

File No. 140651

Committee Item No. 7

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight Date June 26, 2014

Board of Supervisors Meeting Date \_\_\_\_\_

#### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Digest                           |
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| <input type="checkbox"/>            | <input type="checkbox"/> | Youth Commission Report                      |
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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
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| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Budget                                 |
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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement                           |
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Completed by: Alisa Miller Date June 20, 2014

Completed by: \_\_\_\_\_ Date \_\_\_\_\_

1 [Local Operating Subsidy Program Contract - CHP Scott Street, L.P. - 3155 Scott Street - Not  
2 to Exceed \$8,380,458]

3 **Resolution authorizing the Director of the Mayor's Office of Housing and Community**  
4 **Development to execute a Local Operating Subsidy Program Grant Agreement with**  
5 **CHP Scott Street L.P., a California limited partnership, to provide operating subsidies**  
6 **for formerly homeless transition age youth at 3155 Scott Street, for a fifteen-year**  
7 **period, in an amount not to exceed \$8,380,458.**

8  
9 WHEREAS, The Mayor's Office of Housing and Community Development (MOHCD)  
10 administers a variety of housing programs that provide financing for the development of new  
11 housing and the rehabilitation of single-and multi-family housing for low-and moderate-income  
12 households in San Francisco; and

13 WHEREAS, In 2004, the City and County of San Francisco (City) published its "Ten  
14 Year Plan to End Chronic Homelessness," and established a goal of creating 3,000  
15 permanent affordable housing units for homeless households by 2016; and

16 WHEREAS, MOHCD developed the Local Operating Subsidy Program (LOSP) in order  
17 to establish long-term financial support to operate and maintain permanent affordable housing  
18 for homeless households. Through the LOSP, the City subsidizes the difference between the  
19 cost of operating housing for homeless persons and all other sources of operating revenue for  
20 a given project, such as tenant rental payments, commercial space lease payments, Stewart  
21 B. McKinney Homeless Assistance Act subsidies, project-based Section 8 rent subsidies and  
22 California Mental Health Services Act operating subsidies; and

23 WHEREAS, All supportive housing projects selected for capital funding by the Citywide  
24 Affordable Housing Loan Committee (Loan Committee) pursuant to a competitive Notice of  
25 Funding Availability (NOFA) or Request for Proposals (RFP) process and intended to serve  
homeless individuals or families are eligible to receive LOSP funds; and

1           WHEREAS, The Board of Supervisors of the City and County of San Francisco (Board  
2 of Supervisors) authorizes City funding for LOSP projects as part of the Annual Appropriation  
3 Ordinance; and

4           WHEREAS, MOHCD enters into grant agreements with supportive housing owners  
5 and operators for LOSP projects in consultation with the Department of Public Health (DPH)  
6 and Human Services Agency (HSA), administers LOSP contracts, reviews annual audits and  
7 prepares recommendations for annual adjustments to project funding, monitors compliance  
8 with LOSP requirements as part of monitoring compliance with capital funding regulatory  
9 agreements, and if necessary, takes appropriate action to enforce compliance; and

10          WHEREAS, CHP Scott Street L.P., a California limited partnership (the Developer), is  
11 the owner and developer of the affordable rental housing development located at 3155 Scott  
12 Street, which will provide 24 Single Room Occupancy (SRO) units for transitional age youth  
13 (the Project); and

14          WHEREAS, On February 21, 2014, the Loan Committee recommended approval to the  
15 Mayor of a LOSP grant award for the Project not to exceed \$8,380,458, which would be used  
16 to subsidize the operating costs for the Project; and

17          WHEREAS, MOHCD proposes to provide a LOSP grant in the amount not to exceed  
18 \$8,380,458 to the Developer pursuant to a LOSP Grant Agreement (the Agreement) in  
19 substantially the form on file with the Clerk of the Board in File No. 140651 and in such final  
20 form as approved by the Director of MOHCD and the City Attorney; and

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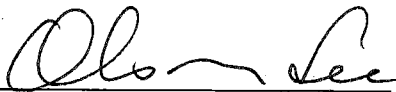
1           WHEREAS, The Agreement is for a 15 year term, and therefore requires Board  
2 of Supervisors authorization; now, therefore, be it

3           RESOLVED, That the Board of Supervisors hereby authorizes the Director of  
4 MOHCD or his designee to execute the Agreement for an amount not to exceed  
5 \$8,380,458; and be it

6           FURTHER RESOLVED, That this Board of Supervisors authorizes MOHCD to  
7 proceed with actions necessary to implement the Agreement following execution, and  
8 ratifies, approves and authorizes all actions heretofore taken by any City official in  
9 connection with such Agreement; and, be it

10          FURTHER RESOLVED, That this Board of Supervisors hereby authorizes the  
11 Director of MOHCD or his designee to enter into any amendments or modifications to  
12 the Agreement, including without limitation, the exhibits, that the Director determines, in  
13 consultation with the City Attorney, are in the best interest of the City, do not materially  
14 increase the obligations or liabilities for the City or materially diminish the benefits of the  
15 City, are necessary or advisable to effectuate the purposes and intent of this Resolution  
16 and are in compliance with all applicable laws, including the City Charter.

17  
18 RECOMMENDED:

19 

20 Olson Lee, Director  
21 Mayor's Office of Housing and Community Development  
22  
23  
24  
25

**CITY AND COUNTY OF SAN FRANCISCO  
MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT**

GRANT AGREEMENT

between

CITY AND COUNTY OF SAN FRANCISCO

and

CHP Scott Street, L.P.

For  
EDWARD II

3155 SCOTT STREET

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THIS GRANT AGREEMENT (this "Agreement") is made this \_\_\_\_\_, by and between CHP Scott Street, L.P., a California limited partnership ("Grantee"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("City") acting by and through the Mayor's Office of Housing and Community Development ("MOHCD").

**WITNESSETH:**

**WHEREAS**, Grantee submitted the Application Documents (as hereinafter defined) to MOHCD for a grant through MOHCD's Local Operating Subsidy Program ("Program"); and

**WHEREAS**, City desires to provide such a grant on the terms and conditions set forth herein; and

**WHEREAS**, the City's Board of Supervisors authorized execution of this Agreement on \_\_\_\_\_, pursuant to Resolution No. \_\_\_\_\_.

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants contained in this Agreement and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

**ARTICLE 1  
DEFINITIONS**

**1.1 Specific Terms.** Unless the context otherwise requires, the following capitalized terms (whether singular or plural) shall have the meanings set forth below:

"**ADA**" shall mean the Americans with Disabilities Act (including all rules and regulations thereunder) and all other applicable federal, state and local disability rights legislation, as the same may be amended, modified or supplemented from time to time.

"**Additional Leasing Date**" shall have the meaning given to it in Section 4.1.

"**Agreement Date**" means the date this Agreement is duly executed and delivered by Grantee and MOHCD.

"**Annual Monitoring Report**" shall have the meaning given to it in Section 6.1.

"**Annual Operating Budget**" means the operating budget for the Project approved by City attached hereto as **Exhibit E**, or as otherwise amended by Grantee and City.

"**Applicable Laws**" means all applicable present or future federal, state, local and administrative laws, rules, regulations, codes, orders and requirements.

"**Application Documents**" shall mean collectively: (i) the grant application submitted by Grantee for a Program grant, including all exhibits, schedules, appendices and attachments thereto; (ii) all documents, correspondence and other written materials submitted in respect of such grant application; and (iii) all amendments, modifications or supplements to any of the foregoing approved in writing by City.

"**Assisted Units**" means 24 residential units at the Project

"**Calendar Year**" means each period of twelve (12) calendar months commencing on January 1 and ending December 31 during all or any portion of which this Agreement is in effect.

"**CFR**" means the Code of Federal Regulations.

"**Charter**" shall mean the Charter of City.

"**Charter Documents**" shall have the meaning given in Section 6.2.

"**City**" means the City and County of San Francisco.

"**City Loan Documents**" means the MOHCD Loan Agreement and the documents executed in connection therewith.

"**Controller**" shall mean the Controller of City.

"**Director**" means MOHCD's Director or an authorized representative of the Director.

"**Effective Date**" means the Initial Leasing Date.

"**Event of Default**" shall have the meaning set forth in Section 11.1.

"**First Subsidy Payment**" shall mean the Subsidy Payment for the initial Fiscal Year starting from the Effective Date.

"**Fiscal Year**" shall mean each period of twelve (12) calendar months commencing on July 1 and ending on June 30 during all or any portion of which this Agreement is in effect.

"**Grant Amount**" shall have the meaning set forth in Section 5.1.

"**Grant Funds**" shall mean any and all funds allocated or disbursed to Grantee under this Agreement.

"**HSA**" shall mean the City's Human Services Agency.

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

**"Indemnified Parties"** shall mean City, including MOHCD and all of City's commissions, departments, agencies and other subdivisions, and City's elected officials, directors, officers, employees, agents, and representatives, and their respective successors and assigns.

**"Initial Leasing Date"** shall be the date when the first Assisted Unit is leased and occupied by a Tenant.

**"Loan Committee"** means the MOHCD review committee that selects Program grantees.

**"LOSP Clients"** means the formerly homeless Transition Age Youth that MOHCD deems eligible for Program assistance pursuant to the Program criteria set forth on the attached **Exhibit B** (as such criteria may be amended from time to time by MOHCD) and refers to Grantee pursuant to this Agreement.

**"Maintenance Duties"** shall have the meaning given to it in Section 4.8(a).

**"Median Income"** means area median income determined by HUD for the San Francisco area, adjusted solely for household size, but not high housing cost area.

**"MOHCD"** shall mean the Mayor's Office of Housing and Community Development of the City and County of San Francisco.

**"MOHCD Loan Agreement"** means that certain loan agreement, dated as of November 25, 2013, between MOHCD and Grantee with respect to a \$4,416,508 loan.

**"Operating Costs"** means the following costs: (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, the City Loan Documents or the Senior Loan Documents; (b) salaries, wages and any other compensation due and payable to the employees or agents of Grantee employed in connection with the Project, including all related withholding taxes, insurance premiums, Social Security payments and other payroll taxes or payments; (c) Qualified Minimal Debt Service Payments, if any; (d) the asset management fees, partnership management fees, investor services fee and deferred developer fees described in the Annual Operating Budget or otherwise approved by MOHCD in writing; (e) all other expenses actually incurred to cover the operation of the Project to the standards required under this Agreement, including maintenance and repairs, and property management fees (to the extent such fees are permitted to be made under the MOHCD Loan Agreement); (f) required deposits to the Replacement Reserve Account (as defined in the MOHCD Loan Agreement), Operating Reserve Account, and any other reserve account required under this Agreement (excluding the Subsidy Reserve Account), the City Loan Documents or the Senior Loan Documents; and (g) any extraordinary expenses arising from the ownership or operation of the Project approved in advance and in writing by MOHCD. "Operating Costs" shall not include any loan payments to be made under the City Loan Documents, the Senior Loan Documents or any other loan payments other than Qualified Minimal Debt Service Payments, nor any costs Grantee incurs in providing services to a Project tenant other than the services to be provided under such Project tenant's lease or otherwise approved hereunder.

**"Operating Reserve Account"** means the interest-bearing operating reserve depository account Grantee is required to maintain pursuant to the MOHCD Loan Agreement.

**"Operating Statement"** shall have the meaning set forth in Section 6.1.

**"Opinion"** means an opinion of Grantee's California legal counsel, satisfactory to MOHCD and its legal counsel, that Grantee is a duly formed, validly existing limited partnership in good standing under the laws of the State of California, has the power and authority to enter into the Agreement and will be bound by their terms when executed and delivered, that each of Grantee's general partners is a duly formed, validly existing nonprofit corporation in good standing under the laws of the State of California,

which has established and maintains valid nonprofit status under Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended, and all rules and regulations promulgated thereunder or is a duly formed, validly existing limited liability company whose sole member is nonprofit corporation in good standing under the laws of the State of California, which has established and maintains valid nonprofit status under Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended, and all rules and regulations promulgated thereunder and each has the power and authority to act as Grantee's general partner, and that addresses any other matters MOHCD reasonably requests.

**"Program"** means the Local Operating Subsidy Program, through which MOHCD provides operating subsidies to housing projects that provide permanent supportive housing for formerly homeless individuals and households.

**"Program Transition Reserve Account"** shall have meaning given to it in Section 2.5.

**"Project"** means the twenty-five (25) unit housing project commonly known as Edward II, which is located on the Real Property.

**"Project Income"** means all income and receipts in any form received by Grantee from the operation, use or ownership of the Project, calculated on an accrual basis, including rents, fees, deposits (other than tenant security deposits), reimbursements and other charges paid to Grantee by MOHCD in connection with the Project (other than Grant Funds), and any funds held in the Subsidy Reserve Account.

**"Project Operating Account"** means a checking account maintained by Grantee, which shall be held in a bank or savings and loan institution acceptable to MOHCD as a segregated account insured by the Federal Deposit Insurance Corporation or other comparable federal insurance program.

**"Qualified Minimal Debt Service Payment"** means a minimal debt service payment that Grantee must make under the MOHCD Loan Agreement, the Senior Loan Documents or any additional state or federal affordable housing loan for the Project, provided that Grantee first obtains MOHCD's written consent to such additional loan.

**"Real Property"** shall mean the real property described on the attached **Exhibit C**.

**"Referral Report"** means the report prepared by Program staff for a LOSP Client, which shall be substantially in the form attached hereto as **Exhibit D**.

**"Rent"** means the aggregate annual sum charged to Tenants for rent and utilities, with utility charges limited to an allowance determined by HSA.

**"Senior Loan Documents"** means the following documents: the loan documents executed by Grantee in connection with the construction loan from Bank of America in the amount of \$6,149,895.

**"Services Agreement"** means the Contract for Services dated [TBA] \_\_\_\_\_, and between Tenant Services Contractor and HSA for the provision of services to LOSP Clients at the Project.

**"Shortfall"** means the amount, if any, by which the Operating Costs for any Calendar Year during the Term exceed the Project Income obtained from the Assisted Units for such Calendar Year.

**"Subsidy Payment"** means a payment made by MOHCD to Grantee pursuant to the terms of this Agreement, which shall be made in the manner and in the amount specified in Article 5 below.

**"Subsidy Reserve Account"** means a checking account maintained by Grantee, which shall be held in a bank or savings and loan institution acceptable to MOHCD as a segregated account insured by the



Federal Deposit Insurance Corporation or other comparable federal insurance program, and used only for the purposes specified in Section 4.3.

**"Tenant"** shall mean a LOSP Client who leases an Assisted Unit.

**"Tenant Services Contractor"** shall mean Larkin Street Youth Services, a California non-profit public benefit corporation.

**"Term"** shall have the meaning given to in Section 3.

**"Termination Notice Date"** shall have the meaning given to in Section 4.1.

**"Transition Age Youth"** shall mean young adults, age 18 – 24, who are transitioning from public systems (like foster care) or are at risk of not making a successful transition to adulthood.

**"Transition Plan"** shall have the meaning given to in Section 2.5.

**"Underlying Restricted Rent"** is the maximum rent allowed under the MOHCD Loan Agreement.

**"Vacancy Period"** shall have the meaning given to in Section 4.1.

**"15-Year Cash Flow"** means the cash flow projection described in the attached **Exhibit E**.

**1.2 Additional Terms.** The terms "as directed," "as required" or "as permitted" and similar terms shall refer to the direction, requirement, or permission of MOHCD. The terms "sufficient," "necessary" or "proper" and similar terms shall mean sufficient, necessary or proper in the sole judgment of MOHCD. The terms "approval," "acceptable" or "satisfactory" or similar terms shall mean approved by, or acceptable to, or satisfactory to MOHCD. The terms "include," "included" or "including" and similar terms shall be deemed to be followed by the words "without limitation". The use of the term "subcontractor," "successor" or "assign" herein refers only to a subcontractor ("subgrantee"), successor or assign expressly permitted under Article 13.

**1.3 References to this Agreement.** References to this Agreement include: (a) any and all appendices, exhibits, schedules, attachments hereto; (b) any and all statutes, ordinances, regulations or other documents expressly incorporated by reference herein; and (c) any and all amendments, modifications or supplements hereto made in accordance with Section 17.2. References to articles, sections, subsections or appendices refer to articles, sections or subsections of or appendices to this Agreement, unless otherwise expressly stated. Terms such as "hereunder," herein or "hereto" refer to this Agreement as a whole.

## ARTICLE 2 APPROPRIATION AND CERTIFICATION OF GRANT FUNDS; LIMITATIONS ON CITY'S OBLIGATIONS

**2.1 Risk of Non-Appropriation of Grant Funds.** This Agreement is subject to the budget and fiscal provisions of the Charter. City shall have no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements or for other MOHCD expenditures. Grantee acknowledges that MOHCD's obligation to make Subsidy Payments under this Agreement is expressly conditioned on the (a) appropriation of sufficient funds to HSA for Subsidy Payments and transfer of such funds from HSA to MOHCD (or as MOHCD may direct such funds to be transferred directly by HSA to Grantee), which appropriation and transfer is subject to HSA's annual operating budget, or (b) appropriation of sufficient funds for Subsidy Payments to MOHCD's annual operating budget. If the funds appropriated for Program subsidy payments in a Fiscal Year will be insufficient to fund the total Program subsidy payments MOHCD intended to make in such Fiscal Year, MOHCD shall have the right to reduce the amount of Program subsidy payments and to select the qualifying projects subject to such reduced payments.

Notwithstanding the foregoing, however, qualifying projects that are not financed with State Department of Housing and Community Development Multifamily Housing Program Supportive Housing Component funds ("HCD Funds") will be subject to such Program subsidy payment reductions before any such reductions are made to qualifying projects financed with HCD Funds.

If MOHCD determines that Subsidy Payments for any given Fiscal Year must be reduced due to a shortfall in appropriated Program funds (a "**Non-Appropriation Event**"), MOHCD shall notify Grantee that a Non-Appropriation Event has occurred. City's obligation to make any Subsidy Payments in excess of those for which sufficient funds have been appropriated shall automatically terminate as of such Non-Appropriation Event, except as may be required pursuant to Section 2.5 below. Grantee acknowledges that HSA's and MOHCD's annual operating budgets are each subject to the discretion of City's Mayor and Board of Supervisors and a Non-Appropriation Event may occur during the Term and, accordingly, that Subsidy Payments may subsequently not be made in the amounts projected pursuant to this Agreement. Grantee's assumption of such risks is part of the consideration for this Agreement.

**2.2 Certification of Controller; Guaranteed Maximum Costs.** No funds shall be available under this Agreement until prior written authorization certified by the Controller. In addition, as set forth in Section 21.10-1 of the San Francisco Administrative Code:

(a) City's obligations hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification, the current Controller certification for Grant Funds is only for the First Subsidy Payment, and Controller certification will be a condition precedent for all other Subsidy Payments to the extent that Project Transition Reserve Account funds are not available to fund such Subsidy Payments.

(b) Except as may be provided by City ordinances governing emergency conditions, City and its employees and officers are not authorized to request Grantee to perform services or to provide materials, equipment and supplies that would result in Grantee performing services or providing materials, equipment and supplies that are beyond the scope of the services, materials, equipment and supplies specified in this Agreement unless this Agreement is amended in writing and approved as required by law to authorize the additional services, materials, equipment or supplies. City is not required to pay Grantee for services, materials, equipment or supplies provided by Grantee if they are beyond the scope of the services, materials, equipment and supplies agreed upon herein and were not approved by a written amendment to this Agreement lawfully executed by City.

(c) City and its employees and officers are not authorized to offer or promise to Grantee additional funding for this Agreement that would exceed the maximum amount of funding provided for herein. Additional funding for this Agreement in excess of the maximum provided herein shall require lawful approval and certification by the Controller. City is not required to honor any offered or promised additional funding that exceeds the maximum provided in this Agreement, which requires lawful approval and certification of the Controller when the lawful approval and certification by the Controller has not been obtained.

(d) The Controller is not authorized to make payments on any agreement for which funds have not been certified as available for such purposes in the budget of HSA or MOHCD or by supplemental appropriation.

**2.3 Automatic Termination for Nonappropriation or Nontransfer of Funds.** This Agreement shall automatically terminate, without penalty, liability or expense of any kind to City, at the end of the period of the Fiscal Year that a Non-Appropriation Event occurs, except as otherwise set forth in Section 2.5.

**2.4 SUPERSEDURE OF CONFLICTING PROVISIONS.** IN THE EVENT OF ANY CONFLICT BETWEEN ANY OF THE PROVISIONS OF THIS ARTICLE 2 AND ANY OTHER PROVISION OF THIS AGREEMENT, THE APPLICATION DOCUMENTS OR ANY OTHER DOCUMENT OR

COMMUNICATION RELATING TO THIS AGREEMENT, THE TERMS OF THIS ARTICLE 2 SHALL GOVERN.

**2.5 Program Transition Reserve Account.** All LOSP subsidy payments, including the Subsidy Payments, are conditioned on the appropriation of sufficient funds therefor and the transfer of such funds to MOHCD's annual budget. MOHCD intends to establish a reserve account, as MOHCD deems appropriate and in its sole discretion, to fund all or a portion of selected LOSP subsidy payments in the event sufficient funds are not so appropriated or transferred (the "**Program Transition Reserve Account**"). If there is a Non-Appropriation Event, City shall use Program Transition Reserve Account funds to disburse such Subsidy Payments to the extent there are sufficient Program Transition Reserve Account funds for such disbursements.

If there is a Non-Appropriation Event, and City fully funds the following Fiscal Year's Subsidy Payment in the amount shown on Exhibit A (whether with Program Transition Reserve Account funds or otherwise), this Agreement shall remain in effect through the last day of the Fiscal Year for which such Subsidy Payment is made. In the event City continues to fully fund subsequent Subsidy Payments, this Agreement shall remain in effect through the last day of the Fiscal Year for which each such subsequent Subsidy Payment is made.

City shall have no obligation to replenish or supplement the Program Transition Reserve Account. City shall have the right to, at MOHCD's discretion, use Program Transition Reserve Account funds to make subsidy payments to LOSP grantees other than Grantee. The Program Transition Reserve Account shall remain the City's property at all times and any interest that accrues thereon shall remain the sole property of City and will be deemed part of the Program Transition Reserve Account. If any funds remain in the Program Transition Reserve Account at the expiration of the Term or earlier termination of this Agreement, such funds shall remain with City and Grantee shall have no rights thereto.

Grantee agrees that it shall not make any distributions or payments of Residual Receipts, as defined in the MOHCD Loan Agreement, until City has approved the distribution or payment of such Residual Receipts.

### ARTICLE 3 TERM

The term of this Agreement (the "**Term**") shall commence on the Effective Date and shall terminate on the fifteenth (15<sup>th</sup>) anniversary of the Effective Date, unless earlier terminated in accordance with the terms herein.

### ARTICLE 4 PERFORMANCE OF GRANT OBLIGATIONS

#### 4.1 Lease of Assisted Units.

(a) Commencing on the Initial Leasing Date, Grantee shall lease all of the Assisted Units to the LOSP Clients it selects from Referral Reports supplied by the City.

If an Assisted Unit lease terminates at any time, Grantee shall deliver written notice of such termination to City within five (5) business days of such termination (the "**Termination Notice Date**"). City shall accordingly deliver at least five (5) Referral Reports to Grantee within fifteen (15) business days of receiving such Assisted Unit lease termination notice and Grantee shall lease such vacated Assisted Unit to an LOSP Client it selects from such Referral Reports within the sixty (60) day period immediately following its receipt of such Referral Reports (each such additional lease up date shall be

referred to as an "Additional Leasing Date"). The period of time between a Termination Notice Date and the corresponding Additional Leasing Date shall be referred to as a "Vacancy Period". After the Initial Leasing Date, an Assisted Unit may remain vacant during any Vacancy Period applicable to such Assisted Unit. If City fails to timely deliver the required Referral Reports at any time, until City delivers such Referral Reports, Grantee can submit a request to City to use a qualified candidate identified by Grantee that satisfies the requirements of **Exhibit B**, and such request shall not be unreasonably denied.

(b) Grantee shall have sole discretion in selecting the LOSP Clients that will be Tenants, provided that Grantee's decision not to rent an Assisted Unit to an LOSP Client referred to Grantee by City shall not be unreasonably withheld or conditioned, and provided further that Grantee shall not, except as otherwise required by this Agreement, 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 leasing of the Assisted Units.

(c) Grantee shall comply with the Tenant Selection Plan Policy set forth in the attached Exhibit H.

(d) Grantee shall comply with the Tenant Screening Criteria Policy set forth in the attached Exhibit I.

(e) Grantee shall rent each Assisted Unit to a Tenant pursuant to a separate lease agreement that complies with this Agreement. Each Tenant lease shall provide for termination of such lease and such Tenant's consent to immediate eviction if the Tenant has made any material misrepresentation in the initial income certification made by Tenant to City or in any later income certification made by Tenant to Grantee.

(f) Grantee shall obtain each Tenant's recertification of his/her household income on an annual basis. Such income certifications shall be prepared pursuant to low income housing tax credit guidelines for household income and shall be maintained on file at Grantee's principal office for no less than five (5) years following the date of such certification, and Grantee must file or cause to be filed copies thereof with MOHCD promptly upon MOHCD's request therefor.

(g) Security deposits may be required of Tenants only in accordance with applicable federal regulations, state law and this Agreement. Any security deposits collected must be segregated from all other funds of the Project in an account held in trust for the benefit of the Tenants and other tenants of the Project and disbursed in accordance with California law. The balance in such security deposit account must at all times equal or exceed the aggregate of all security deposits collected plus accrued interest thereon, less any security deposits or interest thereon returned to Tenants or any other tenants of the Project.

(h) To the extent permitted by applicable state and federal law, the Grantee shall comply with the Operational Rules for Residential Certificate of Preference Holder and Ellis Act Housing Preference set forth in the attached Exhibit J. The requirements of the attached Exhibit J apply to the Assisted Units as defined in this agreement as well as any other units in the project that are required by any agreement to be used as affordable housing.

#### **4.2 Rent Restrictions.**

(a) Rent charged to any Tenant shall be the lower of thirty percent (30%) of a Tenant's gross monthly income, or the maximum rent allowed under the MOHCD Loan Agreement.

