

File No. 260547

Committee Item No. 12

Board Item No. 23

COMMITTEE/BOARD OF SUPERVISORS

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Committee: Budget and Finance Committee Date June 3, 2026

Board of Supervisors Meeting Date June 9, 2026

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☒	☒	<u>Original Lease 6/2/1999</u>
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Completed by: Brent Jalipa Date May 28, 2026

Completed by: Brent Jalipa Date June 4, 2026

1 [Ground Lease and Amended and Restated Loan Agreement - 1820 Post Street - 100%
2 Affordable Housing - Loan Not to Exceed \$22,578,308 - \$15,000 Annual Base Rent]

3 **Resolution 1) approving and authorizing the Director of Property and the Mayor's**
4 **Office of Housing and Community Development ("MOHCD") to enter into a Ground**
5 **Lease for real property owned by the City and located at 1820 Post Street with Golden**
6 **Gate Apartments, L.P. ("Borrower"), for a lease term of 75 years and one 24-year option**
7 **to extend and an annual base rent of \$15,000 ("Ground Lease") in order to rehabilitate a**
8 **100% affordable, 72-unit multifamily rental housing development for low-income**
9 **households ("Project"); 2) approving and authorizing the Mayor and Director of**
10 **MOHCD to execute an Amended and Restated Loan Agreement to provide the Borrower**
11 **with a loan in an aggregate amount not to exceed \$22,578,308 to finance the Project; 3)**
12 **adopting findings that the Project and proposed transactions are consistent with the**
13 **General Plan, and the eight priority policies of Planning Code, Section 101.1; 4)**
14 **affirming the Planning Department's determination under the California Environmental**
15 **Quality Act; and 5) authorizing the Director of Property and/or the Director of MOHCD**
16 **or their designee to execute any documents related to the Ground Lease and the**
17 **Amended and Restated Loan Agreement for the Project and make certain modifications**
18 **to such documents, as defined herein, and take certain actions in furtherance of this**
19 **Resolution, as defined herein.**

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

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

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

8 WHEREAS, Among its programs, MOHCD administers the Preservation and Seismic
9 Safety Program ("PASS Program") under Administrative Code, Chapter 66, which plays a
10 critical role in advancing the City's anti-eviction and preservation strategies by providing low-
11 cost and long-term financing for the acquisition, rehabilitation, and preservation of multi-family
12 housing as well as seismic retrofits not currently available on the conventional loan market;
13 and

14 WHEREAS, The former Redevelopment Agency of the City and County of San
15 Francisco ("Agency") entered into a Ground Lease on June 2, 1999 ("Original Ground
16 Lease"), to lease land located at 1820 Post Street, San Francisco, California, Lot 045, Block
17 0684 (the "Land") to GGA 1820 Post, L.P. ("Original Borrower"), which owned the
18 improvements on the Land consisting of a 100% affordable, 72-unit multifamily residential
19 housing development restricted to low-income households (excluding one manager's unit),
20 known as the Golden Gate Apartments (the "Project") and is an affiliate of the Chinatown
21 Community Development Corporation, a nonprofit California public benefit corporation
22 ("CCDC"); and

23 WHEREAS, In connection with the Original Ground Lease, Agency provided a loan in
24 the amount of \$746,833.00 ("Original Loan") to the Original Borrower under a Tax Increment
25

1 Affordable Housing Program Loan Agreement dated June 4, 1999 ("Original Loan
2 Agreement), for the purpose of the Original Borrower rehabilitating the Project; and

3 WHEREAS, Under California State Assembly Bill No. 1X26 (Chapter 5, Statutes of
4 2011-12, first Extraordinary Session) ("AB 26"), the Agency dissolved as a matter of law on
5 February 1, 2012, and pursuant to AB 26, as amended by California State Assembly Bill No.
6 1484 ("AB 1484"), and Resolution No. 11-12, adopted by the City's Board of Supervisors and
7 Mayor on January 26, 2012, Ordinance No. 215-12, adopted by the City's Board of
8 Supervisors and Mayor on October 12, 2012, and the approved housing asset list submitted
9 by City to, and approved by, the State of California Department of Finance pursuant to AB
10 1484 (California Health and Safety Code, Section 34176(a)(2)), MOHCD has been designated
11 as the successor housing agency, and City, acting through MOHCD, is successor in interest
12 to the Agency's rights and obligations with respect to the Land, the Original Ground Lease,
13 and the Original Loan Agreement;

14 WHEREAS, MOHCD issued a Notice of Funding Availability for PASS Program funds
15 ("NOFA"), to provide qualified affordable housing developers with loans for seismic retrofits,
16 as well as the acquisition, rehabilitation, and preservation of affordable multifamily housing;
17 and

18 WHEREAS, The Project requires substantial rehabilitation consisting of upgrades to
19 the roofing, sewer lateral, siding, and residential unit finishes; and

20 WHEREAS, In response to the NOFA, the Chinatown Community Development Center
21 ("CCDC") applied and was approved by MOHCD to substantially rehabilitate the Project, and
22 CCDC formed Golden Gate Apartments, L.P., a California limited partnership ("Borrower"), for
23 the purpose of acquiring the Project and undertaking such substantial rehabilitation using
24 PASS Program funds to leverage low income housing tax credits and tax exempt bonds; and
25

1 WHEREAS, Original Borrower intends to assign to Borrower, and Borrower intends to
2 assume, all of Original Borrower's rights and duties with respect to the Original Loan for the
3 purpose of rehabilitation and permanent financing of the Project; and

4 WHEREAS, Concurrently with the transfer of the Project to the Borrower, MOHCD and
5 the Original Borrower have agreed to terminate the Original Ground Lease, and the Original
6 Borrower has requested the City to forgive the remaining balance of residual rent and accrued
7 interest in the amount of \$1,330,257 under the Original Ground Lease to support the
8 substantial rehabilitation of the Project; and

9 WHEREAS, The Borrower has requested, and MOHCD desires to consent to, the
10 assignment and refinancing of the Original Loan, including rolling the accrued interest into the
11 remaining principal amount of the Original Loan; and

12 WHEREAS, The Borrower has requested, and MOHCD desires to: 1) loan up to
13 \$22,046,000 in additional funds pursuant to the PASS Program for the substantial
14 rehabilitation of the Project ("PASS Loan") to leverage low-income housing tax credits and tax
15 exempt bonds to substantially rehabilitate the Project, 2) amend and restate the Original
16 Ground Lease, and 3) amend and restate the Original Loan Agreement; and

17 WHEREAS, MOHCD and the Director of Property have approved the form of the
18 Ground Lease between the City and the Borrower ("Ground Lease"), pursuant to which the
19 City will lease the Property to the Borrower for a term of 75 years and one 24-year option to
20 extend and a base rent of \$15,000 per year, in exchange for the Borrower's agreement,
21 among other things, to rehabilitate and operate the Project, and a copy of the substantially
22 final form of Ground Lease is on file with the Clerk of the Board of Supervisors in File
23 No. 260547, and is incorporated herein by reference; and

24 WHEREAS, The proposed rent of the Ground Lease is less than Market Rent (as
25 defined in Administrative Code, Section 23.2), but the lower rent under the Ground Lease will

1 serve a public purpose by providing affordable housing for low-income households in need;
2 and

3 WHEREAS, On April 17, 2026, the Citywide Affordable Housing Loan Committee,
4 consisting of representatives of MOHCD, the Department of Homelessness and Supportive
5 Housing, the Office of Community Investment and Infrastructure, and the Controller's Office of
6 Public Finance recommended approval to the Mayor of the additional PASS Loan for
7 rehabilitation and permanent financing of the Project and refinancing of the Original Loan, for
8 a total loan amount not to exceed \$22,578,308; and

9 WHEREAS, The form of loan documents (collectively, the "Loan Documents")
10 evidencing and securing the loan for the Project are on file with the Clerk of the Board in File
11 No. 260547, and include: Declarations of Restrictions and Affordable Housing Covenants
12 ("Declaration of Restrictions"); an Amended and Restated Loan Agreement; one or more
13 promissory notes; and a leasehold deeds of trust; and

14 WHEREAS, The Declarations of Restrictions will restrict the Project as affordable
15 housing to low-income households with annual maximum rent and income established by
16 MOHCD for as long as the Project or any modification of the Project remains in existence; and

17 WHEREAS, The Declaration of Restrictions for the Project will not be subordinated to
18 any third-party financing instrument, except as may be required by other public funding
19 agencies; and

20 WHEREAS, The Amended and Restated Loan Agreement would be entered into under
21 the following material terms: (i) a minimum term of 57 years from the date of recordation of the
22 deed of trust for the Original Loan and 44 years from the date of recordation of the deed of
23 trust for the PASS Loan; (ii) simple interest at a rate of at least three percent, but no more
24 than the long-term applicable federal rate as of the Agreement Date for the Original Loan, as
25 provided in the corresponding promissory note, and compounding interest at rates of

6.61023%, 1.87008%, and 1.87008% for the PASS Loan, as provided in the corresponding promissory notes; (iii) annual repayment of the Original Loan through residual receipts from the Project and hard debt service payments for the PASS Loan; (iv) the Project shall be restricted for the life of the Project as affordable housing to low-income households with annual maximum rent and income established by MOHCD; (v) the loan shall be secured by a deed of trust recorded against the Borrower's leasehold interest in the Project; and

WHEREAS, The Planning Department, by letter dated May 15, 2025 ("Planning Letter"), has determined that the proposed Project is exempt from the California Environmental Quality Act, ("CEQA") as a Class 1 under CEQA Guidelines Section 15301 and is consistent, on balance, with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and a copy of this Planning Letter is on file with the Clerk of the Board of Supervisors in File No. 260547, and incorporated herein by this reference; now, therefore, be it

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

FURTHER RESOLVED, That in accordance with the recommendation of the Director of MOHCD and the Director of Property, the Board of Supervisors approves the Ground Lease in substantially the form presented to the Board, and authorizes the Director of Property (or the Director's designee, as used throughout) and Director of MOHCD (or the Director's designee, as used throughout), to execute and deliver the Ground Lease, in substantially the form presented to the Board, and any such other documents or agreements (including such agreements to provide adequate or additional security or indemnities as required by lenders to consummate the financing of the Project or lease of the Land) that are

1 necessary or advisable, in consultation with the City Attorney, to complete the transaction
2 contemplated by the Ground Lease and to effectuate the purpose and intent of this
3 Resolution, and determines that the less than Market Rent payable under the Ground Lease
4 will serve a public purpose by providing affordable housing for low-income households in
5 need; and, be it

6 FURTHER RESOLVED, That the Board of Supervisors hereby approves the Amended
7 and Restated Loan Agreement and the transaction contemplated thereby in substantially the
8 form presented to the Board, and authorizes the Mayor and the Director of MOHCD, to
9 execute and deliver the Amended and Restated Loan Agreement and any such other
10 documents or agreements (including such agreements required by lenders to consummate
11 the financing of the Project) that are necessary or advisable, in consultation with the City
12 Attorney, to complete the transaction contemplated by the Amended and Restated Loan
13 Agreement and to effectuate the purpose and intent of this Resolution; and, be it

14 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
15 Property and/or Director of MOHCD, in consultation with the City Attorney, to enter into any
16 additions, amendments, or other modifications to the Ground Lease Amended and Restated
17 Loan Agreement, and any other documents or instruments necessary in connection therewith
18 (including, without limitation, preparation and attachment, or changes to, any of all of the
19 exhibits and ancillary agreements, and notices of special restrictions required for construction
20 of the Project), that the Director of Property and/or Director of MOHCD determine are in the
21 best interests of the City, do not materially decrease the benefits to the City with respect to the
22 Property, do not materially increase the obligations or liabilities of the City, and are necessary
23 or advisable to complete the transaction contemplated in the Ground Lease and Amended
24 and Restated Loan Agreement, and that effectuate the purpose and intent of this Resolution,
25 such determination to be conclusively evidenced by the execution and delivery by the Director

1 of Property and/or the Director of MOHCD of any such additions, amendments, or other
2 modifications; and, be it

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

9 FURTHER RESOLVED, That the Board of Supervisors authorizes the forgiveness of
10 \$1,330,257 in outstanding residual rent obligations accrued by the Original Borrower upon
11 termination of the Original Ground Lease; and, be it

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

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

1 RECOMMENDED:
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3

4 /s/
5 Sarah R. Oerth, Director of Property
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7 /s/
8 Daniel Adams, Director
9 Mayor's Office of Housing and Community Development
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Item 12 File 26-0547	Department: Mayor's Office of Housing and Community Development
EXECUTIVE SUMMARY	
Legislative Objectives - The proposed resolution would: (a) approve an amended and restated loan agreement with Golden Gate Apartments, L.P. in an amount not to exceed \$22,578,308 to rehabilitate the Golden Gate Apartments; and (b) approve a ground lease for the property for a term of 75 years with one 24-year option to extend and an annual base rent of \$15,000. Key Points - The Golden Gate Apartments is an existing 72-unit affordable housing project, consisting of three buildings located at 1820 Post Street. The project is operated by Chinatown Community Development Center (CCDC). In 1999, the former San Francisco Redevelopment Agency acquired the land and leased it back to CCDC and provided a loan of \$746,833 to CCDC to acquire the improvements. MOHCD assumed the ground lease and acquisition loan when the Redevelopment Agency dissolved. - The proposed ground lease would replace the existing ground lease due to a change in ownership of the project. CCDC is refinancing the project, which allows the project to obtain new tax credit equity to finance rehabilitation. As part of the refinancing, a new limited partnership (Golden Gate Apartments, L.P.) is acquiring the project from the existing limited partnership (GGA 1920 Post, L.P.), though both are controlled by CCDC. - MOHCD is proposing to recast the existing acquisition loan and provide new loans under the Preservation and Seismic Safety (PASS) program to rehabilitate the project. The scope of work includes removal and replacement of exterior siding, new roofing, window replacement, conversion of eight units to code-compliant mobility units, unit upgrades, site improvements for accessibility, and replacement of the sewer lateral. Fiscal Impact - The City's subsidy for the rehabilitation of the project is \$22.6 million, or approximately \$314,000 per unit, including PASS funding of approximately \$306,000 per unit - The recast acquisition loan of \$532,308 is funded by the Low and Moderate Income Housing Asset Fund. New PASS loans of up to \$22,046,000 are funded by 2016 General Obligation Bonds for the PASS program. - The proposed resolution would also forgive \$1,330,257 in residual rent and accrued interest under the existing ground lease. These funds would otherwise accrue to the Low and Moderate Income Housing Asset Fund. Recommendation - 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.

Administrative Code Section 23.30 states that the Board of Supervisors shall approve all leases on behalf of the City as landlord by resolution for which the term is longer than a year and costs over \$15,000 per month. Leases of City property that require Board of Supervisors approval may be less than market rate if the Board of Supervisors finds that doing so would serve a public purpose.

BACKGROUND**Rehabilitation of Golden Gate Apartments**

The Golden Gate Apartments is an existing 72-unit affordable housing project, consisting of three buildings located at 1820 Post Street. The project is operated by Chinatown Community Development Center (CCDC). In 1999, CCDC acquired the improvements and the former San Francisco Redevelopment Agency acquired the land and leased it back to CCDC. The Redevelopment Agency also provided an acquisition loan of \$746,833 to CCDC. MOHCD assumed the ground lease and acquisition loan when the Redevelopment Agency dissolved.

According to the Mayor's Office of Housing and Community Development (MOHCD) loan evaluation on the proposed loan (MOHCD Loan Evaluation), the project needs to be rehabilitated to preserve the building. The rehabilitation scope of work includes removal and replacement of exterior siding, new roofing, window replacement, conversion of eight units to code-compliant mobility units, unit upgrades, site improvements for accessibility, and replacement of the sewer lateral. In April 2026, the Citywide Affordable Housing Loan Committee approved a loan of up to \$22,578,308 for rehabilitation of the project. Construction is expected to begin in July 2026 and to be completed by April 2028.

Selection

CCDC applied for funding from the Preservation and Seismic Safety (PASS) program, which accepts applications on a rolling basis, and received an award based on the project's eligibility under PASS program regulations.¹

¹ The PASS program 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

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would:

- Approve a ground lease for 1820 Post Street with Golden Gate Apartments, L.P. for a term of 75 years with one 24-year option to extend and an annual base rent of \$15,000;
- Approve an amended and restated loan agreement in an amount not to exceed \$22,578,308 to rehabilitate the project;
- Affirm the Planning Department's determination under the California Environmental Quality Act;
- Adopt findings that the proposed transactions are consistent with the General Plan and policy priorities of the Planning Code; and
- Authorize the Director of MOHCD to execute loan documents and amend loan documents as needed.

Ground Lease

The project sponsor is refinancing the project, which allows the project to obtain new tax credit equity. As part of the refinancing, a new limited partnership (Golden Gate Apartments, L.P.) is acquiring the project from the existing limited partnership (GGA 1920 Post, L.P.). The proposed new ground lease is between the City and the new limited partnership and will replace the existing ground lease which is between the City and the existing limited partnership. The proposed resolution authorizes the termination of the existing ground lease and forgiveness of the remaining balance of residual rent and accrued interest in the amount of \$1,330,257.²

The proposed ground lease is for a term of 75 years with an option to extend for an additional 24 years and restricts the lessee to operating the housing development as affordable housing only. The ground lease includes a base rent of \$15,000 per year, plus residual rent up to 10 percent of the site's appraised value, for a maximum rent of up to \$500,000. Residual rent will be paid by residual receipts upon full repayment of the recast MOHCD acquisition loan. According to the MOHCD Loan Evaluation, the appraised value of the land and improvements is \$22,500,00 based on an appraisal dated May 15, 2025. MOHCD is working with CCDC to get the appraised value of the land only in order to calculate the final residual rent amount.

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.

² According to MOHCD staff, CCDC has consistently paid base rent (\$15,000 per year) under the existing ground lease but has not always been able to pay residual rent (\$128,400 per year) because the project did not have sufficient surplus cash. Under the terms of the original ground lease, the unpaid residual rent is deferred and accrues interest at a rate of 3% per year until paid. Under the proposed lease, if the project cannot make residual rent payments, residual rent is not owed.

Loan Agreement

The proposed Amended and Restated Loan Agreement would: (a) recast the existing loan, which has a remaining balance of \$514,473 plus unpaid interest of \$17,835, for a new principal amount of \$532,308; and (b) provide a new PASS program loan totaling approximately \$22.0 million. The total loan amount would be up to \$22,578,308. The PASS loans have 40-year terms, and the recast acquisition loan has a 55-year term. Key terms of the loan are summarized in Exhibit 1 below.

Exhibit 1: Loan Summary for Golden Gate Apartments

Loan	Amount	Annual Interest Rate	Interest Type	Repayment
PASS Market Rate	\$13,417,196	6.61%	Compound	Monthly Payments
PASS Below Market Rate	7,422,888	1.87%	Compound	Monthly Payments
PASS Deferred	1,205,916	1.87%	Compound	Repaid at Maturity
<i>PASS Subtotal</i>	<i>22,046,000</i>			
Existing Acquisition Loan, Recast	532,308	4.62%	Simple	Annual Payments, equal to Residual Receipts
Total	\$22,578,308			

Source: Master Promissory Notes

Loan Documents

In addition to the Amended and Restated Loan Agreement, the proposed resolution also approves the following associated loan documents:

- The Amended and Restated Declaration of Restrictions, which requires the project sponsor to maintain the housing affordability levels defined in the loan agreement for the life of the project, even after the loan is paid in full or otherwise satisfied;
- Four Promissory Notes for the loan (one for each loan type shown in Exhibit 2 above); and
- The Deed of Trust, which secures the loan.

FISCAL IMPACT

The proposed loan would provide up to \$22,578,308 to rehabilitate the Golden Gate Apartments. The sources and uses of funds are shown in Exhibit 2 below. The proposed resolution would also forgive \$1,330,257 in residual rent and accrued interest under the existing ground lease.

Exhibit 2: Sources and Uses of Proposed Loan

Sources and Uses	Amount	Per Unit
<u>Sources</u>		
<u>MOHCD Loans</u>		
Recast Acquisition Loan	\$532,308	\$7,393
PASS Loans	22,046,000	306,194
<i>Subtotal, MOHCD Loans</i>	<i>22,578,308</i>	<i>313,588</i>
Seller Carryback Loan*	20,795,592	288,828
Income from Operations	1,893,559	26,299
Deferred Developer Fee	5,091,502	70,715
General Partner Capital - Reserves	476,973	6,625
Limited Partner Equity	21,945,295	304,796
Accrued Deferred Interest	2,303,629	31,995
Total Sources	\$75,084,858	\$1,042,845
<u>Uses</u>		
Acquisition	22,703,750	315,330
Hard Costs (incl. 11% contingency)	30,614,395	425,200
Soft Costs (incl. 6% contingency)	13,958,645	193,870
Reserves	716,566	9,952
Developer Fee	7,091,502	98,493
Total Uses	\$75,084,858	\$1,042,845

Source: MOHCD

*In order to access tax credits and refinance the project, the new limited partnership must pay the full value of the property to the previous limited partnership. The Seller Carryback Loan is a loan from the previous limited partnership to the new limited partnership equal to the existing debt and carryback.

City Funding Sources

The recast acquisition loan is funded by the Low and Moderate Income Housing Asset Fund. New PASS loans are funded by 2016 General Obligation Bonds for the PASS program. If not forgiven, the \$1,330,257 in residual rent and accrued interest would otherwise accrue to the Low and Moderate Income Housing Asset Fund.

City Subsidy

The City's subsidy for the rehabilitation of the project is \$22.6 million, or approximately \$314,000 per unit, including PASS funding of approximately \$306,000 per unit, as shown in Exhibit 2 above. Because PASS funding is a hard debt product, there are no subsidy guidelines for PASS funding, but PASS loans are normally 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. However, the loan-to-value ratio of the proposed loans is 97 percent, which exceeds the normal limit of 90 percent, to provide a larger loan to the project. According to the MOHCD loan evaluation, the project is very stable and has low turnover. In the unlikely event the project

is not able to meet its debt service obligations, the project would still have sufficient value to cover the loan amount because the loan-to-value ratio is less than 100 percent. The Project's debt service coverage ratio increases from 1.15 in Year 1 to 1.27 in Year 20, which mitigates the risk that the Project will not be able to meet its debt service obligations.

Operating Budget

According to the 20-year cash flow analysis for the project, the project will have sufficient revenues to cover operating expenses, management fees, and debt service on the PASS loans. Project revenues consist of tenant rent and rental subsidies for 55 units funded by Federal funding under the Housing Choice Voucher program. A portion of net income after operating expenses (residual receipts) will be used to repay the recast acquisition loan and residual rent under the proposed ground lease once the acquisition loan is repaid.

RECOMMENDATION

Approve the proposed resolution.

GROUND LEASE

(1820 Post – Golden Gate Apartments)

This Ground Lease is dated as of [_____, 2026 (the “**Agreement Date**”), by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (the “**City**” or “**Landlord**”), acting by and through its Real Estate Division and the Mayor's Office of Housing and Community Development (“**MOHCD**”), and Golden Gate Apartments, L.P., a California limited partnership, as tenant (the “**Tenant**”).

RECITALS

A.

C. On January 29, 2026, the City and the Tenant entered into that certain Option to Lease Agreement under which City granted the Tenant an option to ground lease the Land (the “**Option**”) that expires on December 31, 2026. In addition, Tenant intends to acquire the Improvements (as defined below) from the Original Tenant under that certain Purchase and Sale Agreement dated _____, 2026,.

D. The Tenant is now exercising its Option to enter into this Ground Lease, under which City agrees to lease the Land to the Tenant to rehabilitate and operate the Project. The Tenant will rehabilitate and operate the Project to serve the needs of low income residents and will restrict rents for all units in accordance with the terms described herein..

E. On [_____, 2026, the City’s Board of Supervisors and the Mayor approved Resolution No. [_____, authorizing the City to enter into a ground lease with the Tenant to rehabilitate the Project on the Land. .

F. The City believes that the fulfillment of the terms and conditions of this Ground Lease are in the vital and best interests of the City and the health, safety, morals, and welfare of its residents, and in full accord with the public purposes and provisions of applicable Laws.

NOW THEREFORE, in consideration of the mutual obligations of the parties to this Ground Lease, the City hereby leases to the Tenant, and the Tenant hereby leases from the City, the Land for the Term (as defined in ARTICLE 2) to rehabilitate the Project, and subject to the terms, covenants, agreements, and conditions set forth below, each and all of which the City and the Tenant mutually agree.

ARTICLE 1 DEFINITIONS

Terms used herein have the meanings given them when first used or as set forth in this ARTICLE 1, unless the context clearly requires otherwise. Whenever an Attachment is referenced, it means an attachment to this Ground Lease unless otherwise specifically identified. Whenever a section, article, or paragraph is referenced, it is a reference to this Ground Lease unless otherwise specifically referenced.

“Agency” has the meaning set forth in Recital A.

“Agreement Date” means the date first set forth above.

“Annual Rent” has the meaning set forth in the Section 4.01(a).

“Area Median Income” (or **“AMI”**) 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 the U.S. Department of Housing and Urban Development for the San Francisco area, but not adjusted for a high housing cost area.

“Change” has the meaning set forth in Section 12.02.

“City” means the City and County of San Francisco, a municipal corporation.

“Effective Date” means the date the City records the Memorandum of Ground Lease against the Premises, but in no event will the date be before the date of approval of the Ground Lease by the City’s Board of Supervisors and the Mayor.

“Extension Notice” has the meaning set forth in Section 2.03.

“First Mortgage Lender” means any lender and its successors, assigns, and participants or other entity holding the senior leasehold deed of trust on the Leasehold Estate.

“Ground Lease” means this Ground Lease, as amended from time to time in accordance with the terms herein.

“HUD” means the U.S. Department of Housing and Urban Development./

“HAP Units” means the Thirty One (31) units receiving rental assistance payments under that certain Housing Assistance Payment (**“HAP”**) contract and budget authority with the Housing Authority of the City and County of San Francisco.

“Improvements” means all physical improvements to be constructed and/or rehabilitated on the Land, including all structures, fixtures, and other improvements, including but not limited to the Project.

“Land” has the meaning set forth in Recital A.

“Landlord” means the City and County of San Francisco, a municipal corporation.

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

“Lease Year” means each calendar year during the Term, beginning on January 1 and ending on December 31, provided that the first Lease Year will commence on the Effective Date and continue through December 31st of that same calendar year and the last Lease Year will end upon the expiration of the Term.

“Leasehold Estate” means the Tenant’s leasehold estate in the Land created by and pursuant to this Ground Lease.

“Leasehold Mortgage” means any mortgage, deed of trust, trust indenture, letter of credit, or other security instrument, and any assignment of the rents, issues, and profits, that constitutes a lien on the Leasehold Estate.

“Lender” means any entity holding a Leasehold Mortgage.

“Loan Documents” means those certain loan agreements, notes, deeds of trust, declarations, and any other documents executed and delivered in connection with the construction and/or permanent financing for the Project.

“MOHCD” means the Mayor’s Office of Housing and Community Development for the City.

“MOHCD Declaration of Restrictions” means that certain Declaration of Restrictions and Affordable Housing Covenants dated [____], 2026, executed by Tenant for the benefit of the Landlord, and recorded against the Leasehold Estate concurrently with the Memorandum of Ground Lease, pursuant to the MOHCD Loan Agreement.

“MOHCD Loan Agreement” means that certain Amended and Restated Loan Agreement dated [____], 2026, by and between Landlord and Tenant.

“Partnership Fees” means (i) partnership management fee in the amount of \$26,920, increasing by 3.5% annually, payable to the General Partner, and (ii) an annual investor services fee in the amount of \$7,500, increasing annually by three percent (3%) payable to the Limited Partner (as shown in the Annual Operating Budget and approved by the City) approved by the City.

“Permitted Limited Partner” means RJ MT Golden Gate Apartments L.L.C., a Florida limited liability company, as investor limited partner, , and its successors and assigns as approved by the City.

“Permitted Use” has the meaning set forth in Section 9.01.

“Personal Property” means all fixtures, furniture, furnishings, equipment, machinery, supplies, software and other tangible personal property that is located in, on, or about the Premises and that can be removed from the Premises without substantial economic loss to the Premises or substantial damage to the Premises and that is incidental to the ownership, development, or operation of the Improvements or the Premises, belonging to the Tenant, any Residential Occupant, any Non-residential Occupant, or any subtenant or other occupant of the Premises and/or in which the Tenant, Residential Occupant, Non-residential Occupant, or any subtenant or other occupant has an ownership interest, together with all present and future attachments, replacements, substitutions, and additions thereto or therefor.

“PBRA Units” means the Twenty Four (24) units receiving project based rental assistance payments under that certain Project Rental Assistance Contract (“PBRA”) and budget authority with the U.S. Department of Housing and Urban Development (“HUD”).

“Premises” means the Land and all Improvements.

“Project” is defined in Recital [A/B].

“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 and/or possessory interest taxes, assessments, and premiums for insurance required under this Agreement or by other lenders providing secured financing for the Project;; (b) salaries, wages, and other compensation due and payable to the employees or agents of the Tenant who maintain, administer, operate, or provide services in connection with the Project, including all withholding taxes, insurance premiums, Social Security payments and other payroll taxes or payments required for such employees; (c) required payments of interest, principal, or annual servicing fees, if any, on any construction or permanent financing secured by the Project that has been approved by the City; (d) annual monitoring fees all other expenses actually incurred by the Tenant to cover routine operating and services provision costs of the Project, including maintenance and repair and the reasonable fee of any managing agent as indicated in the Annual Operating Budget; (e) annual Base Rent payments; (f) deposits to reserves accounts required to be established under the Loan Documents and/or Partnership Agreement; (g) the approved annual asset management fees, bond issuer fees, and fiscal agent fees indicated in the Annual Operating Budget and approved by the City; (h) any extraordinary expenses as approved in advance by the City ; and (i) Supportive Services. Partnership Fees are not Project Expenses.

“Project Income” means all income and receipts in any form received by the Tenant from the operation of the Premises, 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 Tenant in connection with the Project; and (h) other consideration actually received from the operation of the Project, including non-residential uses of the Premises. Project Income does not include interest accruing on any portion of the Funding Amount or tenant’s refundable security deposits. Project Income does not include interest accruing on any portion of the MOHCD Loan, if applicable, or refundable security deposits from Residential Occupants.

“Qualified Households” means households whose income does not exceed the maximum permissible annual income level allowed under the MOHCD Declaration of Restrictions, subject to ARTICLE 9 below. For purposes of this Ground Lease, Qualified Households has the same meaning as “Qualified Tenants” in the MOHCD Declaration of Restrictions.

“Residential Occupant” means any residential household authorized by the Tenant to occupy a Residential Unit on the Premises, whether or not a Qualified Household.

“Residential Unit” has the meaning set forth in Section 9.01.

“Residual Receipts” means all Project Income in any given Lease Year remaining after payment of Project Expenses and Partnership Fees. The amount of Residual Receipts will be based on figures contained in audited financial statements.

“Subsequent Owner” means any successor to the Tenant’s interest in the Leasehold Estate and the Improvements who acquires that interest as a result of a foreclosure, deed in lieu of foreclosure, or transfer from a Lender, its affiliate, and any successors to any such person or entity.

“TCAC” means the California Tax Credit Allocation Committee.

“Tenant” means Golden Gate Apartments, L.P., a California limited partnership, and its successors and assigns (or a Subsequent Owner, where appropriate).

“Term” has the meaning set forth in Section 2.01, as extended pursuant to Section 2.02 or earlier terminated as provided in this Ground Lease.

ARTICLE 2 TERM

2.01 Term. The term of this Ground Lease will commence upon the Effective Date and will expire seventy-five (75) years from that date (**“Term”**), unless extended under Section 2.02 below or earlier terminated as provided in this Ground Lease.

2.02 Option for Extension. Provided that the Tenant is not in default under the terms of this Ground Lease and the Loan Documents beyond any notice, grace, or cure period either at the time of giving of an Extension Notice under Section 2.03 below, or on the last day of the Term (the **“Initial Termination Date”**), Tenant is granted an option to extend the Term for one twenty-four (24) year period, as provided in this Article. If the Term is extended pursuant to this Section, all references in this Ground Lease to the “Term” will mean the Term as extended by such extension period. Upon Tenant’s written exercise of this option under Section 2.03, the Term will automatically be extended for twenty-four (24) years from the Initial Termination Date for a Term not to exceed ninety-nine (99) years, provided that Tenant is not in default under the terms of this Ground Lease and the Loan Documents beyond any notice, grace, or cure period on the Initial Termination Date.

2.03 Notice of Extension. By no later than one hundred eighty (180) days before the Initial Termination Date, the Tenant may notify the City in writing that it is exercising its option to extend the Term under Section 2.02 above (an **“Extension Notice”**).

2.04 Rent During Extended Term. Rent for any extended term will be as set forth in ARTICLE 4.

2.05 Holding Over. Any holding over after the expiration or earlier termination of the Term without the City’s written consent will constitute a default by the Tenant and entitle the City to exercise any or all of its remedies as provided in this Ground Lease, even if the City elects to accept one or more payments of Annual Rent. Failure to surrender the Premises in the condition required by this Ground Lease will constitute holding over until the conditions of surrender are satisfied.

ARTICLE 3 FINANCIAL ASSURANCE

As a condition to Landlord's authorization to record the Memorandum of Ground Lease, the Tenant will submit to the City for approval evidence satisfactory to the City that the Tenant has sufficient equity capital and commitments for construction and permanent financing, and/or such other evidence of capacity to proceed with the rehabilitation of the Project in accordance with this Ground Lease. City hereby acknowledges that as of the Agreement Date, the Tenant has satisfied this requirement.

ARTICLE 4 RENT

4.01 Annual Rent

4.01(a) Tenant will pay to the City up to [Five Hundred Thousand and No/100 Dollars (\$500,000.00)] (the "**Annual Rent**") per year for each year of the Term of this Ground Lease. Annual Rent consists of Base Rent and Residual Rent, as defined in Section 4.02 below, without offset of any kind (except as otherwise permitted by this Ground Lease) and without necessity of demand, notice, or invoice. Annual Rent will be re-determined on the fifteenth (15th) anniversary of the date of the first payment of Base Rent pursuant to Section 4.02(a) below and every fifteen (15) years thereafter, and will be equal to ten percent (10%) of the appraised fair market value of the Premises as determined by an MAI appraiser selected by and at the sole cost of the Tenant. Any such adjustment will be made to the Residual Rent and not to the Base Rent.

4.01(b) If the Tenant elects to extend the term of this Ground Lease pursuant to ARTICLE 2 above, Annual Rent (along with any potential future adjustments) during any such extended term will be set by mutual agreement of the parties; provided, however, that Annual Rent during the extended term will in no event be less than the Annual Rent set forth in Section 4.01(a) above. If the parties cannot agree on Annual Rent for the extended term, either party may invoke a neutral third-party process and the parties will agree on a neutral third-party appraiser to set the Annual Rent at fair market rent in accordance with the then-prevailing practice for resolving similar rent determination disputes in San Francisco or, in the event that there is no then-prevailing practice, in accordance with the rules of the American Arbitration Association. Notwithstanding the foregoing, after the neutral third-party process, Tenant, in its sole discretion, may rescind the Extension Notice prior to the Initial Termination Date if it does not wish to extend the Term of this Ground Lease.

4.02 Base Rent

4.02(a) "**Base Rent**" means, in any given Lease Year, Fifteen Thousand and No/100 Dollars (\$15,000.00) per annum, plus the escalation described in this subsection commencing on January 1, 2042 ; provided, however, that if the Tenant or any Subsequent Owner fails, after notice and opportunity to cure, to comply with the provisions of Section 9.01, then Base Rent will be increased to the full amount of Annual Rent. Commencing on January 1, 2042, and every fifteen years thereafter, Base Rent shall increase by Five Thousand and No/100 Dollars (\$5,000.00). Base Rent will be due and payable in arrears on January 31st of each Lease

Year; provided that the first Base Rent payment will be due in full on January 31, 2027 and will not be prorated.

4.02(b) If the Project does not have sufficient Project Income to pay Base Rent in any given Lease Year after the payment of (a) through (d) in the definition of Project Expenses, above, and the City has received written notice from Tenant regarding its inability to pay Base Rent from Project Income at least sixty (60) days before the Base Rent due date, along with supporting documentation for Tenant's position that it is unable to pay Base Rent from Project Income, then the unpaid amount will be deferred and all deferred amounts will accrue without interest until paid ("**Base Rent Accrual**"). The Base Rent Accrual will be due and payable each year from and to the extent Residual Receipts is available. Any Base Rent Accrual will be due and payable on the earlier of (i) sale of the Project and Leasehold Estate (but not a refinancing or foreclosure of the Project and Leasehold Estate); or (ii) termination of this Ground Lease (unless a new lease is entered into with a mortgagee under Section 26.09 below).

4.02(c) If Tenant has not provided City with the required written notice and documentation under Section 4.02(b) in connection with its claim that it cannot pay Base Rent due to insufficient Project Income, and/or the City has reasonably determined that Tenant's claim that it is unable to pay Base Rent is not supported by such documentation, the City will assess a late payment penalty of two percent (2%) for each month or any part thereof that any Base Rent payment is delinquent. This penalty will not apply to Base Rent Accrual that has been previously approved by the City under Section 4.02(b). The Tenant may request in writing that the City waive such penalties by describing the reasons for Tenant's failure to pay Base Rent and Tenant's proposed actions to ensure that Base Rent will be paid in the future. The City may, in its sole discretion, waive in writing all or a portion of such penalties if it finds that Tenant's failure to pay Base Rent was beyond Tenant's control and that Tenant is diligently pursuing reasonable solutions to such failure to pay.

4.03 Residual Rent. "**Residual Rent**" means, in any given Lease Year, [Four Hundred Eighty Thousand Dollars and No/00 (\$485,000.00)] (Annual Rent less Base Rent), subject to any periodic adjustments under Section 4.01(a). Residual Rent will be due in arrears on June 30th following each Lease Year. Residual Rent will be payable only to the extent of Residual Receipts as provided in Section 6.02(g) below and after full repayment of the MOHCD Loan, and any unpaid Residual Rent [will not accrue] [at a compound annual interest rate equal to AFR and will be paid in a later year from available Surplus Cash, but in all events all Residual Rent accrued during the first fifty-five years of the Term will be paid no later than _____, _____]. In the event that in any year Residual Receipts is insufficient to pay the full amount of the Residual Rent, Tenant will certify to the City in writing by June 30th that available Residual Receipts is insufficient to pay Residual Rent and Tenant will provide to City any supporting documentation reasonably requested by the City to allow City to verify the insufficiency.

4.04 Triple Net Lease. This Ground Lease is a triple net lease and the Tenant will be responsible to pay all costs, charges, taxes, impositions, and other obligations related to the Premises accruing after the Effective Date. If the City pays any such amounts, whether to cure a default or otherwise protect its interests hereunder, the City will be entitled to be reimbursed by Tenant the full amount of such payments as additional rent within thirty (30) days of written demand by the City. Failure to timely pay the additional rent will be a default by Tenant of this

Ground Lease. No occurrence or situation arising during the Term, or any Law, whether foreseen or unforeseen, and however extraordinary, relieves Tenant from its liability to pay all of the sums required by any of the provisions of this Ground Lease, or otherwise relieves Tenant from any of its obligations under this Ground Lease, or gives Tenant any right to terminate this Ground Lease in whole or in part.

4.04(a) Tenant's Compliance with City Business and Tax and Regulations Code. Tenant acknowledges that under Section 6.10-2 of the San Francisco Business and Tax Regulations Code, the City Treasurer and Tax Collector may require the withholding of payments to any vendor that is delinquent in the payment of any amounts that the vendor is required to pay the City under the San Francisco Business and Tax Regulations Code. If, under that authority, any payment City is required to make to Tenant under this Ground Lease is withheld, then City will not be in breach or default under this Lease, and the Treasurer and Tax Collector will authorize release of any payments withheld under this paragraph to Tenant, without interest, late fees, penalties, or other charges, upon Tenant coming back into compliance with its San Francisco Business and Tax Regulations Code obligations.

ARTICLE 5 CITY COVENANTS

The City is duly created, validly existing, and in good standing under the Law, and has full right, power, and authority to enter into and perform its obligations under this Ground Lease. The City covenants and warrants that, during the Term, Tenant and its Residential Occupants will have, hold, and enjoy peaceful, quiet, and undisputed possession of the Land, leased without hindrance or molestation by or from anyone so long as the Tenant is not in default under this Ground Lease. For the avoidance of doubt, Landlord will not mortgage its fee estate unless there is an express subordination of the fee mortgage to Tenant's Leasehold Estate, provided that such obligation in no way relates to the City's taxing authority or ability to pledge its full faith and credit related to any general obligation bond. If Landlord mortgages its interest in the fee estate during the term of any Lender's loan, Tenant may not subordinate the Ground Lease to the lien of that mortgage.

ARTICLE 6 TENANT COVENANTS

Tenant covenants and agrees for itself and its successors and assigns that:

6.01 Authority. Tenant is a duly formed California limited partnership under California law and has the full rights, power, and authority to enter into and perform its obligations under this Ground Lease.

6.02 Use of Premises and Rents. During the Term of this Ground Lease, Tenant and its successors and assigns will comply with the following requirements:

6.02(a) Permitted Uses. Except as provided in Sections 26.06 and 26.07 of this Ground Lease, Tenant will devote the Premises to, exclusively and in accordance with, the uses authorized by this Ground Lease, as specified in ARTICLE 9 below, which are the only uses permitted by this Ground Lease. Tenant acknowledges that a prohibition on the change in use contained in Section 9.01 is expressly authorized by California Civil Code section 1997.230 and is fully enforceable.

6.02(b) Non-Discrimination. Tenant will not discriminate against or segregate any person or group of persons on account of race, color, creed, religion, ancestry, national origin, sex, gender identity, marital or domestic partner status, sexual orientation, or disability (including HIV or AIDS status) in the sale, lease, rental, sublease, transfer, use, occupancy, tenure, or enjoyment of the Premises, or any part thereof, and Tenant or any person claiming under or through it will not establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy, of Residential Occupants, Non-residential Occupants, subtenants or vendees on the Premises, or any part thereof, except to the extent permitted by Law or required by funding source. Tenant will not discriminate against Residential Occupants with certificates or vouchers under the Section 8 program or any successor rent subsidy program.

6.02(c) Non-Discriminatory Advertising. All advertising (including signs) for sublease of the whole or any part of the Premises must include the legend “Equal Housing Opportunity” in type or lettering of easily legible size and design, or as required by applicable Law.

6.02(d) Access for Disabled Persons. Tenant will comply with all applicable Laws providing for access for persons with disabilities, including, but not limited to, the Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973.

6.02(e) Equal Opportunity Marketing and Selection Plan. No later than six (6) months before completion of the Project, Tenant will deliver to MOHCD for MOHCD's review and approval an affirmative plan for initial and ongoing marketing of the Residential Units and a written Residential Occupant selection procedure for initial and ongoing renting of the Residential Units based on MOHCD's then-current form of marketing and tenant selection plan (the “**Marketing and Tenant Selection Plan**”), all in compliance with the restrictions set forth in Section 9.01 and in form and substance acceptable to the City. Any Marketing and Tenant Selection Plan must follow the City's marketing requirements for such plans and comply with all federal and state fair housing laws. City acknowledges that marketing of the PBRA Units will also be subject to approval by HUD.

6.02(f) Lead-Based Paint. Tenant will comply with the regulations set forth in 24 CFR Part 35 and all applicable rules and orders issued thereunder which prohibit the use of lead-based paint in certain residential structures undergoing federally assisted construction and require the elimination of lead-based paint hazards.

6.02(g) Permitted Uses of Residual Receipts. All annual Project Income, before the calculation of Residual Receipts, will be used to pay Project Expenses, including but not limited to Base Rent, and Partnership Fees. If the Tenant is in compliance with MOHCD's Residual Receipts Policy, as amended from time to time, and all applicable requirements and agreements under this Ground Lease, Tenant will then use any Residual Receipts to make the following payments in the following order of priority:

- i. First to Base Rent Accrual payments, if any;

- ii. Second, to replenish the operating and replacement reserve account, if necessary, up to the amount required by Lenders and/or the Permitted Limited Partner;
- iii. Third, Fifty Percent (50%) of remaining Residual Receipts to the City, provided that the City's portion of Residual Receipts will be applied first to repayment of all City loans according to the terms of the MOHCD Loan Agreement, then to annual Residual Rent only after full repayment of such City loans;
- iv. Then, any remaining Residual Receipts may be used by Tenant for any purposes permitted under the amended and restated limited partnership agreement of Tenant, as it may be amended from time to time.

Notwithstanding the foregoing, Tenant and the City agree that the distribution of Residual Receipts may be modified based on the requirements of other Lenders.

6.03 City Deemed Beneficiary of Covenants. In amplification, and not in restriction, of the provisions of the preceding subsections, it is intended and agreed that the City will be deemed beneficiary of the agreements and covenants provided in this ARTICLE 6 for in its own right and also for the purposes of protecting the interests of the community and other parties, public or private, in whose favor or for whose benefit such agreements and covenants have been provided. Those agreements and covenants will run in favor of the City for the entire term of those agreements and covenants, without regard to whether the City has at any time been, remains, or is an owner of any land or interest therein, or in favor of, to which such agreements and covenants relate. The City will have the exclusive right, in the event of any breach of any such agreements or covenants, in each case, after notice and the expiration of cure periods, to exercise all the rights and remedies and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach of covenants, to which it or any other beneficiaries of such agreements or covenants may be entitled.

ARTICLE 7 ANNUAL INCOME COMPUTATION, AND CERTIFICATION

Upon written request by the City, Tenant will furnish to the City a list of the persons who are Residential Occupants, the specific unit that each person occupies, the household income of the Residential Occupants of each unit, the household size and the rent being charged to the Residential Occupants of each unit along with an income certification, in the form set forth in Attachment 5, for each Residential Occupant. In addition, each Residential Occupant must be required to provide any other information, documents, or certifications deemed necessary by the City to substantiate the Residential Occupant's income. If any state or federal agency requires an income certification for Residential Occupants containing the above-referenced information, the City will accept such certification in lieu of Attachment 5 as meeting the requirements of this Ground Lease. In addition to such initial and annual list and certification, Tenant will provide the same information and certification to the City regarding each Residential Occupant by no later than twenty (20) business days after such Residential Occupant commences occupancy.

ARTICLE 8 CONDITION OF PREMISES—"AS IS"

8.01 Tenant acknowledges and agrees that Tenant is familiar with the Land, the Land is being leased and accepted in its “as-is” condition, without any changes or alterations by the City, without representation or warranty of any kind, and subject to all applicable Laws governing their use, development, occupancy, and possession. Tenant further represents and warrants that Tenant has investigated and inspected, independently or through agents of Tenant's choosing, the condition of the Land and the suitability of the Land for Tenant's intended use. Tenant acknowledges and agrees that, except as provided in Section 8.03, neither the City nor any of its agents have made, and the City hereby disclaims, any representations or warranties, express or implied, concerning the rentable area of the Land, the physical or environmental condition of the Land, or the present or future suitability of the Land for Tenant's use, or any other matter whatsoever relating to the Land, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose; it being expressly understood that the Land is being leased in an “AS IS” condition with respect to all matters.

8.02 Accessibility Disclosure. California Civil Code Section 1938 requires commercial landlords to disclose to tenants whether the property being leased has undergone inspection by a Certified Access Specialist (“CASp”) to determine whether the property meets all applicable construction-related accessibility requirements. The law does not require landlords to have the inspections performed. Tenant is advised that the Land has not been inspected by a CASp.

8.03 Presence of Hazardous Substances. California law requires landlords to disclose to tenants the presence of certain Hazardous Substances. Tenant is advised that the Land may contain the contaminants described in the following report: a) Phase I Environmental Site Assessment Report dated December 17, 2025 prepared by Langan CA, Inc.

ARTICLE 9 PERMITTED AND PROHIBITED USES

9.01 Permitted Uses and Occupancy Restrictions. The permitted uses of the Project (in each instance, a “**Permitted Use**” and collectively, “**Permitted Uses**”) are limited to the rehabilitation and operation of seventy one (71) units of affordable rental housing for Qualified Households and one (1) manager’s unit, including thirty one (31) units rented to households referred by SFHA under the HAP Contract or other similar rental subsidy contracts and twenty four (24) units to be rented to households eligible under the PBRA Contract, respectively (collectively, the “**Residential Units**”), and common areas. Upon the completion of rehabilitation of the Project, one hundred percent (100%) of the Residential Units, with the exception of the manager’s unit, in the Project will be occupied by or available for rental by Residential Occupants certified as Qualified Households, as set forth in MOHCD’s Declaration of Restrictions and any amendments thereto mutually agreed upon by the parties. Residential Units must be occupied and rented in accordance with all applicable restrictions imposed on the Project by this Ground Lease and by Lenders for so long as such restrictions are required by the applicable Lender. In the event the HAP contract and/or PBRA contract is terminated, discounted, or reduced at no fault of Tenant with respect to the Project, then the applicable set aside under the applicable HAP contract and/or PBRA contract may be altered, but only to the extent necessary for the Project to remain financially feasible, as determined by City’s reasonable discretion, and subject to the requirements under the MOHCD Declaration of Restrictions.

9.02 Prohibited Uses. The following activities, by way of example only and without limitation, and any other use that is not a Permitted Use (in each instance, a “**Prohibited Use**” and collectively, “**Prohibited Uses**”), are inconsistent with this Ground Lease, are strictly prohibited and are considered Prohibited Uses:

9.02(a) any activity, or the maintaining of any object, that is not within the Permitted Use;

9.02(b) any activity, or the maintaining of any object, that will in any way increase the existing rate of, affect or cause a cancellation of, any fire or other insurance policy covering the Premises, any part thereof or any of its contents;

9.02(c) any activity or object that will overload or cause damage to the Premises;

9.02(d) any activity that constitutes waste or nuisance, including, but not limited to, the preparation, manufacture or mixing of anything that might emit any objectionable odors, noises, or lights onto adjacent properties, or the use of loudspeakers or sound or light apparatus that can be heard or seen outside the Premises;

9.02(e) any activity that will in any way injure, obstruct, or interfere with the rights of owners or occupants of adjacent properties, including, but not limited to, rights of ingress and egress;

9.02(f) any vehicle and equipment maintenance, including but not limited to, fueling, changing oil, transmission or other automotive fluids;

9.02(g) the storage of any and all excavated materials, including but not limited to, dirt, concrete, sand, asphalt, and pipes, except as necessary for construction of the Improvements;

9.02(h) the storage of any and all aggregate material, or bulk storage, such as wood or of other loose materials, except as necessary for construction of the Improvements; or

9.02(i) the washing of any vehicles or equipment except as necessary during construction or repair of the Improvements;;

9.02(j) bars, retail liquor sales, marijuana sales, or any other uses the cater exclusively to adults; and

ARTICLE 10 SUBDIVISION; CONSTRUCTION OF IMPROVEMENTS

10.01 Schedule of Performance. Tenant will undertake and complete all physical construction of the Improvements, as approved by the City, in accordance with the Schedule of Performance attached hereto as Attachment 2.

10.02 Reserved.

10.03 General Requirements and Rights of the City. All construction documents, including but not limited to preliminary and final plans and specifications for the rehabilitation of the Improvements by Tenant (collectively the “**Construction Documents**”) must be prepared by a person registered in and by the State of California to practice architecture and must be in conformity with this Ground Lease[, including any limitations established in the City’s reasonable approval of the schematic drawings, if any, preliminary construction documents, and final construction documents for the Premises,] and all applicable Laws. The architect will use, as necessary, members of associated design professions, including engineers and landscape architects. Notwithstanding anything to the contrary contained in this ARTICLE 10, the City hereby acknowledges that for purposes of this Ground Lease, the Final Construction Documents for the Project have been approved as of the Agreement Date.

10.04 City Approvals and Limitation Thereof. The Construction Documents must be approved by the City in the manner set forth below:

10.04(a) Compliance with Ground Lease. The City’s approval with respect to the Construction Documents is limited to determination of their compliance with this Ground Lease. The Construction Documents will be subject to general architectural review and guidance by the City as part of this review and approval process.

10.04(b) MOHCD Does Not Approve Compliance with Construction Requirements. The City’s approval is not directed to engineering or structural matters or compliance with local building codes and regulations, the Americans with Disabilities Act, or any other applicable Law relating to construction standards or requirements. Tenant further understands and agrees that the City is entering into this Ground Lease in its capacity as a property owner with a proprietary interest in the Land and not as a regulatory agency with police powers. Nothing in this Ground Lease will limit in any way Tenant’s obligation to obtain any required approvals from the City officials, departments, boards, or commissions having jurisdiction over the Premises. By entering into this Ground Lease, the City is in no way modifying or limiting Tenant’s obligation to cause the Premises to be used and occupied in accordance with all applicable Laws.

10.05 Construction to be in Compliance with Construction Documents and Law.

10.05(a) Compliance with City Approved Documents. The rehabilitation of the Improvements must be in compliance with the City-approved Construction Documents.

10.05(b) Compliance with Local, State and Federal Laws. The rehabilitation of the Improvements must be in strict compliance with all applicable Laws. Tenant understands and agrees that Tenant’s use of the Premises and the rehabilitation of the Improvements permitted under this Ground Lease will require authorizations, approvals, or permits from governmental regulatory agencies with jurisdiction over the Premises, including, without limitation, City agencies. Tenant will be solely responsible for obtaining any and all such regulatory approvals. Tenant may not seek any regulatory approval without first obtaining the written consent of the City as Landlord under this Ground Lease. Tenant will bear all costs associated with applying for and obtaining any necessary or appropriate regulatory approval and will be solely responsible for satisfying any and all conditions imposed by regulatory agencies as

part of a regulatory approval; provided, however, any such condition that could affect use or occupancy of the Premises or the City's interest therein must first be approved by the City in its sole discretion. Any fines or penalties levied as a result of Tenant's failure to comply with the terms and conditions of any regulatory approval will be immediately paid and discharged by Tenant, and the City will have no liability, monetary or otherwise, for any such fines or penalties. Tenant will indemnify, defend, and hold harmless the City and the other Indemnified Parties hereunder against all Claims (as such terms are defined in ARTICLE 21 below) arising in connection with Tenant's failure to obtain, or failure by Tenant, its agents, or invitees to comply with, the terms and conditions of any regulatory approval. except to the extent such Claims are caused by the City's or an Indemnified Party's (acting in its or their proprietary capacity as or related to City as landlord under this lease) gross negligence or willful misconduct

10.06 RESERVED.

10.07 RESERVED.

10.08 Issuance of Building Permits. Tenant will have the sole responsibility for obtaining all necessary building permits and will make application for such permits directly to the City's Department of Building Inspection. The City understands and agrees that Tenant may use the Fast Track method of permit approval for rehabilitation of the Improvements.

10.09 Performance and Payment Bonds. Before commencement of rehabilitation of the Improvements, Tenant will deliver to the City performance and payment bonds, each for the full value of the cost of rehabilitation of the Improvements, which bonds will name the City as co-obligee, or such other completion security which is acceptable to the City. The payment and performance bonds may be obtained by Tenant's general contractor and name Tenant, Lenders and the City as co-obligees.

10.10 City Approval of Changes after Commencement of Construction. Tenant may not approve or permit any change to the Construction Documents approved by the City that rises to the level of requiring a change order without the City's prior written consent. For purposes of this Ground Lease, Tenant will provide adequate and complete supporting documentation for analysis of the appropriateness of the change order request to MOHCD. Tenant's supporting documentation for the change order request will include confirmation that the requested change order has been reviewed, vetted/negotiated, and accepted by (with modifications where appropriate) Tenant and architect/engineer prior to submission to MOHCD. MOHCD will provide any questions, comments, or requests for additional information and/or supporting documentation to Tenant within five (5) business days of receipt of a change order request. In the event MOHCD requests additional information and/or supporting documentation, the review period will be extended by five (5) business days from MOHCD's receipt of such information and/or supporting documentation. MOHCD will promptly review and approve or disapprove of a change order request within the later of: (a) ten (10) business days of a complete submission by Tenant, including supporting documentation, or (b) five (5) business days of receipt of requested additional information and/or supporting documentation. In the event MOHCD fails to approve or disapprove the change order request within the foregoing review period, the change order will be deemed approved. If MOHCD denies a change order request, MOHCD will specify the reasons for the denial in writing. Tenant will submit on a monthly basis, or as requested by

MOHCD, a contingency balance report (in excel format or equivalent) which documents all change orders as approved, pending, or under review. Tenant will have the sole responsibility to obtain any other applicable approvals of change orders by other City departments or lenders.

10.11 Times for Construction. Tenant agrees for itself, and its successors and assigns to or of the Leasehold Estate or any part thereof, that Tenant and such successors and assigns will promptly begin and diligently prosecute to completion the rehabilitation of the Improvements on the Land, and that rehabilitation will be completed no later than the dates specified in the Schedule of Performance attached hereto as Attachment 2, subject to force majeure, unless such dates are extended by the City.

10.12 Force Majeure. For the purposes of any of the provisions of this Ground Lease, and notwithstanding anything to the contrary, neither the City nor Tenant, as the case may be, will be considered in breach or default of its obligations, and there will not be deemed a failure to satisfy any conditions with respect to the beginning and completion of rehabilitation of the Improvements, or progress in respect thereto, in the event of enforced delay in the performance of such obligations or satisfaction of such conditions, due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of God, acts of the public enemy, terrorism, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, general scarcity of materials, unusually severe weather, or delays of subcontractors due to unusual scarcity of materials or unusually severe weather; it being the purposes and intent of this provision that the time or times for the satisfaction of conditions to this Ground Lease including those with respect to rehabilitation of the Improvements, will be extended for the period of the enforced delay; provided, however, that the party seeking the benefit of the provisions of this paragraph must have notified the other party of the delay and its causes in writing within thirty (30) days after the beginning of any such enforced delay and requested an extension for the reasonably estimated period of the enforced delay; and, provided further, that this paragraph does apply to, and nothing contained in this paragraph will extend or will be construed to extend, the time of performance of any of Tenant's obligations to be performed before the commencement of construction, and the failure to timely perform pre-commencement of construction obligations will not extend or be construed to extend Tenant's obligations to commence, prosecute, and complete the rehabilitation of the Improvements in the manner and at the times specified in this Ground Lease.

10.13 Reports. Beginning when the rehabilitation of the Improvements commences and continuing until completion of the rehabilitation of the Improvements, Tenant will make a report in writing to the City every month, in such detail as may reasonably be required by the City, as to the actual progress of the Tenant with respect to the rehabilitation, including, but not limited to, monthly logs on change orders, general contractor contingency, Borrower's contingency, and allowances under the construction contracts. The MOHCD Monthly Project Update required under the MOHCD Loan Documents will satisfy this requirement.

10.14 Access to Premises. As of the Effective Date and until the City issues a Certificate of Completion (as defined in Section 11.01 below), Tenant will permit access to the Premises to the City whenever and to the extent necessary to carry out the purposes of the provisions of this Ground Lease, at reasonable times and upon reasonable advance notice, and on an emergency basis without notice whenever the City believes that emergency access is required. After the

City's issuance of a Certificate of Completion, access to the Premises will be governed by ARTICLE 24, below.

10.15 Notice of Completion. Promptly upon completion of the rehabilitation of the Improvements in accordance with the provisions of this Ground Lease, Tenant will file a Notice of Completion (“**NOC**”) and record the approved NOC in the San Francisco Recorder's Office. Tenant will provide the City with a copy of the recorded NOC.

10.16 Completion of Improvements by New Developer. In the event a Lender forecloses, obtains a deed in lieu of foreclosure, obtains a new lease in accordance with the terms hereof, or a Subsequent Owner otherwise realizes on the Premises and undertakes rehabilitation of the Improvements (“**New Developer**”): (a) the New Developer will not be bound by the provisions of the Schedule of Performance attached hereto as Attachment 2 with respect to any deadlines for the completion of the Improvements but will only be required to complete the Improvements with due diligence and in conformance with a new Schedule of Performance as agreed upon by the New Developer and the City; (b) the New Developer will only be required to complete the Improvements in accordance with all applicable building codes and ordinances, and the approved Construction Documents with such changes that are mutually agreed upon by the City and the New Developer under the following clause (c); and (c) the City and the New Developer will negotiate in good faith such reasonable amendments and reasonable modifications to ARTICLE 10 of this Ground Lease as the parties mutually determine to be reasonably necessary based on the financial and construction conditions then existing.

ARTICLE 11 RESERVED.

ARTICLE 12 CHANGES TO THE IMPROVEMENTS

12.01 Post-Completion Changes. The City has a particular interest in the Project and in the nature and extent of the permitted changes to the Premises. Accordingly, it imposes the following control on the Premises: during the term of this Ground Lease, neither Tenant, nor any voluntary or involuntary successor or assign, may make or permit any Change (as defined in Section 12.02) in the Premises, unless and until the express prior written consent for any change has been requested in writing from the City and received, and, if received, on such terms and conditions as the City may reasonably require. The City will not unreasonably withhold or delay its response to such a request.

12.02 Definition of Change. “**Change**” means any alteration, modification, addition, and/or substitution of or to the Land, the Improvements, and/or the density of development that differs materially from that which existed upon the completion of rehabilitation of the Improvements in accordance with this Ground Lease For purposes of the foregoing, “exterior” includes the roof of the Improvements. “Change” does not include any repair, maintenance, cosmetic interior alterations (e.g., paint, carpet, installation of moveable equipment and trade fixtures, and hanging of wall art) in the normal course of operation of the Project, or as may be required in an emergency to protect the safety and well-being of the Project's Residential Occupants.

12.03 Enforcement. Subject to ARTICLE 19 below, the City will have all remedies in law or equity (including, without limitation, restraining orders, injunctions, and/or specific performance), judicial or administrative, to enforce the provisions of this ARTICLE 12, including, without limitation, any threatened or actual breach or violation of this ARTICLE 12.

ARTICLE 13 TITLE TO IMPROVEMENTS

The City acknowledges that fee title to the Improvements will be vested in Tenant for the Term of this Ground Lease. It is the intent of the Parties that this Ground Lease and the Memorandum of Ground Lease will create a constructive notice of severance of the Improvements from the Land without the necessity of a deed from Lessor to Lessee. The City and Tenant agree that fee title to the Improvements will remain vested in Tenant during the Term, subject to Section 14.01 below; provided, however, that, subject to the rights of any Lenders and as further consideration for the City entering into this Ground Lease, at the expiration or earlier termination of this Ground Lease, fee title to all the Improvements will vest in the City without further action of any party, without any obligation by the City to pay any compensation to Tenant, and without the necessity of a deed from Tenant to the City. Without limiting the effectiveness of the previous sentence, upon the City's written request, on expiration or sooner termination of this Ground Lease, Tenant will execute and deliver to the City an acknowledged and good and sufficient grant deed conveying to the City Tenant's fee interest in the Improvements. Tenant will have the exclusive right to deduct, claim, retain and enjoy any and all rental income appreciation, gain, depreciation, amortization, and tax credits for federal and State tax purposes relating thereto, substitution therefor, fixtures therein and other property relating thereto.

