

File No. 230508

Committee Item No. 5

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date May 17, 2023

Board of Supervisors Meeting Date _____

Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract/Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

OTHER (Use back side if additional space is needed)

- Draft Amended and Restated Loan Agreement
- Draft Amended & Restated Declarations of Restrictions
- Draft Small Sites Program Amended and Restated Promissory Note
- Draft PASS BMR Promissory Note
- Draft PASS Deferred Loan Promissory Note
- Draft PASS Market Rate Loan Promissory Note
- Small Sites Program Deed of Trust
- PASS Program Deed of Trust
- Draft Purchase Option Agreement
- MOHCD/OCII/OPF - SSP and PASS Refinance and Rehab Funds
- PLN General Plan Referral 4/12/2023
- MOHCD Presentation 5/17/2023
- _____

Completed by: Brent Jalipa Date May 11, 2023

Completed by: Brent Jalipa Date _____

1 [Loan Agreement - SFCLT TNFF Holdings LLC - 2840-2848 Folsom Street, 4042-4048 Fulton
2 Street, 568-570 Natoma Street, and 308 Turk Street - Not to Exceed \$18,800,000]

3 **Resolution approving and authorizing the Director of the Mayor’s Office of Housing**
4 **and Community Development (“MOHCD”) to execute documents relating to a loan**
5 **agreement with SFCLT TNFF Holdings LLC in an aggregate total amount not to**
6 **exceed \$18,800,000 to finance the acquisition, rehabilitation, and permanent**
7 **refinancing of four existing affordable multifamily rental housing projects for low- to**
8 **moderate-income households, known as “SFCLT Scattered Sites,” consisting of a**
9 **total of 36 rental units in four buildings located at 2840-2848 Folsom Street, 4042-**
10 **4048 Fulton Street, 568-570 Natoma Street, and 308 Turk Street, and to construct one**
11 **accessory dwelling unit at 4042-4048 Fulton Street, pursuant to the Small Sites**
12 **Program (collectively, the “Project”); affirming the Planning Department’s**
13 **determination under the California Environmental Quality Act; adopting findings that**
14 **the Project and the proposed transactions are consistent with the General Plan, and**
15 **the eight priority policies of Planning Code, Section 101.1; and authorizing the**
16 **Director of MOHCD or his or her designee to execute the loan documents for the**
17 **Project and make certain modifications to such loan documents, as defined herein,**
18 **and take certain actions in furtherance of this Resolution, as defined herein.**

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

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

4 WHEREAS, Among its programs, MOHCD administers the Small Sites Program
5 (“SSP”) for the purpose of preserving and stabilizing San Francisco’s existing rental
6 housing stock of buildings, and converting properties to permanently affordable housing;
7 and

8 WHEREAS, The Citywide Affordable Housing Loan Committee approved revised
9 SSP Guidelines on September 9, 2022 and November 4, 2022, which consider sites with
10 over 40 residential units, subject to achievement of minimum scoring criteria per the SSP
11 Scoring Rubric; and

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

18 WHEREAS, SFCLT TNFF Holdings LLC, a California limited liability company (the
19 “Borrower”), which is an affiliate of the San Francisco Community Land Trust, seeks to
20 acquire, refinance, and rehabilitate 36 total units of affordable residential rental housing
21 located at 2840-2848 Folsom Street, 4042-4048 Fulton Street, 568-570 Natoma Street, and
22 308 Turk Street in San Francisco, California, and intends to construct one accessory
23 dwelling unit at 4042-4048 Fulton Street in San Francisco, California (collectively, the
24 “Project”); and

25

1 WHEREAS, The City previously provided several SSP loans to the San Francisco
2 Community Land Trust, a California nonprofit public benefit corporation (“Original
3 Borrower”) for the acquisition and rehabilitation of the Project; and

4 WHEREAS, The Borrower has agreed to assume the original SSP loans from the
5 Original Borrower for the Project; and

6 WHEREAS, The Borrower has requested, and MOHCD desires to consent to, the
7 consolidation and refinancing of the original SSP loans for the Project; and

8 WHEREAS, The Borrower has requested, and MOHCD desires to loan, up to
9 \$4,733,902 in additional SSP funds, for a total SSP loan of up to \$13,800,000, and up to
10 \$5,000,000 in new PASS Program funds for the Project; and

11 WHEREAS, On March 17, 2023, the Citywide Affordable Housing Loan Committee,
12 consisting of representatives of MOHCD, the Department of Homelessness and Supportive
13 Housing, the Office of Community Investment and Infrastructure, and the Controller’s Office
14 of Public Finance, recommended approval to the Mayor of the acquisition, rehabilitation,
15 and permanent refinancing loan for the Project in a total amount not to exceed
16 \$18,800,000; and

17 WHEREAS, The form of loan documents (the “Loan Documents”) evidencing and
18 securing the loan for the Project are on file with the Clerk of the Board in File No. 230508,
19 and include: an Amended and Restated Declaration of Restrictions; an Amended and
20 Restated Loan Agreement; one or more Promissory Notes; one or more Deeds of Trust;
21 and a City Option to Purchase; and

22 WHEREAS, An Amended and Restated Declaration of Restrictions will restrict the
23 Project as affordable housing to low- and moderate-income households with annual
24 maximum rent and income established by MOHCD for as long as the Project or any
25

1 modification of the Project remains in existence, but in any event no event less than 99
2 years; and

3 WHEREAS, The Declaration of Restrictions for the Project will not be subordinated
4 to any third party financing instrument; and

5 WHEREAS, The Planning Department, by letter dated April 12, 2023 (“Planning
6 Letter”), has determined that the proposed Project is not defined as a project under the
7 California Environmental Quality Act (“CEQA”), Guidelines, Section 15378 and
8 15060(c)(2), and is consistent, on balance, with the General Plan, and the eight priority
9 policies of Planning Code, Section 101.1, which Planning Letter is on file with the Clerk of
10 the Board of Supervisors in File No. 230508, and incorporated herein by this reference;
11 now, therefore, be it

12 RESOLVED, That the Board of Supervisors hereby affirms the Planning
13 Department’s determination under CEQA and finds that the Project is consistent, on
14 balance, with the General Plan, and the eight priority policies of Planning Code, Section
15 101.1 for the reasons set forth in the Planning Letter; and, be it

16 FURTHER RESOLVED, That the Board of Supervisors hereby approves the Loan
17 Documents, and authorizes the Mayor and the Director of MOHCD or the Director’s
18 designee to negotiate and enter into agreements based upon and substantially in the form
19 of the Loan Documents for the Project (including, without limitation, modifications of the
20 Loan Documents, and preparation and attachment of, or changes to, any of the exhibits
21 and ancillary agreements) and any other documents or instruments necessary in
22 connection therewith, that the Director of MOHCD determines, in consultation with the City
23 Attorney, are in the best interest of the City, do not materially increase the obligations or
24 liabilities for the City or materially diminish the benefits of the City, or are necessary or
25

1 advisable to effectuate the purposes and intent of this Resolution and are in compliance
2 with all applicable laws, including the City Charter; and, be it

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

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

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

16
17
18 RECOMMENDED:

19 /s/ Eric D. Shaw

20 Eric D. Shaw

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

<p>Item 5 File 23-0508</p>	<p>Department: Mayor’s Office of Housing and Community Development</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> • The proposed resolution would approve a loan not to exceed \$18.8 million to SFCLT TNFF Holdings LLC to finance the acquisition, rehabilitation, and permanent refinancing of four existing Small Sites Projects (2480-2848 Folsom Street, 4042-4048 Fulton Street, 568-570 Natoma Street, and 308 Turk Street) and to construct one accessory dwelling unit. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • The Small Sites Program (SSP), administered by the Mayor’s Office of Housing and Community Development (MOHCD), provides loans for acquiring and rehabilitating multi-family rental buildings of five to 40 units. Early SSP projects are now being refinanced because they received traditional hard debt loans with 5-to-7-year terms and were funded prior to the release of Preservation and Seismic Safety (PASS) loan financing. In addition, early SSP projects did not receive the same level of rehabilitation funding as current projects based on the expectation that future refinancing would also address capital needs. • MOHCD is proposing to recapitalize and replace four existing SSP loans to projects sponsored by the San Francisco Community Land Trust with one SSP loan and one PASS loan, covering all four sites to: (a) achieve lower financing costs by replacing higher-cost private loans with lower-cost PASS financing; (b) finance capital needs and construction of one accessory dwelling unit; (c) achieve cost efficiencies through bundling the projects together; and (d) use a shared approach to operating reserves to mitigate periods of shortfall for any one project. Three of the four properties have had challenges collecting rents due in part to the impact of the COVID-19 pandemic on tenants. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • The budget for the proposed refinance and rehabilitation is funded by a \$18,700,481 City loan, including \$4,933,000 in PASS loans and a \$13,767,481 Small Sites Program loan. • PASS funding is from 2016 General Obligation Bonds for the PASS program. SSP funding is from 2019 General Obligation Bonds, ERAF, 2015 General Obligation Bonds, the Housing Trust Fund, the Affordable Housing Fund, and the SoMa Community Stabilization Fund. • The total City loan amount of \$18,700,481 is equal to \$505,418 per unit, including PASS funding of \$133,324 per unit and SSP funding of \$372,094 per unit. Based on the unit mix of the properties, the SSP funding (\$372,094 per unit) is within program guidelines (\$373,689 per unit) for the four projects combined. <p style="text-align: center;">Recommendations</p> <ul style="list-style-type: none"> • Amend the proposed resolution to reduce the not-to-exceed loan amount to \$18,700,481 to reflect the updated project budget and approve the resolution as amended. 	

MANDATE STATEMENT

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

BACKGROUND

Small Sites Program

The Small Sites Program (SSP), administered by the Mayor’s Office of Housing and Community Development (MOHCD), was created in 2014 to provide loans for acquiring and rehabilitating multi-family rental buildings of five to 25 units. The Program has issued two Notices of Funding Availability (NOFA), one in 2014 and an updated one in 2019. MOHCD issued updated guidelines in September 2022. The new guidelines prioritize sites that have between five and 40 units. The program aims to achieve an average of 80 percent Area Median Income (AMI) rents over time as a building experiences tenant turnover; however, MOHCD may make exceptions to the AMI requirement.

PASS Loan Financing

In addition to Small Sites Program loans, some Small Sites projects also receive loans through the Preservation and Seismic Safety (PASS) program. The PASS program was authorized by voters in 2016 and provides low-cost financing to fund the acquisition and preservation of affordable housing and seismic retrofits to existing buildings. The program is funded by \$260.7 million in general obligation bonds, including \$156.0 million for market rate loans and \$104.7 million for below market rate interest or deferred interest loans. Unlike other MOHCD permanent loans for affordable housing which are structured as soft debt and repaid through residual receipts, PASS program loans are structured as hard debt, which means they must be repaid every year for the duration of the lending period.

Small Site Projects Refinancing

According to MOHCD staff, all SSP projects funded before the release of PASS loan financing are expected to refinance before they reach their 10-year maturity date because these projects received traditional hard debt loans (in addition to SSP funding) with five-to-seven-year terms. In addition, early SSP projects did not receive the same level of rehabilitation funding as current projects receive based on the expectation that future refinancing would also address capital needs.

Proposed Refinancing of Four Existing SSP Projects

As of May 2023, MOHCD has provided 11 SSP loans to the San Francisco Community Land Trust (SFCLT), a non-profit.¹ SFCLT is requesting additional City financing to rehabilitate and permanently refinance four of its SSP projects, which are described below and summarized in Exhibit 1.

Exhibit 1: Four SFCLT Projects to be Refinanced

Project	308-310 Turk	2840-2848 Folsom	4042-4048 Fulton	568-570 Natoma	Total
Year Built	1923	1900	1921	1906	
Neighborhood	Tenderloin	Mission	Richmond	South of Market	
Ownership/Rental	Rental	Co-Op	Rental	Rental	
Number of Units	20	6	5 (plus one proposed ADU)	5	36 (plus one proposed ADU)
Unit Mix	20 studios	6 two-bedrooms	1 studio (proposed ADU); 2 one-bedrooms; 3 two-bedrooms	4 one-bedrooms; 1 studio	
SFCLT Purchase Price (Year)	\$3,700,000 (2015)	\$3,280,000 (2015)	\$2,225,000 (2017)	\$1,013,000 (2016)	\$10,218,000
Existing SSP Loan Year	\$2,569,456 (2015)	\$2,496,642 (2015)	\$2,125,000 (2017)	\$1,875,000 (2018)	\$9,066,098
SSP Funded Rehab Year	2016	2016	2017	2018	
Non-City Loans Payoff Amount	\$2,037,395	\$1,382,071*	\$890,559	\$270,308	\$4,580,333
Capital Needs Assessment Completed	2022	2022	2022	2023	

Source: MOHCD

*Includes \$1,082,071 payoff amount to Silicon Valley Bank and \$300,000 payoff amount to Pigeon Palace Inc., the owner of 2840-2848 Folsom.

308-310 Turk Street

In 2015, SFCLT acquired the 20-unit building in the Tenderloin neighborhood under the Small Sites Program with a hard debt loan from the Enterprise Community Loan Fund. In 2016, SFCLT

¹ The SFCLT owns the land at the following multifamily residential sites: 151 Duboce, 285 Turk, 2976 23rd Street, 4042-4048 Fulton, 53 Columbus, 308 Turk, 1353-57 Folsom, 70-72 Belcher, 1684-1688 Grove, 568-70 Natoma, 966 Oak, 534-36 Natoma, 2840-2848 Folsom, 1130 Filbert. After the sites were purchased by the land trust, existing residents became co-operative owners of their building (in this case of 2840 Folsom) or maintained their tenancy as renters. Vacancies are filled by MOHCD's DAHLIA housing portal, and rents for units that become vacant are established so that the project's combined average rents for all units is equal to 30% of 80% AMI. Rents are adjusted annually by the greater of: (a) the percentage change in annual operating expenses up to a maximum of 3.5%; or (b) 2%.

completed health and safety updates, including the addition of fire sprinkler monitoring and the full renovation of six units in substandard condition. Due to the impact of the COVID-19 pandemic on residents, 54 percent of households were unable to pay rent. The Enterprise loan was put into forbearance through September 2021 due to the reduced rental income. As of March 2023, there is one vacant unit and rents have been reduced to 20 percent below market to keep leasing competitive.

Capital needs to be covered by the proposed refinancing and rehabilitation include: front door upgrades to enhance security, upgrades to the building's electric supply to comply with City code changes since acquisition (units have gas powered wall heaters and stoves and renovated units will have to convert these elements to be electric-powered), and renovation of four units (including two units in poor condition and two that have not been renovated in the last ten years).

2840-2848 Folsom Street (Pigeon Palace)

In 2015, SFCLT acquired the six-unit building in the Mission under the Small Sites Program with a hard debt loan from Silicon Valley Bank. In 2016, SFCLT completed rehabilitation work, including repair of the back stairs that were in danger of collapsing and the renovation of two vacant units in substandard condition. SFCLT has not had challenges filling vacancies in the building and attaining required rents. All units have been leased since January 2022.

Capital needs to be covered by the proposed refinancing and rehabilitation were identified in a 2018 capital needs assessment and include: repairs to an exterior shell membrane of the building, plumbing improvements, upgrades to electrical infrastructure, and replacement of damaged subfloor in one of the units.

4042-4048 Fulton Street

In 2017, SFCLT acquired the five-unit building in the Inner Richmond neighborhood under the Small Sites Program with a hard debt loan from Clearing House. In 2018, SFCLT completed rehabilitation work, including a soft story retrofit, electrical work, rear stair replacement, partial window replacement, and interior upgrades. SFCLT has had challenges collecting rent because two residents are seniors who are rent burdened and have not been able to pay their contracted monthly rent. The property has had cash flows below a 1.0 debt service coverage ratio due to rent collection losses due to COVID-19 as well as the debt service terms of the hard debt loan.

SFCLT is proposing to build an accessory dwelling unit (ADU), which would increase the number of units from five to six, to increase the property's rental revenues and improve the debt service coverage ratio. Capital needs to be covered by the proposed refinancing and rehabilitation include renovation of four units, replacement of exterior wood stairs, and exterior paint.

568-570 Natoma Street

In 2016, SFCLT acquired the five-unit building in the South of Market (SOMA) neighborhood under the Small Sites Program with a hard debt loan from Silicon Valley Bank. In 2018, SFCLT completed rehabilitation work, including structural repairs, lightwell work, improvements to the water distribution and waste line, roof replacement, an electrical upgrade, the upgrade of a ground-level unit into an ADA compliant unit, and light-touch unit upgrades. SFCLT has had challenges

collecting rent because of a non-paying tenant in one unit and a vacancy in another unit. As of March 2023, SFCLT was near completion of leasing for the vacant unit and had taken possession of the unit with a non-paying tenant, but the property's budget replacement reserve is insufficient to cover the unit turnover.

The proposed refinance would replenish the operating reserves and replacement reserves of the property and also fund rehabilitation based on a 2023 capital needs assessment. Capital needs to be covered by the proposed refinancing and rehabilitation include: electrical system upgrades, replacement of eight windows, interior paint of common areas, renovation of two units, and replacement of four wall heaters.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would: (1) approve a loan in an amount not to exceed \$18.8 million to SFCLT TNFF Holdings LLC² to finance the acquisition, rehabilitation, and permanent refinancing of four existing Small Sites Projects (2480-2848 Folsom Street, 4042-4048 Fulton Street, 568-570 Natoma Street, and 308 Turk Street), referred to collectively as "SFCLT Scattered Sites", and to construct one accessory dwelling unit at 4042-4048 Fulton Street; (2) affirm the Planning Department's determination under the California Environmental Quality Act; (3) adopt findings that the proposed transactions are consistent with the General Plan and the eight priority policies of the Planning Code; and (4) authorize the Director of MOCHD to execute loan documents and amend loan documents as needed.

Proposed Refinancing

MOHCD is proposing to recapitalize and replace four existing SSP loans with one SSP loan and one PASS loan, covering all four sites. According to MOHCD, this bundled refinance loan approach would:

- Achieve lower financing costs by repaying all existing higher-cost private loans (totaling \$4,580,333 for the four projects), including loans that are coming due and on extension, and by using lower-cost PASS financing, which was not available when the properties were acquired;
- Finance capital needs totaling \$2,351,304 for rehabilitation;
- Finance the addition of one Accessory Dwelling Unit (ADU) studio at one of the properties (4042-4048 Fulton Street) at a cost of \$650,000;
- Cover additional allowable developer fees;
- Comply with updated underwriting standards for vacancy losses, which increased from 5 percent to 10 percent, resulting in lower estimated operating revenues compared to previous assumptions at acquisition;

² A California limited liability company, whose sole member and manager is San Francisco Community Land Trust, a California nonprofit public benefit corporation.

- Achieve cost efficiencies through bundling, including reduced loan origination and financing costs (for example, by sharing the annual fee for bond monitoring across four properties); and
- Use a shared approach to operating reserves to mitigate periods of shortfall for any one project. Tenant rental income would no longer be tied to a specific property but would be pooled across the portfolio to mitigate the risk of reductions in rental income due to vacancies or other reasons to any one property.

Timeline

According to MOHCD, construction would begin September 2023 and is scheduled to be completed by March 2025.

Loan Agreement and Repayment

The proposed Amended and Restated Loan Agreement would: (a) consolidate the four existing Small Sites Program loan agreements (one for each project), that have a combined principal amount totaling \$9,066,098, under one loan agreement; (b) increase the combined Small Sites Program loan by \$4,701,383, for a total SSP loan of \$13,767,481; and (c) provide a new PASS program loan totaling \$4,933,000. The total loan amount including SSP and PASS funding would be \$18,700,481 which is \$9,634,383 greater than the combined principal amounts of the original SSP loans.

The PASS loan includes three components: (1) a market rate loan; (2) below market rate loan; and (3) a deferred loan. MOHCD combines PASS market rate loans with PASS affordable loans (below market rate and deferred) to create a blended interest rate and maximize total bond proceeds available for affordable housing preservation projects. The interest rates and repayment terms for the loans are provided in Exhibit 2 below based on the terms in four separate promissory notes (one for each type of PASS loan and one for the SSP loan). The loans mature 40 years after the recordings of the deeds of trust.

Exhibit 2: PASS and SSP Loan Summary for SFCLT Project Refinancing

Loan	Amount	Annual Interest Rate	Interest Type	Repayment
PASS Market Rate	\$3,004,197	3.87%	Compound	Monthly payments, equal to \$12,319.25
PASS Below Market Rate	1,657,488	0.96%	Compound	Monthly payments, equal to \$4,157.94
PASS Deferred	271,315	0.96%	Compound	Repayment at Maturity Date, no monthly or annual payments
SSP Loan	13,767,481	3.00%	Simple	Annual Payments, equal to 2/3 of Residual Receipts
Total	\$18,700,481			

Source: Master Promissory Notes

Required Rents and Option to Purchase

The Amended and Restated Declaration of Restrictions, which covers all loan products, outlines required rents for all units for existing tenants. Rents for units that become vacant will be set so that the combined average rents for all units are equal to 30 percent of 80 percent of Area Median Income, or other amounts subject to MOHCD approval.

The Declaration of Restrictions will also include a City Option to Purchase Agreement whereby the City will have the option to purchase the properties if the owner fails to comply with the affordability restrictions, if the Declaration of Restrictions is terminated, or if the owner receives another offer to purchase the properties after the City's loan is repaid.

Deeds of Trust

Two deeds of trust (one for the PASS funding and one for the SSP loan) secure the loans.

Program Performance

Three of the four properties have had challenges collecting rents due in part to the impact of the COVID-19 pandemic on tenants as well as non-paying tenants at multiple units, resulting in reduced rental income for the properties. According to MOHCD, SFCLT has addressed the issue of non-paying tenants through mediation, relocation, and in one case a tenant returning possession of the unit to SFCLT. In addition, two of the properties have had challenges filling vacancies (568-570 Natoma and 4042-4048 Fulton). MOHCD reports that SFCLT intends to reduce vacancies at all properties through: (a) the recent resolution of non-paying tenant challenges, (b) completing the renovation of one of the vacant units (located at 568-570 Natoma), and (c) increasing asset management and property management staffing. According to MOHCD staff, SFCLT is refinancing one more SSP project, but the refinance is being done as a standalone project, rather than as part of the bundle, because it is cooperative housing.

In addition, as we noted in our May 2022 policy analysis report, "Vacancies in Below Market Rate Rental Units," smaller below market rate rental units are harder to rent in the current market because more potential renters want more space and some renters find that they can rent slightly larger units, or units in neighborhoods they prefer, for close to the same price as a below market rate unit.

FISCAL IMPACT

The City will provide \$18,700,481 to SFCLT TNFF Holdings LLC for the refinancing and rehabilitation of the four projects, including \$4,933,000 in PASS loans (26 percent) and a \$13,767,481 Small Sites Program loan (74 percent). Exhibit 3 summarizes the sources and uses of funding for the proposed project.

Exhibit 3: Sources and Uses of Proposed SFCLT Refinancing

Sources and Uses	Amount	Percent of Total
<u>Sources</u>		
PASS Market Rate	\$3,004,197	16%
PASS Below Market Rate	1,657,488	9%
PASS Deferred	<u>271,315</u>	1%
<i>Subtotal PASS Loans</i>	<i>4,933,000</i>	<i>26%</i>
SSP Loan	13,767,481	74%
Total Sources	\$18,700,481	100%
<u>Uses</u>		
Acquisition	13,885,062	74%
Construction	3,109,600	17%
568-570 Natoma	86,750	
308-310 Turk	833,484	
2840-2848 Folsom	524,850	
4042-4048 Fulton	906,220	
General Contractor Overhead & Profit (15%)	352,696	
Hard Cost Contingency (15%)	405,600	
Soft Costs (incl. 10% contingency)	447,684	2%
Reserves	886,775	5%
Developer Costs	371,360	2%
Total Uses	\$18,700,481	100%

Source: MOHCD

We recommend amending the proposed resolution to reduce the not-to-exceed loan amount from \$18,800,000 to \$18,700,481 to reflect the updated project budget.

Acquisition Costs

Acquisition costs totaling \$13.9 million include \$10,218,000 in prior property purchase costs (which were consistent with appraisals at the time of purchase), \$2,397,663 in prior rehabilitation costs (hard and soft costs), plus initial reserve amounts and developer costs funded at acquisition. MOHCD does not require new appraisals when refinancing MOHCD-funded preservation projects.

Construction Costs

Construction costs totaling \$3.1 million include \$650,000 to construct a new ADU unit at 4042-48 Fulton and \$1.7 million to rehabilitate the four properties, plus general contractor overhead and profit equal to 15 percent of costs and a hard cost contingency equal to 15 percent. According to MOHCD staff, costs to construct the new ADU were based on an average of previous ADU construction costs for buildings of a similar size. Estimated rehabilitation costs were based on the immediate needs identified in the new CNAs.

Reserves

Reserves total \$886,775 include Operating Reserves of \$15,700, Replacement Reserves of \$826,675, and Other Reserves of \$44,400. Operating Reserves support unanticipated operating costs for at least 20 years, such as vacancy rates above 10 percent, and Replacement Reserves support the project's capital needs over time. SSP Guidelines require an operating reserve equal to 25 percent of the first-year operating budget and a replacement reserve equal to the greater of \$2,000 per unit or the amount needed to fund replacement costs for the next 10 years (based on an approved Capital Needs Assessment). The proposed budget includes \$15,700 in Operating Reserves and \$826,675 in Replacement Reserves which are each calculated as the difference between SSP guidelines and the amount of reserves currently collectively held by the projects. In addition, the project includes Other Reserves of \$44,400 to account for potential project costs at the Natoma site while the ADU is under construction (and therefore not generating revenue).

Developer Costs

The proposed budget includes \$371,360 in additional allowable developer fees. At the time of acquisition/construction, SFCLT received a portion of developer fees allowable under SSP guidelines at the time in order to reduce overall project costs. For the four projects, SFCLT has received \$331,640 in developer fees out of \$690,000 allowable under SSP guidelines. The proposed budget of \$371,360 would fund the remaining \$358,360 allowable plus an additional \$13,000 for construction of the proposed ADU.

Funding Sources

PASS funding is from 2016 General Obligation Bonds for the PASS program.

SSP funding is from a combination of sources, including:

- \$4,641,283 in 2019 General Obligation Bond funds;
- \$60,100 in excess Educational Revenue Augmentation Funds (ERAF);
- \$2,125,000 in 2015 General Obligation Bond funds;
- \$4,378,702 from the Housing Trust Fund;
- \$687,396 from the Affordable Housing Fund; and
- \$1,875,000 from the SoMa Community Stabilization Fund.

City Subsidy

SSP program guidelines establish the maximum City subsidy per unit for acquisition, rehabilitation, and permanent financing based on the unit type, ranging from \$275,000 for each single room occupancy unit up to \$550,000 per ADU studio unit. However, the MOHCD Director can approve funding above the maximum guidelines if the project meets minimum scoring requirements.

The total City loan amount of \$18,700,481 is equal to \$505,418 per unit, including PASS funding of \$133,324 per unit and SSP funding of \$372,094 per unit. Based on the unit mix of the properties, the SSP funding (\$372,094 per unit) is within program guidelines (\$373,689 per unit) for the four projects combined. However, when reviewing the properties individually, SSP funding for three of the four properties (2840-2848 Folsom, 4042-4048 Fulton, and 568-570

Natoma) exceed program guidelines, and SSP funding for one property (308-310 Turk) is below the maximum program guidelines.

According to MOHCD staff, MOHCD does not include PASS funding when determining if a project is within maximum City funding guidelines. Because PASS funding is a hard debt product, there are no comparable guidelines for PASS funding, but PASS loans are constrained and sized based on a minimum debt service coverage ratio of 1.15, a maximum loan-to-value ratio of 90 percent, and a maximum loan-to-cost ratio of 80 percent.

Exhibit 4: City Subsidy per Unit

	308-310 Turk	2840-2848 Folsom	4042-4048 Fulton	568-570 Natoma	Total
Units	20	6	6	5	37
Existing SSP Loan	\$2,569,456	\$2,496,642	\$2,125,000	\$1,875,000	\$9,066,098
Proposed SSP Loan*	5,110,744	3,259,028	2,887,386	2,510,322	13,767,481
Proposed PASS Loan*	<u>2,666,486</u>	<u>799,946</u>	<u>799,946</u>	<u>666,621</u>	<u>4,933,000</u>
Total City Loan	7,777,231	4,058,974	3,687,332	3,176,944	18,700,481
Change in City Loan	5,207,775	1,562,332	1,562,332	1,301,944	9,634,383
Percent Change	203%	63%	74%	70%	106%
Subsidy per Unit					
SSP Subsidy Cap/Unit Based on Unit Types (2022 Guidelines)					
	\$325,000	\$450,000	\$441,667	\$385,000	\$373,689
Existing SSP Loan/Unit	128,473	416,107	425,000**	375,000	251,836**
Proposed SSP Loan/Unit	255,537	543,171	481,231	502,064	372,094
Proposed Pass Loan/Unit	<u>133,324</u>	<u>133,324</u>	<u>133,324</u>	<u>133,324</u>	<u>133,324</u>
Total City Loan/Unit	\$388,862	\$676,496	\$614,555	\$635,389	\$505,418

Source: MOHCD

RECOMMENDATIONS

1. Amend the proposed resolution to reduce the not-to-exceed loan amount from \$18,800,000 to \$18,700,481 to reflect the updated project budget.
2. Approve the proposed resolution as amended.

**SAN FRANCISCO COMMUNITY LAND TRUST
SMALL SITES PROGRAM (SSP)
SCATTERED SITE REFINANCE**

Mayor's Office of Housing and Community Development
Preservation Programs

Budget and Finance Committee
May 17, 2023

Preservation Programs

Preservation and Seismic Safety (PASS) Program

Small Sites Program

Downtown Neighborhood Preservation Fund

RAD (Rental Assistance Demonstration) rehabilitations
(complete in 2020)

Small Sites Program

Stabilizes at-risk communities by preventing displacement and increasing housing stability

- Protects households across the widest range of incomes ranging from 30%-120% AMI
Keep residents in their homes regardless of income.
- 660+ units converted to permanently affordable to date
Creates affordable housing of existing buildings at the highest risk of conversion to market rate.
- Funds critical life and safety repairs of San Francisco's aging housing stock
Improves the safety and quality of San Francisco's residents
- Invests in a sustainable CBO ecosystem.
Partners with CBOs in their mission to help stabilize neighborhoods

REFINANCING SMALL SITES

- SSP sites funded prior to the release of PASS financing hold 1st position loans from traditional lenders.
- Traditional lenders offer 10-year term loans with a 5-7 years fixed rate
- Initial SSP projects funded by traditional lenders require a cash-out refinance at year 10 to cover years 11-20 capital improvement needs
- The PASS financing along with SSP now offer a 40 year loan term which cover 20 years of capital improvement needs
 - Now, rehabilitation needs must be covered until the expected refinance at Year 20.

San Francisco Community Land Trust Four-Site Bundled Refinance

\$5,000,000 in Preservation and Seismic Safety (PASS) Program funding

+ up to \$4,733,902 in additional Small Sites Program (“SSP”) funding

= \$13,800,000 permanent refinancing and rehabilitation

- 2840-2848 Folsom Street (Pigeon Palace)
- 308 Turk Street
- 4042-4048 Fulton Street
- 568-570 Natoma Street
- **37 units total**

BUNDLED REFINANCE BENEFITS

- Streamline the refinancing process and reduce refinancing costs
- Create a more financially sustainable portfolio through lower-cost PASS funding, budgetary efficiencies, and allowing projects to pool their resources together
- Finance new capital rehabilitation needs across the four sites
- Finance the construction of an ADU at 4042 Fulton Street



4042-4048 Fulton St @ 17th Avenue

SAN FRANCISCO COMMUNITY LAND TRUST (SFCLT)

- From 2015-2017, the San Francisco Community Land Trust acquired eight Small Site properties
 - *SFCLT has since acquired two additional buildings*
- SFCLT recently hired additional staff to pursue more acquisitions
- SFCLT prioritizing the stability of their existing portfolio
- This bundled refinance is critical to the long-term sustainability of the four properties and SFCLT's portfolio growth



MOHCD and SFCLT staff are here to answer any questions.

Thank you!

**AMENDED AND RESTATED
LOAN AGREEMENT
(CITY AND COUNTY OF SAN FRANCISCO
PASS LOAN PROGRAM AND SMALL SITES PROGRAM)**

By and Between

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

and

SFCLT TNFF HOLDINGS LLC,
a California limited liability company

for

SFCLT Scattered Sites

2840-2848 Folsom Street
4042-4048 Fulton Street
568-570 Natoma Street
308 Turk Street

2016 G.O. Bond (Series 2020C): \$[4,934,000.00]

PASS - Market Rate Loan: \$[3,004,806.00]

PASS - Below Market Rate Loan: \$[1,657,824.00]

PASS - Deferred Loan: \$[271,370.00]

SSP Loan: \$[13,764,836.00]

[2019 G.O. Bond: \$ 4,640,326.00]

[ERAF: \$ 58,412.00]

[2015 G.O. Bond for Affordable Housing]: \$[2,125,000.00]

[Housing Trust Fund]: \$[4,378,702]

[Affordable Housing Fund]: \$[687,396]

[SoMa Community Stabilization Fund]: \$[1,875,000]

Dated as of [_____], 2023

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1 DEFINITIONS	4
1.1 Defined Terms	4
1.2 Interpretation	13
1.3 Websites for Statutory References	14
1.4 Contracting Manual	14
ARTICLE 2 FUNDING	14
2.1 Funding Amount	14
2.2 Use of Funds	14
2.3 Accounts; Interest	14
2.4 Records	14
2.5 Conditions to Additional Financing	15
ARTICLE 3 TERMS	15
3.1 Maturity Date	15
3.2 Compliance Term; Declaration of Restrictions	15
3.3 Interest	15
3.4 Default Interest Rate	15
3.5 Repayment of Principal and Interest	15
3.6 Changes In Funding Streams	15
3.7 Additional Borrower Covenants	16
3.8 Additional City Approvals	17
ARTICLE 4 CLOSING; DISBURSEMENTS	18
4.1 Generally	18
4.2 Closing	18
4.3 Conditions Precedent to Closing	18
4.4 Disbursement of Funds	20
4.5 Disbursements	21
4.6 Loan In Balance	22
4.7 Retention	22
4.8 Limitations on Approved Expenditures	23

ARTICLE 5	DEMOLITION, REHABILITATION OR CONSTRUCTION	23
5.1	Selection Requirements	23
5.2	Plans and Specifications	23
5.3	Change Orders	23
5.4	Insurance, Bonds and Security	24
5.5	Notice to Proceed	24
5.6	Commencement and Completion of Project	24
5.7	Rehabilitation/Construction Standards	24
5.8	Construction Incentive Fee; Excess Proceeds	24
ARTICLE 6	MARKETING	24
6.1	Marketing and Tenant Selection Plan	24
6.2	Affirmative Marketing and Tenant Selection Plan Requirements	24
6.3	Marketing and Tenant Selection Plan; Tenant Screening Criteria Requirements	26
6.4	Marketing Records	26
6.5	Waiting List	26
ARTICLE 7	AFFORDABILITY AND OTHER LEASING RESTRICTIONS	26
7.1	Term of Leasing Restrictions	26
7.2	Borrower's Covenant	26
7.3	Rent Restrictions	27
7.4	Certification	29
7.5	Form of Lease	29
7.6	Nondiscrimination	29
7.7	Security Deposits	29
ARTICLE 8	MAINTENANCE AND MANAGEMENT OF THE PROJECT	30
8.1	Borrower's Responsibilities	30
8.2	Contracting With Management Agent	30
8.3	Borrower Management	31
ARTICLE 9	GOVERNMENTAL REQUIREMENTS	31
9.1	Borrower Compliance	31
ARTICLE 10	PROJECT MONITORING, REPORTS, BOOKS AND RECORDS	31
10.1	Generally	31
10.2	Monthly Reporting	31
10.3	Annual Reporting	32

10.4	Capital Needs Assessment	32
10.5	Project Completion Report	32
10.6	Response to Inquiries	32
10.7	Delivery of Records	33
10.8	Access to the Project and Other Project Books and Records	33
10.9	Records Retention	33
ARTICLE 11	USE OF INCOME FROM OPERATIONS	33
11.1	Project Operating Account	33
ARTICLE 12	REQUIRED RESERVES	34
12.1	Replacement Reserve Account	34
12.2	Operating Reserve Account	35
ARTICLE 13	DISTRIBUTIONS	35
13.1	Definition	35
13.2	Conditions to Distributions	35
13.3	Prohibited Distributions	36
13.4	Borrower's Use of Residual Receipts for Development	36
ARTICLE 14	SYNDICATION PROCEEDS	36
14.1	Distribution and Use	36
ARTICLE 15	DEVELOPER FEES	37
15.1	Amount	37
ARTICLE 16	TRANSFERS	37
16.1	Permitted Transfers/Consent	37
ARTICLE 17	INSURANCE AND BONDS	38
17.1	Borrower's Insurance	38
ARTICLE 18	GOVERNMENTAL APPROVALS	38
18.1	Compliance	38
ARTICLE 19	DEFAULT	38
19.1	Event of Default	38
19.2	Remedies	40
19.3	Force Majeure	41
ARTICLE 20	REPRESENTATIONS AND WARRANTIES	41
20.1	Borrower Representations and Warranties	41
ARTICLE 21	NOTICES	42

21.1	Written Notice	42
21.2	Required Notices	43
ARTICLE 22 HAZARDOUS SUBSTANCES		43
22.1	Borrower's Representations	43
22.2	Covenant	43
ARTICLE 23 INDEMNITY		44
23.1	Borrower's Obligations	44
23.2	No Limitation	44
ARTICLE 24 GENERAL PROVISIONS		45
24.1	Subordination	45
24.2	No Third Party Beneficiaries	45
24.3	No Claims by Third Parties	45
24.4	Entire Agreement	46
24.5	City Obligations	46
24.6	Borrower Solely Responsible	46
24.7	No Inconsistent Agreements	46
24.8	Inconsistencies in City Documents	46
24.9	Governing Law	46
24.10	Joint and Several Liability	46
24.11	Successors	47
24.12	Reserved.	47
24.13	Severability	47
24.14	Time	47
24.15	Further Assurances	47
24.16	Binding Covenants	47
24.17	Consent	47
24.18	Counterparts	47
24.19	Borrower's Personnel	47
24.20	Borrower's Board of Directors	47
24.21	Exhibits	48

EXHIBITS

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

AMENDED AND RESTATED LOAN AGREEMENT

(City and County of San Francisco
PASS Loan Program and Small Sites Program)
(SFCLT Scattered Sites)

THIS AMENDED AND RESTATED LOAN AGREEMENT (“Agreement”) is entered into as of [_____], 2023, by and between the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation (the “City”), represented by the Mayor, acting by and through the Mayor’s Office of Housing and Community Development (“MOHCD”), and **SFCLT TNFF HOLDINGS LLC**, a California limited liability company (“Borrower”).

RECITALS

A. On July 18, 2014, the Citywide Affordable Housing Loan Committee authorized the Small Sites Acquisition and Rehabilitation Loan Program (“Small Sites Program”) for the purpose of preserving and stabilizing San Francisco’s existing rental housing stock of buildings that are up to 40 units and occupied by low- to moderate-income tenants who are vulnerable to displacement due to market-driven increases in evictions. On September 9, 2022, the Citywide Affordable Housing Loan Committee approved updated Guidelines for the Small Sites Program. Through this approval, MOHCD is authorized to provide loans to individual entities for acquisition and rehabilitation of specific existing residential buildings.

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

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

D. In November 2012, the voters of the City approved Proposition C, which established a housing trust fund to provide funds to support creating, acquiring and rehabilitating affordable housing and promoting affordable home ownership programs (the “Housing Trust Fund”). Under San Francisco City Charter Section 16.110, the City is authorized to provide the

Housing Trust Fund funds under this Agreement to the Borrower as assistance to reduce the risk of a loss of housing to current occupants of housing in San Francisco.

E. On August 19, 2005, the Board of Supervisors approved Ordinance No. 217-05 (the “Ordinance”), adding a new Section 318 to the San Francisco Planning Code (now numbered Section 418), which, among other things, established a new Rincon Hill Downtown Residential District. The Ordinance imposed a South of Market (SoMa) Community Stabilization Fee of \$14 per square foot on residential development and a Rincon Hill Community Improvements Impact Fee of \$11 per square foot within the new Residential District (the “SoMa Community Stabilization Fee”). The money collected from the SoMa Community Stabilization Fee, along with up to \$6 million transferred from the Rincon Hill Community Improvements Fund for enumerated types of improvements in SoMa, including affordable housing, is in a separate fund called the “SoMa Community Stabilization Fund,” which must be used to address various impacts of destabilization on residents and businesses in SoMa. On January 26, 2016, the San Francisco Board of Supervisors approved Resolution 19-16, which authorized the use of \$3,000,000 in SoMa Community Stabilization Fund funds to provide acquisition and rehabilitation loans for real property in the SoMa area.

F. Under the Jobs-Housing Linkage Program set forth in Sections 413 *et seq.* of the San Francisco Planning Code, the Citywide Affordable Housing Fund was established with fees paid by office developers to mitigate the increased demand for housing in the City (the “Affordable Housing Fund”). Under the Inclusionary Affordable Housing Program set forth in Sections 415 *et seq.* of the San Francisco Planning Code, the Citywide Affordable Housing Fund receives in-lieu fees paid by housing developers to satisfy requirements of the Inclusionary Affordable Housing Program. The City may use the funds in the Citywide Affordable Housing Fund under this Agreement to finance housing affordable to qualifying households. The Director of City Planning has designated MOHCD to administer the Citywide Affordable Housing Fund and enforce agreements relating to them.

G. Under San Francisco Administrative Code Section 10.100-11, the San Francisco Board of Supervisors established the Affordable Housing Production and Preservation Fund to receive appropriated excess Education Revenue Augmentation Fund (“ERAF”) revenues received by the City (the “ERAF Housing Fund”). MOHCD administers the ERAF Housing Fund for the purpose of funding land acquisition and production of new 100% affordable housing projects and acquisition and preservation of existing housing to make that housing permanently affordable. MOHCD is authorized to provide funds from the ERAF Housing Fund under this Agreement to Borrower for the development of affordable housing.

H. On November 5, 2019, the voters of the City and County of San Francisco approved Proposition A (Ordinance 168-19), which provided for the issuance of up to \$600 million in general obligation bonds to finance the construction, acquisition, improvement, rehabilitation, preservation and repair of certain affordable housing improvements (the “2019 G.O. Bond”). To the extent permitted by law, the City intends to reimburse with proceeds of the 2019 G.O. Bond amounts disbursed under this Agreement to Borrower for the development of affordable housing.

I. The funds provided from the PASS Funds, the 2015 GO Bond, the Housing Trust Fund, the SoMa Community Stabilization Fund, the Affordable Housing Fund, the ERAF Housing Fund, and the 2019 G.O. Bond funds under this Agreement are collectively referred to as the “Funds.”

J. Borrower owns a fee interest in certain real property located at 2840-2848 Folsom Street (“Pigeon Palace”), 4042-4048 Fulton Street, 568-570 Natoma Street, and 308 Turk Street, all in San Francisco, California (collectively, the “Site”). The Site is currently developed as four multifamily residential properties with a total of 36 residential rental housing units. Borrower desires to use the Funds to acquire the Site, construct an accessory dwelling unit on a portion of the Site (at 4042-4048 Fulton Street), and rehabilitate the four buildings located on the Site, in order to continue to preserve the Site as residential housing affordable to low- to moderate-income households (collectively, the “Project”).

K. The City previously made the following loans to San Francisco Community Land Trust, a California nonprofit public benefit corporation (“Original Borrower”) with respect to the Site:

1. A loan in the principal amount of [Two Million Four Hundred Ninety-Six Thousand Six Hundred Forty-Two and No/100 Dollars (\$2,496,642.00)] (the “Pigeon Palace SSP Loan”) under that certain loan agreement dated as of August 28, 2015 (the “Pigeon Palace SSP Loan Agreement”);

2. A loan in the principal amount of [Two Million One Hundred Twenty-Five Thousand and No/100 Dollars (\$2,125,000.00)] (the “Fulton Street SSP Loan”) under that certain loan agreement dated as of March 16, 2017 (the “Fulton Street SSP Loan Agreement”);

3. A loan in the principal amount of [One Million Eight Hundred Seventy-Five Thousand and No/100 Dollars (\$1,875,000.00)] (the “Natoma Street SSP Loan”) under that certain loan agreement dated as of March 11, 2016, as amended by that certain First Amendment dated as of June 14, 2018 (together, the “Natoma Street SSP Loan Agreement”); and

4. A loan in the principal amount of [Two Million Five Hundred Sixty-Nine Thousand Four Hundred Fifty-Six and No/100 Dollars (\$2,569,456.00)] (the “Turk Street SSP Loan”) under that certain loan agreement dated as of June 12, 2015 (the “Turk Street SSP Loan Agreement”).

The Pigeon Palace SSP Loan, Fulton Street SSP Loan, Natoma Street SSP Loan, and the Turk Street SSP Loan are hereinafter collectively referred to as the “Original SSP Loans.” The Pigeon Palace SSP Loan Agreement, Fulton Street SSP Loan Agreement, Natoma Street SSP Loan Agreement, and Turk Street SSP Loan Agreement are hereinafter collectively referred to as the “Original SSP Loan Agreements.”

L. Original Borrower intends to assign to Borrower, and Borrower intends to assume, all of Original Borrower’s rights and duties with respect to the Original SSP Loans (the “Assignment and Assumption”). The consent of the City is required for the Assignment and Assumption. The City has reviewed Borrower’s request for the Assignment and Assumption and, in reliance on the accuracy of the information provided by Borrower, has consented to this request. In connection with such Assignment and Assumption, the City and the Borrower have agreed to consolidate the principal associated with the Original SSP Loans, totaling [Nine Million Sixty-Six Thousand Ninety-Eight and No/100 Dollars] (\$9,066,098.00) (the “Original SSP Loans Payoff Amount”), along with an additional [Four Million Seven Hundred Thirty-Three Thousand Nine Hundred Two and No/100 Dollars] (\$4,733,902.00) in SSP funds (the

“Additional SSP Loan Amount”), into a single modified loan (the “SSP Loan”) in an amount equal to [Thirteen Million Eight Hundred Thousand and No/100 Dollars] ([\$13,800,000.00]) (the “SSP Loan Amount”) to be governed by the terms of this Agreement. As of the date of this Agreement, the outstanding interest is [One Million Eight Hundred Ninety-Seven Thousand Eight Hundred Ninety-Six and No/100 Dollars] [\$1,897,896.00].

M. In addition, the City has reviewed Borrower's application for PASS Funds under the PASS Program, and in reliance on the accuracy of the statements in that application, has agreed to make a new aggregate total loan of PASS Funds (the “PASS Loan” and together with the SSP Loan, the “Loan”) to Borrower in an amount up to approximately [Four Million Nine Hundred Thirty Four Thousand and No/100 Dollars] ([\$4,934,000.00]) (the “PASS Loan Amount,” and together with the SSP Loan Amount, the “Funding Amount”) for the acquisition, rehabilitation, and permanent financing of the Project under this Agreement and is comprised of the following:

(1) a market rate loan of Funds to Borrower (the “Market Rate Loan”) in the amount of [Three Million Four Thousand Eight Hundred Six and No/100 Dollars] ([\$3,004,806.00]) (the “Market Rate Loan Amount”);

(2) a below market rate loan of Funds to Borrower (“BMR Loan”) in the amount of [One Million Six Hundred Fifty-Seven Thousand Eight Hundred Twenty-Four and No/100 Dollars] ([\$1,657,824.00]) (the “BMR Loan Amount”); and

(3) a deferred loan of Funds to Borrower (the “Deferred Loan”) in the amount of [Two Hundred Seventy-One Thousand Three Hundred Seventy and No/100 Dollars] ([\$271,370.00]) (the “Deferred Loan Amount”).

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

N. On the Agreement Date, this Agreement will amend, restate, supersede and replace the Original SSP Loan Agreements. Concurrently herewith, Borrower will also (i) execute an amended and restated promissory note in favor of the City to supersede and replace the promissory notes evidencing the Original SSP Loans, (ii) execute and record a deed of trust to secure such amended and restated promissory note, (iii) execute three PASS promissory notes, (iv) execute and record a deed of trust to secure such PASS promissory notes, (v) execute and record an amended and restated declaration of restrictions, and (vi) execute and record a City Purchase Option Agreement. As of the Agreement Date, City will cancel and return the promissory notes evidencing Original SSP Loans and reconvey the deed of trusts securing the promissory notes evidencing the Original SSP Loans.

AGREEMENT

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

ARTICLE 1 DEFINITIONS.

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

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

“Agreement” means this Loan Agreement.

“Agreement Date” means the date first written above.

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

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

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

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

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

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

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

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

“Borrower” means SFCLT TNFF HOLDINGS LLC, a California limited liability company, whose sole member and manager is San Francisco Community Land Trust, a California nonprofit public benefit corporation (“Manager”), and its authorized successors and assigns.

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

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

“CFR” means the Code of Federal Regulations.

“Charter Documents” means: (a) in the case of a corporation, its articles of incorporation and bylaws; (b) in the case of a partnership, its partnership agreement and any certificate or

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

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

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

“CNA” means a 20-year capital needs assessment or analysis of replacement reserve requirements.

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

“Compliance Term” means the period commencing on the date the SSP Deed of Trust and PASS Deed of Trust are recorded in the Official Records and remaining for the time during which the Project, or any modification of the Project, remains in existence, but in any event no less than ninety-nine (99) years, even if the Loan is repaid or otherwise satisfied or the SSP Deed of Trust and PASS Deed of Trust are reconveyed before that date.

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

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

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

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

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

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

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

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

“Developer” means San Francisco Community Land Trust, a California nonprofit public benefit corporation, and its authorized successors and assigns.

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

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

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

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

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

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

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

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

“Excess Proceeds” has the meaning set forth in **Section 5.8**.

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

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

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

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

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

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

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

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

“Income Restrictions” means the maximum household income limits for Qualified Tenants, as described in **Section 7**.

“Indemnify” means, whenever any provision of this Agreement requires a person or entity (the “Indemnitor”) to Indemnify any other entity or person (the “Indemnitee”), that the Indemnitor will be obligated to defend, indemnify and protect and hold harmless the Indemnitee, its officers, employees, agents, constituent partners, and members of its boards and commissions from and against any and all Losses arising directly or indirectly, in whole or in part, out of the

act, omission, event, occurrence or condition with respect to which the Indemnitor is required to Indemnify an Indemnitee, whether the act, omission, event, occurrence or condition is caused by the Indemnitor or its agents, employees or contractors, or by any third party or any natural cause, foreseen or unforeseen; *provided that* no Indemnitor will be obligated to Indemnify any Indemnitee against any Loss arising or resulting from the gross negligence or intentional wrongful acts or omissions of the Indemnitee or its agents, employees or contractors. If a Loss is attributable partially to the grossly negligent or intentionally wrongful acts or omissions of the Indemnitee (or its agents, employees or contractors), the Indemnitor must Indemnify the Indemnitee for that part of the Loss not attributable to its own grossly negligent or intentionally wrongful acts or omissions or those of its agents, employees or contractors.

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

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

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

“Loan” means, collectively, the SSP Loan, the Market Rate Loan, the BMR Loan, and the Deferred Loan.

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

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

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

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

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

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

“Median Income” means 100% median income as published annually by MOHCD, or a successor metric approved by MOHCD, derived in part from income limits determined by HUD for the San Francisco area, adjusted solely for household size, but not high housing cost area, also referred to as “Unadjusted Median Income”. MOHCD’s current publication is the “Maximum Income by Household Size derived from the Unadjusted Area Median Income for HUD Metro Fair Market Rent Area that Contains San Francisco.”

