$

Unit Meets Federal
Income Restriction at:
☐ 60% ☐ 50%

Current Federal LIHTC
Income Limit x 140%:

\$

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

\$

Or Federal A.I.T. at:
☐ 80% ☐ 70% ☐ 60% ☐ 50%
☐ 40% ☐ 30% ☐ 20%

Household Income exceeds
140% at recertification:
☐ Yes ☐ No

If Applicable, Current Federal Bond
Income Limit per Family Size:

\$

Unit Meets State Deeper
Targeting Income Restriction
at:

Household Size at Move-in:

Household Income as of Move-in:

\$

☐ Other _____%

PART VI. RENT

Tenant Paid Monthly Rent:

\$

Federal Rent Assistance:

\$

*Source: _____

Monthly Utility Allowance:

\$

Non-Federal Rent Assistance:

\$

(*0-8)

Other Monthly Non-optional charges:

\$

Total Monthly Rent Assistance: \$

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

\$

*Source of Federal Assistance

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

Maximum Federal LIHTC Rent Limit for
this unit:

\$

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

\$

Unit Meets Federal Rent Restriction at:

☐ 60% ☐ 50%

Or Federal A.I.T. at:

☐ 80% ☐ 70% ☐ 60%
☐ 50% ☐ 40% ☐ 30%
☐ 20%

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

If Applicable, Unit Meets Bond Rent
Restriction at:

☐ 60% ☐ 50%

Unit Meets State Deeper
Targeting Rent Restriction at:

☐ Other: _____%

PART VII. STUDENT STATUS

ARE ALL OCCUPANTS FULL TIME STUDENTS?

☐ Yes ☐ No

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

Enter
1-5

*Student Explanation:

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

PART VIII. PROGRAM TYPE

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

Select one of the following.

- ☐ 9% Allocated Federal Housing Tax Credit
☐ 4% Allocated Federal Housing Tax Credit
☐ Tax-Exempt Bond Only (No tax credits)

Select all that apply.

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

SIGNATURE OF OWNER/REPRESENTATIVE

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

SIGNATURE OF OWNER/REPRESENTATIVE

DATE

PART IX. SUPPLEMENTAL INFORMATION FORM

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

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

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

The Following Race Codes should be used:

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

6 – Other

7 – Did not respond. (Please initial below)

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

The Following Ethnicity Codes should be used:

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

Disability Status:

1 – Yes

If any member of the household is disabled according to Fair Housing Act definition for handicap (disability):

- A physical or mental impairment which substantially limits one or more major life activities; a record of such an impairment or being regarded as having such an impairment. For a definition of “physical or mental impairment” and other terms used, please see 24 CFR 100.201, available at <http://fairhousing.com/legal-research/hud-regulations/24-cfr-100201-definitions>.
- “Handicap” does not include current, illegal use of or addiction to a controlled substance.
- An individual shall not be considered to have a handicap solely because that individual is a transgender.

2 – No

3 – Did not respond (Please initial below)

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

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

INSTRUCTIONS FOR COMPLETING TENANT INCOME CERTIFICATION

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

Part I - Development Data

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

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

Part II - Household Composition

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

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

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

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

Part III - Annual Income

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

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

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

Part IV - Income from Assets

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

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

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

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

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

HOUSEHOLD CERTIFICATION AND SIGNATURES

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

Part V – Determination of Income Eligibility

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

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

Part VI - Rent

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

Part VII - Student Status

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

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

Part VIII – Program Type

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

SIGNATURE OF OWNER/REPRESENTATIVE

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

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

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

PART IX. SUPPLEMENTAL INFORMATION

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

Tenant Demographic Profile

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

Resident/Applicant Initials

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

EXHIBIT D
First Source Hiring Requirements and Numerical Goals

Borrower's use of Funds triggers the following hiring requirements imposed by the City's First Source Hiring Ordinance (San Francisco Administrative Code Chapter 83) as incorporated into MOHCD's Section 3 Plan.

1. Section 3 Requirements.

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

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

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

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

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

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

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

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

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

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

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

EXHIBIT E
Governmental Requirements

1. Prevailing Wages and Working Conditions. Any undefined, initially-capitalized term used in this Section shall have the meaning given to such term in San Francisco Administrative Code Section 6.1. Every contract for the rehabilitation or construction of housing assisted with Funds must contain a provision requiring: (1) payment of not less than the wages prevailing in the locality, as preterminted by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. §§ 276a-276a-5), to all laborers and mechanics employed in the development of any part of the housing, and (2) contracts involving their employment will be subject to the provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-332) (collectively, “Prevailing Wage Requirements”). The Prevailing Wage Requirements of this Section apply to all laborers and mechanics employed in the development of the Project, including portions other than the assisted Units. Borrower agrees to cooperate with the City in any action or proceeding against a Contractor or Subcontractor that fails to comply with the Prevailing Wage Requirements. If applicable, Borrower must include, and require its Contractors and Subcontractors (regardless of tier) to include, the Prevailing Wage Requirements and the agreement to cooperate in City enforcement actions in any Construction Contract with specific reference to San Francisco Administrative Code Chapter 6.

2. Environmental Review. The Project must meet the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. § 4321), related authorities listed at 24 CFR Section 51.100 and parts 50 and 58 and the California Environmental Quality Act (Cal. Pub. Res. Code §§ 2100 et seq.) and implementing regulations.

3. Conflict of Interest.

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

(b) Borrower represents that it is familiar with the provisions of 24 CFR § 84.42, Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of the San Francisco Campaign and Governmental Conduct Code, and Sections 1090 through 1097 and 87100 *et seq.* of the California Government Code, all of which relate to prohibited conflicts of interest in connection with government contracts. Borrower certifies that it knows of no facts that constitute a violation of any of these provisions and agrees to notify the City immediately if Borrower at any time obtains knowledge of facts constituting a violation.

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

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

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

6. Relocation. Borrower must meet any applicable requirements of the California Relocation Assistance Act (Cal. Gov. Code §§ 7260 *et seq.*) and implementing regulations in Title 25, Chapter 6 of the California Administrative Code in addition to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. §§ 4601 *et seq.*) and implementing regulations at 49 CFR part 24, the requirements of 24 CFR § 92.353 (Displacement, relocation, and acquisition), and similar Laws.

7. Low-Income Hiring Requirements. The use of Funds triggers compliance with certain hiring requirements imposed by the City's First Source Hiring Ordinance (S.F. Admin. Code Chapter 83), as incorporated into MOHCD's Section 3 Plan. To ensure compliance with those requirements, Borrower must include the provisions attached as **Exhibit D** in its contract with the general contractor for the Project. Borrower will be responsible to the City for ensuring compliance with the requirements listed on **Exhibit D**.

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

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

(b) Subcontracts. Borrower will incorporate by reference in all subcontracts the provisions of San Francisco Labor and Employment Code Article 131, Section 131.2(a), (c)-(k), and Section 132.3. Borrower's failure to comply with the obligations in this subsection will constitute a material breach of this Agreement.

(c) Non-Discrimination in Benefits. Borrower does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco or where the work is being performed for the City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in San Francisco Labor and Employment Code Article 131, Section 131.2(b)Section 12B.2(b) of the San Francisco Administrative Code.

(d) Condition to Contract. As a condition to this Agreement, Borrower will execute the City's Declaration: Nondiscrimination in Contracts and Benefits form with supporting documentation and secure the approval of the form by the San Francisco Contract Monitoring Division ("CMD")shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form CMD-12B-101) with supporting documentation and secure the approval of the executed form by the San Francisco Contract Monitoring Division.

(e) Incorporation of Administrative Labor and Employment Code Provisions by Reference. The provisions of San Francisco Labor and Employment Code Article 131 and Article 132 Chapters 12B ("Nondiscrimination in Contracts") and 12C

(“Nondiscrimination in Property Contracts”) of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Borrower shall comply fully with and be bound by all of the provisions that apply to this Agreement under these Articles of the Labor and Employment Code, including the remedies provided in such Articles. Without limiting the foregoing, Borrower understands that under Article 131, Section 131.2(h) of the San Francisco Labor and Employment Code, a penalty of fifty (\$50) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Borrower and/or deducted from any payments due Borrower.

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

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

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

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

- (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval;
- (b) knowingly makes, uses or causes to be made or used a false record or statement to get a false claim paid or approved by the City;
- (c) conspires to defraud the City by getting a false claim allowed or paid by the City;
- (d) knowingly makes, uses or causes to be made or used a false record or statement to conceal, avoid or decrease an obligation to pay or transmit money or property to the City; or
- (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

13. Sunshine Ordinance.

(a) Borrower acknowledges and agrees that this Agreement and the Application Documents are subject to Section 67.24(e) of the San Francisco Administrative Code, which provides that contracts, including this Agreement, grantee's bids, responses to Requests for Proposals (RFPs) and all other records of communications between City and persons or entities seeking contracts, will be open to inspection immediately after a contract has been awarded. Nothing in such Section 67.24(e) (as it exists on the date hereof) requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. All information provided by Borrower that is covered by such Section 67.24(e) (as it may be amended from time to time) will be made available to the public upon request. Further, Borrower specifically agrees that any meeting of the governing body of its general partner/manager that addresses any matter relating to the Project or to Borrower's performance under this Agreement will be conducted as a passive meeting.

(b) By executing this Agreement, Borrower agrees to comply with the provisions of Chapter 12L of the San Francisco Administrative Code to the extent applicable. By executing this Agreement, Borrower agrees to open its meetings and records to the public in the manner set forth in Sections 12L.4 and 12L.5 of the San Francisco Administrative Code. Borrower further agrees to make good faith efforts to promote community membership on its Board of Directors in the manner set forth in Section 12L.6 of the Administrative Code. Borrower acknowledges that its material failure to comply with any of the provisions of this paragraph will constitute a material breach of this Agreement. Borrower further acknowledges that such material breach of the Agreement will be grounds for the City to terminate and/or not renew the Agreement, partially or in its entirety.

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

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

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

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

(a) Borrower will remove all graffiti from any real property owned or leased by Borrower in the City and County of San Francisco within forty eight (48) hours of the earlier of Borrower's (a) discovery or notification of the graffiti or (b) receipt of

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

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

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

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

(a) Borrower agrees to comply fully with and be bound by all of the provisions of Article 142 “City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions,” of the San Francisco Labor and Employment Code (Article 142), including the remedies provided, and implementing regulations, as may be amended from time to time. The provisions of Article 142 are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the Article 142 is available on the web at www.sfgov.org/olse/fco. A partial listing of some of Borrower’s obligations under Article 142 is set forth in this Section. Borrower is required to comply with all of the applicable provisions of Article 142, irrespective of the listing of obligations in this Section. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Article 142.

(b) The requirements of Article 142 shall only apply to a Borrower’s or Subcontractor’s operations to the extent those operations are in furtherance of the performance of this Agreement, shall apply only to applicants and employees who would be or are performing work in furtherance of this Agreement, shall apply only when the physical location of the employment or prospective employment of an individual is wholly or substantially within the City of San Francisco, and shall not apply when the application in a particular context would conflict with federal or state law or with a requirement of a government agency implementing federal or state law.

(c) Borrower shall incorporate by reference in all subcontracts the provisions of Article 142, and shall require all subcontractors to comply with such provisions. Borrower's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

(d) Borrower or Subcontractor will not inquire about, require disclosure of, or if such information is received base an Adverse Action on an applicant's or potential applicant for employment, or employee's: (1) Arrest not leading to a Conviction, unless the Arrest is undergoing an active pending criminal investigation or trial that has not yet been resolved; (2) participation in or completion of a diversion or a deferral of judgment program; (3) a Conviction that has been judicially dismissed, expunged, voided, invalidated, or otherwise rendered inoperative; (4) a Conviction or any other adjudication in the juvenile justice system; (5) a Conviction that is more than seven years old, from the date of sentencing; or (6) information pertaining to an offense other than a felony or misdemeanor, such as an infraction.

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

(f) Borrower or Subcontractor shall state in all solicitations or advertisements for employees that are reasonably likely to reach persons who are reasonably likely to seek employment to be performed under this Agreement, that the Borrower or Subcontractor will consider for employment qualified applicants with criminal histories in a manner consistent with the requirements of Article 142.

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

(h) Borrower understands and agrees that if it fails to comply with the requirements of Article 142, the City shall have the right to pursue any rights or remedies available under Article 142, including but not limited to, a penalty of \$50 for a second violation and \$100 for a subsequent violation for each employee, applicant or other person as to whom a violation occurred or continued, termination or suspension in whole or in part of this Agreement.

19. Food Service Waste Reduction Requirements. Borrower agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Borrower agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Borrower

agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount will not be considered a penalty, but rather agreed monetary damages sustained by City because of Borrower's failure to comply with this provision.

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

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

EXHIBIT F
Lobbying/Debarment Certification Form

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

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

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

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

HAZEL EDDY WOOLSEY LLC,
a California limited liability company

By: Bernal Heights Housing Corporation,
a California nonprofit public benefit
corporation

Its: Sole member

By: _____

Name: Gina Dacus

Title: Executive Director

Exhibit H

EXHIBIT G
Form of Annual Monitoring Report

Exhibit H

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



London N. Breed
Mayor

Eric D. Shaw
Director

October 21, 2020

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

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

IMPORTANT INFORMATION RELATED TO COVID-19

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

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

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

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

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

Completion and Submission Instructions

The Annual Monitoring Report consists of the following four parts:

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

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

Provide all applicable information that is requested in worksheets 1-7. Use the Instructions to help you complete each form and the Completeness Tracker to help you to determine when each worksheet is complete.

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

Submit this report as an Excel file only; do not convert it to pdf or another file type. Changing the format of AMR_RY2020.xlsx without MOHCD's prior approval is not allowed. Do not overwrite any validations for any of the cells, alter any formulas or add or delete any rows or columns. If you need to revise the form in order to successfully complete the report, submit a request to moh.amr@sfgov.org.

II. Owner Compliance Certification Form and Documentation of Insurance

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

III. Audited Financial Statements

Provide financial statements for the project for Reporting Year 2020. They must be prepared by a certified public accountant in accordance with generally accepted accounting principles, applicable regulations and laws and with the City's "[Audit Requirements for MOHCD-Funded Projects](#)" a copy of which is posted on [MOHCD's Asset Management web page](#). If the project is owned by a single asset entity, provide separate financial statements just for the project, otherwise provide audited statements for the parent corporation. Also include copies of any Management Letters and special notes from the auditor that pertain to the property and the financial statements.

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

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

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

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

IV. Waiting List

Submit a copy of the project's waiting list that is current as of the date of submittal. The waiting list must include the following information for each person or household who has applied to live at the project and is still waiting to be considered for an available unit:

- name of head-of-household
- contact information
- date of application
- number of people in the household

- stated household income
- desired unit size

This requirement is not applicable to transitional housing projects, residential treatment programs, shelters, group homes or permanent supportive housing for homeless people that is leased through a closed referral system.

Completed AMRs must be submitted electronically, via *one email message per project* to moh.amr@sfgov.org. If the documents that comprise the report are too large to attach to a single email, compress the files into a zip file and attach it to the email.

AMR Training – On-Demand Videos

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

Marketing Procedure for Available Units and Waiting List Openings

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

Serious Incident Protocol

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

MOHCD requests that owners of projects financed by this office notify us in writing if a serious incident occurs at their properties and meets one or more of the following parameters:

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

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

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

Asset Management Team

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

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

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

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

Complete this form, sign and date it, scan it along with current liability and property insurance certificates into a single PDF file, then email the file along with AMR_RY2020 – project name.xlsx, audited financial statements, and current waiting list to moh.amr@sfgov.org.

Project Name: _____

Project Street Address: _____

Reporting Period – Start Date: _____ End Date: _____

Owner Compliance Certification

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

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

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

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

	True	False	
9			The project has met affordability and other leasing provisions set forth in the funding agreement/s entered into with CCSF during the entire reporting period. As of the end date of the reporting period, _____ units (<i>supply exact number</i>) were occupied or held vacant and available for rental by low-income tenants meeting the income qualifications pursuant to the funding agreement/s entered into with CCSF.
10			The undersigned has obtained a tenant income certification and/or third party documentation to support that certification from each tenant household occupying a unit restricted to occupancy by income-qualified tenants. All income certifications are maintained onsite with respect to each qualified tenant who resides in a unit or resided therein during the immediately preceding business year.
11			The total charges for rent and a utility allowance to each income-qualified tenant in a restricted unit do not exceed the maximum rent specified in the funding agreement/s entered into with CCSF as adjusted by the most recent HUD income and rent figures, which have been taken from the figures that are supplied by MOHCD on its website.
12			All withdrawals from the replacement and operating reserve accounts have been made in accordance with the MOHCD funding agreement/s, unless approved in writing by MOHCD.
13			Security deposits required of tenants of the project are in accordance with applicable laws and the funding agreement/s entered into with CCSF.
14			The undersigned has obtained and will maintain insurance policies in accordance with requirements of the funding agreement/s entered into with CCSF as may be reasonably updated from time to time, and has supplied with this AMR certificates of insurance that are current through the end of the reporting period.
15			The undersigned has maintained the units and common areas in a decent, safe and sanitary manner in accordance with all local health, building, and housing codes and in accordance with the HUD Housing Quality Standards.
16			The data submitted in Section 1A – Property & Residents of the Annual Monitoring Report regarding any violation/s of any health, building, or housing codes is complete and accurate; all required copies of violations/citations that were not resolved by the end of the reporting periods are also included with this AMR submission.
17			The undersigned has made best efforts to: (a) keep the units in good repair and available for occupancy; (b) keep the Project fully rented and occupied; and (c) maximize rental revenue at the Project by increasing tenant rents, and if applicable, contract rents and commercial rents, the maximum amount permitted under all current regulatory agreements, contracts, regulations and leases, without causing undue rent burden on residential tenants.
18			All questions in the Annual Monitoring Report submitted for this reporting period have been answered fully and truthfully; answers have been supplied for all of questions requiring detailed responses on the Annual Monitoring Narrative Worksheet and any related documents have been submitted as attachments.
19			The project has received additional equity proceeds in the amount of \$_____ (<i>supply amount</i>) from low-income housing tax credit investors during the reporting period.
20			Accurate information has been provided in Worksheet 2 - Fiscal Activity about any Federal Program Income earned by this project during the reporting period.
21			Any amounts charged as Asset Management Fees are reflected accurately under Income & Expenses in Worksheet 2 - Fiscal Activity of the Annual Monitoring Report, and all such amounts have been used exclusively toward asset management of this

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

	True	False	
			project. Asset Management Fees taken beyond pre-approved levels have been documented as required in response to question 7 in Section 4 - Narrative.
22			The calculation of cash flow in Worksheet 2 - Fiscal Activity accurately reflects all expenses incurred and income earned, and the proposed distribution of any Residual Receipts would be in accordance with all relevant agreements and policies.
23			The Waiting List that has been submitted with the 2020 Annual Monitoring Report is an accurate and correct record as of the last day of the reporting period of the households who have applied to live at the Project, including the name of the head-of-household (or a suitable alternative), date of application, number of people in the household, stated household income and desired unit size.

Property and Liability Insurance

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

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

Tax Certification

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

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

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

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

Signature: _____ Date: _____

Name: _____ Title: _____

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

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

Updated 12/21/2020

1A. Property & Residents

Please follow the instructions provided on the worksheet.

1B. Transitional Programs Only

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

1C. Eviction Data

MOHCD is required to collect this data by San Francisco Administrative Code Sections 20.500-20.508. Please follow the instructions provided on the worksheet.

2. Fiscal Activity

Income and Expenses

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

INSTRUCTIONS:

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

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

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

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

Income

Rental Income

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

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

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

Vacancy Loss

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

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

Other Income

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

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

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

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

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

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

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

Expenses

Management

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

Salaries/Benefits

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

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

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

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

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

Administration

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

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

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

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

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

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

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

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

Utilities

6450 Electricity

6451 Water

6452 Gas

6453 Sewer

Taxes and Licenses

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

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

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

Insurance

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

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

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

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

Maintenance and Repairs

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

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

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

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

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

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

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

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

Supportive Services

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

Reserve Account Activity

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

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

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

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

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

3A. Occupancy & Rent Info

Accurate and complete household and tenancy data must be submitted on the Occupancy & Rent Info worksheet as evidence that the project complies with the income eligibility and rent affordability restrictions of MOHCD's funding agreements. Enter the data described below into the chart in Section 3A - Occupancy & Rent Info for the tenant population that occupied the project as of the end of the reporting period.

- **NEW:** for each VACANT unit, in column D, enter the unit number, follow by "- Vac". For example, if Unit 201 was vacant, in column D, enter "201 - Vac."
- Identify manager's unit with the unit number, follow by "- Mgr". For example, if the manager occupies Unit 501, in column D, enter "501 - Mgr."
- For vacant units and manager's units, you must supply data in columns D, E, P, R and T. All other columns should be left blank.

COLUMN	DESCRIPTION
--------	-------------

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

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

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

Bed = (measurement for Group homes or transitional housing)

"SRO" = Single Room Occupancy unit

"Studio" = Studio unit

"1BR" = 1 Bedroom unit

"2BR" = 2 Bedroom unit
"3BR" = 3 Bedroom unit
"4BR" = 4 Bedroom unit
"5+BR" = 5 or more Bedroom unit

F. **Is the Unit Fully-Accessible or Adaptable?** Use the drop down menu to indicate which

"Accessible - Mobility" = The unit is fully-accessible for persons with mobility impairment.

"Accessible - Communication" = The unit is fully-accessible for persons with visual and hearing impairment.

"Mobility & Communication" = The unit is fully-accessible for persons with mobility, visual and hearing impairment.

"Adaptable" = The unit was designed to be accessible, but some accessibility features may have been omitted or concealed.

"Not Accessible or Adaptable" = Not Accessible or Adaptable.

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

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

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

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

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

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

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

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

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

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

Q. **Is this Unit a HOPWA set-aside unit? (yes/no).** "HOPWA set-aside" units are required when HOPWA capital funding is used to acquire, construct or rehab a project.

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

"RAD - PBV" = As a result of a RAD (Rental Assistance Demonstration) conversion, the project unit comes with a RAD Project-Based Section 8 subsidy that will remain with the unit after the tenant moves out.

"TPV" = As a result of a RAD (Rental Assistance Demonstration) conversion, the project unit comes with a HUD Tenant Protection Voucher subsidy to help prevent displacement and/or stabilize the property.

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

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

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

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

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

"HOPWA" = The unit is a HOPWA-designated unit under the project funding from the Housing Opportunities for People With AIDS program. While HOPWA is not a source of tenant-based assistance, if the tenant is receiving any other form of subsidy, please report on the amount of Rental Assistance on this worksheet and note the source of the Rental Assistance in the Narrative section of the AMR.

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

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

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

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

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

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

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

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

- S. **Amount of Rental Assistance.** Enter the dollar amount of rental assistance that is paid on behalf of the household/tenant.
- T. **Amount of Maximum Gross Rent Allowed for Unit.** Enter the maximum rent for the unit that is allowed by the most restrictive funder of the project.
- U. **Amount of Tenant Paid Rent for Unit.** Enter only the amount of rent that the tenant pays. Do not include any rental assistance paid on behalf of the tenant by another party.
- V. **Utility Allowance.** If the tenant pays for utilities, enter the Utility Allowance allowed for the unit. Enter zero (0) if the Utilities are paid by the project.
- W. **Household Rent Burden.** THIS IS A SELF-CALCULATING CELL - ENTER NO DATA HERE. If the rent burden is 100% or greater, it is likely that the amount of tenant paid rent and/or the amount of HH income is incorrect, please review the data for accuracy. Typically, rent burdens should be 60% or less. If a unit has a rent subsidy, the typical requirement is for tenants to pay 30% of income toward rent.
- X. **Date of Most Recent Rent Increase within the Reporting Period.** ONLY FOR UNITS THAT DO NOT HAVE RENTAL ASSISTANCE OR SUBSIDY. Enter date of most recent rent increase for unit.
- Y. **Amount of Most Recent Rent Increase within the Reporting Period.** ONLY FOR UNITS THAT DO NOT HAVE RENTAL ASSISTANCE OR SUBSIDY. Enter amount of most recent rent increase for unit.
- Z. **Percentage of Most Recent Rent Increase.** THIS IS A SELF-CALCULATING CELL - ENTER NO DATA HERE.

3B. Demographic

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

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

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

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

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

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

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

Disability. If any members of the household have any of the listed disabilities, select the disability from the drop-down menu. Select "None" if the unit is not occupied by any tenants with a listed disability.

3C. Summary of Reported Household Demographics

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

4. Narrative

Please follow the instructions provided on the worksheet.

5. Project Financing

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

6. Services Funding

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

7. Supplementary Audit Information - Required by MOHCD

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

Completeness Tracker

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

Links to Relevant Policies

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

[MOHCD Forms Page at SFMOHCD.ORG](http://sfmohcd.org/documents-reports-and-forms)

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

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

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

[MOHCD Residual Receipt Policy](http://sfmohcd.org/sites/default/files/Documents/CURRENTResidualRecPolicy%202016.pdf)

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

[MOHCD Insurance Requirements Policy](http://sfmohcd.org/sites/default/files/FileCenter/Documents/5140-INSURANCE%20EXHIBIT%20K_2014-05-21.pdf)

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

[MOHCD Operating Fees Policy](http://sfmohcd.org/sites/default/files/Documents/CURRENT%20OperatingFeesPolicy%202016.pdf)

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

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

#	IDENTIFYING INFO				
1	Reporting Period Start Date (m/d/yyyy)				
2	Reporting Period End Date (m/d/yyyy)				
3	Property Name (select from drop down)				
4	Property Full Street Address (e.g. "123 Main Street")				
CONTACT INFO					
5	Sponsor Executive Director Name				
6	Phone Number				
7	E-mail				
8	Property Management Company				
9	Property Manager Name				
10	Phone Number				
11	E-mail				
12	Property Supervisor Name				
13	Phone Number				
14	E-mail				
15	Property Owner Name				
16	Property Owner Contact Person				
17	Phone Number				
18	E-mail				
19	Asset Manager Name				
20	Phone Number				
21	E-mail				
22	AMR Preparer's Name				
23	Phone Number				
24	E-mail				
PROPERTY/MARKETING INFO					
25	Is the project any of the following: Transitional Housing, Residential Treatment Program, Shelter or Transitional Group Home? (select "yes" or "no" from the drop-down menu to the left.) <i>If you answer "yes", skip questions 26 through 39 below, and continue with question 40. Also, you must complete worksheet "1B.TransitionalProg."</i>				
What is the Unit Mix for the Property? Please include any manager's units in this tally.					
	Unit Types	Number Of Units	Occupancy Standard: Minimum HH Size for this Unit Type*	Occupancy Standard: Maximum HH Size for this Unit Type*	*Occupancy Standards should be described in project's Approved Tenant Selection and Marketing Plan. If not defined there, supply the standards used organization-wide.
26	Single Room Occupancy (SRO) Units		1		
27	Studio Units		1		
28	One-Bedroom (1BR) Units		1		
29	Two-Bedroom (2BR) Units				
30	Three-Bedroom (3BR) Units				
31	Four-Bedroom (4BR) Units				
32	Five- or More (5+BR) Bedroom Units				
33	TOTAL # Units---->	0			

34		Vacancies - How many vacancies occurred at the project during the reporting period? (Be sure that the number you report here is not less than the number of vacant units that are included on worksheet 3.)
35	0	Evictions - How many evictions occurred during the reporting year? (This data in this field is automatically calculated from the data that is entered on worksheet 1C. You must complete worksheet 1C, unless the project is transitional housing, a residential treatment program, a shelter or a transitional group home.)
36		Vacant Unit Rent-Up Time - (in DAYS) State the average vacant unit rent-up time. This is the period from the time a household moves out to when the unit is rented again. # 4 Please EXCLUDE any units that are being held vacant to support rehabilitation or other temporary relocation needs. If this period exceeds 30 days, you must answer Question # 4 on the Narrative worksheet. (Click on # 4 at left to jump to Narrative worksheet.)
37		Waiting List - How many applicants are currently on the waiting list? (Please also submit a copy of the waiting list, see AMR submission instructions.)
38		When was the waiting list last updated? (m/yyyy)
39		Affirmative Marketing - Did you conduct any marketing of the project during the reporting period? If you conducted marketing during the reporting period, you must answer Question #5 on the Narrative worksheet. (Click on #5 at left to jump to Narrative worksheet.) # 5
40		What is the date of the last Capital Needs Assessment? (m/d/yyyy)
41		What is the projected date of the next Capital Needs Assessment? (m/d/yyyy)
42		How many Health, Building or Housing Code Violations were issued against the property in the reporting year? (If there were no violations enter "0"). If the property was cited for code violations in the reporting year or has open, unresolved violations from prior years as indicated below, you must answer Question #2 on the Narrative worksheet. (Click on #2 at left to jump to Narrative worksheet.) # 2
43		# 2 How many Health, Building or Housing Code Violations were open from prior years?
44		How many Health, Building or Housing Code Violations were cleared in the reporting year?
45		Are there urgent Major Property Repairs needed on the property in the next two years? (Yes/No) If there are needed major repairs you must answer Question #3 on the Narrative worksheet. (Click on #3 at left to jump to Narrative worksheet.) # 3

46		<p>If the property has Immediate Capital Needs and lacks adequate funds in the Replacement Reserve (or elsewhere) to cover the costs, please supply the amount of funds needed to make up the difference, and supply additional explanation in question #3 of the Narrative report. (Click on # 3 at left to jump to Narrative worksheet.)</p>																				
<p>Resident Services: AN ANSWER IS REQUIRED FOR questions 51-61. Indicate below any services that were available to the residents free of charge, on site or at another designated location within 1/4 mile of the project. You must also provide additional information about each of the marked services below on Worksheet "6.Services"</p>																						
47		<p>Go To WS6 After School Program/s (y/n)</p>																				
48		<p>Go To WS6 Licensed Day Care Service (<i>participant fees are allowable for day care ONLY</i>) (y/n)</p>																				
49		<p>Go To WS6 Youth Program/s (y/n)</p>																				
50		<p>Go To WS6 Educational Classes (e.g. basic skills, computer training, ESL) (y/n)</p>																				
51		<p>Go To WS6 Health and Wellness Services/Programs (y/n)</p>																				
52		<p>Go To WS6 Employment Services (y/n)</p>																				
53		<p>Go To WS6 Case Management, Information and Referrals (y/n)</p>																				
54		<p>Go To WS6 Benefits Assistance and Advocacy; Money Management; Financial Literacy and Counseling (y/n)</p>																				
55		<p>Go To WS6 Support Groups, Social Events, Organized Tenant Activities (y/n)</p>																				
56		<p>Go To WS6 Other Service #1 - Please specify in column G.</p>																				
57		<p>Go To WS6 Other Service #2 - Please specify in column G.</p>																				
<p>POPULATION SERVED</p>																						
<p>Target / Actual Populations: As of the last day of the reporting period, what are the Actual and Target Populations (expressed as Number of Households) for the Project?</p>																						
<p><i>Under Target Population, enter the number of units at the project that, as a requirement of a specific funding source (e.g. 202, HOPWA, McKinney), are targeted to and set aside for the target populations shown in the table. Under Actual Population, enter the number of households at the project that, as of the end of the reporting period, contained at least one person who is a member of the populations shown in the table.</i></p>																						
		<table border="1"> <thead> <tr> <th colspan="2">Target Population</th> <th colspan="2">Actual Population</th> </tr> </thead> <tbody> <tr> <td>58</td> <td>0</td> <td>Families</td> <td>0</td> </tr> <tr> <td>59</td> <td>0</td> <td>Persons with HIV/AIDS</td> <td>0</td> </tr> <tr> <td>60</td> <td>0</td> <td>Housing for Homeless</td> <td>0</td> </tr> <tr> <td>61</td> <td>0</td> <td>Mentally or Physically Disabled</td> <td>0</td> </tr> </tbody> </table>	Target Population		Actual Population		58	0	Families	0	59	0	Persons with HIV/AIDS	0	60	0	Housing for Homeless	0	61	0	Mentally or Physically Disabled	0
Target Population		Actual Population																				
58	0	Families	0																			
59	0	Persons with HIV/AIDS	0																			
60	0	Housing for Homeless	0																			
61	0	Mentally or Physically Disabled	0																			

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

Remember, **SAVE YOUR WORK!**

Annual Monitoring Report - Transitional Programs - Reporting Year 2020 - Mayor's Office of Housing & Community Development

Project Address:

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

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

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

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

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

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

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

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

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

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

Annual Monitoring Report - Eviction Data - Reporting Year 2020 - Mayor's Office of Housing & Community Development

Project Address:

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

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

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

Number of households in the project who received Notices of Eviction during the reporting period for each of the following reasons:
(If more than one reason applies to a household, report only the primary reason.)
You MUST answer every question (i.e., enter zero if applicable).

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

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

Number of Unlawful Detainer actions filed in court by the owner against tenants in the project during the reporting period for each of the following reasons:
(If more than one reason applies to a household, report only the primary reason.)
You MUST answer every question (i.e., enter zero if applicable).

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

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

Number of households Evicted from the project during the reporting period for the each of the following reasons:
(If more than one reason applies to a household, report only the primary reason.)
You MUST answer every question (i.e., enter zero if applicable).

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

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

	B	D	F	H	J
15	Annual Monitoring Report - Fiscal Activity - Reporting Year 2020 - Mayor's Office of Housing & Community Development				
16	INCOME & EXPENSES				
17	12 Month Report Period	Start Date:	1/0/1900	End Date:	1/0/1900
18	Number of Units-->	0			
19		Account			
20	Description of Income Accounts	Number	Residential	Non-Residential	Total
21					
22	Rental Income				
23	Housing Units - Gross Potential Tenant Rents	5120			
24	Rental Assistance Payments (identify ALL sources in row below if applicable, including LOSP funding)	5121			
25	Source/s---->				
26	Commercial Unit Rents	5140			
27	sub-total Gross Rental Income:		\$0.00	\$0.00	\$0.00
28	Vacancy Loss - enter amounts as negative numbers!				vacancy rate
29	Housing Units	5220		Must click & explain if Residential Vac Rate is > 15%	
30	Commercial	5240			0.00%
31	sub-total Vacancies:		\$0.00	\$0.00	\$0.00
32					
33	NET RENTAL INCOME:		\$0.00	\$0.00	\$0.00
34					
35	Other Income				
36	Garage and Parking Spaces	5170			
37	Miscellaneous Rent Income	5190			
38	Supportive Services Income - Do not enter supportive services income if it is tracked in a separate budget and not appropriate per MOHCD loan terms to be included in Residual Receipts calculation.	5300			
39	Supportive Services Income Source/s- identify program source(s) if applicable -->				
40	Interest Income - Project Operations (From Operating Account Only)	5400			
41	Laundry and Vending	5910			
42	Tenant Charges	5920			
43	Other Revenue	5990			
44	sub-total Other Income Received:		\$0.00	\$0.00	\$0.00
45					
46	TOTAL INCOME RECEIVED:		\$0.00	\$0.00	\$0.00
47					
48	INCOME & EXPENSES				
49		Account Number	Residential	Non-Residential	Total
50	Description of Expense Accounts				
51	Management				
52	Management Fee	6320			
53	"Above the Line" Asset Management Fee (amount allowable may be limited, see Asset Mgt. Fee Policy)				
54	sub-total Management Expense:		\$0.00	\$0.00	\$0.00
55	Salaries/Benefits				
56	Office Salaries	6310			
57	Manager's Salary	6330			
58	Employee Benefits: Health Insurance & Disability Insurance	6723			
59	Employee Benefits: Retirement & Other Salary/Benefit Expenses				
60	Administrative Rent Free Unit	6331			
61	sub-total Salary/Benefit Expense:		\$0.00	\$0.00	\$0.00
62	Administration				
63	Advertising and Marketing	6210			
64	Office Expenses	6311			
65	Office Rent	6312			
66	Legal Expense - Property	6340			
67	Audit Expense	6350			
68	Bookkeeping/Accounting Services	6351			
69	Bad Debts	6370			
70	Miscellaneous Administrative Expenses (must click & explain if >\$10k)	6390			
71	sub-total Administrative Expense:		\$0.00	\$0.00	\$0.00
72	Utilities				
73	Electricity	6450			
74	Water	6451			
75	Gas	6452			

	B	D	F	H	J
15	Annual Monitoring Report - Fiscal Activity - Reporting Year 2020 - Mayor's Office of Housing & Community Development				
76	Sewer	6453			
77	sub-total Utilities Expense:		\$0.00	\$0.00	\$0.00
78	Taxes and Licenses				
79	Real Estate Taxes	6710			
80	Payroll taxes	6711			
81	Miscellaneous Taxes, Licenses, and Permits	6719			
82	sub-total Taxes and License Expense:		\$0.00	\$0.00	\$0.00
83	Insurance				
84	Property and Liability Insurance	6720			
85	Fidelity Bond Insurance	6721			
86	Workers' Compensation	6722			
87	Directors & Officers Liabilities Insurance	6724			
88	sub-total Insurance Expense:		\$0.00	\$0.00	\$0.00
89	Maintenance and Repairs				
90	IMPORTANT NOTE RE: TREATMENT OF CAPITAL AND NON-CAPITAL MAINTENANCE REPAIR EXPENSES ELIGIBLE FOR PAYMENT BY REPLACEMENT RESERVE: If possible, exclude those from this section. If you do include those expenses here, be sure to record the amounts in rows 103 (non-capital) and 210:215 below (capital).				
91	Payroll	6510			
92	Supplies	6515			
93	Contracts	6520			
94	Garbage and Trash Removal	6525			
95	Security Payroll/Contract	6530			
96	HVAC Repairs and Maintenance	6546			
97	Vehicle and Maintenance Equipment Operation and Repairs	6570			
98	Miscellaneous Operating and Maintenance Expenses (must click & explain if >\$10k)	6590			
99	sub-total Maintenance Repair Expense:		\$0.00	\$0.00	\$0.00
100	Supportive Services: do not enter supportive services expenses if tracked in separate budget and not eligible to be counted against project income for residual receipts calculation.	6930			
101	SUB-TOTAL OPERATING EXPENSES:		\$0.00	\$0.00	\$0.00
102	Capital Maintenance Repairs/Improvements eligible for payment by Replacement Reserve. If capital costs were entered in amounts for Maintenance & Repairs section above and are eligible for payment by the Replacement Reserve, please enter details in Replacement Reserve-Eligible Expenditures below, beginning from row 207. Amounts provided in F210:215 will be linked to cell F102 and netted out from operating expenses.		\$0.00		
103	Non-Capital Maintenance Repair Expenses eligible for payment by Replacement Reserve. Only enter amounts here if they were included in amounts entered for Maintenance & Repairs section above and will be reimbursed by Replacement Reserve. Amount will be netted out from operating expenses. Enter as positive number.				
104	TOTAL OPERATING EXPENSES:		\$0.00	\$0.00	\$0.00
105					
106	Ground Lease Base Rent/Bond Fees/Reserves	Name of Lessor/ Bond Monitoring Agency/ Reserve Account			
107	Ground Lease - Base Rent (provide Lessor name to the right)				\$0.00
108	Bond Monitoring Fee				\$0.00
109	Replacement Reserve Required Annual Deposit (Source is Operating Account.) Enter as positive number.	1320			\$0.00
110	Operating Reserve Deposits (Source is Operating Account.) Enter as positive number.	1365			\$0.00
111	Operating Reserve Account Withdrawals (For deposits to Operating Account.) Enter as positive number.				\$0.00
112	Other Required Reserve Account Deposits (Source is Operating Account. Enter as positive number. Identify reserve account in next col) (1330)				\$0.00
113	Other Required Reserve Account Withdrawals (For deposit to Operating account. Enter as positive number. Identify account in next col ---->				\$0.00
114	Sub-total Ground Lease Base Rent/Bond Fees/Reserves		\$0.00	\$0.00	\$0.00
115					
116	TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)		\$0.00	\$0.00	\$0.00
117		Acct Num	Residential	Non-Residential	Total
118	1. TOTAL INCOME RECEIVED:		\$0.00	\$0.00	\$0.00
119	2. TOTAL OPERATING EXPENSES:		\$0.00	\$0.00	\$0.00
120	3. NET OPERATING INCOME:		\$0.00	\$0.00	\$0.00
121					
122	4. Debt Service (Principal and Interest)	Name of Lender / Describe Other Amt Paid	Residential	Non-Residential	Total
123	Lender1 - Principal Paid (provide lender name to the right)				
124	Interest Paid				
125	Other Amount (describe to the right)				
126	Lender2 - Principal Paid (provide lender name to the right)				
127	Interest Paid				
128	Other Amount (describe to the right)				
129	Lender3 - Principal Paid (provide lender name to the right)				

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15	Annual Monitoring Report - Fiscal Activity - Reporting Year 2020 - Mayor's Office of Housing & Community Development				
130	Interest Paid				
131	Other Amount (describe to the right)				
132	Lender4 - Principal Paid (provide lender name to the right)				
133	Interest Paid				
134	Other Amount (describe to the right)				
135	Total Debt Service Payments		\$0.00	\$0.00	\$0.00
136					
137	Surplus Cash, Detail (NOI minus Debt Service and Reserve Activity)		\$0.00	\$0.00	\$0.00
138					
139	If amount for Surplus Cash above is negative: - you must provide a detailed explanation to question #8 on the Narrative worksheet - you must NOT supply data for any of the fields for Uses of Surplus Cash below		Go to ws4 Narrative question #8		
140	Surplus Cash, Total				\$0.00
141	Distribution of Surplus Cash/Residual Receipts - (Response Required.) In the space below, please provide a detailed narrative summary of allowable distributions of Surplus Cash that accurately reflects the requirements under all MOHCD agreements as well as the requirements of other funders and any other agreements that govern. Please include the calculation methodology, applicable annual increases, etc. For proposed distribution amounts entered in column J, rows 143-165, select the distribution priority for each of the uses of cash flow/surplus cash in column H. If distribution of surplus cash is not allowed under MOHCD agreements or other funder agreements, enter N/A in the box below.				
142					
143	USES OF SURPLUS CASH THAT ARE AUTHORIZED TO BE PAID PRIOR TO CALCULATION OF RESIDUAL RECEIPTS PAYMENTS (IF APPLICABLE)			Distribution Priority (select below)	Leave cells below blank if Surplus Cash is <= \$0.
144	5. Operating Reserve Replenishments (Deposits made out of surplus cash to satisfy minimum balance requirements).				
145	6. "Below-the-line" Asset Mgt fee (prior written authorization from City/SFRA may be required, see Asset Mgt. Fee Policy).				
146	7a. Partnership Management fee due from this reporting period, if any (tax credit projects only; not allowed if project is beyond 15-year compliance period).				
147	7b. Partnership Management fee accrued but unpaid from PRIOR reporting periods, if any (tax credit projects only; per City policy, typically must be paid out of owner distribution, entries usually not allowed here).				
148	8a. Investor Services Fee (aka LP Asset Management Fee) due from this reporting period, if any (tax credit projects only; per City policy, not allowed if project is beyond 15-year compliance period).				
149	8b. Investor Services Fee (aka LP Asset Management Fee) accrued but unpaid from PRIOR reporting periods, if any (tax credit projects only; per City policy, typically must be paid out of owner distribution, entries usually not allowed here)).				
150	9. Deferred Developer fee, if any				
151	10. Other payments: use question #1 on the Narrative (worksheet #4) to provide details about any fees or other payments, including ground lease residual rent payments for a non-MOHCD/OCII ground lease. Failure to provide details will result in disallowance of this expense. You may only include payments that were approved by MOHCD at time of funding that are also explicitly authorized by a Partnership Agreement or similar project document.	Go to ws4 Narrative question #1			
152	11ai. Debt Pmt to other lender1: Principal Paid (note lender name to right)				
153	11aii. Debt Pmt to other lender1: Interest Paid				
154	11bi. Debt Pmt to other lender2: Principal Paid (note lender name to right)				
155	11bii. Debt Pmt to other lender2: Interest Paid				
156	Total Payments preceding Residual Receipts Calculation:				\$0.00
157					
158	12. RESIDUAL RECEIPTS				\$0.00
159				Distribution Priority (select below)	Leave cells below blank if Surplus Cash is <= \$0.
160	12a. MOHCD Residual Receipts Due for Loan Repayment				
161	12b. MOHCD Residual Receipts Due for Ground Lease Residual Rent Payment				
162	12c. Subtotal Residual Receipts Payments to MOHCD				\$0.00
163	12d. Residual Receipts Debt Pmt to other lender3 (note lender name to right)				

	B	D	F	H	J
15	Annual Monitoring Report - Fiscal Activity - Reporting Year 2020 - Mayor's Office of Housing & Community Development				
164	12e. Residual Receipts Debt Pmt to other lender4 (note lender name to right)				
165	12f. Residual Receipts Debt Pmt to other lender5 (note lender name to right)				
166	Total Residual Receipts Payments:				\$0.00
167	DO NOT SUBMIT YOUR PROPOSED RESIDUAL RECEIPT PAYMENT TO MOHCD WITH THIS AMR. MOHCD WILL REVIEW YOUR PROPOSED PAYMENT AND GENERATE AN INVOICE IF THE CALCULATION CAN BE VERIFIED AS APPROPRIATE; IF THE CALCULATION CANNOT BE VERIFIED, MOHCD WILL CONTACT YOU.				
168	Remaining Balance				\$0.00
170					
171	Proposed Owner Distributions (provide description in column D and enter amount in column J. If an amount is entered, a description is required.)				
172	Proposed Other Distributions/Uses (provide description in column D and enter amount in column J. If an amount is entered, a description is required. If you had a Calendar Year LOSP surplus, please acknowledge that and note exact amount.)				
173	Final Balance: should be ZERO except when Surplus Cash (cell J140) is negative				\$0.00
174					
175	RESERVE ACCOUNT DETAILS				
176	OPERATING RESERVE (Do not leave blanks for any questions asking for a number, enter zero instead.)				
177	Minimum Required Balance:				
178	Beginning Balance:				
179	Actual Annual Deposit from Operating Budget in Current Reporting Period (not editable, data entered in cash flow above, account number 1365):	\$0.00			
180	Additional Deposit (use ONLY to record deposits from the Op Budget attributable to a prior reporting period, or deposits made from an external source)				
181	Interest Earned:				
182	Annual Withdrawal Amount (enter as negative number):				
183	Ending Balance (don't edit cell -- calculated):	\$0.00			
184	Required Annual Deposit:				
185	Total Operating Expenses plus debt service (don't edit cell -- calculated)	\$0.00			
186	If the calculated percentage shown to the right (Op Reserve Account Ending Balance divided by Total Op Expenses) is less than 23.5%, you must describe how the project will remedy the shortfall in the adjacent cell. If the calculated percentage shown to the right is greater than 26.5%, you must explain why the Op Reserve balance exceeds MOHCD's requirement in the adjacent cell.	0.000%			
187					
188	REPLACEMENT RESERVE (Do not leave blanks for any questions asking for a number, enter zero instead.)				
189	Minimum Required Balance:				
190	Beginning Balance:				
191	Actual Annual Deposit:				
192	Interest Earned:				
193	Annual Withdrawal Amount (enter as negative number):				
194	Ending Balance (don't edit cell -- calculated):	\$0.00			
195	Required Annual Deposit (do not edit - taken from page 1 account number 1320):	\$0.00			
196	Describe how the amount of annual deposit and the minimum required balance is determined.				
197					
198	CHANGES TO REAL ESTATE ASSETS				
199	Enter Beginning and Ending Balances in each of the categories listed below. Changes in asset categories will auto calculate.		Balance, 1/00/1900	Changes	Balance, 1/00/1900
200	Building & Improvements			\$0.00	
201	Offsite Improvements			\$0.00	
202	Site Improvements			\$0.00	
203	Land Improvements			\$0.00	
204	Furniture, Fixtures & Equipment			\$0.00	
205	Other			\$0.00	
206				\$0.00	
207	Replacement Reserve-Eligible Expenditures: Provide details below about the Capital and non-Capital Expenditures that are Replacement Reserve-eligible.				
208					

	B	D	F	H	J
15	Annual Monitoring Report - Fiscal Activity - Reporting Year 2020 - Mayor's Office of Housing & Community Development				
209	Capital Repairs and Improvements: Enter capital repairs and improvement costs associated with the reporting year. For each category in rows 201-207 above that shows a positive change, an entry is required in each corresponding category in rows 212-217. If the operating account is used initially to fund the repair, and is later reimbursed by the replacement reserve during the reporting year, show the repair cost under "Replacement Reserve". If the operating account is used to fund the repair and was not reimbursed by the replacement reserve during the reporting year, show the repair cost under "Operating Account." Use the section below to supply a description of the capital repairs and improvements made.				
210	Capital Repairs and Improvements Funded By:				
211	Capital Repairs and Improvements - Categories	Replacement Reserve	Operating Account	Other Source	Total Amount
212	Building & Improvements				\$0.00
213	Offsite Improvements				\$0.00
214	Site Improvements				\$0.00
215	Land Improvements				\$0.00
216	Furniture, Fixtures & Equipment				\$0.00
217	Other				\$0.00
218	Total	\$0.00	\$0.00	\$0.00	\$0.00
219	Description of Capital Repairs and Improvements				
220					
221	Non-Capital Replacement Reserve Eligible Expenditures (i.e., labor costs): Enter the amounts used to fund non-capital replacement reserve eligible expenditures. Use section below to supply explanations.				
222	Source				Amount
223	Paid out of Operating Budget, to be reimbursed by RR (shows the amount entered in row 103 above)				\$0.00
224	Paid Directly from Replacement Reserve				
225	Other Source				
226	Explanation of Non-Capital Replacement Reserve Eligible Expenditures	Total			\$0.00
227					
228	TOTAL REPLACEMENT RESERVE ELIGIBLE EXPENDITURES: the Replacement Reserve Withdrawal for the reporting period should not exceed the Total RR-eligible Expenditures. You must provide more details above or an explanation below if the RR withdrawal amount exceeds the Total RR-Eligible Expenditures.	RR Withdrawal Amount-->	\$0.00	Total RR-Eligible Expenditures-->	\$0.00
229	Notes About RR Withdrawal Amount in excess of Total RR-eligible Expenditures:				
230					
231					
232	FEDERAL PROGRAM INCOME REPORT				
233	This section must be completed if the project received any CDBG funding, even if the amount of CDBG program income during the reporting period was zero. For more information, use the following link or copy this web address for manual navigation:				
234					
235	http://www.sf-moh.org/Modules/ShowDocument.aspx?documentid=5141				
236	Overview of Federal (HOME and CDBG) Program Income				
237					
238	CDBG PROGRAM INCOME				
239	Proposed amounts to be used to fund eligible CDBG activities as described in the Federal CDBG Program Regulations at 24 CFR 570.201-206 and consistent with the City's 2020-2024 Consolidated Plan, 2020-2021 Action Plans as follows:	AMOUNT	DESCRIPTION		
240	Amount to be used for CDBG eligible activity#1 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right):				
241	Amount to be used for CDBG eligible activity#2 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right):				
242	Amount to be used for CDBG eligible activity#3 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right):				
243	Amount to be deposited for use on future eligible CDBG activities that will be undertaken by June 30, 2019 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right):				
244	Other (provide amount in cell to the right, plus activity description and regulation citation in column furthest to the right):				
245	Total CDBG Program Income Calculation (see instructions for guidance on how to calculate)				
246	To ensure the eligible use of CDBG Program Income, the recipient of federal CDBG funding hereby requests approval by the Mayor's Office of Housing and Community Development for the use of CDBG program income received during the 2020 reporting period as depicted above.				

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

- Provide the data requested for the tenant population that was residing in the project at the end of the Reporting Period.
- **NEW:** for each VACANT unit, in column D, enter the unit number, follow by "- Vac". For example, if Unit 201 was vacant, in column D, enter "201 - Vac".
- Identify manager's unit with the unit number, follow by "- Mgr". For example, if the manager occupies Unit 501, in column D, enter "501 - Mgr."
- For vacant units and manager's units, provide data in columns **D, E, F, Q and R** only.
- For occupied units, provide data in columns D-L, Q-R, T-V. Data may also be required in Cols O, S, X & Y, enter data if any of the cells in those columns are unshaded in the row.
- For tenants who moved in during the reporting period, the data entered in columns G, H & I (at initial occupancy) is likely to be the same as the data entered in columns J, K & L (within reporting period), respectively.
- For tenants who have transferred units within the project, report the initial occupancy data (occupancy date, income, household size) for the first unit that the tenant occupied in the project, i.e. when they first moved in to the building.
- Before using the "paste" function to enter data for **Unit Type**, **Is the Unit Accessible** and **Rental Assistance Type**, please check the drop-down-menus to ensure that the data you are pasting **conforms with the choices of the drop-down menu**. This will help prevent you from submitting forms with invalid data. Any forms with invalid data will be returned with instructions to fix and resubmit.

[illegible]

**Annual Monitoring Report - Summary of Reported Household Demographics - Reporting Year 2020 -
Mayor's Office of Housing & Community Development**

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

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

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

Gender

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

Sexual Orientation

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

Other Household Demographics

	# Reported
Elderly Households	0
Households with Children Under 18	0
Number of Children Under 18	0
Households with Tenant with Physical Disability	0
Households with Tenant with Visual Disability	0
Households with Tenant with Hearing Disability	0
Households with Tenant with Mental/Devt Disability	0
Households with Tenant with Other Disability	0
Households with Tenant with More than One Disability	0
Households with Tenant with No Disability	0

Target and Actual Population Served

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

<p align="center">Annual Monitoring Report - Narrative - Reporting Year 2020 - Mayor's Office of Housing & Community Development</p>

Project Street Address:

Reporting Period - Start Date: 1/0/1900

Reporting Period - End Date: 1/0/1900

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

1. Explanations & Comments

Use this space to record notes about any peculiarities in the data entry process. For example, if you entered a formula instead of a single number for a field, make a note here re: for which question on which worksheet that was done, and describe the formula & underlying numbers. Also use this field to describe in detail any amounts entered for "Other payments" on the worksheet "2.Fiscal," item 10.

Case No. _____	
Date _____	
Patient Name _____	
Room No. _____	
Physician _____	
Nurse _____	
Attending _____	
Resident _____	
Fellow _____	
Consultant _____	
Specialist _____	
Dietitian _____	
Pharmacist _____	
Social Worker _____	
Counselor _____	
Therapist _____	
Other _____	
1. Chief Complaint	
2. History of Present Illness	
3. Past Medical History	
4. Family History	
5. Social History	
6. Review of Systems	
7. Physical Examination	
8. Laboratory and Diagnostic Studies	
9. Assessment and Plan	
10. Discharge Summary	
11. Follow-up	
12. Other	

2. Code Violations

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

[illegible]

(add additional rows as needed)

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

Violation or Citation #	Date Cleared	Issued By	Description of Remedy

(add additional rows as needed)

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

3. Major Repairs

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

--

4. Vacant Unit Rent-Up Time

--

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

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

--

5. Affirmative Marketing

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

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

6. Vacancy Rate -----

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

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

7. Miscellaneous Expenses: Administrative/Operating & Maintenance

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

Misc. Admin Expenses

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

Misc. Operating & Maintenance Expenses

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

8. Negative Cash Flow

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

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

--

Annual Monitoring Report - Project Financing - Reporting Year 2020 - Mayor's Office of Housing & Community Development

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

Project Address:

Current Project Financing

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

Annual Monitoring Report - Services Funding - Reporting Year 2020 - Mayor's Office of Housing & Community Development

Completion of this page is required based on your answers to questions 51 thru 61 on worksheet 1A.Prop&Residents. Supply one row of data for each service that is being provided. (If more than one service is being provided by the same Provider under the same grant, please repeat the data for each service provided.)

Project Address:

Current Services Funding

[illegible]

Project Street Address:

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

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

Project Street Address:

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

Management	Total
6320 Management Fee	\$0
"Above the Line" Asset Management Fee	\$0
Total Management Expenses:	\$0
 Salaries/Benefits	
6310 Office Salaries	\$0
6330 Manager's Salary	\$0
6723 Employee Benefits: Health Insurance & Disability Insurance	\$0
Employee Benefits: Retirement & Other Salary/Benefit Expenses	\$0

6331 Administrative Rent Free Unit	\$0
Total Salary/Benefit Expenses:	\$0

Administration

6210 Advertising and Marketing	\$0
6311 Office Expenses	\$0
6312 Office Rent	\$0
6340 Legal Expense - Property	\$0
6350 Audit Expense	\$0
6351 Bookkeeping/Accounting Services	\$0
6370 Bad Debts	\$0
6390 Miscellaneous Administrative Expenses	\$0
Total Administrative Expenses:	\$0

Utilities

6450 Electricity	\$0
6451 Water	\$0
6452 Gas	\$0
6453 Sewer	\$0
Total Utilities Expenses:	\$0

Taxes and Licenses

6710 Real Estate Taxes	\$0
6711 Payroll taxes	\$0
6790 Miscellaneous Taxes, Licenses, and Permits	\$0
Total Taxes and Licenses Expenses:	\$0

Insurance

6720 Property and Liability Insurance	\$0
6721 Fidelity Bond Insurance	\$0
6722 Workers' Compensation	\$0
6724 Directors & Officers Liabilities Insurance	\$0
Total Insurance Expenses:	\$0

Project Street Address:

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

Maintenance and Repairs	Total
6510 Payroll	\$0
6515 Supplies	\$0
6520 Contracts	\$0
6525 Garbage and Trash Removal	\$0
6530 Security Payroll/Contract	\$0
6546 HVAC Repairs and Maintenance	\$0
6570 Vehicle and Maintenance Equipment Operation and Repairs	\$0
6590 Miscellaneous Operating and Maintenance Expenses	\$0
Total Maintenance and Repairs Expenses:	\$0

6900 Supportive Services	\$0
--------------------------	-----

Capital and Non-Capital Expenditures to be Reimbursed from Replacement Reserve	\$0
--	-----

Total Operating Expenses:	\$0
----------------------------------	------------

Financial Expenses

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

6820 Interest on Mortgage (or Bonds) Payable	
6825 Interest on Other Mortgages	
6830 Interest on Notes Payable (Long Term)	
6840 Interest on Notes Payable (Short Term)	
6850 Mortgage Insurance Premium/Service Charge	
6890 Miscellaneous Financial Expenses	
Total Financial Expenses:	\$0

6000	Total Cost of Operations before Depreciation:	\$0
------	--	------------

5060	Operating Profit (Loss):	\$0
------	---------------------------------	------------

Depreciation & Amortization Expenses

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

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

Net Entity Expenses

the right.

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

3250	Change in Total Net Assets from Operations (Net Loss)	\$0
------	--	------------

Amount computed in cell E139 should match audited financial statement.

Project Street Address:

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

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

Distribution of Surplus Cash Ahead of Residual Receipts Payments

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

	Total
Total Cash Available for Residual Receipts Distribution:	\$0

Distribution of Residual Receipts

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

Total

Total Residual Receipts Distributions to Lenders: \$0

Proposed Owner Distribution \$0

Proposed Other Distribution/Uses \$0

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

Project Street Address:

**Summary of Replacement Reserve and Operating Reserve Activity
For the Year Ended January 0, 1900**

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

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

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

Reporting Start Date: 1/0/00
Reporting End Date: 1/0/00

Project Address:

Submission Instructions:

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

The waiting list must include the following information for each person or household who has applied to live at the project and is still waiting to be considered for an available unit: name of head-of-household, contact information, date of application, number of people in the household, stated household income and desired unit size. Prior to submittal, the waiting list must be redacted to exclude any private information that should not be shared publicly, for example, Social Security numbers, ID numbers from other forms of identification, information related to disabilities or other health conditions. Please confer with legal counsel and let MOHCD know if you have any questions prior to submitting a copy of the project's waitlist. This requirement is not applicable to transitional housing projects, residential treatment programs, shelters, group homes or permanent supportive housing for homeless people that is leased through a closed referral system.