ARTICLE 14 ASSIGNMENT, SUBLEASE, OR OTHER CONVEYANCE

14.01 Assignment, Sublease, or Other Conveyance by Tenant. Tenant will not cause or permit any voluntary transfer, assignment, or encumbrance of its Leasehold Estate or its interest in the Premises or of any ownership interests in Tenant, or lease or permit a sublease on all or any part of the Premises, other than: (a) leases, subleases, or occupancy agreements to Residential Occupants; 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 the City in its reasonable discretion, including subsequent transfer through foreclosure or assignment in lieu of foreclosure under such security interests, (c) transfers from Tenant to a limited partnership or limited liability company formed for the tax credit syndication of the Project, where Tenant or an affiliated nonprofit public benefit corporation is the sole general partner or manager of that entity; (d) transfers of the general partnership or manager's interest in Tenant to a nonprofit public benefit corporation approved in advance by the City; (e) transfers of any limited partnership or membership interest in Tenant to an investor under the tax credit syndication of the Project and transfers of any limited partner interest in Tenant to affiliates of the Permitted Limited Partner in accordance with the terms of the Tenant's partnership agreement; (f) the grant or exercise of an option agreement between Borrower and Borrower's general partner or manager or any of its affiliates in connection with the tax credit syndication of the Project where such agreement has been previously approved in writing by the City; (g) transfer to Lender(s) or affiliates of Lender(s) through foreclosure or assignment in lieu of foreclosure as provided in this Ground Lease; or (h) to remove or replace the General Partner in accordance with the terms of

the Partnership Agreement, a transfer of any general partnership interest to a new general partner approved in advance by the City. Any other transfer, assignment, encumbrance, or lease without the City's prior written consent will be voidable and, at the City's election, constitute a 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 Ground Lease. Tenant will provide any background or supporting documentation that the City may require in assessing Tenant's request for approval.

14.02 Assignment, Sublease, or Other Conveyance by the City. The parties acknowledge that any sale, assignment, transfer, or conveyance of all or any part of the City's interest in the Land, the Improvements, or this Ground Lease, is subject to this Ground Lease. The City will require that any purchaser, assignee, or transferee expressly assume all of the obligations of the City under this Ground Lease by a written instrument recordable in the Official Records of the City. This Ground Lease will not be affected by any such sale, and Tenant will attorn to the purchaser or assignee.

ARTICLE 15 TAXES

Subject to any available exemptions, Tenant will pay, or cause to be paid, before delinquency to the proper authority, any and all valid taxes, assessments, and similar charges on the Premises that become effective after the Effective Date of this Ground Lease, including all real and personal property taxes, real property transfer taxes, general and special assessments, real property transfer taxes, license fees, permit fees and all other governmental charges of any kind or nature whatsoever, including without limitation all penalties and interest thereon, levied or assessed on the Premises, on Tenant's Property, the leasehold or subleasehold estate or Tenant's use of the Premises, or any transfer of a leasehold interest or subleasehold interest in the Premises (including but not limited to, any transfer of the leasehold interest in the Premises pursuant to this Lease) whether under Laws in effect at the time this Lease is entered into or that become later effective, and all taxes levied or assessed on the possession, use, or occupancy of the Premises. Tenant will not permit any taxes, assessments, or other similar charges to become a defaulted lien on the Premises; provided, however, that in the event any tax, assessment, or similar charge is payable in installments, Tenant may make, or cause to be made, payment in installments; and, provided further, that Tenant may contest the legal validity or the amount of any tax, assessment, or similar charge, through any proceeding Tenant considers reasonably necessary or appropriate, and Tenant may defer the payment so long as the validity or amount is contested by Tenant in good faith and without expense to the City. If Tenant contests a tax, assessment, or other similar charge, then Tenant will protect, defend, and indemnify the City against all Claims resulting from the contest, and if Tenant is unsuccessful in the contest, Tenant will immediately pay, discharge, or cause to be paid or discharged, the tax, assessment, or other similar charge. The City will furnish any information Tenant may reasonably request in connection with a contest, so long as that information is in the City's possession or control or is otherwise available to the public. The City consents to and will reasonably cooperate and assist with Tenant applying for and obtaining any applicable exemptions from taxes, or assessments, or other similar charges levied on the Premises, or on Tenant's interest therein.

ARTICLE 16 RESERVED

ARTICLE 17 MAINTENANCE AND OPERATION

17.01 Maintenance. Tenant, at all times during the Term, will maintain or cause to be maintained the Premises in good condition and repair to the reasonable satisfaction of the City, including the exterior, interior, substructure, and foundation of the Improvements and all fixtures, equipment, and landscaping from time to time located on the Premises or any part of them. The City will not be obligated to make any repairs, replacements, or renewals of any kind, nature, or description whatsoever to the Premises or any buildings or improvements now or later located on the Land. Tenant will, at its sole expense, maintain any sidewalk and sidewalk area adjacent to the Premises in a good and safe condition in accordance with San Francisco Public Works Code Section 706 or any successor ordinance concerning the sidewalk maintenance within the City and County of San Francisco. Tenant will be considered an “owner” under Public Works Code Section 706 regarding the maintenance of any sidewalk and sidewalk area adjacent to the Premises. Tenant waives all rights to make repairs at the City's expense under Sections 1932(1), 1941 and 1942 of the California Civil Code or under any similar Law now or later in effect.

17.02 City's Consent for Work Requiring a Permit. Following rehabilitation of the Improvements, Tenant will not make, or cause or suffer to be made, any repairs or other work for which a permit is required by any applicable building code, standard, or regulation without first obtaining the City's prior written consent and the required permit.

17.03 Capital Needs Assessment. Every five (5) years beginning on the fifth anniversary date of the issuance of the Certificate of Completion, Tenant will deliver to MOHCD a 20-year capital needs assessment or analysis of the Premises and replacement reserve requirements as set forth in MOHCD's Policy For Capital Needs Assessments dated November 5, 2013, as it may be amended from time to time. In accordance with the CNA Policy, Tenant must deliver to MOHCD an updated CNA every five (5) years after the Completion Date for approval.

17.04 City's Right to Inspect. Without limiting ARTICLE 24 below, the City may make periodic inspections of the Premises and other areas for which Tenant has obligations and may advise Tenant when maintenance or repair is required, but such right of inspection will not relieve Tenant of its independent responsibility to maintain the Premises and other areas as required by this Ground Lease in a condition as good as, or better than, their condition at the completion of the Improvements, excepting ordinary wear and tear.

17.05 City's Right to Repair. If Tenant fails to maintain or to promptly repair any damage as required by this Ground Lease, the City may repair the damage at Tenant's sole cost and expense and Tenant will immediately reimburse the City for all costs of the repair.

17.06 Operation. Following completion of the Improvements, Tenant will maintain and operate the consistent with the maintenance and operation of a safe, clean, well-maintained first-class mixed use residential/commercial project located in San Francisco. Tenant will be exclusively responsible, at no cost to the City, for the management and operation of the Premises, including, but not limited to, the Residential Units. In connection with managing and

operating the Premises, Tenant will provide (or require others to provide), services as necessary and appropriate to the uses to which the Project are put, including (a) repair and maintenance of the Improvements; (b) utility and telecommunications (including internet/Wi-Fi) services to the extent, if any, customarily provided by equivalent projects located in San Francisco; (c) cleaning, janitorial, pest extermination, recycling, composting, and trash and garbage removal; (d) landscaping and groundskeeping; (e) on-site personnel for the Premises; and (f) sufficient lighting at night for pedestrians along pathways. Tenant will use commercially reasonable efforts to ensure that the Premises are used continuously during the Term for the Permitted Use and not allow any portion of the Premises to remain unoccupied or unused without the prior written consent of the City, which consent may be withheld in the City's sole and absolute discretion.

ARTICLE 18 LIENS

Tenant will use its best efforts to keep the Premises free from any liens arising out of any work performed or materials furnished by itself or its subtenants. If a lien is filed, Tenant will have the right, upon posting of an adequate bond or other security, to contest any lien, and Tenant will satisfy or discharge the lien within ten (10) days after the final determination of the validity of the lien. If Tenant contests a lien, then Tenant will protect, defend, and indemnify the City against all Claims resulting therefrom. If Tenant does not cause a lien to be released of record or bonded around within twenty (20) days following written notice from the City of the imposition of the lien, or, if Tenant contests the lien but does not cause the lien to be satisfied or discharged as required under this Section, then the City will have, in addition to all other remedies provided in this Ground Lease and by Law, the right (but not the obligation) to cause the lien to be released by any means as it deems proper, including payment of the claim giving rise to such lien. All sums paid by the City for such purpose, and all reasonable expenses incurred by it in connection therewith, will be payable to the City by Tenant on demand. The provisions of this Section will not apply to any liens arising before the Effective Date that are not the result of Tenant's contractors, consultants, or activities.

ARTICLE 19 GENERAL REMEDIES

19.01 Application of Remedies. The provisions of this ARTICLE 19 govern the parties' remedies for breach of this Ground Lease.

19.02 Breach by the City. If Tenant believes that the City has materially breached this Ground Lease, Tenant will first notify the City in writing of the purported breach, giving the City one hundred twenty (120) days from receipt of such notice to cure the breach. If the City does not cure the breach within the 120-day period, or, if the breach is not reasonably susceptible to cure within that one hundred twenty (120) day period, begin to cure within one hundred twenty (120) days and diligently prosecute then cure to completion, then Tenant will have all of its rights at law or in equity by taking any or all of the following remedies: (i) terminating in writing this entire Ground Lease with the written consent of each Lender; (ii) prosecuting an action for damages; (iii) seeking specific performance of this Ground Lease; or (iv) any other remedy available at law or equity.

19.03 Breach by Tenant.

19.03(a) Default by Tenant

Subject to the notice and cure rights under Sections 19.03(b) and 19.04, the following events each constitute a basis for the City to take action against Tenant:

(i) Tenant fails to comply with the Permitted Uses and Occupancy Restrictions set forth in Section 9.01;

(ii) Tenant voluntarily or involuntarily assigns, transfers, or attempts to transfer or assign this Ground Lease or any rights in this Ground Lease, or in the Improvements, except as permitted by this Ground Lease or otherwise approved by the City;

(iii) From and after the Effective Date, Tenant, or its successor in interest, fails to pay real estate taxes or assessments or other similar charges on the Premises or any part thereof before delinquency, or places on the Premises any encumbrance or lien unauthorized by this Ground Lease, or suffers any levy or attachment, or any material supplier's or mechanic's lien or the attachment of any other unauthorized encumbrance or lien, and the taxes or assessments or other similar charges not have been paid, or the encumbrance or lien removed or discharged within the time period provided in ARTICLE 18; provided, however, that Tenant has the right to contest any tax or assessment or encumbrance or lien as provided in ARTICLE 15 and ARTICLE 18;

(iv) Tenant is adjudicated bankrupt or insolvent or makes a transfer to defraud its creditors, or makes an assignment for the benefit of creditors, or brings or is brought against Tenant any action or proceeding of any kind under any provision of the Federal Bankruptcy Act or under any other insolvency, bankruptcy, or reorganization act and, in the event such proceedings are involuntary, Tenant is not dismissed from the proceedings within sixty (60) days thereafter; or, a receiver is appointed for a substantial part of the assets of Tenant and such receiver is not discharged within sixty (60) days;

(v) Tenant breaches any other material provision of this Ground Lease;

(vi) Tenant fails to pay any portion of Annual Rent when due in accordance with the terms and provisions of this Ground Lease.

19.03(b) Notification and City Remedies. Upon the happening of any of the events described in Section 19.03(a) above, and before exercising any remedies, the City will notify Tenant, the Permitted Limited Partners, and each Lender in writing of the Tenant's purported breach, failure, or act in accordance with the notice provisions of ARTICLE 38, giving Tenant sixty (60) days from the giving of the notice to cure such breach, failure, or act. The City will accept or reject cure by the Permitted Limited Partner or Lender, as applicable, on the same terms as if rendered by Tenant within the time periods provided to Tenant. If Tenant, Permitted Limited Partner, or Lender does not cure or, if the breach, failure, or act is not reasonably susceptible to cure within that sixty (60) day period, begin to cure within sixty (60) days and

diligently prosecute such cure to completion, then, subject to the rights of any Lender and subject to Article 25 and Article 26, the City will have all of its rights at law or in equity, including,

(i) the remedy described in Section 1951.4 of the California Civil Code (a landlord may continue the lease in effect after a tenant's breach and abandonment and recover rent as it becomes due, if the tenant has the right to sublet and assign subject only to reasonable limitations) under which it may continue this Ground Lease in full force and effect and the City may enforce all of its rights and remedies under this Ground Lease, including the right to collect rent when due. During the period Tenant is in default, subject to the leases to residential tenants and such tenants' rights' thereunder and applicable landlord-tenant laws, the City may enter the Premises without terminating this Ground Lease and relet them, or any part of them, to third parties for Tenant's account. Tenant will be liable immediately to the City for all reasonable costs that the City incurs in reletting the Premises, including, but not limited to, broker's commissions, expenses of remodeling the Premises required by the reletting and like costs. Reletting can be for a period shorter or longer than the remaining Term, at such rents and on such other terms and conditions as the City deems advisable, subject to any restrictions applicable to the Premises. Tenant will pay the City the rent due under this Ground Lease on the dates the rent is due, less the rent the City receives from any reletting. If the City elects to relet, then rentals received by the City from the reletting will be applied in the following order: (1) to reasonable attorneys' and other fees incurred by the City as a result of a default and costs if suit is filed by the City to enforce its remedies; (2) to the payment of any costs of maintaining, preserving, altering, repairing, and preparing the Premises for reletting, the other costs of reletting, including but not limited to brokers' commissions, attorneys' fees and expenses of removal of Tenant's Personal Property and Changes; (3) to the payment of rent due and unpaid; (4) the balance, if any, will be paid to Tenant upon (but not before) expiration of the Term. If that portion of the rentals received from any reletting during any month that is applied to the payment of rent, is less than the rent payable during the month, then Tenant must pay the deficiency to the City. The deficiency will be calculated and paid monthly. No act by the City allowed by this Section will terminate this Ground Lease unless the City notifies Tenant that the City elects to terminate this Ground Lease. After Tenant's default and for as long as the City does not terminate Tenant's right to possession of the Premises by written notice, if Tenant obtains the City's consent Tenant will have the right to assign or sublet its interest in this Ground Lease, but Tenant will not be released from liability and the assignment or subletting will not serve to cure the default;

(ii) Subject to the terms of Articles 25 and 26 hereof, the City may terminate Tenant's right to possession of the Premises at any time subject to the leases to residential tenants and such tenants' rights' thereunder and applicable landlord-tenant laws No act by the City other than giving notice of termination to Tenant will terminate this Ground Lease. Acts of maintenance, efforts to relet the Premises, or the appointment of a receiver on the City's initiative to protect the City's interest under this Ground Lease will not constitute a termination of Tenant's right to possession. If the City elects to terminate this Ground Lease, then the City has the rights and remedies provided by California Civil Code Section 1951.2 (damages on termination for breach), including the right to terminate Tenant's right to possession of the Premises and to recover the worth at the time of award of the amount by which the unpaid Annual Rent and any additional charges for the balance of the Term after the time of award exceeds the amount of rental loss for the same period that Tenant proves could be reasonably

avoided, as computed pursuant to subsection (b) of such Section 1951.2. The City's efforts to mitigate the damages caused by Tenant's breach of this Ground Lease will not waive the City's rights to recover damages upon termination;

(iii) The right to have a receiver appointed for Tenant upon application by the City to take possession of the Premises and to apply any rental collected from the Premises and to exercise all other rights and remedies granted to the City under this Ground Lease;

(iv) seeking specific performance of this Ground Lease; or

(v) in the case of default under Section 19.03(a)(i), increasing the Base Rent to the full amount of the Annual Rent .

Notwithstanding the foregoing, during the 15-year tax credit "compliance period" (as defined in Section 42 of the Internal Revenue Code, as amended) for the Project, the City's right to terminate this Ground Lease as a remedy will be limited to Tenant's failure to cure a default under Section 19.01(a)(i) within an applicable cure period), subject to the rights of Lenders and the Permitted Limited Partner under this Ground Lease.

19.04 Rights of Permitted Limited Partner.

19.04(a) The City will accept or reject cure by the Permitted Limited Partner or Lender, as applicable, on the same terms as if rendered by Tenant within the time periods provided to Tenant herein.

19.04(b) If a Permitted Limited Partner cannot cure a default due to an automatic stay in Bankruptcy court because the general partner of the Tenant is in bankruptcy, any cure period will be tolled during the pendency of such automatic stay.

19.04(c) The City will not exercise its remedy to terminate this Ground Lease if a Permitted Limited Partner is attempting to cure the default and the cure requires removal of the managing general partner or any other action to satisfy the requirements of Section 19.03(a)(i), so long as the Permitted Limited Partner is proceeding diligently to remove the managing general partner or to comply with Section 19.03(a)(i), in order to effect a cure of the default.

19.04(d) Unless otherwise provided for in this Ground Lease, any limited partner that is not the Permitted Limited Partner identified in ARTICLE 38 wishing to become a Permitted Limited Partner must provide five (5) days written notice to the City in accordance with the notice provisions of this Ground Lease, setting forth a notice address and providing a copy of such notice to the Tenant and all of the Tenant's partners. The limited partner will become a Permitted Limited Partner upon the expiration of the five-day period. A limited partner will not be afforded the protections of this Section with respect to any default occurring before the limited partner becomes a Permitted Limited Partner.

19.05 City's Right to Cure Tenant's Default. If Tenant defaults in the performance of any of its obligations under this Ground Lease, the City may at any time thereafter after notice

and expiration of the applicable cure period (except in the event of an emergency as determined by the City, in which case the may act when the City determines necessary), remedy the default for Tenant's account and at Tenant's expense. Tenant will pay to the City as additional Base Rent, promptly upon demand, all sums expended by the City, or other costs, damages, expenses, or liabilities incurred by the City, including reasonable attorneys' fees, in remedying or attempting to remedy the default. Tenant's obligations under this Section will survive the termination of this Ground Lease. Nothing in this Section implies any duty of the City to do any act that Tenant is obligated to perform under any provision of this Ground Lease, and the City's cure or attempted cure of Tenant's default will not constitute a waiver of Tenant's default or any rights or remedies of the City on account of the default.

19.06 Waiver of Redemption. Tenant hereby waives, for itself and all persons claiming by and under Tenant, redemption or relief from forfeiture under California Code of Civil Procedure Sections 1174 and 1179, or under any other pertinent present or future Law, in the event Tenant is evicted or the City takes possession of the Premises by reason of any default of Tenant hereunder.

19.07 Remedies Not Exclusive. The remedies set forth in Section 19.03(b) are not exclusive; they are cumulative and in addition to any and all other rights or remedies of the City now or later allowed by Law. Tenant's obligations hereunder will survive any termination of this Ground Lease.

ARTICLE 20 DAMAGE AND DESTRUCTION

20.01 Insured Casualty. If the Premises or any part thereof are damaged or destroyed by any cause covered by any policy of insurance required to be maintained by Tenant under this Ground Lease, subject to the rights of Lenders, Tenant will promptly commence and diligently complete the restoration of the Premises as nearly as possible to the condition thereof before such damage or destruction; provided, however, that if more than fifty percent (50%) of the Improvements are destroyed or are damaged by fire or other casualty and if the insurance proceeds do not provide at least ninety percent (90%) of the funds necessary to complete the restoration, then Tenant, with the prior written consent of Lender, may terminate this Ground Lease within thirty (30) days after the date on which Tenant is notified of the amount of insurance proceeds available for restoration with any proceeds remaining after such restoration paid to Tenant.. If Tenant is required or elects to restore the Premises, then all proceeds of any policy of insurance required to be maintained by Tenant under this Ground Lease will, subject to any applicable rights of Lenders, be used by Tenant for that purpose and Tenant will make up from its own funds or obtain additional financing as reasonably approved by the City any deficiency between the amount of insurance proceeds available for the work of restoration and the actual cost. If Tenant elects to terminate this Ground Lease as provided under this Section 20.01, or elects not to restore the Premises, then the insurance proceeds will be divided in the order set forth in Section 20.03. Lender shall have the right to participate in any settlement of any insurance claim and no such settlement shall be entered into without the prior written consent of the First Mortgage Lender. Further, all proceeds of insurance shall be delivered to the senior-most Lender and administered in accordance with the terms of such Lender's Loan Documents.

20.02 Uninsured Casualty. If (i) more than 50% of the Improvements are damaged or destroyed and ten percent (10%) or more of the cost to complete the restoration is not covered by insurance required to be carried under this Ground Lease; and (ii) in the reasonable opinion of Tenant, the undamaged portion of the Improvements cannot be completed or operated on an economically feasible basis; and (iii) there is not available to Tenant any feasible source of third party financing for restoration reasonably acceptable to Tenant; then Tenant may, with the prior written consent of each Lender, other than the City, terminate this Ground Lease upon ninety (90) days written notice to the City. If it appears that the provisions of this Section 20.02 may apply to a particular event of damage or destruction, Tenant will notify the City promptly and not consent to any settlement or adjustment of an insurance award without the City's written approval, which approval will not be unreasonably withheld or delayed. If Tenant terminates this Ground Lease under this Section 20.02, then all insurance proceeds and damages payable by reason of the casualty will be divided among City, Tenant, and Lenders in accordance with the provisions of Section 20.03. If Tenant does not have the right, or elects not to exercise the right, to terminate this Ground Lease as a result of an uninsured or underinsured casualty, then Tenant will promptly commence and diligently complete the restoration of the Premises as nearly as possible to their condition before the damage or destruction in accordance with the provisions of Section 20.01 and will, subject to any applicable rights of Lenders, be entitled to all available insurance proceeds to do so.

20.03 Distribution of the Insurance Proceeds. If Tenant elects to terminate and surrender as provided in either Sections 20.01 or 20.02, then the priority and manner for distribution of the proceeds of any insurance policy required to be maintained by Tenant hereunder will be as follows:

20.03(a) First to the Lenders, in order of their priority, to control, disburse or apply to any outstanding loan amounts in accordance with the terms their respective Leasehold Mortgages and applicable Law;

20.03(b) Second, to pay for the cost of removal of all debris from the Premises or adjacent and underlying property, and for the cost of any work or service required by any Law, for the protection of persons or property from any risk, or for the abatement of any nuisance, created by or arising from the casualty or the damage or destruction caused thereby;

20.03(c) Third, to compensate City for any diminution in the value (as of the date of the damage or destruction) of the Premises caused by or arising from the damage or destruction; and

20.03(d) The remainder to Tenant.

20.04 Clean-up of Premises. If Tenant terminates this Ground Lease under the provisions of Sections 20.01 or 20.02, then Tenant must all clean up and remove all debris from the Premises and adjacent and underlying property and leave the Premises in a clean and safe condition and in compliance with all Laws upon surrender, as described in in Section 20.03(b). If the proceeds of any insurance policy are insufficient to pay the clean-up and other costs described in Section 20.03(b), then Tenant must pay the portion of the costs not covered by the

insurance proceeds after payment of all outstanding loan amounts secured by the Leasehold Mortgages (in their order of priority).

20.05 Waiver. Tenant and the City intend that this Ground Lease fully govern all of their rights and obligations in the event of any damage or destruction of the Premises. Accordingly, the City and Tenant each hereby waive the provisions of Sections 1932(2), 1933(4), 1941 and 1942 of the California Civil Code, as such sections may from time to time be amended, replaced, or restated.

ARTICLE 21 DAMAGE TO PERSON OR PROPERTY; HAZARDOUS SUBSTANCES; INDEMNIFICATION

21.01 Damage to Person or Property—General Indemnification. City will not in any event whatsoever be liable for any injury or damage to any person happening on or about the Premises, for any injury or damage to the Premises, or to any property of Tenant, or to any property of any other person, entity, or association on or about the Premises, unless arising from the active gross negligence or willful misconduct of the City or any of its commissioners, officers, agents, or employees. Tenant will defend, hold harmless, and indemnify the City including, but not limited to, its boards, commissions, commissioners, departments, agencies, and other subdivisions, officers, agents, and employees (each, an “**Indemnified Party**” and collectively the “**Indemnified Parties**”), of and from all claims, loss, damage, injury, actions, causes of action, and liability of every kind, nature and description (collectively, “**Claims**”) incurred in connection with or directly or indirectly arising from the Premises, this Ground Lease, Tenant’s tenancy, its or their use of the Premises, including adjoining sidewalks and streets, and any of its or their operations or activities thereon or connected thereto; all regardless of the active or passive negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on, the Indemnified Parties, except to the extent that the indemnity is void or otherwise unenforceable under applicable Law in effect on or validly retroactive to the date of this Ground Lease and further excepting only such Claims that are caused exclusively by the willful misconduct or active gross negligence of the Indemnified Parties. The foregoing indemnity will include, without limitation, reasonable fees of attorneys, consultants, and experts and related costs and the City’s costs of investigating any Claim. Tenant specifically acknowledges and agrees that it has an immediate and independent obligation to defend the City from any claim that actually or potentially falls within any indemnity provision set forth in this Ground Lease even if such allegation is or may be groundless, fraudulent, or false, which obligation arises at the time such claim is tendered to Tenant by the City and continues at all times thereafter. Notwithstanding the foregoing, this Article 21 shall not be deemed or construed to and shall not impose any obligation to indemnify and save harmless the Indemnified Parties from any claim, loss, damage, liability or expense of any nature whatsoever, arising from or in any way related to or connected with any willful misconduct or gross negligence by an Indemnified Party. Tenant’s obligations under this Article will survive the termination or expiration of this Ground Lease.

21.02 Hazardous Substances—Indemnification.

21.02(a) Tenant will indemnify, defend, and hold the Indemnified Parties harmless from and against any and all Claims of any nature whatsoever (including, without

limitation, the reasonable fees and disbursements of counsel and engineering consultants) incurred by or asserted against any Indemnified Party in connection with, arising out of, in response to, or in any manner relating to violation of any Environmental Law, or any Release, threatened Release, and any condition of pollution, contamination or Hazardous Substance-related nuisance on, under or from the Premises.

21.02(b) For purposes of this Section 21.02, the following definitions apply:

(i) **“Hazardous Substance”** has the meaning set forth in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended as of the date of this Ground Lease, 42 U.S.C. 9601(14), and in addition includes, without limitation, petroleum (including crude oil or any fraction thereof) and petroleum products, asbestos, asbestos-containing materials, polychlorinated biphenyls (**“PCBs”**), PCB-containing materials, all hazardous substances identified in the California Health & Safety Code 25316 and 25281(d), all chemicals listed under the California Health & Safety Code 25249.8, and any substance deemed a hazardous substance, hazardous material, hazardous waste, or contaminant under Environmental Law. The foregoing definition does not include substances that occur naturally on the Premises or commercially reasonable amounts of hazardous materials used in the ordinary course of construction and operation of a residential development, provided they are used and stored in accordance with all applicable Laws.

(ii) **“Environmental Law”** means all Laws governing hazardous waste, wastewater discharges, drinking water, air emissions, Hazardous Substance releases or reporting requirements, Hazardous Substance use or storage, and employee or community right-to-know requirements related to the work being performed under this Ground Lease.

(iii) **“Release”** means any spillage, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment, including the abandonment or discharging of barrels, containers, and other closed receptacles containing any Hazardous Substance.

21.03 Exculpation and Waiver. Tenant, as a material part of the consideration to be rendered to the City, hereby waives any and all Claims, including without limitation all Claims arising from the joint or concurrent, active or passive, negligence of the Indemnified Parties, but excluding any Claims caused solely by the Indemnified Parties' willful misconduct or active gross negligence. The Indemnified Parties will not be responsible for or liable to Tenant, and Tenant hereby assumes the risk of, and waives and releases the Indemnified Parties from all Claims for, any injury, loss, or damage to any person or property in or about the Premises by or from any cause whatsoever including, without limitation, (a) any act or omission of persons occupying adjoining premises or any part of the Premises adjacent to or connected with the Premises, (b) theft, (c) explosion, fire, steam, oil, electricity, water, gas or rain, pollution or contamination, (d) stopped, leaking, or defective building systems, (d) construction or Premises defects, (f) damages to goods, wares, goodwill, merchandise, equipment, or business opportunities, (g) Claims by persons in, on or about the Premises or any other City property for any cause arising at any time, (h) alleged facts or circumstances of the process or negotiations leading to this Ground Lease before the Effective Date and (i) any other acts, omissions, or causes.

21.04 Tenant understands and expressly accepts and assumes the risk that any facts concerning the Claims released in this Ground Lease might be found later to be other than or different from the facts now believed to be true, and agrees that the releases in this Ground Lease will remain effective. Therefore, with respect to the Claims released in this Ground Lease, Tenant waives any rights or benefits provided by Section 1542 of the Civil Code, which reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Tenant specifically acknowledges and confirms the validity of the release made above and the fact that Tenant was represented by counsel who explained the consequences of the release at the time this Ground Lease was made, or that Tenant had the opportunity to consult with counsel, but declined to do so.

21.05 Insurance. The Indemnification requirements under this Ground Lease, or any other agreement between the City and Tenant, will in no way be limited by any insurance requirements under any such agreements.

21.06 Survival. The provisions of ARTICLE 21 will survive the expiration or earlier termination of this Ground Lease.

ARTICLE 22 INSURANCE

22.01 Insurance. The Tenant must maintain insurance meeting the requirements of this Article.

22.01(a) Insurance Requirements for Tenant. During the term of this Ground Lease, Tenant will procure and maintain insurance against claims for injuries to persons or damage to property that may arise from or in connection with the performance of any work by the Tenant, its agents, representatives, employees or subcontractors and the Tenant's use and occupancy of the Premises.

22.01(b) Minimum Scope of Insurance. Coverage must be at least as broad as:

(i) Insurance Services Office Commercial General Liability coverage (form CG 00 01—"Occurrence") or other form approved by the City's Risk Manager.

(ii) Insurance Services Office Automobile Liability coverage, code 1 (form CA 00 01—"Any Auto") or other form approved by the City's Risk Manager.

(iii) Workers' Compensation insurance as required by the State of California and Employer's Liability insurance.

(iv) Professional Liability Insurance: Tenant will require that all architects, engineers, and surveyors for the Project have liability insurance covering all negligent acts, errors, and omissions. Tenant will provide the City with copies of consultants' insurance certificates showing that coverage.

(v) Insurance Services Office Property Insurance coverage (form CP 10 30 60 95—"Causes of Loss—Special Form") or other form approved by the City's Risk Manager.

(vi) Crime Policy or Fidelity Bond covering the Tenant's officers and employees against dishonesty with respect to the use of City funds.

22.01(c) Minimum Limits of Insurance. Tenant must maintain limits no less than:

(i) General Liability: Commercial General Liability insurance with 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 blanket contractual liability (including tort liability and of another party and Tenant's liability of injury or death to persons and damage to property set forth in Section 21.01 above); 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 Tenant is conducting any activity on, alteration or improvement to the Premises with risk of explosion, collapse, or underground hazards; the use of an umbrella/excess liability policy(ies) to reach the limits required is permitted;

(ii) Automobile Liability: Business Automobile Liability insurance with no less than One Million Dollars (\$1,000,000) combined single limit per accident for bodily injury and property damage, including owned (if any), hired, and non-owned auto coverage, as applicable.

(iii) Workers' Compensation and Employers Liability: Workers' Compensation, in statutory amounts, with Employers' Liability limits not less than One Million Dollars (\$1,000,000) each accident, injury, or illness.

(iv) Professional Liability: Professional Liability insurance of no less than One Million Dollars (\$1,000,000) per claim and Two Million Dollars (\$2,000,000) annual aggregate limit covering all negligent acts, errors, and omissions of Tenant's architects, engineers, and surveyors. If the Professional Liability Insurance provided by the architects, engineers, or surveyors is "claims made" coverage, Tenant must assure that these minimum limits are maintained for no less than three (3) years beyond completion of the construction or remodeling.

(v) Crime Policy or Fidelity Bond: Crime Policy or Fidelity Bond of no less than Seventy-Five Thousand Dollars (\$75,000) each loss, with any deductible not to exceed Twenty Five Thousand Dollars (\$25,000) each loss.

(vi) Pollution Liability and/or Asbestos Pollution Liability: Pollution Liability and/or Asbestos Pollution Liability applicable to the work being performed, with a limit no less than \$1,000,000 per claim or occurrence and \$2,000,000 aggregate per policy period of one year; this coverage must be endorsed to include Non-Owned Disposal Site coverage. This policy may be provided by the Tenant's contractor, provided that the policy must be "claims made" coverage and Tenant must require Tenant's contractor to maintain these minimum limits for no less than three (3) years beyond completion of the Project.

(vii) Property Insurance:

(1) Before construction:

a. Property insurance, excluding earthquake[and flood], in the amount no less than One Hundred Percent (100%) of the then-current replacement cost of all improvements before commencement of construction and City property in the care, custody, and control of the Tenant 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; start up, testing and machinery breakdown including electrical arcing; and with a deductible not to exceed Two Hundred Fifty Thousand Dollars (\$250,000) each loss, including the City and as loss payees.

b. During the course of construction:

i. If Borrower's Property insurance cannot cover the project during construction, Builder's risk insurance shall be required,, special form coverage, excluding earthquake, for one hundred percent (100%) of the then-current replacement cost of all completed improvements and City property in the care, custody, and control of the Tenant 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; 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 Two Hundred Fifty Thousand Dollars (\$250,000) each loss, including the City as loss payees.

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

(2) Upon completion of construction:

a. Property insurance, excluding earthquake, in the amount no less than One Hundred Percent (100%) of the then-current replacement value of all improvements and City property in the care, custody, and control of the Tenant or its contractor. For rehabilitation/construction projects that are unoccupied by Residential Occupants, Tenant must obtain Property Insurance by the date that the project receives a Certificate of Substantial Completion.

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

22.01(d) Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions in excess of \$25,000 must be declared to and approved by the City's Risk Manager. At the option of City's Risk Manager, either: the insurer will reduce or eliminate the deductibles or self-insured retentions with respect to the City and County of San Francisco, and their respective commissioners, members, officers, agents, and employees; or the Tenant must procure a financial guarantee satisfactory to the City's Risk Manager guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

22.01(e) Other Insurance Provisions. The policies must contain, or be endorsed to contain, the following provisions:

(i) General Liability and Automobile Liability Coverage: The "City and County of San Francisco and their respective commissioners, members, officers, agents, and employees" are to be covered as additional insured with respect to: liability arising out of activities performed by or on behalf of the Tenant related to the Project; products and completed operations of the Tenant, premises owned, occupied or used by the Tenant related to the Project; and automobiles owned, leased, hired, or borrowed by the Tenant for the operations related to the Project. The coverage may not contain any special limitations on the scope of protection afforded to the City and its Commissioners, members, officers, agents, or employees.

(ii) Workers' Compensation and Property Insurance: The insured will agree to waive all rights of subrogation against the "City and County of San Francisco, and their respective commissioners, members, officers, agents, and employees" for any losses in connection with this Project.

(iii) Claims-made Coverage: If any of the required insurance is provided under a claims-made form, Tenant will maintain such coverage continuously throughout the term of this Ground Lease and, without lapse, for a period of three years beyond the expiration of this Ground Lease, to the effect that, if occurrences during the contract term give rise to claims made after expiration of the Ground Lease, then those claims will be covered by the claims-made policies.

(iv) All Coverage. Each insurance policy required by this Article must:

(1) Be endorsed to state that coverage will not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice has been given to City, except in the event of suspension for nonpayment of premium, in which case ten (10) days' notice will be given.

(2) Contain a clause providing that the City and its officers, agents and employees will not be liable for any required premium.

(3) For any claims related to this Ground Lease, the Tenant's insurance coverage will be primary insurance with respect to the City and its commissioners, members, officers, agents, and employees. Any insurance or self-insurance maintained by the City or its commissioners, members, officers, agents, or employees will be in excess of the Tenant's insurance and will not contribute with it.

(4) The Tenant's insurance will apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

(5) Any failure to comply with reporting provisions of the policies will not affect coverage provided to the City and its commissioners, members, officers, agents, or employees.

(6) Approval of Tenant's insurance by the City will not relieve or decrease the liability of Tenant under this Ground Lease.

(7) The City reserves the right to require an increase in insurance coverage if the City determines that conditions (including, but not limited to, property conditions, market conditions, or commercially reasonable practice) show cause for an increase, unless Tenant demonstrates to the City's satisfaction that the increased coverage is commercially unreasonable and unavailable to Tenant.

22.01(f) Acceptability of Insurers. All insurers must have a Best's rating of no less than A-VIII or as otherwise approved by the City's Risk Manager.

22.01(g) Verification of Coverage. Tenant will furnish City with certificates of insurance and with original endorsements effecting coverage required by this clause at the commencement of this Ground Lease and annually thereafter. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. City reserves the right to require complete, certified copies of all required insurance policies, including endorsements demonstrating the coverage required by these specifications at any time.

22.01(h) Contractor, Subcontractors, and Consultants Insurance. Tenant must include all subcontractors and consultants as additional insureds under its policies or furnish separate certificates and endorsements for each. Tenant will require the subcontractor(s) and consultants to provide all necessary insurance and to name the City and County of San Francisco, and their respective commissioners, members, officers, agents, and employees and the Tenant as additional insureds. All coverage for subcontractors and consultants will be subject to all of the requirements stated herein unless otherwise approved by the City's Risk Manager.

ARTICLE 23 COMPLIANCE WITH APPLICABLE LEGAL REQUIREMENTS

23.01 Compliance with Legal Requirements. From and after the Effective Date, Tenant will at its cost and expense, promptly comply with all applicable Laws now in force or that may later be in force, including, without limitation, the requirements of the fire department or other similar body now or later constituted and with any direction or occupancy certificate issued

under any Law as any of them may relate to or affect the condition, use, or occupancy of the Land. If Tenant contests any of the foregoing, Tenant will not be obligated to comply therewith to the extent that the application of the contested Law is stayed by the operation of law or administrative or judicial order and Tenant indemnifies, defends, and holds harmless the Indemnified Parties against all Claims resulting from noncompliance.

23.02 Regulatory Approvals. Tenant understands and agrees that the City is entering into this Ground Lease in its capacity as a landowner with a proprietary interest in the Premises and not as a regulatory agency with certain police powers. Tenant understands and agrees that neither entry by the City into this Ground Lease nor any approvals given by the City under this Ground Lease will be deemed to imply that Tenant has thereby obtained any required approvals from City departments, boards, or commissions that have jurisdiction over the Premises. By entering into this Ground Lease, the City is in no way modifying or limiting the obligations of Tenant to develop the Project in accordance with all Laws and as provided in this Ground Lease.

Tenant understands that the rehabilitation of the Improvements on the Land and development of the Project will require approval, authorization, or permit by governmental agencies with jurisdiction, which may include the City's Planning Commission and/or Zoning Administrator and the Department of Building Inspection. Tenant must use good faith efforts to obtain and will be solely responsible for obtaining any approvals required for the Project in the manner set forth in this Section. Tenant will not seek any regulatory approval without first obtaining MOHCD's approval, which approval may not be unreasonably withheld or delayed. Throughout the permit process for any regulatory approvals, Tenant will consult and coordinate with MOHCD in Tenant's efforts to obtain permits. MOHCD will cooperate reasonably with Tenant in its efforts to obtain permits; provided, however, Tenant may not agree to the imposition of conditions or restrictions in connection with its efforts obtain a permit from any other regulatory agency if the City is required to be a co-permittee under the permit or the conditions or restrictions could create any financial or other material obligations on the part of the City whether on or off of the Premises, unless in each instance MOHCD has approved the conditions previously in writing and in MOHCD's reasonable discretion. No approval by MOHCD will limit Tenant's obligation to pay all the costs of complying with conditions under this Section. Tenant must bear all costs associated with applying for and obtaining any necessary regulatory approval, as well as any fines, penalties or corrective actions imposed as a result of Tenant's failure to comply with the terms and conditions of any regulatory approval.

With MOHCD's prior written consent, Tenant will have the right to appeal or contest any condition in any manner permitted by Law imposed upon any regulatory approval. In addition to any other indemnification provisions of this Ground Lease, Tenant must indemnify, defend, and hold harmless the City and its commissioners, officers, agents or employees from and against any and all Claims that may arise in connection with Tenant's failure to obtain or comply with the terms and conditions of any regulatory approval or with the appeal or contest of any conditions of any regulatory approval, except to the extent damage arises out of the active gross negligence or willful misconduct of the City or its agents.

ARTICLE 24 ENTRY

24.01 The City reserves for itself and its authorized representatives the right to enter the Premises at all reasonable times during normal business hours upon not less than forty-eight (48) hours' written notice to Tenant (except in the event of an emergency), subject to the rights of the occupants, tenants, and others lawfully permitted on the Premises, for any of the following purposes:

24.01(a) to determine whether the Premises is in good condition and to inspect the Premises (including soil borings or other Hazardous Substance investigations);

24.01(b) to determine whether Tenant is in compliance with its Ground Lease obligations and to cure or attempt to cure any Tenant default;

24.01(c) to serve, post, or keep posted any notices required or allowed under any of the provisions of this Ground Lease;

24.01(d) to do any maintenance or repairs to the Premises that the City has the right or the obligation, if any, to perform hereunder; and

24.01(e) to show the Premises to any prospective purchasers, brokers, Lenders, or public officials, or, during the last year of the Term of this Ground Lease, exhibit the Premises to prospective tenants or other occupants, and to post any reasonable "for sale" or "for lease" signs in connection therewith.

24.02 In the event of any emergency, as reasonably determined by the City, at its sole option and without notice, the City may enter the Premises, remove or alter any portion of the Premises, and alter or remove any of Tenant's personal property on or about the Premises as reasonably necessary, given the nature of the emergency. The City will have the right to use any and all means the City considers appropriate to gain access to any portion of the Premises in an emergency, in which case, the City will not be responsible for any damage or injury to any property, or for the replacement of any property, and no emergency entry may be deemed to be a forcible or unlawful entry onto or a detainer of the Premises, or an eviction, actual or constructive, of Tenant from the Premises or any portion thereof.

24.03 The City will not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of the City's entry onto the Premises, except to the extent damage arises out of the active gross negligence or willful misconduct of the City or its agents. The City will be responsible for any losses resulting from its active gross negligence or willful misconduct and will repair any resulting damage promptly.

24.04 Tenant will not be entitled to any abatement in Annual Rent if the City exercises any rights reserved in this Section, subject to Section 24.03 above.

24.05 The City will use its reasonable good faith efforts to conduct any activities on the Premises allowed under this Section in a manner that, to the extent practicable, will minimize any disruption to Tenant's use of the Premises as permitted by this Ground Lease.

ARTICLE 25 MORTGAGE FINANCING

25.01 No Encumbrances Except for Development Purposes. Notwithstanding any other provision of this Ground Lease and subject to the prior written consent of the City in the form attached hereto as Attachment 3, or listed in Section 25.01 below which consent will not be unreasonably withheld, conditioned, or delayed, Leasehold Mortgages are permitted to be placed on the Leasehold Estate only for the purpose of securing loans of funds to be used for financing the acquisition of the Project; refinancing of financing used to acquire or rehabilitate the Project; design, construction, renovation, rehabilitation, or reconstruction of the Improvements; and any other expenditures reasonably necessary and appropriate to acquire, own, develop, construct, renovate, or reconstruct the Project under this Ground Lease and in connection with the operation of the Project; and costs and expenses incurred or to be incurred by Tenant in furtherance of the purposes of this Ground Lease. The City, acting solely in its capacity as landlord under this Ground Lease and not in its capacity as a Project Lender, acknowledges and accepts [Capital One, National Association] as a Lender, MOHCD as a Lender, and GGA 1820 Post, L.P. as a Lender, or other CCDC-controlled entity as may be assigned, and consents to the Leasehold Mortgage associated with Lender's construction loan to Tenant for the Project. Notwithstanding City's acknowledgment of GGA 1820 Post, L.P. as a Lender under this Ground Lease, GGA 1820 Post, L.P. will have no rights as a Lender under this Ground Lease other than to encumber the Premises with a Mortgage.

25.02 Holder Not Obligated to Construct. The holder of any mortgage, deed of trust, or other security interest authorized by Section 25.01 ("**Holder**" or "**Lender**"), including the successors or assigns of the Holder, is not obligated to complete any rehabilitation of the Improvements or to guarantee such completion; and no covenant or any other provision of this Ground Lease may be construed to obligate the Holder. However, if the Holder undertakes to complete or guarantee the completion of the rehabilitation of the Improvements, except as provided in Section 26.06(b), nothing in this Ground Lease will be deemed or construed to permit or authorize the Holder or its successors or assigns to devote the Premises or any portion thereof to any uses, or to construct any Improvements on the Land, other than those authorized under Section 9.01 and any reasonable modifications in plans proposed by the Holder or its successors in interest proposed for the viability of the Project approved by the City in its reasonable discretion under Section 10.16. Except as provided in Section 26.06(b), to the extent any Holder or its successors in interest wish to change such uses or construct different improvements, Holder or its successors in interest must obtain the advance written consent of the City.

25.03 Failure of Holder to Complete Construction. In any case where six (6) months after assumption of obligations under Section 25.02 above, a Lender, having first exercised its option to complete the construction, has not proceeded diligently with completion of the construction, the City will have all the rights against the Holder it would otherwise have against Tenant under this Ground Lease for events or failures occurring after such assumption; subject to any extensions of time granted under Section 10.16 of this Ground Lease.

25.04 Default by Tenant and the City's Rights.

25.04(a) Right of City to Cure a Default or Breach by Tenant under a Leasehold Mortgage. In the event of a default or breach by Tenant under any Leasehold Mortgage, and Tenant's failure to timely commence or diligently prosecute cure of the default or breach, the City may, at its option, cure the breach or default during the one hundred ten (110) days after the date that the Lender files a notice of default. If the City undertakes to cure the default or breach, then the City will be entitled to reimbursement from Tenant of all costs and expenses reasonably incurred by the City. The City will also be entitled to a lien on the Leasehold Estate to the extent Tenant does not reimburse the costs and expenses. City's lien will be subject to the lien of any then-existing Leasehold Mortgage authorized by this Ground Lease, including any lien contemplated because of advances yet to be made. After ninety (90) days following the date of Lender filing a notice of default and expiration of all applicable cure periods under the terms of the applicable loan documents, the City will also have the right to assign Tenant's interest in the Ground Lease to another entity, subject to all Lenders' and Permitted Limited Partner's written consents, and which consent may be conditioned, among other things, on the assumption by the other entity of all obligations of the Tenant under the Leasehold Mortgage.

25.04(b) Notice of Default to City. Tenant will require Lender to give the City prompt written notice of any default or breach of the Leasehold Mortgage and each Leasehold Mortgage will provide for that notice to the City and contain the City's right to cure as above set forth.

25.05 Cost of Mortgage Loans to be Paid by Tenant. Tenant covenants and affirms that it will bear all of the costs and expenses in connection with (a) the preparation and securing of any Leasehold Mortgage, (b) the delivery of any instruments and documents and their filing and recording, if required, and (c) all taxes and charges payable in connection with any Leasehold Mortgage.

ARTICLE 26 PROTECTION OF LENDER

26.01 Notification to the City. Promptly on the creation of any Leasehold Mortgage and as a condition precedent to the existence of any of the rights set forth in this ARTICLE 26, Tenant will cause each Lender to give written notice to the City of the Lender's address and of the existence and nature of its Leasehold Mortgage. Execution of Attachment 3 will constitute City's acknowledgement of Lender's having given such notice as is required to obtain the rights and protections of a Lender under this Ground Lease. The City acknowledges that Capital One, National Association is the First Mortgage Lender and is deemed to have given such written notice as First Mortgage Lender and Attachment 3 is not required.

26.02 Lender's Rights to Prevent Termination. Subject to the terms of Section 26.03. each Lender has the right, but not the obligation, at any time before termination of this Ground Lease and without payment of any penalty other than the interest on unpaid rent, to pay all of the rents due under this Ground Lease, to effect any insurance, to pay any taxes and assessments and other similar charges, to make any repairs and improvements, to do any other act or thing required of Tenant or necessary and proper to be done in the performance and observance of the

agreements, covenants and conditions of this Ground Lease to prevent a termination of this Ground Lease to the same effect as if the same had been made, done, and performed by Tenant instead of by Lender.

26.03 Lender's Rights When Tenant Defaults. If any event of default under this Ground Lease occurs and is continuing, and is not cured within the applicable cure period, the City will not terminate this Ground Lease or exercise any other remedy, including but not limited to, the ability of the City to cause the full amount of Annual Rent to be converted to Base Rent in the event of noncompliance with Section 9.01, unless it first gives written notice of the event of default to Lender; and

26.03(a) If the event of default is a failure to pay a monetary obligation of Tenant, Lender will have sixty (60) days from the date of written notice from the City to Lender to cure the default; or

26.03(b) If the event of default is not a failure to pay a monetary obligation of Tenant, Lender will have ninety (90) days of receipt of the written notice is given by City to Lender to either (a) remedy such default; or (b) obtain title to the Leasehold Estate in lieu of foreclosure; or (c) to commence foreclosure or other appropriate proceedings in the nature thereof (including the appointment of a receiver) and thereafter diligently prosecute such proceedings to completion, in which case such event of default will be remedied or deemed remedied in accordance with Section 26.04 below. If, due to the nature of the default, the default is not capable of cure within one hundred twenty (120) days, then Lender may request from the City an extended period, together with the reasons for its request for extension. City will not unreasonably withhold its approval of such request.

26.03(c) All rights of the City to terminate this Ground Lease as the result of the occurrence of any uncured event of default is subject to, and conditioned upon, the City having first given Lender written notice of the event of default and Lender having failed to remedy such default or acquire Tenant's Leasehold Estate or commence foreclosure or other appropriate proceedings in the nature thereof as set forth in and within the time specified by this Section 26.03, and upon the Permitted Limited Partners having failed to proceed as permitted under Sections 19.04(b) or 26.06(b). Notwithstanding anything to the contrary contained herein, in no event shall any Lender be required, as a condition to preventing the termination of this Ground Lease, or obtaining a new ground lease hereunder, to (A) cure any default by Tenant under Section 25.04 of this Ground Lease, or (B) cure any default by Tenant in the payment of any amounts payable by Tenant under any indemnification provisions of this Ground Lease, and upon completion of a foreclosure (or deed in lieu thereof), all such defaults shall automatically be deemed cured and waived.

26.03(d) If the Ground Lease terminates because of a default by Tenant, Lender shall have a right to request a new lease as provided in Section 26.09(c), below.

26.04 Default That Cannot be Remedied by Lender. Any event of default under this Ground Lease that in the nature thereof cannot be remedied by Lender will be deemed to be remedied as it pertains to Lender or any Subsequent Owner if (a) within ninety (90) days after receiving notice from the City setting forth the nature of such event of default, Lender has

acquired Tenant's Leasehold Estate or has commenced foreclosure or other appropriate proceedings in the nature of foreclosure, (b) Lender is diligently prosecuting any such proceedings to completion, (c) Lender has fully cured any event of default arising from failure to pay or perform any monetary obligation in accordance with Section 26.03, and (d) after gaining possession of the Improvements, Lender diligently proceeds to perform all other obligations of Tenant as and when due in accordance with the terms of this Ground Lease.

26.05 Court Action Preventing Foreclosure. If Lender is prohibited by any process or injunction issued by any court or because of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving Tenant from commencing or prosecuting foreclosure or other appropriate proceedings in the nature of foreclosure, the times specified in Sections 26.03 and 26.04 above for commencing or prosecuting such foreclosure or other proceedings will be extended for the period of such prohibition. If this Ground Lease is terminated or rejected by Tenant in bankruptcy, then the City will enter into a new ground lease with the Lender on the same terms set forth in this Ground Lease. For purpose of this Article, if there is more than one Lender, the City will offer the new lease to each Lender in the order of priority until accepted.

26.06 Lender's Rights to Record, Foreclose, and Assign. With respect to any Leasehold Mortgage:

26.06(a) the Lender may cause its Leasehold Mortgage to be recorded and enforced under applicable law, including through foreclosure, and upon foreclosure, sell and assign the Leasehold Estate to an assignee from whom it may accept a purchase price; subject, however, to Lender's first securing written approval from City, which approval will not be unreasonably withheld, conditioned or delayed (provided, however, no such approval shall be required in the event of a sale through foreclosure (or deed in lieu of foreclosure) of the Leasehold Mortgage held by a Lender), and if the Subsequent Owner has elected to maintain the use restrictions of ARTICLE 9, the Subsequent Owner must be controlled by a California nonprofit public benefit corporation exempt from tax under Section 501(c)(3) of the Internal Revenue Code so that the Premises receive an exemption from state property taxes as provided under Section 214 of the California Revenue and Taxation Code (to the extent such exemption is then available). Furthermore, Lender may acquire title to the Leasehold Estate in any lawful way, and if the Lender becomes the assignee, then Lender may sell and assign the Leasehold Estate subject to City approval (which may not be unreasonably withheld, conditioned or delayed) and to the City's rights under Section 25.04.

26.06(b) each Subsequent Owner must take said Leasehold Estate subject to all of the provisions of this Ground Lease, and must, so long as and only so long as it is the owner of the Leasehold Estate, except as provided elsewhere in this Ground Lease, assume all of the obligations of Tenant under this Ground Lease; provided, however, that, subject to the rent provisions of Section 26.07 below, the Subsequent Owner will operate and maintain the Residential Units subject to any applicable regulatory agreement, restrictive covenant, or other encumbrance including, but not limited to, the MOHCD Declaration of Restrictions;

26.06(c) the City will mail or deliver to any Lender that has an outstanding Leasehold Mortgage a duplicate copy of all notices that the City may give to Tenant under this Ground Lease; and

26.06(d) any Permitted Limited Partners of Tenant will have the same rights as any Lender under Sections 26.02, 26.03, and 26.06(c), and any reference to a Lender in those sections will be deemed to include the Permitted Limited Partners; provided, however, that the rights of the Permitted Limited Partners are subordinate to the rights of any Lender and if a Lender forecloses or accepts an assignment in lieu or enters into a new lease in accordance with the terms hereof, the Permitted Limited Partners shall have no further rights under this Ground Lease.

26.06(e) Notwithstanding any term to the contrary contained herein, for so long as Capital One, National Association is the First Mortgage Lender with respect to the Leasehold Estate, the consent of Landlord shall not be required in connection with commencement of foreclosure or deed in lieu of foreclosure by the First Mortgage Lender or for the first assignment following the First Mortgage Lender's acquisition of Tenant's interest in the Premises through foreclosure or exercise of remedies in lieu of foreclosure under the Leasehold Mortgage, provided, however, that any such assignment shall be to an entity (Subsequent Owner) controlled by a California nonprofit public benefit corporation exempt from tax under Section 501(c)(3) of the Internal Revenue Code such that the Premises receives an exemption from state property taxes as provided under Section 214 of the California Revenue and Taxation Code (to the extent such exemption is then generally available) and such entity (Subsequent Owner) shall have elected to maintain the restrictions of Article 9. Any subsequent assignment or transfer of this Ground Lease shall require the reasonable consent of Landlord.

26.07 Ground Lease Rent after Lender Foreclosure or Assignment. From and after the time that the Subsequent Owner acquires title to the Leasehold Estate, City will forgive any accrued Annual Rent at the time of foreclosure, and it will not be an obligation of the Lender, its assignee, or the Subsequent Owner. After foreclosure or assignment of the Leasehold Estate to the Lender in lieu of foreclosure, if the Lender continues to operate the Project subject to the use and occupancy restrictions of Section 9.01, then Annual Rent otherwise due may, at the option of the Lender, be deferred until the earlier of the date of the Lender's sale or assignment of the Project to a Subsequent Owner. All deferred Annual Rent will accrue, with simple interest at six percent (6%) per annum until paid.

26.08 Permitted Uses After Lender Foreclosure. Notwithstanding the above, in the event of a foreclosure and transfer to a Subsequent Owner, then the Premises will be operated in accordance with the uses specified in the building permit with all addenda, as approved by the City's Department of Building Inspection.

26.09 Preservation of Leasehold Benefits. Until such time as a Lender notifies the City in writing that the obligations of Tenant under its loan documents have been satisfied:

26.09(a) subject to Section 19.03(b), the City will not voluntarily cancel or surrender this Ground Lease, or accept a voluntary cancellation or surrender of this Ground Lease by Tenant, or amend this Ground Lease to materially increase the obligations of the Tenant or the rights of the City under this Ground Lease, without the prior written consent of the Lender (which may not be unreasonably withheld or delayed);

26.09(b) the City will not enforce against a Lender any waiver or election made by the Tenant under this Ground Lease that has a material adverse effect on the value of the Leasehold Estate without the prior written consent of the Lender (which will not be unreasonably withheld or delayed);

26.09(c) if a Lender makes written request to the City for a new ground lease within fifteen (15) days after Lender receives written notice of termination of this Ground Lease, then the City will enter a new ground lease with the Lender or its designee commencing on the date of termination of this Ground Lease and ending on the normal expiration date of this Ground Lease, on substantially the same terms and conditions as this Ground Lease and subject to the rent provisions set forth in Section 26.07; so long as the Lender cures all unpaid monetary defaults under this Ground Lease, through the date of such termination ;

26.09(d) the City will provide reasonable prior notice to each Lender of any proceedings for adjustment or adjudication of any insurance or condemnation claim involving the Premises and will permit each Lender to participate the proceedings as an interested party and no settlement of any such claim may be entered into without the prior written consent of the First Mortgage Lender pursuant to the Loan Documents.

26.10 No Merger. The Leasehold Estate will not merge with the City's fee interest in the Land, notwithstanding ownership of the leasehold and the fee by the same person, without the prior written consent of each Lender.

26.11 City Bankruptcy.

26.11(a) If a bankruptcy proceeding is filed by or against the City, the City will immediately notify each Lender of the filing and will deliver a copy of all notices, pleadings, schedules, and similar materials regarding the bankruptcy proceedings to each Lender.

26.11(b) The City acknowledges that (i) the Tenant seeks to construct the Improvements on the Premises Land using proceeds of the loans provided by the Lenders, and (ii) it would be unfair to both the Tenant and the Lenders to sell the Premises free and clear of the Leasehold Estate. Therefore, the City waives its right to sell the City's fee interest in the Land under section 363(f) of the Bankruptcy Code, free and clear of the Leasehold Estate.

26.11(c) If a bankruptcy proceeding is filed by or on behalf of the City:

(i) Tenant will be presumed to have objected to any attempt by the City to sell the fee interest free and clear of the Leasehold Estate;

(ii) if Tenant does not so object, each Lender will have the right to so object on its own behalf or on behalf of the Tenant; and

(iii) in connection with any such sale, Tenant will not be deemed to have received adequate protection under section 363(e) of the Bankruptcy Code, unless it has received and paid to each Lender the outstanding balance under its respective loan.

26.11(d) City recognizes that the Lenders are authorized on behalf of Tenant to vote, participate in, or consent to any bankruptcy, insolvency, receivership, or court proceeding concerning the Leasehold Estate.

26.12 Amendment. From the Effective Date through the 15-year tax credit compliance period, neither ARTICLE 19, nor ARTICLE 20, nor Sections 26.02, 26.03, or 26.06 may be amended without the written consent of Permitted Limited Partner. No provision of this Ground Lease may be amended without the prior written consent of the First Mortgage Lender.

26.13 A Lender, and its subsequent assignees, that forecloses or otherwise acquires Tenant's interest under this Ground Lease will only be liable for acts or omissions of Tenant taking place during the time for which the Lender or assignee, as applicable, holds record title to the leasehold estate in the Premises.

26.14 Limitation on Liability. The liability of the First Mortgage Lender shall be limited at all times to the value of its respective leasehold interest under this Ground Lease and to the Improvements. In the event of a foreclosure of the Leasehold Mortgage, First Mortgage Lender (i) except for non-monetary defaults that are continuing after foreclosure or transfer and are capable of cure by the First Mortgage Lender shall only be liable to Landlord for acts and omissions during the period in which First Mortgage Lender is the holder of title to the Leasehold Estate, and (ii) shall be automatically released by Landlord from the acts and omissions of Tenant occurring prior to its acquisition of title to the Leasehold Estate. This limitation on liability shall not extend to Subsequent Owners, except that if Capital One, National Association as First Mortgage Lender assigns Tenant's interest in the Premises through foreclosure or exercise of remedies in lieu of foreclosure under the Leasehold Mortgage, then the foregoing limitation on liability shall extent to Capital One, National Association's initial assignee.

26.15 Lender May Exercise Extension. Notwithstanding any default under this Ground Lease (other than those that Subsequent Owner is required to cure under the terms of this Ground Lease) or any default under the Loan Documents, from and after the time that the Subsequent Owner acquire title to the Leasehold Estate, that Subsequent Owner will have the right to extent the Initial Term for the period provided in Section 2.03 upon delivery of the Extension Notice under the terms of Section 2.03.

ARTICLE 27 CONDEMNATION AND TAKINGS

27.01 Parties' Rights and Obligations to be Governed by Agreement. If, during the term of this Ground Lease, there is any condemnation of all or any part of the Premises or any interest in the Leasehold Estate is taken by condemnation, the rights and obligations of the parties will be determined under this ARTICLE 27, subject to the rights of any Lender. Accordingly, Tenant waives any right to terminate this Ground Lease upon the occurrence of a partial condemnation

under Sections 1265.120 and 1265.130 of the California Code of Civil Procedure, as those sections may from time to time be amended, replaced, or restated.

27.02 Notice. In case of the commencement of any proceedings or negotiations that might result in a condemnation of all or any portion of the Premises during the Term, the party learning of such proceedings will promptly give written notice of the proceedings or negotiations to the other party. The notice will describe with as much specificity as is reasonable, the nature and extent of such condemnation or the nature of such proceedings or negotiations and of the condemnation that might result, as the case may be.

27.03 Total Taking. If the Premises is totally taken by condemnation, this Ground Lease will terminate on the date the condemnor has the right to possession of the Premises.

27.04 Partial Taking. If any portion of the Premises is taken by condemnation, this Ground Lease will remain in effect, except that Tenant may, with Lender's written consent, elect to terminate this Ground Lease if, in Tenant's reasonable judgment, the remaining portion of the Premises is rendered unsuitable for Tenant's continued use. If Tenant elects to terminate this Ground Lease, Tenant must exercise its right to terminate under this paragraph by giving notice to the City within thirty (30) days after the City notifies Tenant of the nature and the extent of the taking. Tenant's termination notice must include the date of termination, which date may not be earlier than thirty (30) days or later than six (6) months after the date of Tenant's notice; except that this Ground Lease will terminate on the date the condemnor has the right to possession of the Premises if that date falls on a date before the date of termination as designated by Tenant. If Tenant does not terminate this Ground Lease within the thirty (30) day notice period, this Ground Lease will continue in full force and effect.

27.05 Effect on Rent. If any portion of the Premises is taken by condemnation and this Ground Lease remains in full force and effect, then on the date of taking the rent will be reduced by an amount that is in the same ratio to the rent as the value of the area of the portion of the Premises taken bears to the total value of the Premises immediately before the date of the taking.

27.06 Restoration of Improvements. If there is a partial taking of the Premises and this Ground Lease remains in full force and effect under Section 27.04, then Tenant may, subject to the terms of the Leasehold Mortgage, use the proceeds of the taking to accomplish all necessary restoration to the Premises.