“Maximum Rent” means the total amount for rent and utilities (with the maximum allowance for utilities determined by the San Francisco Housing Authority) charged to a Qualified Tenant that must be approved by MOHCD and may not exceed: (i) thirty percent (30%) of the applicable maximum income level for the Unit, adjusted for household size/unit type, as published annually by MOHCD, or a successor metric approved by MOHCD; or (ii) the tenant paid portion of the contract rent as determined by either (A) the San Francisco Housing Authority for Qualified Tenants holding Section 8 vouchers or certificates or (B) MOHCD for any other rent subsidy program. MOHCD’s current publication is the “Maximum Monthly Rent by Unit Type derived from the Unadjusted Area Median Income for HUD Metro Fair Market Rent Area that Contains San Francisco.”

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

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

“Notes” (or each “Note”) means collectively the SSP Note, the Market Rate Note, the BMR Note, and the Deferred Note.

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

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

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

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

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

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

“Payment Date” means the first day of the month that is one calendar month after the date that the PASS Deed of Trust and SSP Deed of Trust are recorded in the Official Records, and each succeeding 1st day of the month until the Maturity Date.

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

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

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

“Project Expenses” means the following costs, which may be paid from Project Income in the following order of priority to the extent of available Project Income: (a) all charges incurred in the operation of the Project for utilities, real estate taxes and assessments and premiums for insurance required under this Agreement or by other lenders providing secured financing for the Project; (b) salaries, wages and any other compensation due and payable to the employees or agents of Borrower employed in connection with the Project, including all related withholding taxes, insurance premiums, Social Security payments and other payroll taxes or payments; (c) required payments of interest and principal, if any, on any junior or senior financing secured by the Site and used to finance the Project that has been approved by the City; (d) all other expenses actually incurred to cover operating costs of the Project, including maintenance and repairs and the fee of any managing agent as indicated in the Annual Operating Budget; (e) required deposits to the Replacement Reserve Account, Operating Reserve Account, Vacancy Reserve Account and any other reserve account required under this Agreement; (f) the approved annual asset management fees in the amount of [\$47,952.00] (plus a 3.5% annual increase as indicated in the Annual Operating Budget and approved by the City); and (g) any extraordinary expenses approved in advance by the City (other than expenses paid from any reserve account).

“Project Income” means all income and receipts in any form received by Borrower from the operation of the Project, including rents, fees, deposits (other than tenant security deposits), any accrued interest disbursed from any reserve account required under this Agreement for a purpose other than that for which the reserve account was established, reimbursements and other charges paid to Borrower in connection with the Project. Interest accruing on any portion of the Funding Amount is not Project Income.

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

“Qualified Tenant” means household occupying the Project that has been certified and approved as earning no more than the maximum permissible annual income level allowed by this Agreement and that has entered into a lease with Borrower in a form approved by City. As the context requires, “Qualified Tenant” also means households occupying the Project that have entered into a lease with Borrower in a form approved by City but have not been income certified, in accordance with **Section 7.2(a)**.

“Rent” means the monthly sum charged to Qualified Tenants for rent in compliance with this Agreement.

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

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

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

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

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

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

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

“Severely Rent Burdened” means a Qualified Tenant household paying fifty percent (50%) or more of its gross monthly income (as shown on the Qualified Tenant’s income certification required under **Section 7.4** below) on Rent.

“SFHA” means the San Francisco Housing Authority.

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

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

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

“SSP Loan Amount” has the meaning set forth in **Recital L**.

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

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

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

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

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

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

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

“Vacancy Reserve Account” has the meaning set forth in **Section 12.3**.

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

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

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

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

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

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

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

(a) CFR provisions: <https://www.govinfo.gov/help/cfr>

(b) OMB circulars: <https://www.whitehouse.gov/omb/information-for-agencies/circulars/>

(c) S.F. Administrative Code: <https://sfgov.org/civilservice/SAN-FRANCISCO-ADMINISTRATIVE-CODE>

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

ARTICLE 2 FUNDING.

2.1 Funding Amount. The City agrees to lend to Borrower a maximum principal amount equal to the Funding Amount in order to provide financing for the acquisition, rehabilitation, and permanent financing of the Project to preserve affordability that might otherwise be lost to the market-rate real estate market. The Funding Amount will be disbursed according to the terms and subject to the conditions set forth in this Agreement.

2.2 Use of Funds. Borrower acknowledges that the City's agreement to make the Loan is based in part on Borrower's agreement to use the Funds solely for the purpose set forth in **Section 2.1** and agrees to use the Funds solely for that purpose in accordance with the approved Table of Sources and Uses. Notwithstanding anything to the contrary contained herein, City will not approve expenditure of Funds for expenses incurred by Borrower prior to June 17, 2015 for 2840-2848 Folsom Street; March 16, 2017 for 4042-4048 Fulton Street; March 11, 2016 for 568-570 Natoma Street; and June 15, 2015 for 308 Turk Street.

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

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

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

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

3.1 Maturity Date. Borrower must repay all amounts owing under the City Documents on the date that is the fortieth (40th) anniversary of the date that is the first day of the first full month following the date the SSP Deed of Trust and PASS Deed of Trust are recorded in the Official Records (the "Maturity Date").

3.2 Compliance Term; Declaration of Restrictions. Borrower must comply with all provisions of the City Documents relating to the use of the Site and the Project, as set forth in the Declaration of Restrictions to be recorded in the Official Records, for the Compliance Term.

3.3 Interest. The outstanding principal balance of the SSP Loan will bear simple interest at a rate of [3]% per annum, as provided in the SSP Note. The outstanding principal balance of the Market Rate Loan will bear interest at a rate of [3.87289]% per annum, compounding monthly, as provided in the Market Rate Note. The outstanding principal balance of the BMR Loan will bear interest at a rate of [0.95763]% per annum, compounding monthly, as provided in the BMR Note. The outstanding principal balance of the Deferred Loan will bear interest at a rate of [0.95763]% per annum compounding monthly, as provided in the Deferred Note.

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

3.5 Repayment of Principal and Interest. The outstanding principal balance of the Loan, together with all accrued and unpaid interest will be due and payable on the Maturity Date according to the terms set forth in full in the Notes. Except as set forth in the Notes, no prepayment of the Loan will be permitted without the prior written consent of the City in its sole and absolute discretion.

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

modify the terms of this Agreement based upon any new information so provided, in its reasonable discretion.

3.7 Additional Borrower Covenants. Borrower hereby covenants and agrees to perform the following additional obligations:

- (a) Borrower shall accept rental assistance (such as Section 8 and VASH, or any successor or similar rent subsidy programs) to the extent that Rent charged for the Unit complies with such program regulations and a Qualified Tenant who submits a voucher or other form of rental assistance has been selected through the marketing process described in **Article 6** and is otherwise qualified for the Unit.
- (b) To the extent possible, as allowable by applicable law, and in compliance with MOHCD's marketing procedures outlined in Article 6 of this Agreement, Borrower will maximize the occupancy of the Units.
- (c) The following covenants will apply to "Pigeon Palace" only:
 - a. If Borrower desires to convert Pigeon Palace to a limited equity housing cooperative ("LEHC") (the "Conversion"), Borrower shall provide an application to the City (the "Conversion Notice") to pursue the Conversion no less than 6 months prior to the desired conversion date. Borrower shall include with the Conversion Notice the anticipated date of conversion, a narrative report outlining the coop structure, draft documents authorizing the formation of the LEHC, drafts of all legal and operational documents, and updated budgets with its application for coop conversion. Borrower shall promptly provide City with any further documentation in connection with the Conversion reasonably requested by the City. City may approve or deny the application, in its reasonable discretion, and may include certain conditions for its approval, including but not limited to the following:
 - i. Borrower shall ensure that the LEHC complies with the following provisions:
 - 1. Borrower will set the equity share cost at a level that is affordable to qualifying households under the Small Sites Program (SSP) who desire to become a member of the LEHC. Borrower will complete a market analysis to determine the ability of potential qualified buyers to purchase the equity shares and will explore opportunities to stagger equity share prices according to target income levels of coop units prior to deciding on the final equity share cost. For those households who do not have the resources to acquire a share at Conversion (or upon that household's initial occupancy), Borrower will try to provide assistance to the extent feasible for

Pigeon Palace and for San Francisco Community Land Trust's organization budget to those households.

2. Equity shares will appreciate according to the Consumer Price Index (CPI), as defined by MOHCD.
3. Carrying charges will be established at the time of Conversion for all residents based on the amount necessary to support all of the operating expenses of the building as reflected by two years of audited financial statements.
 - ii. Borrower will market vacant units according to the Marketing requirements in **Article 6** of this Agreement and will include a disclosure to all incoming Tenants that the property may become a LEHC, what their rights are with regard to the Conversion, and that financial assistance to acquire an equity share may be available.
 - iii. For any households who cannot or do not wish to become a member of the LEHC, Borrower will offer leases according to SSP guidelines.

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

ARTICLE 4 CLOSING; DISBURSEMENTS.

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

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

4.3 Conditions Precedent to Closing. The City will authorize the close of the Loan upon satisfaction of the conditions in this Section.

(a) Borrower must have delivered to the City fully executed (and for documents to be recorded, acknowledged) originals of the following documents, in form and substance satisfactory to the City: (i) the Notes; (ii) this Agreement (in triplicate); (iii) the SSP Deed of Trust; (iv) the PASS Deed of Trust; (v) the Declaration of Restrictions; (vi) the City Purchase Option Agreement; (vii) the Authorizing Resolutions; and (viii) any other City Documents reasonably requested by the City.

(b) Borrower must have delivered to the City: (i) Borrower's Charter Documents, and the Opinion; (ii) a comprehensive maintenance and operating plan for the Project duly approved by Borrower's governing body that includes, but is not limited to, plans for emergencies and emergency maintenance, vacant unit turnover, preventive maintenance and inspection schedule, and marketing and resident selection or the equivalent achieved through a contract with a 3rd party property manager; and (iii) a CNA that has been duly approved by the City.

(c) Borrower must have fully repaid all existing non-City loans affecting the Site and removed from title any and all corresponding liens, encumbrances, deeds of trust, mortgages, assignments of rents, and financing statements.

(d) If approved by MOHCD, any lender with a security interest or other party with an interest in the Property must have agreed to subordinate its interest in the Site to the Declaration of Restrictions by instrument satisfactory in form and substance to the City.

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

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

(f) Borrower must have submitted a “Phase I” environmental report for the Site, or any other report reasonably requested by the City, prepared by a professional hazardous materials consultant acceptable to the City.

(g) The Declaration of Restrictions, the SSP Deed of Trust, and the PASS Deed of Trust must have been recorded as valid liens in the Official Records, subject only to the Permitted Exceptions.

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

(i) Borrower must have delivered to the City satisfactory evidence that current tenants in Project are aware of the transfer of property, the change in regulation to rents, and any rent increases that will be implemented as a result of the Project, in compliance with all applicable laws.

(j) Borrower must have income certified the existing tenants residing on the Site and deliver sufficient evidence to the City that 66% of the Units occupied as of the Agreement Date are occupied by households with a combined average income at or below 80% Median Income. For the purposes of this Agreement, Borrower may include any Units that are vacant as of the Agreement Date in such calculation, using the maximum household income allowable pursuant to **Exhibit A** for each such vacant Unit.

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

(i) Loan-to-value ratio (“LTV”) that does not exceed the lesser of (a) 90% of appraised value or (b) 80% of total development costs based upon a numerator equal to the principal balance of the PASS Loan and a denominator equal to the “as complete restricted” value set forth in that certain appraisals for the Project, including an appraisal for 2480-2848 Folsom Street prepared by Golden Gate Appraisal Inc., dated November 17, 2022; an appraisal for 4042-4048 Fulton Street prepared by Golden Gate Appraisal Inc., dated November 17, 2022, an appraisal for 568-570 Natoma Street prepared by Richard Kurz, MAI, SRA, dated February 4, 2016; and an appraisal for 308 Turk Street prepared by Golden Gate Appraisal Inc., dated November 17, 2022;

(ii) Debt service coverage ratio (“DSC”) of at least 1.15x, or such lower ratio as otherwise determined by MOHCD, based upon a 30 day operating statement for the Project prepared on an accrual basis

(iii) Budgets must assume no more than 2% annual growth in operating income and no less than 3.5% annual growth in operating expenses.

(iv) Residential Vacancy Loss assumption of 10%

(v) Tenant Assistance Vacancy Loss assumption of 10%

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

(m) Borrower hereby covenants and agrees to pay MOHCD the following PASS program costs and fees:

- i. Origination Fee – On or before the Agreement Date, the Borrower shall pay MOHCD a fee equal to [\$61,675.00]. The Borrower shall pay the Origination Fee to MOHCD by certified or official bank check or other means of payment acceptable to MOHCD.
- ii. City Attorney Expenses – On or before the Agreement Date, the Borrower shall pay MOHCD a fee equal to \$15,000. The Borrower shall pay the City Attorney Expenses fee to MOHCD by certified or official bank check or other means of payment acceptable to MOHCD.
- iii. Compliance Monitoring Fee – The initial installment of this fee, which must be paid in full on or before the Agreement Date to cover the first year of monitoring, is [\$2,500]. Thereafter, the fee for the coming year, which is due on the anniversary of the Agreement Date, is \$2,500. For Properties subject to City-imposed affordability restrictions, the fee is payable annually in advance for the duration of the Compliance Term. For Properties not subject to such restrictions, the fee is payable annually in advance through Loan maturity or prepayment.
- iv. Loan Servicing Fee – The cost of this fee is [\$2,500] annually in advance. The first installment of the fee, which covers the first year of servicing, must be paid in full on or before the Agreement Date. Thereafter, the fee for the coming year is due on the anniversary of the Agreement Date through Loan maturity or prepayment.
- v. Adjustments – All fees in this Section shall be increased proportionately in the event of an increase in the Loan, but shall not be decreased in the event of a reduction in the Loan.

4.4 Disbursement of Funds. Following satisfaction of the conditions in **Section 4.3**, the City will authorize the Escrow Agent to disburse Funds for the acquisition, rehabilitation, and permanent financing of the Project, as provided in the City's escrow instructions.

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

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

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

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

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

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

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

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

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

(v) Any Expenditure Request for travel expenses will include supporting documentation, including, without limitation, original itemized receipts showing rates

and cost, air travel itinerary, proof of payment, and any written justification requested by the City.

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

(e) The Loan must be in balance.

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

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

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

(b) Retention Release After Project Completion. Borrower may request disbursement of the remaining percentage amount of the Retention only upon the satisfaction of each of the following conditions, unless otherwise approved in writing by the City: (i) completion of rehabilitation or construction of the Project in accordance with the plans and specifications approved by the City, as evidenced by a certificate of occupancy or equivalent certification provided by the City's Department of Building Inspection, and an architect's or engineer's certificate of completion; (ii) timely recordation of a notice of completion; and

(iii) either expiration of the lien period and the absence of any unreleased mechanics' liens or stop notices or recordation of the lien releases of all contractors, subcontractors and suppliers who provided labor or materials for the Project.

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

ARTICLE 5 DEMOLITION, REHABILITATION OR CONSTRUCTION.

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

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

5.3 Change Orders. Borrower may not approve or permit any change orders to the plans and specifications approved by the City without the City's prior written consent. Borrower will provide adequate and complete justification for analysis of any change order request to the City. The City will provide any questions, comments or requests for additional information to Borrower within five (5) business days of receipt of a change order request. City will review and approve or disapprove of a change order request within ten (10) business days of a complete submission by Borrower. In the event the City fails to approve or disapprove the change order

request within such ten (10) business day period, the change order will be deemed approved. Borrower acknowledges that the City's approval of any change order will not constitute an agreement to amend the Table of Sources and Uses or to provide additional Funds for the Project, unless the City agrees in its sole discretion to amend the Table of Sources and Uses or provide additional Funds for that purpose.

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

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

5.6 Commencement and Completion of Project. Unless otherwise extended in writing by the City, Borrower will: (a) commence rehabilitation by a date no later than August 15, 2023; (b) complete rehabilitation by a date no later than August 15, 2024, in accordance with the plans and specifications approved by the City, as evidenced by a certificate of occupancy or equivalent certification provided by the City's Department of Building Inspection, and an architect's or engineer's certificate of completion (the "Completion Date"); and (c) achieve occupancy of one hundred percent (100%) of the Units by a date no later than September 10, 2024.

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

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

ARTICLE 6 MARKETING.

6.1 Marketing and Tenant Selection Plan. No later than sixty (60) days after the Agreement Date, Borrower must deliver to the City for the City's review and approval an affirmative plan for initial and ongoing marketing of the Units and a written tenant selection procedure for initial and ongoing renting of the Units based on MOHCD's then-current form of marketing and tenant selection plan (the "Marketing and Tenant Selection Plan"), all in compliance with the restrictions set forth in **Exhibit A** and in form and substance acceptable to the City. Borrower must obtain the City's approval of reasonable alterations to the Marketing and Tenant Selection Plan. Borrower must market and rent the Units in the manner set forth in the Marketing and Tenant Selection Plan, as approved by the City. Before marketing any Units, Borrower must provide the City with updated implementation and contact information.

6.2 Affirmative Marketing and Tenant Selection Plan Requirements. Borrower's Marketing and Tenant Selection Plan must address how Borrower intends to market vacant Units

and any opportunity for placement on the Waiting List, as defined in 6.5. The Marketing and Tenant Selection Plan shall include as many of the following elements as are appropriate to the Project, as determined by the City:

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

(b) A plan that satisfies the requirement to give preference in occupying units first to Certificate of Preference Holders in accordance with the Operational Rules and the Preferences Ordinance.

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

(d) A list of local neighborhood newspapers, community-oriented radio stations, on the internet and in other media that are likely to reach low-income households in which the apartments will be advertised. All advertising must display the Equal Housing Opportunity logo.

(e) Copies of draft notices to be sent to neighborhood-based, nonprofit housing corporations and other low-income housing advocacy organizations that maintain waiting lists or make referrals for below-market-rate housing.

(f) Notices to SFHA.

(g) Notices to MOHCD.

(h) To the extent practicable, Borrower must give preference to potential tenants who have been displaced from other units in the City by rehabilitation or construction work financed in whole or part by the City. To implement this requirement, Borrower agrees to give preferential consideration to applications of displaced persons provided to Borrower by the City.

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

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

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

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

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

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

6.5 Waiting List. Borrower's Marketing and Tenant Selection Plan must contain, at a minimum, policies and criteria that provide for the selection of tenants from a written waiting list that complies with the Marketing and Tenant Selection Plan (the "Waiting List"). Each Waiting List shall be valid for a six (6) month period following the lottery date, at which time such Waiting List shall expire. The Marketing and Tenant Selection Plan may allow an applicant to refuse an available Unit for good cause without losing standing on the Waiting List but shall limit the number of refusals without cause as approved by the City. The Waiting List and the previous expired Waiting Lists must be kept on file at the Project for three (3) years after the expiration of such lists.

ARTICLE 7 AFFORDABILITY AND OTHER LEASING RESTRICTIONS.

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

7.2 Borrower's Covenant; Rent Restrictions.

(a) Borrower covenants to rent all Units at all times to households certified as Qualified Tenants at initial occupancy and at the Rent described in this Agreement. Notwithstanding the foregoing, 80% of the households occupying Units on the Agreement Date must be income certified as Qualified Tenants on the Agreement Date, provided that all such households enter into a lease with Borrower in a form approved by City on or before the Agreement Date. Borrower may include any Units that are vacant as of the Agreement Date in its calculation of the percentage of Qualified Tenants, using the maximum household income allowable set forth in **Exhibit A** for each such Unit, so long as Borrower rents the Units to Qualified Tenants at such rates. Borrower will rent all Units that are occupied as of the Agreement Date at the initial Rent set forth in **Exhibit A**, as adjusted thereafter in accordance with this **Section 7**.

(b) A Qualified Tenant at initial occupancy may not be required to vacate the Unit due to subsequent rises in household income. Qualified Tenants must pay at least 20% of their gross household income towards Rent unless otherwise approved by MOHCD, provided that in no event shall any Qualified Tenant be required to pay Rent in excess of the lesser of (i) Maximum Rent, or (ii) 20% below the market rents of comparable units as approved by MOHCD, except as otherwise provided in **Section 7.3(d)**.

(c) Required Rents for the Units as of the Agreement Date will be as set forth in **Exhibit A**.

(d) After the Agreement Date, the Rent for each Unit that becomes vacant shall be set at the amount necessary to bring the Project's combined average Rents for all Units as close as is possible to the amount calculated as 30% of 80% Median Income, or other amount as approved by MOHCD.

7.3 Rent Adjustments and Restrictions. Rent for all Units shall be increased annually by the greater of: (x) the percentage change in annual operating expenses, up to a maximum of 3.5%, or (y) 2%, except as follows:

(a) Reserved.

(b) Severely Rent Burdened Qualified Tenants. If the Rent increase described in this **Section 7** results in any Qualified Tenant household becoming Severely Rent Burdened, Borrower is not required to increase the Rent of the Severely Rent Burdened Qualified Tenant until such time as the Qualified Tenant is no longer Severely Rent Burdened, provided that: (i) Borrower first demonstrates to the satisfaction of MOHCD, in MOHCD's sole discretion, that the Project maintains short- and long-term financial sustainability in the form of positive cash flow, adequately funded reserves, and other indicators as MOHCD may reasonably request; (ii) at each annual income recertification, the ability of all households to pay required rent increases will be reassessed, as will the Borrower cash flow, to ensure short- and long-term financial sustainability if Borrower elects not to impose the required annual Rent increase for any Severely Rent Burdened Qualified Tenant; and (iii) all Regulatory Obligations continue to be met. Similarly, if the circumstances described in this subsection are met, a Unit becomes vacant and a Qualified Tenant demonstrates to Borrower that it is Severely Rent Burdened, Borrower may reduce such Qualified Tenant's Rent to a level no lower than 40% of that Qualified Tenant's gross monthly income, thus resulting in a higher Rent that will be required for the vacant Unit. If more than one Qualified Tenant is eligible for such a Rent reduction, the reduction shall be equally distributed among such eligible Qualified Tenants.

(c) Recovery of Project Expenses. With the City's prior written approval, Rent increases for Units exceeding the amounts permitted by the first sentence of **Section 7.3** may be permitted once annually in order to recover increases in approved Project Expenses, provided that: (i) in no event may single or aggregate Rent increases exceed ten percent (10%) per year unless such an increase is contemplated in a City-approved temporary relocation plan or is necessary due to the expiration of Section 8 or other rental subsidies; and (ii) Rents for each Unit may in no event exceed the lesser of (y) Maximum Rent, or (z) 20% below the market rents of

comparable units as approved by MOHCD. The City's approval for such Rent increases under this subsection shall not be unreasonably withheld.

(d) Rent Subsidy Programs. For those households that hold rent subsidy vouchers, such as Section 8 and VASH, on an annual basis Borrower shall request and use best efforts to receive an increase in contract rent equivalent to the percentage change in Fair Market Rent or equivalent payment standard, whichever is greater. For any Qualified Tenant participating in a rent or operating subsidy program where the rent charged is calculated as a percentage of household income, adjustments to Rent charged may be made according to the rules of the relevant subsidy program, and provided the Qualified Tenant paid portion of Rent does not exceed the lesser of (i) Maximum Rent or (ii) 20% below the market rents of comparable units as approved by MOHCD. For any Qualified Tenant that becomes ineligible to continue participating in a rent or operating subsidy program, there is no limit on the increase in Rent charged as long as it does not exceed 30% of 120% of Median Income.

(e) Recovery of Property Tax Increases. In addition to the Rent increases contemplated in this **Section 7** and with the City's prior written approval, if a Qualified Tenant's household income exceeds eighty percent (80%) of California Median Income (as published by the California Department of Housing and Community Development) during occupancy of a Unit, Borrower may adjust the charges for Rent for such Qualified Tenant to absorb the amount of property taxes attributable to the Qualified Tenant's Unit as a result of the loss of the State of California's welfare exemption for low-income housing properties. The City may, in its sole discretion, require that Rent increases allowed under this subsection be implemented over a period of time in order to reduce the burden on an existing Qualified Tenant. Rents charged under this subsection may not exceed the lesser of (i) Maximum Rent; (ii) 20% below the market rents of comparable units as approved by MOHCD; or (iii) 20% of its gross household income. The City's approval for such Rent increases shall not be unreasonably withheld. If such Qualified Tenant's household income subsequently decreases and the Unit becomes eligible for the California welfare property tax exemption, Borrower may reduce such Qualified Tenant's Rent by the amount of property tax savings attributable to the Qualified Tenant's Unit, as provided in Section 7.3(b).

(f) Excess Rent. If Borrower increases Rents or offers a vacant Unit for rent at a rate that exceeds the rules described in this Agreement, the resulting excess cash flow will be paid by Borrower to the Qualified Tenants who were overcharged, and Borrower's actions will constitute an Event of Default pursuant to **Section 19**.

7.4 Certification.

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

(b) Each Qualified Tenant in the Project must recertify their household income to Borrower on an annual basis.

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

7.5 Form of Lease. The form of lease for Qualified Tenants must provide for termination of the lease and consent to immediate eviction for failure to qualify as a Qualified Tenant if the Qualified Tenant has made any material misrepresentation in the initial income certification.

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

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

ARTICLE 8 MAINTENANCE AND MANAGEMENT OF THE PROJECT.

8.1 Borrower's Responsibilities.

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

8.2 Contracting With Management Agent.

(a) Borrower may contract or permit contracting with a management agent for the performance of the services or duties required in **Section 8.1(a)**, subject to the City's prior written approval of both the management agent and, at the City's discretion, the management contract between Borrower and the management agent, *provided, however*, that the arrangement will not relieve Borrower of responsibility for performance of those duties. Any management contract must contain a provision allowing Borrower to terminate the contract without penalty upon no more than thirty (30) days' notice. As of the Agreement Date, the City has approved the Kalco Property Management as Borrower's management agent for 4042-4048 Fulton Street, 568-570 Natoma Street, and 308 Turk Street, subject to approval of the management contract.

The following provision will apply to Pigeon Palace only: As of the Agreement Date, the City has approved Pigeon Palace's tenants to self-manage the property. The monetary value of self-management is \$100 per month per unit. Accordingly, rent stated in the form of lease reflects a \$100 per month credit (the "Rent Credit"). If Borrower determines that property management is not being adequately performed by Pigeon Palace's tenants, and if Borrower and Pigeon Palace's tenants are unable to resolve the issue within 15 days after Borrower delivers written notice of Borrower's determination, Borrower shall hire a third-party professional property management company approved by the City, and Pigeon Palace's tenants shall no longer be obligated to participate in property management or be entitled to receive the Rent Credit. Borrower shall provide at least 30 days advance written notice to each Pigeon Palace tenant of such. Pigeon Palace's tenants' rent amount as adjusted to reflect the termination of the Rent Credit.

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

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

ARTICLE 9 GOVERNMENTAL REQUIREMENTS.

9.1 Borrower Compliance. Borrower must comply, and where applicable, require its contractors to comply, with all applicable Laws governing the use of Funds for the construction, rehabilitation and/or operation of the Project, including those set forth in **Exhibit E**. Borrower acknowledges that its failure to comply with any of these requirements will constitute an Event of Default under this Agreement. Subject to **Section 23.1**, this Section does not prohibit Borrower from contesting any interpretation or application of Laws in good faith and by appropriate proceedings.

ARTICLE 10 PROJECT MONITORING, REPORTS, BOOKS AND RECORDS.

10.1 Generally.

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

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

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

10.2 Monthly Reporting. Borrower will submit monthly reports (the "MOHCD Monthly Project Update") describing progress toward developing the Project with respect to obtaining necessary approvals from other City departments, procuring architects, consultants and contractors, changes in scope, cost or schedule and significant milestones achieved in the past month and expected to be achieved in the coming month. The MOHCD Monthly Project Update will be submitted by email in substantially the form requested by MOHCD until such time as the Project Completion Report is submitted to the City pursuant to **Section 10.5** below. In addition,

Borrower will meet with MOHCD staff on a monthly basis until the completion of rehabilitation of the Project.

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

10.4 Capital Needs Assessment. Borrower must deliver to MOHCD an updated CNA every seven (7) years after the Completion Date for approval. The updated CNA must include an analysis of Borrower's actual expenditures for capital needs compared to the most recently approved CNA, Borrower's 20-Year Proforma and initial Annual Operating Budget and its then-current Annual Operating Budget.

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

(a) within one hundred-eighty (180) days after the Completion Date, a report on use of Small Disadvantaged Business Enterprises as defined in the SBE Manual, including the type of work and the dollar value of such work;

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

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

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

any mortgage encumbering the Project and any other requested information with respect to Borrower or the Project.

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

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

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

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

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

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

ARTICLE 11 USE OF INCOME FROM OPERATIONS.

11.1 Project Operating Account.

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

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

ARTICLE 12 REQUIRED RESERVES.

12.1 Replacement Reserve Account.

(a) Commencing no later than sixty (60) days after the Agreement Date, or any other date the City designates in writing, Borrower must establish or cause to be established a segregated interest-bearing replacement reserve depository account (the “Replacement Reserve Account”). On or before the 15th day of each third month following establishment of the Replacement Reserve Account, Borrower must make quarterly deposits from Project Income into the Replacement Reserve Account in the amount necessary to meet the requirements of this Section. The City may review the adequacy of deposits to the Replacement Reserve Account periodically and require adjustments as it deems necessary.

(b) Borrower must make an initial deposit into the Replacement Reserve Account in an amount equal to [One Million Two Hundred Thousand Sixty-Five and No/100 Dollars] [(\$1,265,000.00)]. Thereafter, quarterly deposits must equal the higher of (i) the amount needed under Borrower's approved Capital Needs Assessment (CNA), or (ii) 1/4th of the applicable amount set forth in the chart below. Borrower may request adjustments every seven (7) years based on its most recently approved CNA.

No. of Units	Replacement Reserve Deposits Per-Unit, Per-Year
Less than or equal to 10	\$400
11-29	\$350
Equal to or over 30	\$300

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

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

12.2 Operating Reserve Account.

(a) Commencing no later than sixty (60) days after the Agreement Date, or any other date the City designates in writing, Borrower must establish or cause to be established a segregated interest-bearing operating reserve depository account (the “Operating Reserve Account”) by depositing funds in an amount equal to [One Hundred Thirty-Nine Thousand Twenty-Three and No/100 Dollars] [(\$139,023.00)]. The City may review the adequacy of deposits to the Operating Reserve Account periodically and require adjustments as it deems necessary.

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

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

12.3 Other Reserve Requirements. Commencing no later than sixty (60) days after the Agreement Date, or any other date the City designates in writing, Borrower shall establish an interest-bearing “Vacancy Reserve Account” to cover lost monthly rental income during the construction of an accessory dwelling unit at 4042-4048 Fulton Street, Unit 4042a (the “ADU Unit”), in the amount of [Forty-Four Thousand Four Hundred and No/100 Dollars (\$44,400.00)] (the “Initial Deposit”) into the Vacancy Reserve Account on the Agreement Date. The “Vacancy Reserve Account” will cover lost monthly rental income for ADU Unit, which will be constructed during the Project rehabilitation. Borrower may use the funds from the Initial Deposit only for the payment of Project Expenses, and may only withdraw amounts each month equivalent to what would have been the monthly rent for the ADU Unit that is being constructed during the Project rehabilitation. If the ADU Unit is complete in less than twenty-four (24) months from the Agreement Date, the remaining balance from the Initial Deposit shall be deposited in the Replacement Reserve Account.

ARTICLE 13 DISTRIBUTIONS.

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

13.2 Conditions to Distributions. The 20-Year Cash Flow Proforma attached hereto as Exhibit B-2 includes projections of annual Distributions. Exhibit B-2 is not intended to impose

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

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

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

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

ARTICLE 14 SYNDICATION PROCEEDS.

14.1 Distribution and Use. If Borrower is a limited partnership or limited liability company, and unless otherwise approved by the City in writing, Borrower must allocate, distribute and pay or cause to be allocated, distributed and paid all net syndication proceeds and

all loan and grant funds as specified in the Table. Borrower must notify the City of the receipt and disposition of any net syndication proceeds received by Borrower during the term of this Agreement.

ARTICLE 15 DEVELOPER FEES.

15.1 Amount. Developer is entitled to receive developer fees from the Loan in a total amount not to exceed [Three Hundred Seventy-One Thousand Three Hundred Sixty and No/100 Dollars (\$371,360.00)] for developing the Project (“Developer Fees”), payable as described in **Section 15.2.**

15.2 Payment.

(a) At Loan Closing. Developer is entitled to receive fees from the Loan in the amount of [Forty Thousand and No/100 Dollars (\$40,000.00)] at the closing of the Loan.

(b) At Completion. If any Loan proceeds remain after payment of all costs and expenses described in **Exhibit B-1**, and following issuance by the San Francisco Department of Building Inspection of a Notice of Completion or similar document approved by MOCHD signifying full completion of the rehabilitation of the Site, Borrower shall receive such Loan proceeds up to the amount of [Three Hundred Thirty-One Thousand Three Hundred Sixty and No/100 Dollars (\$331,360.00)] towards Developer Fees on the Completion Date. In its sole discretion, MOHCD may withhold the portion of Developer Fees payable to Borrower on the Completion Date by the amount of any development costs incurred in connection with the Project that exceed the Project’s projected [Eighteen Million Eight Hundred Thousand and No/100 Dollars (\$18,800,000.00)] total development costs, up to [Three Hundred Thirty-One Thousand Three Hundred Sixty and No/100 Dollars (\$331,360.00)].

(c) From Residual Receipts. Subject to **Section 12.1(c)**, if any Developer Fee remains unpaid after Completion excluding any portion of the Developer Fee withheld by MOHCD pursuant to **Section 5.2(a)**, 50% of Residual Receipts shall be retained by Borrower in payment of its remaining unpaid Developer Fee and 50% of Residual Receipts shall be used to repay the Loan, until such time as the full remaining unpaid Developer Fee is paid.

(d) From Refinancing Proceeds. If any Developer Fee remains unpaid at the time Borrower refinances the Project, the remaining unpaid fee may be paid out of the proceeds from the refinancing of the Project.

ARTICLE 16 TRANSFERS.

16.1 Permitted Transfers/Consent. Borrower may not cause or permit any voluntary transfer, assignment or encumbrance of all or any portion of its interest in the Site or Project or of any ownership interests in Borrower, or lease or permit a sublease on all or any part of the Project, other than: (a) leases, subleases or occupancy agreements to occupants of Units; or (b) security interests for the benefit of lenders securing loans for the Project as approved by the City

on terms and in amounts as approved by City in its reasonable discretion. Any other transfer, assignment, encumbrance or lease without the City's prior written consent will be voidable and, at the City's election, constitute an Event of Default under this Agreement. The City's consent to any specific assignment, encumbrance, lease or other transfer will not constitute its consent to any subsequent transfer or a waiver of any of the City's rights under this Agreement.

ARTICLE 17 INSURANCE AND BONDS.

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

ARTICLE 18 GOVERNMENTAL APPROVALS.

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

ARTICLE 19 DEFAULT.

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

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

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

(c) Borrower fails to perform or observe any other term, covenant or agreement contained in any City Document, and the failure continues for thirty (30) days after Borrower's receipt of written notice from the City to cure the default, or, if the default cannot be cured within a 30-day period, Borrower will have sixty (60) days to cure the default, or any

longer period of time deemed necessary by the City, *provided that* Borrower commences to cure the default within the 30-day period and diligently pursues the cure to completion; or

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

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

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

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

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

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

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

(k) Borrower is subject to an order for relief by the bankruptcy court, or is unable or admits in writing its inability to pay its debts as they mature or makes an assignment for the benefit of creditors; or Borrower applies for or consents to the appointment of any receiver, trustee or similar official for Borrower or for all or any part of its property (or an appointment is made without its consent and the appointment continues undischarged and

unstayed for sixty (60) days); or Borrower institutes or consents to any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, custodianship, conservatorship, liquidation, rehabilitation or similar proceeding relating to Borrower or to all or any part of its property under the laws of any jurisdiction (or a proceeding is instituted without its consent and continues undismissed and unstayed for more than sixty (60) days); or any judgment, writ, warrant of attachment or execution or similar process is issued or levied against the Site, the improvements or any other property of Borrower and is not released, vacated or fully bonded within sixty (60) days after its issue or levy; or

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

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

(n) Borrower ceases rehabilitation or construction of the Project for a period of fifteen (15) consecutive working days, and the cessation is not excused under **Section 19.3**; or

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 20 REPRESENTATIONS AND WARRANTIES.

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

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

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

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

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

(e) None of Borrower, Borrower's principals or Borrower's general contractor has been suspended or debarred by the Department of Industrial Relations or any Governmental Agency, nor has Borrower, any of its principals or its general contractor been suspended, disciplined or prohibited from contracting with any Governmental Agency.

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

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

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

ARTICLE 21 NOTICES.

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

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

To Borrower: SFCLT TNFF HOLDINGS LLC
44 Page Street, Suite 401
San Francisco, CA 94102

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

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

ARTICLE 22 HAZARDOUS SUBSTANCES.

22.1 Borrower's Representations. Borrower represents and warrants to the City that, to the best of Borrower's actual knowledge, without independent investigation or inquiry as of the Agreement Date, the following statements are true and correct except as disclosed in the Phase I Environmental Site Assessment for 2840-2848 Folsom Street, prepared by Partner Engineering and Science dated June 11, 2015; the Natural Hazard Disclosure Report for 4042-4048 Fulton Street, prepared by JCP-LGS Disclosures dated July 11, 2016; the Natural Hazard Disclosure Report for 568-570 Natoma Street, prepared by JCP-LGS Disclosure Reports dated August 18, 2015; the Phase I Environmental Site Assessment Report for 308 Turk Street, prepared by Partner Engineering and Science dated April 14, 2015; the Lead Hazard Risk Assessment/Lead-Based Paint Inspections Report for 308 Turk Street, prepared by Oaks Environmental Testing dated March 31, 2015 or otherwise in writing: (a) the Site is not in violation of any Environmental Laws; (b) the Site is not now, nor has it been, used for the manufacture, use, storage, discharge, deposit, transportation or disposal of any Hazardous Substances, except in limited quantities customarily used in residences and offices and in compliance with Environmental Laws; (c) the Site does not consist of any landfill or contain any underground storage tanks; (d) the improvements on the Site do not consist of any asbestos-containing materials or building materials that contain any other Hazardous Substances; (e) no release of any Hazardous Substances in the improvements on the Site has occurred or in, on, under or about the Site; and (f) the Site is not subject to any claim by any Governmental Agency or third party related to any Environmental Activity or any inquiry by any Governmental Agency (including the California Department of Toxic Substances Control and the Regional Water Quality Control Board) with respect to the presence of Hazardous Substances in the improvements on the Site or in, on, under or about the Site, or the migration of Hazardous Substances from or to other real property.

22.2 Covenant. Unless the City otherwise consents in writing, at all times from and after the date of this Agreement, at its sole expense, Borrower must: (a) comply with all applicable Environmental Laws relating to the Site and the Project, and not engage in or otherwise permit the occurrence of any Environmental Activity in violation of any applicable

Environmental Laws or that is not customary and incidental to the intended use of the Site, *provided that* nothing contained in this Section will prevent Borrower from contesting, in good faith and by appropriate proceedings, any interpretation or application of Environmental Laws; and (b) deliver to the City notice of the discovery by Borrower of any event rendering any representation contained in this Section incorrect in any respect promptly following Borrower's discovery.

ARTICLE 23 INDEMNITY.

23.1 Borrower's Obligations. Borrower must Indemnify the City and its respective officers, agents and employees (individually or collectively, an "Indemnitee") against any and all Losses arising out of: (a) any default by Borrower in the observance or performance of any of Borrower's obligations under the City Documents (including those covenants set forth in **Article 22** above); (b) any failure of any representation by Borrower to be correct in all respects when made; (c) injury or death to persons or damage to property or other loss occurring on or in connection with the Site or the Project, whether caused by the negligence or any other act or omission of Borrower or any other person or by negligent, faulty, inadequate or defective design, building, construction, rehabilitation or maintenance or any other condition or otherwise; (d) any claim of any surety in connection with any bond relating to the construction or rehabilitation of any improvements or offsite improvements; (e) any claim, demand or cause of action, or any action or other proceeding, whether meritorious or not, brought or asserted against any Indemnitee that relates to or arises out of the City Documents, the Loan, the Site or the Project or any transaction contemplated by, or the relationship between Borrower and the City or any action or inaction by the City under, the City Documents; (f) the occurrence, before the expiration of the Compliance Term, of any Environmental Activity or any failure of Borrower or any other person to comply with all applicable Environmental Laws relating to the Project or the Site; (g) the occurrence, after the Compliance Term, of any Environmental Activity resulting directly or indirectly from any Environmental Activity occurring before the Compliance Term; (h) any liability of any nature arising from Borrower's contest of or relating to the application of any Law, including any contest permitted under **Sections 9.1, 18.1 and 22.2**; or (i) any claim, demand or cause of action, or any investigation, inquiry, order, hearing, action or other proceeding by or before any Governmental Agency, whether meritorious or not, that directly or indirectly relates to, arises from or is based on the occurrence or allegation of any of the matters described in clauses (a) through (h) above, *provided that* no Indemnitee will be entitled to indemnification under this Section for matters caused solely by its own gross negligence or willful misconduct. In the event any action or proceeding is brought against an Indemnitee by reason of a claim arising out of any Loss for which Borrower has indemnified the Indemnitees, upon written notice, Borrower must answer and otherwise defend the action or proceeding using counsel approved in writing by the Indemnitee at Borrower's sole expense. Each Indemnitee will have the right, exercised in its sole discretion, but without being required to do so, to defend, adjust, settle or compromise any claim, obligation, debt, demand, suit or judgment against the Indemnitee in connection with the matters covered by this Agreement. The provisions of this Section will survive the repayment of the Loan and/or termination of this Agreement.

23.2 Duty to Defend. Borrower acknowledges and agrees that its obligation to defend the Indemnitees under **Section 23.2**: (a) is an immediate obligation, independent of its other

obligations hereunder; (b) applies to any Loss which actually or potentially falls within the scope of **Section 23.2**, regardless of whether the allegations asserted in connection with such Loss are or may be groundless, false or fraudulent; and (c) arises at the time the Loss is tendered to Borrower by the Indemnitee and continues at all times thereafter. In the event any action or proceeding is brought against an Indemnitee by reason of a claim arising out of any Loss for which Borrower has indemnified the Indemnitees, upon written notice, Borrower will answer and otherwise defend the action or proceeding using counsel approved in writing by the Indemnitee at Borrower's sole expense. Each Indemnitee will have the right, exercised in its sole discretion, but without being required to do so, to defend, adjust, settle or compromise any claim, obligation, debt, demand, suit or judgment against the Indemnitee in connection with the matters covered by this Agreement. The Indemnitee will give Borrower prompt notice of any Loss and Borrower has the right to defend, settle and compromise any such Loss; provided, however, that the Indemnitee has the right to retain its own counsel at the expense of Borrower if representation of such Indemnitee by the counsel retained by Borrower would be inappropriate due to conflicts of interest between such Indemnitee and Borrower. An Indemnitee's failure to notify Borrower promptly of any Loss does not relieve Borrower of any liability to such Indemnity under **Section 23.2**, unless such failure materially impairs Borrower's ability to defend such Loss. Borrower will seek the Indemnified Party's prior written consent to settle or compromise any Loss if Borrower contends that such Indemnitee shares in liability with respect thereto.

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

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

ARTICLE 24 GENERAL PROVISIONS.

24.1 Subordination. The SSP Deed of Trust may be subordinated to other financing secured by and used for development of the Project (in each case, a "Senior Lien"), but only if MOHCD determines, in its sole discretion, that subordination is necessary to secure adequate acquisition, construction, rehabilitation and/or permanent financing to ensure the viability of the Project. Following review and approval by MOHCD and approval as to form by the City Attorney's Office, the Director of MOHCD or his/her successor or designee will be authorized to execute any approved subordination agreement without the necessity of any further action or approval.

24.2 No Third Party Beneficiaries. Nothing contained in this Agreement, nor any act of the City, may be interpreted or construed as creating the relationship of third party beneficiary, limited or general partnership, joint venture, employer and employee, or principal and agent between the City and Borrower or Borrower's agents, employees or contractors.

24.3 No Claims by Third Parties. Nothing contained in this Agreement creates or justifies any claim against the City by any person or entity with respect to the purchase of materials, supplies or equipment, or the furnishing or the performance of any work or services

with respect to the Project. Borrower must include this requirement as a provision in any contracts for the development of the Project.

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

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

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

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

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

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

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

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

24.12 Reserved.

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

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

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

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

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

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

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

24.20 Borrower's Board of Directors. Borrower 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 Borrower's bylaws and other governing documents, and shall adhere to applicable provisions of federal, state and local laws governing nonprofit corporations. Borrower's board of directors shall exercise such oversight responsibility with regard to this Agreement as is necessary to ensure full and prompt performance by Borrower of its obligations under this Agreement.

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

EXHIBITS

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

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

THE CITY:

BORROWER:

CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation

SFCLT TNFF HOLDINGS LLC, a California limited liability company

By: _____
London N. Breed
Mayor

By: San Francisco Community Land Trust,
a California nonprofit public benefit corporation
Its: Sole Member and Manager

By: _____
Eric D. Shaw
Director, Mayor’s Office of Housing and Community Development

By: _____
Name: Saki Bailey
Title: Executive Director

APPROVED AS TO FORM:

DAVID CHIU,
City Attorney

By: _____
Deputy City Attorney

EXHIBIT A
Schedules of Income and Rent Restrictions

1. **Restrictions.** The Project may be occupied only by Qualified Tenants and their households. As provided in Section 7.2(b) of this Agreement, a Qualified Tenant may not be required to vacate the Unit due to subsequent rises in household income. Qualified Tenants must pay at least 20% of their gross household income towards Rent unless otherwise approved by MOHCD, provided that in no event shall any Qualified Tenant be required to pay Rent in excess of the lesser of (i) Maximum Rent, or (ii) 20% below the market rents of comparable units as approved by MOHCD, except as otherwise provided in Section 4(d) below.

2. **Rent Restrictions.** Required Rents for the Units as of the Agreement Date shall be as follows:

2840-2848 Folsom Street:

Unit Number	Unit Size	Rent (monthly payments) as of the Agreement Date
2840	2BR	\$1,398
2840A	2BR	\$2,921
2842	2BR	\$1,398
2844	2BR	\$1,398
2846	2BR	\$2,947
2848	2BR	\$2,712

4042-4048 Fulton Street:

Unit Number	Unit Size	Rent (monthly payments) as of the Agreement Date
1790 17 th St	1BR	\$1,595
4042	1BR	\$800
4044	2BR	\$625
4046	2BR	\$1,770
4048	2BR	\$1,406

4042a	Studio	\$1,850
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568-570 Natoma Street:

Unit Number	Unit Size	Rent (monthly payments) as of the Agreement Date
568A	1BR	vacant
568B	1BR	\$446
570C	1BR	\$2,033
570D	1BR	\$2,150
570	Studio	\$501

308 Turk Street:

Unit Number	Unit Size	Rent (monthly payments) as of the Agreement Date
#1	Studio	\$1,206
#2	Studio	\$1,034
#3	Studio	\$1,301
#4	Studio	\$912
#5	Studio	\$973
#6	Studio	\$919
#7	Studio	\$1,247
#8	Studio	\$1,695
#9	Studio	\$1,217
#10	Studio	\$574
#11	Studio	\$1,695
#12	Studio	\$973

#13	Studio	\$956
#14	Studio	\$1,326
#15	Studio	\$2,061
#16	Studio	\$1,695
#17	Studio	\$1,073
#18	Studio	\$1,729
#19	Studio	\$1,102
#20	Studio	\$1,382

3. Vacancies after the Agreement Date. After the Agreement Date, the Rent for each Unit that becomes vacant shall be set at the amount necessary to bring the Project's combined average Rents for all Units as close as is possible to the amount calculated as 30% of 80% Median Income, or other amount as approved by MOHCD.

4. Rent Adjustments and Restrictions. Rent for all Units shall be increased annually on the anniversary of the Agreement Date by the greater of: (x) the percentage change in annual operating expenses, up to a maximum of 3.5%; or (y) 2%, except as follows:

(a) Reserved.

(b) Severely Rent Burdened Qualified Tenants. If the Rent increase described in this Section 4 results in any Qualified Tenant household becoming Severely Rent Burdened, Borrower is not required to increase the Rent of the Severely Rent Burdened Qualified Tenant until such time as the Qualified Tenant is no longer Severely Rent Burdened, provided that: (i) Borrower first demonstrates to the satisfaction of MOHCD, in MOHCD's sole discretion, that the Project maintains short- and long-term financial sustainability in the form of positive cash flow, adequately funded reserves, and other indicators as MOHCD may reasonably request; (ii) at each annual income recertification, the ability of all households to pay required rent increases will be reassessed, as will the Borrower cash flow, to ensure short- and long-term financial sustainability if Borrower elects not to impose the required annual Rent increase for any Severely Rent Burdened Qualified Tenant; and (iii) all Regulatory Obligations continue to be met. Similarly, if the circumstances described in this subsection are met, a Unit becomes vacant and a Qualified Tenant demonstrates to Borrower that it is Severely Rent Burdened, Borrower may reduce such Qualified Tenant's Rent to a level no lower than 40% of that Qualified Tenant's gross monthly income, thus resulting in a higher Rent that will be required for the vacant Unit. If more than one Qualified Tenant is eligible for such a Rent reduction, the reduction shall be equally distributed among such eligible Qualified Tenants.

(c) Recovery of Project Expenses. With the City's prior written approval, Rent increases for Units exceeding the amounts permitted under the first sentence of Section 4 may be permitted once annually in order to recover increases in approved Project Expenses, provided that: (i) in no event may single or aggregate Rent increases exceed ten percent (10%) per year unless such an increase is contemplated in a City-approved temporary relocation plan or is necessary due to the expiration of Section 8 or other rental subsidies; and (ii) Rents for each Unit may in no event exceed the lesser of (y) Maximum Rent, or (z) 20% below the market rents of comparable units as approved by MOHCD. The City's approval for such Rent increases under this subsection shall not be unreasonably withheld.

(d) Rent Subsidy Programs. For those households that hold rent subsidy vouchers, such as Section 8 and VASH, on an annual basis Borrower shall request and use best efforts to receive an increase in contract rent equivalent to the percentage change in Fair Market Rent or equivalent payment standard, whichever is greater. For any Qualified Tenant participating in a rent or operating subsidy program where the rent charged is calculated as a percentage of household income, adjustments to Rent charged may be made according to the rules of the relevant subsidy program, provided that the Qualified Tenant paid portion of Rent does not exceed the lesser of (i) Maximum Rent or (ii) 20% below the market rents of comparable units as approved by MOHCD. For any Qualified Tenant that becomes ineligible to continue participating in a rent or operating subsidy program, there is no limit on the increase in Rent charged as long as it does not exceed 30% of 120% Median Income.

(e) Recovery of Property Tax Increases. In addition to the Rent increases contemplated in this Section 4 and with the City's prior written approval, if a Qualified Tenant's household income exceeds eighty percent (80%) of California Median Income (as published by the California Department of Housing and Community Development) during occupancy of a Unit, Borrower may adjust the charges for Rent for such Qualified Tenant to absorb the amount of property taxes attributable to the Qualified Tenant's Unit as a result of the loss of the State of California's welfare exemption for low-income housing properties. The City may, in its sole discretion, require that Rent increases allowed under this subsection be implemented over a period of time in order to reduce the burden on an existing Qualified Tenant. Rents charged under this subsection may not exceed the lesser (i) Maximum Rent; (ii) 20% below the market rents of comparable units as approved by MOHCD; or (iii) 20% of its gross household income. The City's approval for such Rent increases shall not be unreasonably withheld. If such Qualified Tenant's household income subsequently decreases and the Unit becomes eligible for the California welfare property tax exemption, Borrower may reduce such Qualified Tenant's Rent by the amount of property tax savings attributable to the Qualified Tenant's Unit, as provided in Section 4(b).