Worksheet 1A. Property & Residents	INCOMPLETE	
Questions 1 thru 4		Incomplete
Questions 5 thru 24		Incomplete
Questions 25 thru 39		Incomplete
Questions 40 thru 46		Incomplete
Questions 51 thru 57		Incomplete
Worksheet 1B. Transitional Programs	To Be Determined	
Questions 1 thru 11		To Be Determined
Questions 12 thru 18		To Be Determined
Questions 19 thru 39		To Be Determined
Worksheet 1C. Eviction Data	To Be Determined	
Question 1		To Be Determined
Questions 2 thru 21		To Be Determined
Questions 22 thru 41		To Be Determined
Questions 42 thru 61		To Be Determined
Worksheet 2. Fiscal Activity	INCOMPLETE	
Rental Income - Housing Unit GPTR		Incomplete
Vacancy Loss - Housing Units		Incomplete
Operating Expenses		Incomplete
Surplus Cash/Residual Receipts (Rows 140 - 174)		Incomplete
Operating Reserve (Rows 177 - 187)		Incomplete
Replacement Reserve (Rows 189 - 197)		Incomplete
Changes to Real Estate Assets (Rows 202 - 207)		Incomplete
Replacement Reserve Eligible Expenditures (Rows 210 - 229)		Incomplete
Program Income (Rows 240 - 245)		OK
Worksheet 3A. Occupancy & Rent Info	INCOMPLETE	
Does number of units entered on Worksheet 3A match total units entered on Worksheet 1A or the total households that can be served in Worksheet 1B?		To Be Determined
For each row for which a Unit Number is supplied, was data entered in all of the required cells?		To Be Determined
Narrative Provided for All rows indicating Overhoused or Overcrowded?		To Be Determined
Worksheet 3B. Demographic Information	To Be Determined	
Is Gender and Sexual Orientation/Identity selected for each household?		To Be Determined
Worksheet 4. Narrative	To Be Determined	
2		To Be Determined
3		To Be Determined
4		To Be Determined
5		To Be Determined
6		To Be Determined
7		To Be Determined
8		To Be Determined
Worksheet 5. Project Financing	INCOMPLETE	
Worksheet 6. Services Funding	To Be Determined	

EXHIBIT H

Tenant Selection Plan Policy

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

Application Process

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

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

- **Problems with the Referring Agency.** If at any point the housing provider has difficulty reaching or getting a response from the applicant and referring agency, the housing provider will immediately contact the referring agency, if possible, and the funding agency, DPH or HSA.
- **Limited English Proficiency Policy.** Throughout the application process, the housing provider will comply with City policy for language access requirements for applicants with limited English proficiency.

Reasonable Accommodation and Modification Policy

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

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

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

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

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

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

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

Notice of Denial and Appeal Process

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

EXHIBIT I

Tenant Screening Criteria Policy

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

Screening Criteria

- Housing providers will not automatically bar applicants who have a criminal record² in recognition of the fact that past offenses do not necessarily predict future behavior, and many applicants with a criminal record are unlikely to re-offend.
- Housing providers will not consider:
 - arrests that did not result in convictions, except for an open arrest warrant;
 - convictions that have been expunged or dismissed under Cal. Penal Code § 1203.4 or 1203.4a;³
 - juvenile adjudications.
- Housing providers will consider:
 - the individual circumstances of each applicant; and
 - the relationship between the offense, and
 - (1) the safety and security of other tenants, staff and/or the property; and
 - (2) mitigating circumstances such as those listed below.
 - only those offenses that occurred in the prior 7 years, except in exceptional situations, which will be documented and justified, such as where the housing provider staff is aware that the applicant engaged in violent criminal activity against staff, residents or community members and/or that the applicant intentionally submitted an application with materially false information regarding criminal activity.
 - mitigating factors, including, but not limited to:
 - (1) the seriousness of the offense;
 - (2) the age and/or circumstances of the applicant at the time of the offense;
 - (3) evidence of rehabilitation, such as employment, participation in a job training program, continuing education, participation in a drug or alcohol treatment program, or letters of support from a parole or probation officer, employer, teacher, social worker, medical professional, or community leader;

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

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

- (4) if the offense is related to acts of domestic violence committed against the applicant;
- (5) if the offense was related to a person's disability.

EXHIBIT J

Developer Fee Policy

EFFECTIVE DATE: 11-02-07

**Mayor's Office of Housing
Policy on Development Fees For Non-Tax Credit Projects**

Background

The primary goals of this developer fee policy for low-income housing non-tax credit projects in San Francisco are: (1) to fairly compensate developers of such projects for managing the overall development of such projects; (2) to hold developers accountable for their performance while providing incentives for successful and timely completion of such developments; (3) to provide financial resources for successful developers to supplement their primary mission with other housing related and community development activities; and (4) to promote the long term sustainability of such organizations.

The Mayor's Office of Housing ("MOH") will permit housing developers to include development fees as part of an approved development budget for an eligible non-tax credit project receiving MOH capital funding. Approved developer fees will be earned based on a performance schedule agreed upon by MOH and the developer; and a portion of the budgeted developer fees shall be available to cover cost overruns associated with the project.

Definitions:

"Affordable housing" means rental housing affordable to households earning up to 60% of San Francisco median income adjusted solely for household size.

"Preservation of At-Risk affordable housing" means the acquisition and re-capitalization of housing with affordability restrictions threatened by expiration or termination with the intent to guarantee that the units will be retained for affordable housing for at least 55 years into the future and serve households with incomes not exceeding 60% of the respective household annual median income.

"Project close-out" means that all of the following conditions have been met: (1) all project construction or rehabilitation has been completed; (2) the borrower has submitted all documents, reports and forms as required by the Loan/Grant Agreement; (3) the City has reviewed and approved borrower's project completion reports and documents; and (4) 100% lease-up.

"Recapitalization Projects" are development activities involving the investment of new public capital that is used to maintain or improve the long-term habitability or affordability of existing non-profit owned affordable housing including extending the affordability restrictions for an additional 55 years.

"Site Acquisition" means escrow closing on purchase or execution of MOH-approved lease of development property.

“Substantial Rehabilitation” means the average hard construction cost per unit is at least \$50,000 per unit.

“Units” means a complete apartment, a bedroom in the case of a group home residence, or a single room occupancy unit with new or preserved affordability restrictions of at least 55 years

Eligibility

Projects that are eligible for a developer fee include all MOH-funded projects that are not financed through the Low-Income Housing Tax Credit Program.

The acquisition or transfer of an existing affordable housing project previously funded by MOH or the San Francisco Redevelopment Agency without substantial rehabilitation work and/or without an extension of the affordability term is not eligible for a developer fee.

Both non-profit and for-profit development corporations in good standing with the California Secretary of State are eligible for developer fees. If the developer is a limited equity partnership or limited liability corporation, it must include a nonprofit organization acting as co-managing general partner. The nonprofit owner or partner must be a 501(c)3 corporation with the provision of developing affordable housing as part of its Articles of Incorporation.

Maximum Allowable Developer Fees for 100% Newly Affordable and At-Risk Projects

The maximum allowable developer fee (the “Maximum Fee”) for projects in which all units are newly affordable units shall not exceed the lesser of one-half of the maximum developer fee that would be allowed by the California Tax Credit Allocation Committee (CTCAC) for the project if it were financed with 9% Low Income Housing Tax Credits as may be modified by the CTCAC or 7.5% of the total development costs, regardless of the source of the fee. The Maximum Fee shall be comprised of a Project Management Fee and an At-Risk Fee.

Maximum Allowable Developer Fees for Recapitalization Projects

The maximum fee for projects for re-capitalizing existing affordable housing (the “Recapitalization Maximum Fee”) shall not exceed twenty five percent (25%) of the Maximum Fee, all of which shall be considered a Project Management Fee. No At-Risk Fee will be allowed for Recapitalization Projects unless newly affordable units are being added to an existing affordable building as described below.

Project Management Fee

One-half of the Maximum Fee or the full Recapitalization Maximum Fee shall be paid as a Project Management Fee and disbursed according to the achievement of certain agreed upon development milestones to be negotiated on a project by project basis.

FOR EXAMPLE: If the Maximum Fee is \$1,000,000:

	% of
	Fee Amount:

At Acquisition or closing of preconstruction financing from MOH:	15%	\$75,000
During or at end of Predevelopment:	35%	\$175,000
Interim payment – Submission of building/site permit application		
Interim payment – Submission of TCAC/CDLAC application		
Interim payment – Approval of gap financing		
During or at end of Construction:	35%	\$175,000
Interim payment – completion of 50% of construction/ rehabilitation		
Interim payment – Temporary Certificate of Occupancy		
Interim payment – 95% lease-up		
At Project Close Out:	15%	\$75,000
	Total:	\$500,000

At-Risk Fee

The remaining one-half of the Maximum Fee is at-risk for costs exceeding final approved budget at commitment of gap financing by MOH.

Recapitalization Projects are not eligible for the At-Risk Fee unless a) no developer fee has been received at any time by the owner or an affiliate of the owner for the units being re-capitalized; or b) the Recapitalization Project includes the addition of new affordable units to the building. In the event that new units are being added, the At-Risk Fee shall be equal to two times the percentage increase in total units in the development times the Recapitalization Maximum Fee.

Waivers or Modifications of this Policy

The Citywide Affordable Housing Loan Committee may recommend waiver or modification of any portion of this policy when it determines that such waiver or modification is necessary to assure the project's feasibility. All such recommendations regarding implementation of this policy are subject to the Mayor's approval in his or her sole discretion.

If the source of the development fee is CDBG or HOME funds, the developer fee is considered to be program income for the respective funding program. The nonprofit developer shall provide an annual report to MOH on the use of such fees. In the event the nonprofit is a funding recipient of CDBG administrative funding, the use of the developer fees shall be included in the nonprofit's annual CDBG/OMB audit report as applicable.

Implementation of Policy

This policy applies to any development that has not received its gap financing commitment from MOH by the effective date of the Policy.

EXHIBIT K

Hold Harmless Policy

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



London N. Breed
Mayor

Kate Hartley
Director

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

Background

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

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

Purpose

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

This Policy establishes the following:

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

This Policy is intended to limit harm by:

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

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

Hold Harmless Limits

For the purpose of this Policy:

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

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

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

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

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

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

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

Utility Allowances

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

Limited Hardship Waiver

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

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

EXHIBIT L
Insurance Requirements

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

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

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

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

(c) business automobile liability insurance, with limits not less than One Million Dollars (\$1,000,000) each occurrence, combined single limit for bodily injury and property damage, including owned, hired and non-owned auto coverage, as applicable;

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

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

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

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

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

(a) Prior to construction:

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

(b) During the course of construction:

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

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

(c) Upon completion of construction:

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

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

Exhibit L

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

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

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

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

(b) commercial general liability insurance, with limits not less than One Million Dollars (\$1,000,000) each occurrence, combined single limit for bodily injury and property damage, including coverage for contractual liability; personal injury; advertisers' liability; including coverage for loss of income due to an insured peril for twelve (12) months; owners' and contractors' protective; broadform property damage; explosion, collapse and underground (XCU); products and completed operations coverage;

(c) business automobile liability insurance, with limits not less than One Million Dollars (\$1,000,000) each occurrence, combined single limit for bodily injury and property damage, including owned, hired and non-owned auto coverage, as applicable;

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

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

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

4. General Requirements.

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

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

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

(iii) Commercial General Liability and Commercial Automobile Liability Insurance policies will provide that such policies are primary insurance to any other insurance available to the "Additional Insureds," with respect to any claims arising out of this Agreement, and that the insurance applies separately to each insured against whom claim is made or suit is brought.

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

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

(b) Certificates of Insurance. By no later than Loan closing and annually thereafter, Borrower will furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Approval of the insurance by City shall not relieve or decrease Borrower's liability under this Agreement.

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

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

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

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

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

(e) Additional Requirements.

(i) If any of the required insurance is provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit will be double the occurrence or claims limits specified above.

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

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

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

Exhibit M
Intentionally Omitted

Exhibit M

EXHIBIT N
Intentionally Omitted

Exhibit O

EXHIBIT O
Commercial Underwriting Guidelines

Exhibit O

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

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

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

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

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

A. Intent

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

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

B. Project Eligibility/Applicability

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

C. General Loan/Grant Terms

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

D. Definitions

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

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

Examples include:

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

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

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

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

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

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

2. Due diligence.

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

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

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

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

The Marketing Study should include:

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

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

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

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

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

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

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

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

F. Terms for Commercial Uses

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

H. Real Estate Resources for Nonprofit and Small Business Entities

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

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

I. WAIVER REQUESTS

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

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

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

	<p>Elevator (where applicable). Fire alarm distribution from panel, zoned and programmed. Exterior lighting for safety and continuity of design.</p> <p>Provide conduits (as needed for commercial HVAC units) from Commercial Space to roof.</p>	
Telephone/Data	<p>Two (2) 2" conduits from MPOE to space for telecom/data/security. Perimeter walls to have data receptacle rings and conduits to space above ceiling adjacent to-required electrical wall receptacles. Temporary security camera connected to residential system until Commercial Space is occupied.</p>	<p>Conduit to IDF for data / fiber and telephone / security, as needed. 4' by 4' ¾" plywood backer board for telcom/data/security systems for each demised space. Interior partition walls to have data receptacle rings and conduits to space above ceiling adjacent to-required electrical wall receptacles</p>
Fire Protection/Alarm	<p>Building Fire Alarm shall be sized, zoned, programmed and tested to include Commercial Space. State and Local SFFD Code requirements for Completion and Certificate of Occupancy must be met. Sprinkler shall be installed, activated and monitored. Sprinkler heads should be "arm-over" configuration to allow for coordination with future ceiling and lighting layout. Sprinkler system should have sufficient capacity and connection points to allow for additional heads required by future room layouts. Fire extinguishers and cabinets installed. Specialty restaurant fire suppression systems not included.</p>	<p>Zoning of Fire Alarm to Individual Tenant Space/s and re-configuration / programming and testing of main building fire panel. Specialty restaurant fire suppression systems not included. Code required bathroom and kitchenette fire alarm items as required. Sprinkler systems should have additional heads as required to conform to the layout of the demising partition(s), restroom(s) and kitchenette(s).</p>

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

Commercial Developer's Responsibilities include:

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

EXHIBIT P
Residual Receipts Policy

Mayor's Office of Housing and Community Development

Residual Receipts Policy

Effective April 1, 2016

INTRODUCTION

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

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

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

SUMMARY (see below for detailed requirements)

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

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

I. Definition of Residual Receipts

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

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

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

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

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

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

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

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

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

- A. If any other project lenders besides MOHCD require repayment from residual receipts, the portion to be repaid to each Lender will typically be determined by the proportional amount of capital supplied under each loan. For example, if a project received a \$2 million loan from MOHCD and a \$3 million loan from another lender, MOHCD would receive $\frac{2}{5}$ ths of the amount available to be repaid, and the other lender would receive $\frac{3}{5}$ ths of the amount available to be repaid. The approved MOHCD Operating Budget Proforma must include a list of all Loans and provide an appropriate amount of detail about the projected amounts owed annually including details about how the portions to be paid to each lender will be calculated. If a project makes an agreement with any other lender/s after executing a MOHCD contract containing the final MOHCD-approved Operating Budget Proforma, prior to making any payments to such other lender/s, the project must request and be approved in writing to amend the MOHCD-approved Operating Budget Proforma to include the new lender/s.
- B. During operations, MOHCD will require Residual Receipts payments using MOHCD's method of calculating surplus and any amounts owed to the MOHCD. If there is a difference in the amount calculated to be owed to any other lenders under another lender's repayment calculation method when compared to MOHCD method, then each lender will be paid according to its calculation, so long as doing so would not result in a reduction in the amount payable to MOHCD.

V. Conditions to Distribution of Residual Receipts to Borrower

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

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

VI. Use of Residual Receipts Distributed to the Borrower

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

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

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

EXHIBIT Q
PASS Debt Service Coverage Certification

[To Be Completed by Sponsor]

Project Name: Bernal Bundle
 Project Owner: Hazel Eddy Woolsey LLC
 Project Sponsor: Bernal Heights Housing Corporation
 Total Units: 26
 Total Occupied Units: ____
 Percentage Occupied: ____

INCOME		Total
Residential - Tenant Rents		
Residential - Tenant Assistance Payments (Non-LOSP)		
Residential - LOSP Tenant Assistance Payments		
Commercial Space		
Residential Parking		
Miscellaneous Rent Income		
Supportive Services Income		
Interest Income - Project Operations		
Laundry and Vending		
Tenant Charges		
Miscellaneous Residential Income		
Other Commercial Income		
Withdrawal from Capitalized Reserve (deposit to operating account)		
Other Income		
	Gross Potential Income	
Vacancy Loss - Residential - Tenant Rents		
Vacancy Loss - Residential - Tenant Assistance Payments		
Vacancy Loss - Commercial		
	EFFECTIVE GROSS INCOME	
OPERATING EXPENSES		
Management		
Management Fee		
Asset Management Fee		
	Sub-total	
Salaries/Benefits		
Office Salaries		
Manager's Salary		
Health Insurance and Other Benefits		

Other Salaries/Benefits		
Administrative Rent-Free Unit		
	Sub-total	
Administration		
Advertising and Marketing		
Office Expenses		
Office Rent		
Legal Expense - Property		
Audit Expense		
Bookkeeping/Accounting Services		
Bad Debts		
Miscellaneous		
	Sub-total	
Utilities		
Electricity		
Water		
Gas		
Sewer		
	Sub-total	
Taxes and Licenses		
Real Estate Taxes		
Payroll Taxes		
Miscellaneous Taxes, Licenses and Permits		
	Sub-total	
Insurance		
Property and Liability Insurance		
Fidelity Bond Insurance		
Worker's Compensation		
Director's & Officers' Liability Insurance		
	Sub-total	
Maintenance & Repair		
Payroll		
Supplies		
Contracts		
Garbage and Trash Removal		
Security Payroll/Contract		
HVAC Repairs and Maintenance		
Vehicle and Maintenance Equipment Operation and Repairs		
Miscellaneous Operating and Maintenance Expenses		
	Sub-total	

Supportive Services		
Commercial Expenses		
TOTAL OPERATING EXPENSES		
Reserves/Ground Lease Base Rent/Bond Fees		
Ground Lease Base Rent		
Bond Monitoring Fee		
Replacement Reserve Deposit		
Operating Reserve Deposit		
Other Required Reserve 1 Deposit		
Other Required Reserve 2 Deposit		
Required Reserve Deposit/s, Commercial		
	Sub-total	
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)		
NET OPERATING INCOME (INCOME minus OP EXPENSES)		
DEBT SERVICE/MUST PAY PAYMENTS		
Hard Debt - First Lender		
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)		
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)		
TOTAL HARD DEBT SERVICE		
CASH FLOW (NOI minus DEBT SERVICE)		
DEBT SERVICE COVERAGE RATIO		

I certify that the information contained herein is true and accurate.

Authorized signatory: _____

Name: _____

Date: _____

Exhibit R

HOPWA Requirements

A. Marketing and Eligibility.

1. Housing Wait List and Referral. Borrower will, unless granted a full or partial waiver by MOHCD, allocate the Units through participation in the San Francisco Department of Health PLUS Housing Wait List, or a substitute placement system designated by MOHCD), Borrower will in any event ensure that the Units are occupied by Qualifying Very Low Income Tenants, and Borrower will meet all requirements of Section 6 below.

2. Income and Medical Certification.

(a) Before renting any Unit to a tenant, Borrower will require: (i) an income eligibility certification that the tenant or family meets the HUD income criteria for Qualifying Very Low Income Tenants; (ii) adequate documentation that at least one family member is a Person with HIV/AIDS; and (iii) further documents as may be deemed necessary by the MOHCD to substantiate this information.

(b) All income certifications will be maintained on file for at least three (3) years, and Borrower will promptly deliver copies thereof to the MOHCD upon the MOHCD's request. All medical verifications will be kept confidential in accordance with applicable laws.

B. Affordability and Other Leasing Restrictions.

1. Affordability Restrictions.

(a) At a minimum, Borrower will comply with HUD's requirement that one hundred percent (100%) of the living units assisted with HOPWA funds be occupied or held vacant and available for rental by HIV seropositive individuals and their families of low income. For the purpose of this Section, "low income" will mean households earning no more than eighty percent (80%) of Median Income. Notwithstanding the foregoing, Borrower acknowledges that the City is imposing more stringent affordability requirements under subparagraph (b) below.

(b) Notwithstanding the minimum affordability requirements of HOPWA set forth in subparagraph (a) above, one hundred percent (100%) of the Units will at all times be occupied or held vacant and available for rental by not fewer than twelve (12) Qualifying Very Low Income Tenants. Income determination will be made at the time of initial occupancy of a Unit by a tenant.

(c) Borrower will use the Project only as a facility to provide, in part, assistance to Persons with HIV/AIDS during the Compliance Period. If Borrower provides evidence acceptable to MOHCD that either (a) there is no longer sufficient need by Persons with HIV/AIDS for housing in the Project, or (b) Borrower is unable to obtain sufficient funds to operate the Project solely for Persons with HIV/AIDS, MOHCD may grant a waiver to Borrower to rent the Units to any person or family earning fifty percent (50%) or less of Median Income.

2. Rental Charges. The total amount for rent and a utility allowance charged to each tenant of a Unit will be the higher of the following calculations: (a) thirty percent (30%) of the household's monthly adjusted income (adjustment factors include the age of the individual, medical expenses, size of family and child care expenses pursuant to 24 C.F.R. Section 813.102); (b) ten percent (10%) of the family's monthly gross income; or (c) if the family is receiving payments for welfare assistance and a portion of that assistance is designated to cover actual housing costs, the portion of the payments that is so designated.

3. Form of Lease or Rental Agreement.

(a) The form of lease or rental agreement to be used by Borrower in renting Units will provide for termination of the lease and consent by such person to immediate eviction for any material misrepresentation made by such person with respect to the income or medical certifications required by Section A.2 above. The form of lease or rental agreement to be used by Borrower for the Units **will not** contain any of the terms prohibited by HUD at 24 C.F.R. Section 92.253(b) as follows:

(1) *Agreement to be sued.* Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;

(2) *Treatment of property.* Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State law;

(3) *Excusing owner from responsibility.* Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;

(4) *Waiver of notice.* Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;

(5) *Waiver of legal proceedings.* Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;

(6) *Waiver of a jury trial.* Agreement by the tenant to waive any right to a trial by jury;

(7) *Waiver of right to appeal court decision.* Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; or

(8) *Tenant chargeable with cost of legal actions regardless of outcome.*

Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

(b) Borrower will not terminate the tenancy or refuse to renew any lease or rental agreement of a Unit except for serious or repeated violation of the terms and conditions of the lease, for violation of applicable law or other good cause. In the case of termination of tenancy Borrower will use the following procedure or such other due process as may be required by law:

(i) Serving the tenant with a written notice containing a clear statement of the reasons for termination; and

(ii) Permitting the tenant to have a review of the decision, in which the tenant is given the opportunity to present written objections to a person other than the person (or a subordinate of the person) who made or approved the termination decision; and

(iii) Providing prompt written notification of the final decision to the tenant.

C. Project Management, Monitoring, and Maintenance.

1. Supportive Services. Borrower is responsible for insuring that residents or clients residing in the Project have access to appropriate case management, psychosocial supportive services, and other support services, as well as to health care, where required. For any Person with HIV/ AIDS who requires more intensive care than can be provided at the Project, Borrower will use its best efforts to locate a care provider who can appropriately care for the individual and will refer the individual to the care provider.

2. Maintenance. Borrower will maintain the Project in a safe and sanitary manner in accordance with all local health, building and housing codes and in accordance with the HUD Housing Quality Standards. Borrower will make all reasonable efforts to (a) keep the Units in good repair and available for occupancy and (b) keep the Project fully rented and occupied.

3. Monitoring. Borrower understands and agrees that it will be monitored by the City or its representative at least annually and by HUD from time to time to assure compliance with all terms and conditions in this Agreement and applicable laws. Borrower acknowledges that the City is required by HUD to conduct an annual on-site inspection of the Project. Borrower will cooperate with the annual monitoring by the City or its representative and HUD, and will ensure full access to the Project and all information related to the Project as reasonably required by the City or its representative or HUD.

D. Compliance with HUD Regulations.

1. Generally. Borrower will at all times comply with all HUD regulations applicable to the Project including, but not limited to, the HOPWA Regulations at 24 CFR Part 574 *et seq.*, and those described below. In the event HUD formally amends, waives or repeals any regulation previously applicable to Borrower's performance under this Agreement, the City expressly reserves the right, upon giving notice to Borrower, to require performance of Borrower as though the regulation had not been amended, waived or repealed, subject only to written and binding objection by HUD.

2. Applicability of Uniform Administrative Requirements. Borrower will comply with the policies, guidelines and requirements of OMB Circular No. A-122 and the following requirements of OMB Circular No. A-110, as they relate to the acceptance and use of HOPWA funds under this part: Attachment "B" (Bonding and Insurance); Attachment "F" (Standards for Financial Management Systems); Attachment "H", paragraph 2; and Attachment 110" (Procurement Standards).

3. Lead-based Paint. Borrower will comply with the requirement of the LeadBased Paint Poisoning Prevention Act (42 U.S.C. §§ 4821-4846) and implementing regulations.

4. Relocation. Borrower will comply with the requirements of 24 C.F.R. Section 574.630(b) regarding the displacement and relocation of tenants of properties assisted with HO PWA funds, including, with respect to II displaced persons" as defined in 24 C. F. R. Section 574.630(f), compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. §§ 4201-4655) and implementing regulations.

5. Labor Standards. If the Project contains seven (7) living units, all laborers and mechanics (except laborers and mechanics employed by a state or local government acting as the principal contractor on the Project) employed in the construction or rehabilitation of the living units will be paid wages at rates not less than those prevailing on similar construction or rehabilitation projects in the locality, if such a rate category exists, or the appropriate rate as determined by the U.S. Secretary of Labor.

6. Conflicts of Interest. Borrower acknowledges that it has read and understands, represents and warrants that it is in compliance with, and agrees to comply with in the future, the following conflict of interest requirement:

No employee, agent, consultant, officer or elected or appointed official of the City, Borrower or any other sub-recipient of HOPWA funds (as defined in 24 C.F.R. Section 570.204), who exercises or has exercised any function or responsibilities with respect to activities assisted by HOPWA funds in whole or in part, or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in or benefit from the activities assisted under this Agreement, or have an interest in any Contract, subcontract or agreement with respect thereto, or in the proceeds thereunder, either for himself/herself or for those with whom he/she has family or business ties, during his/her tenure and for one year thereafter. In order to carry out the purpose of this Section, Borrower will incorporate or cause to be incorporated in all contracts, subcontracts and agreements relating to activities assisted under this Agreement, a provision similar to this

Section. Borrower will be responsible for obtaining compliance with such provisions by the parties with whom it contracts and, in the event of a breach, will take prompt and diligent action to cause the breach to be remedied and compliance to be restored.

7. Accessibility Requirements. Borrower will comply with all applicable federal, state, and local accessibility requirements, including but not limited to requirements of the Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973, and will be required to provide the City with certifications of such compliance substantially in the form of Exhibit K, Form of Accessibility Certifications.

E. Reserves.

1. Replacement Reserve Account. In addition to the requirements under Section 12.1 of the Agreement, all interest will remain in and become a part of the Replacement Reserve Account, unless HUD requires the interest to be remitted to HUD, in which case Borrower will return interest to the City on a schedule to be determined by the City for remittance to HUD.

2. Operating Reserve Account. In addition to the requirements under Section 12.2 of the Agreement All interest will remain in and become a part of the Operating Reserve Account, unless HUD requires the interest to be remitted to HUD, in which case Borrower will return interest to the City on a schedule to be determined by the City for remittance to HUD.

**AMENDED AND RESTATED
SECURED PROMISSORY NOTE**

(HOME Program, Hotel Tax Fund, General Fund, HOPWA, 2023 COP Funds, and Housing
Trust Fund)

Bernal Bundle: 1652-1654 Eddy Street; 3554 17th Street; and 195 Woolsey Street

Principal Amount: \$7,884,214.00

San Francisco, CA

Date: [_____], 2024

FOR VALUE RECEIVED, the undersigned, **HAZEL EDDY WOOLSEY LLC**, a California limited liability company ("Maker"), hereby promises to pay to the order of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, or holder (as the case may be, "Holder"), the principal sum of Seven Million Eight Hundred Eighty-Four Thousand Two Hundred Fourteen and No/100 Dollars (\$7,884,214.00) (the "Funding Amount"), or so much of the Funding Amount as may be disbursed from time to time pursuant to the Agreement described in **Section 1** below, together with interest thereon, as provided in this Note.

1. The City previously provided loans of HOME Program, HOPWA, and Hotel Tax funds ("Original City Loans") for Positive Match and 195 Woolsey in the total principal amount of Four Million One Hundred Fourteen Thousand Fifty-Six and No/100 Dollars (\$4,114,056.00). The promissory notes associated with the Original City Loans are hereinafter collectively referred to as the Original City Notes.

2. Agreement. This Amended and Restated Secured Promissory Note ("Note") amends, restates, and replaces in its entirety the Original City Notes. This Note is given under the terms of an Amended and Restated Loan Agreement by and between Maker and Holder (the "Agreement") dated as of the date set forth above, which Agreement is incorporated herein by reference. Maker's obligations under this Note and the Agreement are secured by that certain Deed Of Trust, Assignment Of Rents, Security Agreement And Fixture Filing dated as of the date of this Note, made by Maker for the benefit of Holder. Definitions and rules of interpretation set forth in the Agreement apply to this Note. In the event of any inconsistency between the Agreement and this Note, this Note will control. Upon execution of this Note, the Original City Notes will be cancelled and returned to Maker.

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

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

5. Repayment of Funding Amount.

5.1 Subject to Section 13.4 of the Agreement, Maker will make annual payments of principal and interest (each, a "Payment") in an amount equal to the Residual Receipts, if any, attributable to the prior calendar year, beginning on the first December 31st after the end of the fiscal year of the Completion Date, and continuing each December 31st thereafter up to and including the Consolidated Loan Maturity Date, as defined below (each, a "Consolidated Loan Payment Date"). All Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; (b) accrued and unpaid interest; and (c) reduction of the principal balance of the Loan. The unpaid principal balance of the Loan, together with all accrued and unpaid interest and unpaid costs and fees incurred, will be due and payable on the date that is the fifty-fifth (55th) anniversary of the date the Consolidated Loan Deed of Trust is recorded in the Official Records (the "Consolidated Loan Maturity Date"). Any Consolidated Loan Payment Date, including the Consolidated Loan Maturity Date, that falls on a weekend or holiday will be deemed to fall on the next succeeding business day.

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

7. Terms of Payment.

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

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

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

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

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

8. Default.

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

(a) Maker fails to make any Payment required under this Note within ten (10) days of the date it is due; or

(b) the occurrence of any other Event of Default under the Agreement or other instrument securing the obligations of Maker under this Note or under any other agreement between Maker and Holder with respect to the Project.

8.2 Upon the occurrence of any Event of Default, without notice to or demand upon Maker, which are expressly waived by Maker (except for notices or demands otherwise required by applicable laws to the extent not effectively waived by Maker and any notices or demands specified in the City Documents), Holder may exercise all rights and remedies available under this Note, the Agreement or otherwise available to Holder at law or in equity. Maker

acknowledges and agrees that Holder's remedies include the right to accelerate the Maturity Date by declaring the outstanding principal balance of the Loan, together with all accrued and unpaid interest and unpaid fees and costs incurred, due and payable immediately, in which case, the Maturity Date will be superseded and replaced by the date established by Holder.

9. Waivers.

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

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

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

10. Miscellaneous Provisions.

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

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

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

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

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

[signature follows]

“MAKER”

HAZEL EDDY WOOLSEY LLC,
a California limited liability company

By: Bernal Heights Housing Corporation,
a California nonprofit public benefit corporation

Its: Sole member

By: _____

Name: Gina Dacus

Title: Executive Director

SECURED PROMISSORY NOTE

PASS- Market Rate Loan

(Bernal Bundle: 1652-1654 Eddy Street; 3554 17th Street; and 195 Woolsey Street)

Principal Amount: \$2,259,999.00

San Francisco, CA

Date: [_____], 2024

FOR VALUE RECEIVED, the undersigned, **HAZEL EDDY WOOLSEY LLC**, a California limited liability company ("Maker"), hereby promises to pay to the order of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, or holder (as the case may be, "Holder"), the principal sum of Two Million Two Hundred Fifty-Nine Thousand Nine Hundred Ninety-Nine and No/100 Dollars (\$2,259,999.00) (the "Market Rate Loan Amount"), or so much of the Market Rate Loan Amount as may be disbursed from time to time pursuant to the Agreement described in **Section 1** below, together with interest thereon, as provided in this Note.

1. Agreement. This Secured Promissory Note ("Note") is given under the terms of an Amended and Restated Loan Agreement by and between Maker and Holder (the "Agreement") dated as of the date set forth above, which Agreement is incorporated herein by reference. Maker's obligations under this Note and the Agreement are secured by that certain PASS Deed Of Trust, Assignment Of Rents, Security Agreement And Fixture Filing dated as of the date of this Note, made by Maker for the benefit of Holder. Definitions and rules of interpretation set forth in the Agreement apply to this Note. In the event of any inconsistency between the Agreement and this Note, this Note will control.

2. Interest. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of 3.87289% per annum from the date of the disbursement of funds by Holder through the date of full payment of all amounts owing under the City Documents. Interest will be compounded monthly. Interest will be calculated on the basis of actual days elapsed and a 360-day year, which will result in higher interest charges than if a 365-day year were used.

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

4. Repayment of Market Rate Loan Amount.

4.1 Interest-Only Payment Period. Commencing on the First PASS Payment Date and continuing until the earlier of (i) 24 months from the First PASS Payment Date or (ii) the first day of the first full month following the Completion Date, Maker must make payments of accrued and unpaid interest under this Note in monthly installments of [\$7,293.94] (each, an

“Interest Payment”). All Interest Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; and (b) accrued and unpaid interest.

4.2 Principal and Interest Payment Period. Commencing on the earlier of (i) 24 months from the First PASS Payment Date or (ii) the first full month following the Completion Date, Maker must make payments of principal and interest in monthly installments (each, a “**Full PASS Payment**”) equal to the amount specified by the amortization schedule attached as Exhibit A. All Full PASS Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; (b) accrued and unpaid interest; and (c) reduction of the principal balance of the Market Rate Loan. The unpaid principal balance of the Market Rate Loan, together with accrued and unpaid interest and unpaid fees and costs incurred, will be due and payable on the earlier of the date that is the earlier of (i) the forty-second (42nd) anniversary of the date that is the first day of the first full month following the date that the PASS Deed of Trust is recorded in the Recorder’s Office of San Francisco County or (ii) the 40th anniversary of the date that is the first day of the first full month following the Completion Date (the “**PASS Loan Maturity Date**”). Any PASS Payment Date, including the PASS Loan Maturity Date, that falls on a weekend or holiday will be deemed to fall on the next succeeding business day.

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

6. Terms of Payment.

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

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

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

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

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

7. Default.

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

(a) Maker fails to make any Payment required under this Note within ten (10) days of the date it is due; or

(b) the occurrence of any other Event of Default under the Agreement or other instrument securing the obligations of Maker under this Note or under any other agreement between Maker and Holder with respect to the Project.

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

8. Waivers.

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

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

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

9. Miscellaneous Provisions.

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

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

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

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

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

[signature follows]

"MAKER"

HAZEL EDDY WOOLSEY LLC,
a California limited liability company

By: Bernal Heights Housing Corporation,
a California nonprofit public benefit corporation
Its: Sole member

By: _____
Name: Gina Dacus
Title: Executive Director

Exhibit A
Amortization Schedule

Project Name: Hazel Eddy Woolsey Bundle
Sponsor: Bernal Heights Neighborhood Corporation

Loan Amount	2,259,999.00
Rate	3.87289%
Term	40
Amortization	40
Monthly Payment	9,267.53

MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest (Cost of Funds)	Interest (Admin Fees)	Principal	Ending Balance
1	6/1/2025	2,259,999.00	9,267.53	5,410.61	1,883.33	1,973.59	2,258,025.41
2	7/1/2025	2,258,025.41	9,267.53	5,405.88	1,881.69	1,979.96	2,256,045.45
3	8/1/2025	2,256,045.45	9,267.53	5,401.14	1,880.04	1,986.35	2,254,059.10
4	9/1/2025	2,254,059.10	9,267.53	5,396.39	1,878.38	1,992.76	2,252,066.34
5	10/1/2025	2,252,066.34	9,267.53	5,391.62	1,876.72	1,999.19	2,250,067.15
6	11/1/2025	2,250,067.15	9,267.53	5,386.83	1,875.06	2,005.64	2,248,061.51
7	12/1/2025	2,248,061.51	9,267.53	5,382.03	1,873.38	2,012.12	2,246,049.39
8	1/1/2026	2,246,049.39	9,267.53	5,377.21	1,871.71	2,018.61	2,244,030.78
9	2/1/2026	2,244,030.78	9,267.53	5,372.38	1,870.02	2,025.13	2,242,005.65
10	3/1/2026	2,242,005.65	9,267.53	5,367.53	1,868.34	2,031.66	2,239,973.99
11	4/1/2026	2,239,973.99	9,267.53	5,362.67	1,866.64	2,038.22	2,237,935.77
12	5/1/2026	2,237,935.77	9,267.53	5,357.79	1,864.94	2,044.80	2,235,890.97
13	6/1/2026	2,235,890.97	9,267.53	5,352.89	1,863.24	2,051.40	2,233,839.57
14	7/1/2026	2,233,839.57	9,267.53	5,347.98	1,861.53	2,058.02	2,231,781.55
15	8/1/2026	2,231,781.55	9,267.53	5,343.05	1,859.82	2,064.66	2,229,716.89
16	9/1/2026	2,229,716.89	9,267.53	5,338.11	1,858.10	2,071.32	2,227,645.57
17	10/1/2026	2,227,645.57	9,267.53	5,333.15	1,856.37	2,078.01	2,225,567.56
18	11/1/2026	2,225,567.56	9,267.53	5,328.18	1,854.64	2,084.71	2,223,482.85
19	12/1/2026	2,223,482.85	9,267.53	5,323.18	1,852.91	2,091.44	2,221,391.41
20	1/1/2027	2,221,391.41	9,267.53	5,318.18	1,851.16	2,098.19	2,219,293.22
21	2/1/2027	2,219,293.22	9,267.53	5,313.15	1,849.42	2,104.96	2,217,188.26
22	3/1/2027	2,217,188.26	9,267.53	5,308.11	1,847.66	2,111.76	2,215,076.50
23	4/1/2027	2,215,076.50	9,267.53	5,303.06	1,845.90	2,118.57	2,212,957.93
24	5/1/2027	2,212,957.93	9,267.53	5,297.99	1,844.13	2,125.41	2,210,832.52
25	6/1/2027	2,210,832.52	9,267.53	5,292.90	1,842.36	2,132.27	2,208,700.25
26	7/1/2027	2,208,700.25	9,267.53	5,287.79	1,840.59	2,139.15	2,206,561.10
27	8/1/2027	2,206,561.10	9,267.53	5,282.67	1,838.80	2,146.06	2,204,415.04
28	9/1/2027	2,204,415.04	9,267.53	5,277.53	1,837.02	2,152.98	2,202,262.06
29	10/1/2027	2,202,262.06	9,267.53	5,272.38	1,835.22	2,159.93	2,200,102.13
30	11/1/2027	2,200,102.13	9,267.53	5,267.21	1,833.42	2,166.90	2,197,935.23
31	12/1/2027	2,197,935.23	9,267.53	5,262.02	1,831.61	2,173.90	2,195,761.33
32	1/1/2028	2,195,761.33	9,267.53	5,256.82	1,829.80	2,180.91	2,193,580.42
33	2/1/2028	2,193,580.42	9,267.53	5,251.60	1,827.98	2,187.95	2,191,392.47
34	3/1/2028	2,191,392.47	9,267.53	5,246.36	1,826.16	2,195.01	2,189,197.46
35	4/1/2028	2,189,197.46	9,267.53	5,241.10	1,824.33	2,202.10	2,186,995.36
36	5/1/2028	2,186,995.36	9,267.53	5,235.83	1,822.50	2,209.20	2,184,786.16
37	6/1/2028	2,184,786.16	9,267.53	5,230.54	1,820.66	2,216.33	2,182,569.83
38	7/1/2028	2,182,569.83	9,267.53	5,225.24	1,818.80	2,223.49	2,180,346.34
39	8/1/2028	2,180,346.34	9,267.53	5,219.91	1,816.96	2,230.66	2,178,115.68
40	9/1/2028	2,178,115.68	9,267.53	5,214.57	1,815.10	2,237.86	2,175,877.82
41	10/1/2028	2,175,877.82	9,267.53	5,209.21	1,813.24	2,245.08	2,173,632.74
42	11/1/2028	2,173,632.74	9,267.53	5,203.84	1,811.36	2,252.33	2,171,380.41
43	12/1/2028	2,171,380.41	9,267.53	5,198.45	1,809.48	2,259.60	2,169,120.81
44	1/1/2029	2,169,120.81	9,267.53	5,193.04	1,807.60	2,266.89	2,166,853.92
45	2/1/2029	2,166,853.92	9,267.53	5,187.61	1,805.71	2,274.21	2,164,579.71
46	3/1/2029	2,164,579.71	9,267.53	5,182.17	1,803.81	2,281.55	2,162,298.16
47	4/1/2029	2,162,298.16	9,267.53	5,176.70	1,801.92	2,288.91	2,160,009.25
48	5/1/2029	2,160,009.25	9,267.53	5,171.22	1,800.01	2,296.30	2,157,712.95
49	6/1/2029	2,157,712.95	9,267.53	5,165.73	1,798.09	2,303.71	2,155,409.24
50	7/1/2029	2,155,409.24	9,267.53	5,160.21	1,796.18	2,311.14	2,153,098.10
51	8/1/2029	2,153,098.10	9,267.53	5,154.68	1,794.25	2,318.60	2,150,779.50
52	9/1/2029	2,150,779.50	9,267.53	5,149.13	1,792.31	2,326.09	2,148,453.41
53	10/1/2029	2,148,453.41	9,267.53	5,143.56	1,790.38	2,333.59	2,146,119.82
54	11/1/2029	2,146,119.82	9,267.53	5,137.97	1,788.43	2,341.13	2,143,778.69
55	12/1/2029	2,143,778.69	9,267.53	5,132.37	1,786.48	2,348.68	2,141,430.01
56	1/1/2030	2,141,430.01	9,267.53	5,126.74	1,784.53	2,356.26	2,139,073.75
57	2/1/2030	2,139,073.75	9,267.53	5,121.10	1,782.56	2,363.87	2,136,709.88
58	3/1/2030	2,136,709.88	9,267.53	5,115.44	1,780.60	2,371.49	2,134,338.39

EXHIBIT A

MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest (Cost of Funds)	Interest (Admin Fees)	Principal	Ending Balance
59	4/1/2030	2,134,338.39	9,267.53	5,109.77	1,778.61	2,379.15	2,131,959.24
60	5/1/2030	2,131,959.24	9,267.53	5,104.07	1,776.63	2,386.83	2,129,572.41
61	6/1/2030	2,129,572.41	9,267.53	5,098.36	1,774.64	2,394.53	2,127,177.88
62	7/1/2030	2,127,177.88	9,267.53	5,092.62	1,772.65	2,402.26	2,124,775.62
63	8/1/2030	2,124,775.62	9,267.53	5,086.87	1,770.65	2,410.01	2,122,365.61
64	9/1/2030	2,122,365.61	9,267.53	5,081.10	1,768.64	2,417.79	2,119,947.82
65	10/1/2030	2,119,947.82	9,267.53	5,075.31	1,766.63	2,425.59	2,117,522.23
66	11/1/2030	2,117,522.23	9,267.53	5,069.51	1,764.60	2,433.42	2,115,088.81
67	12/1/2030	2,115,088.81	9,267.53	5,063.68	1,762.58	2,441.27	2,112,647.54
68	1/1/2031	2,112,647.54	9,267.53	5,057.84	1,760.54	2,449.15	2,110,198.39
69	2/1/2031	2,110,198.39	9,267.53	5,051.97	1,758.50	2,457.06	2,107,741.33
70	3/1/2031	2,107,741.33	9,267.53	5,046.09	1,756.45	2,464.99	2,105,276.34
71	4/1/2031	2,105,276.34	9,267.53	5,040.19	1,754.40	2,472.94	2,102,803.40
72	5/1/2031	2,102,803.40	9,267.53	5,034.27	1,752.34	2,480.92	2,100,322.48
73	6/1/2031	2,100,322.48	9,267.53	5,028.33	1,750.27	2,488.93	2,097,833.55
74	7/1/2031	2,097,833.55	9,267.53	5,022.37	1,748.20	2,496.96	2,095,336.59
75	8/1/2031	2,095,336.59	9,267.53	5,016.39	1,746.12	2,505.02	2,092,831.57
76	9/1/2031	2,092,831.57	9,267.53	5,010.40	1,744.02	2,513.11	2,090,318.46
77	10/1/2031	2,090,318.46	9,267.53	5,004.38	1,741.93	2,521.22	2,087,797.24
78	11/1/2031	2,087,797.24	9,267.53	4,998.34	1,739.83	2,529.36	2,085,267.88
79	12/1/2031	2,085,267.88	9,267.53	4,992.29	1,737.72	2,537.52	2,082,730.36
80	1/1/2032	2,082,730.36	9,267.53	4,986.21	1,735.61	2,545.71	2,080,184.65
81	2/1/2032	2,080,184.65	9,267.53	4,980.12	1,733.49	2,553.92	2,077,630.73
82	3/1/2032	2,077,630.73	9,267.53	4,974.00	1,731.36	2,562.17	2,075,068.56
83	4/1/2032	2,075,068.56	9,267.53	4,967.87	1,729.22	2,570.44	2,072,498.12
84	5/1/2032	2,072,498.12	9,267.53	4,961.72	1,727.08	2,578.73	2,069,919.39
85	6/1/2032	2,069,919.39	9,267.53	4,955.54	1,724.94	2,587.05	2,067,332.34
86	7/1/2032	2,067,332.34	9,267.53	4,949.35	1,722.78	2,595.40	2,064,736.94
87	8/1/2032	2,064,736.94	9,267.53	4,943.14	1,720.61	2,603.78	2,062,133.16
88	9/1/2032	2,062,133.16	9,267.53	4,936.90	1,718.45	2,612.18	2,059,520.98
89	10/1/2032	2,059,520.98	9,267.53	4,930.65	1,716.27	2,620.61	2,056,900.37
90	11/1/2032	2,056,900.37	9,267.53	4,924.37	1,714.09	2,629.07	2,054,271.30
91	12/1/2032	2,054,271.30	9,267.53	4,918.08	1,711.89	2,637.56	2,051,633.74
92	1/1/2033	2,051,633.74	9,267.53	4,911.77	1,709.69	2,646.07	2,048,987.67
93	2/1/2033	2,048,987.67	9,267.53	4,905.43	1,707.49	2,654.61	2,046,333.06
94	3/1/2033	2,046,333.06	9,267.53	4,899.07	1,705.28	2,663.18	2,043,669.88
95	4/1/2033	2,043,669.88	9,267.53	4,892.70	1,703.06	2,671.77	2,040,998.11
96	5/1/2033	2,040,998.11	9,267.53	4,886.30	1,700.83	2,680.40	2,038,317.71
97	6/1/2033	2,038,317.71	9,267.53	4,879.89	1,698.59	2,689.05	2,035,628.66
98	7/1/2033	2,035,628.66	9,267.53	4,873.45	1,696.35	2,697.73	2,032,930.93
99	8/1/2033	2,032,930.93	9,267.53	4,866.99	1,694.11	2,706.43	2,030,224.50
100	9/1/2033	2,030,224.50	9,267.53	4,860.51	1,691.85	2,715.17	2,027,509.33
101	10/1/2033	2,027,509.33	9,267.53	4,854.01	1,689.59	2,723.93	2,024,785.40
102	11/1/2033	2,024,785.40	9,267.53	4,847.49	1,687.32	2,732.72	2,022,052.68
103	12/1/2033	2,022,052.68	9,267.53	4,840.95	1,685.04	2,741.54	2,019,311.14
104	1/1/2034	2,019,311.14	9,267.53	4,834.38	1,682.76	2,750.39	2,016,560.75
105	2/1/2034	2,016,560.75	9,267.53	4,827.80	1,680.46	2,759.27	2,013,801.48
106	3/1/2034	2,013,801.48	9,267.53	4,821.19	1,678.17	2,768.17	2,011,033.31
107	4/1/2034	2,011,033.31	9,267.53	4,814.56	1,675.87	2,777.10	2,008,256.21
108	5/1/2034	2,008,256.21	9,267.53	4,807.92	1,673.54	2,786.07	2,005,470.14
109	6/1/2034	2,005,470.14	9,267.53	4,801.25	1,671.22	2,795.06	2,002,675.08
110	7/1/2034	2,002,675.08	9,267.53	4,794.55	1,668.90	2,804.08	1,999,871.00
111	8/1/2034	1,999,871.00	9,267.53	4,787.84	1,666.56	2,813.13	1,997,057.87
112	9/1/2034	1,997,057.87	9,267.53	4,781.11	1,664.21	2,822.21	1,994,235.66
113	10/1/2034	1,994,235.66	9,267.53	4,774.35	1,661.86	2,831.32	1,991,404.34
114	11/1/2034	1,991,404.34	9,267.53	4,767.57	1,659.50	2,840.46	1,988,563.88
115	12/1/2034	1,988,563.88	9,267.53	4,760.77	1,657.14	2,849.62	1,985,714.26
116	1/1/2035	1,985,714.26	9,267.53	4,753.95	1,654.76	2,858.82	1,982,855.44
117	2/1/2035	1,982,855.44	9,267.53	4,747.10	1,652.38	2,868.05	1,979,987.39
118	3/1/2035	1,979,987.39	9,267.53	4,740.24	1,649.99	2,877.30	1,977,110.09
119	4/1/2035	1,977,110.09	9,267.53	4,733.35	1,647.59	2,886.59	1,974,223.50
120	5/1/2035	1,974,223.50	9,267.53	4,726.44	1,645.19	2,895.90	1,971,327.60
121	6/1/2035	1,971,327.60	9,267.53	4,719.51	1,642.77	2,905.25	1,968,422.35
122	7/1/2035	1,968,422.35	9,267.53	4,712.55	1,640.35	2,914.63	1,965,507.72
123	8/1/2035	1,965,507.72	9,267.53	4,705.57	1,637.93	2,924.03	1,962,583.69
124	9/1/2035	1,962,583.69	9,267.53	4,698.57	1,635.49	2,933.47	1,959,650.22
125	10/1/2035	1,959,650.22	9,267.53	4,691.55	1,633.04	2,942.94	1,956,707.28

EXHIBIT A

MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest (Cost of Funds)	Interest (Admin Fees)	Principal	Ending Balance
126	11/1/2035	1,956,707.28	9,267.53	4,684.50	1,630.59	2,952.44	1,953,754.84
127	12/1/2035	1,953,754.84	9,267.53	4,677.44	1,628.12	2,961.97	1,950,792.87
128	1/1/2036	1,950,792.87	9,267.53	4,670.34	1,625.67	2,971.52	1,947,821.35
129	2/1/2036	1,947,821.35	9,267.53	4,663.23	1,623.18	2,981.12	1,944,840.23
130	3/1/2036	1,944,840.23	9,267.53	4,656.09	1,620.70	2,990.74	1,941,849.49
131	4/1/2036	1,941,849.49	9,267.53	4,648.93	1,618.21	3,000.39	1,938,849.10
132	5/1/2036	1,938,849.10	9,267.53	4,641.75	1,615.71	3,010.07	1,935,839.03
133	6/1/2036	1,935,839.03	9,267.53	4,634.54	1,613.20	3,019.79	1,932,819.24
134	7/1/2036	1,932,819.24	9,267.53	4,627.31	1,610.69	3,029.53	1,929,789.71
135	8/1/2036	1,929,789.71	9,267.53	4,620.06	1,608.16	3,039.31	1,926,750.40
136	9/1/2036	1,926,750.40	9,267.53	4,612.78	1,605.63	3,049.12	1,923,701.28
137	10/1/2036	1,923,701.28	9,267.53	4,605.49	1,603.08	3,058.96	1,920,642.32
138	11/1/2036	1,920,642.32	9,267.53	4,598.16	1,600.54	3,068.83	1,917,573.49
139	12/1/2036	1,917,573.49	9,267.53	4,590.81	1,597.98	3,078.74	1,914,494.75
140	1/1/2037	1,914,494.75	9,267.53	4,583.44	1,595.42	3,088.67	1,911,406.08
141	2/1/2037	1,911,406.08	9,267.53	4,576.05	1,592.84	3,098.64	1,908,307.44
142	3/1/2037	1,908,307.44	9,267.53	4,568.63	1,590.26	3,108.64	1,905,198.80
143	4/1/2037	1,905,198.80	9,267.53	4,561.19	1,587.66	3,118.68	1,902,080.12
144	5/1/2037	1,902,080.12	9,267.53	4,553.72	1,585.07	3,128.74	1,898,951.38
145	6/1/2037	1,898,951.38	9,267.53	4,546.23	1,582.46	3,138.84	1,895,812.54
146	7/1/2037	1,895,812.54	9,267.53	4,538.72	1,579.84	3,148.97	1,892,663.57
147	8/1/2037	1,892,663.57	9,267.53	4,531.18	1,577.22	3,159.13	1,889,504.44
148	9/1/2037	1,889,504.44	9,267.53	4,523.62	1,574.58	3,169.33	1,886,335.11
149	10/1/2037	1,886,335.11	9,267.53	4,516.03	1,571.94	3,179.56	1,883,155.55
150	11/1/2037	1,883,155.55	9,267.53	4,508.42	1,569.29	3,189.82	1,879,965.73
151	12/1/2037	1,879,965.73	9,267.53	4,500.78	1,566.64	3,200.11	1,876,765.62
152	1/1/2038	1,876,765.62	9,267.53	4,493.12	1,563.97	3,210.44	1,873,555.18
153	2/1/2038	1,873,555.18	9,267.53	4,485.43	1,561.30	3,220.80	1,870,334.38
154	3/1/2038	1,870,334.38	9,267.53	4,477.72	1,558.61	3,231.20	1,867,103.18
155	4/1/2038	1,867,103.18	9,267.53	4,469.99	1,555.91	3,241.63	1,863,861.55
156	5/1/2038	1,863,861.55	9,267.53	4,462.22	1,553.22	3,252.09	1,860,609.46
157	6/1/2038	1,860,609.46	9,267.53	4,454.44	1,550.51	3,262.58	1,857,346.88
158	7/1/2038	1,857,346.88	9,267.53	4,446.63	1,547.79	3,273.11	1,854,073.77
159	8/1/2038	1,854,073.77	9,267.53	4,438.79	1,545.06	3,283.68	1,850,790.09
160	9/1/2038	1,850,790.09	9,267.53	4,430.93	1,542.33	3,294.27	1,847,495.82
161	10/1/2038	1,847,495.82	9,267.53	4,423.04	1,539.58	3,304.91	1,844,190.91
162	11/1/2038	1,844,190.91	9,267.53	4,415.13	1,536.83	3,315.57	1,840,875.34
163	12/1/2038	1,840,875.34	9,267.53	4,407.19	1,534.07	3,326.27	1,837,549.07
164	1/1/2039	1,837,549.07	9,267.53	4,399.23	1,531.29	3,337.01	1,834,212.06
165	2/1/2039	1,834,212.06	9,267.53	4,391.24	1,528.51	3,347.78	1,830,864.28
166	3/1/2039	1,830,864.28	9,267.53	4,383.23	1,525.72	3,358.58	1,827,505.70
167	4/1/2039	1,827,505.70	9,267.53	4,375.19	1,522.92	3,369.42	1,824,136.28
168	5/1/2039	1,824,136.28	9,267.53	4,367.12	1,520.11	3,380.30	1,820,755.98
169	6/1/2039	1,820,755.98	9,267.53	4,359.03	1,517.29	3,391.21	1,817,364.77
170	7/1/2039	1,817,364.77	9,267.53	4,350.91	1,514.47	3,402.15	1,813,962.62
171	8/1/2039	1,813,962.62	9,267.53	4,342.76	1,511.64	3,413.13	1,810,549.49
172	9/1/2039	1,810,549.49	9,267.53	4,334.59	1,508.79	3,424.15	1,807,125.34
173	10/1/2039	1,807,125.34	9,267.53	4,326.39	1,505.94	3,435.20	1,803,690.14
174	11/1/2039	1,803,690.14	9,267.53	4,318.17	1,503.07	3,446.29	1,800,243.85
175	12/1/2039	1,800,243.85	9,267.53	4,309.92	1,500.20	3,457.41	1,796,786.44
176	1/1/2040	1,796,786.44	9,267.53	4,301.64	1,497.32	3,468.57	1,793,317.87
177	2/1/2040	1,793,317.87	9,267.53	4,293.34	1,494.43	3,479.76	1,789,838.11
178	3/1/2040	1,789,838.11	9,267.53	4,285.01	1,491.53	3,490.99	1,786,347.12
179	4/1/2040	1,786,347.12	9,267.53	4,276.65	1,488.62	3,502.26	1,782,844.86
180	5/1/2040	1,782,844.86	9,267.53	4,268.26	1,485.71	3,513.56	1,779,331.30
181	6/1/2040	1,779,331.30	9,267.53	4,259.85	1,482.78	3,524.90	1,775,806.40
182	7/1/2040	1,775,806.40	9,267.53	4,251.41	1,479.84	3,536.28	1,772,270.12
183	8/1/2040	1,772,270.12	9,267.53	4,242.95	1,476.89	3,547.69	1,768,722.43
184	9/1/2040	1,768,722.43	9,267.53	4,234.45	1,473.94	3,559.14	1,765,163.29
185	10/1/2040	1,765,163.29	9,267.53	4,225.93	1,470.97	3,570.63	1,761,592.66
186	11/1/2040	1,761,592.66	9,267.53	4,217.38	1,468.00	3,582.15	1,758,010.51
187	12/1/2040	1,758,010.51	9,267.53	4,208.81	1,465.01	3,593.71	1,754,416.80
188	1/1/2041	1,754,416.80	9,267.53	4,200.21	1,462.01	3,605.31	1,750,811.49
189	2/1/2041	1,750,811.49	9,267.53	4,191.57	1,459.01	3,616.95	1,747,194.54
190	3/1/2041	1,747,194.54	9,267.53	4,182.91	1,456.00	3,628.62	1,743,565.92
191	4/1/2041	1,743,565.92	9,267.53	4,174.23	1,452.97	3,640.33	1,739,925.59
192	5/1/2041	1,739,925.59	9,267.53	4,165.51	1,449.94	3,652.08	1,736,273.51