27.07 Award and Distribution. Any compensation awarded, paid, or received on a total or partial condemnation of the Premises or threat of condemnation of the Premises will belong to and be distributed in the following order:

27.07(a) First, to pay the balance due on any outstanding Leasehold Mortgages and other outstanding or unpaid obligations and/or liabilities, including but not limited to, trade accounts, taxes, payroll accruals, and lease residuals, to the extent provided therein; and

27.07(b) Second, to the Tenant in an amount equal to the then fair market value of Tenant's interest in the Improvements and its leasehold interest in the Land (including, but not limited to, the value of Tenant's interest in all subleases to occupants of the Premises),

such value to be determined as it existed immediately preceding the earliest taking or threat of taking of the Premises; and;

27.07(c) Third, to the Landlord.

27.07(d) Notwithstanding anything to the contrary set forth in this Section, any portion of the compensation awarded that has been specifically designated by the condemning authority or in the judgment of any court to be payable to the City or Tenant on account of any interest in the Premises separate and apart from the condemned land value, the value of the City's reversionary interest in the Improvements, Tenant's Leasehold Estate, or the value of the Improvements for the remaining unexpired portion of the Term, will be paid to the City or Tenant, as applicable, as so designated by the condemning authority or judgment.

27.08 Payment to Lenders. In the event the Improvements are subject to the lien of a Leasehold Mortgage on the date when any compensation resulting from a condemnation or threatened condemnation is to be paid to Tenant, the award will be disposed of as provided in the Leasehold Mortgages. Further, the First Mortgage Lender shall have the right to participate in any settlement of a condemnation claim and no such settlement shall be entered into without the prior written consent of the First Mortgage Lender.

27.09 Temporary Condemnation. If there is a condemnation of all or any portion of the Premises for a temporary period lasting less than the remaining Term, this Ground Lease will remain in full force and effect, there will be no abatement of Rent, and the entire award will be payable to Tenant.

27.10 Personal Property; Goodwill. Notwithstanding Section 27.07, the City will not be entitled to any portion of any award payable in connection with the condemnation of the Personal Property of Tenant or any of its subtenants, or any moving expenses, loss of goodwill or business loss or interruption of Tenant, severance damages with respect to any portion of the Premises remaining under this Ground Lease, or other damages suffered by Tenant.

ARTICLE 28 ESTOPPEL CERTIFICATE

The City or Tenant, as the case may be, will execute, acknowledge, and deliver to the other and/or any Lender or a Permitted Limited Partner, promptly upon request, its certificate certifying (a) that this Ground Lease is unmodified and in full force and effect (or, if there have been modifications, that this Ground Lease is in full force and effect, as modified, and stating the modifications), (b) the dates, if any, to which rent has been paid, (c) whether there are then existing any charges, offsets, or defenses against the enforcement by the City or Tenant to be performed or observed and, if so, specifying them, and (d) whether there are then existing any defaults by Tenant or the City in the performance or observance by Tenant or the City of any agreement, covenant, or condition on the part of Tenant or the City to be performed or observed under this Ground Lease, and whether any notice has been given to Tenant or the City of any default that has not been cured and, if so, specifying the uncured default. Tenant will use commercially reasonable efforts (by inserting a provision similar to this one into the leases of its Non-residential Occupants) to cause the Non-residential Occupants to execute and deliver to the

City a certificate as described above with respect to its sublease within thirty (30) days after request.

ARTICLE 29 SURRENDER AND QUITCLAIM

29.01 Surrender.

29.01(a) Upon expiration or earlier termination of this Ground Lease, Tenant will surrender to the City the Premises in good order, condition, and repair (except for ordinary wear and tear occurring after the last necessary maintenance made by Tenant and except for Casualty or Condemnation as described in ARTICLE 20 and ARTICLE 27). Ordinary wear and tear will not include any damage or deterioration that would have been prevented by proper maintenance by Tenant, or Tenant otherwise performing all of its obligations under this Ground Lease. The Premises must be surrendered clean, free of debris, waste, and Hazardous Substances, and free and clear of all liens and encumbrances other than liens and encumbrances existing as of the date of this Ground Lease and any other encumbrances created or approved in writing by the City. On or before the expiration or earlier termination of this Ground Lease, Tenant at its sole cost will remove from the Premises, and repair any damage caused by removal of, Personal Property, including any signage. Improvements and Changes will remain in the Premises as City property and title to the Improvements and any Changes will be conveyed to the City as provided in ARTICLE 13 above.

29.01(b) If the Premises are not surrendered at the end of the Term or sooner termination of this Ground Lease, and in accordance with the provisions of this ARTICLE 29, Tenant will continue to be responsible for the payment of Annual Rent until the Premises are surrendered in accordance with this ARTICLE 29, and Tenant will indemnify, defend, and hold harmless the Indemnified Parties from and against any and all Claims resulting from delay by Tenant in surrendering the Premises including, without limitation, any costs of the City to obtain possession of the Premises; any loss or liability resulting from any Claim against the City made by any succeeding tenant or prospective tenant founded on or resulting from such delay; and losses to the City due to lost opportunities to lease any portion of the Premises to any such succeeding tenant or prospective tenant, together with, in each instance, reasonable attorneys' fees and costs.

29.01(c) No act or conduct of the City or MOHCD, including, but not limited to, the acceptance of the keys to the Premises, will constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the Term. Only a written notice from the City to Tenant confirming termination of this Ground Lease and surrender of the Premises by Tenant will constitute acceptance of the surrender of the Premises and accomplish a termination of this Ground Lease.

29.02 Quitclaim. On the expiration or earlier termination of this Ground Lease, the Improvements will automatically, and without further act or conveyance on the part of Tenant or the City, become the property of the City, free and clear of all liens and without payment therefore by the City, as provided in ARTICLE 13. On expiration or sooner termination of this Ground Lease, Tenant must surrender the Premises to the City and, at the City's request, will

execute, acknowledge, and deliver to the City a good and sufficient quitclaim deed with respect to any interest of Tenant in the Premises.

29.03 Abandoned Property. Any items, including Personal Property, not removed by Tenant on the expiration or termination of this Ground Lease will be deemed abandoned. The City may retain, store, remove, and sell or otherwise dispose of abandoned Personal Property, and Tenant waives all Claims against the City for any damages resulting from the City's retention, removal, and disposition of abandoned Personal Property; provided, however, that Tenant will be liable to the City for all costs incurred in storing, removing, and disposing of abandoned Personal Property and repairing any damage to the Premises resulting from its removal. The City may elect to sell abandoned Personal Property and offset against the sales proceeds the City's storage, removal, and disposition costs without notice to Tenant or otherwise according to the procedures set forth in California Civil Code Section 1993, the benefits of which Tenant waives.

29.04 Survival. Tenant's obligation under this ARTICLE 29 will survive the expiration or earlier termination of this Ground Lease.

ARTICLE 30 EQUAL OPPORTUNITY

In the selection of all contractors and professional consultants for the Project, Tenant 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.

ARTICLE 31 CITY PREFERENCE PROGRAMS

To the extent permitted by applicable Law, Tenant will comply with the requirements of the City's current housing preference programs, as amended from time to time; provided, however, that such requirements will apply only to the extent permitted by the requirements of non-City funding approved by the City for the Project.

ARTICLE 32 RESERVED

ARTICLE 33 CONFLICT OF INTEREST

No commissioner, official, or employee of the City may have any personal or financial interest, direct or indirect, in this Ground Lease, and any such commissioner, official, or employee may not participate in any decision relating to this Ground Lease that affects his or her personal interests or the interests of any corporation, partnership, or association in which he or she is directly or indirectly interested.

ARTICLE 34 NO PERSONAL LIABILITY

No commissioner, official, or employee of the City will be personally liable to Tenant or any successor in interest in the event of any default or breach by the City or for any amount that

may become due to Tenant or its successors or on any obligations under the terms of this Ground Lease.

ARTICLE 35 ENERGY CONSERVATION

Tenant will use its best efforts to maximize provision of, and incorporation of, both energy conservation techniques and systems and improved waste-handling methodology in the rehabilitation of the Improvements.

ARTICLE 36 WAIVER

The waiver by the City or Tenant of any term, covenant, agreement or condition in this Ground Lease will not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, agreement, or condition in this Ground Lease, and no custom or practice that may grow up between the parties in the administration of this Ground Lease may be construed to waive or to lessen the right of the City or Tenant to insist upon the performance by the other in strict accordance with the its terms. The subsequent acceptance of rent or any other sum by the City will not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant, agreement, or condition of this Ground Lease, other than the failure of Tenant to pay the particular rent or other sum accepted, regardless of the City's knowledge of the preceding breach at the time of acceptance of such rent or other sum. Any waiver by the City of any term or provision of this Ground Lease must be in writing.

ARTICLE 37 TENANT RECORDS

Upon reasonable notice during normal business hours, and as often as the City may deem necessary, Tenant will make available to the City and its authorized representatives for examination all records, reports, data, and information made or kept by Tenant regarding its activities or operations on the Premises. Nothing contained in this Ground Lease will entitle the City to inspect personal histories of residents or lists of donors or supporters. To the extent that it is permitted by Law to do so, the City will respect the confidentiality requirements of Tenant in regard to the lists above of the names of Residential Occupants of the Premises furnished by Tenant under to ARTICLE 7 above.

ARTICLE 38 NOTICES AND CONSENTS

All notices, demands, consents, or approvals that may be given or are required to be given by either party to the other under this Ground Lease must be in writing and will be deemed to have been fully given when delivered in person to such representatives of [HUD,]the Tenant[,] and the City, or when deposited in the United States mail, certified, postage prepaid, or by express delivery service with a delivery receipt and addressed

if to Tenant at:	Golden Gate Apartments, L.P. c/o Chinatown Community Development Center, Inc. 615 Grant Avenue, 4 th Floor San Francisco, CA 94108 Attn: Chief Executive Officer

if to Permitted Limited Partner at:

RJ MT Golden Gate Apartments L.L.C.

c/o Raymond James Affordable Housing Investments, Inc.
880 Carillon Parkway
St. Petersburg, Florida 33716
Attention: Steven J. Kropf, President

if to the City at: San Francisco Mayor's Office of Housing and Community
Development
One South Van Ness Avenue, 5th Floor
San Francisco, California 94103
Attn.: Director

or to such other address with respect to either party as that party may from time to time designate by notice to the other given under the provisions of this ARTICLE 38. Any notice given under this ARTICLE 38 will be effective on the date of delivery or the date delivery is refused as shown on the delivery receipt. Courtesy copies of notices may be delivered by email.

ARTICLE 39 HEADINGS

Any titles of the paragraphs, articles, and sections of this Ground Lease are inserted for convenience only and will be disregarded in construing or interpreting any of its provisions. "Paragraph," "article," and "section" may be used interchangeably.

ARTICLE 40 SUCCESSORS AND ASSIGNS

This Ground Lease will be binding upon and inure to the benefit of the successors and assigns of the City and Tenant and where the term "Tenant" or "City" is used in this Ground Lease, it means and includes their respective successors and assigns; provided, however, that the City will have no obligation under this Ground Lease to, and no benefit of this Ground Lease will accrue to, any unapproved successor or assign of Tenant where City approval of a successor or assign is required by this Ground Lease. If and when the City sells the Land to any third party, City will require such third party to assume all of the City's obligations under this Ground Lease arising on and after the transfer in writing for the benefit Tenant and its successors and assigns.

ARTICLE 41 TIME

Time is of the essence in the enforcement of the terms and conditions of this Ground Lease.

ARTICLE 42 PARTIAL INVALIDITY

If any provisions of this Ground Lease are determined to be illegal or unenforceable, that determination will not affect any other provision of this Ground Lease and all the other provisions of this Ground Lease will remain in full force and effect.

ARTICLE 43 APPLICABLE LAW; NO THIRD PARTY BENEFICIARY

This Ground Lease is governed by and construed under the laws of the State of California. This Ground Lease is entered into solely among, between, and for the benefit of, and may be enforced only by, the parties hereto and does not create rights in any other third party.

ARTICLE 44 RESERVED

ARTICLE 45 EXECUTION IN COUNTERPARTS

This Ground Lease and any memorandum hereof may be executed in counterparts, each of which will be considered an original, and all of which will constitute one and the same instrument.

ARTICLE 46 BROKERS

Neither party has had any contact or dealings regarding the leasing of the Land, or any communication in connection therewith, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the ground lease contemplated herein. If any broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings, or communication, the party through whom the broker or finder makes a claim will be responsible for such commission or fee and will indemnify, defend and hold harmless the other party from any and all Claims. The provisions of this Section will survive any termination of this Ground Lease.

ARTICLE 47 RECORDATION OF MEMORANDUM OF GROUND LEASE

This Ground Lease may not be recorded, but a memorandum of this Ground Lease will be recorded in the form attached hereto as Attachment 4 ("**Memorandum of Ground Lease**"). The parties will execute the memorandum in form and substance as required by a title insurance company insuring Tenant's leasehold estate or the interest of any Leasehold Mortgagee, and sufficient to give constructive notice of the Ground Lease to subsequent purchasers and mortgagees.

ARTICLE 48 SURVIVAL

Termination or expiration of this Ground Lease will not affect the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this Ground Lease, the ability to collect any damages or sums due, and it will not affect any provision of this Ground Lease that expressly states it will survive termination or expiration of this Ground Lease.

ARTICLE 49 Reserved

ARTICLE 50 CITY PROVISIONS

50.01 Non-Discrimination.

50.01(a) Covenant Not to Discriminate. In the performance of this Ground Lease, Tenant covenants and agrees not to discriminate 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, disability, weight, height, or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with Tenant, in any of Tenant's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Tenant.

50.01(b) Subleases and Other Subcontracts. Tenant must include in all subleases and other subcontracts relating to the Premises a non-discrimination clause applicable to the subtenant or other subcontractor in substantially the form of Section 50.01(a) above. In addition, Tenant must incorporate by reference in all subleases and other subcontracts the provisions of Sections 12B.2(a), 12B.2(c)–(k), and 12C.3 of the San Francisco Administrative Code and must require all subtenants and other subcontractors to comply with those provisions. Tenant's failure to comply with the obligations in this subsection will constitute a material breach of this Ground Lease.

50.01(c) Non-Discrimination in Benefits. Tenant does not as of the date of this Ground Lease and will not during the Term, in any of its operations in San Francisco or with respect to its operations under this Ground Lease 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 (collectively "**Core Benefits**"), as well as any benefits other than Core Benefits, 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 under state or local Law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

50.01(d) Condition to Lease. As a condition to this Ground Lease, Tenant must execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" (Form CMD-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Contract Monitoring Commission.

50.01(e) Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by Parties contracting for the lease of City property are incorporated in this Section by reference and made a part of this Ground Lease as though fully set forth herein. Tenant must comply fully with and be bound by all of the provisions that apply to this Ground Lease under those Chapters of the Administrative Code, including, but not limited to, the remedies provided in such Chapters. Without limiting the foregoing, Tenant understands that under Section 12B.2(h) of the San Francisco Administrative Code, a penalty of \$50 for each

person for each calendar day during which such person was discriminated against in violation of the provisions of this Ground Lease may be assessed against Tenant and/or deducted from any payments due Tenant.

50.02 MacBride Principles—Northern Ireland. The City and County of San Francisco urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1 *et seq.* The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Tenant acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

50.03 Conflicts of Interest. Tenant states that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of the City's Campaign and Governmental Conduct Code, and Section 87100 *et seq.* and Section 1090 *et seq.* of the Government Code of the State of California, certifies that it knows of no facts that would constitute a violation of those provisions and agrees that if Tenant becomes aware of any such fact during the term of this Ground Lease Tenant will immediately notify the City. Tenant further certifies that it has made a complete disclosure to the City of all facts bearing on any possible interests, direct or indirect, that Tenant believes any officer or employee of the City presently has or will have in this Ground Lease or in the performance thereof or in any portion of the profits thereof. Willful failure by Tenant to make such disclosure, if any, will constitute grounds for City's termination and cancellation of this Ground Lease.

50.04 Charter Provisions. This Ground Lease is governed by and subject to the provisions of the Charter of the City and County of San Francisco. Accordingly, Tenant acknowledges and agrees that no officer or employee of the City has authority to commit the City to this Ground Lease unless and until a resolution of the City's Board of Supervisors has been duly enacted approving this Ground Lease. Therefore, any obligations or liabilities of the City under this Ground Lease are contingent upon enactment of a resolution, and this Ground Lease will be null and void unless the City's Mayor and the Board of Supervisors approve this Ground Lease, in their respective sole and absolute discretion, and in accordance with all applicable Laws. Approval of this Ground Lease by any City department, commission, or agency may not be deemed to imply that a resolution will be enacted or create any binding obligations on the City.

50.05 Tropical Hardwood/Virgin Redwood Ban. Under Section 804(b) of the San Francisco Environment Code, the City and County of San Francisco urges companies not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood, or virgin redwood wood product. Except as permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code, Tenant will not use any items in the rehabilitation, development, or operation of the Premises or otherwise in the performance of this Ground Lease that are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products.

50.06 Tobacco Product Advertising Ban. Tenant acknowledges and agrees that no advertising of cigarettes or tobacco products are allowed on the Premises. The foregoing

prohibition includes the placement of the name of a company producing, selling, or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product, or on any sign. The foregoing prohibition will not apply to any advertisement sponsored by a state, local, or nonprofit entity designed to communicate the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

50.07 Pesticide Ordinance. Tenant must comply with the provisions of Section 308 of Chapter 3 of the San Francisco Environment Code (the “**Pesticide Ordinance**”), which (a) prohibit the use of certain pesticides on City property, (b) require the posting of certain notices and the maintenance of certain records regarding pesticide usage, and (c) require Tenant to submit to the City’s Department of the Environment an integrated pest management (“**IPM**”) plan that (i) lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Tenant may need to apply to the Premises during the Term of this Ground Lease, (ii) describes the steps Tenant will take to meet the City’s IPM Policy described in Section 39.1 of the Pesticide Ordinance, and (iii) identifies, by name, title, address, and telephone number, an individual to act as the Tenant’s primary IPM contact person with City. In addition, Tenant must comply with the requirements of Sections 303(a) and 303(b) of the Pesticide Ordinance. Nothing in this Ground Lease will prevent Tenant, acting through the City, from seeking a determination from the City’s Commission on the Environment that Tenant is exempt from complying with certain portions of the Pesticide Ordinance as provided in Section 307 thereof.

50.08 Compliance with City's Sunshine Ordinance. Tenant 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 Ground Lease and any and all records, information and materials submitted to the City hereunder are public records subject to public disclosure. Tenant hereby authorizes the City to disclose any records, information, and materials submitted to the City in connection with this Ground Lease as required by Law. Further, Tenant specifically agrees to conduct any meeting of its governing board that addresses any matter relating to the Project or to Tenant’s performance under this Ground Lease as a passive meeting.

50.09 Notification of Limitations on Contributions. Through its execution of this Ground Lease, Tenant acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the selling or leasing any land or building to or from the City whenever such transaction would require approval by a City elective officer or the board on which that City elective officer serves, from making any campaign contribution to the officer at any time from the commencement of negotiations for such contract until the termination of negotiations for such contract or three (3) months has elapsed from the date the contract is approved by the City elective officer, or the board on which that City elective officer serves.

50.10 Requiring Health Benefits for Covered Employees. Unless exempt, Tenant will comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (the “**HCAO**”), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated in this Ground Lease by reference and made a part of this Ground Lease as though fully set forth. The text of the HCAO

is available on the web at www.sfgov.org/oca/lwlh.htm. Capitalized terms used in this Section and not defined in this Ground Lease have the meanings assigned to them in Chapter 12Q. Notwithstanding this requirement, City recognizes that the residential housing component of the Improvements is not subject to the HCAO.

50.10(a) For each Covered Employee, Tenant must provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Tenant chooses to offer the health plan option, the health plan must meet the minimum standards set forth by the San Francisco Health Commission.

50.10(b) If Tenant is a small business as defined in Section 12Q.3(d) of the HCAO, Tenant will have no obligation to comply with Section 50.10(a) above.

50.10(c) Tenant's failure to comply with the HCAO will constitute a material breach of this Ground Lease. If Tenant fails to cure its breach within thirty (30) days after receiving the City's written notice of a breach of this Ground Lease for violating the HCAO or, if the breach cannot reasonably be cured within the 30-day period and Tenant fails to commence efforts to cure within the 30-day period, or thereafter fails diligently to pursue the cure to completion, then the City will have the right to pursue the remedies set forth in Section 12Q.5(f)(1-5). Each of these remedies will be exercisable individually or in combination with any other rights or remedies available to the City.

50.10(d) Tenant may not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying the City with regard to Tenant's compliance or anticipated compliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

50.10(e) Tenant represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

50.10(f) Tenant must keep itself informed of the current requirements of the HCAO.

50.10(g) Tenant must provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on subtenants, as applicable.

50.10(h) Tenant must provide City with access to records pertaining to compliance with HCAO after receiving a written request from the City to do so and being provided at least five (5) business days to respond.

50.10(i) The City may conduct random audits of Tenant to ascertain its compliance with HCAO. Tenant will cooperate with the City when it conducts audits.

50.10(j) If Tenant is exempt from the HCAO when this Ground Lease is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but Tenant later enters into an agreement or agreements that cause Tenant's aggregate amount of all agreements with the

City to reach \$75,000, all the agreements will be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Tenant and MOHCD to be equal to or greater than \$75,000 in the fiscal year.

50.11 Public Access to Meetings and Records. If Tenant receives a cumulative total per year of at least \$250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, Tenant must comply with and will be bound by all the applicable provisions of that Chapter. By executing this Ground Lease, Tenant will open its meetings and records to the public in the manner set forth in Sections 12L.4 and 12L.5 of the Administrative Code. Further, Tenant will 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. Tenant acknowledges that its material failure to comply with any of the provisions of this paragraph will constitute a material breach of this Ground Lease. Tenant further acknowledges that such material breach of this Ground Lease will be grounds for City to terminate and/or not renew this Ground Lease, partially or in its entirety.

50.12 Resource-Efficient Building Ordinance. Tenant 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. Tenant will comply with the applicable provisions of such code sections as those sections may apply to the Premises.

50.13 Drug Free Work Place. Tenant acknowledges that under the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, possession, or use of a controlled substance is prohibited on City premises. Any violation of this prohibition by Tenant, its agents, or assigns will be deemed a material breach of this Ground Lease.

50.14 Preservative Treated Wood Containing Arsenic. Tenant may not purchase preservative-treated wood products containing arsenic in the performance of this Ground Lease unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term “preservative-treated wood containing arsenic” means 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. Tenant 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 Tenant from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term “saltwater immersion” means a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

50.15 Nondisclosure of Private Information. Tenant will comply fully with and be bound by all of the provisions of Chapter 12M of the San Francisco Administrative Code (the “**Nondisclosure of Private Information Ordinance**”), including the remedies provided. The provisions of the Nondisclosure of Private Information Ordinance are incorporated and made a part of this Ground Lease as though fully set forth. Capitalized terms used in this section and not defined in this Ground Lease have the meanings assigned to those terms in the Nondisclosure of

Private Information Ordinance. Consistent with the requirements of the Nondisclosure of Private Information Ordinance, Tenant agrees to all of the following:

50.15(a) Neither Tenant nor any of its subcontractors will disclose Private Information, unless one of the following is true:

- (i) The disclosure is authorized by this Ground Lease;
- (ii) Tenant received advance written approval from the Contracting Department to disclose the information; or
- (iii) The disclosure is required by law or judicial order.

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

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

50.15(d) Any failure of Tenant to comply with the Nondisclosure of Private Information Ordinance will be a material breach of this Ground Lease. In such an event, in addition to any other remedies available to it under equity or law, City may terminate this Ground Lease, debar Tenant, or bring a false claim action against Tenant.

50.16 Graffiti. 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 City's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and County and its residents, and to prevent the further spread of graffiti.

Tenant will remove all graffiti from the Premises and any real property owned or leased by Tenant in the City and County of San Francisco within forty-eight (48) hours of the earlier of Tenant'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 Tenant 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 Premises, 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" does 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 section 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.*). Any failure of Tenant to comply with this section of this Ground Lease will constitute an event of default of this Ground Lease.

50.17 Incorporation. Each and every provision of the San Francisco Administrative Code described or referenced in this Ground Lease is hereby incorporated by reference as though fully set forth herein. Failure of Tenant to comply with any provision of this Ground Lease relating to any such code provision will be governed by ARTICLE 19 of this Ground Lease, unless (i) such failure is otherwise specifically addressed in this Ground Lease or (ii) such failure is specifically addressed by the applicable code section.

50.18 Food Service Waste Reduction. Tenant will comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided therein, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Ground Lease as though fully set forth herein. Accordingly, Tenant acknowledges that City contractors and lessees may not use Disposable Food Service Ware that contains Polystyrene Foam in City Facilities and while performing under a City contract or lease, and will instead use suitable Biodegradable/ Compostable or Recyclable Disposable Food Service Ware. This provision is a material term of this Ground Lease. By entering into this Ground Lease, Tenant agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine. Without limiting City's other rights and remedies, Tenant agrees that the sum of One Hundred Dollars (\$100.00) liquidated damages for the first breach, Two Hundred Dollars (\$200.00) liquidated damages for the second breach in the same year, and Five Hundred Dollars (\$500.00) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Ground Lease was made. Those amounts will not be considered a penalty, but rather agreed upon monetary damages sustained by the City because of Tenant's failure to comply with this provision.

50.19 Local Hire Requirements. Any undefined, initially-capitalized term used in this Section has the meaning given to that term in San Francisco Administrative Code Section 23.62 (the "**Local Hiring Requirements**"). Improvements and Changes (as defined in this Ground Lease) are subject to the Local Hiring Requirements unless the cost for such work is (i) estimated to be less than \$750,000 per building permit or (ii) meets any of the other exemptions in the Local Hiring Requirements. Tenant will comply with the Local Hiring Requirements to the extent applicable. Before starting any Tenant Improvement Work or any Alteration, Tenant will contact City's Office of Economic Workforce and Development ("**OEWD**") to verify if the Local Hiring Requirements apply to the work (*i.e.*, whether the work is a "**Covered Project**").

Tenant will include, and will require its subtenants to include, a requirement to comply with the Local Hiring Requirements in any contract for a Covered Project with specific reference to San Francisco Administrative Code Section 23.62. Each contract must name the City and County of San Francisco as a third-party beneficiary for the limited purpose of enforcing the Local Hiring Requirements, including the right to file charges and seek penalties. Tenant will cooperate, and require its subtenants to cooperate, with the City in any action or proceeding against a contractor or subcontractor that fails to comply with the Local Hiring Requirements when required. Tenant's failure to comply with its obligations under this Section will constitute a material breach of this Ground Lease. A contractor's or subcontractor's failure to comply with this Section will enable the City to seek the remedies specified in San Francisco Administrative Code Section 23.62 against the breaching party.

50.20 Criminal History in Hiring and Employment Decisions.

50.20(a) Unless exempt, Tenant will comply with and be bound by all of the provisions of San Francisco Administrative Code Chapter 12T (Criminal History in Hiring and Employment Decisions; "**Chapter 12T**"), which are hereby incorporated as may be amended from time to time, with respect to applicants and employees of Tenant who would be or are performing work at the Premises.

50.20(b) Tenant will incorporate by reference the provisions of Chapter 12T in all subleases of a portion or all of the Premises, if any, and will require all subtenants to comply with its provisions. Tenant's failure to comply with the obligations in this subsection will constitute a material breach of this Ground Lease.

50.20(c) Tenant and subtenants (if any) may not inquire about, require disclosure of, or if such information is received base an Adverse Action (as defined in Chapter 12T) on an applicant's or potential applicant for employment, or employee's: (1) Arrest (as defined in Chapter 12T) not leading to a Conviction (as defined in Chapter 12T), 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.

50.20(d) Tenant and subtenants (if any) may 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 Section 50.20(c) above. Tenant and subtenants (if any) may 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.

50.20(e) Tenant and subtenants (if any) will state in all solicitations or advertisements for employees that are reasonably likely to reach persons who are reasonably likely to seek employment with Tenant or subtenant at the Premises, that the Tenant or subtenant

will consider for employment qualified applicants with criminal histories in a manner consistent with the requirements of Chapter 12T.

50.20(f) Tenant and subtenants (if any) will post the notice prepared by the Office of Labor Standards Enforcement (“**OLSE**”), available on OLSE’s website, in a conspicuous place at the Premises and at other workplaces within San Francisco where interviews for job opportunities at the Premises occur. The notice will be posted in English, Spanish, Chinese, and any language spoken by at least 5% of the employees at the Premises or other workplace at which it is posted.

50.20(g) Tenant and subtenants (if any) understand and agree that upon any failure to comply with the requirements of Chapter 12T, the City will have the right to pursue any rights or remedies available under Chapter 12T or this Ground Lease, 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 Ground Lease.

50.20(h) If Tenant has any questions about the applicability of Chapter 12T, it may contact the City’s Real Estate Division for additional information. City’s Real Estate Division may consult with the Director of the City’s Office of Contract Administration who may also grant a waiver, as set forth in Section 12T.8.

50.21 Prevailing Wages and Working Conditions. Any undefined, initially-capitalized term used in this Section has the meaning given to that term in San Francisco Administrative Code Section 23.61. Tenant will require its Contractors and Subcontractors performing **(i)** labor in connection with a “public work” as defined under California Labor Code Section 1720 *et seq.* (which includes certain construction, alteration, maintenance, demolition, installation, repair, carpet laying, or refuse hauling work if paid for in whole or part out of public funds) or **(ii)** Covered Construction, at the Premises to **(1)** pay workers performing such work not less than the Prevailing Rate of Wages, **(2)** provide the same hours, working conditions, and benefits as in each case are provided for similar work performed in San Francisco County, and **(3)** employ Apprentices in accordance with San Francisco Administrative Code Section 23.61 (collectively, “**Prevailing Wage Requirements**”). Tenant will cooperate with the City in any action or proceeding against a Contractor or Subcontractor that fails to comply with the Prevailing Wage Requirements.

Tenant will include, and will require its subtenants, and 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 Section 23.61. Each such Construction Contract must name the City and County of San Francisco, affected workers, and employee organizations formally representing affected workers as third party beneficiaries for the limited purpose of enforcing the Prevailing Wage Requirements, including the right to file charges and seek penalties against any Contractor or Subcontractor in accordance with San Francisco Administrative Code Section 23.61. Tenant’s failure to comply with its obligations under this Section will constitute a material breach of this Ground Lease. A Contractor’s or Subcontractor’s failure to comply with this Section will enable the City to seek the remedies specified in San Francisco Administrative

Code Section 23.61 against the breaching party. For the current Prevailing Rate of Wages, contact the City's Office of Labor Standards Enforcement.

50.22 Consideration of Salary History Tenant will comply with San Francisco Administrative Code Chapter 12K, the Consideration of Salary History Ordinance or "Pay Parity Act." For each employment application to Tenant for work that relates to this Agreement or for work to be performed in the City or on City property, Tenant is prohibited from considering current or past salary of an applicant in determining whether to hire the applicant or what salary to offer the applicant. Tenant will not (1) ask such applicants about their current or past salary or (2) disclose a current or former employee's salary history without that employee's authorization unless the salary history is publicly available. Tenant is subject to the enforcement and penalty provisions in Chapter 12K. Information about Chapter 12K is available on the web at <https://sfgov.org/olse/consideration-salary-history>.

50.23 Sugar-Sweetened Beverage Prohibition. Tenant will not sell, provide, or otherwise distribute Sugar-Sweetened Beverages, as defined by San Francisco Administrative Code Chapter 101, as part of its performance of this Ground Lease.

50.24 Possessory Interest Reporting.

50.24(a) Tenant recognizes and understands that this Ground Lease may create a possessory interest subject to property taxation and that Tenant may be subject to the payment of property taxes levied on such interest.

50.24(b) San Francisco Administrative Code Sections 23.38 and 23.39 require that certain information relating to the creation, renewal, extension, assignment, sublease, or other transfer of this Ground Lease be provided to the County Assessor within sixty (60) days after the transaction. Accordingly, Tenant must provide a copy of this Ground Lease to the County Assessor not later than sixty (60) days after the Effective Date, and any failure of Tenant to timely provide a copy of this Ground Lease to the County Assessor will be a default under this Ground Lease. Tenant will also timely provide any information that City may request to ensure compliance with this or any other reporting requirement.

50.25 Vending Machines; Nutritional Standards. Tenant may not install or permit any vending machine on the Premises without the prior written consent of Landlord. Any permitted vending machine must comply with the food nutritional and calorie labeling requirements set forth in San Francisco Administrative Code section 4.9-1(c), as may be amended from time to time (the "**Nutritional Standards Requirements**"). Tenant will incorporate the Nutritional Standards Requirements into any contract for the installation of a vending machine on the Premises or for the supply of food and beverages to that vending machine. Failure to comply with the Nutritional Standards Requirements or to otherwise comply with this Section 50.24 will be deemed a material breach of this Ground Lease. Without limiting Landlord's other rights and remedies under this Ground Lease, Landlord will have the right to require the immediate removal of any vending machine on the Premises that is not permitted or that violates the Nutritional Standards Requirements.

50.26 San Francisco Packaged Water Ordinance. Tenant will comply with San Francisco Environment Code Chapter 24 (“**Chapter 24**”). Tenant will not sell, provide or otherwise distribute Packaged Water, as defined in Chapter 24 (including bottled water), in the performance of this Agreement or on City property unless Tenant obtains a waiver from the City’s Department of the Environment. If Tenant violates this requirement, the City may exercise all remedies in this Agreement and the Director of the City’s Department of the Environment may impose administrative fines as set forth in Chapter 24.

ARTICLE 51 COMPLETE AGREEMENT

There are no oral agreements between Tenant and the City affecting this Ground Lease, and this Ground Lease supersedes and cancels any and all previous negotiations, arrangements, agreements, and understandings between Tenant and the City with respect to the lease of the Land.

ARTICLE 52 AMENDMENTS

Neither this Ground Lease nor any terms or provisions hereof may be changed, waived, discharged, or terminated, except by a written instrument signed by the party against which the enforcement of the change, waiver, discharge, or termination is sought. No waiver of any breach will affect or alter this Ground Lease, but each and every term, covenant, and condition of this Ground Lease will continue in full force and effect with respect to any other then-existing or subsequent breach thereof. Any amendments or modifications to this Ground Lease, including, without limitation, amendments to or modifications to the exhibits to this Ground Lease, will be subject to the mutual written agreement of City and Tenant, and City’s agreement may be made upon the sole approval of the City’s Director of Property and Director of MOHCD, or his or her designee; provided, however, material amendments, or modifications to this Ground Lease (a) changing the legal description of the Premises, (b) increasing the Term, (c) increasing the Rent, (d) changing the general use of the Premises from the use authorized under this Ground Lease, and (e) any other amendment or modification which materially increases the City’s liabilities or financial obligations under this Ground Lease will additionally require the approval of the City’s Board of Supervisors.

ARTICLE 53 ATTACHMENTS

The following are attached to this Ground Lease and by this reference made a part hereof:

1. Legal Description of Premises
2. Schedule of Performance
3. City Consent of Leasehold Mortgage
4. Reserved
5. Memorandum of Ground Lease
6. Form of Income Certification Form

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS GROUND LEASE, TENANT ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF CITY HAS AUTHORITY TO COMMIT CITY TO THIS GROUND LEASE UNLESS AND UNTIL CITY'S BOARD OF SUPERVISORS HAS DULY ADOPTED A RESOLUTION APPROVING THIS GROUND LEASE AND AUTHORIZING THE TRANSACTIONS CONTEMPLATED HEREBY. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF CITY UNDER THIS GROUND LEASE ARE CONTINGENT UPON ADOPTION OF SUCH A RESOLUTION, AND THIS GROUND LEASE WILL BE NULL AND VOID IF CITY'S MAYOR AND THE BOARD OF SUPERVISORS DO NOT APPROVE THIS GROUND LEASE, IN THEIR RESPECTIVE SOLE DISCRETION. APPROVAL OF THIS GROUND LEASE BY ANY DEPARTMENT, COMMISSION, OR AGENCY OF CITY WILL NOT BE DEEMED TO IMPLY THAT SUCH RESOLUTION WILL BE ENACTED, AND NO SUCH APPROVAL WILL CREATE ANY BINDING OBLIGATIONS ON CITY.

IN WITNESS WHEREOF, the Tenant and the City have executed this Ground Lease as of the day and year first above written.

TENANT:

Golden Gate Apartments, L.P.,
a California limited partnership

By: CCDC Golden Gate Apartments LLC,
a California limited liability company,
its general partner

By: Chinatown Community Development Center, Inc.,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Malcolm Yeung,
Chief Executive Officer

CITY AS LANDLORD:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
Sarah R. Oerth
Director of Property

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

APPROVED AS TO FORM:

DAVID CHIU

City Attorney

By: _____
Keith Nagayama
Deputy City Attorney

ATTACHMENT 1

LEGAL DESCRIPTION OF THE PREMISES

A LEASEHOLD INTEREST IN] THE FOLLOWING LAND SITUATED IN THE CITY OF SAN FRANCISCO, COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL ONE:

Leasehold estate as created by that certain lease dated June 4, 1999, made by and between Redevelopment Agency of the City and County of San Francisco, as lessor, and GGA 1820 Post, L.P., a California limited partnership, as lessee, for the term of and upon the terms and conditions contained in said lease, a Memorandum of Ground Lease thereof recorded June 4, 1999 in Reel H399 of Official Records, Image 0546 under Recorder's Serial Number 99-G599423, in and to the following:

Beginning at a point on the Northerly line of Post Street, distant thereon 93 feet Easterly from the Easterly line of Fillmore Street; running thence Northerly at a right angle to said line of Post Street 137 feet 6 inches; thence at a right angle Easterly 104 feet; thence at a right angle Northerly 137 feet and 6 inches to the Southerly line of Sutter Street; thence at a right angle Easterly along said Southerly line of Sutter Street 215 feet and 6 inches to the Westerly line of Webster Street; thence at a right angle Southerly along said Westerly line of Webster Street 275 feet to the Northerly line of Post Street; thence at a right angle Westerly along said Northerly line of Post Street 319 feet and 6 inches to the point of beginning.

Being a portion of Western Addition Block No. 310.

Excepting therefrom all buildings and improvements situated thereon, which are and shall remain real property.

PARCEL TWO:

All buildings and improvements located on the following described real property, which are and shall remain real property:

Beginning at a point on the Northerly line of Post Street, distant thereon 93 feet Easterly from the Easterly line of Fillmore Street; running thence Northerly at a right angle to said line of Post Street 137 feet 6 inches; thence at a right angle Easterly 104 feet; thence at a right angle Northerly 137 feet and 6 inches to the Southerly line of Sutter Street; thence at a right angle Easterly along said Southerly line of Sutter Street 215 feet and 6 inches to the Westerly line of Webster Street; thence at a right angle Southerly along said Westerly line of Webster Street 275 feet to the Northerly line of Post Street; thence at a right angle Westerly along said Northerly line of Post Street 319 feet and 6 inches to the point of beginning.

Being a portion of Western Addition Block No. 310.

Assessor's Lot 045, Block 0684

ATTACHMENT 2

SCHEDULE OF PERFORMANCE

1. Rehabilitation must commence by a date no later than [July 20, 2026]; and
2. Construction must be completed by a date no later than [April 1, 2028]; and
3. Ninety five percent (95%) occupancy of the Units must be achieved by a date no later than [April 1, 2028].

ATTACHMENT 3

CITY CONSENT OF LEASEHOLD MORTGAGE

Date:

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

RE: _____, San Francisco (LEASEHOLD MORTGAGE)

Dear Sir or Madam:

Under Section 25.01 of the _____ Ground Lease, dated _____, 2026, between the City and County of San Francisco ("City") and Golden Gate Apartments, L.P., a California limited partnership, we are formally requesting the City's consent to our placing a leasehold mortgage upon the leasehold estate of the above referenced development. The following information is provided in order for the City to provide its consent:

Lender:

Principal Amount:

Interest:

Term:

Attached hereto are unexecuted draft loan documents, including the loan agreement, promissory note, and all associated security agreements which we understand are subject to the review and approval by the City. Furthermore, we are willing to supply any additional documentation related to the leasehold mortgage which the City deems necessary.

Sincerely,

Golden Gate Apartments, L.P.,
a California limited partnership

By: CCDC Golden Gate Apartments LLC,
a California limited liability company,
its general partner

By: Chinatown Community Development Center, Inc.,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Malcolm Yeung,

Chief Executive Officer

enc.

By signing this letter, the City consents to the leasehold mortgage, under the terms and conditions of Section 25.01 of the _____ Ground Lease, dated _____, 2026.

Mayor's Office of Housing and Community Development

Director

ATTACHMENT 4

MEMORANDUM OF GROUND LEASE

Free Recording Requested under
Government Code Section 27383

When recorded, mail to:

Mayor's Office of Housing and Community Development
of the City and County of San Francisco
1 South Van Ness Avenue, Fifth Floor
San Francisco, California.94103
Attn: Director

MEMORANDUM OF GROUND LEASE

This Memorandum of Ground Lease ("Memorandum") is entered into as of _____, 2026, by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (the "**City**"), acting by and through its Real Estate Division and the Mayor's Office of Housing and Community Development, and Golden Gate Apartments, L.P., a California limited partnership, as tenant ("**Tenant**"), with respect to that certain Ground Lease (the "Lease") dated _____, 2026, between the City and Tenant.

Under the Lease, City hereby leases to Tenant and Tenant leases from City the real property more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the "**Property**"). The Lease will commence on the date set forth above and will end on the date that is [seventy-five (75)] years from the date set forth above, subject to a (twenty-four (24)) year option to extend, unless terminated earlier or extended pursuant to the terms of the Lease.

It is the intent of the parties to the Lease that the Lease creates a constructive notice of severance of the Improvements (as defined in the Lease), without the necessity of a deed from Lessor to Lessee, which Improvements are and will remain real property.

This Memorandum incorporates herein all of the terms and provisions of the Lease as though fully set forth herein.

This Memorandum is solely for recording purposes and will not be construed to alter, modify, amend, or supplement the Lease, of which this is a memorandum.

This Memorandum may be signed by the parties hereto in counterparts with the same effect as if the signatures to each counterpart were upon a single instrument. All counterparts will be deemed an original of this Memorandum.

Notwithstanding any statement on the face of this Memorandum or on any attachment to the Memorandum of the amount of documentary transfer tax due in connection with the Lease, City's signature on this Memorandum does not constitute the City Assessor Recorder's agreement that the real property transfer tax due is that amount.

Executed as of _____, 2026 in San Francisco, California.

TENANT:

Golden Gate Apartments, L.P.,
a California limited partnership

By: CCDC Golden Gate Apartments LLC,
a California limited liability company,
its general partner

By: Chinatown Community Development Center, Inc.,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Malcolm Yeung,
Chief Executive Officer

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
Sarah R. Oerth
Director of Property

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

APPROVED AS TO FORM:

DAVID CHIU, City Attorney

By: _____
Keith Nagayama
Deputy City Attorney

ATTACHMENT 5
FORM OF TENANT INCOME CERTIFICATION

[Attached.]

**AMENDED AND RESTATED LOAN AGREEMENT
(CITY AND COUNTY OF SAN FRANCISCO
LOW AND MODERATE INCOME HOUSING ASSET FUND AND
PRESERVATION AND SEISMIC SAFETY PROGRAM)**

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

GOLDEN GATE APARTMENTS L.P.,
a California limited partnership,

for

**GOLDEN GATE APARTMENTS
1820 Post Street, San Francisco, CA**

Low and Moderate Income Housing Asset Fund: [\$532,308]

Preservation and Seismic Safety Program (PASS)

2016 G.O. Bond (Series 2025E): [\$22,046,000]

PASS - Market Rate Loan: [\$13,417,196]

PASS - Below Market Rate Loan: [\$7,422,888]

PASS - Deferred Loan: [\$1,205,916]

Total Loan Amount: [\$22,578,308]

Dated as of _____, 2026

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[INSERT TABLE OF CONTENTS HERE – INSTRUCTIONS AT END OF DOCUMENT.]

* * * * *

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
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N	Intentionally Omitted
O	Intentionally Omitted
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**AMENDED AND RESTATED
LOAN AGREEMENT**

(City and County of San Francisco
Low and Moderate Income Housing Asset Funding
Preservation and Seismic Safety Program)
(1820 Post Street, San Francisco, CA)

THIS AMENDED AND RESTATED LOAN AGREEMENT ("Agreement") is entered into as of _____, 2026, 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 **Golden Gate Apartments, L.P.** a California limited partnership ("Borrower").

RECITALS

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

B. 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 2016 G.O. Bond (Series 2025E), the "2016 GO Bonds 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," and together with the LMIHAF Funds, collectively, the "Funds."

C. The Redevelopment Agency of the City and County of San Francisco ("Agency") acquired fee title to that certain real property located at 1820 Post Street, San Francisco, California, Lot 045, Block 0684 (the "Land"), and GGA 1820 Post, L.P. ("Original Borrower") acquired fee title to the improvements on the Land consisting of a 72-unit multifamily residential housing development (the "Improvements"), affordable to low-income households, known as the Golden Gate Apartments (the "Project"). The Agency and Original Borrower entered into that

certain Ground Lease dated as of June 2, 1999 (“Original Ground Lease”) to lease the Land from Agency to the Original Borrower. In connection with the Original Ground Lease, Agency provided a loan in the amount of Seven Hundred Forty-Six Thousand, Eight Hundred Thirty-Three and No/100 Dollars (\$746,833.00) (“Original Loan Amount”), as evidenced by the following: (1) Tax Increment Affordable Housing Program Loan Agreement dated as of June 4, 1999 (“Original Loan Agreement”); (2) Secured Promissory Note dated June 4, 1999, made by Original Borrower to the order of the Agency in the original principal amount of the Original Loan Amount (“Original Note”); and (3) a Deed of Trust and Assignment of Rents dated June 4, 1999, executed by the Original Borrower for the benefit of the Agency, and recorded in the Official Records of the City and County of San Francisco on June 4, 1999, as Instrument No. 99-G599426-00 (“Original Deed of Trust,” and together with the Original Loan Agreement and Original Note, collectively, the “Original Loan Documents”). As of [July 20, 2026,] the balance of the Original Loan is \$514,472.57 and the accrued and unpaid interest is \$17,835.05.

D. 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 Original Ground Lease and the Original Loan Documents.

E. MOHCD issued a Notice of Funding Availability for PASS Funds (“NOFA”) to provide qualified affordable housing developers with loans for seismic retrofits, as well as the acquisition, rehabilitation, and preservation of affordable multifamily housing. In response to the NOFA, MOHCD selected Chinatown Community Development Corporation, a California nonprofit public benefit corporation (“Developer”) to rehabilitate the Golden Gate Apartments. The Developer formed the Borrower for the purpose of undertaking the activities described in the Developer’s application for PASS Funds.

F. Borrower intends to (1) acquire the Project from the Original Borrower pursuant to that certain Amended and Restated Purchase and Sale Agreement dated May 15, 2025, 2026, and (2) acquire a new leasehold interest in the Land pursuant to the that certain Ground Lease dated as of _____, 2026, between the City and County of San Francisco and Borrower (“Ground Lease”). Borrower desires to use the PASS Funds to rehabilitate the Project. Concurrently with this Agreement, the City has consented to the transfer of the Project to Borrower, agreed to termination of the Original Ground Lease, and agreed to enter into a new ground lease for the Land. .

G. The Citywide Affordable Housing Loan Committee has reviewed Borrower’s application for PASS Funds under the PASS Program, and in reliance on the accuracy of the statements in that application, has recommended to the Mayor to make a loan of Funds (the “Loan”) to Borrower, as follows:

1. The City to modify and recast the Original Loan as a loan of LMIHAF Funds ("LMIHAF Loan") in the amount of the remaining balance of the Original Loan of Five Hundred Fourteen Thousand Four Hundred Seventy Two and 57/100 (\$514,472.57) plus the accrued and unpaid interest of Seventeen Thousand Eight Hundred Thirty Five and 05/100 (\$17,835.05), for a new principal amount of Five Hundred Thirty Two Thousand Three Hundred Seven Dollars _____ and 62/100 (\$532,307.62) ("LMIHAF Loan Amount"); and

2. The City to make an additional loan of PASS Funds (the "PASS Loan") to Borrower in the amount of [Twenty Two Million Forty Six Thousand and No/100 (\$22,046,000.00)] (the "PASS Loan Amount" and together with the LMIHAF Loan Amount, collectively, the "Funding Amount") for financing of the Project under this Agreement and is comprised of the following:

(i) a below market rate loan of PASS Funds to Borrower ("Below Market Rate Loan in the amount of [Two Hundred Sixty Nine Thousand Twenty Three and No/100 Dollars (\$7,422,888)] (the "Below Market Rate Loan Amount");

(ii) a market rate loan of PASS Funds to Borrower (the "Market Rate Loan") in the amount of [Four Hundred Eight-Six Thousand Two Hundred and Fifty Six and No/100 Dollars (\$13,417,196)] (the "Market Rate Loan Amount");

(iii) a deferred loan of PASS Funds to Borrower (the "Deferred Loan") in the amount of [Forty Three Thousand Seven Hundred Twenty One and No/100 Dollars (\$1,205,916)] (the "Deferred Loan Amount"); and

3. The City to consent to the transfer of the Project and assignment of the Original Loan Documents to the Borrower.

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

1. a senior tax exempt construction loan to Borrower in the amount of up to [Eighteen Million Seven Hundred Thirty Six Thousand Seven Hundred and No/100 Dollars (\$18,736,700.00)] derived from a loan by Capital One, N.A. to the City and County of San Francisco;

2. a Housing Assistance Payment ("HAP") contract and budget authority with SFHA in the amounts sufficient to fund Two (2) studios, Four (4) one-bedroom, Sixteen (16) two-bedroom, Six (6) three-bedroom units, and Three (3) four-bedroom units

3. a Project Based Rental Assistance ("PBRA") contract and budget authority with HUD in the amounts sufficient to fund Three (3) studios, Eight (8) one-bedroom, Nine (9) two-bedroom and Four (4) three-bedroom units;

4. federal low income housing tax credits reserved or allocated to the Project by the California Tax Credit Allocation Committee ("TCAC"), pursuant to its

Preliminary Reservation of Low Income Housing Tax Credits dated December 10, 2026 that will generate an equity contribution from the limited partner of Borrower in the amount of [Twenty One Million Nine Hundred Forty Five thousand Two Hundred Ninety Five and No/100 Dollars (\$21,945,295.00)].;

5. an equity contribution from the general partner of the Borrower in the approximate amount of [Four Hundred Seventy Six Thousand Nine Hundred Seventy Three and No/100 Dollars (\$476,973.00)]; and

6. a seller carry-back loan from the Original Borrower in the amount of [Twenty Million Seven Hundred Ninety Five Thousand Five Hundred Ninety Two and No/100 Dollars (\$20,795,592.00)].

I. On the date of closing, this Agreement will amend, restate, supersede and replace the Original Loan Agreement. Concurrently herewith, Borrower will also (i) execute an amended and restated promissory note in favor of the City to supersede and replace the Original Note, (ii) execute and record a deed of trust to secure such amended and restated promissory note, and (iii) execute and record a new declaration of restrictions. As of the Agreement Date, the City will cancel and return the Original Note and reconvey the deed of trust securing the Original Note.

J. On _____, 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 Amended and Restated Loan Agreement.

"Agreement Date" means the date first written above.

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

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

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

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

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

“Below Market Rate Loan” has the same meaning set forth in **Recital G**.

“Below Market Rate Loan Amount” has the same meaning set forth in **Recital G**.

“Below Market Rate Note” means the promissory note executed by Borrower in favor of the City in the original principal amount of the BMR Loan Amount, in form and substance acceptable to the City.

"Borrower" means Golden Gate Apartments, L.P., a California limited partnership whose General Partner is CCDC Golden Gate Apartments LLC, a California limited liability company, whose sole member and manager is Chinatown Community Development Center Inc., a California nonprofit public benefit corporation, and its authorized successors and assigns.

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

"CFR" means the Code of Federal Regulations.

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

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

"City Documents" means this Agreement, the LMIHAF Note, the Market Rate Note, the Below Market Rate Note, the Deferred Note, the Deed of Trust, the Declaration of Restrictions, and any other documents executed or, delivered in connection with this Agreement.

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

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

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

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

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

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

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

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

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

"Deferred Loan" has the meaning set forth in **Recital G**.

"Deferred Loan Amount" has the meaning set forth in **Recital G**.

"Deferred Note" means the promissory note executed by Borrower in favor of the City in the original principal amount of the Deferred Loan Amount, in form and substance acceptable to the.

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

"Developer" means Chinatown Community Development Center, Inc., a California nonprofit public benefit corporation, and its authorized successors and assigns.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"General Partner" means CCDC Golden Gate Apartments LLC a California limited liability company, whose sole member and manager is Chinatown Community Development Center Inc., a California nonprofit public benefit corporation, and its authorized successors and assigns.

"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.

"Ground Lease" has the meaning set forth in **Recital F**.

"Ground Lessor" has the meaning specified in **Recital F**.

"HAP" has the meaning set forth in **Recital H**.

"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.

“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**.

"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.

"Improvements" has the meaning set forth in **Recital C**.

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

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

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

"Land" means the real property owned by Ground Lessor on which the Site is located.

"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.

“Limited Partner” means RJ MT Golden Gate Apartments L.L.C., a Florida limited liability company, and its permitted successors and assigns.

"LMIHAF Note" means the amended and restated promissory note executed by Borrower in favor of the City in the original principal amount of the LMIHAF Loan Amount, in form and substance acceptable to the City.

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

"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.

"Market Rate Loan" has the same meaning set forth in **Recital G**.

"Market Rate Loan Amount" has the same meaning set forth in **Recital G**.

"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, in form and substance acceptable to the City.

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

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

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

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

"Notes" means, collectively, the Below Market Rate Note, the Deferred Note, the Market Rate Note, and the LMIHAF Note.

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

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

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

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

"PASS Loan" has the meaning set forth in **Recital G**.

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

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

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

“Partnership Agreement” means the Amended and Restated Agreement of Limited Partnership of the Borrower dated as of July 1, 2026, as amended from time to time.

"Partnership Fees" means (i) partnership management fee in the amount of \$26,920, increasing by 3.5% annually, payable to the General Partner, and (ii) an annual investor services fee in the amount of \$7,500, increasing annually by three percent (3%) payable to the Limited Partner (as shown in the Annual Operating Budget and approved by the City) approved by the City.

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

“Preferences 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 C**. If indicated by the context, "Project" means the Site and the Improvements developed on the Site.

"Project Expenses" means the following costs, which may be paid from Project Income in the following order of priority to the extent of available Project Income: (a) all charges incurred in the operation of the Project for utilities, real estate taxes and assessments and premiums for insurance required under this Agreement or by other lenders providing secured financing for the Project; (b) salaries, wages and any other compensation due and payable to the employees or agents of Borrower employed in connection with the Project, including all related withholding taxes, insurance premiums, Social Security payments and other payroll taxes or payments; (c) required payments of interest and principal or annual service fees, 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) annual monitoring fees and all other expenses actually incurred to cover operating costs of the Project, including maintenance and repairs and the fee of any managing agent as indicated in the Annual Operating Budget; (e) Annual Base Rent under the Ground Lease; (f) required deposits to the Replacement Reserve Account, Operating Reserve Account and any other reserve account required under this Agreement or the Partnership Agreement; (g) the approved annual asset management fees, bond issuer fees, and fiscal agent fees indicated in the Annual Operating Budget and approved by the City; (h) any extraordinary expenses approved in

advance by the City (other than expenses paid from any reserve account.); and (i) Supportive Services. Partnership Fees are not Project Expenses.

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

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

"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 (i) each category of Tenant designated in **Exhibit A**, and (ii) an existing Tenant as of the Agreement Date and whose household income may exceed the income levels set forth in **Exhibit A**. For the avoidance of any doubt, the term "Qualified Tenant" under this Agreement has the same meaning as the term "Qualified Household" under the Ground Lease.

"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 and Partnership Fees. The amount of Residual Receipts will be based on figures contained in audited financial statements.

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

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

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

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

"SFHA" means the San Francisco Housing Authority.

"Site" means the Land and the Improvements.

"Supportive Services" means office hours, information & referral, health & wellness activities & educational workshops, cultural events/celebrations, support group, community building activities, nursing services, case management, and referral services. This will be funded with the services budget of \$96,852 in the first year of operation post-rehab to pay for 0.27 FTE Resident Services Coordinator, 0.27 FTE Resident Services Supervisor, and additional social service activities held by third-party organizations, see also Section 3.8.

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

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

"TCAC" means the California Tax Credit Allocation Committee.

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 2 FUNDING.

2.1 Funding Amount. The City agrees to lend to Borrower a maximum principal amount equal to the Funding Amount in order to finance the substantial rehabilitation of Project. The undisbursed portion of the Funding Amount (the PASS Loan Amount) will be disbursed according to the terms and conditions set forth in this Agreement. The LMIHAF Loan was fully disbursed under the Original Loan Agreement. =

2.2 Use of Funds. Borrower acknowledges that the City's agreement to make the Loan is based in part on Borrower's agreement to use the Funds solely for the purpose set forth in **Section 2.1** and agrees to use the Funds solely for that purpose in accordance with the approved Table of Sources and Uses. Notwithstanding anything to the contrary contained herein, City will not approve expenditure of Funds for expenses incurred by Borrower prior to the Agreement Date. Notwithstanding the foregoing, City will not approve any expenditure of 2016 GO Bond (Series 2025E) Funds for expenses incurred by Borrower earlier than sixty (60) days prior to the City's declaration of its official intent to reimburse such expenses with proceeds of the 2016 GO Bond (Series 2025E).

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 Borrower's Covenants. As a condition of the Loan, Borrower covenants to investigate and, if competitive, apply for additional funding sources for the Project as follows:

(a) Borrower will investigate if the Project (excluding HAP Units and PBRA Units) is competitive for a grant under MOHCD's Affordable Housing Opportunity Fund Program ("AHOF Program") if the AHOF Program is renewed and/or expanded to make additional grants available. By no later than twelve (12) months prior to the Completion Date, Borrower will submit an AHOF Program self score to MOHCD. If MOHCD determines the Project is competitive for AHOF Program funding, Borrower will submit an application for an AHOF Program grant at the then-current Notice of Funding Availability for the AHOF Program.

(b) AHP Loan. By no later than twelve (12) months prior to the Completion Date, Borrower will submit to MOHCD a preliminary application with a self-score for the Project under the Affordable Housing Program, which provides fund from a Federal Home Loan Bank ("AHP"). If Borrower's self-score is competitive for an AHP Loan, Borrower will apply annually to the Federal Home Loan Bank of San Francisco for an AHP loan for permanent financing of the Project prior to the Conversion Date. If Borrower's application for the AHP loan is denied, Borrower will continue to apply for an AHP loan to the Federal Home Loan Bank of San Francisco once a year, until Borrower is no longer eligible for AHP funding. If Borrower is awarded AHP funds, Borrower will deliver to the MOHCD a copy of the AHP funding award notice by no later than ten (10) days of receiving such written notice. If AHP funds are awarded prior to the Completion Date, Borrower will use the AHP funds to expand the rehabilitation scope of the Project, including, but not limited to full recladding of the exterior or additional unit improvements, which expanded scope will be subject to review and approval by the City, the Limited Partner, and senior construction lender. If AHP funds are awarded after the Completion Date, Borrower will use the AHP funds for other allowable Project costs upon approval of MOHCD and the Borrower. .

(c) Notification and Use of Excess Proceeds. Borrower will notify the City in writing within thirty (30) days after the later of the date on which Borrower receives its Form 8609 from TCAC or the date on which Borrower receives Excess Proceeds, if any, from its Limited Partner

or other financing sources. Borrower will deposit any Excess Proceeds into an interest-bearing, segregated account. Subject to MOHCD prior written consent, Borrower may use any Excess Proceeds for purposes of the Project or consistent with MOHCD policy.

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) LMIHAF Loan. For the LMIHAF Loan, Borrower will repay all amounts owing under the LMIHAF Note on the date that is the later of (a) the Fifty Seventh (57th) anniversary of the date the Deed of Trust is recorded in the Recorder's Office of San Francisco County or (b) the Fifty-Fifth (55th) anniversary of the Conversion Date.

(b) PASS Loans. For the PASS Loans, (i) Borrower must repay all amounts owing under the Market Rate Note on the date that is the earlier of (a) the forty-fourth (44th) anniversary of the first full month following the date the PASS Deed of Trust is recorded in the Official Records or (b) the fortieth (40th) anniversary of the Conversion Date ; (ii) Borrower must repay all amounts owing under the BMR Note on the date that is the earlier of (a) the forty-fourth (44th) anniversary of the first full month following the date the PASS Deed of Trust is recorded in the Official Records or (b) the fortieth (40th) anniversary of the Conversion Date ; and (iii) Borrower must repay all amounts owing under the Deferred Note on the date that is the earlier of (a) the forty-fourth (44th) anniversary of the first full month following the date the PASS Deed of Trust is recorded in the Official Records or (b) the fortieth (40th) anniversary of the Conversion 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 Deed of Trust is recorded in the Official Records and continuing for the Life of the Project (the "Compliance Term"), even if the Loan is repaid or otherwise satisfied or the Deed of Trust is reconveyed before the end of the Compliance Term.

3.3 Interest.

(a) LMIHAF Loan. The outstanding principal balance of the LMIHAF Loan will bear simple interest at a rate of [4.62%] per annum, as provided in the LMIHAF 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 6.61023% per annum, compounding monthly, as provided in the Market Rate Note.

(ii) The outstanding principal balance of the Below Market Rate Loan will bear interest at a rate of 1.87008% per annum, compounding monthly, as provided in the Below Market Rate Note.

(iii) The outstanding principal balance of the Deferred Loan will bear interest at a rate of 1.87008% 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 each Note, with such default interest rate commencing as of the date an Event of Default occurs and continuing until such Event of Default is fully cured. In addition, the default interest rate will apply to any amounts to be reimbursed to the City under any City Document if not paid when due or as otherwise provided in any City Document.

3.5 Repayment of Principal and Interest. The outstanding principal balance of the Loan, together with all accrued and unpaid interest, if any, will be due and payable on the maturity dates according to the terms set forth in full in each Note. Except as set forth in each Note, no income from of the Loan will be permitted without the prior written consent of the City in its sole and absolute discretion.

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

3.7 Additional City Approvals. Borrower understands and agrees that City is entering into this Agreement in its proprietary capacity and not as a regulatory agency with certain police powers. Borrower understands and agrees that neither entry by City into this Agreement nor any approvals given by City under this Agreement will be deemed to imply that Borrower will obtain any required approvals from City departments, boards or commissions which have jurisdiction over the Property. By entering into this Agreement, City is in no way modifying or limiting the obligations of Borrower to develop the Property in accordance with all local laws. Borrower understands that any development of the Property will require approvals, authorizations and permits from governmental agencies with jurisdiction over the Property, which may include, without limitation, the San Francisco City Planning Commission and the San Francisco Board of Supervisors. Notwithstanding anything to the contrary in this Agreement, no party is in any way limiting its discretion or the discretion of any department, board or commission with jurisdiction over the Project, including but not limited to a party hereto, from exercising any discretion available to such department, board or commission with respect thereto, including but not limited to the discretion to (i) make such modifications deemed

necessary to mitigate significant environmental impacts, (ii) select other feasible alternatives to avoid such impacts, including the "No Project" alternative; (iii) balance the benefits against unavoidable significant impacts prior to taking final action if such significant impacts cannot otherwise be avoided, or (iv) determine not to proceed with the proposed Project.