(f) Excess Rent. If Borrower increases Rents or offers a vacant Unit for rent at a rate that exceeds the rules described in this Declaration, the resulting excess cash flow will be paid by Borrower to the Qualified Tenants who were overcharged, and Borrower's actions will constitute an Event of Default pursuant to Section 19 of this Agreement.

EXHIBIT B-1

Table of Sources and Uses of Funds

Attached.

Application Date: 3/2/23 # Units: 37 Small Sites Project
 Project Name: SFCLT Scattered Sites # Bedrooms:
 Project Address: Several Several Several # Beds:
 Project Sponsor:

Don't forget to fill in D135:D138!

SOURCES	13,764,836	3,004,806	1,657,824	271,370	-	-	18,698,836	Comments
	PASS Market Rate	PASS Below Market Rate	PASS Deferred					
Name of Sources:	MOHCD/OCII							
USES	Perm loans total:	16,769,642						Perm loan amount is more than bridge loan(s) by: 16769641.98

ACQUISITION	8,951,062	3,004,806	1,657,824	271,370	0	0	13,885,062	
Acquisition cost or value	8,951,062	3,004,806	1,657,824	271,370			13,885,062	
Legal / Closing costs / Broker's Fee							0	
Holding Costs							0	
Transfer Tax							0	
TOTAL ACQUISITION	8,951,062	3,004,806	1,657,824	271,370	0	0	13,885,062	

CONSTRUCTION (HARD COSTS)	2,704,000	0	0	0	0	0	2,704,000	
* Unit Construction/Rehab	2,351,304						2,351,304	86750 natoma; 833484 turk; 524850 natoma; 906220 fulton
* Commercial Shell Construction							0	
* Demolition							0	
* Environmental Remediation							0	
* Onsite Improvements/Landscaping							0	
* Offsite Improvements							0	
* Infrastructure Improvements							0	HOPE SF/OCII costs for streets etc.
Parking							0	
GC Bond Premium/GC Insurance/GC Taxes							0	
GC Overhead & Profit	352,696						352,696	
CG General Conditions							0	
<i>Sub-total Construction Costs</i>	<i>2,704,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>2,704,000</i>	
Design Contingency (remove at DD)							0	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Bid Contingency (remove at bid)							0	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Plan Check Contingency (remove/reduce during Plan Review)							0	4% up to \$30MM HC, 3% \$30-\$45MM, 2% \$45MM+
Hard Cost Construction Contingency	405,600						405,600	5% new construction / 15% rehab
<i>Sub-total Construction Contingencies</i>	<i>405,600</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>405,600</i>	
TOTAL CONSTRUCTION COSTS	3,109,600	0	0	0	0	0	3,109,600	

SOFT COSTS	45,000	0	0	0	0	0	45,000	
Architecture & Design								
Architect design fees	35,000						35,000	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms 35k fulton
Design Subconsultants to the Architect (incl. Fees)							0	
Architect Construction Admin	10,000						10,000	10k turk
Reimbursables							0	
Additional Services							0	
<i>Sub-total Architect Contract</i>	<i>45,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>45,000</i>	
Other Third Party design consultants (not included under Architect contract)							0	Consultants not covered under architect contract; name consultant type and contract amount
Total Architecture & Design	45,000	0	0	0	0	0	45,000	
Engineering & Environmental Studies								
Survey							0	
Geotechnical studies							0	
Phase I & II Reports							0	
CEQA / Environmental Review consultants							0	
NEPA / 106 Review							0	
CNA/PNA (rehab only)	16,200						16,200	\$3400 Natoma, \$3800 Fulton, \$4000 Folsom, NEED 308 Turk \$5000 placeholder for now
Other environmental consultants							0	1. ALTA Survey (Engineers, Inc.) \$7,500 2. Zoning Analysis (Zoning, Inc.) \$2,500
Total Engineering & Environmental Studies	16,200	0	0	0	0	0	16,200	
Financing Costs								
Construction Financing Costs								
Construction Loan Origination Fee							0	
Construction Loan Interest							0	
Title & Recording							0	
CDLAC & CDJAC fees							0	
Bond Issuer Fees							0	
Other Bond Cost of Issuance							0	
Other Lender Costs (specify)							0	
<i>Sub-total Const. Financing Costs</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	
Permanent Financing Costs								
Permanent Loan Origination Fee	61,675						61,675	
Credit Enhance. & Appl. Fee							0	
Title & Recording	12,500						12,500	
<i>Sub-total Perm. Financing Costs</i>	<i>74,175</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>74,175</i>	
Total Financing Costs	74,175	0	0	0	0	0	74,175	
Legal Costs								
Borrower Legal fees	20,000						20,000	Folsom \$5k, Turk \$5k, \$5k Natoma, \$5k Fulton
Land Use / CEQA Attorney fees							0	
Tax Credit Counsel							0	
Bond Counsel							0	
Construction Lender Counsel							0	
Permanent Lender Counsel	15,000						15,000	\$68 Natoma \$15k
Other Legal (specify)							0	
Total Legal Costs	35,000	0	0	0	0	0	35,000	
Other Development Costs								
Appraisal	9,000						9,000	Appraisal for Turk, Folsom, and Fulton \$3k each
Market Study							0	
Insurance							0	
Property Taxes							0	
Accounting / Audit							0	
Organizational Costs							0	
Entitlement / Permit Fees	75,623						75,623	GPB Filing Fee 20994 Folsom; 50000 fulton
Marketing / Rent-up							0	
Furnishings							0	\$2,000/unit; See MOHCD U/W Guidelines on: http://sfmohcd.org/documents-reports-and-forms
PGE / Utility Fees							0	
TCAC App / Alloc / Monitor Fees							0	
Financial Consultant fees							0	
Construction Management fees / Owner's Rep	102,000						102,000	25500 per site
Security during Construction							0	
Relocation	45,000						45,000	40k turk; 5k folsom
Bond Fees	5,000						5,000	
Other (specify)							0	
Other (specify)							0	
Total Other Development Costs	236,623	0	0	0	0	0	236,623	
Soft Cost Contingency								
Contingency (Arch, Eng, Fin, Legal & Other Dev)	40,700						40,700	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	447,698	0	0	0	0	0	447,698	

Construction time item costs as a % of hard costs
 0.0%
 13.0%
 0.0%

See MOHCD A&E Fee Guidelines: <http://sfmohcd.org/documents-reports-and-forms> 35k fulton
 10k turk
 Consultants not covered under architect contract; name consultant type and contract amount

\$3400 Natoma, \$3800 Fulton, \$4000 Folsom, NEED 308 Turk \$5000 placeholder for now
 1. ALTA Survey (Engineers, Inc.) \$7,500
 2. Zoning Analysis (Zoning, Inc.) \$2,500

Folsom \$5k, Turk \$5k, \$5k Natoma, \$5k Fulton
 \$68 Natoma \$15k

GPB Filing Fee
 20994 Folsom; 50000 fulton
 \$2,000/unit; See MOHCD U/W Guidelines on: <http://sfmohcd.org/documents-reports-and-forms>

25500 per site
 40k turk; 5k folsom

Should be either 10% or 5% of total soft costs.
 10.0%

Appraisal for Turk, Folsom, and Fulton \$3k each

RESERVES	14,041	826,675	44,400	0	0	0	885,116	
* Operating Reserves	14,041						14,041	Natoma1385.52, Fulton 22901.97, Folsom 20129.92, Turk 80565.06
Replacement Reserves	826,675						826,675	less of replacement reserve, N 852.28, Fulton \$150,031.01, Folsom \$26,535.38, Turk \$160905.88
* Tenant Improvements Reserves							0	
* Other (Vacancy Reserve)	44,400						44,400	2 Year Vacancy Reserve for Fulton ADU
* Other (specify)							0	less of other (specify N 1385.52
* Other (specify)							0	less of other (specify N 1385.52
TOTAL RESERVES	885,116	0	0	0	0	0	885,116	

DEVELOPER COSTS	371,360	0	0	0	0	0	371,360	
Developer Fee - Cash-out Paid at Milestones	371,360						371,360	Dev Fee, \$40k at close for fulton underpayment
Developer Fee - Cash-out At Risk							0	
Commercial Developer Fee							0	
Developer Fee - GP Equity (also show as source)							0	
Developer Fee - Deferred (also show as source)							0	
Development Consultant Fees							0	Need MOHCD approval for this cost, N/A for most projects
Payments to SVB (interest and principal over the years)							0	
TOTAL DEVELOPER COSTS	371,360	0	0	0	0	0	371,360	

TOTAL DEVELOPMENT COST	13,764,836	3,004,806	1,657,824	271,370	0	0	18,698,836	
Development Cost/Unit by Source	372,023	81,211	44,806	7,334	0	0	505,374	
Development Cost/Unit as % of TDC by Source	73.6%	16.1%	8.9%	1.5%	0.0%	0.0%	100.0%	

Acquisition Cost/Unit by Source	241,921	81,211	44,806	7,334	0	0	375,272	
Construction Cost (inc Const Contingency)/Unit By Source	84,043	0	0	0	0	0	84,043	
Construction Cost (inc Const Contingency)/SF								

*Possible non-eligible GO Bond/COP Amount: 2,454,745
 City Subsidy/Unit: 372,023

Tax Credit Equity Pricing:
 Construction Bond Amount:
 Construction Loan Term (in months):
 Construction Loan Interest Rate (as %):

Fill in with value or 'N/A' if not applicable.
 Fill in with value or 'N/A' if not applicable.
 Fill in with value or 'N/A' if not applicable.
 Fill in with value or 'N/A' if not applicable.

Small Sites
 Combined Loan to Value Ratio: 135%
 % of Acquisition Cost by Source: 64%, 22%, 12%, 2%, 0%, 0%, 100%

Small Sites Maximum Developer Fee: 450,000

EXHIBIT B-2
Annual Operating Budget

Attached.

Application Date: 3/2/2023 Project Name: SFCLT Scattered Sites
 Total # Units: 37 Project Address: Several Several Several
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2023 Project Sponsor: **Correct errors noted in Col N!**

Small Sites Project	Total	Comments
INCOME		
Residential - Tenant Rents	57,187	Links from Existing Proj - Rent Info Worksheet
Residential - Tenant Assistance Payments (Non-LOSP)	90,372	Links from Existing Proj - Rent Info Worksheet
Commercial Space	0	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%
Residential Parking	3,000	Links from Utilities & Other Income Worksheet
Miscellaneous Rent Income	0	Links from Utilities & Other Income Worksheet
Supportive Services Income	0	
Interest Income - Project Operations	0	Links from Utilities & Other Income Worksheet
Laundry and Vending	2,080	Links from Utilities & Other Income Worksheet
Tenant Charges	0	Links from Utilities & Other Income Worksheet
Miscellaneous Residential Income	0	Links from Utilities & Other Income Worksheet
Other Commercial Income	0	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%
Withdrawal from Capitalized Reserve (deposit to operating account)	0	
Gross Potential Income	652,639	
Vacancy Loss - Residential - Tenant Rents	(57,799)	Vacancy loss is 10.4% of Tenant Rents.
Vacancy Loss - Residential - Tenant Assistance Payments	(9,037)	Vacancy loss is 10% of Tenant Assistance Payments.
Vacancy Loss - Commercial	0	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%
EFFECTIVE GROSS INCOME	585,803	PUPA: 15,833

OPERATING EXPENSES		
Management		
Management Fee	47,952	\$108 PUPM
Asset Management Fee	47,952	\$108 PUPM
Sub-total Management Expenses	95,904	PUPA: 2,592

Salaries/Benefits		
Office Salaries	0	
Managers Salary	12,855	Bundled Total
Health Insurance and Other Benefits	0	
Other Salaries/Benefits	0	
Administrative Rent-Free Unit	20,340	Bundled Total
Sub-total Salaries/Benefits	33,195	PUPA: 897

Administration		
Advertising and Marketing	0	
Office Expenses	2,271	Bundled Total
Office Rent	0	Bundled Total
Legal Expense - Property	3,342	Bundled Total
Audit Expense	9,688	Bundled Total
Bookkeeping/Accounting Services	5,292	Bundled Total
Bad Debts	16,716	Bundled Total
Miscellaneous	0	
Sub-total Administration Expenses	37,308	PUPA: 1,008

Utilities		
Electricity	4,911	Bundled Total
Water	23,468	Bundled Total
Gas	5,030	Bundled Total
Sewer	11,268	Bundled Total
Sub-total Utilities	44,676	PUPA: 1,207

Taxes and Licenses		
Real Estate Taxes	25,307	Bundled Total
Payroll Taxes	1,605	Bundled Total
Miscellaneous Taxes, Licenses and Permits	688	Bundled Total
Sub-total Taxes and Licenses	27,599	PUPA: 746

Insurance		
Property and Liability Insurance	17,996	Bundled Total
Fidelity Bond Insurance	0	Bundled Total
Worker's Compensation	355	Bundled Total
Director's & Officers' Liability Insurance	0	Bundled Total
Sub-total Insurance	18,351	PUPA: 496

Maintenance & Repair		
Payroll	500	Bundled Total
Supplies	200	Bundled Total
Contracts	54,390	Bundled Total
Garbage and Trash Removal	22,176	Bundled Total
Security Payroll/Contract	0	Bundled Total
HVAC Repairs and Maintenance	0	Bundled Total
Vehicle and Maintenance Equipment Operation and Repairs	0	Bundled Total
Miscellaneous Operating and Maintenance Expenses	5,637	Bundled Total
Sub-total Maintenance & Repair Expenses	82,894	PUPA: 2,240

Supportive Services		
Commercial Expenses	0	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%

TOTAL OPERATING EXPENSES	339,928	PUPA: 9,187
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Reserves/Ground Lease Base Rent/Bond Fees		
Ground Lease Base Rent	0	Provide additional comments here, if needed.
Bond Monitoring Fee	5,000	(\$2.5k)Half for Monitoring (\$2.5k)Half for loan servicing
Replacement Reserve Deposit	13,400	\$400 PUPY (<=10 units); 350 PUPY (11-29 units); 300 PUPY (>=30 units)
Operating Reserve Deposit	0	
Other Required Reserve 1 Deposit	0	
Other Required Reserve 2 Deposit	0	
Required Reserve Deposits - Commercial	0	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	18,400	PUPA: 497

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	358,328	PUPA: 9,685
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NET OPERATING INCOME (INCOME minus OP EXPENSES)	227,475	PUPA: 6,148
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DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)		
Hard Debt - First Lender	147,861	PASS Market Rate
Hard Debt - Second Lender (HCD Program 0.42% pymt. or other 2nd Lnd)	49,905	PASS Below Market Rate
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	PASS Deferred
Hard Debt - Fourth Lender	0	
Commercial Hard Debt Service	0	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%
TOTAL HARD DEBT SERVICE	197,766	PUPA: 5,345

CASH FLOW (NOI minus DEBT SERVICE)	29,709
USES OF CASH FLOW BELOW (This row also shows DSCR.)	1.15

USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL		
"Below-the-line" Asset Mgt Fee (uncommon in new projects, see policy)		
Partnership Management Fee (see policy for limits)		
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)		
Other Payments		
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)		Provide additional comments here, if needed.
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)		Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt <= Max Fee from cell 11/30)		Def. Develop. Fee split: 0%
TOTAL PAYMENTS PRECEDING MOHCD	0	PUPA: 0

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	29,709
Residual Receipts Calculation	
Does Project have a MOHCD Residual Receipt Obligation?	Yes
Will Project Defer Developer Fee?	No
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:	33%
% of Residual Receipts available for distribution to soft debt lenders in	67%

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

MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
MOHCD Residual Receipts Amount Due	19,806	67% of residual receipts, multiplied by 100% - MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	0	Enter/override amount of residual receipts proposed for loan repayment.
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repaymt.
Proposed MOHCD Residual Receipts Amount to Replacement Reserve	19,806	MOHCD res recs to Rep Res (RR) until RR balance >= 1.5 Original Capitalized RR amt.

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE	9,903	Total Resid Receipts due not allocated, please revise F142
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NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
HCD Residual Receipts Amount Due	0	
Lender 4 Residual Receipts Due	0	
Lender 5 Residual Receipts Due	0	
Total Non-MOHCD Residual Receipts Debt Service	0	

REMAINDER (Should be zero unless there are distributions below)		
Owner Distributions/Incentive Management Fee	9,903	100% of Borrower share of 33% of residual receipts
Other Distributions/Uses	0	
Final Balance (should be zero)	0	

EXHIBIT B-3
20-Year Cash Flow Proforma

Attached.

EXHIBIT C
Tenant Income Certification Form

Attached.

TENANT INCOME CERTIFICATION

Initial Certification
 Recertification
 Other _____

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

PART I - DEVELOPMENT DATA

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

PART II. HOUSEHOLD COMPOSITION

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

HH Mbr #	Last Name	First Name	Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	F/T Student (Y or N)	Last 4 digits of Social Security #
1				HEAD			
2							
3							
4							
5							
6							
7							

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

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

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

TOTAL INCOME (E):

\$

PART IV. INCOME FROM ASSETS

HH Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
TOTALS:			\$ _____	\$ _____
Enter Column (H) Total		Passbook Rate		
If over \$5000		\$ _____ X 0.06%	= (J) Imputed Income	\$ _____
Enter the greater of the total of column I, or J: imputed income			TOTAL INCOME FROM ASSETS (K)	
			\$ 	

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

\$

HOUSEHOLD CERTIFICATION & SIGNATURES

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

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

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

PART V. DETERMINATION OF INCOME ELIGIBILITY

RECERTIFICATION ONLY:

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

\$

Unit Meets Federal Income Restriction at:
 60% 50%

Current Federal LIHTC Income Limit x 140%:
 \$ _____

Current Federal LIHTC Income Limit per Family Size: \$ _____

Unit Meets Deeper Targeting Income Restriction at:
 Other _____%

Household Income exceeds 140% at recertification:
 Yes No

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

Household Income as of Move-in: \$ _____

Household Size at Move-in: _____

PART VI. RENT

Tenant Paid Monthly Rent: \$ _____
 Monthly Utility Allowance: \$ _____
 Other Monthly Non-optional charges: \$ _____

Federal Rent Assistance: \$ _____ *Source: _____
 Non-Federal Rent Assistance: \$ _____ (*0-8)
Total Monthly Rent Assistance: \$ _____

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

\$

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

Maximum Federal LIHTC Rent Limit for this unit: \$ _____

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

Unit Meets Federal Rent Restriction at: 60% 50%

If Applicable, Unit Meets Bond Rent Restriction at: 60% 50%

Unit Meets Deeper Targeting Rent Restriction at: Other: _____%

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

PART VII. STUDENT STATUS

ARE ALL OCCUPANTS FULL TIME STUDENTS?

yes no

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

Enter 1-5

*Student Explanation:

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

PART VIII. PROGRAM TYPE

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

a. Tax Credit

b. HOME

c. Tax Exempt Bond

d. AHDP

e. _____
 (Name of Program)

See Part V above.

Income Status

- ≤ 50% AMGI
- ≤ 60% AMGI
- ≤ 80% AMGI
- OI**

Income Status

- 50% AMGI
- 60% AMGI
- 80% AMGI
- OI**

Income Status

- 50% AMGI
- 80% AMGI
- OI**

Income Status

- _____
- OI**

**Upon recertification, household was determined over-income (OI) according to eligibility requirements of the program(s) marked above.

SIGNATURE OF OWNER/REPRESENTATIVE

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

 SIGNATURE OF OWNER/REPRESENTATIVE

 DATE

PART IX. SUPPLEMENTAL INFORMATION FORM

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

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

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

The Following Race Codes should be used:

- 1 – White – A person having origins in any of the original people of Europe, the Middle East or North Africa.
- 2 – Black/African American – A person having origins in any of the black racial groups of Africa. Terms such as “Haitian” or “Negro” apply to this category.
- 3 – American Indian/Alaska Native – A person having origins in any of the original peoples of North and South America (including Central America), and who maintain tribal affiliation or community attachment.
- 4 – Asian – A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent:
 - 4a – Asian India 4e – Korean
 - 4b – Chinese 4f – Vietnamese
 - 4c – Filipino 4g – Other Asian
 - 4d – Japanese
- 5 – Native Hawaiian/Other Pacific Islander – A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands:
 - 5a – Native Hawaiian 5c – Samoan
 - 5b – Guamanian or Chamorro 5d – Other Pacific Islander
- 6 – Other
- 7 – Did not respond. **(Please initial below)**

Note: Multiple racial categories may be indicated as such: 31 – American Indian/Alaska Native & White, 14b – White & Asian (Chinese), etc.

The Following Ethnicity Codes should be used:

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

Disability Status:

- 1 – Yes
 - If any member of the household is disabled according to Fair Housing Act definition for handicap (disability):
 - A physical or mental impairment which substantially limits one or more major life activities; a record of such an impairment or being regarded as having such an impairment. For a definition of “physical or mental impairment” and other terms used, please see 24 CFR 100.201, available at <http://fairhousing.com/legal-research/hud-regulations/24-cfr-100201-definitions>.
 - “Handicap” does not include current, illegal use of or addiction to a controlled substance.
 - An individual shall not be considered to have a handicap solely because that individual is a transvestite.
- 2 – No
- 3 – Did not respond **(Please initial below)**

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

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

INSTRUCTIONS FOR COMPLETING TENANT INCOME CERTIFICATION

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

Part I - Development Data

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

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

Part II - Household Composition

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

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

Date of Birth	Enter each household member's date of birth.
Student Status	Enter "Yes" if the household member is a full-time student or "NO" if the household member is not a full-time student.
Last Four Digits of Social Security Number	For each tenant 15 years of age or older, enter the last four digits of the social security number or the last four digits of the alien registration number. If the last four digits of SSN or alien registration is missing, enter 0000. For tenants under age 15, social security number not required, although please enter 0000.

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

Part III - Annual Income

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

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

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

Part IV - Income from Assets

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

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

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

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

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

HOUSEHOLD CERTIFICATION AND SIGNATURES

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

Part V – Determination of Income Eligibility

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

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

Part VI - Rent

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

Part VII - Student Status

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

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

Part VIII – Program Type

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

- Tax Credit See Part V above.
- HOME If the property participates in the HOME program and the unit this household will occupy will count towards the HOME program set-asides, mark the appropriate box indicating the household’s designation.
- Tax Exempt Bond If the property participates in the Tax Exempt Bond program; mark the appropriate box indicating the household’s designation.
- AHDP If the property participates in the Affordable Housing Disposition Program (AHDP), and this household’s unit will count towards the set-aside requirements, select the appropriate box to indicate if the household is a VLI, LI or OI (at recertification) household.
- Other If the property participates in any other affordable housing program, complete the information as appropriate.

SIGNATURE OF OWNER/REPRESENTATIVE

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

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

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

PART IX. SUPPLEMENTAL INFORMATION

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

- Tenant Demographic Profile Complete for each member of the household, including minors. Use codes listed on supplemental form for Race, Ethnicity, and Disability Status.
- Resident/Applicant Initials All tenants who wish not to furnish supplemental information should initial this section. Parent/Guardian may complete and initial for minor child(ren).

EXHIBIT D

First Source Hiring Requirements and Numerical Goals

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

1. Section 3 Requirements.

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

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

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

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

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

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

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

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

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

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

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

EXHIBIT E
Governmental Requirements

1. Prevailing Wages and Working Conditions.

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

If applicable, Borrower shall include, and require its Contractors and Subcontractors (regardless of tier) to include, the Prevailing Wage Requirements and the agreement to cooperate in City enforcement actions in any Construction Contract with specific reference to San Francisco Administrative Code Section 23.61. Each such Construction Contract shall name the City and County of San Francisco, affected workers, and employee organizations formally representing affected workers as third party beneficiaries for the limited purpose of enforcing the Prevailing Wage Requirements, including the right to file charges and seek penalties against any Contractor or Subcontractor in accordance with San Francisco Administrative Code Section 23.61. Borrower’s failure to comply with its obligations under this Section shall constitute a material breach of the Agreement. A Contractor’s or Subcontractor’s failure to comply with this Section will enable the City to seek the remedies specified in San Francisco Administrative Code Section 23.61 against the breaching party.

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

3. Conflict of Interest.

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

be responsible for obtaining compliance with conflict of interest provisions by the parties with whom it contracts and, in the event of a breach, Borrower must take prompt and diligent action to cause the breach to be remedied and compliance to be restored.

(b) Borrower represents that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2, and Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, and Sections 1090 through 1097 and 87100 *et seq.* of the California Government Code, all of which relate to prohibited conflicts of interest and prohibited contributions in connection with government contracts. Borrower certifies that it knows of no facts that constitute a violation of any of these provisions and agrees to notify the City immediately if Borrower at any time obtains knowledge of facts constituting a violation. The City will notify its Ethics Commission of the parties to this Agreement in accordance with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code.

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

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

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

6. Relocation. Borrower must meet any applicable requirements of the California Relocation Assistance Act (Cal. Gov. Code §§ 7260 *et seq.*) and implementing regulations in Title 25, Chapter 6 of the California Administrative Code and similar Laws. Borrower may use vacant Units in the Project to accommodate the temporary relocation of Qualified Tenants in other Small Sites Program Projects to complete rehabilitation for a period of up to 30 days, during which time, relocated Qualified Tenants must sign a relocation lease, approved as to form by the City, giving the relocated Qualified Tenant temporary right to the Unit for no more than a 30 day period. The use of Small Sites Program Units for temporary relocation applies only to other Small Sites Program Qualified Tenants and not to tenants residing in properties subject to other funding sources and/or program regulations.

7. First Source Hiring. Borrower agrees to comply with San Francisco Administrative Code, Chapter 83, as applicable.

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

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

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

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

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

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

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

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

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

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

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

(a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval;

(b) knowingly makes, uses or causes to be made or used a false record or statement to get a false claim paid or approved by the City;

(c) conspires to defraud the City by getting a false claim allowed or paid by the City;

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

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

13. Sunshine Ordinance.

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

(b) By executing this Agreement, Borrower agrees to comply with the provisions of Chapter 12L of the San Francisco Administrative Code to the extent applicable. By executing this Agreement, Borrower agrees to open its meetings and records to the public in the manner set forth in Sections 12L.4 and 12L.5 of the San Francisco Administrative Code. Borrower further agrees to make good faith efforts to promote community membership on its Board of Directors in the manner set forth in Section 12L.6 of the Administrative Code. Borrower acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Agreement. Borrower 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.

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

that this Agreement relates to a City Project and that the requisite sign has not been posted, Borrower must notify the City so that the City may determine the applicability of Chapter 79, and, if necessary, post the requisite sign.

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

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

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

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

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

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

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

(a) Borrower agrees to comply fully with and be bound by all of the provisions of Chapter 12T “City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions,” of the San Francisco Administrative Code (Chapter 12T), including the remedies provided, and implementing regulations, as may be amended from time to time. The provisions of Chapter 12T are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the Chapter 12T is available on the web at www.sfgov.org/olse/fco. A partial listing of some of Borrower’s obligations under Chapter 12T is set forth in this Section. Borrower is required to comply with all of the applicable provisions of 12T, irrespective of the listing of obligations in this Section. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12T.

(b) The requirements of Chapter 12T shall only apply to a Borrower’s or Subcontractor’s operations to the extent those operations are in furtherance of the performance of this Agreement, shall apply only to applicants and employees who would be or are performing work in furtherance of this Agreement, shall apply only when the physical location of the employment or prospective employment of an individual is wholly or substantially within the City of San Francisco, and shall not apply when the application in a particular context would conflict with federal or state law or with a requirement of a government agency implementing federal or state law.

(c) Borrower shall incorporate by reference in all subcontracts the provisions of Chapter 12T, and shall require all subcontractors to comply with such provisions. Borrower’s failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

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

(e) Borrower or Subcontractor shall not inquire about or require applicants, potential applicants for employment, or employees to disclose on any employment application the facts or details of any conviction history, unresolved arrest, or any matter identified in subsection 16.16(d), above. Borrower or Subcontractor shall not require such disclosure or make such

inquiry until either after the first live interview with the person, or after a conditional offer of employment.

(f) Borrower or Subcontractor shall state in all solicitations or advertisements for employees that are reasonably likely to reach persons who are reasonably likely to seek employment to be performed under this Agreement, that the Borrower or Subcontractor will consider for employment qualified applicants with criminal histories in a manner consistent with the requirements of Chapter 12T.

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

(h) Borrower understands and agrees that if it fails to comply with the requirements of Chapter 12T, the City shall have the right to pursue any rights or remedies available under Chapter 12T, including but not limited to, a penalty of \$50 for a second violation and \$100 for a subsequent violation for each employee, applicant or other person as to whom a violation occurred or continued, termination or suspension in whole or in part of this Agreement.

19. Food Service Waste Reduction Requirements. Borrower agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Borrower agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Borrower agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Borrower's failure to comply with this provision.

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

EXHIBIT F
Lobbying/Debarment Certification Form

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

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

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

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

SFCLT TNFF HOLDINGS LLC,
a California limited liability company

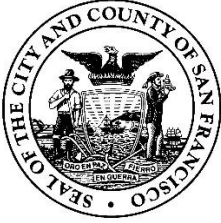
By: San Francisco Community Land Trust,
a California nonprofit public benefit corporation
Its: Sole Member

By: _____
Name: Saki Bailey
Title: Executive Director

EXHIBIT G
Form of Annual Monitoring Report

Attached.

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



Mark Farrell
Mayor

Kate Hartley
Director

March 19, 2018

Notice of Availability of 2017 Annual Monitoring Report Form
(plus reminders of Serious Incident Protocol and marketing procedure)

MOHCD is pleased to announce the availability of the Annual Monitoring Report (AMR) forms for Reporting Year 2017 (RY2017). The forms are now available to be downloaded from the [Asset Management page](#) of the MOHCD web site. A training on how to complete the AMR will be held at MOHCD on April 12, 2018 from 9:30 a.m.-12:15 p.m. See below for more information.

Deadline: For projects whose business year ended December 31, 2017, the report will be due on May 31, 2018 for the period 1/1/17-12/31/17. For any projects whose 2017 business year ended or will end on different dates than those above, the report will be due 5 months from the last date of that business year.)

Submissions for RY2017 and any outstanding reports from prior reporting years will be accepted only in the RY2017 format.

Completion and Submission Instructions

The Annual Monitoring Report consists of the following four parts:

I. AMR_RY2017 – project name.xlsx – This is a Microsoft Excel spreadsheet that is comprised of the following worksheets:

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

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

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

Submit this report as an Excel file only; do not convert it to pdf or another file type. Changing the format of AMR_RY2017.xlsx without MOHCD's prior approval is not allowed. Do not

overwrite any validations for any of the cells, alter any formulas or add or delete any rows or columns. If you need to revise the form in order to successfully complete the report, submit a request to moh.amr@sfgov.org.

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

III. Audited Financial Statements – Provide financial statements for the project for Reporting Year 2017. They must be prepared by a certified public accountant in accordance with generally accepted accounting principles, applicable regulations and laws and with the City's "[Audit Requirements for MOHCD-Funded Projects](#)" a copy of which is attached and posted on [MOHCD's Asset Management web page](#). If the project is owned by a single asset entity, provide separate financial statements just for the project, otherwise provide audited statements for the parent corporation. Also include copies of any Management Letters and special notes from the auditor that pertain to the property and the financial statements.

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

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

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

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

- name of head-of-household
- contact information
- date of application,
- number of people in the household,
- stated household income and
- desired unit size.

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

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

AMR Training – April 12, 9:30 a.m.-12:15 p.m.

To facilitate completion of the AMR by project sponsors, MOHCD will conduct a training on from 9:30 a.m. to 12:15 p.m. on Thursday, 4/12, in our office at 1 South Van Ness Avenue, 5th Floor, Room 5080. We strongly encourage the primary staff person who is responsible for completion of the report to

attend and to bring a Wi-Fi enabled lap top computer. Space is limited. Please RSVP to Ricky Lam at ricky.lam@sfgov.org or 415-701-5542.

Serious Incident Protocol

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

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

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

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

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

Marketing of Available Units and Waiting List Openings

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

Asset Management and Compliance Monitoring Team

Mayor's Office of Housing and Community Development
1 South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
<http://sf-mohcd.org/>
P. 415-701-5500
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Annual Monitoring Report - Instructions - Reporting Year 2017 - Mayor's Office of Housing & Community Development

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

Updated 1/25/2018

1A. Property & Residents

Please follow the instructions provided on the worksheet.

1B. Transitional Programs Only

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

1C. Eviction Data

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

2. Fiscal Activity

Income and Expenses

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

INSTRUCTIONS:

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

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

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

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

Income

Rental Income

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

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

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

Vacancy Loss

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

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

Other Income

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

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

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

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

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

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

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

Expenses **Management**

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

Salaries/Benefits

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

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

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

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

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

Administration

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

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

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

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

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

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

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

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

Utilities

6450 Electricity

6451 Water

6452 Gas

6453 Sewer

Taxes and Licenses

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

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

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

Insurance

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

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

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

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

Maintenance and Repairs

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

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

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

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

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

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

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

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

Supportive Services

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

Reserve Account Activity

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

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

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

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

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

3A. Occupancy & Rent Info

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

COLUMN DESCRIPTION

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

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

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

Bed = (measurement for Group homes or transitional housing)

"SRO" = Single Room Occupancy unit

"Studio" = Studio unit

"1BR" = 1 Bedroom unit

"2BR" = 2 Bedroom unit

"3BR" = 3 Bedroom unit

"4BR" = 4 Bedroom unit

"5+BR" = 5 or more Bedroom unit

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

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

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

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

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

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

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

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

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

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

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

“PRAC - 811” = The unit receives a subsidy through a Project Rental Assistance Contract from HUD’s 811 program.

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

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

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

“LOSP” = The unit receives a subsidy through the City’s Local Operating Subsidy Program.

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

“HSA Master Lease” = The unit receives a subsidy through the City’s Master Lease Program of the Human Services Agency.

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

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

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

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

3B. Demographic

The two ethnic categories are defined below:

- **Hispanic or Latino.** A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race. The term “Spanish origin” can be used in addition to “Hispanic” or “Latino.”
- **Not Hispanic or Latino.** A person not of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.

The 10 racial categories are defined below:

- **American Indian or Alaska Native.** A person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment.
- **Asian.** A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.
- **Black or African American.** A person having origins in any of the black racial groups of Africa.
- **Native Hawaiian or Other Pacific Islander.** A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.
- **White.** A person having origins in any of the original peoples of Europe, the Middle East or North Africa.
- **American Indian or Alaska Native and Black or African American.** A person having these multiple race heritages as defined above.
- **American Indian or Alaska Native and White.** A person having these multiple race heritages as defined above.
- **Asian and White.** A person having these multiple race heritages as defined above.
- **Black or African American and White.** A person having these multiple race heritages as defined above.
- **Other/Multi-Racial.** For reporting individual responses for a person that is not included in any of the categories listed above.

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

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

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

Sex At Birth. Provide info for the Head of Household. The 5 possible answers for Sex at Birth are:

- Female
- Male
- Decline to Answer
- Not Stated
- Question Not Asked

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

- Bisexual
- Gay /Lesbian/Same-Gender Loving
- Questioning /Unsure
- Straight/Heterosexual
- Not listed
- Decline to Answer
- Not Stated

Elderly Household. For each residential unit, enter "Yes" if the head of household is a person that is at least 62 years of age. Enter "No" if the head of the household is younger than 62.

Number of Children Under Age 18 in Household. Enter the number of occupants in the unit that were under age 18 as of the end date of the reporting period.

Disability (Physical/Visual/Hearing/None). If the unit is occupied by a tenant with any of the listed disabilities, select the disability from the drop-down menu. Select "None" if the unit is not occupied by a physically, visually, or hearing disabled tenant.

3C. Summary of Reported Household Demographics

No data entry required. Output based on information reported from Worksheets 3A and 3B.

4. Narrative

Please follow the instructions provided on the worksheet.

5. Project Financing

Supply the info requested about all current financing of the project. Lenders should be listed in lien order, i.e., with the most-senior lender in the first lien position, the most-junior lender in last lien position.

6. Services Funding

For each service that is provided based on your answers to questions 51-61 on Worksheet 1A, you must supply additional info about each service provider on Worksheet 6. Services Funding.

7. Supplementary Audit Information - Required by MOHCD

Use this template to satisfy the audit requirement for MOHCD-funded projects. Project Owners/auditors may enter data directly into this worksheet and then print it to create the required Supplemental Schedules in the Audited Financial Statement. Alternatively, the audit requirement may be satisfied by using a form generated by the Sponsor's accounting system, as long as the form includes all the elements contained within MOHCD's template.

Completeness Tracker

Use this worksheet to track your work and to verify that you have completed all required data entry.

Links to Relevant Policies

Double click on the following web links to access the policy documents posted at SFGOV for your reference. The web address of the pages on the web are included for manual navigation as well.

[MOHCD Forms Page at SFMOHCD.ORG](http://sfmohcd.org/documents-reports-and-forms)

<http://sfmohcd.org/documents-reports-and-forms>

[Program Income Overview](http://sfmohcd.org/sites/default/files/FileCenter/Documents/5141-MOH_ProgIncomeOverview.pdf)

http://sfmohcd.org/sites/default/files/FileCenter/Documents/5141-MOH_ProgIncomeOverview.pdf

[MOHCD Residual Receipt Policy](http://sfmohcd.org/sites/default/files/Documents/CURRENTResidualRecPolicy%202016.pdf)

<http://sfmohcd.org/sites/default/files/Documents/CURRENTResidualRecPolicy%202016.pdf>

[MOHCD Insurance Requirements Policy](http://sfmohcd.org/sites/default/files/FileCenter/Documents/5140-INSURANCE%20EXHIBIT%20K_2014-05-21.pdf)

http://sfmohcd.org/sites/default/files/FileCenter/Documents/5140-INSURANCE%20EXHIBIT%20K_2014-05-21.pdf

[MOHCD Operating Fees Policy](http://sfmohcd.org/sites/default/files/Documents/CURRENT%20OperatingFeesPolicy%202016.pdf)

<http://sfmohcd.org/sites/default/files/Documents/CURRENT%20OperatingFeesPolicy%202016.pdf>

**Annual Monitoring Report - Property & Residents - Reporting Year 2017 -
Mayor's Office of Housing & Community Development**

#	IDENTIFYING INFO
1	Reporting Period Start Date (m/d/yyyy)
2	Reporting Period End Date (m/d/yyyy)
3	Property Name (select from drop down)
4	Property Full Street Address (e.g. "123 Main Street")
	CONTACT INFO
5	Sponsor Executive Director Name
6	Sponsor Executive Director Phone Number
7	Sponsor Executive Director E-mail
8	Property Management Company
9	Property Manager Name
10	Property Manager Phone Number
11	Property Manager E-mail
12	Property Supervisor Name
13	Property Supervisor Phone Number
14	Property Supervisor E-mail
15	Property Owner Name
16	Property Owner Contact Person
17	Property Owner Contact Phone Number
18	Property Owner Contact E-mail
19	Property Asset Manager Name
20	Property Asset Manager Phone Number
21	Property Asset Manager E-mail
22	AMR Preparer's Name
23	AMR Preparer's Phone Number
24	AMR Preparer's E-mail

PROPERTY/MARKETING INFO					
25		Is the project any of the following: Transitional Housing, Residential Treatment Program, Shelter or Transitional Group Home? (select "yes" or "no" from the drop-down menu to the left.) If you answer "yes", skip questions 26 through 39 below, and continue with question 40. Also, you must complete worksheet "1B.TransitionalProg."			
What is the Unit Mix for the Property? Please include any manager's units in this tally.					
	Unit Types	Number Of Units	Occupancy Standard: Minimum HH Size for this Unit Type*	Occupancy Standard: Maximum HH Size for this Unit Type*	*Occupancy Standards should be described in project's Approved Tenant Selection and Marketing Plan. If not defined there, supply the standards used organization-wide.
26	Single Room Occupancy (SRO) Units		1		
27	Studio Units		1		
28	One-Bedroom (1BR) Units		1		
29	Two-Bedroom (2BR) Units				
30	Three-Bedroom (3BR) Units				
31	Four-Bedroom (4BR) Units				
32	Five- or More (5+BR) Bedroom Units				
33	TOTAL # Units---->	0			
34		Vacancies - How many vacancies occurred at the project during the reporting period? (Be sure that the number you report here is not less than the number of vacant units that are included on worksheet 3.)			
35	0	Evictions - How many evictions occurred during the reporting year? (This data in this field is automatically calculated from the data that is entered on worksheet 1C. You must complete worksheet 1C, unless the project is transitional housing, a residential treatment program, a shelter or a transitional group home.)			
36		Vacant Unit Rent-Up Time - (in DAYS) State the average vacant unit rent-up time. This is the period from the time a household moves out to when the unit is rented again. If this period exceeds 30 days, you must answer Question # 4 on the Narrative worksheet. (Click on # 4 at left to jump to Narrative worksheet.)			
37		Waiting List - How many applicants are currently on the waiting list?			
38		When was the waiting list last updated? (m/yyyy)			
39		Affirmative Marketing - Did you conduct any marketing of the project during the reporting period? If you conducted marketing during the reporting period, you must answer Question #5 on the Narrative worksheet. (Click on #5 at left to jump to Narrative worksheet.)			

40		What is the date of the last Capital Needs Assessment? (m/d/yyyy)
41		What is the projected date of the next Capital Needs Assessment? (m/d/yyyy)
42		<p># 2</p> <p>How many Health, Building or Housing Code Violations were issued against the property in the reporting year? (If there were no violations enter "0"). If the property was cited for code violations in the reporting year or has open, unresolved violations from prior years as indicated below, you must answer Question #2 on the Narrative worksheet. (Click on #2 at left to jump to Narrative worksheet.)</p>
43		How many Health, Building or Housing Code Violations were open from <i>prior</i> years?
44		How many Health, Building or Housing Code Violations were cleared in the reporting year?
45		<p># 3</p> <p>Are there urgent Major Property Repairs needed on the property in the next two years? (Yes/No) If there are needed major repairs you must answer Question #3 on the Narrative worksheet. (Click on #3 at left to jump to Narrative worksheet.)</p>
46		<p># 3</p> <p>If the property has Immediate Capital Needs and lacks adequate funds in the Replacement Reserve (or elsewhere) to cover the costs, please supply the amount of funds needed to make up the difference, and supply additional explanation in question #3 of the Narrative report. (Click on # 3 at left to jump to Narrative worksheet.)</p>
47		As of the last day of the reporting period, how many units were fully Accessible to Physically Impaired Tenants?
48		As of the last day of the reporting period, how many units were Adaptable for Physically Impaired Tenants?
49		As of the last day of the reporting period, how many units were fully Accessible to Visually Impaired Tenants?
50		As of the last day of the reporting period, how many units were fully Accessible to Hearing Impaired Tenants?

Resident Services: AN ANSWER IS REQUIRED FOR questions 51-61. Indicate below any services that were available to the residents free of charge, on site or at another designated location within 1/4 mile of the project. You must also provide additional information about each of the marked services below on Worksheet "6.Services"

51		Go To WS6	After School Program/s (y/n)
52		Go To WS6	Licensed Day Care Service (<i>participant fees are allowable for day care ONLY</i>) (y/n)
53		Go To WS6	Youth Program/s (y/n)
54		Go To WS6	Educational Classes (e.g. basic skills, computer training, ESL) (y/n)
55		Go To WS6	Health and Wellness Services/Programs (y/n)
56		Go To WS6	Employment Services (y/n)
57		Go To WS6	Case Management, Information and Referrals (y/n)
58		Go To WS6	Benefits Assistance and Advocacy; Money Management; Financial Literacy and Counseling (y/n)
59		Go To WS6	Support Groups, Social Events, Organized Tenant Activities (y/n)
60		Go To WS6	Other Service #1 - Please specify in column G.
61		Go To WS6	Other Service #2 - Please specify in column G.

POPULATION SERVED

Target / Actual Populations: As of the last day of the reporting period, what are the Actual and Target Populations (expressed as Number of Households) for the Project?

Under Target Population, enter the number of units at the project that, as a requirement of a specific funding source (e.g. 202, HOPWA, McKinney), are targeted to and set aside for the target populations shown in the table. Under Actual Population, enter the number of households at the project that, as of the end of the reporting period, contained at least one person who is a member of the populations shown in the table.

			Target Population		Actual Population	
62			0	Families	0	Families
63			0	Persons with HIV/AIDS	0	Persons with HIV/AIDS
64			0	Housing for Homeless	0	Housing for Homeless
65			0	Mentally or Physically Disabled	0	Mentally or Physically Disabled
66			0	Senior Housing	0	Senior Housing
67			0	Substance Abuse	0	Substance Abuse
68			0	Domestic Violence Survivor	0	Domestic Violence Survivor
69			0	Veterans	0	Veterans
70			0	Formerly Incarcerated	0	Formerly Incarcerated
71			0	Transition-Aged Youth ("TAY")	0	Transition-Aged Youth ("TAY")

Remember, SAVE YOUR WORK!

Annual Monitoring Report - Transitional Programs - Reporting Year 2017 - Mayor's Office of Housing & Community Development

Project Address:

Project Capacity: What is the target capacity of this project? (All blanks in this section must be filled with a number of "0" or greater in order for the worksheet to be complete.)

	A. Num Singles Not in Families	B. Num Families	C1. Num Adults in Families	C2. Num Children in Families	D. Num of Beds
1					
2	0		Total Households (Singles and Families) That Can Be Served		

Persons Served During Operating Year (All blanks in this section must be filled with a number of "0" or greater in order for the worksheet to be complete.)

	A. Num Singles Not in Families	B. Num Families	C1. Num Adults in Families	C2. Num Children in Families	
3					Num on the first day of operating year
4					Num entering the program during the operating year
5	0		Total Households (Singles and Families) Served		
6					Num who left the program during the operating year
7	0	0	0	0	Num in the program on the last day of the operating year
8	0		Total Households in program on the last day of the operating year		
9			<-Capacity Utilization Rate (by Household as of last Day of Operating Year)		

If the Capacity Utilization Rate is **LESS** than 75% you must respond to the following:

10		1. Explain the reason(s) why the capacity utilization rate is as low as it is; and
11		2. Describe plan/s to raise the capacity utilization rate to at least 75%, with specific timeline.

Length of Stay: For the 0 households that LEFT the program during the operating year, how many were in the project for the following lengths of time? (Total in cell H28 should match total of cells H14 + I14. All blanks in this section must be filled with a number of "0" or greater in order for the worksheet to be complete.)

12		Less than 1 month
13		1 to 2 months
14		3 - 6 months
15		7 months -12 months
16		13 months - 24 months
17		25 months - 3 years
18	0	TOTAL # HH's that left the program

Destination: For the 0 households reported to have LEFT the program during the operating year, how many left for the following destinations? (Total in cell H53 should match total of cells H14 + I14. All blanks in this section must be filled with a number of "0" or greater in order for the worksheet to be complete.)

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

Annual Monitoring Report - Eviction Data - Reporting Year 2017 - Mayor's Office of Housing & Community Development

Project Address: _____

This section of the AMR must be completed for all projects, except for transitional housing or residential treatment services.

Number of households who lived in the project during the reporting period:

1 _____ Number of households who lived in the project **AT ANY TIME** during the reporting period. Be sure to include all households that moved in during the reporting period.