EXHIBIT A

MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest (Cost of Funds)	Interest (Admin Fees)	Principal	Ending Balance
193	6/1/2041	1,736,273.51	9,267.53	4,156.77	1,446.89	3,663.87	1,732,609.64
194	7/1/2041	1,732,609.64	9,267.53	4,148.00	1,443.84	3,675.69	1,728,933.95
195	8/1/2041	1,728,933.95	9,267.53	4,139.20	1,440.78	3,687.55	1,725,246.40
196	9/1/2041	1,725,246.40	9,267.53	4,130.37	1,437.70	3,699.46	1,721,546.94
197	10/1/2041	1,721,546.94	9,267.53	4,121.51	1,434.62	3,711.40	1,717,835.54
198	11/1/2041	1,717,835.54	9,267.53	4,112.63	1,431.53	3,723.37	1,714,112.17
199	12/1/2041	1,714,112.17	9,267.53	4,103.71	1,428.43	3,735.39	1,710,376.78
200	1/1/2042	1,710,376.78	9,267.53	4,094.77	1,425.31	3,747.45	1,706,629.33
201	2/1/2042	1,706,629.33	9,267.53	4,085.82	1,422.19	3,759.54	1,702,869.79
202	3/1/2042	1,702,869.79	9,267.53	4,076.80	1,419.06	3,771.67	1,699,098.12
203	4/1/2042	1,699,098.12	9,267.53	4,067.77	1,415.91	3,783.85	1,695,314.27
204	5/1/2042	1,695,314.27	9,267.53	4,058.71	1,412.76	3,796.06	1,691,518.21
205	6/1/2042	1,691,518.21	9,267.53	4,049.62	1,409.60	3,808.31	1,687,709.90
206	7/1/2042	1,687,709.90	9,267.53	4,040.50	1,406.43	3,820.60	1,683,889.30
207	8/1/2042	1,683,889.30	9,267.53	4,031.36	1,403.24	3,832.93	1,680,056.37
208	9/1/2042	1,680,056.37	9,267.53	4,022.18	1,400.05	3,845.30	1,676,211.07
209	10/1/2042	1,676,211.07	9,267.53	4,012.98	1,396.84	3,857.71	1,672,353.36
210	11/1/2042	1,672,353.36	9,267.53	4,003.74	1,393.63	3,870.16	1,668,483.20
211	12/1/2042	1,668,483.20	9,267.53	3,994.47	1,390.41	3,882.65	1,664,600.55
212	1/1/2043	1,664,600.55	9,267.53	3,985.18	1,387.17	3,895.18	1,660,705.37
213	2/1/2043	1,660,705.37	9,267.53	3,975.85	1,383.92	3,907.76	1,656,797.61
214	3/1/2043	1,656,797.61	9,267.53	3,966.50	1,380.66	3,920.37	1,652,877.24
215	4/1/2043	1,652,877.24	9,267.53	3,957.11	1,377.40	3,933.02	1,648,944.22
216	5/1/2043	1,648,944.22	9,267.53	3,947.70	1,374.12	3,945.71	1,644,998.51
217	6/1/2043	1,644,998.51	9,267.53	3,938.25	1,370.83	3,958.45	1,641,040.06
218	7/1/2043	1,641,040.06	9,267.53	3,928.77	1,367.54	3,971.22	1,637,068.84
219	8/1/2043	1,637,068.84	9,267.53	3,919.27	1,364.22	3,984.04	1,633,084.80
220	9/1/2043	1,633,084.80	9,267.53	3,909.73	1,360.90	3,996.90	1,629,087.90
221	10/1/2043	1,629,087.90	9,267.53	3,900.16	1,357.57	4,009.80	1,625,078.10
222	11/1/2043	1,625,078.10	9,267.53	3,890.56	1,354.23	4,022.74	1,621,055.36
223	12/1/2043	1,621,055.36	9,267.53	3,880.93	1,350.88	4,035.72	1,617,019.64
224	1/1/2044	1,617,019.64	9,267.53	3,871.27	1,347.51	4,048.75	1,612,970.89
225	2/1/2044	1,612,970.89	9,267.53	3,861.57	1,344.15	4,061.81	1,608,909.08
226	3/1/2044	1,608,909.08	9,267.53	3,851.85	1,340.76	4,074.92	1,604,834.16
227	4/1/2044	1,604,834.16	9,267.53	3,842.09	1,337.37	4,088.07	1,600,746.09
228	5/1/2044	1,600,746.09	9,267.53	3,832.31	1,333.95	4,101.27	1,596,644.82
229	6/1/2044	1,596,644.82	9,267.53	3,822.49	1,330.53	4,114.51	1,592,530.31
230	7/1/2044	1,592,530.31	9,267.53	3,812.64	1,327.11	4,127.78	1,588,402.53
231	8/1/2044	1,588,402.53	9,267.53	3,802.75	1,323.67	4,141.11	1,584,261.42
232	9/1/2044	1,584,261.42	9,267.53	3,792.84	1,320.22	4,154.47	1,580,106.95
233	10/1/2044	1,580,106.95	9,267.53	3,782.89	1,316.76	4,167.88	1,575,939.07
234	11/1/2044	1,575,939.07	9,267.53	3,772.92	1,313.28	4,181.33	1,571,757.74
235	12/1/2044	1,571,757.74	9,267.53	3,762.91	1,309.79	4,194.83	1,567,562.91
236	1/1/2045	1,567,562.91	9,267.53	3,752.86	1,306.31	4,208.36	1,563,354.55
237	2/1/2045	1,563,354.55	9,267.53	3,742.79	1,302.79	4,221.95	1,559,132.60
238	3/1/2045	1,559,132.60	9,267.53	3,732.68	1,299.28	4,235.57	1,554,897.03
239	4/1/2045	1,554,897.03	9,267.53	3,722.54	1,295.75	4,249.24	1,550,647.79
240	5/1/2045	1,550,647.79	9,267.53	3,712.37	1,292.20	4,262.96	1,546,384.83
241	6/1/2045	1,546,384.83	9,267.53	3,702.16	1,288.66	4,276.71	1,542,108.12
242	7/1/2045	1,542,108.12	9,267.53	3,691.92	1,285.09	4,290.52	1,537,817.60
243	8/1/2045	1,537,817.60	9,267.53	3,681.65	1,281.52	4,304.36	1,533,513.24
244	9/1/2045	1,533,513.24	9,267.53	3,671.35	1,277.92	4,318.26	1,529,194.98
245	10/1/2045	1,529,194.98	9,267.53	3,661.01	1,274.33	4,332.19	1,524,862.79
246	11/1/2045	1,524,862.79	9,267.53	3,650.64	1,270.71	4,346.18	1,520,516.61
247	12/1/2045	1,520,516.61	9,267.53	3,640.23	1,267.10	4,360.20	1,516,156.41
248	1/1/2046	1,516,156.41	9,267.53	3,629.79	1,263.47	4,374.27	1,511,782.14
249	2/1/2046	1,511,782.14	9,267.53	3,619.32	1,259.82	4,388.39	1,507,393.75
250	3/1/2046	1,507,393.75	9,267.53	3,608.81	1,256.17	4,402.55	1,502,991.20
251	4/1/2046	1,502,991.20	9,267.53	3,598.27	1,252.50	4,416.76	1,498,574.44
252	5/1/2046	1,498,574.44	9,267.53	3,587.70	1,248.81	4,431.02	1,494,143.42
253	6/1/2046	1,494,143.42	9,267.53	3,577.09	1,245.12	4,445.32	1,489,698.10
254	7/1/2046	1,489,698.10	9,267.53	3,566.45	1,241.41	4,459.67	1,485,238.43
255	8/1/2046	1,485,238.43	9,267.53	3,555.77	1,237.70	4,474.06	1,480,764.37
256	9/1/2046	1,480,764.37	9,267.53	3,545.06	1,233.97	4,488.50	1,476,275.87
257	10/1/2046	1,476,275.87	9,267.53	3,534.32	1,230.23	4,502.98	1,471,772.89
258	11/1/2046	1,471,772.89	9,267.53	3,523.53	1,226.48	4,517.52	1,467,255.37
259	12/1/2046	1,467,255.37	9,267.53	3,512.72	1,222.71	4,532.10	1,462,723.27

MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest (Cost of Funds)	Interest (Admin Fees)	Principal	Ending Balance
260	1/1/2047	1,462,723.27	9,267.53	3,501.87	1,218.94	4,546.72	1,458,176.55
261	2/1/2047	1,458,176.55	9,267.53	3,490.98	1,215.15	4,561.40	1,453,615.15
262	3/1/2047	1,453,615.15	9,267.53	3,480.06	1,211.35	4,576.12	1,449,039.03
263	4/1/2047	1,449,039.03	9,267.53	3,469.11	1,207.53	4,590.89	1,444,448.14
264	5/1/2047	1,444,448.14	9,267.53	3,458.12	1,203.70	4,605.71	1,439,842.43
265	6/1/2047	1,439,842.43	9,267.53	3,447.09	1,199.87	4,620.57	1,435,221.86
266	7/1/2047	1,435,221.86	9,267.53	3,436.03	1,196.02	4,635.48	1,430,586.38
267	8/1/2047	1,430,586.38	9,267.53	3,424.93	1,192.16	4,650.44	1,425,935.94
268	9/1/2047	1,425,935.94	9,267.53	3,413.80	1,188.28	4,665.45	1,421,270.49
269	10/1/2047	1,421,270.49	9,267.53	3,402.63	1,184.39	4,680.51	1,416,589.98
270	11/1/2047	1,416,589.98	9,267.53	3,391.42	1,180.49	4,695.62	1,411,894.36
271	12/1/2047	1,411,894.36	9,267.53	3,380.18	1,176.58	4,710.77	1,407,183.59
272	1/1/2048	1,407,183.59	9,267.53	3,368.90	1,172.66	4,725.97	1,402,457.62
273	2/1/2048	1,402,457.62	9,267.53	3,357.59	1,168.71	4,741.23	1,397,716.39
274	3/1/2048	1,397,716.39	9,267.53	3,346.24	1,164.76	4,756.53	1,392,959.86
275	4/1/2048	1,392,959.86	9,267.53	3,334.85	1,160.80	4,771.88	1,388,187.98
276	5/1/2048	1,388,187.98	9,267.53	3,323.43	1,156.82	4,787.28	1,383,400.70
277	6/1/2048	1,383,400.70	9,267.53	3,311.97	1,152.83	4,802.73	1,378,597.97
278	7/1/2048	1,378,597.97	9,267.53	3,300.47	1,148.83	4,818.23	1,373,779.74
279	8/1/2048	1,373,779.74	9,267.53	3,288.93	1,144.82	4,833.78	1,368,945.96
280	9/1/2048	1,368,945.96	9,267.53	3,277.36	1,140.79	4,849.38	1,364,096.58
281	10/1/2048	1,364,096.58	9,267.53	3,265.75	1,136.75	4,865.03	1,359,231.55
282	11/1/2048	1,359,231.55	9,267.53	3,254.10	1,132.70	4,880.73	1,354,350.82
283	12/1/2048	1,354,350.82	9,267.53	3,242.42	1,128.62	4,896.49	1,349,454.33
284	1/1/2049	1,349,454.33	9,267.53	3,230.69	1,124.55	4,912.29	1,344,542.04
285	2/1/2049	1,344,542.04	9,267.53	3,218.93	1,120.46	4,928.14	1,339,613.90
286	3/1/2049	1,339,613.90	9,267.53	3,207.14	1,116.34	4,944.05	1,334,669.85
287	4/1/2049	1,334,669.85	9,267.53	3,195.30	1,112.22	4,960.01	1,329,709.84
288	5/1/2049	1,329,709.84	9,267.53	3,183.43	1,108.09	4,976.01	1,324,733.83
289	6/1/2049	1,324,733.83	9,267.53	3,171.51	1,103.95	4,992.07	1,319,741.76
290	7/1/2049	1,319,741.76	9,267.53	3,159.56	1,099.79	5,008.18	1,314,733.58
291	8/1/2049	1,314,733.58	9,267.53	3,147.57	1,095.61	5,024.35	1,309,709.23
292	9/1/2049	1,309,709.23	9,267.53	3,135.54	1,091.43	5,040.56	1,304,668.67
293	10/1/2049	1,304,668.67	9,267.53	3,123.47	1,087.23	5,056.83	1,299,611.84
294	11/1/2049	1,299,611.84	9,267.53	3,111.37	1,083.01	5,073.15	1,294,538.69
295	12/1/2049	1,294,538.69	9,267.53	3,099.22	1,078.78	5,089.53	1,289,449.16
296	1/1/2050	1,289,449.16	9,267.53	3,087.04	1,074.54	5,105.95	1,284,343.21
297	2/1/2050	1,284,343.21	9,267.53	3,074.81	1,070.29	5,122.43	1,279,220.78
298	3/1/2050	1,279,220.78	9,267.53	3,062.55	1,066.02	5,138.96	1,274,081.82
299	4/1/2050	1,274,081.82	9,267.53	3,050.25	1,061.73	5,155.55	1,268,926.27
300	5/1/2050	1,268,926.27	9,267.53	3,037.90	1,057.44	5,172.19	1,263,754.08
301	6/1/2050	1,263,754.08	9,267.53	3,025.52	1,053.13	5,188.88	1,258,565.20
302	7/1/2050	1,258,565.20	9,267.53	3,013.10	1,048.80	5,205.63	1,253,359.57
303	8/1/2050	1,253,359.57	9,267.53	3,000.64	1,044.46	5,222.43	1,248,137.14
304	9/1/2050	1,248,137.14	9,267.53	2,988.13	1,040.12	5,239.28	1,242,897.86
305	10/1/2050	1,242,897.86	9,267.53	2,975.59	1,035.75	5,256.19	1,237,641.67
306	11/1/2050	1,237,641.67	9,267.53	2,963.01	1,031.37	5,273.15	1,232,368.52
307	12/1/2050	1,232,368.52	9,267.53	2,950.38	1,026.98	5,290.17	1,227,078.35
308	1/1/2051	1,227,078.35	9,267.53	2,937.72	1,022.56	5,307.25	1,221,771.10
309	2/1/2051	1,221,771.10	9,267.53	2,925.01	1,018.14	5,324.38	1,216,446.72
310	3/1/2051	1,216,446.72	9,267.53	2,912.26	1,013.71	5,341.56	1,211,105.16
311	4/1/2051	1,211,105.16	9,267.53	2,899.48	1,009.25	5,358.80	1,205,746.36
312	5/1/2051	1,205,746.36	9,267.53	2,886.65	1,004.79	5,376.09	1,200,370.27
313	6/1/2051	1,200,370.27	9,267.53	2,873.78	1,000.31	5,393.44	1,194,976.83
314	7/1/2051	1,194,976.83	9,267.53	2,860.86	995.82	5,410.85	1,189,565.98
315	8/1/2051	1,189,565.98	9,267.53	2,847.91	991.31	5,428.31	1,184,137.67
316	9/1/2051	1,184,137.67	9,267.53	2,834.91	986.79	5,445.83	1,178,691.84
317	10/1/2051	1,178,691.84	9,267.53	2,821.88	982.24	5,463.41	1,173,228.43
318	11/1/2051	1,173,228.43	9,267.53	2,808.80	977.69	5,481.04	1,167,747.39
319	12/1/2051	1,167,747.39	9,267.53	2,795.67	973.13	5,498.73	1,162,248.66
320	1/1/2052	1,162,248.66	9,267.53	2,782.51	968.54	5,516.48	1,156,732.18
321	2/1/2052	1,156,732.18	9,267.53	2,769.30	963.95	5,534.28	1,151,197.90
322	3/1/2052	1,151,197.90	9,267.53	2,756.05	959.34	5,552.14	1,145,645.76
323	4/1/2052	1,145,645.76	9,267.53	2,742.76	954.71	5,570.06	1,140,075.70
324	5/1/2052	1,140,075.70	9,267.53	2,729.43	950.06	5,588.04	1,134,487.66
325	6/1/2052	1,134,487.66	9,267.53	2,716.05	945.40	5,606.08	1,128,881.58
326	7/1/2052	1,128,881.58	9,267.53	2,702.63	940.73	5,624.17	1,123,257.41

EXHIBIT A

MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest (Cost of Funds)	Interest (Admin Fees)	Principal	Ending Balance
327	8/1/2052	1,123,257.41	9,267.53	2,689.16	936.05	5,642.32	1,117,615.09
328	9/1/2052	1,117,615.09	9,267.53	2,675.65	931.35	5,660.53	1,111,954.56
329	10/1/2052	1,111,954.56	9,267.53	2,662.10	926.63	5,678.80	1,106,275.76
330	11/1/2052	1,106,275.76	9,267.53	2,648.51	921.89	5,697.13	1,100,578.63
331	12/1/2052	1,100,578.63	9,267.53	2,634.87	917.15	5,715.51	1,094,863.12
332	1/1/2053	1,094,863.12	9,267.53	2,621.18	912.39	5,733.96	1,089,129.16
333	2/1/2053	1,089,129.16	9,267.53	2,607.46	907.60	5,752.47	1,083,376.69
334	3/1/2053	1,083,376.69	9,267.53	2,593.69	902.81	5,771.03	1,077,605.66
335	4/1/2053	1,077,605.66	9,267.53	2,579.87	898.00	5,789.66	1,071,816.00
336	5/1/2053	1,071,816.00	9,267.53	2,566.01	893.18	5,808.34	1,066,007.66
337	6/1/2053	1,066,007.66	9,267.53	2,552.10	888.34	5,827.09	1,060,180.57
338	7/1/2053	1,060,180.57	9,267.53	2,538.15	883.49	5,845.89	1,054,334.68
339	8/1/2053	1,054,334.68	9,267.53	2,524.16	878.61	5,864.76	1,048,469.92
340	9/1/2053	1,048,469.92	9,267.53	2,510.12	873.72	5,883.69	1,042,586.23
341	10/1/2053	1,042,586.23	9,267.53	2,496.03	868.82	5,902.68	1,036,683.55
342	11/1/2053	1,036,683.55	9,267.53	2,481.90	863.90	5,921.73	1,030,761.82
343	12/1/2053	1,030,761.82	9,267.53	2,467.72	858.97	5,940.84	1,024,820.98
344	1/1/2054	1,024,820.98	9,267.53	2,453.50	854.02	5,960.01	1,018,860.97
345	2/1/2054	1,018,860.97	9,267.53	2,439.23	849.05	5,979.25	1,012,881.72
346	3/1/2054	1,012,881.72	9,267.53	2,424.91	844.07	5,998.55	1,006,883.17
347	4/1/2054	1,006,883.17	9,267.53	2,410.55	839.07	6,017.91	1,000,865.26
348	5/1/2054	1,000,865.26	9,267.53	2,396.15	834.05	6,037.33	994,827.93
349	6/1/2054	994,827.93	9,267.53	2,381.69	829.03	6,056.81	988,771.12
350	7/1/2054	988,771.12	9,267.53	2,367.19	823.98	6,076.36	982,694.76
351	8/1/2054	982,694.76	9,267.53	2,352.64	818.92	6,095.97	976,598.79
352	9/1/2054	976,598.79	9,267.53	2,338.05	813.83	6,115.65	970,483.14
353	10/1/2054	970,483.14	9,267.53	2,323.41	808.74	6,135.38	964,347.76
354	11/1/2054	964,347.76	9,267.53	2,308.72	803.62	6,155.19	958,192.57
355	12/1/2054	958,192.57	9,267.53	2,293.98	798.50	6,175.05	952,017.52
356	1/1/2055	952,017.52	9,267.53	2,279.20	793.35	6,194.98	945,822.54
357	2/1/2055	945,822.54	9,267.53	2,264.37	788.19	6,214.97	939,607.57
358	3/1/2055	939,607.57	9,267.53	2,249.49	783.01	6,235.03	933,372.54
359	4/1/2055	933,372.54	9,267.53	2,234.56	777.81	6,255.16	927,117.38
360	5/1/2055	927,117.38	9,267.53	2,219.59	772.60	6,275.34	920,842.04
361	6/1/2055	920,842.04	9,267.53	2,204.56	767.37	6,295.60	914,546.44
362	7/1/2055	914,546.44	9,267.53	2,189.49	762.12	6,315.92	908,230.52
363	8/1/2055	908,230.52	9,267.53	2,174.37	756.86	6,336.30	901,894.22
364	9/1/2055	901,894.22	9,267.53	2,159.20	751.58	6,356.75	895,537.47
365	10/1/2055	895,537.47	9,267.53	2,143.98	746.29	6,377.26	889,160.21
366	11/1/2055	889,160.21	9,267.53	2,128.72	740.96	6,397.85	882,762.36
367	12/1/2055	882,762.36	9,267.53	2,113.40	735.63	6,418.50	876,343.86
368	1/1/2056	876,343.86	9,267.53	2,098.03	730.29	6,439.21	869,904.65
369	2/1/2056	869,904.65	9,267.53	2,082.62	724.92	6,459.99	863,444.66
370	3/1/2056	863,444.66	9,267.53	2,067.15	719.54	6,480.84	856,963.82
371	4/1/2056	856,963.82	9,267.53	2,051.64	714.13	6,501.76	850,462.06
372	5/1/2056	850,462.06	9,267.53	2,036.07	708.72	6,522.74	843,939.32
373	6/1/2056	843,939.32	9,267.53	2,020.45	703.29	6,543.79	837,395.53
374	7/1/2056	837,395.53	9,267.53	2,004.79	697.83	6,564.91	830,830.62
375	8/1/2056	830,830.62	9,267.53	1,989.07	692.36	6,586.10	824,244.52
376	9/1/2056	824,244.52	9,267.53	1,973.30	686.87	6,607.36	817,637.16
377	10/1/2056	817,637.16	9,267.53	1,957.48	681.37	6,628.68	811,008.48
378	11/1/2056	811,008.48	9,267.53	1,941.62	675.84	6,650.07	804,358.41
379	12/1/2056	804,358.41	9,267.53	1,925.69	670.30	6,671.54	797,686.87
380	1/1/2057	797,686.87	9,267.53	1,909.72	664.74	6,693.07	790,993.80
381	2/1/2057	790,993.80	9,267.53	1,893.70	659.16	6,714.67	784,279.13
382	3/1/2057	784,279.13	9,267.53	1,877.62	653.57	6,736.34	777,542.79
383	4/1/2057	777,542.79	9,267.53	1,861.50	647.95	6,758.08	770,784.71
384	5/1/2057	770,784.71	9,267.53	1,845.32	642.32	6,779.89	764,004.82
385	6/1/2057	764,004.82	9,267.53	1,829.08	636.68	6,801.77	757,203.05
386	7/1/2057	757,203.05	9,267.53	1,812.80	631.00	6,823.73	750,379.32
387	8/1/2057	750,379.32	9,267.53	1,796.46	625.32	6,845.75	743,533.57
388	9/1/2057	743,533.57	9,267.53	1,780.08	619.61	6,867.84	736,665.73
389	10/1/2057	736,665.73	9,267.53	1,763.63	613.89	6,890.01	729,775.72
390	11/1/2057	729,775.72	9,267.53	1,747.14	608.14	6,912.25	722,863.47
391	12/1/2057	722,863.47	9,267.53	1,730.59	602.39	6,934.55	715,928.92
392	1/1/2058	715,928.92	9,267.53	1,713.99	596.60	6,956.94	708,971.98
393	2/1/2058	708,971.98	9,267.53	1,697.33	590.81	6,979.39	701,992.59

EXHIBIT A

MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest (Cost of Funds)	Interest (Admin Fees)	Principal	Ending Balance
394	3/1/2058	701,992.59	9,267.53	1,680.62	585.00	7,001.91	694,990.68
395	4/1/2058	694,990.68	9,267.53	1,663.86	579.16	7,024.51	687,966.17
396	5/1/2058	687,966.17	9,267.53	1,647.04	573.31	7,047.18	680,918.99
397	6/1/2058	680,918.99	9,267.53	1,630.17	567.43	7,069.93	673,849.06
398	7/1/2058	673,849.06	9,267.53	1,613.25	561.54	7,092.74	666,756.32
399	8/1/2058	666,756.32	9,267.53	1,596.26	555.63	7,115.64	659,640.68
400	9/1/2058	659,640.68	9,267.53	1,579.23	549.70	7,138.60	652,502.08
401	10/1/2058	652,502.08	9,267.53	1,562.14	543.75	7,161.64	645,340.44
402	11/1/2058	645,340.44	9,267.53	1,544.99	537.79	7,184.75	638,155.69
403	12/1/2058	638,155.69	9,267.53	1,527.79	531.80	7,207.94	630,947.75
404	1/1/2059	630,947.75	9,267.53	1,510.54	525.79	7,231.20	623,716.55
405	2/1/2059	623,716.55	9,267.53	1,493.22	519.77	7,254.54	616,462.01
406	3/1/2059	616,462.01	9,267.53	1,475.86	513.71	7,277.96	609,184.05
407	4/1/2059	609,184.05	9,267.53	1,458.43	507.66	7,301.44	601,882.61
408	5/1/2059	601,882.61	9,267.53	1,440.95	501.57	7,325.01	594,557.60
409	6/1/2059	594,557.60	9,267.53	1,423.42	495.46	7,348.65	587,208.95
410	7/1/2059	587,208.95	9,267.53	1,405.82	489.34	7,372.37	579,836.58
411	8/1/2059	579,836.58	9,267.53	1,388.17	483.20	7,396.16	572,440.42
412	9/1/2059	572,440.42	9,267.53	1,370.47	477.03	7,420.03	565,020.39
413	10/1/2059	565,020.39	9,267.53	1,352.70	470.85	7,443.98	557,576.41
414	11/1/2059	557,576.41	9,267.53	1,334.88	464.65	7,468.00	550,108.41
415	12/1/2059	550,108.41	9,267.53	1,317.00	458.42	7,492.11	542,616.30
416	1/1/2060	542,616.30	9,267.53	1,299.06	452.18	7,516.29	535,100.01
417	2/1/2060	535,100.01	9,267.53	1,281.07	445.92	7,540.54	527,559.47
418	3/1/2060	527,559.47	9,267.53	1,263.02	439.63	7,564.88	519,994.59
419	4/1/2060	519,994.59	9,267.53	1,244.91	433.32	7,589.30	512,405.29
420	5/1/2060	512,405.29	9,267.53	1,226.74	427.00	7,613.79	504,791.50
421	6/1/2060	504,791.50	9,267.53	1,208.51	420.66	7,638.36	497,153.14
422	7/1/2060	497,153.14	9,267.53	1,190.22	414.30	7,663.01	489,490.13
423	8/1/2060	489,490.13	9,267.53	1,171.88	407.90	7,687.75	481,802.38
424	9/1/2060	481,802.38	9,267.53	1,153.47	401.50	7,712.56	474,089.82
425	10/1/2060	474,089.82	9,267.53	1,135.01	395.07	7,737.45	466,352.37
426	11/1/2060	466,352.37	9,267.53	1,116.48	388.63	7,762.42	458,589.95
427	12/1/2060	458,589.95	9,267.53	1,097.90	382.16	7,787.47	450,802.48
428	1/1/2061	450,802.48	9,267.53	1,079.25	375.67	7,812.61	442,989.87
429	2/1/2061	442,989.87	9,267.53	1,060.55	369.16	7,837.82	435,152.05
430	3/1/2061	435,152.05	9,267.53	1,041.79	362.62	7,863.12	427,288.93
431	4/1/2061	427,288.93	9,267.53	1,022.96	356.08	7,888.49	419,400.44
432	5/1/2061	419,400.44	9,267.53	1,004.08	349.50	7,913.95	411,486.49
433	6/1/2061	411,486.49	9,267.53	985.13	342.90	7,939.50	403,546.99
434	7/1/2061	403,546.99	9,267.53	966.12	336.29	7,965.12	395,581.87
435	8/1/2061	395,581.87	9,267.53	947.05	329.65	7,990.83	387,591.04
436	9/1/2061	387,591.04	9,267.53	927.92	322.99	8,016.62	379,574.42
437	10/1/2061	379,574.42	9,267.53	908.73	316.31	8,042.49	371,531.93
438	11/1/2061	371,531.93	9,267.53	889.48	309.61	8,068.44	363,463.49
439	12/1/2061	363,463.49	9,267.53	870.16	302.89	8,094.48	355,369.01
440	1/1/2062	355,369.01	9,267.53	850.78	296.14	8,120.61	347,248.40
441	2/1/2062	347,248.40	9,267.53	831.34	289.37	8,146.82	339,101.58
442	3/1/2062	339,101.58	9,267.53	811.83	282.59	8,173.11	330,928.47
443	4/1/2062	330,928.47	9,267.53	792.27	275.77	8,199.49	322,728.98
444	5/1/2062	322,728.98	9,267.53	772.64	268.94	8,225.95	314,503.03
445	6/1/2062	314,503.03	9,267.53	752.94	262.09	8,252.50	306,250.53
446	7/1/2062	306,250.53	9,267.53	733.19	255.21	8,279.13	297,971.40
447	8/1/2062	297,971.40	9,267.53	713.37	248.31	8,305.85	289,665.55
448	9/1/2062	289,665.55	9,267.53	693.48	241.39	8,332.66	281,332.89
449	10/1/2062	281,332.89	9,267.53	673.53	234.45	8,359.55	272,973.34
450	11/1/2062	272,973.34	9,267.53	653.52	227.48	8,386.53	264,586.81
451	12/1/2062	264,586.81	9,267.53	633.44	220.49	8,413.60	256,173.21
452	1/1/2063	256,173.21	9,267.53	613.30	213.48	8,440.75	247,732.46
453	2/1/2063	247,732.46	9,267.53	593.09	206.44	8,468.00	239,264.46
454	3/1/2063	239,264.46	9,267.53	572.82	199.38	8,495.33	230,769.13
455	4/1/2063	230,769.13	9,267.53	552.48	192.31	8,522.74	222,246.39
456	5/1/2063	222,246.39	9,267.53	532.07	185.21	8,550.25	213,696.14
457	6/1/2063	213,696.14	9,267.53	511.60	178.08	8,577.85	205,118.29
458	7/1/2063	205,118.29	9,267.53	491.07	170.93	8,605.53	196,512.76
459	8/1/2063	196,512.76	9,267.53	470.47	163.76	8,633.30	187,879.46
460	9/1/2063	187,879.46	9,267.53	449.80	156.56	8,661.17	179,218.29

EXHIBIT A

MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest (Cost of Funds)	Interest (Admin Fees)	Principal	Ending Balance
461	10/1/2063	179,218.29	9,267.53	429.06	149.35	8,689.12	170,529.17
462	11/1/2063	170,529.17	9,267.53	408.26	142.11	8,717.16	161,812.01
463	12/1/2063	161,812.01	9,267.53	387.39	134.84	8,745.30	153,066.71
464	1/1/2064	153,066.71	9,267.53	366.45	127.56	8,773.52	144,293.19
465	2/1/2064	144,293.19	9,267.53	345.45	120.24	8,801.84	135,491.35
466	3/1/2064	135,491.35	9,267.53	324.38	112.91	8,830.24	126,661.11
467	4/1/2064	126,661.11	9,267.53	303.24	105.55	8,858.74	117,802.37
468	5/1/2064	117,802.37	9,267.53	282.03	98.17	8,887.33	108,915.04
469	6/1/2064	108,915.04	9,267.53	260.75	90.76	8,916.02	99,999.02
470	7/1/2064	99,999.02	9,267.53	239.41	83.33	8,944.79	91,054.23
471	8/1/2064	91,054.23	9,267.53	217.99	75.88	8,973.66	82,080.57
472	9/1/2064	82,080.57	9,267.53	196.51	68.40	9,002.62	73,077.95
473	10/1/2064	73,077.95	9,267.53	174.95	60.90	9,031.68	64,046.27
474	11/1/2064	64,046.27	9,267.53	153.33	53.37	9,060.83	54,985.44
475	12/1/2064	54,985.44	9,267.53	131.64	45.82	9,090.07	45,895.37
476	1/1/2065	45,895.37	9,267.53	109.88	38.24	9,119.41	36,775.96
477	2/1/2065	36,775.96	9,267.53	88.04	30.65	9,148.84	27,627.12
478	3/1/2065	27,627.12	9,267.53	66.14	23.02	9,178.37	18,448.75
479	4/1/2065	18,448.75	9,267.53	44.17	15.37	9,207.99	9,240.76
480	5/1/2065	9,240.76	9,270.58	22.12	7.70	9,240.76	(0.00)

SECURED PROMISSORY NOTE

PASS- Below Market Rate Loan

(Bernal Bundle: 1652-1654 Eddy Street; 3554 17th Street; and 195 Woolsey Street)

Principal Amount: \$1,246,896.00

San Francisco, CA

Date: [_____], 2024

FOR VALUE RECEIVED, the undersigned, **HAZEL EDDY WOOLSEY LLC**, a California limited liability company ("Maker"), hereby promises to pay to the order of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, or holder (as the case may be, "Holder"), the principal sum of One Million Two Hundred Forty-Six Thousand Eight Hundred Ninety-Six and No/100 Dollars (\$1,246,896.00) (the "Below Market Rate Loan Amount"), or so much of the Below Market Rate Loan Amount as may be disbursed from time to time pursuant to the Agreement described in **Section 1** below, together with interest thereon, as provided in this Note.

1. Agreement. This Secured Promissory Note ("Note") is given under the terms of an Amended and Restated Loan Agreement by and between Maker and Holder (the "Agreement") dated as of the date set forth above, which Agreement is incorporated herein by reference. Maker's obligations under this Note and the Agreement are secured by that certain PASS Deed Of Trust, Assignment Of Rents, Security Agreement And Fixture Filing dated as of the date of this Note, made by Maker for the benefit of Holder. Definitions and rules of interpretation set forth in the Agreement apply to this Note. In the event of any inconsistency between the Agreement and this Note, this Note will control.

2. Interest. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of 0.95763% per annum from the date of the disbursement of funds by Holder through the date of full payment of all amounts owing under the City Documents. Interest will be compounded monthly. Interest will be calculated on the basis of actual days elapsed and a 360-day year, which will result in higher interest charges than if a 365-day year were used.

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

4. Repayment of Below Market Rate Loan Amount.

4.1 Interest-Only Payment Period. Commencing on the First Payment Date and continuing until the earlier of (i) 24 months from the First Payment Date or (ii) the first day of the first full month following the Completion Date, Maker must make payments of accrued and unpaid interest under this Note in monthly installments of [\$995.05] (each, an "Interest

Payment"). All Interest Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; and (b) accrued and unpaid interest.

4.2 Principal and Interest Payment Period. Commencing on the earlier of (i) 24 months from the First PASS Payment Date or (ii) the first full month following the Completion Date, Maker must make payments of principal and interest in monthly installments (each, a "**Full PASS Payment**") equal to the amount specified by the amortization schedule attached as Exhibit A. All Full PASS Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; (b) accrued and unpaid interest; and (c) reduction of the principal balance of the Below Market Rate Loan. The unpaid principal balance of the Below Market Rate Loan, together with accrued and unpaid interest and unpaid fees and costs incurred, will be due and payable on the earlier of the date that is the earlier of (i) the forty-second (42nd) anniversary of the date that is the first day of the first full month following the date that the PASS Deed of Trust is recorded in the Recorder's Office of San Francisco County or (ii) the 40th anniversary of the date that is the first day of the first full month following the Completion Date (the "**PASS Maturity Date**"). Any Payment Date, including the PASS Loan Maturity Date, that falls on a weekend or holiday will be deemed to fall on the next succeeding business day.

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

6. Terms of Payment.

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

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

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

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

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

7. Default.

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

(a) Maker fails to make any Payment required under this Note within ten (10) days of the date it is due; or

(b) the occurrence of any other Event of Default under the Agreement or other instrument securing the obligations of Maker under this Note or under any other agreement between Maker and Holder with respect to the Project.

7.2 Upon the occurrence of any Event of Default, without notice to or demand upon Maker, which are expressly waived by Maker (except for notices or demands otherwise

required by applicable laws to the extent not effectively waived by Maker and any notices or demands specified in the City Documents), Holder may exercise all rights and remedies available under this Note, the Agreement or otherwise available to Holder at law or in equity. Maker acknowledges and agrees that Holder's remedies include the right to accelerate the Maturity Date by declaring the outstanding principal balance of the Loan, together with all accrued and unpaid interest and unpaid fees and costs incurred, due and payable immediately, in which case, the Maturity Date will be superseded and replaced by the date established by Holder.

8. Waivers.

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

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

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

9. Miscellaneous Provisions.

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

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

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

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

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

[signature follows]

"MAKER"

HAZEL EDDY WOOLSEY LLC,
a California limited liability company

By: Bernal Heights Housing Corporation,
a California nonprofit public benefit corporation
Its: Sole member

By: _____
Name: Gina Dacus
Title: Executive Director

Exhibit A
Amortization Schedule

Project Name: Hazel Eddy Woolsey Bundle
Sponsor: Bernal Heights Neighborhood Corporation

Loan Amount	1,246,896.00
Rate	0.95763%
Term	40
Amortization	40
Monthly Payment	3,127.94

BELOW MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest	Principal	Ending Balance
1	6/1/2025	1,246,896.00	3,127.94	995.05	2,132.89	1,244,763.11
2	7/1/2025	1,244,763.11	3,127.94	993.35	2,134.59	1,242,628.52
3	8/1/2025	1,242,628.52	3,127.94	991.65	2,136.29	1,240,492.23
4	9/1/2025	1,240,492.23	3,127.94	989.94	2,138.00	1,238,354.23
5	10/1/2025	1,238,354.23	3,127.94	988.24	2,139.70	1,236,214.53
6	11/1/2025	1,236,214.53	3,127.94	986.53	2,141.41	1,234,073.12
7	12/1/2025	1,234,073.12	3,127.94	984.82	2,143.12	1,231,930.00
8	1/1/2026	1,231,930.00	3,127.94	983.11	2,144.83	1,229,785.17
9	2/1/2026	1,229,785.17	3,127.94	981.40	2,146.54	1,227,638.63
10	3/1/2026	1,227,638.63	3,127.94	979.69	2,148.25	1,225,490.38
11	4/1/2026	1,225,490.38	3,127.94	977.97	2,149.97	1,223,340.41
12	5/1/2026	1,223,340.41	3,127.94	976.26	2,151.68	1,221,188.73
13	6/1/2026	1,221,188.73	3,127.94	974.54	2,153.40	1,219,035.33
14	7/1/2026	1,219,035.33	3,127.94	972.82	2,155.12	1,216,880.21
15	8/1/2026	1,216,880.21	3,127.94	971.10	2,156.84	1,214,723.37
16	9/1/2026	1,214,723.37	3,127.94	969.38	2,158.56	1,212,564.81
17	10/1/2026	1,212,564.81	3,127.94	967.66	2,160.28	1,210,404.53
18	11/1/2026	1,210,404.53	3,127.94	965.93	2,162.01	1,208,242.52
19	12/1/2026	1,208,242.52	3,127.94	964.21	2,163.73	1,206,078.79
20	1/1/2027	1,206,078.79	3,127.94	962.48	2,165.46	1,203,913.33
21	2/1/2027	1,203,913.33	3,127.94	960.75	2,167.19	1,201,746.14
22	3/1/2027	1,201,746.14	3,127.94	959.02	2,168.92	1,199,577.22
23	4/1/2027	1,199,577.22	3,127.94	957.29	2,170.65	1,197,406.57
24	5/1/2027	1,197,406.57	3,127.94	955.56	2,172.38	1,195,234.19
25	6/1/2027	1,195,234.19	3,127.94	953.83	2,174.11	1,193,060.08
26	7/1/2027	1,193,060.08	3,127.94	952.09	2,175.85	1,190,884.23
27	8/1/2027	1,190,884.23	3,127.94	950.36	2,177.58	1,188,706.65
28	9/1/2027	1,188,706.65	3,127.94	948.62	2,179.32	1,186,527.33
29	10/1/2027	1,186,527.33	3,127.94	946.88	2,181.06	1,184,346.27
30	11/1/2027	1,184,346.27	3,127.94	945.14	2,182.80	1,182,163.47
31	12/1/2027	1,182,163.47	3,127.94	943.40	2,184.54	1,179,978.93
32	1/1/2028	1,179,978.93	3,127.94	941.65	2,186.29	1,177,792.64
33	2/1/2028	1,177,792.64	3,127.94	939.91	2,188.03	1,175,604.61
34	3/1/2028	1,175,604.61	3,127.94	938.16	2,189.78	1,173,414.83
35	4/1/2028	1,173,414.83	3,127.94	936.41	2,191.53	1,171,223.30
36	5/1/2028	1,171,223.30	3,127.94	934.67	2,193.27	1,169,030.03
37	6/1/2028	1,169,030.03	3,127.94	932.92	2,195.02	1,166,835.01
38	7/1/2028	1,166,835.01	3,127.94	931.16	2,196.78	1,164,638.23
39	8/1/2028	1,164,638.23	3,127.94	929.41	2,198.53	1,162,439.70
40	9/1/2028	1,162,439.70	3,127.94	927.66	2,200.28	1,160,239.42
41	10/1/2028	1,160,239.42	3,127.94	925.90	2,202.04	1,158,037.38
42	11/1/2028	1,158,037.38	3,127.94	924.14	2,203.80	1,155,833.58
43	12/1/2028	1,155,833.58	3,127.94	922.38	2,205.56	1,153,628.02
44	1/1/2029	1,153,628.02	3,127.94	920.62	2,207.32	1,151,420.70
45	2/1/2029	1,151,420.70	3,127.94	918.86	2,209.08	1,149,211.62
46	3/1/2029	1,149,211.62	3,127.94	917.10	2,210.84	1,147,000.78
47	4/1/2029	1,147,000.78	3,127.94	915.34	2,212.60	1,144,788.18
48	5/1/2029	1,144,788.18	3,127.94	913.57	2,214.37	1,142,573.81
49	6/1/2029	1,142,573.81	3,127.94	911.80	2,216.14	1,140,357.67
50	7/1/2029	1,140,357.67	3,127.94	910.03	2,217.91	1,138,139.76
51	8/1/2029	1,138,139.76	3,127.94	908.26	2,219.68	1,135,920.08
52	9/1/2029	1,135,920.08	3,127.94	906.49	2,221.45	1,133,698.63
53	10/1/2029	1,133,698.63	3,127.94	904.72	2,223.22	1,131,475.41
54	11/1/2029	1,131,475.41	3,127.94	902.95	2,224.99	1,129,250.42
55	12/1/2029	1,129,250.42	3,127.94	901.17	2,226.77	1,127,023.65
56	1/1/2030	1,127,023.65	3,127.94	899.39	2,228.55	1,124,795.10

EXHIBIT A

BELOW MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest	Principal	Ending Balance
57	2/1/2030	1,124,795.10	3,127.94	897.61	2,230.33	1,122,564.77
58	3/1/2030	1,122,564.77	3,127.94	895.83	2,232.11	1,120,332.66
59	4/1/2030	1,120,332.66	3,127.94	894.05	2,233.89	1,118,098.77
60	5/1/2030	1,118,098.77	3,127.94	892.27	2,235.67	1,115,863.10
61	6/1/2030	1,115,863.10	3,127.94	890.49	2,237.45	1,113,625.65
62	7/1/2030	1,113,625.65	3,127.94	888.70	2,239.24	1,111,386.41
63	8/1/2030	1,111,386.41	3,127.94	886.91	2,241.03	1,109,145.38
64	9/1/2030	1,109,145.38	3,127.94	885.13	2,242.81	1,106,902.57
65	10/1/2030	1,106,902.57	3,127.94	883.34	2,244.60	1,104,657.97
66	11/1/2030	1,104,657.97	3,127.94	881.54	2,246.40	1,102,411.57
67	12/1/2030	1,102,411.57	3,127.94	879.75	2,248.19	1,100,163.38
68	1/1/2031	1,100,163.38	3,127.94	877.96	2,249.98	1,097,913.40
69	2/1/2031	1,097,913.40	3,127.94	876.16	2,251.78	1,095,661.62
70	3/1/2031	1,095,661.62	3,127.94	874.37	2,253.57	1,093,408.05
71	4/1/2031	1,093,408.05	3,127.94	872.57	2,255.37	1,091,152.68
72	5/1/2031	1,091,152.68	3,127.94	870.77	2,257.17	1,088,895.51
73	6/1/2031	1,088,895.51	3,127.94	868.97	2,258.97	1,086,636.54
74	7/1/2031	1,086,636.54	3,127.94	867.16	2,260.78	1,084,375.76
75	8/1/2031	1,084,375.76	3,127.94	865.36	2,262.58	1,082,113.18
76	9/1/2031	1,082,113.18	3,127.94	863.55	2,264.39	1,079,848.79
77	10/1/2031	1,079,848.79	3,127.94	861.75	2,266.19	1,077,582.60
78	11/1/2031	1,077,582.60	3,127.94	859.94	2,268.00	1,075,314.60
79	12/1/2031	1,075,314.60	3,127.94	858.13	2,269.81	1,073,044.79
80	1/1/2032	1,073,044.79	3,127.94	856.32	2,271.62	1,070,773.17
81	2/1/2032	1,070,773.17	3,127.94	854.50	2,273.44	1,068,499.73
82	3/1/2032	1,068,499.73	3,127.94	852.69	2,275.25	1,066,224.48
83	4/1/2032	1,066,224.48	3,127.94	850.87	2,277.07	1,063,947.41
84	5/1/2032	1,063,947.41	3,127.94	849.06	2,278.88	1,061,668.53
85	6/1/2032	1,061,668.53	3,127.94	847.24	2,280.70	1,059,387.83
86	7/1/2032	1,059,387.83	3,127.94	845.42	2,282.52	1,057,105.31
87	8/1/2032	1,057,105.31	3,127.94	843.60	2,284.34	1,054,820.97
88	9/1/2032	1,054,820.97	3,127.94	841.77	2,286.17	1,052,534.80
89	10/1/2032	1,052,534.80	3,127.94	839.95	2,287.99	1,050,246.81
90	11/1/2032	1,050,246.81	3,127.94	838.12	2,289.82	1,047,956.99
91	12/1/2032	1,047,956.99	3,127.94	836.30	2,291.64	1,045,665.35
92	1/1/2033	1,045,665.35	3,127.94	834.47	2,293.47	1,043,371.88
93	2/1/2033	1,043,371.88	3,127.94	832.64	2,295.30	1,041,076.58
94	3/1/2033	1,041,076.58	3,127.94	830.81	2,297.13	1,038,779.45
95	4/1/2033	1,038,779.45	3,127.94	828.97	2,298.97	1,036,480.48
96	5/1/2033	1,036,480.48	3,127.94	827.14	2,300.80	1,034,179.68
97	6/1/2033	1,034,179.68	3,127.94	825.30	2,302.64	1,031,877.04
98	7/1/2033	1,031,877.04	3,127.94	823.46	2,304.48	1,029,572.56
99	8/1/2033	1,029,572.56	3,127.94	821.62	2,306.32	1,027,266.24
100	9/1/2033	1,027,266.24	3,127.94	819.78	2,308.16	1,024,958.08
101	10/1/2033	1,024,958.08	3,127.94	817.94	2,310.00	1,022,648.08
102	11/1/2033	1,022,648.08	3,127.94	816.10	2,311.84	1,020,336.24
103	12/1/2033	1,020,336.24	3,127.94	814.25	2,313.69	1,018,022.55
104	1/1/2034	1,018,022.55	3,127.94	812.41	2,315.53	1,015,707.02
105	2/1/2034	1,015,707.02	3,127.94	810.56	2,317.38	1,013,389.64
106	3/1/2034	1,013,389.64	3,127.94	808.71	2,319.23	1,011,070.41
107	4/1/2034	1,011,070.41	3,127.94	806.86	2,321.08	1,008,749.33
108	5/1/2034	1,008,749.33	3,127.94	805.01	2,322.93	1,006,426.40
109	6/1/2034	1,006,426.40	3,127.94	803.15	2,324.79	1,004,101.61
110	7/1/2034	1,004,101.61	3,127.94	801.30	2,326.64	1,001,774.97
111	8/1/2034	1,001,774.97	3,127.94	799.44	2,328.50	999,446.47
112	9/1/2034	999,446.47	3,127.94	797.58	2,330.36	997,116.11
113	10/1/2034	997,116.11	3,127.94	795.72	2,332.22	994,783.89
114	11/1/2034	994,783.89	3,127.94	793.86	2,334.08	992,449.81
115	12/1/2034	992,449.81	3,127.94	792.00	2,335.94	990,113.87
116	1/1/2035	990,113.87	3,127.94	790.14	2,337.80	987,776.07
117	2/1/2035	987,776.07	3,127.94	788.27	2,339.67	985,436.40
118	3/1/2035	985,436.40	3,127.94	786.40	2,341.54	983,094.86
119	4/1/2035	983,094.86	3,127.94	784.53	2,343.41	980,751.45
120	5/1/2035	980,751.45	3,127.94	782.66	2,345.28	978,406.17
121	6/1/2035	978,406.17	3,127.94	780.79	2,347.15	976,059.02

BELOW MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest	Principal	Ending Balance
122	7/1/2035	976,059.02	3,127.94	778.92	2,349.02	973,710.00
123	8/1/2035	973,710.00	3,127.94	777.04	2,350.90	971,359.10
124	9/1/2035	971,359.10	3,127.94	775.17	2,352.77	969,006.33
125	10/1/2035	969,006.33	3,127.94	773.29	2,354.65	966,651.68
126	11/1/2035	966,651.68	3,127.94	771.41	2,356.53	964,295.15
127	12/1/2035	964,295.15	3,127.94	769.53	2,358.41	961,936.74
128	1/1/2036	961,936.74	3,127.94	767.65	2,360.29	959,576.45
129	2/1/2036	959,576.45	3,127.94	765.77	2,362.17	957,214.28
130	3/1/2036	957,214.28	3,127.94	763.88	2,364.06	954,850.22
131	4/1/2036	954,850.22	3,127.94	761.99	2,365.95	952,484.27
132	5/1/2036	952,484.27	3,127.94	760.11	2,367.83	950,116.44
133	6/1/2036	950,116.44	3,127.94	758.22	2,369.72	947,746.72
134	7/1/2036	947,746.72	3,127.94	756.33	2,371.61	945,375.11
135	8/1/2036	945,375.11	3,127.94	754.43	2,373.51	943,001.60
136	9/1/2036	943,001.60	3,127.94	752.54	2,375.40	940,626.20
137	10/1/2036	940,626.20	3,127.94	750.64	2,377.30	938,248.90
138	11/1/2036	938,248.90	3,127.94	748.75	2,379.19	935,869.71
139	12/1/2036	935,869.71	3,127.94	746.85	2,381.09	933,488.62
140	1/1/2037	933,488.62	3,127.94	744.95	2,382.99	931,105.63
141	2/1/2037	931,105.63	3,127.94	743.05	2,384.89	928,720.74
142	3/1/2037	928,720.74	3,127.94	741.14	2,386.80	926,333.94
143	4/1/2037	926,333.94	3,127.94	739.24	2,388.70	923,945.24
144	5/1/2037	923,945.24	3,127.94	737.33	2,390.61	921,554.63
145	6/1/2037	921,554.63	3,127.94	735.42	2,392.52	919,162.11
146	7/1/2037	919,162.11	3,127.94	733.51	2,394.43	916,767.68
147	8/1/2037	916,767.68	3,127.94	731.60	2,396.34	914,371.34
148	9/1/2037	914,371.34	3,127.94	729.69	2,398.25	911,973.09
149	10/1/2037	911,973.09	3,127.94	727.78	2,400.16	909,572.93
150	11/1/2037	909,572.93	3,127.94	725.86	2,402.08	907,170.85
151	12/1/2037	907,170.85	3,127.94	723.95	2,403.99	904,766.86
152	1/1/2038	904,766.86	3,127.94	722.03	2,405.91	902,360.95
153	2/1/2038	902,360.95	3,127.94	720.11	2,407.83	899,953.12
154	3/1/2038	899,953.12	3,127.94	718.19	2,409.75	897,543.37
155	4/1/2038	897,543.37	3,127.94	716.26	2,411.68	895,131.69
156	5/1/2038	895,131.69	3,127.94	714.34	2,413.60	892,718.09
157	6/1/2038	892,718.09	3,127.94	712.41	2,415.53	890,302.56
158	7/1/2038	890,302.56	3,127.94	710.48	2,417.46	887,885.10
159	8/1/2038	887,885.10	3,127.94	708.55	2,419.39	885,465.71
160	9/1/2038	885,465.71	3,127.94	706.62	2,421.32	883,044.39
161	10/1/2038	883,044.39	3,127.94	704.69	2,423.25	880,621.14
162	11/1/2038	880,621.14	3,127.94	702.76	2,425.18	878,195.96
163	12/1/2038	878,195.96	3,127.94	700.82	2,427.12	875,768.84
164	1/1/2039	875,768.84	3,127.94	698.89	2,429.05	873,339.79
165	2/1/2039	873,339.79	3,127.94	696.95	2,430.99	870,908.80
166	3/1/2039	870,908.80	3,127.94	695.01	2,432.93	868,475.87
167	4/1/2039	868,475.87	3,127.94	693.07	2,434.87	866,041.00
168	5/1/2039	866,041.00	3,127.94	691.12	2,436.82	863,604.18
169	6/1/2039	863,604.18	3,127.94	689.18	2,438.76	861,165.42
170	7/1/2039	861,165.42	3,127.94	687.23	2,440.71	858,724.71
171	8/1/2039	858,724.71	3,127.94	685.28	2,442.66	856,282.05
172	9/1/2039	856,282.05	3,127.94	683.33	2,444.61	853,837.44
173	10/1/2039	853,837.44	3,127.94	681.38	2,446.56	851,390.88
174	11/1/2039	851,390.88	3,127.94	679.43	2,448.51	848,942.37
175	12/1/2039	848,942.37	3,127.94	677.48	2,450.46	846,491.91
176	1/1/2040	846,491.91	3,127.94	675.52	2,452.42	844,039.49
177	2/1/2040	844,039.49	3,127.94	673.56	2,454.38	841,585.11
178	3/1/2040	841,585.11	3,127.94	671.61	2,456.33	839,128.78
179	4/1/2040	839,128.78	3,127.94	669.65	2,458.29	836,670.49
180	5/1/2040	836,670.49	3,127.94	667.68	2,460.26	834,210.23
181	6/1/2040	834,210.23	3,127.94	665.72	2,462.22	831,748.01
182	7/1/2040	831,748.01	3,127.94	663.76	2,464.18	829,283.83
183	8/1/2040	829,283.83	3,127.94	661.79	2,466.15	826,817.68
184	9/1/2040	826,817.68	3,127.94	659.82	2,468.12	824,349.56
185	10/1/2040	824,349.56	3,127.94	657.85	2,470.09	821,879.47
186	11/1/2040	821,879.47	3,127.94	655.88	2,472.06	819,407.41

EXHIBIT A

BELOW MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest	Principal	Ending Balance
187	12/1/2040	819,407.41	3,127.94	653.91	2,474.03	816,933.38
188	1/1/2041	816,933.38	3,127.94	651.93	2,476.01	814,457.37
189	2/1/2041	814,457.37	3,127.94	649.96	2,477.98	811,979.39
190	3/1/2041	811,979.39	3,127.94	647.98	2,479.96	809,499.43
191	4/1/2041	809,499.43	3,127.94	646.00	2,481.94	807,017.49
192	5/1/2041	807,017.49	3,127.94	644.02	2,483.92	804,533.57
193	6/1/2041	804,533.57	3,127.94	642.04	2,485.90	802,047.67
194	7/1/2041	802,047.67	3,127.94	640.05	2,487.89	799,559.78
195	8/1/2041	799,559.78	3,127.94	638.07	2,489.87	797,069.91
196	9/1/2041	797,069.91	3,127.94	636.08	2,491.86	794,578.05
197	10/1/2041	794,578.05	3,127.94	634.09	2,493.85	792,084.20
198	11/1/2041	792,084.20	3,127.94	632.10	2,495.84	789,588.36
199	12/1/2041	789,588.36	3,127.94	630.11	2,497.83	787,090.53
200	1/1/2042	787,090.53	3,127.94	628.12	2,499.82	784,590.71
201	2/1/2042	784,590.71	3,127.94	626.12	2,501.82	782,088.89
202	3/1/2042	782,088.89	3,127.94	624.13	2,503.81	779,585.08
203	4/1/2042	779,585.08	3,127.94	622.13	2,505.81	777,079.27
204	5/1/2042	777,079.27	3,127.94	620.13	2,507.81	774,571.46
205	6/1/2042	774,571.46	3,127.94	618.13	2,509.81	772,061.65
206	7/1/2042	772,061.65	3,127.94	616.12	2,511.82	769,549.83
207	8/1/2042	769,549.83	3,127.94	614.12	2,513.82	767,036.01
208	9/1/2042	767,036.01	3,127.94	612.11	2,515.83	764,520.18
209	10/1/2042	764,520.18	3,127.94	610.11	2,517.83	762,002.35
210	11/1/2042	762,002.35	3,127.94	608.10	2,519.84	759,482.51
211	12/1/2042	759,482.51	3,127.94	606.09	2,521.85	756,960.66
212	1/1/2043	756,960.66	3,127.94	604.07	2,523.87	754,436.79
213	2/1/2043	754,436.79	3,127.94	602.06	2,525.88	751,910.91
214	3/1/2043	751,910.91	3,127.94	600.04	2,527.90	749,383.01
215	4/1/2043	749,383.01	3,127.94	598.03	2,529.91	746,853.10
216	5/1/2043	746,853.10	3,127.94	596.01	2,531.93	744,321.17
217	6/1/2043	744,321.17	3,127.94	593.99	2,533.95	741,787.22
218	7/1/2043	741,787.22	3,127.94	591.96	2,535.98	739,251.24
219	8/1/2043	739,251.24	3,127.94	589.94	2,538.00	736,713.24
220	9/1/2043	736,713.24	3,127.94	587.92	2,540.02	734,173.22
221	10/1/2043	734,173.22	3,127.94	585.89	2,542.05	731,631.17
222	11/1/2043	731,631.17	3,127.94	583.86	2,544.08	729,087.09
223	12/1/2043	729,087.09	3,127.94	581.83	2,546.11	726,540.98
224	1/1/2044	726,540.98	3,127.94	579.80	2,548.14	723,992.84
225	2/1/2044	723,992.84	3,127.94	577.76	2,550.18	721,442.66
226	3/1/2044	721,442.66	3,127.94	575.73	2,552.21	718,890.45
227	4/1/2044	718,890.45	3,127.94	573.69	2,554.25	716,336.20
228	5/1/2044	716,336.20	3,127.94	571.65	2,556.29	713,779.91
229	6/1/2044	713,779.91	3,127.94	569.61	2,558.33	711,221.58
230	7/1/2044	711,221.58	3,127.94	567.57	2,560.37	708,661.21
231	8/1/2044	708,661.21	3,127.94	565.53	2,562.41	706,098.80
232	9/1/2044	706,098.80	3,127.94	563.48	2,564.46	703,534.34
233	10/1/2044	703,534.34	3,127.94	561.44	2,566.50	700,967.84
234	11/1/2044	700,967.84	3,127.94	559.39	2,568.55	698,399.29
235	12/1/2044	698,399.29	3,127.94	557.34	2,570.60	695,828.69
236	1/1/2045	695,828.69	3,127.94	555.29	2,572.65	693,256.04
237	2/1/2045	693,256.04	3,127.94	553.24	2,574.70	690,681.34
238	3/1/2045	690,681.34	3,127.94	551.18	2,576.76	688,104.58
239	4/1/2045	688,104.58	3,127.94	549.12	2,578.82	685,525.76
240	5/1/2045	685,525.76	3,127.94	547.07	2,580.87	682,944.89
241	6/1/2045	682,944.89	3,127.94	545.01	2,582.93	680,361.96
242	7/1/2045	680,361.96	3,127.94	542.95	2,584.99	677,776.97
243	8/1/2045	677,776.97	3,127.94	540.88	2,587.06	675,189.91
244	9/1/2045	675,189.91	3,127.94	538.82	2,589.12	672,600.79
245	10/1/2045	672,600.79	3,127.94	536.75	2,591.19	670,009.60
246	11/1/2045	670,009.60	3,127.94	534.68	2,593.26	667,416.34
247	12/1/2045	667,416.34	3,127.94	532.61	2,595.33	664,821.01
248	1/1/2046	664,821.01	3,127.94	530.54	2,597.40	662,223.61
249	2/1/2046	662,223.61	3,127.94	528.47	2,599.47	659,624.14
250	3/1/2046	659,624.14	3,127.94	526.40	2,601.54	657,022.60
251	4/1/2046	657,022.60	3,127.94	524.32	2,603.62	654,418.98