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

ARTICLE 4 CLOSING; DISBURSEMENTS.

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

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

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

(a) Borrower will have delivered to the City fully executed (and for documents to be recorded, acknowledged) originals of the following documents, in form and substance satisfactory to the City: (i) the Notes; (ii) this Agreement (in duplicate); (iii) the Deed of Trust; (iv) the Declaration of Restrictions; (v) the Opinion; (vi) the Authorizing Resolutions; (vii) the Developer Fee Agreement;; 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; and (iii) a CNA that has been duly approved by Borrower's

governing body. 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 satisfactory evidence that Borrower has obtained commitments for any additional financing that may be required for the Project, in amounts and from lenders or investors satisfactory to the City in its sole discretion.

(e) 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.

(f) 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.

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

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

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

4.5 Disbursements. The City's obligation to approve any expenditure of Funds after Loan closing is subject to Borrower's satisfaction of the conditions precedent under this Section as follows:

(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.

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-five percent (95%) of the approved budgeted costs on a line item basis. The remaining five percent (5%) 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 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) Previously approved Expenditure Requests will not exceed 95% of the approved budgeted costs on a line item basis. A list of Early Release Retention Contractors is set forth in **Exhibit Q**.

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

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

5.3 Change Orders. Borrower will 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 supporting documentation for analysis of the appropriateness of the change order request to the MOHCD. Borrower's supporting documentation for the change order request will include confirmation that the requested change order has been reviewed, vetted/negotiated, and accepted by (with modifications where appropriate) the Borrower and architect/engineer prior to submission to the MOHCD. MOHCD will provide any questions, comments, or requests for additional information and/or supporting documentation to Borrower within five (5) business days of receipt of a change order request. In the event MOHCD requests additional information and/or supporting documentation, the review period will be extended by five (5) business days from MOHCD's receipt of such information and/or supporting documentation. MOHCD will promptly review and approve or disapprove of a change order request within the later of: (a) ten (10) business days of a complete submission by Borrower including supporting documentation, or (b) five (5) business days of receipt of requested additional information and/or supporting documentation. In the event MOHCD fails to approve or disapprove the change order request within the foregoing review period, the change order will be deemed approved. If MOHCD denies a change order request, MOHCD will specify the reasons for the denial in writing. Borrower will submit on a monthly basis, or as requested by

MOHCD, a contingency balance report (in excel format or equivalent) which documents all change orders as approved, pending, or under review. Borrower acknowledges that MOHCD'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 MOHCD 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 by a date no later than [July 20, 2026]; (b) complete demolition, rehabilitation or construction by a date no later than [April 1, 2028], in accordance with the plans and specifications approved by the City, as evidenced by a certificate of occupancy or equivalent certification provided by the City's Department of Building Inspection, and an architect's or engineer's certificate of completion (the "Completion Date"); and (c) achieve occupancy of Ninety Five percent (95%) of the Units by a date no later than [April 1, 2028].

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

ARTICLE 6 MARKETING.

6.1 Marketing and Tenant Selection Plan. No later than twelve (12) months before the Completion Date, Borrower will deliver to the City and HUD for the City's and HUD's, respectively, review and approval of 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 and HUD. The Marketing and Tenant Selection Plan will set forth the affirmative steps Borrower will take to market the Project to Residential Certificate of Preference Holders and Displaced Tenants (as each is defined under the Preference Ordinance), as well as how the marketing is consistent with Affirmatively Furthering Fair Housing under California law. Borrower will obtain the City's approval, and if applicable, HUD'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 Section 6.5. The Marketing and Tenant Selection Plan will include as many of the following elements as are appropriate to the Project, as determined by the City:

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

(b) A plan that satisfies the requirement to give preference in occupying units in accordance with the Preferences and Lottery Manual and the Preferences Ordinance. Notwithstanding the foregoing, in the event of a conflict between these provisions and the provisions of Section 42 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated therewith, the provisions of such Section 42 (and the applicable regulations) shall control.

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

7.2 Borrower's Covenant.

(a) Borrower covenants to rent all Units (except one Unit reserved for the manager of the Project) at all times to households certified as Qualified Tenants at initial occupancy, as set forth in **Exhibit A**. In addition, thirty-one (31) Units will be rented to households referred by SFHA under the HAP Contract or other similar rental subsidy contracts, unless these rental subsidy programs are no longer in operation, and twenty-four (24) Units will be rented to households eligible under the PBRA Contract, unless the PBRA Contract is terminated and not replaced with a new PBRA contract.

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

7.3 Rent Restrictions.

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

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

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

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

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

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

7.4 Certification.

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

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

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

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

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

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

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.

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 Chinatown Community Development Center, Inc. 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.

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, significant milestones achieved in the past month and expected to be achieved in the coming month, progress on completing post-closing loan conditions set forth in Section 2.6, and monthly logs on change orders and allowances under the construction contracts. Every three (3) months, Borrower’s monthly logs will include the general contractor contingency and Borrower’s contingency. The MOHCD Monthly Project Update will be submitted by email in substantially the form requested by MOHCD until such time as the Project Completion Report is submitted to the City pursuant to **Section 10.5** below.

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

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

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

(a) within one hundred-eighty (180) days after the Completion Date, a draft cost certification (or other similar project audit performed by an independent certified public accountant) identifying the sources and uses of all Project funds including the Funds;

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

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

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

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

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

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

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

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

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

ARTICLE 11 USE OF INCOME FROM OPERATIONS.

11.1 Project Operating Account.

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

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

ARTICLE 12 REQUIRED RESERVES.

12.1 Replacement Reserve Account.

(a) Commencing no later than Conversion , 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 the Conversion Date, 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. All reserves held by any lenders or equity providers with respect to the Project will be credited toward the applicable City reserve requirement hereunder on a dollar for dollar basis.

(b) ~~[(b)]~~ Borrower will make an initial deposit into the Replacement Reserve Account in an amount equal to \$1,000 per Unit. Thereafter, monthly deposits will equal 1/12th of the following amount: \$ \$72,000.

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

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

12.2 Operating Reserve Account.

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

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

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

ARTICLE 13 DISTRIBUTIONS.

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

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

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

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

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

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

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

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

(f) during the pendency of an uncured Event of Default (including Borrower's failure to provide its own funds at any time the City determines the Loan is out of balance) under any City Document.

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

ARTICLE 14 SYNDICATION PROCEEDS.

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

ARTICLE 15 DEVELOPER FEES.

15.1 Amount. The City has approved the payment of development fees to the Developer in an amount not to exceed [Seven Million One Hundred Seventy-Seven Thousand One Hundred Fifty and no/100 Dollars (\$7,177,150.00)] 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, including any subsequent transfer through foreclosure or deed in lieu of foreclosure under such security; or (c) transfers from Borrower to a limited partnership or limited liability company formed for the tax credit syndication of the Project, where Borrower or an affiliated nonprofit public benefit corporation is the sole general partner or manager of that entity or is the manager

of a limited liability company that is the sole general partner or manager of that entity; or (d) transfers of the general partnership or manager's interest in Borrower to a nonprofit public benefit corporation approved in advance by the City; or (e) transfers of any limited partnership or membership interest in Borrower to an investor pursuant to the tax credit syndication of the Project and transfers of any limited partner interest in Borrower to affiliates of the Limited Partner in accordance with the terms of the Partnership Agreement; or (f) the grant or exercise of an option agreement between Borrower and Borrower's general partner or manager or any of its affiliates in connection with the tax credit syndication of the Project where such agreement has been previously approved in writing by the City; or (g) to remove or replace the General Partner in accordance with the terms of the Partnership Agreement, a transfer of any general partnership interest to a new general partner approved in advance by the City. Any other transfer, assignment, encumbrance or lease without the City's prior written consent will be voidable and, at the City's election, constitute an Event of Default under this Agreement. The City's consent to any specific assignment, encumbrance, lease or other transfer will not constitute its consent to any subsequent transfer or a waiver of any of the City's rights under this Agreement.

ARTICLE 17 INSURANCE AND BONDS; INDEMNITY.

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

17.2 Borrower's Indemnity Obligations. Borrower will indemnify, protect, defend and hold harmless each of the Indemnitees from and against any and all Losses arising out of: (a) any default by Borrower in the observance or performance of any of Borrower's obligations under the City Documents (including those covenants set forth in **Article 18** below); (b) any failure of any representation by Borrower to be correct in all respects when made; (c) injury or death to persons or damage to property or other loss occurring on or in connection with the Site or the Project, whether caused by the negligence or any other act or omission of Borrower or any other person or by negligent, faulty, inadequate or defective design, building, construction, rehabilitation or maintenance or any other condition or otherwise; (d) any claim of any surety in connection with any bond relating to the construction or rehabilitation of any improvements or offsite improvements; (e) any claim, demand or cause of action, or any action or other proceeding, whether meritorious or not, brought or asserted against any Indemnitee that relates to or arises out of the City Documents, the Loan, the Site or the Project or any transaction contemplated by, or the relationship between Borrower and the City or any action or inaction by the City under, the City Documents; (f) the occurrence, until the expiration of the Compliance Term, of any Environmental Activity or any failure of Borrower or any other person to comply with all applicable Environmental Laws relating to the Project or the Site; (g) the occurrence, after the Compliance Term, of any Environmental Activity resulting directly or indirectly from any Environmental Activity occurring 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 Indemnatee 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 Indemnatee and continues at all times thereafter. In the event any action or proceeding is brought against an Indemnatee 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 Indemnatee at Borrower's sole expense. Each Indemnatee 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 Indemnatee in connection with the matters covered by this Agreement. The Indemnatee 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 Indemnatee has the right to retain its own counsel at the expense of Borrower if representation of such Indemnatee by the counsel retained by Borrower would be inappropriate due to conflicts of interest between such Indemnatee and Borrower. An Indemnatee'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 Indemnatee 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 was conducted by Langan CA, Inc. in [December 2025] and the Lead and Asbestos Survey by JME Environmental Consulting in September 2024 or otherwise in writing: (a) the Site is not in violation of any Environmental Laws; (b) the Site is not now, nor has it been, used for the manufacture, use, storage, discharge, deposit, transportation or disposal of any Hazardous Substances, except in limited quantities customarily used in residences and offices and in compliance with Environmental Laws; (c) the Site does not consist of any landfill

or contain any underground storage tanks; (d) the improvements on the Site do not consist of any asbestos-containing materials or building materials that contain any other Hazardous Substances; (e) no release of any Hazardous Substances in the improvements on the Site has occurred or in, on, under or about the Site; and (f) the Site is not subject to any claim by any Governmental Agency or third party related to any Environmental Activity or any inquiry by any Governmental Agency (including the California Department of Toxic Substances Control and the Regional Water Quality Control Board) with respect to the presence of Hazardous Substances in the improvements on the Site or in, on, under or about the Site, or the migration of Hazardous Substances from or to other real property.

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

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

ARTICLE 19 DEFAULT.

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

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

(b) Any lien is recorded against all or any part of the Site or the Project without the City's prior written consent, whether prior or subordinate to the lien of the Deed of Trust or Declaration of Restrictions, and the lien is not removed from title or otherwise remedied to the City's satisfaction within thirty (30) days after Borrower's receipt of written notice from

the City to cure the default, or, if the default cannot be cured within a 30-day period, Borrower will have sixty (60) days to cure the default, or any longer period of time deemed necessary by the City, *provided that* Borrower commences to cure the default within the 30-day period and diligently pursues the cure to completion; or

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

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

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

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

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

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

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

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

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

(l) Any material adverse change occurs in the financial condition or operations of Borrower, such as a loss of services funding or rental subsidies, that has a material adverse impact on the Project, provided that, if the Borrower provides an alternate funding source to cover a loss of funding or rental subsidy that is reasonably satisfactory to the City, a material adverse impact will not be deemed to have occurred; 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 the Ground Lease or any funding obligation (other than the Loan) for the Project, and the default remains uncured following the expiration of any applicable cure periods; or

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

Notwithstanding the foregoing, if an Event of Default occurs, or an event occurs that, with notice or the passage of time, or both, could constitute an Event of Default, the City shall give Limited Partner the same written notice given to the Borrower as required in this Agreement, and the Limited Partner will have the right to cure any Event of Default, and City will accept or reject such cure on the same terms as if rendered by Borrower.

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

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

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

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

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

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

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

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

19.3 Force Majeure. The occurrence of any of the following events will excuse performance of any obligations of the City or Borrower rendered impossible to perform while the event continues: strikes; lockouts; labor disputes; acts of God; inability to obtain labor, materials or reasonable substitutes for either; governmental restrictions, regulations or controls, including, but not limited to, government health orders related to a pandemic or epidemic; judicial orders; enemy or hostile governmental actions; civil commotion; fire or other casualty and other causes beyond the control of the party obligated to perform. The occurrence of a force majeure event

will excuse Borrower's performance only in the event that Borrower has provided notice to the City within thirty (30) days after the occurrence or commencement of the event or events, and Borrower's performance will be excused for a period ending thirty (30) days after the termination of the event giving rise to the delay.

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

ARTICLE 20 REPRESENTATIONS AND WARRANTIES.

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

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

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

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

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

(e) None of Borrower, Borrower's principals or Borrower's general contractor 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, 5 th Floor San Francisco, CA 94103 Attn: Director
To Borrower:	Golden Gate Apartments, L.P. c/o Chinatown Community Development Center, Inc. 615 Grant Avenue, 4 th Floor San Francisco, CA 94108 Attn: Chief Executive Officer
To: Limited Partner:	RJ MT Golden Gate Apartments L.L.C. c/o Raymond James Affordable Housing Investments, Inc. 880 Carillon Parkway St. Petersburg, Florida 33716 Attention: Steven J. Kropf, President

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.

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

ARTICLE 22 GENERAL PROVISIONS.

22.1 Subordination. The Deed of Trust may be subordinated to other financing secured by and used for development of the Project (in each case, a "**Senior Lien**"), but only if MOHCD determines in its sole discretion that subordination is necessary to secure adequate acquisition, construction, rehabilitation and/or permanent financing to ensure the viability of the Project. Following review and approval by MOHCD and approval as to form by the City Attorney's Office, the Director of MOHCD or his/her successor or designee will be authorized to execute any approved subordination agreement without the necessity of any further action or approval. Except as permitted under Administrative Code Chapter 120, 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	PASS Debt Service Coverage Certification
N	Intentionally Omitted
O	Intentionally Omitted
P	MOHCD Residual Receipts Policy
Q	Early Release Retention Contractors

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

THE CITY:

CITY AND COUNTY OF SAN
FRANCISCO, a municipal corporation

By: _____
Daniel Lurie
Mayor

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

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: _____
Keith Nagayama
Deputy City Attorney

BORROWER:

Golden Gate Apartments, L.P.,
a California limited partnership

By: CCDC Golden Gate Apartments LLC,
a California limited liability company,
its general partner

By: Chinatown Community Development
Center, Inc.,
a California nonprofit public benefit
corporation,
its sole member/manager

By: _____
Malcolm Yeung,
Chief Executive Officer

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. As used in this Agreement, the term "Qualified Tenant" includes each category of Tenant included below:

Unit Size	No. of Units	Maximum Income Level
Studio	5	60% of Median Income
1BR	9	60% of Median Income
1BR	3	75% of Median Income
1BR	1	90% of Median Income
2BR	17	60% of Median Income
2BR	5	75% of Median Income
2BR	5	90% of Median Income
3BR	7	60% of Median Income
3BR	2	75% of Median Income
3BR	7	90% of Median Income
4BR	3	60% of Median Income
4BR	7	90% of Median Income
3BR	1	Managers Unit

In addition, thirty-one (31) Units will be rented to households referred by SFHA under the HAP Contractor other similar rental subsidy contracts, unless these rental subsidy programs are no longer in operation, and twenty-four (24) Units will be rented to households eligible under the PBRA Contract, unless the PBRA Contract is terminated and not replaced with a new PBRA contract.

If the HAP or PBRA is terminated, discontinued or reduced at no fault of Borrower with respect to the Project, then the rent restrictions above may be altered but only to the extent necessary for the Project to remain financially feasible, as determined in City's reasonable discretion; provided that:

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

(b) Any Units formerly subsidized under the HAP and PBRA will at all times be occupied by Qualified Tenants whose household income does not exceed the applicable maximum income limits in the schedule above and the monthly rent paid by the Qualified Tenants may not exceed (a) one-twelfth (1/12) of thirty percent (30%) of such maximum income limit, (b) less utility allowance. To the extent financially feasible,

as mutually determined by the Parties, any such rent increase will be limited to (or will be first implemented with) any vacant units.

(c) If the Project continues to demonstrate financial infeasibility after the rent alterations above, to the extent financially feasible as determined in City's reasonable discretion, the City will waive the maximum income and rent set forth in the schedule above and allow Borrower to further increase rents only to the extent necessary for the Project to remain financially feasible; provided that any Unit permitted to exceed MOHCD's maximum income and rents will at all times be occupied by Qualified Tenants whose household income does not exceed eighty percent (80%) of median income for San Francisco County, as published by TCAC (the "TCAC Median Income"), and the monthly rent paid by the Qualified Tenants may not exceed (a) thirty percent (30%) of eighty percent (80%) of TCAC Median Income (b) less utility allowance. On an annual basis, Borrower will convert the TCAC Median Income and maximum rent to the corresponding published MOHCD maximum income level and maximum rent level, respectively, and provide MOHCD with supporting documentation. The maximum initial occupancy income level restrictions when averaged for all Units in the Project will not exceed sixty percent (60%) of TCAC Median Income and subject to any applicable regulatory agreement, restrictive covenant, or other encumbrance. To the extent financially feasible, as mutually determined by the Parties, any such rent increase will be limited to (or will be first implemented with) any vacant units.

In such events of financial infeasibility, the City will use good faith efforts to meet with Borrower within fifteen (15) days after Borrower's request to meet. The relief provided by the foregoing will not be construed as authorizing Borrower to exceed any income or rent restriction imposed on the Project by CDLAC, CTCAC, or under any other agreement. Borrower covenants and warrants that it will obtain all necessary approvals or relief from any other applicable income or rent limitations before implementing the relief provided in this paragraph.

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

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

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

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

[3. To the extent the Borrower needs to repay the full outstanding balance of the Loan by the Maturity Date, the rent restrictions above may be altered, but only to the extent necessary for the Project to refinance and repay the full outstanding Loan balance by the Maturity Date, as determined in City's reasonable discretion. Any Unit with a modified rent restriction will at all times be occupied by Qualified Households whose

adjusted income does not exceed eighty percent (80%) of TCAC Median Income, and the monthly rent paid by the Qualified Tenants may not exceed (a) thirty percent (30%) of eighty percent (80%) of TCAC Median Income (b) less utility allowance. The maximum initial occupancy income level restrictions when averaged for all Residential Units in the Project may not exceed sixty percent (60%) of TCAC Median Income and subject to any applicable regulatory agreement, restrictive covenant, or other encumbrance. In such event, Borrower will provide the City with a written request no less than one year prior to the maturity date of the Loan, and the City will use good faith efforts to meet with Borrower within fifteen (15) days after Borrower's request to meet. To the extent financially feasible, as mutually determined by the Parties, any such rent increase will be limited to (or will be first implemented with) any vacant units.]

EXHIBIT B-1
Table of Sources and Uses of Funds

EXHIBIT B-2
Annual Operating Budget

EXHIBIT B-3

20-Year Cash Flow Proforma

*[THIS PROFORMA MUST INCLUDE THE SAME LINE ITEMS AS THE ANNUAL
OPERATING BUDGET SHOWN IN EXHIBIT B-2.]*

EXHIBIT C
Tenant Income Certification Form

[To be attached.]

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 ☐ /PT ☐ /NA ☐	
2						FT ☐ /PT ☐ /NA ☐	
3						FT ☐ /PT ☐ /NA ☐	
4						FT ☐ /PT ☐ /NA ☐	
5						FT ☐ /PT ☐ /NA ☐	
6						FT ☐ /PT ☐ /NA ☐	
7						FT ☐ /PT ☐ /NA ☐	

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%

If Applicable, Unit Meets Bond Rent
Restriction at:

☐ 60% ☐ 50%

Unit Meets State Deeper

Targeting Rent Restriction at:

☐ Other: _____ %

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

PART VII. STUDENT STATUS

ARE ALL OCCUPANTS FULL TIME STUDENTS?

☐ Yes☐ No

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

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
 - 4b – Chinese
 - 4c – Filipino
 - 4d – Japanese
 - 4e – Korean
 - 4f – Vietnamese
 - 4g – Other Asian
- 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
 - 5b – Guamanian or Chamorro
 - 5c – Samoan
 - 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).

Borrower will, or will require its general contractor to, separately execute a First Source Hiring Agreement with the City as set forth below, although the lack of such a separate execution will not affect the requirements of Chapter 83 as incorporated herein.

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

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

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

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

E. Liquidated Damages. Borrower agrees:

1. To be liable to the City for liquidated damages as provided in this Section;
2. To be subject to the procedures governing enforcement of breaches of contracts based on violations of contract provisions required by this Chapter as set forth in this Section;
3. That the Borrower's commitment to comply with this Chapter is a material element of the City's consideration for this contract; that the failure of the contractor to comply with the contract provisions required by this Chapter will cause harm to the City and the public which is significant and substantial but extremely difficult to quantify; that the harm to the City includes not only the financial cost of funding public assistance programs but also the insidious but

impossible to quantify harm that this community and its families suffer as a result of unemployment; and that the assessment of liquidated damages of up to \$5,000 for every notice of a new hire for an entry level position improperly withheld by the contractor from the first source hiring process, as determined by the FSHA during its first investigation of a contractor, does not exceed a fair estimate of the financial and other damages that the City suffers as a result of the contractor's failure to comply with its first source referral contractual obligations.

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

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

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

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

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

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

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

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

EXHIBIT E
Governmental Requirements

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

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

3. Conflict of Interest.

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

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

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

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

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

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

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

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

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

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

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

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

(e) Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B ("Nondiscrimination in Contracts") and 12C ("Nondiscrimination in Property Contracts") of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Borrower will comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters of the Administrative Code, including the remedies provided in such Chapters. Without limiting the foregoing, Borrower understands that pursuant to Sections 12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this

Agreement may be assessed against Borrower and/or deducted from any payments due Borrower.

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

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

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

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

- (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval;
- (b) knowingly makes, uses or causes to be made or used a false record or statement to get a false claim paid or approved by the City;
- (c) conspires to defraud the City by getting a false claim allowed or paid by the City;

(d) knowingly makes, uses or causes to be made or used a false record or statement to conceal, avoid or decrease an obligation to pay or transmit money or property to the City; or

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

13. Sunshine Ordinance.

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

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

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

14. Prohibition on Use of Public Funds for Political Activities. Borrower will comply with San Francisco Administrative Code Chapter 12G, which prohibits funds

appropriated by the City for this Agreement from being expended to participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure. Borrower is subject to the enforcement and penalty provisions in Chapter 12G.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20. Bottled Drinking Water. Unless exempt, Borrower agrees to comply fully with and be bound by all of the provisions of the San Francisco Bottled Water Ordinance,

as set forth in San Francisco Environment Code Chapter 24, including the administrative fines, remedies, and implementing regulations provided therein, as the same may be amended from time to time. The provisions of Chapter 24 are incorporated herein by reference and made a part of this Agreement as though fully set forth.

21. 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.

Golden Gate Apartments, L.P.,
a California limited partnership

By: CCDC Golden Gate Apartments LLC,
a California limited liability company,
its general partner

By: Chinatown Community Development Center, Inc.,
a California nonprofit public benefit corporation,

its sole member/manager

By: _____
Malcolm Yeung,
Chief Executive Officer

EXHIBIT G
Form of Annual Monitoring Report

[To be attached]

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



London N. Breed
Mayor

Eric D. Shaw
Director

October 21, 2020

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

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

IMPORTANT INFORMATION RELATED TO COVID-19

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

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

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

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

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

Completion and Submission Instructions

The Annual Monitoring Report consists of the following four parts:

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

Instructions	3C. Demographic Summary
1A. Property & Residents	4. Narrative
1B. Transitional Programs	5. Project Financing
1C. Eviction Data	6. Services Funding
2. Fiscal Activity	7. Supplementary Audit Information
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
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	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 <i>prior</i> years?
44		How many Health, Building or Housing Code Violations were cleared in the reporting year?
45		Are there urgent Major Property Repairs needed on the property in the next two years? (Yes/No) 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		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.)																				
Resident Services: AN ANSWER IS REQUIRED FOR questions 51-61. Indicate below any services that were available to the residents free of charge, on site or at another designated location within 1/4 mile of the project. You must also provide additional information about each of the marked services below on Worksheet "6.Services"																						
47		Go To WS6 After School Program/s (y/n)																				
48		Go To WS6 Licensed Day Care Service (<i>participant fees are allowable for day care ONLY</i>) (y/n)																				
49		Go To WS6 Youth Program/s (y/n)																				
50		Go To WS6 Educational Classes (e.g. basic skills, computer training, ESL) (y/n)																				
51		Go To WS6 Health and Wellness Services/Programs (y/n)																				
52		Go To WS6 Employment Services (y/n)																				
53		Go To WS6 Case Management, Information and Referrals (y/n)																				
54		Go To WS6 Benefits Assistance and Advocacy; Money Management; Financial Literacy and Counseling (y/n)																				
55		Go To WS6 Support Groups, Social Events, Organized Tenant Activities (y/n)																				
56		Go To WS6 Other Service #1 - Please specify in column G.																				
57		Go To WS6 Other Service #2 - Please specify in column G.																				
POPULATION SERVED																						
Target / Actual Populations: As of the last day of the reporting period, what are the Actual and Target Populations (expressed as Number of Households) for the Project?																						
<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>																						
		<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 Families</td> <td>0</td> <td>Families</td> </tr> <tr> <td>59</td> <td>0 Persons with HIV/AIDS</td> <td>0</td> <td>Persons with HIV/AIDS</td> </tr> <tr> <td>60</td> <td>0 Housing for Homeless</td> <td>0</td> <td>Housing for Homeless</td> </tr> <tr> <td>61</td> <td>0 Mentally or Physically Disabled</td> <td>0</td> <td>Mentally or Physically Disabled</td> </tr> </tbody> </table>	Target Population		Actual Population		58	0 Families	0	Families	59	0 Persons with HIV/AIDS	0	Persons with HIV/AIDS	60	0 Housing for Homeless	0	Housing for Homeless	61	0 Mentally or Physically Disabled	0	Mentally or Physically Disabled
Target Population		Actual Population																				
58	0 Families	0	Families																			
59	0 Persons with HIV/AIDS	0	Persons with HIV/AIDS																			
60	0 Housing for Homeless	0	Housing for Homeless																			
61	0 Mentally or Physically Disabled	0	Mentally or Physically Disabled																			

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

Remember, **SAVE YOUR WORK!**

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

Project Address:

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

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

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

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

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

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

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

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

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

19		Rental - House or Apartment (no subsidy)	PERMANENT
20		Public Housing	
21		Section 8 Voucher	
22		Subsidized Rental - house or apartment	
23		Homeownership	
24		Moved in with family or friends	
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 #s below	enter #s 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 #s below	enter #s 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 #s below	enter #s 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)				

	B	D	F	H	J
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
175	RESERVE ACCOUNT DETAILS				
177	OPERATING RESERVE (Do not leave blanks for any questions asking for a number, enter zero instead.)				
179	Minimum Required Balance:				
180	Beginning Balance:				
181	Actual Annual Deposit from Operating Budget in Current Reporting Period (not editable, data entered in cash flow above, account number 1365):	\$0.00			
182	Additional Deposit (use ONLY to record deposits from the Op Budget attributable to a prior reporting period, or deposits made from an external source)				
183	Interest Earned:				
184	Annual Withdrawal Amount (enter as negative number):				
185	Ending Balance (don't edit cell -- calculated):	\$0.00			
186	Required Annual Deposit:				
187	Total Operating Expenses plus debt service (don't edit cell -- calculated)	\$0.00			
188	If the calculated percentage shown to the right (Op Reserve Account Ending Balance divided by Total Op Expenses) is less than 23.5%, you must describe how the project will remedy the shortfall in the adjacent cell. If the calculated percentage shown to the right is greater than 26.5%, you must explain why the Op Reserve balance exceeds MOHCD's requirement in the adjacent cell.	0.000%			
189	REPLACEMENT RESERVE (Do not leave blanks for any questions asking for a number, enter zero instead.)				
191	Minimum Required Balance:				
192	Beginning Balance:				
193	Actual Annual Deposit:				
194	Interest Earned:				
195	Annual Withdrawal Amount (enter as negative number):				
196	Ending Balance (don't edit cell -- calculated):	\$0.00			
197	Required Annual Deposit (do not edit - taken from page 1 account number 1320):	\$0.00			
198	Describe how the amount of annual deposit and the minimum required balance is determined.				
199	CHANGES TO REAL ESTATE ASSETS				
201	Enter Beginning and Ending Balances in each of the categories listed below. Changes in asset categories will auto calculate.	Balance, 1/00/1900	Changes	Balance, 1/00/1900	
202	Building & Improvements		\$0.00		
203	Offsite Improvements		\$0.00		
204	Site Improvements		\$0.00		
205	Land Improvements		\$0.00		
206	Furniture, Fixtures & Equipment		\$0.00		
207	Other		\$0.00		
208	Replacement Reserve-Eligible Expenditures: Provide details below about the Capital and non-Capital Expenditures that are Replacement Reserve-eligible.				

	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.				

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

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

- For 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 - Demographic Information - Reporting Year 2020 -
Mayor's Office of Housing & Community Development**

Project Address:		1/0/1900	# Units:	0

	• Provide the data requested below for the tenant population that was residing in the project <i>at the end of the Reporting Period</i>. • Select one Gender and one Sexual Orientation category for the head of household. • Indicate whether or not any one member of the household is 62 years of age or older. • Enter the number of children under the age of 18 for whom the unit is their primary place of residence. • If one or more members of the household is/are disabled, indicate the nature of the primary disability of one of those members. • If unknown, manager's or vacant unit, select "Question Not Asked". • See the Instructions worksheet for a link to additional info about the City ordinance that requires collection of this data beginning in 2017.

[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

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")

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

Project Street Address:

Reporting Period - Start Date: 1/0/1900

Reporting Period - End Date: 1/0/1900

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

1. Explanations & Comments

Use this space to record notes about any peculiarities in the data entry process. For example, if you entered a formula instead of a single number for a field, make a note here re: for which question on which worksheet that was done, and describe the formula & underlying numbers. Also use this field to describe in detail any amounts entered for "Other payments" on the worksheet "2.Fiscal," item 10.

This image shows a completely blank white rectangular area enclosed within a thin black border. There are no markings, text, or illustrations present.

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		
7190		
Total Net Entity Expenses:		\$0

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

Project Street Address:

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

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

Proposed Owner Distribution	\$0

Proposed Other Distribution/Uses	\$0

Total Residual Receipts Distributions to Lenders and Owners:	<u>\$0</u>

Project Street Address:

**Summary of Replacement Reserve and Operating Reserve Activity
For the Year Ended 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

Project Address:

Reporting End Date:

1/0/00

Submission Instructions:

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

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.
- **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

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)**

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

[To be attached]

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

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

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

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

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

A. Total Development Fee

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

B. Fee Components

1. Cash-Out Fee (Base and Additional)

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

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

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

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

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

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

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

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

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

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

A. At-Risk Fee Adjustment

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

IV. WAIVERS OF THE DEVELOPER FEE POLICY

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

V. CDBG or HOME REQUIREMENTS

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

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

VI. POLICY IMPLEMENTATION

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

EXHIBIT K

Hold Harmless Policy

[To be attached]

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; the use of an umbrella/excess liability policy(ies) to reach the limits required is permitted;

(c) business automobile liability insurance, with limits not less than One Million Dollars (\$1,000,000) each accident, combined single limit for bodily injury and property damage, including owned (if any), hired and non-owned auto coverage, as applicable;

(d) professional liability insurance of no less than One Million Dollars (\$1,000,000) per claim and Two Million Dollars (\$2,000,000) annual aggregate limit covering all negligent acts, errors and omissions of Borrower's architects, engineers and surveyors. If the professional liability insurance provided by the architects, engineers, or surveyors is "Claims made" coverage, Borrower 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 Two Hundred Fifty Thousand Dollars (\$250,000) 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 Twenty Five Thousand Dollars (\$25,000) 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 Two Hundred Fifty Thousand Dollars (\$250,000) each loss, including the City as loss payees.

(b) During the course of construction:

(i) If Borrower's Property insurance cannot cover the project during construction, Builder's risk insurance shall be required, 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 Two Hundred Fifty Thousand Dollars (\$250,000) each loss, including the City as loss payees.

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

(c) Upon completion of construction:

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

(ii) Boiler and machinery insurance, comprehensive form, covering damage to, loss or destruction of machinery and equipment located on the Site that is used by Borrower for heating, ventilating, air-conditioning, power generation and similar purposes, in an amount not less than one hundred percent (100%) of the actual replacement value of such machinery and equipment with a deductible not to exceed Two Hundred Fifty Thousand Dollars (\$250,000) 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. 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, or intended non-renewal, . 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-, VII or higher, that are approved 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
PASS Debt Service Coverage Certification

EXHIBIT N
Intentionally Omitted

Exhibit O

EXHIBIT O
Intentionally Omitted

EXHIBIT P
Residual Receipts Policy

[To be attached]

Exhibit Q

City and County of San Francisco
Mayor's Office of Housing and Community Development
Residual Receipts Policy
Effective Date: May 16, 2025

I. Introduction

The Mayor's Office of Housing and Community Development (MOHCD) typically requires annual payments under 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 (loan and/or below market ground lease).

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. This Residual Receipts Policy (this "**Policy**") sets forth the terms for repayment of MOHCD loans and/or payment of residual rent under MOHCD ground leases. For the purposes of this Policy, a "**Borrower**" means, collectively, the legal entity that owns an affordable housing project financed by MOHCD and borrowed funds from MOHCD, and all organizations within the ownership structure of the borrowing legal entity, including, but not limited to, project sponsors that own/control a portfolio of affordable housing financed by MOHCD.

The Residual Receipts Policy 2021 Supplement has expired.

II. Definition of Residual Receipts

Residual Receipts is the amount remaining in the annual operating budget after calculation of Net Operating Income (Project Income less Project Expenses) less any allowable uses of remaining cash flow before payment to MOHCD, such as partnership fees.

"**Project**" means an affordable housing project financed by MOHCD and/or on land owned by the City.

"**Project Income**" means all income and receipts in any form received by borrower from the operation of a 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 a 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 the MOHCD loan agreement for a purpose other than that for which the reserve account was established;
- (g) reimbursements and other charges paid to the borrower in connection with a Project; and
- (h) other consideration actually received from the operation of such project, including non-residential uses of Project.

Project Income will not include interest accruing on any portion of the MOHCD loan or tenant's refundable security deposits. Project Income will also not include income from a project's commercial space if specified in the MOHCD loan agreement and approved by MOHCD.

"Project Expenses" means the following applicable 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 a 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 Project and used to finance the Project that has been approved by the City;
- (d) all other expenses actually incurred to cover operating costs of the Project, including maintenance and repairs and the fee of any managing agent as indicated in the Annual Operating Budget;
- (e) annual base rent under the ground lease with the City;

- (f) required deposits to the replacement reserve account, operating reserve account and any other reserve account required under the MOHCD loan agreement or by other lenders approved by MOHCD;
- (g) the approved annual asset management fees indicated in the Annual Operating Budget and approved by MOHCD;
- (h) any extraordinary expenses approved in advance by the City (other than expenses paid from any reserve account); and
- (i) any supportive services required by MOHCD.

The project-specific contracts may define what Project Income entails and which Project Expenses are allowable with the prior written approval of MOHCD. Each MOHCD contract will include a copy of the approved Operating Budget Proforma. **Project Expenses shall not include the following: partnership fees, developer fees, tax credit adjustors, or taxes owed by a limited partnership unrelated to the operations of a Project.**

Borrowers must clearly define and request which uses of annual cash flow/surplus cash have been approved for payment prior to the calculation of the amounts owed to MOHCD (and to other soft debt lenders, if applicable), and amount intended to be retained by the Borrower.

The approved uses of any available annual surplus cash 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 general partner, the limited partner, or asset management fees, if applicable (e.g. HCD funded project)
2. Fees payable to project funders
3. Deferred developer fee

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

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.

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

A. General Requirement. 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 50% of Residual Receipts to repay loans or pay residual rent. Larger Tax Credit projects. The Borrower’s portion of Residual

Receipts shall be considered payment of Deferred Developer Fee for tax credit projects. See the Developer Fee Policy for more details.

Any Residual Receipts loan payments shall be applied toward the unpaid balance of MOHCD's loan(s) according to the terms in MOHCD's promissory note and/or loan agreement. In general, payments are applied first to any fees and/or penalties, second to accrued and unpaid interest, and third to the outstanding principal amount of the loan. Any Residual Receipts payments required under a MOHCD ground lease ("Residual Rent") shall be due after full repayment of a MOHCD loan and any other soft debt loans approved by MOHCD (see above).

B. Special Waiver. For a Borrower that has Project that was placed in service prior to the Effective Date and has residual receipts loan repayment obligations, such Borrower shall continue to comply with their existing MOHCD loan agreement and promissory note(s), but may request a waiver to the residual receipt loan repayment amount. MOHCD may modify repayment amounts to be consistent with this Residual Receipts Policy as of the Effective Date, as amended from time to time, if a Borrower demonstrates the following:

1. Borrower is not in default under any loan agreement with MOHCD, or has any outstanding non-compliance notices issued by MOHCD;
2. Borrower has submitted all required Annual Monitoring Reports to MOHCD;
3. Project sponsor owns/control a portfolio of at least two (2) affordable housing financed by MOHCD, SFRA or OCII; and,
4. Borrower's portfolio of affordable housing has the minimum reserves required under applicable loan agreements and most recent capital needs assessment.

For example, if under current contracts, a Borrower must pay 2/3 of Residual Receipts to MOHCD for loan repayment and may retain a 1/3 of Residual Receipts as a Distribution, MOHCD may waive the repayment amount such that Borrower pays 50% of Residual Receipts to the City for loan repayment and could retain 50% of Residual Receipts as a Distribution (or a larger percentage distribution under future policy updates). If a Borrower's portfolio shows that one or more properties have insufficient reserves or has an operating deficit ("**Deficit Property**"), MOHCD may condition the waiver on the Borrower disbursing funds to a Deficit Property. A waiver granted under this section will be reviewed on an annual basis. For any project that has received a waiver, Borrower must agree to amend the MOHCD loan documents at the time the project refinances permanent debt, resyndicates, or receives additional funds from MOHCD. At no point will any Borrower be required to retain a smaller share of Residual Receipts than what their loan agreement and promissory note(s) call for, unless mutually agreed upon by MOHCD and the Borrower. The foregoing special waiver will not apply to modifications of residual rent, which requires the approval of the Board of Supervisors.

IV. When more than one MOHCD contract requires residual payments

Some projects supported by MOHCD may be governed by more than one MOHCD contract due to capital financing provided to the project at various times. In general, Residual Receipts payments to MOHCD will be allocated proportionately to each loan's original principal amount. 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. If a Borrower requests loan modifications related to a Project governed by more than one MOHCD contract executed before the Effective Date, Borrower will be required to get approval of a new MOHCD Operating Budget Proforma that reflects a comprehensive summary of the approved cash flow waterfall during the applicable approval process. Current best practice is to amend and restate all loan agreements and consolidate the loans so that all MOHCD loan requirements are consistent.

V. When a project has other Lenders in addition to MOHCD that require Residual Receipts payments

- A. If any other project lender besides MOHCD require repayment from Residual Receipts (a “soft debt lender”), the portion to be repaid to each lender will typically be determined by comparing (1) the amount of capital under a lender’s loan(s) in proportion to (2) the City’s total financial assistance (all loans, grants, land write down, and/or other project costs paid by the City) to the Project. For example, if a Project received \$6 million from MOHCD in the form of a capital loan, operating subsidy grant, and below market lease, and a \$2 million soft debt loan from another lender (\$8 million total), MOHCD would receive 75% of the amount available of Residual Receipts (see above) as loan repayment, and the other lender would receive 25% of the amount available of Residual Receipts as loan repayment. If Borrower will receive a loan from the California Department of Housing and Community Development, MOHCD will agree to the requirements under the Uniform Multifamily Regulations. 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 Borrower intends to make an agreement with any other soft debt lender(s) after executing a MOHCD contract containing the final MOHCD-approved Operating Budget Proforma, Borrower must request MOHCD’s prior written approval of such loan and to amend the MOHCD-approved Operating Budget Proforma to include the new lender(s). Notwithstanding anything to the contrary in this Section V(A), soft debt loans from Borrower’s general partner or any entity affiliated with the Borrower or Borrower’s general partner shall be repaid from the Borrower’s share of Residual Receipts described in Section VI.
- B. During operations, MOHCD will require Residual Receipts payments using MOHCD’s calculation method. 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 own calculation, so long as doing so would not result in a reduction in the amount payable to MOHCD.

See Exhibit A for sample residual receipt calculations.

VI. Distribution of Residual Receipts to Borrower

- A. If Borrower satisfies the conditions below, Borrower may retain the remaining portion (50%) of Residual Receipts as a Distribution under the MOHCD loan agreement and Borrower’s Limited Partnership Agreement. Subject to MOHCD granting a repayment waiver (see above), MOHCD will

allow Borrower to make a Distribution consistent with this Section VI, but no less than a prior funding approval.

- B. Distribution of Borrower's share of Residual Receipts (50%) under a MOHCD loan, or lessee of a MOHCD ground lease, may be made only after:
 - 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.
- C. 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).

VII. Use of Residual Receipts Distributed to the Borrower

MOHCD strongly encourages Project sponsors that to use the portion of Residual Receipts received from a Distribution 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).

VIII. Uses of Project Income

Borrowers must obtain the prior written approval of MOHCD for any use of Project Income derived from housing developed or preserved with MOHCD financing that is inconsistent with a MOHCD loan agreement, this Policy, or any other MOHCD policy. Evaluation by the Loan Committee and approval by the Mayor will be required at the time MOHCD's financing is committed and approved.

IX. Waiver of this Residual Receipts Policy

Subject to the evaluation and approval of the Citywide Affordable Housing Loan Committee, MOHCD may waive or modify any requirement under this Policy for the purpose of assuring project feasibility or payment of costs associated with the provision of social, educational, vocational, counseling or other supportive services to residents. A Borrower may request a waiver under this Policy by submitting a written request to the MOHCD Director, in care of the assigned Project Manager/Asset Manager.

Exhibit A. Sample Calculations of Residual Receipts

	2025 Policy - MOHCD Soft Debt Lender Only		2025 Policy - MOHCD & HCD Soft Debt Lenders*	
		Notes		Notes
Project Income				
Tenant Rents	\$500,000	[A]	\$500,000	[A]
Tenant Assistance Payments	\$1,000,000	[B]	\$1,000,000	[B]
Other Income	\$30,000	[C]	\$30,000	[C]
Gross Potential Income	\$1,530,000	$[D]=[A]+[B]+[C]$	\$1,530,000	$[D]=[A]+[B]+[C]$
Vacancy Loss	(\$76,500)	[E]	(\$76,500)	[E]
Effective Gross Income	\$1,453,500	$[F]=[D]-[E]$	\$1,453,500	$[F]=[D]-[E]$
Operating Expenses				
Management	\$85,000	[G]	\$85,000	[G]
Salaries/Benefits	\$250,000	[H]	\$250,000	[H]
Administration	\$60,000	[I]	\$60,000	[I]
Utilities	\$100,000	[J]	\$100,000	[J]
Taxes and Licenses	\$40,000	[K]	\$40,000	[K]
Insurance	\$140,000	[L]	\$140,000	[L]
Maintenance & Repair	\$500,000	[M]	\$500,000	[M]
Supportive Service	\$150,000	[N]	\$150,000	[N]
Total Operating Expenses	\$1,325,000	$[O]=[G]+[H]+[I]+[J]+[K]+[L]+[M]+[N]$	\$1,325,000	$[O]=[G]+[H]+[I]+[J]+[K]+[L]+[M]+[N]$
Reserves/Ground Lease Base Rent/Bond Fees	\$50,000	[P]	\$50,000	[P]
Net Operating Income	\$78,500	$[Q]=[F]-[O]-[P]$	\$78,500	$[Q]=[F]-[O]-[P]$
Debt Service/Must Pay Payments	\$25,000	[R]	\$25,000	[R]
Cash Flow (aka Surplus Cash)	\$53,500	$[S]=[Q]-[R]$	\$53,500	$[S]=[Q]-[R]$
Approved Uses of Cash Flow (aka Cash Flow Waterfall)				
Partnership Management Fee	\$15,000	[T]	\$15,000	[T]
Limited Partner Asset Management Fee	\$15,000	[U]	\$15,000	[U]
Total Approved Uses of Cash Flow	\$30,000	$[V]=[T]+[U]$	\$30,000	$[V]=[T]+[U]$
Residual Receipts	\$23,500	$[W]=[S]-[V]$	\$23,500	$[W]=[S]-[V]$
Residual Receipts Due to MOHCD	\$11,750	$[X]=1/2*[W]$	\$7,663	$[X1]=0.652*0.5*[W]$
Residual Receipts Due to HCD**			\$4,087	$[X2]=0.348*0.5*[W]$
Distribution to Borrower	\$11,750	$[Y]=1/2*[W]$	\$11,750	$[Y]=0.5*[W]$
Final Balance	\$0	$[Z]=[W]-[X]-[Y]$	\$0	$[Z]=[W]-[X1]-[X2]-[W]$

Definition of Project Expenses in funding agreements usually include [O], [P], [R], AND [T].

**Amount calculated based on MOHCD's Residual Receipts Policy. Each lender will be paid according to its own calculation, so long as doing so would not result in a reduction in the amount payable to MOHCD.

* Sample MOHCD & HCD Capital Loan	Pro Rata Split	
MOHCD Capital Loan	\$15,000,000	65.2%
HCD Capital Loan	\$8,000,000	34.8%
Total Soft Debt	\$23,000,000	100.0%

EXHIBIT Q
Early Release Retention Contractors

- [Window procurement]
- [Window installation]
- [Siding procurement and install]
- [Cabinet procurement]
- [Sewer]
- [Roofing]
- [Demo and abatement]

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
APN#: 0684-045
Address: 1820 Post Street, San Francisco, CA 94108

-----Space Above This Line for Recorder's Use-----

**DECLARATION OF RESTRICTIONS AND
AFFORDABLE HOUSING COVENANTS**

1820 Post Street

THIS DECLARATION OF RESTRICTIONS AND AFFORDABLE HOUSING COVENANTS (this "Declaration") is made as of _____, 2026, by **GOLDEN GATE APARTMENTS L.P.**, a California limited partnership ("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 PASS Funds and Low and Moderate Income Housing Asset Funds, to finance costs associated with the rehabilitation of improvements and the leasehold interest in the real property described in **Exhibit A** attached hereto and incorporated herein by reference (the land and the leasehold interest, 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 _____, 2026, as it may be amended from time to time (the "Agreement"). The Agreement is incorporated by reference in this Declaration as though fully set forth in this Declaration. Definitions and rules of interpretation set forth in the Agreement apply to this Declaration.

B. Pursuant to the Agreement, Borrower has agreed to comply with certain affordability 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 City and County of San Francisco, 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 With the exception of one Unit reserved for the manager of the Project, Units in the Project will at all times be rented only to tenants who qualify as Qualified Tenants at initial occupancy. The income restrictions will comply with Median Income, as determined by MOHCD. As used in the Agreement and this Declaration, the term "Qualified Tenant" includes each category of Tenant included below:

Unit Size	No. of Units	Maximum Income Level
Studio	5	60% of Median Income
1BR	9	60% of Median Income
1BR	3	75% of Median Income
1BR	1	90% of Median Income
2BR	17	60% of Median Income
2BR	5	75% of Median Income
2BR	5	90% of Median Income
3BR	7	60% of Median Income
3BR	2	75% of Median Income
3BR	7	90% of Median Income
4BR	3	60% of Median Income
4BR	7	90% of Median Income
3BR	1	Managers Unit

In addition, thirty-one (31) Units will be rented to households referred by SFHA under the HAP Contract or other similar rental subsidy contracts, unless these rental subsidy programs are no longer in operation, and twenty-four (24) Units will be rented to households eligible under the PBRA Contract, unless the PBRA Contract is terminated and not replaced with a new PBRA contract.

If the HAP or PBRA is terminated, discontinued or reduced at no fault of Borrower with respect to the Project, then the rent restrictions above may be altered but only to the extent necessary for the Project to remain financially feasible, as determined in City's reasonable discretion; provided that:

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

(b) Any Units formerly subsidized units under the HAP and PBRA will at all times be occupied by Qualified Tenants whose household income does not exceed the applicable maximum income limits in the schedule above and the monthly rent paid by the Qualified Tenants may not exceed (a) one-twelfth (1/12) of thirty percent (30%) of such maximum income limit, (b) less utility allowance. To the extent financially feasible, as mutually determined by the Parties, any such rent increase will be limited to (or will be first implemented with) any vacant units.

(c) If the Project continues to demonstrate financial infeasibility after the rent alterations above, to the extent financially feasible as determined in City's reasonable discretion, the City will waive the maximum income and rent set forth in the schedule above and allow Borrower to further increase rents only to the extent necessary for the Project to remain financially feasible; provided that any Unit permitted to exceed MOHCD's maximum income and rents will at all times be occupied by Qualified Tenants whose household income does not exceed eighty percent (80%) of median income for San Francisco County, as published by TCAC (the "TCAC Median Income"), and the monthly rent paid by the Qualified Tenants may not exceed (a) thirty percent (30%) of eighty percent (80%) of TCAC Median Income (b) less utility allowance. On an annual basis, Borrower will convert the TCAC Median Income and maximum rent to the corresponding published MOHCD maximum income level and maximum rent level, respectively, and provide MOHCD with supporting documentation. The maximum initial occupancy income level restrictions when averaged for all Units in the Project will not exceed sixty percent (60%) of TCAC Median Income and subject to any applicable regulatory agreement, restrictive covenant, or other encumbrance. To the extent financially feasible, as mutually determined by the Parties, any such rent increase will be limited to (or will be first implemented with) any vacant units.

In such events of financial infeasibility, the City will use good faith efforts to meet with Borrower within fifteen (15) days after Borrower's request to meet. The relief provided by the foregoing will not be construed as authorizing Borrower to exceed any income or rent restriction imposed on the Project by CDLAC, CTCAC, or under any other agreement. Borrower covenants and warrants that it will obtain all necessary approvals or relief from any other applicable income or rent limitations before implementing the relief provided in this paragraph.

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 To the extent the Borrower needs to repay the full outstanding balance of the Loan by the Maturity Date, the rent restrictions above may be altered, but only to the extent necessary for the Project to refinance and repay the full outstanding Loan balance by the Maturity Date, as determined in City's reasonable discretion. Any Unit with a modified rent restriction will at all times be occupied by Qualified Households whose adjusted income does not exceed eighty percent (80%) of TCAC Median Income, and the monthly rent paid by the Qualified Tenants may not exceed (a) thirty percent (30%) of eighty percent (80%) of TCAC Median Income (b) less utility allowance. The maximum initial occupancy income level restrictions when averaged for all Residential Units in the Project may not exceed sixty percent (60%) of TCAC Median Income and subject to any applicable regulatory agreement, restrictive covenant, or other encumbrance. In such event, Borrower will provide the City with a written request no less than one year prior to the maturity date of the Loan, and the City will use good faith efforts to meet with Borrower within fifteen (15) days after Borrower's request to meet. To the extent financially feasible, as mutually determined by the Parties, any such rent increase will be limited to (or will be first implemented with) any vacant units.]

1.4 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 following terms of the Agreement: 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, including the leasehold interest, and bind successors and assigns of Borrower and any non-borrower owner and lessee 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. Except as permitted under Administrative Code Chapter 120, this Declaration and the Regulatory Obligations will not be subordinated to any financing secured by and used for the Project.

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"

Golden Gate Apartments, L.P.,
a California limited partnership

By: CCDC Golden Gate Apartments LLC,
a California limited liability company,
its general partner

By: Chinatown Community Development Center, Inc.,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Malcolm Yeung,
Chief Executive Officer

[ALL SIGNATURES MUST BE NOTARIZED.]

EXHIBIT A
(Legal Description of the Property)

A LEASEHOLD INTEREST IN] THE FOLLOWING LAND SITUATED IN THE CITY OF SAN FRANCISCO, COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL ONE:

Leasehold estate as created by that certain lease dated June 4, 1999, made by and between Redevelopment Agency of the City and County of San Francisco, as lessor, and GGA 1820 Post, L.P., a California limited partnership, as lessee, for the term of and upon the terms and conditions contained in said lease, a Memorandum of Ground Lease thereof recorded June 4, 1999 in Reel H399 of Official Records, Image 0546 under Recorder's Serial Number 99-G599423, in and to the following:

Beginning at a point on the Northerly line of Post Street, distant thereon 93 feet Easterly from the Easterly line of Fillmore Street; running thence Northerly at a right angle to said line of Post Street 137 feet 6 inches; thence at a right angle Easterly 104 feet; thence at a right angle Northerly 137 feet and 6 inches to the Southerly line of Sutter Street; thence at a right angle Easterly along said Southerly line of Sutter Street 215 feet and 6 inches to the Westerly line of Webster Street; thence at a right angle Southerly along said Westerly line of Webster Street 275 feet to the Northerly line of Post Street; thence at a right angle Westerly along said Northerly line of Post Street 319 feet and 6 inches to the point of beginning.

Being a portion of Western Addition Block No. 310.

Excepting therefrom all buildings and improvements situated thereon, which are and shall remain real property.

PARCEL TWO:

All buildings and improvements located on the following described real property, which are and shall remain real property:

Beginning at a point on the Northerly line of Post Street, distant thereon 93 feet Easterly from the Easterly line of Fillmore Street; running thence Northerly at a right angle to said line of Post Street 137 feet 6 inches; thence at a right angle Easterly 104 feet; thence at a right angle Northerly 137 feet and 6 inches to the Southerly line of Sutter Street; thence at a right angle Easterly along said Southerly line of Sutter Street 215 feet and 6 inches to the Westerly line of Webster Street; thence at a right angle Southerly along said Westerly line of Webster Street 275 feet to the Northerly line of Post Street; thence at a right angle Westerly along said Northerly line of Post Street 319 feet and 6 inches to the point of beginning.

Being a portion of Western Addition Block No. 310.
Assessor's Lot 045, Block 0684

Street Address: 1820 Post Street, San Francisco, CA 94115

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
APN#: 0684-045
Address: 1820 Post Street, San Francisco, CA 94108

-----Space Above This Line for Recorder's Use-----

**LEASEHOLD DEED OF TRUST, ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FIXTURE FILING
(Property Address: 1820 Post Street, San Francisco, CA)**

THIS LEASEHOLD DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING ("Deed of Trust") is made as of _____, 2026, by **GOLDEN GATE APARTMENTS L.P.**, a California limited partnership, ("Trustor"), whose address is 615 Grant Avenue, 4th Floor San Francisco, CA 94108, to **OLD REPUBLIC TITLE COMPANY**, a California corporation ("Trustee"), whose address is 275 Battery Street, Suite 750, 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 a Amended and Restated Loan Agreement by and between Trustor and Beneficiary dated as of _____, 2026, 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) Leasehold interest in 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 acquire and rehabilitate a 72-unit multifamily rental housing development, affordable to low-income households, which is known as Golden Gate Apartments (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) all of Trustor's interest in and under that certain Ground Lease dated as of _____, 2026, by and between City and County of San Francisco, as lessor, and Trustor, as lessee, including any options of any nature whatsoever, and any future interest of Trustor in fee title to the Land; and

(e) 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

(f) 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

(g) 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

(h) 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

(i) 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

(j) 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

(k) 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

(l) 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 (i) Declaration of Restrictions and Affordable Housing Covenants 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, (ii) Amended and Restated Secured Promissory Note (LMIHAF Loan) dated the date of this Deed of Trust, made by Trustor to the order of Beneficiary (as may be amended from time to time, the "**LMIHAF Note**"), (iii) Secured Promissory Note (Market Rate Loan) dated the date of this Deed of Trust and made by Trustor to the order of Beneficiary (as may be amended from time to time, the "**Market Rate Note**"), (iv) Secured Promissory Note (Below Market Rate Loan) dated the date of this Deed of Trust and made by Trustor to the order of Beneficiary (as may be amended from time to time, the "**Below Market Rate Note**"), (iv) Secured Promissory Note (Deferred Loan) dated the date of this Deed of Trust and made by Trustor to the order of Beneficiary (as may be amended from time to time, the "**Deferred Note**" and together with the LMIHAF Note, Market Rate Note, and the Below Market Rate Note, the "**Notes**"), 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 aggregate principal amount of [Thirteen Million Four Hundred Seventeen Thousand One Hundred Ninety Six and No/100 Dollars (\$13,417,196)] 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 Below Market Rate Note in the aggregate principal amount of [Seven Million Four Hundred Twenty Two Thousand Eight Hundred Eighty Eight and No/100 Dollars (\$7,422,888)] with interest, according to the terms of the Agreement and the Below Market Rate Note;

(d) payment of the indebtedness evidenced by the Agreement and the Deferred Note in the aggregate principal amount of [One Million Two Hundred Five Thousand Nine Hundred Sixteen and No/100 Dollars (\$1,205,916.00)] with interest, according to the terms of the Agreement and the Deferred Note; and

(e) payment of the indebtedness evidenced by the Agreement and the LMIHAF Note in the original principal amount of [Five Hundred Thirty Two Thousand Three Hundred Eight and No/100 Dollars (\$532,308.00)], with interest, according to the terms of the Agreement and the LMIHAF Note; and

(f) 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. Subject to the rights of senior lenders, 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, except in connection with the senior loan, 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) Subject to the rights of senior lenders, 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 received by Trustor 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 Notes 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 Notes 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 Notes 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 Notes, 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 Notes 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.

iv. Notwithstanding anything to the contrary contained herein, the Limited Partner (as defined in the Agreement), will have the right, but not the obligation, to cure any Event of Default prior to Beneficiary exercising its foregoing remedies, and Beneficiary will accept or reject such cure on the same terms as if rendered by Trustor.

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:"

Golden Gate Apartments, L.P.,
a California limited partnership

By: CCDC Golden Gate Apartments LLC,
a California limited liability company,
its general partner

By: Chinatown Community Development Center, Inc.,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Malcolm Yeung,
Chief Executive Officer

ALL SIGNATURES MUST BE NOTARIZED

EXHIBIT A
Legal Description of the Land

A LEASEHOLD INTEREST IN THE FOLLOWING LAND SITUATED IN THE CITY OF SAN FRANCISCO, COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL ONE:

Leasehold estate as created by that certain lease dated June 4, 1999, made by and between Redevelopment Agency of the City and County of San Francisco, as lessor, and GGA 1820 Post, L.P., a California limited partnership, as lessee, for the term of and upon the terms and conditions contained in said lease, a Memorandum of Ground Lease thereof recorded June 4, 1999 in Reel H399 of Official Records, Image 0546 under Recorder's Serial Number 99-G599423, in and to the following:

Beginning at a point on the Northerly line of Post Street, distant thereon 93 feet Easterly from the Easterly line of Fillmore Street; running thence Northerly at a right angle to said line of Post Street 137 feet 6 inches; thence at a right angle Easterly 104 feet; thence at a right angle Northerly 137 feet and 6 inches to the Southerly line of Sutter Street; thence at a right angle Easterly along said Southerly line of Sutter Street 215 feet and 6 inches to the Westerly line of Webster Street; thence at a right angle Southerly along said Westerly line of Webster Street 275 feet to the Northerly line of Post Street; thence at a right angle Westerly along said Northerly line of Post Street 319 feet and 6 inches to the point of beginning.
Being a portion of Western Addition Block No. 310.

Excepting therefrom all buildings and improvements situated thereon, which are and shall remain real property.

PARCEL TWO:

All buildings and improvements located on the following described real property, which are and shall remain real property:

Beginning at a point on the Northerly line of Post Street, distant thereon 93 feet Easterly from the Easterly line of Fillmore Street; running thence Northerly at a right angle to said line of Post Street 137 feet 6 inches; thence at a right angle Easterly 104 feet; thence at a right angle Northerly 137 feet and 6 inches to the Southerly line of Sutter Street; thence at a right angle Easterly along said Southerly line of Sutter Street 215 feet and 6 inches to the Westerly line of Webster Street; thence at a right angle Southerly along said Westerly line of Webster Street 275 feet to the Northerly line of Post Street; thence at a right angle Westerly along said Northerly line of Post Street 319 feet and 6 inches to the point of beginning.

Being a portion of Western Addition Block No. 310.

Assessor's Lot 045, Block 0684

Street Address: 1820 Post Street, San Francisco, CA 94115

EXHIBIT A

EXHIBIT A

Rev. November 2017C:\Users\jwong\Desktop\New Leg\260547\05B Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing.docx

SECURED PROMISSORY NOTE
(PASS –Deferred Loan)

Principal Amount: [\$1,205,916]

San Francisco, CA

Date:

FOR VALUE RECEIVED, the undersigned, **GOLDEN GATE APARTMENTS L.P.**, a California limited partnership ("Maker"), hereby promises to pay to the order of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, or holder (as the case may be, "Holder"), the principal sum of [One Million Two Hundred Five Thousand Nine Hundred Sixteen and No/100 Dollars (\$1,205,916.00)] (the "Deferred Loan 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. Agreement. This Secured Promissory Note ("Note") is given under the terms of that certain 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.

2. Interest. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of 1.87008% per annum, from the date of the close of escrow through the date of full payment of all amounts owing under the City Documents. Interest will be compounded monthly and computed on the basis of actual days elapsed and a 360-day year consisting of 12 months of 30 days each.

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. Provided that no uncured Event of Default exists under any City Document, the entire principal balance of the Deferred Loan, together with all

interest and unpaid fees and costs incurred (all together, the "**Payment**"), will be due and payable on the date that is the earlier of (a) the forty-fourth (44th) anniversary of the first full month following the date the Deed of Trust is recorded in the Official Records or (b) the fortieth (40th) anniversary of the Conversion Date (the "**Maturity Date**"). If the Maturity Date falls on a weekend or holiday, it will be deemed to fall on the next succeeding business day. The Payment 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 Deferred Loan.