Number of households in the project who received Notices of Eviction during the reporting period for each of the following reasons:

(If more than one reason applies to a household, report only the primary reason.) **You MUST answer every question (i.e., enter zero if applicable).**

2	Breach of Lease Agreement	_____
3	Capital Improvement	_____
4	Condo Conversion	_____
5	Demolition	_____
6	Denial of Access to Unit	_____
7	Development Agreement	_____
8	Ellis Act Withdrawal	_____
9	Failure to Sign Lease Renewal	_____
10	Good Samaritan Tenancy Ends	_____
11	Habitual Late Payment of Rent	_____
12	Illegal Use of Unit	_____
13	Lead Remediation	_____
14	Non-payment of Rent	_____
15	Nuisance	_____
16	Other	_____
17	Owner Move In	_____
18	Roommate Living in Same Unit	_____
19	Substantial Rehabilitation	_____
20	Unapproved Subtenant	_____
21	0 Total number of households who received Notices of Eviction	_____

Number of unlawful detainer actions filed in court by the owner against tenants in the project during the reporting period for each of the following reasons:

(If more than one reason applies to a household, report only the primary reason.) **You MUST answer every question (i.e., enter zero if applicable).**

22	Breach of Lease Agreement	_____
23	Capital Improvement	_____
24	Condo Conversion	_____
25	Demolition	_____
26	Denial of Access to Unit	_____
27	Development Agreement	_____
28	Ellis Act Withdrawal	_____
29	Failure to Sign Lease Renewal	_____
30	Good Samaritan Tenancy Ends	_____
31	Habitual Late Payment of Rent	_____
32	Illegal Use of Unit	_____
33	Lead Remediation	_____
34	Non-payment of Rent	_____
35	Nuisance	_____
36	Other	_____
37	Owner Move In	_____
38	Roommate Living in Same Unit	_____
39	Substantial Rehabilitation	_____
40	Unapproved Subtenant	_____
41	0 Total number of unlawful detainer actions filed	_____

Number of households evicted from the project during the reporting period for the each of the following reasons:

(If more than one reason applies to a household, report only the primary reason.) **You MUST answer every question (i.e., enter zero if applicable).**

42	Breach of Lease Agreement	_____
43	Capital Improvement	_____
44	Condo Conversion	_____
45	Demolition	_____
46	Denial of Access to Unit	_____
47	Development Agreement	_____
48	Ellis Act Withdrawal	_____
49	Failure to Sign Lease Renewal	_____
50	Good Samaritan Tenancy Ends	_____
51	Habitual Late Payment of Rent	_____
52	Illegal Use of Unit	_____
53	Lead Remediation	_____
54	Non-payment of Rent	_____
55	Nuisance	_____
56	Other	_____
57	Owner Move In	_____
58	Roommate Living in Same Unit	_____
59	Substantial Rehabilitation	_____
60	Unapproved Subtenant	_____
61	0 Total number of households evicted (total also used to answer question #35 on Worksheet 1A)	_____

Annual Monitoring Report - Fiscal Activity - Reporting Year 2017 - Mayor's Office of Housing & Community Development										
INCOME & EXPENSES										
LOSP REPORTING										
16. Net LOSP Revenue for this reporting period - MUST be amount shown on MOHCD LOSP Disbursement form, will be pre-filled by MOHCD in cell P17.										
17. 12 Month Report Period: Start Date: 10/1/900 End Date: 10/1/900 # LOSP Units: 0 # non-LOSP Units: 0										
18. 2b. If the project receives other sources of Rental Assistance Payments, enter the total amount in cell R20, and the source(s) in cell R21.										
19. Residential Breakdown										
20. Description of Income Accounts										
21. Rental Assistance Pmts - OTHER - Amount										
22. Rental Assistance Pmts - OTHER - Source/s										
23. If the project has been pre-authorized to use an "alternative LOSP split" to allocate the Rental Assistance Payment, enter the LOSP percentage in cell P26.										
24. Pre-authorized alternative LOSP split for OTHER source/s of Rental Assistance Payments:										
25. LOSP										
26. non-LOSP										
27. 0.00%										
28. 0.00%										
29. sub-total Gross Rental Income: \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
30. Vacancy Loss - enter amounts as negative numbers!										
31. Must click & explain if Residential Vac Rate is > 15%										
32. Columns L, N, P & R are used for LOSP-funded projects. If the project does not receive LOSP funding, ignore these columns, otherwise please follow these data entry instructions for LOSP Projects:										
33. 1. LOSP revenue for the reporting period is pre-filled by MOHCD in P17.										
34. 2. Enter Other Rental Assistance Amount & Source in R20 & R21. Use P26 if the project was approved to use an "alternative split".										
35. 3. You must enter data in F24. The formula for cell N24 is F24-L24. If all rental subsidy is allocated to LOSP, then F24 should be = L24. If there is any Rental Subsidy allocated to non-LOSP, then use a formula for F24 the amount of non-LOSP subsidy + L24.										
36. 4. Most of the calls in columns L, N, P & R auto-calculate.										
37. 5. Cells in Column G with light green highlighting; can be overridden, but only if LOSP-specific expenses are being tracked at entry level in the project's accounting system.										
38. 6. Cells with pink highlighting indicate where alternative percentages can be used to allocate LOSP/non-LOSP, but only with MOHCD written pre-approval; enter the pre-authorized "alternative percentages" from the approved MOHCD LOSP Budget in Column I.										
39. 7. You must enter data in F24. The formula for cell N24 is F24-L24. If all rental subsidy is allocated to LOSP, then F24 should be = L24. If there is any Rental Subsidy allocated to non-LOSP, then use a formula for F24 the amount of non-LOSP subsidy + L24.										
40. 8. Most of the calls in columns L, N, P & R auto-calculate.										
41. LOSP split calculation										
42. LOSP										
43. non-LOSP										
44. \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
45. sub-total Other Income Received: \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
46. TOTAL INCOME RECEIVED: \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
47. INCOME & EXPENSES										
48. Description of Expense Accounts										
49. Residential Breakdown										
50. LOSP 0% non-LOSP 0%										
51. Pre-authorized alternative LOSP split										
52. Management Fee \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
53. "Above the Line" Asset Management Fee (amount allowable may be limited, see Asset Mgt. Fee Policy) \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
54. sub-total Management Expense: \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
55. Salaries/Benefits										
56. Office Salaries \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
57. Manager's Salary \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
58. Employee Benefits: Health Insurance & Disability Insurance \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
59. Employee Benefits: Retirement & Other Salary/Benefit Expenses \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
60. Administrative Rent Free Unit \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
61. sub-total Salary/Benefit Expense: \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
62. Administration										
63. Advertising and Marketing \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
64. Office Expenses \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
65. Office Rent \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
66. Legal Expense - Property \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
67. Audit Expense \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
68. Bookkeeping/Accounting Services \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
69. Bad Debts \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
70. Miscellaneous Administrative Expenses (must click & explain if >\$10k) \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
71. sub-total Administrative Expense: \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
72. Utilities										
73. Electricity \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
74. Water \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
75. Gas \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
76. Sewer \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
77. sub-total Utilities Expense: \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
78. Taxes and Licenses										
79. Real Estate Taxes \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
80. Payroll taxes \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
81. Miscellaneous Taxes, Licenses, and Permits \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
82. sub-total Taxes and License Expense: \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
83. Insurance										
84. Property and Liability Insurance \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
85. Fidelity Bond Insurance \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
86. Workers' Compensation \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
87. Directors & Officers Liabilities Insurance \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
88. sub-total Insurance Expense: \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
89. Maintenance and Repairs										
90. IMPORTANT NOTE RE: TREATMENT OF CAPITAL AND NON-CAPITAL MAINTENANCE REPAIR EXPENSES ELIGIBLE FOR PAYMENT BY REPLACEMENT RESERVE: If possible, exclude those from this section. If you do include those expenses here, be sure to record the amounts in rows 103 (non-capital) and 210-215 below (capital).										
91. Payroll \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
92. Supplies \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
93. Contracts \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
94. Garbage and Trash Removal \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
95. Security Payroll/Contract \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
96. HVAC Repairs and Maintenance \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
97. Vehicle and Maintenance Equipment Operation and Repairs \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
98. Miscellaneous Operating and Maintenance Expenses (must click & explain if >\$10k)										
99. sub-total Maintenance Repair Expense: \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
100. Supportive Services: do not enter supportive services expenses if tracked in separate budget and not eligible to be counted against project income for residual receipts calculation.										
101. SUB-TOTAL OPERATING EXPENSES: \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
102. Capital Maintenance Repairs/Improvements eligible for payment by Replacement Reserve. If capital costs were entered in amounts for Maintenance & Repairs section above and are eligible for payment by the Replacement Reserve, please enter details in Replacement Reserve-Eligible Expenditures below, beginning from row 207. Amounts provided in F210-215 will be linked to cell F102 and netted out from operating expenses.										
103. Non-Capital Maintenance Repair Expenses eligible for payment by Replacement Reserve. Only enter amounts here if they were included in amounts entered for Maintenance & Repairs section above and will be reimbursed by Replacement Reserve. Amount will be netted out from operating expenses. Enter as positive number.										
104. TOTAL OPERATING EXPENSES: \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
105. Name of Lessor/ Bond Monitoring Agency/ Reserve Account										
106. Ground Lease Base Rent/Bond Fees/Reserves										
107. Ground Lease - Base Rent (provide Lessor name to the right) \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
108. Bond Monitoring Fee \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
109. Replacement Reserve Required Annual Deposit (Source is Operating Account.) Enter as positive number. \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
110. Operating Reserve Deposits (Source is Operating Account.) Enter as positive number. \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
111. Operating Reserve Account Withdrawals (For deposits to Operating Account.) Enter as positive number. \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
112. Other Required Reserve Account Deposits (Source is Operating Account. Enter as positive number, identify reserve account in next col) (1330) \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
113. Other Required Reserve Account Withdrawals (For deposit to Operating account. Enter as positive number, identify account in next col) \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
114. Sub-total Ground Lease Base Rent/Bond Fees/Reserves \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
115. TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees) \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
116. Acct Num Residential Non-Residential Total										
117. \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
118. 1. TOTAL INCOME RECEIVED: \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										
119. 2. TOTAL OPERATING EXPENSES: \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00										

	B	D	F	H	J	L	N	P	R
15	Annual Monitoring Report - Fiscal Activity - Reporting Year 2017 - Mayor's Office of Housing & Community Development								
121		Name of Lender / Describe Other Amt Paid	Residential	Non-Residential	Total	Residential Breakdown		Pre-authorized alternative LOSP split	
122	4. Debt Service (Principal and Interest)					LOSP	non-LOSP	LOSP	non-LOSP
123	Lender1 - Principal Paid (provide lender name to the right)					\$0.00	\$0.00		0.00%
124	Interest Paid					\$0.00	\$0.00		0.00%
125	Other Amount (describe to the right)					\$0.00	\$0.00		0.00%
126	Lender2 - Principal Paid (provide lender name to the right)					\$0.00	\$0.00		0.00%
127	Interest Paid					\$0.00	\$0.00		0.00%
128	Other Amount (describe to the right)					\$0.00	\$0.00		0.00%
129	Lender3 - Principal Paid (provide lender name to the right)					\$0.00	\$0.00		0.00%
130	Interest Paid					\$0.00	\$0.00		0.00%
131	Other Amount (describe to the right)					\$0.00	\$0.00		0.00%
132	Lender4 - Principal Paid (provide lender name to the right)					\$0.00	\$0.00		0.00%
133	Interest Paid					\$0.00	\$0.00		0.00%
134	Other Amount (describe to the right)					\$0.00	\$0.00		0.00%
135	Total Debt Service Payments		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		
136								Pre-authorized alternative LOSP split	
137	Surplus Cash, Detail (NOI minus Debt Service and Reserve Activity)		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	Pre-authorized alternative LOSP split for Non-Res Surplus	
138						Cells below allocate any non-residential surplus from 1137.		LOSP	non-LOSP
139	If amount for Surplus Cash above is negative: - you must provide a detailed explanation to question #8 on the Narrative worksheet - you must NOT supply data for any of the fields for Uses of Surplus Cash below								0.00%
140	Surplus Cash, Total				\$0.00	\$0.00	\$0.00		
141	Distribution of Surplus Cash/Residual Receipts - (Response Required) In the space below, please provide a detailed narrative summary of allowable distributions of Surplus Cash that accurately reflects the requirements under all MOHCD agreements as well as the requirements of other funders and any other agreements that govern. Please include the calculation methodology, applicable annual increases, etc. For proposed distribution amounts entered in column J, rows 143-164, select the distribution priority for each of the uses of cash flow/surplus cash in column H. If distribution of surplus cash is not allowed under MOHCD agreements or other funder agreements, enter N/A in the box below.								
142	USES OF SURPLUS CASH THAT ARE AUTHORIZED TO BE PAID PRIOR TO CALCULATION OF RESIDUAL RECEIPTS								
143	PAYMENTS (IF APPLICABLE)					Residential Breakdown			
144	5. Operating Reserve Replenishments (Deposits made out of surplus cash to satisfy minimum balance requirements).					LOSP	non-LOSP		
145								Pre-authorized alternative LOSP split for Non-Res Surplus	
146	6. "Below-the-line" Asset Mgt fee (prior written authorization from City/SFRA may be required, see Asset Mgt. Fee Policy).							LOSP	non-LOSP
147	7a. Partnership Management fee due from this reporting period. If any (tax credit projects only; not allowed if project is beyond 15-year compliance period).					\$0.00	\$0.00		
148	7b. 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).								
149	8a. Investor Services Fee (aka LP Asset Management Fee) due from this reporting period, if any (tax credit projects only; per City policy, not allowed if project is beyond 15-year compliance period).					\$0.00	\$0.00		
150	8b. Investor Services Fee (aka LP Asset Management Fee) accrued but unpaid from PRIOR reporting periods, if any (tax credit projects only; per City policy, not allowed if project is beyond 15-year compliance period).							Pre-authorized alternative LOSP split for Non-Res Surplus	
151	9. Deferred Developer fee, if any					\$0.00	\$0.00		0.00%
152	10. Other payments: use question #1 on the Narrative (worksheet #4) to provide details about any fees or other payments, including ground lease residual rent payments for a non-MOHCD/OCI ground lease. Failure to provide details will result in disallowance of this expense. You may only include payments that were approved by MOHCD at time of funding 151 that are also explicitly authorized by a Partnership Agreement or similar project document.					\$0.00	\$0.00		0.00%
153	11a. Debt Pmt to other lender1: Principal Paid (note lender name to right)					\$0.00	\$0.00		0.00%
154	11a. Debt Pmt to other lender1: Interest Paid					\$0.00	\$0.00		0.00%
155	11b. Debt Pmt to other lender2: Principal Paid (note lender name to right)					\$0.00	\$0.00		0.00%
156	11b. Debt Pmt to other lender2: Interest Paid					\$0.00	\$0.00		0.00%
157	Total Payments preceding Residual Receipts Calculation:					\$0.00	\$0.00		\$0.00
158	12. RESIDUAL RECEIPTS					\$0.00	\$0.00		\$0.00
159						Residential Breakdown			
160	12a. MOHCD Residual Receipts Due for Loan Repayment					LOSP	non-LOSP		
161	12b. MOHCD Residual Receipts Due for Ground Lease Residual Rent Payment					\$0.00	\$0.00	0.00%	100.00%
162	12c. Subtotal Residual Receipts Payments to MOHCD					\$0.00	\$0.00		\$0.00
163	12d. Residual Receipts Debt Pmt to other lender3 (note lender name to right)					\$0.00	\$0.00		0.00%
164	12e. Residual Receipts Debt Pmt to other lender4 (note lender name to right)					\$0.00	\$0.00		0.00%
165	12f. Residual Receipts Debt Pmt to other lender5 (note lender name to right)					\$0.00	\$0.00		0.00%
166	Total Residual Receipts Payments:					\$0.00	\$0.00		\$0.00
167	DO NOT SUBMIT YOUR PROPOSED RESIDUAL RECEIPT PAYMENT TO MOHCD WITH THIS AMR. MOHCD WILL REVIEW YOUR PROPOSED PAYMENT AND GENERATE AN INVOICE IF THE CALCULATION CAN BE VERIFIED AS APPROPRIATE; IF THE CALCULATION CANNOT BE VERIFIED, MOHCD WILL CONTACT YOU.								
168						LOSP	non-LOSP		
169	Remaining Balance					\$0.00	\$0.00		\$0.00
170									
171	Proposed Owner Distributions (provide description in column D and enter amount in column J. If an amount is entered, a description is required.)								If L169 is >0, enter that number in J172 & L172 below. The amount will be treated as the LOSP CY surplus.
172	Proposed Other Distributions/Uses (provide description in column D and enter amount in column J. If an amount is entered, a description is required. If you had a Calendar Year LOSP surplus, please acknowledge that and note exact amount.)								If N188 is >0, you may enter that amount in J171 & N171 above if your LOSP budget allows an owner distribution.
173									
174	Final Balance: should be ZERO except when Surplus Cash (cell F136) is negative					\$0.00	\$0.00		\$0.00

	B	D	F	H	J	L	N	P	R
15	Annual Monitoring Report - Fiscal Activity - Reporting Year 2017 - Mayor's Office of Housing & Community Development								
175	RESERVE ACCOUNT DETAILS								
176	OPERATING RESERVE (Do not leave blanks for any questions asking for a number, enter zero instead.)								
177	Minimum Required Balance:								
178	Beginning Balance:								
180	Actual Annual Deposit (don't edit - taken from page 1 account number 1365):								
181	Interest Earned:								
182	Annual Withdrawal Amount (enter as negative number):								
183	Ending Balance (don't edit cell -- calculated):								
184	Required Annual Deposit:								
185	Total Operating Expenses plus debt service (don't edit cell -- calculated)								
186	If the calculated percentage shown to the right (Op Reserve Account Ending Balance divided by Total Op Expenses) is less than 23.5%, you must describe how the project will remedy the shortfall in the adjacent cell. If the calculated percentage shown to the right is greater than 26.5%, you must explain why the Op Reserve balance exceeds MOHCD's requirement in the adjacent cell.								
187									0.000%
188	REPLACEMENT RESERVE (Do not leave blanks for any questions asking for a number, enter zero instead.)								
189	Minimum Required Balance:								
190	Beginning Balance:								
191	Actual Annual Deposit:								
192	Interest Earned:								
193	Annual Withdrawal Amount (enter as negative number):								
194	Ending Balance (don't edit cell -- calculated):								
195	Required Annual Deposit (do not edit - taken from page 1 account number 1320):								
196	Describe how the amount of annual deposit and the minimum required balance is determined.								
197									
198	CHANGES TO REAL ESTATE ASSETS								
199	Enter Beginning and Ending Balances in each of the categories listed below. Changes in asset categories will auto-calculate.								
200		Balance, 1/00/1900	Changes	Balance, 1/00/1900					
201	Building & Improvements			\$0.00					
202	Offsite Improvements			\$0.00					
203	Site Improvements			\$0.00					
204	Land Improvements			\$0.00					
205	Furniture, Fixtures & Equipment			\$0.00					
206	Other			\$0.00					
207	Replacement Reserve-Eligible Expenditures: Provide details below about the Capital and non-Capital Expenditures that are Replacement Reserve-eligible.								
208	Capital Repairs and Improvements: Enter capital repairs and improvement costs associated with the reporting year. For each category in rows 200-205 above that shows a positive change, an entry is required in each corresponding category in rows 210-215. If the operating account is used initially to fund the repair, and is later reimbursed by the replacement reserve during the reporting year, show the repair cost under "Replacement Reserve". If the operating account is used to fund the repair and was not reimbursed by the replacement reserve during the reporting year, show the repair cost under "Operating Account." Use the section below to supply a description of the capital repairs and improvements made.								
209	Capital Repairs and Improvements Funded By:								
210	Capital Repairs and Improvements - Categories	Replacement Reserve	Operating Account	Other Source	Total Amount				
211	Building & Improvements				\$0.00				
212	Offsite Improvements				\$0.00				
213	Site Improvements				\$0.00				
214	Land Improvements				\$0.00				
215	Furniture, Fixtures & Equipment				\$0.00				
216	Other				\$0.00				
217	Total	\$0.00	\$0.00	\$0.00	\$0.00				
218	Description of Capital Repairs and Improvements								
219	Non-Capital Replacement Reserve Eligible Expenditures (i.e., labor costs): Enter the amounts used to fund non-capital replacement reserve eligible expenditures. Use section below to supply explanations.								
220	Source								
221									Amount
222	Paid out of Operating Budget, to be reimbursed by RR (shows the amount entered in row 103 above)								\$0.00
223	Paid Directly from Replacement Reserve								
224	Other Source								
225	Explanation of Non-Capital Replacement Reserve Eligible Expenditures								Total
226									\$0.00
227	TOTAL REPLACEMENT RESERVE ELIGIBLE EXPENDITURES: the Replacement Reserve Withdrawal for the reporting period should not exceed the Total RR-eligible Expenditures. You must provide more details above or an explanation below if the RR withdrawal amount exceeds the Total RR-Eligible Expenditures.								
228	RR Withdrawal Amount-->		\$0.00		Total RR-Eligible Expenditures-->		\$0.00		
229	Notes About RR Withdrawal Amount in excess of Total RR-eligible Expenditures:								
230									

	B	D	F	H	J	L	N	P	R
15	Annual Monitoring Report - Fiscal Activity - Reporting Year 2017 - Mayor's Office of Housing & Community Development								
231	FEDERAL PROGRAM INCOME REPORT								
232	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:								
233	http://www.ci-moh.org/Modules/ShowDocument.aspx?documentid=5141								
234	Overview of Federal (HOME and CDBG) Program Income								
235									
236	CDBG PROGRAM INCOME								
237	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 2015-2019 Consolidated Plan, 2017-2018 Action Plans as follows:								
238		AMOUNT	DESCRIPTION						
239	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):								
240	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):								
241	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):								
242	Amount to be deposited for use on future eligible CDBG activities that will be undertaken by June 30, 2016 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right):								
243	Other (provide amount in cell to the right, plus activity description and regulation citation in column furthest to the right):								
244	Total CDBG Program Income Calculation (see instructions for guidance on how to calculate)								
245	<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 and Community Development for the use of CDBG program income received during the 2017 reporting period as depicted above.</i>								

**Annual Monitoring Report - Summary of Reported Household Demographics - Reporting Year 2017 -
Mayor's Office of Housing & Community Development**

Project Address:	Last Day of Reporting Period	1/0/1900	# Units:	0
------------------	------------------------------	----------	----------	---

Household Size

	# Reported Households	% of Total
One Person Household	0	
Two Person Household	0	
Three Person Household	0	
Four Person Household	0	
Five Person Household	0	
Six Person Household	0	
Seven or more Person Household	0	
TOTAL Households*	0	
TOTAL Residents	0	

*Excludes 0 unit(s) reported as manager's or vacant unit(s).

Other Household Demographics

	# Reported
Elderly Households	0
Households with Children Under 18	0
Number of Children Under 18	0
Households with Tenant with Physical Disability	0
Households with Tenant with Visual Disability	0
Households with Tenant with Hearing Disability	0
Households with Tenant with Mental/Devt Disability	0
Households with Tenant with Other Disability	0
Households with Tenant with More than One Disability	0
Households with Tenant with No Disability	0

Head of Household Race/Ethnicity

	# Reported Head of HH	% of Total
Hispanic/Latino	0	
Not Hispanic/Latino		
American Indian/Alaskan Native	0	
Asian	0	
Black/African American	0	
Native Hawaiian/Other Pacific Islander	0	
White	0	
American Indian/Alaskan Native and Black/African American	0	
American Indian/Alaskan Native and White	0	
Asian and White	0	
Black/African American and White	0	
Other/Multiracial	0	
Not Reported	0	
Total Head of Households	0	

Gender

	# Reported Head of HH	% of Total
Female	0	
Male	0	
Genderqueer/Gender Non-binary	0	
Trans Female	0	
Trans Male	0	
Not listed	0	
Declined/Not Stated	0	
Question Not Asked	0	
Total Head of Households	0	

Sex At Birth

	# Reported Head of HH	% of Total
Female	0	
Male	0	
Decline to Answer	0	
Not Stated	0	
Question Not Asked	0	
Total Head of Households	0	

Sexual Orientation / Sexual Identity

	# Reported Head of HH	% of Total
Bisexual	0	
Gay /Lesbian/Same-Gender Loving	0	
Questioning /Unsure	0	
Straight/Heterosexual	0	
Not listed	0	
Decline to Answer	0	
Not Stated	0	
Question Not Asked	0	
Total Head of Households	0	

Target and Actual Population Served

Target Population		Actual Population	
0	Families	0	Families
0	Persons with HIV/AIDS	0	Persons with HIV/AIDS
0	Housing for Homeless	0	Housing for Homeless
0	Mentally or Physically Disabled	0	Mentally or Physically Disabled
0	Senior Housing	0	Senior Housing
0	Substance Abuse	0	Substance Abuse
0	Domestic Violence Survivor	0	Domestic Violence Survivor
0	Veterans	0	Veterans
0	Formerly Incarcerated	0	Formerly Incarcerated
0	Transition-Aged Youth ("TAY")	0	Transition-Aged Youth ("TAY")

**Annual Monitoring Report - Narrative - Reporting Year 2017 -
Mayor's Office of Housing & Community Development**

Project Street Address:

Reporting Period - Start Date: 1/0/1900

Reporting Period - End Date: 1/0/1900

MOHCD created the questions below to allow project owners to supply additional information about a small number of measurements that may indicate that a project is having difficulties. By providing this information, project owners will help provide context for the conclusions that can be made about the measurements. MOHCD will use the measurements and the information below to prioritize the projects that need closer scrutiny and support. Please supply as much information as is readily available.

1. Explanations & Comments

Use this space to record notes about any peculiarities in the data entry process. For example, if you entered a formula instead of a single number for a field, make a note here re: for which question on which worksheet that was done, and describe the formula & underlying numbers. Also use this field to describe in detail any amounts entered for "Other payments" on the worksheet "2.Fiscal," item 10.

2. Code Violations

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

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

(add additional rows as needed)

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

Violation or Citation #	Date Cleared	Issued By	Description of Remedy

(add additional rows as needed)

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

3. Major Repairs

Describe any major repair or replacement needs that have been identified as being required within the next 2 years, and any related plans to pay for whatever is needed.

4. Vacant Unit Rent-Up Time

If the project had an average VACANT UNIT RENT-UP TIME greater than 30 days for question 36 on the worksheet "1A.Prop&Residents," you must supply the following:

- a. A description of the work done to analyze the cause/s of the high turnaround time, and what the identified causes are; and
- b. A description of the work done to identify means of reducing the turnaround time, and all viable remedies that have been identified; and
- c. A description of the plan to implement any remedies, including specific timelines for the implementation work.

5. Affirmative Marketing

Did you conduct any marketing of the project during the reporting period? If yes, please describe the marketing that was conducted, including

- a. when the marketing was conducted and how it was intended to reach populations least likely to apply for the project;
- b. any advertising, direct mailings, emailings and web postings that were done; and
- c. how many households were on the waiting list prior to the marketing and how many were on it after the marketing was completed.

6. Vacancy Rate ----->

If the project had a VACANCY RATE greater than 15%, as may be shown above from the Income Expense section of the worksheet "2.Fiscal," you must supply the following:

- a. A description of the work done to analyze the cause/s of the vacancy rate, and what the identified causes are; and
- b. A description of the work done to identify means of reducing the vacancy rate, and all viable remedies that have been identified; and
- c. A description of the plan to implement any remedies, including specific timelines for the implementation work.

7. Miscellaneous Expenses: Administrative/Operating & Maintenance

If the project had miscellaneous administrative or miscellaneous operating & maintenance expenses greater than \$10,000 respectively, you must provide a detailed itemization of these individual expenses below. Total expenses must equal the total amount reported on the worksheet "2.Fiscal."

Misc. Admin Expenses

Expense Description	Amount	HUD Acct #	Notes
Total:	0.00		
Diff. from Fiscal Activity WS:			

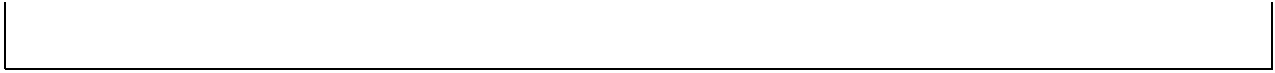
Misc. Operating & Maintenance Expenses

Expense Description	Amount	HUD Acct #	Notes
Total:	0.00		
Diff. from Fiscal Activity WS:			

8. Negative Cash Flow

If the project had NEGATIVE CASH FLOW, as may be shown above from the Income Expense section of worksheet "2.Fiscal," you must supply the following:

- a. A description of the work done to analyze the cause/s of the shortfall, and what the identified causes are; and
- b. A description of the work done to identify remedies for the shortfall, and all viable remedies that have been identified; and
- c. A description of the plan to implement any remedies, including specific timelines for the implementation work.
- d. If the project has a Project-Based Section 8 Housing Assistance Payments (HAP) contract, please also supply the date of the last increase to the HAP contract, the date when the project will submit the next HAP contract rent increase, and any related comments about whether the project has been diligent in seeking annual increases to the HAP contract.



Project Street Address:

**Schedule of Operating Revenues
For the Year Ended January 0, 1900**

	Total	LOSP	Non-LOSP
Rental Income			
5120 Gross Potential Tenant Rents	\$0	\$0	\$0
5121 Rental Assistance Payments (inc. LOSP)	0	0	0
5140 Commercial Unit Rents	0	0	0
Total Rent Revenue:	\$0	\$0	\$0
Vacancies			
5220 Apartments	\$0	\$0	\$0
5240 Stores & Commercial	0	0	0
Total Vacancies:	\$0	\$0	\$0
Net Rental Income: (Rent Revenue Less Vacancies)	\$0	\$0	\$0
Other Revenue			
5170 Rent Revenue - Garage & Parking	\$0	\$0	\$0
5190 Misc. Rent Revenue	0	0	0
5300 Supportive Services Income	0	0	0
5400 Interest Revenue - Project Operations (From Operating Acct Only)	0	0	0
5400 Interest Revenue - Project Operations (From All Other Accts)	0	0	0
5910 Laundry & Vending Revenue	0	0	0
5920 Tenant Charges	0	0	0
5990 Misc. Revenue	0	0	0
Total Other Revenue:	\$0	\$0	\$0
Total Operating Revenue:	\$0	\$0	\$0

Project Street Address:

**Schedule of Operating Expenses
For the Year Ended December 31, 1900**

	Total	LOSP	Non-LOSP
Management			
6320 Management Fee	\$0	\$0	\$0
"Above the Line" Asset Management Fee	0	0	0
Total Management Expenses:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Salaries/Benefits			
6310 Office Salaries	\$0	\$0	\$0
6330 Manager's Salary	0	0	0
6723 Employee Benefits: Health Insurance & Disability Insurance	0	0	0
Employee Benefits: Retirement & Other Salary/Benefit Expenses	0	0	0
6331 Administrative Rent Free Unit	0	0	0
Total Salary/Benefit Expenses:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Administration			
6210 Advertising and Marketing	\$0	\$0	\$0
6311 Office Expenses	0	0	0
6312 Office Rent	0	0	0
6340 Legal Expense - Property	0	0	0
6350 Audit Expense	0	0	0
6351 Bookkeeping/Accounting Services	0	0	0
6370 Bad Debts	0	0	0
6390 Miscellaneous Administrative Expenses	0	0	0
Total Administrative Expenses:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Utilities			
6450 Electricity	\$0	\$0	\$0
6451 Water	0	0	0
6452 Gas	0	0	0
6453 Sewer	0	0	0
Total Utilities Expenses:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Taxes and Licenses			
6710 Real Estate Taxes	\$0	\$0	\$0
6711 Payroll taxes	0	0	0
6790 Miscellaneous Taxes, Licenses, and Permits	0	0	0
Total Taxes and Licenses Expenses:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Insurance			
6720 Property and Liability Insurance	\$0	\$0	\$0
6721 Fidelity Bond Insurance	0	0	0
6722 Workers' Compensation	0	0	0
6724 Directors & Officers Liabilities Insurance	0	0	0
Total Insurance Expenses:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Project Street Address:

**Schedule of Operating Expenses
For the Year Ended December 31, 1900**

Maintenance and Repairs	Total	LOSP	Non-LOSP
6510 Payroll	\$0	\$0	\$0
6515 Supplies	0	0	0
6520 Contracts	0	0	0
6525 Garbage and Trash Removal	0	0	0
6530 Security Payroll/Contract	0	0	0
6546 HVAC Repairs and Maintenance	0	0	0
6570 Vehicle and Maintenance Equipment Operation and Repairs	0	0	0
6590 Miscellaneous Operating and Maintenance Expenses	0	0	0
Total Maintenance and Repairs Expenses:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
6900 Supportive Services	\$0	\$0	\$0
Capital and Non-Capital Expenditures to be Reimbursed from Replacement Reserve	\$0	\$0	\$0
Total Operating Expenses:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Financial Expenses

Enter amounts in yellow highlighted cells. Leave no cells blank. Enter "0" if applicable.

6820 Interest on Mortgage (or Bonds) Payable			\$0
6825 Interest on Other Mortgages			0
6830 Interest on Notes Payable (Long Term)			0
6840 Interest on Notes Payable (Short Term)			0
6850 Mortgage Insurance Premium/Service Charge			0
6890 Miscellaneous Financial Expenses			0
Total Financial Expenses:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
6000 Total Cost of Operations before Depreciation:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
5060 Operating Profit (Loss):	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Depreciation & Amortization Expenses

Enter amounts in yellow highlighted cells. Leave no cells blank. Enter "0" if applicable.

6600 Depreciation Expense			\$0
6610 Amortization Expense			0
Operating Profit (Loss) after Depreciation & Amortization:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Net Entity Expenses

the right.

7190			\$0
7190			0
7190			0
7190			0
7190			0
7190			0
7190			0
7190			0
7190			0
7190			0
Total Net Entity Expenses:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

3250 Change in Total Net Assets from Operations (Net Loss)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<i>Amount computed in cell E139 should match audited financial statement.</i>			

Project Street Address:

**Computation of Operating Cash Flow/Surplus Cash
For the Year Ended January 0, 1900**

	Total	LOSP	Non-LOSP
Operating Revenue	\$0	\$0	\$0
Interest earned on restricted accounts	0	0	\$0
Adjusted Operating Revenue	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Operating Expenses	\$0	\$0	\$0
Net Operating Income	\$0	\$0	\$0
Other Activity			
Ground Lease Base Rent	\$0	\$0	\$0
Bond Monitoring Fee	0	0	0
Mandatory Debt Service - Principal	0	0	0
Mandatory Debt Service - Interest	0	0	0
Mandatory Debt Service - Other Amount	0	0	0
Deposits to Replacement Reserve Account	0	0	0
Deposits to Operating Reserve Account	0	0	0
Deposits to Other Restricted Accounts per Regulatory Agreement	0	0	0
Withdrawals from Operating Reserve Account	0	0	0
Withdrawals from Other Required Reserve Account	0	0	0
Total Other Activity:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Allocation of Non-Residential Surplus (LOSP only)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Operating Cash Flow/Surplus Cash:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Distribution of Surplus Cash Ahead of Residual Receipts Payments

Select the Distribution Priority number from Worksheet 2. Fiscal Activity for payments to be paid ahead of residual receipts payments.

	Total	LOSP	Non-LOSP
<input type="text"/>			
<input type="text"/>			
<input type="text"/>			
<input type="text"/>			
<input type="text"/>			
<input type="text"/>			
<input type="text"/>			
<input type="text"/>			
<input type="text"/>			
<input type="text"/>			
Total Cash Available for Residual Receipts Distribution:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Distribution of Residual Receipts

Select the Distribution Priority number from Worksheet 2. Fiscal Activity for payments to be paid with remaining residual receipts.

	Total	LOSP	Non-LOSP
<input type="text"/>			
<input type="text"/>			
<input type="text"/>			
<input type="text"/>			
Total Residual Receipts Distributions to Lenders:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Proposed Owner Distribution	\$0	<input type="text"/>	\$0
Proposed Other Distribution/Uses	0	\$0	<input type="text"/>
Total Residual Receipts Distributions to Lenders and Owners:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Project Street Address:

**Summary of Replacement Reserve and Operating Reserve Activity
For the Year Ended January 0, 1900**

	Replacement Reserve	Operating Reserve
Balance, December 31, 1899	\$0	\$0
Actual Annual Deposit	0	0
Interest Earned	0	0
Withdrawals	0	0
Balance, December 31, 1900	<u>\$0</u>	<u>\$0</u>

**Annual Monitoring Report - Completeness Tracker - Reporting Year 2017 -
Mayor's Office of Housing & Community Development**

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

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

Project Address: _____

Submission Instructions:

Once all worksheets below are "COMPLETED", email the AMR, completed Owner Compliance Certification, along with the attachments required under the Insurance and Tax Certification per page 3 of the Owner Certification, waitlist, and audited financial statements to: moh.amr@sfgov.org.

The waiting list must include the following information for each person or household who has applied to live at the project and is still waiting to be considered for an available unit: name of head-of-household, contact information, date of application, number of people in the household, stated household income and desired unit size. Prior to submittal, the waiting list must be redacted to exclude any private information that should not be shared publicly, for example, Social Security numbers, ID numbers from other forms of identification, information related to disabilities or other health conditions. Please confer with legal counsel and let MOHCD know if you have any questions prior to submitting a copy of the project's waitlist. This requirement is not applicable to transitional housing projects, residential treatment programs, shelters, group homes or permanent supportive housing for homeless people that is leased through a closed referral system.

Worksheet 1A. Property & Residents	INCOMPLETE	
Questions 1 thru 4		incomplete
Questions 5 thru 24		incomplete
Questions 25 thru 39		incomplete
Questions 40 thru 50		incomplete
Questions 51 thru 61		incomplete
Worksheet 1B. Transitional Programs	To Be Determined	
Questions 1 thru 11		To Be Determined
Questions 12 thru 18		To Be Determined
Questions 19 thru 39		To Be Determined
Worksheet 1C. Eviction Data	To Be Determined	
Question 1		To Be Determined
Questions 2 thru 21		To Be Determined
Questions 22 thru 41		To Be Determined
Questions 42 thru 61		To Be Determined
Worksheet 2. Fiscal Activity	INCOMPLETE	
Rental Income - Housing Unit GPTR		incomplete
Vacancy Loss - Housing Units		incomplete
Operating Expenses		incomplete
Surplus Cash/Residual Receipts (Rows 140 - 171)		incomplete
Operating Reserve (Rows 177 - 186)		incomplete
Replacement Reserve (Rows 188 - 196)		incomplete
Changes to Real Estate Assets (Rows 198 - 205)		incomplete
Replacement Reserve Eligible Expenditures (Rows 209 - 228)		incomplete
Program Income (Rows 230 - 243)		OK
Worksheet 3A. Occupancy & Rent Info	INCOMPLETE	
Does number of units entered on Worksheet 3 match total units entered on Worksheet 1A or the total households that can be served in Worksheet 1B?		To Be Determined
For each row with a Unit Number, was data entered in cells for Subsidy Type and Utility Allowance?		To Be Determined
Narrative Provided for All rows indicating Overhoused or Overcrowded?		To Be Determined
Worksheet 3B. Demographic Information	To Be Determined	
Is Ethnicity and Race selected for each household?		To Be Determined
Is Gender, Sex at Birth, and Sexual Orientation/Identity selected for each household?		To Be Determined
Worksheet 4. Narrative	To Be Determined	
2		To Be Determined
3		To Be Determined
4		To Be Determined
5		To Be Determined
6		To Be Determined
7		To Be Determined
8		To Be Determined
Worksheet 5. Project Financing	INCOMPLETE	
Worksheet 6. Services Funding	To Be Determined	
Worksheet 7. Supplementary Information Required by MOHCD	Worksheet incomplete. If using AMR to generate Schedules required for Audited Financial Statement, please complete the required data entry.	

EXHIBIT H

Tenant Selection Plan Policy

This policy is in addition to the obligations to comply with applicable federal, state and local civil rights laws, including laws pertaining to reasonable accommodation and limited English proficiency (LEP),¹ **and the applicable provision of the Violence Against Women Act, Pub. Law 109-62 (January 5, 2006), as amended.**

Application Process

- **Application Materials.** MOHCD shall provide an application to be used prior to the housing lottery. The housing provider agrees to use this application to determine lottery eligibility. The housing provider's written and/or electronic application materials should:
 - outline the screening criteria that the housing provider will use;
 - be in compliance with San Francisco Police Code Article 49 or the Fair Chance Ordinance,
 - outline how an applicant may request a modification of the admission process and/or a change in admission policies or practices as a reasonable accommodation;
 - be written in language that is clear and readily understandable,
- **First Interview.** In accordance with the housing provider policies, an initial interview is required to assess each applicant's minimum eligibility requirements for housing units. All applicants shall be offered the opportunity for an interview in lottery rank order.
- **Second Interview.** Before issuing a denial, the housing provider should consider offering a second interview to resolve issues and inconsistencies, gather additional information, and assist as much as possible with a determination to admit the applicant.
- **Confidentiality.** All information provided will be kept confidential and be used only by the housing provider, the referring agency and the funding agency for the purpose of assisting and evaluating the applicant in the admission process. All applicant information shall be retained for 12 months after the final applicant interview.
- **Delays in the Process.** If delays have occurred or are likely to occur in the application and screening process or the process exceeds the housing provider's normal timeline for application and screening, the housing provider must immediately inform the referring agency and the funding agency, of the status of the application, the reason for the delay and the anticipated time it will take to complete the application process.

¹*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)**

- **Problems with the Referring Agency.** If at any point the housing provider has difficulty reaching or getting a response from the applicant and referring agency, the housing provider must immediately contact the referring agency, if possible, and the funding agency, DPH or HSA.
- **Limited English Proficiency Policy.** Throughout the application process, the housing provider must comply with City policy for language access requirements for applicants with limited English proficiency.

Reasonable Accommodation and Modification Policy

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

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

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

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

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

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

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

Notice of Denial and Appeal Process

- The housing provider shall:
 - Hold a comparable unit for the household during the entire appeal process.
 - promptly send a written and electronic notice (to the addresses provided) to each applicant denied admission with a written and/or electronic copy to the referring agency and the funding agency. The notice should:
 - list all the reasons for the rejection, including the particular conviction or convictions that led to the decision in cases where past criminal offenses were a reason for rejection;
 - explain how the applicant can request an in person appeal to contest the decision;
 - state that an applicant with a disability is entitled to request a reasonable accommodation to participate in the appeal;
 - inform the applicant that he or she is entitled to bring an advocate or attorney to the in person appeal;
 - provide referral information for local legal services and housing rights organizations;
 - describe the evidence that the applicant can present at the appeal;
 - give applicants denied admission a date within which to file the appeal, which shall be at least ten (10) business days from the date of the notice;
 - unless an extension is agreed to by the applicant and the housing provider, hold the appeal within ten (10) business days of the request for the appeal;
 - confine the subject of the appeal to the reason for denial listed in the notice;
 - give the applicant a chance to present documents and/or witnesses showing that he or she will be a suitable tenant;
 - have an impartial supervisor or manager from the housing provider, but who is not the person who made the initial decision or a subordinate of the person who made the initial decision, conduct the appeal;
 - within 5 business days of the in person appeal, provide the applicant with a written decision that states the reason for the decision and the evidence relied upon. A copy of the written decision must be sent (electronically or otherwise) to the referring agency and the funding agency.

- If the rejection is based on a criminal background check obtained from a tenant screening agency, the Fair Chance Ordinance imposes additional notice requirements.

EXHIBIT I

Tenant Screening Criteria Policy

The screening criteria and considerations outlined below encourage providers to “screen in” rather than “screen out” applicants. These requirements are also designed to satisfy the requirements of San Francisco Police Code Article 49, Sections 4901-4920 or the Fair Chance Ordinance. This policy describes a minimum level of leniency; providers are encouraged to adopt less restrictive policies and processes whenever appropriate. For example, providers may opt not to review or consider applicant criminal records at all.

Screening Criteria

- Housing providers shall not automatically bar applicants who have a criminal record² in recognition of the fact that past offenses do not necessarily predict future behavior, and many applicants with a criminal record are unlikely to re-offend.
- Housing providers shall not consider:
 - arrests that did not result in convictions, except for an open arrest warrant;
 - convictions that have been expunged or dismissed under Cal. Penal Code § 1203.4 or 1203.4a;³
 - juvenile adjudications.
- Housing providers shall consider:
 - the individual circumstances of each applicant; and
 - the relationship between the offense, and
 - (1) the safety and security of other tenants, staff and/or the property; and
 - (2) mitigating circumstances such as those listed below.
 - only those offenses that occurred in the prior 7 years, except in exceptional situations, which must be documented and justified, such as where the housing provider staff is aware that the applicant engaged in violent criminal activity against staff, residents or community members and/or that the applicant intentionally submitted an application with materially false information regarding criminal activity.
 - mitigating factors, including, but not limited to:
 - (1) the seriousness of the offense;
 - (2) the age and/or circumstances of the applicant at the time of the offense;
 - (3) evidence of rehabilitation, such as employment, participation in a job training program, continuing education, participation in a drug or alcohol treatment program, or letters of support from a parole or probation officer, employer, teacher, social worker, medical professional, or community leader;

² The policy recognizes that some housing may be subject to mandatory laws that require the exclusion of an applicant based upon certain types of criminal activity.

³ The purpose of the statute is allow a petitioner to request a dismissal of the criminal accusations, a change in plea or setting aside of a verdict and to seek to have certain criminal records sealed or expunged and a release “from all penalties and disabilities resulting from the offense.”

- (4) if the offense is related to acts of domestic violence committed against the applicant;
- (5) if the offense was related to a person's disability.

EXHIBIT J
Reserved

EXHIBIT K
Reserved

EXHIBIT L
Insurance Requirements

Subject to approval by the City's Risk Manager of the insurers and policy forms, Borrower must obtain and maintain, or caused to be maintained, the insurance and bonds as set forth below from the date of this Agreement throughout the Compliance Term at no expense to the City:

1. **Liability Insurance.** Borrower must obtain and maintain, or cause its contractors, subcontractors, property managers and/or agents, as appropriate for each, to obtain and maintain, insurance and bonds as follows:

(a) to the extent Borrower or its contractors and subcontractors have “employees” as defined in the California Labor Code, workers' compensation insurance with employer's liability limits not less than One Million Dollars (\$1,000,000) each accident, injury or illness;

(b) commercial general liability insurance, with limits no less than Two Million Dollars (\$2,000,000) combined single limit per occurrence and Four Million Dollars (\$4,000,000) annual aggregate limit for bodily injury and property damage, including coverage for contractual liability; personal injury; fire damage legal liability; advertisers' liability; owners' and contractors' protective liability; products and completed operations; broad form property damage; and explosion, collapse and underground (XCU) coverage during any period in which Borrower is conducting any activity on, alteration or improvement to the Site with risk of explosions, collapse, or underground hazards;

(c) business automobile liability insurance, with limits not less than One Million Dollars (\$1,000,000) each occurrence, combined single limit for bodily injury and property damage, including owned, hired and non-owned auto coverage, as applicable;

(d) professional liability insurance of no less than Two Million Dollars (\$2,000,000) per claim and Four Million Dollars (\$4,000,000) annual aggregate limit covering all negligent acts, errors and omissions of Borrower's architects, engineers and surveyors. If the professional liability insurance provided by the architects, engineers, or surveyors is “Claims made” coverage, Borrower shall assure that these minimum limits are maintained for no less than three (3) years beyond completion of the constructions or remodeling. Any deductible over Fifty Thousand Dollars (\$50,000) each claim must be reviewed by Risk Management; and

(e) a crime policy or fidelity bond covering Borrower's officers and employees against dishonesty with respect to the Funds of no less than Seventy Five Thousand Dollars (\$75,000) each loss, with any deductible not to exceed Five Thousand Dollars (\$5,000) each loss, including the City as additional obligee or loss payee;

(f) as applicable, pollution liability and/or asbestos pollution liability covering the work being performed with a limit no less than Two Million Dollars (\$2,000,000)

per claim or occurrence and Two Million Dollars (\$2,000,000) annual aggregate per policy. This coverage shall be endorsed to include Non-Owned Disposal Site coverage. This policy may be provided by the Borrower's contractor, provided that the policy must be "claims made" coverage and Borrower must require Borrower's contractor to maintain these minimum limits for no less than three (3) years beyond completion of the construction or remodeling.

2. Property Insurance.

Borrower must maintain, or cause its contractors and property managers, as appropriate for each, to maintain, insurance and bonds as follows:

(a) Prior to construction:

(i) Property insurance, excluding earthquake and flood, in the amount no less than One Hundred Percent (100%) of the replacement value of all improvements prior to commencement of construction and City property in the care, custody and control of the Borrower or its contractor, including coverage in transit and storage off-site; the cost of debris removal and demolition as may be made reasonably necessary by such perils, resulting damage and any applicable law, ordinance or regulation; start up, testing and machinery breakdown including electrical arcing; and with a deductible not to exceed Ten Thousand Dollars (\$10,000) each loss, including the City and all subcontractors as loss payees.

(b) During the course of construction:

(i) Builder's risk insurance, special form coverage, excluding earthquake and flood, for one hundred percent (100%) of the replacement value of all completed improvements and City property in the care, custody and control of the Borrower or its contractor, including coverage in transit and storage off-site; the cost of debris removal and demolition as may be made reasonably necessary by such covered perils, resulting damage and any applicable law, ordinance or regulation; start up, testing and machinery breakdown including electrical arcing, copy of the applicable endorsement to the Builder's Risk policy, if the Builder's Risk policy is issued on a declared-project basis; and with a deductible not to exceed Ten Thousand Dollars (\$10,000) each loss, including the City and all subcontractors as loss payees.

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

(c) Upon completion of construction:

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

(ii) Boiler and machinery insurance, comprehensive form, covering damage to, loss or destruction of machinery and equipment located on the Site that is used by

Borrower for heating, ventilating, air-conditioning, power generation and similar purposes, in an amount not less than one hundred percent (100%) of the actual replacement value of such machinery and equipment with a deductible not to exceed Ten Thousand Dollars (\$10,000) each loss, including the City as loss payee.

The following notice is provided in accordance with the provisions of California Civil Code Section 2955.5: Under California law, no lender shall require a borrower, as a condition of receiving or maintaining a loan secured by real property, to provide hazard insurance coverage against risks to the improvements on that real property in an amount exceeding the replacement value of the improvements on the property.

3. General Requirements.

(a) General and automobile liability policies of Borrower, contractors, commercial tenants and property managers must include the City, including its Boards, commissions, officers, agents and employees, as an additional insured by endorsement acceptable to the City.

(b) All policies required by this Agreement must be endorsed to provide no less than thirty (30) days' written notice to the City before cancellation or intended non-renewal is effective. The endorsement must provide the City with the same rights as the named insured in the event of cancellation or intended non-renewal.

(c) With respect to any property insurance, Borrower hereby waives all rights of subrogation against the City to the extent of any loss covered by Borrower's insurance, except to the extent subrogation would affect the scope or validity of insurance.

(d) Approval of Borrower's insurance by the City will not relieve or decrease the liability of Borrower under this Agreement.

(e) Any and all insurance policies called for herein must contain a clause providing that the City and its officers, agents and employees will not be liable for any required premium.

(f) The City reserves the right to require an increase in insurance coverage in the event the City determines that conditions show cause for an increase, unless Borrower demonstrates to the City's satisfaction that the increased coverage is commercially unreasonable and unavailable to Borrower.

(g) All liability policies must provide that the insurance is primary to any other insurance available to the additional insureds with respect to claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought and that an act of omission of one of the named insureds that would void or otherwise reduce coverage will not void or reduce coverage as to any other insured, but the inclusion of more than one insured will not operate to increase the insurer's limit of liability.

(h) Any policy in a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs are included in the general annual aggregate limit must be in amounts that are double the occurrence or claims limits specified above.

(i) All claims based on acts, omissions, injury or damage occurring or arising in whole or in part during the policy period must be covered. If any required insurance is provided under a claims-made policy, coverage must be maintained continuously for a period ending no less than three (3) years after recordation of a notice of completion for builder's risk or the Compliance Term for general liability and property insurance.

(j) Borrower must provide the City with copies of endorsements for each required insurance policy and make each policy available for inspection and copying promptly upon request.

Exhibit M
MOHCD Residual Receipts Policy

Attached.

EXHIBIT M

Mayor's Office of Housing and Community Development
Residual Receipts Policy
Effective April 1, 2016

INTRODUCTION

The Mayor's Office of Housing and Community Development (MOHCD) typically requires annual payments under the Ground Leases and Loans provided for the purpose of developing or preserving affordable housing to the extent that making payments is feasible and does not jeopardize the long-term affordability or maintenance of safe and secure housing for its residents. Payments may be required under one or a combination of several structures, including amortization, deferral, or payment from residual receipts, depending on the circumstances.

When a development financed by MOHCD is projected to enjoy more income than is needed to pay expenses, service other debt, fully fund its reserves, and make approved payments out of surplus, it is MOHCD's policy that a portion of the remaining "residual" income be directed toward repayment of MOHCD's investment.

MOHCD also permits a modest portion of "residual" income to be distributed by the borrower. Distribution of any portion of "residual receipts" is conditioned on MOHCD's annual determination that certain performance standards and benchmarks have been met.

SUMMARY (see below for detailed requirements)

I. Definition of Residual Receipts	As depicted in the approved MOHCD Operating Budget Proforma for each project, the amount remaining in the annual operating budget after calculation of Net Operating Income (Project Income less Project Expenses) and allowable payments of surplus. .
II. Annual Residual Receipts Payments Due to MOHCD	Generally, $\frac{2}{3}$ rd s of residual receipts is payable to the City. Larger Tax Credit projects may be eligible to use an alternative $\frac{1}{2}$ - $\frac{1}{2}$ split for up the first 10 years of a new tax credit period, see the Developer Fee Policy for more details.
III. When more than one MOHCD contract requires residual payments	The approved MOHCD Operating Budget Proforma is a required exhibit to the last-executed MOHCD contract and must reflect a comprehensive summary of approved cash flow waterfall, listing of all lenders, relative lien positions, underlying loan terms and amounts owed to MOHCD annually across all MOHCD contracts.
IV. When a project has other Lenders in addition to MOHCD that require residual payments	The portion to be repaid to each Lender is typically determined by the proportional amount of capital funded under each loan. The approved MOHCD Operating Budget Proforma must include a list of all loans and details about projected amounts owed annually, including how the portion of residual receipts to be paid to each lender will be calculated, if not based on a proportional amount.
V. Conditions to Distribution of Residual Receipts to Borrower	Distribution of Residual Receipts may be made only upon: (1) MOHCD approval of Annual Monitoring Report; (2) determination by MOHCD that borrower is not in default; and (3) approval by MOHCD of amount of

	Distribution.
VI. Use of Residual Receipts Distributed to the Borrower	MOHCD strongly encourages borrowers to use distributions for activities in San Francisco that would be eligible uses under the CDBG Program Income rules (except to the extent that those rules may prohibit the use of funds for new construction).
VII. Uses of Project Income for Services and other Extraordinary Costs Associated with the Project	Any other use of the income derived from housing developed or preserved with MOHCD financing apart from ordinary and routine operating expenses, debt service or required reserves must be approved by the Loan Committee and the Mayor at the time MOHCD financing is committed and approved.
MOHCD Repayment Waiver Option	The repayment waiver option has been terminated.

I. Definition of Residual Receipts

- A. Residual Receipts is the amount remaining in the annual operating budget after calculation of Net Operating Income (Project Income less Project Expenses) and allowable payments from surplus.
- B. The project-specific Funding Agreements and/or Ground Leases define what Project Income entails and which Project Expenses are allowable. In general, the definition of allowable Project Expenses will include mandatory or “hard” debt service payments, minimum or Base Rent owed under a Ground or Land lease, and required annual payments into Reserve accounts. Each MOHCD contract will include a copy of the approved Operating Budget Proforma.
- C. When MOHCD requires repayments from Residual Receipts, the formula usually requires payment of a portion of the available Residual Receipts. The use of a proportional formula makes it is essential to clearly define which uses of surplus cash have been approved for payment prior to the calculation of the amount owed to MOHCD.
- D. The approved uses of any available surplus may also be referred to as the cash flow waterfall. The approved MOHCD Operating Budget Proforma is used to document the approved cash flow waterfall. In general, the following expenses may be a part of a cash flow waterfall:
 - 1. Fees payable to the project, the GP, the LP or the parent entity
 - 2. Fees payable to project funders
 - 3. “Soft” debt repayments to lenders / lessors

Please see the City’s Developer Fee Policy and Operating Fees Policy for a list of allowable fees and any applicable limits.