EXHIBIT A

BELOW MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest	Principal	Ending Balance
252	5/1/2046	654,418.98	3,127.94	522.24	2,605.70	651,813.28
253	6/1/2046	651,813.28	3,127.94	520.16	2,607.78	649,205.50
254	7/1/2046	649,205.50	3,127.94	518.08	2,609.86	646,595.64
255	8/1/2046	646,595.64	3,127.94	516.00	2,611.94	643,983.70
256	9/1/2046	643,983.70	3,127.94	513.92	2,614.02	641,369.68
257	10/1/2046	641,369.68	3,127.94	511.83	2,616.11	638,753.57
258	11/1/2046	638,753.57	3,127.94	509.74	2,618.20	636,135.37
259	12/1/2046	636,135.37	3,127.94	507.65	2,620.29	633,515.08
260	1/1/2047	633,515.08	3,127.94	505.56	2,622.38	630,892.70
261	2/1/2047	630,892.70	3,127.94	503.47	2,624.47	628,268.23
262	3/1/2047	628,268.23	3,127.94	501.37	2,626.57	625,641.66
263	4/1/2047	625,641.66	3,127.94	499.28	2,628.66	623,013.00
264	5/1/2047	623,013.00	3,127.94	497.18	2,630.76	620,382.24
265	6/1/2047	620,382.24	3,127.94	495.08	2,632.86	617,749.38
266	7/1/2047	617,749.38	3,127.94	492.98	2,634.96	615,114.42
267	8/1/2047	615,114.42	3,127.94	490.88	2,637.06	612,477.36
268	9/1/2047	612,477.36	3,127.94	488.77	2,639.17	609,838.19
269	10/1/2047	609,838.19	3,127.94	486.67	2,641.27	607,196.92
270	11/1/2047	607,196.92	3,127.94	484.56	2,643.38	604,553.54
271	12/1/2047	604,553.54	3,127.94	482.45	2,645.49	601,908.05
272	1/1/2048	601,908.05	3,127.94	480.34	2,647.60	599,260.45
273	2/1/2048	599,260.45	3,127.94	478.22	2,649.72	596,610.73
274	3/1/2048	596,610.73	3,127.94	476.11	2,651.83	593,958.90
275	4/1/2048	593,958.90	3,127.94	473.99	2,653.95	591,304.95
276	5/1/2048	591,304.95	3,127.94	471.88	2,656.06	588,648.89
277	6/1/2048	588,648.89	3,127.94	469.76	2,658.18	585,990.71
278	7/1/2048	585,990.71	3,127.94	467.64	2,660.30	583,330.41
279	8/1/2048	583,330.41	3,127.94	465.51	2,662.43	580,667.98
280	9/1/2048	580,667.98	3,127.94	463.39	2,664.55	578,003.43
281	10/1/2048	578,003.43	3,127.94	461.26	2,666.68	575,336.75
282	11/1/2048	575,336.75	3,127.94	459.13	2,668.81	572,667.94
283	12/1/2048	572,667.94	3,127.94	457.00	2,670.94	569,997.00
284	1/1/2049	569,997.00	3,127.94	454.87	2,673.07	567,323.93
285	2/1/2049	567,323.93	3,127.94	452.74	2,675.20	564,648.73
286	3/1/2049	564,648.73	3,127.94	450.60	2,677.34	561,971.39
287	4/1/2049	561,971.39	3,127.94	448.47	2,679.47	559,291.92
288	5/1/2049	559,291.92	3,127.94	446.33	2,681.61	556,610.31
289	6/1/2049	556,610.31	3,127.94	444.19	2,683.75	553,926.56
290	7/1/2049	553,926.56	3,127.94	442.05	2,685.89	551,240.67
291	8/1/2049	551,240.67	3,127.94	439.90	2,688.04	548,552.63
292	9/1/2049	548,552.63	3,127.94	437.76	2,690.18	545,862.45
293	10/1/2049	545,862.45	3,127.94	435.61	2,692.33	543,170.12
294	11/1/2049	543,170.12	3,127.94	433.46	2,694.48	540,475.64
295	12/1/2049	540,475.64	3,127.94	431.31	2,696.63	537,779.01
296	1/1/2050	537,779.01	3,127.94	429.16	2,698.78	535,080.23
297	2/1/2050	535,080.23	3,127.94	427.01	2,700.93	532,379.30
298	3/1/2050	532,379.30	3,127.94	424.85	2,703.09	529,676.21
299	4/1/2050	529,676.21	3,127.94	422.69	2,705.25	526,970.96
300	5/1/2050	526,970.96	3,127.94	420.54	2,707.40	524,263.56
301	6/1/2050	524,263.56	3,127.94	418.38	2,709.56	521,554.00
302	7/1/2050	521,554.00	3,127.94	416.21	2,711.73	518,842.27
303	8/1/2050	518,842.27	3,127.94	414.05	2,713.89	516,128.38
304	9/1/2050	516,128.38	3,127.94	411.88	2,716.06	513,412.32
305	10/1/2050	513,412.32	3,127.94	409.72	2,718.22	510,694.10
306	11/1/2050	510,694.10	3,127.94	407.55	2,720.39	507,973.71
307	12/1/2050	507,973.71	3,127.94	405.38	2,722.56	505,251.15
308	1/1/2051	505,251.15	3,127.94	403.20	2,724.74	502,526.41
309	2/1/2051	502,526.41	3,127.94	401.03	2,726.91	499,799.50
310	3/1/2051	499,799.50	3,127.94	398.85	2,729.09	497,070.41
311	4/1/2051	497,070.41	3,127.94	396.67	2,731.27	494,339.14
312	5/1/2051	494,339.14	3,127.94	394.49	2,733.45	491,605.69
313	6/1/2051	491,605.69	3,127.94	392.31	2,735.63	488,870.06
314	7/1/2051	488,870.06	3,127.94	390.13	2,737.81	486,132.25
315	8/1/2051	486,132.25	3,127.94	387.95	2,739.99	483,392.26
316	9/1/2051	483,392.26	3,127.94	385.76	2,742.18	480,650.08

EXHIBIT A

BELOW MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest	Principal	Ending Balance
317	10/1/2051	480,650.08	3,127.94	383.57	2,744.37	477,905.71
318	11/1/2051	477,905.71	3,127.94	381.38	2,746.56	475,159.15
319	12/1/2051	475,159.15	3,127.94	379.19	2,748.75	472,410.40
320	1/1/2052	472,410.40	3,127.94	377.00	2,750.94	469,659.46
321	2/1/2052	469,659.46	3,127.94	374.80	2,753.14	466,906.32
322	3/1/2052	466,906.32	3,127.94	372.60	2,755.34	464,150.98
323	4/1/2052	464,150.98	3,127.94	370.40	2,757.54	461,393.44
324	5/1/2052	461,393.44	3,127.94	368.20	2,759.74	458,633.70
325	6/1/2052	458,633.70	3,127.94	366.00	2,761.94	455,871.76
326	7/1/2052	455,871.76	3,127.94	363.80	2,764.14	453,107.62
327	8/1/2052	453,107.62	3,127.94	361.59	2,766.35	450,341.27
328	9/1/2052	450,341.27	3,127.94	359.38	2,768.56	447,572.71
329	10/1/2052	447,572.71	3,127.94	357.17	2,770.77	444,801.94
330	11/1/2052	444,801.94	3,127.94	354.96	2,772.98	442,028.96
331	12/1/2052	442,028.96	3,127.94	352.75	2,775.19	439,253.77
332	1/1/2053	439,253.77	3,127.94	350.54	2,777.40	436,476.37
333	2/1/2053	436,476.37	3,127.94	348.32	2,779.62	433,696.75
334	3/1/2053	433,696.75	3,127.94	346.10	2,781.84	430,914.91
335	4/1/2053	430,914.91	3,127.94	343.88	2,784.06	428,130.85
336	5/1/2053	428,130.85	3,127.94	341.66	2,786.28	425,344.57
337	6/1/2053	425,344.57	3,127.94	339.44	2,788.50	422,556.07
338	7/1/2053	422,556.07	3,127.94	337.21	2,790.73	419,765.34
339	8/1/2053	419,765.34	3,127.94	334.98	2,792.96	416,972.38
340	9/1/2053	416,972.38	3,127.94	332.75	2,795.19	414,177.19
341	10/1/2053	414,177.19	3,127.94	330.52	2,797.42	411,379.77
342	11/1/2053	411,379.77	3,127.94	328.29	2,799.65	408,580.12
343	12/1/2053	408,580.12	3,127.94	326.06	2,801.88	405,778.24
344	1/1/2054	405,778.24	3,127.94	323.82	2,804.12	402,974.12
345	2/1/2054	402,974.12	3,127.94	321.58	2,806.36	400,167.76
346	3/1/2054	400,167.76	3,127.94	319.34	2,808.60	397,359.16
347	4/1/2054	397,359.16	3,127.94	317.10	2,810.84	394,548.32
348	5/1/2054	394,548.32	3,127.94	314.86	2,813.08	391,735.24
349	6/1/2054	391,735.24	3,127.94	312.61	2,815.33	388,919.91
350	7/1/2054	388,919.91	3,127.94	310.37	2,817.57	386,102.34
351	8/1/2054	386,102.34	3,127.94	308.12	2,819.82	383,282.52
352	9/1/2054	383,282.52	3,127.94	305.87	2,822.07	380,460.45
353	10/1/2054	380,460.45	3,127.94	303.62	2,824.32	377,636.13
354	11/1/2054	377,636.13	3,127.94	301.36	2,826.58	374,809.55
355	12/1/2054	374,809.55	3,127.94	299.11	2,828.83	371,980.72
356	1/1/2055	371,980.72	3,127.94	296.85	2,831.09	369,149.63
357	2/1/2055	369,149.63	3,127.94	294.59	2,833.35	366,316.28
358	3/1/2055	366,316.28	3,127.94	292.33	2,835.61	363,480.67
359	4/1/2055	363,480.67	3,127.94	290.07	2,837.87	360,642.80
360	5/1/2055	360,642.80	3,127.94	287.80	2,840.14	357,802.66
361	6/1/2055	357,802.66	3,127.94	285.54	2,842.40	354,960.26
362	7/1/2055	354,960.26	3,127.94	283.27	2,844.67	352,115.59
363	8/1/2055	352,115.59	3,127.94	281.00	2,846.94	349,268.65
364	9/1/2055	349,268.65	3,127.94	278.73	2,849.21	346,419.44
365	10/1/2055	346,419.44	3,127.94	276.45	2,851.49	343,567.95
366	11/1/2055	343,567.95	3,127.94	274.18	2,853.76	340,714.19
367	12/1/2055	340,714.19	3,127.94	271.90	2,856.04	337,858.15
368	1/1/2056	337,858.15	3,127.94	269.62	2,858.32	334,999.83
369	2/1/2056	334,999.83	3,127.94	267.34	2,860.60	332,139.23
370	3/1/2056	332,139.23	3,127.94	265.06	2,862.88	329,276.35
371	4/1/2056	329,276.35	3,127.94	262.77	2,865.17	326,411.18
372	5/1/2056	326,411.18	3,127.94	260.48	2,867.46	323,543.72
373	6/1/2056	323,543.72	3,127.94	258.20	2,869.74	320,673.98
374	7/1/2056	320,673.98	3,127.94	255.91	2,872.03	317,801.95
375	8/1/2056	317,801.95	3,127.94	253.61	2,874.33	314,927.62
376	9/1/2056	314,927.62	3,127.94	251.32	2,876.62	312,051.00
377	10/1/2056	312,051.00	3,127.94	249.02	2,878.92	309,172.08
378	11/1/2056	309,172.08	3,127.94	246.73	2,881.21	306,290.87
379	12/1/2056	306,290.87	3,127.94	244.43	2,883.51	303,407.36
380	1/1/2057	303,407.36	3,127.94	242.13	2,885.81	300,521.55
381	2/1/2057	300,521.55	3,127.94	239.82	2,888.12	297,633.43

BELOW MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest	Principal	Ending Balance
382	3/1/2057	297,633.43	3,127.94	237.52	2,890.42	294,743.01
383	4/1/2057	294,743.01	3,127.94	235.21	2,892.73	291,850.28
384	5/1/2057	291,850.28	3,127.94	232.90	2,895.04	288,955.24
385	6/1/2057	288,955.24	3,127.94	230.59	2,897.35	286,057.89
386	7/1/2057	286,057.89	3,127.94	228.28	2,899.66	283,158.23
387	8/1/2057	283,158.23	3,127.94	225.97	2,901.97	280,256.26
388	9/1/2057	280,256.26	3,127.94	223.65	2,904.29	277,351.97
389	10/1/2057	277,351.97	3,127.94	221.33	2,906.61	274,445.36
390	11/1/2057	274,445.36	3,127.94	219.01	2,908.93	271,536.43
391	12/1/2057	271,536.43	3,127.94	216.69	2,911.25	268,625.18
392	1/1/2058	268,625.18	3,127.94	214.37	2,913.57	265,711.61
393	2/1/2058	265,711.61	3,127.94	212.04	2,915.90	262,795.71
394	3/1/2058	262,795.71	3,127.94	209.72	2,918.22	259,877.49
395	4/1/2058	259,877.49	3,127.94	207.39	2,920.55	256,956.94
396	5/1/2058	256,956.94	3,127.94	205.06	2,922.88	254,034.06
397	6/1/2058	254,034.06	3,127.94	202.73	2,925.21	251,108.85
398	7/1/2058	251,108.85	3,127.94	200.39	2,927.55	248,181.30
399	8/1/2058	248,181.30	3,127.94	198.05	2,929.89	245,251.41
400	9/1/2058	245,251.41	3,127.94	195.72	2,932.22	242,319.19
401	10/1/2058	242,319.19	3,127.94	193.38	2,934.56	239,384.63
402	11/1/2058	239,384.63	3,127.94	191.03	2,936.91	236,447.72
403	12/1/2058	236,447.72	3,127.94	188.69	2,939.25	233,508.47
404	1/1/2059	233,508.47	3,127.94	186.35	2,941.59	230,566.88
405	2/1/2059	230,566.88	3,127.94	184.00	2,943.94	227,622.94
406	3/1/2059	227,622.94	3,127.94	181.65	2,946.29	224,676.65
407	4/1/2059	224,676.65	3,127.94	179.30	2,948.64	221,728.01
408	5/1/2059	221,728.01	3,127.94	176.94	2,951.00	218,777.01
409	6/1/2059	218,777.01	3,127.94	174.59	2,953.35	215,823.66
410	7/1/2059	215,823.66	3,127.94	172.23	2,955.71	212,867.95
411	8/1/2059	212,867.95	3,127.94	169.87	2,958.07	209,909.88
412	9/1/2059	209,909.88	3,127.94	167.51	2,960.43	206,949.45
413	10/1/2059	206,949.45	3,127.94	165.15	2,962.79	203,986.66
414	11/1/2059	203,986.66	3,127.94	162.79	2,965.15	201,021.51
415	12/1/2059	201,021.51	3,127.94	160.42	2,967.52	198,053.99
416	1/1/2060	198,053.99	3,127.94	158.05	2,969.89	195,084.10
417	2/1/2060	195,084.10	3,127.94	155.68	2,972.26	192,111.84
418	3/1/2060	192,111.84	3,127.94	153.31	2,974.63	189,137.21
419	4/1/2060	189,137.21	3,127.94	150.94	2,977.00	186,160.21
420	5/1/2060	186,160.21	3,127.94	148.56	2,979.38	183,180.83
421	6/1/2060	183,180.83	3,127.94	146.18	2,981.76	180,199.07
422	7/1/2060	180,199.07	3,127.94	143.80	2,984.14	177,214.93
423	8/1/2060	177,214.93	3,127.94	141.42	2,986.52	174,228.41
424	9/1/2060	174,228.41	3,127.94	139.04	2,988.90	171,239.51
425	10/1/2060	171,239.51	3,127.94	136.65	2,991.29	168,248.22
426	11/1/2060	168,248.22	3,127.94	134.27	2,993.67	165,254.55
427	12/1/2060	165,254.55	3,127.94	131.88	2,996.06	162,258.49
428	1/1/2061	162,258.49	3,127.94	129.49	2,998.45	159,260.04
429	2/1/2061	159,260.04	3,127.94	127.09	3,000.85	156,259.19
430	3/1/2061	156,259.19	3,127.94	124.70	3,003.24	153,255.95
431	4/1/2061	153,255.95	3,127.94	122.30	3,005.64	150,250.31
432	5/1/2061	150,250.31	3,127.94	119.90	3,008.04	147,242.27
433	6/1/2061	147,242.27	3,127.94	117.50	3,010.44	144,231.83
434	7/1/2061	144,231.83	3,127.94	115.10	3,012.84	141,218.99
435	8/1/2061	141,218.99	3,127.94	112.70	3,015.24	138,203.75
436	9/1/2061	138,203.75	3,127.94	110.29	3,017.65	135,186.10
437	10/1/2061	135,186.10	3,127.94	107.88	3,020.06	132,166.04
438	11/1/2061	132,166.04	3,127.94	105.47	3,022.47	129,143.57
439	12/1/2061	129,143.57	3,127.94	103.06	3,024.88	126,118.69
440	1/1/2062	126,118.69	3,127.94	100.65	3,027.29	123,091.40
441	2/1/2062	123,091.40	3,127.94	98.23	3,029.71	120,061.69
442	3/1/2062	120,061.69	3,127.94	95.81	3,032.13	117,029.56
443	4/1/2062	117,029.56	3,127.94	93.39	3,034.55	113,995.01
444	5/1/2062	113,995.01	3,127.94	90.97	3,036.97	110,958.04
445	6/1/2062	110,958.04	3,127.94	88.55	3,039.39	107,918.65
446	7/1/2062	107,918.65	3,127.94	86.12	3,041.82	104,876.83

BELOW MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest	Principal	Ending Balance
447	8/1/2062	104,876.83	3,127.94	83.69	3,044.25	101,832.58
448	9/1/2062	101,832.58	3,127.94	81.26	3,046.68	98,785.90
449	10/1/2062	98,785.90	3,127.94	78.83	3,049.11	95,736.79
450	11/1/2062	95,736.79	3,127.94	76.40	3,051.54	92,685.25
451	12/1/2062	92,685.25	3,127.94	73.97	3,053.97	89,631.28
452	1/1/2063	89,631.28	3,127.94	71.53	3,056.41	86,574.87
453	2/1/2063	86,574.87	3,127.94	69.09	3,058.85	83,516.02
454	3/1/2063	83,516.02	3,127.94	66.65	3,061.29	80,454.73
455	4/1/2063	80,454.73	3,127.94	64.20	3,063.74	77,390.99
456	5/1/2063	77,390.99	3,127.94	61.76	3,066.18	74,324.81
457	6/1/2063	74,324.81	3,127.94	59.31	3,068.63	71,256.18
458	7/1/2063	71,256.18	3,127.94	56.86	3,071.08	68,185.10
459	8/1/2063	68,185.10	3,127.94	54.41	3,073.53	65,111.57
460	9/1/2063	65,111.57	3,127.94	51.96	3,075.98	62,035.59
461	10/1/2063	62,035.59	3,127.94	49.51	3,078.43	58,957.16
462	11/1/2063	58,957.16	3,127.94	47.05	3,080.89	55,876.27
463	12/1/2063	55,876.27	3,127.94	44.59	3,083.35	52,792.92
464	1/1/2064	52,792.92	3,127.94	42.13	3,085.81	49,707.11
465	2/1/2064	49,707.11	3,127.94	39.67	3,088.27	46,618.84
466	3/1/2064	46,618.84	3,127.94	37.20	3,090.74	43,528.10
467	4/1/2064	43,528.10	3,127.94	34.74	3,093.20	40,434.90
468	5/1/2064	40,434.90	3,127.94	32.27	3,095.67	37,339.23
469	6/1/2064	37,339.23	3,127.94	29.80	3,098.14	34,241.09
470	7/1/2064	34,241.09	3,127.94	27.33	3,100.61	31,140.48
471	8/1/2064	31,140.48	3,127.94	24.85	3,103.09	28,037.39
472	9/1/2064	28,037.39	3,127.94	22.37	3,105.57	24,931.82
473	10/1/2064	24,931.82	3,127.94	19.90	3,108.04	21,823.78
474	11/1/2064	21,823.78	3,127.94	17.42	3,110.52	18,713.26
475	12/1/2064	18,713.26	3,127.94	14.93	3,113.01	15,600.25
476	1/1/2065	15,600.25	3,127.94	12.45	3,115.49	12,484.76
477	2/1/2065	12,484.76	3,127.94	9.96	3,117.98	9,366.78
478	3/1/2065	9,366.78	3,127.94	7.47	3,120.47	6,246.31
479	4/1/2065	6,246.31	3,127.94	4.98	3,122.96	3,123.35
480	5/1/2065	3,123.35	3,125.84	2.49	3,123.35	-

SECURED PROMISSORY NOTE
PASS- Deferred Loan
(Bernal Bundle: 1652-1654 Eddy Street; 3554 17th Street; and 195 Woolsey Street)

Principal Amount: \$204,105.00

San Francisco, CA

Date: [_____], 2024

FOR VALUE RECEIVED, the undersigned, **HAZEL EDDY WOOLSEY LLC**, a California nonprofit public benefit corporation a California limited liability company ("Maker"), hereby promises to pay to the order of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, or holder (as the case may be, "Holder"), the principal sum of Two Hundred Four Thousand One Hundred Five and No/100 Dollars (\$204,105.00) (the "Deferred Loan Amount"), or so much of the Deferred Loan Amount as may be disbursed from time to time pursuant to the Agreement described in **Section 1** below, together with interest thereon, as provided in this Note.

1. Agreement. This Secured Promissory Note ("Note") is given under the terms of an Amended and Restated Loan Agreement by and between Maker and Holder (the "Agreement") dated as of the date set forth above, which Agreement is incorporated herein by reference. Maker's obligations under this Note and the Agreement are secured by that certain PASS Deed Of Trust, Assignment Of Rents, Security Agreement And Fixture Filing dated as of the date of this Note, made by Maker for the benefit of Holder. Definitions and rules of interpretation set forth in the Agreement apply to this Note. In the event of any inconsistency between the Agreement and this Note, this Note will control.

2. Interest. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of 0.95763% per annum from the date of the disbursement of funds by Holder through the date of full payment of all amounts owing under the City Documents. Interest will be compounded monthly. Interest will be calculated on the basis of actual days elapsed and a 360-day year, which will result in higher interest charges than if a 365-day year were used.

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

4. Repayment of Deferred Loan Amount. Provided that no uncured Event of Default exists under any City Document, the entire principal balance of the Deferred Loan, together with all accrued and unpaid interest and other unpaid fees and costs incurred (all together, the "Payment"), will be due and payable on the date that is the earlier of the date that is the (i) forty-second (42nd) anniversary of the date that is the first day of the first full month following the date that the PASS Deed of Trust is recorded in the Recorder's Office of San Francisco County or (ii) the 40th anniversary of the date that is the first day of the first full month following the Completion Date (the "**PASS Loan Maturity Date**"). If the PASS Loan Maturity Date falls on a weekend or holiday, it will be deemed to fall on the next succeeding business day.

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

6. Terms of Payment.

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

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

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

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

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

7. Default.

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

(a) Maker fails to make any Payment required under this Note within ten (10) days of the date it is due; or

(b) the occurrence of any other Event of Default under the Agreement or other instrument securing the obligations of Maker under this Note or under any other agreement between Maker and Holder with respect to the Project.

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

8. Waivers.

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

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

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

9. Miscellaneous Provisions.

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

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

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

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

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

[signature follows]

"MAKER"

HAZEL EDDY WOOLSEY LLC,
a California limited liability company

By: Bernal Heights Housing Corporation,
a California nonprofit public benefit corporation

Its: Sole member

By: _____

Name: Gina Dacus

Title: Executive Director

Free Recording Requested Pursuant to
Government Code Section 27383 and 27388.1

When recorded, mail to:
Mayor's Office of Housing and Community Development
of the City and County of San Francisco
1 South Van Ness Avenue, 5th Floor
San Francisco, California 94103
Attn: Housing Loan Administrator
Block/Lot: 3567/020; 6121/023; 0730/045

-----Space Above This Line for Recorder's Use-----

**DEED OF TRUST, ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FIXTURE FILING**

(Bernal Bundle: 1652-1654 Eddy Street; 3554 17th Street; and 195 Woolsey Street)

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING ("Deed of Trust") is made as of _____, 2024, by **HAZEL EDDY WOOLSEY LLC**, a California limited liability company ("Trustor"), whose address is 515 Cortland Avenue, San Francisco, California 94110, to **OLD REPUBLIC TITLE COMPANY**, a California corporation ("Trustee"), whose address is 275 Battery Street, Suite 1500, San Francisco, California 94111, for the benefit of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, represented by the Mayor, acting through the Mayor's Office of Housing and Community Development ("Beneficiary"). This Deed of Trust is executed pursuant to an Amended and Restated Loan Agreement by and between Trustor and Beneficiary dated as of the date of this Deed of Trust, as it may be amended from time to time (the "Agreement"), the provisions of which are incorporated herein by reference. Definitions and rules of interpretation set forth in the Agreement apply to this Deed of Trust.

1. Grant in Trust. For valuable consideration, Trustor hereby grants, transfers and assigns to Trustee, in trust, with power of sale, for the benefit of Beneficiary, all right, title and interest Trustor now has or may have in the future in the following (all or any part of the following, or any interest in all or any part of it, as the context requires, the "Property"):

(a) that real property situated in the City and County of San Francisco, State of California, described in **Exhibit A** attached hereto and incorporated herein by reference (the "Land"), on which Trustor intends to rehabilitate and preserve the Site as residential housing affordable to low-income households and including 2 commercial units (the "Project"); and

(b) all buildings, structures and other improvements now or in the future located or to be constructed on the Land (the "Improvements"); and

(c) all existing and future leases, subleases, tenancies, subtenancies, licenses, occupancy agreements and concessions, and any guarantees thereof ("Leases") relating to the use and enjoyment of all or any part of the Land and Improvements, and any and all guaranties and other agreements relating to or made in connection with any of the Leases; and

(d) except for personal property and removable fixtures installed by tenants or subtenants, all goods, materials, supplies, chattels, furniture, fixtures, equipment and machinery now or later to be attached to, placed in or on, or used in connection with the use, enjoyment, occupancy or operation of all or any part of the Land and Improvements, whether stored on the Land or elsewhere, including all pumping plants, engines, pipes, ditches and flumes, and also all gas, electric, cooking, heating, cooling, air conditioning, lighting, refrigeration and plumbing fixtures and equipment, all of which will be considered to the fullest extent of the law to be real property for purposes of this Deed of Trust; and

(e) all building materials, equipment, work in process or other personal property of any kind, whether stored on the Land or elsewhere, that have been or later will be acquired for the purpose of being delivered to, incorporated into or installed in or about the Land or Improvements; and

(f) all Loan funds, whether disbursed or not, and all funds now or in the future on deposit in the Replacement Reserve Account, the Operating Reserve Account and any other account required or authorized for the Project; and

(g) all proceeds, including proceeds of all present and future fire, hazard or casualty insurance policies and all condemnation awards or payments now or later to be made by any public body or decree by any court of competent jurisdiction for any taking or in connection with any condemnation or eminent domain proceeding, and all causes of action and their proceeds for any damage or injury to the Land, Improvements or the other property described above or any part of them, or breach of warranty in connection with the construction of the Improvements; and

(h) all books and records pertaining to any and all of the property described above, including records relating to tenants under any Leases, the qualifications of any tenants and any certificates, vouchers and other documents in any way related thereto and records relating to the application and allocation of any federal, state or local tax credits or benefits; and

(i) all rents, revenues, issues, royalties, proceeds, profits, income, reimbursements, royalties, receipts and similar items, including prepaid rent and security deposits, in whatever form (including, but not limited to, cash, checks, money orders, credit

card receipts or other instruments for the payment of money) paid or payable in connection with the Property ("Rents"), from the Land and the Improvements, subject to: (i) Trustor's right to collect and retain the same as they become due and payable; and (ii) Beneficiary's rights under **Section 3 below**; and

(j) all intangible personal property and rights relating to the Property or its operation or used in connection with it, including, without limitation, permits, licenses, plans, specifications, construction contracts, subcontracts, bids, soils reports, engineering reports, land planning maps, drawings, construction contracts, notes, drafts, documents, engineering and architectural drawings, deposits for utility services, installations, refunds due Trustor, trade names, trademarks, and service marks; and

(k) all proceeds of, interest accrued on, additions and accretions to, substitutions and replacements for, and changes in any of the property described above.

2. Obligations Secured. This Deed of Trust is given for the purpose of securing the following (collectively, the "Secured Obligations"):

(a) performance of all present and future obligations of Trustor set forth in the Agreement, specifically compliance with certain restrictions on the use of the Property recited in that certain Declaration of Restrictions executed by Trustor, dated as of the date of and being recorded concurrently with this Deed of Trust, as it may be amended from time to time, and the promissory note dated the date of this Deed of Trust, made by Trustor to the order of Beneficiary (as it may be amended from time to time, the "Note") and performance of each agreement incorporated by reference, contained therein, or entered into in connection with the Agreement;

(b) payment of the indebtedness evidenced by the Agreement and the Note in the original principal amount of Seven Million Eight Hundred Eighty-Four Thousand Two Hundred Fourteen and No/100 Dollars (\$7,884,214.00), with interest, according to the terms of the Agreement and the Note; and

(c) payment of any additional sums Trustor may borrow or receive from Beneficiary, when evidenced by another note (or any other instrument) reciting that payment is secured by this Deed of Trust.

3. Assignment of Rents.

(a) Assignment as Additional Security. Trustor hereby irrevocably grants, transfers, and assigns to Beneficiary all of its right, title, and interest in and to the Rents as additional security for the Secured Obligations. Subject to the provisions of subsection 3(d) below, Beneficiary hereby confers upon Trustor a license ("License") to collect and retain the Rents as they become due and payable, so long as no Event of Default exists and is continuing. If an Event of Default has occurred and is continuing, Beneficiary shall have the

right, which it may choose to exercise in its sole discretion, to terminate this License without notice to or demand upon Trustor, and without regard to the adequacy of Beneficiary's security under this Deed of Trust.

(b) Collection and Application of Rents. Subject to the License granted to Trustor under subsection 3(a) above, Beneficiary has the right, power, and authority to collect any and all Rents. Subject to the License granted to Trustor under subsection 3(a) above, Trustor hereby appoints Beneficiary its attorney-in-fact to perform any and all of the following acts, if and at the times when Beneficiary in its sole discretion may so choose:

1. Demand, receive, and enforce payment of any and all Rents; or
2. Give receipts, releases, and satisfactions for any and all Rents; or
3. Sue either in the name of Trustor or in the name of Beneficiary for any and all Rents.

Beneficiary's right to the Rents does not depend on whether or not Beneficiary takes possession of the Property. In Beneficiary's sole discretion, it may choose to collect Rents either with or without taking possession of the Property. Beneficiary shall apply all Rents collected by it in the manner provided under this Deed of Trust. If an Event of Default occurs while Beneficiary is in possession of all or part of the Property and is collecting and applying Rents as permitted under this Deed of Trust, Beneficiary, Trustee and any receiver shall nevertheless be entitled to exercise and invoke every right and remedy afforded any of them under this Deed of Trust and at law or in equity, including the right to exercise the power of sale granted hereunder.

(c) Beneficiary Not Responsible. Under no circumstances shall Beneficiary have any duty to produce Rents from the Property. Regardless of whether or not Beneficiary, in person or by agent, takes actual possession of the Real Property and Improvements, Beneficiary is not and shall not be deemed to be:

1. A "mortgagee in possession" for any purpose; or
2. Responsible for performing any of the obligations of the lessor under any lease; or
3. Responsible for any waste committed by lessees or any other parties, any dangerous or defective condition of the Property, or any negligence in the management, upkeep, repair, or control of the Property; or
4. Liable in any manner for the Property or the use, occupancy, enjoyment or operation of all or any part of it.

(d) Election by Beneficiary. Upon the occurrence and during the continuance of an Event of Default, Beneficiary, at its option, may exercise its rights under this Section or otherwise provided under applicable law (including, but not limited to, under Section 2938 of the California Civil Code).

4. Trustor's Covenants. To protect the security of this Deed of Trust, Trustor agrees as follows:

(a) to perform the Secured Obligations in accordance with their respective terms;

(b) to keep the Land and the Improvements in good condition and repair, normal wear and tear and acts of God excepted; not to remove or demolish any Improvements without Beneficiary's prior written consent; to complete or restore promptly and in good and workmanlike manner any Improvement constructed, damaged or destroyed on the Land; to pay when due all claims for labor performed and materials furnished therefor, subject to Trustor's right to contest any claim in good faith; to comply with all laws affecting the Project, subject to Trustor's right to contest any claim in good faith; not to commit or permit waste with respect to the Land or the Improvements; not to commit, suffer or permit any act upon the Land or the Improvements in violation of law, including Environmental Laws; and to do all other acts made reasonably necessary by the character or use of the Land and the Improvements;

(c) to provide, maintain and deliver to Beneficiary property and liability insurance as required under the Agreement and apply any insurance proceeds as provided below;

(d) to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and reasonable attorneys' fees and costs incurred in any such action or proceeding in which Beneficiary or Trustee may appear and in any suit brought by Beneficiary to foreclose this Deed of Trust following an Event of Default;

(e) to pay in accordance with the Agreement, but in each case prior to delinquency: (i) all taxes and assessments affecting the Property, including assessments on appurtenant water stock; and (ii) all encumbrances, charges and liens, with interest, on the Property or any part thereof that appear to be prior or superior hereto;

(f) should Trustor fail to make any payment or to do any act as herein provided, then, without: (i) obligation to do so; (ii) notice to or demand upon Trustor; or (iii) releasing Trustor from any obligation hereof, Beneficiary or Trustee may: (A) make or do the same in any manner and to the extent as it deems necessary to protect the security hereof; (B) appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; (C) pay, purchase, contest or compromise any encumbrance, charge or lien that in its judgment appears to be prior or superior hereto; and (D) in exercising these powers, pay necessary expenses, employ counsel and pay reasonable attorneys' fees and costs, and Trustor consents to Beneficiary's and/or Trustee's entry upon the Land and Improvements for any purpose set forth in this Subsection, including Beneficiary's exercise of its rights under California Code of Civil Procedure Section 564(c); and

(g) to reimburse within five (5) days of demand all sums expended by Beneficiary or Trustee pursuant to this Deed of Trust, with interest at an annual rate of interest

equal to the lesser of: (i) ten percent (10%); or (ii) the maximum lawful rate from date of expenditure to the date of payment.

5. Security Agreement and Fixture Filing.

(a) Grant of Security Interest. Without limiting any of the other provisions of this Deed of Trust, to secure the payment, performance and observance of the Secured Obligations, Trustor, as debtor (referred to in this Section 5 as "Debtor"), expressly grants to Beneficiary, as secured party (referred to in this Section 5 as "Secured Party"), a continuing security interest in all the Property (including now and hereafter existing) to the full extent that any portion of the Property may be subject to the Uniform Commercial Code. For purposes of this Section 5, "Collateral" means the personal property (tangible or intangible) and fixtures included in the Property.

(b) Debtor's Covenants, Representations, and Warranties.

(i) Debtor covenants and agrees with Secured Party that:

(1) In addition to any other remedies granted in this Deed of Trust to Secured Party or Trustee (including specifically, but not limited to, the right to proceed against the Property in accordance with the rights and remedies in respect of the Property that is real property under the Uniform Commercial Code), Secured Party may, if an Event of Defaults occurs and is continuing, proceed under the Uniform Commercial Code as to all or any part of the Collateral, and shall have and may exercise with respect to the Collateral all the rights, remedies, and powers of a secured party under the Uniform Commercial Code.

(2) Without limiting the foregoing, Secured Party shall have the right upon any public sale or sales, and, to the extent permitted by law, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in Debtor. Debtor further agrees to allow Secured Party to use or occupy the Property, without charge, for the purpose of effecting any of Secured Party's remedies in respect of the Collateral.

(3) To the extent permitted by applicable law, Debtor waives all claims, damages, and demands against Secured Party arising out of the repossession, retention, or sale of the Collateral, except for claims, damages, and demands due to the active gross negligence or willful misconduct of Secured Party in dealing with such Collateral. Trustor agrees that Secured Party need not give more than five (5) days' notice of the time and place of any public sale or of the time at which a private sale will take place and that such notice is reasonable notification of such matters. Secured Party may disclaim any warranties that might arise in connection with the sale, lease, license, or other disposition of the Collateral and have no obligation to provide any warranties at such time. Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(4) To the extent permitted by law, Debtor hereby specifically waives all rights of redemption, stay, or appraisal which it has or may have under any law now existing or hereafter enacted.

(ii) Debtor hereby authorizes Secured Party to file financing and continuation statements with respect to the Collateral as Secured Party may reasonably require.

(iii) Debtor hereby represents and warrants that no financing statement is on file in any public office except as authorized by Secured Party. Debtor will at its own cost and expense, upon demand, furnish to Secured Party such further information and will execute and deliver to Secured Party financing statements and other documents in form reasonably satisfactory to Secured Party and will do all such acts that Secured Party may at any time or from time to time reasonably require to establish and maintain a perfected security interest in the Collateral as security for the Secured Obligations, subject only to liens or encumbrances approved by or benefiting Secured Party. Debtor will pay the actual expense of filing or recording such financing statements or other documents, and this instrument, as and where reasonably required by Secured Party.

(iv) To the extent permitted by applicable law, the security interest created hereby is specifically intended to cover all rents, royalties, issues and profits, and all inventory accounts, accounts receivable and other revenues of the Property.

(c) Fixture Filing. Certain of the Collateral is or will become "fixtures" (as that term is defined in the Uniform Commercial Code). This Deed of Trust, upon being filed for record in the real estate records of San Francisco County, shall operate also as a financing statement and fixture filing upon such of the Collateral that is or may become fixtures under the Uniform Commercial Code. Debtor's name and type and jurisdiction of entity are set forth in the introductory paragraph hereof. Debtor's address is set forth above. Debtor's EIN Number is _____. Secured Party's name and mailing address are set above.

6. Insurance and Condemnation Proceeds.

(a) Trustor hereby assigns to Beneficiary any award of damages arising from the condemnation of all or any part of the Property for public use and any insurance proceeds arising from injury to all or any part of the Property or the Project.

(b) Any condemnation award or insurance proceeds must be paid to Beneficiary or, if Beneficiary has consented to subordinate the lien of this Deed of Trust to the lien of another lender for the Project, according to the provisions in the senior lender's loan documents.

(c) If a condemnation award or insurance proceeds are paid to Beneficiary, Beneficiary will release or authorize the release of funds to Trustor, provided that the funds will be used for the reconstruction of the Project in accordance with: (i) projections demonstrating that reconstruction is economically feasible; and (ii) Trustor's construction budget, each of which must be satisfactory to Beneficiary in its reasonable discretion. In all

other cases, Beneficiary may choose in its discretion to apply funds to Trustor's obligations under the Note and the Agreement or to any senior obligations, in accordance with the respective priorities of the approved lienholders as their interests may appear of record, with the remaining funds, if any, released to Trustor.

(d) Trustor agrees that Beneficiary's application or release of funds pursuant to this Section will not cure or waive any default or Notice of Default (as defined below) or invalidate any act by Beneficiary performed following a default pursuant to any City Document unless the default has been cured by the application or release of funds.

7. Further Agreements. Trustor further acknowledges and agrees as follows:

(a) Beneficiary does not waive its right either to require prompt payment when due of all other sums secured by this Deed of Trust or to declare Trustor in default for failure to pay timely by accepting payment of any sum secured hereby after its due date.

(b) Trustee may reconvey any part of the Property at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Note for endorsement without affecting the liability of any entity or person for payment of the indebtedness secured hereby.

(c) Upon: (i) written request of Beneficiary stating that all obligations secured hereby have been paid or performed; (ii) Beneficiary's surrender of this Deed of Trust and the Note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose; and (iii) payment of its fees, if any, Trustee shall reconvey the Property then held hereunder without covenant or warranty.

(d) Any voluntary or involuntary conveyance, sale, encumbrance, pledge or other transfer of all or any interest in the Property or in Trustor, including a security interest, in violation of the Agreement will constitute an Event of Default (as defined below) giving Beneficiary the right to exercise its remedies at law or in equity.

(e) For the purposes of this Deed of Trust, Beneficiary from time to time may substitute a successor or successors to Trustee named herein or acting hereunder by instrument in writing executed by Beneficiary and duly acknowledged and recorded in the office of the recorder of San Francisco County, which instrument shall be conclusive proof of proper substitution of a successor trustee or trustees. Without conveyance from Trustee, any successor or substitute trustee will succeed to all title, estate, rights, powers, and duties of Trustee. The instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the recording information for this Deed of Trust and the name and address of the new Trustee.

(f) This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and

assigns, provided that this subsection does not constitute Beneficiary's consent to any transfer in violation of this Deed of Trust. The term Beneficiary shall mean the holder of the Note, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or the neuter, and the singular number includes the plural.

(g) Trustee accepts this Trust when this duly executed and acknowledged Deed of Trust is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

8. Beneficiary's Rights Following Default. Upon any default by Trustor in performance of the Secured Obligations following expiration of any applicable notice and cure periods ("Event of Default"):

(a) Trustor's license to collect and retain Rents will terminate automatically.

(b) Trustor consents to Beneficiary's entry upon and taking possession of the Property or any part thereof, at any time after the occurrence of an Event of Default without notice, either in person, by agent or by a receiver to be appointed by a court without regard to the adequacy of any security for the indebtedness hereby secured to sue for or otherwise collect and apply Rents, less costs and expenses of operation and collection, including those of the Property, in its own name or in the name of Trustor. Beneficiary's collection and application of Rents shall not cure or waive any Event of Default or Notice of Default or invalidate any act done pursuant to any notice.

(c) Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold the Property ("Notice of Default"), and:

i. Trustee shall cause the Notice of Default to be filed for record. Beneficiary also shall deposit with Trustee this Deed of Trust, the Note and all documents evidencing expenditures secured hereby.

ii. After the lapse of time then required by law following the recordation of a Notice of Default, and notice of sale ("Notice of Sale") having been given as then required by law, Trustee without demand on Trustor may sell the Property at the time and place fixed in the Notice of Sale either as a whole or in separate parcels in any order at public auction to the highest bidder for cash in lawful money of the United States payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at the time and place of sale and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement. Trustee shall

deliver to any purchaser a trustee's deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the trustee's deed of any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary, may purchase at the sale.

iii. After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: (A) all sums expended under the terms of this Deed of Trust not then repaid, with accrued interest at the highest rate allowed by law in effect at the date hereof; (B) all other sums then secured hereby; and (C) the remainder, if any, to the person or persons legally entitled thereto.

9. Notice of Default to Trustor. The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to it at its address set forth above or any succeeding address given by notice in accordance with the Agreement.

Remainder of Page Intentionally Left Blank; Signatures Appear On Following Page

"TRUSTOR:"

HAZEL EDDY WOOLSEY LLC,
a California limited liability company

By: Bernal Heights Housing Corporation,
a California nonprofit public benefit corporation
Its: Sole member

By: _____
Name: Gina Dacus
Title: Executive Director

[ALL SIGNATURES MUST BE NOTARIZED.]

EXHIBIT A
Legal Description of the Land

THE FOLLOWING LAND SITUATED IN THE CITY OF SAN FRANCISCO, COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

Tract One:

Beginning at a point on the Northerly line of 17th Street, distant thereon 285 feet Westerly from the Westerly line of Guerrero Street; running thence Westerly along the Northerly line of 17th Street 25 feet; thence at a right angle Northerly 115 feet; thence at a right angle Easterly 25 feet; thence at a right angle Southerly 115 feet to the Northerly line of 17th Street and the point of beginning.

Being a portion of Mission Block No. 38

Assessor's Lot: 020; Block: 3567

Tract Two:

Beginning at the point of intersection of the Southwesterly line of Woolsey Street with the Northeasterly line of Girard Street; running thence Northeasterly along said line of Woolsey Street 30 feet; thence at a right angle Southeasterly 100 feet; thence at a right angle Southwesterly 30 feet to the Northeasterly line of Girard Street; thence Northwesterly along said line of Girard Street 100 feet to the point of beginning.

Being Lot No. 26, and portion of Lot No. 27, in Block 7, as per Map of Homesteads on University Mound Survey, filed May 4, 1869, in Map Book "C" and "D", Page 117, in the Office of the Recorder of the City and County of San Francisco, State of California.

Assessor's Lot 023; Block 6121

Tract Three:

Parcel One:

Beginning at a point on the Northerly line of Eddy Street, distant thereon 147 feet and 6 inches Easterly from the Easterly line of Pierce Street; running thence Easterly along said line of Eddy Street 32 feet and 6 inches to the Westerly line of Bourbin Street; thence at a right angle Northerly along said line of Bourbin Street 75 feet; thence at a right angle Westerly 32 feet and 6 inches; thence at a right angle Southerly 75 feet to the point of beginning.

Being a portion of Western Addition Block No. 384.

EXHIBIT A

Parcel Two:

Beginning at a point on the Northerly line of Eddy Street, distant thereon 125 feet and 6 inches Easterly from the Easterly line of Pierce Street; running thence Easterly along said line of Eddy Street 22 feet; thence at a right angle Northerly 75 feet; thence at a right angle Westerly 22 feet; thence at a right angle Southerly 75 feet to the point of beginning.

Being a portion of Western Addition Block No. 384.

Parcel Three:

Beginning at the point of intersection of the Northerly line of Eddy Street and the former centerline of Bourbin Street, as last said street existed prior to the vacation thereof by Resolution No. 531-69, adopted July 28, 1969, by the Board of Supervisors of the City and County of San Francisco; running thence Easterly along said Northerly line of Eddy Street 3.75 feet to a point distant thereon 30 feet Easterly from the former Westerly line of Bourbin Street; thence Northerly at a right angle to said line of Eddy Street 75 feet; thence at a right angle Westerly 3.75 feet to said former centerline of Bourbin Street; thence at a right angle Southerly along said former centerline of Bourbin Street 75 feet to the point of beginning.

Being a portion of former Bourbin Street, vacated by the above mentioned Resolution No. 531-69.

Parcel Four:

Beginning at the point of intersection of the Northerly line of Eddy Street with the former Westerly line of Bourbin Street as said Bourbin Street existed prior to its vacation by Resolution No. 531-69 adopted July 28, 1969 by the Board of Supervisors of the City and County of San Francisco, State of California; thence running Easterly along said line of Eddy Street 26.25 feet to the former centerline of said Bourbin Street; thence at a right angle Northerly along said former centerline 75.00 feet; thence at a right angle Westerly 26.25 feet to said former Westerly line of Bourbin Street; thence at a right angle Southerly along said former Westerly line 75.00 feet to the point of beginning.

Being a portion of Bourbin Street vacated by the aforementioned resolution.

Assessor's Lot: 045; Block 0730

Street Addresses:

Tract One:
3554 17th Street
San Francisco, CA 94110

Tract Two:
195 Woolsey Street
San Francisco, CA 94134

Tract Three:
1652-1654 Eddy Street
San Francisco, CA 94115

Free Recording Requested Pursuant to
Government Code Sections 27383 and 27388.1

When recorded, mail to:
Mayor's Office of Housing and Community Development
City and County of San Francisco
1 South Van Ness Avenue, 5th Floor
San Francisco, California 94103
Attn: Housing Loan Administrator
Block/Lot: 3567/020; 6121/023; 0730/045

-----Space Above This Line for Recorder's Use-----

**DEED OF TRUST, ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FIXTURE FILING**
(Bernal Bundle: 1652-1654 Eddy Street, 3554 17th Street, and 195 Woolsey Street)
(PASS Program)

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING ("Deed of Trust") is made as of [_____], 2024, by **HAZEL EDDY WOOLSEY LLC**, a California limited liability company ("**Trustor**"), whose address is 515 Cortland Avenue, San Francisco, California 94110, to **OLD REPUBLIC TITLE COMPANY**, a California corporation ("**Trustee**"), whose address is 275 Battery Street, Suite 1500, San Francisco, CA 94111, for the benefit of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, represented by the Mayor, acting through the Mayor's Office of Housing and Community Development ("**Beneficiary**"). This Deed of Trust is executed pursuant to an Amended and Restated Loan Agreement by and between Trustor and Beneficiary dated as of the date of this Deed of Trust, as it may be amended from time to time (the "**Agreement**"), the provisions of which are incorporated herein by reference. Definitions and rules of interpretation set forth in the Agreement apply to this Deed of Trust.

1. Grant in Trust. For valuable consideration, Trustor hereby grants, transfers and assigns to Trustee, in trust, with power of sale, for the benefit of Beneficiary, all right, title and interest Trustor now has or may have in the future in the following (all or any part of the following, or any interest in all or any part of it, as the context requires, the "**Property**"):

(a) that real property situated in the City and County of San Francisco, State of California, described in Exhibit A attached hereto and incorporated herein by reference (the "**Land**"), on which Trustor intends to rehabilitate and preserve the Site as residential housing affordable to low-income households and including 2 commercial units (the "**Project**"); and

(b) all buildings, structures and other improvements now or in the future located or to be constructed on the Land (the "**Improvements**"); and

(c) all existing and future leases, subleases, tenancies, subtenancies, licenses, occupancy agreements and concessions, and any guarantees thereof ("**Leases**") relating to the use and enjoyment of all or any part of the Land and Improvements, and any and all guaranties and other agreements relating to or made in connection with any of the Leases; and

(d) except for personal property and removable fixtures installed by tenants or subtenants, all goods, materials, supplies, chattels, furniture, fixtures, equipment and machinery now or later to be attached to, placed in or on, or used in connection with the use, enjoyment, occupancy or operation of all or any part of the Land and Improvements, whether stored on the Land or elsewhere, including all pumping plants, engines, pipes, ditches and flumes, and also all gas, electric, cooking, heating, cooling, air conditioning, lighting, refrigeration and plumbing fixtures and equipment, all of which will be considered to the fullest extent of the law to be real property for purposes of this Deed of Trust; and

(e) all building materials, equipment, work in process or other personal property of any kind, whether stored on the Land or elsewhere, that have been or later will be acquired for the purpose of being delivered to, incorporated into or installed in or about the Land or Improvements; and

(f) all Market Rate Loan, BMR Loan and Deferred Loan funds, whether disbursed or not, and all funds now or in the future on deposit in the Replacement Reserve Account, the Operating Reserve Account and any other account required or authorized for the Project; and

(g) all proceeds, including proceeds of all present and future fire, hazard or casualty insurance policies and all condemnation awards or payments now or later to be made by any public body or decree by any court of competent jurisdiction for any taking or in connection with any condemnation or eminent domain proceeding, and all causes of action and their proceeds for any damage or injury to the Land, Improvements or the other property described above or any part of them, or breach of warranty in connection with the construction of the Improvements; and

(h) all books and records pertaining to any and all of the property described above, including records relating to tenants under any Leases, the qualifications of any tenants and any certificates, vouchers and other documents in any way related thereto and records relating to the application and allocation of any federal, state or local tax credits or benefits; and

(i) all rents, revenues, issues, royalties, proceeds and profits, including prepaid rent and security deposits ("**Rents**"), from the Land and the Improvements, subject to:
(i) Trustor's right to collect and retain the same as they become due and payable; and
(ii) Beneficiary's rights under **Section 3(d)**; and

(j) all intangible personal property and rights relating to the Property or its operation or used in connection with it, including, without limitation, permits, licenses, plans, specifications, construction contracts, subcontracts, bids, soils reports, engineering reports, land planning maps, drawings, construction contracts, notes, drafts, documents, engineering and architectural drawings, deposits for utility services, installations, refunds due Trustor, trade names, trademarks, and service marks; and

(k) all proceeds of, interest accrued on, additions and accretions to, substitutions and replacements for, and changes in any of the property described above.

2. Obligations Secured. This Deed of Trust is given for the purpose of securing the following (collectively, the "**Secured Obligations**"):

(a) performance of all present and future obligations of Trustor set forth in the Agreement related to the Market Rate Loan, the BMR Loan and the Deferred Loan, specifically compliance with certain restrictions on the use of the Property recited in that certain Amended and Restated Declaration of Restrictions executed by Trustor, dated as of the date of and being recorded concurrently with this Deed of Trust, as it may be amended from time to time, the market rate promissory note dated the date of this Deed of Trust made by Trustor to the order of Beneficiary (as it may be amended from time to time, the "**Market Rate Note**"), the below market rate promissory note dated the date of this Deed of Trust made by Trustor to the order of Beneficiary (as it may be amended from time to time, the "**BMR Note**"), the deferred promissory note dated the date of this Deed of Trust made by Trustor to the order of Beneficiary (as it may be amended from time to time, the "**Deferred Note**"), and performance of each agreement incorporated by reference, contained therein, or entered into in connection with the Agreement;

(b) payment of the indebtedness evidenced by the Agreement and the Market Rate Note in the original principal amount of Two Million Two Hundred Fifty-Nine Thousand Nine Hundred Ninety-Nine and No/100 Dollars (\$2,259,999.00), with interest, according to the terms of the Agreement and the Market Rate Note;

(c) payment of the indebtedness evidenced by the Agreement and the BMR Note in the original principal amount of One Million Two Hundred Forty-Six Thousand Eight Hundred Ninety-Six and No/100 Dollars (\$1,246,896.00), with interest, according to the terms of the Agreement and the BMR Note;

(d) payment of the indebtedness evidenced by the Agreement and the Deferred Note in the original principal amount of Two Hundred Four Thousand One Hundred Five

and No/100 Dollars (\$204,105.00), with interest, according to the terms of the Agreement and the Deferred Note; and

(e) payment of any additional sums Trustor may borrow or receive from Beneficiary, when evidenced by another note (or any other instrument) reciting that payment is secured by this Deed of Trust.

3. Assignment of Rents.

(a) Assignment as Additional Security. Trustor hereby irrevocably grants, transfers, and assigns to Beneficiary all of its right, title, and interest in and to the Rents as additional security for the Secured Obligations. Subject to the provisions of subsection 3(d) below, Beneficiary hereby confers upon Trustor a license ("**License**") to collect and retain the Rents as they become due and payable, so long as no Event of Default exists and is continuing. If an Event of Default has occurred and is continuing, Beneficiary shall have the right, which it may choose to exercise in its sole discretion, to terminate this License without notice to or demand upon Trustor, and without regard to the adequacy of Beneficiary's security under this Deed of Trust.

(b) Collection and Application of Rents. Subject to the License granted to Trustor under subsection 3(a) above, Beneficiary has the right, power, and authority to collect any and all Rents. Subject to the License granted to Trustor under subsection 3(a) above, Trustor hereby appoints Beneficiary its attorney-in-fact to perform any and all of the following acts, if and at the times when Beneficiary in its sole discretion may so choose:

1. Demand, receive, and enforce payment of any and all Rents; or
2. Give receipts, releases, and satisfactions for any and all Rents; or
3. Sue either in the name of Trustor or in the name of Beneficiary for any and all Rents.

Beneficiary's right to the Rents does not depend on whether or not Beneficiary takes possession of the Property. In Beneficiary's sole discretion, it may choose to collect Rents either with or without taking possession of the Property. Beneficiary shall apply all Rents collected by it in the manner provided under this Deed of Trust. If an Event of Default occurs while Beneficiary is in possession of all or part of the Property and is collecting and applying Rents as permitted under this Deed of Trust, Beneficiary, Trustee and any receiver shall nevertheless be entitled to exercise and invoke every right and remedy afforded any of them under this Deed of Trust and at law or in equity, including the right to exercise the power of sale granted hereunder.

(c) Beneficiary Not Responsible. Under no circumstances shall Beneficiary have any duty to produce Rents from the Property. Regardless of whether or not Beneficiary, in person or by agent, takes actual possession of the Real Property and Improvements, Beneficiary is not and shall not be deemed to be:

1. A "mortgagee in possession" for any purpose; or
2. Responsible for performing any of the obligations of the lessor under any lease; or
3. Responsible for any waste committed by lessees or any other parties, any dangerous or defective condition of the Property, or any negligence in the management, upkeep, repair, or control of the Property; or
4. Liable in any manner for the Property or the use, occupancy, enjoyment or operation of all or any part of it.

(d) Election by Beneficiary. Upon the occurrence and during the continuance of an Event of Default, Beneficiary, at its option, may exercise its rights under this Section or otherwise provided under applicable law (including, but not limited to, under Section 2938 of the California Civil Code).

4. Trustor's Covenants. To protect the security of this Deed of Trust, Trustor agrees as follows:

(a) to perform the Secured Obligations in accordance with their respective terms;

(b) to keep the Land and the Improvements in good condition and repair, normal wear and tear and acts of God excepted; not to remove or demolish any Improvements without Beneficiary's prior written consent; to complete or restore promptly and in good and workmanlike manner any Improvement constructed, damaged or destroyed on the Land; to pay when due all claims for labor performed and materials furnished therefor, subject to Trustor's right to contest any claim in good faith; to comply with all laws affecting the Project, subject to Trustor's right to contest any claim in good faith; not to commit or permit waste with respect to the Land or the Improvements; not to commit, suffer or permit any act upon the Land or the Improvements in violation of law, including Environmental Laws; and to do all other acts made reasonably necessary by the character or use of the Land and the Improvements;

(c) to provide, maintain and deliver to Beneficiary property and liability insurance as required under the Agreement and apply any insurance proceeds as provided below;

(d) to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and reasonable attorneys' fees and costs incurred in any such action or proceeding in which Beneficiary or Trustee may appear and in any suit brought by Beneficiary to foreclose this Deed of Trust following an Event of Default;

(e) to pay in accordance with the Agreement, but in each case prior to delinquency: (i) all taxes and assessments affecting the Property, including assessments on appurtenant water stock; and (ii) all encumbrances, charges and liens, with interest, on the Property or any part thereof that appear to be prior or superior hereto;

(f) should Trustor fail to make any payment or to do any act as herein provided, then, without: (i) obligation to do so; (ii) notice to or demand upon Trustor; or (iii) releasing Trustor from any obligation hereof, Beneficiary or Trustee may: (A) make or do the same in any manner and to the extent as it deems necessary to protect the security hereof; (B) appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; (C) pay, purchase, contest or compromise any encumbrance, charge or lien that in its judgment appears to be prior or superior hereto; and (D) in exercising these powers, pay necessary expenses, employ counsel and pay reasonable attorneys' fees and costs, and Trustor consents to Beneficiary's and/or Trustee's entry upon the Land and Improvements for any purpose set forth in this subsection, including Beneficiary's exercise of its rights under California Code of Civil Procedure Section 564(c); and

(g) to reimburse within five (5) days of demand all sums expended by Beneficiary or Trustee pursuant to this Deed of Trust, with interest at an annual rate of interest equal to the lesser of: (i) ten percent (10%); or (ii) the maximum lawful rate from date of expenditure to the date of payment.