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

6. Terms of Payment.

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

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

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

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

6.5 No prepayment of this Note shall be permitted except as otherwise set forth in this Note or in the Agreement. This Note may be prepaid on or after the tenth anniversary of the first day of the first full month following the date that the Deed of Trust is recorded in the Official Records (the "First Payment Date"). On or after the tenth anniversary of the First Payment Date, the Deferred Loan may be prepaid, in whole but not in part, and Maker shall be required to pay a premium of: (i) 2% of the total amount being prepaid if the Deferred Loan is prepaid prior to the eleventh anniversary of the First Payment Date; (ii) 1% of the total amount being prepaid if the Deferred Loan is prepaid on or after the eleventh anniversary of the First Payment Date and prior to the twelfth anniversary of the First Payment Date; or (iii) no prepayment premium if the Deferred Loan is prepaid on or after the twelfth anniversary of the First Payment Date. The Deferred Loan may not be prepaid unless Market Rate Loan and the Below Market Rate Loan are also all paid in full. Maker shall provide Holder with at least thirty (30) days' prior written notice of any intended prepayments. Maker shall be required to pay any premiums, and proportionate costs and expenses associated with the redemption of the Bonds which would result from a prepayment of the Deferred Loan including, but not limited to, accrued interest on the Bonds from the date of such prepayment to the date of redemption of the Bonds.

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, including, but not limited to the Market Rate Note, Below Market Rate Note, or LMIHAF Note.

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.

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

Notwithstanding the foregoing, the Limited Partner (as defined in the Agreement) will have the right, but not the obligation, to cure any Event of Default prior to Holder exercising any of its applicable remedies, and Holder will accept or reject such cure on the same terms as if rendered by Maker.

8. Waivers.

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

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

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

9. Miscellaneous Provisions.

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

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

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

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

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

"MAKER"

Golden Gate Apartments L.P.,
a California limited partnership

By: Golden Gate Apartments LLC,
a California limited liability company,
its general partner

By: Chinatown Community Development Center, Inc.,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Malcolm Yeung,
Chief Executive Officer Director

SECURED PROMISSORY NOTE

(PASS – Below Market Rate Loan)

Principal Amount: [\$7,422,888]

San Francisco, CA

Date:

FOR VALUE RECEIVED, the undersigned, **GOLDEN GATE APARTMENTS L.P.**, a California limited partnership ("Maker"), hereby promises to pay to the order of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, or holder (as the case may be, "Holder"), the principal sum of [Seven Million Four Hundred Twenty Two Thousand Eight Hundred Eighty Eight and No/100 Dollars (\$7,422,888)] (the "Below Market Rate Loan 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. Agreement. This Secured Promissory Note ("Note") is given under the terms of that certain 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.

2. Interest. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of 1.87008% per annum, from the date of the close of escrow through the date of full payment of all amounts owing under the City Documents. Interest will be compounded monthly and computed on the basis of actual days elapsed and a 360-day year consisting of 12 months of 30 days each.

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 Payment of Interest. Commencing on the First Payment Date (as defined in Section 6.5 below) and continuing until the earlier of (i) the fourth (4th) anniversary of the First Payment Date or (ii) the first full month following the Conversion Date, Maker will make payments of accrued and unpaid interest under this Note in monthly installments of [Two Thousand Six Hundred Seventy Nine and No/100 Dollars (\$2,679.00)] (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 Payment of Principal and Interest. Commencing on the earlier of (i) the fourth (4th) anniversary of the First Payment Date or (ii) the first full month following the Conversion Date, Maker will make payments of principal and interest in monthly installments (each, a "**Full Payment**," and together with Interest Payment, collectively "**Payments**") equal to the amount specified by the amortization schedule attached as **Exhibit A**. All Full 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 date that is the earlier of (a) the forty-fourth (44th) anniversary of the first full month following the date the Deed of Trust is recorded in the Official Records or (b) the fortieth (40th) anniversary of the Conversion Date (the "**Maturity Date**"). Any Payment Date, including the 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 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 No prepayment of this Note shall be permitted except as otherwise set forth in this Note or in the Agreement. This Note may be prepaid on or after the tenth anniversary of the first day of the first full month following the date that the Deed of Trust is recorded in the Official Records (the "First Payment Date"). On or after the tenth anniversary of the First Payment Date, the Below Market Rate Loan may be prepaid, in whole but not in part, and Maker shall be required to pay a premium of: (i) 2% of the total amount being prepaid if the Market Rate Loan is prepaid prior to the eleventh anniversary of the First Payment Date; (ii) 1% of the total amount being prepaid if the Below Market Rate Loan is prepaid on or after the eleventh anniversary of the First Payment Date and prior to the twelfth anniversary of the First Payment Date; or (iii) no prepayment premium if the Below Market Rate Loan is prepaid on or after the twelfth anniversary of the First Payment Date. The Below Market Rate Loan may not be prepaid unless the Market Rate Loan, and in Holder's sole discretion, the Deferred Loan are also all paid in full. Maker shall provide Holder with at least thirty (30) days' prior written notice of any intended prepayments. Maker shall be required to pay any premiums, and proportionate costs and expenses associated with the redemption of the Bonds which would

result from a prepayment of the Below Market Rate Loan including, but not limited to, accrued interest on the Bonds from the date of such prepayment to the date of redemption of the Bonds.

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, including, but not limited to the Market Rate Note, Deferred Note, or LMIHAF Note.

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.

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

Notwithstanding the foregoing, the Limited Partner (as defined in the Agreement) will have the right, but not the obligation, to cure any Event of Default prior to Holder exercising any of its applicable remedies, and Holder will accept or reject such cure on the same terms as if rendered by Maker.

8. Waivers.

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

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

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

9. Miscellaneous Provisions.

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

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

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

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

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

"MAKER"

Golden Gate Apartments L.P.,
a California limited partnership

By: CCDC Golden Gate Apartments LLC,
a California limited liability company,
its general partner

By: Chinatown Community Development Center, Inc.,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Malcolm Yeung,
Chief Executive Officer

Exhibit A
Amortization Schedule

SECURED PROMISSORY NOTE

(PASS – Market Rate Loan)

Principal Amount: [\$13,417,196]

San Francisco, CA

Date:

FOR VALUE RECEIVED, the undersigned, **GOLDEN GATE APARTMENTS L.P.**, a California limited partnership ("Maker"), hereby promises to pay to the order of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, or holder (as the case may be, "Holder"), the principal sum of [Thirteen Million Four Hundred Seventeen Thousand One Hundred Ninety Six and No/100 Dollars (\$13,417,196)] (the "Market Rate Loan 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. Agreement. This Secured Promissory Note ("Note") is given under the terms of that certain 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.

2. Interest. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of 6.61023% per annum, from the date of the close of escrow through the date of full payment of all amounts owing under the City Documents. Interest will be compounded monthly and computed on the basis of actual days elapsed and a 360-day year consisting of 12 months of 30 days each.

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 Payment of Interest. Commencing on the First Payment Date (as defined in Section 6.5 below) and continuing until the earlier of (i) the fourth (4th) anniversary of the First Payment Date or (ii) the first full month following the Conversion Date, Maker will make payments of accrued and unpaid interest under this Note in monthly installments of [Two Thousand Six Hundred Seventy Nine and No/100 Dollars (\$2,679.00)] (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 Payment of Principal and Interest. Commencing on the earlier of (i) the fourth (4th) anniversary of the First Payment Date or (ii) the first full month following the Conversion Date, Maker will make payments of principal and interest in monthly installments (each, a “**Full Payment**,” and together with Interest Payment, collectively “**Payments**”) equal to the amount specified by the amortization schedule attached as **Exhibit A**. All Full 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 date that is the earlier of (a) the forty-fourth (44th) anniversary of the first full month following the date the Deed of Trust is recorded in the Official Records or (b) the fortieth (40th) anniversary of the Conversion Date (the “**Maturity Date**”). Any Payment Date, including the 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 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 No prepayment of this Note shall be permitted except as otherwise set forth in this Note or in the Agreement. This Note may be prepaid on or after the tenth anniversary of the first day of the first full month following the date that the Deed of Trust is recorded in the Official Records (the “First Payment Date”). On or after the tenth anniversary of the First Payment Date, the Market Rate Loan may be prepaid, in whole but not in part, and Maker shall be required to pay a premium of: (i) 2% of the total amount being prepaid if the Market Rate Loan is prepaid prior to the eleventh anniversary of the First Payment Date; (ii) 1% of the total amount being prepaid if the Market Rate Loan is prepaid on or after the eleventh anniversary of the First Payment Date and prior to the twelfth anniversary of the First Payment Date; or (iii) no prepayment premium if the Market Rate Loan is prepaid on or after the twelfth anniversary of the First Payment Date. The Market Rate Loan may not be prepaid unless the Below Market Rate Loan, and in Holder’s sole discretion, the Deferred Loan are also all paid in full. Maker shall provide Holder with at least thirty (30) days’ prior written notice of any intended prepayments. Maker shall be required to pay any premiums, and proportionate costs and expenses associated with the redemption of the Bonds which would result from a prepayment of the Market Rate Loan including, but not limited to, accrued interest on the Bonds from the date of such prepayment to the date of redemption of the Bonds.

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, including, but not limited to the Deferred Note, Below Market Rate Note, or LMIHAF Note.

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.

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

Notwithstanding the foregoing, the Limited Partner (as defined in the Agreement) will have the right, but not the obligation, to cure any Event of Default prior to Holder exercising any of its applicable remedies, and Holder will accept or reject such cure on the same terms as if rendered by Maker.

8. Waivers.

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

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

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

9. Miscellaneous Provisions.

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

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

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

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

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

"MAKER"

Golden Gate Apartments L.P.,
a California limited partnership

By: CCDC Golden Gate Apartments LLC,
a California limited liability company,
its general partner

By: Chinatown Community Development Center, Inc.,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Malcolm Yeung,
Chief Executive Officer

Exhibit A
Amortization Schedule

**AMENDED AND RESTATED
SECURED PROMISSORY NOTE**
(Low and Moderate Income Housing Asset Fund)

Principal Amount: \$ [532,308]

San Francisco, CA

Date: _____, 2026

FOR VALUE RECEIVED, the undersigned, **GOLDEN GATE APARTEMNTS L.P.**, California limited partnership ("Maker"), hereby promises to pay to the order of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, or holder (as the case may be, "Holder"), the principal sum of [Five Hundred Thirty Two Thousand Three Hundred Eight] and No/100 Dollars [(\$532,308.00)] (the "LMIHAF Amount"), together with interest thereon, as provided in this Note.

1. Agreement.

1.1 The Redevelopment Agency of the City and County of San Francisco ("Agency") previously loaned funds from the Agency's Tax Increment Affordable Housing Program in the total principal amount of Seven Hundred Forty Six Thousand Eight Hundred Thirty Three and No/100 Dollars (\$746,833) ("Original Loan") to GGA 1820 Post, L.P ("Original Borrower") for the purpose of partially financing Original Borrower's acquisition of a 72-unit multifamily residential housing development affordable to low-income households (excluding one manager's unit), known as the Golden Gate Apartments (the "Project"). The Original Loan was evidenced by that certain (a) Loan Agreement dated as of August 24, 1993, as amended, between Agency and Original Borrower ("Original Loan Agreement"); and (b) Secured Promissory Note dated June 4, 1999, made by Original Borrower to the order of the Agency in the original principal amount of the Original Loan ("Original Note").

1.2 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)), Holder is successor in interest to the Agency's rights and obligations with respect to the Original Loan Agreement and Original Note. Pursuant to that certain [Assignment and Assumption Agreement dated _____, 2026,] Original Borrower assigned to Maker, and Maker assumed, the Original Loan Agreement and the Original Note with the consent of Holder.

1.3 This Amended and Restated Secured Promissory Note (this "Note") amends, restates, supersedes, and replaces in its entirety the Original Note and 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 Leasehold 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 Note will be cancelled and returned to Maker.

2. Interest. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of [Four and Sixty-Two Hundredths] percent ([4.62%]) per annum, which is the applicable federal rate as of the date of this Note, from the date of the close of escrow through the date of full payment of all amounts owing under the City Documents. Interest will be calculated on the basis of actual days elapsed and a 360-day year, which will result in higher interest charges than if a 365-day year were used.

3. Default Interest Rate. Upon the occurrence of an Event of Default under any City Document, interest will be deemed to have accrued on the outstanding principal balance of the Loan at a compounded annual rate equal to the lesser of: (a) ten percent (10%); or (b) the maximum lawful rate of interest, commencing on the date 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 Funding Amount.

4.1 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~~ beginning on the first June 30th after the end of the calendar year of the Conversion Date, and continuing each June 30th thereafter up to and including the Maturity Date, as defined below (each, a "Payment Date").~~On~~ 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 later of (a) the fifty-seventh (57th) anniversary of the date the Deed of Trust is recorded in the Official Records or (b) the fifty-fifth (55th) anniversary of the Conversion Date (the "Maturity Date"). Any Payment Date, including any Excess Proceeds Payment Date, the Maturity Date, that falls on a weekend or holiday will be deemed to fall on the next succeeding business day.

4.2 Unless Holder has elected to waive payment of Excess Proceeds, Maker will make payments of principal and interest (each, an "Excess Proceeds Payment") in an amount equal to the Excess Proceeds, if any, on the date that is the later of: (i) five (5) business days after receipt of such. Excess Proceeds and its 8609 Form, or (ii) the Conversion Date (the "Excess Proceeds Payment Date"). If Excess Proceeds will be disbursed to Holder through escrow on the Conversion Date, Maker will evidence the Excess Proceeds Payment in the escrow settlement statement approved by Holder and will instruct the escrow officer to disburse Excess Proceeds to Holder at closing of the Project's permanent financing. All Excess Proceeds 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 under this Note. The Director of MOHCD may elect to waive all or a portion of repayment of Excess Proceeds upon receipt from Maker of adequate documentation supporting the need for such waiver in order to make the Project financially feasible.

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

6. Terms of Payment.

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

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

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

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

6.5 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, including, but not limited to the Market Rate Note, Below Market Rate Note, or Deferred Note.

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.

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

Loan Funds and Rents (as defined in the Deed of Trust)), waste or negligent or intentional damage to the collateral for the Loan.

Notwithstanding the foregoing, the Limited Partner (as defined in the Agreement) will have the right, but not the obligation, to cure any Event of Default prior to Holder exercising any of its applicable remedies, and Holder will accept or reject such cure on the same terms as if rendered by Maker.

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.

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"MAKER"

Golden Gate Apartments L.P.,
a California limited partnership

By: CCDC Golden Gate Apartments LLC,
a California limited liability company,
its general partner

By: Chinatown Community Development Center, Inc.,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Malcolm Yeung,
Chief Executive Officer



1820 POST STREET

BUDGET AND FINANCE
COMMITTEE

JUNE 03, 2026

MAYOR'S OFFICE OF HOUSING AND
COMMUNITY DEVELOPMENT

1820 POST STREET

Budget and Finance Committee – June 03, 2026

1

File #260548

Resolution authorizing execution and delivery of tax-exempt and taxable bond funds of up to \$18,736,700

2

File #260547

Resolution approving MOHCD loan agreement up to \$22,578,308 including reconfiguration of existing funds and a PASS perm loan with no new subsidy funds. In addition, entering into a Ground Lease with a term of 75 years and one 24-year option to extend and an annual base rent of \$15,000.



1820 POST STREET

- 100% affordable housing for families
- Development Sponsor is Chinatown Community Development Center
- 72-units: studios, 1-bedrooms, 2-bedroom, 3-bedroom, 4-bedroom apartments
- 55 units have project-based Section 8 vouchers
- All units restricted to 60%–90% AMI





REHAB SCOPE

- Upgraded exterior cladding and waterproofing
- Window and roof replacement
- Unit kitchen, bathroom, and flooring replacement
- Accessibility improvements to the exterior path of travel
- Sewer line repairs
- Phased tenant relocation

FINANCING

- Total Cost: \$75M
 - MOHCD: \$22.6M
 - \$22M PASS mortgage
 - \$530K recast of existing debt
 - Tax Credit Equity: \$21.9M
 - Income from operations \$1.9M

TIMELINE

- Construction to begin July 2026
- Construction finish March 2028
- 100% Occupancy April 2028



Claire Kostohryz, *Preservation Project Manager*
Mayor's Office of Housing and Community Development

Thank you!

1 FREE RECORDING REQUESTED PURSUANT TO
2 GOVERNMENT CODE SECTION 27383

3
4 When Recorded Please Return to:

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6 SAN FRANCISCO REDEVELOPMENT AGENCY
7 770 Golden Gate Avenue
8 San Francisco, CA 94102
9 Attn: Development Services
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17 **GOLDEN GATE APARTMENTS GROUND LEASE**
18

19
20 by and between the
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23 REDEVELOPMENT AGENCY OF THE
24 CITY AND COUNTY OF SAN FRANCISCO
25 as Landlord
26

27 and
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29 GGA 1820 Post, L.P.,
30 a California limited partnership
31 as Tenant
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37 Dated as of June 2, 1999
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ORIGINAL

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Attachments to Ground Lease

1. Site Plan
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4. Schedule of Performance
5. (not used)
6. Operational Rules for Certificate Holder's Priority
7. Equal Opportunity Program (same as Loan Agreement)
8. Prevailing Wage Provisions (same as Loan Agreement)
9. Income Computation and Certification

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This Ground Lease is entered into as of June 2, 1999, by and between the REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body, corporate and politic (the “Agency”) as Landlord, and GGA 1820 Post, L.P., a California limited partnership (the “Developer”), as Tenant under this Ground Lease.

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A. In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq., the “Law”), the Agency undertakes programs for the reconstruction and rehabilitation of slums and blighted areas in the City and County of San Francisco (the “City”).

B. Pursuant to the Law, the Board of Supervisors of the City established the Western Addition A-2 Redevelopment Project Area (“Project Area”) and adopted the Western Addition A-2 Redevelopment Plan (as amended, the “Redevelopment Plan”).

C. The Agency is authorized pursuant to the Law to distribute monies to nonprofit developers and sponsors for the specific and special purpose of increasing and maintaining the housing stock in the City and County of San Francisco for very low-, low- and moderate-income households.

D. The expiration of project-based Section 8 contracts poses a serious threat to San Francisco's affordable housing stock. Many of the housing developments with expiring Section 8 contracts are located in Redevelopment Project Areas. The Agency desires to preserve developments with Section 8 contracts as affordable housing by, among other things, expending Tax Increment Housing Funds.

1 E. Developer is a limited partnership established solely to acquire and own housing
2 units for low-income residents (the "Project") on the real property located at 1820 Post Street,
3 San Francisco, California (the "Site").

4 F. The Project is currently financed with a U.S. Department of Housing and Urban
5 Development ("HUD") Section 236 mortgage which is subject to prepayment by the current
6 private owner ("Seller"), with the potential effect of terminating the existing federal low income
7 rent restrictions placed on the Project.

8 G. The Agency has entered into a purchase and sale agreement to purchase the Site,
9 including the improvements on the Site (the "Improvements") and an agreement to assign the
10 rights to purchase the Improvements to the Developer. Through escrow the Agency intends to
11 acquire fee title to the Site and the Developer will acquire fee title to the Improvements.

12 Developer intends to finance the acquisition and rehabilitation of the Improvements using
13 multifamily mortgage revenue bonds to be issued by the Agency, low-income housing tax
14 credits, and other Agency provided funding, including, but not limited to, a San Francisco
15 Redevelopment Agency Tax Increment Housing Program Loan, which will be used to acquire
16 and rehabilitate the Improvements, pursuant to a loan agreement between the Agency and the
17 Developer (the "Loan Agreement"). The Agency will use additional funds to pay the purchase
18 price for the Site, not including the Improvements.

19 H. The Agency wishes to lease the Site to the Developer pursuant to this Ground
20 Lease.

21
22 **NOW THEREFORE**, in consideration of the mutual obligations of the parties hereto, the
23 Agency hereby leases to Developer and Developer hereby leases from the Agency the Site for the

term and subject to the terms, covenants, agreements and conditions hereinafter set forth, to each and all of which the Agency and Developer hereby mutually agree.

ARTICLE 1: DEFINITIONS

Terms used herein have the meanings given them when first used or as set forth in this Article 1, or in the Loan Agreement, unless the context clearly requires otherwise.

1.01 Agency means the Redevelopment Agency of the City and County of San Francisco, a public body, corporate and politic, exercising its functions and powers and organized and existing under the Community Redevelopment Law of the State of California and includes any successor public Agency designated by or pursuant to law. The Agency is the owner of the Site.

1.02 Agreement Date means the date that this Ground Lease is deemed to be entered into and effective, as set forth on the cover page.

1.03 Developer means GGA 1820 Post, L.P., a California limited partnership.

1.04 Development Standards means Section IIC of the Western Addition A-2 Redevelopment Plan, Land Use Provisions and Development Standards, originally adopted by the Board of Supervisors on October 13, 1964, as amended from time to time, which contains the development standards and urban design guidelines which apply to the Project Area.

1.05 General Partner means Chinatown Community Development Center, Inc., or G.G.A. Corporation, Inc., the single purpose California corporation created to act as Developer's general partner.

1.06 Ground Lease means this Ground Lease of the Site to the Developer from the Agency, as amended from time to time.

1 **1.07 Improvements** means all physical construction, including all structures, fixtures
2 and other improvements on the Site.

3 **1.08 Leasehold Estate** means the estate held by the Developer pursuant to and created
4 by this Ground Lease.

5 **1.09 Leasehold Mortgage** means any mortgage, deed of trust, trust indenture or other
6 security instrument, including, the deed of trust securing a loan from Bank of America, FSB the
7 lien of any Indenture of Trust with respect to mortgage revenue bonds issued by the Agency, and
8 any assignment of the rents, issues and profits from the Site, or any portion thereof, which
9 constitute a lien on the Leasehold Estate created by this Ground Lease.

10 **1.10 Lease Year** means each calendar year during the term hereof, beginning on
11 January 1 and ending on December 31, provided that the first Lease Year shall commence upon
12 the Agreement Date and shall end on the next succeeding December 31, and the last Lease Year
13 shall end upon the expiration of the term hereof.

14 **1.11 Lender** means the holder of any Leasehold Mortgage consented to by the Agency
15 as required by Article 25.01.

16 **1.12 Area Median Income** means the median household or family income for San
17 Francisco as determined pursuant to Section 50093 of the California Health and Safety Code.

18 **1.13 [intentionally omitted]**

19 **1.14 Premises** means the Site together with any Improvements thereon.

20 **1.15 Site** means the real property in the Project Area shown on the Site Plan,
21 Attachment 1, and described in the Site Legal Description, Attachment 2.

22 **1.16 Redevelopment Plan** means the Western Addition A-2 Redevelopment Plan, as
23 amended.

1 **1.17 Occupant** means any person or entity authorized by Developer to occupy the Site,
2 or any portion thereof.

3 Whenever an 'Attachment' is referenced, it means an attachment to this Ground Lease
4 unless otherwise specifically identified. Whenever a section, article or paragraph is referenced, it
5 is a reference to this Ground Lease unless otherwise specifically referenced.

6
7 **ARTICLE 2: TERM**

8 (a) The term of this Ground Lease shall commence upon the Agreement Date and
9 shall end fifty (50) years from that date, unless extended pursuant to section (b) below.

10 (b) Provided that the Developer is not in default of the terms of its obligations to the
11 Agency either at the time of giving of an Extension Notice, as described in subparagraph (c)
12 below, or on the last day of the term (the "Termination Date"), the term of this Lease may be
13 extended at the option of the Developer for one forty-nine (49) year period as provided below.

14 (c) Notice of Extension Not later than one hundred and eighty (180) days prior to
15 the Termination Date, the Developer shall notify the Agency in writing that it wishes to exercise
16 its option to extend the term of this Lease (an "Extension Notice"). The extended term shall be
17 for forty-nine (49) years from the Termination Date, which option the Developer may exercise
18 only once, for a total Lease term of not to exceed ninety-nine (99) years.

19 (d) Rent During Extended Term Rent for any extended term will be as set forth in
20 Article 4.

21
22 **ARTICLE 3: FINANCING**

23 (a) Developer shall submit to the Agency in accordance with the dates specified in

1 the Schedule of Performance, Attachment 4, for approval by the Agency, evidence satisfactory to
2 the Agency that Developer has sufficient equity capital and commitments for construction
3 mortgage financing and permanent financing, and/or such other evidence of capacity to proceed
4 with the acquisition and development of the Premises, including the rehabilitation of the
5 Improvements, in accordance with this Ground Lease, as is acceptable to the Executive Director
6 of the Agency. Such satisfactory evidence of financing shall include permanent financing if
7 required as part of any construction financing.

8 (b) A default by Developer under the terms of any financing shall constitute a default
9 under this Ground Lease.

1 **ARTICLE 4: RENT**

2 **4.01 Annual Rent**

3 (a) Developer shall pay the Agency one hundred sixty-five thousand, three hundred
4 and seventeen dollars (\$165,317) per year for lease of the Site, consisting of Base Rent and
5 Residual Rent, as defined below, without offset of any kind and without necessity of demand,
6 notice or invoice from the Agency (together, "Annual Rent"). Base Rent shall be due and
7 payable in arrears on January 31st of each Lease Year; provided, however, Base Rent for the first
8 Lease Year shall be due on April 15, 2000, and shall be equal to \$128,400 times the number of
9 days in the first Lease Year, divided by 365. Residual Rent shall be due in arrears on April 1st of
10 each Lease Year, but shall be payable only from and to the extent that the Project has Surplus
11 Cash, as defined below, available in such Lease Year.

12 (b) If the Project does not have sufficient Surplus Cash to pay Residual Rent in any
13 given Lease Year, the amount not paid shall be deferred and all such deferred amounts shall
14 accrue interest at three percent (3%) simple interest per annum until paid (such amounts, together
15 with accrued and unpaid interest, "Residual Rent Accrual"). The Residual Rent Accrual shall be
16 due and payable each year from and to the extent Surplus Cash is available to make such
17 payments and, in any event, upon the earlier of sale or the Project or termination of this Ground
18 Lease.

19 (c) If the Tenant elects to extend the term of this Lease, Rent during any such
20 extended term shall be set by mutual agreement of the parties, taking into account the affordable
21 housing restrictions, project debt and the annual income expected to be generated by the Project.
22 If the parties cannot agree on Rent, either party may invoke a neutral third-party process to set
23 Rent at fair market rent in accordance with the then-prevailing practice for resolving similar rent

determination disputes in San Francisco.

4.01.5 Rent Definitions

(a) "Base Rent" means, in any given Lease Year, fifteen thousand dollars (\$15,000) plus the difference between (i) the HUD 236 Basic Rents, on an annualized basis, for the units which do not receive Section 8 rental assistance ("236 Units"), and (ii) the sum of (A) the utility allowances, on an annualized basis, for the 236 Units and (B) the estimated tenant contributions to monthly unit rents for the 236 Units in the current Lease Year.

(b) "Residual Rent" means the difference between the Annual Rent (\$165,317 during the initial term) and the Base Rent in any given Lease Year.

(c) "Surplus Cash" means the net rental income remaining in any given Lease Year after deduction of all operating expenses, debt service, reserve deposit, payment of Developer's fees deferred from the original rehabilitation and payment of the Partnership Management Fee, as defined in the Tenant's partnership agreement approved by the Agency.

4.02 Net Lease

This Ground Lease is a net lease and the Developer shall be responsible to pay all costs, charges, taxes, impositions and other obligations related thereto. If the Agency pays any such amounts, whether to cure a default or otherwise protect its interests hereunder, the Agency will be entitled to be reimbursed by Developer the full amount of such payments as additional rent on the next rent payment date.

ARTICLE 5: AGENCY COVENANTS

The Agency is a public body, corporate and politic, duly created and validly existing in good standing under the Law, and has full right, power and authority to enter into and perform its

obligations under this Ground Lease. Agency covenants and warrants that the Developer and its tenants shall have, hold and enjoy, during the lease term, peaceful, quiet and undisputed possession of the Site leased without hindrance or molestation by or from anyone so long as the Developer is not in default under this Ground Lease or the Loan Agreement with the Agency.

ARTICLE 6: DEVELOPER COVENANTS

Developer covenants and agrees for itself, and its successors and assigns to or of the Site, or any part thereof, that:

6.01 Limited Partnership/Authority

Developer is a California limited partnership and has full rights, power and authority to enter into and perform its obligations under this Ground Lease.

6.02 Use of Site

During the term of this Ground Lease, Developer and such successors and assigns shall comply with the following requirements:

6.02a. Compliance with Redevelopment Requirements

Devote the Site to, and only to and in accordance with, the uses specified in the Redevelopment Plan and this Ground Lease, as specified in Article 9 hereof, which are the only uses permitted by this Ground Lease.

6.02b. Non-Discrimination

Not discriminate against or segregate any person or group of persons on account of race, color, creed, religion, ancestry, national origin, age, sex, gender identity, marital or domestic partner status, sexual orientation or disability (including HIV or AIDS status) in the sale, lease, rental, sublease, transfer, use, occupancy, tenure or enjoyment of the Site or the

1 Improvements, or any part thereof, nor shall Developer itself or any person claiming under or
2 through it establish or permit any such practice or practices of discrimination or segregation with
3 reference to the selection, location, number, use or occupancy, of Occupants, subtenants or
4 vendees on the Site or Improvements, or any part thereof.

5 **6.02c. Acceptance of Tenants with Section 8 Subsidy**

6 Not discriminate against tenants with certificates or vouchers under the Section 8
7 program or any successor rent subsidy program.

8 **6.02d. Non-Discriminatory Advertising**

9 All advertising (including signs) for sublease of the whole or any part of the Site
10 shall include the legend "Equal Housing Opportunity" in type or lettering of easily legible size
11 and design.

12 **6.02e. Access for Disabled Persons**

13 Comply with all applicable laws providing for access for persons with disabilities,
14 including, but not limited to, the Americans with Disabilities Act and Section 504 of the
15 Rehabilitation Act of 1973.

16 **6.02f. Equal Opportunity Marketing Plan**

17 Submit a Fair Housing Marketing Plan to be approved by the Agency. The Fair
18 Housing Marketing Plan must follow U.S. Department of Housing and Urban Development
19 Guidelines for such plans.

20 **6.02g. Lead Based Paint**

21 Comply with the regulations issued by the Secretary of Housing and Urban
22 Development set forth in 37 F.R. 22732-3 and all applicable rules and orders issued thereunder
23 which prohibit the use of lead-based paint in residential structures undergoing federally assisted

1 construction or rehabilitation and require the elimination of lead-based paint hazards.

2 **6.02h. Renewal of Section 8 Contracts**

3 Apply for, accept and renew the Section 8 contracts with the San Francisco
4 Housing Authority, the U.S. Department of Housing and Urban Development and any other
5 administrator or provider of such contracts for so long as such renewals are offered, in each case
6 at the maximum number of units and rents permitted by the terms of such contracts and offers.

7 **6.03 Agency and City Deemed Beneficiaries of Covenants**

8 In amplification, and not in restriction, of the provisions of the preceding subsections, it is
9 intended and agreed that the Agency and the City shall be deemed beneficiaries of the
10 agreements and covenants provided in this Article 6 for and in their own right and also for the
11 purposes of protecting the interests of the community and other parties, public or private, in
12 whose favor or for whose benefit such agreements and covenants have been provided. Such
13 agreements and covenants shall run in favor of the Agency and the City for the entire period
14 during which such agreements and covenants shall be in force and effect, without regard to
15 whether the Agency or the City has any time been, remains, or is an owner of any land or interest
16 therein to, or in favor of, which such agreements and covenants relate. The Agency and the City
17 shall have the right, in the event of any breach of any such agreements or covenants, in each case,
18 after notice and the expiration of cure periods, to exercise all the rights and remedies and to
19 maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of
20 such breach of covenants, to which it or any other beneficiaries of such agreements or covenants
21 may be entitled.

22
23 **ARTICLE 7: ANNUAL INCOME COMPUTATION AND CERTIFICATION**

Forty-five days after the Agreement Date, and on January 15th of each year thereafter, Developer will furnish to the Agency a list of all of the names of the persons who are Occupants of the Improvements on the Site, the specific unit which each person occupies, the household income of the Occupants of each unit, the household size and the rent being charged to the Occupants of each unit. Developer will provide the Agency with an Income Computation and Certification for each household (i) in the form required by that certain Regulatory Agreement and Declaration of Restrictive Covenants with respect to the Project, by and among the Agency, the Developer and Dai-ichi Kangyo Bank of California, as Trustee (the "Bond Regulatory Agreement"), for so long as such agreement is in effect; or (ii) from and after the date on which the Bond Regulatory Agreement is terminated, in the form attached hereto as Attachment 9; executed under penalty of perjury by the Occupant. If any state or federal agency requires an income certification for Occupants of the Site containing the above-referenced information, the Agency agrees to accept such certification in lieu of Attachment 9 as meeting the requirements of this Ground Lease. In addition to such initial and annual list and certification, Developer agrees to provide the same information and certification to the Agency regarding each Occupant of the Improvements not later than ten (10) business days after such Occupant commences occupancy.

ARTICLE 8: CONDITION OF SITE - "AS IS"

Neither the Agency, nor any employee, agent or representative of the Agency has made any representation, warranty or covenant, expressed or implied, with respect to the Site, its physical condition, the condition of any improvements, any environmental laws or regulations, or any other matter, affecting the use, value, occupancy or enjoyment of the Site other than as set forth explicitly in this Ground Lease, and the Developer understands and agrees that the Agency

1 is making no such representation, warranty or covenant, expressed or implied; it being expressly
2 understood that the Site is being leased in an "AS IS" condition with respect to all matters.

3
4 **ARTICLE 9: IMPROVEMENTS AND PERMITTED USES**

5 **9.01 Scope of Development and Schedule of Performance**

6 Developer agrees to undertake and complete all physical construction on the Site
7 described in the Loan Agreement, (the "Scope of Development"), as approved by the Agency, in
8 accordance with the Schedule of Performance, Attachment 4.

9 **9.02 Permitted Uses and Occupancy Restrictions**

10 (a) The permitted uses of the Project are limited to 72 dwelling units, including 1
11 manager's unit and 71 residential units, a community room, a laundry room, and related parking.
12 Following the execution date of this Agreement, at least 51 of the 72 units in the Project shall be
13 occupied or held vacant and available for rental by households of Low Income. One of the 72
14 units in the Project shall be occupied by the on-site property manager. No more than 20 of the 72
15 units in the Project shall be occupied or held vacant and available for rental by households of
16 Moderate Income.

17 (b) For purposes of this Agreement, "§236 Approved Rents" shall mean the rent
18 levels, adjusted for unit size, whether at the §236 Basic Rent level or the §236 Market level,
19 adjusted for unit size, as determined annually by the Agency and the U. S. Department of
20 Housing and Urban Development (HUD) using the guidelines and regulations established under
21 §236 of the Housing Act of 1937. With the exception of the manager's unit, all units at the
22 Property shall have their rents set at the §236 Approved Rent levels for the remaining term of the
23 Agreement for Interest Reduction Payments dated as of June 1, 1999 (the "IRP Agreement").

1 (c) All Low Income Units shall be occupied and rented through either the HUD
2 Project-Based Section 8 Rental Assistance Program or the San Francisco Housing Authority
3 ("SFHA") Project-Based Section 8 Rental Assistance Program, or their successor programs, for
4 as long as the Project receives Project-Based Section 8 assistance, in accordance with HUD and
5 SFHA requirements. Developer shall accept Project-Based Section 8 assistance from HUD and
6 SFHA for as long as it is offered by HUD and SFHA. All Moderate Income Units occupied by
7 households that were in residence as of June 2, 1999, will be rented with rental assistance from
8 the §236 Level Rent Account, or its successor program, for as long as that household's §236
9 Tenant Contribution is less than the §236 Approved Rent for that unit, in accordance with
10 Agency requirements. The §236 Tenant Contribution shall be that portion of the monthly rental
11 payment (the current §236 Approved Rent for that unit) which equals that household's scheduled
12 monthly rental payment as of June 2, 1999. The §236 Tenant Contribution shall be subject to a
13 minimum 5.1% increase annually, but in no event shall the §236 Tenant Contribution exceed the
14 applicable §236 Approved Rent. The difference, if any, between the §236 Approved Rent and
15 the §236 Tenant Contribution shall be the §236 Level Rent Payment for the unit in question. The
16 eligible household shall pay the annually adjusted §236 Tenant Contribution monthly, and the
17 applicable §236 Level Rent Payment shall be paid from the §236 Level Rent Account,
18 administered by the Agency. All Moderate Income Units occupied by households that were not
19 in residence as of June 2, 1999 will not be eligible for rental assistance from the §236 Level Rent
20 Account.

21 (d) Upon vacancy of any of the Low Income Units, that vacant unit shall be rented to
22 a Low Income Qualifying Tenant. In the event HUD and/or SFHA no longer provide Section 8
23 assistance, rent for that Low Income Unit, including utility allowance, shall not exceed 30% of

1 60% of AMI, as determined by the California Tax Credit Allocation Committee for the unit size
2 in question. Upon vacancy of any of the Moderate Income Units, that vacant unit shall be
3 occupied by a Moderate Income Qualifying Tenant. The re-occupied Moderate Income Units
4 shall have a rent, including utility allowance, set at the §236 Approved Rent level (as determined
5 by the Agency and HUD, respectively). In the event that the Property is no longer subject to the
6 requirements of the §236 Regulations, rent for that Moderate Income Unit, including utility
7 allowance, shall not exceed 30% of 80% of AMI, as determined by the California Tax Credit
8 Allocation Committee for the unit size in question.

9 **9.03 Lender Not Obligated to Comply with Income Restrictions**

10 Notwithstanding the foregoing Article 9.02, in the event that title to Developer's interest in the
11 Improvements is acquired by a Lender by foreclosure, deed in lieu of foreclosure or as the result
12 of any other action or remedy provided for by any Leasehold Mortgage, or should Lender sell or
13 assign the same to an Agency approved purchaser or assignee (subject to the Agency's rights
14 under Article 25), the Lender or its purchaser or assignee may operate and maintain the 72
15 residential dwelling units without any limitations on the rents charged or the income of the
16 Occupants thereof.

17
18 **ARTICLE 10: REHABILITATION OF IMPROVEMENTS**

19 **10.01 General Requirements and Rights of Agency**

20 Construction documents for the rehabilitation of the Improvements by Developer (the
21 "Construction Documents") shall be prepared by a person registered in and by the State of
22 California to practice architecture and shall be in conformity with the Redevelopment Plan and
23 this Ground Lease, including any limitations established in the Scope of Development, and all

1 applicable Federal, State and local laws and regulations. The architect shall use, as necessary,
2 members of associated design professions, including engineers and landscape architects. The
3 selection of the architect shall be subject to the approval of the Agency.

4 **10.02 Agency Approvals and Limitation Thereof**

5 The Construction Documents must be approved by the Agency in the manner set forth
6 below:

7 **10.02a. Compliance with Redevelopment Plan and** 8 **Ground Lease**

9 The Agency's approval with respect to the Construction Documents is limited to
10 determination of their compliance with the Redevelopment Plan and this Ground Lease,
11 including the Scope of Development (these enumerated documents are for convenience
12 sometimes called "Redevelopment Requirements"). The Construction Documents shall be
13 subject to general architectural review and guidance by the Agency as part of this review and
14 approval process.

15 **10.02b. Agency Does Not Approve Compliance with Construction** 16 **Requirements**

17 The Agency's approval is not directed to engineering or structural matters or
18 compliance with building codes and regulations, the Americans with Disabilities Act, or any
19 other applicable State or Federal law relating to construction standards or requirements.

20 **10.02c. Agency Determination Final and Conclusive**

21 The Agency's determination respecting the compliance of the Construction
22 Documents with Redevelopment Requirements shall be final and conclusive (except that it
23 makes no determination and has no responsibility for the matters set forth in Article 10.02b,

1 above).

2 **10.03 Rehabilitation to be in Compliance with Construction Documents and Law**

3 The Improvements to be constructed shall be constructed in strict compliance with the
4 Agency-approved and City-approved Construction Documents and also in strict compliance with
5 all applicable local, State and Federal laws and regulations.

6 **10.04 Approval of Construction Documents by Agency**

7 Developer shall submit and the Agency shall approve or disapprove the Construction
8 Documents referred to in this Ground Lease within the times established in the Schedule of
9 Performance. Failure by the Agency either to approve or disapprove within the times established
10 in the Schedule of Performance shall be deemed approval.

11 **10.05 Disapproval of Construction Documents by Agency**

12 If the Agency disapproves the Construction Documents in whole or in part as not being in
13 compliance with Redevelopment Requirements or this Ground Lease, Developer shall submit
14 new or corrected plans which are in compliance within thirty (30) days after written notification
15 to it of disapproval, and the provision of this section relating to approval, disapproval and
16 resubmission of corrected Construction Documents shall continue to apply until the Construction
17 Documents have been approved by the Agency; provided, however, that in any event Developer
18 must submit satisfactory Construction Documents (i.e., approved by the Agency) no later than
19 the date specified therefor in the Schedule of Performance.

20 **10.06 Final Construction Documents to be Approved by Agency**

21 The Final Construction Documents, including all drawings, specifications and other
22 related documents necessary for the rehabilitation of the Improvements in accordance with the
23 requirements of this Ground Lease, must be approved by the Agency.

1 **10.07 Issuance of Building Permits**

2 (a) Developer shall have the sole responsibility for obtaining all necessary building
3 permits and shall make application for such permits directly to the City's Department of Building
4 Inspection. Developer shall report permit status in writing every thirty (30) days to the Agency.
5 Failure to timely file and to diligently pursue issuance of permits shall be a breach of this Ground
6 Lease.

7 (b) The Developer is advised that the Central Permit Bureau forwards all building
8 permits to the Agency for Agency approval of compliance with Redevelopment Requirements.
9 Since the Agency's review of Construction Documents is limited (see Article 10.02a, above), its
10 approval of compliance with Redevelopment Requirements is similarly limited and does not
11 include Article 10.02b matters. Agency evidences such compliance by signing the permit and
12 returning the permit to the Central Permit Bureau for issuance directly to the Developer.
13 Approval of any intermediate permit, however, is not approval of compliance with all
14 Redevelopment Requirements necessary for a full and final building permit.

15 **10.08 Performance and Payment Bonds**

16 Prior to commencement of rehabilitation of the Improvements, Developer shall deliver to the
17 Agency performance and payment bonds, each for the full value of the cost of rehabilitation of
18 the Improvements, which bonds shall name the Agency as co-obligee, or such other completion
19 security which is acceptable to the Agency.

20 **10.09 Agency Approval of Changes after Commencement of Rehabilitation**

21 Once rehabilitation has commenced, the only Construction Document matters subject to further
22 review by the Agency will be requests for any changes in the Construction Documents which
23 affect matters previously approved by the Agency. Permission to make such changes shall be

1 requested by Developer in writing directed to the Agency, Attention: Housing Program Manager,
2 with a copy to the Architecture Division Manager. The Agency shall reply in writing giving
3 approval or disapproval of the changes within ten (10) business days after receiving such request.
4 If the request is disapproved, the reply must specify the reasons for the disapproval. If the
5 Agency does not respond within this ten-day period, the Agency will be deemed to have
6 approved the changes as submitted.

7 **10.10 Times for Rehabilitation**

8 Developer agrees for itself, and its successors and assigns to or of the Leasehold Estate or
9 any part thereof, that Developer and such successors and assigns shall promptly begin and
10 diligently prosecute to completion the redevelopment of the Site through the rehabilitation of the
11 Improvements thereon, and that such rehabilitation shall in any event commence and thereafter
12 diligently continue and shall be completed no later than the dates specified in the Schedule of
13 Performance, unless such dates are extended by the Agency.

14 **10.11 Force Majeure**

15 For the purposes of any of the provisions of this Ground Lease, neither the Agency nor
16 Developer, as the case may be, shall be considered in breach of or default in its obligations, nor
17 shall there be deemed a failure to satisfy any conditions with respect to the beginning and
18 completion of rehabilitation of the Improvements, or progress in respect thereto, in the event of
19 enforced delay in the performance of such obligations or satisfaction of such conditions, due to
20 unforeseeable causes beyond its control and without its fault or negligence, including, but not
21 restricted to, acts of God, or of the public enemy, acts of the Government, acts of the other party,
22 fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, general scarcity of
23 materials and unusually severe weather or delays of subcontractors due to such causes; it being

1 the purposes and intent of this provision that in the event of the occurrence of any such enforced
2 delay, the time or times for the satisfaction of conditions to this Ground Lease including those
3 with respect to rehabilitation of the Improvements, shall be extended for the period of the
4 enforced delay; provided, however, that the party seeking the benefit of the provisions of this
5 paragraph shall have notified the other party thereof in writing of the cause or causes thereof
6 within thirty (30) days after the beginning of any such enforced delay and requested an extension
7 for the period of the enforced delay; and, provided further, that this paragraph shall not apply to,
8 and nothing contained in this paragraph shall extend or shall be construed to extend, the time of
9 performance of any of Developer's obligations to be performed prior to the commencement of
10 rehabilitation, nor shall the failure to timely perform precommencement of rehabilitation
11 obligations extend or be construed to extend Developer's obligations to commence, prosecute and
12 complete rehabilitation of the Improvements in the manner and at the times specified in this
13 Ground Lease.

14 **10.12 Reports**

15 Subsequent to commencement of rehabilitation of the Improvements and until they have
16 been completed, Developer shall make a report in writing to the Agency every three (3) months,
17 in such detail as may reasonably be required by the Agency, as to the actual progress of the
18 Developer with respect to such rehabilitation. During such period the work of the Developer
19 shall be subject to inspection by representatives of the Agency, at reasonable times and upon
20 reasonable advance notice.

21 **10.13 Access to Site**

22 Developer shall permit access to the Site to the Agency and the City whenever and to the
23 extent necessary to carry out the purposes of the provisions of this Ground Lease, at reasonable

1 times and upon reasonable advance notice.

2
3 **ARTICLE 11: COMPLETION OF IMPROVEMENTS**

4 **11.01 Certificate of Completion - Issuance**

5 Promptly after completion of the rehabilitation of the Improvements in accordance with
6 the provisions of this Ground Lease, and upon the request of Developer, the Agency will furnish
7 Developer with an appropriate instrument so certifying. Such certification by the Agency shall
8 be a conclusive determination of satisfaction and termination of the agreements and covenants of
9 this Ground Lease with respect to the obligation of Developer, and its successors and assigns, to
10 rehabilitate the Improvements in accordance with Agency approved Final Construction
11 Documents and the dates for the beginning and completion thereof; provided, however, that such
12 determination shall only be withheld because of failure to carry out specific requirements of the
13 Redevelopment Requirements or this Ground Lease; provided further, that such certification and
14 such determination shall not constitute evidence of compliance with or satisfaction of any
15 obligation of Developer to any Lender, or any insurer of a mortgage, securing money loaned to
16 finance the Improvements, or any part thereof; provided further, that Agency issuance of any
17 Certificate of Completion does not relieve Developer or any other person or entity from any and
18 all City requirements or conditions to occupancy of the Improvements, which requirements or
19 conditions must be complied with separately.

20 **11.02 [intentionally omitted]**

21 **11.03 Certifications to be Recordable**

22 All certifications provided for in this section shall be in such form as will enable them to
23 be recorded with the Recorder of the City.

1 **11.04 Certification of Completion - Non-Issuance Reasons**

2 If the Agency shall refuse or fail to provide any certification in accordance with the
3 provisions of subsection 11.01, the Agency shall provide Developer with a written statement,
4 within fifteen (15) days after written request by Developer, indicating in adequate detail in what
5 respects Developer has failed to complete the rehabilitation of the Improvements in accordance
6 with the provisions of this Ground Lease or is otherwise in default hereunder and what measures
7 or acts will be necessary, in the opinion of the Agency, for Developer to take or perform in order
8 to obtain such certification.
9

10 **ARTICLE 12: CHANGES TO THE IMPROVEMENTS**

11 **12.01 Post Completion Changes**

12 The Redevelopment Plan, or the requirements of any successor zoning or land use
13 controls after termination of the Redevelopment Plan, controls changes to the Improvements
14 after the rehabilitation has been certified complete. However, because of the location of the Site,
15 the nature of the Improvements, the Permitted Uses and their relationship to surrounding
16 developments, the Agency has a particular interest in the Site and in the nature and extent of the
17 permitted changes to the Improvements. Accordingly, it desires to and does hereby impose the
18 following particular controls on the Site and on the Improvements: during the term of this
19 Ground Lease, neither Developer, nor any voluntary or involuntary successor or assign, shall
20 make or permit any change in the Improvements, as change is hereinafter defined, unless the
21 express prior written consent for any change shall have been requested in writing from the
22 Agency and obtained, and, if obtained, upon such terms and conditions as the Agency may
23 require. The Agency agrees not to withhold or delay its response to such a request unreasonably.

1 **12.02 Definition of Change**

2 ‘Change’ as used in this Article means any alteration, modification, addition and/or
3 substitution of or to the Site, the Improvements, the density of development and/or the extent and
4 nature of the Site open space, which differs materially from that which has been expressly
5 approved by the Agency pursuant to this Ground Lease and which has been certified by the
6 Agency as complete in accordance with this Ground Lease, and shall include without limitation
7 the exterior design, exterior materials and/or exterior color. For purposes of the foregoing,
8 exterior shall mean and include the roof of the Improvements.

9 **12.03 Enforcement**

10 The Agency shall have any and all remedies in law or equity (including without
11 limitation restraining orders, injunctions and/or specific performance), judicial or administrative,
12 to enforce the provisions of this Article 12, including without limitation any threatened breach
13 thereof or any actual breach or violation thereof.

14
15 **ARTICLE 13: TITLE TO IMPROVEMENTS**

16 Fee title to any Improvements, including those Improvements conveyed to Developer by
17 that certain Improvement Grant Deed of even date herewith, vested in Developer shall remain
18 vested in Developer during the term of this Ground Lease. Subject to the rights of any Lenders
19 and as further consideration for the Agency entering into this Ground Lease, at the expiration or
20 earlier termination of this Ground Lease, fee title to all the Improvements shall vest in the
21 Agency without further action of any party, without any obligation by the Agency to pay any
22 compensation therefor to Developer and without the necessity of a deed from Developer to the
23 Agency; provided, however, that the Agency agrees to review in good faith, and not

unreasonably disapprove, any proposal by Developer to transfer ownership of the Improvements to residents of the Premises, subject to (i) the terms and conditions of this Ground Lease, and (ii) the terms and conditions of any agreements entered into in connection with the Agency's issuance of tax-exempt multifamily housing revenue bonds, any proceeds of which were used for acquisition of the Premises, but only for so long as such agreements are in effect.

ARTICLE 14: ASSIGNMENT, SUBLEASE OR OTHER CONVEYANCE

14.01 Assignment, Sublease or Other Conveyance by Developer

Developer may not sell, assign, convey, sublease, or transfer in any other mode or form all or any part of its interest in this Ground Lease or in the Improvements or any portion thereof, other than to Lenders, or allow any person or entity to occupy or use all or any part of the Site other than leases to tenants in the ordinary course of business, nor may it contract or agree to do any of the same, without the prior written approval of the Agency, which approval shall not be unreasonably withheld or delayed; provided, however, (i) Developer may sell, assign, convey, sublease or transfer its interests to a limited partnership of which Developer or an entity controlled by Developer is the managing general partner, without the consent of the Agency; and (ii) the purchase of the Project by G.G.A. Corporation, Inc., as general partner of Developer, pursuant to that certain Right of First Refusal and Purchase Option Agreement of even date herewith is approved. The parties hereto acknowledge the Agency's particular interest and concern regarding the nature and identity of the occupant of the Site, and therefore expressly agree that the Agency's approval of any such sale, assignment, conveyance, sublease or other transfer may be withheld in its good faith discretion.

14.02 Assignment, Sublease or Other Conveyance by Agency

1 The Agency acknowledges that any sale, assignment, transfer or conveyance of all or any
2 part of the Agency's interest in the Site, the Improvements, or this Ground Lease, are subject to
3 this Ground Lease. The Agency will require that any purchaser, assignee or transferee will
4 expressly assume all of the obligations of the Agency under this Ground Lease by a written
5 instrument recordable in the Official Records of the City. This Ground Lease shall not be
6 affected by any such sale, and Developer shall attorn to any such purchaser or assignee. In the
7 event that the Agency intends to sell all or any part of the Site, other than as provided in Section
8 2(b), the Agency shall notify Developer of the proposed terms of such sale not later than ninety
9 (90) days before the anticipated close of escrow. Developer shall have sixty (60) days from the
10 giving of such notice to exercise a right of first refusal to purchase the Site on the same terms and
11 conditions of such proposed sale.

12

13 **ARTICLE 15: TAXES**

14 Developer agrees to pay, or cause to be paid, when due to the proper authority, any and
15 all valid taxes, assessments and similar charges on the Site which become effective after the
16 execution of this Ground Lease, including all taxes levied or assessed on the possession, use or
17 occupancy, as distinguished from the ownership, of the Site. Developer shall not permit any
18 such taxes, charges or other assessments to become a defaulted lien on the Site or the
19 Improvements thereon; provided, however, that in the event any such tax, assessment or similar
20 charge is payable in installments, Developer may make, or cause to be made, payment in
21 installments; and, provided further, that Developer may contest the legal validity or the amount
22 of any tax, assessment or similar charge, through such proceedings as Developer considers
23 necessary or appropriate, and Developer may defer the payment thereof so long as the validity or

1 amount thereof shall be contested by Developer in good faith and without expense to the Agency.
2 In the event of any such contest, Developer shall protect, defend and indemnify the Agency
3 against all loss, cost, expense or damage resulting therefrom, and should Developer be
4 unsuccessful in any such contest, Developer shall forthwith pay, discharge, or cause to be paid or
5 discharged, such tax, assessment or other similar charge. The Agency shall furnish such
6 information as Developer shall reasonably request in connection with any such contest provided
7 that such information is otherwise available to the public.
8

9 **ARTICLE 16: UTILITIES**

10 Developer shall procure water and sewer service from the City and electricity, telephone,
11 natural gas and any other utility service from the City or utility companies providing such
12 services, and shall pay all connection and use charges imposed in connection with such services.
13 As between the Agency and Developer, Developer shall be responsible for the installation and
14 maintenance of all facilities required in connection with such utility services to the extent not
15 installed or maintained by the City or the utility providing such service.
16

17 **ARTICLE 17: MAINTENANCE**

18 Developer, at all times during the term hereof, shall maintain or cause to be maintained
19 the Premises in good condition and repair to the reasonable satisfaction of the Agency, taking
20 into account the age of the building, including the exterior, interior, substructure and foundation
21 of the Improvements and all fixtures, equipment and landscaping from time to time located on
22 the Site or any part thereof. The Agency shall not be obligated to make any repairs, replacements
23 or renewals of any kind, nature or description whatsoever to the Site or any buildings or

1 improvements now or hereafter located thereon.

2
3 **ARTICLE 18: LIENS**

4 Developer shall use its best efforts to keep the Site free from any liens arising out of any
5 work performed or materials furnished by itself or its subtenants. In the event that Developer
6 shall not cause the same to be released of record within twenty (20) days following written
7 notice from the Agency of the imposition of any such lien, the Agency shall have, in addition to
8 all other remedies provided herein and by law, the right but not the obligation to cause the same
9 to be released by such means as it shall deem proper, including payment of the claim giving rise
10 to such lien. All sums paid by the Agency for such purpose, and all reasonable expenses
11 incurred by it in connection therewith, shall be payable to the Agency by Developer on demand;
12 provided, however, Developer shall have the right, upon posting of an adequate bond or other
13 security, to contest any such lien, and the Agency shall not seek to satisfy or discharge any such
14 lien unless Developer has failed so to do within ten (10) days after the final determination of the
15 validity thereof. In the event of any such contest, Developer shall protect, defend, and indemnify
16 the Agency against all loss, cost, expense or damage resulting therefrom.

17
18 **ARTICLE 19: GENERAL REMEDIES**

19 **19.01 Application of Remedies**

20 The provisions of this Article 19 shall govern the parties' remedies for breach of this Lease.

21 **19.02 Notice and Cure Rights for Developer Limited Partner**

22 (a) The Agency may not exercise its remedies under this Ground Lease for a default
23 by the Developer unless and until (i) the Agency has given written notice of any such default, in

1 accordance with the notice provisions of Article 38, to the Developer's limited partners who have
2 requested notice as set forth below ("Permitted Limited Partners"), and (ii) such default has not
3 been cured within sixty (60) days following the giving of such notice or, if such default cannot be
4 cured within such 60-day period, such longer period as is reasonably necessary to cure such
5 default, provided that such has been commenced and is being prosecuted diligently to
6 completion. If a Permitted Limited Partner cannot cure a default because the general partner of
7 the Developer is in bankruptcy, any cure period will be tolled during the pendency of such
8 bankruptcy.

9 (b) The Agency will not exercise its remedy to terminate this Ground Lease if a
10 Permitted Limited Partner is attempting to cure the default and such cure requires removal of the
11 General Partner, so long as the Permitted Limited Partner is proceeding diligently to remove the
12 General Partner in order to effect a cure of such default.

13 (c) Any limited partner wishing to become a Permitted Limited Partner must provide
14 five (5) days' written notice to the Agency in accordance with the notice provisions of this
15 Ground Lease, setting forth a notice address and providing a copy of such notice to the
16 Developer and all of the Developer's general partners. Such limited partner will become a
17 Permitted Limited Partner upon the expiration of the five-day period. A limited partner will not
18 be afforded the protections of this section with respect to any default occurring prior to the time
19 such limited partner becomes a Permitted Limited Partner.

20 **19.03 Breach by Agency**

21 If Developer believes a material breach of this Ground Lease has occurred, Developer
22 shall first notify the Agency in writing of the purported breach, giving the Agency sixty (60)
23 days from receipt of such notice to cure such breach. In the event Agency does not then cure or,

1 if the breach is not reasonably susceptible to cure within that sixty (60) day period, begin to cure
2 within sixty (60) days and thereafter diligently prosecute such cure to completion, then
3 Developer shall be afforded all of its rights at law or in equity by taking any or all of the
4 following remedies: (i) terminating in writing this entire Ground Lease; (ii) prosecuting an action
5 for damages; (iii) seeking specific performance of this Ground Lease; or (iv) any other remedy
6 available at law or equity.

7 **19.04 Breach by Developer**

8 **19.04a. Default by Developer**

9 The following events each constitute a basis for the Agency to take action against
10 Developer:

11 (1) Subject to delay for force majeure pursuant to Section 10.11, Developer
12 fails to commence rehabilitation of the Improvements or to complete same within the time limits
13 set forth in this Ground Lease;

14 (2) Developer fails to comply with the Permitted Uses and Occupancy
15 Restrictions set forth in Article 9.02;

16 (3) Developer abandons or suspends rehabilitation of the Improvements for a
17 period of sixty (60) days after written notice by the Agency of such abandonment or suspension,
18 except for a cessation of rehabilitation caused by Force Majeure as defined in Section 10.11.

19 (4) Developer voluntarily or involuntarily assigns, transfers or attempts to
20 transfer or assign this Ground Lease or any rights in this Ground Lease, or in the Improvements,
21 except as permitted by this Ground Lease;

22 (5) Developer, or its successor in interest, shall fail to pay real estate taxes or
23 assessments on the Premises or any part thereof when due, or shall place thereon any

1 encumbrance or lien unauthorized by this Ground Lease, or shall suffer any levy or attachment to
2 be made, or any material supplier's or mechanic's lien or any other unauthorized encumbrance or
3 lien to attach, and such taxes or assessments shall not have been paid, or the encumbrance or lien
4 removed or discharged; provided, however, that Developer shall have the right to contest any tax
5 or assessment pursuant to Article 15 and, upon the posting of an adequate bond or other security,
6 to contest any such lien or encumbrance. In the event of any such contest, Developer shall
7 protect, indemnify and hold Agency harmless against all losses, damages, including reasonable
8 attorneys' fees and costs resulting therefrom;

9 (6) Developer shall be adjudicated bankrupt or insolvent or shall make a
10 transfer in fraud of creditors, or make an assignment for the benefit of creditors, or bring or have
11 brought against Developer any action or proceeding of any kind under any provision of the
12 Federal Bankruptcy Act or under any other insolvency, bankruptcy or reorganization act and, in
13 the event such proceedings are involuntary, Developer is not dismissed from the same within
14 sixty (60) days thereafter; or, a receiver is appointed for a substantial part of the assets of
15 Developer and such receiver is not discharged within sixty (60) days;

16 (7) Developer breaches any provision of any financing provided by the
17 Agency, including, but not limited to, the Loan Agreement, or by any other source for the
18 acquisition or rehabilitation of the Site or the Improvements, and fails to cure the breach
19 following any required written notice and within any applicable cure periods;

20 (8) Developer breaches any other material provision of this Ground Lease; or

21 (9) Developer fails to pay Rent when due.

22 **19.04b. Notification, Cure and Remedies**

23 Upon the happening of any of the events described in Article 19.04a above, the Agency

1 shall notify Developer in writing of its purported breach, failure or act, giving Developer sixty
2 (60) days from receipt of such notice to cure such breach, failure or act. In the event Developer
3 does not cure or, if the breach, failure or act is not reasonably susceptible to cure within that sixty
4 (60) day period, begin to cure within sixty (60) days and thereafter diligently prosecute such cure
5 to completion, then, subject to the rights of any Lender and subject to Section 19.02, the Agency
6 thereafter shall be afforded all of its rights at law or in equity, including any or all of the
7 following remedies: (1) terminating in writing this Ground Lease; (2) prosecuting an action for
8 damages; or (3) seeking specific performance of this Ground Lease.

9
10 **ARTICLE 20: DAMAGE AND DESTRUCTION**

11 **20.01 Insured Casualty.**

12 If the Improvements or any part thereof are damaged or destroyed by any cause covered
13 by any policy of insurance required to be maintained by Developer hereunder, Developer shall
14 promptly commence and diligently complete the restoration of the Improvements as nearly as
15 possible to the condition thereof prior to such damage or destruction; provided, however, that if
16 more than fifty percent (50%) of the Improvements are destroyed or are so damaged by fire or
17 other casualty, or if the insurance proceeds do not provide at least ninety percent (90%) of the
18 funds necessary to accomplish the restoration, Developer may terminate this Ground Lease
19 within thirty (30) days after the later of (i) the date of such damage or destruction, or (ii) the date
20 on which Developer is notified of the amount of insurance proceeds available for restoration. In
21 the event Developer is required or elects to restore the Improvements, all proceeds of any policy
22 of insurance required to be maintained by Developer under this Ground Lease shall be used by
23 Developer for that purpose and Developer shall make up from its own funds any deficiency

1 between the amount of insurance proceeds available for the work of restoration and the actual
2 cost thereof. In the event Developer elects to terminate this Ground Lease pursuant to its right to
3 do so under this Article 20.01, or elects not to restore the Improvements, the insurance proceeds
4 shall be divided among the Agency, Developer and any Lender in accordance with the provisions
5 of Article 20.03.