(b) With the written approval of HSA, the Rent charged to a Tenant may be increased as a result of a determination by HSA that such Tenant is no longer eligible under the Program, so long as the Rent charged does not exceed the Underlying Restricted Rent. Notwithstanding the forgoing, Tenants deemed

no longer eligible by HSA who remain occupants of the Project shall still be considered a LOSP Client and the Tenant's Unit shall still constitute an Assisted Unit for purposes of compliance with the requirements of this Agreement.

(c) Grantee must provide MOHCD at least annually a report showing actual household income level and Rent for each Tenant.

**4.3 Operating Reserve Account; Subsidy Reserve Account.** Grantee shall comply with all of its requirements for the Operating Reserve Account under the MOHCD Loan Agreement. In addition, if the Subsidy Payment made to Grantee for a Calendar Year exceeds the certified Shortfall for such Calendar Year, as determined pursuant to the reports delivered under Section 6.1, Grantee shall deposit such excess amount in the Subsidy Reserve Account. Grantee shall not use Subsidy Reserve Account funds, or any interest earned thereon, for any purpose other than as provided in this Agreement. The only funds that shall be held in the Subsidy Reserve Account shall be the moneys deposited therein pursuant to this Section and the interest earned thereon.

If the Shortfall for a Calendar Year exceeds the Subsidy Payment made to Grantee for such Calendar Year, Grantee shall first use Subsidy Reserve Account funds, to the extent available, to pay the Operating Costs that comprise such excess Shortfall. If the Subsidy Reserve Account plus Subsidy Payment funds are insufficient to pay all of the Operating Costs in any given Calendar Year, Grantee shall use Operating Reserve Account funds, if any, to pay the remaining Operating Costs], subject to any approval Grantee must obtain from any lender under the Senior Loan Documents or Grantee's tax credit limited partner to so use the Operating Reserve Account funds.

#### **4.4 [Intentionally Omitted]**

**4.5 Annual Operating Budget.** The Annual Operating Budget attached hereto as **Exhibit E** sets forth Grantee's anticipated Operating Costs, Project Income and Shortfall for the Term of the Agreement. Grantee shall pay Operating Costs in conformity with the approved Annual Operating Budget. MOHCD's prior written consent shall not be required before Grantee can spend funds on Operating Costs that differ in amount from the amounts in the Annual Operating Budget.

Grantee can submit requests to change the amount of the Annual Operating Budget and corresponding Subsidy Payment for any year during the term by supplying a written proposal with the Annual Monitoring Report. Such proposals should include a variance analysis that includes a quantitative assessment of the difference between projected annual income and expenses and actual annual income and expenses, and explanations for the cause of any significant variances.

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

#### **4.7 [Intentionally Omitted]**

#### **4.8 Maintenance and Management of Project.**

(a) Grantee shall be responsible for ensuring all Project maintenance, repair and management functions, including the collection of rents, routine and extraordinary repairs and replacement of capital items, and for keeping the Project in a safe and sanitary manner and in good operating condition in

accordance with all Applicable Laws, the City Loan Documents and the Senior Loan Documents (collectively, the "**Maintenance Duties**").

(b) Grantee may contract with a management agent for the performance of the Maintenance Duties subject to MOHCD's prior written approval of both the management agent and the management contract, provided, however, that the arrangement will not relieve Grantee of responsibility for performance of those duties. A management contract must contain a provision allowing Grantee to terminate the contract without penalty upon no more than thirty (30) days' notice.

(c) MOHCD will provide written notice to Grantee if MOHCD determines that the Maintenance Duties are not being performed in accordance with this Agreement. If Grantee is then in contract with a management agent pursuant to subsection (b) above, and such management agent fails to fully cure such failure within thirty (30) days of the date that MOHCD delivers such written notice, Grantee shall exercise such thirty (30) day termination right, terminate the management contract and make immediate arrangements for cure of such failure and for the continuous and continuing performance of the Maintenance Duties. If, at the time of such notice, Grantee is not in contract with a management agent pursuant to subsection (b) above, in addition to MOHCD's rights hereunder, MOHCD shall have the right to require that Grantee, at Grantee's sole cost, contract with a management agent to perform the Maintenance Duties, or to make other arrangements the City deems necessary to ensure full and timely performance of the Maintenance Duties.

(d) Grantee shall operate the Project in compliance with all Applicable Laws.

#### **4.9 Services Agreement; Provision of Services.**

(a) Grantee hereby agrees to allow the Tenant Services Contractor (and any subsequent service provider) access to the Project at all reasonable times for the provision of services to the Project's LOSP Clients.

(b) Grantee shall promptly provide written notice to MOHCD if Grantee obtains knowledge of any default, or event that with notice or the passage of time or both could constitute a default, under the Services Agreement.

(c) In the event that the Services Agreement is terminated for any reason, or that MOHCD and/or HSA determines that the Tenant Services Contractor needs to be replaced, Grantee shall cooperate in good faith with MOHCD and HSA in obtaining a new service provider for the LOSP Clients in the Project. In such an event, the selection of the new service provider for the Project shall require Grantee's prior consent, which shall not be unreasonably delayed or denied. Grantee hereby agrees and acknowledges that nothing in this Agreement gives Grantee any right to consent to the MOHCD and/or HSA determination to terminate the Services Agreement or to replace the Tenant Services Contractor.

### **ARTICLE 5 USE AND DISBURSEMENT OF GRANT FUNDS**

**5.1 Maximum Amount of Grant Funds; Disbursement of Subsidy Payments.** In no event shall the total amount of Grant Funds disbursed hereunder exceed Eight Million Three Hundred Eighty Thousand Four Hundred Fifty-Eight Dollars (\$8,380,458) (the "**Grant Amount**"). Subject to Grantee's performance of its obligations under this Agreement and MOHCD's receipt of sufficient funds, as further set forth in Article 2, the Grant Funds shall be disbursed through Subsidy Payments.

Provided that Grantee is in compliance with all of the conditions for receipt of the First Subsidy Payment, City shall deliver the First Subsidy Payment to Grantee within ten (10) business days immediately following the Effective Date. For every subsequent Fiscal Year during the Term, provided that Grantee is in compliance with all of the conditions for receipt of a Subsidy Payment, City shall

deliver the Subsidy Payment for such Fiscal Year to Grantee within fifteen (15) business days immediately following the commencement of the applicable Fiscal Year.

## **5.2 Subsidy Payment Amounts and Adjustments.**

(a) The 15-Year Cash Flow is the Parties' current expectations of Operating Costs and Shortfalls during the Term. The Parties anticipate that the amount of the First Subsidy Payment and each subsequent Subsidy Payment shall be as shown on **Exhibit A**. The First Subsidy Payment amount reflects the Shortfall for the Fiscal Year starting on the Effective Date. Notwithstanding the foregoing initial calculations of the 15-Year Cash Flow and the Subsidy Payment amounts, however, each Subsidy Payment (including the First Subsidy Payment) is subject to further adjustment pursuant to this Section and City's annual review and approval of the applicable Annual Operating Budget. The City shall reduce the subsequent Subsidy Payments by the amount of any funds held in the Subsidy Reserve Account.

(b) The total amount of all Subsidy Payments made hereunder shall not exceed the Grant Amount. If the total amount of all Subsidy Payments made hereunder equals the Grant Amount at any time prior to the expiration of the Term, no further Subsidy Payments shall be made hereunder. If any Subsidy Payment would, if made, cause the total amount of all Subsidy Payments made hereunder to exceed the Grant Amount, such Subsidy Payment shall be accordingly reduced so the total amount of Subsidy Payments made hereunder equals the Grant Amount.

**5.3 Use of Grant Funds.** Grantee shall use the Grant Funds only for Operating Costs and for no other purpose. Grantee shall expend the Grant Funds in accordance with the Annual Operating Budget.

**5.4 Conditions Precedent to Payment of First Subsidy Payment.** Grantee shall fully satisfy each of the following conditions prior to delivery of the First Subsidy Payment.

(a) Grantee must have delivered to the City fully executed (and for documents to be recorded, acknowledged) originals of the following documents, in form and substance satisfactory to the City: (i) this Agreement (in triplicate); (ii) the Opinion; and (iii) the Authorizing Resolutions.

(b) Grantee must have delivered its Charter Documents to the City.

(c) Grantee shall be in compliance with all of its obligations under City Loan Documents and the Senior Loan Documents.

(d) Tenant Services Contractor shall be in compliance with all of its obligations under the Services Agreement, and no default, or event that with notice or the passage of time or both could constitute a default, shall exist and remain uncured under the Services Agreement; provided however that disbursement of the First Subsidy Payment shall not be withheld due to an uncured default under the Services Agreement if at the time of expected disbursement, Grantee provides City with sufficient evidence that it is cooperating in good faith with the City and HSA to diligently pursue a cure of said default, which may or may not include Grantee directly providing the required services under the Services Agreement.

(e) No Event of Default, or event that with notice or the passage of time or both could constitute an Event of Default, shall exist and remain uncured as of the date of the Initial Subsidy Payment is to be disbursed hereunder.

**5.5 Conditions Precedent to Payment of Subsequent Subsidy Payments.** Grantee shall fully satisfy each of the following conditions prior to delivery of any Subsequent Subsidy Payment:

(a) Grantee shall be in compliance with all of its obligations under the City Loan Documents and the Senior Loan Documents.

(b) Tenant Services Contractor shall be in compliance with all of its obligations under the Services Agreement, and no default, or event that with notice or the passage of time or both could constitute a default, shall exist and remain uncured under the Services Agreement; provided however that disbursement of any Subsequent Subsidy Payment shall not be withheld due to an uncured default under the Services Agreement if at the time of expected disbursement, Grantee provides City with sufficient evidence that it is cooperating in good faith with the City and DPH to diligently pursue a cure of said default, which may or may not include Grantee directly providing the required services under the Services Agreement.

(c) No Event of Default, or event that with notice or the passage of time or both could constitute an Event of Default, shall exist and remain uncured as of the date of such Subsidy Payment is to be disbursed hereunder.

## **ARTICLE 6 REPORTING REQUIREMENTS; AUDITS; PENALTIES FOR FALSE CLAIMS**

### **6.1 Regular Reports; Operating Statements.**

Grantee must file electronically with the City no later than one hundred twenty (120) days after the end of Grantee's calendar year annual report forms (the "Annual Monitoring Report") that include audited financial statements including any management letters; an income and expense statement for the Project covering the applicable reporting period "Operating Statement"; a statement of balances, deposits and withdrawals from all Accounts; and evidence of required insurance. The Annual Monitoring Report must be in substantially the form attached as Exhibit G or as later modified by MOHCD during the Term.

Such Annual Monitoring Report shall include a list of the Operating Costs paid by Grantee during such applicable prior Calendar Year and Grantee's certifications that (a) the total Grant Funds received by Grantee as of the end date of the applicable Calendar Year have been used only to pay Operating Costs, (b) all of Grantee's representations and warranties in this Agreement remain true and correct in all material respects as if made on the end date of such the applicable Calendar Year, (c) there is no Event of Default by Grantee as of the end date of the applicable Calendar Year, and (d) the party signing the Annual Monitoring Report is an officer of Grantee authorized to do so on Grantee's behalf.

**6.2 Organizational Documents.** Prior to the Effective Date, Grantee shall provide to City the following documents (collectively, the "Charter Documents"): a certified certificate of status and (a) if Grantee is a corporation, its bylaws, and a certified copy of its articles of incorporation; (b) if Grantee is limited partnership, its partnership agreement, a certified copy of its certificate of partnership, and the organizational documents of its general partner; and (c) if Grantee is a limited liability company, its operating agreement, a certified copy of its certificate of limited liability company, and the organizational documents of its manager. All certified documents to be provided pursuant to this Section shall be certified by the California Secretary of State or, if the entity for which a certified document is to be provided was not organized in the State of California, certified by the Secretary of State of such entity's state of organization, no earlier than two (2) months prior to the Effective Date. The Charter Documents must be delivered to the City in their original form and as amended from time to time.

**6.3 Notification of Defaults or Changes in Circumstances.** Grantee shall notify City immediately of (a) any Event of Default or event that, with the passage of time, would constitute an Event of Default; and (b) any change of circumstances that would cause any of the representations and warranties contained in Article 8 to be false or misleading at any time during the term of this Agreement.

**6.4 Financial Statements.** As noted in Section 6.1, Grantee shall also deliver to City, no later than one hundred twenty (120) days following the end of any Calendar Year, an audited balance sheet and the related statement of income and cash flows for such Calendar Year, certified by a reputable accounting



firm as accurately presenting the financial position of Grantee, including any management letters supplied by the auditors.

**6.5 Staffing Assessment.** By no later than March 1, 2016, Grantee shall provide to the City an analysis of the Project's staffing pattern (both property management staff and services staff) including an assessment of the need for 24-hour staffing. Based on the report provided, the City shall determine, in its reasonable discretion, whether it is appropriate to eliminate the 24-hour staffing requirement contained in the Neighborhood Benefits Agreement. If City so determines, then Grantee shall make good faith best efforts to negotiate with neighbor organizations to amend the Neighborhood Benefits Agreement in order to eliminate the 24-hour staffing requirement contained therein.

**6.6 Books and Records.** Grantee shall establish and maintain accurate files and records of all aspects of Operating Expenses and Project Income and the matters funded in whole or in part with Grant Funds during the term of this Agreement. Without limiting the scope of the foregoing, Grantee shall establish and maintain accurate financial books and accounting records relating to Operating Costs incurred and paid and Grant Funds received and expended under this Agreement, together with all invoices, documents, payrolls, time records and other data related to the matters covered by this Agreement, whether funded in whole or in part with Grant Funds. Grantee shall maintain all of the files, records, books, invoices, documents, payrolls and other data required to be maintained under this Section in a readily accessible location and condition for a period of not less than five (5) years after final payment under this Agreement or until any final audit has been fully completed, whichever is later. Grantee agrees to maintain and make available to MOHCD, during regular business hours, accurate books and accounting records relating to the Project and the Tenants. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon MOHCD by this Section. All financial reports must be prepared and maintained in accordance with GAAP as in effect at the time of performance.

**6.7 Inspection and Audit.** Grantee shall make available to MOHCD, its employees and authorized representatives, during regular business hours all of the files, records, books, invoices, documents, payrolls and other data required to be established and maintained by Grantee under Section 6.5. Grantee shall permit MOHCD, its employees and authorized representatives to inspect, audit, examine and make excerpts and transcripts from any of the foregoing. The rights of MOHCD pursuant to this Section shall remain in effect so long as Grantee has the obligation to maintain such files, records, books, invoices, documents, payrolls and other data under this Article 6.

**6.8 Submitting False Claims; Monetary Penalties.** Grantee acknowledges and agrees that it is a "contractor" under and is subject to San Francisco Administrative Code Section 21.35. Under such Section 21.35, any contractor, subgrantee or consultant who submits a false claim shall be liable to City for three times the amount of damages which City sustains because of the false claim. A contractor, subgrantee or consultant who submits a false claim shall also be liable to City for the costs, including attorney's fees, of a civil action brought to recover any of those penalties or damages, and may be liable to City for a civil penalty of up to Ten Thousand Dollars (\$10,000) for each false claim. A contractor, subgrantee or consultant will be deemed to have submitted a false claim to City if the contractor, subgrantee or consultant: (a) knowingly presents or causes to be presented to an officer or employee of 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 City; (c) conspires to defraud City by getting a false claim allowed or paid by 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 City; or (e) is a beneficiary of an inadvertent submission of a false claim to City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to City within a reasonable time after discovery of the false claim.

**6.9 Project Monitoring Generally.** Grantee 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. Grantee acknowledges that the City may also conduct periodic on-site inspections of the Project. Grantee

must 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.

**6.10 Notice Requirement for Changes in Director Positions.** Grantee must provide written notice of the replacement of its executive director, director of housing development, director of property management and/or any equivalent position within thirty (30) days after the effective date of such replacement.

## **ARTICLE 7 TAXES**

**7.1 Grantee to Pay All Taxes.** Grantee shall pay to the appropriate governmental authority, as and when due, any and all taxes, fees, assessments or other governmental charges, including possessory interest taxes and California sales and use taxes, levied upon or in connection with this Agreement, the Grant Funds or any of the activities contemplated by this Agreement.

**7.2 Use of City Real Property.** If at any time this Agreement entitles Grantee to the possession, occupancy or use of City real property for private gain, the following provisions shall apply:

(a) Grantee, on behalf of itself and any subgrantees, successors and assigns, recognizes and understands that this Agreement may create a possessory interest subject to property taxation and Grantee, and any subgrantee, successor or assign, may be subject to the payment of such taxes.

(b) Grantee, on behalf of itself and any subgrantees, successors and assigns, further recognizes and understands that any assignment permitted hereunder and any exercise of any option to renew or other extension of this Agreement may constitute a change in ownership for purposes of property taxation and therefore may result in a revaluation of any possessory interest created hereunder. Grantee shall report any assignment or other transfer of any interest in this Agreement or any renewal or extension thereof to the County Assessor within sixty (60) days after such assignment, transfer, renewal or extension.

(c) Grantee shall provide such other information as may be requested by City to enable City to comply with any reporting requirements under applicable law with respect to possessory interests.

**7.3 Earned Income Credit (EIC) Forms.** Administrative Code Section 12O requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found.

(a) Grantee shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty (30) days following the date on which this Agreement becomes effective (unless Grantee has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by Grantee; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement.

(b) Failure to comply with any requirement contained in subparagraph (a) of this Section shall constitute a material breach by Grantee of the terms of this Agreement. If, within thirty (30) days after Grantee receives written notice of such a breach, Grantee fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty (30) days, Grantee fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the City may pursue any rights or remedies available under this Agreement or under applicable law.

(c) Any Subcontract entered into by Grantee shall require the subgrantee to comply, as to the subgrantee's Eligible Employees, with each of the terms of this Section.

(d) Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 120 of the San Francisco Administrative Code.

## ARTICLE 8 REPRESENTATIONS AND WARRANTIES

Grantee represents and warrants each of the following as of the date of this Agreement and at all times throughout the term of this Agreement:

**8.1 Organization; Authorization.** Grantee shall be a limited liability company or a limited partnership, and Grantee's manager, if Grantee is a limited liability company, or Grantee's general partner, or the general partner's sole member of the general partner (if general partner is a limited liability company), is a nonprofit corporation, duly organized and validly existing and in good standing under the laws of the jurisdiction in which it was formed, and which has established and maintains valid nonprofit status under Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended, and all rules and regulations promulgated thereunder. Grantee has duly authorized by all necessary action the execution, delivery and performance of this Agreement. Grantee has duly executed and delivered this Agreement and this Agreement constitutes a legal, valid and binding obligation of Grantee, enforceable against Grantee in accordance with the terms hereof.

**8.2 Location.** Grantee's operations, offices and headquarters are located at the address for notices set forth in Section 15.

**8.3 No Misstatements.** No document furnished or to be furnished by Grantee to MOHCD in connection with the Application Documents, this Agreement, or any other document relating to any of the foregoing, contains or will contain any untrue statement of material fact or omits or will omit a material fact necessary to make the statements contained therein not misleading, under the circumstances under which any such statement shall have been made.

**8.4 Conflict of Interest.** Through its execution of this Agreement, Grantee acknowledges that it is familiar with the provision of Section 15.103 of the City's 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, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify MOHCD if it becomes aware of any such fact during the term of this Agreement.

**8.5 [Intentionally Omitted]**

## ARTICLE 9 INDEMNIFICATION AND GENERAL LIABILITY

**9.1 Indemnification.** Grantee shall indemnify, protect, defend and hold harmless each of the Indemnified Parties from and against any and all Losses arising from, in connection with or caused by: (a) a material breach of this Agreement by Grantee; (b) a material breach of any representation or warranty of Grantee contained in this Agreement; (c) any personal injury caused, directly or indirectly, by any act or omission of Grantee or its employees, subgrantees or agents; (d) any property damage caused, directly or indirectly by any act or omission of Grantee or its employees, subgrantees or agents; (e) the use, misuse or failure of any equipment or facility used by Grantee, or by any of its employees, subgrantees or agents, regardless of whether such equipment or facility is furnished, rented or loaned to Grantee by an Indemnified Party; (f) any tax, fee, assessment or other charge for which Grantee is responsible under Article 7; or (g) any infringement of patent rights, copyright, trade secret or any other proprietary right or trademark of any person or entity in consequence of the use by any Indemnified Party of any goods or services furnished to such Indemnified Party in connection with this Agreement. Grantee's obligations under the immediately preceding sentence shall apply to any Loss that is caused in

whole or in part by the active or passive negligence of any Indemnified Party, but shall exclude any Loss caused solely by the willful misconduct or gross negligence of the Indemnified Party. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigating any claims against the City.

**9.2 Duty to Defend; Notice of Loss.** Grantee acknowledges and agrees that its obligation to defend the Indemnified Parties under Section 9.1: (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 9.1, 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 Grantee by the Indemnified Party and continues at all times thereafter. The Indemnified Party shall give Grantee prompt notice of any Loss under Section 9.1 and Grantee shall have the right to defend, settle and compromise any such Loss; provided, however, that the Indemnified Party shall have the right to retain its own counsel at the expense of Grantee if representation of such Indemnified Party by the counsel retained by Grantee would be inappropriate due to conflicts of interest between such Indemnified Party and Grantee. An Indemnified Party's failure to notify Grantee promptly of any Loss shall not relieve Grantee of any liability to such Indemnified Party pursuant to Section 9.1, unless such failure materially impairs Grantee's ability to defend such Loss. Grantee shall seek the Indemnified Party's prior written consent to settle or compromise any Loss if Grantee contends that such Indemnified Party shares in liability with respect thereto.

**9.3 Incidental and Consequential Damages.** Losses covered under this Article 9 shall include any and all incidental and consequential damages resulting in whole or in part from Grantee's acts or omissions. Nothing in this Agreement shall constitute a waiver or limitation of any rights that any Indemnified Party may have under applicable law with respect to such damages.

**9.4 LIMITATION ON LIABILITY OF CITY.** CITY'S OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE AGGREGATE AMOUNT OF GRANT FUNDS ACTUALLY DISBURSED HEREUNDER. NOTWITHSTANDING ANY OTHER PROVISION CONTAINED IN THIS AGREEMENT, THE APPLICATION DOCUMENTS OR ANY OTHER DOCUMENT OR COMMUNICATION RELATING TO THIS AGREEMENT, IN NO EVENT SHALL CITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, THE GRANT FUNDS OR ANY ACTIVITIES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

## **ARTICLE 10 INSURANCE.**

**10.1 Types and Amounts of Coverage.** Without limiting Grantee's liability pursuant to Article 9, Grantee shall maintain in force, during the full term of this Agreement, insurance in the following amounts and coverages:

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

(b) Commercial General Liability Insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations.

(c) Commercial Automobile Liability Insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

(d) Professional liability insurance for negligent acts, errors or omission with respect to professional or technical services, if any, required in the performance of this Agreement with limits not less than One Million Dollars (\$1,000,000) each claim.

**10.2 Additional Requirements for General and Automobile Coverage.** Commercial General Liability and Commercial Automobile Liability insurance policies shall:

(a) Name as additional insured City and its officers, agents and employees. With respect to the Commercial Automobile Insurance the City and its officers, agents and employees shall only be additional insured as to liability arising out of the use, by Grantee's employees, of automobiles, whether owned, leased, hired or borrowed, in connection with the Project.

(b) 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 insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to limits of liability.

**10.3 Additional Requirements for All Policies.** Contractor shall provide thirty (30) days' advance written notice to City of cancellation of policy for any reason, nonrenewal or reduction in coverage and specific notice mailed to City's address for notices pursuant to Article 15 .

**10.4 Required Post-Expiration Coverage.** Should any of the insurance required hereunder be provided under a claims-made form, Grantee shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three (3) years beyond the expiration or termination of this Agreement, to the effect that, should occurrences during the term hereof give rise to claims made after expiration or termination of the Agreement, such claims shall be covered by such claims-made policies.

**10.5 General Annual Aggregate Limit/Inclusion of Claims Investigation or Legal Defense Costs.** Should any of the insurance required hereunder be 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 shall be double the occurrence or claims limits specified above.

**10.6 Evidence of Insurance.** Before commencing any operations under this Agreement, Grantee shall furnish to City certificates of insurance, and additional insured policy endorsements, in form and with insurers satisfactory to City, evidencing all coverages set forth above, and shall furnish complete copies of policies promptly upon City's request. Before commencing any operations under this Agreement, Grantee shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

**10.7 Effect of Approval.** Approval of any insurance by City shall not relieve or decrease the liability of Grantee hereunder.

## ARTICLE 11 EVENTS OF DEFAULT AND REMEDIES

**11.1 Events of Default.** The occurrence of any one or more of the following events shall constitute an "Event of Default" under this Agreement:

(a) **False Statement.** Any statement, representation or warranty contained in this Agreement, in the Application Documents, or in any other document submitted to City under this Agreement is found by City to be false or misleading when made.

**(b) Improper Use of Grant Funds; Failure to Perform Other Covenants and Obligations.**

Grantee uses Grant Funds for any purpose other than for the payment of Operating Costs (or reimbursement for its advance payment thereof), fails to use the Subsidy Payments it receives to pay Operating Costs (or reimbursement for its advance payment thereof), or otherwise fails to perform or breaches any other agreement or covenant of this Agreement to be performed or observed by Grantee as and when performance or observance is due and such failure or breach continues for a period of ten (10) days after the date on which such performance or observance is due, or if such breach can not be cured in ten (10) days, then City shall not exercise its remedies hereunder as long as Grantee continues to diligently pursue a cure of the breach; provided, however, that: (i) in the case of an improper use of Grant Funds, in no event shall such cure period extend beyond thirty (30) days after the date on which such performance or observance is due, and (ii) in the case of other defaults under this Section 11.1(b), in no event shall such cure period extend beyond ninety (90) days after the date on which such performance or observance is due.

**(c) Default under City Loan Documents or Senior Loan Documents.** Grantee defaults under any City Loan Document or any of the Senior Loan Documents (after expiration of any grace period expressly stated in any such agreement).

**(d) Voluntary Insolvency.** Grantee (i) is generally not paying its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Grantee or of any substantial part of Grantee's property or (v) takes action for the purpose of any of the foregoing.