- E. Limited Partnership Agreements may also provide a narrative summary of the cash flow waterfall. In the event that a Limited Partnership Agreements is found to be inconsistent with the MOHCD Funding Agreement and/or the approved MOHCD Operating Budget Proforma, the MOHCD documents shall control.

II. Annual Residual Receipts Payments due under MOHCD Ground Leases & Loans

Except as recommended by the Loan Committee and approved by the Mayor on a project by project basis, the portion to be paid to the City shall be $\frac{2}{3}$ rds of Residual Receipts. Larger Tax Credit projects may be eligible to use an alternative $\frac{1}{2}$ - $\frac{1}{2}$ split for up the first 10 years of a new tax credit period and the borrower's portion of Residual Receipts shall be considered payment of Deferred Developer Fee. See the Developer Fee Policy for more details.

Any residual receipts payments shall be applied toward the unpaid balance of MOHCD loan/s according to the terms in the Promissory Note and/or Funding Agreement, and toward the payments required under the MOHCD Ground Lease.

III. When more than one MOHCD contract requires residual payments:

Some projects supported by MOHCD may be governed by more than one MOHCD contract. The MOHCD Operating Budget Proforma provides a comprehensive summary of the approved cash flow waterfall, a listing of all lenders, the relative position of each lien, the amounts owed and the relevant repayment terms, and will also reflect the cumulative amount of repayments owed to MOHCD annually across all MOHCD contracts. Projects governed by more than one MOHCD contract that extend or initiate a MOHCD contract after the effective date of this policy will be required to get approval of a new MOHCD Operating Budget Proforma.

IV. When a project has other Lenders in addition to MOHCD that require residual payments

A. If any other project lenders besides MOHCD require repayment from residual receipts, the portion to be repaid to each Lender will typically be determined by the proportional amount of capital supplied under each loan. For example, if a project received a \$2 million loan from MOHCD and a \$3 million loan from another lender, MOHCD would receive $\frac{2}{5}$ ^{ths} of the amount available to be repaid, and the other lender would receive $\frac{3}{5}$ ^{ths} of the amount available to be repaid. The approved MOHCD Operating Budget Proforma must include a list of all Loans and provide an appropriate amount of detail about the projected amounts owed annually including details about how the portions to be paid to each lender will be calculated. If a project makes an agreement with any other lender/s after executing a MOHCD contract containing the final MOHCD-approved Operating Budget Proforma, prior to making any payments to such other lender/s, the project must request and be approved in writing to amend the MOHCD-approved Operating Budget Proforma to include the new lender/s.

B. During operations, MOHCD will require Residual Receipts payments using MOHCD's method of calculating surplus and any amounts owed to the MOHCD. If there is a difference in the amount calculated to be owed to any other lenders under another lender's repayment calculation method when compared to MOHCD method, then each lender will be paid according to its calculation, so long as doing so would not result in a reduction in the amount payable to MOHCD.

V. Conditions to Distribution of Residual Receipts to Borrower

A. Distribution of Residual Receipts to the borrower of a MOHCD loan, or lessee of a MOHCD ground lease, may be made only upon:

1. MOHCD approval of the Annual Monitoring Report submitted for that year; and
2. Determination by MOHCD that the borrower is not in default under terms of the Loan; and

3. Approval by MOHCD of the amount to be distributed.
- B. No distribution of Residual Receipts shall be made under any of the following circumstances:
1. When a written notice of default has been issued by any lender or investor and such default has not been cured; or
 2. When the City determines that the borrower or the borrower's management agent has failed to maintain the housing and its surroundings in a safe and sanitary manner in accordance with local health, building, and housing codes; or
 3. If any operating expense, including debt service on non-City loans remains unpaid; or
 4. If any required reserve account is not fully funded according to the terms of the MOHCD contract/s; or
 5. In the event of any other material failure to comply with the provisions of the MOHCD contract/s.

VI. Use of Residual Receipts Distributed to the Borrower

MOHCD strongly encourages borrowers to use the portion of Residual Receipts that is not applied toward repayment of MOHCD's loan or payment of residual rent under a MOHCD ground lease for activities in San Francisco that would be eligible uses under the CDBG Program Income rules (except to the extent that those rules may prohibit the use of funds for new construction).

VII. Uses of Project Income for Services and other Extraordinary Costs Associated with the Project

- A. With the exception of Residual Receipts retained by a borrower pursuant to this policy, any other use of the income derived from housing developed or preserved with MOHCD financing apart from ordinary and routine operating expenses, debt service or required reserves must be approved by the Loan Committee and the Mayor at the time MOHCD financing is committed and approved.
- B. The Loan Committee may approve variations of this policy on a project-specific basis, including the payment of costs associated with the provision of social, educational, vocational, counseling or other supportive services to residents either as a project expense or out of that portion of Residual Receipts that would otherwise be repaid to the City.

Exhibit N
Reserved.

Exhibit O
PASS Debt Service Coverage Certification

Attached.

EXHIBIT O
PASS Debt Service Coverage Certification

Project Name: _SFCLT Scattered Sites
 Project Owner: SFCLT TNFF Holdings LLC
 Project Sponsor: San Francisco Community Land Trust
 Total Units: 37
 Total Occupied Units: [37]
 Percentage Occupied: [100%]

INCOME		Total
Residential - Tenant Rents		[557,187]
Residential - Tenant Assistance Payments (Non-LOSP)		[90,372]
Residential - LOSP Tenant Assistance Payments		
Commercial Space		
Residential Parking		[3,000]
Miscellaneous Rent Income		
Supportive Services Income		
Interest Income - Project Operations		
Laundry and Vending		[2,080]
Tenant Charges		
Miscellaneous Residential Income		
Other Commercial Income		
Withdrawal from Capitalized Reserve (deposit to operating account)		
Other Income		
	Gross Potential Income	[652,639]
Vacancy Loss - Residential - Tenant Rents		[(57,799)]
Vacancy Loss - Residential - Tenant Assistance Payments		[(9,037)]
Vacancy Loss - Commercial		
	EFFECTIVE GROSS INCOME	[585,803]
OPERATING EXPENSES		
Management		
Management Fee		[47,952]
Asset Management Fee		[47,952]
	Sub-total	[95,904]
Salaries/Benefits		
Office Salaries		
Manager's Salary		[12,855]
Health Insurance and Other Benefits		

Other Salaries/Benefits		
Administrative Rent-Free Unit		[20,340]
	Sub-total	[33,195]
Administration		
Advertising and Marketing		
Office Expenses		[2,271]
Office Rent		
Legal Expense - Property		[3,342]
Audit Expense		[9,688]
Bookkeeping/Accounting Services		[5,292]
Bad Debts		[16,716]
Miscellaneous		
	Sub-total	[37,308]
Utilities		
Electricity		[4,911]
Water		[23,468]
Gas		[5,030]
Sewer		[11,268]
	Sub-total	[44,676]
Taxes and Licenses		
Real Estate Taxes		[25,307]
Payroll Taxes		[1,605]
Miscellaneous Taxes, Licenses and Permits		[688]
	Sub-total	[27,599]
Insurance		
Property and Liability Insurance		[17,996]
Fidelity Bond Insurance		
Worker's Compensation		[355]
Director's & Officers' Liability Insurance		
	Sub-total	[18,351]
Maintenance & Repair		
Payroll		[500]
Supplies		[200]
Contracts		[54,380]
Garbage and Trash Removal		[22,176]
Security Payroll/Contract		
HVAC Repairs and Maintenance		
Vehicle and Maintenance Equipment Operation and Repairs		
Miscellaneous Operating and Maintenance Expenses		[5,637]
	Sub-total	[82,894]

Supportive Services		
Commercial Expenses		
TOTAL OPERATING EXPENSES		[339,928]
Reserves/Ground Lease Base Rent/Bond Fees		
Ground Lease Base Rent		
Bond Monitoring Fee		[5,000]
Replacement Reserve Deposit		[13,400]
Operating Reserve Deposit		
Other Required Reserve 1 Deposit		
Other Required Reserve 2 Deposit		
Required Reserve Deposit/s, Commercial		
	Sub-total	[18,400]
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)		[358,328]
NET OPERATING INCOME (INCOME minus OP EXPENSES)		[227,475]
DEBT SERVICE/MUST PAY PAYMENTS		
Hard Debt - First Lender		[147,861]
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)		[49,905]
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)		
TOTAL HARD DEBT SERVICE		[197,766]
CASH FLOW (NOI minus DEBT SERVICE)		[29,709]
DEBT SERVICE COVERAGE RATIO		1.15

I certify that the information contained herein is true and accurate.

Authorized signatory: _____

Name: Luis Granados

Date: _____

Free Recording Requested Pursuant to
Government Code Section 27383

Recording requested by and
when recorded mail to:
City and County of San Francisco
Mayor's Office of Housing and Community Development
1 South Van Ness Avenue, 5th Floor
San Francisco, California 94103
Attn: Housing Loan Administrator
APN: Block: 6520 Lot: 007 & 008
Block: 1659 Lot: 023
Block: 3726 Lot: 074
Block: 0337 Lot: 007

-----Space Above This Line for Recorder's Use-----

2840-2848 Folsom Street
San Francisco, CA 94110
Assessor's Lots 007 & 008, Block 6520

4042-4048 Fulton Street
San Francisco, CA 94118
Assessor's Lot 023, Block 1659

568-570 Natoma Street
San Francisco, CA 94103
Assessor's Lot 074, Block 3726

308 Turk Street
San Francisco, CA 94102
Assessor's Lot 007, Block 0337

**AMENDED AND RESTATED
DECLARATION OF RESTRICTIONS**

(Property Address: 2840-2848 Folsom Street; 4042-4048 Fulton Street; 568-570 Natoma Street; 308 Turk Street)

THIS AMENDED AND RESTATED DECLARATION OF RESTRICTIONS
("Declaration") is made as of [Date], 2023, by **SFCLT TNFF HOLDINGS LLC**, a
California limited liability company ("**Borrower**"), in favor of the **CITY AND COUNTY**

OF SAN FRANCISCO, represented by the Mayor, acting by and through the Mayor's Office of Housing and Community Development (the “**City**”).

RECITALS

A. The City is making a loan (the “**Loan**”) to Borrower of 2016 General Obligation Bond (Series 2020C) funds, ERAF Housing Funds, and 2019 General Obligation Bond funds to finance costs associated with the acquisition, rehabilitation, and permanent financing of the real property described in **Exhibits A, B, C, and D** attached hereto and incorporated herein by reference (the “**Property**”) as low- to moderate-income housing (the “**Project**”). The Loan is evidenced by, among other documents, an Amended and Restated Loan Agreement between the City and Borrower dated as of the date of this Declaration, as it may be amended from time to time (the “**Agreement**”). The Agreement is incorporated by reference in this Declaration as though fully set forth in this Declaration. Definitions and rules of interpretation set forth in the Agreement apply to this Declaration.

B. Pursuant to the Agreement, Borrower has agreed to comply with certain affordability covenants and other use and occupancy restrictions (collectively, the “**Regulatory Obligations**”), commencing on the Agreement Date, and continuing for as long as the Project or any modification of the Project remains in existence, but in any event no event less than ninety-nine (99) years from the date the Deed of Trust is recorded in the Official Records (the “**Compliance Term**”), even if the Loan is repaid or otherwise satisfied or the Deed of Trust is reconveyed. Borrower’s covenants and agreements described in this Declaration are a material part of the consideration for the City in making the Loan, and without Borrower’s agreement to subject the Property to the Regulatory Obligations even after the Loan is satisfied, the City would be unwilling to make the Loan to Borrower.

AGREEMENT

Now, therefore, in consideration of the City's providing the Loan in accordance with the City Documents, Borrower agrees as follows:

1. Definitions. Any capitalized terms in this Declaration that are not defined herein shall have the meaning set forth in the Agreement. In the event of any conflict between the terms of this Declaration and the terms of the Agreement, the terms of the Agreement (including the following defined terms) shall control unless otherwise expressly stated. As used in this Declaration, the following words and phrases have the following meanings:

(a) “**Median Income**” means 100% median income as published annually by MOHCD, or a successor metric approved by MOHCD, derived in part from income limits determined by HUD for the San Francisco area, adjusted solely for household size, but not high housing cost area, also referred to as “Unadjusted Median Income”. MOHCD’s current publication is the “Maximum Income by Household Size derived from the Unadjusted Area Median Income for HUD Metro Fair Market Rent Area that Contains San Francisco.”

(b) “**Maximum Rent**” means the total amount for rent and utilities (with the maximum allowance for utilities determined by the San Francisco Housing Authority) charged to a Qualified Tenant that must be approved by MOHCD and may not exceed: (i) thirty percent (30%) of the applicable maximum income level for the Unit, adjusted for household size/unit type, as published annually by MOHCD, or a successor metric approved by MOHCD; or (ii) the tenant paid portion of the contract rent as determined by either (A) the San Francisco Housing Authority for Qualified Tenants holding Section 8 vouchers or certificates or (B) MOHCD for any other rent subsidy program. MOHCD’s current publication is the “Maximum Monthly Rent by Unit Type derived from the Unadjusted Area Median Income for HUD Metro Fair Market Rent Area that Contains San Francisco.”

(c) “**Qualified Tenant**” means a household occupying of the Project that has certified and been approved as earning no more than the maximum permissible annual income level allowed by the Agreement and that has entered into a lease with Borrower in a form approved by City.

(d) “**Rent**” means the monthly sum charged to Qualified Tenants for rent in accordance with this Declaration.

(e) “**Severely Rent Burdened**” means a Qualified Tenant household paying monthly Rent that is fifty percent (50%) or more of its gross monthly income (as shown on the Qualified Tenant’s income certification required by Section 5 and confirmed by MOHCD).

(f) “**Unit**” means any residential rental unit within the Project.

2. Regulatory Obligations. Borrower will comply with the Regulatory Obligations and this Declaration through the expiration of the Compliance Term, regardless of any reconveyance of the Deed of Trust.

3. Affordability and Restrictions.

(a) Restrictions. The Project may be occupied only by Qualified Tenants and their households. As provided in Section 7.2(b) of the Agreement, a Qualified Tenant may not be required to vacate the Unit due to subsequent rises in household income. Qualified Tenants must pay at least 20% of their gross household income towards Rent unless otherwise approved by MOHCD, provided that in no event shall any Qualified Tenant be required to pay Rent in excess of the lesser of (i) Maximum Rent, or (ii) 20% below the market rents of comparable units as approved by MOHCD, except as otherwise provided in Section 4(c).

(b) Rents Restrictions. Required Rents for the Units as of the Agreement Date shall be as follows:

2840-2848 Folsom Street:

Unit Number	Unit Size	Rent (monthly payments) as of the Agreement Date
2840	2BR	\$1,398
2840A	2BR	\$2,921
2842	2BR	\$1,398
2844	2BR	\$1,398
2846	2BR	\$2,947
2848	2BR	\$2,712

4042-4048 Fulton Street (& 1790 17th Street):

Unit Number	Unit Size	Rent (monthly payments) as of the Agreement Date
1790 17 th St	1BR	\$1,595
4042	1BR	\$800
4044	2BR	\$625
4046	2BR	\$1,770
4048	2BR	\$1,406
4042a	Studio	\$1,850

568-570 Natoma Street:

Unit Number	Unit Size	Rent (monthly payments) as of the Agreement Date
568A	1BR	vacant
568B	1BR	\$446
570C	1BR	\$2,033
570D	1BR	\$2,150

570	Studio	\$501
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308 Turk Street:

Unit Number	Unit Size	Rent (monthly payments) as of the Agreement Date
#1	Studio	\$1,206
#2	Studio	\$1,034
#3	Studio	\$1,301
#4	Studio	\$912
#5	Studio	\$973
#6	Studio	\$919
#7	Studio	\$1,247
#8	Studio	\$1,695
#9	Studio	\$1,217
#10	Studio	\$574
#11	Studio	\$1,695
#12	Studio	\$973
#13	Studio	\$956
#14	Studio	\$1,326
#15	Studio	\$2,061
#16	Studio	\$1,695
#17	Studio	\$1,073
#18	Studio	\$1,729
#19	Studio	\$1,102

#20	Studio	\$1,382
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(c) Vacancies after the Agreement Date. After the Agreement Date, the Rent for each Unit that becomes vacant shall be set at the amount necessary to bring the Project's combined average Rents for all Units as close as is possible to the amount calculated as 30% of 80% of Median Income, or other amount as approved by MOHCD.

4. Rent Adjustments and Restrictions. Rent for all Units shall be increased annually on the anniversary of the Agreement Date by the greater of: (x) the percentage change in annual operating expenses, up to a maximum of 3.5%; or (y) 2%, except as follows:

(a) Reserved

(b) Severely Rent Burdened Qualified Tenants. If the Rent increase described in this Section 4 results in any Qualified Tenant household becoming Severely Rent Burdened, Borrower is not required to increase the Rent of the Severely Rent Burdened Qualified Tenant until such time as the Qualified Tenant is no longer Severely Rent Burdened, provided that: (i) Borrower first demonstrates to the satisfaction of MOHCD, in MOHCD's sole discretion, that the Project maintains short- and long-term financial sustainability in the form of positive cash flow, adequately funded reserves, and other indicators as MOHCD may reasonably request; (ii) at each annual income recertification, the ability of all households to pay required rent increases will be reassessed, as will the Borrower cash flow, to ensure short- and long-term financial sustainability if Borrower elects not to impose the required annual Rent increase for any Severely Rent Burdened Qualified Tenant; and (iii) all Regulatory Obligations continue to be met. Similarly, if the circumstances described in this subsection are met, a Unit becomes vacant and a Qualified Tenant demonstrates to Borrower that it is Severely Rent Burdened, Borrower may reduce such Qualified Tenant's Rent to a level no lower than 40% of that Qualified Tenant's gross monthly income, thus resulting in a higher Rent that will be required for the vacant Unit. If more than one Qualified Tenant is eligible for such a Rent reduction, the reduction shall be equally distributed among such eligible Qualified Tenants.

(c) Recovery of Project Expenses. With the City's prior written approval, Rent increases for Units exceeding the amounts permitted under the first sentence of Section 4 may be permitted once annually in order to recover increases in approved Project Expenses, provided that: (i) in no event may single or aggregate Rent increases exceed ten percent (10%) per year unless such an increase is contemplated in a City-approved temporary relocation plan or is necessary due to the expiration of Section 8 or other rental subsidies; and (ii) Rents for each Unit may in no event exceed the lesser of (y) Maximum Rent, or (z) 20% below the market rents of comparable units as approved by MOHCD. The City's approval for such Rent increases under this subsection shall not be unreasonably withheld.

(d) Rent Subsidy Programs. For those households that hold rent subsidy vouchers, such as Section 8 and VASH, on an annual basis Borrower shall request and use best efforts to receive an increase in contract rent equivalent to the percentage change in Fair Market Rent or equivalent payment standard, whichever is greater. For any Qualified Tenant participating in a rent or operating subsidy program where the rent charged is calculated as a percentage of household income, adjustments to Rent charged may be made according to the rules of the relevant subsidy program, provided that the Qualified Tenant paid portion of Rent does not exceed the lesser of (i) Maximum Rent or (ii) 20% below the market rents of comparable units as approved by MOHCD. For any Qualified Tenant that becomes ineligible to continue participating in a rent or operating subsidy program, there is no limit on the increase in Rent charged as long as it does not exceed 30% of 120% Median Income.

(e) Recovery of Property Tax Increases. In addition to the Rent increases contemplated in this Section 4 and with the City's prior written approval, if a Qualified Tenant's household income exceeds eighty percent (80%) of California Median Income (as published by the California Department of Housing and Community Development) during occupancy of a Unit, Borrower may adjust the charges for Rent for such Qualified Tenant to absorb the amount of property taxes attributable to the Qualified Tenant's Unit as a result of the loss of the State of California's welfare exemption for low-income housing properties. The City may, in its sole discretion, require that Rent increases allowed under this subsection be implemented over a period of time in order to reduce the burden on an existing Qualified Tenant. Rents charged under this subsection may not exceed the lesser of: (i) Maximum Rent; (ii) 20% below the market rents of comparable units as approved by MOHCD; or (iii) 20% of its gross household income. The City's approval for such Rent increases shall not be unreasonably withheld. If such Qualified Tenant's household income subsequently decreases and the Unit becomes eligible for the California welfare property tax exemption, Borrower may reduce such Qualified Tenant's Rent by the amount of property tax savings attributable to the Qualified Tenant's Unit, as provided in Section 4(b).

(f) Excess Rent. If Borrower increases Rents or offers a vacant Unit for rent at a rate that exceeds the rules described in this Declaration, the resulting excess cash flow will be paid by Borrower to the Qualified Tenants who were overcharged, and Borrower's actions will constitute an Event of Default pursuant to Section 19 of the Agreement.

5. Certification.

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

(b) Each Qualified Tenant in the Project must recertify its household income to Borrower annually.

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

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

7. Remedies. During the Compliance Term the City may rely on the Deed of Trust and/or this Declaration, in the City's discretion, to enforce any of the City's rights under the City Documents.

8. Covenants Run with the Land. This Declaration and the Regulatory Obligations constitute covenants running with the land and bind successors and assigns of Borrower and any non-borrower owner of the Property. In the event that Borrower fails to comply with the Regulatory Obligations to the City's satisfaction, in its sole discretion, within thirty (30) days of Borrower's receipt of notice from the City to so comply, the City at its option may exercise any rights available at equity or in law, including, without limitation, institute an action for specific performance. Borrower shall pay the City's costs in connection with the City's enforcement of the terms of this Declaration, including, without limitation, the City's attorneys' fees and costs.

[signature follows]

Borrower has executed this Declaration as of the date first written above.

BORROWER:

SFCLT TNFF HOLDINGS LLC,
a California limited liability company

By: San Francisco Community Land Trust,
a California nonprofit public benefit corporation
Its: Sole Member and Manager

By: _____
Name: Saki Bailey
Title: Executive Director

ALL SIGNATURES MUST BE NOTARIZED

EXHIBIT A

Legal Description of the Property

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 a point on the Westerly line of Folsom Street, distant thereon 200 feet Southerly from the Southerly line of Twenty-fourth Street; running thence Southerly along said line of Folsom Street 50 feet; thence a right angle Westerly 122 feet and 6 inches; thence at a right angle Northerly 50 feet; thence a right angle Easterly 122 feet and 6 inches to the point of beginning.

Being a portion of Mission Block No. 172

APN: 6520-007 and 6520-008

Street Address:
2840-2848 Folsom Street
San Francisco, CA 94110

EXHIBIT B

Legal Description of the Property

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

Commencing at the point of intersection of the Easterly line of Seventeenth Ave., with the Northerly line of Fulton Street; running thence Northerly along said Easterly line of Seventeenth Avenue, 50 feet; thence at a right angle 66 feet; thence at a right angle Southerly 50 feet to the Northerly line of Fulton Street and thence at a right angle Westerly along said line of Fulton Street 66 feet to the point of commencement.

Being a portion of Outside Land Block No. 396.

Assessor's Lot 023; Block 1659

Street Address:
4042-4048 Fulton Street
San Francisco, CA 94118

EXHIBIT C

Legal Description of the Property

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 a point on the Northwesterly line of Natoma Street, distant thereon 225 feet Northeasterly from the Northeasterly line of 7th Street; running thence Northeasterly and along said line of Natoma Street 25 feet; thence at a right angle Northwesterly 75 feet; thence at a right angle Southwesterly 25 feet; and thence at a right angle Southeasterly 75 feet to the Northwesterly line of Natoma Street and the point of beginning.

BEING a portion of 100 Vara Block No. 394.

Assessor's Lot: 074; Block 3726

Street Address:
568-570 Natoma Street
San Francisco, CA 94103

EXHIBIT D

Legal Description of the Property

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

Commencing at a point on the Northerly line of Turk Street, distant thereon 37 feet and 6 inches Westerly from the Westerly line of Leavenworth Street; running thence Westerly and along said line of Turk Street 50 feet; thence at a right angle Northerly 137 feet and 6 inches; thence at a right angle Easterly 50 feet; thence at a right angle Southerly 137 feet and 6 inches to the point of commencement.

Being a portion of 50 Vara Block No. 285.

Assessor's Lot 007; Block 0337

Street Address:
308 Turk Street
San Francisco, CA 94102

**AMENDED AND RESTATED
SECURED PROMISSORY NOTE**
(Small Sites Program – SFCLT Scattered Sites)

Principal Amount: \$[13,764,836.00]

San Francisco, CA

Date: [_____], 2023

FOR VALUE RECEIVED, the undersigned, **SFCLT TNFF HOLDINGS LLC**, a California limited liability company ("**Maker**"), hereby promises to pay to the order of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, or holder (as the case may be, "**Holder**"), the principal sum of [Thirteen Million Seven Hundred Sixty-Four Thousand Eight Hundred Thirty-Six and No/100 Dollars ([13,764,836.00]) (the "**SSP Loan Amount**"), or so much of the SSP Loan Amount as may be disbursed from time to time pursuant to the Agreement described in Section 1 below, together with interest thereon, as provided in this Note.

1. Agreement. This Secured Promissory Note ("**Note**") is given under the terms of a Loan Agreement by and between Maker and Holder dated as of the date of this Note, as it may be amended from time to time (the "**Agreement**"), which Agreement is incorporated herein by reference. Maker's obligations under this Note and the Agreement are secured by that certain Deed Of Trust, Assignment Of Rents, Security Agreement And Fixture Filing (Small Sites Program) dated as of the date of this Note ("**SSP Deed of Trust**"), made by Maker for the benefit of Holder. Definitions and rules of interpretation set forth in the Agreement apply to this Note. In the event of any inconsistency between the Agreement and this Note, this Note will control.

2. Interest. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of three percent (3%) per annum, simple interest, from the date of the close of escrow through the date of full payment of all amounts owing under the City Documents. Interest will be calculated on the basis of actual days elapsed and a 360-day year, consisting of 12 months of 30 days each, which will result in higher interest charges than if a 365-day year were used.

3. Default Interest Rate. Upon the occurrence of an Event of Default under any City Document, interest will be deemed to have accrued on the outstanding principal balance of the SSP Loan at a compounded annual rate equal to the Prime Rate most recently announced by Bank of America, for the immediately preceding month, plus four percent (4%), which rate will automatically be reduced if it is higher than the rate an individual is permitted to legally charge, commencing on the date of the Event of Default through the earlier of: (x) the date on which the Event of Default is cured; or (y) the date on which all amounts due under the City Documents are paid to Holder. Maker acknowledges and agrees that the default interest that must be paid in the event of an Event of Default pursuant to this Section represents a reasonable sum considering all the circumstances existing on the date of this Note and represents a fair and reasonable estimate of the costs that will be sustained by Holder if Maker defaults. Maker further agrees that proof of actual damages would be costly and inconvenient and that default interest will be paid without prejudice to Holder's right to collect any other amounts to be paid or to exercise any of its other rights or remedies under any City Document.

4. Repayment of SSP Loan Amount.

4.1 Subject to Section 12.1 and Section 13.4 of the Agreement, Maker must make annual payments of principal and interest (each, a "**Payment**") in an amount equal to two-thirds of the Residual Receipts, if any, attributable to the prior calendar year, beginning on the first December 31st after the date that the SSP Deed of Trust is recorded in the Official Records, and continuing each December 31st thereafter up to and including the Maturity Date, as defined below (each, a "**Payment Date**"). All Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; (b) accrued and unpaid interest; and (c) reduction of the principal balance of the SSP Loan. The unpaid principal balance of the SSP Loan, together with all accrued and unpaid interest and unpaid costs and fees incurred, will be due and payable on the date that is the fortieth (40th) anniversary of the first day of the first full month following the date that the SSP Deed of Trust is recorded in the Official Records (the "**Maturity Date**"). Any Payment Date, including the Maturity Date, which falls on a weekend or holiday will be deemed to fall on the next succeeding business day.

4.2 Maker's obligation to pay interest annually is contingent on and limited to the amount of available Residual Receipts on each Payment Date. Interest not paid as of each Payment Date due to lack of available Residual Receipts may be forgiven, subject to MOHCD's approval following a timely submission of audited financials and AMR reporting requirements.

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

6. Terms of Payment.

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

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

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

6.4 Maker waives the right to designate how Payments will be applied pursuant to California Civil Code Sections 1479 and 2822. Holder will have the right in its sole discretion to determine the order and method of application of Payments to obligations under this Note as set forth in Section 4.1 of this Note.

6.5 Except as otherwise set forth in this Note or in the Agreement, no prepayment of this Note shall be permitted without Holder's prior written consent, which may be given or withheld in Holder's sole discretion.

7. Default.

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

(a) Maker fails to make any Payment required under this Note within ten (10) days of the date it is due; or

(b) the occurrence of any other Event of Default under the Agreement or other instrument securing the obligations of Maker under this Note or under any other agreement between Maker and Holder with respect to the Project, including without limitation, the Market Rate Note, the BMR Note, and the Deferred Note.

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

8. Waivers.

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

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

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

9. Miscellaneous Provisions.

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

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

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

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

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

[signature follows]

"MAKER"

SFCLT TNFF HOLDINGS LLC,
a California limited liability company

By: San Francisco Community Land Trust,
a California nonprofit public benefit corporation
Its: Sole Member and Manager

By: _____
Name: Saki Bailey
Title: Executive Director

SECURED PROMISSORY NOTE

PASS – BMR Loan
(SFCLT Scattered Sites)

Principal Amount: \$[1,657,824.00]

San Francisco, CA

Date: [_____], 2023

FOR VALUE RECEIVED, the undersigned, **SFCLT TNFF HOLDINGS LLC**, a California limited liability company (“**Maker**”), hereby promises to pay to the order of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, or holder (as the case may be, “**Holder**”), the principal sum of [One Million Six Hundred Fifty-Seven Thousand Eight Hundred Twenty-Four and No/100 Dollars] ([1,657,824.00]) (the “**BMR Loan Amount**”), or so much of the BMR Loan Amount as may be disbursed from time to time pursuant to the Agreement described in Section 1 below, together with interest thereon, as provided in this Note.

1. Agreement. This Secured Promissory Note (“**Note**”) is given under the terms of a Loan Agreement by and between Maker and Holder dated as of the date of this Note, as it may be amended from time to time (the “**Agreement**”), which Agreement is incorporated herein by reference. Maker's obligations under this Note and the Agreement are secured by that certain Deed Of Trust, Assignment Of Rents, Security Agreement And Fixture Filing (PASS Program) dated as of the date of this Note, made by Maker for the benefit of Holder (the “**PASS Deed of Trust**”). Definitions and rules of interpretation set forth in the Agreement apply to this Note. In the event of any inconsistency between the Agreement and this Note, this Note will control.

2. Interest. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of 0.95763% per annum from the date of the close of escrow through the date of full payment of all amounts owing under the City Documents. Interest will be compounded monthly and computed on the basis of a 360-day year consisting of 12 months of 30 days each, which will result in higher interest charges than if a 365-day year were used.

3. Default Interest Rate. Upon the occurrence of an Event of Default under any City Document, interest will be deemed to have accrued on the outstanding principal balance of the BMR Loan at a compounded annual rate equal to the Prime Rate most recently announced by Bank of America, for the immediately preceding month, plus four percent (4%), which rate will automatically be reduced if it is higher than the rate an individual is permitted to legally charge, commencing on the date of the Event of Default through the earlier of: (x) the date on which the Event of Default is cured; or (y) the date on which all amounts due under the City Documents are paid to Holder. Maker acknowledges and agrees that the default interest that must be paid in the event of an Event of Default pursuant to this Section represents a reasonable sum considering all the circumstances existing on the date of this Note and represents a fair and reasonable estimate of the costs that will be sustained by Holder if Maker defaults. Maker further agrees that proof of actual damages would be costly and inconvenient and that default interest will be paid without prejudice to Holder's right to collect any other amounts to be paid or to exercise any of its other rights or remedies under any City Document.

4. Repayment of BMR Loan Amount. Maker must make payments of principal and interest in monthly installments (each, a “Payment”) equal to the amount specified by the amortization schedule attached as **Exhibit A**. All Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; (b) accrued and unpaid interest; and (c) reduction of the principal balance of the BMR Loan. The unpaid principal balance of the BMR Loan, together with accrued and unpaid interest and unpaid fees and costs incurred, will be due and payable on the date that is the fortieth (40th) anniversary of the First Payment Date as defined in Section 6.5 (the “Maturity Date”). Any Payment Date, including the Maturity Date, that falls on a weekend or holiday will be deemed to fall on the next succeeding business day.

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

6. Terms of Payment.

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

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

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

6.4 Maker waives the right to designate how Payments will be applied pursuant to California Civil Code Sections 1479 and 2822. Holder will have the right in its sole discretion to determine the order and method of application of Payments to obligations under this Note as set forth in Section 4 of this Note.

6.5 No prepayment of this Note shall be permitted except as otherwise set forth in this Note or in the Agreement. This Note may be prepaid on or after the tenth anniversary of the first day of the first full month following the date that the PASS Deed of Trust is recorded in the Official Records (the “First Payment Date”). On or after the tenth anniversary of the First Payment Date, the BMR Loan may be prepaid, in whole but not in part, and the Maker shall be required to pay a premium of: (i) 2% of the total amount being prepaid if the BMR Loan is prepaid prior to the eleventh anniversary of the First Payment Date; (ii) 1% of the total amount being prepaid if the BMR Loan is prepaid on or after the eleventh anniversary of the First Payment Date and prior to the twelfth anniversary of the First Payment Date; or (iii) no prepayment premium if the BMR Loan is prepaid on or after the twelfth anniversary of the First Payment Date. The BMR Loan may not be prepaid unless the Deferred Loan and the Market Rate Loan, and in Holder’s sole discretion, the SSP Loan, are also all paid in full. Maker shall provide the Holder with at least thirty (30) days’ prior written notice of any intended prepayments. Maker shall be required to pay any premiums, and proportionate costs and expenses associated with the redemption of the Bonds which would result from a prepayment of the BMR Loan including, but not limited to, accrued interest on the Bonds from the date of such prepayment to the date of redemption of the Bonds.

6.6 To compensate Holder for continued monitoring of compliance with the Declaration of Restrictions and/or the Agreement after a prepayment in full of the BMR Loan, Maker shall pay to the Holder \$2,500 per year for each remaining year of the Compliance Term. In connection with a prepayment of the BMR Loan, in its sole discretion Holder may require Maker to prepay such annual monitoring fees through the end of the Compliance Term. In such event, the prepayment amount will be calculated as the present value of the stream of annual monitoring fee payments through the end of the Compliance Term discounted at a rate not to exceed 2%.

7. Default.

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

(a) Maker fails to make any Payment required under this Note within ten (10) days of the date it is due; or

(b) the occurrence of any other Event of Default under the Agreement or other instrument securing the obligations of Maker under this Note or under any other agreement between Maker and Holder with respect to the Project, including without limitation, the Market Rate Note, the Deferred Note, and the SSP Note.

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

8. Waivers.

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

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

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

9. Miscellaneous Provisions.

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

9.2 In the event of any legal proceedings arising from the enforcement of or a default under this Note or in any bankruptcy proceeding of Maker, the non-prevailing party

promises to pay all reasonable costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the proceeding, as provided in the Agreement.

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

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

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

[signature follows]

“MAKER”

SFCLT TNFF HOLDINGS LLC,
a California limited liability company

By: San Francisco Community Land Trust,
a California nonprofit public benefit corporation
Its: Sole Member and Manager

By: _____
Name: Saki Bailey
Title: Executive Director

EXHIBIT A

Amortization Schedule

Attached.

Project Name: SFCLT Scattered Sites
 Sponsor:

Loan Amount	1,657,824.00
Rate	0.95763%
Term	40
Amortization	40
Monthly Payment	4,158.78

BELOW MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest	Principal	Ending Balance
1	8/1/2023	1,657,824.00	4,158.78	1,322.98	2,835.80	1,654,988.20
2	9/1/2023	1,654,988.20	4,158.78	1,320.72	2,838.06	1,652,150.14
3	10/1/2023	1,652,150.14	4,158.78	1,318.46	2,840.32	1,649,309.82
4	11/1/2023	1,649,309.82	4,158.78	1,316.19	2,842.59	1,646,467.23
5	12/1/2023	1,646,467.23	4,158.78	1,313.92	2,844.86	1,643,622.37
6	1/1/2024	1,643,622.37	4,158.78	1,311.65	2,847.13	1,640,775.24
7	2/1/2024	1,640,775.24	4,158.78	1,309.38	2,849.40	1,637,925.84
8	3/1/2024	1,637,925.84	4,158.78	1,307.11	2,851.67	1,635,074.17
9	4/1/2024	1,635,074.17	4,158.78	1,304.83	2,853.95	1,632,220.22
10	5/1/2024	1,632,220.22	4,158.78	1,302.55	2,856.23	1,629,363.99
11	6/1/2024	1,629,363.99	4,158.78	1,300.27	2,858.51	1,626,505.48
12	7/1/2024	1,626,505.48	4,158.78	1,297.99	2,860.79	1,623,644.69
13	8/1/2024	1,623,644.69	4,158.78	1,295.71	2,863.07	1,620,781.62
14	9/1/2024	1,620,781.62	4,158.78	1,293.42	2,865.36	1,617,916.26
15	10/1/2024	1,617,916.26	4,158.78	1,291.14	2,867.64	1,615,048.62
16	11/1/2024	1,615,048.62	4,158.78	1,288.85	2,869.93	1,612,178.69
17	12/1/2024	1,612,178.69	4,158.78	1,286.56	2,872.22	1,609,306.47
18	1/1/2025	1,609,306.47	4,158.78	1,284.27	2,874.51	1,606,431.96
19	2/1/2025	1,606,431.96	4,158.78	1,281.97	2,876.81	1,603,555.15
20	3/1/2025	1,603,555.15	4,158.78	1,279.68	2,879.10	1,600,676.05
21	4/1/2025	1,600,676.05	4,158.78	1,277.38	2,881.40	1,597,794.65
22	5/1/2025	1,597,794.65	4,158.78	1,275.08	2,883.70	1,594,910.95
23	6/1/2025	1,594,910.95	4,158.78	1,272.78	2,886.00	1,592,024.95
24	7/1/2025	1,592,024.95	4,158.78	1,270.48	2,888.30	1,589,136.65
25	8/1/2025	1,589,136.65	4,158.78	1,268.17	2,890.61	1,586,246.04
26	9/1/2025	1,586,246.04	4,158.78	1,265.86	2,892.92	1,583,353.12
27	10/1/2025	1,583,353.12	4,158.78	1,263.56	2,895.22	1,580,457.90
28	11/1/2025	1,580,457.90	4,158.78	1,261.24	2,897.54	1,577,560.36
29	12/1/2025	1,577,560.36	4,158.78	1,258.93	2,899.85	1,574,660.51
30	1/1/2026	1,574,660.51	4,158.78	1,256.62	2,902.16	1,571,758.35
31	2/1/2026	1,571,758.35	4,158.78	1,254.30	2,904.48	1,568,853.87
32	3/1/2026	1,568,853.87	4,158.78	1,251.98	2,906.80	1,565,947.07
33	4/1/2026	1,565,947.07	4,158.78	1,249.66	2,909.12	1,563,037.95
34	5/1/2026	1,563,037.95	4,158.78	1,247.34	2,911.44	1,560,126.51
35	6/1/2026	1,560,126.51	4,158.78	1,245.02	2,913.76	1,557,212.75
36	7/1/2026	1,557,212.75	4,158.78	1,242.69	2,916.09	1,554,296.66
37	8/1/2026	1,554,296.66	4,158.78	1,240.37	2,918.41	1,551,378.25
38	9/1/2026	1,551,378.25	4,158.78	1,238.04	2,920.74	1,548,457.51
39	10/1/2026	1,548,457.51	4,158.78	1,235.71	2,923.07	1,545,534.44
40	11/1/2026	1,545,534.44	4,158.78	1,233.38	2,925.40	1,542,609.04
41	12/1/2026	1,542,609.04	4,158.78	1,231.04	2,927.74	1,539,681.30
42	1/1/2027	1,539,681.30	4,158.78	1,228.70	2,930.08	1,536,751.22
43	2/1/2027	1,536,751.22	4,158.78	1,226.37	2,932.41	1,533,818.81
44	3/1/2027	1,533,818.81	4,158.78	1,224.03	2,934.75	1,530,884.06
45	4/1/2027	1,530,884.06	4,158.78	1,221.68	2,937.10	1,527,946.96
46	5/1/2027	1,527,946.96	4,158.78	1,219.34	2,939.44	1,525,007.52
47	6/1/2027	1,525,007.52	4,158.78	1,216.99	2,941.79	1,522,065.73
48	7/1/2027	1,522,065.73	4,158.78	1,214.65	2,944.13	1,519,121.60
49	8/1/2027	1,519,121.60	4,158.78	1,212.30	2,946.48	1,516,175.12
50	9/1/2027	1,516,175.12	4,158.78	1,209.95	2,948.83	1,513,226.29
51	10/1/2027	1,513,226.29	4,158.78	1,207.59	2,951.19	1,510,275.10
52	11/1/2027	1,510,275.10	4,158.78	1,205.24	2,953.54	1,507,321.56
53	12/1/2027	1,507,321.56	4,158.78	1,202.88	2,955.90	1,504,365.66
54	1/1/2028	1,504,365.66	4,158.78	1,200.52	2,958.26	1,501,407.40
55	2/1/2028	1,501,407.40	4,158.78	1,198.16	2,960.62	1,498,446.78
56	3/1/2028	1,498,446.78	4,158.78	1,195.80	2,962.98	1,495,483.80
57	4/1/2028	1,495,483.80	4,158.78	1,193.43	2,965.35	1,492,518.45
58	5/1/2028	1,492,518.45	4,158.78	1,191.07	2,967.71	1,489,550.74
59	6/1/2028	1,489,550.74	4,158.78	1,188.70	2,970.08	1,486,580.66
60	7/1/2028	1,486,580.66	4,158.78	1,186.33	2,972.45	1,483,608.21
61	8/1/2028	1,483,608.21	4,158.78	1,183.96	2,974.82	1,480,633.39

BELOW MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest	Principal	Ending Balance
62	9/1/2028	1,480,633.39	4,158.78	1,181.58	2,977.20	1,477,656.19
63	10/1/2028	1,477,656.19	4,158.78	1,179.21	2,979.57	1,474,676.62
64	11/1/2028	1,474,676.62	4,158.78	1,176.83	2,981.95	1,471,694.67
65	12/1/2028	1,471,694.67	4,158.78	1,174.45	2,984.33	1,468,710.34
66	1/1/2029	1,468,710.34	4,158.78	1,172.07	2,986.71	1,465,723.63
67	2/1/2029	1,465,723.63	4,158.78	1,169.68	2,989.10	1,462,734.53
68	3/1/2029	1,462,734.53	4,158.78	1,167.30	2,991.48	1,459,743.05
69	4/1/2029	1,459,743.05	4,158.78	1,164.91	2,993.87	1,456,749.18
70	5/1/2029	1,456,749.18	4,158.78	1,162.52	2,996.26	1,453,752.92
71	6/1/2029	1,453,752.92	4,158.78	1,160.13	2,998.65	1,450,754.27
72	7/1/2029	1,450,754.27	4,158.78	1,157.74	3,001.04	1,447,753.23
73	8/1/2029	1,447,753.23	4,158.78	1,155.34	3,003.44	1,444,749.79
74	9/1/2029	1,444,749.79	4,158.78	1,152.95	3,005.83	1,441,743.96
75	10/1/2029	1,441,743.96	4,158.78	1,150.55	3,008.23	1,438,735.73
76	11/1/2029	1,438,735.73	4,158.78	1,148.15	3,010.63	1,435,725.10
77	12/1/2029	1,435,725.10	4,158.78	1,145.74	3,013.04	1,432,712.06
78	1/1/2030	1,432,712.06	4,158.78	1,143.34	3,015.44	1,429,696.62
79	2/1/2030	1,429,696.62	4,158.78	1,140.93	3,017.85	1,426,678.77
80	3/1/2030	1,426,678.77	4,158.78	1,138.53	3,020.25	1,423,658.52
81	4/1/2030	1,423,658.52	4,158.78	1,136.12	3,022.66	1,420,635.86
82	5/1/2030	1,420,635.86	4,158.78	1,133.70	3,025.08	1,417,610.78
83	6/1/2030	1,417,610.78	4,158.78	1,131.29	3,027.49	1,414,583.29
84	7/1/2030	1,414,583.29	4,158.78	1,128.87	3,029.91	1,411,553.38
85	8/1/2030	1,411,553.38	4,158.78	1,126.45	3,032.33	1,408,521.05
86	9/1/2030	1,408,521.05	4,158.78	1,124.04	3,034.74	1,405,486.31
87	10/1/2030	1,405,486.31	4,158.78	1,121.61	3,037.17	1,402,449.14
88	11/1/2030	1,402,449.14	4,158.78	1,119.19	3,039.59	1,399,409.55
89	12/1/2030	1,399,409.55	4,158.78	1,116.76	3,042.02	1,396,367.53
90	1/1/2031	1,396,367.53	4,158.78	1,114.34	3,044.44	1,393,323.09
91	2/1/2031	1,393,323.09	4,158.78	1,111.91	3,046.87	1,390,276.22
92	3/1/2031	1,390,276.22	4,158.78	1,109.48	3,049.30	1,387,226.92
93	4/1/2031	1,387,226.92	4,158.78	1,107.04	3,051.74	1,384,175.18
94	5/1/2031	1,384,175.18	4,158.78	1,104.61	3,054.17	1,381,121.01
95	6/1/2031	1,381,121.01	4,158.78	1,102.17	3,056.61	1,378,064.40
96	7/1/2031	1,378,064.40	4,158.78	1,099.73	3,059.05	1,375,005.35
97	8/1/2031	1,375,005.35	4,158.78	1,097.29	3,061.49	1,371,943.86
98	9/1/2031	1,371,943.86	4,158.78	1,094.85	3,063.93	1,368,879.93
99	10/1/2031	1,368,879.93	4,158.78	1,092.40	3,066.38	1,365,813.55
100	11/1/2031	1,365,813.55	4,158.78	1,089.95	3,068.83	1,362,744.72
101	12/1/2031	1,362,744.72	4,158.78	1,087.50	3,071.28	1,359,673.44
102	1/1/2032	1,359,673.44	4,158.78	1,085.05	3,073.73	1,356,599.71
103	2/1/2032	1,356,599.71	4,158.78	1,082.60	3,076.18	1,353,523.53
104	3/1/2032	1,353,523.53	4,158.78	1,080.15	3,078.63	1,350,444.90
105	4/1/2032	1,350,444.90	4,158.78	1,077.69	3,081.09	1,347,363.81
106	5/1/2032	1,347,363.81	4,158.78	1,075.23	3,083.55	1,344,280.26
107	6/1/2032	1,344,280.26	4,158.78	1,072.77	3,086.01	1,341,194.25
108	7/1/2032	1,341,194.25	4,158.78	1,070.31	3,088.47	1,338,105.78
109	8/1/2032	1,338,105.78	4,158.78	1,067.84	3,090.94	1,335,014.84
110	9/1/2032	1,335,014.84	4,158.78	1,065.38	3,093.40	1,331,921.44
111	10/1/2032	1,331,921.44	4,158.78	1,062.91	3,095.87	1,328,825.57
112	11/1/2032	1,328,825.57	4,158.78	1,060.44	3,098.34	1,325,727.23
113	12/1/2032	1,325,727.23	4,158.78	1,057.96	3,100.82	1,322,626.41
114	1/1/2033	1,322,626.41	4,158.78	1,055.49	3,103.29	1,319,523.12
115	2/1/2033	1,319,523.12	4,158.78	1,053.01	3,105.77	1,316,417.35
116	3/1/2033	1,316,417.35	4,158.78	1,050.53	3,108.25	1,313,309.10
117	4/1/2033	1,313,309.10	4,158.78	1,048.05	3,110.73	1,310,198.37
118	5/1/2033	1,310,198.37	4,158.78	1,045.57	3,113.21	1,307,085.16
119	6/1/2033	1,307,085.16	4,158.78	1,043.09	3,115.69	1,303,969.47
120	7/1/2033	1,303,969.47	4,158.78	1,040.60	3,118.18	1,300,851.29
121	8/1/2033	1,300,851.29	4,158.78	1,038.11	3,120.67	1,297,730.62
122	9/1/2033	1,297,730.62	4,158.78	1,035.62	3,123.16	1,294,607.46
123	10/1/2033	1,294,607.46	4,158.78	1,033.13	3,125.65	1,291,481.81
124	11/1/2033	1,291,481.81	4,158.78	1,030.63	3,128.15	1,288,353.66
125	12/1/2033	1,288,353.66	4,158.78	1,028.14	3,130.64	1,285,223.02
126	1/1/2034	1,285,223.02	4,158.78	1,025.64	3,133.14	1,282,089.88
127	2/1/2034	1,282,089.88	4,158.78	1,023.14	3,135.64	1,278,954.24
128	3/1/2034	1,278,954.24	4,158.78	1,020.64	3,138.14	1,275,816.10
129	4/1/2034	1,275,816.10	4,158.78	1,018.13	3,140.65	1,272,675.45
130	5/1/2034	1,272,675.45	4,158.78	1,015.63	3,143.15	1,269,532.30
131	6/1/2034	1,269,532.30	4,158.78	1,013.12	3,145.66	1,266,386.64