6 **20.02 Uninsured Casualty.**

7 If (i) a substantial portion of the Improvements are damaged or destroyed and ten percent
8 (10%) or more of the cost of restoration is not within the scope of the insurance coverage; and
9 (ii) in the reasonable opinion of Developer, the undamaged portion of the Improvements cannot
10 be completed or operated on an economically feasible basis; and (iii) there is not available to
11 Developer any feasible source of third party financing for restoration reasonably acceptable to
12 Developer; then Developer may terminate this Ground Lease upon ninety (90) days written
13 notice to the Agency. If it appears that the provisions of this Article 20.02 may apply to a
14 particular event of damage or destruction, Developer shall notify the Agency promptly and not
15 consent to any settlement or adjustment of an insurance award without the Agency's written
16 approval, which approval shall not be unreasonably withheld or delayed. In the event that
17 Developer terminates this Ground Lease pursuant to this Article 20.02, all insurance proceeds
18 and damages payable by reason of the casualty shall be divided among Agency, Developer and
19 Lender in accordance with the provisions of Article 20.03. If Developer does not have the right,
20 or elects not to exercise the right, to terminate this Ground Lease as a result of an uninsured
21 casualty, Developer shall promptly commence and diligently complete the restoration of the
22 Improvements as nearly as possible to their condition prior to such damage or destruction in
23 accordance with the provisions of Article 20.01.

1 **20.03 Distribution of the Insurance Proceeds.**

2 In the event of an election by Developer to terminate and surrender as provided in either
3 Article 20.01 or 20.02, the priority and manner for distribution of the proceeds of any insurance
4 policy required to be maintained by Developer hereunder shall be as follows:

5 (a) First, to pay for the cost of removal of all debris from the Site or adjacent
6 and underlying property, and for the cost of any work or service required by any statute, law,
7 ordinance, rule, regulation or order of any federal, state or local government, or any agency or
8 official thereof, for the protection of persons or property from any risk, or for the abatement of
9 any nuisance, created by or arising from the casualty or the damage or destruction caused
10 thereby;

11 (b) Second, to compensate Agency for any diminution in the value (as of the
12 date of the damage or destruction) of the Site as a raw development site caused by or arising
13 from the damage or destruction;

14 (c) The remainder to Developer.

15 (d) The provisions of this Article 20.03 shall be subject to the rights of any
16 Lender.

17 **20.04 Clean Up of Housing Site**

18 In the event the Developer terminates this Ground Lease pursuant to the provisions of
19 Article 20.01 or 20.02 and the proceeds of any insurance policy are insufficient to pay the clean-
20 up and other costs described in Article 20.03 subsection (a), Developer shall have the obligation
21 to pay the portion of such costs not covered by the insurance proceeds.

22
23 **ARTICLE 21: DAMAGE TO PERSON OR PROPERTY; INDEMNIFICATION**

1 Agency shall not in any event whatsoever be liable for any injury or damage to any
2 person happening on or about the Site, for any injury or damage to the Premises, or to any
3 property of Developer, or to any property of any other person, entity or association on or about
4 the Site. Developer shall defend, hold harmless and indemnify the Agency, the City and their
5 respective commissioners, officers, agents, and employees, of and from all claims, loss, damage,
6 injury, actions, causes of action and liability of every kind, nature and description directly or
7 indirectly arising from its tenancy, its use of the Site, including adjoining sidewalks and streets,
8 and any of its operations activities thereon or connected thereto; provided, however, that this
9 Article 21 shall not be deemed or construed to and shall not indemnify and save harmless the
10 Agency, the City or any of their commissioners, officers, agents or employees from any claim,
11 loss, damage, liability or expense, of any nature whatsoever, arising from or in any way related to
12 or connected with any willful misconduct or gross negligence by the person or entity seeking
13 such indemnity.

14 15 **ARTICLE 22: INSURANCE AND FIDELITY BOND**

16 **22.01 Insurance**

17 For so long as the Loan Agreement is in effect, the Developer shall maintain insurance in
18 accordance with the terms of the Loan Agreement, and failure to do so shall be a default under
19 the terms of this Ground Lease. From and after the termination of the Loan Agreement, the
20 Developer shall maintain insurance meeting the requirements of this Article.

21 **22.01a. Insurance Requirements for Developer**

22 During the term of this Ground Lease, Developer shall procure and maintain insurance
23 against claims for injuries to persons or damage to property which may arise from or in

1 connection with the performance of any work hereunder by the Developer, its agents,
2 representatives, employees or subcontractors and the Developer's use and occupancy of the Site
3 and the Improvements.

4 **22.01b. Minimum Scope of Insurance**

5 Coverage shall be at least as broad as:

6 (1) Insurance Services Office Commercial General Liability coverage
7 ("occurrence" form CG 00010196).

8 (2) Insurance Services Office form number CA 00011293 covering
9 Automobile Liability, code 1 "any auto."

10 (3) Workers' Compensation insurance as required by the Labor Code of the
11 State of California and Employer's Liability insurance.

12 (4) Whenever an architect or engineer is employed, professional Liability
13 Insurance covering all negligent acts, errors and omissions in Developer's Architectural and
14 Engineering Professional Design Services. As an alternative to Developer providing said
15 Professional liability insurance, Developer shall require that all architectural and engineering
16 professional consultants for the project have liability insurance covering negligent acts, errors
17 and omissions. Developer shall provide the Agency with copies of consultants' insurance
18 certificates showing such coverage.

19 (5) Property Liability Insurance against all risks of direct physical loss to the
20 Project during the course of construction and following completion of construction.

21 **22.01c. Minimum Limits of Insurance**

22 Coverage shall maintain limits no less than:

23 (1) General Liability: \$1,000,000 combined single limit per occurrence for

1 bodily injury, personal injury and property damage. If Commercial General Liability Insurance
2 or other form with a general aggregate limit shall apply separately to this project/location, the
3 general aggregate limit shall be twice the required occurrence limit.

4 (2) Automobile Liability: \$1,000,000 combined single limit per accident for
5 bodily injury and property damage.

6 (3) Workers' Compensation and Employers Liability: Workers'
7 Compensation limits as required by the Labor Code of the State of California and Employers
8 Liability limits of \$1,000,000 per accident.

9 (4) Professional Liability: \$1,000,000 per occurrence during the course of new
10 construction or remodeling in excess of \$100,000.

11 (5) Property Insurance:

12 (a) Prior to commencement of construction on the Site, the Developer
13 shall deliver to the Agency performance and payment bonds for such construction which bonds
14 shall name the Agency as co-obligee.

15 (b) During the course of construction, Full Completed Value of the
16 Project.

17 (c) Following completion of construction, Full replacement value of
18 the Project with no coinsurance penalty provision.

19 **22.01d. Deductibles and Self-Insured Retentions**

20 Any deductibles or self-insured retentions must be declared to and approved by Agency.
21 At the option of Agency, either: the insurer shall reduce or eliminate such deductibles or self-
22 insured retentions as respects the Agency, its officers, employees and volunteers; or the
23 Developer shall procure a bond guaranteeing payment of losses and related investigation, claim

1 administration and defense expenses.

2 **22.01e. Other Insurance Provisions**

3 The policies are to contain, or be endorsed to contain, the following provisions:

4 (1) General Liability and Automobile Liability Coverage:

5 (a) The Agency, the City and County of San Francisco and their respective
6 officers, agents, employees and Commissioners, are to be covered as additional insured as
7 respects: liability arising out of activities performed by or on behalf of the Developer; products
8 and completed operations of the Developer, premises owned, occupied or used by the Developer;
9 or automobiles owned, leased, hired or borrowed by the Developer. The coverage shall contain
10 no special limitations on the scope of protection afforded to the Agency, the City and County of
11 San Francisco and their respective officers, agents, employees or Commissioners.

12 (b) The Developer's insurance coverage shall be primary insurance as respects
13 the Agency, the City and County of San Francisco and their respective officers, agents,
14 employees and Commissioners. Any insurance or self-insurance maintained by the Agency, the
15 City and County of San Francisco and their respective officers, agents, employees or
16 Commissioners shall be excess of the Developer's insurance and shall not contribute with it.

17 (c) Any failure to comply with reporting provisions of the policies shall not
18 affect coverage provided to the Agency, the City and County of San Francisco and their
19 respective officers, agents, employees or Commissioners.

20 (d) The Developer's insurance shall apply separately to each insured against
21 whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

22 (2) Workers' Compensation and Employers Liability Coverage: The insurer shall
23 agree to waive all rights of subrogation against the Agency, the City and County of San

1 Francisco and their respective officers, agents, employees and Commissioners for losses arising
2 from work performed by the Developer for the Agency.

3 (3) All Coverage: Each insurance policy required by this clause shall be endorsed to
4 state that coverage shall not be suspended, voided, canceled by either party, or reduced in
5 coverage or in limits, except after thirty (30) days' prior written notice by certified mail, return
6 receipt requested, has been given to Agency.

7 **22.01f. Acceptability of Insurers**

8 Insurance is to be placed with insurers with a Best's rating of no less than A:VII.

9 **22.01g. Verification of Coverage**

10 Developer shall furnish Agency with certificates of insurance prior to disbursement of
11 funds and with original endorsements effecting coverage required by this clause. The certificates
12 and endorsements for each insurance policy are to be signed by a person authorized by that
13 insurer to bind coverage on its behalf. All certificates and endorsements are to be received and
14 approved by Agency before work commences. Agency reserves the right to require complete,
15 certified copies of all required insurance policies, at any time.

16 **22.01h. Subcontractors**

17 Developer shall include all subcontractors as additional insured under its policies or shall
18 furnish separate certificates and endorsements for each subcontractor. All coverage for
19 subcontractors shall be subject to all of the requirements stated herein.

20 **22.02 Fidelity Bond**

21 Developer shall obtain a blanket fidelity bond, or equivalent coverage, from a bonding
22 company, acceptable to Agency, covering all officers and employees of Developer for loss of
23 Loan funds caused by dishonesty in an amount not less than the Loan. Should such a loss of

1 Loan funds occur, Developer agrees to diligently pursue recovery under the bond and to assign or
2 remit to the Agency all funds recovered.

3
4 **ARTICLE 23: COMPLIANCE WITH LEGAL REQUIREMENTS**

5 Developer shall at its cost and expense, promptly comply with all laws, statutes,
6 ordinances and governmental rules, regulations or requirements now in force or which may
7 hereafter be in force, with the requirements of any board of fire underwriters or other similar
8 body now or hereafter constituted, with any direction or occupancy certificate issued pursuant to
9 any law by any public officer or officers, insofar as any thereof relate to or affect the condition,
10 use or occupancy of the Site. In the event Developer contests any of the foregoing, Developer
11 shall not be obligated to comply therewith to the extent that the application of the contested law,
12 statute, ordinance, rule, regulation or requirement is stayed by the operation of law or
13 administrative or judicial order and Developer indemnifies the Agency against all loss, cost,
14 expense or damage resulting from noncompliance.

15
16 **ARTICLE 24: ENTRY**

17 The Agency and its authorized agents shall have the right at all reasonable times during
18 normal business hours and after forty-eight (48) hours written notice to Developer (except in the
19 event of an emergency when no written notice is required), to go on the Site for the purpose of
20 inspecting the same or for the purpose of posting notices of nonresponsibility, or for police or
21 fire protection.

22
23 **ARTICLE 25: MORTGAGE FINANCING**

1 **25.01 No Encumbrances Except for Development Purposes**

2 Notwithstanding any other provision of this Ground Lease and subject to the prior written
3 consent of the Agency, which consent shall not be unreasonably withheld or delayed, Leasehold
4 Mortgages are permitted to be placed upon the Leasehold Estate only for the purpose of securing
5 loans of funds to be used for financing the acquisition, design, rehabilitation or future renovation
6 or reconstruction of the Improvements and any other expenditures reasonably necessary and
7 appropriate to acquire, own, develop, rehabilitate, renovate, construct or reconstruct the
8 Improvements under this Ground Lease, operation of the Improvements, and costs and expenses
9 incurred or to be incurred by Developer in furtherance of the purposes of this Ground Lease. The
10 mortgage loan being made by the Bank of America, FSB (the "Bank") and the Indenture of Trust
11 by and among the Bank, the Agency and Dai-Ichi Kangyo Bank of California, as trustee
12 ("Trustee"), are approved Leasehold Mortgages for all purposes under this Ground Lease.

13 **25.02 Holder Not Obligated to Construct**

14 The holder of any mortgage, deed of trust or other security interest authorized by Article
15 25.01 ("Holder" or "Lender"), including the successors or assigns of such Holder, is not
16 obligated to complete the rehabilitation of the Improvements or to guarantee such completion;
17 nor shall any covenant or any other provision of this Ground Lease be construed so to obligate
18 such Holder. However, in the event the Holder does undertake to complete or guarantee the
19 completion of the rehabilitation of the Improvements, nothing in this Ground Lease shall be
20 deemed or construed to permit or authorize any such Holder or its successors or assigns to devote
21 the Site or any portion thereof to any uses, or to construct or rehabilitate any Improvements
22 thereon, other than those uses or Improvements provided for or authorized in the Redevelopment
23 Plan. To the extent any Holder or its successors in interest wish to change such uses or construct

1 different improvements, that Holder or its successors in interest must obtain the written consent
2 of the Agency.

3 **25.03 Failure of Holder to Complete Improvements**

4 In any case where six months after assumption of obligations pursuant to Article 25.02
5 above, a Lender, having first exercised its option to construct, has not proceeded diligently with
6 rehabilitation, the Agency shall be afforded the rights against such Holder it would otherwise
7 have against Developer under this Ground Lease for events or failures occurring after such
8 assumption.

9 **25.04 Default by Developer and Agency's Rights**

10 **25.04a. Right of Agency to Cure**

11 In the event of a default or breach by Developer in or of its obligations under any
12 Leasehold Mortgage, and Developer's failure to timely commence or diligently prosecute cure of
13 such default or breach, the Agency may, at its option, cure such breach or default. In such event,
14 the Agency shall be entitled to reimbursement from Developer of all costs and expenses
15 reasonably incurred by the Agency in curing the default or breach. The Agency shall also be
16 entitled to a lien upon the Leasehold Estate or any portion thereof to the extent of such costs and
17 disbursements. Any such lien shall be subject to the lien of any then existing Leasehold
18 Mortgage authorized by this Ground Lease, including any lien contemplated because of advances
19 yet to be made.

20 **25.04b. Notice of Default to Agency**

21 The Lender shall give the Agency prompt written notice of any such default or
22 breach, and every Leasehold Mortgage shall so provide and shall also contain the Agency's right
23 to cure as above set forth.

1 **25.04c. Agency's Right to Assignment of the Leasehold Mortgage**

2 In any case where, subsequent to default or breach by Developer in or of its obligations under
3 any Leasehold Mortgage, Developer shall have failed to fully cure such breach or default within
4 the applicable time provided therefor, the Agency shall have the option of paying to the holder
5 thereof the amount of the Leasehold Mortgage debt and securing an assignment of such debt and
6 of the Leasehold Mortgage and every Leasehold Mortgage shall so provide. In the event that
7 Developer's interest in the Site, or any part thereof, has vested in such holder by way of
8 foreclosure or action in lieu thereof, without notice to the Agency at least thirty (30) days prior to
9 such vesting that foreclosure or action in lieu thereof was pending, the Agency shall be entitled,
10 at its option, if exercised in writing within sixty (60) days after the Agency acquires actual
11 knowledge of such transfer of Developer's interest, to a conveyance to it of Developer's interest
12 in the Site or part thereof, upon payment to such holder of an amount equal to the sum of:

13 (a) The Leasehold Mortgage debt at the time of foreclosure or action
14 in lieu thereof, less all appropriate credits, including those resulting from collection and
15 application of rentals received during foreclosure proceedings;

16 (b) All expenses with respect to the foreclosure;

17 (c) The net expenses, if any, exclusive of general overhead, incurred
18 by such holder in and as a direct result of the subsequent management of the Site; and

19 (d) An amount equivalent to the interest that would have accrued on
20 the aggregate of such amounts had all such amounts become part of the Leasehold Mortgage debt
21 and had such debt continued in existence.
22

1 **ARTICLE 26: PROTECTION OF LENDER**

2 **26.01 Notification to Agency**

3 Promptly upon the creation of any Leasehold Mortgage and as a condition precedent to
4 the existence of any of the rights set forth in this Article 26, each and every Lender shall give
5 written notice to the Agency of the Lender's address and of the existence and nature of its
6 Leasehold Mortgage. The Bank of America, FSB and Trustee are deemed to have given such
7 notice as is required to obtain the rights and protections of a Lender under this Ground Lease.

8 **26.02 Lender's Rights to Prevent Termination**

9 Lender shall have the right, but not the obligation, at any time prior to termination of this
10 Ground Lease and without payment of any penalty other than the interest on unpaid rent, to pay
11 all of the rents due hereunder, to effect any insurance, to pay any taxes and assessments, to make
12 any repairs and improvements, to do any other act or thing required of Developer hereunder, and
13 to do any act or thing which may be necessary and proper to be done in the performance and
14 observance of the agreements, covenants and conditions hereof to prevent a termination of this
15 Ground Lease as the same would have been if made, done and performed by Developer instead
16 of by Lender.

17 **26.03 Lender's Rights When Developer Defaults**

18 Should any event of default under this Ground Lease occur, and not be cured within the
19 applicable cure period, the Agency shall not terminate this Ground Lease nor exercise any other
20 remedy hereunder unless it first gives notice of such event of default to Lender and

21 (i) If such event of default is a failure to pay a monetary obligation of Developer,
22 Lender shall have failed to cure such default within sixty (60) days from the date of notice from
23 the Agency to Lender; or

(ii) If such event of default is not a failure to pay a monetary obligation of Developer, Lender shall have failed, within sixty (60) days of receipt of said written notice, either (a) to remedy such default; or (b) to obtain title to Developer's interest in the Site in lieu of foreclosure; or (c) to commence foreclosure or other appropriate proceedings in the nature thereof and thereafter diligently prosecute such proceedings to completion, in which case such event of default shall be remedied or deemed remedied in accordance with Article 26.04 below.

All rights of the Agency to terminate this Ground Lease as the result of the occurrence of any such event of default shall be subject to, and conditioned upon, the Agency having first given Lender notice of such event of default and Lender having failed to remedy such default or acquire Developer's Leasehold Estate created hereby or commence foreclosure or other appropriate proceedings in the nature thereof as set forth in and within the time specified by this Article 26.03.

26.04 Default Which Cannot be Remedied by Lender

Any event of default under this Ground Lease which in the nature thereof cannot be remedied by Lender shall be deemed to be remedied if (i) within thirty (30) days after receiving notice from the Agency setting forth the nature of such event of default, or prior thereto, Lender shall have acquired Developer's leasehold estate created hereby or shall have commenced foreclosure or other appropriate proceedings in the nature thereof, (ii) Lender shall diligently prosecute any such proceedings to completion, (iii) Lender shall have fully cured any event of default arising from failure to pay or perform any monetary obligation in accordance with the terms of this Ground Lease, and (iv) after gaining possession of the Site perform, or diligently proceed to perform, all other obligations of Developer as and when the same are due in accordance with the terms of this Ground Lease.

1 **26.05 Court Action Preventing Lender's Action**

2 If Lender is prohibited by any process or injunction issued by any court or by reason of
3 any action by any court having jurisdiction of any bankruptcy or insolvency proceeding
4 involving Developer from commencing or prosecuting foreclosure or other appropriate
5 proceedings in the nature thereof, the times specified in Articles 26.03 and 26.04 above for
6 commencing or prosecuting such foreclosure or other proceedings shall be extended for the
7 period of such prohibition; provided that Lender shall have fully cured any default in the
8 payment of any monetary obligations of Developer under this Ground Lease and shall continue
9 to pay currently such monetary obligations as and when the same fall due.

10 **26.06 Lender's Rights to Record, Foreclose and Assign**

11 The Agency hereby agrees with respect to any Leasehold Mortgage, that

12 (i) the Lender may cause same to be recorded and enforced and upon
13 foreclosure sell and assign the Leasehold Estate created hereby to an assignee from whom it may
14 accept a purchase price; subject, however, to the Agency's right to purchase provided for by
15 Article 25, and to Lender's first securing written approval from Agency, which approval shall not
16 be unreasonably withheld. Lender, furthermore, may acquire title to the Leasehold Estate in any
17 lawful way, and if the Lender shall become the assignee, may sell and assign said Leasehold
18 Estate subject to Agency approval, which shall not be unreasonably withheld, and to the
19 Agency's rights under Article 25. Should the Agency fail or refuse to approve a Lender's sale or
20 assignment of said Leasehold Estate for any reason other than the unsatisfactory financial
21 condition of the purchaser or assignee, the Agency shall pay such purchaser an amount computed
22 in accordance with Article 25.04, whereupon the Agency shall be entitled to conveyance of the
23 Leasehold Estate; and

(ii) that should the Lender acquire the Leasehold Estate hereunder by foreclosure or other appropriate proceedings in the nature of foreclosure or as the result of any other action or remedy provided for by any Leasehold Mortgage, or should Lender sell or assign the same to an Agency approved purchaser or assignee, Lender or its purchaser or assignee shall take said Leasehold Estate subject to all of the provisions of this Ground Lease, and shall, so long as and only so long as it shall be the owner of such estate, except as provided elsewhere in this Ground Lease, assume all of the obligations of Developer under this Ground Lease; provided, however, as stated at Article 9.03, the Lender or its purchaser or assignee may operate and maintain the 72 dwelling units without any limitations on the rents charged or the income of the occupants thereof.

(iii) the Agency shall mail or deliver to any Lender which has an outstanding Leasehold Mortgage a duplicate copy of all notices which the Agency may from time to time give to Developer pursuant to this Ground Lease.

(iv) any limited partners of Developer shall have the same rights as any Lender under Sections 26.02, 26.03, and 26.06 (iii), and any reference to a Lender in said section shall be deemed to include such limited partners; provided, however, that the rights of such limited partners shall be subordinate to the rights of any Lender.

26.07 Ground Lease Rent After Lender Foreclosure or Assignment

From and after the time that the Lender or any assignee of Lender, including any purchaser at a foreclosure sale ("Subsequent Owner"), acquires title to the Leasehold Estate, Annual Rent shall be set as follows:

(a) If the Lender continues to operate the Project subject to the use and occupancy restrictions of Section 9.02, then Annual Rent otherwise due shall be deferred until

1 such time as the Project is no longer operated by the Lender subject to such restrictions. All
2 deferred Annual Rent shall accrue, with simple interest at three percent (3%) per annum until
3 paid, and shall be due and payable upon sale or assignment of the Project by Lender or within
4 sixty (60) days after Lender ceases to operate the Project in accordance with such restrictions.

5 (b) If the Lender exercises its rights under Sections 9.03 and 26.06(ii) to
6 operate the Project without being subject to Section 9.02, Annual Rent shall be set at the then fair
7 market value rental taking into account any affordability restrictions agreed to by the Subsequent
8 Owner; provided, however, that the Agency shall be entitled to reduce Annual Rent by any dollar
9 amount (but not below zero) in its sole discretion and, in such case, the Subsequent Owner will
10 be required to reduce rent charged to tenants on a dollar for dollar basis, with respect to such
11 units occupied by Low Income households as the Agency and the Subsequent Owner shall agree.

12 13 **ARTICLE 27: CONDEMNATION**

14 **27.01 Parties' Rights and Obligations to be Governed by Agreement**

15 If, during the term of this Ground Lease, there is any condemnation of all or any part of
16 the site or any interest in the Leasehold Estate is taken by condemnation, the rights and
17 obligations of the parties shall be determined pursuant to this Article 27, subject to the rights of
18 any Lender.

19 **27.02 Total Taking**

20 If the Site is totally taken by condemnation, this Ground Lease shall terminate on the date
21 the condemnor has the right to possession of the Site.

22 **27.03 Partial Taking**

23 If any portion of the Site is taken by condemnation, this Ground Lease shall remain in

1 effect, except that Developer may elect to terminate this Ground Lease if, in Developer's
2 reasonable judgment, the remaining portion of the Improvements are rendered unsuitable for
3 Developer's continued use of the Site. If Developer elects to terminate this Ground Lease,
4 Developer must exercise its right to terminate pursuant to this paragraph by giving notice to the
5 Agency within thirty (30) days after the Agency notifies Developer of the nature and the extent
6 of the taking. If Developer elects to terminate this Ground Lease as provided in this Article
7 27.03, Developer also shall notify the Agency of the date of termination, which date shall not be
8 earlier than thirty (30) days nor later than six (6) months after Developer has notified the Agency
9 of its election to terminate; except that this Ground Lease shall terminate on the date the
10 condemnor has the right to possession of the Site if such date falls on a date before the date of
11 termination as designated by Developer. If Developer does not terminate this Ground Lease
12 within such thirty (30) day notice period, this Ground Lease shall continue in full force and
13 effect.

14 **27.04 Effect on Rent**

15 If any portion of the Improvements is taken by condemnation or threat of condemnation
16 and this Ground Lease remains in full force and effect, then on the date of taking the rent shall be
17 reduced by an amount that is in the same ratio to the rent as the value of the area of the portion of
18 the Improvements taken bears to the total value of the Improvements immediately before the date
19 of the taking.

20 **27.05 Restoration of Improvements**

21 If there is a partial taking of the Improvements and this Ground Lease remains in full
22 force and effect pursuant to Article 27.03, Developer may use the proceeds of the taking to
23 accomplish all necessary restoration to the Improvements.

1 **27.06 Award and Distribution**

2 Any compensation awarded, paid or received on a total or partial condemnation of the
3 Site or threat of condemnation of the Site shall belong to and be distributed in the following
4 order:

5 (a) First, to pay the balance due on any outstanding Leasehold Mortgages to the
6 extent provided therein;

7 (b) Second, to the Developer in an amount equal to the actual equity invested by
8 the partners in the partnership;

9 (c) Third, the balance to the Agency.

10 **27.07 Payment to Lenders**

11 In the event the Improvements are subject to the lien of a Leasehold Mortgage on the date
12 when any compensation resulting from a condemnation or threatened condemnation is to be paid
13 to Developer, such award shall be disposed of as provided in the Lender's loan documents.

14
15 **ARTICLE 28: ESTOPPEL CERTIFICATE**

16 The Agency or Developer, as the case may be, shall execute, acknowledge and deliver to
17 the other and/or to Lender, promptly upon request, its certificate certifying (a) that this Ground
18 Lease is unmodified and in full force and effect (or, if there have been modifications, that this
19 Ground Lease is in full force and effect, as modified, and stating the modifications), (b) the dates,
20 if any, to which rent has been paid, (c) whether there are then existing any charges, offsets or
21 defenses against the enforcement by the Agency or Developer to be performed or observed and,
22 if so, specifying the same, and (d) whether there are then existing any defaults by Developer or
23 the Agency in the performance or observance by Developer or the Agency of an agreement,

covenant or condition hereof on the part of Developer or the Agency to be performed or observed and whether any notice has been given to Developer or the Agency of any default which has not been cured and, if so, specifying the same.

ARTICLE 29: QUITCLAIM

Upon expiration or sooner termination of this Ground Lease, Developer shall surrender the applicable portions of the Site to the Agency and, at the Agency's request, shall execute, acknowledge, and deliver to the Agency a good and sufficient quitclaim deed with respect to any interest of Developer in the same portions of the Site.

ARTICLE 30: EQUAL OPPORTUNITY

Developer agrees to comply with all of the Equal Opportunity and related requirements attached hereto as Attachment 7.

ARTICLE 31: CERTIFICATE AND BUSINESS PREFERENCE PROGRAM

Developer agrees to comply with the requirements of the Agency's Certificate and Business Preference Program as set forth on Attachment 6.

ARTICLE 32: AGENCY LABOR STANDARDS PROVISIONS

Developer agrees to comply with the requirements of the Agency's Labor Standards Provisions as set forth on Attachment 8.

ARTICLE 33: CONFLICT OF INTEREST

1 No commissioner, official, or employee of the Agency shall have any personal or
2 financial interest, direct or indirect, in this Ground Lease, nor shall any such commissioner,
3 official, or employee participate in any decision relating to this Ground Lease which affects his
4 or her personal interests or the interests of any corporation, partnership, or association in which
5 he or she is directly or indirectly interested.

6
7 **ARTICLE 34: NO PERSONAL LIABILITY**

8 No commissioner, official, or employee of the Agency shall be personally liable to
9 Developer or any successor in interest in the event of any default or breach by the Agency or for
10 any amount which may become due to Developer or its successors or on any obligations under
11 the terms of this Ground Lease.

12
13 **ARTICLE 35: ENERGY CONSERVATION**

14 Developer agrees that it will use its best efforts to maximize provision of, and
15 incorporation of, both energy conservation techniques and systems and improved waste-handling
16 methodology in the design of the Improvements to be constructed pursuant to this Ground Lease.

17
18 **ARTICLE 36: WAIVER**

19 The waiver by the Agency or Developer of any term, covenant, agreement or condition
20 herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any
21 other term, covenant, agreement or condition herein contained, nor shall any custom or practice
22 which may grow up between the parties in the administration of the terms hereof be construed to
23 waive or to lessen the right of the Agency or Developer to insist upon the performance by the

1 other in strict accordance with the said terms. The subsequent acceptance of rent or any other
2 sum of money hereunder by the Agency shall not be deemed to be a waiver of any preceding
3 breach by Developer of any term, covenant, agreement or condition of this Ground Lease, other
4 than the failure of Developer to pay the particular rent or other sum so accepted, regardless of the
5 Agency's knowledge of such preceding breach at the time of acceptance of such rent or other
6 sum.

7
8 **ARTICLE 37: DEVELOPER RECORDS**

9 Upon reasonable notice during normal business hours, and as often as the Agency may
10 deem necessary, there shall be made available to the Agency and its authorized representatives
11 for examination all records, reports, data and information made or kept by Developer regarding
12 its activities or operations on the Site. Nothing contained herein shall entitle the Agency to
13 inspect personal histories of residents or lists of donors or supporters. To the extent that it is
14 permitted by law to do so, the Agency will respect the confidentiality requirements of Developer
15 in regard to the lists furnished by Developer pursuant to Article 7 hereof, of the names of
16 occupants of the residential portion of the Site.

17
18 **ARTICLE 38: NOTICES AND CONSENTS**

19 All notices, demands, consents or approvals which may be or are required to be given by
20 either party to the other hereunder shall be in writing and shall be deemed to have been fully
21 given when delivered in person to such representatives of Developer and the Agency as shall
22 from time to time be designated by the parties for the receipt of notices, or when deposited in the
23 United States mail, certified, postage prepaid, or by express delivery service with a delivery

1 receipt and addressed

2
3 if to Developer at: GGA 1820 Post, L.P.
4 1525 Grant Avenue
5 San Francisco, CA 94133
6 Attn: General Partner
7

8 if to the Agency at: San Francisco Redevelopment Agency
9 770 Golden Gate Avenue
10 San Francisco, California 94102
11 Attn: Executive Director
12
13

14 or to such other address with respect to either party as that party may from time to time designate
15 by notice to the other given pursuant to the provisions of this Article 38. Any notice given
16 pursuant to this Article 38 shall be effective on the date of delivery or the date delivery is refused
17 as shown on the delivery receipt.
18

19 **ARTICLE 39: COMPLETE AGREEMENT**

20 There are no oral agreements between Developer and the Agency affecting this Ground
21 Lease, and this Ground Lease supersedes and cancels any and all previous negotiations,
22 arrangements, agreements and understandings between Developer and the Agency with respect
23 to the Lease of the Site.
24

25 **ARTICLE 40: HEADINGS**

26 Any titles of the several parts and sections of this Ground Lease are inserted for
27 convenience of reference only and shall be disregarded in construing or interpreting any of its
28 provisions. "Paragraph" and "section" may be used interchangeably.

1 **ARTICLE 41: SUCCESSORS AND ASSIGNS**

2 This Ground Lease shall be binding upon and inure to the benefit of the successors and
3 assigns of the Agency and Developer and where the term "Developer" or "Agency" is used in this
4 Ground Lease, it shall mean and include their respective successors and assigns; provided,
5 however, that the Agency shall have no obligation under this Ground Lease to, nor shall any
6 benefit of this Ground Lease accrue to, any unapproved successor or assign of Developer where
7 Agency approval of a successor or assign is required by this Ground Lease.

8
9 **ARTICLE 42: TIME**

10 Time is of the essence in the enforcement of the terms and conditions of this Ground
11 Lease.

12
13 **ARTICLE 43: PARTIAL INVALIDITY**

14 If any provisions of this Ground Lease shall be determined to be illegal or unenforceable,
15 such determination shall not affect any other provision of this Ground Lease and all such other
16 provisions shall remain in full force and effect.

17
18 **ARTICLE 44: APPLICABLE LAW**

19 This Ground Lease shall be governed by and construed pursuant to the laws of the State
20 of California.

1 **ARTICLE 45: ATTORNEYS' FEES**

2 If either of the parties hereto commences a lawsuit to enforce any of the terms of this
3 Ground Lease, the prevailing party will have the right to recover its reasonable attorneys' fees
4 and costs of suit, including fees and costs on appeal, from the other party.
5

6 **ARTICLE 46: EXECUTION IN COUNTERPARTS**

7 This Ground Lease and any memorandum hereof may be executed in counterparts, each
8 of which shall be considered an original, and all of which shall constitute one and the same
9 instrument.
10

11 **ARTICLE 47: RECORDATION OF MEMORANDUM OF GROUND LEASE**

12 This Ground Lease shall not be recorded, but a memorandum of this Ground Lease shall
13 be recorded. The parties shall execute the memorandum in form and substance as required by a
14 title insurance company insuring Developer's leasehold estate or the interest of any Leasehold
15 Mortgagee, and sufficient to give constructive notice of the Ground Lease to subsequent
16 purchasers and mortgagees
17

18 **ARTICLE 48: TERMINATION OF EXISTING LDA**

19 The execution and delivery of this Ground Lease will operate to release and terminate
20 that certain Agreement for Disposition of Land for Low-to-Moderate Priced Private Housing
21 Redevelopment, dated as of January 18, 1978, between Agency and Golden Gate Apartments,
22 Ltd., a limited partnership, and recorded as Document No. AO 66798 at Liber C505, Page 339,
23 and the covenants, conditions and restrictions contained in such Agreement shall be of no further

1 force and effect from and after the Agreement Date of this Ground Lease.

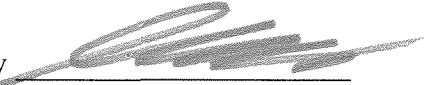
2

1 IN WITNESS WHEREOF, the Developer and the Agency have executed this Ground Lease as of
2 the day and year first above written.

3
4 Developer as Tenant:

5
6 GGA 1820 Post Street, L.P., a California limited partnership

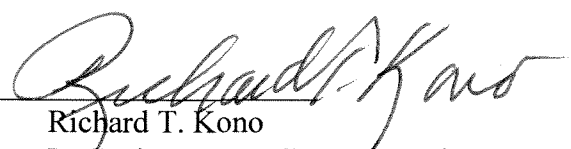
7
8 By Chinatown Community Development Center, Inc., a California nonprofit
9 public benefit corporation, its general partner

10
11
12 By 

13
14 Its President

15
16
17 Agency as Landlord:

18
19 Redevelopment Agency of the City and County of San Francisco, a public body,
20 corporate and politic

21
22
23 By 

24 Richard T. Kono

25 Its Senior Deputy Executive Director

26
27
28
29 Approved As To Form:

30
31
32 By 

33 for Agency General Counsel

34
35
36 Authorized by Agency Resolution No. 51-99, adopted May 11, 1999, and Board of
37 Supervisors Resolution, File No.990806, adopted May 17, 1999.

ATTACHMENT 1 -- SITE PLAN

© COPYRIGHT SAN FRANCISCO
CITY & COUNTY ASSESSOR 1996

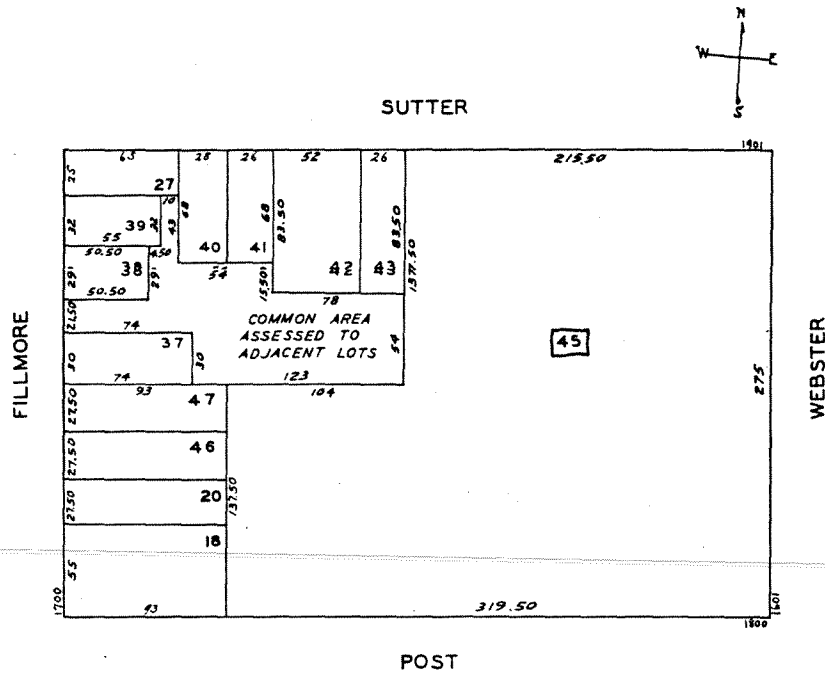
W A BLK. 310

684

LOTS MERGED

Lot# Area Lot
13 - 18 - 1944
25 - 24 - "

REVISED 1979
" '82



↑
SITE

ATTACHMENT 2 -- LEGAL DESCRIPTION OF SITE

All of the physical construction, including all structures, fixtures and other improvements, situated at, on or upon the land described as follows:

BEGINNING at a point on the Northerly line of Post Street, distant thereon 93 feet Easterly from the Easterly line of Fillmore Street; running thence Northerly at a right angle to said line of Post Street 137 feet and 6 inches; thence at a right angle Easterly 104 feet; thence at a right angle Northerly 137 feet and 6 inches to the Southerly line of Sutter Street; thence at a right angle Easterly along said Southerly line of Sutter Street 215 feet and 6 inches to the Westerly line of Webster Street; thence at a right angle Southerly along said Westerly line of Webster Street 275 feet to the Northerly line of Post Street; thence at a right angle Westerly along said Northerly line of Post Street 319 feet and 6 inches to the point of beginning.

BEING a portion of Western Addition Block No. 310.

ATTACHMENT 3 - (not used)

ATTACHMENT 4

Schedule Of Performance - 1820 Post Street, Golden Gate Apartments

Submission - Evidence of Financing.

Developer shall submit its evidence of equity capital and mortgage financing to fund the Project Budget to the Agency for approval.

No later than 1 calendar day prior to closing.

Approval - Evidence of Financing.

Agency shall approve or disapprove the Developer's evidence of equity capital and mortgage financing to fund the Project Budget to the Agency for approval.

On or before Conveyance of the Site

Close of Escrow / Conveyance of Site.

The Agency shall execute and deliver the Lease for the Site to the Developer and Developer shall accept conveyance of the Site.

After Developer performance, to the satisfaction of the Agency, of all conditions to Conveyance, but in no event later than June 30, 1999.

Submittal - Equal Opportunity Program

Developer shall submit for Agency review and approval its Equal Opportunity Program with respect to construction, design and professional services

No later than 5 business days after execution of the Ground Lease and Loan Agreement (presumed at Conveyance of the Site)

Approval - Equal Opportunity Program

Agency shall approve or disapprove the Developer's Program with respect to construction, design and professional services

No later than 10 business days after submittal of the Developer's Equal Opportunity Program

Submission - Final Construction Documents.

Developer shall prepare and submit Final Construction Documents to Agency, lender and investor for approval.

By August 25, 1999.

Approval - Final Construction Documents.

Agency (along with lender and investor) shall approve or disapprove the Final Construction Documents.

Within 5 business days of submittal of Final Construction Documents by Developer.

Submittal of Final Budget. (based on Final Construction Documents).

Developer shall submit Final Budget to Agency for approval.

Prior to Commencement of Construction

Approval - Final Budget.

Agency shall approve or disapprove the Developer's Final Budget.

Within 5 business days of submittal of Final Budget by Developer.

Schedule of Performance

**1820 Post Street, Western Addition A-2
Attachment 4
Page 1 of 2**

Commencement of Construction.

The Developer will commence rehabilitation of the improvements on the Site.

After Developer performance, to the satisfaction of the Agency, of all conditions to the Ground Lease, but in no event later than September 30, 1999.

Submission - HAP Contract Request.

Developer shall request entry into a HAP contract with the San Francisco Housing Authority and shall submit evidence of that request to the Agency.

By October 20, 1999.

Completion of Construction.

Developer shall complete the rehabilitation of the improvements on the Site.

By June 30, 2000.

ATTACHMENT 5 - (not used)

ATTACHMENT 6

OPERATIONAL RULES FOR CERTIFICATE HOLDERS' PRIORITY

The Owner hereby agrees that priority for units designated for Low Income Households will be given to persons displaced or to be displaced from their homes by Agency redevelopment activities and who have been issued a form described as the "Certificate of Preference" ("Certificate Holder"), establishing a priority right to claim units outlined in the descending order of priority in paragraph D of this Attachment "I". Final acceptance or rejection of Certificate Holders lies with the Owner. The Owner shall notify the Agency and applicant in writing of the reason for rejection. In order to implement this Attachment "I":

A. The Agency agrees to furnish the following:

1. Written and/or printed notices to Certificate Holders advising them that such units will soon be available;
2. Assistance to Certificate Holders in filing applications; and
3. Verification to the Owner that applicant has been displaced.

B. The Owner agrees to the following:

1. To supply the Agency ninety (90) days prior to accepting lease applications with the information listed below. This information shall not be changed without providing the Agency with ten (10) days written notice.
 - a. A master unit list with the following information:
 - (1) Apartment number;
 - (2) Number of bedrooms and baths;
 - (3) Square footage; and
 - (4) Initial rent to be charged.
 - b. Estimated itemized cost of utilities and services to be paid by tenant by unit size.
 - c. Detailed description of Owner's rules for tenants, which must include:
 - (1) Minimum and maximum income
 - (2) Pet policy
 - (3) Selection process: To insure no discrimination against Low Income Households and Certificate Holders all criteria and the relative weight to be given to each criterion indicated. The Agency shall approve or disapprove the selection process criteria within ten (10) working days after submission thereof to the Agency.
 - (4) Amount of security deposit and all other fees, as well as refund policy regarding same.
 - (5) Occupancy requirements must be described in full and found reasonable by the Agency
 - (6) Duration of rental agreement or lease.

3. Within ten (10) working days after execution of a lease, the Owner will supply the Agency with a signed copy of the following for all Certificate Holder tenants:

- (1) signed copy of lease;
- (2) copy of complete application; and
- (3) copies of all verification forms used to ascertain income eligibility.

- D. In order to expedite occupancy of housing units nearing completion, the Owner further agrees:

1. To select as prospective tenants eligible Certificate Holders who meet the occupancy requirements of the Owner. Selection will be based on the following descending order of priorities:
 - a. Families or individuals who reside on Agency property in redevelopment areas.
 - b. Families or individuals who were relocated from Agency property and still have a valid Certificate of Preference.
 - c. Families or individuals displaced by the Department of Health, Public Works, etc. and referred by the Agency.
2. Applicants who are Certificate Holders who have been accepted and notified by the Owner will have five (5) working days thereafter to accept or reject a unit. If the Certificate Holder fails to affirmatively respond, the application may be closed. Rejection of the unit by a Certificate holder must be shown on current status report.
3. All Certificate Holders found acceptable by the Owner shall have the opportunity to inspect a model or other available completed unit, and be assigned an appropriate unit for future occupancy. Units may be offered to non-Certificate Holders at any time as long as the current status report shows that there are sufficient units available to satisfy applications from Certificate Holders for units of appropriate size in any stage of processing. ALL OBLIGATIONS TO SHOW MODELS OR OTHER AVAILABLE COMPLETED UNITS SHALL REMAIN IN EFFECT DURING INITIAL OCCUPANCY PERIOD. Initial Occupancy is defined for all purposes of this Attachment "I" as the earlier of ninety (90) calendar days following the Agency's receipt of a certified copy of a Certificate (or Certificates) of Occupancy issued by the City and County of San Francisco for the respective unit (or units) to be so approved for occupancy, or the date when all units have been rented to the first occupants thereof. Upon Initial Occupancy the Agency will certify compliance with this Attachment "I" with a written notice provided ten (10) days after Initial Occupancy. Such certification in no way negates the Owner's continued obligations to provide housing to persons displaced or to be displaced by the Agency's redevelopment activities as vacancies occur amount the units designated for Low Income Households.

- E. Prior to Initial Occupancy, the Owner will deliver at least monthly, or more frequently if available to the Owner from its leasing agent, a rent-up report for all Development units listing the following:
1. Unit number rented;
 2. Tenant name;
 3. Date of move-in; and
 4. Rent rate.
- F. The Owner agrees that any contract entered into for the management of the residential portions of the Development, both before and after Initial Occupancy, shall be furnished to the Agency, shall incorporate the provisions of this Attachment "I", and shall bind the management agent to comply with its requirements.
- G. After Initial Occupancy (without regard to whether the Agency has certified compliance with the obligation of the Owner respecting the period prior to Initial Occupancy), the Owner agrees to notify the Agency as far as practicable in advance of vacancies which may occur in Low Income Housing units. The Agency and the Owner agree to follow the steps set forth in paragraph (D) above with respect to such units. In the event no appropriate Certificate Holder can be found within five (5) working days after receipt of notification by the Owner to the Agency of availability of a unit, the Agency agrees that the Owner may lease the unit to Low Income Households, as appropriate, which do not hold a Certificate of Preference.
- H. The Agency reserves the right to waive any of the foregoing conditions, provided however that any such waiver shall not be deemed to have waived any other conditions, nor the same condition subsequently.

ATTACHMENT 7 - (not attached)

Equal Opportunity Program

This attachment is the same document as Attachment No. 4 to the Loan Agreement.

ATTACHMENT 8 - (not attached)

Prevailing Wage Provisions

This attachment is the same document as Attachment No. 5 to the Loan Agreement.

ATTACHMENT 9

INCOME COMPUTATION AND CERTIFICATION

NOTE TO APARTMENT OWNER: This form is designed to assist you in computing Annual Income in accordance with the method set forth in the Department of Housing and Urban Project ("HUD") Regulations (24 CFR 813). You should make certain that this form is at all times up to date with the HUD Regulations.

Re: [Address of Apartment Building]

I/We, the undersigned state that I/we have read and answered fully, frankly and personally each of the following questions for all persons who are to occupy the unit being applied for in the above apartment project. Listed below are the names of all persons who intend to reside in the unit:

1. Name of Members of the <u>Household</u>	2. Relationship to Head of <u>Household</u>	3. <u>Age</u>	4. Social Security <u>Number</u>	5. Place of <u>Employment</u>
_____	HEAD	_____	_____	_____
_____	SPOUSE	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Income Computation

6. The total anticipated income, calculated in accordance with the provisions of this Certification, of all persons over the age of 18 years listed above for the 12-month period beginning the date that I/we plan to move into a unit is \$ _____.

Included in the total anticipated income listed above are:

(a) all wages and salaries, overtime pay, commissions, fees, tips and bonuses and other compensation for personal services, before payroll deductions;

(b) the net income from the operation of a business or profession or from the rental of real or personal property (without deducting expenditures for business expansion or amortization of capital indebtedness or any allowance for depreciation of capital assets),

(c) interest and dividends (including income from assets excluded below);

(d) the full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including any lump sum payment for the delayed start of a periodic payment;

(e) payments in lieu of earnings, such as unemployment and disability compensation, workmen's compensation and severance pay;

(f) the maximum amount of public assistance available to the above persons other than the amount of any assistance specifically designated for shelter and utilities;

(g) periodic and determinable allowances, such as alimony and child support payments and regular contributions and gifts received from persons not residing in the dwelling;

(h) all regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is the head of the household or spouse; and

(i) any earned income tax credit to the extent that it exceeds income tax liability.

Excluded from such anticipated income are:

(a) casual, sporadic or irregular gifts;

(b) amounts which are specifically for or in reimbursement of medical expenses;

(c) lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and workmen's compensation), capital gains and settlement for personal or property losses;

(d) amounts of educational scholarships paid directly to the student or the educational institution, and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books and equipment. Any amounts of such scholarships or payments to veterans not used for the above purposes are to be included in income;

(e) special pay to a household member who is away from home and exposed to hostile fire;

(f) relocation payments under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;

(g) foster child care payments;

(h) the value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1977;

(i) payments to volunteers under the Domestic Volunteer Service Act of 1973;

(j) payments received under the Alaska Native Claims Settlement Act;

(k) income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes;

(l) payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program;

(m) payments received from the Job Training Partnership Act;

(n) income derived from the disposition of funds of the Grand River Band of Ottawa Indians; and

(o) the first \$2,000.00 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Court of Claims.

7. Do the persons whose income or contributions are included in item 6 above:

(a) have savings, stocks, bonds, equity in real property or other form of capital investment (excluding the values of necessary items of personal property such as furniture and automobiles and interests in Indian trust land)?

No _____ Yes _____

(b) have they disposed of any assets (other than at a foreclosure or Credit Bankruptcy sale) during the last two years at less than fair market value?

No _____ Yes _____

(c) If the answer to (a) or (b) above is yes, does the combined total value of all such assets owned or disposed of by all such persons total more than \$5,000?

No _____ Yes _____

(d) If the answer to (c) above is yes, state:

(1) the amount of income expected to be derived from such assets in the 12-month period beginning on the date of initial occupancy in the unit that you propose to rent:

\$ _____

(2) the amount of such income, if any, that was included in item 6 above:

\$ _____

8. (a) Are all of the individuals who propose to reside in the unit full-time students*?

No _____ Yes _____

*A full-time student is an individual enrolled as a full-time student during each of 5 calendar months during the calendar year in which occupancy of the unit begins at an educational organization which normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of students in attendance and is not an individual pursuing a full-time course of institutional or farm training under the supervision of an accredited agent of such an educational organization or of a state or political subdivision thereof.

(b) If the answer to 8(a) is yes, is at least 1 of the proposed occupants of the unit a husband and wife entitled to file a joint federal income tax return?

No _____ Yes _____

9. Neither myself nor any other occupant of the unit I/we propose to rent is the owner of the rental housing project in which the unit is located (hereinafter the "Owner"), has any family relationship to the Owner; or owns directly or indirectly any interest in the Owner. For purposes of this paragraph, indirect ownership by an individual shall mean ownership by a family member, ownership by a corporation, partnership, estate or trust in proportion to the ownership or beneficial interest in such corporation, partnership, estate or trustee held by the individual or a family member; and ownership, direct or indirect, by a partner of the individual.

10. This certificate is made with the knowledge that it will be relied upon by the Borrower to determine maximum income for eligibility to occupy the unit, and I/we declare that all information set forth herein is true, correct and complete and based upon information I/we deem reliable and that the statement of total anticipated income contained in paragraph 6 is reasonable and based upon such investigation as the undersigned deemed necessary.

11. I/we will assist the Owner in obtaining any information or documents required to verify the statements made herein, including either an income verification from my/our present employer(s) or copies of federal tax returns for the immediately preceding calendar year.

12. I/we acknowledge that I/we have been advised that the making of any misrepresentation or misstatement in this declaration will constitute a material breach of my/our agreement with the Owner to lease the unit and will entitle the Owner to prevent or terminate my/our occupancy of the unit by institution of an action for ejection or other appropriate proceedings.

I/we declare under penalty of perjury that the foregoing is true and correct.

Executed this _____ day of _____ in the City of _____, California.

Applicant

Applicant

[Signature of all persons over the age of 18 years listed in number 2 above required]

FOR COMPLETION BY APARTMENT OWNER ONLY:

1. calculation of eligible income:

- a. Enter amount entered for entire household in 6 above: \$ _____
- b. (1) If answer to 7(c) above is yes, enter the total amount entered in 7(d)(1), subtract from that figure the amount entered in 7(d)(2) and enter the remaining balance (\$ _____);
- (2) Multiply the amount entered in 7(c) times the current passbook savings rate to determine what the total annual earnings on the amount in 7(c) would be if invested in passbook savings (\$ _____), subtract from that figure the amount entered in 7(d)(2) and enter the remaining balance (\$ _____);
- (3) Enter at right the greater of the amount calculated under (1) or (2) above: \$ _____;
- c. TOTAL ELIGIBLE INCOME
Line 1.a plus line 1.b(3)): \$ _____

2. The amount entered in 1.c:

☐ Qualifies the applicant(s) as a Low Income Tenant(s).

☐ Does not qualify the applicant(s) as a Low Income Tenant(s).

3. Number of apartment unit assigned: _____
Bedroom Size: _____ Rent: \$ _____

4. This apartment unit [was/was not] last occupied for a period of 31 consecutive days by persons whose aggregate anticipated annual income as certified in the above manner upon their initial occupancy of the apartment unit qualified them as Lower Income Tenants.

5. Method used to verify applicant(s) income:

Employer income verification.

Copies of tax returns.

Other (_____)

Manager

ATTACHMENT 10

Additional Developer Covenants

- 10) Developer covenants and agrees for itself, and its successors and assigns to or of the Site, or any part thereof, the following additional covenants:
 - 10.1) Developer shall submit for Agency review and approval the CHFA re-financing commitment and any terms and conditions of that commitment;
 - 10.2) Developer shall secure any applicable approvals by HUD;
 - 10.3) Developer shall create a single-asset limited partnership for the ownership of the property, with residents selecting at least 3 out of the total 9 seats on the Board of Directors;
 - 10.4) Developer agrees to a development fee, subject to the terms and conditions of the Mayor's Office of Housing Policy on Development Fees for Non-Tax Credit Projects (Attachment 11), in the amount of \$200,000, to be paid through an initial payment of \$80,000 at closing, and the balance to be paid in six equal annual payments of \$20,000, subject to a change in policy currently under consideration which would allow the deferred portion of developer fee to accrue interest on its remaining balance at a rate no greater than 5% per annum;
 - 10.5) Developer agrees to an allowance for an Asset Management Fee to be paid to the Developer in the flat fee amount of \$5,000 annually;
 - 10.6) If the Developer is found by the Agency to be in compliance with all applicable requirements and agreements, an eligible expense of the project shall be a thirty-three percent portion of the excess cashflow (to a maximum of \$50,000) after payment of the fixed groundlease payment, the Asset Management Fee, the deferred Developer Fee payment, and the deposit into a CHFA 2nd Loan Accrual Account; but before any payment of the residual ground lease payment and any arrears (subject to the Mayor's Office of Housing Policy on the Use of Residual Receipts). Consistent with the Mayor's Office of Housing Policy on Development Fees for Non-Tax Credit Projects, such funds shall only be used for CDBG-eligible housing uses within San Francisco;
 - 10.7) The Developer agrees that the City and County of San Francisco Citywide Loan Committee reserves the right to approve or disapprove the final choice of the Property Management firm. Such review and reasonable approval is hereby delegated to the Agency's Housing Program Manager;
 - 10.8) The Developer agrees that any excess acquisition funds available after the real estate closing, including but not limited to the acquisition contingency

amount, may be used to pay the unpaid balance of the deferred developer fee

- 10.9) In the event that there is any excess cash available after full payment of the residual ground lease payment and any arrears, Developer shall use such available cash to make advanced payments toward the remaining unpaid principal of the "B" tranche of the first CHFA mortgage. Should there no longer be any principal balance remaining on this portion of the first mortgage, then all excess cash shall be governed by the Mayor's Office of Housing Policy on Use of Residual Receipts, and any applicable CHFA requirements;
- 10.10) In the event that CHFA fails to fund the proposal, then the Seller 'Takeback' Loan shall convert to a residual receipts loan; payable only after the full repayment of the Agency Bridge Loan; and

10.11) DISTRIBUTIONS

10.11.1) Generally

When used in this Agreement, "Distributions" shall mean cash or other benefits, other than development fees, deferred development fees and asset management fees, necessitated deposits into the CHFA 2nd Loan Accrual Account; residual ground lease payments and any arrears, received as Project Income from the operation of the project and available to be distributed to Developer or any other party having a beneficial interest in the Project, but shall not include payments for property management or other services performed by Developer under this Agreement. Subject to the Mayor's Office of Housing Policy on the Use of Residual Receipts, Distribution funds shall be disbursed in the following manner: (a) as advanced payment on any remaining interest and/or principal on the "B Tranche" portion of the CHFA first loan; (b) if the "B Tranche" portion of the CHFA first loan has no remaining interest or principal balance, as advanced payment on any future Annual Rent payments; (c) if there are no remaining Annual Rent payments to be made within the original term of this Agreement, as a payment to the Developer over and above the thirty-three percent portion of the excess cashflow (to a maximum of \$50,000) identified in Attachment Section 10.6. Developer may receive Distributions for a particular fiscal year only upon: (a) approval by the Agency of the annual monitoring report submitted for that year; and (b) determination by the Agency that Developer is in full compliance with the terms of this Agreement; and prior written determination by the Agency that the amount of such Distributions is consistent with the terms of this Agreement.

10.11.2) Prohibited Distributions

No Distribution shall be made under any of the following circumstances:

- (a) when written notice of default has been issued by any entity with an equitable, legal or beneficial interest in the Project; or
- (b) when the Agency has determined that Developer or Developer's management agent has failed to comply with Agency's written notice of any reasonable requirement for proper maintenance of the Project; or
- (c) if all currently required debt service on all loans secured by the Project and all operating expenses (including, but not limited to the fixed groundlease payment) for the Project have not been paid; or
- (d) if the Replacement Reserve Account and/or Operating Reserve Account is not fully funded pursuant to any applicable Agreement.



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

Golden Gate Apartments

Up to \$22,578,308 Funding Amount

Recast MOHCD Tax Increment Affordable Housing Program Loan

Approve PASS Loan (Market Rate, Below Market Rate, and Deferred)

Evaluation of Request for:	Approval of PASS Loan and recast of MOCHD Acquisition Loan
Loan Committee Date:	April 17, 2026
Prepared By:	Amanda Fukutome-Lopez
MOHCD Asset Manager:	Rosanna Chavez
MOHCD Construction Manager:	Robin Wang
Sources and Amounts of New City Funds Recommended:	Up to \$22,046,000 in PASS Series E Funding
Sources and Amounts of Previous City Funds Committed:	\$532,308 MOHCD (formerly SFRA) Acquisition Loan (Tax Increment Affordable Housing Program)
Total Funds by Source:	Up to \$22,046,000- PASS Series E Funding - \$13,417,196 Market Rate - \$7,422,888 Below-Market Rate - \$1,205,916 Deferred \$532,308- Tax Increment Affordable Housing Program
NOFA/Program/RFP/RFQ:	Preservation and Seismic Safety Program (PASS)
Applicant/Sponsor(s) Name:	Chinatown Community Development Center
Ultimate Borrower Entity	Golden Gate Apartments, L.P.
Sponsor's Project Manager	Phoebe Mayor Das, Sr. Project Manager

Project Summary

Project Sponsor, Chinatown Community Development Center (CCDC), through Golden Gate Apartments, L.P. (Borrower), intends to use the requested Funds to acquire and rehabilitate a 72-unit multifamily rental housing development affordable to low-income households.

Located at 1820 Post Street, Golden Gate Apartments (the Site) is a 72-unit affordable family housing development (5 studios, 13 1BRs, 27 2BRs, 17 3BRs, and 10 4BRs) in the Western Addition neighborhood. The development is comprised of three buildings, with a total of 76,711 sf and was built in 1978. In 1999, CCDC acquired the improvements, while the former San Francisco Redevelopment Agency (SFRA) acquired the underlying land and ground leased it back to the Sponsor. Golden Gate Apartments is targeted to low- to moderate-income households, with income restrictions between 60% AMI and 90% MOHCD AMI and an average household AMI of approximately 35% for existing residents (Project).

Golden Gate Apartments has not had substantial rehabilitation since CCDC's acquisition of the Site in 1999. At that time, the Project underwent light rehabilitation. The Project received significant landscape improvements in 2014 and electrification improvements in 2025. The Project is all-electric, with the exception of the laundry room. The Project is currently in need of substantial rehabilitation to preserve the buildings. The rehabilitation scope includes, but is not limited to, exterior siding removal and replacement, window replacement, new roofing, unit upgrades, conversion of eight existing units to code-compliant mobility units, accessibility-related site improvements, and the replacement of the sewer lateral. The rehabilitation scope will improve living conditions at the Site by ensuring the buildings' habitability and residents' safety.

CCDC was awarded Low-Income Housing Tax Credits and bonds in December 2025. With this loan evaluation, the Project is requesting approval for a new PASS loan and recast of the existing SFRA Acquisition Loan, with a 55-year term and an interest rate up to the Applicable Federal Rate (AFR). In addition, a new ground lease will be executed with the Limited Partnership, since the existing Limited Partnership is the current ground lessee. Funds will be used for acquisition and rehabilitation costs. The Project is required to close construction financing by July 20, 2026, to retain the CDLAC award. The Project is anticipated to have at least 40 years of financial feasibility, which conforms with PASS requirements, and the Replacement and Operating Reserves are projected to be fully funded through at least 20 years from PASS loan close.

Project Description

Construction Type:	Type VB	Project Type:	Rehab
Number of Stories:	3	Lot Size (acres and sf):	1.69 acres / 76,711 sf
Number of Units:	72	Architect:	Gelfand Partners Architects
Total Residential Area:	70,826 sf	General Contractor:	Nibbi and Pilot JV
Total Commercial Area:	0 sf	Property Manager:	CCDC
Total Building Area:	76,711 sf	Supervisor and District:	Sup. Mahmood D5
Landowner (Current):	City		
Total Development Cost (TDC)*:	\$47,289,606	Total Acquisition Cost:	N/A
TDC/unit:	\$656,800	TDC less Acquisition cost/unit:	N/A
Loan Amount Requested:	\$22,046,000	Request Amount / unit:	\$306,194
HOME Funds?	N	Podium/Other	Y (52 spaces and .72
# of Elevators?	0	Parking?	spaces-to-72 units ratio)

*TDC is comprised of hard costs, soft costs, cash-out developer fee, and reserves.

PRINCIPAL DEVELOPMENT ISSUES

- Construction Cost Contingencies.** The Project has an 11.4% hard cost contingency. While this meets MOHCD Underwriting Guidelines, which require rehabilitations to hold 10%-15% hard cost contingency, the Project went out to bid in March 2026 and has not yet executed a Guaranteed Maximum Price (GMP) contract. Additionally, the Project is not maintaining any additional construction contingencies beyond the hard cost contingency. For this Project, 11.4% contingency is approximately \$3.125M, which is sizable, and the Sponsor has done extensive exploratory demolition to mitigate the risk of unforeseen conditions. Additionally, 100% of the at-risk developer fee is requested to be paid out at, or after, Permanent Conversion. Together, the at-risk portion of Developer Fee in addition to the existing hard cost contingency is 15% and mitigates risk to the Project in case of cost overruns. Please see **Section 6.5.4**.
- PASS Loan Subsidy Assumption.** One household occupying a 3BR unit at the Project will not income certify as required by the SF Housing Authority's Housing Choice Voucher program and ceased participation in the program in 2017. The Sponsor has not received subsidy for the unit

since their participation ceased, though the unit continued to be included in the Housing Assistance Payments (HAP) contract. The PASS debt is sized assuming all units under the HAP contract are receiving subsidy, and the Sponsor is working with SFHA to transfer the subsidy to another unit at the Project. The PASS Loan amount will be contingent upon the Sponsor and SFHA identifying, income-qualifying, and approving the transfer of the subsidy to another unit at the Project by the date of Mayor's signing. See **Section 6.5.1**.