**(e) Involuntary Insolvency.** Without consent by Grantee, a court or government authority enters an order, and such order is not vacated within 60 days, (i) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Grantee or with respect to any substantial part of Grantee's property, (ii) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (iii) ordering the dissolution, winding-up or liquidation of Grantee.

**(f) New Encumbrances.** Any lien is recorded against all or any part of the Real Property or the Project without MOHCD's prior written consent, and the lien is not removed from title or otherwise remedied to MOHCD's satisfaction within thirty (30) days after Grantee's receipt of written notice from MOHCD to cure the default, or, if the default cannot be cured within a thirty (30) day period, Grantee will have sixty (60) days to cure the default, or any longer period of time deemed necessary by MOHCD, provided that Grantee commences to cure the default within the thirty (30) day period and diligently pursues the cure to completion.

**(g) Damage or Destruction.** All or a substantial or material portion of the Project is damaged or destroyed by fire or other casualty or 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 Project cannot be operated for its intended purpose.

**(h) Dissolution.** Grantee or Grantee's general partners are dissolved or liquidated or merged with or into any other entity or 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 all or substantially all of Grantee's assets are sold or otherwise transferred except as permitted.

(i) **Assignment.** Without MOHCD's prior written consent, Grantee assigns or attempts to assign any rights or interest under this Agreement or encumber its interests hereunder, whether voluntarily or involuntarily, or voluntarily or involuntarily assigns or attempts to sell, lease, assign, encumber or otherwise transfer all or any portion of the ownership interests in Grantee or of its right, title or interest in the Project or the Real Property, other than: (a) leases, subleases or occupancy agreements to occupants of Units and/or Commercial Space in the Project; or (b) security interests for the benefit of lenders securing loans for the Project as approved by the City on terms and in amounts as approved by City in its reasonable discretion (c) transfers from Borrower to a limited partnership or limited liability company formed for the tax credit syndication of the Project, where Borrower or an affiliated nonprofit public benefit corporation is the sole general partner or manager of that entity; (d) transfers of the general partner's or manager's interest in Borrower to a nonprofit public benefit corporation approved in advance by the City; (e) transfers of any limited partnership or membership interest in Borrower to an investor pursuant to the tax credit syndication of the Project or any subsequent transfer of a limited partnership interest in Borrower by an investor limited partner in Borrower, or any direct or indirect transfer of a limited partnership interest or membership interest in any investor limited partner in Borrower; (f) any transfer permitted under the City Documents; or (g) 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. 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.

(j) **Account Transfers.** Without MOHCD's prior written consent, to the extent such consent is required pursuant to this Agreement, Grantee transfers, or authorizes the transfer of, funds in any account required or authorized under this Agreement.

(k) **Changed Financing Condition.** Any material adverse change occurs in the financial condition or operations of Grantee, such as a loss of services funding or rental subsidies (excluding the reduction of any Subsidy Payment hereunder) that has a material adverse impact on the Project.

An Event of Default under this Agreement that remains uncured shall be a default under the City Loan Documents.

**11.2 Remedies Upon Event of Default.** Upon and during the continuance of an Event of Default, City may do any of the following, individually or in combination with any other remedy:

(a) **Termination.** City may terminate this Agreement by giving a written termination notice to Grantee and, on the date specified in such notice, this Agreement shall terminate and all rights and obligations of Grantee hereunder shall be extinguished. In the event of such termination, the City will allow Grantee to use previously disbursed Subsidy Payment funds to pay for only Operating Costs incurred prior to the termination date. The remaining balance of any Subsidy Payment not used to pay for previously incurred Operating Costs must be returned to the City..

(b) **Withholding of Grant Funds.** City may withhold all or any portion of Grant Funds not yet disbursed hereunder. Any Grant Funds withheld pursuant to this Section and subsequently disbursed to Grantee after cure of applicable Events of Default shall be disbursed without interest.

(c) **Offset.** City may offset against all or any portion of undisbursed Grant Funds hereunder or against any payments due to Grantee under the MOHCD Loan Agreement or any other agreement between Grantee and City the amount of any outstanding Loss incurred by any Indemnified Party, including any Loss incurred as a result of the Event of Default.

(d) **Return of Grant Funds.** City may demand the immediate return of any previously disbursed Grant Funds that have been claimed or expended by Grantee in breach of the terms of this Agreement, together with interest thereon from the date of disbursement at the maximum rate permitted under applicable law.

**11.3 Remedies Nonexclusive.** Each of the remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available under this Agreement, any other City Document and/or Applicable Laws. The remedies contained herein are in addition to all other remedies available to City at law or in equity by statute or otherwise and the exercise of any such remedy shall not preclude or in any way be deemed to waive any other remedy.

## **ARTICLE 12 DISCLOSURE OF INFORMATION AND DOCUMENTS**

**12.1 Proprietary or Confidential Information of City.** Grantee understands and acknowledges that, in the performance of this Agreement or in contemplation thereof, Grantee may have access to private or confidential information that may be owned or controlled by City and that such information may contain proprietary or confidential information, the disclosure of which to third parties may be damaging to City. Grantee agrees that all information disclosed by City to Grantee shall be held in confidence and used only in the performance of this Agreement. Grantee shall exercise the same standard of care to protect such information as a reasonably prudent nonprofit entity would use to protect its own proprietary or confidential data.

**12.2 Sunshine Ordinance.** Grantee acknowledges and agrees that this Agreement and the Application Documents are subject to Section 67.24(e) of the San Francisco Administrative Code, which provides that contracts, including this Agreement, grantee's bids, responses to Requests for Proposals (RFPs) and all other records of communications between City and persons or entities seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in such Section 67.24(e) (as it exists on the date hereof) requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. All information provided by Grantee 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.

**12.3 Financial Projections.** Pursuant to San Francisco Administrative Code Section 67.32, Grantee has on or before the date hereof provided to City financial projections, including profit and loss figures, for the Project. The Grantee acknowledges and agrees that the financial projections and audited financial statements required under this Agreement shall be public records subject to disclosure upon request.

## **ARTICLE 13 ASSIGNMENTS AND SUBCONTRACTING**

**13.1 No Assignment by Grantee.** Grantee shall not, either directly or indirectly, assign, transfer, hypothecate, subcontract or delegate all or any portion of this Agreement or any rights, duties or obligations of Grantee hereunder without the prior written consent of City. This Agreement shall not, nor shall any interest herein, be assignable as to the interest of Grantee involuntarily or by operation of law without the prior written consent of City. A change of ownership or control of Grantee or a sale or transfer of substantially all of the assets of Grantee shall be deemed an assignment for purposes of this Agreement. Notwithstanding any provision of this Agreement to the contrary, this Section 13.1 shall not prevent transfers that are expressly permitted under the City Loan Documents.

**13.2 Agreement Made in Violation of this Article.** Any agreement made in violation of Section 13.1 shall confer no rights on any person or entity and shall automatically be null and void.



**13.3 Subcontracting.** Grantee shall not subcontract or assign any portion of this Agreement to any other party without the prior written consent of City; notwithstanding the foregoing, Grantee may subcontract for property management and maintenance without the consent of the City.

**13.4 Grantee Retains Responsibility.** Grantee shall in all events remain liable for the performance by any assignee or subgrantee of all of the covenants terms and conditions contained in this Agreement.

#### **ARTICLE 14 INDEPENDENT CONTRACTOR STATUS**

**14.1 Nature of Agreement.** Grantee shall be deemed at all times to be an independent contractor and is solely responsible for the manner in which Grantee uses the Grant Funds. Grantee shall at all times remain solely liable for the acts and omissions of Grantee, its officers and directors, employees and agents. Nothing in this Agreement shall be construed as creating a partnership, joint venture, employment or agency relationship between City and Grantee.

**14.2 Direction.** Any terms in this Agreement referring to direction or instruction from MOHCD or City shall be construed as providing for direction as to policy and the result of Grantee's work only, and not as to the means by which such a result is obtained.

**14.3 Consequences of Recharacterization.**

(a) Should City, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Grantee is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by Grantee which can be applied against this liability). City shall subsequently forward such amounts to the relevant taxing authority.

(b) Should a relevant taxing authority determine a liability for past services performed by Grantee for City, upon notification of such fact by City, Grantee shall promptly remit such amount due or arrange with City to have the amount due withheld from future payments to Grantee under this Agreement (again, offsetting any amounts already paid by Grantee which can be applied as a credit against such liability).

(c) A determination of employment status pursuant to either subsection (a) or (b) of this Section 14.3 shall be solely for the purposes of the particular tax in question, and for all other purposes of this Agreement, Grantee shall not be considered an employee of City. Notwithstanding the foregoing, if any court, arbitrator, or administrative authority determine that Grantee is an employee for any other purpose, Grantee agrees to a reduction in City's financial liability hereunder such that the aggregate amount of Grant Funds under this Agreement does not exceed what would have been the amount of such Grant Funds had the court, arbitrator, or administrative authority had not determined that Grantee was an employee.

#### **ARTICLE 15 NOTICES AND OTHER COMMUNICATIONS**

**15.1 Requirements.** Unless otherwise specifically provided herein, all notices, consents, directions, approvals, instructions, requests and other communications hereunder shall be in writing, shall be addressed to the person and address set forth below and shall be (a) deposited in the U.S. mail, first class, certified with return receipt requested and with appropriate postage, (b) hand delivered, (c) sent by facsimile (if a facsimile number is provided below), provided that a copy of such notice shall be deposited in the U.S. mail, first class, or (d) deposited with a nationally-recognized overnight delivery service, provided that next business-day delivery is requested:

If to MOHCD or City: Mayor's Office of Housing and Community Development  
One South Van Ness, 5<sup>th</sup> Floor  
San Francisco, CA 94103  
Attn: Asset Manager  
Telephone No.: 415-701-5500  
Facsimile No.: 415-701-5501

If to Grantee: CHP Scott Street LLC, a California limited liability company

Community Housing Partnership,  
20 Jones Street  
San Francisco, CA 94102  
Attention: Executive Director

With a copy to:

\_\_\_\_\_  
\_\_\_\_\_  
San Francisco, CA 94103  
Attn: Vice President

With a copy to:

\_\_\_\_\_  
\_\_\_\_\_  
Attention: General Counsel

**15.2 Effective Date.** All communications sent in accordance with Section 15.1 shall become effective on the date of receipt. Such date of receipt shall be determined by: (a) if mailed, the return receipt, completed by the U.S. postal service; (b) if sent by hand delivery, a receipt executed by a duly authorized agent of the party to whom the notice was sent; (c) if sent by facsimile, the date of telephonic confirmation of receipt by a duly authorized agent of the party to whom the notice was sent or, if such confirmation is not reasonably practicable, the date indicated in the facsimile machine transmission report of the party giving such notice; or (d) if sent by nationally-recognized overnight delivery service, the next business day following deposit therewith, provided that next business-day delivery is requested.

**15.3 Change of Address.** From time to time any party hereto may designate a new address for purposes of this Article 15 by notice to the other party.

## ARTICLE 16 COMPLIANCE

### 16.1 Left blank by agreement of the Parties.

### 16.2 Nondiscrimination; Penalties.

(a) **Grantee Shall Not Discriminate.** In the performance of this Agreement, Grantee agrees not to discriminate against any employee, City and County employee working with such grantee or subgrantee, applicant for employment with such grantee or subgrantee, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, 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.** Grantee shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all

subgrantees to comply with such provisions. Grantee's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

(c) **Non-Discrimination in Benefits.** Grantee 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, Grantee shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

(e) **Incorporation of Administrative Code Provisions by Reference.** The provisions of Chapters 12B and 12C 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. Grantee shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters of the Administrative Code, including the remedies provided in such Chapters. Without limiting the foregoing, Grantee understands that pursuant to Sections 12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of Fifty Dollars (\$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 Grantee and/or deducted from any payments due Grantee.

**16.3 MacBride Principles--Northern Ireland.** 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. 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 Grantee acknowledges and agrees that he or she has read and understood this Section.

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

**16.5 Drug-Free Workplace Policy.** Grantee acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City premises. Grantee and its employees, agents or assigns shall comply with all terms and provisions of such Act and the rules and regulations promulgated thereunder.

**16.6 Resource Conservation; Liquidated Damages.** Chapter 5 of the San Francisco Environment Code (Resource Conservation) is incorporated herein by reference. Failure by Grantee to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of contract. If Grantee fails to comply in good faith with any of the provisions of Chapter 5, Grantee shall be liable for liquidated damages in an amount equal to Grantee's net profit under this Agreement, or five percent (5%) of the total contract amount, whichever is greater. Grantee acknowledges and agrees that the liquidated damages assessed shall be payable to City upon demand and may be offset against any monies due to Grantee from any contract with City.

**16.7 Compliance with ADA.** Grantee acknowledges that, pursuant to the ADA, programs, services and other activities provided by a public entity to the public, whether directly or through a grantee or

contractor, must be accessible to the disabled public. Grantee shall not discriminate against any person protected under the ADA in connection with its activities hereunder and shall comply at all times with the provisions of the ADA.

#### **16.8 Requiring Minimum Compensation for Employees.**

a. Grantee agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at [www.sfgov.org/olse/mco](http://www.sfgov.org/olse/mco). A partial listing of some of Grantee's obligations under the MCO is set forth in this Section. Grantee is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Section.

b. The MCO requires Grantee to pay Grantee's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and Grantee is obligated to keep informed of the then-current requirements. Any subcontract entered into by Grantee shall require the subgrantee to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is Grantee's obligation to ensure that any subgrantees of any tier under this Agreement comply with the requirements of the MCO. If any subgrantee under this Agreement fails to comply, City may pursue any of the remedies set forth in this Section against Grantee.

c. Grantee shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

d. Grantee shall maintain employee and payroll records as required by the MCO. If Grantee fails to do so, it shall be presumed that the Grantee paid no more than the minimum wage required under State law.

e. The City is authorized to inspect Grantee's job sites and conduct interviews with employees and conduct audits of Grantee

f. Grantee's commitment to provide the Minimum Compensation is a material element of the City's consideration for this Agreement. The City in its sole discretion shall determine whether such a breach has occurred. The City and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Grantee fails to comply with these requirements. Grantee agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the City and the public will incur for Grantee's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

g. Grantee understands and agrees that if it fails to comply with the requirements of the MCO, the City shall have the right to pursue any rights or remedies available under Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, Grantee fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Grantee fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue any rights or remedies available under applicable law,

including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

h. Grantee 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 MCO.

i. If Grantee is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than \$25,000, but Grantee later enters into an agreement or agreements that cause Grantee to exceed that amount in a fiscal year, Grantee shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Grantee and this department to exceed \$25,000 in the fiscal year.

**16.9 Limitations on Contributions.** Through execution of this Agreement, Grantee acknowledges that it is familiar with Section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Grantee acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Grantee further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Grantee's board of directors; Grantee's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Grantee; any subgrantee listed in the bid or contract; and any committee that is sponsored or controlled by Grantee. Additionally, Grantee acknowledges that Grantee must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126.

#### **16.10 First Source Hiring Program.**

**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 shall 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 shall have the meanings assigned to such terms in Chapter 83.

**b. First Source Hiring Agreement.** As an essential term of, and consideration for, any contract or property contract with the City, not exempted by the FSHA, the Contractor shall enter into a first source hiring agreement ("agreement") with the City, on or before the effective date of the contract or property contract. Contractors shall also enter into an agreement with the City for any other work that it performs in the City. Such agreement shall:

(1) Set appropriate hiring and retention goals for entry level positions. The employer shall agree to achieve these hiring and retention goals, or, if unable to achieve these goals, to establish good faith efforts as to its attempts to do so, as set forth in the agreement. The agreement shall take into

consideration the employer's participation in existing job training, referral and/or brokerage programs. Within the discretion of the FSHA, subject to appropriate modifications, participation in such programs maybe certified as meeting the requirements of this Chapter. Failure either to achieve the specified goal, or to establish good faith efforts will constitute noncompliance and will subject the employer to the provisions of Section 83.10 of this Chapter.

(2) Set first source interviewing, recruitment and hiring requirements, which will provide the San Francisco Workforce Development System with the first opportunity to provide qualified economically disadvantaged individuals for consideration for employment for entry level positions. Employers shall consider all applications of qualified economically disadvantaged individuals referred by the System for employment; provided however, if the employer utilizes nondiscriminatory screening criteria, the employer shall have the sole discretion to interview and/or hire individuals referred or certified by the San Francisco Workforce Development System as being qualified economically disadvantaged individuals. The duration of the first source interviewing requirement shall be determined by the FSHA and shall be set forth in each agreement, but shall not exceed 10 days. During that period, the employer may publicize the entry level positions in accordance with the agreement. A need for urgent or temporary hires must be evaluated, and appropriate provisions for such a situation must be made in the agreement.

(3) Set appropriate requirements for providing notification of available entry level positions to the San Francisco Workforce Development System so that the System may train and refer an adequate pool of qualified economically disadvantaged individuals to participating employers. Notification should include such information as employment needs by occupational title, skills, and/or experience required, the hours required, wage scale and duration of employment, identification of entry level and training positions, identification of English language proficiency requirements, or absence thereof, and the projected schedule and procedures for hiring for each occupation. Employers should provide both long-term job need projections and notice before initiating the interviewing and hiring process. These notification requirements will take into consideration any need to protect the employer's proprietary information.

(4) Set appropriate record keeping and monitoring requirements. The First Source Hiring Administration shall develop easy-to-use forms and record keeping requirements for documenting compliance with the agreement. To the greatest extent possible, these requirements shall utilize the employer's existing record keeping systems, be nonduplicative, and facilitate a coordinated flow of information and referrals.

(5) Establish guidelines for employer good faith efforts to comply with the first source hiring requirements of this Chapter. The FSHA will work with City departments to develop employer good faith effort requirements appropriate to the types of contracts and property contracts handled by each department. Employers shall appoint a liaison for dealing with the development and implementation of the employer's agreement. In the event that the FSHA finds that the employer under a City contract or property contract has taken actions primarily for the purpose of circumventing the requirements of this Chapter, that employer shall be subject to the sanctions set forth in Section 83.10 of this Chapter.

(6) Set the term of the requirements.

(7) Set appropriate enforcement and sanctioning standards consistent with this Chapter.

(8) Set forth the City's obligations to develop training programs, job applicant referrals, technical assistance, and information systems that assist the employer in complying with this Chapter.

(9) Require the developer to include notice of the requirements of this Chapter in leases, subleases, and other occupancy contracts.

**c. Hiring Decisions.** Contractor shall make the final determination of whether an Economically Disadvantaged Individual referred by the System is “qualified” for the position.

**d. Exceptions.** Upon application by Employer, 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.** Contractor 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 contractor'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 an employer 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

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 shall be made by the FSHA.

**f. Subcontracts.** Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of Chapter 83 and shall contain contractual obligations substantially the same as those set forth in this Section.

**16.11 Prohibition on Political Activity with City Funds.** In accordance with S. F. Administrative Code Chapter 12.G, no funds appropriated by the City and County of San Francisco for this Agreement may be expended for organizing, creating, funding, participating in, supporting, or attempting to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity"). The terms of San Francisco Administrative Code Chapter 12.G are incorporated herein by this reference. Accordingly, an employee working in any position funded under this Agreement shall not engage in any Political Activity during the work hours funded hereunder, nor shall any equipment or resource funded by this Agreement be used for any Political Activity. In the event Grantee, or any staff member in association with Grantee, engages in any Political Activity, then (i) Grantee shall keep and maintain appropriate records to evidence compliance with this Section, and (ii) Grantee shall have the burden to prove that no funding from this Agreement has been used for such Political Activity. Grantee agrees to cooperate with any audit by the City or its designee in order to ensure compliance with this Section. In the event Grantee violates the provisions of this Section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement and any other agreements between Grantee and City, (ii) prohibit Grantee from bidding on or receiving any new City contract for a period of two (2) years, and (iii) obtain reimbursement of all funds previously disbursed to Grantee under this Agreement.

**16.12 Preservative-treated Wood Containing Arsenic.** Grantee may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement 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" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Grantee 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 Grantee from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term



“saltwater immersion” shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

**16.13 16. Supervision of Minors.** Grantee, and any subgrantees, shall comply with California Penal Code section 11105.3 and request from the Department of Justice records of all convictions or any arrest pending adjudication involving the offenses specified in Welfare and Institution Code section 15660(a) of any person who applies for employment or volunteer position with Grantee, or any subgrantee, in which he or she would have supervisory or disciplinary power over a minor under his or her care.

If Grantee, or any subgrantee, is providing services at a City park, playground, recreational center or beach (separately and collectively, “Recreational Site”), Grantee shall not hire, and shall prevent its subgrantees from hiring, any person for employment or volunteer position to provide those services if that person has been convicted of any offense that was listed in former Penal Code section 11105.3 (h)(1) or 11105.3(h)(3).

If Grantee, or any of its subgrantees, hires an employee or volunteer to provide services to minors at any location other than a Recreational Site, and that employee or volunteer has been convicted of an offense specified in Penal Code section 11105.3(c), then Grantee shall comply, and cause its subgrantees to comply with that section and provide written notice to the parents or guardians of any minor who will be supervised or disciplined by the employee or volunteer not less than ten (10) days prior to the day the employee or volunteer begins his or her duties or tasks. Grantee shall provide, or cause its subgrantees to provide City with a copy of any such notice at the same time that it provides notice to any parent or guardian.

Grantee shall expressly require any of its subgrantees with supervisory or disciplinary power over a minor to comply with this section of the Agreement as a condition of its contract with the subgrantee.

Grantee acknowledges and agrees that failure by Grantee or any of its subgrantees to comply with any provision of this section of the Agreement shall constitute an Event of Default.

**16.14 Protection of Private Information.** Grantee agrees to comply fully with and be bound by all of the provisions of Chapter 12M of the San Francisco Administrative Code (“Protection of Private Information”), including the remedies provided. The provisions of Chapter 12M are incorporated herein by reference and made a part of this Agreement as though fully set forth. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12M. Consistent with the requirements of Chapter 12M, Grantee agrees to all of the following:

(a) Neither Grantee nor any of its subgrantees shall disclose Private Information obtained from the City in the performance of this Agreement to any other subgrantee, person, or other entity, unless one of the following is true:

- (1) The disclosure is authorized by this Agreement;
- (2) The Grantee received advance written approval from the Contracting Department to disclose the information; or
- (3) The disclosure is expressly required by a judicial order.

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

(c) "Private Information" shall mean 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.

(d) Any failure of Grantee to comply with Chapter 12M shall be a material breach of this Agreement. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate this Agreement, debar Grantee, or bring a false claim action against Grantee.

**16.15 Public Access to Meetings and Records.** If the Grantee 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, the Grantee shall comply with and be bound by all the applicable provisions of that Chapter. By executing this Agreement, the Grantee agrees to open its meetings and records to the public in the manner set forth in Sections 12L.4 and 12L.5 of the Administrative Code. The Grantee further agrees to make good-faith efforts to promote community membership on its Board of Directors in the manner set forth in Section 12L.6 of the Administrative Code. The Grantee acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Agreement. The Grantee further acknowledges that such material breach of the Agreement shall be grounds for the City to terminate and/or not renew the Agreement, partially or in its entirety.

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

Grantee shall remove all graffiti from any real property owned or leased by Grantee in the City and County of San Francisco within forty eight (48) hours of the earlier of Grantee'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 Grantee to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 *et seq.*) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. Sections 101 *et seq.*).

Any failure of Grantee to comply with this Section shall constitute an Event of Default of this Agreement.

**16.17 Food Service Waste Reduction Requirements.** Grantee 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, Grantee agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Grantee agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Grantee's failure to comply with this provision.

#### **16.18 Slavery Era Disclosure.**

(a) Grantee acknowledges that this Agreement shall not be binding upon the City until the Director receives the affidavit required by the San Francisco Administrative Code's Chapter 12Y, "San Francisco Slavery Era Disclosure Ordinance."

(b) In the event the Director finds that Grantee has failed to file an affidavit as required by Section 12Y.4(a) and this Agreement, or has willfully filed a false affidavit, the Grantee shall be liable for liquidated damages in an amount equal to the Grantee's net profit on the Agreement, 10 percent of the total amount of the Agreement, or \$1,000, whichever is greatest as determined by the Director. Grantee acknowledges and agrees that the liquidated damages assessed shall be payable to the City upon demand and may be set off against any monies due to the Grantee from any Agreement with the City.

(c) Grantee shall maintain records necessary for monitoring their compliance with this provision.

**16.19 Compliance with Other Laws.** Without limiting the scope of any of the preceding sections of this Article 16, Grantee shall keep itself fully informed of City's Charter, codes, ordinances and regulations and all state, and federal laws, rules and regulations affecting the performance of this Agreement and shall at all times comply with such Charter codes, ordinances, and regulations rules and laws.

### **ARTICLE 17 MISCELLANEOUS**

**17.1 No Waiver.** No waiver by MOHCD or City of any default or breach of this Agreement shall be implied from any failure by MOHCD or City to take action on account of such default if such default persists or is repeated. No express waiver by MOHCD or City shall affect any default other than the default specified in the waiver and shall be operative only for the time and to the extent therein stated. Waivers by City or MOHCD of any covenant, term or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The consent or approval by MOHCD or City of any action requiring further consent or approval shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent similar act.

**17.2 Modification.** This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Agreement.

**17.3 Administrative Remedy for Agreement Interpretation.** Should any question arise as to the meaning or intent of this Agreement, the question shall, prior to any other action or resort to any other legal remedy, be referred to the director or president, as the case may be, of MOHCD who shall decide the true meaning and intent of the Agreement. Such decision shall be final and conclusive.

**17.4 Governing Law; Venue.** The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California, without regard to its conflict of laws principles. Venue

for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

**17.5 Headings.** All article and section headings and captions contained in this Agreement are for reference only and shall not be considered in construing this Agreement.