5. Security Agreement and Fixture Filing.

(a) Grant of Security Interest. Without limiting any of the other provisions of this Deed of Trust, to secure the payment, performance and observance of the Secured Obligations, Trustor, as debtor (referred to in this Section 5 as "**Debtor**"), expressly grants to Beneficiary, as secured party (referred to in this Section 5 as "**Secured Party**"), a continuing security interest in all the Property (including now and hereafter existing) to the full extent that any portion of the Property may be subject to the Uniform Commercial Code. For purposes of this Section 5, "**Collateral**" means the personal property (tangible or intangible) and fixtures included in the Property.

(b) Debtor's Covenants, Representations, and Warranties.

(i) Debtor covenants and agrees with Secured Party that:

(1) In addition to any other remedies granted in this Deed of Trust to Secured Party or Trustee (including specifically, but not limited to, the right to proceed against the Property in accordance with the rights and remedies in respect of the Property that is real property under the Uniform Commercial Code), Secured Party may, if an Event of Defaults occurs and is continuing, proceed under the Uniform Commercial Code as to all or

any part of the Collateral, and shall have and may exercise with respect to the Collateral all the rights, remedies, and powers of a secured party under the Uniform Commercial Code.

(2) Without limiting the foregoing, Secured Party shall have the right upon any public sale or sales, and, to the extent permitted by law, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in Debtor. Debtor further agrees to allow Secured Party to use or occupy the Property, without charge, for the purpose of effecting any of Secured Party's remedies in respect of the Collateral.

(3) To the extent permitted by applicable law, Debtor waives all claims, damages, and demands against Secured Party arising out of the repossession, retention, or sale of the Collateral, except for claims, damages, and demands due to the active gross negligence or willful misconduct of Secured Party in dealing with such Collateral. Trustor agrees that Secured Party need not give more than five (5) days' notice of the time and place of any public sale or of the time at which a private sale will take place and that such notice is reasonable notification of such matters. Secured Party may disclaim any warranties that might arise in connection with the sale, lease, license, or other disposition of the Collateral and have no obligation to provide any warranties at such time. Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(4) To the extent permitted by law, Debtor hereby specifically waives all rights of redemption, stay, or appraisal which it has or may have under any law now existing or hereafter enacted.

(ii) Debtor hereby authorizes Secured Party to file financing and continuation statements with respect to the Collateral as Secured Party may reasonably require.

(iii) Debtor hereby represents and warrants that no financing statement is on file in any public office except as authorized by Secured Party. Debtor will at its own cost and expense, upon demand, furnish to Secured Party such further information and will execute and deliver to Secured Party financing statements and other documents in form reasonably satisfactory to Secured Party and will do all such acts that Secured Party may at any time or from time to time reasonably require to establish and maintain a perfected security interest in the Collateral as security for the Secured Obligations, subject only to liens or encumbrances approved by or benefiting Secured Party. Debtor will pay the actual expense of filing or recording such financing statements or other documents, and this instrument, as and where reasonably required by Secured Party.

(iv) To the extent permitted by applicable law, the security interest created hereby is specifically intended to cover all rents, royalties, issues and profits, and all inventory accounts, accounts receivable and other revenues of the Property.

(c) Fixture Filing. Certain of the Collateral is or will become "fixtures" (as that term is defined in the Uniform Commercial Code). This Deed of Trust, upon being filed for record in the real estate records of San Francisco County, shall operate also as a financing statement and fixture filing upon such of the Collateral that is or may become fixtures under the Uniform Commercial Code. Debtor's name and type and jurisdiction of entity are set forth in the introductory paragraph hereof. Debtor's address is set forth above. Debtor's EIN Number is []. Secured Party's name and mailing address are set above.

6. Insurance and Condemnation Proceeds.

(a) Trustor hereby assigns to Beneficiary any award of damages arising from the condemnation of all or any part of the Property for public use and any insurance proceeds arising from injury to all or any part of the Property or the Project.

(b) Any condemnation award or insurance proceeds must be paid to Beneficiary or, if Beneficiary has consented to subordinate the lien of this Deed of Trust to the lien of another lender for the Project, according to the provisions in the senior lender's loan documents.

(c) If a condemnation award or insurance proceeds are paid to Beneficiary, Beneficiary will release or authorize the release of funds to Trustor, provided that the funds will be used for the reconstruction of the Project in accordance with: (i) projections demonstrating that reconstruction is economically feasible; and (ii) Trustor's construction budget, each of which must be satisfactory to Beneficiary in its reasonable discretion. In all other cases, Beneficiary may choose in its discretion to apply funds to Trustor's obligations under the Market Rate Note, the BMR Note, the Deferred Note, and the Agreement or to any senior obligations, in accordance with the respective priorities of the approved lienholders as their interests may appear of record, with the remaining funds, if any, released to Trustor.

(d) Trustor agrees that Beneficiary's application or release of funds pursuant to this Section will not cure or waive any default or Notice of Default (as defined below) or invalidate any act by Beneficiary performed following a default pursuant to any City Document unless the default has been cured by the application or release of funds.

7. Further Agreements. Trustor further acknowledges and agrees as follows:

(a) Beneficiary does not waive its right either to require prompt payment when due of all other sums secured by this Deed of Trust or to declare Trustor in default for failure to pay timely by accepting payment of any sum secured hereby after its due date.

(b) Trustee may reconvey any part of the Property at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and

presentation of this Deed of Trust and the Market Rate Note, the BMR Note, and the Deferred Note for endorsement without affecting the liability of any entity or person for payment of the indebtedness secured hereby.

(c) Upon: (i) written request of Beneficiary stating that all obligations secured hereby have been paid or performed; (ii) Beneficiary's surrender of this Deed of Trust and the Market Rate Note, the BMR Note, and the Deferred Note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose; and (iii) payment of its fees, if any, Trustee shall reconvey the Property then held hereunder without covenant or warranty.

(d) As additional security, Trustor hereby irrevocably, absolutely and unconditionally assigns to Beneficiary all Rents, whether now due, past due or to become due, subject to Beneficiary's grant to Trustor of a license to collect and retain Rents as they become due and payable so long as Trustor has not defaulted in performance of the Secured Obligations.

(e) Any voluntary or involuntary conveyance, sale, encumbrance, pledge or other transfer of all or any interest in the Property or in Trustor, including a security interest, in violation of the Agreement will constitute an Event of Default (as defined below) giving Beneficiary the right to exercise its remedies at law or in equity.

(f) For the purposes of this Deed of Trust, Beneficiary from time to time may substitute a successor or successors to Trustee named herein or acting hereunder by instrument in writing executed by Beneficiary and duly acknowledged and recorded in the office of the recorder of San Francisco County, which instrument shall be conclusive proof of proper substitution of a successor trustee or trustees. Without conveyance from Trustee, any successor or substitute trustee will succeed to all title, estate, rights, powers and duties of Trustee. The instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the recording information for this Deed of Trust and the name and address of the new Trustee.

(g) This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns, provided that this subsection does not constitute Beneficiary's consent to any transfer in violation of this Deed of Trust. The term Beneficiary shall mean the holder of the Market Rate Note, the BMR Note, or the Deferred Note, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or the neuter, and the singular number includes the plural.

(h) Trustee accepts this Trust when this duly executed and acknowledged Deed of Trust is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

8. Beneficiary's Rights Following Default. Upon any default by Trustor in performance of the Secured Obligations following expiration of any applicable notice and cure periods ("**Event of Default**"):

(a) Trustor's license to collect and retain Rents will terminate automatically.

(b) Trustor consents to Beneficiary's entry upon and taking possession of the Property or any part thereof, at any time after the occurrence of an Event of Default without notice, either in person, by agent or by a receiver to be appointed by a court without regard to the adequacy of any security for the indebtedness hereby secured to sue for or otherwise collect and apply Rents, less costs and expenses of operation and collection, including those of the Property, in its own name or in the name of Trustor. Beneficiary's collection and application of Rents shall not cure or waive any Event of Default or Notice of Default or invalidate any act done pursuant to any notice.

(c) Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold the Property ("**Notice of Default**"), and:

i. Trustee shall cause the Notice of Default to be filed for record. Beneficiary also shall deposit with Trustee this Deed of Trust, the Market Rate Note, the BMR Note, the Deferred Note, and all documents evidencing expenditures secured hereby.

ii. After the lapse of time then required by law following the recordation of a Notice of Default, and notice of sale ("**Notice of Sale**") having been given as then required by law, Trustee without demand on Trustor may sell the Property at the time and place fixed in the Notice of Sale either as a whole or in separate parcels in any order at public auction to the highest bidder for cash in lawful money of the United States payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at the time and place of sale and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to any purchaser a trustee's deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the trustee's deed of any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary, may purchase at the sale.

iii. After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee

shall apply the proceeds of sale to payment of: (A) all sums expended under the terms of this Deed of Trust not then repaid, with accrued interest at the highest rate allowed by law in effect at the date hereof; (B) all other sums then secured hereby; and (C) the remainder, if any, to the person or persons legally entitled thereto.

9. Notice of Default to Trustor. The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to it at its address set forth above or any succeeding address given by notice in accordance with the Agreement.

TRUSTOR:

**HAZEL EDDY WOOLSEY LLC,
a California limited liability company**

By: Bernal Heights Housing Corporation,
a California nonprofit public benefit corporation
Its: Sole Member

By: _____
Name: Gina Dacus
Title: Executive Director

ALL SIGNATURES MUST BE NOTARIZED

EXHIBIT A

Legal Description of the Land

The land referred to is situated in the County of San Francisco, City of San Francisco, State of California, and is described as follows:

Tract One:

Beginning at a point on the Northerly line of 17th Street, distant thereon 285 feet Westerly from the Westerly line of Guerrero Street; running thence Westerly along the Northerly line of 17th Street 25 feet; thence at a right angle Northerly 115 feet; thence at a right angle Easterly 25 feet; thence at a right angle Southerly 115 feet to the Northerly line of 17th Street and the point of beginning.

Being a portion of Mission Block No. 38

Assessor's Lot: 020; Block: 3567

Tract Two:

Beginning at the point of intersection of the Southwesterly line of Woolsey Street with the Northeasterly line of Girard Street; running thence Northeasterly along said line of Woolsey Street 30 feet; thence at a right angle Southeasterly 100 feet; thence at a right angle Southwesterly 30 feet to the Northeasterly line of Girard Street; thence Northwesterly along said line of Girard Street 100 feet to the point of beginning.

Being Lot No. 26, and portion of Lot No. 27, in Block 7, as per Map of Homesteads on University Mound Survey, filed May 4, 1869, in Map Book "C" and "D", Page 117, in the Office of the Recorder of the City and County of San Francisco, State of California.

Assessor's Lot 023; Block 6121

Tract Three:

Parcel One:

Beginning at a point on the Northerly line of Eddy Street, distant thereon 147 feet and 6 inches Easterly from the Easterly line of Pierce Street; running thence Easterly along said line of Eddy Street 32 feet and 6 inches to the Westerly line of Bourbin Street; thence at a right angle Northerly along said line of Bourbin Street 75 feet; thence at a right angle Westerly 32 feet and 6 inches; thence at a right angle Southerly 75 feet to the point of beginning.

Being a portion of Western Addition Block No. 384.

EXHIBIT A

Parcel Two:

Beginning at a point on the Northerly line of Eddy Street, distant thereon 125 feet and 6 inches Easterly from the Easterly line of Pierce Street; running thence Easterly along said line of Eddy Street 22 feet; thence at a right angle Northerly 75 feet; thence at a right angle Westerly 22 feet; thence at a right angle Southerly 75 feet to the point of beginning.

Being a portion of Western Addition Block No. 384.

Parcel Three:

Beginning at the point of intersection of the Northerly line of Eddy Street and the former centerline of Bourbin Street, as last said street existed prior to the vacation thereof by Resolution No. 531-69, adopted July 28, 1969, by the Board of Supervisors of the City and County of San Francisco; running thence Easterly along said Northerly line of Eddy Street 3.75 feet to a point distant thereon 30 feet Easterly from the former Westerly line of Bourbin Street; thence Northerly at a right angle to said line of Eddy Street 75 feet; thence at a right angle Westerly 3.75 feet to said former centerline of Bourbin Street; thence at a right angle Southerly along said former centerline of Bourbin Street 75 feet to the point of beginning.

Being a portion of former Bourbin Street, vacated by the above mentioned Resolution No. 531-69.

Parcel Four:

Beginning at the point of intersection of the Northerly line of Eddy Street with the former Westerly line of Bourbin Street as said Bourbin Street existed prior to its vacation by Resolution No. 531-69 adopted July 28, 1969 by the Board of Supervisors of the City and County of San Francisco, State of California; thence running Easterly along said line of Eddy Street 26.25 feet to the former centerline of said Bourbin Street; thence at a right angle Northerly along said former centerline 75.00 feet; thence at a right angle Westerly 26.25 feet to said former Westerly line of Bourbin Street; thence at a right angle Southerly along said former Westerly line 75.00 feet to the point of beginning.

Being a portion of Bourbin Street vacated by the aforementioned resolution.

Assessor's Lot: 045; Block 0730

Street Addresses:

Tract One:

3554 17th Street

San Francisco, CA 94110

EXHIBIT A

Tract Two:
195 Woolsey Street
San Francisco, CA 94134

Tract Three:
1652-1654 Eddy Street
San Francisco, CA 94115

Free Recording Requested Pursuant to
Government Code Section 27383

Recording requested by and
when recorded mail to:
City and County of San Francisco
Mayor's Office of Housing
and Community Development
1 South Van Ness Avenue, 5th Floor
San Francisco, California 94103
Attn: Housing Loan Administrator

Block/Lot: 6121/023

-----Space Above This Line for Recorder's Use-----

**AMENDED AND RESATED
DECLARATION OF RESTRICTIONS AND
AFFORDABLE HOUSING COVENANTS**
(Bernal Bundle: 195 Woolsey Street)

THIS AMENDED AND RESTATED DECLARATION OF RESTRICTIONS AND AFFORDABLE HOUSING COVENANTS (this "Declaration") is made as of _____, _____, by **HAZEL EDDY WOOLSEY LLC**, a California limited liability company ("Borrower"), in favor of the **CITY AND COUNTY OF SAN FRANCISCO**, represented by the Mayor, acting by and through the Mayor's Office of Housing and Community Development (the "City").

RECITALS

A. The City is making a loan (the "Loan") to Borrower of HOME Funds, General Funds, Housing Trust Funds, Hotel Tax Funds, and PASS (2016 General Obligation Funds (Series 2020C)) Funds to finance costs associated with the acquisition and rehabilitation of the real property described in **Exhibit A** attached hereto and incorporated herein by reference (the "Property") as low-income affordable housing (the "Project"). The Loan is evidenced by, among other documents, an Amended and Restated Loan Agreement between the City and Borrower dated as of the date of this Declaration, as it may be amended from time to time (the "Agreement"). The Agreement is incorporated by reference in this Declaration as though fully set forth in this Declaration. Definitions and rules of interpretation set forth in the Agreement apply to this Declaration.

B. The Property is currently subject to: that certain Declaration of Restrictions dated March 28, 1994 and recorded in the Official Records on April 29, 1994 as Document No. 1994-F595956 for 195 Woolsey (the "Woolsey Declaration of

Restrictions”). This Declaration amends and restates the Woolsey Declaration of Restrictions in its entirety.

C. Pursuant to the Agreement, Borrower has agreed to comply with certain affordability covenants and other use and occupancy restrictions set forth in the Agreement (collectively, the "Regulatory Obligations"), commencing on the date the Deed of Trust is recorded in the Official Records of San Francisco County, and continuing for the Life of the Project (the "Compliance Term"), even if the Loan is repaid or otherwise satisfied or the Deed of Trust is reconveyed.

AGREEMENT

Now, therefore, in consideration of the City providing the Loan in accordance with the City Documents, Borrower agrees as follows:

1. Borrower will comply with the Regulatory Obligations and this Declaration through the expiration of the Compliance Term, regardless of any reconveyance of the Deed of Trust. Specifically, Borrower agrees as follows, subject to additional terms as set forth in the Agreement:

1.1 Units in the Project will at all times be rented only to tenants who qualify as Qualified Tenants at initial occupancy, specifically:

195 Woolsey Street

Unit Size	No. of Units	Maximum Income Level	Maximum Income Level HUD	HOME Rent Category
Studio	2	50% of Median Income	50% of HUD AMI	Low HOME Rents
Studio	8	60% of Median Income	60% of HUD AMI	High HOME Rents

Borrower further covenants that no HOME funds will be allocated to the construction or rehabilitation of a manager's Unit. If the Project contains 5 or more units, at least 20% must be reserved for very low-income Tenants, as defined under the HOME program regulations.

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

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

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

1.3 For the avoidance of any doubt, notwithstanding any repayment of the Loan or otherwise satisfied or if the Deed of Trust is reconveyed, Borrower will comply with the applicable terms of the Agreement as if fully set forth herein, including, without limitation, Article 6 (Marketing), Article 7 (Affordability and Other Leasing Restrictions), Article 8 (Maintenance and Management of the Project), Article 9 (Governmental Approvals and Requirements), Article 10 (Project Monitoring, Reports, Books and Records), Article 11 (Use of Income From Operations), Article 12 (Required Reserves), Article 16 (Transfers), Article 17 (Insurance and Bonds; Indemnity), Article 18 (Hazardous Substances), and Article 19 (Default).

2. Borrower hereby subjects the Property to the covenants, reservations and restrictions set forth in this Declaration and the Agreement. This Declaration and the Regulatory Obligations constitute covenants running with the land and bind successors and assigns of Borrower and any non-borrower owner of the Property and will pass to and be binding upon Borrower's successors in title to the Property. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any portion thereof will conclusively be held to have been executed, delivered and accepted subject to the covenants, reservations and restrictions in this Declaration, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments.

3. If Borrower fails to (i) comply with the Regulatory Obligations and this Declaration to the City's satisfaction, in its sole discretion, and (ii) cure such default as set forth in **Section 19.1(c)** of the Agreement, the City will have the right to pursue any available remedy at equity or in law, including as set forth in **Section 19.2** of the Agreement, to enforce this Declaration. During the Compliance Term, the City may rely on the Deed of Trust and/or this Declaration, in the City's discretion, to enforce any of the City's rights under the City Documents. Borrower will pay the City's reasonable costs in connection with the City's enforcement of the terms of this Declaration and Regulatory Obligations, including, without limitation, the City's attorneys' fees and costs.

Borrower has executed this Declaration as of the date first written above.

"BORROWER"

HAZEL EDDY WOOLSEY LLC,
a California limited liability company

By: Bernal Heights Housing Corporation,
a California nonprofit public benefit corporation
Its: Sole member

By: _____
Name: Gina Dacus
Title: Executive Director

[ALL SIGNATURES MUST BE NOTARIZED.]

EXHIBIT A

(Legal Description of the Property)

THE FOLLOWING LAND SITUATED IN THE CITY OF SAN FRANCISCO,
COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS
FOLLOWS:

Beginning at the point of intersection of the Southwesterly line of Woolsey Street with the Northeasterly line of Girard Street; running thence Northeasterly along said line of Woolsey Street 30 feet; thence at a right angle Southeasterly 100 feet; thence at a right angle Southwesterly 30 feet to the Northeasterly line of Girard Street; thence Northwesterly along said line of Girard Street 100 feet to the point of beginning.

Being Lot No. 26, and portion of Lot No. 27, in Block 7, as per Map of Homesteads on University Mound Survey, filed May 4, 1869, in Map Book "C" and "D", Page 117, in the Office of the Recorder of the City and County of San Francisco, State of California.

Assessor's Lot 023; Block 6121

Street Addresses:

195 Woolsey Street
San Francisco, CA 94134

Free Recording Requested Pursuant to
Government Code Section 27383

Recording requested by and
when recorded mail to:
City and County of San Francisco
Mayor's Office of Housing
and Community Development
1 South Van Ness Avenue, 5th Floor
San Francisco, California 94103
Attn: Housing Loan Administrator

Block/Lot: 0730/045

-----Space Above This Line for Recorder's Use-----

**AMENDED AND RESATED
DECLARATION OF RESTRICTIONS AND
AFFORDABLE HOUSING COVENANTS**
(Bernal Bundle: 1652-1654 Eddy Street)

THIS AMENDED AND RESTATED DECLARATION OF RESTRICTIONS AND AFFORDABLE HOUSING COVENANTS (this "Declaration") is made as of _____, _____, by **HAZEL EDDY WOOLSEY LLC**, a California limited liability company ("Borrower"), in favor of the **CITY AND COUNTY OF SAN FRANCISCO**, represented by the Mayor, acting by and through the Mayor's Office of Housing and Community Development (the "City").

RECITALS

A. The City is making a loan (the "Loan") to Borrower of HOME Funds, General Funds, Housing Trust Funds, Hotel Tax Funds, HOPWA, and PASS (2016 General Obligation Funds (Series 2020C)) Funds to finance costs associated with the acquisition and rehabilitation of the real property described in **Exhibit A** attached hereto and incorporated herein by reference (the "Property") as low-income affordable housing (the "Project"). The Loan is evidenced by, among other documents, an Amended and Restated Loan Agreement between the City and Borrower dated as of the date of this Declaration, as it may be amended from time to time (the "Agreement"). The Agreement is incorporated by reference in this Declaration as though fully set forth in this Declaration. Definitions and rules of interpretation set forth in the Agreement apply to this Declaration.

B. The Property is currently subject to i) that certain Declaration of Restrictions dated December 27, 2001 and recorded in the Official Records on January 8, 2002 as Document No. 2002-085144 (the "Positive Match Declaration of Restrictions"), and ii) that certain Declaration of Restriction dated April 28, 1998 and recorded in the

Official Records on [] as Document No. [] ("Positive Match HOPWA Declaration of Restrictions") This Declaration amends and restates the Positive Match Declaration of Restrictions and the Positive Match HOPWA Declaration of Restrictions in their entirety.

C. Pursuant to the Agreement, Borrower has agreed to comply with certain affordability covenants and other use and occupancy restrictions set forth in the Agreement (collectively, the "Regulatory Obligations"), commencing on the date the Deed of Trust is recorded in the Official Records of San Francisco County, and continuing for the Life of the Project (the "Compliance Term"), even if the Loan is repaid or otherwise satisfied or the Deed of Trust is reconveyed.

AGREEMENT

Now, therefore, in consideration of the City providing the Loan in accordance with the City Documents, Borrower agrees as follows:

1. Borrower will comply with the Regulatory Obligations and this Declaration through the expiration of the Compliance Term, regardless of any reconveyance of the Deed of Trust. Specifically, Borrower agrees as follows, subject to additional terms as set forth in the Agreement:

1.1 Units in the Project will at all times be rented only to tenants who qualify as Qualified Tenants at initial occupancy, specifically:

1652-1654 Eddy Street: Positive Match

Unit Size	No. of Units	Maximum Income Level	Maximum Income Level HUD	HOME Rent Category
1-BR	1	50% of Median Income	50% of HUD AMI	Low HOME Rents
2-BR	5	50% of Median Income	50% of HUD AMI	
3-BR	1	50% of Median Income	50% of HUD AMI	

Borrower further covenants that no HOME funds will be allocated to the construction or rehabilitation of a manager's Unit. If the Project contains 5 or more units, at least 20% must be reserved for very low-income Tenants, as defined under the HOME program regulations. In addition, all seven (7) Units at Positive Match must be rented to holders of

Section 8 certificates or vouchers or similar rental subsidy benefits, unless these rental subsidy programs are no longer in operation.

In addition, all [seven (7)] Units at Positive Match will be rented at all times to Qualifying Very Low Income Tenants.

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

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

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

1.3 For the avoidance of any doubt, notwithstanding any repayment of the Loan or otherwise satisfied or if the Deed of Trust is reconveyed, Borrower will comply with the applicable terms of the Agreement as if fully set forth herein, including, without limitation, Article 6 (Marketing), Article 7 (Affordability and Other Leasing Restrictions), Article 8 (Maintenance and Management of the Project), Article 9 (Governmental Approvals and Requirements), Article 10 (Project Monitoring, Reports, Books and Records), Article 11 (Use of Income From Operations), Article 12 (Required Reserves), Article 16 (Transfers), Article 17 (Insurance and Bonds; Indemnity), Article 18 (Hazardous Substances), and Article 19 (Default).

2. Borrower hereby subjects the Property to the covenants, reservations and restrictions set forth in this Declaration and the Agreement. This Declaration and the Regulatory Obligations constitute covenants running with the land and bind successors and assigns of Borrower and any non-borrower owner of the Property and will pass to and be binding upon Borrower's successors in title to the Property. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any portion thereof will conclusively be held to have been executed, delivered and accepted subject to the covenants, reservations and restrictions in this Declaration, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments.

3. If Borrower fails to (i) comply with the Regulatory Obligations and this Declaration to the City's satisfaction, in its sole discretion, and (ii) cure such default as set forth in **Section 19.1(c)** of the Agreement, the City will have the right to pursue any available remedy at equity or in law, including as set forth in **Section 19.2** of the Agreement, to enforce this Declaration. During the Compliance Term, the City may rely on the Deed of Trust and/or this Declaration, in the City's discretion, to enforce any of the City's rights under the City Documents. Borrower will pay the City's reasonable costs in

connection with the City's enforcement of the terms of this Declaration and Regulatory Obligations, including, without limitation, the City's attorneys' fees and costs.

Borrower has executed this Declaration as of the date first written above.

"BORROWER"

HAZEL EDDY WOOLSEY LLC,
a California limited liability company

By: Bernal Heights Housing Corporation,
a California nonprofit public benefit corporation
Its: Sole member

By: _____
Name: Gina Dacus
Title: Executive Director

[ALL SIGNATURES MUST BE NOTARIZED.]

EXHIBIT A
(Legal Description of the Property)

THE FOLLOWING LAND SITUATED IN THE CITY OF SAN FRANCISCO,
COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS
FOLLOWS:

Parcel One:

Beginning at a point on the Northerly line of Eddy Street, distant thereon 147 feet and 6 inches Easterly from the Easterly line of Pierce Street; running thence Easterly along said line of Eddy Street 32 feet and 6 inches to the Westerly line of Bourbin Street; thence at a right angle Northerly along said line of Bourbin Street 75 feet; thence at a right angle Westerly 32 feet and 6 inches; thence at a right angle Southerly 75 feet to the point of beginning.

Being a portion of Western Addition Block No. 384.

Parcel Two:

Beginning at a point on the Northerly line of Eddy Street, distant thereon 125 feet and 6 inches Easterly from the Easterly line of Pierce Street; running thence Easterly along said line of Eddy Street 22 feet; thence at a right angle Northerly 75 feet; thence at a right angle Westerly 22 feet; thence at a right angle Southerly 75 feet to the point of beginning.

Being a portion of Western Addition Block No. 384.

Parcel Three:

Beginning at the point of intersection of the Northerly line of Eddy Street and the former centerline of Bourbin Street, as last said street existed prior to the vacation thereof by Resolution No. 531-69, adopted July 28, 1969, by the Board of Supervisors of the City and County of San Francisco; running thence Easterly along said Northerly line of Eddy Street 3.75 feet to a point distant thereon 30 feet Easterly from the former Westerly line of Bourbin Street; thence Northerly at a right angle to said line of Eddy Street 75 feet; thence at a right angle Westerly 3.75 feet to said former centerline of Bourbin Street; thence at a right angle Southerly along said former centerline of Bourbin Street 75 feet to the point of beginning.

Being a portion of former Bourbin Street, vacated by the above mentioned Resolution No. 531-69.

Parcel Four:

Beginning at the point of intersection of the Northerly line of Eddy Street with the former Westerly line of Bourbin Street as said Bourbin Street existed prior to its vacation by Resolution No. 531-69 adopted July 28, 1969 by the Board of Supervisors of the City and County of San Francisco, State of California; thence running Easterly along said line of Eddy Street 26.25 feet to the former centerline of said Bourbin Street; thence at a right angle Northerly along said former centerline 75.00 feet; thence at a right angle Westerly 26.25 feet to said former Westerly line of Bourbin Street; thence at a right angle Southerly along said former Westerly line 75.00 feet to the point of beginning.

Being a portion of Bourbin Street vacated by the aforementioned resolution.

Assessor's Lot: 045; Block 0730

Street Address:

1652-1654 Eddy Street
San Francisco, CA 94115

Free Recording Requested Pursuant to
Government Code Section 27383

Recording requested by and
when recorded mail to:
City and County of San Francisco
Mayor's Office of Housing
and Community Development
1 South Van Ness Avenue, 5th Floor
San Francisco, California 94103
Attn: Housing Loan Administrator

Block/Lot: 3567/020

-----Space Above This Line for Recorder's Use-----

**AMENDED AND RESATED
DECLARATION OF RESTRICTIONS AND
AFFORDABLE HOUSING COVENANTS**
(Bernal Bundle: 3554 17th Street)

THIS AMENDED AND RESTATED DECLARATION OF RESTRICTIONS AND AFFORDABLE HOUSING COVENANTS (this "Declaration") is made as of _____, _____, by **HAZEL EDDY WOOLSEY LLC**, a California limited liability company ("Borrower"), in favor of the **CITY AND COUNTY OF SAN FRANCISCO**, represented by the Mayor, acting by and through the Mayor's Office of Housing and Community Development (the "City").

RECITALS

A. The City is making a loan (the "Loan") to Borrower of HOME Funds, General Funds, Housing Trust Funds, Hotel Tax Funds, HOPWA Funds, 2023 COP Funds, and PASS (2016 General Obligation Funds (Series 2020C)) Funds to finance costs associated with the acquisition and rehabilitation of the real property described in **Exhibit A** attached hereto and incorporated herein by reference (the "Property") as low-income affordable housing (the "Project"). The Loan is evidenced by, among other documents, an Amended and Restated Loan Agreement between the City and Borrower dated as of the date of this Declaration, as it may be amended from time to time (the "Agreement"). The Agreement is incorporated by reference in this Declaration as though fully set forth in this Declaration. Definitions and rules of interpretation set forth in the Agreement apply to this Declaration.

B. The Property is currently subject to: a Declaration of Restrictions dated March 15, 1996, recorded in the Official Records on March 15, 1996 as Document No. 96-F943475-00 made by Bernal Heights Housing Corporation ("BHHC") in favor of the City, as amended by that First Amendment to Declaration Restrictions dated February 24,

2017, recorded in the Official Records on March 2, 2017 as Document No. 2017-K415985-00 made by BHHC in favor of the City, as amended by that Second Amendment to Declaration of Restrictions dated June 26, 2017, recorded in the Official Records on July 3, 2017 as Document No. 2017-K472193-00 made by BHHC in favor of the City (collectively, the "Original Declaration of Restrictions"). This Declaration amends and restates the Original Declaration of Restrictions in its entirety.

C. Pursuant to the Agreement, Borrower has agreed to comply with certain affordability covenants and other use and occupancy restrictions set forth in the Agreement (collectively, the "Regulatory Obligations"), commencing on the date the Deed of Trust is recorded in the Official Records of San Francisco County, and continuing for the Life of the Project (the "Compliance Term"), even if the Loan is repaid or otherwise satisfied or the Deed of Trust is reconveyed.

AGREEMENT

Now, therefore, in consideration of the City providing the Loan in accordance with the City Documents, Borrower agrees as follows:

1. Borrower will comply with the Regulatory Obligations and this Declaration through the expiration of the Compliance Term, regardless of any reconveyance of the Deed of Trust. Specifically, Borrower agrees as follows, subject to additional terms as set forth in the Agreement:

1.1 Units in the Project will at all times be rented only to tenants who qualify as Qualified Tenants at initial occupancy, specifically:

3554 17th Street: Hazel Betsey

Unit Size	No. of Units	Maximum Income Level	Maximum Income Level HUD	HOME Rent Category
Studio	6	50% of Median Income	50% of HUD AMI	Low HOME Rents
1-BR	3	50% of Median Income	50% of HUD AMI	

Borrower further covenants that no HOME funds will be allocated to the construction or rehabilitation of a manager's Unit. If the Project contains 5 or more units, at least 20% must be reserved for very low-income Tenants, as defined under the HOME program regulations.

In addition, all nine (9) Units at Hazel Betsey will be rented at all times to Qualifying Very Low Income Tenants and comply with HOPWA Regulations and the HOPWA Requirements described in Exhibit R of the Amended and Restated Loan Agreement between the City and Borrower dated as of the date of this Agreement.

In addition, all nine (9) Units at Hazel Betsey will be made available to the Homeless or those at risk of homelessness during the period in which the Continuum of Care program is in operation and the City provides the Continuum of Care rental assistance subsidy to the Project under a Continuum of Care grant agreement.

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

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

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

(iii) the maximum allowable total amount for rent and utilities determined under an executed Continuum of Care agreement between HSH and the Borrower.

1.3 For the avoidance of any doubt, notwithstanding any repayment of the Loan or otherwise satisfied or if the Deed of Trust is reconveyed, Borrower will comply with the applicable terms of the Agreement as if fully set forth herein, including, without limitation, Article 6 (Marketing), Article 7 (Affordability and Other Leasing Restrictions), Article 8 (Maintenance and Management of the Project), Article 9 (Governmental Approvals and Requirements), Article 10 (Project Monitoring, Reports, Books and Records), Article 11 (Use of Income From Operations), Article 12 (Required Reserves), Article 16 (Transfers), Article 17 (Insurance and Bonds; Indemnity), Article 18 (Hazardous Substances), and Article 19 (Default).

2. Borrower hereby subjects the Property to the covenants, reservations and restrictions set forth in this Declaration and the Agreement. This Declaration and the Regulatory Obligations constitute covenants running with the land and bind successors and assigns of Borrower and any non-borrower owner of the Property and will pass to and be binding upon Borrower's successors in title to the Property. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any portion thereof will conclusively be held to have been executed, delivered and accepted subject to the covenants, reservations and restrictions in this Declaration, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments.

3. If Borrower fails to (i) comply with the Regulatory Obligations and this Declaration to the City's satisfaction, in its sole discretion, and (ii) cure such default as set forth in **Section 19.1(c)** of the Agreement, the City will have the right to pursue any available remedy at equity or in law, including as set forth in **Section 19.2** of the Agreement, to enforce this Declaration. During the Compliance Term, the City may rely

on the Deed of Trust and/or this Declaration, in the City's discretion, to enforce any of the City's rights under the City Documents. Borrower will pay the City's reasonable costs in connection with the City's enforcement of the terms of this Declaration and Regulatory Obligations, including, without limitation, the City's attorneys' fees and costs.

Borrower has executed this Declaration as of the date first written above.

"BORROWER"

HAZEL EDDY WOOLSEY LLC,
a California limited liability company

By: Bernal Heights Housing Corporation,
a California nonprofit public benefit corporation
Its: Sole member

By: _____
Name: Gina Dacus
Title: Executive Director

[ALL SIGNATURES MUST BE NOTARIZED.]

EXHIBIT A
(Legal Description of the Property)

THE FOLLOWING LAND SITUATED IN THE CITY OF SAN FRANCISCO,
COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS
FOLLOWS:

Tract One:

Beginning at a point on the Northerly line of 17th Street, distant thereon 285 feet
Westerly from the Westerly line of Guerrero Street; running thence Westerly along the
Northerly line of 17th Street 25 feet; thence at a right angle Northerly 115 feet; thence at a
right angle Easterly 25 feet; thence at a right angle Southerly 115 feet to the Northerly
line of 17th Street and the point of beginning.

Being a portion of Mission Block No. 38

Assessor's Lot: 020; Block: 3567

3554 17th Street
San Francisco, CA 94110

Street Address:

Free Recording Requested Pursuant to
Government Code Section 27383 and 27388.1

**Recorded at the Request of and
when Recorded Mail to:**

City and County of San Francisco
Mayor's Office of Housing
and Community Development
One South Van Ness Ave., 5th Floor
San Francisco, CA 94103
Attn: Housing Loan Administrator

-----Space Above This Line for Recorder's Use-----
APN: Block 6121, Lot 023
Site Address: 195 Woolsey Street, San Francisco, CA

**SUBSTITUTION OF TRUSTEE AND FULL RECONVEYANCE
(\$409,648 Deed of Trust and \$18,805 Notice of Additional Loan)**

WHEREAS, BERNAL HEIGHTS HOUSING CORPORATION, a California nonprofit public benefit corporation (“Trustor”), is the Trustor, **FIRST AMERICAN TITLE INSURANCE COMPANY** is the original Trustee (“Trustee”), and the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, represented by the Mayor, acting through the Mayor’s Office of Housing (the “City”), is the Beneficiary under that certain Deed of Trust and Assignment of Rents dated as of March 28, 1994, and recorded in the Official Records of the City and County of San Francisco (“Official Records”) on April 29, 1994 as Document Number 94-F595960 and that certain Notice of Additional Loan dated as of January 5, 1995 and recorded in the Official Records on February 23, 1995 as Document Number 95-F759912 (collectively, the “Original Deed of Trust”), securing performance under the loan documents between City and Trustor (“Loan Documents”);

WHEREAS, Hazel Eddy Woolsey LLC, a California limited liability company (“Buyer”), whose sole member is Bernal Heights Housing Corporation, intends to purchase the Property from Trustor and assume Trustor’s obligations under the Loan Documents, as may be further amended;

WHEREAS, Buyer will execute and record in the Official Records a new deed of trust with the City to be recorded against Buyer’s interest in the Property to secure performance under the Loan Documents, as may be further amended;

WHEREAS, the City, as beneficiary under the Original Deed of Trust, therefore intends to release and reconvey the Original Deed of Trust; and

WHEREAS, the undersigned desires to substitute itself as Trustee under the Original Deed of Trust in place of First American Title Insurance Company;

NOW, THEREFORE, the City hereby substitutes itself as Trustee under the Original Deed of Trust and does hereby cancel and release the Original Deed of Trust and RECONVEY without warranty all of the estate, title, and interest held by the City as beneficiary under the Original Deed of Trust to the person or persons legally entitled thereto.

[Signatures on following pages]

Dated: _____

SUBSTITUTED TRUSTEE AND BENEFICIARY:

City and County of San Francisco,
a municipal corporation, represented by the Mayor,
acting by and through the Mayor's Office of Housing
and Community Development

By: _____
Daniel Adams, Director, City and County of San Francisco,
a municipal corporation, represented by the Mayor,
acting by and through the Mayor's Office of Housing and
Community Development

SIGNATURE ABOVE MUST BE NOTARIZED

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: _____
Deputy City Attorney

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss
COUNTY OF _____)

On _____ before me, _____, Notary Public,
personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s), whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the Laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

(Seal)

EXHIBIT A
Legal Description of the Property

Free Recording Requested Pursuant to
Government Code Section 27383 and 27388.1

**Recorded at the Request of and
when Recorded Mail to:**

City and County of San Francisco
Mayor's Office of Housing
and Community Development
One South Van Ness Ave., 5th Floor
San Francisco, CA 94103
Attn: Housing Loan Administrator

-----Space Above This Line for Recorder's Use-----
APN: Block 0730, Lot 045
Site Address: 1652-1654 Eddy Street, San Francisco, CA

**SUBSTITUTION OF TRUSTEE AND FULL RECONVEYANCE
(\$921,725 Deed of Trust)**

WHEREAS, HOUSING SERVICES AFFILIATE OF THE BERNAL HEIGHTS NEIGHBORHOOD CENTER, a California nonprofit public benefit corporation ("Trustor"), is the Trustor, **FIRST AMERICAN TITLE INSURANCE COMPANY** is the original Trustee ("Trustee"), and the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, represented by the Mayor, acting through the Mayor's Office of Housing (the "City"), is the Beneficiary under that certain Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of December 27, 2001, and recorded in the Official Records of the City and County of San Francisco ("Official Records") on January 8, 2002 as Document Number 2002-H085145, as amended by that certain First Amendment to Amended and Restated Deed of Trust dated as of August 19, 2002 and recorded in the Official Records on August 28, 2002 as Document Number 2002-H223668 (collectively, the "Original Deed of Trust"), securing performance under the loan documents between City and Trustor, as amended;

WHEREAS, Hazel Eddy Woolsey LLC, a California limited liability company ("Buyer"), whose sole member and manager is Bernal Heights Housing Corporation, intends to purchase the Property from Trustor and assume Trustor's obligations under the Loan Documents, as may be further amended;

WHEREAS, Buyer will execute and record in the Official Records a new deed of trust with the City to be recorded against Buyer's interest in the Property to secure performance under the Loan Documents, as may be further amended;

WHEREAS, the City, as beneficiary under the Original Deed of Trust, therefore intends to release and reconvey the Original Deed of Trust; and

WHEREAS, the undersigned desires to substitute itself as Trustee under the Original Deed of Trust in place of First American Title Insurance Company;

NOW, THEREFORE, the City hereby substitutes itself as Trustee under the Original Deed of Trust and does hereby cancel and release the Original Deed of Trust and RECONVEY without warranty all of the estate, title, and interest held by the City as beneficiary under the Original Deed of Trust to the person or persons legally entitled thereto.

[Signatures on following pages]

Dated: _____

SUBSTITUTED TRUSTEE AND BENEFICIARY:

City and County of San Francisco,
a municipal corporation, represented by the Mayor,
acting by and through the Mayor's Office of Housing
and Community Development

By: _____
Daniel Adams, Director, City and County of San Francisco,
a municipal corporation, represented by the Mayor,
acting by and through the Mayor's Office of Housing and
Community Development

SIGNATURE ABOVE MUST BE NOTARIZED

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: _____
Deputy City Attorney

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss
COUNTY OF _____)

On _____ before me, _____, Notary Public,
personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s), whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the Laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

(Seal)

EXHIBIT A
Legal Description of the Property

Free Recording Requested Pursuant to
Government Code Section 27383 and 27388.1

**Recorded at the Request of and
when Recorded Mail to:**

**Mayor's Office of Housing
and Community Development
One South Van Ness Ave., 5th Floor
San Francisco, CA 94103
Attn: HOUSING LOAN ADMINISTRATOR**

-----Space Above This Line for Recorder's Use-----
APN: Block 0730, Lot 045
Site Address: 1652-1654 Eddy Street, San Francisco, CA ("Property")

**SUBSTITUTION OF TRUSTEE AND FULL RECONVEYANCE
(\$1,070,119 Deed of Trust)**

WHEREAS, BERNAL HEIGHTS NEIGHBORHOOD CENTER, a California nonprofit public benefit corporation ("Trustor"), is the Trustor, **FIRST AMERICAN TITLE INSURANCE COMPANY** is the original Trustee ("Trustee"), and the **REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO**, a public body corporate and politic (the "Agency"), is the Beneficiary under that certain Deed of Trust and Assignment of Rents ("Original Deed of Trust") dated as of April 28, 1998, and recorded on August 20, 1998 as Document Number 1998-G411959 in the Official Records of the City and County of San Francisco ("Official Records"), securing performance under the Original Deed of Trust executed by Trustor;

WHEREAS, under California State Assembly Bill No. 1X26 (Chapter 5, Statutes of 2011-12, first Extraordinary Session) ("AB 26"), the Agency dissolved as a matter of law on February 1, 2012, and pursuant to AB 26, as amended by California State Assembly Bill No. 1484 ("AB 1484"), and Resolution No. 11-12, adopted by the City and County of San Francisco's (the "City") Board of Supervisors and Mayor on January 26, 2012, Ordinance No. 215-12, adopted by the City's Board of Supervisors and Mayor on October 12, 2012, and the approved housing asset list submitted by City to, and approved by, the State of California Department of Finance pursuant to AB 1484 (Cal. Health & Safety Code Section 34176 (a) (2)), the City represented by the Mayor, acting by and through the Mayor's Office of Housing and Community Development, is successor in interest to the Agency's rights and obligations under the Original Deed of Trust;

WHEREAS, Trustor will execute a new deed of trust to be recorded against Trustor's interest in the Property;

WHEREAS, the City, as beneficiary under the Original Deed of Trust, as successor to the Agency, therefore intends to release and reconvey the Original Deed of Trust; and

WHEREAS, the undersigned desires to substitute itself as Trustee under the Original Deed of Trust in place of First American Title Insurance Company;

NOW, THEREFORE, the City hereby substitutes itself as Trustee under the Original Deed of Trust and does hereby cancel and release the Original Deed of Trust and RECONVEY without warranty all of the estate, title and interest held by the City as Beneficiary under the Original Deed of Trust to the person or persons legally entitled thereto.

[Signatures on following pages]

Dated: _____

SUBSTITUTED TRUSTEE AND BENEFICIARY:

City and County of San Francisco,
a municipal corporation, represented by the Mayor,
acting by and through the Mayor's Office of Housing
and Community Development

By: _____
Daniel Adams, Director, City and County of San Francisco,
a municipal corporation, represented by the Mayor,
acting by and through the Mayor's Office of Housing and
Community Development

SIGNATURE ABOVE MUST BE NOTARIZED

APPROVED AS TO FORM:

DAVID CHIU,
City Attorney

By: _____
Jessie Alfaro-Cassella
Deputy City Attorney

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss
COUNTY OF _____)

On _____ before me, _____, Notary Public,
personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s), whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the Laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

(Seal)

Exhibit A
Legal Description

Free Recording Requested Pursuant to
Government Code Section 27383 and 27388.1

**Recorded at the Request of and
when Recorded Mail to:**

**Mayor's Office of Housing
and Community Development
One South Van Ness Ave., 5th Floor
San Francisco, CA 94103
Attn: HOUSING LOAN ADMINISTRATOR**

-----Space Above This Line for Recorder's Use-----
APN: Block 3567, Lot 020
Site Address: 3554 17th Street, San Francisco, CA ("Property")

**SUBSTITUTION OF TRUSTEE AND FULL RECONVEYANCE
(\$1,464,890 Deed of Trust)**

WHEREAS, BERNAL HEIGHTS HOUSING CORPORATION, a California nonprofit public benefit corporation ("Trustor"), is the Trustor, **FIRST AMERICAN TITLE INSURANCE COMPANY** is the original Trustee ("Trustee"), and the **REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO**, a public body corporate and politic (the "Agency"), is the Beneficiary under that certain Deed of Trust and Assignment of Rents dated as of March 15, 1996, and recorded in the Official Records of the City and County of San Francisco ("Official Records") on March 15, 1996 as Document Number 96-F943474, as amended by that certain Notice of Additional Loan Under Deed of Trust dated as of December 20, 2000 and recorded in the Official Records on March 14, 2001 as Document Number 2001-G915698, as further amended by that certain First Amendment to Deed of Trust and Assignment of Rents dated as of February 24, 2017 and recorded in the Official Records on March 2, 2017 as Document Number 2017-K415984, as further amended by that certain Second Amendment to Deed of Trust dated as of June 26, 2017 and recorded in the Official Records on July 3, 2017 as Document Number 2017 (collectively, the "Original Deed of Trust"), securing performance under the Original Deed of Trust executed by Trustor.

WHEREAS, under California State Assembly Bill No. 1X26 (Chapter 5, Statutes of 2011-12, first Extraordinary Session) ("AB 26"), the Agency dissolved as a matter of law on February 1, 2012, and pursuant to AB 26, as amended by California State Assembly Bill No. 1484 ("AB 1484"), and Resolution No. 11-12, adopted by the City and County of San Francisco's (the "City") Board of Supervisors and Mayor on January 26, 2012, Ordinance No. 215-12, adopted by the City's Board of Supervisors and Mayor on October 12, 2012, and the approved housing asset list submitted by City to, and approved by, the State of California Department of Finance pursuant to AB 1484 (Cal. Health & Safety Code Section 34176 (a) (2)), the City represented by the Mayor, acting by and through the Mayor's Office of Housing and Community Development, is successor in interest to the Agency's rights and obligations under the Original Deed of Trust;

WHEREAS, Trustor will execute a new deed of trust to be recorded against Trustor's interest in the Property;

WHEREAS, the City, as beneficiary under the Original Deed of Trust, as successor to the Agency, therefore intends to release and reconvey the Original Deed of Trust; and

WHEREAS, the undersigned desires to substitute itself as Trustee under the Original Deed of Trust in place of First American Title Insurance Company;

NOW, THEREFORE, the City hereby substitutes itself as Trustee under the Original Deed of Trust and does hereby cancel and release the Original Deed of Trust and RECONVEY without warranty all of the estate, title and interest held by the City as Beneficiary under the Original Deed of Trust to the person or persons legally entitled thereto.

[Signatures on following pages]

Dated: _____

SUBSTITUTED TRUSTEE AND BENEFICIARY:

City and County of San Francisco,
a municipal corporation, represented by the Mayor,
acting by and through the Mayor's Office of Housing
and Community Development

By: _____
Daniel Adams, Director, City and County of San Francisco,
a municipal corporation, represented by the Mayor,
acting by and through the Mayor's Office of Housing and
Community Development

SIGNATURE ABOVE MUST BE NOTARIZED

APPROVED AS TO FORM:

DAVID CHIU,
City Attorney

By: _____
Jessie Alfaro-Cassella
Deputy City Attorney

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss
COUNTY OF _____)

On _____ before me, _____, Notary Public,
personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s), whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the Laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

(Seal)

Exhibit A
Legal Description

Free Recording Requested Pursuant to
Government Code Section 27383 and 27388.1

**Recorded at the Request of and
when Recorded Mail to:**

City and County of San Francisco
Mayor's Office of Housing
and Community Development
One South Van Ness Ave., 5th Floor
San Francisco, CA 94103
Attn: Housing Loan Administrator

-----Space Above This Line for Recorder's Use-----
APN: Block 0730, Lot 045
Site Address: 1652-1654 Eddy Street, San Francisco, CA ("Property")

**SUBSTITUTION OF TRUSTEE AND FULL RECONVEYANCE
(\$228,869 Deed of Trust)**

WHEREAS, the **HOUSING SERVICES AFFILIATE OF THE BERNAL HEIGHTS NEIGHBORHOOD CENTER**, a California nonprofit public benefit corporation ("Trustor"), is the Trustor, **FIRST AMERICAN TITLE INSURANCE COMPANY** is the original Trustee ("Trustee"), and the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, represented by the Mayor, acting through the Mayor's Office of Housing (the "City"), is the Beneficiary under that certain Deed of Trust and Assignment of Rents ("Original Deed of Trust") dated as of August 19, 2002, and recorded on September 5, 2002 as Document Number 2002-H237944-00 in the Official Records of the City and County of San Francisco ("Official Records"), securing performance under the loan documents between City and Trustor ("Loan Documents"), as amended;

WHEREAS, Hazel Eddy Woolsey LLC, a California limited liability company ("Buyer"), whose sole member is Bernal Heights Housing Corporation, intends to purchase the Property from Trustor and assume Trustor's obligations under the Loan Documents, as may be further amended;

WHEREAS, Buyer will execute and record in the Official Records a new deed of trust with the City to be recorded against Buyer's interest in the Property to secure performance under the Loan Documents, as may be further amended;

WHEREAS, the City, as beneficiary under the Original Deed of Trust, therefore intends to release and reconvey the Original Deed of Trust; and

WHEREAS, the undersigned desires to substitute itself as Trustee under the Original Deed of Trust in place of First American Title Insurance Company;

NOW, THEREFORE, the City hereby substitutes itself as Trustee under the Original Deed of Trust and does hereby cancel and release the Original Deed of Trust and RECONVEY without warranty all of the estate, title, and interest held by the City as beneficiary under the Original Deed of Trust to the person or persons legally entitled thereto.

[Signatures on following pages]

Dated: _____

SUBSTITUTED TRUSTEE AND BENEFICIARY:

City and County of San Francisco,
a municipal corporation, represented by the Mayor,
acting by and through the Mayor's Office of Housing
and Community Development

By: _____
Daniel Adams, Director, City and County of San Francisco,
a municipal corporation, represented by the Mayor,
acting by and through the Mayor's Office of Housing and
Community Development

SIGNATURE ABOVE MUST BE NOTARIZED

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: _____
Deputy City Attorney

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss
COUNTY OF _____)

On _____ before me, _____, Notary Public,
personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s), whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the Laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

(Seal)

EXHIBIT A
Legal Description of the Property

DEVELOPER FEE AGREEMENT

(Bernal Bundle: 1652-1654 Eddy Street; 3554 17th Street; and 195 Woolsey Street)

THIS DEVELOPER FEE AGREEMENT ("Agreement") is dated for reference purposes only as of _____, 20__, by and between the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, represented by the Mayor, acting by and through the Mayor's Office of Housing and Community Development (the "City"), and **BERNAL HEIGHTS HOUSING CORPORATION**, a California nonprofit public benefit corporation (the "Developer").

RECITALS

A. HAZEL EDDY WOOLSEY LLC, a California limited liability company ("Borrower"), has acquired or is about to acquire a leasehold interest in real property located at 1652-1654 Eddy Street; 3554 17th Street; and 195 Woolsey Street, San Francisco (the "Land"), on which Borrower intends to rehabilitate the existing improvements for 26 units of low-income housing and two commercial spaces (the "Project").

B. The City is providing financing for a portion of the acquisition and rehabilitation costs of the Project, including financing to cover construction cost overruns and related soft costs (the "Loan"). The City's financing is or will be evidenced by, among other documents, an Amended and Restated Loan Agreement dated as of the date of this Agreement (the "Loan Agreement"). Definitions and rules of interpretation set forth in the Loan Agreement apply to this Agreement.

C. Under an agreement with Borrower, Developer will perform services for the development of the Project, for which Developer will receive developer fees for the Project in the allowed amounts set forth in MOHCD's Developer Fee Policy dated November __, 2020, as it may be amended from time to time and incorporated herein by this reference ("Developer Fee Policy").

D. As a condition to the City's financing for the Project, Developer has agreed with the City to restrict the use of developer fees in accordance with this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the City's agreement to provide financing for the Project, the parties agree as follows:

1. Definitions. Capitalized terms not defined in this Agreement will have the same meanings as set forth in the Loan Agreement.

2. Amount and Payment Schedule.

(a) Developer will be entitled to receive a maximum of Six Hundred Four Thousand Three Hundred Thirteen and no/100 Dollars (\$604,313.00) (the “Developer Fees”) for the services it shall render for the development and completion of the Project, subject to the terms and conditions of this Agreement and the Developer Fee Policy.

(b) Developer will receive payment of the Developer Fee as specified below:

Total Developer Fee:	\$604,313	
Project Management Fee Paid to Date:	\$0	
Amount of Remaining Project Management Fee:	\$604,313	
Amount of Fee at Risk (the "At Risk Fee"):	\$302,156	
Milestones for Disbursement of that portion of Developer Fee remaining and payable for Project Management	Amount Paid at Milestone	Percentage
Loan Closing	\$302,157	50%
Milestones for Disbursement of that portion of Developer Fee defined as At Risk Fee		
Project close-out	\$302,156	50%

(c) Three Hundred Two Thousand One Hundred Fifty-Six and no/100 dollars (\$302,156.00) of the Developer Fee (the “At-Risk Fee”) will be available to cover any development costs that exceed the Project’s budget (“Cost Overruns”), including any contingency, that have been approved by the City. Developer will receive the amount of the At-Risk Fee that remains after payment of such Cost Overruns.

2. Eligible Uses of Developer Fee. Developer agrees to limit the use of Developer Fee to pay only for activities related to affordable housing as follows:

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

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

3. Disallowed Developer Fees. Developer will pay to the City or, with the City's prior written consent, use for the Project the amount equal to the portion of the Developer Fee, if any, used in violation of this Agreement within three (3) years of the date of final disbursement.

4. Reporting Requirement. Upon written request from the City, Developer will provide the City with an annual report no later than 120 days after the end of Developer's fiscal year providing specific detail as to the use of any portion of the Developer Fees that was paid during the reporting period.

5. Term. This Agreement will terminate after the City has approved Developer's accounting of its use of Developer Fees.

6. Public Disclosure.

(a) Developer understands and agrees that under the City's Sunshine Ordinance (S.F. Admin. Code, Chapter 67) and the State Public Records Law (Cal. Gov. Code §§ 6250 *et seq.*), this Agreement and any and all records, information and materials submitted to the City hereunder are public records subject to public disclosure. Developer hereby authorizes the City to disclose any records, information and materials submitted to the City in connection with this Agreement. Further, Developer specifically agrees to conduct any meeting of its governing board that addresses any matter relating to the Project or to Developer's performance under this Agreement as a passive meeting.

(b) By executing this Agreement, Developer agrees to comply with the provisions of Chapter 12L of the San Francisco Administrative Code. Developer agrees to open its meetings and records to the public in the manner set forth in Sections 12L.4 and 12L.5 of the San Francisco Administrative Code. Developer further agrees to make good faith efforts to promote community membership on its Board of Directors in the manner set forth in Section 12L.6 of the Administrative Code. Developer acknowledges that its failure to comply with any of the provisions of this Section will constitute an event of default under this Agreement.

7. Amendment. This Agreement may not be amended except by an instrument in writing signed by the parties.

8. Controlling Document. In the event of any inconsistency between this Agreement and the terms of any financing from the City with respect to the Project, this Agreement will control.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

"DEVELOPER"

BERNAL HEIGHTS HOUSING
CORPORATION,
a California nonprofit public benefit
corporation

By: _____

Name: Gina Dacus

Title: Executive Director

"CITY"

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

By: _____

Daniel Adams, Director
Mayor's Office of Housing and
Community Development

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: _____

Deputy City Attorney

San Francisco Mayor's Office of Housing and Community Development
Department of Homelessness and Supportive Housing
Office of Community Investment and Infrastructure
Controller’s Office of Public Finance
San Francisco Housing Authority

MEMORANDUM

TO: Citywide Affordable Housing Loan Committee

FROM: Amanda Fukutome-Lopez, Project Manager

DATE: February 7, 2025

RE: Bernal Bundle - 1652 Eddy Street (“Positive Match”); 3554 17th Street (“Hazel Betsey”); and 195 Woolsey Street (“195 Woolsey”) - Request for Additional Funds and Closing Condition Modification

Project Funding Summary

EXISTING MOHCD SOURCES

PREVIOUSLY APPROVED	\$3,711,000 - PASS (2020C)
	\$2,570,158 - ENP NOFA
	\$4,114,056 - Loan Recast
	\$1,839,173 - Interest Forgiveness
	\$10,395,214 - TOTAL

ADDITIONAL FUNDING REQUEST

\$1,200,000 - Elevator Modernization Program (EMP) COP Funds

TOTAL MOHCD FUNDING

\$11,595,214

1. **Summary of Request:**
- Bernal Heights Housing Corporation (“BHHC” or “Sponsor”) requests Citywide Affordable Housing Loan Committee approval to:
- Increase the amount of a previously approved loan commitment (4/5/2024) to the Bernal Bundle by \$1,200,000, for a total rehabilitation loan amount of \$7,481,158, with

\$4,114,056 in existing funds to be recast for a total MOHCD loan amount of \$11,595,214; and

- Modify the existing loan closing condition of having 90% of units occupied by loan close to making 90% occupancy a requirement of Preservation and Seismic Safety Loan Program (PASS) loan disbursement.

2. Background:

The Bernal Bundle is a scattered site rehabilitation of three Bernal Heights Housing Corporation (“BHHC” or “Sponsor”)-owned properties: Positive Match Hazel Betsey; and 195 Woolsey (collectively the “Project”). Across the Project, there are 26 residential units, including 16 studio units, four 1-BR units, five 2-BR units, and one 3-BR unit. Positive Match, with seven units, serves formerly homeless adults and families with disabilities with histories of substance abuse. Hazel Betsey, with nine units, offers permanent supportive housing for formerly homeless adults and small families living with HIV/AIDS and who have concurrent substance abuse and/or mental health diagnosis. And 195 Woolsey, with ten units, serves low-income individuals at a maximum of 60% MOHCD AMI.