EXHIBIT A

BELOW MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest	Principal	Ending Balance
132	7/1/2034	1,266,386.64	4,158.78	1,010.61	3,148.17	1,263,238.47
133	8/1/2034	1,263,238.47	4,158.78	1,008.10	3,150.68	1,260,087.79
134	9/1/2034	1,260,087.79	4,158.78	1,005.58	3,153.20	1,256,934.59
135	10/1/2034	1,256,934.59	4,158.78	1,003.07	3,155.71	1,253,778.88
136	11/1/2034	1,253,778.88	4,158.78	1,000.55	3,158.23	1,250,620.65
137	12/1/2034	1,250,620.65	4,158.78	998.03	3,160.75	1,247,459.90
138	1/1/2035	1,247,459.90	4,158.78	995.50	3,163.28	1,244,296.62
139	2/1/2035	1,244,296.62	4,158.78	992.98	3,165.80	1,241,130.82
140	3/1/2035	1,241,130.82	4,158.78	990.45	3,168.33	1,237,962.49
141	4/1/2035	1,237,962.49	4,158.78	987.93	3,170.85	1,234,791.64
142	5/1/2035	1,234,791.64	4,158.78	985.39	3,173.39	1,231,618.25
143	6/1/2035	1,231,618.25	4,158.78	982.86	3,175.92	1,228,442.33
144	7/1/2035	1,228,442.33	4,158.78	980.33	3,178.45	1,225,263.88
145	8/1/2035	1,225,263.88	4,158.78	977.79	3,180.99	1,222,082.89
146	9/1/2035	1,222,082.89	4,158.78	975.25	3,183.53	1,218,899.36
147	10/1/2035	1,218,899.36	4,158.78	972.71	3,186.07	1,215,713.29
148	11/1/2035	1,215,713.29	4,158.78	970.17	3,188.61	1,212,524.68
149	12/1/2035	1,212,524.68	4,158.78	967.63	3,191.15	1,209,333.53
150	1/1/2036	1,209,333.53	4,158.78	965.08	3,193.70	1,206,139.83
151	2/1/2036	1,206,139.83	4,158.78	962.53	3,196.25	1,202,943.58
152	3/1/2036	1,202,943.58	4,158.78	959.98	3,198.80	1,199,744.78
153	4/1/2036	1,199,744.78	4,158.78	957.43	3,201.35	1,196,543.43
154	5/1/2036	1,196,543.43	4,158.78	954.87	3,203.91	1,193,339.52
155	6/1/2036	1,193,339.52	4,158.78	952.31	3,206.47	1,190,133.05
156	7/1/2036	1,190,133.05	4,158.78	949.76	3,209.02	1,186,924.03
157	8/1/2036	1,186,924.03	4,158.78	947.20	3,211.58	1,183,712.45
158	9/1/2036	1,183,712.45	4,158.78	944.63	3,214.15	1,180,498.30
159	10/1/2036	1,180,498.30	4,158.78	942.07	3,216.71	1,177,281.59
160	11/1/2036	1,177,281.59	4,158.78	939.50	3,219.28	1,174,062.31
161	12/1/2036	1,174,062.31	4,158.78	936.93	3,221.85	1,170,840.46
162	1/1/2037	1,170,840.46	4,158.78	934.36	3,224.42	1,167,616.04
163	2/1/2037	1,167,616.04	4,158.78	931.79	3,226.99	1,164,389.05
164	3/1/2037	1,164,389.05	4,158.78	929.21	3,229.57	1,161,159.48
165	4/1/2037	1,161,159.48	4,158.78	926.63	3,232.15	1,157,927.33
166	5/1/2037	1,157,927.33	4,158.78	924.05	3,234.73	1,154,692.60
167	6/1/2037	1,154,692.60	4,158.78	921.47	3,237.31	1,151,455.29
168	7/1/2037	1,151,455.29	4,158.78	918.89	3,239.89	1,148,215.40
169	8/1/2037	1,148,215.40	4,158.78	916.30	3,242.48	1,144,972.92
170	9/1/2037	1,144,972.92	4,158.78	913.72	3,245.06	1,141,727.86
171	10/1/2037	1,141,727.86	4,158.78	911.13	3,247.65	1,138,480.21
172	11/1/2037	1,138,480.21	4,158.78	908.54	3,250.24	1,135,229.97
173	12/1/2037	1,135,229.97	4,158.78	905.94	3,252.84	1,131,977.13
174	1/1/2038	1,131,977.13	4,158.78	903.35	3,255.43	1,128,721.70
175	2/1/2038	1,128,721.70	4,158.78	900.75	3,258.03	1,125,463.67
176	3/1/2038	1,125,463.67	4,158.78	898.15	3,260.63	1,122,203.04
177	4/1/2038	1,122,203.04	4,158.78	895.55	3,263.23	1,118,939.81
178	5/1/2038	1,118,939.81	4,158.78	892.94	3,265.84	1,115,673.97
179	6/1/2038	1,115,673.97	4,158.78	890.34	3,268.44	1,112,405.53
180	7/1/2038	1,112,405.53	4,158.78	887.73	3,271.05	1,109,134.48
181	8/1/2038	1,109,134.48	4,158.78	885.12	3,273.66	1,105,860.82
182	9/1/2038	1,105,860.82	4,158.78	882.50	3,276.28	1,102,584.54
183	10/1/2038	1,102,584.54	4,158.78	879.89	3,278.89	1,099,305.65
184	11/1/2038	1,099,305.65	4,158.78	877.27	3,281.51	1,096,024.14
185	12/1/2038	1,096,024.14	4,158.78	874.65	3,284.13	1,092,740.01
186	1/1/2039	1,092,740.01	4,158.78	872.03	3,286.75	1,089,453.26
187	2/1/2039	1,089,453.26	4,158.78	869.41	3,289.37	1,086,163.89
188	3/1/2039	1,086,163.89	4,158.78	866.79	3,291.99	1,082,871.90
189	4/1/2039	1,082,871.90	4,158.78	864.16	3,294.62	1,079,577.28
190	5/1/2039	1,079,577.28	4,158.78	861.53	3,297.25	1,076,280.03
191	6/1/2039	1,076,280.03	4,158.78	858.90	3,299.88	1,072,980.15
192	7/1/2039	1,072,980.15	4,158.78	856.26	3,302.52	1,069,677.63
193	8/1/2039	1,069,677.63	4,158.78	853.63	3,305.15	1,066,372.48
194	9/1/2039	1,066,372.48	4,158.78	850.99	3,307.79	1,063,064.69
195	10/1/2039	1,063,064.69	4,158.78	848.35	3,310.43	1,059,754.26
196	11/1/2039	1,059,754.26	4,158.78	845.71	3,313.07	1,056,441.19
197	12/1/2039	1,056,441.19	4,158.78	843.07	3,315.71	1,053,125.48
198	1/1/2040	1,053,125.48	4,158.78	840.42	3,318.36	1,049,807.12
199	2/1/2040	1,049,807.12	4,158.78	837.77	3,321.01	1,046,486.11
200	3/1/2040	1,046,486.11	4,158.78	835.12	3,323.66	1,043,162.45
201	4/1/2040	1,043,162.45	4,158.78	832.47	3,326.31	1,039,836.14

EXHIBIT A

BELOW MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest	Principal	Ending Balance
202	5/1/2040	1,039,836.14	4,158.78	829.82	3,328.96	1,036,507.18
203	6/1/2040	1,036,507.18	4,158.78	827.16	3,331.62	1,033,175.56
204	7/1/2040	1,033,175.56	4,158.78	824.50	3,334.28	1,029,841.28
205	8/1/2040	1,029,841.28	4,158.78	821.84	3,336.94	1,026,504.34
206	9/1/2040	1,026,504.34	4,158.78	819.18	3,339.60	1,023,164.74
207	10/1/2040	1,023,164.74	4,158.78	816.51	3,342.27	1,019,822.47
208	11/1/2040	1,019,822.47	4,158.78	813.84	3,344.94	1,016,477.53
209	12/1/2040	1,016,477.53	4,158.78	811.17	3,347.61	1,013,129.92
210	1/1/2041	1,013,129.92	4,158.78	808.50	3,350.28	1,009,779.64
211	2/1/2041	1,009,779.64	4,158.78	805.83	3,352.95	1,006,426.69
212	3/1/2041	1,006,426.69	4,158.78	803.15	3,355.63	1,003,071.06
213	4/1/2041	1,003,071.06	4,158.78	800.48	3,358.30	999,712.76
214	5/1/2041	999,712.76	4,158.78	797.80	3,360.98	996,351.78
215	6/1/2041	996,351.78	4,158.78	795.11	3,363.67	992,988.11
216	7/1/2041	992,988.11	4,158.78	792.43	3,366.35	989,621.76
217	8/1/2041	989,621.76	4,158.78	789.74	3,369.04	986,252.72
218	9/1/2041	986,252.72	4,158.78	787.05	3,371.73	982,880.99
219	10/1/2041	982,880.99	4,158.78	784.36	3,374.42	979,506.57
220	11/1/2041	979,506.57	4,158.78	781.67	3,377.11	976,129.46
221	12/1/2041	976,129.46	4,158.78	778.98	3,379.80	972,749.66
222	1/1/2042	972,749.66	4,158.78	776.28	3,382.50	969,367.16
223	2/1/2042	969,367.16	4,158.78	773.58	3,385.20	965,981.96
224	3/1/2042	965,981.96	4,158.78	770.88	3,387.90	962,594.06
225	4/1/2042	962,594.06	4,158.78	768.17	3,390.61	959,203.45
226	5/1/2042	959,203.45	4,158.78	765.47	3,393.31	955,810.14
227	6/1/2042	955,810.14	4,158.78	762.76	3,396.02	952,414.12
228	7/1/2042	952,414.12	4,158.78	760.05	3,398.73	949,015.39
229	8/1/2042	949,015.39	4,158.78	757.34	3,401.44	945,613.95
230	9/1/2042	945,613.95	4,158.78	754.62	3,404.16	942,209.79
231	10/1/2042	942,209.79	4,158.78	751.91	3,406.87	938,802.92
232	11/1/2042	938,802.92	4,158.78	749.19	3,409.59	935,393.33
233	12/1/2042	935,393.33	4,158.78	746.47	3,412.31	931,981.02
234	1/1/2043	931,981.02	4,158.78	743.74	3,415.04	928,565.98
235	2/1/2043	928,565.98	4,158.78	741.02	3,417.76	925,148.22
236	3/1/2043	925,148.22	4,158.78	738.29	3,420.49	921,727.73
237	4/1/2043	921,727.73	4,158.78	735.56	3,423.22	918,304.51
238	5/1/2043	918,304.51	4,158.78	732.83	3,425.95	914,878.56
239	6/1/2043	914,878.56	4,158.78	730.10	3,428.68	911,449.88
240	7/1/2043	911,449.88	4,158.78	727.36	3,431.42	908,018.46
241	8/1/2043	908,018.46	4,158.78	724.62	3,434.16	904,584.30
242	9/1/2043	904,584.30	4,158.78	721.88	3,436.90	901,147.40
243	10/1/2043	901,147.40	4,158.78	719.14	3,439.64	897,707.76
244	11/1/2043	897,707.76	4,158.78	716.39	3,442.39	894,265.37
245	12/1/2043	894,265.37	4,158.78	713.65	3,445.13	890,820.24
246	1/1/2044	890,820.24	4,158.78	710.90	3,447.88	887,372.36
247	2/1/2044	887,372.36	4,158.78	708.15	3,450.63	883,921.73
248	3/1/2044	883,921.73	4,158.78	705.39	3,453.39	880,468.34
249	4/1/2044	880,468.34	4,158.78	702.64	3,456.14	877,012.20
250	5/1/2044	877,012.20	4,158.78	699.88	3,458.90	873,553.30
251	6/1/2044	873,553.30	4,158.78	697.12	3,461.66	870,091.64
252	7/1/2044	870,091.64	4,158.78	694.35	3,464.43	866,627.21
253	8/1/2044	866,627.21	4,158.78	691.59	3,467.19	863,160.02
254	9/1/2044	863,160.02	4,158.78	688.82	3,469.96	859,690.06
255	10/1/2044	859,690.06	4,158.78	686.05	3,472.73	856,217.33
256	11/1/2044	856,217.33	4,158.78	683.28	3,475.50	852,741.83
257	12/1/2044	852,741.83	4,158.78	680.51	3,478.27	849,263.56
258	1/1/2045	849,263.56	4,158.78	677.73	3,481.05	845,782.51
259	2/1/2045	845,782.51	4,158.78	674.96	3,483.82	842,298.69
260	3/1/2045	842,298.69	4,158.78	672.18	3,486.60	838,812.09
261	4/1/2045	838,812.09	4,158.78	669.39	3,489.39	835,322.70
262	5/1/2045	835,322.70	4,158.78	666.61	3,492.17	831,830.53
263	6/1/2045	831,830.53	4,158.78	663.82	3,494.96	828,335.57
264	7/1/2045	828,335.57	4,158.78	661.03	3,497.75	824,837.82
265	8/1/2045	824,837.82	4,158.78	658.24	3,500.54	821,337.28
266	9/1/2045	821,337.28	4,158.78	655.45	3,503.33	817,833.95
267	10/1/2045	817,833.95	4,158.78	652.65	3,506.13	814,327.82
268	11/1/2045	814,327.82	4,158.78	649.85	3,508.93	810,818.89
269	12/1/2045	810,818.89	4,158.78	647.05	3,511.73	807,307.16
270	1/1/2046	807,307.16	4,158.78	644.25	3,514.53	803,792.63
271	2/1/2046	803,792.63	4,158.78	641.45	3,517.33	800,275.30

EXHIBIT A

BELOW MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest	Principal	Ending Balance
272	3/1/2046	800,275.30	4,158.78	638.64	3,520.14	796,755.16
273	4/1/2046	796,755.16	4,158.78	635.83	3,522.95	793,232.21
274	5/1/2046	793,232.21	4,158.78	633.02	3,525.76	789,706.45
275	6/1/2046	789,706.45	4,158.78	630.21	3,528.57	786,177.88
276	7/1/2046	786,177.88	4,158.78	627.39	3,531.39	782,646.49
277	8/1/2046	782,646.49	4,158.78	624.57	3,534.21	779,112.28
278	9/1/2046	779,112.28	4,158.78	621.75	3,537.03	775,575.25
279	10/1/2046	775,575.25	4,158.78	618.93	3,539.85	772,035.40
280	11/1/2046	772,035.40	4,158.78	616.10	3,542.68	768,492.72
281	12/1/2046	768,492.72	4,158.78	613.28	3,545.50	764,947.22
282	1/1/2047	764,947.22	4,158.78	610.45	3,548.33	761,398.89
283	2/1/2047	761,398.89	4,158.78	607.62	3,551.16	757,847.73
284	3/1/2047	757,847.73	4,158.78	604.78	3,554.00	754,293.73
285	4/1/2047	754,293.73	4,158.78	601.95	3,556.83	750,736.90
286	5/1/2047	750,736.90	4,158.78	599.11	3,559.67	747,177.23
287	6/1/2047	747,177.23	4,158.78	596.27	3,562.51	743,614.72
288	7/1/2047	743,614.72	4,158.78	593.42	3,565.36	740,049.36
289	8/1/2047	740,049.36	4,158.78	590.58	3,568.20	736,481.16
290	9/1/2047	736,481.16	4,158.78	587.73	3,571.05	732,910.11
291	10/1/2047	732,910.11	4,158.78	584.88	3,573.90	729,336.21
292	11/1/2047	729,336.21	4,158.78	582.03	3,576.75	725,759.46
293	12/1/2047	725,759.46	4,158.78	579.17	3,579.61	722,179.85
294	1/1/2048	722,179.85	4,158.78	576.32	3,582.46	718,597.39
295	2/1/2048	718,597.39	4,158.78	573.46	3,585.32	715,012.07
296	3/1/2048	715,012.07	4,158.78	570.60	3,588.18	711,423.89
297	4/1/2048	711,423.89	4,158.78	567.73	3,591.05	707,832.84
298	5/1/2048	707,832.84	4,158.78	564.87	3,593.91	704,238.93
299	6/1/2048	704,238.93	4,158.78	562.00	3,596.78	700,642.15
300	7/1/2048	700,642.15	4,158.78	559.13	3,599.65	697,042.50
301	8/1/2048	697,042.50	4,158.78	556.26	3,602.52	693,439.98
302	9/1/2048	693,439.98	4,158.78	553.38	3,605.40	689,834.58
303	10/1/2048	689,834.58	4,158.78	550.51	3,608.27	686,226.31
304	11/1/2048	686,226.31	4,158.78	547.63	3,611.15	682,615.16
305	12/1/2048	682,615.16	4,158.78	544.74	3,614.04	679,001.12
306	1/1/2049	679,001.12	4,158.78	541.86	3,616.92	675,384.20
307	2/1/2049	675,384.20	4,158.78	538.97	3,619.81	671,764.39
308	3/1/2049	671,764.39	4,158.78	536.08	3,622.70	668,141.69
309	4/1/2049	668,141.69	4,158.78	533.19	3,625.59	664,516.10
310	5/1/2049	664,516.10	4,158.78	530.30	3,628.48	660,887.62
311	6/1/2049	660,887.62	4,158.78	527.40	3,631.38	657,256.24
312	7/1/2049	657,256.24	4,158.78	524.51	3,634.27	653,621.97
313	8/1/2049	653,621.97	4,158.78	521.61	3,637.17	649,984.80
314	9/1/2049	649,984.80	4,158.78	518.70	3,640.08	646,344.72
315	10/1/2049	646,344.72	4,158.78	515.80	3,642.98	642,701.74
316	11/1/2049	642,701.74	4,158.78	512.89	3,645.89	639,055.85
317	12/1/2049	639,055.85	4,158.78	509.98	3,648.80	635,407.05
318	1/1/2050	635,407.05	4,158.78	507.07	3,651.71	631,755.34
319	2/1/2050	631,755.34	4,158.78	504.16	3,654.62	628,100.72
320	3/1/2050	628,100.72	4,158.78	501.24	3,657.54	624,443.18
321	4/1/2050	624,443.18	4,158.78	498.32	3,660.46	620,782.72
322	5/1/2050	620,782.72	4,158.78	495.40	3,663.38	617,119.34
323	6/1/2050	617,119.34	4,158.78	492.48	3,666.30	613,453.04
324	7/1/2050	613,453.04	4,158.78	489.55	3,669.23	609,783.81
325	8/1/2050	609,783.81	4,158.78	486.62	3,672.16	606,111.65
326	9/1/2050	606,111.65	4,158.78	483.69	3,675.09	602,436.56
327	10/1/2050	602,436.56	4,158.78	480.76	3,678.02	598,758.54
328	11/1/2050	598,758.54	4,158.78	477.82	3,680.96	595,077.58
329	12/1/2050	595,077.58	4,158.78	474.89	3,683.89	591,393.69
330	1/1/2051	591,393.69	4,158.78	471.95	3,686.83	587,706.86
331	2/1/2051	587,706.86	4,158.78	469.00	3,689.78	584,017.08
332	3/1/2051	584,017.08	4,158.78	466.06	3,692.72	580,324.36
333	4/1/2051	580,324.36	4,158.78	463.11	3,695.67	576,628.69
334	5/1/2051	576,628.69	4,158.78	460.16	3,698.62	572,930.07
335	6/1/2051	572,930.07	4,158.78	457.21	3,701.57	569,228.50
336	7/1/2051	569,228.50	4,158.78	454.26	3,704.52	565,523.98
337	8/1/2051	565,523.98	4,158.78	451.30	3,707.48	561,816.50
338	9/1/2051	561,816.50	4,158.78	448.34	3,710.44	558,106.06
339	10/1/2051	558,106.06	4,158.78	445.38	3,713.40	554,392.66
340	11/1/2051	554,392.66	4,158.78	442.42	3,716.36	550,676.30
341	12/1/2051	550,676.30	4,158.78	439.45	3,719.33	546,956.97

EXHIBIT A

BELOW MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest	Principal	Ending Balance
342	1/1/2052	546,956.97	4,158.78	436.49	3,722.29	543,234.68
343	2/1/2052	543,234.68	4,158.78	433.51	3,725.27	539,509.41
344	3/1/2052	539,509.41	4,158.78	430.54	3,728.24	535,781.17
345	4/1/2052	535,781.17	4,158.78	427.57	3,731.21	532,049.96
346	5/1/2052	532,049.96	4,158.78	424.59	3,734.19	528,315.77
347	6/1/2052	528,315.77	4,158.78	421.61	3,737.17	524,578.60
348	7/1/2052	524,578.60	4,158.78	418.63	3,740.15	520,838.45
349	8/1/2052	520,838.45	4,158.78	415.64	3,743.14	517,095.31
350	9/1/2052	517,095.31	4,158.78	412.65	3,746.13	513,349.18
351	10/1/2052	513,349.18	4,158.78	409.67	3,749.11	509,600.07
352	11/1/2052	509,600.07	4,158.78	406.67	3,752.11	505,847.96
353	12/1/2052	505,847.96	4,158.78	403.68	3,755.10	502,092.86
354	1/1/2053	502,092.86	4,158.78	400.68	3,758.10	498,334.76
355	2/1/2053	498,334.76	4,158.78	397.68	3,761.10	494,573.66
356	3/1/2053	494,573.66	4,158.78	394.68	3,764.10	490,809.56
357	4/1/2053	490,809.56	4,158.78	391.68	3,767.10	487,042.46
358	5/1/2053	487,042.46	4,158.78	388.67	3,770.11	483,272.35
359	6/1/2053	483,272.35	4,158.78	385.66	3,773.12	479,499.23
360	7/1/2053	479,499.23	4,158.78	382.65	3,776.13	475,723.10
361	8/1/2053	475,723.10	4,158.78	379.64	3,779.14	471,943.96
362	9/1/2053	471,943.96	4,158.78	376.62	3,782.16	468,161.80
363	10/1/2053	468,161.80	4,158.78	373.60	3,785.18	464,376.62
364	11/1/2053	464,376.62	4,158.78	370.58	3,788.20	460,588.42
365	12/1/2053	460,588.42	4,158.78	367.56	3,791.22	456,797.20
366	1/1/2054	456,797.20	4,158.78	364.54	3,794.24	453,002.96
367	2/1/2054	453,002.96	4,158.78	361.51	3,797.27	449,205.69
368	3/1/2054	449,205.69	4,158.78	358.48	3,800.30	445,405.39
369	4/1/2054	445,405.39	4,158.78	355.44	3,803.34	441,602.05
370	5/1/2054	441,602.05	4,158.78	352.41	3,806.37	437,795.68
371	6/1/2054	437,795.68	4,158.78	349.37	3,809.41	433,986.27
372	7/1/2054	433,986.27	4,158.78	346.33	3,812.45	430,173.82
373	8/1/2054	430,173.82	4,158.78	343.29	3,815.49	426,358.33
374	9/1/2054	426,358.33	4,158.78	340.24	3,818.54	422,539.79
375	10/1/2054	422,539.79	4,158.78	337.20	3,821.58	418,718.21
376	11/1/2054	418,718.21	4,158.78	334.15	3,824.63	414,893.58
377	12/1/2054	414,893.58	4,158.78	331.10	3,827.68	411,065.90
378	1/1/2055	411,065.90	4,158.78	328.04	3,830.74	407,235.16
379	2/1/2055	407,235.16	4,158.78	324.98	3,833.80	403,401.36
380	3/1/2055	403,401.36	4,158.78	321.92	3,836.86	399,564.50
381	4/1/2055	399,564.50	4,158.78	318.86	3,839.92	395,724.58
382	5/1/2055	395,724.58	4,158.78	315.80	3,842.98	391,881.60
383	6/1/2055	391,881.60	4,158.78	312.73	3,846.05	388,035.55
384	7/1/2055	388,035.55	4,158.78	309.66	3,849.12	384,186.43
385	8/1/2055	384,186.43	4,158.78	306.59	3,852.19	380,334.24
386	9/1/2055	380,334.24	4,158.78	303.52	3,855.26	376,478.98
387	10/1/2055	376,478.98	4,158.78	300.44	3,858.34	372,620.64
388	11/1/2055	372,620.64	4,158.78	297.36	3,861.42	368,759.22
389	12/1/2055	368,759.22	4,158.78	294.28	3,864.50	364,894.72
390	1/1/2056	364,894.72	4,158.78	291.20	3,867.58	361,027.14
391	2/1/2056	361,027.14	4,158.78	288.11	3,870.67	357,156.47
392	3/1/2056	357,156.47	4,158.78	285.02	3,873.76	353,282.71
393	4/1/2056	353,282.71	4,158.78	281.93	3,876.85	349,405.86
394	5/1/2056	349,405.86	4,158.78	278.83	3,879.95	345,525.91
395	6/1/2056	345,525.91	4,158.78	275.74	3,883.04	341,642.87
396	7/1/2056	341,642.87	4,158.78	272.64	3,886.14	337,756.73
397	8/1/2056	337,756.73	4,158.78	269.54	3,889.24	333,867.49
398	9/1/2056	333,867.49	4,158.78	266.43	3,892.35	329,975.14
399	10/1/2056	329,975.14	4,158.78	263.33	3,895.45	326,079.69
400	11/1/2056	326,079.69	4,158.78	260.22	3,898.56	322,181.13
401	12/1/2056	322,181.13	4,158.78	257.11	3,901.67	318,279.46
402	1/1/2057	318,279.46	4,158.78	253.99	3,904.79	314,374.67
403	2/1/2057	314,374.67	4,158.78	250.88	3,907.90	310,466.77
404	3/1/2057	310,466.77	4,158.78	247.76	3,911.02	306,555.75
405	4/1/2057	306,555.75	4,158.78	244.64	3,914.14	302,641.61
406	5/1/2057	302,641.61	4,158.78	241.52	3,917.26	298,724.35
407	6/1/2057	298,724.35	4,158.78	238.39	3,920.39	294,803.96
408	7/1/2057	294,803.96	4,158.78	235.26	3,923.52	290,880.44
409	8/1/2057	290,880.44	4,158.78	232.13	3,926.65	286,953.79
410	9/1/2057	286,953.79	4,158.78	229.00	3,929.78	283,024.01
411	10/1/2057	283,024.01	4,158.78	225.86	3,932.92	279,091.09

EXHIBIT A

BELOW MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest	Principal	Ending Balance
412	11/1/2057	279,091.09	4,158.78	222.72	3,936.06	275,155.03
413	12/1/2057	275,155.03	4,158.78	219.58	3,939.20	271,215.83
414	1/1/2058	271,215.83	4,158.78	216.44	3,942.34	267,273.49
415	2/1/2058	267,273.49	4,158.78	213.29	3,945.49	263,328.00
416	3/1/2058	263,328.00	4,158.78	210.14	3,948.64	259,379.36
417	4/1/2058	259,379.36	4,158.78	206.99	3,951.79	255,427.57
418	5/1/2058	255,427.57	4,158.78	203.84	3,954.94	251,472.63
419	6/1/2058	251,472.63	4,158.78	200.68	3,958.10	247,514.53
420	7/1/2058	247,514.53	4,158.78	197.52	3,961.26	243,553.27
421	8/1/2058	243,553.27	4,158.78	194.36	3,964.42	239,588.85
422	9/1/2058	239,588.85	4,158.78	191.20	3,967.58	235,621.27
423	10/1/2058	235,621.27	4,158.78	188.03	3,970.75	231,650.52
424	11/1/2058	231,650.52	4,158.78	184.86	3,973.92	227,676.60
425	12/1/2058	227,676.60	4,158.78	181.69	3,977.09	223,699.51
426	1/1/2059	223,699.51	4,158.78	178.52	3,980.26	219,719.25
427	2/1/2059	219,719.25	4,158.78	175.34	3,983.44	215,735.81
428	3/1/2059	215,735.81	4,158.78	172.16	3,986.62	211,749.19
429	4/1/2059	211,749.19	4,158.78	168.98	3,989.80	207,759.39
430	5/1/2059	207,759.39	4,158.78	165.80	3,992.98	203,766.41
431	6/1/2059	203,766.41	4,158.78	162.61	3,996.17	199,770.24
432	7/1/2059	199,770.24	4,158.78	159.42	3,999.36	195,770.88
433	8/1/2059	195,770.88	4,158.78	156.23	4,002.55	191,768.33
434	9/1/2059	191,768.33	4,158.78	153.04	4,005.74	187,762.59
435	10/1/2059	187,762.59	4,158.78	149.84	4,008.94	183,753.65
436	11/1/2059	183,753.65	4,158.78	146.64	4,012.14	179,741.51
437	12/1/2059	179,741.51	4,158.78	143.44	4,015.34	175,726.17
438	1/1/2060	175,726.17	4,158.78	140.23	4,018.55	171,707.62
439	2/1/2060	171,707.62	4,158.78	137.03	4,021.75	167,685.87
440	3/1/2060	167,685.87	4,158.78	133.82	4,024.96	163,660.91
441	4/1/2060	163,660.91	4,158.78	130.61	4,028.17	159,632.74
442	5/1/2060	159,632.74	4,158.78	127.39	4,031.39	155,601.35
443	6/1/2060	155,601.35	4,158.78	124.17	4,034.61	151,566.74
444	7/1/2060	151,566.74	4,158.78	120.95	4,037.83	147,528.91
445	8/1/2060	147,528.91	4,158.78	117.73	4,041.05	143,487.86
446	9/1/2060	143,487.86	4,158.78	114.51	4,044.27	139,443.59
447	10/1/2060	139,443.59	4,158.78	111.28	4,047.50	135,396.09
448	11/1/2060	135,396.09	4,158.78	108.05	4,050.73	131,345.36
449	12/1/2060	131,345.36	4,158.78	104.82	4,053.96	127,291.40
450	1/1/2061	127,291.40	4,158.78	101.58	4,057.20	123,234.20
451	2/1/2061	123,234.20	4,158.78	98.34	4,060.44	119,173.76
452	3/1/2061	119,173.76	4,158.78	95.10	4,063.68	115,110.08
453	4/1/2061	115,110.08	4,158.78	91.86	4,066.92	111,043.16
454	5/1/2061	111,043.16	4,158.78	88.62	4,070.16	106,973.00
455	6/1/2061	106,973.00	4,158.78	85.37	4,073.41	102,899.59
456	7/1/2061	102,899.59	4,158.78	82.12	4,076.66	98,822.93
457	8/1/2061	98,822.93	4,158.78	78.86	4,079.92	94,743.01
458	9/1/2061	94,743.01	4,158.78	75.61	4,083.17	90,659.84
459	10/1/2061	90,659.84	4,158.78	72.35	4,086.43	86,573.41
460	11/1/2061	86,573.41	4,158.78	69.09	4,089.69	82,483.72
461	12/1/2061	82,483.72	4,158.78	65.82	4,092.96	78,390.76
462	1/1/2062	78,390.76	4,158.78	62.56	4,096.22	74,294.54
463	2/1/2062	74,294.54	4,158.78	59.29	4,099.49	70,195.05
464	3/1/2062	70,195.05	4,158.78	56.02	4,102.76	66,092.29
465	4/1/2062	66,092.29	4,158.78	52.74	4,106.04	61,986.25
466	5/1/2062	61,986.25	4,158.78	49.47	4,109.31	57,876.94
467	6/1/2062	57,876.94	4,158.78	46.19	4,112.59	53,764.35
468	7/1/2062	53,764.35	4,158.78	42.91	4,115.87	49,648.48
469	8/1/2062	49,648.48	4,158.78	39.62	4,119.16	45,529.32
470	9/1/2062	45,529.32	4,158.78	36.33	4,122.45	41,406.87
471	10/1/2062	41,406.87	4,158.78	33.04	4,125.74	37,281.13
472	11/1/2062	37,281.13	4,158.78	29.75	4,129.03	33,152.10
473	12/1/2062	33,152.10	4,158.78	26.46	4,132.32	29,019.78
474	1/1/2063	29,019.78	4,158.78	23.16	4,135.62	24,884.16
475	2/1/2063	24,884.16	4,158.78	19.86	4,138.92	20,745.24
476	3/1/2063	20,745.24	4,158.78	16.56	4,142.22	16,603.02
477	4/1/2063	16,603.02	4,158.78	13.25	4,145.53	12,457.49
478	5/1/2063	12,457.49	4,158.78	9.94	4,148.84	8,308.65
479	6/1/2063	8,308.65	4,158.78	6.63	4,152.15	4,156.50
480	7/1/2063	4,156.50	4,159.82	3.32	4,156.50	-

SECURED PROMISSORY NOTE

PASS – Deferred Loan
(SFCLT Scattered Sites)

Principal Amount: \$[271,370.00]

San Francisco, CA

Date: [_____], 2023

FOR VALUE RECEIVED, the undersigned, **SFCLT TNFF HOLDINGS LLC**, a California limited liability company (“**Maker**”), hereby promises to pay to the order of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, or holder (as the case may be, “**Holder**”), the principal sum of [Two Hundred Seventy-One Thousand Three Hundred Seventy and No/100 Dollars] ([\$271,370.00]) (the “**Deferred Loan Amount**”), or so much of the Deferred Loan Amount as may be disbursed from time to time pursuant to the Agreement described in Section 1 below, together with interest thereon, as provided in this Note.

1. Agreement. This Secured Promissory Note (“**Note**”) is given under the terms of a Loan Agreement by and between Maker and Holder dated as of the date of this Note, as it may be amended from time to time (the “**Agreement**”), which Agreement is incorporated herein by reference. Maker's obligations under this Note and the Agreement are secured by that certain Deed Of Trust, Assignment Of Rents, Security Agreement And Fixture Filing (PASS Program) dated as of the date of this Note, made by Maker for the benefit of Holder (the “**PASS Deed of Trust**”). Definitions and rules of interpretation set forth in the Agreement apply to this Note. In the event of any inconsistency between the Agreement and this Note, this Note will control.

2. Interest. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of 0.95763% per annum, from the date of the close of escrow through the date of full payment of all amounts owing under the City Documents. Interest will be compounded monthly and computed on the basis of a 360-day year consisting of 12 months of 30 days each, which will result in higher interest charges than if a 365-day year were used.

3. Default Interest Rate. Upon the occurrence of an Event of Default under any City Document, interest will be deemed to have accrued on the outstanding principal balance of the Deferred Loan at a compounded annual rate equal to the Prime Rate most recently announced by Bank of America, for the immediately preceding month, plus four percent (4%), which rate will automatically be reduced if it is higher than the rate an individual is permitted to legally charge, commencing on the date of the Event of Default through the earlier of: (x) the date on which the Event of Default is cured; or (y) the date on which all amounts due under the City Documents are paid to Holder. Maker acknowledges and agrees that the default interest that must be paid in the event of an Event of Default pursuant to this Section represents a reasonable sum considering all the circumstances existing on the date of this Note and represents a fair and reasonable estimate of the costs that will be sustained by Holder if Maker defaults. Maker further agrees that proof of actual damages would be costly and inconvenient and that default interest will be paid without prejudice to Holder's right to collect any other amounts to be paid or to exercise any of its other rights or remedies under any City Document.

4. Repayment of Deferred Loan Amount. Provided that no uncured Event of Default exists under any City Document, the entire principal balance of the Deferred Loan, together with

all interest and unpaid fees and costs incurred (all together, the "Payment"), will be due and payable on the date that is the fortieth (40th) anniversary of the First Month Date as defined in Section 6.5 (the "Maturity Date"). If the Maturity Date falls on a weekend or holiday, it will be deemed to fall on the next succeeding business day. Any Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; (b) accrued and unpaid interest; and (c) reduction of the principal balance of the Deferred Loan.

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

6. Terms of Payment.

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

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

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

6.4 Maker waives the right to designate how Payments will be applied pursuant to California Civil Code Sections 1479 and 2822. Holder will have the right in its sole discretion to determine the order and method of application of Payments to obligations under this Note as set forth in Section 4 of this Note.

6.5 No prepayment of this Note shall be permitted except as otherwise set forth in this Note or in the Agreement. This Note may be prepaid on or after the tenth anniversary of the first day of the first full month following the date that the PASS Deed of Trust is recorded in the Official Records (the "First Month Date"). On or after the tenth anniversary of the First Month Date, the Deferred Loan may be prepaid, in whole but not in part, and Maker shall be required to pay a premium of: (i) 2% of the total amount being prepaid if the Deferred Loan is prepaid prior to the eleventh anniversary of the First Month Date; (ii) 1% of the total amount being prepaid if the Deferred Loan is prepaid on or after the eleventh anniversary of the First Month Date and prior to the twelfth anniversary of the First Month Date; or (iii) no prepayment premium if the Deferred Loan is prepaid on or after the twelfth anniversary of the First Month Date. The Deferred Loan may not be prepaid unless the Market Rate Loan and the BMR Loan, and, in Holder's sole discretion, the SSP Loan, are also all paid in full. Maker shall provide Holder with at least thirty (30) days' prior written notice of any intended prepayments. Maker shall be required to pay any premiums, and proportionate costs and expenses associated with the redemption of the Bonds which would result from prepayment of the Deferred Loan including, but not limited to, accrued interest on the Bonds from the date of such prepayment to the date of redemption of the Bonds.

7. Default.

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

(a) Maker fails to make any Payment required under this Note within ten (10) days of the date it is due; or

(b) the occurrence of any other Event of Default under the Agreement or other instrument securing the obligations of Maker under this Note or under any other agreement between Maker and Holder with respect to the Project, including without limitation, the Market Rate Note, the BMR Note, and the SSP Note.

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

8. Waivers.

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

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

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

9. Miscellaneous Provisions.

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

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

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

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

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

[signature follows]

“MAKER”

SFCLT TNFF HOLDINGS LLC,
a California limited liability company

By: San Francisco Community Land Trust,
a California nonprofit public benefit corporation
Its: Sole Member and Manager

By: _____
Name: Saki Bailey
Title: Executive Director

SECURED PROMISSORY NOTE

PASS – Market Rate Loan
(SFCLT Scattered Sites)

Principal Amount: \$[3,004,806.00]

San Francisco, CA

Date: [_____], 2023

FOR VALUE RECEIVED, the undersigned, **SFCLT TNFF HOLDINGS LLC**, a California limited liability company (“**Maker**”), hereby promises to pay to the order of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, or holder (as the case may be, “**Holder**”), the principal sum of [Three Million Four Thousand Eight Hundred Six and No/100 Dollars] ([3,004,806.00]) (the “**Market Rate Loan Amount**”), or so much of the Market Rate Loan Amount as may be disbursed from time to time pursuant to the Agreement described in Section 1 below, together with interest thereon, as provided in this Note.

1. Agreement. This Secured Promissory Note (“**Note**”) is given under the terms of a Loan Agreement by and between Maker and Holder dated as of the date of this Note, as it may be amended from time to time (the “**Agreement**”), which Agreement is incorporated herein by reference. Maker's obligations under this Note and the Agreement are secured by that certain Deed Of Trust, Assignment Of Rents, Security Agreement And Fixture Filing (PASS Program) dated as of the date of this Note, made by Maker for the benefit of Holder (the “**PASS Deed of Trust**”). Definitions and rules of interpretation set forth in the Agreement apply to this Note. In the event of any inconsistency between the Agreement and this Note, this Note will control.

2. Interest. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of 3.87289% per annum, from the date of the close of escrow through the date of full payment of all amounts owing under the City Documents. Interest will be compounded monthly and computed on the basis of a 360-day year consisting of 12 months of 30 days each, which will result in higher interest charges than if a 365-day year were used.

3. Default Interest Rate. Upon the occurrence of an Event of Default under any City Document, interest will be deemed to have accrued on the outstanding principal balance of the Market Rate Loan at a compounded annual rate equal to the Prime Rate most recently announced by Bank of America for the immediately preceding month, plus four percent (4%), which rate will automatically be reduced if it is higher than the rate an individual is permitted to legally charge, commencing on the date of the Event of Default through the earlier of: (x) the date on which the Event of Default is cured; or (y) the date on which all amounts due under the City Documents are paid to Holder. Maker acknowledges and agrees that the default interest that must be paid in the event of an Event of Default pursuant to this Section represents a reasonable sum considering all the circumstances existing on the date of this Note and represents a fair and reasonable estimate of the costs that will be sustained by Holder if Maker defaults. Maker further agrees that proof of actual damages would be costly and inconvenient and that default interest will be paid without prejudice to Holder's right to collect any other amounts to be paid or to exercise any of its other rights or remedies under any City Document.

4. Repayment of Market Rate Loan Amount. Maker must make payments of principal and interest in monthly installments (each, a “**Payment**”) equal to the amount specified

by the amortization schedule attached as Exhibit A. All Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; (b) accrued and unpaid interest; and (c) reduction of the principal balance of the Market Rate Loan. The unpaid principal balance of the Market Rate Loan, together with accrued and unpaid interest and unpaid fees and costs incurred, will be due and payable on the date that is the fortieth (40th) anniversary of the First Payment Date as defined in Section 6.5 (the "Maturity Date"). Any Payment Date, including the Maturity Date, that falls on a weekend or holiday will be deemed to fall on the next succeeding business day.

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

6. Terms of Payment.

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

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

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

6.4 Maker waives the right to designate how Payments will be applied pursuant to California Civil Code Sections 1479 and 2822. Holder will have the right in its sole discretion to determine the order and method of application of Payments to obligations under this Note as set forth in Section 4 of this Note.

6.5 No prepayment of this Note shall be permitted except as otherwise set forth in this Note or in the Agreement. This Note may be prepaid on or after the tenth anniversary of the first day of the first full month following the date that the PASS Deed of Trust is recorded in the Official Records (the "First Payment Date"). On or after the tenth anniversary of the First Payment Date, the Market Rate Loan may be prepaid, in whole but not in part, and Maker shall be required to pay a premium of: (i) 2% of the total amount being prepaid if the Market Rate Loan is prepaid prior to the eleventh anniversary of the First Payment Date; (ii) 1% of the total amount being prepaid if the Market Rate Loan is prepaid on or after the eleventh anniversary of the First Payment Date and prior to the twelfth anniversary of the First Payment Date; or (iii) no prepayment premium if the Market Rate Loan is prepaid on or after the twelfth anniversary of the First Payment Date. The Market Rate Loan may not be prepaid unless the Deferred Loan and the BMR Loan, and in Holder's sole discretion, the SSP Loan, are also all paid in full. Maker shall provide Holder with at least thirty (30) days' prior written notice of any intended prepayments. Maker shall be required to pay any premiums, and proportionate costs and expenses associated with the redemption of the Bonds which would result from a prepayment of the Market Rate Loan including, but not limited to, accrued interest on the Bonds from the date of such prepayment to the date of redemption of the Bonds.

7. Default.

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

(a) Maker fails to make any Payment required under this Note within ten (10) days of the date it is due; or

(b) the occurrence of any other Event of Default under the Agreement or other instrument securing the obligations of Maker under this Note or under any other agreement between Maker and Holder with respect to the Project, including without limitation, the SSP Note, the Deferred Note, and the BMR Note.

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

8. Waivers.

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

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

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

9. Miscellaneous Provisions.

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

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

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

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

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

[signature follows]

“MAKER”

SFCLT TNFF HOLDINGS LLC,
a California limited liability company

By: San Francisco Community Land Trust,
a California nonprofit public benefit corporation
Its: Sole Member and Manager

By: _____
Name: Saki Bailey
Title: Executive Director

EXHIBIT A

Amortization Schedule

Attached.

EXHIBIT A

MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest (Cost of Funds)	Interest (Admin Fees)	Principal	Ending Balance
424	11/1/2058	640,580.03	12,321.75	1,533.60	533.81	10,254.34	630,325.69
425	12/1/2058	630,325.69	12,321.75	1,509.05	525.27	10,287.43	620,038.26
426	1/1/2059	620,038.26	12,321.75	1,484.42	516.70	10,320.63	609,717.63
427	2/1/2059	609,717.63	12,321.75	1,459.71	508.10	10,353.94	599,363.69
428	3/1/2059	599,363.69	12,321.75	1,434.92	499.47	10,387.36	588,976.33
429	4/1/2059	588,976.33	12,321.75	1,410.05	490.82	10,420.88	578,555.45
430	5/1/2059	578,555.45	12,321.75	1,385.11	482.12	10,454.52	568,100.93
431	6/1/2059	568,100.93	12,321.75	1,360.08	473.41	10,488.26	557,612.67
432	7/1/2059	557,612.67	12,321.75	1,334.97	464.67	10,522.11	547,090.56
433	8/1/2059	547,090.56	12,321.75	1,309.78	455.90	10,556.07	536,534.49
434	9/1/2059	536,534.49	12,321.75	1,284.50	447.12	10,590.13	525,944.36
435	10/1/2059	525,944.36	12,321.75	1,259.15	438.29	10,624.31	515,320.05
436	11/1/2059	515,320.05	12,321.75	1,233.71	429.44	10,658.60	504,661.45
437	12/1/2059	504,661.45	12,321.75	1,208.20	420.55	10,693.00	493,968.45
438	1/1/2060	493,968.45	12,321.75	1,182.60	411.64	10,727.51	483,240.94
439	2/1/2060	483,240.94	12,321.75	1,156.92	402.70	10,762.13	472,478.81
440	3/1/2060	472,478.81	12,321.75	1,131.15	393.73	10,796.87	461,681.94
441	4/1/2060	461,681.94	12,321.75	1,105.30	384.74	10,831.71	450,850.23
442	5/1/2060	450,850.23	12,321.75	1,079.37	375.71	10,866.67	439,983.56
443	6/1/2060	439,983.56	12,321.75	1,053.35	366.66	10,901.74	429,081.82
444	7/1/2060	429,081.82	12,321.75	1,027.25	357.57	10,936.93	418,144.89
445	8/1/2060	418,144.89	12,321.75	1,001.07	348.45	10,972.23	407,172.66
446	9/1/2060	407,172.66	12,321.75	974.80	339.31	11,007.64	396,165.02
447	10/1/2060	396,165.02	12,321.75	948.45	330.14	11,043.16	385,121.86
448	11/1/2060	385,121.86	12,321.75	922.01	320.94	11,078.80	374,043.06
449	12/1/2060	374,043.06	12,321.75	895.49	311.70	11,114.56	362,928.50
450	1/1/2061	362,928.50	12,321.75	868.88	302.44	11,150.43	351,778.07
451	2/1/2061	351,778.07	12,321.75	842.18	293.15	11,186.42	340,591.65
452	3/1/2061	340,591.65	12,321.75	815.40	283.83	11,222.52	329,369.13
453	4/1/2061	329,369.13	12,321.75	788.53	274.48	11,258.74	318,110.39
454	5/1/2061	318,110.39	12,321.75	761.58	265.09	11,295.08	306,815.31
455	6/1/2061	306,815.31	12,321.75	734.54	255.68	11,331.53	295,483.78
456	7/1/2061	295,483.78	12,321.75	707.41	246.24	11,368.10	284,115.68
457	8/1/2061	284,115.68	12,321.75	680.19	236.77	11,404.79	272,710.89
458	9/1/2061	272,710.89	12,321.75	652.89	227.26	11,441.60	261,269.29
459	10/1/2061	261,269.29	12,321.75	625.50	217.72	11,478.53	249,790.76
460	11/1/2061	249,790.76	12,321.75	598.02	208.16	11,515.57	238,275.19
461	12/1/2061	238,275.19	12,321.75	570.45	198.56	11,552.74	226,722.45
462	1/1/2062	226,722.45	12,321.75	542.79	188.94	11,590.02	215,132.43
463	2/1/2062	215,132.43	12,321.75	515.04	179.28	11,627.43	203,505.00
464	3/1/2062	203,505.00	12,321.75	487.21	169.58	11,664.96	191,840.04
465	4/1/2062	191,840.04	12,321.75	459.28	159.87	11,702.60	180,137.44
466	5/1/2062	180,137.44	12,321.75	431.26	150.12	11,740.37	168,397.07
467	6/1/2062	168,397.07	12,321.75	403.16	140.33	11,778.26	156,618.81
468	7/1/2062	156,618.81	12,321.75	374.96	130.51	11,816.28	144,802.53
469	8/1/2062	144,802.53	12,321.75	346.67	120.67	11,854.41	132,948.12
470	9/1/2062	132,948.12	12,321.75	318.29	110.79	11,892.67	121,055.45
471	10/1/2062	121,055.45	12,321.75	289.82	100.88	11,931.05	109,124.40
472	11/1/2062	109,124.40	12,321.75	261.25	90.94	11,969.56	97,154.84
473	12/1/2062	97,154.84	12,321.75	232.60	80.96	12,008.19	85,146.65
474	1/1/2063	85,146.65	12,321.75	203.85	70.95	12,046.95	73,099.70
475	2/1/2063	73,099.70	12,321.75	175.01	60.91	12,085.83	61,013.87
476	3/1/2063	61,013.87	12,321.75	146.07	50.85	12,124.83	48,889.04
477	4/1/2063	48,889.04	12,321.75	117.04	40.74	12,163.97	36,725.07
478	5/1/2063	36,725.07	12,321.75	87.92	30.61	12,203.22	24,521.85
479	6/1/2063	24,521.85	12,321.75	58.71	20.43	12,242.61	12,279.24
480	7/1/2063	12,279.24	12,318.87	29.40	10.23	12,279.24	-

Free Recording Requested Pursuant to
Government Code Sections 27383 and 27388.1

Recording requested by and when recorded, mail to:
Mayor's Office of Housing and Community Development
City and County of San Francisco
1 South Van Ness Avenue, 5th Floor
San Francisco, California 94103
Attn: Housing Loan Administrator
APN: Block: 6520 Lot: 007 & 008, Block: 6520
Block: 1659 Lot: 023
Block: 3726 Lot: 074
Block: 0337 Lot: 007

-----Space Above This Line for Recorder's Use-----

2840-2848 Folsom Street
San Francisco, CA 94110
Assessor's Lots 007 & 008, Block 6520

4042-4048 Fulton Street
San Francisco, CA 94118
Assessor's Lot 023, Block 1659

568-570 Natoma Street
San Francisco, CA 94103
Assessor's Lot 074, Block 3726

308 Turk Street
San Francisco, CA 94102
Assessor's Lot 007, Block 0337

**DEED OF TRUST, ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FIXTURE FILING**

(Property Address: 2840-2848 Folsom Street; 4042-4048 Fulton Street; 568-570 Natoma
Street; 308 Turk Street)
(Small Sites Program)

**THIS DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT
AND FIXTURE FILING** ("Deed of Trust") is made as of [Date], 2023, by **SFCLT TNFF
HOLDINGS LLC**, a California limited liability company ("Trustor"), whose address is 44
Page Street, Suite 401, San Francisco, CA 94102, to **OLD REPUBLIC TITLE COMPANY**
("Trustee"), whose address is 275 Battery Street, Suite 1500, San Francisco, CA 94111, for
the benefit of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation,
represented by the Mayor, acting through the Mayor's Office of Housing and Community
Development ("Beneficiary"). This Deed of Trust is executed pursuant to a Loan Agreement

by and between Trustor and Beneficiary dated as of the date of this Deed of Trust, as it may be amended from time to time (the "Agreement"), the provisions of which are incorporated herein by reference. Definitions and rules of interpretation set forth in the Agreement apply to this Deed of Trust. This Deed of Trust is unconditionally and shall at all times remain a lien or charge on the Property subject and subordinate to that certain Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing executed by Trustor and recorded against the Property to secure Trustor's performance under the Agreement, the Market Rate Note, the Below Market Rate Note, and the Deferred Note.

1. Grant in Trust. For valuable consideration, Trustor hereby grants, transfers and assigns to Trustee, in trust, with power of sale, for the benefit of Beneficiary, all right, title and interest Trustor now has or may have in the future in the following (all or any part of the following, or any interest in all or any part of it, as the context requires, the "Property"):

(a) that real property situated in the City and County of San Francisco, State of California, described in **Exhibits A, B, C, and D** attached hereto and incorporated herein by reference (the "Land"), on which Trustor owns and intends to rehabilitate four buildings, comprised of 36 total units of multifamily rental housing affordable to low- to moderate-income households under the City's Small Sites Program, located at 2840-2848 Folsom Street, 4042-4048 Fulton Street (& 1790 17th Avenue), 568-570 Natoma Street, and 308 Turk Street, and construct an accessory dwelling unit ("ADU") at 4042-4048 Fulton Street (& 1790 17th Avenue), which will collectively be known as SFCLT Scattered Sites (the "Project"); and

(b) all buildings, structures and other improvements now or in the future located or to be constructed on the Land (the "Improvements"); and

(c) all existing and future leases, subleases, tenancies, subtenancies, licenses, occupancy agreements and concessions, and any guarantees thereof ("Leases") relating to the use and enjoyment of all or any part of the Land and Improvements, and any and all guaranties and other agreements relating to or made in connection with any of the Leases; and

(d) except for personal property and removable fixtures installed by tenants or subtenants, all goods, materials, supplies, chattels, furniture, fixtures, equipment and machinery now or later to be attached to, placed in or on, or used in connection with the use, enjoyment, occupancy or operation of all or any part of the Land and Improvements, whether stored on the Land or elsewhere, including all pumping plants, engines, pipes, ditches and flumes, and also all gas, electric, cooking, heating, cooling, air conditioning, lighting, refrigeration and plumbing fixtures and equipment, all of which will be considered to the fullest extent of the law to be real property for purposes of this Deed of Trust; and

(e) all building materials, equipment, work in process or other personal property of any kind, whether stored on the Land or elsewhere, that have been or later will be acquired for the purpose of being delivered to, incorporated into or installed in or about the Land or Improvements; and

(f) all SSP Loan funds, whether disbursed or not, and all funds now or in the future on deposit in the Replacement Reserve Account, the Operating Reserve Account and any other account required or authorized for the Project; and

(g) all proceeds, including proceeds of all present and future fire, hazard or casualty insurance policies and all condemnation awards or payments now or later to be made by any public body or decree by any court of competent jurisdiction for any taking or in connection with any condemnation or eminent domain proceeding, and all causes of action and their proceeds for any damage or injury to the Land, Improvements or the other property described above or any part of them, or breach of warranty in connection with the construction of the Improvements; and

(h) all books and records pertaining to any and all of the property described above, including records relating to tenants under any Leases, the qualifications of any tenants and any certificates, vouchers and other documents in any way related thereto and records relating to the application and allocation of any federal, state or local tax credits or benefits; and

(i) all rents, revenues, issues, royalties, proceeds and profits, including prepaid rent and security deposits ("Rents"), from the Land and the Improvements, subject to: (i) Trustor's right to collect and retain the same as they become due and payable; and (ii) Beneficiary's rights under **Section 3(d)**; and

(j) all intangible personal property and rights relating to the Property or its operation or used in connection with it, including, without limitation, permits, licenses, plans, specifications, construction contracts, subcontracts, bids, soils reports, engineering reports, land planning maps, drawings, construction contracts, notes, drafts, documents, engineering and architectural drawings, deposits for utility services, installations, refunds due Trustor, trade names, trademarks, and service marks; and

(k) all proceeds of, interest accrued on, additions and accretions to, substitutions and replacements for, and changes in any of the property described above.