SOURCES AND USES SUMMARY

Sources Summary

Permanent Sources	Amount	Per Unit	Terms	Status
MOHCD - PASS Market Rate Loan	\$13,417,190	\$186,350	40 years @ 6.610%	This request
MOHCD - PASS Below-Market Rate Loan	\$7,422,890	\$103,096	40 years @ 1.870%	This request
MOHCD - Deferred Loan	\$1,205,920	\$16,749	40 years @ 1.870%	This request
1999 MOHCD Acquisition Loan (Tax Increment)	\$532,308	\$7,393	55 years @ up to AFR*	Committed, recast through this request
Seller Carryback Loan	\$20,795,592	\$288,828	55 years @ up to AFR*	Committed
Income from Operations	\$1,893,559	\$26,299	N/A	
Deferred Developer Fee	\$5,091,502	\$70,715	N/A	
GP Capital- Reserves	\$476,973	\$6,625	N/A	Committed
Limited Partner Equity	\$21,945,295	\$304,796	\$0.88 per credit	In progress- received LOI
Accrued Deferred Interest	\$2,303,629	\$31,995	N/A	
Total Sources	\$75,084,858	\$1,042,845		

*AFR is 4.62% as of April 2026

Uses Summary

Permanent Uses	Amount	Per Unit	Per SF
Acquisition	\$22,703,750	\$315,330	\$296
Hard Costs	\$30,614,395	\$425,200	\$399
Soft Costs	\$13,958,645	\$193,870	\$182

Reserves	\$716,566	\$9,952	\$9
Developer Fee	\$2,000,000	\$27,778	\$26
Deferred Developer Fee	\$5,091,502	\$70,715	\$66
Total	\$75,084,858	\$1,042,845	\$979

*Acquisition cost is included as a component of the tax credit transaction. The acquisition cost includes the value of the improvements, as substantiated by a 2025 appraisal, along with additional closing costs.

WAIVERS REQUESTED

- PASS Loan LTV.** The Sponsor is requesting a waiver to the PASS Loan's loan-to-value ("LTV") ratio to support a larger PASS loan, which is sized based on the Project's supportable debt according to the Project's debt service coverage ratio ("DSCR"). Per PASS Regulations, the maximum LTV for a PASS Loan is 90%. The Sponsor is requesting an LTV of approximately 98%. Due to the extensive rehabilitation needs at the Project and limited availability of sources, MOHCD staff support this request. There is positively trending DSCR on the Project with a 1.27 DSCR in year 20, which mitigates any long-term risk. See **Section 6.5.1**.
- Developer Fee.** Under the current Developer Fee Policy, the maximum cash-out fee for this Project would be \$1.1M. The Sponsor is requesting \$2M in cash-out fee, including \$1M in Project Management Fee and \$1M in At-Risk Fee. The amount of Developer Fee is in line with current practice, which conforms with proposed changes to the Developer Fee Policy. The Sponsor is also requesting a pay-out schedule that is different than the Developer Fee pay-out schedule under the current policy in that it pays more Developer Fee earlier, with 100% of Project Management fee being paid at Construction Closing. MOHCD staff support 1) the amount of Developer Fee because the request is in-line with the proposed MOHCD Developer Fee Policy and 2) the pay-in schedule because the Sponsor has been working on the Project's rehabilitation and resyndication for three years, during which they were not paid for their work, and the lender/investor is agreeable to this structure. See **Section 6.5.8**.
- Residual Receipts.** The Sponsor is requesting to suspend residual receipts payments, including Residual Rent for the Ground Lease, during the period from Construction Closing to Permanent Conversion to contribute those funds as a source to the Project through Income from

Operations. The Ground Lease Base Rent of \$15K will continue to be paid during this period. MOHCD staff support this request. See **Section 6.5.1**.

- **Construction Contingencies.** MOHCD Underwriting Guidelines require projects of this size to hold 3% bid contingency, 3% design contingency, and 3% plan check contingency, in addition to 10%-15% hard cost contingency. While the Project could reasonably not carry plan check contingency, given where they are in the permitting process, the Project is not holding the bid or design contingencies required by the Underwriting Guidelines. MOCHD staff support this request because, though it is on the lower side of the required 10%-15% hard cost contingency, \$3.125M is a sizable contingency, and the Sponsor has done extensive exploratory work to mitigate the risk of unforeseen conditions. See **Section 6.5.4**.
- **Replacement Reserves.** MOCHD Underwriting Guidelines requires acquisition-rehabilitation projects to make annual deposits of the greater of i) the amount needed according to an approved CNA, or ii) \$500/unit/year. The Sponsor is proposing to make annual Replacement Reserve contributions in the amount of \$1,000/unit/year, which is higher than the \$500/unit/year amount but lower than the CNA's deposit recommendation of \$125,227/year (approximately \$1,700/unit/year). Staff support the request because the \$1,000/unit/year amount allows the Project to fund at least 20 years of anticipated capital needs, with negligible inflation, and supports the Project's feasibility. A larger annual deposit would decrease the amount of supportable PASS debt and require scope deferral to the Replacement Reserve, which would increase the Project's CNA needs and cost over time. See **Section 6.5.6**.

1. BACKGROUND

1.1 Project History Leading to This Request

Built in 1978, Golden Gate Apartments (“GGA”) is a 72-unit affordable housing development, comprised of three buildings. In 1999, the property was at risk of being converted to market rate housing, when the previous owner had the right to prepay a HUD 236 mortgage, opt-out of the Section 8 program, and terminate the HUD restrictions that kept the property affordable. Additionally, the former San Francisco Redevelopment Agency (“SFRA”) agreement had only required the property to ensure one-third of the units remain affordable until 2004. To ensure the property could continue to provide housing with affordable rents, CCDC worked with the SFRA to acquire the property, with the SFRA acquiring the land and ground leasing it back to CCDC.

In conjunction with the Site’s acquisition in 1999, the Project underwent a light renovation. Subsequently, CCDC completed two small-scale projects at the Site: 1) significant landscaping improvements in 2014 and 2) electrifying heating, cooling, and water heating for all townhomes and apartments buildings- in 2025. The Project is all-electric, with the exception of the common area laundry room. Golden Gate Apartments has not had substantial rehabilitation since its acquisition in 1999.

Given the 1970s construction era and the age of the building, Golden Gate Apartments is in critical need of repairs and renovations. Most significantly, the building envelope is in need of full removal and replacement, down to the studs, including the replacement of the original 1978 single pane windows, and the sewer lateral is also in need of full replacement.

In response to the increasing work orders and the age of the building, the Sponsor identified a funding path for a large-scale renovation in 2023. Since that time, the Sponsor has re-strategized funding paths numerous times when various regulatory and scoring changes rendered the Project non-competitive for tax credits until the advent of the 25% test in 2025. In December 2025, CDLAC committee approved the Project for a reservation of 4% tax credits and tax-exempt bonds.

Financing for the rehabilitation project will include tax credit equity through the Project’s resyndication, payoff of an existing permanent loan, recast of the existing MOHCD Acquisition Loan, and the addition of a MOHCD PASS Loan for rehabilitation and permanent financing to the Project’s financing sources.

The design team completed and submitted the Permit Set (90% CD) to DBI for permit review in December 2025, immediately following the CDLAC award notification. The Notice of Intent to Solicit Bids was posted on February 26, 2026, and the Sponsor is anticipating closing on construction financing in early July, before the July 20, 2026, CDLAC deadline.

1.2 Applicable NOFA/RFQ/RFP

See Attachment E for Threshold Eligibility Requirements and Ranking Criteria

Not applicable for Preservation and Seismic Safety Program (PASS) financing, since it is an over-the-counter program that accepts applications on a first-come, first-served basis. PASS provides low-cost and long-term financing to fund seismic retrofits, as well as the acquisition, rehabilitation, and preservation of affordable multifamily 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 closed in December 2020. The third issuance of \$38 million was funded in March 2025. The Project is considered an eligible property under Section 2.1 of the PASS Program Regulations. The Sponsor applied for an allocation of funds in conjunction with this request and up to \$22,046,000 in 2025E funds were reserved for the Project.

1.3 Borrower/Grantee Profile

See Attachment B for Borrower Organization Background; Attachment C for Developer Resume; Attachment D for Asset Management Analysis

1.3.1 MOHCD/OCII Borrower

The borrowing entity is the entity "Golden Gate Apartments, L.P." The managing general partner will be Golden Gate Apartments, LLC, whose sole member and manager is Chinatown Community Development Center (CCDC).

1.3.2 Joint Venture Partnership

N/A.

1.3.3 Relevant Borrower Project Management Experience and Capacity

See Attachment C for Developer Resume

Phoebe Mayor Das is the assigned Project Manager. Phoebe joined CCDC as Senior Project Manager in 2022. Phoebe worked in community and government-based affordable housing roles for four years prior to obtaining an M.A. in City and Regional Planning in 2017. Phoebe has worked in real estate

development roles for the last 8+ years, managing both new construction and portfolio rehabilitation projects.

Phoebe is managing this Project and one new construction project that will be in the early predevelopment phase. Phoebe will dedicate 70% of her time to GGA through closing and reduce her time to 50% thereafter.

1.3.4 Current MOHCD Projects Underway

Below is a list of projects that CCDC has currently underway with MOHCD/OCII.

Name/Address of Project	Project Status	Notes
730 Stanyan	Lease Up	TCO obtained September 2025
Transbay Block 2 West	COO and Final Lease Up	COO expected March 2026
1515 South Van Ness	Construction	30% Construction Complete
New Asia	Predevelopment	Closing early 2027
Larkin Pine	Construction	
Pier 70	Predevelopment	On Hold

1.3.5 Past Performance

City Audits/Performance plans

City staff managing CCDC's grants and awards have reported positively on the Sponsor's performance. City staff have reported that the Sponsor consistently meets and exceeds their goals and are collaborative and responsive.

Compliance with MOHCD Processes

Marketing: 272 Folsom is currently leasing up. The marketing and subsequent lottery in September 2025 were successful. 5,057 senior households (62 and older for the entire household) applied, including 14 COP holders, 12 DTHP holders, 24 Veterans, and 433 Neighborhood Resident applicants. One highlight was the Information Session and Application Workshop held in the Main Library during the marketing period. MOHCD and CCDC staff helped applicants apply on DAHLIA, and CCDC provided language access to monolingual speakers.

2060 Folsom was the last building that completed marketing and lease up with MOHCD, receiving a B grade on their marketing report card. Marketing staff report that the Sponsor consistently demonstrates professionalism and reliability in its partnership with the City, practices exemplary communication, and has a strong ability to follow instructions and adhere to provided guidelines. Staff also report that the Sponsor is well-staffed with team that brings expertise in marketing and outreach, and overall, the Sponsor has proven to be a dependable partner.

Asset Management: For 2024 Annual Monitoring Report (AMR) reporting, CCDC had 26 AMRs due. There were 23 submitted on time, and three were submitted late. One of the late reports was due to a miscommunication between MOHCD and CCDC. CCDC reported five evictions for Reporting Year 2024. There were no compliance issues flagged. CCDC also had eight AMRs due for project where they were co-sponsors. All eight of those reports were submitted on time. There were five reported evictions for those projects. There were no compliance issues flagged.

Tenant Demographics and Eviction Data: CCDC owns and operates 4,016 affordable housing units in San Francisco. The chart below represents the total number of residents (4,454) that provided demographic information to the Sponsor, disaggregated by race and ethnicity. In 2025, there were 32 evictions across CCDC's 55 properties. CCDC does not have eviction data disaggregated by race for all evictions.

Race	Ethnicity
Asian: 58%	Not Hispanic or Latino: 75%
White: 10%	Hispanic or Latino: 12%
Black: 10%	Declined to Answer: 14%
Other: 13%	
Native Hawaiian: 1%	
American Indian or Alaska Native: 1%	
Decline to Answer: 8%	

1.4 Proposed Property (Land and Improvements) Ownership Structure

GGA 1820 Post, L.P. currently owns the improvements, and Golden Gate Apartments, L.P. will acquire the improvements in connection with the syndication.

The current ground lessee is GGA 1820 Post St, L.P. In connection with the syndication, the new Limited Partnership will enter into a new Ground Lease with MOHCD at Construction Closing. This will ensure that the Ground Lease is between MOHCD and the new limited partnership entity and that the Ground Lease conforms with current MOHCD policy. The term of the new Ground Lease will be for 75 years, with a 24-year option to extend, in conformance with the Ground Lease Policy.

An appraisal dated May 15, 2025, was prepared by James G. Palmer Appraisals Inc. and concluded the Market Value of the property to be \$22,500,000. Per the MOHCD Ground Lease Guidelines, Annual Rent for the Project will be \$2,250,000 (10% of the Fair Market Value), comprised of \$15K in Base Rent and \$2,235,000 in Residual Rent, to be paid through Residual Receipts.

2. DEVELOPMENT TEAM

Consultant Type	Name	LBE
Architect	Gelfand Partners Architects	Y
Architect Consultants -MEP	MHC Engineers	Y
Architect Consultants -Structural	Tipping	N
Architect Consultants -Civil	LUK and Associates	N
Architect Consultants -Waterproofing	RDH Building Science	N
Owner's Rep/Constr. Mgr.	Gonzalo Castro	Y
Other Owner Consultants – Environmental	Langan	N
Other Owner Consultants – Low Voltage	EDesign C	Y
Other Owner Consultants – Market Study	Newport Realty Advisors	N

Other Owner Consultants –Appraisal	James G. Palmer	N
Other Owner Consultants –Arborist	Walter Levison Consulting	N
Other Owner Consultants – HERS Rater	Streamline Green	N
General Contractor	Nibbi Bros. Associates, Inc.	N
General Contractor JV Partner	PILOT	Y
Financial Consultant	California Housing Partnership	N
Legal	Gubb and Barshay	N
Property Manager	CCDC	N
Services Provider	CCDC	N
Hazardous Consultant	N/A	N/A
Relocation Consultant	Pati Boyle	N

2.1 Procurement Plan

In Fall 2024, CCDC selected Nibbi and Pilot as its Joint Venture general contractor through an RFQ under the original Larkin Pine-Golden Gate Apartments Joint RFQ. CCDC obtained approval from CMD with its scoring matrix. The project team also selected the Architect and several other design consultants and reported these selections to CMD. Since that time, the two projects have pursued separate funding paths, and are no longer a joint project. As a result, CMD determined a separate GGA LBE goal of 20 percent. As of April 9, 2026, the Sponsor is at 8% for the Consultant LBE goal. CCDC proposed excluding the exempt services (e.g. legal) from the table for the purposes of calculating their LBE percentage. CMD was unable to exclude services but noted that they acknowledge CCDC's good faith effort given that their Prime Architect is an LBE firm.

The Sponsor submitted a separate procurement plan to CMD in February 2026.

2.2 Opportunities for BIPOC-Led Organizations.

Chinatown CDC is a BIPOC-led organization with a 45-year history of advocating on behalf of low-income residents in Chinatown. As a BIPOC-led organization, the Sponsor approaches their work through a lens of racial and economic justice. CCDC strives to operationalize equity in their organization, to effectively work in service to and in partnership with people. The Sponsor aims to partner with organizations that share their values and demonstrate their commitment to racial equity and inclusion. Additionally, the Sponsor is contracting with a Joint Venture General Contractor team

(Nibbi and PILOT). As a portfolio resyndication project, there is not an opportunity to bring in a JV development partner on GGA. However, CCDC is partnering with two BIPOC-led developers on two pipeline new construction projects: 1515 South Van Ness (MEDA) and Pier 70 (Young Community Developers).

3. SITE DUE DILIGENCE

See Attachment E for site map with amenities

Site Description	
Zoning:	Planning Code Designation/Height: NCT – Fillmore Street Neighborhood Commercial Transit District, RM-3 Residential-Mixed, Medium Density, Height: 50'
	There are no proposed changes to the zoning nor maximum density.
CEQA Applies?	CEQA exempt per Planning Approval Letter, dated May 15, 2025
NEPA Required?	No
Section 106 Review Required?	No
Seismic Zone/PML:	Seismic Zone: Project is not located within an Earthquake Fault Special Studies Zone. PML SUL %: 8% SUL. No seismic work is proposed as part of this rehabilitation.
Soil type:	According to the USGS, the subject property is located in an area consisting of Quaternary aged dune sand consisting of fine to medium grained sand as well as slope and ravine fill material.
Environmental Review:	The Phase I Environmental Site Assessment was conducted in December 2025 by Langan CA, Inc. The consultant did not identify any Recognized Environmental Conditions (RECs), Controlled Recognized Environmental Conditions (CRECs), nor Historical Recognized Environmental Conditions (HRECs) at the Site.

The Phase I conducted in 1998 by Treadwell & Rollo, Inc. and Olivia Chen Consultants, Inc. is also available. Historical records indicate that an oil and gasoline service station operated at the 1800 Post property from 1935 through 1974. An electromagnetic survey was conducted for the 1998 Phase I. The survey concluded there is no indication of USTs on site.

Adjacent uses (North):	Multi-family Residential
Adjacent uses (South):	Retail Center/AMC Theater
Adjacent uses (East):	Mixed-Use (Retail and Residential)
Adjacent uses (West):	Mixed-Use (Retail and Residential) Retail
Neighborhood Amenities within 0.5 miles:	• Retail Services: The Japan Center Mall 0.1 miles • Schools: Rosa Parks Elementary, approximately 0.3 miles • Grocery Store: Nijiya Market 0.1 miles and Mollie Stone's Market is under 0.5 miles • Pharmacy: Walgreens 0.12 miles • Public Parks: Hamilton Recreation Center (offering a basketball court, tennis court, a soccer field, and an indoor swimming pool) 0.44 miles • Library: Western Addition Branch Library 0.33 miles
Public Transportation within 0.5 miles:	1 California, 2 Sutter, 22 Fillmore, 31 Balboa, 38 Geary, 38R Geary Rapid
Article 34:	N/A, no new affordable units
Article 38:	Exempt: Y
Accessibility:	<u># and % of units accessible (Mobility featured, Hearing and Visual Aid featured);</u> 8 (10%) mobility units, 3 (4%) communication units <u># and % of units adaptable;</u> Adaptable units are required where the unit is on the ground floor and there are no stairs required to reach the front door. The two ground floor/non-stair units that are not already being converted to mobility units will be converted to adaptable units.

	<u>#/% above TCAC requirement and why.</u> The number meets TCAC requirement.
Green Building:	GGA meets TCAC Minimum Construction Standards via option (ii) (at least two out of three residential end uses are electrified) by electrifying the space heating and water heating in all dwelling units. This electrification was completed in 2025. The Energy Rater consultant (Streamline Green) has provided the necessary documentation that allows the pre-closing electrification project to count towards the TCAC requirement.
Recycled Water:	Exempt. No permit is required for recycled water.
Storm Water Management Plan Status:	N/A
Proposition I Notice	N/A No significant expansion of an existing use.

3.1 Site Description Narrative

See above.

3.2 Zoning Narrative

See above.

3.3 Seismic, Probable Maximum Loss

See above.

3.4 Local and or Federal Environmental Review

Local (CEQA): The Planning Approval Letter determined that the Project is exempt from CEQA as a Class 1 exemption- Existing Facilities (CEQA Guidelines 15301).

Federal (NEPA): The Project was determined to be exempt from NEPA because there are no federal funds being used for the capital work, and though the PASS Loan leverages federal subsidy contracts, it was determined by MOHCD Compliance that this does not trigger NEPA. Additionally, the reassignment of the HAP contracts does not trigger NEPA. The Project is exempt per **24 CFR 58.34(a)(2)&(3):** "Information and financial services" and "administrative and management activities".

Section 106/Historic Preservation/SHPO: N/A

3.5 Environmental Issues

See above.

3.5.1 Phase I/II Site Assessment Status and Results

See Above.

3.5.2 Potential/Known Hazards

Per the 2024 Lead and Asbestos report by JME Environmental Consulting, no asbestos or lead was detected in any of the three buildings.

3.6 Green Building

See above.

4. COMMUNITY SUPPORT

4.1 Prior Outreach

Sponsor has engaged in the following outreach efforts to date:

- In collaboration with the relocation consultant, and on-site staff (Property Management and Resident Services), the housing development team held a Kick-Off Resident Meeting on January 16, 2026. Thirty-seven residents attended the meeting. Letters were distributed to residents one week prior to the meeting. Letters in English, Vietnamese, Russian, Spanish, Korean, and Chinese were posted in a central location in the Community Room one week prior to the meeting. Housing Development team members and the relocation consultant presented a PowerPoint summarizing the scope, schedule and relocation details. In person live translation was provided in Korean and Chinese. Additionally, a live dial-in phone translation service was available for Russian, Vietnamese and Spanish. The Sponsor held a second Resident Meeting on March 20, 2026. A third Resident Meeting is planned for May 2026.
- Tenants expressed concerns at both Resident Meeting 1 and Resident Meeting 2. However, there were noticeably fewer concerns at Meeting 2. And, at both meetings, the Sponsor observed that all concerns were addressed and partially alleviated by the end of each meeting. Residents expressed concerns typical of an occupied rehab project such as: where they will be temporarily relocated, temporary storage for any belongings that don't fit in the temporary unit, and how their belongings will be moved and handled. The Sponsor and the Relocation Consultant have addressed these concerns, and residents generally understand the importance of the rehab project and need for relocation.

- Two examples of feedback from Resident Meeting 1 that the Sponsor addressed at Resident Meeting 2 are below:
 - Several tenants brought up concerns around needing more mobility assist measures in the units. Several residents mentioned the need for grab bars, and a couple of residents asked about the possibility of elevators. The Sponsor explained that the budget does not support elevators. However, grab bars will be added at shower surrounds in all units (a design update shared at Meeting 2).
 - Residents had feedback about the location of the trash at the property. There are currently two dumpster sites located immediately next to two ground floor units. At least one resident noted the challenge of dealing with odor from the garbage area. The Sponsor brought this feedback back to the design team. The design team was able to find a feasible and affordable solution to move the trash to one central location at the center of the parking lot. Staff shared this update at Meeting 2. The Sponsor noted that this update was well-received by the residents.
- The TEFRA Hearing for the Project was held on February 3, 2026. Required notices were posted at the Site; however, no tenants called in or attended the meeting in person.
- GGA is in the Japantown Cultural District. Though the Project is a rehabilitation with no change in use or change to unit count, the Sponsor is in contact with the Cultural District. There is no known opposition to the Project.

4.2 Future Outreach

Sponsor plans to complete the following outreach activities going forward:

- Resident Outreach: Development staff will hold one additional community meeting, in May 2026, prior to the start of rehabilitation.
- Community Outreach: Development staff have drafted an outreach letter and are planning to send it to the Japantown Cultural District and relevant organizations to provide updates around the Project's rehabilitation.

5. DEVELOPMENT PLAN

5.1 Site Control

Site Control is through a Ground Lease executed with SFRA in 1999. The ground lease was assumed by MOHCD at the time the SFRA dissolved. MOHCD gave the existing Partnership a 50-year ground lease with 49-year option to renew. Prior to Construction Close, the to-be-formed Limited Partnership entity

will negotiate and enter into a Ground Lease with MOHCD, for 75 years with a 24-year option to extend.

The improvements are owned by GGA 1820 Post, L.P. The new Limited Partnership, Golden Gate Apartments, L.P., will acquire the improvements at Construction Closing.

5.2 Proposed Rehab Scope

The Project submitted its Building Permit in December 2025. The Project's Bid Set drawings are at 90% Construction Documents. The Bid Set drawings incorporate all rehabilitation scope, including the sewer and plumbing scopes that were issued as a Bid Addendum. The proposed rehab scope for the Project includes:

Exterior Renovations:

Per the CNA, there is "excessive damage to sill conditions and foundations noted due to lack of drainage at footings". Additionally, the CNA notes that remedial waterproofing is recommended. Dry rot damage is noted at the facade, particularly at trim components. Per the CNA, Exterior Wall Siding is 7 years past its useful life, and the windows and frames are 17 years past their useful life.

The Project Team conducted exploratory demolition testing on select locations at several points on the exterior of the three buildings, both at the bottom curbs of the building, and around window frames. The testing assessed the extent of dry rot and the occurrence rate across the buildings. The testing concluded that about 30% of the concrete curbs need replacement.

Exterior cladding of all buildings will be removed down to the plywood substrate, followed by the installation of new waterproofing and cement fiber siding. Existing aluminum-framed, single-paned windows will be replaced with dual-paned vinyl windows. A new roof is to be installed on each of the three buildings. Existing exterior metal fire escapes will be removed as they will no longer be required upon the installation of a new fire alarm and sprinkler system.

Interior Upgrades:

Each unit will undergo comprehensive interior upgrades, including the replacement of existing kitchen cabinetry, appliances, countertops, sinks, toilets, bathtub surrounds, light fixtures, exhaust fans, and flooring, all of which are at the end of their expected useful life. The existing HVAC system, which is new, will be protected in place. The rehabilitation project will modify eight existing units to convert them to code-compliant mobility units (10%) and 3 hearing and visually impaired units (4%).

Site Improvements:

Current pathways between accessible units, shared amenities, and site entrances do not comply with current accessibility standards. To ensure code compliance, a significant portion of the existing concrete paving will be removed and replaced to correct slope discrepancies. This improvement includes the construction of new ramps, walkways, and stairs as necessary to accommodate site topography and changes in elevation at building entrances.

Sewer and Plumbing:

GGA sewer laterals and interior plumbing system are from the original build 47 years ago. Per the CNA, the sanitary lines have a remaining useful life of 3 years. Given the age, and the nature of work orders over the last five years, the team engaged a plumbing consultant to do extensive camera investigations to provide comprehensive information on the extent of damage and the length of line requiring repairs. The report showed numerous segments requiring repair. As a result of the findings, the sewer line will be replaced entirely.

Residential SF:	76,711
Commercial SF:	-
Building Total SF:	76,711

UNIT TYPES	Avg Unit SF - This Project	CTCAC-Required Minimum SF
Studio (5 units):	433 sf	200
1BR (13 units):	615 sf	450
2BR (27 units):	793 sf	700
3BR (17 units):	1,299 sf	900
4BR (10 units):	1,445 sf	1100
Do all units meet CTCAC minimum SF?	Y	

5.3 Interim Use Design/Scope/Costs

N/A

5.4 Relocation Design/Scope/Costs

Of the 72 total units, 70 are occupied. Lease up was suspended in December 2025, in anticipation of the upcoming rehabilitation. All Golden Gate Apartment residents will be temporarily relocated off-site for seven to eight months. MOHCD reviewed and approved the Relocation Plan and budget, as part of the TCAC application in 2025. Pati Boyle is the 3rd Party Relocation Consultant for Golden Gate Apartments and has extensive experience with MOHCD projects.

The laws, regulations and statutes applicable to the temporary relocation of residents at the Project are listed below:

- Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 U.S.S 4601 et seq (Uniform Act), CFR 49, Part 24
- HUD Handbook 1378
- California Relocation Assistance Law – Government Code 7260 aka CRAL
- California Relocation Assistance Guidelines – Code of Regulations Title 26, Chapter 6 aka the Guidelines

In accordance with the URA, CRAL, and the Guidelines, residents who are temporarily relocated must receive the following services and benefits, which are explained in detail throughout the Relocation Plan:

1. A minimum of 90, 30, and 7-day advanced notice of the temporary relocation and any required move dates.
2. Written information describing their rights to temporary relocation benefits and services for which they are eligible.
3. Temporary housing that adequately meets their needs and is decent, safe and sanitary (DS&S), and return to a permanent housing unit that is also DS&S and meets the needs of the household.
4. Assistance with moving to and from temporary housing. This includes personal property and support with the transfer of any utility accounts owned by the household.
5. Right to appeal decisions made within the relocation program that affect them

Because the Project is comprised of three buildings that will be rehabilitated sequentially, the Project's rehabilitation and relocation will be phased. The current construction schedule anticipates relocating the buildings in the following order:

1. Sutter building (18/19 units occupied)
2. Webster building (25/25 units occupied)

3. Post building (27/28 units occupied)

Each building's rehabilitation will take approximately seven to eight months, beginning with the Sutter building. The Sponsor anticipates that residents from the Sutter building will be relocated approximately 10 days before Construction Closing to ensure the Project's ability to begin construction immediately following closing. Originally, the Project anticipated relocation of approximately 6-7 months for each phase; however, the recent addition of the replacement of the sewer lateral to the scope has increased the relocation duration to approximately 7-8 months per building, because of necessary overlapping of Phase 1 and 2 rehabilitations to accommodate the sewer work and keep the rehabilitation to a 21-month schedule.

The Relocation Consultant recently completed one-on-one resident meetings to identify moving needs, discuss moving support, and go through resident rights and responsibilities. The Sponsor will provide two temporary housing options during the relocation period: Friends and Family or market-rate housing. The temporary units will be identified and rented within 30 days of moves, and the Sponsor is prioritizing units that are located close to the Project, in or around Japantown. Once the units are identified, CCDC will master lease needed offsite units, paying monthly rent directly to the Owner/Landlord. Tenants will continue to pay their portion of the rent they are responsible for, according to their existing leases.

A relocation budget in the amount of \$4.5M includes the cost for moving expenses, storage needs, cable/internet/phone transfer fees, temporary housing costs, resident benefits, staff/consultants, and approximately 10% contingency. These costs are all basis eligible and draft budget is provided below.

Relocation Budget

Expenses	Approximate Costs
Residential Moving Expenses for 70 Households	
Moving and Packing (including move-back costs)	\$268,400
Phone/Cable/Internet Transfer Fees	\$7,128
Off-Site Storage	\$13,650
Off-Site Storage Move Services	\$25,500
Temporary Housing Costs	
Debris Removal/Trash Hauling	\$30,000
Temporary Unit Modifications	\$10,800
Friends & Family Stipend	\$26,400
Temporary Housing Rents	\$3,102,300
Parking	\$144,160

Utility Allowance	\$106,752
Security Deposits	\$231,100
Resident Benefits	\$7,200
Staff and Consultants	\$235,550
Sub Total	\$4,208,940
Contingency	\$411,484
Returned Deposits	\$115,550
Total	\$4,504,874

5.5 Infrastructure Design/Scope/Costs

N/A

5.6 Commercial Space Design/Scope/Costs – See Section 7.21 and 7.2.2 for Commercial Leasing Plan and Operating Budget

N/A. The Project does not contain commercial space.

For Proposed Tenant Improvement Build Out (not paid by MOHCD)

N/A. The Project does not contain commercial space.

5.7 Service Space Design/Scope – See Section 8 for Service Plan and Budget

Resident Services are currently provided in offices at the Post Street building, where there is also a community building and laundry room. Services will continue to be provided, and with this rehab, the Sponsor will add a dedicated Resident Services office space within the central common area space adjacent to the community room. The new Services office is 146 square feet.

5.8 Communications Wiring and Internet Access Design/Scope

Project will meet MOHCD's Communications Wiring Standards. Through the Fiber to Housing Program (FtH), the Department of Technology (DT) now makes Internet service available at little or no cost where the infrastructure in a building is built to receive this service. To ensure that MOHCD projects are properly prepared, MOHCD has developed the Communications Systems Standards (CSS) to make sure that adequate service is provided to residents who meet the eligibility requirements. The Sponsor worked with the MOHCD Construction Representative to determine the appropriate communications wiring scope that meets MOHCD's standards.

The existing property has Comcast and AT&T for internet. The proposed design will add fiber (free through the San Francisco City Fiber program) through new broadband wiring (CAT 6) to each unit. Additionally, there is coaxial wiring in place so that residents can access paid high-speed internet through AT&T or Comcast if preferred. The team will also replace the existing Comcast coaxial cabling, re-routing it in a protected roof-mounted elevated trough system to improve reliability and reduce roof exposure/failures. The video surveillance system is intended to continue to maintain use the existing cameras, with the addition of several cameras based on Site staff input.

6. FINANCING PLAN

See Attachment H for Cost Comparison of City Investment in Other Housing Developments; Attachment I and Attachment J for Sources and Uses

6.1 Prior MOHCD/OCII Funding

Loan	Original Loan Amount	Previous Repayment of Principal	Current Principal Balance	Accrued and Unpaid Interest (as of 7/20/2026)	Total Loan Amount (Interest + Outstanding Principal, as of 7/20/2026)
1999 MOHCD Acquisition Loan (Tax Increment)	\$746,833	\$232,360.43	\$514,472.57	\$17,835.05	\$532,307.62

Though not provided by MOHCD, the Project has two existing permanent loans from Bank of America, which were part of the financing for the 1999 acquisition. The mortgages were financed from the sale of Multifamily Housing Revenue Bonds, in the total principal amount of \$6,752,611 and with an interest rate of WHAT. As part of this resyndication, the remaining balance (approximately \$1,172,100) will be repaid at Construction Closing.

6.2 Disbursement Status

The Project has incurred costs dating back to January 1, 2025. Loan Committee approves payment of costs no earlier than January 1, 2025 so long as these costs are deemed acceptable and correspond to the development budget attached herein.

6.3 Fulfillment of Loan Conditions

The Sponsor has no outstanding loan conditions related to the 1999 MOHCD Tax Increment Loan.

6.4 Proposed Predevelopment Financing

N/A

6.5 Proposed Permanent Financing

6.5.1 Permanent Sources Evaluation Narrative

The Borrower proposes to use the following sources to permanently finance the Project. The Sponsor is requesting the following exemptions:

- **1999 MOHCD (formerly SFRA) Acquisition Loan (\$537,308):** 55-year term, up to AFR (4.62% in April 2026) or as low as 0% as needed for tax purposes, with residual receipts payment. The MOHCD Acquisition Loan will be assigned to and assumed by the new L.P. Sponsor is requesting the interest rate be up to AFR, as needed for tax purposes.
- **PASS Loan (\$22,046,000):** The PASS Loan is comprised of three loans outlined below. The Project will draw PASS funds down during the construction period, and the PASS Loan will be interest-only during the construction period, with the Sponsor paying interest-only payments through the construction period. After the earlier of i) 48 months or ii) the Project's Conversion Date, the Sponsor will be required to begin payments of principal and interest on the Market Rate Loan and the Below-Market Rate Loan.
 - PASS- Market Rate Loan (\$13,417,196): 40-year term from the Conversion Date at 6.610% interest. Hard debt service payment is required.
 - PASS- Below-Market Rate Loan (\$7,422,888): 40-year term from the Conversion Date at 1.870%. Hard debt service payment is required.
 - PASS- Deferred Loan (\$1,205,916): 40-year term from the Conversion Date at 1.870%. Payment is due as a balloon at maturity.

The Sponsor is requesting an exemption to the PASS Regulations, which require a maximum loan-to-value ratio of 90%. The proposed PASS Loan is sized at 98% loan-to-value (LTV), based

on the Project's debt service coverage ratio (DSCR); because of the income generated by the Project's two project-based subsidy contracts, the maximum loan allowed based on DSCR is higher than the maximum loan based on LTV. While providing a Loan at 98% LTV presents a risk, the Project is still below 100% LTV, and in the rare situation that the Project is unable to meet its debt service obligations, the Project would have enough value to cover the loan amount. Generally, the Project is very stable and has very little turnover. The area is very desirable, and the unit mix and unit size decrease the risk of Project instability due to high vacancy. Furthermore, the Project is modeling an increasing DSCR, going from 1.15 in Year 1 to 1.27 in Year 20, mitigating the risk that the Project will be unable to meet its debt service obligations.

Additionally, the Project urgently needs as much capital as can be leveraged to support the Project's rehabilitation. A lower PASS Loan would result in reduced scope, additional deferred maintenance, and the possibility that Replacement Reserves would be depleted well before 15 years. Given these reasons, staff support the request for exemption to the PASS Regulations' 90% LTV requirement.

The Project has 55 HCV subsidized units, which allow it to support up to \$22.046M in PASS debt. However, leveraging this amount of debt relies on the assumption that all 55 units are receiving subsidy. There is one 3BR SFHA HCV unit at the Project that is in "End of Program" (EOP) status, meaning that it's not receiving any subsidy due to the resident not income certifying and ceasing participation in the program. When SFHA recently started removing EOP units from subsidy contracts, the Sponsor proposed a unit swap for a similar-sized unit with a qualified household to maintain the subsidized unit in the contract; this proposal was initially denied by SFHA because it would essentially mean the household would skip other households on SFHA's 3BR waitlist. However, SFHA recently agreed to a unit swap for another unsubsidized 3BR unit, so long as the household qualifies. The Sponsor identified one unit for the swap and is working with SFHA to income qualify the unit. If the unit is not income-eligible, the Sponsor will identify another unsubsidized 3BR for the swap. There are currently six unsubsidized 3BRs at Golden Gate Apartments and the Sponsor is confident that one of the 3BR units will income qualify for the SFHA unit swap.

Assuming there is an eligible 3BR unit that qualifies for the SFHA unit swap, the Project will be able to support up to \$22.046M in PASS debt. If there is no income-eligible 3BR unit, the Sponsor has proposed putting the subsidy on an unsubsidized vacant 4BR (with the 3BR contract rent), though this proposal has not been approved by SFHA. Though the risk that the subsidy is lost or reduced to accommodate a smaller unit for the subsidy transfer is small, in either of those cases, the PASS loan will have to be sized down to accommodate the lost or reduced subsidy on the unit, which could be as much as \$600K. The Sponsor is seeking Loan Committee approval for up to \$22.046M in PASS debt, which will be conditioned upon the Project receiving SFHA approval to move the subsidy for the EOP unit to another occupied 3BR unit at the Project for the same contract value by the date of Mayor's signing. If the Sponsor is unable to receive SFHA approval to move the subsidy from the EOP unit to another unit in the

Project by that time, or the subsidy is moved to a smaller unit (and the contract amount commensurately reduced), the Sponsor will reduce the amount of requested PASS to conform with the supportable debt.

- **Seller Carryback Loan (\$20,795,592):** 55 years at AFR. The Seller Carryback Loan is sized at the appraised value of the property, minus the amount of the existing debt.
- **Income from Operations (\$1,893,559):** The 2026 income from operations includes income from post-closing period, from approximately 7/8/2026 to conversion (9/1/2028). The total income from operations assumes only 80% of projected cashflow from this period to provide a buffer for unforeseen swings in income. To facilitate this request, the Sponsor is requesting a waiver to the MOHCD residual receipts split. During the post-closing period to conversion, the Sponsor is requesting to suspend MOHCD's portion of residual receipts to contribute those funds to the Project in the form of Income from Operations.
- **Deferred Developer Fee (\$5,091,502):** This will be paid out of 50% of cash flow. The total amount is based on the amount the investor will allow based on the investor's forecasting model.
- **General Partner Capital- Existing Reserves (\$476,973):** This includes the balance of Golden Gate Apartments' Operating and half of the Replacement Reserves, which will be used as a construction source. The Project is only assuming half of the Replacement Reserves because currently there are ongoing repairs happening at the property that are anticipated to use approximately half of the Replacement Reserve.
- **4% Tax Credit Equity (\$21,945,295):** Awaiting LOI from Raymond James at \$0.88 per credit. LOI will be executed by the date of Loan Committee.
- **Tax-Exempt Construction Loan (\$18,736,700) – Capital One:** While not a permanent source, the construction loan is assumed to be a 26-month loan with a 6.110% interest rate. SOFR rate assumed at 3.66%, spread of 1.95% (for a base interest rate of 5.61%), and cushion of .5%.

Waivers are requested for the following permanent sources:

- PASS Loan: LTV exceeding 90%

6.5.2 CDLAC Tax-Exempt Bond Application

The Project accepted its 2025 Round 2 CDLAC award in December 2025, which triggered a July 20, 2026, closing deadline.

CDLAC Self-Score

Opportunity Map Resource Level	Moderate Resource
TCAC Housing Type (new construction only)	N/A
Bond Allocation Request Amount	\$18,736,700
Total Self-Score (out of 120 points)	110
Tiebreaker Score	293.33%

6.5.3 HOME Funds Narrative

N/A. There are no HOME Funds in the Project.

6.5.4 Permanent Uses Evaluation

PERMANENT DEVELOPMENT BUDGET		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Acquisition Costs are reasonable	Y	The acquisition cost is based on the property's appraisal (dated April 28, 2025), which provided an as-is market value of \$22,500,000.
Construction Hard Cost per unit is within standards	Y	\$425,200/unit. See narrative below for Project's CR analysis of hard cost. Though the cost/unit is higher than comps, the cost/bedroom is lower.
	N	Hard Cost Contingency is 11.4% (This meets the UW Guidelines of 10%-15% for rehabs). The lender/investor approves of the amount of contingency being held. Their requirement is 10%. Design Contingency is 0% Plan Check Contingency is 0% (Construction Representative has agreed that this could be removed, given where they are in the permitting process) Bid Contingency is 0%
Construction Hard Cost Contingency is at least 5% (new construction) or 10%-15% (rehab)		

		Sponsor is requesting a waiver on Bid and Design Contingency because of budgetary constraints. The Sponsor has an 11.4% hard cost contingency, which is approximately \$3.125M, and will need to use that contingency for any unforeseen issues related to bid or design. The design is at approximately 90% CDs, and the GMP will be executed before closing.
Architecture and Engineering Fees are within standards	Y	Fees are \$1.082M. See Section 6.5.7.
Construction Financing Costs are within standards	Y	Construction Financing costs are accurately calculated.
Construction Loan Interest is appropriately sized	Y	Construction Loan: \$18,736,700 Construction Term: 26 months Interest Rate: 6.110% (SOFR @ 3.66%, 1.95% spread, with .5% cushion) Interest Cost Estimate: \$797,380 Capital One will be the Construction Lender.
MOHCD PASS Loan Origination Fee is accurately estimated	Y	MOHCD PASS Loan Origination Fee is \$255,750 There is no new MOHCD soft debt being provided to the Project, and therefore, there is no Gap Loan Origination Fee.
Construction Management Fees are within standards	Y	Fees are \$119,405 and account for 26 months of construction.
Consultant and legal fees are reasonable	Y	Consultant and legal fees are appropriately sized and reasonable.
Entitlement fees are accurately estimated	Y	N/A
Furnishings are within standards	Y	No funds are requested for furnishings.
Relocation costs are reasonable	Y	Relocation costs are \$4.5M. While this is high, it is reasonable, given that the Project is 97% occupied and will require a phased relocation plan. Relocation costs have been provided and substantiated by a relocation consultant and reviewed and approved by MOHCD.
Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is 5.6%, which meets MOHCD's Underwriting Guidelines.

Capitalized Operating Reserves are 25%, and if required by lender or investor, up to 50% of the 1st full year of budgeted operating expenses (including debt service)	Y	Capitalized Operating Reserve is equal to three months of operating expense (including reserves and debt service) or 25% of OPEX
Capitalized Replacement Reserves are a minimum of \$1,000 per unit (Rehab only)	Y	\$1,000 per unit Capitalized Replacement Reserves meet minimum of \$1.000 per unit.

6.5.6 Construction Representative's Evaluation of Design/Scope Budget

The proposed project is located at 1820 Post St, San Francisco. The Project Sponsor is proposing to renovate the three-story building built in 1978. The work will be focused on rehabbing the roofing, building envelopes, installing sprinkler system, repairing sewer system, upgrading path of travel onsite, and replacing the sewer lateral.

The building area is 76,711 square feet and has no commercial space. The Project Sponsor's total construction cost estimate is \$30,614,395, roughly \$425,200/unit (\$399/sq ft). The construction cost seems to be based on their building permit drawings from their general contractor.

The Sponsor determined in March 2026 that they would need to replace all sewer lines underneath the existing building. This work may require extensive shoring, trenching, tunneling, cutting through foundation slab, and digging into the unknowns below the building. The Sponsor is evaluating the detailed scope of work and cost impact with contractors.

The MOHCD Construction Representative ran a cost analysis based on similar rehab projects with less than 100 units. The cost data was from projects in predevelopment, under construction, and already completed from the MOHCD database. The average cost per unit is \$277,222 and \$407/sq ft. The Project Sponsor's per unit cost is roughly 51% more than the comparable projects and 3% less on cost per square foot. The large variance in cost per unit was largely driven by the number of bedrooms. The Project features the following mix of unit sizes: studio (7%), one-bedroom (18%), two-bedroom (38%), three-bedroom (17%) and four-bedroom (10%) units. Thus, the cost per bedroom (\$185,512/bd) is 9% less than the average (\$204,313/bd).

The Project submitted the building permit application in December 2025, which is currently under review by the Department of Building Inspections. The Sponsor decided to include the sewer replacement work to the current building permit application package. This may prolong the building permit issuance process. The Project Sponsor is planning to start construction this Summer.

There are still many unknowns as to any potential design change, construction related delays, construction cost escalation, supply chain issues, as well as building code interpretation differences between the architect and the Building Department, etc. All of these factors could contribute to a future construction cost change. The Project has approximately \$3.125M in hard cost contingency to mitigate potential cost overruns.

Infrastructure – N/A

Vertical – N/A

Proposed Commercial Shell Build-Out – N/A

Capital Needs Assessment & Replacement Reserve Analysis

A Capital Needs Assessment (CNA) and Replacement Reserves Analysis was completed by Basis Architecture and Consulting in April 2025 and revised in September 2025, in conjunction with the Sponsor's CDLAC application. The CNA provided a property condition assessment, immediate needs assessment, and a 20-year Replacement Reserves study. The CNA identified approximately \$20.5M in immediate needs. If the immediate needs are addressed through the rehabilitation, the CNA estimates that \$1.2M (\$1.7M inflated at 2.5% annually) will be needed for future capital needs over the next 20 years and recommend an annual contribution of \$125,227 to ensure that there are sufficient reserves available for those anticipated needs. Due to budgetary constraints, the Sponsor is assuming a Replacement Reserve deposit of \$1K PUPA, which results in a \$72K annual deposit. Increasing the annual deposit to conform with the CNA would decrease the amount of supportable PASS debt, which would result in deferral of scope to the Replacement Reserves and increase CNA needs. The \$72K annual deposit (in addition to the \$72K initial deposit) is sized so that the Replacement Reserve is able to cover the Project's anticipated capital needs (without inflation) through Year 20. With inflation of 2.5% annually, the Replacement Reserve runs the risk of being depleted by Year 15. Whether or not the Project is able to cover these needs will be based on the actual inflation of the projected costs, ability to resyndicate again before year 20, and the emergence of any unforeseen capital needs. The Project meets PASS Guidelines of having a funded Replacement Reserve for 20 years, assuming inflation is negligible. Though there is a risk that the Replacement Reserve could be underfunded by Year 15, the Project may be able to resyndicate or refinance at that time to fund capital needs. The Sponsor is requesting a waiver to the MOHCD Underwriting Guidelines, which require acquisition-rehabilitation projects to make annual deposits of the greater of i) the amount needed according to an approved CNA, or ii) \$500/unit/year. Staff support this request for the reasons above.

6.5.7 Construction Supervisor/Construction Representative's Evaluation of Architecture and Engineering Fees Proposed

Because rehabilitation scopes vary so greatly from project to project, Architectural and Engineering comps are not available for rehabilitation projects. The total projected Architectural and Engineering fees are approximately \$1.12M, which accounts for 3.7% of the total construction cost. Based on a review of the proposed cost, the Construction Representative believes this is reasonable.

6.5.8 Developer Fee Evaluation

Per MOHCD's Tax Credit Developer Fee Policy, because the project is considered a "Substantial Rehabilitation", the amount of cash-out Developer Fee the Project is eligible for is the lesser of the TCAC maximum or \$1.1M + \$10K per unit over 100 units. The existing Developer Fee Policy caps the amount of cash-out developer fee for this Project at \$1.1M. The Sponsor is requesting a waiver to MOHCD's current Developer Fee Policy to allow up to \$2M in cash-out Developer Fee (\$1M in Project Management Fee and \$1M in At-Risk Fee), with the pay-in schedule provided below. Staff support this request because MOHCD is in the process of updating its Developer Fee Policy to allow, among other things, substantial rehabilitations to receive up to the full TCAC developer fee. This update is anticipated to become effective in Spring 2026. Current MOHCD practice is to allow tax credit rehabilitations to receive up to the full TCAC developer fee. The requested \$2M developer fee is allowable under TCAC Guidelines and conforms with current MOHCD practice.

The Sponsor is also requesting a modification to the Project Management Fee pay-in schedule. The table below shows the expected pay-in schedule for the Project under the Developer Fee Policy and the Sponsor's proposed pay-in schedule for the Project. The Developer Fee Policy allows up to 70% of Project Management Fee to be paid at closing, assuming no fee has been taken for previous milestones. The Sponsor is requesting that 100% of the Project Management Fee be paid at Construction Closing. Staff support this request because the Sponsor has been staffing this project for the last three years without developer fee or other compensation, and the lender/investor is agreeable to this structure.

The Developer Fee pay-in schedule also proposes no pay-in of at-risk fee until permanent conversion. The milestones for the payment of the developer fee to the Sponsor are specified below:

Fee component	Amount	Notes
Total Developer Fee:	\$7,177,150	
Project Management Fee Paid to Date:	\$0	
Amount of Remaining Project Management Fee:	\$1,000,000	
Amount of Fee at Risk (the "At Risk Fee"):	\$1,000,000	

Amount of Commercial Space Developer Fee (the "Commercial Fee"):	N/A	
Amount of Fee Deferred (the "Deferred Fee"):	\$5,177,150	
Amount of General Partner Equity Contribution (the "GP Equity"):	\$0	
Milestones for Disbursement of that portion of Developer Fee remaining and payable for Project Management	Amount Paid at Milestone	Percentage Project Management Fee
Construction close	\$1,000,0000	100%
Milestones for Disbursement of that portion of Developer Fee defined as At Risk Fee		Percentage At-Risk Fee
Permanent conversion	\$700,000	70%
Project close-out	\$300,000	30%

Proposed Cash-Out Developer Fee Pay In Schedule vs. Guidelines

<u>Fee Type</u>	<u>Milestone</u>	<u>Guideline Pay-In Schedule</u>	<u>Requested Pay-In Schedule</u>
Project Management	Acquisition, if applicable, or predevelopment loan closing	15%	0%
	During Predevelopment with no more than 50% of the total Project Management Fee to be disbursed prior to construction closing	35%	0%
	Construction Closing (assuming no fee is taken before then)	20%	100%

	During Construction	20%	0%
	Project Close Out	10%	0%
At-Risk Fee	Qualified Occupancy	20%	0%
	Permanent Loan Closing/Conversion	50%	70%
	Project Close-Out	30%	30%

7. PROJECT OPERATIONS

See Attachment K for Annual Operating Budget and Attachment L for Cashflow Proforma

7.1 Annual Operating Budget

7.2 Annual Operating Budget Income Narrative Evaluation

The Project anticipates income from the following sources, including:

- The existing Tax Increment Loan currently restricts 51 units at 60% TCAC AMI (approximately 75% MOHCD AMI) and 20 units at 80% TCAC AMI (approximately 90% MOHCD AMI). In connection with this transaction, the Project will update its restrictions to include 41 units at 60% MOHCD AMI, 10 at 75% MOHCD AMI, and 20 at 90% MOHCD AMI. This will tighten the existing MOCHD restrictions on the Project, from a Project-wide average restriction of approximately 80% MOHCD AMI to approximately 71% MOHCD AMI.
- Non-Subsidized Unit Rent: The Project has 16 units, including two over-income non-TCAC units, that do not have any rental subsidies. Though these units will be restricted at 90% MOHCD AMI, the rent assumptions reflect the current rents for these units, which range from 35% AMI to 56% AMI. The Sponsor will aim to keep rents low but the higher AMI will enable the Project to adjust rents (higher or lower) as needed to increase/decrease specific unit affordability while maintaining Project viability. In total, the Project assumes \$298K in annual rent from non-subsidized units.
- Rental Subsidies:

- Project-Based Section 8 Contract (SFHA): This contract covers 31 units at the Site. It is currently being renewed for a 15-year term and will be assigned to the new Limited Partnership before Construction Close.
- HUD PBRA Contract: This contract covers 24 units at the Site. It is currently being renewed for a 15-year term and will be assigned to the new Limited Partnership before Construction Close. Contract will be renewed and assigned to the new Limited Partnership, with a 15-year term.
- The Project assumes \$2.16M in annual rental subsidies (\$948K from HUD PBRA units and \$1.21M from SFHA PBV units).
- The Project assumes \$444K in tenant rent payment for subsidized units (\$183K from HUD PBRA units and \$261K from SFHA PBV units)
- Other: In addition to rent and rental subsidies, the Project assumes annual income of: \$750 in miscellaneous rent income (cleaning and damages), \$3,000 in laundry income, and \$420 in tenant charges.
- The PUPA income for the Project is \$40,367, and the PUPA effective gross income for the Project is \$38,352.
- The PUPA operating cost for the Project is \$17,558 (excluding reserves and debt service).

Major operating budget cost drivers include: salaries and benefits for property management and maintenance staff, maintenance and repair costs, utilities, and insurance. Though the Project features 72 units, the units are housed across three buildings, which likely contributes to the larger staffing budget, maintenance, and utility costs.

7.2.1 Commercial Leasing Plan

N/A

7.2.2 Commercial Operating Pro Forma

N/A

7.3 Annual Operating Expenses Evaluation

OPERATING PROFORMA

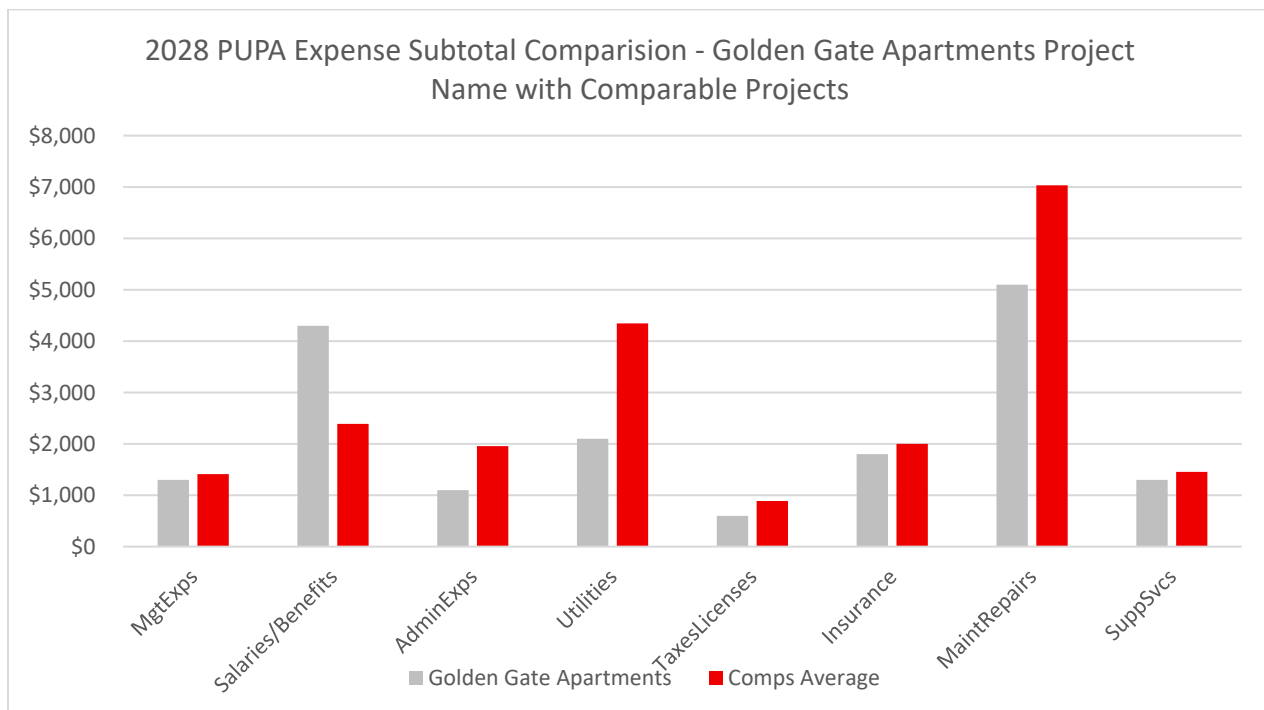
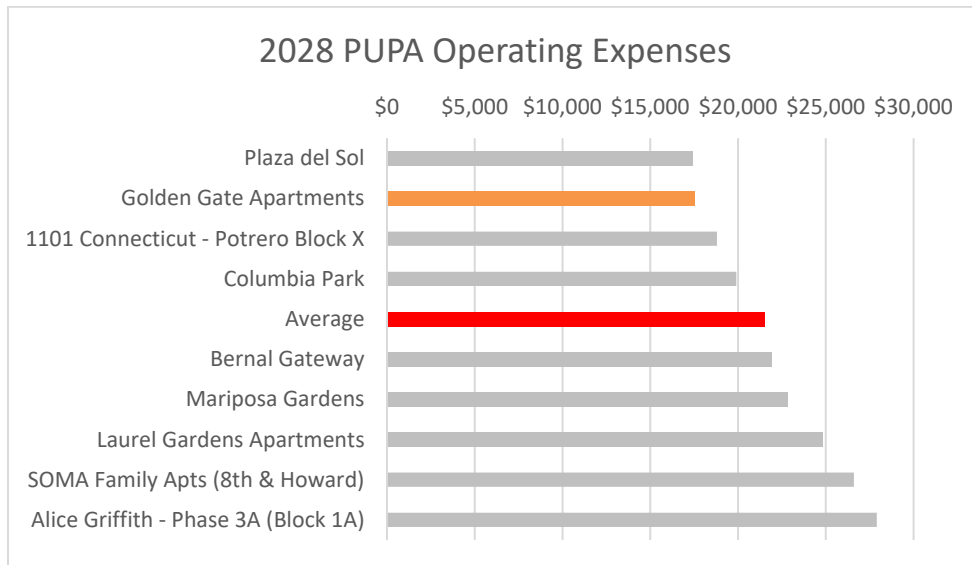
Underwriting Standard	Meets Standard? (Y/N)	Notes

Debt Service Coverage Ratio is minimum 1.1:1 in Year 1 and stays above 1:1 through Year 17	Y	DSCR is 1.15 at Year 1 and 1.262 at Year 17
Vacancy rate meets TCAC Standards	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% for all income sources for the Project, except Tenant Subsidy Payments, which are escalated at 2%
Annual Operating Expenses are increased at 3.5% per year	Y	Expenses escalation factor is 3.5%
Base year operating expenses per unit are reasonable per comparables	Y	Total Operating Expenses are \$17,558 per unit Operating expenses are reasonable per comps (see more below).
Property Management Fee is at allowable HUD Maximum	Y	Total Property Management Fee is \$67,125 or \$78 PUPM.
Property Management staffing level is reasonable per comparables	Y	Proposed staffing: 4.5 FTEs for a total of \$331K in salary per year, including: 1 FTE Property Manager (PM) 2 FTE Assistant Property Managers 1 FTE Maintenance Technician .5 FTE Maintenance Supervisor Though this level of staffing is higher than comparables, the level is reasonable because of the complexity of the subsidies, management of multiple buildings, and the unit types. This has been the amount of staffing at the site to date.
Management Fees meet standards	Y	Annual Asset Management Fee (2028) is \$28,840/yr and meets standard Annual Partnership Management Fee (2028) is \$28,840/yr and meets standard Limited Partnership/Investor Asset Management Fee (2028) is \$8,600/yr (w/escalation) and meets standard

Replacement Reserve Deposits meet or exceed TCAC minimum standards	Y	Replacement Reserves are \$1,000 per unit per year
Bond Monitoring Fees	Y	Bond Monitoring Fee is \$7,500 - \$5,000 for PASS monitoring fees - \$2,500 for Bond monitoring fees
MOHCD Loan Compliance Monitoring Fee	Y	\$2,500/year escalated 3.5% annually - MOHCD Loan Compliance Monitoring fee is included as part of the PASS monitoring fee.
Services Paid from operating budget meet MOHCD standards	Y	The operating budget is paying for .5 FTE, which meets MOHCD's requirement of no more than 1 FTE/100 units for general population units.

The PUPA cost of operating the Project, exclusive of reserves and debt service, is \$17,558. Comparably sized projects averaged an operating expense of \$21,500, ranging from \$12,900 at Fell Street Apartments to \$27,900 at Alice Griffith Phase 3.

Compared to the average of comparable projects, GGA features lower management expenses, administrative expenses, utility, taxes/licenses, insurance, maintenance/repairs, and supportive services; but does experience higher salaries/benefits, due to the dispersed nature of the three buildings and the slightly higher staffing rate of four full-time staff dedicated to the management and maintenance of the Project. Though the staffing expenses are higher, this may also be partially attributable to the cost of the full-time maintenance tech at the site, which reduces contracted maintenance costs. Golden Gate Apartments has maintenance costs that are approximately \$2K PUPA lower than the average of comparables.



7.4 Marketing, Occupancy, and Lease-Up Narrative, Including Lottery and Referral Units

Golden Gate Apartments is 97% occupied (2 vacancies). The target population is Family. The maximum household AMI is 90% MOHCD AMI. All unit rents meet the TCAC requirement that they are at least 10% below comparable market rate rents.

Golden Gate Apartments has a Housing Assistance Payment (HAP) contract with the San Francisco Housing Authority for 31 Project Based Voucher units at the Project, including two studios, four 1BRs, 16 2BRs, six 3BRs, and 3 4BRs. The SFHA contract is being renewed and assigned to the new Limited Partnership as part of this resyndication. The SFHA HAP units are leased through referrals via SFHA.

The Project has a Project-Based Rental Assistance (PBRA) contract with HUD for 24 units at the Project, including three studios, eight 1BRs, nine 2BRs, and four 3BRs. The PBRA contract is being renewed and assigned to the new Limited Partnership as part of this resyndication. The HUD PBRA units are marketed and leased by CCDC according to the terms of the Affirmative Fair Housing Marketing Plan for the property. Previously, there was a challenge aligning HUD marketing requirement of allowing the use of paper applications with DAHLIA, which paused marketing for the property. In March 2026, MOHCD and CCDC met to discuss the paper application requirement and aligned on how to move forward with this requirement, which may require CCDC to handle paper applications and/or hold workshops for interested applicants, possibly with MOHCD support. A new Affirmative Fair Housing Marketing Plan, which includes these accommodations, will be submitted during rehabilitation to ensure it's in place when any unoccupied units are ready for lease up post-rehabilitation. To ensure the Sponsor has enough time to work with HUD and MOHCD on meeting marketing requirements, the Sponsor will be required to engage HUD on the marketing plan for the PBRA units within 12 months of Construction Completion as a Loan Condition (see **Section 9.2**). The HUD PBRA units will be subject to City preferences, including the Certificate of Preference Program and the Displaced Tenant Housing Preference Program, possibly with the exception of Live/Work, which has been denied on other HUD projects in the City.

Aside from the 55 subsidized units, the Project has 16 units without rental subsidies. These units are subject to MOHCD's marketing procedures and the Certificate of Preference Program, the Live/Work in San Francisco Preference Program, and if more than five units in the building are marketed at the same time, the Displaced Tenant Housing Preference Program.