In 2023, the Sponsor was awarded funds under MOHCD’s Existing Non-Profit Owned Rental Housing Capital Repairs Notice of Funding Availability (“ENP NOFA”) and subsequently requested a loan from MOHCD’s PASS Program to fund substantial rehabilitation at the Project. In April 2024, the Citywide Affordable Housing Loan Committee approved the Sponsor’s request for an additional City loan including ENP NOFA and PASS Funds, existing loan consolidation and recast, and interest forgiveness to rehab the Project (“Rehab Loan”). The Project’s loan closing was planned for the end of 2024.

In early 2024, the Department of Homelessness and Supportive Housing (HSH) released a Notice of Funding Availability for the Elevator Modernization Project (EMP) Program to address unreliable and antiquated elevators in privately owned, City-funded Permanent Supportive Housing (PSH) buildings serving formerly homeless households. The EMP NOFA was undersubscribed. In late 2024, MOHCD and HSH agreed to provide a portion of the remaining funds that were not allocated under the EMP NOFA to eligible permanent supportive housing projects requiring elevator repair in MOHCD’s portfolio. Since rehabilitation funding had not closed yet and there was a good opportunity to upgrade the elevator, Hazel Betsey, a 9-unit permanent supportive housing site with a Continuum of Care contract, was chosen as one of the properties to have their ENP loan augmented with these additional funds to replace its existing Limited Access/Limited Use (LULA) elevator with a full-sized elevator. The amendment to the Rehab loan would increase the previously approved Rehab loan from \$6,281,158 to \$7,481,158 with the same loan terms as the previous approved rehab funds (55-year loan, 3% simple interest with residual receipts payment.)

In addition to the request to increase the Rehab Loan amount to provide funding for elevator replacement, the Sponsor is requesting an additional modification to the approved Loan Committee Evaluation (Exhibit A). The Sponsor requests to modify the closing condition of

achieving 90% occupancy across the Project to making 90% occupancy a condition of the first disbursement of the PASS loan. This modification will enable the Project to start its rehabilitation with ENP NOFA funds, while the lease up proceeds.

3. Elevator Scope of Work

The current elevator at Hazel Betsey is a Limited Access/Limited Use (LULA) residential lift that serves all four floors, and despite a 2016 NOFA award of \$100,000 to repair the elevator, it has needed constant repair resulting in frequent disruption of elevator service and higher maintenance costs for many years. The 2023 Capital Needs Assessment for Hazel Betsey noted that the elevator was inoperable at the time of site inspection and estimated the cost of elevator repair and renovation at approximately \$200,000. The original request under the 2023 ENP NOFA included \$100,000 (though internal estimates were as high as \$250K) for elevator repair work. Subsequent estimates to repair the LULA estimated the actual cost as \$400K causing the Sponsor to seek additional funding or further downsize an already lean scope of repair.

LULA elevators are ideally suited for buildings that are maximum 25 feet tall (up to three levels). They are intended for residential use, but not for regular and intensive use as required at Hazel Betsey which is a four-story building. The LULA at Hazel Betsey has been trying and failing to meet a demand that it is not capable of meeting. Also, LULA's are built with a steel frame that can go out of alignment and a shallow pit, and the metal framing that supports Hazel Betsey's LULA got out of alignment at some point, likely due to earthquakes. The result has been routine and expensive breakdowns, creating significant accessibility challenges for the residents and high operational costs.

The LULA was "modernized" in 2017 and immediately had problems; a resident sued for lack of access and was awarded substantial damages. The company that was hired to "modernize" the LULA withdrew from the project, as they could not figure out a fix. There is only one other company that will work on LULAs, and they perform costly repairs 2-3 times per month. A total fix would involve replacing it, but it is not practical to replace it as a LULA when the sponsor can't find contractors who will work on them, and the solution is not sufficient for the needs of the resident community. Due to these considerations, the Sponsor considered the option of replacing the LULA entirely with a more substantial elevator system for building access.

The new elevator will be a four-stop hydraulic elevator. The scope includes the elevator itself (estimated at \$440K); decommission and removal of the LULA; excavation for the new pit and machine room; shaft framed and fire proofed; shored, formed, steel-reinforced, and poured concrete pit; fire alarm tied to the new elevator; new electrical circuits and lighting; machine room with space conditioning, door and hardware; fire sprinkler for the elevator and the machine room; repairs and finishes at the elevator lobbies; and miscellaneous items such as protection of the work area. The total is \$1.2M before contingencies (\$1.5M with 25% contingencies). The 25% contingency (15% hard cost, 4% bid, 4% plan check, and 3% design) makes sense for this project and does not diverge from the typical rehab that does not yet have a full set of plans and has not yet been bid out. The shift to replacing the elevator is not anticipated to change

relocation. The Sponsor is still planning up to a month of relocation for residents at Hazel Betsey, and the work will not require any additional units to be kept vacant for relocation purposes.

4. Construction Representative's Evaluation

The total construction cost, including the updated elevator scope, totals \$6.24M with fees and contingencies and aligns with previous estimates. The Project team recently identified redundancies in the Woolsey scope. Over \$600K in scope, such as new cabinets, flooring, plumbing finishes, appliances, doors, and finishes, had already been completed in unit turnovers and have been removed from the scope. This savings offsets the increase in the elevator costs.

There has been a lot of movement with the construction and soft costs for and across the three buildings since the project was bundled. With this, the owner team missed some scope items that they thought would be adjusted for later in the process. When the elevator scope and costs came into clearer view, and the Loan Committee approval was on the immediate horizon, the team did a full page turn on the scopes for all three buildings with the contractor. It was then revealed that the Woolsey building had had sufficient upgrades during recent unit turnovers and did not have to include them in the rehab scope. The MOHCD Construction Representative and project team are confident that the current scopes and costs are appropriate. Staff recommend the increase to the Rehab Loan award amount by \$1.2M.

5. Updated Sources and Uses

Permanent Sources

Permanent Sources	Amount	Per Unit	Terms	Status
COP Funds (EMP)	\$1,200,000	\$46,154	55 yrs @ 3% / Res Rec	This Request
General Funds (ENP)	\$2,500,000	\$96,154	55 yrs @ 3% / Res Rec	Committed
Housing Trust Fund (ENP)	\$70,158	\$2,698	55 yrs @ 3% / Res Rec	Committed
PASS- MR	\$2,259,999	\$86,923	40 yrs @ 3.87% / Periodic Payment	Committed
PASS- BMR	\$1,246,896	\$47,958	40 yrs @ .96% / Periodic Payment	Committed
PASS- deferred	\$204,105	\$7,850	40 yrs @ .96% / Deferred	Committed
BHHC Equity	\$166,642	\$6,409	N/A	Committed

Existing Funds Recast				
CCSF-HOPWA (Eddy)	\$1,070,119	\$41,158	55 yrs @ 3% / Res Rec	Committed
CCSF - HOME (Eddy)	\$921,725	\$35,451	55 yrs @ 3% / Res Rec	Committed
CCSF - Hotel Tax (Eddy)	\$228,869	\$8,803	55 yrs @ 3% / Res Rec	Committed
CCSF - HOPWA (Hazel Betsey)	\$1,243,315	\$47,820	55 yrs @ 3% / Res Rec	Committed
CCSF- HOPWA (Hazel Betsey)	\$221,575	\$8,522	55 yrs @ 3% / Res Rec	Committed
HOME - Woolsey	\$428,453	\$16,479	55 yrs @ 3% / Res Rec	Committed
Total Sources	\$11,761,856	\$452,379		

Permanent Uses

Permanent Uses	Amount	Per Unit	Per SF
Hard Costs	\$6,284,078	\$241,695	\$340
Soft Costs	\$693,888	\$26,688	\$38
Reserves	\$166,642	\$6,409	\$9
Developer Fee	\$604,313	\$23,243	\$33
Total	\$7,748,921	\$298,035	\$420

6. Leasing Challenges

BHNC's original Loan Committee approval in April 2024 requires the project to achieve 90% occupancy by loan closing. At that time, the Project was 50% vacant but was anticipating full occupancy by Summer 2024. While the Project achieved a high of approximately 75% vacancy in Summer 2024, it has experienced additional vacancies since that time. Currently, 12 of 26 units are vacant, with a vacancy rate of approximately 45%.

Building	Referrals	% Occupied in January 2025	% Occupied in April 2024	Units Ready for Lease Up
Positive Match (1652 Eddy Street)	SFHA	29% (2/7)	57% (4/7)	5
Hazel Betsey (3554 17 th Street)	HSH	67% (6/9)	56% (5/9)	3

195 Woolsey Street	N/A	60% (6/10)_	50% (5/10)	3
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The Project has continued to experience leasing challenges, property management turnover, and referral issues. In late 2024, Caritas, the Project's property management company, informed BHHC that the property manager assigned to the Bernal Bundle would be leaving the company. This was particularly challenging for the Project, as that property manager was instrumental in getting the Project to its occupancy peak in the Summer of 2024. After the departure, staff with little familiarity with the buildings and their unique needs were assigned to support property management and lease up functions, which slowed the progress of filling vacancies. This issue has been ongoing, but to address this challenge, BHHC staff have become more involved in supporting the marketing and referrals for all three properties, including doing more community outreach and reaching out to HSH/SFHA/MOHCD to discuss referrals. Historically, the Project has experienced very low turnover, staying around the standard 5% vacancy loss assumption. However, in recent years, the buildings experienced COVID-related challenges, including eviction moratoriums and delays turning units, coupled with referral and leasing challenges, which greatly impacted the properties.

Additionally, BHHC has experienced referral challenges at Positive Match. Historically, Positive Match has served HIV positive single women with children, though the property was not restricted to only this specific population. Because of limitations on identifying and referring HIV positive households, SF Housing Authority has not been able to provide adequate or timely referrals, and as a result has allowed MOHCD to support referrals at Positive Match, which is provided in the Housing Authority's Housing Choice Voucher Administration Plan. While MOHCD has tried to support referrals at the Site, MOHCD also experienced challenges providing referrals for HIV positive single women with children.

In January 2025, BHHC and MOHCD met to discuss paths forward for the building, including expanding outreach efforts and seeking any referrals that meet all HOPWA income and HIV status requirements. As of January 28, 2025, BHHC received confirmation that there were adequate and imminent referrals for the vacant units and expect to have the building leased up by the end of February 2025. To ensure occupancy progress is being made at Positive Match, BHHC has agreed to 1) keep MOCHD updated weekly on status of the lease up until the building is fully occupied and 2) provide an updated tenant selection plan to Caritas.

HSH has been providing adequate, though less frequent, referrals for the nine CoC units at Hazel Betsey. Based on recent conversations with HSH, the Sponsor anticipates three additional referrals to be sent to Hazel Betsey by the end of February 2025. If the three additional referrals work out, it would make the building 100% occupied. 195 Woolsey continues to use its active waitlist to fill vacancies and has had relative success filling the units, though moving through the waitlist can be time consuming. To ensure that lease up progress is being made on these buildings, BHHC will request weekly leasing updates from Caritas, and if the waitlist for 195 Woolsey is exhausted, BHHC will pursue PLUS housing referrals from MOHCD, as MOHCD

staff have suggested that the location, building, and rents will likely be desirable to some applicants on the PLUS housing list.

With the aforementioned paths forward, BHHC estimates they will be able to lease at least seven additional units and that these buildings will be 81% occupied at the time of anticipated loan close in early April 2025. The original Loan Evaluation (Exhibit A) had a loan closing condition of 90% occupancy across the Project. However, the rehabilitation is ready to begin, and the contractor is on board. For the contractor to be able to commit to the Project, the rehabilitation needs to commence in Spring 2025. If not, the Project runs the risk of losing the contractor, who has been critical in shaping the rehabilitation scope.

While PASS is a hard debt product, the ENP NOFA funds are soft debt residual receipts loans. Therefore, the Sponsor is requesting to change the condition of 90% occupancy from a loan closing condition to a PASS loan disbursement condition, to enable use of the other City loan funds, while the Project works to achieve close to full occupancy. The PASS loan would not be able to be drawn down until the following two conditions are met: 1) the Project achieves 90% occupancy and 2) all other EMP and ENP NOFA funds have been drawn down (excepting any costs that would need to be expended after PASS disbursement that are unallowable under the PASS program but allowable under the ENP NOFA).

To enable timely rehabilitation of the Project, MOHCD Staff request to change the 90% occupancy requirement from a ENP loan closing condition to a PASS loan disbursement condition.

To support the Sponsor in achieving 90% occupancy on a timeline that will not impact the start of rehabilitation, MOHCD will require the following loan closing conditions:

7. Loan Conditions

A. Loan Closing Conditions

- 1) For Positive Match, BHHC will 1) update MOHCD weekly via email on the status of the lease up until the building is fully occupied and 2) provide an updated tenant selection plan to Caritas.
- 2) Sponsor must meet with the MOHCD Project Manager, Asset Manager, and Plus Housing Programs Manager and/or the Marketing and Lottery Manager biweekly from the date of the approval of the Loan Committee Memo through the date of full occupancy to discuss marketing and lease-up progress, including other MOHCD staff where appropriate.
- 3) Sponsor must draft an updated leasing plan for the Project and tenant selection plans for the Sites.

B. Post-Closing Loan Conditions

- 1) See Loan Closing Condition #2 above. Biweekly meetings will continue until full occupancy is achieved.

- 2) PASS loan funds will not be drawn down until the Project achieves 90% occupancy.
- 3) PASS loan funds will not be drawn down until all ENP NOFA funds have been drawn down with the exception of any costs that would be ineligible under PASS, but eligible under the ENP NOFA, and that would need to be expended after PASS disbursement.

LOAN COMMITTEE RECOMMENDATION

Approval indicates approval with modifications, when so determined by the Committee.

☒ APPROVE. ☐ DISAPPROVE. ☐ TAKE NO ACTION.

DocuSigned by:
Daniel Adams Date: 2/10/2025 | 5:48 AM PST
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Daniel Adams, Director
Mayor's Office of Housing and Community Development

☒ APPROVE. ☐ DISAPPROVE. ☐ TAKE NO ACTION.

DocuSigned by:
Salvador Menjivar Date: 2/7/2025 | 11:44 AM PST
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Salvador Menjivar, Director of Housing
Department of Homelessness and Supportive Housing

☒ APPROVE. ☐ DISAPPROVE. ☐ TAKE NO ACTION.

DocuSigned by:
Marc Slutzkin Date: 2/7/2025 | 11:38 AM PST
712AD61A6186472...
Marc Slutzkin on behalf of Thor Kaslofsky,
Executive Director
Office of Community Investment and Infrastructure

☒ APPROVE. ☐ DISAPPROVE. ☐ TAKE NO ACTION.

DocuSigned by:
Vishal Trivedi Date: 2/10/2025 | 9:21 AM PST
63D9B405CF594FF...
Vishal Trivedi on behalf of Anna Van Degna,
Director
Controller's Office of Public Finance
Attachments: Exhibit A: Updated Sources & Uses Budget (Loan Exhibit B-1)
Exhibit B: Approved Bernal Bundle Loan Evaluation April 5, 2024

Citywide Affordable Housing Loan Committee
Mayor’s Office of Housing and Community Development
Department of Homelessness and Supportive Housing
Office of Community Investment and Infrastructure
Controller’s Office of Public Finance

Bernal Bundle
\$2,570,158 Rehabilitation Loan,
\$3,711,000 Preservation and Seismic Safety
Program Loan,
\$ 4,114,056 Loan Recast, and \$1,839,173
in Interest Forgiveness

Evaluation of Request for:	Permanent Financing, Loan Recast, and Interest Forgiveness
Loan Committee Date:	April 5, 2024
Prepared By:	Amanda Fukutome-Lopez, Project Manager
MOHCD Asset Manager:	Carmen Otero, Asset Manager
MOHCD Construction Rep	Holly Babe Faust, Construction Rep

Sources and Amounts of New Funds Recommended:	\$ 3,711,000 – PASS (Series 2020C) \$ 2,500,000 – General Funds \$ 70,158 – Housing Trust Funds \$ 6,281,158 - Total
Sources and Amounts of Existing City Funds to be Recast:	\$ 4,114,056 – Total

Evaluation of Request for Permanent Financing
Bernal Bundle: 1652 Eddy St., 3554 17th St., & 195 Woolsey St.
Page 2 of 74

Loan Committee Date: April 5, 2024

NOFA/PROGRAM/RFP:

Preservation and Seismic Safety
Program

2023 NOFA - Existing Nonprofit
Owned Rental Housing Capital
Repairs

Applicant/Sponsor(s) Name:

Bernal Heights Housing Corporation

EXECUTIVE SUMMARY

Sponsor Information:

Project Name:	Bernal Bundle	Sponsor(s):	Bernal Heights Housing Corporation (“BHHC”)/Bernal Heights Neighborhood Center (“BHNC”)
Project Address:	Positive Match – 1652 Eddy St, San Francisco, CA 94115 Hazel Betsey – 3554 17th St, San Francisco, CA 94110 195 Woolsey & 615-617 Girard, San Francisco, CA 94134	Ultimate Borrower Entity:	Hazel Eddy Woolsey LLC

Project Summary:

<p>The Bernal Bundle is a scattered sites rehabilitation of three Bernal Heights Housing Corporation (“BHHC”)-owned properties: Positive Match (1652 Eddy Street), Hazel Betsey (3554 17th Street), and 195 Woolsey Street (“Properties” or “Project”). The Properties in the Bernal Bundle will be transferred to a new LLC, Hazel Eddy Woolsey LLC and will function as a single project for the purposes of Annual Monitoring Reports (“AMRs”) and sharing of reserves.</p> <p>Across the Properties, there are 26 units including 16 studio units, four 1-BR units, five 2-BR units, and one 3-BR unit. Positive Match, with seven units, serves formerly homeless families with parents living with HIV/AIDS who have a concurrent substance abuse and/or mental health diagnosis. Hazel Betsey, with nine units, offers permanent supportive housing for formerly homeless families and individuals living with HIV/AIDS and who have a concurrent substance abuse and/or mental health diagnosis. And 195 Woolsey, with ten units, serves low-income individuals at a maximum of 60% AMI.</p> <p>The current request is for an up to \$2,570,158 rehabilitation loan, under the 2023 Existing Non-Profit Owned Rental Housing Capital Repairs (“ENP”) NOFA, an up to \$3,711,000 PASS loan, \$4,114,056 in loan recast, and up to \$1,839,173 in interest forgiveness. The proposed rehabilitation will address urgent mandatory soft-story work, window repair/replacement, and HVAC work at all three buildings, as well as roof replacement, electrical upgrades, and fire escape work at Hazel Betsey and 195 Woolsey. COVID-related issues at Hazel Betsey, a stale waitlist at 195 Woolsey, and challenges with SFHA referrals at Positive Match have resulted in a current occupancy of 50%; however, the Project is anticipating a full lease up by May 2024.</p> <p>Rehab will start at the beginning of 2025 and is expected to be completed by Summer 2025. Though the Project will require six months of rehabilitation, the work should not require extensive relocations or impact any future lease up. As a result, cash flow will be minimally impacted during the rehabilitation period. Structuring the Project as a scattered site and modifying the replacement reserve structure will allow the Bernal Bundle to pool replacement reserves across three sites, cover replacement reserve needs for 20 years, and cash flow for at least 20 years.</p>
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Project Description:

Construction Type:	All Type V	Project Type:	Rehab
Number of Stories:	1652 Eddy St – 4-story 3554 17 th St – 3-story 195 Woolsey – 2-story	Lot Size (acres and sf):	1652 Eddy St – 0.15 acres/6,338 sq ft 3554 17 th St – 0.07 acres/2,874 sq ft. 195 Woolsey - 0.07 acres/3000 sq ft.
Number of Units:	26 residential units, 2 commercial units	Architect:	Mathau/Roche Design Group
Total Residential Area:	1652 Eddy St- 3,758 sf 3554 17 th St- 6,175 sf 195 Woolsey- 5,100 sf	General Contractor:	TBD
Total Commercial Area:	1652 Eddy St- 2,580 sf 3554 17 th St- 850 sf 3,430 square feet	Property Manager:	Caritas Management Corporation
Total Building Area:	1652 Eddy St- 6,338 sf 3554 17 th St- 7,025 sf <u>195 Woolsey St- 5,100 sf</u> Total- 18,463 sf	Supervisor and District:	1652 Eddy St- District 5, Dean Preston 3554 17 th St- District 8, Rafael Mandelman 195 Woolsey St- District 9, Hillary Ronen
Land Owner:	Bernal Heights Housing Corporation		
Total Development Cost (TDC):	\$6,382,278	Total Acquisition Cost:	N/A
TDC/unit:	\$245,472	TDC less land cost/unit:	N/A
Loan Amount Requested:	\$6,281,158	Request Amount / unit:	\$241,583
HOME Funds?	N	Parking	1652 Eddy St – 4 spaces I 3554 17 th St – No parking 195 Woolsey - No parking

PRINCIPAL DEVELOPMENT ISSUES

- **Cross-collateral Financing and Low Tenant Rents** – 195 Woolsey is an unsubsidized building with current household incomes between 30-55% of MOHCD AMI and as such is unable to take on permanent debt. Positive Match has Project-Based Vouchers (“PBVs”) on all seven of its units, and Hazel Betsey has a Continuum of Care (“CoC”) contract for all nine of its units. Both Positive Match and Hazel Betsey cash flow well. But since all three buildings have ten units or less, it is difficult to achieve economies of scale. In order to keep costs low and to support 195 Woolsey, BHHC has bundled the operations and capital repairs for all three Properties. Bundling will save administrative, construction, financing, and legal costs and reduce operational risk by allowing properties to share operating and replacement reserves; it will also leverage cash flow from subsidized units at Positive Match and Hazel Betsey to secure a low-interest PASS loan to finance a portion of the rehabilitation, including the seismic work, for all three properties. The ENP NOFA funds were awarded for non-seismic work for all three projects, thus the ability of the buildings to leverage PASS funds is essential to completing mandated soft story retrofits. See **Sections 1.1 and 4.4** for more on the seismic work.

- **Interest Forgiveness** – The Project has six existing loans, four of which have accrued over \$1.8M in interest to date, which is more than 1/3 of the principal balance of \$4.1M. The Sponsor is requesting up to \$1.84M (\$71K/unit) in interest forgiveness, which would forgive only the accrued interest on the loan and none of the principal balance. MOHCD supports this request because the Sponsor’s loan recast and amended and restated Declaration of Restrictions will extend the affordability of the Project by at least 75 years. The forgiveness of \$71K/unit acknowledges the extended affordability for 26 residential units, 16 of which provide permanent supportive housing, and reduces the Sponsor’s current debt to MOHCD, improving the Sponsor’s balance sheet and financial positioning, which conforms with MOHCD’s racial equity goals. See **Section 1.1** for more on interest forgiveness.

- **Vacancies** – In 2023, BHHC experienced an unprecedented number of vacancies across the Properties at the same time. DAHIA Waitlist and SFHA referral challenges at 195 Woolsey and Positive Match, respectively, have resulted in difficulty maintaining occupancy. At Hazel Betsey, vacancies are primarily attributable to several households failing to comply with their leases and their required services during the pandemic. All vacated units were left heavily damaged, requiring an upwards of \$20K/unit in renovations. Delays in just-cause evictions and issues securing vendors resulted in longer unit turn timelines than expected, with units only recently becoming available. There are currently seven units ready to be leased across the Properties and six units that are vacant and undergoing repairs in anticipation of being leased, resulting in an overall vacancy of 50%. This high level of vacancy does not reflect historic trends, which are more closely aligned with the

standard 5% vacancy loss assumption. The Sponsor anticipates lease up of currently vacant units by early May 2024 and the lease up of units currently undergoing repairs by the end of May 2024. See **Section 7.1** for more on vacancies.

- **Replacement Reserves** – Capital Needs Assessments (“CNAs”) from 2023 identified capital needs across the three properties and estimated \$2.4M in replacement reserve needs over the next 20 years, excluding immediate needs. After the completion of the proposed rehabilitation scope, which will address immediate needs and additional replacement reserve items, there will be an estimated \$1.6M in replacement reserve needs over the next 20 years. Currently, the amount of combined replacement reserves across all three projects is \$257K, and the required annual replacement reserve deposit for the Project is \$30,686 (\$1,180 per unit per year (“PUPA”)). Without any additional funding, the replacement reserve is projected to go negative in Year 9. To mitigate this, BHHC will deposit \$100K from existing equity at another BHHC project, into the replacement reserve through escrow at loan close, and MOHCD staff recommend the assumption of the Small Sites Program (SSP) Residual Receipts split policy to support replenishment of replacement reserves throughout the next 20 years. With BHHC’s contribution and the assumption of the SSP Residual Receipts split, the Project is projected to have reserves funded through Year 20. See **Section 7.3** for more on replacement reserves.
- **PASS Interest-Only Period** – To ensure the operational support of the Project during the rehabilitation period, the Sponsor is requesting an interest-only period of up to two years on the requested PASS loan. While the Sponsor anticipates minimal disruption to cash flow during the rehabilitation period, the interest-only period would allow the Project to absorb cash flow issues due to unforeseen circumstances. It would also allow the Project’s replacement reserve to be built if the Project does not experience cash flow issues. For more on the PASS interest-only period, please see **Section 6.4.1** for more on the PASS interest-only period.
- **Rehabilitation Costs** – The three buildings are each 100 or more years old with deferred maintenance. As such, the rehab budget will evolve with further testing at the buildings, through additional pricing when the general contractor is selected, and through the process of demolition for the window replacement and structural work. The budget has been developed with CNA data, the assistance of two experienced construction managers, and estimates from two general contractors with a track record of success with these types of buildings and rehabs. The budget incorporates what MOHCD staff would judge as customary and sufficient contingencies and allowances for work of this type. However, rehabs can be unpredictable, and this Project will have to be monitored closely to maintain the budget, with the possibility of scope refinements through the duration of the Project. See **Section 9.3** for more on loan conditions.

- **Commercial Vacancy Loss Assumption** – The Project has two commercial spaces, one at Positive Match and one at Hazel Betsey. Both commercial spaces are leased by Catholic Charities and provide on-site services to tenants, as well as services to off-site clients. Catholic Charities has leased the commercial space at Positive Match since 1996 and has leased the commercial space at Hazel Betsey since 2008. Due to Catholic Charities' long-term tenancy and continued commitment to providing services at the site, the Sponsor is requesting a reduction in the underwriting vacancy assumption from a standard 20% to 10% across all 20 years. See **Section 4.5** for more on commercial spaces.

SOURCES AND USES SUMMARY

Permanent Sources	Amount	Per Unit	Terms	Status
MOHCD	\$2,570,158	\$98,852	55 yrs @ 3% / Res Rec	This Request
PASS- MR	\$2,259,999	\$86,923	40 yrs @ 3.87% / Periodic Pymt	This Request
PASS- BMR	\$1,246,896	\$47,958	40 yrs @ .96% / Periodic Paymt	This Request
PASS- deferred	\$204,105	\$7,850	40 yrs @ .96% / Deferred	This Request
Remaining 2017 HOWPA Funds	\$101,120	\$3,889	55 yrs @ 3% / Res Rec	Committed
Total	\$6,382,278	\$245,472		

Permanent Uses	Amount	Per Unit	Per SF
Acquisition	\$0	\$0	\$0.00
Hard Costs	\$5,084,078	\$195,541	\$275.37
Soft Costs	\$693,888	\$26,688	\$37.58
Reserves	\$0	\$0	\$0.00
Developer Fee	\$604,313	\$23,243	\$32.73
Total	\$6,382,278	\$245,472	\$345.68

BACKGROUND

1.1. Project History Leading to This Request.

The Department of Building Inspections ("DBI") created the Mandatory Soft Story Program ("MSSP") in 2013. The program was created to ensure the safety and resilience of San Francisco's housing stock through the retrofit of older, wood-framed, multi-storied buildings. In 2013, DBI determined Hazel Betsey and 195 Woolsey Street to be Tier III priorities and Positive Match as a Tier IV priority in the MSSP. Tier III properties were required to submit permit applications for the seismic retrofit work by September 15, 2017, with the work completed by September 15, 2019. Tier IV properties were required to submit permit applications by

September 15, 2018, with the work completed by September 15, 2020.

In 2015, Bernal Heights Housing Corporation (“BHHC”) started working with Mathau/Roche Design Group to design the soft story retrofit for the three properties through a MOHCD grant. In 2017, Hazel Betsey was awarded HOPWA Capital funding in the amount of \$252,000, of which \$152,000 was allocated to elevator modernization work and \$100,000 to seismic work at the building. The elevator modernization work was completed in 2017, but due to inflation and funding constraints, the seismic work was put on hold until additional funds could be identified to fill the gap. At the time, BHHC was also unable to identify funding for the seismic work at Positive Match and 195 Woolsey. The penalty/extension fees for delayed seismic work are estimated to be roughly \$12K, which will be reimbursed to the Sponsor through loan proceeds. There is \$101,120 in HOPWA funds (\$100K for the seismic work and \$1,120 in remaining elevator modernization funds) that is currently encumbered and ready to spend on the Project.

Staffing transitions and other unforeseen events have impeded the progress of completing the soft story work and addressing other critical life safety and building systems work. In Spring 2023, BHHC proposed the bundling of three properties in their portfolio (Positive Match, Hazel Betsey, and 195 Woolsey) as one scattered site project, called the Bernal Bundle and applied for ENP and PASS funds as a scattered site project. Each site will require structural reinforcement of the ground level with foundation, new retaining walls, patch-back of existing building systems, finishes related to structural work, and other repair work such as electrical, roofing, elevator repair, and life safety work.

The bundling of the three properties will:

- achieve economies of scale by bundling three project rehabilitations into one project, saving in administrative, construction, financing, and legal costs;
- reduce operational risk by allowing properties to share operating and replacement reserves;
- leverage cash flow from subsidized units at Positive Match and Hazel Betsey to secure a low-interest PASS loan for the Project; and
- finance seismic, life safety, and other critical work at the three buildings.

This request to Loan Committee is for the following approvals:

- Up to \$3.711M in PASS mortgage financing
- Up to \$2,570,158 in rehabilitation loan funds
- \$4,114,056 loan recast of existing old loans
- Up to \$1,839,173 in interest forgiveness

MOHCD's existing debt on Positive Match, Hazel Betsey, and 195 Woolsey will be recast and consolidated at closing. The existing 1996, 2001¹, and 2017² HOPWA loans, the 1995³ and 2002⁴ HOME loans, and the 2002 Hotel Tax loan will be subordinated to the PASS loan and to the Project's Declaration of Restrictions. All existing loans will be restructured and conformed to an extended loan term of 55 years and assigned and assumed by Hazel Eddy Woolsey LLC. A single Purchase Option for all three properties will be recorded at close. To ensure project transfer, in the unlikely event of default, the projects will cross-collateralize, and the City will have the option to purchase all three properties.

The Sponsor is requesting up to \$1,839,173 in interest forgiveness on its existing 2001¹ HOPWA Loan, 2017² HOPWA loan, 2002⁴ HOME Loan, and 2002 Hotel Tax Loan. The interest forgiveness will forgive the interest that has accrued on these loans; the principal amounts will remain the same. Forgiving the accrued interest on the Sponsor's existing loans will improve the Sponsor's balance sheet, aligns with efforts to support racial equity for MOHCD's BIPOC sponsors, and acknowledges the Sponsor's commitment to providing long-term affordable housing. Three percent simple interest on the new loans will conform with MOHCD's standard loan terms, and interest will accrue on the recast loans. Accruing interest on the new loan is standard practice and provides security for ensuring the properties' continued use as affordable housing. MOHCD staff recommend the request for up to \$1,839,173 in interest forgiveness.

1.2. Applicable NOFA/RFQ/RFP. (See Attachment E for Threshold Eligibility Requirements and Ranking Criteria)

ENP NOFA

In February 2023, MOHCD issued a \$20M Existing Nonprofit Owned Rental Housing Capital Repairs Notice of Funding Opportunity ("ENP NOFA"). The ENP NOFA intends to help address the unmet emergency repairs and capital improvements of affordable housing developments that previously received capital funding from MOHCD or the former San Francisco Redevelopment Agency ("SFRA"). Each sponsor was limited to two applications, ranging in scope of \$1-4M, with a third application for smaller properties with fewer than 25 units and up to \$500K. Applications were scored and ranked based on the following categories:

- Alignment with City goals
- Repair urgency
- Need for funding
- Scope cost and budget

¹ The 2001 HOPWA Loan is the Second Amendment to the original 1998 HOPWA Loan for Positive Match.

² The 2017 HOPWA Loan is the Fourth Amendment to the 2000 Amended and Restated HOPWA Loan, which amended and restated the original 1996 HOPWA Loan for Hazel Betsey.

³ The 1995 HOME Loan is the Second Amendment to the original 1994 HOME Loan for 195 Woolsey.

⁴ The 2002 HOME Loan is an Amendment to the original 2002 HOME Loan for Positive Match.

- Property operations
- Bonus points for emerging developers, integrated pest management and electrification.

MOHCD received 15 applications, all of which met the threshold eligibility requirements. Of the 15 applications received, 14 met the minimum scoring criteria of 70 out of 120 points and proceeded through the selection process. The Bernal Bundle scored 86.65 Points. BHHC was awarded \$2.57M for capital improvements and repairs through the 2023 ENP NOFA for the three sites.

PASS Loan Program

The Preservation and Seismic Safety Program (PASS) provides low-cost and long-term financing to fund seismic retrofits, as well as the acquisition, rehabilitation, and preservation of affordable multi-family housing. The Program was created to complement the City's anti-displacement and preservation strategy, including the Small Sites Program. PASS was initially funded by repurposing \$261 million in underutilized bond authority funds from the 1992 Seismic Safety Loan Program. \$72 million was funded in the first issuance of the PASS program in February 2019. The second issuance of \$103 million took place in December 2020. PASS is an over-the-counter program. The Project is considered an eligible property under Section 2.1 of the PASS Program Regulations, and the Sponsor is considered an eligible borrower under Section 2.2 of the PASS Program Regulations.

BHHC is requesting up to \$3.711M through the PASS Program, which along with ENP NOFA funds, will fund mandatory soft-story seismic work, roofing, window replacements, electrical upgrades, fire escape repairs, and window replacements, among other scope items.

1.3. Borrower/Grantee Profile. (See Attachment B for Borrower Org Chart; See Attachment C for Developer Resume and Attachment D for Asset Management Analysis)

1.3.1. Borrower. Hazel Eddy Woolsey LLC (the "LLC") will be the ultimate borrower for the PASS and ENP loans. The sole managing member of Hazel Eddy Woolsey LLC is Bernal Heights Housing Corporation, a California nonprofit public benefit corporation.

Loans previously made to the three properties will be assigned and assumed by the LLC by loan closing, and BHHC will transfer the properties to the LLC by closing.

1.3.2. Joint Venture Partnership. N/A

1.3.3. Demographics of Board of Directors, Staff and People Served.

		Gender Identity	Race
Bernal Heights Neighborhood Center Board		M: 1 F: 4	Black or African American: 1 Caucasian/White: 4 Pacific Islander: 1
Bernal Heights Housing Corporation Board		M: 3 F: 2	Black or African American: 2 Caucasian/White: 3
Bernal Heights Neighborhood Center - All Staff		M: 6 F: 15 excluding consultants	Black or African American: 3 Caucasian/White: 1 Hispanic or Latino: 2 Pacific Islander: 0 Asian: 8 Other: 3
Development Staff		M: 1 F: 5	Black or African American: 2 White: 1 Asian: 2 Hispanic or Latino: 1

1.3.4. Racial Equity Vision.

Achieving racial equity in BHHC's programs is central to the organization's mission and on the agenda for program development. In 2021, BHHC underwent a strategic planning process where they established a value system and direction for the organization to advance racial equity.

In Summer 2024, BHNC Board and staff are set to engage an outside specialist for training to deepen their understanding of the impact of racial equity or absence of it. This training will include, but is not limited to, sessions on implicit biases; the disparate ways racial inequities manifest among different demographic groups, neighborhoods, and issues; and strategies for increasing racial equity throughout BHNC housing and community services.

In 2022 BHHC became a San Francisco recognized emerging developer and successfully gained eligibility to pursue the newly formed California BIPOC tax credit pool.

As the repairs noted get underway, BHHC will engage BIPOC-led professional services to the fullest extent possible, including selecting BIPOC subcontractors where possible.

1.3.5. Relevant Experience.

The Sponsor has completed 18 developments with a total of 586 units, including four commercial units. The Project Team has provided in-house project management across BHHC's portfolio of 18 small- and medium sized properties, including major repairs and emergency short/long term repairs for supportive housing communities, addressing water leaks, floods, fires, mold remediation, HVAC, electrical, unit repairs, and plumbing issues.

In 2017, the Sponsor as a 50% partner, managed the relocation of their Alemany property during its RAD conversion. Relocation was conducted in 5 phases for 158 households over 18 months. And, from 2018-2021, the Sponsor resyndicated two properties in its portfolio, Bernal Gateway Apartments (55 units) and Market Heights Apartments (46 units). The Bernal Gateway project scope included HVAC upgrades, electrical upgrades, plumbing upgrades, cabinet replacement, flooring, painting, solar heating. All 55 households were relocated in a 10-phase plan. The Market Heights project scope included landscaping, cabinets/countertops in units, flooring, painting, HVAC upgrades, electrical upgrades, and plumbing upgrades. All 46 households were relocated in a 13-phase plan. Staff had to be available for tenant inquiries and manage their needs in conjunction with the construction.

Recently, the Sponsor oversaw rehabilitation of its Monterey property. The property experienced a fire that impacted the entire building. All four households had to be relocated while the building was rehabilitated. Emergency relocation was required in collaboration with the service agency during rehab. Staff had to pivot and respond quickly to mobilize different resources; provide temporary housing to tenants; coordinate with vendors for the repair work; coordinate with neighborhood associations, Department of Building Inspections, and the insurance company; and work closely with property management to communicate with tenants.

1.3.6. Project Management Capacity.

The following team members on the Project are:

- Miriam Noboa, Project Manager - 18 hours per week (0.45 FTE)
- Adeline Siew, Controller - 1.6 hours per week (0.04 FTE)
- Patrick Murphy, Accountant Supervisor - 3.2 hours per month (0.08 FTE)
- Ayanna Weathersby, Relocation & Asset Manager - 2 hours per week (0.08 FTE)
- Connie Xie, Housing Development Coordinator - 8 hours per week (0.2 FTE)

- Gina Dacus, Executive Director - 4.8 hours per week (0.12 FTE)

Miriam Noboa is the primary point of contact and liaison for the Project. She brings to the team expertise in project management, construction, finance, real estate, and social work. She currently oversees the repairs and maintenance for BHHC portfolio and has managed major repairs for existing sites.

Adeline Siew provides financial oversight to the Asset Management Department and will assist with any finance related questions, while Patrick Murphy recently joined BHNC as the Accounting Supervisor. He will provide finance support and oversee this Project along with Adeline Siew. Ayanna Weathersby will coordinate the resident engagement and services and is the point person for relocation and any service provider-related information. Ayanna oversees the pre- and post-relocation of tenants during construction, rehab, site, and funding reporting requirements. Connie Xie will provide additional backend support with the procurement process and loan evaluation packet. Gina Dacus will provide backend support and escalation.

1.3.7. Past Performance.

BHHC does not have outstanding performance issues.

1.3.7.1. City audits/performance plans.

BHHC does not have audit issues and is in good standing with the MOHCD Community Development team.

1.3.7.2. Marketing/lease-up/operations.

BHHC’s performance in the Marketing and Lottery Program has been satisfactory.

2. SITE (See Attachment E for Site map with amenities)

Site Description	
Zoning:	Positive Match- 1652 Eddy St – RM-2 District: Moderate Density; Height & Bulk 65-A Hazel Betsey- 3554 17 th Street – RM-1 – Residential-Mixed, Low Density; Height & Bulk 40-X 195 Woolsey St – RH-2 Residential-House, Two Family; Height & Bulk 40-X
Maximum units allowed by current zoning (N/A if rehab):	N/A

Number of units added or removed (rehab only, if applicable):	0
Seismic (if applicable):	Seismic Zone 4; PML N/A
Soil type:	For Hazel Betsey and Woolsey St, per Phase I reports, the subject property is mapped as Urban Land. The Urban Land designation indicates that more than 85% of the original soils have been disturbed or covered by paved surfaces, buildings, or other structures; due to variability of the soil material, on-site investigation would be required to determine the specific soil composition at the subject property. No slope information was included. Positive Match is also mapped as Urban Land (Sirdrak complex, 2-50% slopes).
Environmental Review:	NEPA review is required for Hazel Betsey to use the remaining \$101,120 in remaining funds from the 2017 HOPWA Capital Funds that were loaned to the Project in 2017 but have not yet been expended. NEPA review was completed in 2017, but since more than 5 years have passed, MOHCD Environmental Compliance staff recommended a new NEPA review. The Project was determined to be categorically excluded subject to Section 58.5 on November 20, 2023.
Adjacent uses (North):	Positive Match – Park, residential Hazel Betsey – Residential, retail/art, gas station, school 195 Woolsey St – Residential, library, schools
Adjacent uses (South):	Positive Match – Apartment complex Hazel Betsey – Residential homes (Duplex), restaurants 195 Woolsey St – single family homes
Adjacent uses (East):	Positive Match – School, cafes, residential, retail, restaurants Hazel Betsey – Residential, restaurants, retail 195 Woolsey St – Residential, retail/services, including bank, hair salons, auto services, restaurants, transportation systems
Adjacent uses (West):	Positive Match – School, garage, apartment complexes Hazel Betsey – Residential, Mission Dolores Park, café, schools 195 Woolsey St – Residential, churches
Neighborhood Amenities within 0.5 miles:	Positive Match Libraries - Western Addition Library - 1,269 ft Playgrounds - Raymond Kimbell playground - 5.42 acres - 300 ft - Golden Gate & Steiner Mini Park - 0.08 acres - 700ft - Hamilton Playground 3.22 acres - 1,100 ft

	<p>Schools</p> <ul style="list-style-type: none"> - Gateway High School - 1500 ft - Rosa Parks Elementary – 1500 ft - Ida B. Well - 2500 ft - Cobb Dr. William Elementary - 2500 ft <p>Hazel Betsey</p> <p>Libraries</p> <ul style="list-style-type: none"> - Eureka Valley Branch - 2000 ft - Mission Branch - 4500 ft <p>Parks</p> <ul style="list-style-type: none"> - Dolores Parkway 3.62 acres - 400 ft - Dearborn community garden 0.15 acres - 700 ft - Mission Dolores Park 14.2 acres - 800 ft <p>Schools</p> <ul style="list-style-type: none"> - Mission High School - 1500 ft - Sanchez Elementary School - 1500 ft - Everett Middle School - 1500 ft - Marshall Elementary School - 2000 ft <p>195 Woolsey St</p> <p>Libraries</p> <ul style="list-style-type: none"> - Portola Branch Library (Future site) - 1100 ft - Anna E Waden Library - 4500 ft <p>Parks</p> <ul style="list-style-type: none"> - Street Park: Gottingen St - 0.27 acres - 700 ft - Mansell Parkway - 3.52 acres - 1300 ft <p>Schools</p> <ul style="list-style-type: none"> - Martin Luther King Jr Middle School - 1500 ft - ER Taylor Elementary - 1500 ft - Burton High School – 1500 ft - El Dorado Elementary - 2500 ft
Public Transportation within 0.5 miles:	<p>Positive Match – Muni Lines 22, 24, 31, 38, 38R, 5, 5R</p> <p>Hazel Betsey – Muni Lines 14, 14R, 22, 33, 49, 55, J, 714</p> <p>195 Woolsey St – Muni Lines 29, 54, 8, 8AX, 8BX, 9, 90, 9R</p>
Article 34:	The Project is in the process of applying for Article 34 authority for one currently unrestricted unit at 195 Woolsey St.
Article 38:	N/A - total square feet of all buildings in Bernal Bundle is less than 25k, while all conditions have been met
Accessibility:	<p>Positive Match has an elevator and accessible pathway travel (No additional accessibility features planned in scope and none are required by the extent of the scope of work).</p> <p>Hazel Betsey has an elevator and 1 unit has an ADA accessible bathroom (No additional accessibility features planned in scope and none are required by the extent of the scope of work).</p> <p>195 Woolsey St does not have accessibility features. (No additional accessibility features planned in scope and none are required by the extent of the scope of work)</p>
Green Building:	N/A (not new construction and will not have major alterations of 25,000 gross sf or more)

Recycled Water:	Exempt
Storm Water Management:	Exempt

2.1. Description.

Positive Match/1652 Eddy Street

1652 Eddy Street, in the Fillmore District, is a permanent supportive housing site for formerly homeless families led by parents living with HIV/AIDS and who also have a concurrent substance abuse and/or mental health diagnosis. The average resident income is 15% of AML. This site consists of seven units (1 one-bedroom, 5 two-bedrooms and 1 three-bedrooms) funded by HUD/HOPWA and subsidized with Project Based Vouchers by the San Francisco Housing Authority ("SFHA"). This site is supported by Catholic Charities that provides coordinated case management through their Rita de Cascia program to women and children impacted by chronic homelessness and illness. Currently, the program is approximately 60% occupied.

Hazel Betsey/3554-17th Street

Hazel Betsey, in Mission Dolores neighborhood, is a long-term supportive housing property funded by HUD-HOPWA and San Francisco Department of Homelessness and Supportive Housing ("HSH"). The average resident income is 20% of AML. The site provides permanent supportive housing for formerly homeless families and individuals living with HIV/AIDS who have a concurrent substance abuse and/or mental health diagnosis. The building consists of 6 studio units and 3 one-bedroom units. This housing site is supported by on-site services administered through Catholic Charities. Tenants receive housing stability, Short-Term Rent, Mortgage, and Utility (STRMU) Assistance, and coordinated case management through Catholic Charities' Rita de Cascia program for women and children impacted by chronic homelessness and illness. Currently, the program is approximately 45% occupied.

195 Woolsey Street & 615-617 Girard St

195 Woolsey, in the Portola Neighborhood, consists of 10 studio apartments for low-income and disabled adults. Tenants in need of services and food support utilize BHNC food security services at BHNC's Excelsior and Cortland Avenue neighborhood centers. There are no supportive services at this site, and current tenant AMLs range from 30%-55%, excepting one unit with an over-income tenant.

2.2. Zoning.

The three sites are in neighborhoods zoned for low to moderate density. None of the buildings in the Project will have a change in use, bulk, height, or density.

2.3. Probable Maximum Loss.

N/A MOHCD does not require a PML study for its PASS loans or soft debt. The soft story corrections are based on engineered drawings approved by DBI to meet the soft story life-safety standards set by the City.

2.4. Local/Federal Environmental Review.

In 2017, HOPWA capital funds loaned to Hazel Betsey to fund the elevator modernization and seismic work subjected the Project to environmental review under NEPA. MOHCD found the Hazel Betsey project to be Categorically Excluded per 24 CFR 58.35(a) and exempt per Section 58.34(a)(12), as of July 29, 2016. Because the Bernal Bundle will utilize the remaining funds from the 2017 HOPWA capital funds loan, MOHCD staff performed another analysis to determine the level of review required under NEPA. On November 20, 2023, MOHCD Staff determined that the Project qualified again for a Categorical Exclusion. An Authorization to Use Grant Funds (AUGF) is not required for this Project because the Project was determined to be exempt.

2.5. Environmental Issues.

Phase I/II Site Assessment Status and Results.

Partner Engineering and Science, Inc. completed a Phase I Environmental Report on October 11, 2023, for all three sites.

Positive Match

Consultants did not identify any Recognized Environmental Conditions ("RECs"), Controlled Recognized Environmental Conditions ("CRECs"), or Historically Recognized Environmental Conditions ("HRECs") during the course of assessment. However, the following Business Environmental Risks ("BERs") were identified during the assessment:

- The potential exists for asbestos-containing materials ("ACMs") on-site. Readily visible suspect ACMs were observed in good condition.
- Due to the age of the building, potential lead-based paint ("LBP") on-site. Readily visible painted surfaces were observed in good condition. A few areas of the painted surfaces, specifically in the area of the water heater on the sub-grade floor, were noted during the assessment to be broken, chipped, and/or have signs of water damage.

Partner Engineering and Science, Inc. recommends that an Operations and Maintenance (O&M) Program be implemented to safely manage the suspect ACMs and LBP located at the subject property.

Hazel Betsey

There is no evidence of RECs, CRECs, or HRECs. However, the same BERs were identified as the Eddy Street assessment above.

Partner Engineering and Science, Inc. recommendations are the same as above.

195 Woolsey

There is no evidence of RECs, CRECs, or HRECs. However, Partner identified the following BERs:

- The potential for ACMs on-site. Readily visible suspect ACMs were observed in good condition.
- Due to the age of the building, there is potential for LBP on-site. Readily visible painted surfaces were observed in good condition.

Partner Engineering and Science, Inc. recommends that an Operations and Maintenance (O&M) Program be implemented to safely manage the suspect ACMs and LBP.

2.6. Adjacent uses and neighborhood amenities.

The immediate neighborhood of the three sites consists of a mixture of residential and commercial uses, including mixed-use buildings, office buildings, multi- and single-family residential buildings, and businesses, including cafes, restaurants, and other small businesses.

2.7. Green Building.

N/A

3. COMMUNITY SUPPORT

3.1. Prior Outreach.

All sites within the Project have good relationships with the surrounding neighbors, and no specific community outreach with the surrounding neighbors has been done for this rehab. In February 2024, Caritas Property Management Company and BHHC's Relocation Manager started to hold meetings with residents to inform them of the scope, schedule, and any disruptions or anticipated relocation. Initial meetings have gone well, and BHHC will continue to engage residents and Catholic Charities as the rehab progresses.

3.2. Future Outreach.

The Project Team will continue to engage residents and employ a variety of strategies to communicate with residents. The Team will provide residents with, and post in communal spaces, general informational notices. Notices will inform tenants that they will not be permanently displaced in connection with the rehabilitation of the property and that temporary relocation will only be required for a minority of the residents. While most of the tenants are English speaking, a few monolingual Spanish speaking households exist across the three sites. In compliance with the city's Language Access Ordinance, the Project Team will use translators as needed in meetings and for written communication, ensuring that language does not pose barriers to understanding the rehabilitation and relocation processes.

Relocation Outreach:

The Sponsor anticipates the need to relocate: 1) a maximum of four total current residential households from Hazel Betsey and 195 Woolsey (no resident relocation is expected at Positive Match) for no more than two to three weeks and 2) the two commercial spaces for up to six months during the rehabilitation. The relocation budget allows for the possibility of up to ten additional residents requiring relocation during the rehabilitation period.

BHHC has conducted one-on-one meetings with households that may be required to temporarily relocate to discuss placement options. Relocation managers will typically schedule follow-up meetings in the resident's home or by virtual zoom meetings to continuously assess accommodation needs and address any questions or concerns. 60-day relocation notices will be sent out to residents, with a follow-up notice being sent at 30 days. Any updates will be posted on the community bulletin board with appropriate translations. Monthly community meetings will be scheduled to update residents, service providers, property management and Project Team. Through this process, service providers will provide support for the relocation moves in tandem with the relocation manager and property manager.

The commercial spaces are occupied by the Catholic Charities, the service provider for both Positive Match and Hazel Betsey. The seismic upgrades in Woolsey and Hazel Betsey will affect the Catholic Charities ground floor operations. The Sponsor will host in-person and zoom meetings to keep Catholic Charities updated on the construction schedule.

During the rehabilitation, Catholic Charities will continue to provide services to residents. At a minimum, Catholic Charities will provide virtual services to residents during rehabilitation, but Catholic Charities and the Sponsor are continuing to discuss possible relocation options, including

temporarily relocating services and Catholic Charities staff offices to another BHHC building for up to six months, while offering Catholic Charities discounted rent during construction.

3.3. 1998 Proposition I Citizens' Right-To-Know. N/A

4. DEVELOPMENT PLAN

4.1. Site Control.

Bernal Heights Housing Corporation, an affiliate of Bernal Heights Neighborhood Center, acquired the properties in:

- 1994 (Woolsey);
- 1996 (Hazel Betsey); and
- 1998 (Eddy St).

4.1.1. Proposed Property Ownership Structure

BHHC is the fee simple owner for all three properties. Fee simple interest will be transferred to the newly formed LLC, Hazel Eddy Woolsey LLC, before closing. Bernal Heights Housing Corporation is the sole member and manager of Hazel Eddy Woolsey LLC.

4.2. Proposed Design. N/A

4.3. Proposed Rehab Scope.

The scopes of work have been shaped to achieve a total construction cost all-in of approximately \$5.08M with a focus on immediate critical and life-safety capital needs. The costs have been derived from the Capital Needs Assessment ("CNA") of April 2023, provided by Integrated Property Analysis; the analyses of two third-party Construction Managers who are highly experienced and established with San Francisco multifamily rehabs; and based on the bids and estimates of two general contractors and other trades contractors. Regardless of these reliable estimates, all trades are being bid out, and most of the work is expected to be done with design-build subs, eliminating the need for additional consultants.

The primary drivers of the scope and construction budget are Mandatory seismic upgrades; fire escape repairs; fire alarm upgrades; window replacements; roofing; and electrical upgrades. The chart below illustrates the scope in order of priority.

Immediate capital needs	Woolsey	Hazel Betsy	Eddy	Totals
Seismic Retrofit	\$ 85,000	\$ 325,000	\$ 80,000	\$ 490,000
Flooring	\$ 20,000	\$ 58,500	\$ 6,600	\$ 85,100
Fire Escapes	\$ 87,600	\$ 143,700	\$ -	\$ 231,300
Fire Alarm systems	\$ -	\$ 97,000	\$ 60,000	\$ 157,000
Mold/pest /lead/asbestos allowances	\$ 20,000	\$ 50,000	\$ 10,000	\$ 80,000
Windows, window sills	\$ 216,900	\$ 244,000	\$ 100,000	\$ 560,900
Dry rot allowance	\$ 20,000	\$ 50,000	\$ 20,000	\$ 90,000
Roof	\$ 94,400	\$ 108,000	\$ -	\$ 202,400
Electrical Upgrades	\$ 120,000	\$ 145,000	\$ -	\$ 265,000
Security intercom	\$ -	\$ 20,650	\$ -	\$ 20,650
Lighting/fan upgrades for efficiency	\$ 44,000	\$ 20,000	\$ 45,000	\$ 109,000
Exterior Stairs/Deck	\$ 75,000	\$ -	\$ -	\$ 75,000
Plumbing upgrades	\$ 53,400	\$ 62,700	\$ -	\$ 116,100
Exterior Paint	\$ -	\$ 113,000	\$ -	\$ 113,000
Siding replacement allowance	\$ -	\$ 30,000	\$ 5,000	\$ 35,000
HVAC upgrades	\$ 120,000	\$ 135,000	\$ 110,000	\$ 365,000
Contractor contingency	\$ 95,630	\$ 160,255	\$ 43,660	\$ 299,545
Direct costs	\$ 1,051,930	\$ 1,762,805	\$ 480,260	\$ 3,294,995
GRs/GCs/ins/fee/escal	\$ 347,137	\$ 581,726	\$ 158,486	\$ 1,087,348
Owner's and bid contingency	\$ 223,851	\$ 375,125	\$ 102,199	\$ 701,175
Project Totals	\$ 1,622,918	\$ 2,719,656	\$ 740,945	\$ 5,083,518
Scope Options	Woolsey	Hazel Betsy	Eddy	Totals
Roof			\$ 140,000	\$ 140,000
Deck repairs	\$ 94,000			\$ 94,000

All three buildings are wood-framed consisting of 2-4 stories and have soft story conditions with Notices of Violations from DBI pertaining only to the delay with the soft story work. The structural drawings for the mandatory seismic upgrade were submitted to DBI and approved in 2016, but the permits were not pulled, and the work was not done due to funding constraints. MOHCD has communicated with DBI to assure them that the work is soon commencing – with evidence of the funding award for the approved scope that includes the soft story retrofit – with a favorable response form the senior inspector. The Project team has budgeted for a fine/extension fee of \$12K. This will not affect the Sponsor's ability to move forward with this work or any other rehab work at these properties. Sam Mathau of Mathau-Roche Design Group was the original architect and Kevin O'Connor, Inc. the structural engineer – each is staying on the Project for further design and construction administration.

In 2018, a consultant to the Sponsor estimated the aggregate seismic retrofit costs at roughly \$500K total. The CNA estimate was \$750K. In January the Project Team received two general contractors' independent estimates (based on the permit drawings, on-site inspections, and experience with similar projects) for the structural work that were remarkably similar and came in at \$500K direct hard cost for all three

Properties. The Sponsor is currently soliciting general contractors for a lump sum bid for the seismic retrofit component, with the expectation that the selected GC will assist with scope refinements and solicit for the subcontractors for the rest of the Project. In the course of the structural work, unit and program space flooring will be demolished and replaced for a total of up to \$85K.

The Fire Department cited the fire escapes at Hazel Betsey and Woolsey as non-code compliant, and both need significant upgrades. The budgeted cost of up to \$231K is an estimate from the 2023 CNA and one general contractor. The scope of work is not yet verified by the Fire Department. Hazel Betsey and Eddy also have fire alarm systems that no longer meet code and are failing. This work is urgent for life safety and is included in the rehab scope for up to \$157K.

Another cost driver is the roofs at Woolsey and Hazel Betsey. Though not actively leaking, these roofs have well outlived the remaining useful life and show considerable wear. The Sponsor has recently received a roofing assessment and pricing from one general contractor and a roofer for an average total hard cost of up to \$202K for the two Properties. (Eddy's roof is also old but deemed not sufficiently worn to warrant replacement at this time, and this work will be executed later via Replacement Reserves.)

Windows, windowsills, and framing will be replaced at all three buildings for a combined cost of up to \$651K including allowances for dry rot. These windows have worn to the point of being virtually inoperable, have evident rot, and are not weather or energy tight. The budget incorporates up to \$143,000 for siding replacement/repair and painting at Hazel Betsey. Woolsey is also slated for major repair of the exterior stairs, with hard costs of up to \$75K drawn from the CNA and contractor estimates.

Plumbing upgrades at Woolsey and Hazel Betsey for a combined costs of up to \$116K include new fixtures, supply lines, and waste. The scope of work for all buildings includes pest and hazardous materials abatement for a total estimate of up to \$80K.

The electrical systems at Woolsey and Hazel Betsey often cannot meet demand and routinely fail, so electrical wiring, panel, and service upgrades (for a total estimate of up to \$265K) are a critical need. The budget includes lighting replacement for efficiency and replacement of bath fans for a total estimate of up to \$109K.

The Project assumes major upgrades of the heating system by replacing gas-fired equipment with individual unit electric heat pumps (which heat and cool the space) for a total estimated cost of up to \$365K (based on the CNA). This is not a critical need, but electric heating would be more efficient and healthier than the existing gas-fired systems. This is a scope item that needs the most additional research. Woolsey and Hazel Betsey are both slated for electrical upgrades, but it is still unknown if the upgrades will sufficiently support electric heat. Eddy has a 400-amp system assumed to be sufficient to support electric heat. Furthermore, unit heating upgrades may force additional relocation costs. The Project team is obtaining engineering support and more refined estimates now. In the event the electrical systems are not sufficient to support electric heat this component will be abandoned for this Project unless there are other savings generated. In the event of savings from this component or others, funds will be redistributed to a major deck repair at Woolsey (estimated at up to \$94K) and roof replacement at Eddy (up to \$140K).