**17.6 Entire Agreement.** This Agreement and the Application Documents set forth the entire Agreement between the parties, and supersede all other oral or written provisions. If there is any conflict between the terms of this Agreement and the Application Documents, the terms of this Agreement shall govern. The following appendices are attached to and a part of this Agreement:

- Exhibit A, Projected Project Subsidy Payments
- Exhibit B, LOSP Client Selection Criteria
- Exhibit C, Real Property Legal Description
- Exhibit D, Form of Referral Report
- Exhibit E, Annual Operating Budget for Initial Operating Period and 15-Year Cash Flow
- Exhibit F, Lobbying/Debarment Certification Form
- Exhibit G, Annual Monitoring Report
- Exhibit H, Tenant Selection Plan Policy
- Exhibit I, Tenant Screening Criteria Policy
- Exhibit J, Operational Rules for Residential Certificate of Preference (COP) Holder and Ellis Act Housing Preference (EAHP) Priority

**17.7 Certified Resolution of Signatory Authority.** Upon request of City, Grantee shall deliver to City a copy of the corporate resolution(s) authorizing the execution, delivery and performance of this Agreement, certified as true, accurate and complete by the secretary or assistant secretary of Grantee.

**17.8 Severability.** Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

**17.9 Successors; No Third-Party Beneficiaries.** Subject to the terms of Article 13, the terms of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors and assigns. Nothing in this Agreement, whether express or implied, shall be construed to give any person or entity (other than the parties hereto and their respective successors and assigns and, in the case of Article 9, the Indemnified Parties) any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

**17.10 Survival of Terms.** The obligations of Grantee and the terms of the following provisions of this Agreement shall survive and continue following expiration or termination of this Agreement:

Section 6.4	Financial Statements.	Article 7	Taxes
Section 6.5	Books and Records.	Article 9	Indemnification and
Section 6.6	Inspection and Audit.		General Liability
Section 6.7	Submitting False Claims; Monetary Penalties	Section 10.4	Required Post-Expiration Coverage.
Section 6.8	Ownership of Results.		

Article 12	Disclosure of Information and Documents
Section 13.4	Grantee Retains Responsibility.
Section 14.3	Consequences of Recharacterization.
This Article 17	Miscellaneous

**17.11 Further Assurances.** From and after the date of this Agreement, Grantee agrees to do such things, perform such acts, and make, execute, acknowledge and deliver such documents as may be reasonably necessary or proper and usual to complete the transactions contemplated by this Agreement and to carry out the purpose of this Agreement in accordance with this Agreement.

**17.12 Cooperative Drafting.** This Agreement has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

**[REMAINDER OF PAGE INTENTIONALLY BLANK]**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first specified herein.

**CITY:**

CITY AND COUNTY OF SAN FRANCISCO,  
a municipal corporation:

By: \_\_\_\_\_  
Edwin M. Lee  
Mayor

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

APPROVED AS TO FORM:

DENNIS J. HERRERA  
City Attorney

By: \_\_\_\_\_  
Deputy City Attorney

**GRANTEE:**

By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.

I have read and understood Section 16.2, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

CHP Scott Street, L.P.,

a California limited partnership

CHP Scott Street LLC,  
a California limited liability company

By: Community Housing Partnership,  
a California nonprofit public benefit  
corporation, its sole member/manager

By: \_\_\_\_\_  
Gail Gilman  
Executive Director

Federal Tax ID #: \_\_\_\_\_

City Vendor Number: \_\_\_\_\_



**Exhibit A1/A2 – Project Annual Subsidy Payments**

**Exhibit B - LOSP Client Selection Criteria**

**Exhibit C – Legal Description of Real Property**

**Exhibit D – Form of Referral Report**

**Exhibit E –Annual Operating Budget for Initial Operating Period and 15-Year Cash Flow**

**Exhibit F – Lobbying/Debarment Certification Form**

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

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or cooperative agreement.

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress or an employee of a member of Congress in connection with this federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

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

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

CHP Scott Street, L.P.,  
a California limited partnership

By: CHP Scott Street LLC,  
a California limited liability company,  
its general partner

By: Community Housing Partnership,  
a California nonprofit public benefit  
corporation, its sole member/manager

By: \_\_\_\_\_  
Gail Gilman  
Executive Director

BY: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

**EXHIBIT G – ANNUAL MONITORING REPORT**



**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),<sup>1</sup> and the applicable provision of the Violence Against Women Act, Pub. Law 109-62 (January 5, 2006), as amended.

**Application Process**

- **Application Materials.** The housing provider's written and/or electronic application materials should:
  - outline the screening criteria that the housing provider will use;
  - provide space(s) for the applicant to explain any conviction, eviction, tenancy issues or credit concerns and present evidence that he or she will be a suitable tenant;
  - 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, each applicant with the minimum eligibility requirements for housing unit shall be offered the opportunity for an interview.
- **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.
- **Delays in the Process.** If delays have occurred or are likely to occur in the application and screening process or the process exceeds the housing provider's normal timeline for application and screening, the housing provider must immediately inform the referring agency and the funding agency, of the status of the application, the reason for the delay and the anticipated time it will take to complete the application process.
- **Problems with the Referring Agency.** If at any point the housing provider has difficulty reaching or getting a response from the applicant and referring agency, the housing provider must immediately contact the referring agency, if possible, and the funding agency, DPH or HSA.

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

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

### **Reasonable Accommodation and Modification Policy**

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

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

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

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

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

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

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

### **Notice of Denial and Appeal Process**

- The housing provider shall:
  - 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:

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agreement date

- list all the reasons for the rejection, including the particular conviction or convictions that led to the decision in cases where past criminal offenses were a reason for rejection;
    - explain how the applicant can request an in person appeal to contest the decision;
    - state that an applicant with a disability is entitled to request a reasonable accommodation to participate in the appeal;
    - inform the applicant that he or she is entitled to bring an advocate or attorney to the in person appeal;
    - provide referral information for local legal services and housing rights organizations;
    - describe the evidence that the applicant can present at the appeal;
  - give applicants denied admission a date within which to file the appeal, which shall be at least ten (10) business days from the date of the notice;
  - unless an extension is agreed to by the applicant and the housing provider, hold the appeal within ten (10) business days of the request for the appeal;
  - confine the subject of the appeal to the reason for denial listed in the notice;
  - give the applicant a chance to present documents and/or witnesses showing that he or she will be a suitable tenant;
  - have an impartial supervisor or manager from the housing provider, but who is not the person who made the initial decision or a subordinate of the person who made the initial decision, conduct the appeal;
  - within 5 business days of the in person appeal, provide the applicant with a written decision that states the reason for the decision and the evidence relied upon. A copy of the written decision must be sent (electronically or otherwise) to the referring agency and the funding agency.
- If the rejection is based on a criminal background check obtained from a tenant screening agency, the Fair Credit Reporting Act and the Investigative Consumer Reporting Agencies Act impose additional notice requirements.<sup>2</sup>

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<sup>2</sup> Fair Credit Reporting Act (FCRA), 15 U.S.C. § 1681 *et seq.* and Investigative Consumer Reporting Agencies Act (ICRAA), Cal. Civ. Code § 1786 *et seq.*

**EXHIBIT I**  
**Tenant Screening Criteria Policy**

The City expects that housing providers will use maximum feasible efforts to ensure that those individuals and families who are referred are accepted for occupancy in a timely fashion. To that end, the City has adopted the following screening criteria for applicants with a criminal record. If a problem arises in the application and screening process that may cause unreasonable delay in screening outcome, the housing provider should immediately notify the referring agency and DPH or HSA to assist with an expeditious resolution.

The screening criteria and considerations outlined below encourage providers to “screen in” rather than “screen out” applicants who have a criminal record. They describe a minimum level of leniency; providers are encouraged to adopt less restrictive policies and processes whenever appropriate. For example, providers may opt not to review or consider applicant criminal records at all.

**Screening Criteria**

- Housing providers shall not automatically bar applicants who have a criminal record<sup>3</sup> in recognition of the fact that past offenses do not necessarily predict future behavior, and many applicants with a criminal record are unlikely to re-offend.
- Housing providers shall not consider:
  - arrests that did not result in convictions, except for an open arrest warrant;
  - convictions that have been expunged or dismissed under Cal. Penal Code § 1203.4 or 1203.4a;<sup>4</sup>
  - juvenile adjudications.
- Housing providers shall consider:
  - the individual circumstances of each applicant; and
  - the relationship between the offense, and
    - (1) the safety and security of other tenants, staff and/or the property; and
    - (2) mitigating circumstances such as those listed below.
  - only those offenses that occurred in the prior 3 years, except in exceptional situations, which must be documented and justified, such as where the housing provider staff is aware that the applicant engaged in violent criminal activity against staff, residents or community members and/or that the applicant intentionally submitted an application with materially false information regarding criminal activity. As necessary, DPH or HSA will assess the justification for a longer look-back period and determine whether an exception is warranted. In these exceptional situations, the housing provider may consider offenses that occurred in the prior 5 years.
  - mitigating factors, including, but not limited to:

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<sup>3</sup> 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.

<sup>4</sup> 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.”

- (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;
- (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**

Operational Rules for Residential Certificate of Preference (COP) Holder and Ellis Act Housing Preference (EAHP) Priority

3155 Scott Street
10/1/2014

**Exhibit A-2: LOSP Funding By Calendar Year**

	n/a	10/1-12/31	TOT	Total Months
2014	\$0.00	\$113,416.70	\$113,416.70	3
	1/1-6/30	7/1-12/31	TOT	Total Months
2015	\$233,659.00	\$233,659.00	\$467,318.01	12
2016	\$240,726.99	\$240,726.99	\$481,453.99	12
2017	\$248,045.88	\$248,045.88	\$496,091.77	12
2018	\$255,624.50	\$255,624.50	\$511,248.99	12
2019	\$263,471.95	\$263,471.95	\$526,943.90	12
2020	\$271,597.70	\$271,597.70	\$543,195.40	12
2021	\$280,011.51	\$280,011.51	\$560,023.03	12
2022	\$288,723.52	\$288,723.52	\$577,447.03	12
2023	\$297,744.18	\$297,744.18	\$595,488.36	12
2024	\$280,834.34	\$280,834.34	\$561,668.68	12
2025	\$290,505.22	\$290,505.22	\$581,010.45	12
2026	\$300,518.44	\$300,518.44	\$601,036.88	12
2027	\$310,886.01	\$310,886.01	\$621,772.03	12
2028	\$321,620.38	\$321,620.38	\$643,240.76	12
	1/1-6/30	7/1-9/30		
2028	\$332,734.42	\$166,367.21	\$499,101.63	9
			\$8,380,457.61	180

**Exhibit A-1: LOSP Disbursement Schedule By Fiscal Year**

		n/a	TOT	Total Months
n/a		\$0.00	\$0.00	0
sent to sponsor btwn 7/1 & 9/1	10/1-12/31	1/1-6/30	TOT	Total Months
2014-15	\$113,416.70	\$233,659.00	\$347,075.70	9
	7/1-12/31	1/1-6/30		
2015-16	\$233,659.00	\$240,726.99	\$474,386.00	12
2016-17	\$240,726.99	\$248,045.88	\$488,772.88	12
2017-18	\$248,045.88	\$255,624.50	\$503,670.38	12
2018-19	\$255,624.50	\$263,471.95	\$519,096.45	12
2019-20	\$263,471.95	\$271,597.70	\$535,069.65	12
2020-21	\$271,597.70	\$280,011.51	\$551,609.21	12
2021-22	\$280,011.51	\$288,723.52	\$568,735.03	12
2022-23	\$288,723.52	\$297,744.18	\$586,467.69	12
2023-24	\$297,744.18	\$280,834.34	\$578,578.52	12
2024-25	\$280,834.34	\$290,505.22	\$571,339.56	12
2025-26	\$290,505.22	\$300,518.44	\$591,023.67	12
2026-27	\$300,518.44	\$310,886.01	\$611,404.45	12
2027-28	\$310,886.01	\$321,620.38	\$632,506.39	12
	7/1-12/31	1/1-6/30		
2028-29	\$321,620.38	\$332,734.42	\$654,354.80	12
	7/1-9/30			
2029-30	\$166,367.21		\$166,367.21	3
			\$8,380,457.61	180





## Edward II

### Marketing Procedures, Resident Selection Criteria, Application Policies & Move-in Process

#### Overview

Edward II is a 24-unit supportive housing site located at 3155 Scott Street in San Francisco, California. The building will provide supportive housing to 24 Transition-Age Youth (ages 18 to 24 years at the time of placement), with integrated on-site supportive services designed to increase positive exits from supportive housing through employment.

Community Housing Partnership (CHP) will coordinate with the San Francisco Human Services Agency (HSA) on the applicant referral and qualification process for 24 units at Edward II. CHP is the property manager and Larking Street will be the service provider for the Project.

Because of the depth and breadth of their outreach efforts, the Human Services Agency will serve as the sole referral source for applicants for the 24 units, thus ensuring outreach to a cross-section of racially, ethnically and geographically diverse homeless persons as well as diversity in the other protected classifications under applicable fair housing laws. CHP will be responsible for reviewing and evaluating applications for housing. As part of the application process, CHP will make an assessment of each applicant's eligibility utilizing CHP's uniform resident selection criteria based on information provided by the applicant in the application and gathered through an in-person interview and perhaps other third party verifications. Factors considered during the application process, which is explained further in the resident selection criteria section below, will include the applicant's prior residence and eviction history, a criminal background check and tenant income and assets.

#### Project Description

Edward II is a small tourist hotel built in 1914, located at 3155 Scott Street at the corner of Lombard St in the Cow Hollow/Marina District of San Francisco. The three-story wood frame building currently contains a reception area, breakfast and meeting rooms, pub, three residential suites and a on-site manager's unit on the ground floor, and 24 units on the upper two floors will all have private bathrooms, and four units – two on each floor – will be enlarged and reconfigured to be ADA compliant. A limited use, limited access elevator will be added to provide access to the second floor.

Edward II will provide 24 units of housing to Transition Age Youth who are emancipating out of foster care and/or are homeless or at-risk of homelessness. The first floor will be remodeled to provide spaces needed for successful supportive housing, including a Community Room/Tenant Lounge, Community Kitchen, Property Manager and Tenant Services Offices, Laundry Room, Public Restroom.

Safety and security systems are an important part of the building systems and include a secured secondary entrance door, unit and office intercom system, camera system, security alarm system, fire alarm system and fire sprinkler system. In addition, a Resident Property Manager will be residing at the building to respond to emergencies at any hour of the day or night.



Edward II will be subject to many program and oversight requirements overseen by local, state and federal agencies. They are currently defined as: Multi-Family Housing Program ("MHP")-State of California; the San Francisco Mayor's Office of Housing ("MOH")-City of San Francisco; the Local Operating Subsidy Program ("LOSP") through the San Francisco Human Services Agency ("HSA"), and the California Tax Credit Allocation Committee ("CTCAC").

### Eligibility Requirements

In addition to meeting specific HSA/LOSP and/or TCAC and/or MHP Program criteria, all applicants for housing must meet the following requirements:

- Each applicant must provide a third-party certification of homelessness. The applicant must at least meet the Homeless Youth definition of homelessness. MHP requires eligible households to occupy assisted units under the "Homeless Youth" Definition per Government Code 11139.3 as either:
  - A. A person who is at least 18 years of age, but not older than 24 years of age, and meets one of the following conditions:
    - Is homeless or at risk of becoming homeless.
    - Is no longer eligible for foster care on the basis of age.
    - Has run away from home.
  - B. A person who is less than 18 years of age who is emancipated pursuant to Part 6 (commencing with Section 7000) of Division 1 of the Family Code and who is homeless or at risk of becoming homeless.

"At risk of becoming homeless" means "facing eviction or termination of one's current housing situation." This includes, for example, households who face imminent release from an institution (i.e. jail or hospital) where other housing placement resources are not available, households who reside in an overcrowded setting (more than two persons per living/sleeping area) in which the household does not hold a lease, and households who reside in substandard housing subject to a current official vacation notice. "Homeless" means the same as that term is defined for MHP – Supportive Housing:

1. moving from an emergency shelter; or
2. moving from transitional housing; or
3. currently homeless, meaning:
  - a. an individual who lacks a fixed, regular, and adequate nighttime residence; or
  - b. an individual who has a primary nighttime residence that is:
    1. a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill); or
    2. an institution that provides a temporary residence for individuals intended to be institutionalized; or
    3. a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

Eligible households need not be disabled, as is required under MHP-Supportive Housing funding; however this requirement may be applicable for other funding sources such as AHP.

- Applicant incomes must be at or below the Area Median Income percentages required by the Project's most restrictive funding source.
- A household will be fully screened by Community Housing Partnership before being selected for residency. Reasons for denial are described later in this document.

- A household must meet requirements of the Low Income Housing Tax Credit (LIHTC) Program, including but not limited to, regulations concerning Student Status.
- Applicants must meet all HSA eligibility requirements and any additional eligibility requirements set forth by HSA and/or the LOSP.
- HSA requires each household member to complete the HSA application process and be approved for HSA housing. All members of the household who are 18 years and older, but not older than 24 at the time of application are required to meet HSA eligibility requirements.
- All households must consist of one person and meet income requirements and limits described below.
- All households referred to the project must have at minimum \$4,104 annually or \$342 monthly, as a verifiable source of income in order to qualify for acceptance.

### **Referral Process**

At initial lease-up and upon unit vacancy, CHP will ask HSA to forward applications for vacant units. Sufficient additional applications will be requested at initial lease-up to account for the rate of attrition and denials expected during the screening and lease-up process. The prospective resident(s) will then be screened per the Project's established screening protocols.

1. CHP will request applicants from HSA based on the number and type of units available. CHP will not maintain an internal waitlist for this project. All referrals will be provided from the Human Services Agency (HSA).
2. HSA will provide the following information for each applicant:
  - Applicant referral form;
  - Proof of Income;
  - Homelessness verification in accordance with MHP's Homeless Youth Definition of homelessness;
  - Disability certification (if applicable to the unit type defined for 18 units);
  - Universal consent release from the referring case manager;
  - Release allowing verification of criminal records, credit and landlord reference checks; and
  - Copy of some form of government-issued photo identification and social security card.
3. CHP will review the information and complete a referral checklist for each applicant.
4. Once an applicant's initial file is complete, CHP will set an initial appointment for an applicant orientation.
5. During application orientation sessions, CHP property management and supportive services staff will describe the housing, explain the application process, and have the applicant complete other required forms for eligibility verification.
6. CHP will review the information and complete a referral checklist for each applicant.
7. Once an applicant's initial file is complete, CHP will set an initial appointment for an applicant orientation.
8. During application orientation sessions, CHP and Larkin Street, the on-site services provider, will describe the housing, explain the application process, and have the applicant complete other required forms for eligibility verification.

## **Eligibility Determination & Approval Process**

1. Community Housing Partnership (CHP) will review the application packet and verify the applicant meets the eligibility requirements noted above.
2. CHP will conduct a credit, eviction, landlord and criminal background check. CHP may also speak to the applicant's referring case manager identified in the Universal consent release form. Reasons for denial based on these various checks are described in the "Reasons for Denial & Applicant Appeals Procedure" document.
3. The contracted supportive services staff will be informed of each applicant's contact information so that supportive services staff can make contact and coordinate with the applicant and referring case manager throughout the process. This includes completing the Services Intake and Assessment at any point in the process, but no later than immediately following the tenant's move in to the building.
4. After the orientation, CHP will set an appointment to interview and screen the applicant. \*CHP reserves the right to conduct the orientation and screening during the same meeting.
5. CHP staff will conduct a screening interview and place the screening form into the applicant's file. CHP staff will have the applicant complete other required forms that may include, but are not limited to, income and asset certification and an Application to rent.
6. CHP will then verify all information provided in the Tenant Income Certification Questionnaire according to the guidelines established by the California Tax Credit Allocation Committee ("TCAC") and complete the Tenant Income Certification ("TIC") form as required by TCAC. Applicants will not be approved until CHP's income certification process has been completed. The income certification process MUST be completed prior to a tenant's occupancy of a unit.
7. CHP will use the income and assets verification forms to complete an Income Calculation Worksheet, which will document annual income on the TIC form and determine the applicant's initial rent, per MHP and/or LOSP guidelines for rent calculation.
  - a. HSA/LOSP requires that tenants pay 30% of their income in rent unless otherwise specified by a building's funding source.
8. After the screening, applicable background checks, and overall eligibility review the Property Manager will forward the applicant's file to the Occupancy & Compliance Division for review. The Occupancy & Compliance Division will review the file for completeness and compliance with eligibility requirements, and will inform the Property Supervisor to conduct the final review.
9. Based on whether the tenant has met eligibility requirements and the uniform tenant selection criteria, the Property Supervisor will either accept or deny the applicant for housing and notify the Property Manager who will, in turn, notify both the applicant and the referring case manager. The approval will be contingent upon any final verification of income and assets.
10. If denied, the applicant and case manager, assuming appropriate authorization was provided, will receive a letter clearly identifying the grounds for denial of the application, and an explanation of the grievance procedure (outlined in the "Reasons for Denial & Applicant Appeals Procedure" document). The applicant may appeal the denial by making a formal grievance pursuant to the grievance procedure.
11. After the grievance period is over, a denied applicant's file will be placed in the "Denied Applicant" files for the building.

12. If the application is approved (or a denial overturned), CHP will send an approval letter to the applicant and case manager. The approval letter will also state that CHP will contact the applicant when a unit is ready for the tenant to move-in. If the applicant does not already have payee services in place, the applicant must have payee services in place prior to the move-in date.
13. CHP will determine the unit assignment for the applicant based on unit availability, eligibility requirements and resident selection criteria. Efforts will be made to place individuals with disabilities into appropriate accessible units.
14. When a unit is ready, the Property Manager will send a letter informing the approved applicant and case manager of:
  - a. Approved unit number
  - b. Move-in date and time
  - c. Rent amount, or Pro-rated rent amount if move-in is not the 1<sup>st</sup> day of a month
  - d. Security Deposit amount
  - e. Information regarding move-in procedures
15. If needed, the contracted supportive services staff can provide the applicant with referrals for assistance with move-in funds, payee service referrals, furniture, and other services he or she might require.
16. The Property Manager will coordinate the move-in and lease signing, and will serve as the applicant's main contact person at CHP during this process.
17. The Property Manager will conduct lease signing for the assigned unit at the scheduled move-in appointment time. Tenants will also be required to sign the Tenant Income Certification form and other lease documents at the time of move-in to the building. If any documentation related to TCAC requirements were to become older than 120 days from the date on the document, the applicant will be required to update his/her forms and provide new income/assets statements.
18. Payment of the first month's rent and security deposit (equal to one full month of tenant rent) is required on or before the lease signing. If necessary, CHP will allow a Promissory note from an agency for the Security Deposit amount prior to the move in date.
19. The contracted supportive services staff will be notified of the new tenant's move-in date and time. The on-site services staff will schedule a time to do the Services Intake and Assessment prior to or immediately following the tenant's move in to the building (if not completed earlier in the process).
20. If an applicant does not show up on the move-in date, s/he and their case manager will be sent a letter requesting the move-in be rescheduled. If s/he does not contact CHP in a timely manner (within 72 hours of the original scheduled move-in date), s/he will be sent a denial letter.
21. If an applicant does show up on the move-in date, or re-scheduled move-in date, pays the move-in amounts, signs the lease and all related documents, including the MHP Lease Addendum, and follows the move-in procedures, then the applicant will have successfully completed the process and will become a tenant of the Edward II community.

## Reasonable Accommodation Policy

CHP is committed to ensuring that its policies and procedures are in compliance with the provisions of all Federal and State laws designed to prohibit discrimination in housing on the basis of all protected classifications including race, color, national origin, religion, creed, sex, familial status, age, handicap/disability, gender, gender identity, gender expression, sexual orientation, marital status, ancestry, source of income, genetic information or other arbitrary characteristics. In addition, CHP adheres to applicable laws and regulations regarding accessibility for the disabled.

It is CHP's policy to make every reasonable effort to accommodate individuals with disabilities so that they are able to have equal use, access, and enjoyment of the premises, regardless of his or her disability. CHP will grant all reasonable requests for accommodations or modifications from disabled applicants and disabled residents as required by applicable laws. Generally speaking, an "accommodation" is a change, exception, or adjustment to a rule, policy, practice, or service that may be necessary for a person with a disability to have an equal opportunity to use and enjoy a dwelling, including public and common spaces." Modifications generally are defined as structural changes "to an existing premises occupied or to be occupied by a person with a disability if such modifications may be necessary to afford such person full enjoyment of the premises."

Whether the request is reasonable will be evaluated on a case-by-case basis consistent with applicable laws. A request generally is not considered reasonable if it poses an undue financial and administrative burden or if granting the request would fundamentally alter the nature of CHP's or a particular property's operations. Requests may also be denied if the request was not made by or on behalf of a person with a disability or if there is no disability-related need for the requested accommodation or modification. If CHP determines a request is not reasonable, CHP will engage in an interactive process with the applicant, during which CHP will discuss, among other things, possible alternative accommodations or modifications that would effectively meet the applicant's disability-related needs without a fundamental alteration to operations and without imposing an undue financial and administrative burden.

Accommodations will be granted or denied on a case-by-case basis.

An applicant or resident (or another person acting on behalf of the individual needing an accommodation) may request a reasonable accommodation or modification at any time—from the point of expressing interest in housing through the duration of tenancy. Although a specific form or format is not required to make a request, CHP highly encourages individuals to use the CHP's reasonable accommodation/modification form so that CHP can ensure that it understands the request. CHP may, if necessary, require the applicant and/or tenant to provide written verification supporting the request, demonstrating:

- the person making the request is disabled as defined by applicable law (if the disability is not obvious);
- describes the needed accommodation or modification; and
- shows the relationship between the person's disability and the need for the requested accommodation (if the relationship or nexus is not obvious).

Acceptable verification must come from a reliable third party that is in a position to know about the disability, which may include a doctor or other medical professional, a social service agency, counselor, case manager, social worker or similarly-situated third party. CHP may contact the party providing the verification in order to seek only the information that is necessary to process the request including, but not limited to, verifying the information provided and discussing potential alternative accommodations or modifications which may also meet the need of the individual. As with the form/format and/or manner in which a request is made by the applicant or resident, a specific form is not needed in the execution of the third-party verification; however, certain specific information may be required.

It is the intent of this policy to create an environment which is respectful of all people's differences and special needs and to make all reasonable accommodations in order to welcome diverse perspectives. It is also our intent to make these accommodations in a timely and efficient manner so that minimal impact is felt by all parties involved.