This Deed of Trust constitutes a security agreement under, and a fixture filing in accordance with, the California Uniform Commercial Code, as it may be amended from time to time. The filing of a financing statement pertaining to personal property may not be construed in any way as derogating from or impairing the lien of, or the rights or obligations of the parties under, this Deed of Trust.

2. Obligations Secured. This Deed of Trust is given for the purpose of securing the following (collectively, the "Secured Obligations"):

(a) performance of all present and future obligations of Trustor set forth in the Agreement related to the SSP Loan, specifically compliance with certain restrictions on the use of the Property recited in that certain Declaration of Restrictions executed by Trustor, dated as of the date of and being recorded concurrently with this Deed of Trust, as it may be amended from time to time, and the promissory note dated as of the date of this Deed of Trust made by Trustor to the order of Beneficiary (as it may be amended from time to time, the "SSP Note") and performance of each agreement incorporated by reference, contained therein, or entered into in connection with the Agreement;

(b) payment of the indebtedness evidenced by the Agreement and the SSP Note in the original principal amount of [Thirteen Million Seven Hundred Sixty-Four Thousand Eight Hundred Thirty-Six and No/100 Dollars] ([\$13,764,836.00]), with interest, according to the terms of the Agreement and the SSP Note; and

(c) payment of any additional sums Trustor may borrow or receive from Beneficiary, when evidenced by another note (or any other instrument) reciting that payment is secured by this Deed of Trust

3. Assignment of Rents.

(a) Assignment as Additional Security. Trustor hereby irrevocably grants, transfers, and assigns to Beneficiary all of its right, title, and interest in and to the Rents as additional security for the Secured Obligations. Subject to the provisions of subsection 3(d) below, Beneficiary hereby confers upon Trustor a license ("License") to collect and retain the Rents as they become due and payable, so long as no Event of Default exists and is continuing. If an Event of Default has occurred and is continuing, Beneficiary shall have the right, which it may choose to exercise in its sole discretion, to terminate this License without notice to or demand upon Trustor, and without regard to the adequacy of Beneficiary's security under this Deed of Trust.

(b) Collection and Application of Rents. Subject to the License granted to Trustor under subsection 3(a) above, Beneficiary has the right, power, and authority to collect any and all Rents. Subject to the License granted to Trustor under subsection 3(a) above, Trustor hereby appoints Beneficiary its attorney-in-fact to perform any and all of the following acts, if and at the times when Beneficiary in its sole discretion may so choose:

1. Demand, receive, and enforce payment of any and all Rents; or
2. Give receipts, releases, and satisfactions for any and all Rents; or
3. Sue either in the name of Trustor or in the name of Beneficiary for any and all Rents.

Beneficiary's right to the Rents does not depend on whether or not Beneficiary takes possession of the Property. In Beneficiary's sole discretion, it may choose to collect Rents either with or without taking possession of the Property. Beneficiary shall apply all Rents collected by it in the manner provided under this Deed of Trust. If an Event of Default occurs while Beneficiary is in possession of all or part of the Property and is collecting and applying Rents as permitted under this Deed of Trust, Beneficiary, Trustee and any receiver shall nevertheless be entitled to exercise and invoke every right and remedy afforded any of them under this Deed of Trust and at law or in equity, including the right to exercise the power of sale granted hereunder.

(c) Beneficiary Not Responsible. Under no circumstances shall Beneficiary have any duty to produce Rents from the Property. Regardless of whether or not Beneficiary, in person or by agent, takes actual possession of the Real Property and Improvements, Beneficiary is not and shall not be deemed to be:

1. A "mortgagee in possession" for any purpose; or
2. Responsible for performing any of the obligations of the lessor under any lease; or
3. Responsible for any waste committed by lessees or any other parties, any dangerous or defective condition of the Property, or any negligence in the management, upkeep, repair, or control of the Property; or
4. Liable in any manner for the Property or the use, occupancy, enjoyment or operation of all or any part of it.

(d) Election by Beneficiary. Upon the occurrence and during the continuance of an Event of Default, Beneficiary, at its option, may exercise its rights under this Section or otherwise provided under applicable law (including, but not limited to, under Section 2938 of the California Civil Code).

4. Trustor's Covenants. To protect the security of this Deed of Trust, Trustor agrees as follows:

(a) to perform the Secured Obligations in accordance with their respective terms;

(b) to keep the Land and the Improvements in good condition and repair, normal wear and tear and acts of God excepted; not to remove or demolish any Improvements without Beneficiary's prior written consent; to complete or restore promptly and in good and workmanlike manner any Improvement constructed, damaged or destroyed on the Land; to pay when due all claims for labor performed and materials furnished therefor, subject to Trustor's right to contest any claim in good faith; to comply with all laws affecting the Project, subject to Trustor's right to contest any claim in good faith; not to commit or permit waste with respect to the Land or the Improvements; not to commit, suffer or permit any act upon the Land or the Improvements in violation of law,

including Environmental Laws; and to do all other acts made reasonably necessary by the character or use of the Land and the Improvements;

(c) to provide, maintain and deliver to Beneficiary property and liability insurance as required under the Agreement and apply any insurance proceeds as provided below;

(d) to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and reasonable attorneys' fees and costs incurred in any such action or proceeding in which Beneficiary or Trustee may appear and in any suit brought by Beneficiary to foreclose this Deed of Trust following an Event of Default;

(e) to pay in accordance with the Agreement, but in each case prior to delinquency: (i) all taxes and assessments affecting the Property, including assessments on appurtenant water stock; and (ii) all encumbrances, charges and liens, with interest, on the Property or any part thereof that appear to be prior or superior hereto;

(f) should Trustor fail to make any payment or to do any act as herein provided, then, without: (i) obligation to do so; (ii) notice to or demand upon Trustor; or (iii) releasing Trustor from any obligation hereof, Beneficiary or Trustee may: (A) make or do the same in any manner and to the extent as it deems necessary to protect the security hereof; (B) appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; (C) pay, purchase, contest or compromise any encumbrance, charge or lien that in its judgment appears to be prior or superior hereto; and (D) in exercising these powers, pay necessary expenses, employ counsel and pay reasonable attorneys' fees and costs, and Trustor consents to Beneficiary's and/or Trustee's entry upon the Land and Improvements for any purpose set forth in this Subsection, including Beneficiary's exercise of its rights under California Code of Civil Procedure Section 564(c); and

(g) to reimburse within five (5) days of demand all sums expended by Beneficiary or Trustee pursuant to this Deed of Trust, with interest at an annual rate of interest equal to the lesser of: (i) ten percent (10%); or (ii) the maximum lawful rate from date of expenditure to the date of payment.

5. Insurance and Condemnation Proceeds.

(a) Trustor hereby assigns to Beneficiary any award of damages arising from the condemnation of all or any part of the Property for public use and any insurance proceeds arising from injury to all or any part of the Property or the Project.

(b) Any condemnation award or insurance proceeds must be paid to Beneficiary or, if Beneficiary has consented to subordinate the lien of this Deed of Trust to the lien of another lender for the Project, according to the provisions in the senior lender's loan documents.

(c) If a condemnation award or insurance proceeds are paid to Beneficiary, Beneficiary will release or authorize the release of funds to Trustor, provided that the funds will be used for the reconstruction of the Project in accordance with: (i) projections demonstrating that reconstruction is economically feasible; and (ii) Trustor's construction budget, each of which must be satisfactory to Beneficiary in its reasonable discretion. In all other cases, Beneficiary may choose in its discretion to apply funds to Trustor's obligations under the SSP Note and the Agreement or to any senior obligations, in accordance with the respective priorities of the approved lienholders as their interests may appear of record, with the remaining funds, if any, released to Trustor.

(d) Trustor agrees that Beneficiary's application or release of funds pursuant to this Section will not cure or waive any default or Notice of Default (as defined below) or invalidate any act by Beneficiary performed following a default pursuant to any City Document unless the default has been cured by the application or release of funds.

6. Further Agreements. Trustor further acknowledges and agrees as follows:

(a) Beneficiary does not waive its right either to require prompt payment when due of all other sums secured by this Deed of Trust or to declare Trustor in default for failure to pay timely by accepting payment of any sum secured hereby after its due date.

(b) Trustee may reconvey any part of the Property at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the SSP Note for endorsement without affecting the liability of any entity or person for payment of the indebtedness secured hereby.

(c) Upon: (i) written request of Beneficiary stating that all obligations secured hereby have been paid or performed; (ii) Beneficiary's surrender of this Deed of Trust and the SSP Note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose; and (iii) payment of its fees, if any, Trustee shall reconvey the Property then held hereunder without covenant or warranty.

(d) As additional security, Trustor hereby irrevocably, absolutely and unconditionally assigns to Beneficiary all Rents, whether now due, past due or to become due, subject to Beneficiary's grant to Trustor of a license to collect and retain Rents as they become due and payable so long as Trustor has not defaulted in performance of the Secured Obligations.

(e) Any voluntary or involuntary conveyance, sale, encumbrance, pledge or other transfer of all or any interest in the Property or in Trustor, including a security interest, in violation of the Agreement will constitute an Event of Default (as defined below) giving Beneficiary the right to exercise its remedies at law or in equity.

(f) For the purposes of this Deed of Trust, Beneficiary from time to time may substitute a successor or successors to Trustee named herein or acting hereunder by instrument in writing executed by Beneficiary and duly acknowledged and recorded in the office of the recorder of San Francisco County, which instrument shall be conclusive proof of proper substitution of a successor trustee or trustees. Without conveyance from Trustee, any successor or substitute trustee will succeed to all title, estate, rights, powers and duties of Trustee. The instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the recording information for this Deed of Trust and the name and address of the new Trustee.

(g) This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns, provided that this subsection does not constitute Beneficiary's consent to any transfer in violation of this Deed of Trust. The term Beneficiary shall mean the holder of the SSP Note, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or the neuter, and the singular number includes the plural.

(h) Trustee accepts this Trust when this duly executed and acknowledged Deed of Trust is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

7. Beneficiary's Rights Following Default. Upon any default by Trustor in performance of the Secured Obligations following expiration of any applicable notice and cure periods ("Event of Default"):

(a) Trustor's license to collect and retain Rents will terminate automatically.

(b) Trustor consents to Beneficiary's entry upon and taking possession of the Property or any part thereof, at any time after the occurrence of an Event of Default without notice, either in person, by agent or by a receiver to be appointed by a court without regard to the adequacy of any security for the indebtedness hereby secured to sue for or otherwise collect and apply Rents, less costs and expenses of operation and collection, including those of the Property, in its own name or in the name of Trustor.

Beneficiary's collection and application of Rents shall not cure or waive any Event of Default or Notice of Default or invalidate any act done pursuant to any notice.

(c) Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold the Property ("Notice of Default"), and:

i. Trustee shall cause the Notice of Default to be filed for record. Beneficiary also shall deposit with Trustee this Deed of Trust, the SSP Note and all documents evidencing expenditures secured hereby.

ii. After the lapse of time then required by law following the recordation of a Notice of Default, and notice of sale ("Notice of Sale") having been given as then required by law, Trustee without demand on Trustor may sell the Property at the time and place fixed in the Notice of Sale either as a whole or in separate parcels in any order at public auction to the highest bidder for cash in lawful money of the United States payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at the time and place of sale and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to any purchaser a trustee's deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the trustee's deed of any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary, may purchase at the sale.

iii. After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: (A) all sums expended under the terms of this Deed of Trust not then repaid, with accrued interest at the highest rate allowed by law in effect at the date hereof; (B) all other sums then secured hereby; and (C) the remainder, if any, to the person or persons legally entitled thereto.

8. Notice of Default to Trustor. The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to it at its address set forth above or any succeeding address given by notice in accordance with the Agreement.

[signature follows]

TRUSTOR:

SFCLT TNFF HOLDINGS LLC,
a California limited liability company

By: San Francisco Community Land Trust,
a California nonprofit public benefit corporation
Its: Sole Member and Manager

By: _____
Name: Saki Bailey
Title: Executive Director

ALL SIGNATURES MUST BE NOTARIZED

EXHIBIT A

Legal Description of the Property

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 a point on the Westerly line of Folsom Street, distant thereon 200 feet Southerly from the Southerly line of Twenty-fourth Street; running thence Southerly along said line of Folsom Street 50 feet; thence a right angle Westerly 122 feet and 6 inches; thence at a right angle Northerly 50 feet; thence a right angle Easterly 122 feet and 6 inches to the point of beginning.

Being a portion of Mission Block No. 172

APN: 6520-007 and 6520-008

Street Address:
2840-2848 Folsom Street
San Francisco, CA 94110

EXHIBIT B

Legal Description of the Property

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

Commencing at the point of intersection of the Easterly line of Seventeenth Ave., with the Northerly line of Fulton Street; running thence Northerly along said Easterly line of Seventeenth Avenue, 50 feet; thence at a right angle 66 feet; thence at a right angle Southerly 50 feet to the Northerly line of Fulton Street and thence at a right angle Westerly along said line of Fulton Street 66 feet to the point of commencement.

Being a portion of Outside Land Block No. 396.

Assessor's Lot 023; Block 1659

Street Address:
4042-4048 Fulton Street
San Francisco, CA 94118

EXHIBIT C

Legal Description of the Property

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 a point on the Northwesterly line of Natoma Street, distant thereon 225 feet Northeasterly from the Northeasterly line of 7th Street; running thence Northeasterly and along said line of Natoma Street 25 feet; thence at a right angle Northwesterly 75 feet; thence at a right angle Southwesterly 25 feet; and thence at a right angle Southeasterly 75 feet to the Northwesterly line of Natoma Street and the point of beginning.

BEING a portion of 100 Vara Block No. 394.

Assessor's Lot: 074; Block 3726

Street Address:
568-570 Natoma Street
San Francisco, CA 94103

EXHIBIT D

Legal Description of the Property

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

Commencing at a point on the Northerly line of Turk Street, distant thereon 37 feet and 6 inches Westerly from the Westerly line of Leavenworth Street; running thence Westerly and along said line of Turk Street 50 feet; thence at a right angle Northerly 137 feet and 6 inches; thence at a right angle Easterly 50 feet; thence at a right angle Southerly 137 feet and 6 inches to the point of commencement.

Being a portion of 50 Vara Block No. 285.

Assessor's Lot 007; Block 0337

Street Address:
308 Turk Street
San Francisco, CA 94102

Free Recording Requested Pursuant to
Government Code Sections 27383 and 27388.1

Recording requested by and when recorded, mail to:
Mayor's Office of Housing and Community Development
City and County of San Francisco
1 South Van Ness Avenue, 5th Floor
San Francisco, California 94103
Attn: Housing Loan Administrator
APN: Block: 6520 Lot: 007 & 008, Block: 6520
Block: 1659 Lot: 023
Block: 3726 Lot: 074
Block: 0337 Lot: 007

-----Space Above This Line for Recorder's Use-----

2840-2848 Folsom Street
San Francisco, CA 94110
Assessor's Lots 007 & 008, Block 6520

4042-4048 Fulton Street
San Francisco, CA 94118
Assessor's Lot 023, Block 1659

568-570 Natoma Street
San Francisco, CA 94103
Assessor's Lot 074, Block 3726

308 Turk Street
San Francisco, CA 94102
Assessor's Lot 007, Block 0337

**DEED OF TRUST, ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FIXTURE FILING**

(Property Address: 2840-2848 Folsom Street; 4042-4048 Fulton Street; 568-570 Natoma
Street; 308 Turk Street)
(PASS Program)

**THIS DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT
AND FIXTURE FILING** (“Deed of Trust”) is made as of [_____],
2023, by **SFCLT TNFF HOLDINGS LLC**, a California limited liability company
 (“Trustor”), whose address is 44 Page Street, Suite 401, San Francisco, CA 94102, to **OLD
REPUBLIC TITLE COMPANY** (“Trustee”), whose address is 275 Battery Street, Suite
1500, San Francisco, CA 94111, for the benefit of the **CITY AND COUNTY OF SAN
FRANCISCO**, a municipal corporation, represented by the Mayor, acting through the
Mayor's Office of Housing and Community Development (“Beneficiary”). This Deed of
Trust is executed pursuant to a Loan Agreement by and between Trustor and Beneficiary

dated as of the date of this Deed of Trust, as it may be amended from time to time (the “Agreement”), the provisions of which are incorporated herein by reference. Definitions and rules of interpretation set forth in the Agreement apply to this Deed of Trust.

1. Grant in Trust. For valuable consideration, Trustor hereby grants, transfers and assigns to Trustee, in trust, with power of sale, for the benefit of Beneficiary, all right, title and interest Trustor now has or may have in the future in the following (all or any part of the following, or any interest in all or any part of it, as the context requires, the “Property”):

(a) that real property situated in the City and County of San Francisco, State of California, described in **Exhibits A, B, C, and D** attached hereto and incorporated herein by reference (the “Land”), on which Trustor owns and intends to rehabilitate four buildings, comprised of 36 total units of multifamily rental housing affordable to low- to moderate-income households under the City’s Preservation and Seismic Safety (“PASS”) Program, located at 2840-2848 Folsom Street, 4042-4048 Fulton Street (& 1790 17th Avenue), 568-570 Natoma Street, and 308 Turk Street, and construct an accessory dwelling unit (“ADU”) at 4042-4048 Fulton Street (& 1790 17th Avenue), which will collectively be known as SFCLT Scattered Sites (the “Project”); and

(b) all buildings, structures and other improvements now or in the future located or to be constructed on the Land (the “Improvements”); and

(c) all existing and future leases, subleases, tenancies, subtenancies, licenses, occupancy agreements and concessions, and any guarantees thereof (“Leases”) relating to the use and enjoyment of all or any part of the Land and Improvements, and any and all guaranties and other agreements relating to or made in connection with any of the Leases; and

(d) except for personal property and removable fixtures installed by tenants or subtenants, all goods, materials, supplies, chattels, furniture, fixtures, equipment and machinery now or later to be attached to, placed in or on, or used in connection with the use, enjoyment, occupancy or operation of all or any part of the Land and Improvements, whether stored on the Land or elsewhere, including all pumping plants, engines, pipes, ditches and flumes, and also all gas, electric, cooking, heating, cooling, air conditioning, lighting, refrigeration and plumbing fixtures and equipment, all of which will be considered to the fullest extent of the law to be real property for purposes of this Deed of Trust; and

(e) all building materials, equipment, work in process or other personal property of any kind, whether stored on the Land or elsewhere, that have been or later will

be acquired for the purpose of being delivered to, incorporated into or installed in or about the Land or Improvements; and

(f) all Market Rate Loan, BMR Loan and Deferred Loan funds, whether disbursed or not, and all funds now or in the future on deposit in the Replacement Reserve Account, the Operating Reserve Account and any other account required or authorized for the Project; and

(g) all proceeds, including proceeds of all present and future fire, hazard or casualty insurance policies and all condemnation awards or payments now or later to be made by any public body or decree by any court of competent jurisdiction for any taking or in connection with any condemnation or eminent domain proceeding, and all causes of action and their proceeds for any damage or injury to the Land, Improvements or the other property described above or any part of them, or breach of warranty in connection with the construction of the Improvements; and

(h) all books and records pertaining to any and all of the property described above, including records relating to tenants under any Leases, the qualifications of any tenants and any certificates, vouchers and other documents in any way related thereto and records relating to the application and allocation of any federal, state or local tax credits or benefits; and

(i) all rents, revenues, issues, royalties, proceeds and profits, including prepaid rent and security deposits ("Rents"), from the Land and the Improvements, subject to:

- (i) Trustor's right to collect and retain the same as they become due and payable; and
- (ii) Beneficiary's rights under **Section 3(d)**; and

(j) all intangible personal property and rights relating to the Property or its operation or used in connection with it, including, without limitation, permits, licenses, plans, specifications, construction contracts, subcontracts, bids, soils reports, engineering reports, land planning maps, drawings, construction contracts, notes, drafts, documents, engineering and architectural drawings, deposits for utility services, installations, refunds due Trustor, trade names, trademarks, and service marks; and

(k) all proceeds of, interest accrued on, additions and accretions to, substitutions and replacements for, and changes in any of the property described above.

This Deed of Trust constitutes a security agreement under, and a fixture filing in accordance with, the California Uniform Commercial Code, as it may be amended from time to time. The filing of a financing statement pertaining to personal property may not be construed in any way as derogating from or impairing the lien of, or the rights or obligations of the parties under, this Deed of Trust.

2. Obligations Secured. This Deed of Trust is given for the purpose of securing the following (collectively, the “Secured Obligations”):

(a) performance of all present and future obligations of Trustor set forth in the Agreement related to the Market Rate Loan, the BMR Loan and the Deferred Loan, specifically compliance with certain restrictions on the use of the Property recited in that certain Declaration of Restrictions executed by Trustor, dated as of the date of and being recorded concurrently with this Deed of Trust, as it may be amended from time to time, the market rate promissory note dated as of the date of this Deed of Trust made by Trustor to the order of Beneficiary (as it may be amended from time to time, the “Market Rate Note”), the below market rate promissory note dated as of the date of this Deed of Trust made by Trustor to the order of Beneficiary (as it may be amended from time to time, the “BMR Note”), the deferred promissory note dated as of the date of this Deed of Trust made by Trustor to the order of Beneficiary (as it may be amended from time to time, the “Deferred Note”), and performance of each agreement incorporated by reference, contained therein, or entered into in connection with the Agreement;

(b) payment of the indebtedness evidenced by the Agreement and the Market Rate Note in the original principal amount of [Three Million Fourth Thousand Eight Hundred Six and No/100 Dollars] ([\$3,004,806.00]), with interest, according to the terms of the Agreement and the Market Rate Note;

(c) payment of the indebtedness evidenced by the Agreement and the BMR Note in the original principal amount of [One Million Six Hundred Fifty-Seven Thousand Eight Hundred Twenty-Four and No/100 Dollars] ([\$1,657,824.00]), with interest, according to the terms of the Agreement and the BMR Note;

(d) payment of the indebtedness evidenced by the Agreement and the Deferred Note in the original principal amount of [Two Hundred Seventy-One Thousand Three Hundred Seventy and No/100 Dollars] ([\$271,370.00]), with interest, according to the terms of the Agreement and the Deferred Note; and

(e) payment of any additional sums Trustor may borrow or receive from Beneficiary, when evidenced by another note (or any other instrument) reciting that payment is secured by this Deed of Trust.

3. Assignment of Rents.

(a) Assignment as Additional Security. Trustor hereby irrevocably grants, transfers, and assigns to Beneficiary all of its right, title, and interest in and to the Rents as additional security for the Secured Obligations. Subject to the provisions of subsection 3(d) below, Beneficiary hereby confers upon Trustor a license (“License”) to collect and retain the Rents as they become due and payable, so long as no Event of Default exists

and is continuing. If an Event of Default has occurred and is continuing, Beneficiary shall have the right, which it may choose to exercise in its sole discretion, to terminate this License without notice to or demand upon Trustor, and without regard to the adequacy of Beneficiary's security under this Deed of Trust.

(b) Collection and Application of Rents. Subject to the License granted to Trustor under subsection 3(a) above, Beneficiary has the right, power, and authority to collect any and all Rents. Subject to the License granted to Trustor under subsection 3(a) above, Trustor hereby appoints Beneficiary its attorney-in-fact to perform any and all of the following acts, if and at the times when Beneficiary in its sole discretion may so choose:

1. Demand, receive, and enforce payment of any and all Rents; or
2. Give receipts, releases, and satisfactions for any and all Rents; or
3. Sue either in the name of Trustor or in the name of Beneficiary for any and all Rents.

Beneficiary's right to the Rents does not depend on whether or not Beneficiary takes possession of the Property. In Beneficiary's sole discretion, it may choose to collect Rents either with or without taking possession of the Property. Beneficiary shall apply all Rents collected by it in the manner provided under this Deed of Trust. If an Event of Default occurs while Beneficiary is in possession of all or part of the Property and is collecting and applying Rents as permitted under this Deed of Trust, Beneficiary, Trustee and any receiver shall nevertheless be entitled to exercise and invoke every right and remedy afforded any of them under this Deed of Trust and at law or in equity, including the right to exercise the power of sale granted hereunder.

(c) Beneficiary Not Responsible. Under no circumstances shall Beneficiary have any duty to produce Rents from the Property. Regardless of whether or not Beneficiary, in person or by agent, takes actual possession of the Real Property and Improvements, Beneficiary is not and shall not be deemed to be:

1. A "mortgagee in possession" for any purpose; or
2. Responsible for performing any of the obligations of the lessor under any lease; or
3. Responsible for any waste committed by lessees or any other parties, any dangerous or defective condition of the Property, or any negligence in the management, upkeep, repair, or control of the Property; or
4. Liable in any manner for the Property or the use, occupancy, enjoyment or operation of all or any part of it.

(d) Election by Beneficiary. Upon the occurrence and during the continuance of an Event of Default, Beneficiary, at its option, may exercise its rights under this Section or otherwise provided under applicable law (including, but not limited to, under Section 2938 of the California Civil Code).

4. Trustor's Covenants. To protect the security of this Deed of Trust, Trustor agrees as follows:

(a) to perform the Secured Obligations in accordance with their respective terms;

(b) to keep the Land and the Improvements in good condition and repair, normal wear and tear and acts of God excepted; not to remove or demolish any Improvements without Beneficiary's prior written consent; to complete or restore promptly and in good and workmanlike manner any Improvement constructed, damaged or destroyed on the Land; to pay when due all claims for labor performed and materials furnished therefor, subject to Trustor's right to contest any claim in good faith; to comply with all laws affecting the Project, subject to Trustor's right to contest any claim in good faith; not to commit or permit waste with respect to the Land or the Improvements; not to commit, suffer or permit any act upon the Land or the Improvements in violation of law, including Environmental Laws; and to do all other acts made reasonably necessary by the character or use of the Land and the Improvements;

(c) to provide, maintain and deliver to Beneficiary property and liability insurance as required under the Agreement and apply any insurance proceeds as provided below;

(d) to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and reasonable attorneys' fees and costs incurred in any such action or proceeding in which Beneficiary or Trustee may appear and in any suit brought by Beneficiary to foreclose this Deed of Trust following an Event of Default;

(e) to pay in accordance with the Agreement, but in each case prior to delinquency: (i) all taxes and assessments affecting the Property, including assessments on appurtenant water stock; and (ii) all encumbrances, charges and liens, with interest, on the Property or any part thereof that appear to be prior or superior hereto;

(f) should Trustor fail to make any payment or to do any act as herein provided, then, without: (i) obligation to do so; (ii) notice to or demand upon Trustor; or (iii) releasing Trustor from any obligation hereof, Beneficiary or Trustee may: (A) make or do the same in any manner and to the extent as it deems necessary to protect the security hereof; (B) appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; (C) pay, purchase, contest or compromise any encumbrance, charge or lien that in its judgment appears to be prior or superior hereto; and (D) in exercising these powers, pay necessary expenses, employ counsel and pay reasonable attorneys' fees and costs, and Trustor consents to Beneficiary's and/or Trustee's entry upon the Land and Improvements for any purpose set

forth in this Subsection, including Beneficiary's exercise of its rights under California Code of Civil Procedure Section 564(c); and

(g) to reimburse within five (5) days of demand all sums expended by Beneficiary or Trustee pursuant to this Deed of Trust, with interest at an annual rate of interest equal to the lesser of: (i) ten percent (10%); or (ii) the maximum lawful rate from date of expenditure to the date of payment.

5. Insurance and Condemnation Proceeds.

(a) Trustor hereby assigns to Beneficiary any award of damages arising from the condemnation of all or any part of the Property for public use and any insurance proceeds arising from injury to all or any part of the Property or the Project.

(b) Any condemnation award or insurance proceeds must be paid to Beneficiary or, if Beneficiary has consented to subordinate the lien of this Deed of Trust to the lien of another lender for the Project, according to the provisions in the senior lender's loan documents.

(c) If a condemnation award or insurance proceeds are paid to Beneficiary, Beneficiary will release or authorize the release of funds to Trustor, provided that the funds will be used for the reconstruction of the Project in accordance with: (i) projections demonstrating that reconstruction is economically feasible; and (ii) Trustor's construction budget, each of which must be satisfactory to Beneficiary in its reasonable discretion. In all other cases, Beneficiary may choose in its discretion to apply funds to Trustor's obligations under the Market Rate Note, the BMR Note, the Deferred Note, and the Agreement or to any senior obligations, in accordance with the respective priorities of the approved lienholders as their interests may appear of record, with the remaining funds, if any, released to Trustor.

(d) Trustor agrees that Beneficiary's application or release of funds pursuant to this Section will not cure or waive any default or Notice of Default (as defined below) or invalidate any act by Beneficiary performed following a default pursuant to any City Document unless the default has been cured by the application or release of funds.

6. Further Agreements. Trustor further acknowledges and agrees as follows:

(a) Beneficiary does not waive its right either to require prompt payment when due of all other sums secured by this Deed of Trust or to declare Trustor in default for failure to pay timely by accepting payment of any sum secured hereby after its due date.

(b) Trustee may reconvey any part of the Property at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Market Rate Note, the BMR Note, and the

Deferred Note for endorsement without affecting the liability of any entity or person for payment of the indebtedness secured hereby.

(c) Upon: (i) written request of Beneficiary stating that all obligations secured hereby have been paid or performed; (ii) Beneficiary's surrender of this Deed of Trust and the Market Rate Note, the BMR Note, and the Deferred Note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose; and (iii) payment of its fees, if any, Trustee shall reconvey the Property then held hereunder without covenant or warranty.

(d) As additional security, Trustor hereby irrevocably, absolutely and unconditionally assigns to Beneficiary all Rents, whether now due, past due or to become due, subject to Beneficiary's grant to Trustor of a license to collect and retain Rents as they become due and payable so long as Trustor has not defaulted in performance of the Secured Obligations.

(e) Any voluntary or involuntary conveyance, sale, encumbrance, pledge or other transfer of all or any interest in the Property or in Trustor, including a security interest, in violation of the Agreement will constitute an Event of Default (as defined below) giving Beneficiary the right to exercise its remedies at law or in equity.

(f) For the purposes of this Deed of Trust, Beneficiary from time to time may substitute a successor or successors to Trustee named herein or acting hereunder by instrument in writing executed by Beneficiary and duly acknowledged and recorded in the office of the recorder of San Francisco County, which instrument shall be conclusive proof of proper substitution of a successor trustee or trustees. Without conveyance from Trustee, any successor or substitute trustee will succeed to all title, estate, rights, powers and duties of Trustee. The instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the recording information for this Deed of Trust and the name and address of the new Trustee.

(g) This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns, provided that this subsection does not constitute Beneficiary's consent to any transfer in violation of this Deed of Trust. The term Beneficiary shall mean the holder of the Market Rate Note, the BMR Note, or the Deferred Note, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or the neuter, and the singular number includes the plural.

(h) Trustee accepts this Trust when this duly executed and acknowledged Deed of Trust is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

7. Beneficiary's Rights Following Default. Upon any default by Trustor in performance of the Secured Obligations following expiration of any applicable notice and cure periods (“Event of Default”):

(a) Trustor's license to collect and retain Rents will terminate automatically.

(b) Trustor consents to Beneficiary's entry upon and taking possession of the Property or any part thereof, at any time after the occurrence of an Event of Default without notice, either in person, by agent or by a receiver to be appointed by a court without regard to the adequacy of any security for the indebtedness hereby secured to sue for or otherwise collect and apply Rents, less costs and expenses of operation and collection, including those of the Property, in its own name or in the name of Trustor. Beneficiary's collection and application of Rents shall not cure or waive any Event of Default or Notice of Default or invalidate any act done pursuant to any notice.

(c) Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold the Property (“Notice of Default”), and:

i. Trustee shall cause the Notice of Default to be filed for record. Beneficiary also shall deposit with Trustee this Deed of Trust, the Market Rate Note, the BMR Note, the Deferred Note, and all documents evidencing expenditures secured hereby.

ii. After the lapse of time then required by law following the recordation of a Notice of Default, and notice of sale (“Notice of Sale”) having been given as then required by law, Trustee without demand on Trustor may sell the Property at the time and place fixed in the Notice of Sale either as a whole or in separate parcels in any order at public auction to the highest bidder for cash in lawful money of the United States payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at the time and place of sale and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to any purchaser a trustee's deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the trustee's deed of any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary, may purchase at the sale.

iii. After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: (A) all sums expended under the terms of this Deed of Trust not then repaid, with accrued interest at the highest rate allowed by law in effect at the date hereof; (B) all other sums then secured hereby; and (C) the remainder, if any, to the person or persons legally entitled thereto.

8. Notice of Default to Trustor. The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to it at its address set forth above or any succeeding address given by notice in accordance with the Agreement.

[signature follows]

TRUSTOR:

SFCLT TNFF HOLDINGS LLC,
a California limited liability company

By: San Francisco Community Land Trust,
a California nonprofit public benefit corporation
Its: Sole Member and Manager

By: _____
Name: Saki Bailey
Title: Executive Director

ALL SIGNATURES MUST BE NOTARIZED

EXHIBIT A

Legal Description of the Property

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 a point on the Westerly line of Folsom Street, distant thereon 200 feet Southerly from the Southerly line of Twenty-fourth Street; running thence Southerly along said line of Folsom Street 50 feet; thence a right angle Westerly 122 feet and 6 inches; thence at a right angle Northerly 50 feet; thence a right angle Easterly 122 feet and 6 inches to the point of beginning.

Being a portion of Mission Block No. 172

APN: 6520-007 and 6520-008

Street Address:
2840-2848 Folsom Street
San Francisco, CA 94110

EXHIBIT

EXHIBIT B

Legal Description of the Property

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

Commencing at the point of intersection of the Easterly line of Seventeenth Ave., with the Northerly line of Fulton Street; running thence Northerly along said Easterly line of Seventeenth Avenue, 50 feet; thence at a right angle 66 feet; thence at a right angle Southerly 50 feet to the Northerly line of Fulton Street and thence at a right angle Westerly along said line of Fulton Street 66 feet to the point of commencement.

Being a portion of Outside Land Block No. 396.

Assessor's Lot 023; Block 1659

Street Address:
4042-4048 Fulton Street
San Francisco, CA 94118

EXHIBIT

EXHIBIT C

Legal Description of the Property

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 a point on the Northwesterly line of Natoma Street, distant thereon 225 feet Northeasterly from the Northeasterly line of 7th Street; running thence Northeasterly and along said line of Natoma Street 25 feet; thence at a right angle Northwesterly 75 feet; thence at a right angle Southwesterly 25 feet; and thence at a right angle Southeasterly 75 feet to the Northwesterly line of Natoma Street and the point of beginning.

BEING a portion of 100 Vara Block No. 394.

Assessor's Lot: 074; Block 3726

Street Address:
568-570 Natoma Street
San Francisco, CA 94103

EXHIBIT

EXHIBIT D

Legal Description of the Property

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

Commencing at a point on the Northerly line of Turk Street, distant thereon 37 feet and 6 inches Westerly from the Westerly line of Leavenworth Street; running thence Westerly and along said line of Turk Street 50 feet; thence at a right angle Northerly 137 feet and 6 inches; thence at a right angle Easterly 50 feet; thence at a right angle Southerly 137 feet and 6 inches to the point of commencement.

Being a portion of 50 Vara Block No. 285.

Assessor's Lot 007; Block 0337

Street Address:
308 Turk Street
San Francisco, CA 94102

EXHIBIT

Free Recording Requested Pursuant to
Government Code Section 27383

Recording requested by and when recorded, mail to:
Mayor's Office of Housing and Community Development
City and County of San Francisco
1 South Van Ness Avenue, 5th Floor
San Francisco, California 94103
Attn: Housing Loan Administrator
APN: Block: 6520 Lot: 007 & 008, Block: 6520
Block: 1659 Lot: 023
Block: 3726 Lot: 074
Block: 0337 Lot: 007

-----Space Above This Line for Recorder's Use-----

2840-2848 Folsom Street
San Francisco, CA 94110
Assessor's Lots 007 & 008, Block 6520

4042-4048 Fulton Street
San Francisco, CA 94118
Assessor's Lot 023, Block 1659

568-570 Natoma Street
San Francisco, CA 94103
Assessor's Lot 074, Block 3726

308 Turk Street
San Francisco, CA 94102
Assessor's Lot 007, Block 0337

PURCHASE OPTION AGREEMENT

THIS PURCHASE OPTION AGREEMENT (the "Agreement") is made and entered into as of _____, 2023 (the "Effective Date"), by and among SFCLT TNFF HOLDINGS LLC, a California limited liability company ("Owner"), San Francisco Community Land Trust, a California nonprofit public benefit corporation, ("Manager") and the City and County of San Francisco, a municipal corporation ("City"), represented by the Mayor, acting by and through the Mayor's Office of Housing and Community Development ("MOHCD"), with reference to the following recitals of fact:

R E C I T A L S:

A. Owner owns that certain real property located in the City of San Francisco, State of California, and more particularly described on the attached **Exhibits A, B, C, and D,**

incorporated herein by this reference, and certain improvements thereon (the “Property”), commonly known as 2840-2848 Folsom Street, 4042-4048 Fulton Street (& 1790 17th Street), 568-570 Natoma Street, and 308 Turk Street, including four buildings consisting of 36 total units of multifamily rental housing affordable to low- and moderate-income households and one future accessory dwelling unit (“ADU”) at 4042-4048 Fulton Street (& 1790 17th Avenue) (collectively, the “Property,” and together with the tangible and intangible personal property directly related to the operation, management, and ownership of the Property in the possession and control of Owner, including all cash accounts, deposits, and reserves held by Owner, the “Project”).

B. Owner has purchased the Property with financing provided by MOHCD. On July 18, 2014, the Citywide Affordable Housing Loan Committee authorized the Small Sites Acquisition and Rehabilitation Program (“Small Sites Program”) for the purpose of preserving and stabilizing San Francisco’s existing rental housing stock of buildings that are up to 40 units and occupied by low- to moderate-income tenants who are vulnerable to displacement due to market-driven increases in evictions. On September 9, 2022, the Citywide Affordable Housing Loan Committee approved updated Guidelines for the Small Sites Program. Through this approval, MOHCD is authorized to provide loans to individual entities for the acquisition and rehabilitation of specific existing residential buildings. The Owner will record an Amended and Restated Declaration of Restrictions in favor of MOHCD (the “Declaration”) on or about the date hereof.

C. The City regulates the affordability of the Project through the Declaration, and compliance with and the continued enforceability of the Declaration is of paramount importance for the City as the regulator of the Small Sites Program. This Agreement is entered into between Owner and the City as a means of ensuring the affordability of the Project in the event that the Declaration no longer governs the Property or that Owner is in default of the regulatory obligations specified in the Declaration.

D. The term of the Declaration (the “Compliance Term”) is as long as the Project or any modification of the Project remains in existence, but in any event no less than ninety nine (99) years. Although the City is lending funds to Owner for the Project, the regulatory program under the Declaration preceded the City’s loan, is separate from the City’s loan, and survives the expiration or repayment of the loan. The purchase option granted by Owner in this Agreement is granted in recognition of the City’s interest in ensuring that the regulatory program pursuant to the Declaration remains in full force and effect. Owner acknowledges and agrees that (i) the City’s interest in this Agreement is as a regulator, as a means of ensuring the continued enforceability of the Declaration, and not in its proprietary capacity, (ii) exercise of the Option is contingent upon the termination, unenforceability, or failure to comply with the Declaration, (iii) Owner intends to provide permanent affordability to low and moderate income households residing at the Project; (iv) the regulatory obligations under the Declarations are separate from the City’s loan and survive the City’s loan to Owner, (v) exercise of the Option is not dependent upon a monetary default of the City’s loan, and (vi) the Option is not a security instrument intended to circumvent California foreclosure law.

E. In connection with the Project, and in consideration of the foregoing, Owner desires to grant to the City an option to purchase the Project in certain limited circumstances.

F. Owner and City desire to set forth the terms of the option from Owner to the City.

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties to this Agreement agree as follows:

A G R E E M E N T:

1. Recitals. The foregoing recitals are true and correct and are incorporated herein.

2. Grant of Option. Owner grants to the City an option (the “Option”) to purchase the Project on the terms and conditions set forth in this Agreement. Owner acknowledges that the grant of the Option is supported by valuable consideration received by Owner, including the Loan.

(a) Exercise Period. The period during which the City will have the right to exercise the Option will commence on the Effective Date and expire ninety-nine (99) years after the recording date of the Declaration of Restrictions (the “Option Term”). On request by the City, Owner will provide (and the City and/or its designee may conduct) any physical and documentary due diligence of the Project as the City may determine is necessary (provided, however, any destructive testing of the Project will require the prior consent of Owner in its reasonable discretion). Owner will cooperate with the City in such due diligence. At any time, City may deliver a written notice to Owner requesting Owner to select the appraisers under Section 3 below (the “Appraisal Notice”). Upon receipt of the Appraisal Notice, Owner will have thirty (30) days to provide the list of selected appraisers to City.

(b) Exercise Notice. As a condition precedent to City’s Option rights, City may only exercise the Option if, during the Option Term, (i) the Declaration is terminated or is unenforceable for any reason, (ii) in City’s reasonable judgment the Declaration will be terminated or be rendered unenforceable, or (iii) Owner fails to comply with the affordability restrictions set forth in the Declaration, or (iv) if, after the City’s loan for the Project is repaid, Owner receives any offer to purchase the Project or any interest therein, or intends to transfer the Project or any interest therein, then Owner must provide City an Offer Notice (defined below). In the event Owner fails to comply with the affordability restrictions in the Declaration during the Option Term, City shall provide written notice to Owner and Manager of such failure, and Owner and Manager shall have sixty (60) days to cure the failure, or, if such failure cannot be cured within such sixty (60) day period, such longer period as is reasonably necessary to cure such default, provided that such cure has been commenced within such sixty (60) day period and is being prosecuted diligently to completion. For avoidance of doubt, Manager has the right, but not the obligation, to cure any such default, and if Manager cures such default within the cure period, City will accept such action as curing the respective default. City may exercise the Option by delivering to Owner written notice of the exercise (the “Exercise Notice”). The date of delivery of the Exercise Notice will be the first day of the escrow period set forth in Section 4 below. “Offer Notice” means a written notice from Owner to the City containing all material terms of the offer to purchase or proposed transfer of the Project. Owner will not accept any offer or transfer the Project or any interest therein for a least one hundred twenty (120) days after delivering the Offer Notice to the City, to allow the City to determine if it will exercise its Option.

(c) Option Purchase Price. If City purchases the Project pursuant to the Option, then the purchase price for the Project will be the fair market value of the Project for purposes of this subsection, determined as follows: The fair market value of the Project will be determined by an appraisal that: (i) takes into account the net balances of all of the applicable Project cash accounts; (ii) disregards the determination of the amount of indebtedness and taxes; (iii) values the Project as restricted to low and moderate income housing development as provided in the Declaration; (iv) takes into account any loan agreements or regulatory agreements pertaining to the Project; and (v) takes into account the terms of any assumable financing. Any appraiser performing an appraisal under this Agreement must be a member of the Appraisal Institute with not less than five (5) years' experience valuing projects like the Project in the geographic area where the Project is located. Within thirty (30) days after Owner receives an Appraisal Notice or Exercise Notice, Owner will notify City of Owner's determination of the fair market value for the Project in consideration of all of the assumptions and other criteria set forth in this subsection above. If City disputes Owner's determination of the fair market value, City will notify Owner within fourteen (14) days after Owner's notice to City of the fair market value and the dispute will be resolved as follows:

(i) Within thirty (30) days after Owner's notice to City of the fair market value, Owner and City will attempt in good faith to meet no less than two (2) times, at a mutually agreeable time and place, to attempt to resolve the disagreement.

(ii) If within that thirty (30)-day period Owner and City cannot agree on the fair market value, then each will select one appraiser to determine the fair market value. Within thirty (30) days after the expiration of the thirty (30) day consultation period, each party will cause its appraiser prepare and complete an appraisal report determining the fair market value and submit the report to Owner and City.

(iii) If only one appraisal report is submitted within that 30-day period, then the fair market value determined in that appraisal report will be used to establish the Purchase Price for the Project. If both appraisal reports are submitted within the 30-day period, and if the fair market values determined in the two appraisal reports differ by less than ten percent (10%) of the higher of the two, then the average of the two will be the fair market value. If the fair market value in the two appraisal reports differ by more than ten percent (10%) of the higher of the two, then the two appraisers will immediately select a third appraiser. Within thirty (30) days after the third appraiser is selected, the third appraiser will prepare an appraisal report determining the fair market value and submit the report to Owner and City. The fair market value determined in the third appraisal report will then be averaged with the closer of the fair market values from the two previous appraisals and the result will be the fair market value.

(iv) If City's Director of Property does not approve the fair market value as determined by the appraisal procedure specified above, the Director of Property may revoke City's exercise of the Extension Option. Owner and City will pay the cost of the appraiser it selects and one-half of the cost of the third appraiser.

3. Completion of Sale.

(a) Permitted Encumbrances. Within ten (10) business days after Owner receives an Exercise Notice, Owner will deliver to the City a current preliminary title report issued by a title company reasonably acceptable to the City showing such encumbrances and exceptions to title insurance coverage. Owner will convey fee simple title to the real property in the Project by grant deed subject only to all encumbrances, easements, covenants, conditions, restrictions, and other matters of record as of the Effective Date (excluding however, and free and clear of, the lien of any contractor, supplier materials provider, or the lien of any deeds of trust or other encumbrances securing any indebtedness of Owner), and any Permitted Future Encumbrances (as defined below), any off record matters ascertainable by an inspection or survey of the Project, interests of parties in possession, zoning and other laws applicable to the Project, and the lien not yet delinquent for taxes for real property, and any non-delinquent general or special assessments against the real property (collectively, "Approved Title Exceptions"). Owner will cause a title company to issue, upon close of escrow, an ALTA or CLTA (as the City elects) owner's policy of title insurance dated as of the close of escrow, in an amount equal to the purchase price, showing title to the real property in the Project vested in the City and subject only to Approved Title Exceptions. "Permitted Future Encumbrances" means, to the extent reasonably necessary for the operations of the Project as conducted or contemplated to be conducted as of the Effective Date, any third-party easement for utility, data, telecommunications, or ingress and egress; and any reciprocal easement agreement or covenants, conditions, and restrictions, granted and/or entered into by Owner. Owner will convey unencumbered title to the other property in the Project (including personal property, intangible property, accounts, plans, warranties, records, etc.) by bill of sale, assignment, or other document of conveyance acceptable to the City.

(b) Closing Requirements. The closing of the sale of the Project will be through an escrow opened with a title company reasonably acceptable to the City. Escrow for the sale of the Project will close no later than three hundred sixty-five (365) days after Owner's receipt of the Exercise Notice, unless otherwise agreed upon by Owner and the City. The costs of the sale will be apportioned between Owner and the City according to the custom then in effect in San Francisco County, California. The following will apply to the sale of the Project: (i) the sale of the Project will be on an as-is, where-is basis, with customary representations and warranties, including those implied in a California grant deed; and (ii) rents, insurance, taxes, operating expenses, and debt service then due and payable will be apportioned as of the day the grant deed is actually recorded in the official records of San Francisco County, California. Notwithstanding anything to the contrary contained in this Agreement, if City fails to purchase the Project for any reason after delivery of an Exercise Notice, then the City's liability under this Agreement will be limited solely to the termination of the Option and any other of the City's rights under this Agreement, and Owner will have no right or cause to seek any damages against the City for failure to purchase the Project.

4. No Subordination. The City's Option may not be subordinated to any first tier lien of any deeds of trust or other encumbrances against the Project securing any indebtedness of Owner after the Effective Date without the City's prior written consent, which may be given or withheld in the City's sole discretion.

5. Quitclaim Deed and Termination of Option. Upon termination of the Option, the City agrees, upon Owner's request, to (i) execute and deliver to Owner a quitclaim deed, releasing

all of the City's rights, title, and interest in and to the Project, and (ii) execute, acknowledge, and deliver such other documents as may be reasonably required by Owner's title company to remove the cloud of the Option from title to the Project.

6. Notices. Notices, demands, and communications between the parties must be in writing and will be served personally or by United States mail, sent certified, return receipt requested, post prepaid, and,

if intended for Owner, or Manager, addressed to:

SFCLT TNFF HOLDINGS LLC
44 Page Street, Suite 401
San Francisco, CA 94102
Attn: Executive Director

and

San Francisco Community Land Trust
44 Page Street, Suite 401
San Francisco, CA 94102
Attn: Executive Director

if intended for the City, addressed to:

Mayor's Office of Housing and Community Development
1 South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
Re: SFCLT Scattered Sites Option to Purchase
Attn: Director of Preservation and Portfolio Management

or to such address as a party may have furnished to the other in writing as a place for the service or notice. Any notice delivered personally or so mailed will be deemed to have been received on the delivery date, or the date that delivery is refused by the addressee, as shown in the records of the deliverer or on the return receipt, as applicable.

7. Attorney's Fees. In the event of any action or proceeding at law or in equity between any of the parties to this Agreement to enforce any provision of this Agreement or to protect or establish any right or remedy of a party, the unsuccessful party to the litigation will pay to the prevailing party all costs and expenses, including, without limitation, reasonable attorneys' fees incurred by the prevailing party, and if the prevailing party recovers judgment in any action or proceeding, the costs, expenses, and attorney's fees will be included in and as part of the judgment. For purposes of this Agreement, reasonable fees of in-house attorneys for the any of the parties to this Agreement will be based on the fees regularly charged by private attorneys (a) in San Francisco law firms of similar size as the in-house legal department; and (b) with an equivalent number of years of professional experience in the subject matter area of the law for which such attorney's services were rendered.

8. Miscellaneous.

(a) Each party to this Agreement represents and warrants that it has not had or will have any dealings with any person, firm, broker, or finder in connection with the negotiation of this Agreement and/or the consummation of the transaction contemplated under this Agreement. Each party to this Agreement will indemnify and hold harmless the other parties from and against costs, expenses, and liabilities for compensation, commissions, or charges that may be claimed by any broker, finder, or similar party because of any actions of the indemnifying party.

(b) The rights and obligations of the parties under this Agreement will inure to the benefit of, and will bind their respective successors and assigns, including any successor to the interest of Owner in and to the Project. Upon any transfer or conveyance of the Project or any interest therein or in Manager where the prior consent of the City is required by the terms of any agreement to which Owner and/or the Manager is a party, in addition to such conditions as the City may be entitled to impose under the other agreements, the Manager and/or the transferee will execute any documentation reasonably required by the City to acknowledge and affirm the City's option under this Agreement. The Option is assignable by City on prior written notice to, but otherwise without the consent of, the Owner. Notwithstanding anything to the contrary contained in this Agreement, the City's obligation to purchase the Project after exercise of the Option will be conditioned on the approval and authorization of such transaction by the City's Board of Supervisors and Mayor, each in their sole and absolute discretion. This condition will not be required if the City assigns its rights under this Agreement to a third party.

(c) The captions used in this Agreement are for convenience of reference only and are not part of this Agreement and do not in any way limit or amplify the terms and provisions hereof.

(d) Time is of the essence of each and every agreement, covenant, and condition of this Agreement.

(e) This Agreement will be interpreted in accordance with, and governed by, the laws of the State of California.

(f) This Agreement constitutes the entire agreement by and among the parties with respect to the grant of the City of an option to purchase the Project unrelated to the right of City as a lender under any loan made by the City to Owner, and supersedes all prior offers and negotiations, oral and written. This Agreement may not be amended or modified in any respect whatsoever except by an instrument in writing signed by the parties; provided, however, no amendment or modification will be effective unless consented to in writing by the parties.