4.4. Construction Supervisor/Construction Representative's Evaluation.

The work proposed encompasses substantial work at three buildings with costs primarily driven by seismic upgrades, roof replacements, electrical upgrades, window replacement, and fire escape repairs. Folded in this work is lead and asbestos abatement and pest management based in the Integrated Pest Management plans. The Project is addressing all the critical and most expensive immediate needs for these three buildings for a total construction cost of approximately \$5.08M. (The ENP NOFA scope and budget included an up to \$250K allowance for Hazel Betsey elevator repair or replacement, but the Sponsor has since determined, with the assessment of a reputable San Francisco elevator company, that the elevator can be successfully repaired at a much lesser cost, and the Sponsor is currently utilizing replacement reserves for this repair.)

Although rehabs vary widely, and it is difficult to draw comparisons between projects, at \$196K/unit and \$275/SF the Bernal Bundle compares favorably to the Throughline Scattered Sites (three-building) project at \$261K/unit and \$461/SF and the South Park scattered sites (three buildings) at \$233K/unit and \$781/SF which are similar in scope and scale.

To date, the Project Team has conducted extensive budget and scoping exercises and has obtained reliable bids for the electrical upgrades, roofs, and structural work, the latter based on the structural engineer's drawings

already approved by DBI. The other systems work has been priced through the CNA; through the work of SCCS Group, an experienced construction manager hired by Bernal early in the process (who was also the construction manager for the recently completed SFHA Mission Housing Scattered Sites project); and by general contractor estimates. The costs appear reasonable to the Sponsor's Construction Manager and the MOHCD CR. There will be no additional drawings for the Project beyond the structural engineering. The general contractor RFP has been submitted to CMD for a hard bid for trades based on the scopes and for the structural work based on the drawings. The architect will pull the permit for the seismic upgrade, and the subcontractors will pull their own permits over the counter.

Unforeseen conditions are the greatest threat to the Project costs. The Project Team expects to find dry rot particularly with the demolition for the seismic upgrade and the window replacements. An up to \$100K dry rot allowance has been added to the budget for Hazel Betsey, which is considered sufficient at this time, but will only be substantiated with the start of construction. The window replacement and windowsill replacement costs are padded for additional coverage.

Because the seismic upgrades will primarily affect the ground floor spaces, the Project Team does not expect this work to entail resident relocation beyond a few current households (though some future households may be required to temporarily relocate). The up to \$140K relocation budget accounts for relocation of Catholic Charities ground floor office spaces at Positive Match and Hazel Betsey (rent reductions and moving expenses) and relocation of any residents who may be temporarily affected by the rehabilitation scope. See **Section 4.10** for details on relocation.

The Project budget, based largely on estimates from trades professionals, is as reliable as it can be at a pre-bid and pre-demo stage. As a condition of this loan, in an effort to contain costs, the project team will coordinate with 380 Management and MOHCD's Construction Representative to select a highly experienced general contractor, oversee design-build sub selection and bids, coordinate specifications across trades, maintain a 6-month construction schedule to keep general conditions costs down, and quickly turnaround value engineering and scope re-prioritization as needed. See **Section 9.3** for more on loan conditions.

There are several safeguards for the Project budget. It builds in 15% owner's contingency and 10% contractor contingency (with any unused balances going into replacement and/or operating reserves), as well as 3% escalation and \$57K in bid contingency.

The Project Team is researching climate change program incentives and rebates to offset the costs for electrical upgrades as well as rebates for windows and weatherproofing through the Low-Income Weatherization Program ("LIWP"). The Project Team has selected their Owner's Rep/Construction Manager who has been highly effective in getting trades estimates and preparing the budgets, and it is now critical to get a general contractor and subcontractor pricing.

4.5. Commercial Space.

- Space Description.

Positive Match - Catholic Charities provides housing stabilization services for tenants located onsite at 1652 Eddy Street and clients that live offsite, serving 110 clients combined, seven of which are residents at the site. The first floor is approximately 1,645 square feet. This includes four offices, one bathroom, and a front desk, together comprising approximately 1,145 square feet, and a community room at 500 square feet. The community room is used for case meetings, activities for the clients, and community meetings.

The basement is approximately 935 square feet. It includes one office space that seats three case managers, a kitchen, two bathrooms and a community space for kids to play when parents are in meetings. Thus, the service space combined totals approximately 2,580 square feet.

Hazel Betsey - Catholic Charities provides housing stabilization services for tenants of Hazel Betsey located at 3554 17th Street. There are two offices and a bathroom (450 sf). There is also a community room (400 sf). In total, the service space is approximately 850 sf. Catholic Charities uses the community room as a meeting space and as a space to provide computers and a copy machine for tenant use.

- Commercial Leasing Plan.

Positive Match - This space is leased to Catholic Charities to provide services for on- and off-site clients. The typical lease term is 3 years. BHHC will renew a 3-year lease with Catholic Charities in 2024. Catholic Charities has leased its space at Positive Match since 1996. The lease is not triple net. The Sponsor is responsible for utilities,

property insurance, and real estate taxes, which are included in the operating proforma. The rent per square foot is \$.40/sf per month or \$4.65/sf per year.

Hazel Betsey – This space is currently leased to Catholic Charities to provide services for on-site clients. The typical lease term is three years. BHHC will renew a 3-year lease with Catholic Charities in 2024. Catholic Charities has leased its space at Hazel Betsey since 2008. The lease is not triple net. The Sponsor is responsible for utilities, property insurance, and real estate taxes, which are included in the operating proforma. The rent per square foot is \$.80/sf per month or \$9.41/sf per year.

Catholic Charities is a long-term lessee of the commercial spaces at Positive Match and Hazel Betsey, and Catholic Charities is committed to staying in those spaces to optimally serve their on-site and off-site clients. **To reflect the long-term commitment of Catholic Charities to the site, the Project is requesting an exception to the 20% commercial vacancy assumption and is requesting to use a 10% commercial vacancy rate.** MOHCD staff supports this request. Because of the exception request, Bernal will attempt to negotiate a longer lease term with Catholic Charities at Positive Match and Hazel Betsey as a condition of this loan. See **Section 9.3**, Loan Conditions.

- Operating Pro Forma.
Both commercial spaces are leased by Catholic Charities, a nonprofit entity, and are welfare tax exempt. Operating expenses are included in the Project's operating budget, and the Sponsor does not take a management fee for the spaces.
- Tenant Improvement Build Out. N/A

4.6. Service Space.

Positive Match – Catholic Charities provides housing stabilization services for tenants located onsite at 1652 Eddy Street and clients that live offsite. See Section 4.5 above.

Hazel Betsey – Catholic Charities provides housing stabilization services for tenants of Hazel Betsey located at 3554 17th Street. The case manager is responsible for coordinating the provision of direct services for the 9 tenants onsite. On-site services include housing supportive services, case management, and referrals. See Section 4.5 above.

Woolsey – There is no service space at this site.

4.7. Interim Use. N/A

4.8. Infrastructure. N/A

4.9. Communications Wiring and Internet Access. BHHC is not anticipating that there will be the ability to add City Wi-Fi or Wi-Fi within common spaces of the building during this rehab.

4.10. Public Art Component. N/A

4.11. Marketing, Occupancy, and Lease-Up.

All three sites are in operation, and all three sites serve low to extremely low-income tenants. Positive Match serves residents with an average AMI of 15% AMI; Hazel Betsey serves residents with an average AMI of 20%; and 195 Woolsey serves residents with current tenant AMIs ranging from 30-55%. Positive Match has 15-year PBV contract through the San Francisco Housing Authority for all seven units. Hazel Betsey receives CoC funding for all nine of its units through the Department of Homelessness and Supportive Housing. The CoC funding is typically renewed annually through a competitive process. However, HSH in March 2024, HSH voluntarily entered into a 5-year CoC contract with the Sponsor. 195 Woolsey markets through DAHLIA.

Currently, the Project has 13 vacancies, while it's averaged around a 5% vacancy rate historically. Challenges related to referrals and a stale waitlist have impacted the ability for the sites to quickly lease up. With a path for moving forward with lease up for Positive Match and Hazel Betsey and a new DAHLIA waitlist for 195 Woolsey, the Sponsor is confident that they will be able to achieve lease up by May 2024. Please see **Section 7.1** for more on vacancies.

4.12. Relocation.

Originally, the Project Team projected all residents to be temporarily relocated due to the seismic upgrades, but that assessment has been modified to align with the contractors' on-site investigations and assessments of the seismic permit drawings. Much of the work for Woolsey will be in the basement and at Hazel Betsey in the ground floor office spaces, with potentially minimal effect on the residents.

Due to the scope of rehabilitation work and the concern for each household's health, safety, and welfare, up to four current residents from

195 Woolsey and Hazel Betsey may be required to vacate their units temporarily. These tenants are projected to be temporarily relocated for up to two to three weeks. Resident relocation is not expected at Positive Match. However, unforeseen conditions could require longer relocations of those units or the relocation of additional units. Allowances for relocation have been built into the Project budget to mitigate potential unforeseen relocation needs. The relocation budget also accounts for the possibility of up to ten additional new residents requiring relocation for the same period. The Sponsor does not anticipate any permanent relocation in connection with the Project.

An approved relocation plan will be a condition of loan close. The cost for relocation has been reduced from an initial projection of \$450K to \$140K for the two service spaces, as well as a maximum of four current households due to the modification of the elevator scope of work at Hazel Betsey. BHHC relocation plans include the costs associated with temporarily relocating households and the commercial spaces at the sites, as well as potential concessions, including rent forgiveness or reduction for Catholic Charities and gift cards for residents during the rehabilitation. The relocation budget is a worst-case scenario that includes relocation for up to ten new tenants.

Hazel Betsey			
<i>Resident Relocation (6 residents)</i>	Rates	# days	Total
Hotel	\$250	21	\$31,500
Travel	\$40	21	\$5,040
		Total	\$36,540
	Hrs.	Hourly rate	Total
Moving Expenses	15	\$150	\$2,250
Moving Coordinator for Medically Fragile Individuals	4	\$95	\$380
		Total	\$2,630
<i>Commercial Relocation</i>			
Office Move and Storage			\$5,496
Discounted rent (6 mos.)			\$3,000
	Hrs.	Hourly rate	
Relocation Manager Prep	10	\$150.00	\$1,500
		Total	\$9,996
Total Hazel Betsey			\$49,166
Woolsey (615 Girard)			
<i>Resident Relocation (8 residents)</i>	Rates	# days	Total
Hotel	\$250	30	\$60,000
Travel	\$40	30	\$9,600

		Total	\$69,600
	Hrs.	Hourly rate	Total
Moving Expenses	20	\$150.00	\$3,000
		Total	\$3,000
Total Woolsey			\$72,600
Positive Match			
<i>Commercial Relocation</i>			
Office Move and Storage	\$5,574		\$5,576
	Hrs.	Hourly rate	Total
Moving Expenses	10	\$150.00	\$1,500
Discounted rent (6 mos.)			\$6,000
		Total	\$7,500
Total Positive Match			\$13,076
Tenant Concessions Allowance			\$5,780
Total Relocation Budget			\$140,622

For tenants required to temporarily relocate, the Sponsor will provide a Notice of Temporary Relocation Assistance at least 60 days prior to the start of rehabilitation. A reminder will be sent 30 days prior to the start of rehabilitation. The Notice will advise tenants, provide dates, times, expectations, packing instructions, and identify assistance to be provided. If temporary relocation is required, a tenant qualifies for three different housing options: hotel with kitchenette, temporary placement in a unit currently owned by BHNC, or living with friends and family in exchange for a stipend that reimburses the tenant for living expenses ranging from \$33 - \$48 dollars daily. The Sponsor will also cover costs associated with moving and storing items. Relocation services will include, when applicable, packing materials, moving assistance, storage, and transportation.

Once the tenant is scheduled to return to their permanent unit, they will receive a 7-day notice with move back instructions that outline the support they will receive. Each move will be supervised by a move Coordinator. The relocation process, including interviews, intake forms, and the signing of the relocation agreement is the responsibility of the Relocation Manager.

Because of the extent of the soft story work, the commercial spaces occupied by Catholic Charities will be most impacted. The Sponsor is anticipating the need to relocate Catholic Charities for up to 6 months. During that time, Catholic Charities has agreed to at least provide services virtually and, if possible, relocate temporarily to another site in BHHC's portfolio. While BHHC will work with Catholic Charities to minimize the

impact of relocation, the relocation budget includes the assumption that Catholic Charities will pay reduced rent for 6 months at Positive Match and Hazel Betsey.

5. DEVELOPMENT TEAM

Development Team			
Consultant Type	Name	SBE/LBE	Outstanding Procurement Issues
Architect	Mathau/Roche Design Group	LBE/MBE	No
General Contractor	TBD	Y/N	Underway
Structural Engineer	Kevin O'Connor	LBE	No
Owner's Rep/Construction Manager	380 Management Inc.	LBE/MBE /WBE	No
Waterproofing	TBD	Y/N	TBD
Legal	Goldfarb	Y/N	No
Property Manager	Caritas Management Corporation	Y/N	N
Services Provider	Catholic Charities	Y/N	N

5.1. Procurement Plan.

The team worked with MOHCD and the City's Contracts Monitoring Division (CMD) to approve the procurement plans. This project has a project-wide subcontracting goal of 25% Local Business Enterprise (LBE)/Small Business Enterprise (SBE). All consultants currently on the project are LBE/SBEs. In 2015, BHHC worked with Mathau-Roche Design Group to design the soft story retrofit scope of work, with Kevin O'Connor as structural engineer, through a MOHCD grant, and this design team will continue with the project through construction administration. Mathau-Roche is a BIPOC-owned LBE/MBE firm certified with the City. The structural engineer is a local small business owner. The Owner's Rep/Construction Manager was selected in December through the CMD procurement process; 380 Management Inc. is an LBE/WBE/MBE led by Christie Harbinski, formerly a MOHCD Construction Rep with extensive experience with rehabs of this complexity, scale, and potential unknowns. The Request for Proposals for the general contractor has been published with responses due March 29. The general contractor will be responsible for soliciting their subcontractors. As a loan condition, the development team will work with CMD and MOHCD to ensure all procurement policies are followed and the deadline for procurement of the general contractor is met. See **Section 9.3** for more on loan conditions.

5.2. Opportunities for BIPOC-Led Organizations.

The Sponsor is working to increase contracting with BIPOC-led organizations using the following strategies:

- Create a BIPOC-led or owned professional firms list for distributing contracting opportunities.
- Include meaningful scoring in the RFQ and RFP procurement process for professional services (i.e. Owner's Rep, General Contractor, etc) for organizations that utilize racial and gender equity-centered initiatives in an effort to support advancement within the organization, hiring and subcontracting.

The Sponsor is in the process of constructing a professional firms list, but they have recently started including scoring metrics in their procurement process for professional services. While they are at the beginning of the implementation of these strategies, the Sponsor believes they will see improvement in their BIPOC-led contracting and is committed to tracking contracting progress across the Bernal Bundle.

6. FINANCING PLAN (See Attachment F for Cost Comparison of City Investment in Other Housing Developments; See Attachment G and H for Sources and Uses)

6.1. Prior MOHCD/OCII Funding.

Site	Existing Debt	Original Principal Amount	Original Loan Terms	Terms of 2024 recast	Accrued Interest (through 7/11/24)
Positive Match	2001 ⁵ HOPWA	\$1,070,119	50 yrs @ 3% interest, res-rec		\$701,175.38
Hazel Betsey	2017 ⁶ HOPWA	\$1,243,315	55 yrs @ 3% interest, res-rec		\$760,146.21
Hazel Betsey	1996 HOWPA	\$221,575	75 yrs @ 0% interest, forgivable		\$0
Consolidated and Recast	HOPWA	\$2,535,009	55 yrs @ 3%, res-rec	55 yrs @ 3% res-rec	

⁵ The 2001 HOPWA Loan is the Second Amendment to the original 1998 HOPWA Loan for Positive Match.

⁶ The 2017 HOPWA Loan is the Fourth Amendment to the 2000 Amended and Restated HOPWA Loan, which amended and restated the original 1996 HOPWA Loan for Hazel Betsey.

Positive Match	2002 ⁷ HOME	\$921,725	Part A: 75 yrs @ 0% interest, res-rec Part B: 75 yrs (Yrs 7-15 @ 6.7% interest; Yrs 15-75 @ 3%), res-rec		\$163,949.06
195 Woolsey	1995 ⁸ HOME	\$428,453	75 yrs @ 0% interest, forgivable		\$0
Consolidated and Recast	HOME	\$1,350,178		55 yrs @ 3% res-rec	
Positive Match Recast	2002 Hotel Tax	\$228,869	75 years (Yrs 7-15 @ 6.7% interest; Yrs 15-75 @ 3% interest), res-rec	55 yrs @ 3% res-rec	\$213,901.95

On April 28, 1998, acquisition and initial rehabilitation funds were provided for Positive Match with a SF Redevelopment Agency (SFRA) 1998 HOPWA loan totaling \$1,070,119. On January 8, 2002, Positive Match received additional rehabilitation funds with a two-part MOHCD 2002 HOME loan, totaling \$1,150,594. Part A of the HOME loan totaled \$710,594, and Part B of the HOME loan totaled \$440,000. On August 19, 2002, Part B of the HOME loan was reduced to \$211,131. The total principal balance on the HOME loan (labeled 2002 HOME) is \$921,725. On August 19, 2002, Positive Match additionally received MOHCD Hotel Tax Loan funds in the amount of \$228,869 for its rehabilitation.

On March 14, 1996, acquisition and initial rehabilitation funds were provided for Hazel Betsey with a SFRA 1996 HOPWA loan totaling \$924,800. The loan was amended and restated on December 20, 2000, to add \$66,515 in additional funds, bringing the total amount to \$991,315. The amended and restated loan was amended twice more, once on December 20, 2000, and again on July 17, 2001, to modify the rehabilitation milestone dates. The loan had a third amendment on February 24, 2017, to increase the principal loan

⁷ The 2002 HOME Loan is an Amendment to the original 2002 HOME Loan for Positive Match.

⁸ The 1995 HOME Loan is the Second Amendment to the original 1994 HOME Loan for 195 Woolsey.

amount to \$1,143,315 to reflect additional HOPWA funds added to the site from MOHCD to complete elevator modernization work. The loan had a fourth amendment on June 26, 2017, to add \$100,000 to the principal balance, for a total of \$1,243,315, to reflect additional HOPWA funds added to the site for future seismic work. On October 31, 1996, Hazel Betsey executed an additional HOPWA loan in the amount of \$221,575 to support the acquisition and rehabilitation of the site.

On March 28, 1994, acquisition and rehabilitation funds were provided for 195 Woolsey Street with a HOME loan in the amount of \$409,648. On December 27, 1994, the loan was amended to add an additional \$18,805 in HOME funds, for a total of \$428,453. A second amendment was executed on July 28, 1995, amending restrictions on the property.

With this transaction, the 1996, 2001, and 2017 HOPWA loans will be consolidated and recase into one Amended and Restated Loan agreement, with the proposed financing, as a 3% simple interest, residual receipts loan, with a 55-year term. With this transaction, the 2002 and 1995 HOME loans will be consolidated and recase into one Amended and Restated Loan agreement, with the proposed financing, as a 3% simple interest, residual receipts loan, with a 55-year term. The 2002 Hotel Tax Loan will be recast, with the proposed financing, as a 3% simple interest, residual receipts loan, with a 55-year term

6.2. Disbursement Status.

Building	Source	Funding Amount	Amount Disbursed
Positive Match	2001 HOPWA ⁵	\$1,070,119.00	\$1,070,116.73
	2002 HOME ⁷	\$921,725.00	\$921,725.00
	2002 Hotel Tax	\$228,869.00	\$228,869.00
Hazel Betsey	2017 HOPWA ⁶	\$1,243,315.00	\$1,119,873.83
	1996 HOPWA	\$221,575.00	\$221,575.00
195 Woolsey	1995 HOME ⁸	\$428,453.00	\$428,453.00

6.3. Fulfillment of Loan Conditions.

Positive Match: BHHC has fulfilled loan conditions for Positive Match.

Hazel Betsey:

- Sponsor has not fulfilled the following loan conditions related to 2017 HOPWA⁶ loan funds:
 - Sponsor to capitalize replacement reserves in the amount of \$101,120, specifically earmarked for the seismic retrofit work required under the City's Mandatory Seismic Safety Retrofit Program. BHHC did not capitalize replacement reserves with the funds allocated to do so under the 2017 HOPWA loan. Instead, the funds remained encumbered and undisbursed by MOHCD. BHHC will use the encumbered funds as a source to the rehabilitation for Hazel Betsey. NEPA clearance to use these funds for the rehabilitation was approved in November 2023.

195 Woolsey: BHHC has fulfilled loan conditions for 195 Woolsey Street.

6.4. Proposed Permanent Financing.

6.4.1. Permanent Sources Evaluation Narrative.

The Sponsor proposes to use the following sources to permanently finance the project:

- MOHCD Rehabilitation Loan (\$2,570,178): 55-year term at 3% interest, repaid from residual receipts.
- MOHCD PASS Loan (\$3,711,000): 40-year term from the first month following the Completion Date, but no more than 2 years after Closing, at 3.87% for market-rate portion of loan and 0.96% for below market-rate and deferred portions of loan, with periodic (monthly) repayment of the market-rate and below market-rate portions of the loan and a balloon payment for the deferred portion of the loan.

The PASS loan will be structured as interest-only until the Project completes rehabilitation (the "Completion Date"). At that milestone, but no more than 2 years after the Closing Date, the PASS loan will convert to a 40-year fully amortizing loan with monthly annual debt payments. This is a slightly different structure than what is contemplated in the PASS regulations, which have separate construction interest only and permanent amortizing loan structures outlined instead of the construction to permanent loan structure planned for this transaction. **Thus, the Project is also seeking an exception to PASS regulations from the MOHCD Director, in consultation with the Loan Committee. MOHCD staff support this exception.**

- Recast Loans:

- HOPWA Loan (\$2,535,009): 55-year term at 3% interest paid out of residual receipts;
- Hotel Tax Loan (\$228,869): 55-year term at 3% interest paid out of residual receipts; and
- HOME Loan (\$1,350,178): 55-year term at 3% interest paid out of residual receipts

6.4.2. HOME Funds Narrative. N/A. There are no new HOME funds in this project.

6.4.3. Commercial Space Sources and Uses Narrative. Commercial spaces will not receive upgrades beyond the building's soft story retrofit, life safety work, and critical needs.

6.4.4. Permanent Uses Evaluation:

Development Budget		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Hard Cost per unit is within standards	Y	\$196K/unit (not incl. commercial units)
Construction Hard Cost Contingency is at least 5% (new construction) or 15% (rehab)	Y	Hard Cost Contingency is 15%
Architecture and Engineering Fees are within standards	Y	Architecture/engineering services required will be sufficiently covered by \$20K budgeted, in addition to contribution from CD TA contract of approximately \$70K
Construction Management Fees are within standards	Y	Construction Management Fees and Project Management Fees are allowable under ENP NOFA Guidelines.
Developer Fee is within standards, see also disbursement chart below	Y	Project management fee: \$604,313 At risk fee: \$302,156 Total fee: \$604,313
Consultant and legal fees are reasonable	Y	\$20K for Borrower legal and \$15K for MOHCD legal
Entitlement fees are accurately estimated	N/A	There are no entitlement fees.
Construction Loan interest is appropriately sized	N/A	No construction loan; rehab completed through ENP NOFA and PASS funds
Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is 10%
Capitalized Operating Reserves are a minimum of 3 months	Y	Existing Operating Reserve funds are equal to 60% of the required 3-month

		deposit. BHHC will deposit \$66K at closing through escrow to fully fund the operating reserve.
Capitalized Replacement Reserves are a minimum of \$1,000 per unit (Rehab only)	Y	Existing Capitalized Replacement Reserve funds are \$9,884 per unit

6.4.5. Developer Fee Evaluation:

The ENP NOFA limits the applicant's project management and construction management expenses to no more than 15% of construction or repair hard costs. The total hard cost is \$5.084M, and 15% of the hard cost is \$762,612. The budget includes construction management fees in the amount of \$150,000, and a project management fee of \$604,313. At \$754,313, the total construction and project management costs comply with the fee allowed through the ENP NOFA. Half of the fee is payable at loan closing, and the other half will be payable at project close-out and will be considered at-risk.

Total Developer Fee:	\$604,313	
Project Management Fee Paid to Date:	\$0	
Amount of Remaining Project Management Fee:	\$604,313	
Amount of Fee at Risk (the "At Risk Fee"):	\$302,156	
Milestones for Disbursement of that portion of Developer Fee remaining and payable for Project Management	Amount Paid at Milestone	Percentage Project Management Fee
Loan Closing	\$302,157	50%
Milestones for Disbursement of that portion of Developer Fee defined as At Risk Fee		Percentage At Risk Fee
Project close-out	\$302,156	50%

7. PROJECT OPERATIONS (See Attachment I and J for Operating Budget and Proforma)

7.1. Annual Operating Budget.

The Project has a combined operating budget for the three sites. 195 Woolsey is the only building that does not have some form of subsidy, while Positive Match has PBVs on all seven units and Hazel Betsey has Continuum of Care (CoC) on all nine units. SFHA provides referrals for the units at Positive Match, and HSH provides referrals for the CoC units at Hazel Betsey.

Rents for Woolsey are set at 50-60% AMI to conform with AMI restrictions and are in-line with current market conditions for studios. A Rent Comp Study was commissioned for Hazel Betsey to substantiate the current rents. The Hazel Betsey Rent Comp study, performed by Certified General Appraisal Services on February 2, 2024, concluded that market rents for Hazel Betsey are in line with Fair Market Rent (FMR), as established by HUD. FMR is slightly higher than the current rents at Hazel Betsey, and rents for Hazel Betsey have been set at HUD FMR to reflect these conclusions. Current rents are assumed for all occupied units at 195 Woolsey, and current contract rents are assumed for all units at Positive Match.

The PBV contract at Positive Match is a 15-year contract, which was renewed in 2022. CoC at Hazel Betsey is awarded annually through a competitive process. Though it is an annual award, the Sponsor and MOHCD staff feel confident that the contract will continue. The CoC contract has been renewed annually since 2008, and the Project ranked in Tier 1 (most competitive) during the 2023 CoC NOFO. In March 2024, HSH voluntarily entered into a 5-year CoC contract with the Sponsor, affirming the Sponsor’s performance and the department’s commitment to the site.

Vacancies

The vacancy rate is set at 5%, which is in line with historic trends. However, since Winter 2023, all three buildings have experienced higher than normal vacancy rates.

Building	Total Units	Vacant Units	Ready for Lease Up	Agency Responsible for Lease Up	Est. Date of Full Occupancy
Positive Match	7	3	0	HSH	May-24
Hazel Betsey	9	5	2	SFHA	May-24
195 Woolsey Street	10	5	5	Sponsor (DAHLIA)	May-24

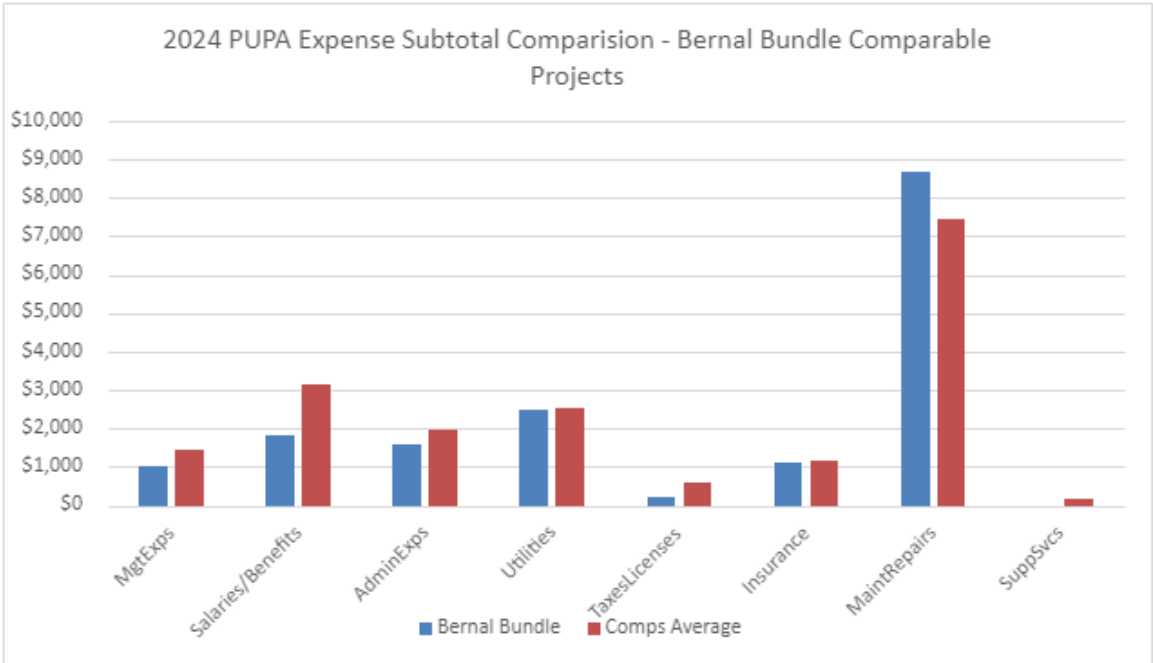
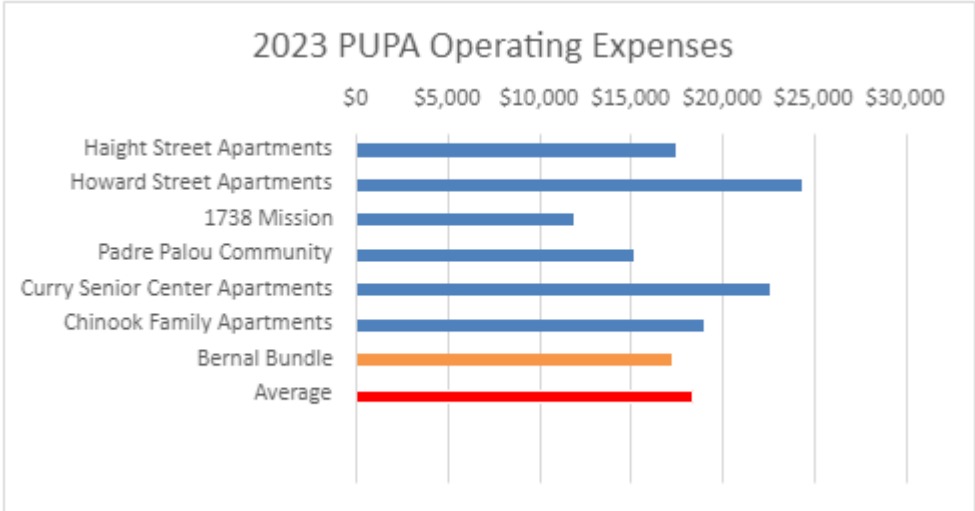
At Hazel Betsey, five units are currently vacant and two recently became ready to lease. Three units are still being renovated in anticipation of lease up. During the COVID-19 pandemic, isolation and other pandemic-related challenges led to tenants not complying with their leases and

services. Hoarding and drug-use severely impacted vulnerable tenants, which led to necessary just-cause evictions and a death in one unit. Eviction delays due to legal advocacy and severe unit damage to vacant units resulted in lease up delays and vacancies coming online all at once. HSH is currently working on leasing the 2 ready-to-lease units at Hazel Betsey and expects those units to be leased up by the end of March 2024/early April 2024. The lease up for the other three units is expected by May 2024. The Sponsor's past experiences with HSH lease-up have been positive, and they anticipate no issues leasing up the vacant units at Hazel Betsey.

There are three vacant units at Positive Match, and all three units are undergoing work to get them ready for lease up. While the Sponsor has recently experienced slower than anticipated referrals from SFHA, they have identified a work around for slow referrals by engaging MOHCD to work with SFHA to identify and secure appropriate referrals for the site. Vacant units at Positive Match are anticipated to be ready for leasing by the middle to end of March 2024, with lease up by the end of April 2024/early May 2024.

There are five vacancies at Woolsey, the majority of which occurred within the past few months. To address a stale waitlist, the Sponsor worked with MOHCD to create a new waiting list. As of February 20, 2024, the Sponsor has posted vacant units on DAHLIA, and Caritas has committed to leasing up the vacant units by May 2024.

Operating expenses are in line with the properties' historic actuals, recent AMRs, and comparable properties. Comparables were selected with 10-12 units to reflect the individual building size across the Bernal Bundle. Higher unit count buildings were not included because higher unit count buildings often achieve economies of scale that may not be achievable in smaller unit count buildings.



7.2. Annual Operating Expenses Evaluation.

Operating Proforma		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Debt Service Coverage Ratio is minimum 1.1:1 in Year 1 and stays above 1:1 through Year 17	Y	DSCR is 1.8 at Year 1, 1.218 in Year 3 (when PASS will require interest and principal payments), and 1.18 at Year 19.
Vacancy rate is based on project's historical actuals	Y	Vacancy rate is 5%.

Annual Income Growth is increased at 2.5% per year or 1% for LOSP tenant rents	Y	Income escalation factor is 2.5%
Annual Operating Expense escalation is based on project's historical actuals	Y	Expenses escalation factor is 3.5%
Base year operating expenses per unit are reasonable per comparables	Y	Total Operating Expenses are \$17,256 per unit without reserve deposits and PASS monitoring fees This is in-line with the operating expenses of other comparables. The average comparable PUPA for operating expenses is \$18,400. Since this is a scattered sites project of buildings with 10 or less units, comparables included buildings with 10-12 units.
Property Management Fee is at allowable <u>HUD Maximum</u>	Y	Total Property Management Fee is budgeted at \$25,272 per year or \$81 PUPM, which is the HUD maximum fee.
Property Management staffing level is reasonable per comparables	Y	Proposed staffing: 1 property manager is shared across BHNC's 8 small site portfolio. The budget accounts for approximately 2/3 of their salary and benefits.
Asset Management and Partnership Management Fees meet standards	Y	Annual AM Fee is \$11,681/yr
Replacement Reserve Deposits meet project needs based on I	N	Replacement Reserves are \$1,180 per unit per year. This is lower than the per unit per year replacement deposit amount recommended in the Project CNAs.
Limited Partnership Asset Management Fee meets standards	N/A	Not a tax credit project

7.3. Capital Needs Assessment & Replacement Reserve Analysis.

Site	Positive Match	Hazel Betsey	195 Woolsey
Date ICNA	April 6, 2023	April 6, 2023	April 6, 2023
Assessment	The property is well constructed, and the	The units are in fair condition and the	The units are in average condition

	<p>maintenance level appears to be average. The CNA observed that there are areas of deterioration and deferred maintenance, and some of the building systems are in poor condition and require replacement. With proper maintenance and completion of the required repairs, the building is estimated to have another 40+/- years of economic life remaining.</p>	<p>common areas are in good condition. However, there are code compliance and life safety issues that are present at the property, including inclusion in the MSSP, non-code conforming fire escapes, non-code compliant fire alarm system, mold in bathrooms, and an inoperable elevator. With proper maintenance and completion of the required repairs, the building is estimated to have another 40+/- years of economic life remaining. The Sponsor has located an elevator technician to repair the elevator economically in advance of the rehab.</p>	<p>and the common areas are in good condition. However, there are code compliance and life safety issues that are present at the property, including inclusion in the Mandatory Soft Story Retrofit Program, non-code conforming fire escapes, electrical issues, missing or inoperable smoke detectors, and missing or inoperable carbon monoxide detectors in 2 units. With proper maintenance and completion of the required repairs, the building is estimated to have another 40+/- years of economic life remaining.</p>
Estimated Critical Repairs	\$267,800	\$742,050	\$295,375
Estimated Non-Critical Repairs	\$28,600	\$174,300	\$47,850
RR Deposit Estimate (PUPA)	\$5,451 PUPA (\$6,833 PUPA inflated)	\$3,357 PUPA (\$4,218 PUPA inflated)	\$2,754 PUPA (\$3,463 PUPA inflated)
CNA 20-Year RR Total	\$763,172 (\$956,647 inflated)	\$604,190 (\$759,329 inflated)	\$550,850 (\$692,566 inflated)

Across the Project, the CNAs identified \$2.4M in replacement reserve needs, excluding immediate needs, over the next 20 years. The proposed rehabilitation will address immediate needs as well as other replacement reserve items that were contemplated in the years beyond immediate needs. After the proposed

rehabilitation, there will be an estimated \$1.6M in replacement reserve needs over the next 20 years.

	Positive Match	Hazel Betsey	195 Woolsey	Total
CNA 20-Year RR Total	\$956,647	\$759,329	\$692,566	\$2,408,542
Post-rehab RR Total	\$970,187	\$382,551	\$283,187	\$1,635,925

The Project currently has \$275K in replacement reserves across all three Projects. The replacement reserve deposit of \$30,686 (\$1,180 PUPA) was based on the Project’s existing replacement reserve deposit requirements. While \$31K is less than what would be required to fully fund the required reserve amount of \$1.6M over the next 20 years, increasing the requirement would decrease the amount of assumable PASS debt and would impact the Sponsor’s ability to address the critical immediate needs of the Project, including seismic work. With the current \$257K in replacement reserves and \$31K in annual replacement reserve deposits, the Project’s replacement reserves are expected to go negative in Year 9.

To address inadequate replacement reserves (\$257K in existing funds and \$31K in annual replacement reserve deposit requirements), BHHC will contribute \$100K to replacement reserves from their own equity through closing to help grow the replacement reserves, and MOHCD staff recommend approval for the Project to assume the Small Sites Program (SSP) residual receipts policy.

Small buildings often experience replacement reserve challenges related to high building rehabilitation needs and low-unit count. To address this challenge, SSP requires 2/3 of residual receipts to be deposited into a project’s replacement reserve for years that the project’s balance is less than 1.5 times the original capitalized replacement reserve amount. Because the Project is comprised of three small buildings, it experiences many of the same challenges as SSP properties. To support the reserves over the life of the Project, the **Project is requesting to use the same residual receipts policy as the Small Sites Program, where for any year when the replacement reserve balance is less than 1.5 times the original capitalized replacement reserve required, 1/3 of residual receipts may be retained by Project Sponsor and 2/3 must be deposited into the Project’s Replacement Reserve.**

With these adjustments, the average annual replacement reserve deposit is projected to be around \$55K. \$55K is equal to the \$31K of required annual replacement reserve deposit requirement and \$24K, which is the average yearly amount estimated to be deposited into replacement reserves from residual receipts. With these modifications, replacement reserves are projected to be fully funded through Year 20. MOHCD staff supports this request.

7.4 Income Restrictions for All Sources.

UNIT SIZE		MAXIMUM INCOME LEVEL	
<u>LOTTERY</u>		MOHCD	TCAC
Studio (Woolsey)	2	50% MOHCD AMI	30% TCAC AMI
Studio (Woolsey)	8*	60% MOHCD AMI -	40% TCAC AMI
Sub-Total	10		
<u>NON-LOTTERY</u>		MOHCD	TCAC
Studio (HB)	6	50% MOHCD AM	30% TCAC AMI
Sub-Total	6		
- BR (HB --3, Eddy - 1)	4	50% MOHCD AMI	30% TCAC AMI
Sub-Total	4		
2 BR (Eddy)	5	50% MOHCD AMI	30% TCAC AMI
Sub-Total	5		
3 BR (Eddy)	1	50% MOHCD AMI	30% TCAC AMI
Sub-Total	1		
TOTAL	26		
PROJECT AVERAGE		53.08%	33.08%
AVERAGE FOR LOTTERY UNITS ONLY		22.31%	14.62%

***NOTE:** One of the studio units at Woolsey is currently unrestricted because the tenant is over income. However, restricting the unit to no more than 60% AMI at turnover will be a condition of this loan. See **Section 9.3** for more on loan conditions.

- Woolsey is the only site that uses DAHLIA and the lottery system. Hazel Betsey receives referrals from HSH and Positive Match receives referrals from SFHA.

7.5 MOHCD Restrictions.

There are no changes proposed to the following existing restrictions:

Unit Size	No. of Units	Maximum Income Level
studio	8	50% of Median Income
studio	8*	60% of Median Income
1-BR	4	50% of Median Income
2-BR	5	50% of Median Income
3-BR	1	50% of Median Income

* See Note above.

8. SUPPORT SERVICES

8.1. Services Plan.

Resident services are provided by Catholic Charities for Eddy Street and Hazel Betsey properties. Woolsey does not have a service plan since its residents do not require supportive services. All resident services are paid out of a separate budget and not incorporated in the Project's operating budget.

At Eddy Street, Catholic Charities Rita Da Cascia - Positive MATCH Program provides housing stabilization services for all tenants living onsite and additional clients that live offsite. This program collaborates with other HIV service providers to provide clients with mental health, substance abuse, and housing support. Participation with the Program's collaborative partners, including Family Service Network and the Women's Center of Excellence, is critical to the success of the Program. The Program, together with these collaborations, provides an integrative service model, including wrap-around psychosocial services and intensive medical case management. On-site psychotherapy and support groups are also provided to clients through this collaboration.

For this service program, Catholic Charities provides case managers, funded through a separate funding stream, who do intake and assessment, case planning, individual and group counseling, and resource referral, case coordination and advocacy. The program also has one 0.8 FTE Program Coordinator, shared across onsite and offsite clients, who focuses on planning educational and enriching activities and events.

Catholic Charities also provides services at Hazel Betsey through the HOPWA Short-Term Rent, Mortgage, and Utility (STRMU) assistance program. This program provides intensive wrap-around case management services, including food distribution, support groups, art therapy, financial planning, budgeting, and credit readiness workshops. The Program also offers health and wellness support including, healthy lifestyle/prevention/safety, whole-family health screenings, nutrition,

fitness, mental health maintenance, substance disorders and abuse classes. Case management escorts participants to medical appointments to ensure compliance, provide advocacy/support, coordinate housing services, assist in obtaining benefits, provide referrals and/or mainstreaming to appropriate services. STRMU provides a part-time FTE Program Coordinator, a part-time FTE Program Coordinator, and part-time FTE Case Manager for supportive services.

8.2. Services Budget.

Positive Match

Separate from the operating budget, supportive services will be funded through a Catholic Charities contract. Catholic Charities also serves clients that do not live onsite and maintains a separate budget for those clients. Services expenses funded through the separate Catholic Charities contract are estimated at \$8.8K per unit for adults and families, totaling an annual of \$1,029,550.00 per year.

Hazel Betsey

Separate from the operating budget, BHHC has a HOPWA Permanent Supportive Housing contract with HUD. BHHC sub-contracts to Catholic Charities to provide onsite services to nine tenants. The total grant amount is \$477,343 for 3 years, \$115,114.33 per year. Through the STRMU program, there is a 0.13 FTE Program Coordinator. For the supportive service, there is a 0.72 FTE Case Manager and a 0.33 FTE Program Coordinator. The Program Coordinators and Case Managers are shared across multiple properties, which is why only a fraction of the FTE is allocated to Hazel Betsey.

195 Woolsey

There are no services at this site.

9. STAFF RECOMMENDATIONS

9.1. Proposed Loan/Grant Terms

Financial Description of Proposed ENP NOFA Loan	
Loan Amount:	\$2,570,158
Loan Term:	55 years
Loan Maturity Date:	2079
Loan Repayment Type:	Residual Receipts
Loan Interest Rate:	3%

Date Loan Committee approves prior expenses can be paid:	July 31, 2023 (date of ENP NOFA award)
--	--

Financial Description of Proposed PASS Loans	
Loan Amount:	PASS- MR Loan: \$2,259,999 PASS- BMR Loan: \$1,246,896 PASS- Deferred Loan: \$204,105
Loan Term:	40 Years, after interest-only period
Loan Maturity Date:	40 Years, after interest-only period
Loan Repayment Type:	PASS MR and BMR Loan: Periodic (monthly) PASS Deferred: Balloon
Loan Interest Rate:	PASS MR Loan: 3.87289% PASS BMR and Deferred Loan: 0.95763%
Date Loan Committee approves prior expenses can be paid:	July 31, 2023 (date of ENP NOFA award)

9.2. Recommended Closing Conditions.

1. Sponsor will achieve 90% occupancy across the three sites before loan closing.
2. Relocation plan and final proposed budget will be provided and approved by MOHCD staff before loan closing.
3. Any existing non-MOHCD loans will be paid off through escrow through operating income (non-loan proceeds) before loan closing.
4. Sponsor must provide operating and development budgets that meet MOHCD Underwriting Guidelines and MOHCD Commercial Space Underwriting Guidelines before Sponsor executes loan documents.
5. BHHC will deposit \$100K in replacement reserves and \$66K in operating reserves through escrow at closing.

9.3. Recommended Loan Conditions

1. Sponsor must provide MOHCD with detailed monthly updates via the MOH Monthly Project Update, including on:
 1. Lease up progress;
 2. Procurement progress; and
 3. Rehabilitation progress
2. If Lead and Asbestos are not abated as part of the rehabilitation scope, an O&M Plan addressing the handling of unabated lead

and asbestos must be submitted no later than 90 days after construction completion.

3. Sponsor will continue to identify additional capital sources for rehabilitation work, including utilizing the Low-Income Weatherization Program where applicable and applying for Affordable Housing Program funds in 2025.
4. The one unrestricted unit at 195 Wooley will be required to be restricted to no less than 60% AMI at turnover.
5. Sponsor will implement rent increases at 195 Woolsey to bring tenants closer to a 30% rent burden.
6. To contain costs, the Project Team will coordinate with 360 Management and MOHCD's Construction Representative to select a highly experienced general contractor, oversee design-build sub selection and bids, coordinate specifications across trades, maintain a 6-month construction schedule to keep general conditions costs down, and quickly turnaround value engineering and scope re-prioritization as needed.
7. BHHC will work with MOHCD project staff to revise budget based on general contractor hard bid for the seismic work and subcontractor bids for other project components.
8. The Sponsor will work with CMD and MOHCD to ensure all procurement policies are followed and procurement deadlines are met.
9. Sponsor will work with Catholic Charities to maximize the length of commercial leases at Hazel Betsey and Positive Match.

10. LOAN COMMITTEE MODIFICATIONS

Evaluation of Request for Permanent Financing
Bernal Bundle: 1652 Eddy St., 3554 17th St., & 195 Woolsey St.
Page 49 of 74

Loan Committee Date: April 5, 2024

LOAN COMMITTEE RECOMMENDATION

Approval indicates approval with modifications, when so determined by the Committee.

[] APPROVE. [] DISAPPROVE. [] TAKE NO ACTION.

Daniel Adams, Director
Mayor’s Office of Housing and Community Development

Date: _____

[] APPROVE. [] DISAPPROVE. [] TAKE NO ACTION.

Salvador Menjivar, Director of Housing
Department of Homelessness and Supportive Housing

Date: _____

[] APPROVE. [] DISAPPROVE. [] TAKE NO ACTION.

Thor Kaslovsky, Executive Director
Office of Community Investment and Infrastructure

Date: _____

[] APPROVE. [] DISAPPROVE. [] TAKE NO ACTION.

Anna Van Degna, Director
Controller’s Office of Public Finance

Date: _____

- Attachments:
- A. Project Milestones/Schedule
 - B. Borrower Org Chart
 - C. Developer Resumes
 - D. Asset Management Analysis of Sponsor
 - E. N/A
 - F. Site Map with amenities
 - G. Elevations and Floor Plans, if available
 - H. Comparison of City Investment in Other Housing Developments
 - I. Predevelopment Budget
 - J. Development Budget
 - K. 1st Year Operating Budget
 - L. 20-year Operating Pro Forma

REQUEST FOR APPROVALS OVER REHAB FINANCING, LOAN RECASTING, AND INTEREST FORGIVENESS; FOR 1652 EDDY STREET, 3554 17TH STREET, AND 195 WOOLSEY STREET.

Adams, Dan (MYR) <Dan.Adams@sfgov.org>

Tue 4/9/2024 6:45 PM

To: Amaya, Vanessa (MYR) <Vanessa.Amaya@sfgov.org>

Hi Vanessa – I vote yes to approve the above listed request.

Daniel Adams

Director

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

1652 Eddy Street (Positive Match), 3554 17th Street (Hazel Betsey), and 195 Woolsey Street.

Menjivar, Salvador (HOM) <salvador.menjivar1@sfgov.org>

Tue 4/9/2024 2:22 PM

To:Amaya, Vanessa (MYR) <Vanessa.Amaya@sfgov.org>

I approve Bernal Heights Housing Corporation, through Hazel Eddy Woolsey LLC, request for \$2,570,158 in ENP funds, \$3,711,000 in Preservation and Seismic Safety Program funds, \$4,114,056 in loan recast, and \$1,839,633 in interest forgiveness for the rehabilitation and permanent financing of the following properties: 1652 Eddy Street (Positive Match), 3554 17th Street (Hazel Betsey), and 195 Woolsey Street.

Best,

salvador



Salvador Menjivar
Director of Housing
Pronouns: He/Him

San Francisco Department of Homelessness and Supportive Housing
salvador.menjivar1@sfgov.org | 415-308-2843

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Request for Approvals Over Rehab Financing, Loan Recasting, and Interest Forgiveness; for 1652 Eddy Street, 3554 17th Street, and 195 Woolsey Street.

Slutzkin, Marc (CII) <marc.slutzkin@sfgov.org>

Fri 4/5/2024 11:56 AM

To:Amaya, Vanessa (MYR) <Vanessa.Amaya@sfgov.org>

Cc:Ely, Lydia (MYR) <lydia.ely@sfgov.org>;Kaslofsky, Thor (CII) <Thor.Kaslofsky@sfgov.org>;Colomello, Elizabeth (CII) <elizabeth.colomello@sfgov.org>

Hi Vanessa,

I approve the above request on behalf of OCII.

Thanks

Marc



Marc Slutzkin
Deputy Director

📍 One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103

🏠 www.sfoicii.org

REQUEST FOR APPROVALS OVER REHAB FINANCING, LOAN RECASTING, AND INTEREST FORGIVENESS; FOR 1652 EDDY STREET, 3554 17TH STREET, AND 195 WOOLSEY STREET.

Katz, Bridget (CON) <bridget.katz@sfgov.org>

Fri 4/5/2024 11:55 AM

To: Amaya, Vanessa (MYR) <Vanessa.Amaya@sfgov.org>

Approve

Bridget Katz

Deputy Director, Office of Public Finance
Controller's Office | City & County of San Francisco

Office Phone: (415) 554-6240

Cell Phone: (858) 442-7059

E-mail: bridget.katz@sfgov.org

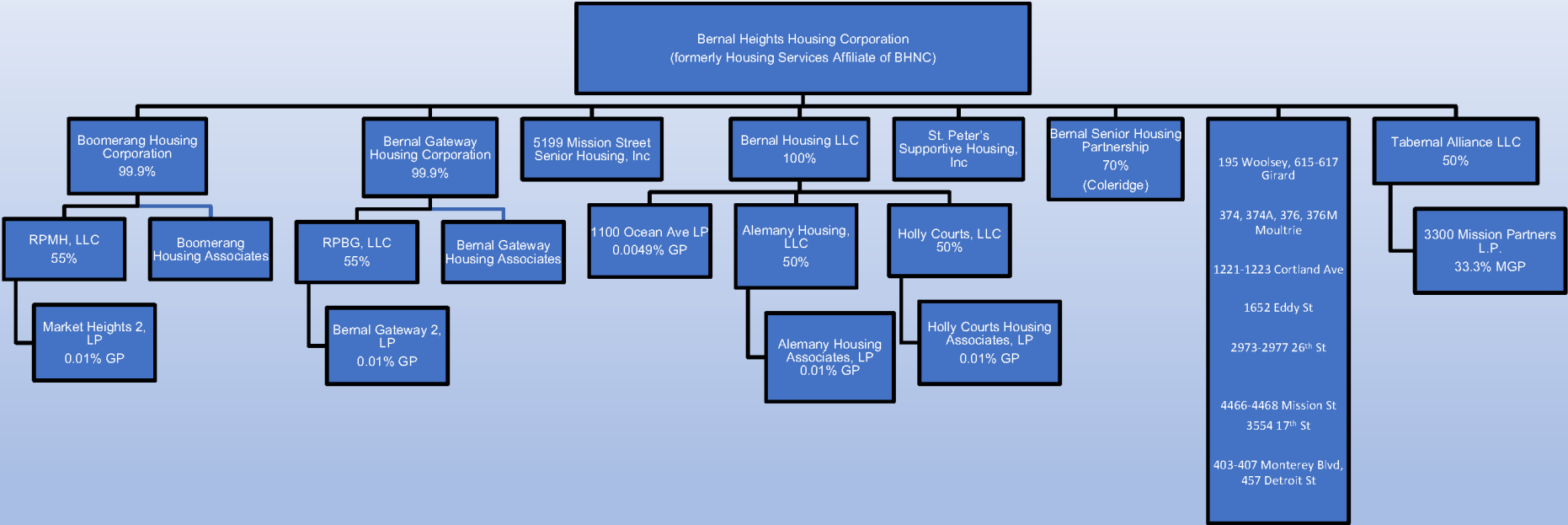
Attachment A: Project Milestones and Schedule

No.	Performance Milestone	Estimated or Actual Date	Notes
A.	Prop I Noticing (if applicable)	<u>N/A</u>	
1	Acquisition/Predev Financing Commitment	<u>Dec - June 2024</u>	
2.	Site Acquisition	<u>N/A</u>	
3.	Development Team Selection		
a.	Architect	<u>October 2023</u>	
b.	General Contractor	<u>Dec - Apr 2024</u>	
c.	Owner's Representative	<u>November 2023</u>	
d.	Property Manager	<u>Completed</u>	<u>Already in Place</u>
e.	Service Provider	<u>Completed</u>	<u>Already in Place</u>
4.	Design		
a.	Submittal of Schematic Design & Cost Estimate	<u>January 2024</u>	
b.	Submittal of Design Development & Cost Estimate	<u>March 2024</u>	
c.	Submittal of 50% CD Set & Cost Estimate	<u>May 2024</u>	
d.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	<u>July 2024</u>	
5.	Commercial Space	<u>N/A</u>	
a.	Commercial Space Plan Submission	<u>N/A</u>	
b.	LOI/s Executed	<u>Renews every 3 year</u>	
6.	Environ Review/Land-Use Entitlements		
a.	SB 35 Application Submission	<u>N/A</u>	
b.	CEQA Environ Review Submission	<u>N/A</u>	
c.	NEPA Environ Review Submission	<u>N/A</u>	
d.	CUP/PUD/Variances Submission	<u>N/A</u>	
7.	PUC/PG&E		
a.	Temp Power Application Submission	<u>N/A</u>	
b.	Perm Power Application Submission	<u>N/A</u>	
8.	Permits		
a.	Building / Site Permit Application Submitted	<u>October 2024</u>	
b.	Addendum #1 Submitted		

c.	Addendum #2 Submitted		
9.	Request for Bids Issued	<u>February 2025</u>	
10.	Service Plan Submission		
a.	Preliminary		
b.	Final		
11.	Additional City Financing	<u>N/A</u>	
a.	Preliminary Gap Financing Application	<u>N/A</u>	
b.	Gap Financing Application	<u>N/A</u>	
12.	Other Financing	<u>N/A</u>	
a.	HCD Application	<u>N/A</u>	
b.	Construction Financing RFP	<u>N/A</u>	
c.	AHP Application	<u>N/A</u>	
d.	CDLAC Application	<u>N/A</u>	
e.	TCAC Application	<u>N/A</u>	
f.	Other Financing Application	<u>N/A</u>	
g.	LOSP Funding Request	<u>N/A</u>	
13.	Closing		
a.	Loan Closing	<u>July 2024</u>	
b.	Conversion of Construction Loan to Permanent Financing	<u>N/A</u>	
14.	Construction	<u>March 2025</u>	
a.	Notice to Proceed	<u>March 2025</u>	
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	<u>TBD</u>	
15.	Marketing/Rent-up	<u>N/A</u>	
a.	Marketing Plan Submission	<u>N/A</u>	
b.	Commence Marketing	<u>N/A</u>	
c.	95% Occupancy	<u>N/A</u>	
16.	Cost Certification/8609	<u>TBD</u>	
17.	Close Out MOH/OCII Loan(s)	<u>TBD</u>	

Attachment B: Borrower Org Chart

**Bernal Heights Housing Corporation
Organizational Chart
October 2023**



Attachment C: Development Staff Resumes

Gina Dacus, Executive Director

Gina leads both BHNC and BHHC organizations. She leads all the housing development, including strategy, direction and guidance around partnerships, service management, community engagement and relationship building with decision making bodies. As a BIPOC leader, she is passionate about addressing racial equity.

Adeline Siew, Controller

Adeline provides financial oversight to the Asset Management Department. As the CPA to BHHC in 2022 and with more than 12 years of accounting experience, Adeline's oversight is instrumental to aligning assets management data with the Finance Department. She also leads staff overseeing finance tasks and oversight that pertains to Asset Management functions.

Patrick Murphy, Accounting Supervisor

Patrick brings 8 years of accounting and audit experience in CPA firms to the team and works in tandem with the controller to ensure accuracy and continued compliance within the Finance Department. He provides direct oversight and review of reporting for the Asset Management activities and Programs for the Neighborhood Center. He is a key member in checking and improving processes and controls as the organization continues to grow capacity.

Miriam Noboa, Housing Project Manager

Miriam supervises current projects and oversees major repairs for properties in BHHC's portfolio. She brings to the team expertise in several areas: construction, finances, real estate and social work. She contributed to the Alemany RAD project and was the project manager for the recent resyndication of Bernal Gateway and Market Heights properties. She interfaces with small sites properties and oversees the repair budgets for the portfolio.

Ayanna Weathersby, Asset/Relocation Manager

Ayanna oversees the daily operations of BHHC properties, including monitoring the activities of service providers and property management companies. She also oversees the pre- and post- relocation of tenants during construction rehabilitation and site and funding reporting requirements.

Connie Xie, Housing Development Project Manager

Connie was involved with BHHC initiatives through the Bernal Gateway Apartments resyndication. She works closely with the asset management consultant to develop strategies for implementation of our housing vision. She provides daily operational support for new development and acquisition projects.

Attachment D: Asset Management Evaluation of Project Sponsor

Bernal Neighborhood Center (BHNC)'s Asset Management Department will provide asset management staff to monitor and support the Bernal Bundle properties. BHHC's asset management staff/consultants and accounting staff will continue to perform compliance and accounting duties for the Bernal Bundle project during operations.

BHHC's portfolio represents a breadth of complex funding arrangements that is significant for its modest size. Properties in the portfolio reflect a variety of HUD and low-income housing tax credit programs including - HOPWA, LOSP, Section 8, PRAC, etc.

BHNC's Asset Management department currently oversees 197 units of 584 residential units that BHHC owns. In BHHC's portfolio, they have: two buildings with tax credit units, two HOPWA sites, two with PRAC, a senior building, a building for adults with disabilities, and small sites. The properties range in size from two to 135 units and are located throughout Bernal Heights, the Excelsior, Sunnyside, the Mission, the Portola, SOMA, Western Addition, and Outer Richmond. The residents who live in these properties are low-income seniors or families, adults with physical and/or developmental disabilities, individuals living with HIV/AIDS, and formerly homeless families and individuals. Overwhelmingly, they are also people of color, limited English-speakers, and immigrants.