Community Housing Partnership has designated a Section 504 Coordinator to coordinate the Owner's efforts to comply with Section 504 of the Rehabilitation Act of 1973 for the Property.

### **Unit Transfers**

Unit transfers within Edward II will only be approved if the resident requires such a transfer as a reasonable accommodation. Unit transfer may only be permitted once the landlord, CHP, has approved a tenant's reasonable accommodation request. If a tenant receives a Reasonable Accommodation approval for a transfer, s/he may need to wait to transfer if there are no current vacancies that match the accommodation requested. The resident will then be placed on CHP's internal property transfer waiting list in the order approved by CHP for the next available unit that meets the resident's specific needs as granted in the accommodation. Unit transfer requests to a different HSA/LOSP building must be made in accordance with the HSA Building Transfer Policy Guidelines as that request will be decided by the subsidy provider, HSA/LOSP, and not the landlord, CHP.

Reasonable accommodations for unit transfers will be evaluated such as any other accommodation or modification request, on a case-by-case basis. Household(s) affected by a unit transfer(s) are chosen based on the need(s) of the reasonable accommodation, unit size, type of unit, external agency transfer policy guidelines (HSA/LOSP), and composition of existing household in unit.

When a unit becomes available, residents placed on the property internal waiting list will have a maximum of 14 calendar days to complete the transfer. If the resident at the top of CHP's internal waiting list unable to transfer within 14 calendar days, the unit will be offered to the next person and/or household on the waiting list in compliance with the waiting list management policy.

CHP follows occupancy standards that take into account the size and number of bedrooms needed based on the number of people in the household. Occupancy standards serve to prevent the over- or under-utilization of units that can result in an inefficient use of housing assistance. Occupancy standards also ensure that tenants are treated fairly and consistently and receive adequate housing space.

### **Policy of Non-Discrimination and Fair Housing**

- The Project will comply with all Federal, State, and/or local fair housing and civil rights laws and with all equal opportunity requirements set forth in HUD's administrative procedures. The Project will not discriminate against any individual or family household because of race, color, creed, national or ethnic origin or ancestry, religion, sex, sexual orientation, gender identity, age, disability, handicap, military status, source of income, marital status, HIV status and/or acquired immune deficiency syndrome (AIDS), genetic information or any other arbitrary basis or based upon any other protected classification under applicable law. No criteria will be applied or information considered pertaining to attributes or behavior that may be imputed by some to a particular group or category protected by fair housing law. All criteria shall be applied equitably and all information considered on an applicant shall be related solely to the attributes and behavior of individuals as they may affect residency.
- The Project will comply with affirmative fair housing requirements as outlined in any applicable administrative guideline or state or federal law.

- To the extent applicable to the Project, the Project will guard the privacy of individuals conferred by the Federal Privacy Act of 1974, and to ensure the protection of such individuals' records maintained by the Project.
- The Project will seek to identify and eliminate all situations or procedures which create a barrier to equal housing opportunity for all. As set forth above, in accordance with Section 504, the Project will make reasonable accommodations for individuals with handicaps or disabilities (applicants or tenants). Such accommodations may include changes in the method of administering policies, procedures and/or services.
- Human Services Agency, Local Operating Subsidy Program will be responsible for marketing the units and referring tenants to Community Housing Partnership and is responsible for ensuring compliance with all related rules and regulations, including applicable fair housing laws.

### **Grounds for Denial of Application**

It is Community Housing Partnership's intention to screen people into housing rather than screen them out of housing.

The screening team will consider numerous factors when reviewing applications and there are circumstances in which CHP will deny an application for housing. The following is a list of the reasons an applicant can be denied housing.

- Failure to provide required documentation (e.g., documentation of homelessness; note definition of "homelessness" is based on Homeless Youth definition, on attached verification of homelessness).
- Failure to meet program eligibility requirements (described previously).
- Missing two scheduled appointments without re-scheduling in advance. Re-scheduling is only acceptable due to good cause, such as a medical emergency.
- Uncooperative behavior. The screening team will not conduct meetings or screenings with individuals whose behavior is disruptive to the process. This includes threatening, abusive and/or violent behavior toward a CHP employee or contractor. Serious or repeated behavior of this type by the applicant may result in denial of the application.
- Falsification of information by the applicant in the screening process.
- The following history of criminal activity (felony conviction within the prior five years):
  - Arson and/or destruction of property
  - Manufacture and/or distribution of illegal drugs
  - Violence towards landlords or tenants
  - Crimes against an at-risk person
  - Being required to register and/or subject to restrictions imposed by California Penal Code 290
  - Other violent criminal activity
- History of behaviors which have impacted the applicant's ability to retain housing or would affect the applicant's ability to live in the community. Examples include: history of failure to pay rent and/or abide by lease terms or house rules.
- Three or more evictions.
- Failure to move-in on the scheduled date or failure to reschedule the move-in within 72 hours of the original date.
- Failure to meet the requirements at move-in, which include, but are not limited to: 1) Signing the Tenant Income Certification, Lease, and Addendums; 2) Paying the move-in costs; and 3) Complying with the move-in pest control procedures.



CHP's policy on reasonable accommodations, described previously in this document, applies throughout the application process, including in evaluation of the acceptance/denial of applications and appeals.

### **Right to Appeal**

Applicants who are determined ineligible based upon the Tenant Selection Criteria have the right to request a review of CHP's determination and may present additional facts and evidence for consideration during this review.

During processing, letters will be mailed out to all applicants who appear to not meet the eligibility criteria. These denial letters will specify the reason for denial and will inform the applicant(s) that they may request a review of the decision.

Denial letters will include the following language:

*"If you disagree with this decision you have ten (10) days from the date of this letter to contact us in writing to request a review of the decision. Your appeal must be accompanied by information or documentation not previously available or not yet submitted that supports your appeal. If you are disabled and feel that the consideration of mitigating circumstances and/or reasonable accommodations would affect this decision, please include this in your request for a review of the decision."*

The request for a hearing must be in writing and received by CHP within ten (10) days of the date of the denial letter. If no request is received, or no new evidence is supplied within ten (10) days, the file will be closed. An appointment for the review will be scheduled with the applicant(s) within seven (7) days of the receipt of the appeal. A written decision on the appeal will be made within ten (10) days of the review, unless additional information or documentation is required to complete the appeal. The appeal must be accompanied by information or documentation not previously available or not yet submitted that supports the applicant's appeal, refuting the stated reason for rejecting the applicant.

Units will not be held open during the appeal process. Successful appellants will be offered housing if they are deemed eligible after the appeal and a housing unit is still available. The decision given after the appeal review is final.

### **Additional Requirements of Occupancy**

The following are requirements of occupancy and must be met prior to execution of the lease and move-in and are ongoing requirements of occupancy after move-in.

- Tenants are required to follow applicable HSA/LOSP, TCAC, and MHP program requirements for housing prior to and at all times during tenancy at the building.
- Tenant rents are calculated according to HSA/LOSP, MOH, TCAC, and MHP specific program requirements as a percentage of income. CHP requires a minimum \$25 per month rent unless otherwise specified by a building's funding source or the subsidy program regulations.
- Tenants must provide a security deposit and the first month's rent (pro-rated if not on the first day of the month). CHP may accept promissory notes prior to the move-in date in lieu of cash payment for the Security deposit portion; however, if the promissory note is not satisfied within 60 days of initial move-in the promissory note shall be deemed invalid and the tenant shall be responsible for making satisfactory payment arrangements.
- Tenants must maintain premises in safe, sanitary condition.
- Tenants must not interfere with CHP employees, contractors or tenants. Tenants must respect everyone's quiet enjoyment of the property.

- Tenants must abide by the terms of the lease and the house rules.
- Tenants are required to participate in an annual unit inspection and income certification conducted by CHP to the extent conducted in accordance with applicable program requirements.
- Tenant rent will be set in accordance with HSA/LOSP and/or MHP and/or MOH requirements and will be adjusted in accordance with program requirements, usually upon annual certification; interim adjustments can be made as appropriate.
- Tenants are required to immediately report any changes in their household income or student status to Community Housing Partnership.
- Falsifying income information is grounds for the collection of back-rent and/or eviction.
- Unless prohibited under any Applicable Law, should a household's income exceed 120% of the AMI, the household will be given 6 months to move to other housing.
- If household size increases beyond the occupancy limit, residents will be given 6 months to move to other housing.
- If household is in a unit modified for the physically disabled and tenant is not in need of the modifications, tenant agrees to move to a comparable unit should the modified unit be required by a household with one or more physically disabled individuals.

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**Income Limits**

Human Services Agency and/or LOSP subsidized units have 50% San Francisco Area Median Income limits per MOH limits; however HCD-MHP funding poses stricter limits. The stricter MHP income limits, as of 12/18/2013 "2014 Limits", are in effect and are requirements of tenancy for specific units and/or programs at the building:

In addition, the following income limits and program requirements apply:

<u>Unit Size</u>	<u>Minimum Household Size</u>	<u>Maximum Household Size</u>	<u>Total</u>
Studio	1 person	1 person	24
Employee Unit			1

**Building Unit Targets - Most Restrictive from Below Tables**

<u>Applicable Requirement</u>	20% AMI \$17,300 <sup>2</sup> Max Rent \$432	25% AMI \$21,625 <sup>2</sup> Max Rent \$540	30% AMI \$25,950 <sup>2</sup> Max Rent \$648	50% SF AMI \$34,000 <sup>2</sup> Max Rent \$850	<u>TOTAL</u>
MHP/AHP Special Needs: MHP Youth Homeless Definition <b>with</b> Mental or Physical Disability, Recovery from physical abuse, Recovery from substance abuse	18				18
MHP: Youth Homeless Definition Only	6				6
<b>TOTAL</b>	<b>24</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24</b>

*NOTE: <sup>2</sup>20% & 25% & 30% AMI amounts based on HCD & MHP 2014 HERA Maximum Income Limits effective 12/18/13 Placed in Service After 11/09. 50% SF AMI based on MOH 2014 Maximum Income Limits effective 1/1/2014.*

**Affordability – Area Median Income**

<u>Program</u>	20% AMI	25% AMI	30% AMI	50% San Francisco AMI ("SF AMI") <sup>1</sup>	50% AMI	<u>TOTAL</u>
MHP	24					24
TCAC			12		12	24
MOH				24		24
AHP					24	24
Unrestricted Unit (Manager)						1

*NOTE: <sup>1</sup>San Francisco AMI determined annually by MOH and differs slightly, due to methodology used, from AMI levels calculated and approved by CTCAC.*

**HCD Supportive Housing /Special Needs Program Distribution**

<u>Program</u>	Physical Disability	Mental Illness	Substance Abuse	AIDS or HIV+	Recovery from physical abuse	Recovery from substance abuse	<u>TOTAL</u>
MHP							0
AHP		2			8	8	18

<u>Program</u>	Homeless	<u>TOTAL</u>
MHP	24	24
AHP	24	24

### Occupancy Procedures after Lease-Up

The following is a description of procedures that will be followed when a unit becomes vacant.  
The following is a description of procedures that will be followed when a unit becomes vacant.

- CHP will notify HSA of unit vacancy within 2 (two) business days of knowing that the unit has become vacant.
- HSA will maintain and manage the process for new applicants according to their internal policies and procedures.
- HSA will forward applicants from its referral access points upon request and within 14 (fourteen) days of the request. CHP will include in its request the eligibility requirements of the unit needing a referral such as income limit, disability requirement and so forth.
- HSA will provide CHP with the required information on each applicant as described previously in this document.
- The target period for an approved housing applicant to complete the screening process is between 10 and 15 business days. The income verification may take an additional 30-45 days.
- The vacancy preparation time generally will not exceed 7 (seven) business days.
- Unit vacancy should be less than 60 days.
- Should HSA fail to provide CHP applicants in a timely manner, CHP can request the right to market and fill vacant units with eligible applicants as described above. Such requests shall not be unreasonably denied.
- During the application process, CHP will provide copies of all correspondence to HSA and/or the applicant's case manager as requested, assuming appropriate authorizations are received.
- HSA will advise CHP if referred applicants find housing elsewhere prior to completing the requirements of tenancy for the building.
- CHP will advise HSA when applicants are housed or denied housing within 2 (two) business days of the lease-signing or final denial outcome.
- CHP will maintain a list of applicants who have been screened, status of applicants, and will provide information to HSA on a weekly basis during the initial rent-up process and monthly during on-going operations. The reports will consist of the following:
  - During the initial rent-up process a report listing all of the applicants referred to the project, their current processing status, and decision outcome (including grievance period) will be provided to HSA on a weekly basis.
  - During on-going operations (once the building is placed in service) CHP will provide reports to HSA on occurrence of the following events:
    - Tenant Move-In (within 72 hours of the tenant lease signing)
    - Tenant Move-Out (within 72 hours of a tenant vacating the unit)
    - End of Month (by the 5<sup>th</sup> of the following month) – a report providing a summary of the number of applicants referred to the project by HSA and the number of placements into housing during the reporting month.
- CHP will request referrals from HSA for vacancies and anticipated vacancies (tenants providing notice of move-out; tenants who surrender possession or abandon their unit; tenants who are scheduled for eviction from the project) to allow HSA as much time as possible to refer an applicant to the project. This will be done to ensure the financial health of the project and the highest level of service to the population the project serves.

Signed and Agreed To:

**Community Housing Partnership**

\_\_\_\_\_

Name

\_\_\_\_\_

Title

\_\_\_\_\_

Signature

\_\_\_\_\_

Date

**Human Services Agency: Local Operating Subsidy Program**

\_\_\_\_\_

Name

\_\_\_\_\_

Title

\_\_\_\_\_

Signature

\_\_\_\_\_

Date

**City & County of San Francisco: Mayors Office of Housing**

\_\_\_\_\_

Name

\_\_\_\_\_

Title

\_\_\_\_\_

Signature

\_\_\_\_\_

Date



**Exhibit C to Agreement  
Legal Description**

**EXHIBIT A**

The land referred to is situated in the County of San Francisco, City of San Francisco, State of California, and is described as follows:

Beginning at the point of intersection of the Southerly line of Lombard Street, as widened, and the Westerly line of Scott Street; running thence Westerly along said line of Lombard Street 50 feet; thence at a right angle Southerly 68 feet, 9 inches; thence at a right angle Easterly 50 feet to the Westerly line of Scott Street; thence at a right angle Northerly along said line of Scott Street 68 feet, 9 inches to the point of beginning.

Being a portion of Western Addition Block No. 472.  
Assessor's LOT: 001 BLOCK: 0937





**City and County of San Francisco**



*Edwin M. Lee, Mayor*

**Human Services Agency**

Department of Human Services  
Department of Aging and Adult Services

*Trent Rhorer, Executive Director*

Client NAME: \_\_\_\_\_

SS#: \_\_\_\_\_  
Required

Date of Birth: \_\_\_\_\_  
Applicant must be 18 -24 years old at time of referral.

Access Point/Referring Agency: \_\_\_\_\_

Referring Person: \_\_\_\_\_

Referring Person Phone: \_\_\_\_\_ Email: \_\_\_\_\_

**Edward II – Transitional Age Youth Referrals**  
**Access Point Referral CHECK LIST**

Referral applications MUST INCLUDE the following completed forms and copies:

- Community Housing Partnership **APPLICATION TO RENT** Form (2 pages)
- Universal Consent To Release/Obtain Information** with LSYS, CHP, HSA & Referral Source (1 page)
- Certification of Homelessness** (on agency letterhead – signed)
- Certification of Eligibility** (on agency letterhead – signed)
- Income Verification / Proof of Income** (Pay statement; Benefits statement)
- Consent for Release of Criminal Records, Credit Check and Eviction History** (1 page)
- Copies of Identification** (i.e. Government Issued Photo Identification; Social Security Card)

**Email completed application to Housing@sfgov.org or FAX to 415-355-2412**

Application must come from Referral Access Point.  
Applications cannot be accepted directly from the applicant.











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



Edwin M. Lee  
Mayor

Olson Lee  
Director

August 30, 2013

**Notice of Availability of 2013 Annual Monitoring Report Form and Reminder of Deadline**

The Annual Monitoring Report (AMR) forms for Reporting Year 2013 (RY2013) are available. The forms can be downloaded from the [Asset Management page](#) of the MOHCD web site.

The report is due on October 31 for projects whose business year ends June 30 and on April 30 for projects whose business year ends December 31. For any projects whose business year ends on a different date than above, the report is due 4 months from the last date of the business year.

Submissions for RY2013 and any outstanding reports from prior reporting years will be accepted only in the RY2013 format.

The RY2013 AMR form was revised from the form for RY2012, but in only a few areas, most notably:

- Worksheet 1A – four questions were eliminated.
- Worksheet 2 – two rows were added to display sub-totals

Some projects funded by the former San Francisco Redevelopment Agency may be submitting the AMR for the first time. In recognition of this, MOH is prepared to host an AMR training session. Personnel from any projects that are subject to the AMR reporting requirement are welcome to attend:

- Wednesday, September 18, 10:30am-12pm, Room 5080, 1 South Van Ness Ave, 5<sup>th</sup> Floor

To reserve seat/s for the training, please email [Ricky.Lam@sfgov.org](mailto:Ricky.Lam@sfgov.org) by Tuesday September 9<sup>th</sup>.

**Completion and Submission Instructions**

The AMR consists of the following 3 parts:

I. Project Activity Report – This is a Microsoft Excel spreadsheet that is comprised of the following worksheets:

- |                                    |                            |
|------------------------------------|----------------------------|
| • Instructions                     | 3. Occupancy & Rent Info   |
| • Checklist                        | 4. Narrative               |
| 1A. Property & Residents (revised) | 5. Project Funding Summary |
| 1B. Transitional Programs Only     | 6. Services Funding        |
| 2. Fiscal Activity (revised)       |                            |

Provide all applicable information that is requested in worksheets 1-6. Use the Instructions to help you complete each form and the Checklist to help you to determine when each worksheet is complete and to compile all submittals required for the entire AMR.

Use Question #9 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 the Project Activity Report 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](mailto:moh.amr@sfgov.org).

II. Owner Compliance Certification and Insurance & Tax Certification Form – This is a Microsoft Word document that must be completed, signed and dated by the Executive Director or other authorized officer of the owner, scanned and emailed to MOHCD along with A) current property and liability insurance certificates and B) proof of paid property tax. Retain the original, signed form in your records.

III. Audited Financial Statement – Provide a financial statement for the project for Reporting Year 2013. It must be prepared by a certified public accountant in accordance with generally accepted accounting principles and applicable regulations and laws. If the project is owned by a single asset entity, provide a separate financial statement just for the project, otherwise provide a statement 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 statement.

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

#### **Available Units and Waiting List Openings**

When opening the waiting list of a project to new applicants or when seeking applicants for available units, owners and property managers must notify the Mayor's Office of Housing and Community Development as part of the overall marketing that is conducted. MOHCD posts information about available units and wait list openings on this page of our web site. Submit copies of flyers, notices or web postings to [scott.madden@sfgov.org](mailto:scott.madden@sfgov.org). General information for people seeking affordable housing in San Francisco can also be found on our web site at this location.



**Owner Compliance Certification and Insurance & Tax Certification Form**  
**2013 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 the attachments required under the Insurance and Tax Certification on page 3 and email the form and the attachments with the Project Activity Report and audited financial statements to [moh.amr@sfgov.org](mailto:moh.amr@sfgov.org).

Project Street Address: \_\_\_\_\_

Reporting Period – Start Date: \_\_\_\_\_ End Date: \_\_\_\_\_

**Owner Compliance Certification**

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

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

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

*Owner Compliance Certification and Insurance & Tax Certification Form*  
 2013 Annual Monitoring Report  
 San Francisco Mayor's Office of Housing and Community Development

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

*Owner Compliance Certification and Insurance & Tax Certification Form*  
 2013 Annual Monitoring Report  
 San Francisco Mayor's Office of Housing and Community Development

**Insurance & Tax Certification**

Enter the information requested below, and attach a current copy (each) of the Liability and Property Insurance Certificates, a copy of the Property Tax Invoice and a copy of the check or checks submitted to pay the tax. SCAN the documents and send them as an attachment along with the complete AMR to MOHCD via e-mail to: [moh.amr@sfgov.org](mailto:moh.amr@sfgov.org).

<b>Property Insurance</b>		
	Property Street Address:	
	Policy Number:	
	Policy Effective Date:	
	Policy Expiration Date:	
<b>Liability Insurance</b>		
	Property Street Address:	
	Policy Number:	
	Policy Effective Date:	
	Policy Expiration Date:	
<b>Property Tax</b>		
	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:	

*Important:* If there are taxes due from this reporting period or prior reporting periods, you must use Section 4 - Narrative of the Project Activity Report to explain the occurrence(s) and the ongoing or proposed remedies and expected resolution date.

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

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

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## Property & Tenant Info

CCSF – MOH – RY2012AMR -- Instructions - Race/Ethnicity

**Total Head of Household Race/Ethnicity.** *From Section 1 - Property & Tenant Info, lines 62-69.*

Enter the number of households in the following **ETHNIC** categories:

**Hispanic or Latino.** A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race. The term "Spanish origin" can be used in addition to "Hispanic" or "Latino."

Enter the number of households in the following **RACIAL** categories:

**American Indian or Alaska Native.** A person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment.

**Asian.** A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.

**Black or African American.** A person having origins in any of the black racial groups of Africa. Terms such as "Haitian" or "Negro" can be used in addition to "Black" or "African American."

**Native Hawaiian or Other Pacific Islander.** A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.

**White.** A person having origins in any of the original peoples of Europe, the Middle East or North Africa.

## Fiscal Activity

CCSF – MOH – RY2012AMR – Instructions - Fiscal Activity

### Income and Expenses

The purpose of the Income and Expenses form is to track actual income received and expenses paid over the reporting period.

#### INSTRUCTIONS:

First Column - "Description of Expense Accounts". A complete description of the Expense Accounts is 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.

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

Third Column - "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.

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

5120 Housing Units Gross Potential Tenant Rents. This account records gross rent received less tenant assistance payments for all residential units. Offsetting debits to this account are Account 6331, Manager 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 Rent Income - Stores and Commercial. This account records gross rental income from stores, offices, rented basement space, furniture and equipment or other commercial facilities provided by the property.

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.

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

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

5300 Supportive Services Revenue. 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 (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. List all revenues received, with a separate line for each source.

5400 Interest Income. 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 Revenue. 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. If necessary, agents should subdivide the account into specific revenue accounts numbered 5992 through 5999.

1320 Replacement Reserve Deposits. This account records amount of deposits made to a segregated replacement reserve bank account during the report period.

#### Replacement Reserve Account Withdrawals

Capital Expenditures: enter in this row the total amount of capital expenditures for the reporting period. This amount should only include depreciable expenditures. These amounts should NOT include any operating expenses reported in the expense section of the report. Do NOT include expenses that were paid using outside sources - all expenses listed here should have been paid for using project income or reserve withdrawals.

1365 Operating Reserve Deposits. This account records amount of deposits made to a segregated operating reserve bank account during the report period.

#### Operating Reserve Account Withdrawals

1330 Other Reserve Accounts - Deposits. This account records amount of deposits made to segregated reserve bank accounts not identified above during the report period. You should provide the name of the account in cell E64.

Other Reserve Accounts - Withdrawals. You should provide the name of the account in cell E64.

6320 Management Fee. This account records the cost of management agent services contracted for 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.

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

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 (Account 6723) paid by the project.

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

6723 Health Insurance and Other Employee Benefits. This account records the cost of any health insurance and other employee benefits paid and charged to the project.

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 or Model Apartment 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. 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 - Project. 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/Unpaid Rent Loss. This account records by journal entry the amount of tenant accounts receivable 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 necessary, agents should subdivide the account into specific accounts numbered 6391 through 6399.

6450 Utilities: Electricity

6451 Utilities: Water

6452 Utilities: Gas

6453 Utilities: Sewer

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.

6720 Property Hazard and Liability Insurance. This account records the cost of project property and hazard liability insurance.

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

6722 Workmen's Compensation. This account records the cost of workmen's 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.

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 Heating/Cooling 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 necessary, agents should subdivide the account into specific accounts numbered 6591 through 6599.

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.).

## Occupancy and Rent Info

CCSF – MOH – RY2012AMR – Instructions - 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 MOH's funding agreements. Enter the data described below into the chart in Section 3 - Occupancy & Rent Info for the tenant population that occupied the project as of the end of the reporting period. *For vacant units and manager's units, you must supply data in columns D, E, P, R, S and U. 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. **Low Income Unit.** You must answer "Yes" for each unit occupied by a low-income person or household and "No" for units not occupied by a low-income person or household. Low Income Units are units rented or set aside for Low Income Households. "Low-Income" from the U.S. Housing Act of 1937 (the Act). The Act is enforced and implemented by the Department of Housing and Urban Development (HUD), HUD defines "low-income families [households]" as families whose income does not exceed 80 percent of the median family income for the area, (Area Median Income - AMI) as adjusted for family size. "Very low-income families" as families who do not exceed 50% of the median household income for the area, adjusted for family size. The maximum incomes for the property are governed by the property's Loan/Regulatory Agreements with MOH and possibly other project funders. The owner must ensure that they comply with all loan requirements.
- F. **Date of Initial Occupancy.** Enter the date (mm/dd/yyyy) of occupancy of the person/household that occupied the unit/bed on the last day of the reporting period.
- G. **Household Annual Income AT INITIAL OCCUPANCY.** Enter annual income of the household from the most recent certification/recertification. OK to leave blank ONLY if ALL funders do not require ANY income certifications.
- H. **Household Size at Initial Occupancy:** Enter the number of tenants in the household at the time of initial occupancy.
- I. **Female-headed Household.** For each residential unit, enter "Yes" if the head of household is a woman that is either alone or with one or more children. Enter "No" if the head of the household is not a woman.
- J. **Elderly household.** For each residential unit, enter "Yes" if the head of household is a person that is at least 62 years of age. Enter "No" if the head of the household is younger than 62.
- K. **Household Size as of last recertification within reporting period.** Enter the number of occupants in the unit (low-income units only) as of the end of the reporting period.
- L. **Number of Children Under Age 18 in HH.** Enter the number of occupants in the unit that were under age 18 as of the end date of the reporting period.
- M. **Disability (Mobility/Other/None).** If the unit is occupied by a mobility impaired tenant, select "Mobility" from the drop-down menu. If the unit is occupied by a tenant with an other physical disability, select "Other" from the drop-down menu. Select "None" if the unit is not occupied by a mobility impaired or other physically disabled tenant.
- N. **Household Annual Income as of last recertification within reporting period.** Enter annual income of the household from the most recent certification/recertification. OK to leave blank ONLY if ALL funders do not require annual income recertifications.
- O. **Over Income:** if the tenant is "over income" per the definition of MOH's underlying funding agreement, select "Yes" and go to #9 Narrative worksheet to describe steps taken.