7.5 Income and Rent Restrictions for Marketing and Lease-Up

The Project's proposed Income and Rent Restrictions are provided in the table below. Currently, 31 units are subsidized through the Project-Based Section 8 (SFHA) contract, and 24 units are subsidized through the HUD Project-Based Rental Assistance contract. Those contracts require eligibility up to 50% HUD AMI, which is approximately 60% MOHCD AMI. Additionally, the restrictions put in place in connection with the Project's acquisition in 1999 included 51 units at 60% TCAC AMI (approximately 75% MOHCD AMI) and 20 units at 80% AMI (approximately 90% MOHCD AMI). The new restrictions on

the Project will change to conform with MOHCD AMI and will also further increase affordability at the Site, while maintaining Project feasibility. The Project will retain the 20 units that were approximately 90% MOHCD AMI. It will further restrict 41 units from 60% TCAC AMI (approximately 75% MOHCD AMI) to 60% MOHCD AMI, and maintain 10 units at 75% MOHCD AMI (approximately 60% MOHCD AMI). Furthermore, the TCAC restrictions average approximately 45% TCAC AMI, which is approximately 55%-60% MOHCD AMI.

<u>UNIT SIZE</u>		<u>MAXIMUM INCOME LEVEL</u>	
NON-LOTTERY	No. of Units	MOHCD	TCAC
Studio – SFHA PBV	2	60% MOHCD AMI	30% TCAC AMI
1 BR – SFHA PBV	3	60% MOHCD AMI	30% TCAC AMI
1 BR – SFHA PBV	1	60% MOHCD AMI	60% TCAC AMI
2 BR – SFHA PBV	12	60% MOHCD AMI	30% TCAC AMI
2 BR – SFHA PBV	4	90% MOHCD AMI	60% TCAC AMI
3 BR – SFHA PBV	4	60% MOHCD AMI	30% TCAC AMI
3 BR – SFHA PBV	2	90% MOHCD AMI	60% TCAC AMI
4 BR – SFHA PBV	2	60% MOHCD AMI	30% TCAC AMI
4 BR – SFHA PBV	1	90% MOHCD AMI	60% TCAC AMI
Sub-Total	31		
LOTTERY			
Studio – HUD PBRA	3	60% MOHCD AMI	30% TCAC AMI
Sub-Total	3		
1 BR – HUD PBRA	5	60% MOHCD AMI	30% TCAC AMI
1 BR – HUD PBRA	3	75% MOHCD AMI	60% TCAC AM
1 BR- No Subsidy	1	90% MOHCD AMI	60% TCAC AMI
Sub-Total	9		
2 BR – HUD PBRA	4	60% MOHCD AMI	30% TCAC AMI
2 BR – No Subsidy	1	60% MOHCD AMI	40% TCAC AMI

2 BR No Subsidy	1	90% MOHCD AMI	60% TCAC AMI
2 BR – HUD PBRA	5	75% MOHCD AMI	60% TCAC AMI
Sub-Total	11		
3 BR – HUD PBRA	2	60% MOHCD AMI	30% TCAC AMI
3 BR – HUD PBRA	2	75% MOHCD AMI	60% TCAC AMI
3 BR – No Subsidy	1	60% MOHCD AMI	40% TCAC AMI
3 BR – No Subsidy	4	90% MOHCD AMI	60% TCAC AMI
3 BR – Non Tax Credit (Over Income)	1	90% MOHCD AMI	N/A
Sub-Total	10		
4 BR – No Subsidy	1	60% MOHCD AMI	40% TCAC AMI
4 BR – No Subsidy	2	90% MOHCD AMI	60% TCAC AMI
4 BR – Non Tax Credit (Over Income)	4	90% MOHCD AMI	N/A
Sub-Total	7		
STAFF			
3 BR	1		
TOTALS			
TOTAL	71		
Project Average:		71%	45%
Avg for lottery units only:		83%	46%

7.6 MOHCD Restrictions

Unit Size	No. of Units	Maximum Income Level
Studio	5	60% of Median Income
1BR	9	60% of Median Income
1BR	3	75% of Median Income
1BR	1	90% of Median Income
2BR	17	60% of Median Income

2BR	5	75% of Median Income
2BR	5	90% of Median Income
3BR	7	60% of Median Income
3BR	2	75% of Median Income
3BR	7	90% of Median Income
4BR	3	60% of Median Income
4BR	7	90% of Median Income
3BR	1	Manager's Unit

8. SUPPORT SERVICES

8.1 Services Plan

CCDC previously provided only 25% FTE Resident Services Coordinator (RSC) at the site, in compliance with the existing MOHCD Loan requirements. To receive maximum points for Resident Services as part of the resyndication TCAC application, CCDC was required to increase services on site to 0.27 FTE RSC and 0.27 FTE Resident Services Supervisor (RSS), , funded through the Project's Operating Budget.

Services staff receive implicit bias training through diversity and inclusion training. Staff are also trained on conflict mediation and de-escalation.

Services spaces will be located inside the project with sufficient square footage, accessibility, and privacy to accommodate the proposed services. These areas include: a ground floor community room with a kitchen and ample storage for programmed material and a private services office.

The operating budget submitted with the application includes \$96,852 per year for the positions described above.

Services include the following that support resident health and engagement:

Direct Services:

- Outreach, education, and intervention on Lease/House Rules violations
- Information and referrals for community resources and public benefits
- Translation and interpretation services in: Chinese, Russian, Spanish, Arabic
- Assistance with billing disputes

Case Management:

- a. Access to the Resident Services Wellness Team including individualized case management
- b. Complete regular outreach and provide intake and assessments with referred residents inviting them to access services as needed
- c. Offer on-going supportive services with tenants including assistance with setting up medical and health appointments and creating service plans
- d. Collaborate and coordinate with residents' healthcare providers, encouraging prevention and helping to reduce the health and lifestyle patterns that lead to hospital admissions, institutional care, or homelessness
- e. Utilize clinical skills and practices including de-escalation, motivational interviewing, mediation, and harm reduction
- f. Support housing stability issues including mediation with property management
- g. Help organize and attend interdisciplinary and interagency meetings
- h. Refer residents to outside organizations for added support (Mission Neighborhood Centers for ERAP and Open Door Legal for Immigration or Legal Issues)

Activities Coordination/Provision:

- a. Individual health and wellness activities, including partnership with the SF State School of Nursing providing individual screenings and diverse health assessments
- b. Partnership with UCSF for medication management
- c. Collaboration with CCDC's Youth Team for intergenerational programming
- d. Resident Services Wellness Team
 - Connecting seniors to substance abuse resources
 - Mental health connections
 - Individual counseling
- e. Group health and wellness activities (i.e. food pantry, exercise classes, health fair, health workshops, blood pressure clinics, flu shot clinics)
- f. Educational workshops on a variety of topics
- g. Support groups
- h. Safety and disaster preparedness workshops, fire drills
- i. Cultural, holiday, and/or intergenerational community-building activities

8.2 Services Budget

The Project team is proposing following on-site support services staff, paid by the Operating Budget:

Staff Position	Employed by	FTE	Residents Served	Staff to Resident Ratio	Funding Source
Resident Services Coordinator	CCDC	0.27 FTE	71 General Affordable Units	1:100	Operating Budget
Resident Services Supervisor	CCDC	0.27 FTE	71 General Affordable Units	1:100	Operating Budget
Total Staffing On-Site		0.52 FTE			

The proposed Services Staffing meets MOHCD Underwriting Guidelines of 1:100 FTE.

8.3 Assessment of Service Plan and Budget

N/A

9. STAFF RECOMMENDATIONS

9.1 Proposed Loan/Grant Terms

Program	PASS- 2025E				Soft Loan
Note Type	Market Rate Note	Below-Market Rate Note	Deferred Note	PASS Total	Acquisition Loan Recast
Loan Amounts	\$13,417,196	\$7,422,888	\$1,205,916	\$22,046,000	\$532,307.62
Total Per Unit	\$186,349.94	\$103,095.67	\$16,748.84	\$306,194.44	\$7,393.16
Interest Rate	6.61023%	1.87008%	1.87008%	4.79585%	Up to AFR

Repayment Type	Fully amortizing during permanent phase, interest only during construction	Balloon payment at maturity		Residual receipts
Term	Up to 48-month construction period, 40-year permanent loan			57 years
Maturity Date	2070			2083
Lien Priority	Senior, first position during permanent financing period. Subordinate to City’s Declaration of Restrictions. May be subordinated to senior construction loan during the construction period.			Subordinate to senior financing & City’s Declaration of Restrictions
Notes	PASS will be interest-only during the construction period and will convert to payments of interest and principal the earlier of i) 48 months or ii) the Conversion Date.			
Date Loan Committee approves prior expenses can be paid: January 1, 2024				

9.2 Recommended Loan Conditions

Prior to Construction Loan Closing:

1	Sponsor must provide evidence of Limited Partnership formation and be an approved vendor in the City and County of San Francisco.
2	Sponsor must provide a finalized organizational chart for borrower limited partnership.
3	Sponsor must work with MOHCD staff and project's General Contractor to Value Engineer construction budget
4	Sponsor must provide any true debt analysis related to the interest rate for the MOHCD loan.

5	Sponsor must: a) provide for MOHCD review of the Request for Proposals (RFP) for equity investors and lenders before it is finalized and distributed; b) provide for MOHCD review of all raw financial data from developer or financial consultant prior to selection; c) provide for MOHCD review and approval of all selected investors and lenders; and, d) provide for MOHCD review and approval of all Letters of Intent from financial partners.

During Construction

1	Sponsor will provide monthly post-closing report
2	Sponsor will provide bank construction budget with pay app for approval to MOHCD PM, when Sponsor starts pulling on construction loan.
3	Sponsor will assess Project competitiveness for AHP and apply, if feasible.
4	Sponsor will explore AHOF subsidies for unsubsidized units and apply, if competitive, and the program is renewed or expanded to make subsidies more available.

Prior to Marketing & Lease Up

1	Sponsor must provide initial draft marketing plan within 12 months of anticipated Construction Completion, outlining the affirmative steps they will take to market the project to the City's preference program participants, including COP Holders, Displaced Tenants, and Neighborhood Residents, as well as how the marketing is consistent with Affirmatively Furthering Fair and promotion of positive outcomes for African American San Franciscans.
2	Sponsor must engage HUD on the marketing plan for the PBRA units within 12 months of anticipated Construction Completion.

10. LOAN COMMITTEE MODIFICATIONS

[N/A or list]

11. LOAN COMMITTEE RECOMMENDATION

Approval indicates approval with modifications, when so determined by the Committee

Daniel Adams

Director, Mayor's office of Housing and Community Development

☐ Approve ☐ Disapprove ☐ Take No Action

Signature: _____

Salvador Menjivar

Director of Housing, Department of Homelessness and Supportive Housing

☐ Approve ☐ Disapprove ☐ Take No Action

Signature: _____

Thor Kaslofsky

Executive Director, Office of Community Investment and Infrastructure

☐ Approve ☐ Disapprove ☐ Take No Action

Signature: _____

Anna Van Degna

Director, Controller's Office of Public Finance

☐ Approve ☐ Disapprove ☐ Take No Action

Signature: _____

Attachments

<u>Attachment A</u>	Project Milestones/Schedule
<u>Attachment B</u>	Organization Background
<u>Attachment C</u>	Developer Resumes
<u>Attachment D</u>	Asset Management Analysis of Sponsor
<u>Attachment E</u>	Threshold eligibility Requirements and Ranking Criteria
<u>Attachment F</u>	Site Map with Amenities
<u>Attachment G</u>	Elevations and Floor Plans [if applicable, otherwise Intentionally Omitted]
<u>Attachment H</u>	Comparison of City Investment in Other Housing Developments
<u>Attachment I</u>	Predevelopment Budget [If gap request: Intentionally Omitted]
<u>Attachment J</u>	Development Budget
<u>Attachment K</u>	1st Year Operating Budget
<u>Attachment L</u>	20-year Operating Proforma

Attachment A: Project Milestones and Schedule

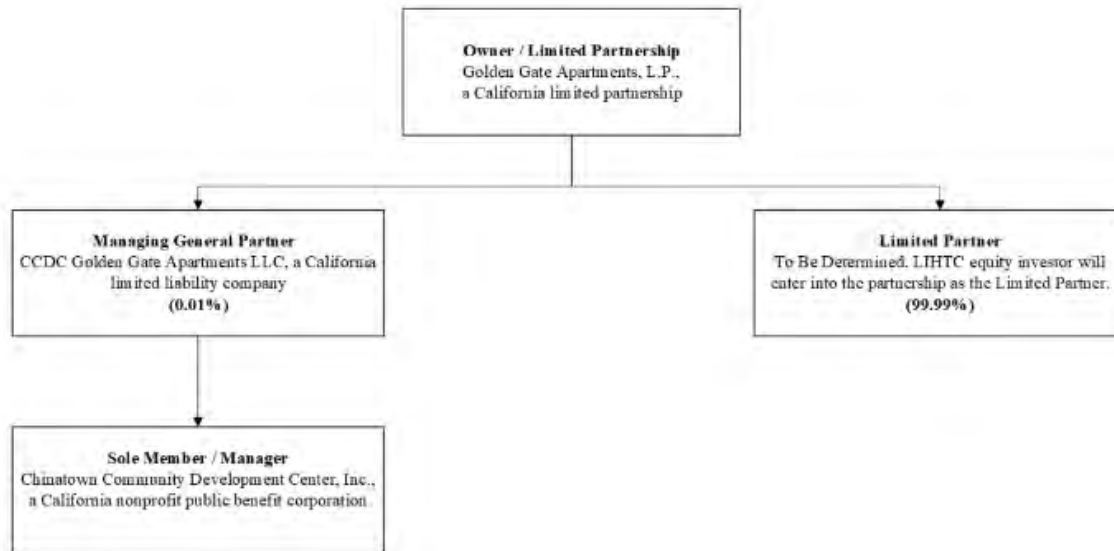
Performance Milestone	Due Date (xx/x/xx)	Notes
Prop I Notice (if applicable) – N/A	N/A	No major expansion or change of use.
Communication Plan	N/A	
State of CA Good Standing Evidence	May 2025	
Predevelopment/Acquisition Loan (N/A)		
Community Outreach Plan		
Draft Due	N/A	Rehab
Community Mtg #1	1/17/2026	Kick Off Resident Meeting
Community Mtg #2	3/20/2026	
Community Mtg #3	5/08/2026	
Development Team Selection		
Architect	October 2024	
General Contractor	October 2024	
Owner's Representative	October 2024	
Property Manager	October 2024	
Services Provider	October 2024	
Design		
Submittal of Schematic Design & Cost Estimate	3/17/2025	
Submittal of Design Development & Cost Estimate	N/A	
Submittal of 50% CD Set & Cost Estimate	5/07/2025	
Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	2/23/2026	
Commercial Space		
Draft Commercial Space Plan Submission	N/A	
LOI/s Executed	N/A	
Leases Due Date	N/A	
Enviro Review/Land-Use Entitlements		
Planning Application Submission	5/08/2025	

CEQA Enviro Review Submission	Exempt	
NEPA Enviro Review Submission	Exempt	
CUP/PUD/Variances Submission		
PUC/PG&E		
Temp Power Application Submission	N/A	
Perm Power Application Submission	N/A	
Permits		
Building / Site Permit Application Submitted	12/12/2025	
Addendum #1 Submitted	2/28/2026	
Addendum #2 Submitted		
Request for Bids Issued	2/26/2026	
Services Plan Submission		
Preliminary	N/A	
Final	N/A	
Additional Financing		
MOHCD Preliminary Gap Financing Application	N/A	
HCD Application	N/A	
Construction Financing Solicitation	N/A	
AHP Application	N/A	
CDLAC Application	9/09/2025	
TCAC Application	9/09/2025	
Other Financing Application	N/A	
LOSP Funding Request	N/A	
Construction Loan Closing		
PASS Loan Approval	4/17/2026	
Budget Office Approval	N/A	
Submit to BOS		Loan Docs Finalized
BOS Intro	5/19/2026	
Committee Meeting	6/3/2026	Budget and Finance Committee
BOS Approval	6/9/2026	
Construction Loan Closing	7/7/2026	

Construction Start	7/8/2026	
Notice to Proceed	7/7/2026	
Groundbreaking Celebration	N/A	Press release through Mayor's Office
Marketing/Rent-up		
Marketing Plan Submission	N/A	
Commence Marketing	N/A	
95% Occupancy	4/01/2028	
Ribbon Cutting/Grand Opening Celebration	N/A	Press release through Mayor's Office
Permanent Conversion		
Temp Cert of Occupancy	3/01/2028	
Placed in Service Date	4/01/2028	
Cost Certification	7/01/2028	
Conversion of Construction Loan to Permanent Financing	9/01/2028	
8609 from TCAC	3/01/2029	

Attachment B: Organizational Background

Organization Chart



Golden Gate Apartments, L.P. , a California limited partnership (To be formed)

CCDC Golden Gate Apartments, LLC., a California limited liability company. (To be formed)

Limited Partner TBD – the LIHTC equity investor will enter into the partnership as the “Limited Partner”

Chinatown Community Development Center, Inc., a California nonprofit public benefit corporation. EIN:94-2514053

All entities are nonprofit except for the L.P. and the future Investor Limited Partner, which will be for-profit.

Chinatown CDC is a BIPOC-led organization with a 45-year history of advocating on behalf of low-income residents in Chinatown. As a BIPOC-led organization, the Sponsor approaches their work through a lens of racial and economic justice. CCDC strives to operationalize equity in their organization, to effectively work in service to and in partnership with people. The Sponsor aims to partner with organizations that share their values and demonstrate their commitment to racial equity and inclusion.

Chinatown Board is 6% Hispanic, 11% White, 72% Asian/Pacific Islander, 6% Black, and 6% Other/Two of More Races. Specific demographic data is not available for staff. Majority of CCDC Staff are BIPOC.

Attachment C: Development Staff Resumes

Kim Piechota, Director of Housing Development, Chinatown CDC

Kim Piechota has over 20 years of experience in affordable housing development, of which 12 are with Chinatown CDC. As Housing Director, Kim is responsible for identifying new projects, assuring their delivery, devising housing policy, assisting with asset management and strategic planning, and providing development expertise to the Program Division. She steps in to remove roadblocks and support Housing Development staff during major negotiations.

Joanna Ladd, Associate Director of Housing Development, Chinatown CDC Joanna started in Chinatown CDC's Housing Division in 2011 and has been part of department leadership since 2018. Joanna will devote 15% of her time to supporting the Golden Gate Apartments team through weekly coaching on critical issues related to financing, contract negotiations, community engagement, and schedule.

Justine Lauderback, Associate Director of Asset Management

Justine has over 25 years of experience in affordable housing non-profit finances. Previous to joining CCDC, Justine was the Controller at Community Housing Partnership responsible for ensuring compliance with financial & regulatory requirements, managing cash flow, financial reporting, audits, cost certs, and tax returns. Prior to that, Justine was Deputy Director at Bernal Heights Neighborhood Center responsible for administration, fund development, fiscal management, asset management, human resources, and program compliance.

Phoebe Mayor Das, Sr. Project Manager, Chinatown CDC

Phoebe joined Chinatown CDC in 2022. Before joining CCDC, Phoebe held development project management roles with progressively more responsibility at housing non-profits from 2017 to 2022. Phoebe began her career working in resident community engagement and then in administration of Housing Choice Vouchers at a quasi-governmental non-profit based in Boston, MA. She attained her M.A. in City and Regional Planning at Georgia Institute of Technology in 2017 to pivot into real estate development.

Matthew Wong, Assistant Project Manager, Chinatown CDC

Matthew joined Chinatown CDC in 2025. He holds a bachelor's degree in urban planning from the University of California, Irvine. Before joining CCDC, Matthew worked with a for-profit, affordable housing developer, where he supported the development team through funding applications, project proposals, and various administrative tasks. He also has experience with the City of San Francisco's Mayor's Office, serving as a summer teacher for sustainable infrastructure. Matthew currently supports the New Asia development project, Clayton and St. Claire Hotels, and Golden Gate Apartments.

Attachment D: Description of Asset Management Services

Asset Management's (AM) role at CCDC is to manage portfolio risk and opportunities by monitoring & analyzing the financial and physical health of CCDC's portfolio. CCDC's AM staff currently oversee 41 properties comprised of 3,590 affordable housing units including 495 that are supportive housing. This comes to an average of 87 units per project. Over 5,500 individuals or ~ 3,500 households live in CCDC homes. 78% of the households in CCDC portfolio are extremely low income.

Sponsor's asset management staffing – job titles, FTEs, org chart and status of each

The Asset Management Department (AM) is comprised of 5.625 FTE:

- Director of Asset Management (vacant)
- Associate Director of Asset Management
- Asset Manager (2.0 FTE)
- Asset Management Coordinator (vacant)
- Asset Management Assistant (.625 FTE)

Two positions, the Director of Asset Management and the Asset Management Coordinator, are currently vacant.

Description of scope and range of duties of sponsor's asset management team

CCDC's Asset Management Department consists of a Director, Associate Director, an Asset Manager (2.0 FTE), Asset Management Coordinator and an Administrative Assistant. The Associate Director and the Asset Managers each oversee approximately 14 properties, or ~1,250 units. The ~1,250 units per FTE is within industry standards.

In operation the Associate Director, and two Asset Managers:

- Evaluate/Analysis monthly financial reports.
- Participate in lender, partner, and agency inspections.
- Commission and manage PNAs
- Act as CCDC's liaison with lenders and partners
- Plan for funding properties capital needs using reserves, grant funds, and recapitalizations.
- CCDC 5YR Portfolio Plan financial and capital projections.
- Produce & analyze annual reports for REO, including contributing to and reviewing the property annual audits, tax returns, tax capital analysis and YR15 planning.

The Associate Director of Asset Management supports the annual property budget process and manages the annual insurance renewal. In addition, this role is also assigned to all property repositioning and refinances, funding applications, and new projects. They are involved at the RFQ or acquisition phase and throughout the

development process. They also review proformas, focusing on operating costs, debt service coverage ratio, and fee structure through stabilization and permanent conversion.

The Asset Management Coordinator provides administrative support for annual budget process, insurance renewal, and periodic claims, as well as cross portfolio reporting. The Asset Management Assistant organizes all monthly and quarterly reports. These two positions free up the Asset Managers, Associate Director, and Director for the higher-level activities.

Description of sponsor's coordination between asset management and other functional teams, including property management, accounting, compliance, facilities management, etc.

AM meets monthly with the Housing Development, Property Management, Compliance and Finance departments to discuss cross-department topics and coordinate the organization's approach to property and portfolio issues. Even in a hybrid work environment, teams have coordinated closely through recurring interdepartmental meetings.

Sponsor's budget for asset management team – shown as cost center for projects in SF.

CCDC maintains a separate budget for the Asset Management team.

of projects expected to be in sponsor's AM portfolio in 5 years and, if applicable, plans to augment staffing to manage growing portfolio

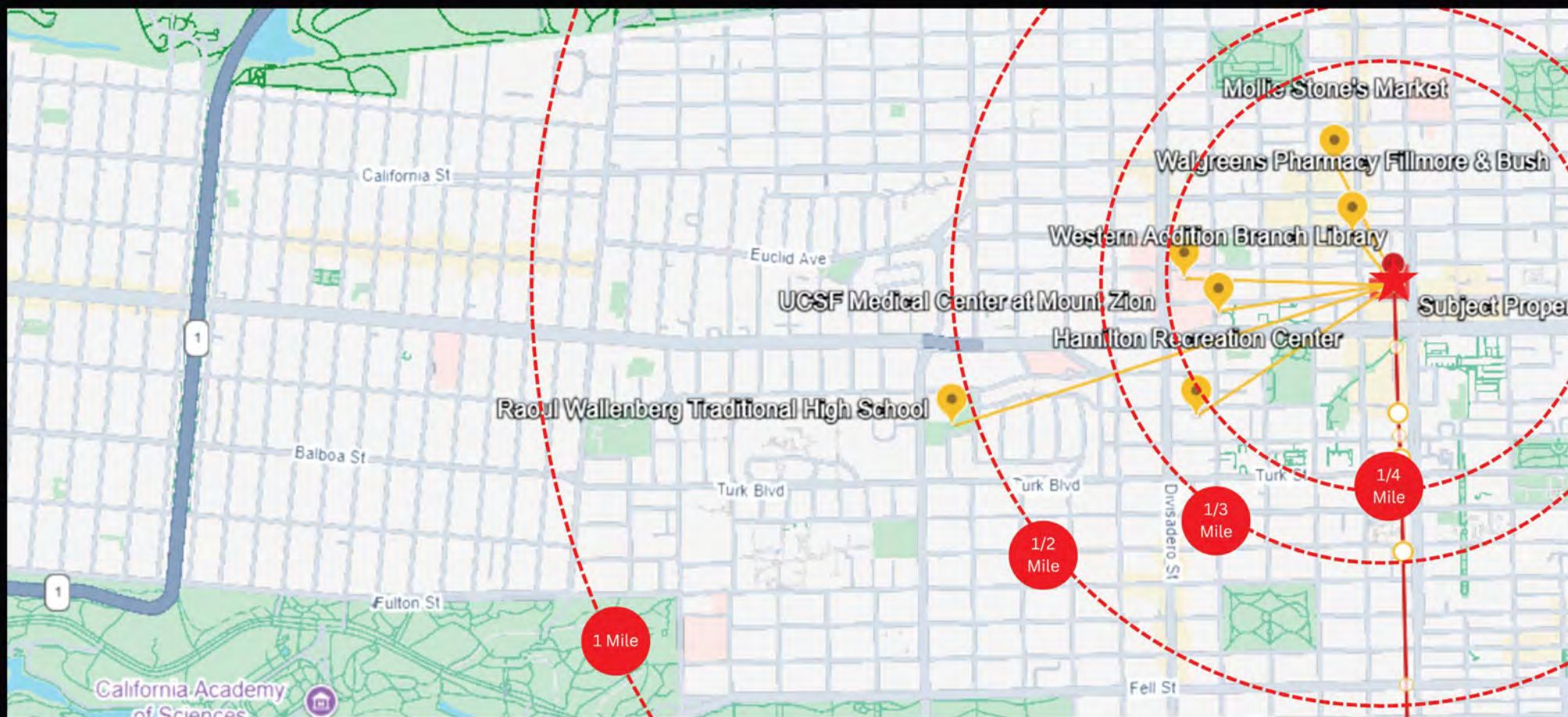
CCDC has 41 properties currently in the portfolio. CCDC's pipeline consists of the following: 3 active portfolio property rehabs and 3 new construction projects in various stages of development that will be completed in the next 3-5 years.

To manage the workflow generated by these 6 projects, CCDC is actively recruiting the Director of Asset Management who can then hire the vacant Asset Management Coordinator. CCDC is also currently developing a 5-year Asset Management Department plan to establish priorities and staffing to manage our current portfolio and new projects as they come online. In addition, CCDC has relationships with experienced consultants who can perform discreet projects to fill in any gaps.

Attachment E: Threshold Eligibility Requirements and Ranking Criteria

N/A

Attachment F: Site Map with amenities



Site Amenities Map

Property: Golden Gate Apartments
1820 Post Street, San Francisco, CA 94115



Attachment G: Elevations and Floor Plans

N/A

Attachment H: Comparison of City Investment in Other Affordable Housing
Developments

MOHCD REHABILITATION COST COMPARISON - SAN FRANCISCO

Updated	1/22/2026	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	
		Const/unit	Const/WR	Const sq ft	Soft/unit	Soft/WR	Soft sq ft	TDC/unit	TDC/WR	TDC/sq ft	Subsidy / unit	Leveraging ¹
Delta of Subject and Comparable Projects		\$ 142,755	\$ (18,602)	\$ (13)	\$ 64,601	\$ (6,439)	\$ (7)	\$ 647,738	\$ 171,295	\$ 402	\$ 192,841	70.2%
Delta Percentage		51%	-9%	-3%	50%	-10%	-4%	167%	60%	70%	195%	96%
Golden Gate Apt		\$ 419,978	\$ 185,612	\$ 382	\$ 193,203	\$ 55,341	\$ 181	\$ 1,036,030	\$ 487,081	\$ 973	\$ 297,268	71.3%
Comparable Projects	Average:	\$ 277,222	\$ 204,313	\$ 407	\$ 128,602	\$ 64,789	\$ 69	\$ 358,855	\$ 285,587	\$ 571	\$ 104,367	73.2%

Costs <u>lower</u> than comparable average (within 10%)	Costs <u>higher</u> than comparable average (within 10%)

				Building Square Footage		Total Project Costs			
		# of Units	# of BR'	Total	Commercial	Constr. Cost*	Soft Cost	Local Subsidy	Total Dev. Cost w/o Land/Lease
ALL PROJECTS	Average:	85	135	90,144	1,383	\$ 27,981,705	\$ 8,249,432	\$ 7,650,813	\$ 933,866
Comparable Projects Completed (filtered)	Average:	72	113	62,665	0	\$30,060,969	\$15,957,933	\$14,079,004	\$42,079,076
Comparable Projects Under Construction (filtered)	Average:	64	64	23,454	0	21,730,996	8,844,017	4,000,000	\$0,575,013
Comparable Projects In Predevelopment (filtered)	Average:	75	90	57,422	3,571	6,608,011	2,259,052	3,914,016	8,490,554
Total Comparable Projects	Average:	70	85	47,847	1,190	19,473,325	8,033,567	7,331,207	27,314,881
Golden Gate Apt		72	163	76,711	-	\$ 30,238,388	\$ 13,910,606	\$ 21,398,976	\$ 74,634,665
Delta of Subject and Comp Project Averages	2	68	28,864	-1,190		\$10,765,060	\$4,877,039	\$14,067,769	\$47,319,794
Delta Percentage	2%	71%	60%	-100%		55%	54%		173%

PROJECTS COMPLETED										Building Square Footage		PROJECT COSTS				Building Type		Financing	Rehab program/type	Comments	Last
Project Name	Address	Construction Dates	Comp. Date	Population Type	# of Units	# of BR*	Total square ft.	Commercial sq ft	Const. Cost*	Soft Cost*	Local Subsidy*	Total Cost - incl. rehab (incl. taxes)	Stories	Building Type	Notes on Financing	Level of rehab	Land purchase value	Type of conversion			
Hayes Valley North	650 - 687 Linden	Jul-22		Family	84	211	100,376	0	66,922,038	\$ 19,517,405	\$ 8,854,288	\$ 66,439,443	3-story townhouses	Type II, Townhouses	RAD Phase IV	Major	Larger site, costs from Predev L/4/20	\$ 30,387,921			
SFHA Scattered Sites	200 Franklin St., 20000 Great Highway/4101 Noriega Ave., 363 Noriega St., 1303 Franklin St.	Feb-22	Aug-23	Family/Senior	69	156	72,415	0	46,151,052	\$ 17,140,072	\$ 31,377,832	\$ 63,291,124	2-4	Type II		RAD	Major/no seismic; Gut	5 SFHA Scattered Sites various ages, type and size properties	\$ 17,562,500		
Thurgottine (3 sites)	777 Bay, 1204 Mason, 825 Grant	Jun-22		Mixed	88	88	49,870	0	22,647,073	\$ 8,470,008	\$ 13,519,791	\$ 31,117,681	3-4	Type II			Modest	Bayridge 3+ 1-pg; Consonia; 4 pr. bldg; Tenth; 35 pr. bldg; 10/29/13	\$ -		
Mariposa Gardens	2425 Mariposa	Dec-23		Family	63	150	56,163	0	8,975,750		\$ 8,975,750		3-4				Modest	3 bldgs; 59 pr. Community Rm Playgro			
San Cristobal	1930 Market Street	Oct-23		Senior	23	23	18,962,448	0	2,596,500		\$ 2,596,500		2	UMW/wood/brk	TCAC	Major	4 bldgs; 42 pr. bldgs	\$ 17,400,000			

PROJECTS UNDER CONSTRUCTION							Building Square Footage		PROJECT COSTS				Building Type		Financing	Rehab program/type	Comments	Land purchase value	Type of transaction
Project Name	Address	Construction Contract Date	Compt. Date	Population Type	# of Units	# of BR ¹	Total	Commercial	Consor. Cost ²	Soft Cost ³	Local Subsidy ⁴	Total Dev. Cost we acq.	Stories	Type	Notes on Financing	Level of rehab	Pre-dev or gap costs/dtds, age of building; parking; unusual circumstances, etc.	Land purchase value	Type of transaction
El Dorado (Conard)	150 9th Street	May-24	Oct-25	SRO	62	62	23,454	0	\$ 21,730,996	\$ 8,844,017	\$ 4,000,000	\$30,575,013	5	Type II	ENP MOFA65%	Major	Rehab with addition of two floors (see ENP 3/2/24)	\$ 4,427,443	
Mission Inn (HSH)	8630 Mission		Jun-25	TAY studios	65	65							3-5	Type III		Modest			
Serra Madre	421 Leavenworth	Apr-25			47	47	25,229	3,200	\$ 26,819,950	\$ 8,053,111	\$ 2,804,443	\$ 36,864,061	6	Type III	Homekey	Major		\$ 2,835,470	
Under construction:	Average:				83	84	42,544	1,600	\$ 33,857,725	\$ 8,448,564	\$ 3,402,222	\$ 37,719,537							

PROJECTS IN PREDEVELOPMENT							Building Square Footage		PROJECT COSTS					Building Type		Financing	Rehab program/type	Comments	Land						
Project Name	Address	Start/Center Calendar Date (anticipated)	Proposed completion	Population Type	# of Units	# of BR*	Total	Commercial	Constr. Cost*	Soft Cost*	Local Subsidy*	Total Dev. Cost (w/soft cost sub)	Stories	Type	Notes on Financing	Level of rehab		Land purchase value	Type of acquisition						
125 Mason	125 Mason	Sep-26		Family	81	170	129,567		\$	15,306,403	\$	8,800,245	\$	5,800,000	\$	24,109,648	14	Type I		Modest	Below grade parking w/ 4 stalls (11,870 sq ft); no commercial, build 2008; permit GI 2023.	\$	5,438,127		
The Dudley Apartments (Mercy)	172 6th Street	Jul-24		Mixed	75	75	44,995	3,069	\$	2,480,432	\$	507,700	\$	2,942,275	\$	2,988,132	4	Type II	ENP NOFA	Small	Updated pricing for LC 2/19/2024				
The Rose (Mercy)	125 6th Street	Jul-24		SRO	76	76	39,536	2,184	\$	3,037,024	\$	1,237,782	\$	4,000,000	\$	4,274,806	4	Type II	ENP NOFA	Small	Updated pricing for LC 2/19/2024				
Larkin Pine Senior Housing (CCDC)	1303 Larkin Street	Jul-24		SRO	63		31,174	-	\$	2,289,280	\$	323,734	\$	2,669,081	\$	2,612,014	4	Type II	ENP NOFA	Small	MOHCDM&DC financing. Start 2023; est for LC Facility, interior, HVAC				
William Penn (CCDC)	180 Eddy Street	Jul-24		SRO	91	91	41,836	12,600	\$	3,531,905	\$	426,800	\$	3,958,725	\$	3,958,725	4		ENP NOFA	Modest					
2901 16th Street (Pres)	2901 16th Street	Nov-26		PSH	63	64			\$	13,000,860			\$		\$	13,000,000				Major w seismic	10 pricing with contingencies				
20 Franklin				PSH	70	70	61,553		\$	45,284,591															
In Predevelopment							Average:		89	59	130,435	2,550	\$	8,752,746	\$	3,718,315	\$	8,352,699	\$	11,644,768					

ALL PROJECTS	Average:			95	135	90,144		\$ 27,981,705	\$ 9,249,432	\$ 7,050,813	\$ 31,933,866

PROJECTS COMPLETED			Construction Costs			Total Dev Costs by Unit / BR / SF (with acc, without land)			Subsidy	
Project Name	Contract Date	Completion Date	Construct	ConseBr	ConseSF	TCDCurr	TCDBr	TCDSqFt	Subsidy / unit	Leveraging ²
Westbrook Apartments	Jul-19		\$ 465,001	\$ 164,871	\$ 463	\$ 455,988	\$ 155,011	\$ 436	\$ 74,913	24%
Ping Yuan	Mar-19		\$ 324,964	\$ 141,008	\$ 319	\$ 435,787	\$ 198,182	\$ 438	\$ 24,733	9%
Alemany Apartments	Nov-19		\$ 471,778	\$ 208,137	\$ 514	\$ 580,138	\$ 255,943	\$ 632	\$ 25,525	9%
Gran Christie	Dec-21									
Park View	Jan-22		\$ 229,970	\$ 229,970	\$ 708	\$ 350,970	\$ 350,970	\$ 1,172	\$ 96,262	73%
Hotel Madrid	Dec-21									
Bernal Dwellings	Oct-21		\$ 288,113	\$ 117,898	\$ 271	\$ 421,427	\$ 172,451	\$ 392	\$ 5	0%
Hayes Valley South	Jul-21		\$ 442,720	\$ 208,254	\$ 387	\$ 518,486	\$ 288,519	\$ 713	\$ 6,526	8%
Hayes Valley North	Jul-22		\$ 558,956	\$ 222,379	\$ 491	\$ 790,949	\$ 314,879	\$ 696	\$ 105,408	87%
Maria Alicia Apartments	Aug-22		\$ 173,081	\$ 80,341	\$ 195	\$ 173,081	\$ 80,341	\$ 195	\$ 0	100%
Hotel Diva	Jan-23	Jun-21	\$ 229,134	\$ 118,134	\$ 229	\$ 229,134	\$ 118,134	\$ 229	\$ 2,689	100%
SFHA Scattered Sites	Feb-22		\$ 668,656	\$ 295,840	\$ 637	\$ 917,263	\$ 405,712	\$ 874	\$ 454,751	87%
Throughpines (3 sides)	Jun-22	Mar-23	\$ 257,353	\$ 257,353	\$ 454	\$ 353,610	\$ 353,610	\$ 624	\$ 153,634	57%
Cambridge (3 Bldg.)	Jun-22		\$ 218,130	\$ 218,130	\$ 500	\$ 468,519	\$ 468,519	\$ 817	\$ 2,689	100%
Mariposa Gardens	Nov-22		\$ 142,472	\$ 59,838	\$ 160	\$ 142,472	\$ 59,838	\$ 164	\$ 0	100%
San Cristobal	Oct-22		\$ 443,257	\$ 443,257	\$ 745	\$ 769,472	\$ 769,472	\$ 1,292	\$ 44,290	92%
Alameda	Mar-23	Feb-24	\$ 567,836	\$ 567,836	\$ 892	\$ 892,454	\$ 892,454	\$ 1,359	\$ 1,359	100%
Completed Projects			\$ 368,058	\$ 227,475	\$ 749	\$ 495,890	\$ 320,285	\$ 649	\$ 73,927	88%

[illegible]

PROJECTS IN PREDEVELOPMENT			Construction Costs			Total Dev Costs by Unit / BR / SF (with acq. without land)			Subsidiy		
Project Name	Start Date (anticipated)	Completion Date (anticipated)	Const/unit	Const/BR	Const / SF	TDC / unit	TDC/BR	TDC/acq. n"	Subsidiy /unit	Leveraging %	
The Knox	Nov-23		\$ 94,476	\$ 94,476	243	\$ 183,997	\$ 163,997	\$	\$ 422	63,565	81%
125 Mission	Sep-26		\$ 189,055	\$ 90,055	118	\$ 297,650	\$ 141,621	\$	\$ 188	71,695	76%
The Dudley Apartments (Mercoy)	Jul-24		\$ 33,072	\$ 33,072	55	\$ 39,842	\$ 39,842	\$	\$ 68	39,230	2%
The Rose (Mercoy)	Jul-24		\$ 39,961	\$ 39,961	77	\$	\$ 52,247	\$	\$ 158	52,632	0%
Larkin Pine Senior Housing (CDOC)	Jul-24		\$ 36,338	\$ 36,338	73	\$ 41,461	\$	\$ 41,461	\$ 84	45,541	-10%
1155 Mission (CDOC)	June-20		\$ 38,812	\$ 38,812	84	\$ 33,562	\$ 43,502	\$ 95	\$ 4,503	43,503	0%
835 Turk (HSN)	Oct-25		\$ 200,000	\$ 200,000	407	\$ 244,633	\$ 244,633	\$	\$	267,857	0%
6811 16th Street (Plus 121 Group)											
Normandy 1155 Ellis											
In Predevelopment											
Average:			\$ 86,238	\$ 76,162	151	\$ 126,763	\$ 164,562	\$	\$ 160	83,479	18%
All Projects:	AVERAGE		\$ 252,262	\$ 159,609	#DIV/0!	\$ 371,933	\$ 305,981	\$	\$ 744	73,954	

Projects in pipeline but no budget yet
Derek Silva (20 Franklin)

^a Items highlighted in yellow represent gaps in information

¹ includes studios as IBRs² Residential sq. ft. include³ Acquisition includes cost⁴ Construction includes unit⁵ Soft Cost = TDC less Acq

⁶ All non-amortized local funds

⁷ Total square footage

Attachment I: Predevelopment Budget

N/A

Attachment J: Development Budget

USES:

ACQUISITION												
Acquisition cost or value	1,172,100		20,795,592	532,308							22,500,000	income from operations funds payoff existing perm debt
Legal / Closing costs / Broker's Fee	35,000										35,000	
Rolling Costs											0	
Transfer Tax	168,750										168,750	
TOTAL ACQUISITION	1,375,850	0	20,795,592	532,308	0	0	0	0	0	0	22,703,750	

[illegible]

Architecture & Design										See MOHCD A&E Fee Guidelines: http://smohcd.org/documents-reports-and-forms
Architect design fees	544,402	96,379							640,781	
Design Subconsultants to the Architect (incl. Fees)									0	
Architect Construction Admin	325,609								325,609	
Reimbursables									0	
Additional Services									0	
Sub-total Architect Contract	0	870,011	0	96,379	0	0	0	0	0	966,390
Other Third Party design consultants (not included under Architect contract)										UW, SNC, Stacey Lowie Associates, Parsons, Title 24, Sewer, Jetting vendor, Sewer Radar
Total Architecture & Design	0	115,600	0	96,379	0	0	0	0	0	115,600
Engineering & Environmental Studies	0	985,611	0	96,379	0	0	0	0	0	1,081,990
Survey	10,000								10,000	
Geotechnical studies	0								0	
Phase I & II Reports	10,500								10,500	
CEQA / Environmental Review consultants	0								0	
REDTA 1508 Review	6,500								6,500	
CNA/PNA (rehab only)	4,500								4,500	
Other environmental consultants	10,000								10,000	Name consultants & contract amounts
Total Engineering & Environmental Studies	0	41,500	0	0	0	0	0	0	0	41,500
Financing Costs										
Construction Financing Costs										
Construction Loan Origination Fee	159,262								159,262	
Construction Loan Interest	797,380								797,380	FE Bond Loan Interest
Title & Recording	131,800								131,800	
CDLAC & CDLAC fees	22,443								22,443	
Bond Issue Fees	148,684								148,684	includes Issuer Financial Advisor (\$55,000)
Other Bond Cost of Issuance	0								0	
Other Lender Costs (specify)	77,023								77,023	Cost Lender Exp (\$40,000), Trustee Fee during Const (\$7,500), Perm Compliance Monitoring Fee (\$11,023)
Sub-total Const. Financing Costs	0	1,322,692	0	0	0	0	0	0	0	1,322,692
Permanent Financing Costs										
Permanent Loan Origination Fee	275,575								275,575	Origination fee should be the above for "PASS" fee 0.0%
Credit Enhance. & Appl. Fee	15,000								15,000	
Title & Recording	0								0	
Sub-total Perm. Financing Costs	0	290,575	0	0	0	0	0	0	0	290,575
Total Financing Costs	0	1,613,267	0	0	0	0	0	0	0	1,613,267
Legal Costs										
Borrower Legal fees	215,000								215,000	
Land Use / CEQA Attorney fees									0	
Tax Credit Counsel	65,000								65,000	Organization of Partnership and S
Bond Counsel	72,000								72,000	
Construction Lender Counsel	75,000								75,000	
Permanent Lender Counsel	15,000								15,000	PASS City Attorney Fee
Other Legal (specify)	30,000								30,000	City attorney
Total Legal Costs	0	472,000	0	0	0	0	0	0	0	472,000
Other Development Costs										
Appraisal	7,500								7,500	
Market Study	9,700								9,700	We are pending insurance quotes. This is an estimate
Insurance	650,000								650,000	
Property Taxes	0								0	
Accounting / Audit	50,000			</						

[illegible][illegible]

Development Cost/Unit by Source	306,194	304,796	288,828	26,299	7,393	518	70,715	6,625	30,691	786	0	1,042,845	
Development Cost/Unit as % of TDC by Source	29.4%	29.2%	27.7%	2.5%	0.7%	0.0%	6.8%	0.6%	2.9%	0.1%	0.0%	100.0%	

[illegible]

Possible Non-Engage GO Bond/COP Amount:	14,714,091
City Subsidy/Unit	306,194

Upfront fee

	0.25%
\$	75,980

Annual Fee 0.12%

AOB 0.13%

	0.25%
\$	75,980

Annual Fee 0.12%

AOB 0.13%

55%

3 41,788.99

Total Issuer Fee

Attachment K: 1st Year Operating Budget

Application Date: 9/9/2025
Total # Units: 72
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2028
Project Name: Golden Gate Apartments
Project Address: 1820 Post Street
Project Sponsor: Chinatown Community Development Center

INCOME	Total	Comments	PUPA	PUPM
Residential - Tenant Rents	742,464	Links from 'New Proj - Rent & Unit Mix Worksheet	10,312	859
Residential - Tenant Assistance Payments (SOS Payments)	0	Comments	-	-
Residential - Tenant Assistance Payments (Other Non-LOSP)	2,159,796	Links from 'New Proj - Rent & Unit Mix Worksheet	29,997	2,500
Residential - LOSP Tenant Assistance Payments	0		-	-
Commercial Space	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-
Residential Parking	0	Links from 'Utilities & Other Income' Worksheet	-	-
Miscellaneous Rent Income	750	Links from 'Utilities & Other Income' Worksheet	-	10
Supportive Services Income			-	-
Interest Income - Project Operations	0	Links from 'Utilities & Other Income' Worksheet	-	-
Laundry and Vending	3,000	Links from 'Utilities & Other Income' Worksheet	-	42
Tenant Charges	420	Links from 'Utilities & Other Income' Worksheet	-	6
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	2,906,430			
Vacancy Loss - Residential - Tenant Rents	(37,123)	5% Vacancy loss is 5% of Tenant Rents.	(516)	
Vacancy Loss - Residential - Tenant Assistance Payments	(107,990)	5% Vacancy loss is 5% of Tenant Assistance Payments.	(1,500)	
Vacancy Loss - Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-
EFFECTIVE GROSS INCOME	2,761,317	PUPA: 38,352		

OPERATING EXPENSES

Management				
Management Fee	67,125	1st Year to be set according to HUD schedule.	932	78
Asset Management Fee	28,840	MOHCD AM Fee	401	
Sub-total Management Expenses	95,965	PUPA: 1,333		

Salaries/Benefits				
Office Salaries	132,407	Links from 'Staffing Worksheet	1,839	
Manager's Salary	83,063	Links from 'Staffing Worksheet	1,154	
Health Insurance and Other Benefits	86,025		1,195	
Other Salaries/Benefits	11,580	403b Employer Contribution	161	
Administrative Rent-Free Unit			-	
Sub-total Salaries/Benefits	313,075	PUPA: 4,348		

Administration				
Advertising and Marketing	1,800		25	
Office Expenses	24,220	Computer Services, Telephone, Office Supplies	336	
Office Rent			-	
Legal Expense - Property	15,000		208	
Audit Expense	17,000		236	
Bookkeeping/Accounting Services	8,200		114	
Bad Debts			-	
Miscellaneous	10,363	Staff cell phones, staff uniforms, training & development, Tenant translation services, tenant	144	
Sub-total Administration Expenses	76,581	PUPA: 1,064		

Utilities				
Electricity	21,966		305	25
Water	49,852		693	58
Gas	1,290		18	1
Sewer	75,658		1,051	88
Sub-total Utilities	148,766	PUPA: 2,066		

Taxes and Licenses				
Real Estate Taxes	798		11	
Payroll Taxes	25,310		352	
Miscellaneous Taxes, Licenses and Permits	13,595		189	
Sub-total Taxes and Licenses	39,703	PUPA: 551		

Insurance				
Property and Liability Insurance	113,865		1,581	
Fidelity Bond Insurance			-	
Worker's Compensation	14,888		207	
Director's & Officers' Liability Insurance			-	
Sub-total Insurance	128,753	PUPA: 1,788		

Maintenance & Repair				
Payroll	115,386	Links from 'Staffing Worksheet	1,603	
Supplies	34,800	Janitorial Supplies, Repair Supplies, Decorating Supplies	483	
Contracts	145,098	Janitor, Exterminating, Grounds, Repairs, Decorating	2,015	
Garbage and Trash Removal	69,224		961	
Security Payroll/Contract	0	Links from 'Staffing Worksheet	-	
HVAC Repairs and Maintenance			-	
Vehicle and Maintenance Equipment Operation and Repairs			-	
Miscellaneous Operating and Maintenance Expenses			-	
Sub-total Maintenance & Repair Expenses	364,496	PUPA: 5,062		

Supportive Services	95,852	Links from 'Staffing Worksheet	1,345	
Commercial Expenses	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	

TOTAL OPERATING EXPENSES 1,264,196 PUPA: 17,558

Reserves/Ground Lease Base Rent/Bond Fees				
Ground Lease Base Rent	15,000	Ground lease with MOHCD	208	
Bond Monitoring Fee	7,500	Bond Fee and PASS fee	104	
Replacement Reserve Deposit	72,000		1,000	
Operating Reserve Deposit			-	
Other Required Reserve 1 Deposit			-	
Other Required Reserve 2 Deposit			-	
Required Reserve Deposits, Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	94,500	PUPA: 1,313		

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond	1,358,696	PUPA: 18,871		
NET OPERATING INCOME (INCOME minus OP EXPENSES)	1,402,621	PUPA: 19,481		

DEBT SERVICE/AMUST PAY PAYMENTS (Hard debt/amortized loans)				
Hard Debt - First Lender	955,295	MOHCD PASS Loan Market		
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Ldr	263,691	MOHCD PASS Loan 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	1,218,985	PUPA: 16,830		

CASH FLOW (NOI minus DEBT SERVICE) 183,636

USES OF CASH FLOW BELOW (This row also shows DSCR.) 1.15

USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL				
Below-the-line Asset Mgt Fee (uncommon in new projects, see policy)				
Partnership Management Fee (see policy for limits)	28,840	2		
Investor Service Fee (aka LP Asset Mgt Fee) (see policy for limits)	6,600	1		
Other Payments				
Non-amortizing Loan Pmt - Lender 1 (select lender in comments field)				
Non-amortizing Loan Pmt - Lender 2 (select lender in comments field)				
Deferred Developer Fee (Enter amt <= Max Fee from cell 1130)	73,098	Def. Develop. Fee split: 50%		

TOTAL PAYMENTS PRECEDING MOHCD 110,538 PUPA: 1,535

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING 73,098

Residual Receipts Calculation				
Does Project have a MOHCD Residual Receipt Obligation?	Yes	Project has MOHCD ground lease?	Yes	
Will Project Defr Developer Fee?	Yes			
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:	50%	Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):	73,098	
% of Residual Receipts available for distribution to soft debt lenders in Y	50%			

Soft Debt Lenders with Residual Receipts Obligations	(Select lender name/program from drop down)	Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OCIC - Soft Debt Loans	All MOHCD/OCIC Loans payable from res. recs	\$532,308	2.34%
MOHCD/OCIC - Ground Lease Value or Land Acq Cost	Acquisition Cost	\$22,206,128	97.66%
HCD (soft debt loan) - Lender 1			0.00%
Other Soft Debt Lender - Lender 4			0.00%
Other Soft Debt Lender - Lender 5			0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE				
MOHCD Residual Receipts Amount Due	73,098	50% of residual receipts, multiplied by 100% - MOHCD's pro rata share of all soft debt		
Proposed MOHCD Residual Receipts Amount to Loan Repayment	73,098	(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 repmt.)		
Proposed MOHCD Residual Receipts Amount to Replacement Reserve	0	MOHCD res recs to Rep Res (RR) until RR balance >= 1.5 Original Capitalized RR amt.		
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT	0			

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

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

Attachment L: 20-year Operating Proforma

of 1



PLANNING APPROVAL LETTER

Date: **5/15/2025**
Planning Record No. **2025-002383PRJ**
Project Address: **1820 POST ST**
Zoning: **NCT, RM-3 (FILLMORE STREET NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT, RESIDENTIAL- MIXED, MEDIUM DENSITY) Zoning District**
Special Use District: **Japantown SUD/ Family and Senior Housing Opportunity SUD/ Within ¼ Mile of an Existing Fringe Financial Service SUD**
50-X Height and Bulk District
Cultural District: **Japantown Cultural District**
Block/Lot: **0684 / 045**
Project Sponsor: **GGA 1820 Post, L.P., a California limited partnership, Phoebe Mayor Das**
615 Grant Ave, 3rd Floor
San Francisco, CA 94108
phoebe.mayordas@chinatowncdc.org / 415-984-1450

Staff Contact: **Elizabeth Gordon Jonckheer**
Elizabeth.Gordon-Jonckheer@sfgov.org / 628-652-7365

Project Description

The project proposes improvements to the existing three buildings that comprise the Golden Gate Apartments. Improvements include new exterior cladding, window replacement, roof replacement, and accessibility improvements. Specifically, exterior work includes but is not limited to:

- Remove (E) Yard Fencing and Provide (N) Yard Fencing
- Remove Concrete And Prep Ground Surface For New Accessible Ramps
- Remove Or Revise Pidgeon Netting At Fire Escape Roof Ladder To Allow For Path Of Egress
- Remove All (E) Fire Escapes
- Restripe Of The Parking Lot, Including Accessible Parking - the number of spaces will not change
- Provide Garbage Disposal Enclosures In Place Of Existing
- Remove All (E) Windows and Provide All (N) Windows And Flashing
- Remove All (E) Exterior Wood Shingle Siding And Plywood Sheathing
- Remove All Roofing And Associated Flashing and Provide Single Ply Roofing And Flashing At All Roofs
- Provide All (N) Hardie Lap Siding And Plywood Sheathing

- Provide (N) Exterior Lighting in Place of (E) Throughout

Project Approval

The Department has determined that the project complies with the objective standards of the Planning Code and has concluded its design review of the project. On 5/15/2025, the Project was determined to be exempt from the California Environmental Quality Act, ("CEQA") as a Class 1 exemption - Existing Facilities, (CEQA Guidelines section 15301). **Approval Action for Purposes of CEQA Appeal Timelines:** Issuance of this Planning Approval Letter constitutes the approval action for the project for purposes of CEQA, pursuant to San Francisco Administrative Code section 31.04 (h).

The Department therefore approves the project as recorded in Planning Record No.

CEQA Appeal Rights under Chapter 31 of the San Francisco Administrative Code

Typically, an appeal must be filed within 30 calendar days of the approval action identified above for purposes of CEQA appeal timelines for a project that has received an exemption (including a general plan evaluation) or negative declaration pursuant to CEQA. For information on filing an appeal under Chapter 31, contact the Clerk of the Board of Supervisors at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102, or call 415.554.5184. If the Department has deemed a project to be exempt from further environmental review, an exemption determination has been prepared and can be obtained at <https://sfplanninggis.org/pim/> under the project's record number(s). Under CEQA, only issues that have previously been raised at a project hearing (including an appeal hearing) or in written correspondence to a City board, commission or department may be brought up by a litigant in a later court challenge.

Project Timeline

Action	Date
Project Sponsor submitted Development Application	3/21/2025
Department staff deemed Application Complete (CAN)	4/9/2025
Department staff issued Plan Check Letter (PCL) No. 1	4/25/2025
Project Sponsor responded to PCL No. 1	5/2/2025
Department staff issued CEQA exemption	5/15/2025

Priority Policies and General Plan Findings

Planning Code Section 101.1(b) establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the project complies with said policies and relevant findings within the General Plan.

Expiration

This Planning Approval is valid for three years; the applicant must submit for a building permit by 5/15/2028 - three years from this approval date. Any permit submittals for a housing development project after this Planning Department Approval are considered post-entitlement permits subject to AB1114.

CC:

Niveditha Elango, niveditha@gelfand-partners.com

Karen Smith, karen.smith@chinatowncdc.org

Austen Diliberto, Austen@gelfand-partners.com

Gonzalo Castro, gonzalo@dsgc-sf.com

Dominic Cheng, dominic.cheng@chinatowncdc.org

CPC.Closeout@sfgov.org

Attachments:

Approved Plans



San Francisco Ethics Commission

25 Van Ness Avenue, Suite 220, San Francisco, CA 94102

Phone: 415.252.3100 · Fax: 415.252.3112

Filing Information

Record Number

SFEC126F0001383

Status

BOS Legislative Clerk Acceptance

SFEC126f Form Type

126f4 BOS

File Number (BOS)

260547

Type of Filing

Original

Contractor Information

Contractor Name

Golden Gate Apartments. L.P.

Contractor Email

phoebe.mayordas@chinatowncdc.org

Contractor Phone #

(415) 929-1002

International Address?

No

Contractor Address (US)

615 Grant Ave, 4th Floor

Contractor City and State

San Francisco - CA

Contractor Zip Code

94108

Country

United States of America

Contract Information

Contract Amount

\$22,578,308.00

Description of Amount of Contract

Up to \$22,578,308 in LMIHAF and PASS Series E Funding for multifamily affordable housing preservation.

Contract Description

Loans to finance the acquisition, rehabilitation, and permanent financing of the 100% affordable rental housing project Golden Gate Apartments at 1820 Post Street.

City Agency - Departmental Contact Information

Departmental Contact

Claire Kostohryz

Departmental Contact Phone #

(628) 652-5807

Full Department Name

MYR - Mayor's Office

Contract Approval

Mayoral Approval Not Required

false

Affiliates and subcontractors

Entity Type	First Name	Last Name	Entity or Sub/Contractor Name
CFO	Cindy	Louie	
COO	Whitney	Jones	
Board of Directors	Dennis	Yee	Chinatown Community Development Center, Inc.
Board of	Anton	Qiu	Chinatown Community Development Center,

Directors			Inc.
Board of Directors	Maggie	Shortes	Chinatown Community Development Center, Inc.
Board of Directors	Rosa	Wong-Chie Truong	Chinatown Community Development Center, Inc.
Board of Directors	Jane	Chin	Chinatown Community Development Center, Inc.
Board of Directors	Barbara	Lin	Chinatown Community Development Center, Inc.
Board of Directors	Fady	Zoubi	Chinatown Community Development Center, Inc.
Board of Directors	Tommy	Chan	Chinatown Community Development Center, Inc.
Board of Directors	Claudine	Cheng	Chinatown Community Development Center, Inc.
Board of Directors	Gregory	Chin	Chinatown Community Development Center, Inc.
Board of Directors	Jim	Fagler	Chinatown Community Development Center, Inc.
Board of Directors	Donald	Falk	Chinatown Community Development Center, Inc.
Board of Directors	Irene	Hilton	Chinatown Community Development Center, Inc.
Board of Directors	Guy	Hollins	Chinatown Community Development Center, Inc.
Board of Directors	Cynthia	Huie	Chinatown Community Development Center, Inc.
Board of Directors	Joanna	Lee	Chinatown Community Development Center, Inc.
Board of Directors	Olsen	Lee	Chinatown Community Development Center, Inc.
Board of Directors	Michael	Louie	Chinatown Community Development Center, Inc.
Board of Directors	John	Moon	Chinatown Community Development Center, Inc.
CEO	Malcolm	Yeung	Chinatown Community Development Center, Inc.



San Francisco Ethics Commission

25 Van Ness Avenue, Suite 220, San Francisco, CA 94102

Phone: 415.252.3100 · Fax: 415.252.3112

Filing Information

Record Number

SFEC126F0001389

Status

BOS Legislative Clerk Acceptance

SFEC126f Form Type

126f4 BOS

File Number (BOS)

260547

Type of Filing

Original

Contractor Information

Contractor Name

Golden Gate Apartments, L.P.

Contractor Email

phoebe.mayordas@chinatowncdc.org

Contractor Phone #

(415) 929-1002

International Address?

No

Contractor Address (US)

615 Grant Ave, 4th Floor

Contractor City and State

San Francisco - CA

Contractor Zip Code

94108

Country

United States of America

Contract Information

Contract Amount

\$0.00

Description of Amount of Contract

\$15,000 Annual Base Rent

Contract Description

Ground Lease for real property owned by the City and located at 1820 Post Street with Golden Gate Apartments, L.P., for a lease term of 75 years and one 24-year option to extend and an annual base rent of \$15,000 ("Ground Lease") in order to rehabilitate a 100% affordable, 72-unit multifamily rental housing development for low-income households located at 1820 Post Street.

City Agency - Departmental Contact Information

Departmental Contact

Claire Kostohryz

Departmental Contact Phone #

(628) 652-5807

Full Department Name

MYR - Mayor's Office

Contract Approval

Mayoral Approval Not Required

false

Affiliates and subcontractors

Entity Type	First Name	Last Name	Entity or Sub/Contractor Name
COO	Whitney	Jones	
Board of Directors	Dennis	Yee	Chinatown Community Development Center, Inc.
Board of	Anton	Qiu	Chinatown Community Development Center,

Directors			Inc.
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Board of Directors	Michael	Louie	Chinatown Community Development Center, Inc.
Board of Directors	John	Moon	Chinatown Community Development Center, Inc.
CEO	Malcolm	Yeung	Chinatown Community Development Center, Inc.
CFO	Cindy	Louie	Chinatown Community Development Center, Inc.

OFFICE OF THE MAYOR
SAN FRANCISCO



DANIEL LURIE
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Dexter Darmali, Legislative & Ethics Secretary
RE: Ground Lease and Amended and Restated Loan Agreement - 1820 Post Street - 100% Affordable Housing - Loan Not to Exceed \$22,578,308 - \$15,000 Annual Base Rent and Initial 75-Year Lease Term
DATE: May 19, 2026

Resolution 1) approving and authorizing the Director of Property and the Mayor's Office of Housing and Community Development ("MOHCD") to enter into a Ground Lease for real property owned by the City and located at 1820 Post Street with Golden Gate Apartments, L.P., ("Borrower") for a lease term of 75 years and one 24-year option to extend and an annual base rent of \$15,000 ("Ground Lease") in order to rehabilitate a 100% affordable, 72-unit multifamily rental housing development for low-income households (the "Project"); 2) approving and authorizing the Mayor and Director of MOHCD to execute an Amended and Restated Loan Agreement to provide the Borrower with a loan in an aggregate amount not to exceed \$22,578,308 to finance the Project; 3) adopting findings that the Project and proposed transactions are consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; 4) affirming the Planning Department's determination under the California Environmental Quality Act; and 5) authorizing the Director of Property and/or the Director of MOHCD or their designee to execute any documents related to the Ground Lease and the Amended and Restated Loan Agreement for the Project and make certain modifications to such 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