Staff, Role	Vacant/Filled	FTE/PTE
Gina Dacus, Executive Director	Filled	FTE, 27% allocation to AM
Ayanna Weathersby, Asset Manager	Filled	FTE, 90% allocation to AM
Kayne Doumani, AM Consultant	Filled	PTE, on project basis
Juana Mejia, AM consultant	Filled	PTE, on project basis for 2 properties
Adeline Siew, Accounting Manager	Filled	FTE, 33% allocation to AM
John Beem, Finance Consultant	Filled	FTE, 50% allocation to AM
Miriam Noboa, Project Manager	Filled	FTE, 100% allocation to AM
Connie Xie, Housing Coordinator	Filled	FTE, 20% allocation to AM

Description of Scope and Range of Duties of Developer's Asset Management Team

Asset Management Consultants for BHNC/BHHC assist with complex projects, overseeing portfolio sustainability, and a reconceptualization of the staffing pattern. Finance and Asset Management functions were combined during the pandemic due to hiring challenges, as asset management personnel are difficult to obtain. Key development staff - our Controller, Housing Project Manager, and Housing Development

Coordinator, and an Asset/Relocation Manager are in training to grow their staff capacity. All the asset management staffing mentioned above provide a range of duties, including reviewing financials, reporting and communicating to all financial partners, aiding in the approval of all budgets for the properties and operating reserves, and submitting grants and loan applications to secure or continue operating funding for the property.

BHNC/BHHC adheres to financial policies and procedures covering all areas of finance - treasury, investment, property/plant/equipment, receivables, revenue management, expenditure management, related party transactions, and record retention.

Asset Management oversees all aspects of operation and in daily communication with Property Management. There is constant coordination between Asset Management and the other departments listed above. Asset and Property Management work together to coordinate and resolve emergencies at properties and help resolve tenant related issues. Further, they collaborate with the accounting team on financial oversight of the properties and assist with annual audits & budgets. Asset Management works closely with the Compliance department on compliance issues that directly affect ownership and the partnership.

BHNC/BHHC anticipates that the portfolio will grow from 197 units under asset management to approximately 401 units in the next 5 years.

Attachment E: Threshold Eligibility Requirements and Ranking Criteria

A. THRESHOLD ELIGIBILITY REQUIREMENTS

1. The affordable housing property seeking funds must have the following characteristics.
 - a) It must be located in the City and County of San Francisco.
 - b) It must be owned and operated by a 501(c)(3) nonprofit public benefit corporation or a limited partnership or limited liability company whose managing general partner is a 501(c)(3) nonprofit public benefit corporation that is in compliance with the California Attorney General's Charitable Trust Registry.
 - c) It must have been previously funded by MOHCD, the Office of Community Investment and Infrastructure (OCII), or the San Francisco Redevelopment Agency (RDA), and not in default under MOHCD's agreements, including but not limited to loan agreements and/or regulatory agreements.
 - d) It must not have undergone a major recapitalization (greater than \$75,000 per unit) in the previous 15 years.
2. The work to be performed must:
 - a) Address conditions that threaten the health and/or safety of a building's occupants, such as mold, water intrusion, lead and pest remediation, damaged or inadequate fire/life-safety systems or ADA-compliance.
 - b) Replace building components or systems that contribute to a building's inefficient use of energy or whose condition requires unreasonable and excessive maintenance and repair expenditures.
3. The need for urgent, immediate or short-term improvements must be documented.
 - a) It must be identified in a CNA as an immediate or short-term need for capital investment. Short-term improvements are defined as improvements that must be completed within 12 to 24 months.
 - b) In addition to a CNA, respondents may provide evidence of need in the form of notices of violation, failed inspection reports, and/or third party technical reports on major systems, such as roofing, elevators or HVAC.

B. ALIGNMENT WITH CITY RACIAL EQUITY GOALS

The City is required to affirmatively further fair housing as established by the State of California and the US Department of Housing and Urban Development. Pursuant to San Francisco Administrative Code Chapter 47, MOHCD has adopted explicit policies in its Certificate of Preference (COP), and Displaced Tenant programs, which provide historically displaced and vulnerable populations who reside within the community preference in obtaining access to quality affordable housing. In an effort to redress past and present inequities, the selection process for this NOFA will favor applicants who have direct experience working with COP holders, or populations who share characteristics with the COP population. Proposals should address the following racial and social equity goals:

- Maximize the number of priority placements (COP holders, etc.)
- Maximize (meet or exceed) the City's requirements for promotion of SBE/LBE organizations with contracts and local hiring with construction labor
- Create opportunities for growth of Emerging Developers (smaller organizations) in development role or member of development team.
- Provide initial draft marketing plans within 6 months of anticipated completion of scope of work/re-rental of vacant units, if applicable, outlining the affirmative steps applicants will take to market each housing property to the City's preference program participants including Certificate of Preference (COP) Holders and Displaced Tenants, as well as how the marketing is consistent with the Mayor's Racial Equity statement and promotion of positive outcomes for African American San Franciscans. (Note: not applicable for units that take referrals from Coordinated Entry or the San Francisco Housing Authority.)
- Submit responses to requests for demographic data regarding the Boards of Directors of the applicant organization and of the staff of the Respondents that are selected. This data will not be evaluated or scored.

Note: upon entry into loan agreement with MOHCD, applicants must agree to use DAHLIA and current marketing requirements. Please see Section E below.

C. ALIGNMENT WITH MOHCD DEPARTMENT GOALS

1. Applicants should align their proposals with MOHCD's Theories of Change in the 2020-2024 Consolidated Plan at [this link](#). MOHCD is addressing the City's priority needs through five interconnected, multidisciplinary objectives that cross program areas and leverage strategies both internally and across multiple city departments. These five objectives are:

- Objective 1: Families and individuals are stably housed
- Objective 2: Families and individuals are resilient and economically self-sufficient
- Objective 3: Communities have healthy physical, social, and business infrastructure
- Objective 4: Communities at risk of displacement are stabilized
- Objective 5: The City works to eliminate the causes of racial disparities

MOHCD has also identified five target populations based on the findings from the Consolidated Plan community engagement process. These are:

- Households experiencing a legacy of exclusion
- Households destabilized by system trauma
- Households with barriers to access to opportunities
- Extremely and very low-income households
- Households at risk of displacement.

D. ELIGIBLE USES OF FUNDS

Funds awarded through this NOFA may be used to pay the following residential construction costs.

- Construction contract payments for capital repair/rehabilitation work. Note that CNA estimates of construction costs are not sufficient documentation of funding need. Bids from relevant contractors or estimates from third party technical experts are recommended at time of NOFA response and required prior to Loan Committee approval. Estimates must assume use of applicable prevailing wage standards.
- Architectural and engineering expenses.
- Temporary tenant relocation expenses if necessary.
- Construction period insurance, permit fees and other costs associated with the rehabilitation work.
- Other necessary soft costs associated with the rehabilitation work.
- Legal and transactional costs associated with closing MOHCD funding.
- Applicant's project management and construction management expenses limited to no more than 15% of construction or repair hard costs.
- Capitalized replacement reserves if necessary to ensure the adequacy of such reserves to meet anticipated capital improvement needs.
- Completion of an updated CNA that anticipates future capital improvement needs for at least 15 years, and associated reserve analysis.
- Commercial construction costs only eligible to the extent that repairs are required to maintain habitability of the entire building. Commercial tenant improvements are not eligible for funding under this NOFA.

E. SUMMARY OF FUNDING TERMS

Funds are anticipated to be provided as loans. Loans will be interest bearing where financially feasible and may be deferred or require repayment depending on the circumstances.

Current MOHCD standard loan terms include the following terms that will be incorporated into funding agreements that result from this NOFA.

• Income Limits

MOHCD seeks to work with applicants to insure and deepen long-term affordability at each housing property. Upon completion of the rehabilitation work pursuant to this NOFA, all units shall be reoccupied at turnover by or held vacant for households earning no more than 60% Area Median Income (AMI) for San Francisco, adjusted for family size but not high cost area (often referred to as "unadjusted"), as published by MOHCD, and maximum rents may not exceed 30% of 60% AMI for San Francisco, as established by MOHCD and available on the MOHCD website.

MOHCD will consider an exception to this requirement for units that are currently restricted at 80% AMI. Units occupied by households whose incomes exceed 80% of AMI at the time funds are awarded under this NOFA may continue to be occupied by those households. However, upon vacancy of these units, they must be occupied by households earning no more than 60% AMI as published by MOHCD.

• Affordability Term

Furthermore, upon completion of any rehabilitation pursuant to this NOFA, affordability

restrictions associated with prior City financing notwithstanding, the minimum term of affordability required for all units in the building will be for the life of the project, but no less than 75 years from the date of recordation of the new deed of trust. Updated affordability requirements will be codified in a revised City Declaration of Restrictions that will be recorded on title.

- Capital Needs Assessment

Sites must prepare an updated Capital Needs Assessment (CNA) every five (5) years for MOHCD approval, in accordance with the CNA policy as it is amended from time to time.

- Replacement Reserve Account

Sites must make annual deposits into a Replacement Reserve Account, in accordance with the 20-year replacement reserve analysis contained within the most recently approved CNA.

- Marketing

Before advertising the availability of units for lease in a housing property or the opening of the waiting list, NOFA fund recipients will complete a marketing plan for MOHCD approval. Once the marketing plan is approved, MOHCD will post information about the available units or opening of the wait list on DAHLIA—the City's online application portal for affordable housing. Housing preferences may apply.

- Annual Monitoring

Sites will be monitored from time to time to assure compliance with loan terms. NOFA fund recipients will file an Annual Monitoring Report that includes but is not limited to: tenant occupancy information, audited financial statements, tenant demographics, eviction information.

- Other MOHCD Policies

Sites that may not be subject, under existing loan agreements, to current MOHCD policies, such as the Operating Fees Policy, Residual Receipts Policy, and Hold Harmless Policy, will be subject to current policies.

F. AWARD LIMITATIONS

Requests for funding are limited to \$4 million per application, with a minimum request of \$1 million (see exception below) and not to exceed \$100,000 per unit. Applicants are limited to two applications each, with an exception for a third application for minimum of \$250,000 and maximum of \$500,000 for small properties (less than 25 units).

To the extent practical, MOHCD encourages applicants to bundle several rehabilitation projects together under one application to minimize administrative

Evaluation of Request for Permanent Financing
Bernal Bundle: 1652 Eddy St., 3554 17th St., & 195 Woolsey St.
Page 60 of 74

Loan Committee Date: April 5, 2024

burdens. Bundled applications must be owned by the same nonprofit or general partner entity and are expected to share one operating reserve and one replacement reserve upon entry into the new loan agreement.

IV. SELECTION PROCESS, MINIMUM CAPACITY AND EXPERIENCE REQUIREMENTS, MINIMUM APPLICATION REQUIREMENTS, SELECTION CRITERIA AND SCORING, AND SUBMITTAL REQUIREMENTS OVERVIEW

A. SELECTION PROCESS

MOHCD staff will review all submittals for completeness and satisfaction of minimum experience and capacity requirements (see Section D, Submittal Requirements Section below). If a submittal does not meet minimum experience and capacity requirements, the respondent may submit an appeal to MOHCD staff on technical grounds only.

A Selection Panel appointed by the Director of MOHCD will include persons with expertise in such areas as development, affordable housing finance, affordable housing construction management, community development, commercial space development, property and asset management, housing access/marketing, and/or housing and services for homeless households.

The Selection Panel will determine the final ranking of all responses and present this ranking to the Director. The Selection Panel's scoring of each proposal will be done by consensus and will be final.

The Director will then select Proposals(s) for this funding pool and advise the Mayor of these selections. MOHCD and the selected applicants will enter into loan agreements with milestones established in accordance with the terms of this NOFA. If MOHCD staff cannot enter into a loan agreement with a selected applicant that is in the best interest of the City, the MOHCD Director may terminate negotiations in his sole discretion. If the MOHCD Director terminates negotiations with a selected applicant, the MOHCD Director reserves the right, in his sole discretion, to (1) negotiate with the next highest ranked Respondent, or (2) reject any and all other proposals, in whole or in part, prior to award, and (3) may re-advertise the NOFA for the full or partial funding amount under such terms the MOHCD Director deems to be in the City's best interest. MOHCD reserves the right to appoint additional parties to the selected applicant should it be determined that the team lacks representation necessary to achieve the NOFA's goals.

B. MINIMUM PROPOSAL REQUIREMENTS.

1. Proposals must demonstrate financial feasibility and include a Financing Plan, including a detailed Sources and Uses Budget, that utilizes the most current version of the Mayor's Office of Housing and Community Development's Underwriting Guidelines, available on the MOHCD website (see <https://sfmohcd.org/housing-development-forms-documents>).
2. Proposals must demonstrate—through provision of specific examples of inputs used for estimating, including prevailing wages—that the project's total budget, as well as its specific line items, is comparable to recent and similar projects, to industry standards, and is compliant with funding source regulations, MOHCD policy, and most recent underwriting guidelines. Cost per unit, per square foot (land area and building space), per

bed or bedroom will be examined relative to total cost, City subsidy, and construction cost.

- 3. Proposals must provide a construction cost estimate that reflects current construction costs, including prevailing wages, and show escalation assumptions as a separate line item.
- 4. Proposals must include an operating budget that includes all expenses necessary to properly operate and maintain the building.
- 5. Proposals that include any tenant displacement/relocation (including any relocation of commercial uses) must include a full relocation plan and budget.
- 6. Proposals must include a community engagement plan that demonstrates the capacity to generate necessary resident and neighborhood support for the proposed scope of work. Include any evidence of support expressed to date for the project, as well as plans for community engagement with residents and neighbors going forward.
- 7. As applicable, Proposals must include a description of how any commercial vacancies will be addressed.
- 8. Proposals must include demographic data regarding the Boards of Directors of member organizations of the applicants' teams and staff.

C. SELECTION CRITERIA AND SCORING

All applications that meet the above Threshold Eligibility Requirements (see Section III.A) and Minimum Proposal Requirements will be scored and ranked according to the following selection criteria.

	Category	Points
A.	ALIGNMENT WITH CITY GOALS	10
i.	Demonstrates experience working with or placing COP holders or populations who share characteristics with COP populations. Demonstrates how Applicant has previously promoted and plans to promote under the proposed scope of work, SBE/LBE organizations with contracts and local hiring.	5

ii.	Describes how development aligns with MOHCD's 2020-2024 Consolidated Plan by addressing one (1) or more of the identified objectives. Describes how the site serves one (1) or more of the identified five (5) target populations.	5
B. URGENCY		25
i.	Demonstrates need for urgent repairs through CNA, Notice of Violation (NOVs), Field Inspection report, and/or Third Party technical report. (Max points for scope that includes NOVs). Documentation of work orders for repairs and/or requests for ADA accommodations are encouraged.	15
ii.	Extent to which applicant has capacity to enter into a loan agreement with MOHCD by end of 2023. Extent to which applicant can complete full scope of work within 3 years (by Spring 2026).	10
C. NEED		35
i.	Extent to which average occupant income is less than 40% AMI. (Sliding scale of points, more points for lowest AMI)	10
ii.	Extent to which Replacement Reserves (available as of 12/31/2022) are less than \$5k/unit and insufficient to meet immediate and short-term capital improvement needs as recommended in a CNA. (Sliding scale, most points for least reserves)	5
iii.	Number of years since major recapitalization. (Sliding scale, most points for most time elapsed.)	5
iv.	Property applied for funding under the 2016 ENP NOFA and was not funded, nor has secured other funding or addressed the need identified in the 2016 NOFA response.	5
v.	Demonstrates need to meet City code/requirements for seismic safety, fire safety, and ADA compliance, for	5

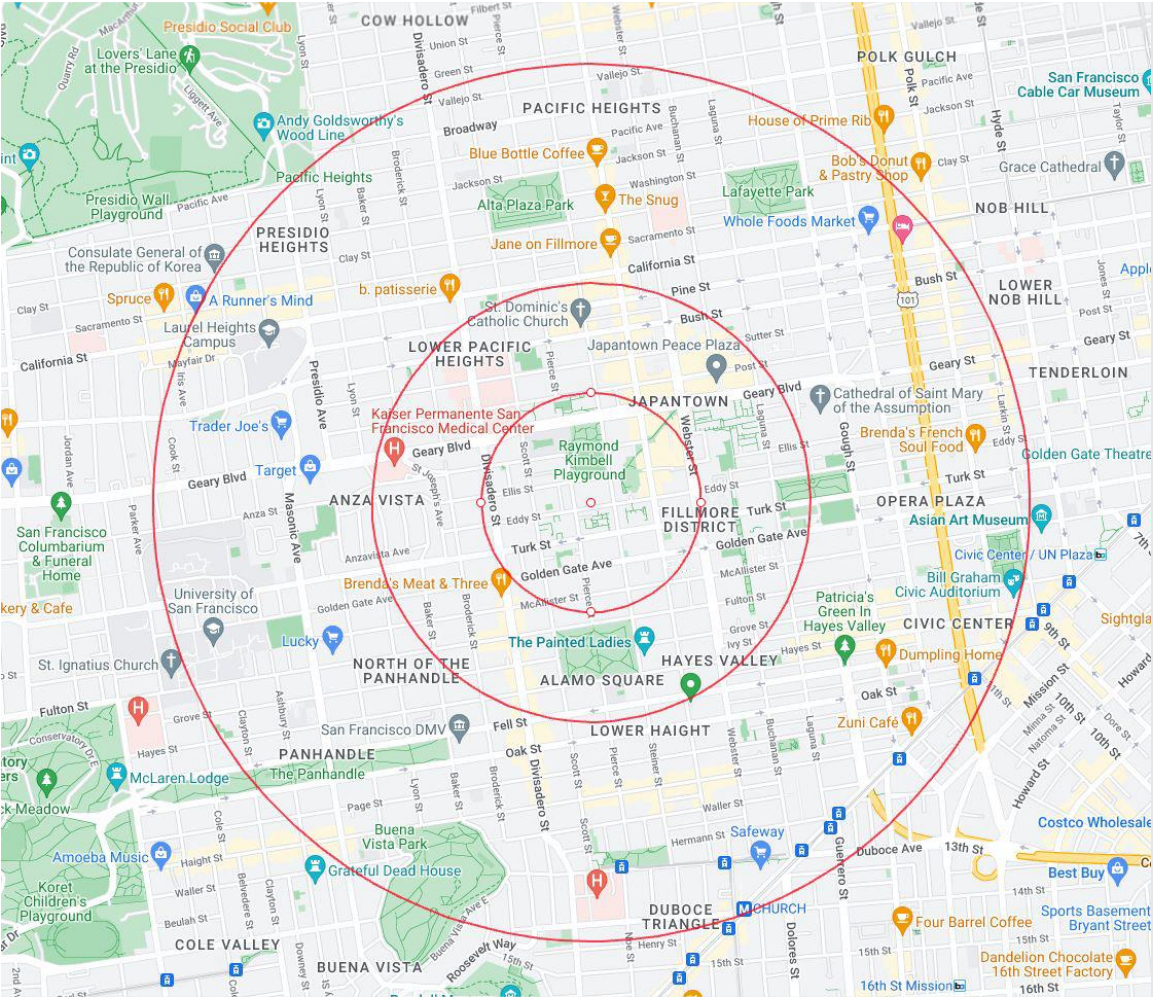
	example.	
vi.	<p>Property is not competitive for any of these funding sources: LIHTC 9% (competitive pools) LIHTC 4%/Tax Exempt Bonds MOHCD Cash Out Waiver</p> <p>For tax credits, provide self-score and/or narrative regarding analysis of competitiveness.</p>	5
D. COST AND BUDGET		25
	Appropriateness of Scope relative to documented needs (most points for connection made between proposed scope and materials submitted to receive Urgency points under B. above, which includes a CNA)	5
	Scope meets funding minimum of \$1M and maximum of \$4M, or \$100k/unit, whichever is lower. Projects with 25 or fewer units meet funding minimum of \$250K and maximum of \$500k.	5
	Number of years of project financial feasibility/independence gained from the proposed improvement, including capitalization of replacement reserve (.5 points for each year beyond 5 years, up to 5 points max) Demonstrates that property will not need additional MOHCD capital for at least five (5) years.	5
	Extent to which proposal accounts for necessary communication with residents and neighbors related to the scope of work, and any temporary relocation required, including appropriate budget and communications plan.	5

	Extent to which proposal includes admin costs that will cover staff/consultant(s) fees to insure project completion.	5
E. OPERATIONS		20
	Extent to which applicant has history of compliance with terms of previous financing agreements (subtract .5 point for every site that is out of compliance for income, rent or rent increase compliance issues, or for which an AMR has not been submitted on time in the past 12 months.)	10
	Extent to which rents are currently maximized for tenants who are not rent-burdened (most points for maximized rents.)	5
	Extent to which proposed scope demonstrates cultural competency and includes project partners that will deploy city resources that are responsive to populations disproportionately impacted by systemic racism.	5
F. BONUS POINTS		5
	Emerging Developers are included in the applicant team.	1
	Integrated Pest Management – site study was completed prior to application submission and recommendations from the IPM report must be adopted into the final scope of work.	2

	Electrification – Scope of work achieves full electrification and incorporates climate resilience measures, documents vulnerability to climate change, such as overheating in the building, exposure to unfiltered outdoor air, and vulnerable resident populations, resident benefits, in the form of projected reduction in energy bills or quality of life improvements, such as air conditioning or outdoor air filtration, and demonstrated leverage with rebate programs.	2
TOTAL POSSIBLE POINTS		120

Proposals must score at least 70 points in order to proceed through the selection process.

Attachment F: Site Map with amenities



Evaluation of Request for Permanent Financing
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Attachment G: Elevations and Floor Plans

N/A

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**Attachment H: Comparison of City Investment in Other Housing
Developments**

MOHCD REHABILITATION COST COMPARISON - SAN FRANCISCO																							
Updated		2/21/2024		25 Units and Larger or Scattered Sites																			
				Construction by Unit/Bed/SF			Soft Costs By Unit/Bed/SF			Total Development Cost (without Land)			Local Subsidy		Acquisition costs by Unit/Bed/SF								
				Const/unit	Const/BR	Const/ sq.ft ¹	Soft/unit	Soft/BR	Soft/ sq.ft ¹	TDC/unit	TDC/BR	TDC/ sq.ft ¹	Subsidy / unit	Leveraging ⁷	Acq/unit	Acq/BR	Acq/lot sq.ft						
Delta of Subject and Comparable Projects				\$ (12,546)	\$ (54,030)	\$ (147)	\$ (50,553)	\$ (61,688)	\$ (134)	\$ (143,489)	\$ (196,108)	\$ (443)	\$ 163,512	214.0%	\$ -	\$ -	\$ #REF!						
Delta Percentage				-6%	-26%	-35%	-49%	-60%	-65%	-37%	-50%	-56%	193%	273%	#DIV/0!	#DIV/0!	#REF!						
Bernal Bundle				\$ 195,568	\$ 154,084	\$ 273	\$ 52,494	\$ 41,359	\$ 73	\$ 248,062	\$ 195,442	\$ 346	\$ 248,062	0.0%									
Comparable Projects				Average: \$ 208,113	\$ 208,113	\$ 419	\$ 103,047	\$ 103,047	\$ 208	\$ 391,551	\$ 391,551	\$ 789	\$ 84,549	78.4%	\$ -	\$ -	\$ #REF!						
Costs lower than comparable average (within 10%)		Costs higher than comparable average (within 10%)																					
				Building Square Footage				Total Project Costs															
				Anticipated Start/Contract Date	# of Units	# of BR ¹	Total	Commercial	Acq. Cost ²	Constr. Cost ⁴	Soft Cost	Local Subsidy	Total Dev. Cost w/acq. wo land/acq										
ALL PROJECTS				Average:	99	159	60,902	744	\$ -	\$ 22,260,754	\$ 9,867,290	\$ 5,249,728	\$ 40,535,176										
Comparable Projects Completed (filtered)				Average:	98	98	40,960	0	0	\$ 24,002,537	\$ 10,708,782	\$ 11,909,896	\$ 45,236,319										
Comparable Projects Under Construction (filtered)				Average:	32	32	20,178	0	0	\$ 15,166,293	\$ 9,429,056	\$ 1,800,000	\$ 30,215,348										
Comparable Projects In Predevelopment (filtered)				Average:	71	71	38,568	1,751		\$ 2,627,261	\$ 557,502	\$ 3,270,452	\$ 3,184,763										
Total Comparable Projects				Average:	67	67	33,235	584	0	\$ 13,932,030	\$ 6,898,447	\$ 5,660,116	\$ 26,212,143										
Bernal Bundle				Nov-24	26	33	18,650	3,200		\$ 5,084,758	\$ 1,364,842	\$ 6,449,600	\$ 6,449,600		Stories	Building Type	Notes on Financing	Level of Rehab	Comments				
Delta of Subject and Comp Project Averages					-41	-34	-14,585	2,616	\$0	(\$8,847,272)	(\$5,533,605)	\$789,484	(\$19,762,543)		4	Type II	Local	Small	3 buildings; modest soft story; electric and plumbing upgrades; roofs; window replacements				
Delta Percentage					-61%	-51%	-44%	448%	#DIV/0!	-64%	-80%	14%	-75%										
				PROJECTS COMPLETED				Building Square Footage		PROJECT COSTS						Building Type		Rehab program/type		Comments			
				Project Name	Address	Construction Contract Date	Compl. Date	Population Type	# of Units	# of BR ¹	Total	Commercial	Acq. Cost ²	Constr. Cost ⁴	Soft Cost ⁵	Local Subsidy ⁶	Total Dev. Cost w/acq (no land)	Stories	Type	Notes on Financing	Level of rehab	Pre-dev or gap costs/date; age of building; parking; unusual circumstances; etc	
				Gran Oriente	106 South Park	Dec-21		Senior	107	107	32,049	0	0	\$ 24,997,992	\$ 12,946,956	\$ 10,300,000	\$ 58,994,948	3 over basement			Major w seismic		
				Park View	102 South Park	Jan-22		Senior					0	0				4, partial basement				Modest w seismic	
				Hotel Madrid	22 South Park	Dec-21		Senior					0	0				3 over basement				Modest w seismic	
				Throughline (3 sites)	777 Bow, 1204 Mason, 1525 Grant	Jun-22	Dec-23	Mixed	88	88	49,870	0	0	\$ 23,007,081	\$ 8,470,608	\$ 13,519,791	\$ 31,477,689	3-4	Type III		Modest	Bay-side: 3+ 1- p.kg. Consoxia: 4+ prtl. bsmt; Tower: 3+ prtl. bsmt (9/28/21)	
				PROJECTS UNDER CONSTRUCTION				Building Square Footage		PROJECT COSTS						Building Type		Rehab program/type		Comments			
				Project Name	Address	Construction Contract Date	Compl. Date	Population Type	# of Units	# of BR ¹	Total	Commercial	Acq. Cost ²	Constr. Cost ⁴	Soft Cost ⁵	Local Subsidy ⁶	Total Dev. Cost w/acq (no land)	Stories	Type	Notes on Financing	Level of rehab	Pre-dev or gap costs/date; age of building; parking; unusual circumstances; etc	
				Yosemite	480 Eddy Street	Dec-23	Jun-26	Mixed	32	32	20,178	0	0	\$ 15,166,293	\$ 9,429,056	\$ 1,800,000	\$ 30,215,348	6	Masonry/ Steel		Major w seismic		
				SFOCLT Scattered Sites	308 Turk 588 Natoma; 2840 Folsom; 4042 Fulton	Dec-23	Jul-24	Mixed													Small		
				PROJECTS IN PREDEVELOPMENT				Building Square Footage		PROJECT COSTS						Building Type		Rehab program/type		Comments			
				Project Name	Address	Start/Construct Contract Date (anticipated)	Compl. Date	Population Type	# of Units	# of BR ¹	Total	Commercial	Acq. Cost ²	Constr. Cost ⁴	Soft Cost ⁵	Local Subsidy ⁶	Total Dev. Cost w/acq (no land)	Stories	Type	Notes on Financing	Level of rehab	Pre-dev or gap costs/date; age of building; parking; unusual circumstances; etc	
				The Dudley Apartments (Mercy)	172 6th Street	Jul-24		Mixed	75	75	44,995	3,069		\$ 2,501,275	\$ 441,000	\$ 2,942,275	\$ 2,942,275	6		ENP NOFA	Small		
				The Rose (Mercy)	125 6th Street	Jul-24		SRO	76	76	39,536	2,184		\$ 3,091,228	\$ 908,772	\$ 4,000,000	\$ 4,000,000	4		ENP NOFA	Small		
				Larkin Pine Senior Housing (CCDC)	1303 Larkin Street	Jul-24		SRO	63	63	31,174	-		\$ 2,289,280	\$ 322,734	\$ 2,869,081	\$ 2,612,014	4	Type III	ENP NOFA	Small	MOHCD&HCD financing: Sept 2023 est for LC; Façade, interiors, HVAC	
				PROJECTS COMPLETED				Construction Costs			Total Dev Costs by Unit / BR / SF (with acq, without land)			Subsidy									
				Project Name	Contract Date	Completion Date	Const/unit	Const/BR	Const/SF	TDC/unit	TDC/BR	TDC/sq.ft ¹	Subsidy / unit	Leveraging ⁷									
				Hunters Point East and West	Jun-18		\$ 319,340	\$ 127,856	\$ 263	\$ 385,043	\$ 154,162	\$ 317	\$ 3,971	99%									
				Westbrook Apartments	Jul-19		\$ 492,711	\$ 167,492	\$ 471	\$ 463,708	\$ 157,632	\$ 443	\$ 74,913	84%									
				Ping Yuen	Mar-19		\$ 330,150	\$ 143,331	\$ 324	\$ 728,283	\$ 316,175	\$ 716	\$ 24,733	97%									
				Alemany Apartments	Nov-19		\$ 479,277	\$ 211,446	\$ 522	\$ 927,691	\$ 409,275	\$ 1,011	\$ 25,525	97%									
				Gran Oriente	Dec-21									83%									
				Park View	Jan-22		\$ 233,626	\$ 233,626	\$ 780	\$ 551,355	\$ 551,355	\$ 1,841	\$ 96,262										
				Hotel Madrid	Dec-21																		
				Bernal Dwellings	Oct-21		\$ 292,693	\$ 119,772	\$ 275	\$ 688,064	\$ 281,561	\$ 647	\$ -	100%									
				Hayes Valley South	Dec-21		\$ 449,543	\$ 209,533	\$ 373	\$ 946,810	\$ 441,310	\$ 785	\$ 65,526	93%									
				Hayes Valley North	Jul-22		\$ 567,475	\$ 225,914	\$ 475	\$ 1,161,586	\$ 462,433	\$ 972	\$ 105,408	91%									
				Maria Alicia Apts	Aug-22		\$ 192,192	\$ 67,436	\$ 215	\$ 192,192	\$ 67,436	\$ 215	\$ -	100%									
				Hotel Diva	Sep-21		\$ 120,012	\$ 120,012	\$ 232	\$ 120,012	\$ 120,012	\$ 232	\$ -	100%									
				SFHHA Scattered Sites	Feb-22		\$ 679,488	\$ 300,543	\$ 647	\$ 1,182,859	\$ 523,188	\$ 1,127	\$ 454,751	62%									
				Throughline (3 sites)	Jun-22	Sep-23	\$ 261,444	\$ 261,444	\$ 461	\$ 357,701	\$ 357,701	\$ 631	\$ 153,634	67%									
				Ambassador / Ritz	Jan-22	May-23	\$ 239,920	\$ 239,920	\$ 437	\$ 535,927	\$ 535,927	\$ 976	\$ 7,659	99%									
				Mariposa Gardens	Nov-22		\$ 144,737	\$ 60,790	\$ 162	\$ 144,737	\$ 60,790	\$ 162	\$ -	100%									
				San Cristina	Oct-22		\$ 299,137	\$ 299,137	\$ 503	\$ 924,351	\$ 924,351	\$ 1,554	\$ 44,250	96%									
				Completed Projects:	Average:		\$ 340,116	\$ 185,883	\$ 409	\$ 620,688	\$ 357,354	\$ 775	\$ 70,442	90%									
				PROJECTS UNDER CONSTRUCTION				Construction Costs			Total Dev Costs by Unit / BR / SF (with acq, without land)			Subsidy									
				Project Name	Contract Date	Completion Date	Const/unit	Const/BR	Const / SF	TDC / unit	TDC/BR	TDC/ sq.ft ¹	Subsidy / unit	Leveraging ⁷									
				Yosemite	Dec-23	Feb-24	\$ 473,947	\$ 473,947	\$ 752	\$ 944,230	\$ 944,230	\$ 1,497	\$ 56,250	94%									
				SFOCLT Scattered Sites	Dec-23	Jul-24																	
				Under Construction:	Average:		\$ 473,947	\$ 473,947	\$ 752	\$ 944,230	\$ 944,230	\$ 1,497	\$ 56,250	94%									
				PROJECTS IN PREDEVELOPMENT				Construction Costs			Total Dev Costs by Unit / BR / SF (with acq, without land)			Subsidy									
				Project Name	Start Date (anticipated)	Completion Date (anticipated)	Const/unit	Const/BR	Const / SF	TDC / unit	TDC/BR	TDC/sq.ft ¹	Subsidy / unit	Leveraging ⁷									
				Dunleavy Pl. 36 Hoff Street	Sep-23		\$ 34,069	\$ 20,610	\$ 58	\$ 34,069	\$ 20,610	\$ 58	\$ -	100%									
				The Knox	Nov-23		\$ 94,476	\$ 94,476	\$ 243	\$ 234,515	\$ 234,515	\$ 603	\$ 63,563	73%									
				125 Mason	Sep-25		\$ 189,005	\$ 90,055	\$ 118	\$ 364,787	\$ 173,810	\$ 228	\$ 71,605	80%									
				The Dudley Apartments (Mercy)	Jul-24		\$ 33,350	\$ 33,350	\$ 56	\$ 39,230	\$ 39,230	\$ 65	\$ 39,230	0%									
				The Rose (Mercy)	Jul-24		\$ 40,674	\$ 40,674	\$ 78	\$ 52,632	\$ 52,632	\$ 101	\$ 52,632	0%									
				Larkin Pine Senior Housing (CCDC)	Jul-24		\$ 36,338	\$ 36,338	\$ 73	\$ 41,461	\$ 41,461	\$ 84	\$ 45,541	-10%									
				William Penn (CCDC)	Jan-00		\$ 38,812	\$ 38,812	\$ 84	\$ 43,502	\$ 43,502	\$ 95	\$ 43,502	0%									
				El Dorado (Conard)	Jan-00		\$ 350,500	\$ 350,500	\$ 927	\$ 564,556	\$ 564,556	\$ 1,492	\$ 64,516	89%									
				Sierra Madre	Nov-24																		
				835 Turk (HSH)	Mar-25	Dec-26	\$ 206,612	\$ 206,612	\$ 205	\$ 247,934	\$ 247,934	\$ 347	\$ 247,934	0%									
				In Predevelopment	Average:		\$ 113,760	\$ 101,270	\$ 205	\$ 180,298	\$ 157,583	\$ 347	\$ 69,836	37%									
All Projects:				AVERAGE			\$ 309,274	\$ 253,700	\$ 455	\$ 581,739	\$ 486,456	\$ 871	\$ 65,509										
Projects in pipeline but no budget yet																							
Derek Silva (20 Franklin)																							
Items highlighted in yellow represent gaps in information																							
¹ Residential sq. ft. includes circulation, recreation, parking, office space and common areas, excludes day care centers, and commercial (non-res.)																							
² Acquisition includes cost of buying land/building - legal, holding, taxes, etc. does not include the purchase value; excludes demolition of existing building																							
³ Construction includes unit construction, site preparation/demolition (if applicable), site improvements, environmental remediation and hard cost contingency for Predev & During Construction. Completed projects include used Contingency and are escalated per ENR CCI data																							
⁴ Soft Cost = TDC less Acquisition and Hard Costs																							
⁵ All non-emortized local funds																							
⁶ Total square footage																							

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Attachment I: Predevelopment Budget

N/A

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Attachment J: Development Budget

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Attachment K: 1st Year Operating Budget

Application Date:7/1/2023
Total # Units:26
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations):2024
Small Sites Project

Project Name:Hazel Eddy Woolsey Bundle
Project Address:multiple (See more on property info page) multiple
Project Sponsor:Bernal Heights Neighborhood Corporation

Correct errors noted in Col N!

INCOME	Total	Comments	PUPA	PUPM
Residential - Tenant Rents	178,423	Links from 'Existing Proj - Rent Info' Worksheet	6,786	565
Residential - Tenant Assistance Payments (SOS Payments)	0	Comments		
Residential - Tenant Assistance Payments (Other Non-LOSP)	513,084	Links from 'Existing Proj - Rent Info' Worksheet	19,734	1,645
Commercial Space	20,000	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	769	
Residential Parking	0	Links from 'Utilities & Other Income' Worksheet	-	
Miscellaneous Rent Income	0	Links from 'Utilities & Other Income' Worksheet	-	
Supportive Services Income			-	
Interest Income - Project Operations	0	Links from 'Utilities & Other Income' Worksheet	-	
Laundry and Vending	0	Links from 'Utilities & Other Income' Worksheet	-	
Tenant Charges	0	Links from 'Utilities & Other Income' Worksheet	-	
Miscellaneous Residential Income	0	Links from 'Utilities & Other Income' Worksheet	-	
Other Commercial Income	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	
Withdrawal from Capitalized Reserve (deposit to operating account)			-	
Gross Potential Income	709,507			
Vacancy Loss - Residential - Tenant Rents	(8,821)	Vacancy loss is 5% of Tenant Rents.	(339)	
Vacancy Loss - Residential - Tenant Assistance Payments	(25,654)	Vacancy loss is 5% of Tenant Assistance Payments.	(987)	
Vacancy Loss - Commercial	(2,000)	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	(77)	
EFFECTIVE GROSS INCOME	673,032	PUPA: 25,886		

OPERATING EXPENSES				
Management				
Management Fee	25,272	1st Year to be set according to HUD schedule.	972	81
Asset Management Fee	11,681		449	
Sub-total Management Expenses	36,953	PUPA: 1,421		
Salaries/Benefits				
Office Salaries	0	Links from 'Staffing' Worksheet	-	
Manager's Salary	45,597	Links from 'Staffing' Worksheet	1,754	
Health Insurance and Other Benefits			-	
Other Salaries/Benefits			-	
Administrative Rent-Free Unit			-	
Sub-total Salaries/Benefits	45,597	PUPA: 1,754		
Administration				
Advertising and Marketing	6,253	includes cost of tenants' credit and background checks	241	
Office Expenses	800		31	
Office Rent			-	
Legal Expense - Property	11,350		437	
Audit Expense	11,700		450	
Bookkeeping/Accounting Services	11,052		425	
Bad Debts			-	
Miscellaneous	1,296	19145 telephone, 3720 payroll processing fees, 1303 misc, 420 prof services	50	
Sub-total Administration Expenses	42,451	PUPA: 1,633		
Utilities				
Electricity	24,164		929	77
Water	22,027		847	71
Gas	18,156		698	58
Sewer			-	
Sub-total Utilities	64,347	PUPA: 2,475		
Taxes and Licenses				
Real Estate Taxes	4,040		155	
Payroll Taxes	600		-	
Miscellaneous Taxes, Licenses and Permits			23	
Sub-total Taxes and Licenses	4,640	PUPA: 178		
Insurance				
Property and Liability Insurance	28,465		1,095	
Fidelity Bond Insurance			-	
Worker's Compensation			-	
Director's & Officers' Liability Insurance			-	
Sub-total Insurance	28,465	PUPA: 1,095		
Maintenance & Repair				
Payroll	93,288	Links from 'Staffing' Worksheet	3,588	
Supplies	12,805	repair materials	493	
Contracts	75,602	elevator	2,908	
Garbage and Trash Removal	30,276		1,164	
Security Payroll/Contract	9,941	Links from 'Staffing' Worksheet	382	
HVAC Repairs and Maintenance		included above in repairs/maintenance	-	
Vehicle and Maintenance Equipment Operation and Repairs		n/a - pay mileage to staff in misc line below	-	
Miscellaneous Operating and Maintenance Expenses	4,300		165	
Sub-total Maintenance & Repair Expenses	226,212	PUPA: 8,700		
Supportive Services	0	Links from 'Staffing' Worksheet	-	
Commercial Expenses	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	

TOTAL OPERATING EXPENSES	448,665	PUPA: 17,256		
Reserves/Ground Lease Base Rent/Bond Fees				
Ground Lease Base Rent	0	Provide additional comments here, if needed.	-	
Bond Monitoring Fee	5,000		192	
Replacement Reserve Deposit	30,686		1,180	
Operating Reserve Deposit	9,223		355	
Other Required Reserve 1 Deposit			-	
Other Required Reserve 2 Deposit			-	
Required Reserve Deposit/s, Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	44,909	PUPA: 1,727		
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond	493,574	PUPA: 18,984		
NET OPERATING INCOME (INCOME minus OP EXPENSES)	179,458	PUPA: 6,902		
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)				
Hard Debt - First Lender	111,210	PASS- MR		
Hard Debt - Second Lender (HCD Program 0.42% p/mt, or other 2nd Len	37,535	PASS- BMR		
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0			
Hard Debt - Fourth Lender	0			
Commercial Hard Debt Service	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%		
TOTAL HARD DEBT SERVICE	148,746	PUPA: 5,721		
CASH FLOW (NOI minus DEBT SERVICE)	30,712			
AVAILABLE CASH FLOW	30,712			
USES OF CASH FLOW BELOW (This row also shows DSCR.)				
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL	1.21			
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)				
Partnership Management Fee (see policy for limits)				
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)				
Other Payments				
Non-amortizing Loan Pmtnt - Lender 1 (select lender in comments field)				
Non-amortizing Loan Pmtnt - Lender 2 (select lender in comments field)				
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)		Def. Develop. Fee split: 0%		
TOTAL PAYMENTS PRECEDING MOHCD	0	PUPA: 0		
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS)	30,712			

Residual Receipts Calculation

Does Project have a MOHCD Residual Receipt Obligation?Yes

Will Project Defer Developer Fee?No

Project has MOHCD ground lease?No

Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:33%

% of Residual Receipts available for distribution to soft debt lenders in67%

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

Enter Total MOHCD/OCII Principal Loan amts

MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
MOHCD Residual Receipts Amount Due	20,475	67% of residual receipts, multiplied by 100% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	0	Enter/override amount of residual receipts proposed for loan repayment.
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repymt.
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS	10,237	Total Resid Receipts due not allocated, please revise F142
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
HCD Residual Receipts Amount Due	0	
Lender 4 Residual Receipts Due	0	
Lender 5 Residual Receipts Due	0	
Total Non-MOHCD Residual Receipts Debt Service	0	
REMAINDER (Should be zero unless there are distributions below)		
	10,237	
Owner Distributions/Incentive Management Fee	10,237	100% of Borrower share of 33% of residual receipts
Other Distributions/Uses	0	
Final Balance (should be zero)	0	

Evaluation of Request for Permanent Financing
Bernal Bundle: 1652 Eddy St., 3554 17th St., & 195 Woolsey St.
Page 74 of 74

Loan Committee Date: April 5, 2024

Attachment L: 20-year Operating Proforma

Total # Units: **26** **Small Sites Project**

1 of 1

REHABILITATION & PERMANENT FINANCING

BERNAL BUNDLE 1652 EDDY ST, 3554 17TH ST, & 195 WOOLSEY ST

BUDGET AND FINANCE COMMITTEE
MARCH 26, 2025

AMANDA FUKUTOME-LOPEZ
PRESERVATION PROJECT MANAGER

PROJECT SPONSOR: BERNAL HEIGHTS HOUSING CORPORATION

MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT

PROJECT DETAILS

- Bernal Bundle Project Overview: 26 residential units (16 studios, 4 1-BR, 5 2-BR, & 1 3-BR) and 2 commercial units



- Positive Match (1652 Eddy St):
 - 7 residential units
 - 1 commercial unit



- Hazel Betsey (3554 17th St):
 - 9 residential units
 - 1 commercial unit



- 195 Woolsey:
 - 10 residential units

PROJECT DETAILS

- Rehabilitation and Permanent Financing:
 - \$3,711,000 PASS Loan
 - \$2,570,158 ENP NOFA
 - \$1,200,000 EMP NOFA
 - \$4,114,056 Loan Recast
 - Total MOHCD Funding: \$11,595,214
- Scattered Site Rehabilitation & Perm Financing Proposal
 - Address critical rehabilitation needs across all three sites
 - Support economies of scale and reduce operational risk
 - Improve quality of life for vulnerable low-income residents
 - Extend affordability restrictions at all three sites

PROPOSED PROJECT

Project History:

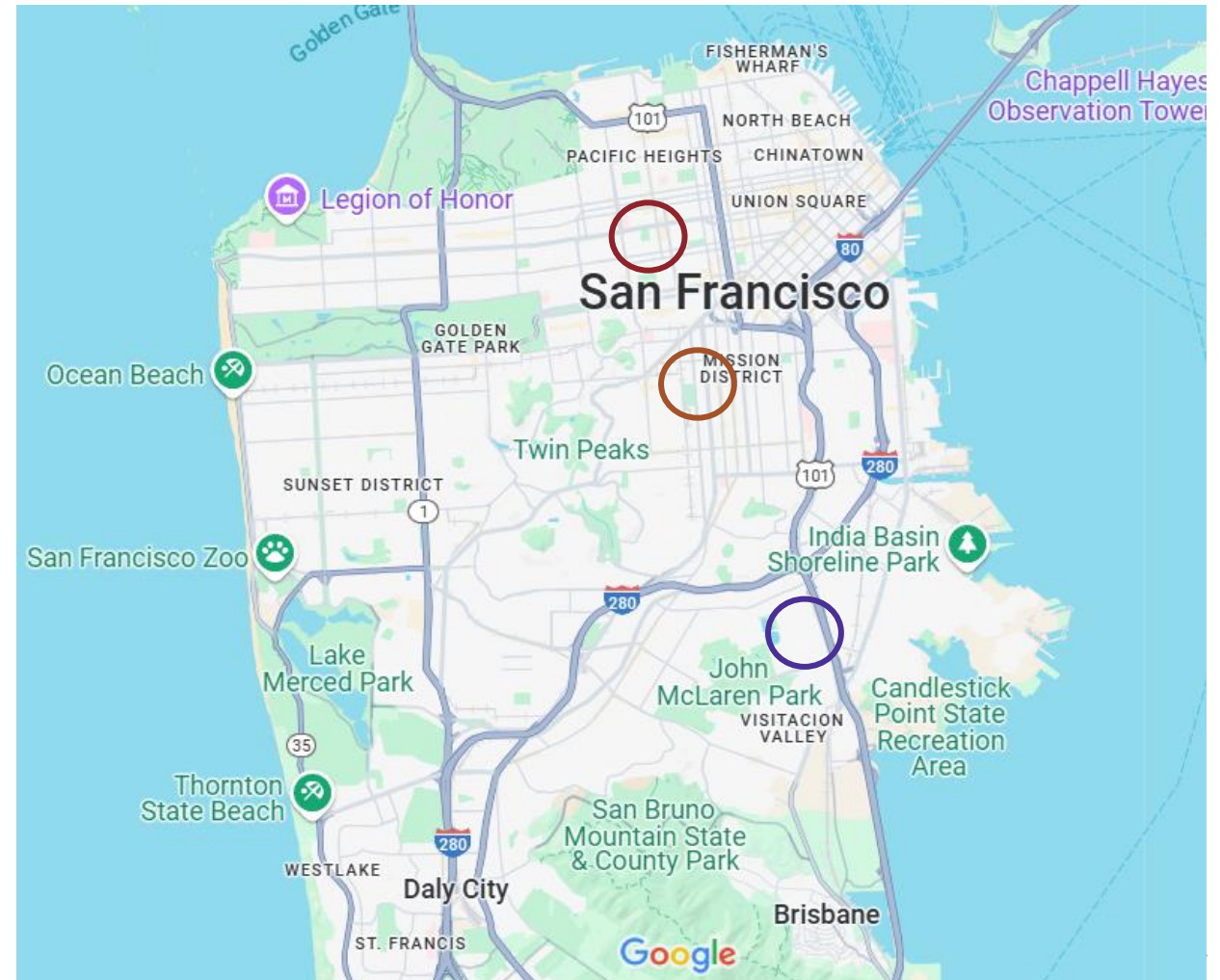
- **Positive Match:** constructed in 1911 & acquired in 1998
- **Hazel Betsey:** constructed in 1916 & acquired in 1996
- **195 Woolsey:** constructed in 1926 & acquired in 1994

Timeline:

- Spring 2025: Start Rehabilitation
- Spring 2026: Complete Rehabilitation

Rehabilitation Scope:

- Seismic upgrades
- Elevator replacement (at Hazel Betsey)
- Fire escape repairs
- Electrical upgrades
- HVAC upgrades
- Plumbing upgrades
- Window replacement
- Roofing replacement
- Unit repairs
- Asbestos abatement
- Integrated Pest Management



SHEILA NICKOLOPOULOS

DIRECTOR OF POLICY & LEGISLATIVE AFFAIRS

SHEILA.NICKOLOPOULOS@SFGOV.ORG

AMANDA FUKUTOME-LOPEZ

PRESERVATION PROJECT MANAGER

AMANDA.FUKUTOME-LOPE@SFGOV.ORG

THANK YOU!



GENERAL PLAN REFERRAL

August 8, 2024

Case No.: 2024-007067GPR
Address: 1652 Eddy Street; 3554 17th Street; 195 Woolsey Street
Block/Lot Nos.: 0730/045; 3567/020; 6121/023
Project Sponsor: Mayor's Office of Housing & Community Development
Applicant: Gina Dacus, Executive Director
Bernal Heights Neighborhood Center (BHNC)
415-206-2140
gdacus@bhnc.org
515 Cortland Ave
San Francisco, CA 94110
Staff Contact: Amnon Ben-Pazi – (628) 652-7428
Amnon.Ben-Pazi@sfgov.org

Recommended By:

Joshua Switzky, Deputy Director of Citywide Policy for
Rich Hillis, Director of Planning

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

Please note that a General Plan Referral is a determination regarding the project's consistency with the Eight Priority Policies of Planning Code Section 101.1 and conformity with the Objectives and Policies of the General Plan. This General Plan Referral is not a permit to commence any work or change occupancy. Permits from appropriate Departments must be secured before work is started or occupancy is changed.

Project Description

The Project would recast existing loans and provide additional financing to three existing supportive affordable housing properties: Positive Match located at 1652 Eddy Street, Hazel Betsey located at 3554 17th Street, and 195 Woolsey Street.

Positive Match is a permanent supportive housing site for formerly homeless families who are parents living with HIV/ AIDS and who also have a concurrent substance abuse and/or mental health diagnosis. The average resident income is 15% of AMI. This site consists of seven units (1 one-bedroom, 5 two-bedrooms and 1 three-

bedrooms) funded by HUD/HOPW A and San Francisco Housing Authority. This site is supported by Catholic Charities that provides coordinated case management through their Rita de Cascia program to women and children impacted by chronic homelessness and illness.

Hazel Betsey is a long-term supportive housing property funded by HUD-HO PW A and SF HSH. The site provides permanent supportive housing for formerly homeless families and individuals living with HIV/ AIDS and who also have a concurrent substance abuse and/ or mental health diagnosis. The building consists of 6 studio units and 1 one-bedroom unit. This housing site is supported by on-site services administered through Catholic Charities (CC). Tenants receive housing stability, STRMU, and coordinated case management through CC's Rita de Cascia program for women and children impacted by chronic homelessness and illness. Additionally, for FY 2020-22, Bernal Heights Housing Corporation (BHHC) was awarded a two-year HOPWA-C Cares COVID grant in the amount of \$52,769 to better address the needs of tenants and eliminate some of the barriers they encounter during the COVID pandemic and challenges associated with social restrictions including social-distancing, limited- to no-access to social outlets, the loss of in-person counseling/treatment, shelter-in-place requirements and a no-visitor policy. The average resident income is 15% of AMI.

195 Woolsey Street consists of 10 studio apartments designated for low-income and disabled adults. Tenants are encouraged to live a clean and sober lifestyle, must pay rent with earnings or other sources of income (disability or social security benefits) as there are not subsidies, and keep units habitable. This property has no subsidy, and the average resident income is 30%-55% of AMI. Tenants in need of services and food support utilize BHNC food security services at BHHC's Excelsior and Cortland Avenue neighborhood centers.

Environmental Review

The proposed re-financing of existing facilities is not an activity subject to CEQA because it would not result in a direct or indirect physical change in the environment pursuant to Guidelines Section 15378(b)(4). Further, CEQA Guidelines Section 15378(b)(4) provides that a project does not include the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

General Plan Compliance and Basis for Recommendation

As described below, the proposed refinancing and rehabilitation is consistent with the Eight Priority Policies of Planning Code Section 101.1 and is, on balance, in conformity with the General Plan.

Note: General Plan Objectives are shown in **BOLD UPPER CASE** font; Policies are in **Bold** font; staff comments are in *italic* font.

HOUSING ELEMENT

OBJECTIVE 1.C

ELIMINATE HOMELESSNESS.

Policy 8

Expand permanently supportive housing and services for individuals and families experiencing homelessness as a primary part of a comprehensive strategy to eliminate homelessness.

Policy 9

Prevent homelessness and eviction through comprehensive evidence-based systems, including housing and other services targeted to serve those at risk of becoming unhoused.

The Project would refinance existing facilities that provide supportive affordable housing to families who have experienced homelessness and individuals with very low incomes who would be at risk of becoming unhoused.

Planning Code Section 101 Findings

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

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

The Project would refinance existing facilities that provide supportive affordable housing and would thus have no effect on existing neighborhood-serving retail uses and future opportunities for resident employment in and ownership of such businesses.

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

The Project would refinance existing facilities that provide supportive affordable housing and would thus conserve and protect existing housing, neighborhood character and economic diversity.

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

The Project would refinance existing facilities that provide supportive affordable housing and would thus help preserve the City's supply of affordable housing.

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

The Project would refinance existing facilities that provide supportive affordable housing and would thus have no effect on commuter traffic, MUNI transit service, streets, or neighborhood parking.

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

The Project would refinance existing facilities that provide supportive affordable housing and would thus have no effect on the City's industrial or service sectors or on future opportunities for resident employment

or ownership in these sectors.

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

The Project would refinance existing facilities that provide supportive affordable housing and would thus have no effect on the City's preparedness to protect against injury and loss of life in an earthquake.

7. That the landmarks and historic buildings be preserved;

The Project would refinance existing facilities that provide supportive affordable housing and would thus have no effect on landmarks and historic buildings.

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

The Project would refinance existing facilities that provide supportive affordable housing and would thus have no effect on the City's parks and open space and their access to sunlight and vistas.

Finding:	The project, on balance, is in conformity with the General Plan.
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San Francisco Ethics Commission

25 Van Ness Avenue, Suite 220, San Francisco, CA 94102

Phone: 415.252.3100 . Fax: 415.252.3112

ethics.commission@sfgov.org . www.sfethics.org

Received On:

File #: 250235

Bid/RFP #:

Notification of Contract Approval

SFEC Form 126(f)4

(S.F. Campaign and Governmental Conduct Code § 1.126(f)4)

A Public Document

Each City elective officer who approves a contract that has a total anticipated or actual value of \$100,000 or more must file this form with the Ethics Commission within five business days of approval by: (a) the City elective officer, (b) any board on which the City elective officer serves, or (c) the board of any state agency on which an appointee of the City elective officer serves. For more information, see: <https://sfethics.org/compliance/city-officers/contract-approval-city-officers>

1. FILING INFORMATION

TYPE OF FILING

Original

DATE OF ORIGINAL FILING (for amendment only)

AMENDMENT DESCRIPTION – Explain reason for amendment

2. CITY ELECTIVE OFFICE OR BOARD

OFFICE OR BOARD

Board of Supervisors

NAME OF CITY ELECTIVE OFFICER

Members

3. FILER'S CONTACT

NAME OF FILER'S CONTACT

Angela Calvillo

TELEPHONE NUMBER

415-554-5184

FULL DEPARTMENT NAME

Office of the Clerk of the Board

EMAIL

Board.of.Supervisors@sfgov.org

4. CONTRACTING DEPARTMENT CONTACT

NAME OF DEPARTMENTAL CONTACT

Amanda Fukutome-Lopez

DEPARTMENT CONTACT TELEPHONE NUMBER

628-652-5845

FULL DEPARTMENT NAME

MYR Mayor's Office of Comm. Dev.

DEPARTMENT CONTACT EMAIL

amanda.fukutome-lope@sfgov.org

5. CONTRACTOR	
NAME OF CONTRACTOR Hazel Eddy Woolsey LLC	TELEPHONE NUMBER 415-206-2140
STREET ADDRESS (including City, State and Zip Code) 515 Cortland Avenue, San Francisco, CA 94110	EMAIL gdacus@bhnc.org

6. CONTRACT		
DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)	ORIGINAL BID/RFP NUMBER	FILE NUMBER (If applicable) 250235
DESCRIPTION OF AMOUNT OF CONTRACT \$11,595,214		
NATURE OF THE CONTRACT (Please describe) Rehabilitation financing for the Bernal Bundle, a scattered site rehabilitation of three existing Bernal Heights Housing Corporation properties (1652 Eddy Street or "Positive Match", 3554 17th Street or "Hazel Betsey", and 195 Woolsey Street).		

7. COMMENTS
Bernal Heights Housing Corporation is the sole member of Hazel Eddy Woolsey LLC.

8. CONTRACT APPROVAL	
This contract was approved by:	
<input type="checkbox"/>	THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM
<input checked="" type="checkbox"/>	A BOARD ON WHICH THE CITY ELECTIVE OFFICER(S) SERVES Board of Supervisors
<input type="checkbox"/>	THE BOARD OF A STATE AGENCY ON WHICH AN APPOINTEE OF THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM SITS

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
1	Smith	Michael	Board of Directors
2	Muniz	Laurel	Board of Directors
3	Crockron	Robert	Board of Directors
4	Branson	Jessica	Board of Directors
5	Dacus	Gina	Other Principal Officer
6	Siew	Adeline	Other Principal Officer
7			
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9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
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9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
39			
40			
41			
42			
43			
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46			
47			
48			
49			
50			

☐ Check this box if you need to include additional names. Please submit a separate form with complete information. Select "Supplemental" for filing type.

10. VERIFICATION

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information I have provided here is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK

DATE SIGNED

BOS Clerk of the Board



TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Adam Thongsavat, Liaison to the Board of Supervisors
RE: [Loan Agreement – 1652-1654 Eddy Street; 3554 17th Street; and 195 Woolsey Street - Not to Exceed \$11,595,214.00 – Hazel Eddy Woolsey LLC]
DATE: March 11, 2025

Resolution approving and authorizing the Director of the Mayor's Office of Housing and Community Development ("MOHCD") to execute documents relating to a loan in an aggregate total amount not to exceed \$11,595,214 to finance the acquisition, rehabilitation, and permanent financing of three existing affordable multifamily rental housing projects for low-income households, known as the "Bernal Bundle" consisting of a total of 26 residential rental units and two commercial units in three buildings located at 1652-1654 Eddy Street; 3554 17th Street; and 195 Woolsey Street (collectively, the "Project"); affirming the Planning Department's determination under the California Environmental Quality Act; adopting findings that the Project and the proposed transactions are consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and authorizing the Director of MOHCD or his or her designee to execute the loan documents for the Project and make certain modifications to such loan documents, as defined herein, and take certain actions in furtherance of this Resolution, as defined herein.

Should you have any questions, please contact Adam Thongsavat at adam.thongsavat@sfgov.org