P. **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.

"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 - 202/811" = The unit receives a subsidy through a Project Rental Assistance Contract from HUD's 202 or 811 programs.

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

"HOPWA" = Tenant is receiving tenant-based assistance, or the unit comes with project-based rental assistance, from the Housing Opportunities for People With AIDS program.

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

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

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

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

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

Q. **Amount of Rental Assistance.** Enter the dollar amount of assistance that the household/tenant receives.

R. **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+" = 5 or more Bedroom unit

S. **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.

T. **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.

U. **Utility Allowance:** If the tenant pays for utilities, enter the Utility Allowance allowed for the unit.

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

W. **Date of Most Recent Rent Increase.** ONLY FOR UNITS THAT DO NOT HAVE RENTAL ASSISTANCE OR SUBSIDY. Enter date of most recent rent increase for unit.

X. **Amount of Most Recent Rent Increase.** ONLY FOR UNITS THAT DO NOT HAVE RENTAL ASSISTANCE OR SUBSIDY. Enter amount of most recent rent increase for unit.

Y. **Percentage of Most Recent Rent Increase.** THIS IS A SELF-CALCULATING CELL - ENTER NO DATA HERE.

### 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. If the project was funded by tax credits, don't forget to supply the end date for the initial tax credit compliance period (typically 15 years).

### Services Funding

For each service that is provided based on your answers to questions 42-52 on Worksheet 1A, you must supply additional info about each service provider on Worksheet 6. Services Funding.

## Links to Relevant Policies

Double click on the following web links to access the policy documents posted at SFGOV for your reference. The web

MOH Forms Page at SFGOV.ORG

<http://www.sf-moh.org/index.aspx?page=25>

Program Income Overview

<http://www.sf-moh.org/Modules/ShowDocument.aspx?documentid=5141>

MOH Residual Receipt Policy

<http://www.sf-moh.org/Modules/ShowDocument.aspx?documentid=4949>

Residual Receipt Waiver Request Form

<http://www.sf-moh.org/Modules/ShowDocument.aspx?documentid=2788>

MOH Insurance Requirements Policy

<http://www.sf-moh.org/Modules/ShowDocument.aspx?documentid=5140>

Asset Management Fee Policy

<http://www.sf-moh.org/Modules/ShowDocument.aspx?documentid=4950>

You **MUST** supply an answer to every question. Failing to supply an answer may cause the form to characterize your work as "Incomplete" (see Checklist).

When using the "paste" function to enter data in the AMR worksheets, you should double-click into a cell prior to pasting. This will ensure that your input is validated and prevent you from submitting forms with invalid data. Any forms with invalid data will be returned with instructions to fix and resubmit.

**NOT SURE ABOUT AN ENTRY? FINDING A NEED TO DOCUMENT HOW YOU DERIVED A PARTICULAR NUMBER?**  
Please record your notes as a response to the last question (#9) on the Narrative worksheet.

**Annual Monitoring Report - Reporting Year 2013 -  
Mayor's Office of Housing & Community Development**

**REPORT CHECKLIST**

This checklist is a tool help you track progress toward completion. NOTE: Do not submit the AMR until all items are "COMPLETED".

Reporting Start Date 1/0/00  
Reporting End Date 1/0/00

	Owner Compliance Certification and Insurance & Tax Certification Form - Signed!
	Scanned Attachments: Insurance Certs & Tax Docs
	Audited Financial Statement, with all Management Letters
incomplete	Project Activity Report: 1A. Property & Residents
incomplete	Project Activity Report: 1B. Transitional Programs Only
incomplete	Project Activity Report: 2. Fiscal Activity
	Project Activity Report: 3. Occupancy & Rent Info
To Be Determined	Project Activity Report: 4. Narrative
incomplete	Project Activity Report: 5. Project Funding
To Be Determined	Project Activity Report: 6. Services Funding

The lists below and the fields in yellow above indicate whether you have supplied complete & accurate information for each worksheet. In almost all cases, an "Incomplete" designation indicates that you have not answered all of the questions. If you see any "incompletes", check that worksheet for complete answers. Do not submit a form with any "incomplete" indicators. Contact MOHCD if you are unable to determine why a given worksheet is being characterized as "incomplete".

<b>WORKSHEET 1A. Property &amp; Residents</b>	<b>incomplete</b>
questions 1 thru 4	incomplete
questions 5 thru 21	incomplete
questions 22 thru 29	incomplete
questions 30 thru 40	incomplete
questions 41 thru 51	incomplete
questions 52 thru 58	incomplete
questions 59 thru 93	incomplete

<b>WORKSHEET 1B. Transitional Programs Only</b>	<b>incomplete</b>
questions 1 thru 11	incomplete
questions 12 thru 18	incomplete
questions 19 thru 39	incomplete

<b>WORKSHEET 2. Fiscal Activity</b>	<b>incomplete</b>
Rental Income - Housing Unit GPTR	incomplete
Vacancy Loss - Housing Units	incomplete
Operating Expenses	incomplete
Op Reserve rows 199 thru 208	incomplete
Replacement Reserve - rows 209 thru 215	incomplete
Program Income, rows 245 thru 250	incomplete

<b>WORKSHEET 4. Narrative</b>	<b>To Be Determined</b>
1	OK
2	OK
3	OK
4	OK
5	OK
6	OK
7	OK

<b>WORKSHEET 5. Project Funding</b>	<b>incomplete</b>
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<b>WORKSHEET 6. Services Funding</b>	<b>To Be Determined</b>
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**Annual Monitoring Report - Property & Residents - Reporting Year 2013 -  
Mayor's Office of Housing & Community Development**

<b>IDENTIFYING INFO</b>	
1	Reporting Period Start Date (m/d/yyyy)
2	Reporting Period End Date (m/d/yyyy)
3	Property Name
4	Property Full Street Address (e.g. "123 Main Street")
<b>CONTACT INFO</b>	
5	Property Management Company
6	Property Manager Name
7	Property Manager Phone Number
8	Property Manager E-mail
9	Property Supervisor Name
10	Property Supervisor Phone Number
11	Property Supervisor E-mail
12	Property Owner Name
13	Property Owner Contact Person
14	Property Owner Contact Phone Number
15	Property Owner Contact E-mail
16	Asset Manager Name
17	Asset Manager Phone Number
18	Asset Manager E-mail
19	AMR Preparer's Name
20	AMR Preparer's Phone Number
21	AMR Preparer's E-mail
<b>PROPERTY INFO</b>	
What is the Bedroom/Unit Mix for the Property?	
22	Number of <i>Single Room Occupancy (SRO) Units</i>
23	Number of <i>Studios / (0) Zero Bedroom Units</i>
24	Number of <i>(1) One Bedroom Units</i>
25	Number of <i>(2) Two Bedroom Units</i>
26	Number of <i>(3) Three Bedroom Units</i>
27	Number of <i>(4) Four Bedroom Units</i>
28	Number of <i>(5+) Four or More Bedroom Units</i>
29	Number of <b>Residential Units</b> at Property
30	What is the date of the last Capital Needs Assessment? (m/d/yyyy)
31	What is the projected date of the next Capital Needs Assessment? (m/d/yyyy)

32		<p><b># 5</b></p> <p>How many <b>Health, Building or Housing Code Violations</b> 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 # 5 on the Narrative worksheet. <i>(Click on # 5 at left to jump to Narrative worksheet.)</i></p>
33		<p>How many <b>Health, Building or Housing Code Violations</b> were open from <i>prior</i> years?</p>
34		<p>How many <b>Health, Building or Housing Code Violations</b> were cleared in the reporting year?</p>
35		<p><b># 6</b></p> <p>Are there urgent <b>Major Property Repairs</b> needed on the property in the next two years? ( <b>Yes/No</b>) If there are needed major repairs you must answer Question #6 on the Narrative worksheet. <i>(Click on # 6 at left to jump to Narrative worksheet.)</i></p>
36		<p><b># 6</b></p> <p>If the property has <b>Immediate Capital Needs</b> and lacks adequate funds in the Replacement Reserve (or elsewhere) to cover the costs, please supply the amount of funds needed to makeup the difference, and supply additional explanation in question #6 of the Narrative report. <i>(Click on # 6 at left to jump to Narrative worksheet.)</i></p>
37		<p>As of the last day of the reporting period, how many units were fully <b>Accessible to Physically Impaired Tenants?</b></p>
38		<p>As of the last day of the reporting period, how many units were <b>Adaptable for Physically Impaired Tenants?</b></p>
39		<p>As of the last day of the reporting period, how many units were fully <b>Accessible to Visually Impaired Tenants?</b></p>
40		<p>As of the last day of the reporting period, how many units were fully <b>Accessible to Hearing Impaired Tenants?</b></p>

NEW	<b>Resident Services: ANSWER REQD FOR q's 41-49.</b> 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 detailed info about the service provider using Worksheet "6. Service Summary". <b>Projects that received bond financing and remain subject to CDLAC reporting requirements have additional annual reporting duties, please read the instructions on Worksheet 6 carefully.</b>	
41		After School Program/s (y/n) <small>Go To W56</small>
42		Licensed Day Care Service ( <i>participant fees are allowable for day care ONLY</i> ) (y/n) <small>Go To W56</small>
43		Youth Program/s (y/n) <small>Go To W56</small>
44		Educational Classes (e.g. basic skills, computer training, ESL) (y/n) <small>Go To W56</small>
45		Health and Wellness Services/Programs (y/n) <small>Go To W56</small>
46		Employment Services (y/n) <small>Go To W56</small>
47		Case Management, Information and Referrals (y/n) <small>Go To W56</small>
48		Benefits Assistance and Advocacy; Money Management; Financial Literacy and Counseling (y/n) <small>Go To W56</small>
49		Support Groups, Social Events, Organized Tenant Activities (y/n) <small>Go To W56</small>
50		Other Service #1 - Please specify in column G. <small>Go To W56</small>
51		Other Service #2 - Please specify in column G. <small>Go To W56</small>
52		Is the project any of the following: Transitional Housing, Residential Treatment Program, Shelter or Transitional Group Home? If you answer "yes", it is likely that the next 10 questions below (52 thru 62) are not relevant, so you may skip any that do not apply, instead you must complete worksheet titled "1B. Transitional Programs Only"
53		<b>Vacancies</b> - How many vacancies occurred at the project during the reporting period? (Please be sure that the data supplied on worksheet 3 does not show more vacancies than what is reported here.)
54		<b>Evictions</b> - How many evictions occurred during the reporting year?

55		<p><b>Vacant Unit Rent-Up Time - (in DAYS)</b> State the average vacant unit rent-up time. This is the period from the time a household moves out to when the unit is rented again. If this period exceeds 30 days, you must answer Question # 3 on the Narrative worksheet. <i>(Click on # 3 at left to jump to Narrative worksheet.)</i></p>
56		<p><b>Waiting List -</b> How many applicants are currently on the waiting list?</p>
57		<p>When was the waiting list last updated? (m/yyyy)</p>
58		<p><b>Affirmative Marketing -</b> Did you conduct any marketing of the project during the reporting period? If you conducted marketing during the reporting period, you must answer Question #4 on the Narrative worksheet. <i>(Click on #4 at left to jump to Narrative worksheet.)</i></p>

POPULATION SERVED					
Target / Actual Populations: As of the last day of the reporting period, what are the Actual and Target Populations (expressed as Number of Households) for the Project?					
Under Target Population, enter the number of units at the project that, as a requirement of a specific funding source (e.g. 202, HOPWA, McKinney), are targeted to and set aside for the target populations shown in the table. Under Actual Population, enter the number of households at the project that contain at least one person who is a member of the populations shown in the table.					
		Target Population		Actual Population	
59	Do not enter data in this cell	0	AIDS Supportive Housing	0	AIDS Supportive Housing
60	Do not enter data in this cell	0	Transitional Housing for Homeless	0	Transitional Housing for Homeless
61	Do not enter data in this cell	0	Permanent Housing for Formerly Homeless	0	Permanent Housing for Formerly Homeless
62	Do not enter data in this cell	0	Mentally Disabled	0	Mentally Disabled
63	Do not enter data in this cell	0	Physically Disabled	0	Physically Disabled
64	Do not enter data in this cell	0	Senior Housing	0	Senior Housing
65	Do not enter data in this cell	0	Substance Abuse	0	Substance Abuse
66	Do not enter data in this cell	0	Dually Diagnosed	0	Dually Diagnosed
67	Do not enter data in this cell	0	Triply Diagnosed	0	Triply Diagnosed
68	Do not enter data in this cell	0	Domestic Violence Survivor	0	Domestic Violence Survivor
69	Do not enter data in this cell	0	Veterans	0	Veterans
70	Do not enter data in this cell	0	Small Household/ Single Parent Transitional	0	Small Household/ Single Parent Transitional
71	Do not enter data in this cell	0	Formerly Incarcerated	0	Formerly Incarcerated



**Household Size:** As of the last day of the reporting period, supply the number of Households in the Project for each Household size below. DO NOT LEAVE CELLS BLANK - ENTER ZERO INSTEAD.

72		(1) <i>One Person Household</i>
73		(2) <i>Two Person Household</i>
74		(3) <i>Three Person Household</i>
75		(4) <i>Four Person Household</i>
76		(5) <i>Five Person Household</i>
77		(6) <i>Six Person Household</i>
78		(7+) <i>Seven or more Person Household</i>
79	0	<b>TOTAL HH's</b>
80	0	<b>TOTAL Residents</b>

**Head of Household Race/Ethnicity** - As of the last day of the reporting period, enter the numbers of Heads of Households of the following listed ethnicities. The total in row 89 (cell G109) must be the same as the total shown in row 79 (cell G98). DO NOT LEAVE CELLS BLANK - ENTER ZERO INSTEAD.

81		<b>Latino or Hispanic</b>
82		<b>American Indian or Alaskan Native</b>
83		<b>Asian</b>
84		<b>Black or African American</b>
85		<b>Native Hawaiian or Other Pacific Islander</b>
86		<b>White</b>
87		<b>Other</b>
88		<b>Unknown</b>
89	0	<b>TOTAL - must match total in row 79 (cell G98)</b>

90		As of the last day of the reporting period, how many <b>Elderly Households</b> resided at the property? ( <i>An Elderly Household is one with a Head of Household at least 62 years of age.</i> )
91		As of the last day of the reporting period, how many <b>Female-Headed Households</b> resided at the property? ( <i>A Female-headed Household is one with a woman as the head of household - either alone or with one or more children.</i> )
92		As of the last day of the reporting period, of the total population, how many <b>CHILDREN</b> (younger than 18 years of age) reside at the property?
93		As of the last day of the reporting period, how many units were occupied by tenants with <b>physical, visual or hearing impairment</b> ?

**Annual Monitoring Report - Transitional Programs - Reporting Year 2013 - Mayor's Office of Housing & Community Development**

**Project Address:** \_\_\_\_\_

**Project Capacity:** What is the target capacity of this project?

	A. Num Singles Not in Families	B. Num Families	C1. Num Adults in Families	C2. Num Children in Families	
1					
2	0				<b>Total Households (Singles and Families) That Can Be Served</b>

**Persons Served During Operating Year**

	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				<b>Total Households (Singles and Families) Served</b>
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				<b>Total Households in program on the last day of the operating year</b>
9					<b>← Capacity Utilization Rate (by Household as of last Day of Operating Year)</b>

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 H26 should match total of cells H12 + I12.)

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	<b>TOTAL # HH's that left the program</b>

**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 H51 should match total of cells H12 & I12.)

19		Rental - House or Apartment (no subsidy)	<b>PERMANENT</b>
20		Public Housing	
21		Section 8 Voucher	
22		Subsidized Rental - house or apartment	
23		Homeownership	
24		Moved in with family or friends	<b>TRANSITIONAL</b>
25	0	<b>Permanent Housing Subtotal</b>	
26		Transitional Housing for homeless persons	
27		Moved in with family or friends <b>TEMPORARILY</b>	<b>INSTITUTIONAL</b>
28	0	<b>Transitional Housing Subtotal</b>	
29		Psychiatric hospital	
30		Inpatient alcohol or other drug treatment facility	
31		Jail/Prison	<b>OTHER</b>
32		Medical Facility	
33	0	<b>Institutional Subtotal</b>	
34		Emergency Shelter	<b>OTHER</b>
35		Places not meant for human habitation (e.g. street)	
36		Unknown	
37		Other	
38	0	<b>Other Subtotal</b>	
39	0	<b>TOTAL # HH's that left the program</b>	

Annual Monitoring Report - Fiscal Activity - Reporting Year 2013 - Mayor's Office of Housing & Community Development

INCOME & EXPENSES				
12 Month Report Period		Start Date:	End Date:	
* Number of Units ->		1/01/1900	1/01/1900	
Description of Expense Accounts	Account Number	Residential	Non-Residential	Total
<b>Rental Income</b>				
Housing Units - Gross Potential Tenant Rents	5120			
Rental Assistance Payments (identify sources in row below if applicable; LOSP funding should be shown here)	5121			
Commercial	5140			
sub-total Gross Rental Income:		\$0.00	\$0.00	\$0.00
Vacancy Loss - enter amounts as negative numbers!				
Housing Units	5220			0.00%
Commercial	5240			0.00%
sub-total Vacancies:		\$0.00	\$0.00	\$0.00
NET RENTAL INCOME:		\$0.00	\$0.00	\$0.00
<b>Other Income</b>				
Parking Spaces	5170			
Miscellaneous Rent Income	5190			
Supportive Services Income - Do not enter supportive services income if it is tracked in a separate budget and not appropriate per MOH loan terms to be included in Residual Receipts calculation.	5300			
Supportive Services Income Source/s- identify program source(s) if applicable ->	5400			
Interest Income - Project Operations	5910			
Laundry and Vending	5920			
Tenant Charges	5990			
Other Revenue	5990			
sub-total Other Income Received:		\$0.00	\$0.00	\$0.00
1. TOTAL INCOME RECEIVED:		\$0.00	\$0.00	\$0.00

INCOME & EXPENSES				
Description of Expense Accounts	Account Number	Residential	Non-Residential	Total
<b>Management</b>				
Management Fee	6320			
"Above the Line" Asset Management Fee (amount allowable may be limited, see Asset Mgt. Fee Policy)				
sub-total Management Expense:		\$0.00	\$0.00	\$0.00
<b>Salaries/Benefits</b>				
Office Salaries	6310			
Manager's Salary	6330			
Health Insurance and Other Employee Benefits	6723			
Other Salary/Benefit Expenses				
Administrative Rent Free Unit	6331			
sub-total Salary/Benefit Expense:		\$0.00	\$0.00	\$0.00
<b>Administration</b>				
Advertising and Marketing	6210			
Office Expenses	6311			
Office Rent	6312			
Legal Expense - Property	6340			
Audit Expense	6350			
Bookkeeping/Accounting Services	6351			
Bad Debts	6370			
Miscellaneous Administrative Expenses	6390			
sub-total Administrative Expense:		\$0.00	\$0.00	\$0.00
<b>Utilities</b>				
Electricity	6450			
Water	6451			
Gas	6452			
Sewer	6453			
sub-total Utilities Expense:		\$0.00	\$0.00	\$0.00
<b>Taxes and License</b>				
Real Estate Taxes	6710			
Payroll taxes	6711			
Miscellaneous Taxes, Licenses, and Permits	6790			
sub-total Taxes and License Expense:		\$0.00	\$0.00	\$0.00
<b>Insurance</b>				
Property and Liability Insurance	6720			
Fidelity Bond Insurance	6721			
Workers' Compensation	6722			
Directors & Officers Liabilities Insurance*	6724			
sub-total Insurance Expense:		\$0.00	\$0.00	\$0.00
<b>Maintenance/Repair</b>				
<small>IMPORTANT NOTE: TREATMENT OF 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 row 99 below.</small>				
Payroll	6510			
Supplies	6515			
Contracts	6520			
Garbage and Trash Removal	6525			
Security Payroll/Contract	6530			
HVAC Repairs and Maintenance	6546			
Vehicle and Maintenance Equipment Operation and Repairs	6570			
Miscellaneous Operating and Maintenance Expenses	6590			
sub-total Maintenance Repair Expense:		\$0.00	\$0.00	\$0.00
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.				
SUB-TOTAL OPERATING EXPENSES:		\$0.00	\$0.00	\$0.00
Non-Capital Maintenance Repair Expenses eligible for payment by Replacement Reserve. Only enter amounts here if they were included in amounts entered for Maintenance & Repair section above. Enter as positive number.				
TOTAL OPERATING EXPENSES:		\$0.00	\$0.00	\$0.00

	Acct Num	Residential	Non-Residential	Total
1. TOTAL INCOME RECEIVED:		\$0.00	\$0.00	\$0.00
2. TOTAL OPERATING EXPENSES:		\$0.00	\$0.00	\$0.00
3. NET OPERATING INCOME:		\$0.00	\$0.00	\$0.00

Annual Monitoring Report - Fiscal Activity - Reporting Year 2013 - Mayor's Office of Housing & Community Development

	Lender Name / Describe Other Amt Paid			
<b>4. Debt Service (Principal and Interest)</b>				
Lender1 - Principal Paid (provide lender name to the right)				
Interest Paid				
Other Amount (describe to the right)				
Lender2 - Principal Paid (provide lender name to the right)				
Interest Paid				
Other Amount (describe to the right)				
Lender3 - Principal Paid (provide lender name to the right)				
Interest Paid				
Other Amount (describe to the right)				
Lender4 - Principal Paid (provide lender name to the right)				
Interest Paid				
Other Amount (describe to the right)				
Lender5 - Principal Paid (provide lender name to the right)				
Interest Paid				
Other Amount (describe to the right)				
<b>Total Debt Service Payments</b>		<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>5. Reserve Account Activity</b>				
Replacement Reserve Required Annual Deposit	1320			\$0.00
Operating Reserve Deposits	1365			\$0.00
Operating Reserve Account Withdrawals				\$0.00
Other Required Reserve Account Deposits (Identify account in row below) (1330)	<type rsrv acct name here>			\$0.00
Other Required Reserve Account Withdrawals - Identify account in next col ->	<type rsrv acct name here>			\$0.00
<b>Net Reserve Activity:</b>		<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Surplus Cash, Deficit (NOI minus Debt Service and Reserve Activity)</b>		<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
If amount for Surplus Cash above is negative: - you must provide a detailed explanation to question #1 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 #1		
<b>Surplus Cash Total:</b>				<b>\$0.00</b>
<b>REFER TO THE PROJECT'S SURPLUS CASH FLOW "WATERFALL" (IF APPLICABLE) PRIOR TO COMPLETING SECTION BELOW</b>				
<b>USES OF SURPLUS CASH THAT ARE AUTHORIZED TO BE PAID PRIOR TO CALCULATION OF MOHCD DEBT PAYMENT (IF APPLICABLE)</b>				
<b>6. Operating Reserve Replenishments (Deposits made out of surplus cash to satisfy minimum balance requirements).</b>				
<b>7. "Below-the-line" Asset Mgt fee (prior written authorization from City/SFRA may be required, see Asset Mgt. Fee Policy).</b>				
<b>8. Ground Lease &amp; related payments, if any</b>				
<b>9a. Partnership Management fee due from this reporting period. If any (tax credit projects only; not allowed if project is beyond 15-year compliance period).</b>				
<b>9b. Partnership Management fee accrued but unpaid from PRIOR reporting periods. If any (tax credit projects only; per City policy, not allowed if project is beyond 15-year compliance period).</b>				
<b>10a. 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).</b>				
<b>10b. Investor Services Fee (aka LP Asset Management Fee) accrued but unpaid from PRIOR reporting periods. If any (tax credit projects only; per City policy, not allowed if project is beyond 15-year compliance period).</b>				
<b>11. Deferred Developer fee, if any</b>				
<b>12. Other payments: use question 9 on the Narrative (worksheet #4) to provide details about any fees or other payments included here. 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.</b>				
13a. Debt Pmt to other lender1: Principal Paid (note lender name to right)		Lender Name for Debt Service payments entered below		
13a. Debt Pmt to other lender1: Interest Paid				
13b. Debt Pmt to other lender2: Principal Paid (note lender name to right)				
13b. Debt Pmt to other lender2: Interest Paid				
13c. Debt Pmt to other lender3: Principal Paid (note lender name to right)				
13c. Debt Pmt to other lender3: Interest Paid				
13d. Debt Pmt to other lender4: Principal Paid (note lender name to right)				
13d. Debt Pmt to other lender4: Interest Paid				
13e. Debt Pmt to other lender5: Principal Paid (note lender name to right)				
13e. Debt Pmt to other lender5: Interest Paid				
<b>Total Payments preceding MOHCD on Surplus Cash waterfall:</b>				<b>\$0.00</b>
				<b>\$0.00</b>
<b>14. RESIDUAL RECEIPTS</b>				
<b>PROPOSED USE OF RESIDUAL RECEIPTS</b>				
<b>14a. Is This Project Obligated to make Repayments on any MOHCD loans out of Residual Receipts? (enter yes or no in cell to the right)</b>				
- Residual Receipts Obligation Calculation (if applicable) -				
<b>14b. % of Residual Receipts (14)</b>				
<b>14c. \$500 per unit</b>				
<b>14d. Allowable Distribution (lesser of 14b &amp; 14c)</b>				
<b>14e. Net Residual Receipts Amount Due (14 - 14d)</b>				
<b>15. PROPOSED RESIDUAL RECEIPTS PAYMENT TO MOHCD</b>				
It may be acceptable for the Proposed Residual Receipts Payment to MOHCD noted on line 15 to be less than the amount calculated for line 14e. You must supply a detailed explanation in the cell to the right if 15 is not equal to 14e.				<b>Proposed Amount:</b>
<b>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.</b>				
<b>Remaining Balance if MOHCD Payment Amount is Accepted</b>				<b>\$0.00</b>

Annual Monitoring Report - Fiscal Activity - Reporting Year 2013 - Mayor's Office of Housing & Community Development

USES OF SURPLUS CASH THAT ARE AUTHORIZED TO BE PAID AFTER CALCULATION OF MOHCD DEBT PAYMENT IF APPLICABLE	
16. "Below-the-line" Asset Mgt fee (prior written authorization from City/SFRA may be required, see Asset Mgt. Fee Policy).	
17. Ground Lease & related payments, if any	
18a. Partnership 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).	
18b. Partnership Management fee accrued but unpaid from PRIOR reporting periods, if any (tax credit projects only, not allowed if project is beyond 15-year compliance period).	
19a. Investor Services Fee (aka LP Asset Management Fee) due from this reporting period, if any (tax credit projects only, not allowed if project is beyond 15-year compliance period).	
19b. Investor Services Fee (aka LP Asset Management Fee) accrued but unpaid from PRIOR reporting periods, if any (tax credit projects only, per City policy, not allowed if project is beyond 15-year compliance period).	
20. Deferred Developer fee, if any	
21. Other payments: use question 8 on the Narrative (Worksheet #4) to provide details about any fees or other payments included here. Failure to provide details will result in disallowance of 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.	Lender Name for Debt Service payments entered below
22a. Debt Pmt to other lender: Principal Paid (note lender name to right)	
22a. Debt Pmt to other lenders: Interest Paid	
22b. Debt Pmt to other lender: Principal Paid (note lender name to right)	
22b. Debt Pmt to other lenders: Interest Paid	
<b>Total Payments below MOHCD on Surplus Cash "waterfall"</b>	<b>\$0.00</b>
<b>Subtotal of Remaining Balance</b>	<b>\$0.00</b>

Proposed Owner Distributions (provide description in column C and enter amount in column F; description required if amount is greater than amount in 14d)

Proposed Other Distributions/Uses (provide description in column C and enter amount in column F; if you had a Calendar Year LOSP surplus, please acknowledge that and note exact amount)

<b>Final Balance (should be zero)</b>	<b>\$0.00</b>
---------------------------------------	---------------

**RESERVE ACCOUNT DETAILS**

**OPERATING RESERVE (Do not leave blanks for any questions asking for a number; enter zero instead.)**

Annual Withdrawal Amount:	
Minimum Required Balance:	
Beginning Balance:	
Ending Balance:	
Required Annual Deposit:	
Actual Annual Deposit (do not edit - taken from from page 1 account number 1365):	\$0.00
Total Operating Expenses plus debt service (don't edit cell - calculated)	\$0.00
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%

**REPLACEMENT RESERVE (Do not leave blanks for any questions asking for a number; enter zero instead.)**

Annual Withdrawal Amount:	
Minimum Required Balance:	
Beginning Balance:	
Ending Balance:	
Required Annual Deposit (do not edit - taken from from page 1 account number 1320):	\$0.00
Actual Annual Deposit	
Describe how the amount of annual deposit and the minimum required balance is determined.	

Capital Expenditures: provide the details below to generate the total and use the comments section at the bottom to supply explanations.

Capital Expenditures - Categories	Additional Description	Source	Amount
Building & Improvements			
Offsite Improvements			
Site Improvements			
Land Improvements			
Furniture, Fixtures & Equipment			
Other			
Notes About Capital Expenditures:			<b>Total: \$0.00</b>

Other Replacement Reserve Eligible Expenditures: provide details below to generate the total and use the comments section below to supply explanations.

Source	Amount
Paid out of Operating Budget, to be reimbursed by RR (from above)	\$0.00
Replacement Reserve	
Notes About Other Replacement Reserve Eligible Expenditures:	<b>Total: \$0.00</b>

<b>TOTAL REPLACEMENT RESERVE ELIGIBLE EXPENDITURES:</b> Total should be no less than the amount of the Replacement Reserve Withdrawal for the reporting period. You must provide an explanation below if total is less than RR withdrawal amount.	RR Withdrawal Amount→	\$0.00	Total	\$0.00
Notes About RR Withdrawal Amount Discrepancy:				

**FEDERAL PROGRAM INCOME REPORT**

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:

<http://www.sf-moh.org/Modules/ShowDocument.aspx?documentid=5141>

[Overview of Federal \(HOME and CDBG\) Program Income](#)

CDBG PROGRAM INCOME		
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 2010-2014 Consolidated Plan and 2013-2014 Action Plan as follows:	AMOUNT	DESCRIPTION
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):		
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):		
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):		
Amount to be deposited for use on future eligible CDBG activities that will be undertaken by June 30, 2013 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right):		
Other (provide amount in cell to the right, plus activity description and regulation citation in column furthest to the right):		
<b>Total CDBG Program Income Calculation</b> (see instructions for guidance on how to calculate)	\$0.00	
<i>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 for the use of CDBG program income received during the 2013 reporting period as depicted above.</i>		

**Annual Monitoring Report - Occupancy & Rent Info - Reporting Year 2013 - Mayor's Office of Housing & Community Development**

Project Address: \_\_\_\_\_ Date supplied must be from the rent roll for last month of the reporting period (entered on worksheet 1A) **1/01/2000** Num Units: **0**

Provide the data requested for the tenant population that was residing in the project at the end of the Reporting Period. For vacant units and manager's units, provide data in columns O, E, P, R, S and U only. Before using the "paste" function to enter data in the columns with Orange Highlighting, please check the drop-down menu 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.

**Remember, SAVE YOUR WORK!**

Row/Num	Unit No.	Low Income Unit? (yes/no)	Date of INITIAL OCCUPANCY (mm/dd/yyyy)	Household Annual Income AT INITIAL OCCUPANCY	Household Size AT INITIAL OCCUPANCY (number)	Female Headed household (yes/no)	Elderly household (yes/no)	Household Size (number) as of recertification WITHIN REPORTING PERIOD	Number of Children under Age 18 in HH	Disability (Mobility / Other / None)	Household Annual Income recertification WITHIN REPORTING PERIOD	Over Income Family? (yes/no) (yes=bank)	Rental Assistance Type (Section 8 / HOPWA / S+C / Other / None)	Amount of Rental Assistance	Unit Type (Bed / SRO / Studio / 2BR / 3BR / 4BR / 5+BR)	Amount of Gross Rent Allowed for Unit (enter zero if n/a)	Amount Tenant Paid Rent for Unit	Utility Allowance	Date of Most Recent Recertification WITHIN THE REPORTING PERIOD (mm/dd/yyyy)	Date of Most Recent Rent Increase WITHIN THE REPORTING PERIOD (mm/dd/yyyy)	Amount of Most Recent Rent Increase WITHIN THE REPORTING PERIOD	Rate of Rent Increase (calculated, do not enter)	
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**Annual Monitoring Report - Occupancy & Rent Info - Reporting Year 2013 - Mayor's Office of Housing & Community Development**

0

Num Units:

1/0/1900

Data supplied must be from the rent roll for last month of the reporting period (entered on worksheet 1A)

Provide the data requested for the tenant population that was residing in the project at the end of the Reporting Period. For vacant units and manager's units, provide data in columns D, E, P, R, S and U only. Before using the "paste" function to enter data in the columns with Change highlighting, 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.

**Remember, SAVE YOUR WORK!**

C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
Row Num	Unit No.	Low Income Unit? (yes/no)	Date of INITIAL OCCUPANCY (m/d/yyyy)	Household Annual Income OCCUPANCY (number)	Household Size AT INITIAL OCCUPANCY (number)	Female Headed House-hold (yes/no)	Elderly House-hold (yes/no)	Household Size (number) as of last REPORTING PERIOD	Number of Children 18 in HR	Disability (Mobility / Other / None)	Household Annual Income as of last REPORTING PERIOD	Over Income Per MORCO Funding Agreement? (yes/blank)	Rental Assistance Type (Section 8 / HUDWA / S+C / Other / None)	Amount of Rental Assistance	Unit Type (Bed / SRO / Subd / 2BR / 3BR / 4BR / S+BR)	Amount of Maximum Gross Rent Allowed for Unit (enter same if n/a)	Amount Tenant Paid Rent for Unit	Utility Allowance	Date of Most Recent Recertification WITHIN THE REPORTING PERIOD (m/d/yyyy)	Date of Most Recent Rent Increase WITHIN THE REPORTING PERIOD (m/d/yyyy)	Amount of Most Recent Rent Increase WITHIN THE REPORTING PERIOD	% of Rent Increase (calculated, do not enter)
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**Narrative**

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.*

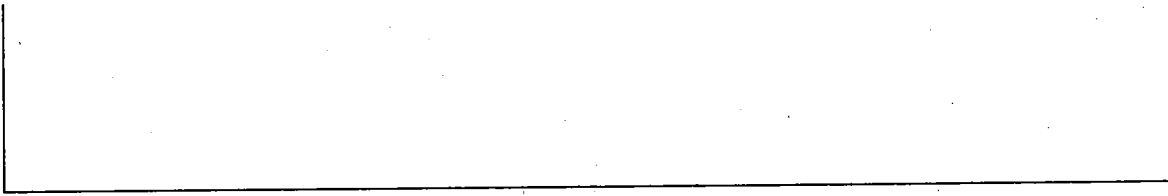
**Negative Cash Flow**

1. Does the project show a **NEGATIVE CASH FLOW** on the MOHCD Income Expense section of the Fiscal Activity Report? If so, you must supply the following:
  - a. A description of the work done to analyze the cause/s of the shortfall, and what the identified causes are; and
  - b. A description of the work done to identify remedies for the shortfall, and all viable remedies that have been identified; and
  - c. A description of the plan to implement any remedies, including specific timelines for the implementation work.

**Vacancy Rate ----->**

**0.00%**

2. If the project show a **VACANCY RATE GREATER THAN 15%** as shown ABOVE from the Income Expense section of the Fiscal Activity Report, 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.



**Vacant Unit Rent-Up Time**

0

3. If the project showd an AVERAGE VACANT UNIT RENT-UP TIME GREATER THAN 30 days for question 78 on the **Property & Tenant Info** worksheet, you must supply the following:
- a. A description of the work done to analyze the cause/s of the high turnaround time, and what the identified causes are; and
  - b. A description of the work done to identify means of reducing the turnaround time, and all viable remedies that have been identified; and
  - c. A description of the plan to implement any remedies, including specific timelines for the implementation work.

**Affirmative Marketing**

0

4. 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.

**Code Violatons**

5. Provide the following for any violations or citations of Health or Building or Housing Codes that were issued during the reporting period, or were issued in a prior reporting period but remained open during any time of the current reporting period:

Violation or Citation #	Date Issued	Issued By	Description	Cleared? (y/n)

*(add additional rows as needed)*

**\*\* ONLY FOR ALL VIOLATIONS THAT WERE NOT RESOLVED by the end of the reporting period: You must also attach a SCANNED copy of each Violation/Citation to your AMR submittal. \*\***

Violation or Citation #	Date Cleared	Issued By	Description of Remedy

*(add additional rows as needed)*

**\*\* ONLY FOR ALL VIOLATIONS THAT WERE NOT RESOLVED by the end of the reporting period: You must also attach a SCANNED copy of each Violation/Citation to your AMR submittal. \*\***

**Major Repairs**

6. 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.

**Asset Management Fee**

7. Has the project incurred Asset Management Fee expenses beyond the base amount of \$3000 allowed under the current Asset Management Fee Policy? If so, this amount should be reflected on item number 8 on page 1 of in the Income & Expense section of the Fiscal Activity Report, the use must be consistent with the finding agreement and/or the Asset Management Fee Policy, and you must provide the following information below:
- a. A detailed description of how the exact amount of the asset management fee was calculated; and
  - b. A description of the specific staff expenses covered by the Asset Management Fee amounts, including managers that supervise the asset management work.

**Property Taxes**

8. Is the project delinquent in payment of any taxes due for the reporting period or any prior reporting periods? If so, you must supply the following:
- a. A description of the plan to pay the delinquent taxes, including specific timelines, and;
  - b. A description of any solutions that have been identified to prevent future tax payment delinquencies, and the plans to implement those solutions, including specific timelines.

**Explanations & Comments**

9. 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 WS #2, Fiscal Activity, items 12 & 20. Also use this space to record info about steps taken in response to discovery that tenant is over income per MOHCD funding agreement (see question 10b on Occupancy & Rent Info worksheet).

Remember, **SAVE YOUR WORK!**



**Annual Monitoring Report - Project Financing - Reporting Year 2013 - Mayor's Office of Housing & Community Development**

Current Project Financing: Tax Credit Initial Compliance Period End Date: \_\_\_\_\_

In the space below, list all current outstanding loans and grants that are secured by the project. List each obligation in the order of lien position, from highest to lowest.

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 Last Reporting Period	Accrued Interest As Of End of Last Reporting Period
1								
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## **Exhibit J**

### **OPERATIONAL RULES FOR RESIDENTIAL CERTIFICATE OF PREFERENCE (COP) HOLDER AND ELLIS ACT HOUSING PREFERENCE (EAHP) PRIORITY**

The Borrower hereby agrees that first preference in occupying units designated for Low Income Households (Low Income Units) will be given to persons displaced from their homes by redevelopment activities who have been issued a Residential Certificate of Preference (COP) and who meet all qualifications for the unit.

The Borrower further agrees that second preference in occupying units designated for Low Income Households will be given to persons displaced from their homes by an Ellis Act Eviction who have been issued an Ellis Act Housing Preference Program (EAHP) Certificate and who meet all qualifications for the unit.

For new residential developments going through the initial lease-up process, the EAHP priority shall apply to twenty percent (20%) of the Low Income Units. Thus, if the number of units available exceeds the number of qualified applicants who hold a COP or other preference as dictated by specific loan documents or marketing plan, the next priority will go to EAHP certificate holders for up to 20% of the total Low Income Units. The EAHP priority does not apply at initial lease-up or sale to buildings having four (4) or fewer Low Income Housing Units. However, the EAHP priority does apply to these same units upon re-rental.

Low Income Units with other occupancy priorities required by law, contract, or program rules may apply the COP and EAHP after other preferences, with COP holders being granted priority above EAHP certificate holders. Preferences required by a former Redevelopment Project Area Plan are not pre-empted by the COP Program or the Ellis Act Housing Preference Program. Preferences required by the LOSEP, Direct Access to Housing Program, Housing First Program, or other government program are not be pre-empted by the Ellis Act Housing Preference Program.

#### **Marketing Plan**

The Borrower agrees to supply Mayor's Office of Housing and Community Development (The City) with a complete and updated marketing plan at least six months prior to construction completion. This information shall not be changed without providing The City with fourteen (14) calendar days' written notice.

#### **Outreach to Certificate Holders**

The City shall furnish the following:

- Written and/or printed notices to COP and EAHP certificate holders advising them that units will soon be available. COP mailings are at the cost of the Borrower.
- Assistance to qualified tenants in filing COP and EAHP applications by support service staff or referral to an appropriate housing counseling organization

The Borrower agrees to:

- Upon initial lease up, conducting at least one general informational meeting for all persons interested in applying for occupancy in the development, at which the Borrower shall review application procedures.
- Specifically for COP and EAHP certificate holders, make support services staff available to provide assistance throughout the application process, as it may be needed, with the goal of maximizing COP/EAHP participation to the extent possible. The Borrower shall ensure that COP/EAHP holders are aware that such assistance is available.

### **Application**

A. The Borrower agrees to ask the following questions on all applications for occupancy:

1. “Have you been displaced from your home or residence by the San Francisco Redevelopment Agency?”
2. “Do you have an Ellis Act Housing Preference Certificate?”

The address from which displacement occurred shall be requested, but not required, if the applicant answers affirmatively to either question.

### **Pre-Lottery Application Status Reports**

The Borrower agrees to supply The City with the names, addresses, and certificate numbers (when available) of applicants who indicate they are eligible for COP or EAHP priority status. A status report with this information will be provided, at a minimum, every seven (7) calendar days from the initial date applications are accepted. The City will, in turn, verify within fourteen (14) calendar days which such applicants are qualified as COP or EAHP certificate holders.

If material supplied in any application by a COP or EAHP holder indicates ineligibility on its face because of the Borrower’s rules and regulations, such applicant will be notified in writing within seven (7) calendar days, with a copy to The City. The status report to The City shall reflect that the application has been closed and shall indicate the reason for rejection.

After the application period has closed, and prior to lottery proceedings, a non-prioritized list of all interested applicants will be provided to The City. The list shall include applicant names, addresses, and whether the applicant holds a COP or an EAHP certificate.

### **Lottery**

Borrowers shall ensure that all COP holders receive first priority for occupancy and EAHP certificate holders receive second priority for occupancy in 20% of units, except in cases where approved and documented occupancy priorities preempt the COP and EAHP preferences. EAHP certificate holders who are not offered a unit in the 20% set aside shall have equal chance at any remaining units as other qualified applicants.

The Borrower shall hold a public lottery to select renters. Applicants who submit a complete application by the application deadline receive a numbered lottery ticket whose twin ticket is

entered into the lottery. Upon pre-approval from The City, lotteries may also be conducted using names of applicants. Lotteries are held in a public, accessible location. Applicants are invited to attend lotteries, but attendance is not mandatory.

To conduct the lottery, The City and/or the Borrower shall pull application tickets from a vessel and order and record the lottery results in rank order by application ticket number. When using names, Borrower shall pre-enter all applicant names onto individual name cards. All EAHP certificate holders should have two name cards. Names shall be pulled from a vessel in rank order. There should be separate lotteries held for each preference. First, COP holders will be drawn and ranked, followed by EAHP applicants, followed by applicants from the general population. The EAHP certificate holder's second card will be included in the general lottery. Electronic lotteries are not allowed.

The Borrower should use a large computer or projector screen or hand printed flip chart sheets to display all numbers/names drawn and the sequenced lottery number assigned for each preference lottery and the general lottery. This can be done by listing all applicants in separate columns under each preference category.

The Borrower should record each name card/number ticket assigned a lottery number onto a computer master list as well as a hand printed paper list for double checking. Results will remain projected on a screen or posted flip chart paper throughout the lottery drawing process for the public to view and record results.

The Borrower shall record the order of lottery numbers/names drawn and produce a final lottery list for each preference and for the general lottery. Once the lottery preferences have been confirmed and applied, applicants shall be notified of their position in the lottery.

#### **Post-Lottery Status Report**

Within seven (7) business days of any lottery the Borrower shall supply The City with the lottery results including the rank order of each applicant and a record of COP and EAHP certificate holders.

Thereafter, at least every seven (7) calendar days following any lottery or upon initiating lease-up, the Borrower shall supply The City with a "status report" listing names, addresses, and certificate numbers (when available) of COP and EAHP certificate holders indicating the status of each application as of that date until all Low Income Units are leased. If ineligibility is determined, the applicant will be notified in writing within one week after such determination is made, with a copy to The City. These applicants will also appear on the status report.

#### **Response Deadline**

Applicants who have been accepted and notified in writing by the Borrower shall have at least ten (10) calendar days thereafter to enter into a lease agreement. If the applicant fails to affirmatively respond, the application may be closed, making that unit available to the next eligible tenant. Written notice shall be provided to applicants whose applications are closed after 10 days due to a lack of response. Rejection of the unit by a COP or EAHP certificate holder and closed applications must be shown on the status report to The City.

### **Final Documentation**

Within fourteen (14) calendar days after execution of a lease, the Borrower shall supply The City with a copy of the following for all COP and EAHP tenants:

- signed copy of lease
- copy of complete application
- a demographic report on all COP and EAHP applicants

### **Re-rental of Low Income Units**

Upon re-rental of any Low Income Unit or when re-opening the project waitlist to new applicants, the Borrower shall notify The City in advance of any vacancy or waitlist opportunity. In no event shall The City be notified fewer than thirty (30) days before the date of re-occupancy for a vacant unit. In no event shall The City be notified fewer than thirty (30) days before a closed waitlist is re-opened for new applications. Violation of the thirty (30) day notification requirement may delay re-occupancy.

Appeals, response deadline, application forms, and final documentation requirements listed above shall apply to all re-rentals.

#### *Waitlists*

Borrowers filling unit vacancies off a waitlist must accept applications from approved COP and EAHP certificate holders at any time, regardless of whether the waitlist is closed to other applicants. If a COP or EAHP certificate holder is found eligible for a Low Income Unit in the building, they shall be placed at the top of the waitlist.

No more than seven (7) calendar days following the date that any new applications are accepted for a waitlist, the Borrower shall supply The City with a status report listing names, addresses and certificate numbers (when available) of COP and EAHP certificate holders indicating the status of each application as of that date and the reason for any rejections.

The City will, in turn, verify within seven (7) calendar days which such applicants are qualified as COP or EAHP certificate holders.

On an annual basis and each time a new waitlist is established, The City shall be provided with a complete list of all applicant names, rank on the waitlist, and whether they hold a COP or EAHP certificate upon finalization of the waitlist.

#### *Lotteries*

Borrowers that fill unit vacancies using a lottery process must adhere to the procedures pertaining to lotteries and status reports for new and vacant buildings.

#### *Other Re-rental Processes*

Borrowers that fill unit vacancies using some other process than an established waitlist or a lottery, such as those who use a first-come first-served method, must consult The City prior to beginning the lease up process. This will ensure a fair, transparent process that adheres to the required COP and EAHP priorities.

**Citywide Affordable Housing Loan Committee**  
 San Francisco Mayor's Office of Housing and Community Development  
 Office of Community Investment and Infrastructure  
 Department of Human Services  
 Department of Public Health

**Evaluation of Request for Funding – Local Operating Subsidy Program (LOSP)**

*Prepared By: Lydia Ely*

*Date prepared: 1/30/14*

*Loan Committee Date: 2/21/14*

<i>Sponsor Name:</i>	CHP Scott Street, L.P, a California limited partnership	
<i>Project Name:</i>	Edward II	
<i>Project Address (w. cross street):</i>	3155 Scott Street	
<i>Number of Units/Beds (specify):</i>	24 LOSP Units (Transition Age Youth)	
	1 Manager's Unit	
	25 Units Total	
<i>Local Operating Subsidy Funds Requested:</i>	\$ 113,417	2014 (3 mos)
	\$ 453,667	Full Year One Budget
	\$ 8,380,458	15 years
<i>Amount of Funds Recommended:</i>	\$ 113,417	2014 (3 mos)
	\$ 8,380,458	15 years

**1. SUMMARY**

CHP Scott Street, L.P. (the Sponsor) is requesting \$113,147 in General Funds for Calendar Year 2014 to subsidize housing operations at the Edward II project, which will provide 24 units of supportive housing for Transition Age Youth referred by San Francisco's Human Services Agency (HSA). Community Housing Partnership (CHP), the Sponsor's General Partner, will operate the project. The requested amount for 2014 is for three months of a total Year One budget of \$453,667. The proposed contract is for a period of 15 years, totaling \$8,380,458, and will subsidize 100% of the units. Construction began in November 2013, is on time and on budget, and is expected to be complete 5 weeks ahead of schedule, in October 2014. HSA will fund supportive services through a separate contract.

Operating costs for the project are higher than average, at \$16,167 per unit per year, due to the small size of the project and due to a Neighborhood Benefits Agreement that commits the Sponsor to providing 24-hour staff coverage at the site. LOSP costs per unit are also the highest within the LOSP portfolio, at \$18,356 per unit per year.

Staff recommends approval of this request.

## 2. BACKGROUND

In 2006, Mayor Gavin Newsom convened the Transitional Youth Task Force to address the needs of Transition Age Youth in San Francisco. The Task Force published findings in July 2006 and charged City departments with developing detailed work plans for several relevant areas, including housing. MOH facilitated a six-month process focused on TAY housing, which included representatives of City agencies and nonprofit organizations, and culminated in a 2007-2012 Work Plan. The plan calls for MOHCD to fund 400 units of housing – using a number of housing models – for various subpopulations of TAY. As of February 7, 2014, 242 TAY units have been developed or are in the pipeline, including the 24 units at Edward II. The need for supportive housing for TAY who are homeless or at risk of homelessness continues to be critical, and is further exacerbated San Francisco's dramatically escalating rents over the past year.

As part of the implementation of the TAY Housing Plan, MOH issued a Notice of Funding Availability (NOFA) for capital funds for TAY projects in Fall 2009 and received five applications for funding, including an application from Community Housing Partnership for the Edward II project.

The Edward II project is the first supportive housing project to be developed in Supervisorial District 2. In 2010, during the predevelopment period, there was significant opposition to the project from neighborhood groups including the Cow Hollow Association, the Marina Community Association ("MCA"), the Marina Merchants Association ("MMA"), Marina Cow Hollow Neighbors and Merchants ("MCHNM"), and Union Street Merchants Association ("USMA"). Specifically, the groups opposed the City's approval under CEQA; the Conditional Use Permit related to the change in use from tourist hotel to group housing; a Special Use District (SUD) legislation allowing more than 16 group housing units; and the perceived process for the siting and approval of the project. After incurring significant delay and expense caused by the community opposition, CHP negotiated a Neighborhood Benefits Agreement which allowed the project to move forward without legal opposition.

## 3. PROJECT OPERATIONS

The Edward II project is a three-story plus basement former tourist hotel consisting of 24 Single Room Occupancy (SRO) units with private baths, as well as one one-bedroom manager's unit, for Transition Age Youth who are at or below 20 percent of Area Median Income. The Project also includes 6,479 square feet of community space as well as various support services offices. Edward II has been developed in partnership with Larkin Street Youth Services (LSYS), which will provide supportive services at the site.

### 3.1. Annual Operating Budget

Please see the attached annualized budget for this initial year.

Tenant Rents – LOSP Units: Tenants in LOSP units funded by the Human Services Agency's Housing and Homeless Programs typically pay 30% of their income for rent. The projected \$102 tenant rent/unit shown in the budget assumes that residents will receive CAAP (General Assistance) benefits. This calculation was also the basis for the tenant rent portion at 1100 Ocean Avenue Apartments, recently approved by the Loan



Committee, and is supported by the Sponsor, HAS, and Larkin Street as an accurate and realistic projection for TAY. These parties will work together to develop guidelines for minimum income and minimum rent.

Local Operating Subsidy Assistance Payment. The Year One budget shows income and expenses for the first full year of operations; however the request for Calendar Year 2014 is for \$113,417, for the three months spanning October 1, 2014 through December 31, 2014.

Operating Expenses: Operating expenses for Edward II are largely budgeted based on CHP's experience owning and operating the LOSP portfolio's closest comparable project, Zygmunt Arendt House, which provides 47 units of LOSP-subsidized supportive housing for formerly homeless adults, with referrals by the Human Services Agency.

The total operational cost in Year One for Edward II is \$388,008 (\$16,167/ PUPA) excluding debt service and reserves, which is higher than all comparable LOSP projects. The LOSP per unit subsidy for Edward II (\$18,903/ PUPA) is higher than the average of the four most comparable projects presented on the attached LOSP Operating Cost Comparables sheet (\$8,466 / PUPA). Operating costs for the project are higher than average due to several factors:

- 1) the small size of the project; fixed costs are spread across fewer units, resulting in a higher per-unit cost
- 2) a Neighborhood Benefits Agreement that commits the Sponsor to providing 24-hour staff coverage at the site.
- 3) Low tenant-paid portion of rent (budgeted at \$102 per month) in recognition of TAY characteristics

Bad Debt and Legal: Bad debt is calculated as 5% of rental income (4.6% across CHP's entire portfolio) and Legal is calculated at \$60/unit (CHP comparables are \$76 at Richardson House, and \$74 at Arendt House). CHP has confirmed with the operator of 864 Ellis, a comparable 24-unit TAY housing project, that these projects are reasonable. A slightly lower-than-comparable legal cost has been budgeted due to expected positive impacts of the high staff:tenant ratio as well as the significant presence of supportive services staff.

Staffing. The staffing plan for the building includes 5.445 FTE, not including supportive services staff.

Position	FTE	Notes
Property Manager	1	Full time
Occupancy Manager	.08	Off site
Floating Property Manager	.115	
Janitor	0.7	
Maintenance Tech	.3	
Desk Clerks	3.25	
TOTAL	5.445	1 staff per 4.4 tenants

The staff:tenant ratio is 1:4.4. Arendt House, CHP's 46 unit property, also has a high staff:tenant ratio of 1: 5.4, with 8.5 full time staff. Edward II requires 22% greater staffing/unit than Arendt House, largely the result of the 24-hour security costs getting distributed over far fewer units. At 24 units Edward II is the smallest building operated by CHP, so the fixed cost of 24-hour staffing is higher per unit. Twenty-four-hour coverage, provided by the onsite Property Manager and Desk Clerks, accounts for 78% of the site's staffing. All other staffing is efficiently shared with other sites.

During the predevelopment stage, when CHP was securing a Special Use District (SUD) and other entitlements for the Edward II project, certain neighbors and community members expressed concern about inadequate staffing at the site and its potential effects on the neighborhood. As a result, and to pre-empt legal action blocking the project's entitlements, CHP and a number of neighborhood groups entered into a Neighborhood Benefits Agreement governing a number issues, including staffing coverage, as follows:

"The Project will have: (i) one on-site day-time manager during the hours of 8:00 a.m. to 4:00 p.m. five days a week, but visiting staff will substitute as a daytime manager when the manager is off for Project Sponsor and/or Larkin Street-wide recognized holidays, vacation or due to illness; (ii) a lobby security desk staffed during the hours of 4:00 p.m. to 8:00 a.m., seven days a week, the foregoing holidays included; (iii) a live-in, resident manager (or other Project Sponsor management staff) will be available for emergency response after 7 p.m., 7 days a week, the foregoing holidays included; and (iv) two (2) full-time on-site social services staff from 9:00 a.m. to 7:00 p.m., 7 days a week, holidays included. A minimum of one staff member will be on the premises at all times, that is, 24 hours per day and 7 days per week, holidays included, and, in addition, the live-in, resident manager (or other Project Sponsor management staff) will be available as set forth in clause (iii) hereinabove."

Management Fees - \$62 per unit per month, as allowed by HUD's policy on fees.

Administrative/Office Expenses - These are reasonable and are broken down as follows:

Telecommunications	4,100
Office Equipment Lease	2,010
Office Equipment Repairs	500
Office Expenses	2,000
Staff Activities	800
Staff Development	500
Staff Training Benefit	300
Travel	240
Staff Recruitment	75
Postage / Delivery	50

Utilities. - Based on Arendt House, and pro-rated.

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Supplies and Maintenance – Reasonable; based on Arendt House.

Taxes and Insurance – Reasonable; based on Arendt House.

Replacement Reserve Deposits: Replacement reserve deposits of \$600 unit /year are higher than MOHCD's underwriting guidelines, but required by California's Department of Housing and Community Development (HCD) under the Multifamily Housing Program (MHP). They are in addition to \$112,105 in capitalized replacement reserves required by the investor, which includes funding for kitchenette installations (\$87,105) found to be necessary for marketability in case the LOSP subsidy is eliminated, plus \$1000 a unit for standard capitalized reserves.

Operating Reserve Deposits. The project is obligated to maintain an operating reserve account equivalent to 25% of expenses and debt and reserves, assuming expenses increase by 3.5%. No deposits are shown on the cashflow.

Asset Management and Partnership Management Fees: \$15,000 total is budgeted for asset management fee (\$5,000) and partnership management fee (\$10,000), as originally proposed by the Sponsor.

Deferred Developer Fee. According to the MOHCD developer fee policy, the project is entitled to a total fee of \$1.2MM; however, the Sponsor only requested \$575,000 during the development phase in its initial funding application submitted to MOH in December 2009. As a result of community opposition and the resulting project delays of almost two years, the Sponsor requested the balance of \$625,000 as a deferred fee. MOHCD has approved a deferred fee of \$525,000, which is being provided to the Sponsor through the LOSP grant over a ten-year period, which differs from MOHCD's typical five-year disbursement for deferred fees.

3.2. 20-Year Cash Flow. The attached 20-year cash flow projection includes the 15-year period for this contract request.

- Tenant rent income trends at 1.0%, which is meant to mirror increases in the assumed GA income for the TAY population.
- First year vacancy rates are compliant with standard MOHCD underwriting guidelines at 5%.
- Operating expenses trend at 3.5% per year, per MOHCD Underwriting Guidelines.
- Projected LOSP subsidy will trend at a rate of 3% year to year.

#### 4. TARGET POPULATION AND SERVICES

Tenant referrals will be coordinated through the San Francisco Human Services Agency (HSA). CHP, Larkin Street and HSA will work together over the next 3 months to identify the appropriate access points for the project. Currently TAY referrals to other LOSP-funded projects are provided by Larkin Street programs but also by single-adult emergency shelters.

CHP has set the goal at Edward II of full lease up by the end of January 2015, less than 4 months from construction completion. In order to meet this target, CHP will need to begin the referral process in collaboration with HSA several months before lease up begins.

Supportive Services: Larkin Street Youth Services (Larkin Street) will serve as the provider of services that will be available to residents living at the 3155 Scott Street site, also known as the Edward II. The mission of Larkin Street Youth Services is to create a continuum of services that inspires youth to move beyond the street. Larkin is nationally recognized as a model of innovative and effective care for youth.

Larkin Street Youth Services will offer a complete program of supportive services to Edward II tenants, provided both by on-site services staff and at Larkin Street's off-site service centers. The estimated services budget is \$200,411, which will provide onsite coverage by direct service staff at least 10 hours per day year round (including weekends and holidays), as required by the Neighborhood Benefits Agreement, well as staff supervision and other necessary program related costs such as food, supplies, etc. Larkin, HSA and CHP will be working together over the next 3 months to develop the final contract scope of work and establish both a start-up budget for FY 2014-2015, and an annualized budget for subsequent years.

Larkin's wraparound services include outreach, intake and assessment; education, technology and employment training; life skills training including financial management; healthcare, including mental health, substance abuse, and HIV services; and case management. Several of these services are outlined below:

- a) **Outreach:** make efforts to contact, interact, inform and invite tenants to make use of Support Services to assist with and address individual needs or issues. These efforts shall include written messages, in person interactions, phone messages and calls, and emails as available.
- b) **Intake and Assessment:** provide one or more meetings or interviews with a tenant to establish strengths, skills, needs, plans and goals that are useful to the tenant and shall help the client maintain housing.
- c) **Referrals:** assist clients to identify and access services available within the community that meet specific needs or support progress toward identified goals. This can include providing information about mental health programs, substance abuse treatment programs, employment training or counseling, job search, calling to help establish appointments, assisting with the completion of applications, helping with appointment reminders, follow up/checking in with clients regarding the process, and, as necessary, re-referral.
- d) **Case Management:** provide on-going meetings and counseling services with a tenant to establish goals, support individualized service plans (ISP) and track progress toward long-term and short-term goals. The plan should outline desired goals and

activities necessary to achieve their goals. The plan should be updated regularly and consistently.

- e) **Education and Employment Training:** offer customized employment and education services that allow youth to complete their high school education; enroll in post-secondary education; learn technology; participate in internships; build job readiness skills; and secure and maintain career-track employment so that they can achieve personal and financial independence.
- f) **Mental Health Services:** offer counseling, case management, case coordination, referrals to outside care, mental health focused groups, individual counseling, harm reduction services, consulting psychiatric services and peer-based counseling.
- g) **Community Building:** provide individual and group activities and support designed to assist tenants in creating a sense of community, as well as in the neighborhood and greater community. Examples of such activities include Tenant Associations, holiday celebrations, community volunteering, and representation on Larkin Street's Youth Advisory Board.

#### 5. RECOMMENDED CONDITIONS

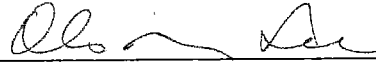
After the first full year of operations, Sponsor to present an analysis of the staffing pattern (both property management staff and services staff) including an assessment of the need for 24-hour staffing to MOHCD. Based on the analysis, and if appropriate, Sponsor to approach neighbor organizations to amend the Neighborhood Benefits Agreement in order to eliminate the 24-hour staffing requirement.

#### 6. LOAN COMMITTEE MODIFICATIONS

**7. LOAN COMMITTEE RECOMMENDATION**

*Approval indicates approval with modifications, when so determined by the Committee.*

APPROVE.     DISAPPROVE.     TAKE NO ACTION.

  
\_\_\_\_\_  
Olson Lee, Director  
Mayor's Office of Housing and Community Development

Date: 2/21/14

APPROVE.     DISAPPROVE.     TAKE NO ACTION.


\_\_\_\_\_  
Date: \_\_\_\_\_  
Tiffany Bohee, Executive Director  
Office of Community Investment and Infrastructure

APPROVE.     DISAPPROVE.     TAKE NO ACTION.

  
\_\_\_\_\_  
Joyce Crum, Director of Housing and Homeless Programs  
Department of Human Services

Date: 2/21/14

APPROVE.     DISAPPROVE.     TAKE NO ACTION.

  
\_\_\_\_\_  
Margot Antonetty, Acting Director of Housing and Urban Health  
Department of Public Health

Date: 2/21/14

- Attachments: A) LOSP Program Description  
B) Operating Budget – 1<sup>st</sup> Year  
C) Cash Flow Projection – LOSP Summary  
D) Exhibit A1 A2 of LOSP Contract  
E) Operating Cost Comparison

## ATTACHMENT A

### LOSP PROGRAM DESCRIPTION

The requested funds would be delivered to the sponsor through a grant agreement with a term of up to 15 years, and, with the exception of the current fiscal year, will be subject to annual appropriations by the Board of Supervisors. Funds for the 2014 Calendar year will be included in San Francisco's Human Services Agency budget in the amount of up to \$113,416 and will be work-ordered to MOHCD for administration. The total amount of funds requested is based on Community Housing Partnership's current operating budget and 15-year cash flow projection using MOHCD's standard underwriting guidelines. The first full year's amount of subsidy (year two of operations) required is \$453,667 and the \$113,416 represents the partial year required to cover 3 months' worth of operations from October 1, 2014 to December 31, 2014 (CY 2014).

Actual subsidy payment for the next fiscal year would be based on the attached annual operating budget and cash flow. Subsidy payments for the remaining years of the contract would be based on subsequent operating budgets to be approved annually by the City. These budgets would be informed by actual financial performance of the project, per annual audits, and would include reasonable costs based on the specific needs of this building and reflect prudent property management practices and supportive housing industry standards. The subsidy payments for a given year will be equal to the projected shortfall (difference between income and expenses/reserve deposits/fees) as shown in the approved operating budget for that year. The City will make one subsidy payment to the sponsor per year at the beginning of each fiscal year.

If the subsidy payments made to a sponsor in any given fiscal year exceed the projected shortfall, then the sponsor must deposit the excess subsidy amount into a Local Operating Subsidy reserve specifically set up to accommodate any over-payments received from the operating subsidy. If the shortfall exceeds the subsidy payments, then the sponsor may withdraw funds from the project's operating reserve to cover project operating expenses not covered by the subsidy payments.

Currently, the LOSP program requires sponsors to submit to the City, within 4 months of the end of each year, or by April of each year, an audited financial statement showing the actual project income, expenses and shortfall for the prior year. If the statement shows that the actual shortfall was lower than the projected shortfall in the approved annual operating budget, then the subsidy payments for the subsequent year will be reduced by the difference between the actual and the projected shortfall. If the statement shows that the actual shortfall was higher than the projected shortfall such that the sponsor had to withdraw funds from the operating reserve, then the subsidy payments for the following year will be increased to allow for the additional costs and also to replenish the reserve if increased expenses are approved by MOHCD.

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3155 Scott Street  
10/1/2014

**Exhibit A-2: LOSP Funding By Calendar Year**

	n/a	10/1-12/31	TOT	Total Months
2014	\$0.00	\$113,416.70	\$113,416.70	3
	1/1-6/30	7/1-12/31	TOT	Total Months
2015	\$233,659.00	\$233,659.00	\$467,318.01	12
2016	\$240,726.99	\$240,726.99	\$481,453.99	12
2017	\$248,045.88	\$248,045.88	\$496,091.77	12
2018	\$255,624.50	\$255,624.50	\$511,248.99	12
2019	\$263,471.95	\$263,471.95	\$526,943.90	12
2020	\$271,597.70	\$271,597.70	\$543,195.40	12
2021	\$280,011.51	\$280,011.51	\$560,023.03	12
2022	\$288,723.52	\$288,723.52	\$577,447.03	12
2023	\$297,744.18	\$297,744.18	\$595,488.36	12
2024	\$280,834.34	\$280,834.34	\$561,668.68	12
2025	\$290,505.22	\$290,505.22	\$581,010.45	12
2026	\$300,518.44	\$300,518.44	\$601,036.88	12
2027	\$310,886.01	\$310,886.01	\$621,772.03	12
2028	\$321,620.38	\$321,620.38	\$643,240.76	12
	1/1-6/30	7/1-9/30		
2028	\$332,734.42	\$166,367.21	\$499,101.63	9
			\$8,380,457.61	180

**Exhibit A-1: LOSP Disbursement Schedule By Fiscal Year**

	n/a	TOT	Total Months	
n/a	\$0.00	\$0.00	0	
sent to sponsor btwn 7/1 & 9/1	10/1-12/31	1/1-6/30	TOT	Total Months
2014-15	\$113,416.70	\$233,659.00	\$347,075.70	9
	7/1-12/31	1/1-6/30		
2015-16	\$233,659.00	\$240,726.99	\$474,386.00	12
2016-17	\$240,726.99	\$248,045.88	\$488,772.88	12
2017-18	\$248,045.88	\$255,624.50	\$503,670.38	12
2018-19	\$255,624.50	\$263,471.95	\$519,096.45	12
2019-20	\$263,471.95	\$271,597.70	\$535,069.65	12
2020-21	\$271,597.70	\$280,011.51	\$551,609.21	12
2021-22	\$280,011.51	\$288,723.52	\$568,735.03	12
2022-23	\$288,723.52	\$297,744.18	\$586,467.69	12
2023-24	\$297,744.18	\$280,834.34	\$578,578.52	12
2024-25	\$280,834.34	\$290,505.22	\$571,339.56	12
2025-26	\$290,505.22	\$300,518.44	\$591,023.67	12
2026-27	\$300,518.44	\$310,886.01	\$611,404.45	12
2027-28	\$310,886.01	\$321,620.38	\$632,506.39	12
	7/1-12/31	1/1-6/30		
2028-29	\$321,620.38	\$332,734.42	\$654,354.80	12
	7/1-9/30			
2029-30	\$166,367.21		\$166,367.21	3
			\$8,380,457.61	180



LOSP OPERATING COST COMPARABLES - SMALLER PROJECTS

Feb-14

EXPENSES	Approved Amend House 47 units		Approved 1100 Ocean 71 units (1 mpy) 19 LOSP, 6 MHSAs		Approved Casa Quezada 52,580 units		Requested Edward II 24 LOSP units		Average
	HSA Funded		HSA Funded		DPH Funded		HSA Funded		
	LOSP Units	Per Unit	LOSP Units	Per Unit	LOSP Units	Per Unit	LOSP Units	Per Unit	
<b>INCOME</b>									
Non-LOSP Subsidy per Non-LOSP Subsidy Unit	\$131,851	\$2,805	\$617,388	\$8,686	\$38,812	\$746	\$29,376	\$1,224	\$4,082
Tenant Rent	\$0	\$0	\$54,312	\$765	\$0	\$0	\$0	\$0	\$255
Commercial Income	\$0	\$0	\$97,332	\$1,371	\$0	\$0	\$0	\$0	\$775
Other Income	\$1,205	\$26	\$3,240	\$46	\$1,556	\$30	\$0	\$0	\$49
Vacancy	-\$13,810	-\$294	-\$30,869	-\$435	-\$1,847	-\$36	-\$1,469	-\$61	-\$255
<b>LOSP Subsidy per LOSP Unit</b>	<b>\$893,674</b>	<b>\$14,246</b>	<b>\$196,132</b>	<b>\$2,762</b>	<b>\$420,659</b>	<b>\$8,090</b>	<b>\$453,667</b>	<b>\$18,903</b>	<b>\$8,466</b>
Total Income	\$902,920	\$17,048	\$979,595	\$12,984	\$489,180	\$9,890	\$481,574	\$20,066	\$12,767
<b>EXPENSES</b>									
Property Management Fee	\$37,461	\$797	\$57,936	\$816	\$4,776	\$92	\$18,600	\$775	\$761
Asset Management Fee	\$16,068	\$343	\$18,420	\$259	9,556	184	\$5,000	\$208	\$262
Salaries/Benefits	\$363,166	\$5,599	\$101,010	\$1,423	182,790	3,515	\$91,006	\$3,792	\$3,512
Administration	\$60,722	\$1,292	\$55,870	\$787	36,116	695	\$25,335	\$1,058	\$924
Utilities	\$62,497	\$1,330	\$128,477	\$1,810	11,226	216	\$29,700	\$1,238	\$1,118
Taxes & Licenses	\$27,957	\$595	\$10,950	\$154	16,184	311	\$19,207	\$800	\$353
Insurance	\$47,587	\$1,012	\$95,000	\$1,338	28,910	556	\$38,085	\$1,587	\$969
Maintenance & Repair	\$122,609	\$2,609	\$177,018	\$2,493	120,375	2,315	\$161,075	\$6,711	\$2,472
Supportive Services	\$0	\$0	\$63,600	\$895	0	0	\$0	\$0	\$299
<b>Total Operating Expenses before Debt &amp; Reserve</b>	<b>\$838,067</b>	<b>\$13,376</b>	<b>\$708,281</b>	<b>\$9,976</b>	<b>\$439,933</b>	<b>\$8,460</b>	<b>\$388,008</b>	<b>\$16,267</b>	<b>\$10,671</b>
Replacement Reserve Deposits	\$28,200	\$600	\$42,000	\$592	\$14,700	\$288	\$14,400	\$600	\$491
Operating Reserve Deposits	\$5,425	\$115	\$0	\$0	\$0	\$0	\$0	\$0	\$38
Partnership & Investor Svc. Fee	\$24,346	\$518	\$36,619	\$516	\$0	\$0	\$16,666	\$694	\$395
Deferred Developer Fee	\$19,282	\$410	\$11,580	\$163	\$0	\$0	\$10,000	\$417	\$220
Ground Rent	\$85,100	\$1,811	\$0	\$0	\$0	\$0	\$52,500	\$2,188	\$604
<b>Total Operating Incl. Debt and Reserves</b>	<b>\$1,000,420</b>	<b>\$17,930</b>	<b>\$813,480</b>	<b>\$11,457</b>	<b>\$454,633</b>	<b>\$8,748</b>	<b>\$481,574</b>	<b>\$20,066</b>	<b>\$12,410</b>
<b>Surplus Cash</b>	<b>\$2,500</b>		<b>\$66,075</b>		<b>\$4,547</b>				
Date source	2012 AWR		2014 Budget Projections		2012 Actuals		2014 Budget Projections		







OFFICE OF THE MAYOR  
SAN FRANCISCO



EDWIN M. LEE  
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors  
FROM: *for* Mayor Edwin M. Lee *AK*  
RE: Local Operating Subsidy Program Contract –3155 Scott Street – Not to Exceed \$8,380,458  
DATE: June 3, 2014

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Attached for introduction to the Board of Supervisors is the resolution authorizing the Director of the Mayor's Office of Housing and Community Development to execute a Local Operating Subsidy Program Grant Agreement with CHP Scott Street L.P., a California limited partnership, to provide operating subsidies for formerly homeless transition age youth at 3155 Scott Street, for a fifteen-year period, in an amount not to exceed \$8,380,458.

I request that this item be calendared in Government Audit and Oversight Committee.

Should you have any questions, please contact Jason Elliott (415) 554-5105.

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO  
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**FORM SFEC-126:**  
**NOTIFICATION OF CONTRACT APPROVAL**  
(S.F. Campaign and Governmental Conduct Code § 1.126)

<b>City Elective Officer Information</b> <i>(Please print clearly.)</i>	
Name of City elective officer(s): <b>Members, Board of Supervisors</b>	City elective office(s) held: <b>Members, Board of Supervisors</b>
<b>Contractor Information</b> <i>(Please print clearly.)</i>	
Name of contractor: <b>CHP Scott Street LP, a California limited partnership</b>	
<p><i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor.</i></p> <p>The borrowing entity for the 3155 Scott Street transaction is CHP Scott Street LP, A Limited Partnership for which CHP Scott Street, LLC, a California limited liability company, is the General Partner. CHP Scott Street LLC has no employees and decisions are made by the Community Housing Partnership (CHP), the member/manager of CHP Scott Street LLC.</p> <ol style="list-style-type: none"> <li>1. CHP Board of Directors: see attached.</li> <li>2. The contractor's chief executive officer, chief financial officer and chief operating officer are CHP's governing officers as a result of CHP Scott Street LP's relationship to CHP. The executive staff is: Gail Gilman – Executive Director, Geoff MacDonald – Interim Chief Financial Officer, and Alex Armenta – Chief Operating Officer.</li> </ol> <p>Items #3-5 do not apply to CHP Scott Street, LP or CHP Scott Street, LLC</p>	
Contractor address: 20 Jones Street, Suite 200, San Francisco, CA 94102	
Date that contract was approved:	Amount of contract: \$8,380,458
Describe the nature of the contract that was approved: Local Operating Subsidy Program Contract for 15 years of housing subsidies to operate and maintain housing for 24 formerly homeless Transition Age Youth (TAY) at the Edward II, 3155 Scott Street.	
Comments:	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves San Francisco Board of Supervisors  
Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

<b>Filer Information</b> <i>(Please print clearly.)</i>	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl, San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

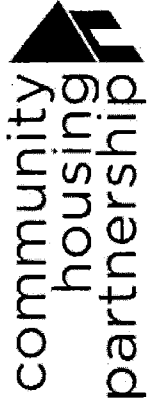
Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

COMMUNITY HOUSING PARTNERSHIP  
 BOARD OF DIRECTORS  
 Member List - Master



First Name	Last Name	Title	Board Member Seat	Profession	Employer
Ramie	Dare	President	Council of Community Housing Organizations	Project Manager	Mercy Housing California
Ali	Riker	Vice President	Coalition on Homelessness	Non-Profit Deputy Director	San Francisco Pretrial Diversion Project
Jackie	Jenks	Secretary	Coalition on Homelessness	Non-Profit Executive Director	Hospitality House
Steve	Bowdry	Treasurer	At-Large	Commercial Real Estate	n/a
Chuck	Turner	Member	Council of Community Housing Organizations	Community Designer	Community Design Center
David Elliott	Lewis	Member	Tenant Representative	Community Activist	n/a
Gregg	Miller	Member	At-Large	Lawyer	Coblentz Patch Duffy & Bass LLP
Ingrid	Summerfield	Member	At-Large	Hospitality	Ingrid Summerfield Hospitality
Jonathan	Wyller	Member	At-Large	Venture Capitalist	SV Life Science Advisers, LLC
Karen	Sommerich	Member	At-Large	Brand Manager	Del Monte Foods
Karoleen	Fang	Member	Council of Community Housing Organizations	Community Development Manager	Council of Community Housing Organizations
Keith	Kemp	Member	Tenant Representative	Community Activist	n/a
Lydia	Blumberg	Member	Coalition on Homelessness	Community Activist	n/a
Malcolm	Yeung	Member	Council of Community Housing Organizations	Non-Profit Deputy Director	Chinatown Community Development Corporation
Michael	Gause	Member	Coalition on Homelessness	Non-Profit Associate Director	Mental Health Association of San Francisco
Nicolaas	de Ruijg	Member	Tenant Representative	Community Activist	n/a
Orlon Michael	Ryel	Member	Tenant Representative	Community Activist	n/a
Patrick	Valentino	Member	At-Large	Lawyer	VLP Law Group
Sarah	Karlinsky	Member	At-Large	Deputy Director	San Francisco Planning + Urban Research (SPUR)
Sean	Charpentier	Member	At-Large	Project Manager	City of East Palo Alto
Steve	Wolmark	Member	At-Large	Real Estate Investor	SKS Investments
Vacant	Position	Member	Tenant Representative	Profession	Employer