(g) The parties will record a Memorandum of Purchase Option Agreement in the Official Records of the City and County of San Francisco, California evidencing the rights of the City under this Agreement, in form and substance reasonably acceptable to the City.

9. Assignment of Option. In the event that City exercises its rights to the Option pursuant to this Agreement, City may assign this Agreement and all of City's rights hereunder to a corporation that is tax-exempt under Section 501(c)(3) of the U.S. Internal Revenue Code and that is qualified to own and operate housing developments for low income persons; provided,

however, that any such assignment shall be subject to all of the terms of this Agreement. City's right to assign pursuant to the preceding sentence shall only be permitted after City elects to exercise its rights to the Option, pursuant to this Agreement. City shall give prior written notice of any permitted assignment to the parties hereto and any such assignee shall enter into a written agreement accepting the assignment and assuming all of City's obligations under this Agreement. Except as specifically permitted herein, the City's rights hereunder shall not be assignable.

[signatures follow]

IN WITNESS WHEREOF, Owner, City, and Manager have executed this Agreement as of the date first above written.

OWNER:

SFCLT TNFF HOLDINGS LLC,
a California limited liability company

By: San Francisco Community Land Trust,
a California nonprofit public benefit corporation
its sole member and manager

By: _____
Name: Saki Bailey
Title: Executive Director

ALL SIGNATURES MUST BE NOTARIZED

[Signatures Continue on Following Page]

THE CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____

Eric D. Shaw
Director, Mayor's Office of Housing
and Community Development

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: _____

Deputy City Attorney

ALL SIGNATURES MUST BE NOTARIZED

[Signatures Continue on Following Page]

MANAGER

San Francisco Community Land Trust,
a California nonprofit public benefit
corporation

By: _____
Name: Saki Bailey
Title: Executive Director

ALL SIGNATURES MUST BE NOTARIZED

EXHIBIT A

Legal Description of the Property

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 a point on the Westerly line of Folsom Street, distant thereon 200 feet Southerly from the Southerly line of Twenty-fourth Street; running thence Southerly along said line of Folsom Street 50 feet; thence a right angle Westerly 122 feet and 6 inches; thence at a right angle Northerly 50 feet; thence a right angle Easterly 122 feet and 6 inches to the point of beginning.

Being a portion of Mission Block No. 172

APN: 6520-007 and 6520-008

Street Address:
2840-2848 Folsom Street
San Francisco, CA 94110

EXHIBIT B

Legal Description of the Property

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

Commencing at the point of intersection of the Easterly line of Seventeenth Ave., with the Northerly line of Fulton Street; running thence Northerly along said Easterly line of Seventeenth Avenue, 50 feet; thence at a right angle 66 feet; thence at a right angle Southerly 50 feet to the Northerly line of Fulton Street and thence at a right angle Westerly along said line of Fulton Street 66 feet to the point of commencement.

Being a portion of Outside Land Block No. 396.

Assessor's Lot 023; Block 1659

Street Address:
4042-4048 Fulton Street
San Francisco, CA 94118

EXHIBIT C

Legal Description of the Property

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 a point on the Northwesterly line of Natoma Street, distant thereon 225 feet Northeasterly from the Northeasterly line of 7th Street; running thence Northeasterly and along said line of Natoma Street 25 feet; thence at a right angle Northwesterly 75 feet; thence at a right angle Southwesterly 25 feet; and thence at a right angle Southeasterly 75 feet to the Northwesterly line of Natoma Street and the point of beginning.

BEING a portion of 100 Vara Block No. 394.

Assessor's Lot: 074; Block 3726

Street Address:
568-570 Natoma Street
San Francisco, CA 94103

EXHIBIT D

Legal Description of the Property

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

Commencing at a point on the Northerly line of Turk Street, distant thereon 37 feet and 6 inches Westerly from the Westerly line of Leavenworth Street; running thence Westerly and along said line of Turk Street 50 feet; thence at a right angle Northerly 137 feet and 6 inches; thence at a right angle Easterly 50 feet; thence at a right angle Southerly 137 feet and 6 inches to the point of commencement.

Being a portion of 50 Vara Block No. 285.

Assessor's Lot 007; Block 0337

Street Address:
308 Turk Street
San Francisco, CA 94102



Citywide Affordable Housing Loan Committee

San Francisco Mayor's Office of Housing and Community Development
 Department of Homelessness and Supportive Housing
 Office of Community Investment and Infrastructure
 Controller's Office of Public Finance

SSP AND PASS REFINANCE AND REHABILITATION FUNDS

Date:	March 17, 2023
From:	Omar Masry & Amanda Fukutome-Lopez
Evaluation of Request for:	Permanent Refinance and Rehabilitation Funding
NOFA/Program(s):	2019 Acquisition and Rehabilitation Financing for Small Sites Program Properties ("SSP") Preservation and Seismic Safety Loan Program ("PASS") Series 2020C
Applicant:	San Francisco Community Land Trust (SFCLT)
Project Name (if any):	SFCLT Four Site Refinance & Rehabilitation Bundle
Project Address (with cross street):	2840-2848 Folsom St (24th St), 308 Turk St (Leavenworth St), 4042-4048 Fulton St (& 1790 17th Ave) 568-570 Natoma St (7th St)
Number of Units with Unit Mix:	37 (36 existing and 1 proposed ADU studio) 2840-2848 Folsom St - 6 2BR units; 308 Turk St - 20 studio units; 4042-4048 Fulton St - 3 1BR units, 3 2BR units 568-570 Natoma St - 4 1BR units, 1 studio unit
Amount of Additional SSP Funds Recommended:	Up to \$4,733,902
Amount of PASS Funds Recommended:	Up to \$5,000,000
Source of Funds Recommended:	SSP: 2019 GO Bond PASS: 2016 GO Bond (Series 2020C)
Type of Financing:	Permanent Financing



1. SUMMARY/BRIEF PROJECT UPDATE /OVERVIEW

San Francisco Community Land Trust (“SFCLT,” the “Sponsor,” or “SFCLT TNFF LLC”) requests up to \$5,000,000 in Preservation and Seismic Safety (“PASS”) Program funding, and up to \$4,733,902 in additional Small Sites Program (“SSP”) funding, for a cumulative total of \$13,800,000 in SSP funding (not including PASS) from the Mayor’s Office of Housing and Community Development (“MOHCD”) for the permanent re-financing and rehabilitation of four individual SFCLT-owned properties, totaling 36 residential units located at:

- 1) 2840-2848 Folsom Street (Pigeon Palace);
- 2) 308 Turk Street;
- 3) 4042-4048 Fulton Street; and
- 4) 568-570 Natoma Street.

All four of these properties are currently owned by SFCLT and are operated as separate sites. Each property was acquired with MOHCD SSP Gap funding along with individual, 1st position financing with non-City loans as described further below.

In an effort to streamline loan administration and monitoring the proposed funding would result in one new PASS loan and one new SSP loan as a bundled refinance of four existing MOHCD SSP-funded sites. Each of the existing individual SSP loans will be recapitalized and replaced with one new single SSP loan along with a single new 1st position PASS loan across all four sites. A bundled refinance loan approach will:

1. Take out all existing higher-cost hard debt private loans, including loans that are coming due and on extension.
2. Create a more efficient and cost-effective method of simultaneously refinancing and re-capitalizing multiple projects in the SFCLT portfolio.
3. Create a more financially sustainable portfolio through lower-cost PASS financing, which was not available at the time of acquisition.
4. Finance the addition of an Accessory Dwelling Unit (ADU) studio at 4042 Fulton, resulting in 37 total units across four properties.
5. Finance capital needs (\$2,276,304) for rehabilitation across all four properties that were not fully addressed at time of acquisition due to factors including capital availability.
6. Reduce loan origination and financing costs (e.g., through a shared annual fee across four properties for bond monitoring).



7. Utilize a shared approach to operating reserves to mitigate periods of shortfall should it occur within the property bundle.
8. Comply with updated underwriting standards for vacancy losses (increased from 5% to 10%), with overall vacancy rate within SSP standards across all four properties.

Existing Loan Structure

The table below summarizes the existing non-city loans secured by each of the four properties, a second position lien specific to 2840 Folsom which used crowdsourced funding raised through community family and friends (Pigeon Palace Inc.) towards a 10% down payment, existing SSP Soft Debt, along with new proposed funding for each property.

	1st Position Lender, Rate & Maturity Date	Payoff Amount	New PASS Loan Amount	Existing SSP Funds	Additional SSP Funds
2840 Folsom	Silicon Valley Bank 4.52% 12/31/22	\$1,082,071, + \$300,000 2 nd position lien by Pigeon Palace Inc.	\$810,811	\$2,496,642	\$767,660
4042 Fulton	Clearing House 7.75% 4/1/27	\$890,559	\$810,811	\$2,125,000	\$767,660
308 Turk	Enterprise 5.50% 06/17/25	\$2,037,395	\$2,702,702	\$2,569,456	\$2,558,866
568 Natoma	Silicon Valley Bank 3.94% 3/4/26	\$270,308	\$675,676	\$1,875,000	\$639,717
Total		\$4,580,033	\$5,000,000	\$9,066,098	\$4,733,903

Proposed Loan Structure

The proposed refinanced bundle would involve the following specific financing structure creating a more uniform loan package across all four properties:

1. One limited liability company titled "SFCLT TNFF LLC",



2. Four separate promissory notes for each of the individual sites.
3. One loan agreement for the combined PASS and SSP funding with income and rent restrictions noted for each property.
4. One PASS deed of trust recording on title reflecting the full value of each single note, broken out by loan product.
5. One SSP deed of trust recording on title reflecting the full value of each single note, broken out by loan product.
6. One Declaration of Restrictions encompassing both loans. The DOR will also include a City Option to Purchase Agreement which will be recorded in second position and senior to all deeds of trust.

Background

2840-2848 Folsom, also known as Pigeon Palace, consists of a six-units in a three-story residential building located in the Mission District. It was built in 1905 and all units feature two bedrooms plus a split bathroom. There is a small backyard shared by all units.

Four long-term tenants in the building had been working together since before 2011 to cooperatively self-manage the property. In 2013, the original elderly owner-occupant signed an "Intent to sell" the property to long-time tenants. Two months later the owner was found to be unable to manage the property and the estate and trust were placed in Conservatorship.

Pigeon Palace presently has an average household income of 63.67% AMI. The average unadjusted MOHCD AMI is 72.07%. Three of the units are leased at rent AMIs of 97.50%, 98.30%, and 90.80% which places average rent AMIs near the MOHCD target average of 80%. These AMIs have been consistent since 2017 as the building has had limited turnover and when units have become vacant the demand for affordable housing (which is limited in this neighborhood) and the size/condition of these large two bedrooms has allowed SFCLT to lease at near 100% AMI through the City's housing lottery (DAHLIA) without significant challenges.

2840-2848 Folsom was acquired by the San Francisco Community Land Trust on September 30th, 2015, with assistance from the Small Sites program for a total of \$3,280,000.

All units in the building have been leased up since January 2022. Three of the four original tenants remain in their homes. The residents of the Pigeon Palace have lived in San Francisco for anywhere from 10 to 40 years, and are considered highly engaged community organizers, teachers, local historians, artists, arts administrators, and health care workers.



In 2016 rehabilitation and construction work was carried out, funded by the Small Sites Program, which primarily focused on bringing two vacant units into a habitable condition and ready for leasing. Health and safety issues were also addressed. The back stairs were found to be in imminent danger of collapse. Work on a seismic retrofit of the building also uncovered by a fire that had not been previously identified.

A capital needs assessment (CNA) was completed in 2018 and identified three areas of immediate needs including repairs to an exterior shell membrane of the overall building, plumbing improvements, and upgrades to electrical infrastructure. In early 2022, mindful of these unmet rehab needs, SFCLT updated the 2018 CNA and provide a detailed scope of work for the rehabilitation. Confirmation of the estimates was provided by quotes from licensed contractors.

Refinance Objectives:

1. Payoff Boston Private Bank Loan (acquired by Silicon Valley bank). The seven-year note matured (\$1,082,000) on September 1, 2022, and is subject to a formal extension to March 2023 and a subsequent temporary grace period extension.
2. Payoff a promissory note to Pigeon Palace Inc. of \$300,000 loan at 2% annual interest which matured September 1, 2022. The source of capital was an investment sourced by residents as Pigeon Palace Incorporated (residents onsite).
3. Finance rehabilitation per capital needs assessment, and a \$5,000 relocation budget to repair the subfloor in one occupied unit (2848 Folsom). Existing tenants would be temporarily relocated to another SFCLT owned property.
4. Cover SSP allowed developer fees, including approximately \$50,730 not previously taken at construction completion (eligible for \$140,000, with \$89,270 disbursed to date). At the time of acquisition, SSP regulations, circa 2016, allowed more in developer fees than were previously taken, to reduce costs at the time of acquisition.

308 Turk Street, a 20-unit residential building in the Tenderloin neighborhood, featuring all studio units. The building was acquired by SFCLT in June 2015 for \$3,650,000 under the MOHCD Small Sites Program along with a subordinate interim hard debt loan from the Enterprise Community Loan Fund.

In 2016, SFCLT carried out rehabilitation of the building, funded by the Small Sites program. The rehab consisted of health and safety updates, including the addition of fire sprinkler monitoring and the full renovation of six units in substandard condition. The remaining 14 units do not require rehabilitation.



The 2020 COVID-19 pandemic severely impacted the residents of 308 Turk with 54% of households unable to pay rent. Due to the decrease in rental income, the Enterprise loan was put into forbearance through September 2021. SFCLT received \$33,393 in rent reimbursement from State and Catholic Charities emergency rent relief.

SFCLT has engaged in renewed leasing activity, as of March 1st, 2023, there is one vacant unit currently marketed on the City's Affordable Housing lottery website, DAHLIA. To keep the unit leasing competitive, rents have been reduced to 20% below market prices as compared to those in the surrounding Tenderloin neighborhood.

Refinance Objectives:

1. To take out the existing \$2,040,000 Enterprise Community Loan Fund 5.50% loan and reduce the cost of capital.
2. To fund needed security and safety measures in the building that have been identified because of ongoing operations after acquisition. This would include front door upgrades to address ongoing theft and trespassing issues.
3. To upgrade the electric supply to the building. It is expected that the Department of Building Inspection's District Electrical Inspector will mandate a supply upgrade due to a prior rehabilitation effort in 2016. Currently units are heated by gas wall heaters, and stoves are also gas powered. With changes in City codes since 2016, heating in newly renovated units will have to be converted to electric as will those units without a separately enclosed kitchen stove.
4. To continue SFCLT's ongoing program to renovate units. The scope of work includes renovation of two units that have not been renovated in the last ten years and two units in poor condition. The latest capital needs assessment (CNA) contemplates a schedule of renovation of four units every five years.
5. Cover SSP allowed developer fees, including approximately \$147,484 not taken at construction completion (eligible for \$280,000, with \$13,256 disbursed to date). At the time of acquisition, SSP regulations (previous iteration of regulations circa 2016), allowed more in developer fees than were previously taken, in order to reduce costs at the time of initial SFCLT acquisition.

4042 Fulton Street, a two-story residential building in the Inner Richmond neighborhood featuring five apartments (two one-bedroom units and three two-bedroom units) with three parking spaces below. Tenants here are considered long-term and low-income, having lived in



the building for 11, 22, 22, 28, and 39 years respectively. Three of the units are occupied by retired seniors and the other two units are occupied by families with children under 18.

The property has historically had issues collecting its full scheduled rent due to factors such as two seniors who are rent burdened (rents exceed more than 30% of monthly income) on fixed incomes and are challenged to pay their contracted monthly rent. Specifically, the debt service terms associated with this loan, along with rent collection losses due to COVID-19, negatively impacted cash flows to below a 1.0 debt service coverage ratio.

Building an additional accessory dwelling unit will help increase the properties gross potential revenue to address this. As part of this financing recapitalization the rents of the senior residents will be lowered to ensure they are not displaced. The current average household AMI is 34.8%. The average unadjusted MOHCD AMI is 49.31%.

The original acquisition financing included:

1. Boston Private Bank (now Silicon Valley Bank)– 7-year loan for \$1.2 million – matured 9/1/22 and past due with a current extension.
2. \$2,496,642 of prior Small Sites Program funding, which included construction and rehabilitation work in the amount of \$414,414.

Refinance Objectives:

1. Construct one Accessory Dwelling Unit (“ADU”) studio intended to serve a 70% AMI household to create more affordable housing within the Richmond District. To create this unit, SFCLT will be utilizing the building’s garage, which currently features parking for three of the five residents. The 654 square-foot ADU will be primarily located in the first-floor rear storage area, and it is not expected to result in the removal of existing parking spaces. Construction is expected to begin in 2023 with the unit leased up by Spring 2025.
2. Takeout existing \$890,000 Silicon Valley Bank loan with 7.75% interest rate and reduce cost of capital.
3. Cover SSP allowed developer fees, including approximately \$39,855 not taken at acquisition (eligible for \$130,000, with \$90,145 disbursed to date). At the time of acquisition, SSP regulations, circa 2016, allowed more in developer fees than were previously taken, to reduce costs at the time of initial SFCLT acquisition.

568-570 Natoma Street, a three-story apartment building in the South of Market (SOMA) neighborhood featuring five apartments (four one-bedroom units and one studio unit). 568-570 Natoma was one of the first projects in the Small Sites portfolio, having been acquired by SFCLT



in 2017, with a first mortgage from Silicon Valley Bank in the amount of \$1,013,000. Four of the five households have lived in the building for more than 20 years; one multigenerational family occupies three separate units. Prior to the seller entering into contract with SFCLT, the building was contracted to sell to an investor who offered the tenants buy-outs. When the tenants refused, the buyer canceled the sale, at which time the seller ratified a contract with SFCLT for an acquisition price of \$1,013,000. Given this history of speculative buy out and possible threat of conversion of the building to market rate tenancy-in-common (TIC) or another use, the residents were considered “at-risk” for eviction and/or displacement.

The five-unit building has been significantly impacted by rent collection losses, with 65% of overall rents decreased due to a non-paying tenant in one unit, and a vacancy in another unit. As of March 2023, leasing is near completion for the vacant unit. SFCLT has also taken possession of the unit with a non-paying tenant, however the building’s budget replacement reserve is insufficient to cover the unit turnover. The proposed refinance is expected to fund unit turnover in Summer 2023.

Refinance Objectives:

1. Complete rehabilitation based on a 2023 Capital Needs Assessment and replenish the operating reserves (\$1,385 existing for overall building) and replacement reserves (\$852 existing for overall building) of the property. Reserves were initially partially funded upon acquisition due to lack of capital at the time.
2. Take out a \$271,000 (3.94%) private hard debt loan with Silicon Valley Bank. The maturity date is March 4, 2026.
3. Cover SSP allowed developer fees, including approximately \$70,000 not taken at construction completion (eligible for \$140,000, with \$70,000 disbursed to date).

Overall Development Costs

Source of New Funds for all Four Properties	Amount	Interest Rate
PASS Market Rate	\$3,045,000	3.87%
PASS Below Market Rate	\$1,680,000	0.96%
PASS Deferred	\$275,000	0.96%
MOHCD SSP	\$13,800,000	3.00%
Total Funding	\$18,800,000	



The Total Development Cost (“TDC”) for the entire four-site refinance Project is up to \$18,800,000 (\$508,108 per unit). The PASS loan would provide up to \$5,000,000 (\$135,135 per unit), and the proposed City SSP (soft) subsidy for the Project is up to \$13,800,000 (\$372,973 per unit). The refinance provides additional capital for private loan payoff, rehabilitation needs, as well as replenishment of required reserves. The requested City subsidy is in-line with the applicable SSP subsidy cap at \$372,973 per unit.

A summary of reserves before and after re-capitalization is provided below:

Operating and Replacement Reserve Summary			
308 Turk			
	Current Balance	After Capitalization	Funded
Operating Reserve	\$80,565	\$75,106	-\$5,459**
Replacement Reserve	\$160,906	\$552,033	\$391,127

568 Natoma			
	Current Balance	After Capitalization	Funded
Operating Reserve	\$1,386	\$18,777	\$17,391
Replacement Reserve	\$852	\$138,008	\$137,156

2840 Folsom			
	Current Balance	After Capitalization	Funded
Operating Reserve	\$20,130	\$22,532	\$2,402
Replacement Reserve	\$26,535	\$165,610	\$139,075

4042 Fulton			
	Current Balance	After Capitalization	Funded
Operating Reserve	\$22,902	\$22,532	-\$370**
Replacement Reserve	\$150,031	\$165,610	\$15,579



SFCLT TNFF Bundled Total			
	Current Balance	Revised Balanced	Funded
Operating Reserve	\$124,982	\$139,023	\$14,041
Replacement Reserve	\$338,325	\$1,021,261	\$682,937

2. PRINCIPAL REFINANCE AND DEVELOPMENT ISSUES

Higher than Average Vacancy Rates and Related Losses

A portion of the buildings specifically within the bundle have seen challenges with vacancies and bad debt losses; with greater vacancies at 568-570 Natoma and 4042-4048 Fulton.

While a portion of these vacancy challenges are attributable to the COVID-19 pandemic, SFCLT has contended with challenges related to non-paying tenants at multiple units within these properties. This issue is being addressed through mediation, relocation, and a tenant returning possession of the unit to SFCLT.

While 568-570 Natoma features a high individual building vacancy rate (two of five units), the portfolio-wide vacancy rate for all 36 existing units, across all four properties, at this time is 8.3% (three units out of thirty-six total).

Current rents for existing vacant units, and proposed rent for the one new proposed studio ADU (Fulton), will be set at the lesser of 20% below market rents or 100% Area Median Income, in conformance with SSP guidelines. The Sponsor anticipates completion and lease up of the new ADU studio unit in Spring 2025. As such, for the sake of simplicity the pro-forma shows existing rents as if the new unit was existing (and vacant) through 2023, with a corresponding vacancy loss through all of 2023 through Spring 2024.

The Sponsor has indicated they expect to reduce vacancies at all affected sites, and especially at Natoma, through these strategies:

1. Recent resolution of tenant challenges (a nonpaying occupant was relocated in 2023).
2. Completing the renovation of 570D Natoma, with funds for the renovations coming out of our reserves.
3. Increased asset management & property management staffing – SFCLT has promoted Junli Dai to lead the vacancy filling process for the organization.



The Sponsor estimates portfolio-wide (four sites) vacancy related losses at 10% or lower and bad debt losses at 5% or lower going forward (and a debt service coverage ratio minimum of 1.15 over a 20-year period). Staff believe this is a realistic operating assumption.

One advantage of a bundled approach would be greater flexibility with respect to reserves, in the event, for example, an individual property runs into a sustained period of vacancy losses, or substantial immediate property repair needs. In addition, the refinance would replenish existing reserves, currently restricted by individual property (to be operated in a cumulative manner), that were drawn down over the last three years due to vacancy losses and rent collection losses.

The total City subsidy (based on inclusion of the ADU studio) is estimated at \$372,973 across all 37 units, which is below the PASS/SSP subsidy guideline of \$380,000.

Bundling Approach for Small Sites held by SFCLT

MOHCD staff support the overall operating expenses, vacancy loss assumptions, and net operating income assumptions proposed by the bundled refinance.

Buildings with stronger cash flows within the same bundle will be able to temporarily subsidize operations to buildings with short-term or long-term cash flow challenges. This would allow a portfolio manager more time to reposition more challenging properties through measures such as improved marketing, building or unit rehabilitation, and steps taken to improved tenant relations. In addition, bundling spreads loan costs such as bond monitoring and loan servicing fees of \$5,000 across four properties, instead of each individual property.

Limited Equity Co-Op Provision (LECO)

MOHCD previously approved a LECO (SSP) loan provision for 2840 Folsom (Pigeon Palace) in 2015, and SFCLT is requesting to retain this provision, with modifications as noted in Attachment A. These modifications would recognize the change in private bank lender and clarify rent and loan structure responsibilities of SFCLT. This modified provision would apply only to 2840 Folsom, and only to the SSP loan, but not the PASS loan.

SFCLT has indicated support for such a provision and has indicated they generally envision a model where, in the event of a conversion, SFCLT would retain fee simple ownership of the land, while the co-op would take an ownership interest of the building and improvements. Under such a scenario, SFCLT would continue to act in a manner akin to an asset and property manager for both the land and building plus improvements.



3. **BORROWER/GRANTEE PROFILE - San Francisco Community Land Trust (SFCLT)**

San Francisco Community Land Trust (SFCLT) is a nonprofit organization whose mission is to create permanently affordable housing for low to moderate-income people through community ownership of land. Guided by the principles of anti-displacement and racial justice, SFCLT stabilizes neighborhoods, and creates greater access to housing and home ownership opportunities with a focus on BIPOC communities previously excluded from access to wealth, and, in particular access to home ownership.

Experience of Key Staff

Saki Bailey (JD & PhD), Executive Director, has a decade of experience in nonprofit management and program development roles, as well as in teaching and training roles both in the academic and non-profit sectors with a focus on the legal regulation around Community Land Trusts, Co-op formation, and incorporation. Saki is an attorney and real estate developer and worked at Bay Area Community Land Trust prior to joining SFCLT and developed the first Small Sites program project in Berkeley, at the Stuart Street Apartments.

Samir Habash, Director of Finance, Asset Management an experienced Asset Manager and Analyst who previously worked for Ballast Investments where he managed 3,200 units of multi-family housing. A Bay Area native, Samir graduated from Saint Mary's College of California with a Major in Economics and Minor in Politics.

Kristen Nation, Director of Stewardship, Asset Management joined the SFCLT in 2021. She pivoted into the non-profit sector working as a case manager for Conard House, a supportive housing non-profit located in the Tenderloin. Kristen has received her Asset Management Specialist Certification from the Consortium of Housing and Asset Management.

Junli Dai, Assistant Asset Manager works intensively with the Columbus United Cooperative, an LEHC founded in 2009. In 2001, she graduated with a bachelor's degree majoring in Economics and International Trade. She is bilingual in Mandarin and English, has over 11 years of customer service and property management experience in the housing sector, and also has experience in finance. Junli joined SFCLT in 2013. Through these experiences, she has seen low-income people of color transform their lives and their next generation through affordable housing. As a first-generation immigrant, Junli is passionate about assisting low-income people of color in gaining access to homeownership opportunities.

Recent Activity

In January 2022 SFCLT acquired a 42-unit building in the Tenderloin with 40 residential units and two commercial units. The building was removed from rent control in the 1980's, which resulted in tenants being subject to unchecked rent increases. In March of 2022 SFCLT acquired a four-unit building in Russian Hill with financing through the SF Housing Accelerator Fund (SFHAF).



Name/Location	Status / Year Completed	Total Units
285 Turk, Tenderloin	Acquired 2022	42
1130 Filbert, Russian Hill	Acquired 2022	4

3.1 Asset Management Performance & Capacity

SFCLT's first acquisition in 2007 was **53 Columbus Avenue**, a building of 21 residential units and 1 commercial ground floor unit. The 53 Columbus project was stabilized by SFCLT in 2011 and has been consistently cash flow positive for the last ten years. The 53 Columbus project exemplifies SFCLT's mission of empowering low-income tenants with control and ownership of their housing through conversion to Housing Co-operatives.

Since the completion of eight Small Site acquisitions in the period 2015-2017 SFCLT has been working on stabilizing the buildings. Major renovations focused on health and safety concerns; seismic retrofits have been done to all buildings. The renovation program will be completed for all buildings acquired under SSP this year. SFCLT's major focus has been to lease-up all vacant units. Asset Management has worked diligently with MOHCD to streamline the process and procedures for the lease-up of SSP properties.

In late 2022 SFCLT acquired 2 buildings – the 42-unit 285 Turk building in the Tenderloin, and the 4-unit building 1130 Filbert in Russian Hill.

In the past three years SFCLT has moved to an auditing firm with experience with SSP and MOHCD financing. The Annual Monitoring Reports from SSP properties have been delivered on time.

SFCLT Asset Management Plan:

1. Increase revenue consistent with SFCLT affordable housing mission.
2. Reduce operating costs and expenses including debt service.
3. Ensure long-term capital needs of the property are addressed through an up-to-date Capital Needs Plan.
4. Ensure there is sufficient capacity available to the organization to scale and operate an expanded portfolio.
5. Build on the successful experience of the asset management of 12 buildings over the last 5 years.
6. In 2022, the goal was to hire another full-time Asset Manager to focus on the Small Sites portfolio. Samir Habash has been hired for this position.
7. Develop and implement a recapitalization plan for the portfolio to reduce debt service and release equity from the buildings. This work has started and one building has been refinanced in 2022 with another 5 (including 2936 23rd Street) in the process of refinancing which is expected to be complete in Q1 2023.



8. Leverage the experience of Board Members in tenant engagement and communications.
9. Lease-up – work with MOHCD to improve the process and reduce lease-up times and Implement waitlists for all Small Site buildings.
10. 10.Ensure annual rent increases for Small Sites are implemented at a rate of between 2% to 3.5%.
11. Implement the recommendations of each building Capital Needs Assessment study. Ensure every seven years a new study is undertaken.
12. Look at opportunities to bring in new revenue by adding or expanding units through an ADU program.

3.2 Development Experience.

SFCLT has successfully completed the rehab of 70 units in 10 buildings acquired with the assistance of MOHCD since 2016. The cost of the work to date totals \$5,174,470.

3.3 How Selected.

A Notice of Funding Availability (“NOFA”) was published on July 24, 2014 to provide acquisition and rehabilitation financing for multi-family rental buildings of five to 25 units. The NOFA established a fund to help stabilize buildings that are occupied by low- to moderate-income tenants throughout San Francisco that are particularly susceptible to market pressure resulting in property sales, evictions, and rising tenant rents.

4. SITE

4.1 Brief Site Description.

	308 Turk	2840-2848 Folsom	4042-4048 Fulton	568-570 Natoma
Address, Lot Block	308-310 Turk Street, 007/0337	2840-2842 Folsom Street, 007/6520	4042-4048 Fulton Street, 023/1659	568-570 Natoma Street, 074/3726
Lot Square footage	7,552	3,062	3,300	1,873
Building age	1923	1900	1921	1906
Neighborhood	Tenderloin	Mission	Richmond	South of Market Area
Number of buildings	1	1	1	1
Number of floors	2	3	2	3



Building typology	Apartment 15 units or more; masonry or concrete	Flats & duplex; wood or steel frame	Apartment 5 to 14 units	Apartment 5 to 14 units; wood or steel frame
Unusual characteristics	None	None	None	None
Recently completed rehab work	SSP funded rehab completed in 2016	Recently completed rehab work: SSP funded rehab completed in 2016	SSP funded rehab completed in 2017	SSP funded rehab completed in 2018

4.2 Site Characteristics.

See table above.

4.3 Environmental Issues/Site Suitability.

Phase I/II Site Assessment Status and Results:

Applicable assessment reports were provided as part of initial acquisition financing. No new assessment was requested as part of this refinancing activity, and staff and Sponsors are not aware of any related areas of potential environmental concern.

Potential/Known Hazards:

All rehabilitation activity associated with this re-finance activity is considered minor in nature and expected to utilize all required means and methods, as required by the Department of Public Health and Department of Building Inspection, to reduce exposure to hazards such as lead paint, or similar, if present.

5. ENTITLEMENTS

N/A

5.1 Zoning

308 Turk Street: The Project is currently zoned RC-4- (Residential-Commercial, High Density) and is in the 40-X Height and Bulk district. The proposed rehabilitation work will not change the use, density, height, or bulk of the building.

2840 Folsom Street: The Project is currently zoned RH-3 (Residential-House, Three Family) and is in the 40-X Height and Bulk District. The proposed rehabilitation work will not change the use, density, height, or bulk of the building.

568 Natoma Street: The Project is currently zoned RED (Residential Enclave District) and is in the 45-X Height and Bulk District. The proposed rehabilitation work will not change the use, density, height, or bulk of the building.



4042 Fulton Street: The Project is currently zoned RM-1 (Residential-Mixed, Low Density) and is in the 40-X Height and Bulk district. Proposed rehabilitation will add one ADUs to lowest level floor of the building adjacent to parking spaces. The ADU is considered a ministerially permitted project and will not the change the height or bulk of the building.

5.2. Local/Federal Environmental Review.

Staff expects the project to fall within the Categorical Exemption 1 (Existing Facilities) under CEQA. SFCLT will be required to obtain a formal Planning Department determination if, and when the project requires Planning Department approval of permits, including for the addition of an ADU studio.

5.3 Article 34 Authority.

308 Turk, 2840-2848 Folsom, and 568-570 Natoma are existing buildings, and no additional units will be added. 4042-4044 Folsom will add one additional ADU studio, and the Article 34 letter for the new unit will be issued prior to closing.

5.4 Resident/Community Support.

308 Turk – residents are supportive of the major rehab components – remodeling of units, improved security, new laundry room

2840-2848 Folsom – residents were involved in drawing up the scope of work for the rehab. They support the refinancing and rehab work.

4042-4048 Fulton – residents have not been involved to date with the refinancing plans.

568 Natoma - residents have not been involved to date with the refinancing plans.

6. DEVELOPMENT PLAN

6.1 Site Control.

	308 Turk	2840-2848 Folsom	4042-4048 Fulton	568-570 Natoma
Purchase Price	\$3,650,000	\$3,280,000	\$2,100,000	\$1,013,000
Status of Purchase & Sale Contract	Acquired 06/19/15	Acquired 09/10/15	Acquired 03/29/17	Acquired 04/01/16
P & S Contingencies	Released	Released	Released	Released

6.2 Appraisal.



Appraisals for each property were conducted at acquisition. New appraisal reports are not required when refinancing MOHCD-funded preservation projects.

6.3 Title Issues.

None.

6.4 Property Ownership Structure.

SFCLT owns fee title to the land and the improvements of the subject properties.

6.5 Proposed Rehab Scope.

The rehabilitation scope noted below does not include previous rehabilitation or construction completed after initial acquisition.

308 Turk

1. Mailboxes. The current mailboxes are easily broken into by trespassers. They will be replaced by more robust and secure containers.
2. Trade corridor gate. The gate needs to be replaced and kept secure. Replace entry gate, intercom system, & entry door.
3. Creation of a trash and recycling enclosure in the back patio, to hold the bins and to make recycling simpler, and to close the area off from the rest of the patio.
4. For the rear part of the building in the crawlspace, create a one inch thick "rat" slab to prevent rodents from burrowing into the dirt.
5. Replace chain link fence around the outdoor patio with wooden fencing.
6. Exterior painting of the front and the rear of the building and for the east and west and central light wells.
7. Install a new roof for the front two-story section of the building, and for the single-story rear section. The roof was replaced last in 2010.
8. Interior painting of the common areas, including hallways and stairs.
9. Replace 54 aluminum slider windows & Install ironworks.
10. Creation of a new laundry room.

2848 Folsom

1. Foundations/Structural
2. Electrical system: New 400 amperage service, as well as main & sub panels
3. Roof: Replaced in 2013, 20 Years of remaining useful life per CNA
4. Exterior: Demo, Insulate, & Repair full siding. Also, full exterior painting
5. Replace/Repair Windows throughout the building.



6. Full interior painting
7. Repair treads, landing, at front stairs, as part of façade repair/painting
8. Repair Damaged Subfloor in Unit 2848As part of electrical wiring work, install hard wired, interconnected smoke detectors with battery backups. These smoke detectors should cover units and common areas - basement spaces, stairs etc. This work must comply with current fire and building codes. Add fire extinguishers to kitchen areas where not found.

4042 Fulton

1. Foundations/Structural: SSR Complaint
2. Electrical system: Replaced in 2016, 23 Years of RUL per CNA.
3. Roof: 13 year of RUL per CNA.
4. Exterior: Full Paint to the Exterior (7500 GSF), Repair Work to Surface (7500 GSF)
5. Windows: 5 Years of RUL per CNA.
6. Interiors: Paint (4270 GSF) 10 Years of RUL per CNA.
7. Build 1 ADU Unit
8. Renovation of 4 Units
9. Replace (1) Set of Exterior Wood Stairs

568 Natoma

1. Foundations/Structural: SSR Complaint
2. Electrical system: Upgrade in 2018.
3. Roof: 13 years of remaining useful life.
4. Exterior: Three years of remaining useful life.
5. Windows: 8 of the 23 windows are to be replaced per the CNA.
6. Interiors: Vinyl composition tile in the common area to be replaced.
7. Interior paint of common areas per CNA.
8. Renovation of units 568A and 570C
9. Replace four wall heaters.

6.6 Commercial Space.

N/A

6.7 Service Space.

N/A

6.8 Population to Be Served



1. 2840-2848 Folsom (Pigeon Palace). Three of the units are occupied by the original tenants at the time of purchase in 2015.
2. 308 Turk – 80% of the residents of the building are first-generation families of Latin descent.
3. 4042-4048 Fulton – Five of the units are occupied by seniors. Three of the seniors are Russian (primarily) speaking.
4. 568 Natoma – Three of the units are occupied by the original tenants at the time of purchase in 2016.

6.9 Proposed Unit Mix & Affordability

See attached development pro forma for existing rent roll.

The properties feature 36 existing units that are approximately 90% leased. The proposed studio ADU studio is expected to be rented to households at or below 70% AMI. Six units feature heads of household using Section 8 vouchers and an additional unit receives assistance from the Shelter and Care program.

Household incomes at the Project range from 23% to 98% of AMI; with the overall average AMI below 80% AMI and are therefore in compliance with PASS and SSP guidelines.

6.10 Marketing & Occupancy Preferences.

The Project is subject to MOHCD's marketing procedures and will continue to be marketed according to multifamily marketing procedures. These units will be subject to the Certificate of Preference Program, the Displaced Tenant Housing Preference Program, the Neighborhood Preference Program, and the Live/Work in San Francisco preference. SFCLT will market vacancies with reference to the San Francisco Housing Authority for acceptance of Section 8 and VASH vouchers.

The use of bundled loan approach will not require changes to existing marketing, as each building will continue to be marketed individually using separate listings and marketing lists.

6.11 Relocation.

SFCLT anticipates the need for \$45,000 in relocation funding to temporarily move five households. One household is anticipated to be relocated for two-week period for repair of the subfloor. The four other households will be impacted for a three-month period due to more extensive work. The plan is to relocate the households within the existing SFCLT portfolio



whenever possible; however the budget assumes a low vacancy level within the overall SFCLT portfolio. This recapitalization includes funding for relocation and to account for the lost rental income for the units that will be used for onsite relocation.

6.12 Accessibility.

The proposed scope of work does not include any specific accessibility modifications.

6.13 Performance Schedule.

No.	Performance Milestone	Estimated or Actual Date
1	SSP Financing Commitment	<u>5/5/23</u>
2.	Site Acquisition	<u>Varies</u>
3.	Development Team Selection	
a.	General Contractor Selection	<u>6/31/23</u>
4.	Design	
a.	Submit Bid Package for MOHCD Approval	<u>7/31/23</u>
5.	Permits	
a.	Building Permit Application Submitted	<u>8/31/23</u>
6.	Construction	
a.	Notice to Proceed	<u>9/31/23</u>
b.	Complete Construction	<u>3/31/25</u>
7.	Marketing & Lease-up	<u>4/31/25</u>
a.	Lease Vacant Unit	<u>5/31/25</u>
8.	Close Out MOHCD Loan(s)	

7. DEVELOPMENT TEAM

7.1 Project Manager.



Name: Emily Silagon

Percentage Time Spent on Project: 2 months.

Experience:

Emily Silagon, a Bay Area transplant of 12 years, is a licensed architect by schooling (and seven exams), a construction project manager by profession, and a strategist by nature. Emily graduated from California College of the Arts in San Francisco and worked for several years in an architectural firm prior to transitioning into the construction management realm. As both an architect and construction manager she has sought work with a social impact, and brings that empathy and enthusiasm to SFCLT, along with her unique design and construction knowledge. Emily also brings two years of experience in establishing operational standards and building infrastructure for the construction management department at Mosser Companies, where her focus was preparing the company platform for sustainable growth. This balance of industry knowledge and operational prowess will be leveraged to elevate the Construction Management department within SFCLT.

7.2 Architect.

Firm: TBD

Brief Description of Scope of Work: Soft Story Design, Permitting, and Construction Administration & Construction Management

Fee/Hours: TBD

7.3 Contractor.

Firm: to be determined by public bidding process

Procurement Requirements:

7.4 Other Consultants.

7.5 Property Manager.

1. **2840 Folsom:** Self-managed since acquisition in 2015.
2. **308 Turk, 4042-4048 Fulton, and 568-570 Natoma:** Kalco Properties has been managing SFCLT SSP properties since 2018.

8. FINANCING PLAN

Applicant: San Francisco Community Land Trust
Addresses: 2840 Folsom St.; 308 Turk St.; 4042 Fulton St., & 568 Natoma St



8.1 Sources and Uses (attached)

SSP Funds Requested: \$4,733,902 for a cumulative of \$13,800,000 (\$372,973/unit)

Leveraged Financing Amount and Terms

1. Lender MOHCD PASS Program
2. Loan Amount
 - Up to \$5,000,000 (\$135,135/unit) composed of:
 - \$3,045,000 (\$82,297/unit) (Market-rate loan)
 - \$1,680,000 (\$45,405/unit) (Below-rate loan)
 - \$275,000 (\$7,432/unit) (Deferred loan)
3. Interest Rates:
 - Market-rate loan: 3.87289%
 - Below market-rate loan: 0.95763%
 - Deferred loan: 0.95763%
4. Term: 40 years
5. DSCR: At least 1.10 throughout the first 20 years of the Project

8.2 Development Budget

Sufficiency of Reserves

Replacement Reserves: Capitalized replacement reserves in the amount of \$1,000,000 are budgeted to support the project's capital needs over the next 20 years.

SSP Guidelines require a replacement reserve that is the greater of \$2,000 per unit or the amount needed to pay replacement costs for the next ten years, as specified in an approved CNA. SFCLT is requesting \$661,675 to fund the difference between the amount needed to pay replacement costs for the next ten years, as specified in approved CNAs, and the amount of reserves currently collectively held by the projects.

Operating Reserves: Capitalized operating reserves in the amount of \$138,947 are budgeted to support unanticipated operating costs for at least 20 years. SSP Guidelines require an operating reserve sized at 25% of the first-year operating budget. SFCLT is requesting \$13,964 to fund the difference between the amount needed size an operating reserve at 25% of the first-year operating budget and the amount of reserves currently collectively held by the projects.

Vacancy Reserve: Capitalized vacancy reserves in the amount of \$44,400 are budgeted to



account for unrealized income from the proposed ADU studio at Fulton, which will not be completed until 2025.

Developer Fee: SFCLT will receive a total of \$371,360 in developer fees. \$40,000 will be paid at loan closing, reflecting the amount of developer fee that was not taken at acquisition for 568 Natoma. The remaining \$331,360 will be paid at construction completion. \$371,360 consists of \$13,000 in developer fee that will be paid for the construction of the new ADU at Fulton, and \$318,630 in developer fee that was previously not taken at construction completion across the four sites.

8.3 Disbursement

Funds being used to pay off existing loans will be released at escrow. All other funds will be released on a reimbursement basis through MOHCD's standard draw process.

9. PROJECT OPERATIONS

9.1 Annual Operating Budget (attached)

9.2 Annual Operating Budget Analysis/Comments.

1. Per Unit Per Annum (PUPA) Operating Expense (w/out reserves) in Year 1, across the four sites and 36 existing units and proposed ADU are proposed at \$9,187. This amount also includes unrealized income in the first year as the studio is not expected to be leased until January 2025. For comparison, 2021 operating expenses across 36 existing units at the four sites were \$7,319.
2. Annual Reserve Deposits: \$13,400, which complies with applicable SSP/PASS Underwriting Guidelines. The collective reserve amount is sized based upon the number of units in each building. Current SSP Guidelines for annual replacement reserve amounts are below. This amount would not be impacted by expenditures needed to meet current projected capital needs.

No. of Units	Replacement Reserve Deposits Per-Unit, Per-Year
Less than or equal to 10	\$400
11-29	\$350
Equal to or over 30	\$300



3. Property Taxes in the amount of \$25,307 are budgeted across the entire portfolio. The Projects will qualify for a partial Welfare Property Tax Exemption, since one unit at 568 Natoma and one unit at 2840 Folsom does not appear to qualify for the welfare tax exemption.
4. Surplus Cash: \$30,016 in Year 1.
5. Annual Monitoring Fees: \$5,000 (\$2,500 for loan servicing and \$2,500 for monitoring), total for all four properties.

9.3 20-year Cash Flow (attached)

1. Does Cash Flow Remain Positive for 20 years: Yes.
2. Income Assumptions: 2.5% escalation per year
3. Expense Assumptions: 3.5% escalation per year
4. Replacement Reserve Analysis: Replacement reserves are funded through Year 20.
5. DSCR: Starts at DSCR starts at 1.15 in Year 1 and gradually rises, hitting its maximum DSCR in Year 20 at 1.33.
6. Refinancing Plan: The recently approved SSP Underwriting Guidelines offer conservative underwriting parameters, including a 1.15 DSCR and a 10% vacancy loss assumption. Operating and replacement reserves are projected to be funded through Year 20 of the Project's lifecycle, ensuring that refinancing will not likely be required until at least that time.

10. STAFF RECOMMENDATIONS

10.1 Proposed Refinance/Rehabilitation Loan Terms.

Amount of SSP: \$ 13,800,000 (\$372,973/unit)

Amount of PASS:

\$5,000,000 (\$135,135/unit) composed of:

\$3,045,000 (\$82,297/unit) (Market-rate loan)

\$1,680,000 (\$45,405/unit) (Below-rate loan)

\$275,000 (\$7,432/unit) (Deferred loan)

Term: 40 years (SSP and PASS)

SSP Rate: 3% contingent interest in accordance with SSP Guidelines (which state that, in any given year, when the Project's cash flow is



insufficient to repay all interest due, unpaid interest for that year shall be forgiven)

PASS Rate: 2.74201% blend, based on:
3.87289% (market-rate loan)
0.95763% (BMR loan)
0.95763% (deferred loan)

SSP Repayment: Residual receipts

PASS Repayment: The market-rate and below-market rate loans require monthly payments and are fully amortizing over the term; the deferred loan requires a balloon payment at maturity.

SSP Priority: Subordinate to senior financing and the City's Declaration of Restrictions

PASS Priority: Senior, in first position, but will subordinate to the City's Declaration of Restrictions

10.2 **Recommended Loan Conditions.**

1. All reserve accounts (vacancy, operating and replacement) must be established in separate interest-bearing accounts within 60 days.
2. Prior to any loan disbursement, SFCLT shall establish a dedicated limited liability company (LLC) incorporating all four existing properties. The LLC shall be responsible for managing loan fund disbursements and operating and replacement reserves for the four properties described herein only.
3. SFCLT shall obtain an updated General Plan Referral finding that this re-finance and proposed ADU addition is consistent with the City's General Plan, prior to loan disbursement.
4. Disbursement of new PASS and SSP loans shall include take out of all non-City loans within 60 days of Mayor's signature executing loan(s).
5. SFCLT will hold monthly construction update meetings with MOHCD staff regarding the progress of the rehabilitation.
6. Any unused portion of the vacancy reserve will be deposited into the replacement reserve at the end of the Project's rehabilitation.
7. SFCLT will be required to obtain a formal Planning Department determination if the project requires Planning Department approval of permits.



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

APPROVE. DISAPPROVE. TAKE NO ACTION.

Date: _____

Eric D. Shaw, Director
Mayor's Office of Housing

APPROVE. DISAPPROVE. TAKE NO ACTION.

Date: _____

Salvador Menjivar, Director of Housing
Department of Homelessness and Supportive Housing

APPROVE. DISAPPROVE. TAKE NO ACTION.

Date: _____

Thor Kaslofsky, Interim Executive Director
Office of Community Investment and Infrastructure

APPROVE. DISAPPROVE. TAKE NO ACTION.

Date: _____

Anna Van Degna, Director
Controller's Office of Public Finance

APPROVE. DISAPPROVE. TAKE NO ACTION.

Date: _____

Tonia Lediju, Director
Housing Authority of the City and County of San Francisco

Attachments:

Attachment A:	LECO Co-Op Condition (current and proposed)
Exhibit B:	Sources and Uses
Exhibit C:	20-year Summary

REQUEST FOR PERMANENT FINANCING FOR A SFCLT FOUR SITE BUNDLE

Shaw, Eric (MYR) <eric.shaw@sfgov.org>

Fri 3/17/2023 11:39 AM

To: Amaya, Vanessa (MYR) <Vanessa.Amaya@sfgov.org>

Approve

Eric D. Shaw

Director/ Interim Director HopeSF

Mayor's Office of Housing and Community Development

City and County of San Francisco

1 South Van Ness Avenue, 5th Floor

RE: REQUEST FOR PERMANENT FINANCING FOR A SFCLT FOUR SITE BUNDLE.

Kaslofsky, Thor (CII) <Thor.Kaslofsky@sfgov.org>

Tue 3/21/2023 3:48 PM

To: Amaya, Vanessa (MYR) <Vanessa.Amaya@sfgov.org>

Cc: Colomello, Elizabeth (CII) <elizabeth.colomello@sfgov.org>

Approved, thanks!

Best Regards,
Thor



Thor Kaslofsky
Executive Director

One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
415.749.2588
thor.kaslofsy@sfgov.org
www.sfocii.org

*Please note that if you are receiving this email outside of your normal working hours there is no urgent need to respond unless there is a specific request to do so.

From: Amaya, Vanessa (MYR) <Vanessa.Amaya@sfgov.org>
Sent: Tuesday, March 21, 2023 1:26 PM
To: Kaslofsky, Thor (CII) <Thor.Kaslofsky@sfgov.org>
Cc: Colomello, Elizabeth (CII) <elizabeth.colomello@sfgov.org>
Subject: Re: REQUEST FOR PERMANENT FINANCING FOR A SFCLT FOUR SITE BUNDLE.

Hi Thor,

Please reply with your vote for the subject matter of this email from 3/17 Loan Committee Meeting.

Thank you.

Vanessa Amaya

Assistant Housing Loan Administrator

San Francisco Mayor's Office of Housing and Community Development

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

(628) 652-5967

REQUEST FOR PERMANENT FINANCING FOR A SFCLT FOUR SITE BUNDLE

Katz, Bridget (CON) <bridget.katz@sfgov.org>

Fri 3/17/2023 11:38 AM

To: Amaya, Vanessa (MYR) <Vanessa.Amaya@sfgov.org>

Cc: Shaw, Eric (MYR) <eric.shaw@sfgov.org>

Approve

Bridget Katz

Development Finance Specialist, Office of Public Finance

Controller's Office | City & County of San Francisco

Office Phone: (415) 554-6240

Cell Phone: (858) 442-7059

E-mail: bridget.katz@sfgov.org



Exhibit D: 1st Year Operating Budget

Attachment A: Limited Equity Co-Op Conversion Loan Condition Modification Request

Sponsor requests to modify the existing SSP Loan Condition shown further below applicable only to 2840 Folsom Street.

Change Request 1: remove all of section (c) c. i-iv and replace it with (c) c. "Carrying charges will be established at the time of conversion for all residents based on the amount necessary to support all of the operating expenses of the building as reflected by two years of audited financial statements."

Change Request 2: Modify language regarding 30% of income and "household current rent of \$1200" to indicate that rents will be set based on a financial sustainability review.

Change Request 3: Remove reference to Boston Private loan as the loan will be taken out.

Change Request 4: Change item (c) a. at the last line from "Borrower will provide assistance to those households in the form of a no-interest loan or payment plan," to "Borrower will try to provide assistance to the extent feasible for the project and for SFCLT's organizational budget to those households."





Attachment A: Existing SSP Loan Condition for Pigeon Palace (only), part 1

(b) Borrower shall provide **advance written notice** to City (the "Conversion Notice") of its intent to pursue the Conversion no less than 6 months prior to the expected conversion date. Borrower shall include with the Conversion Notice the anticipated date of conversion, a narrative report outlining the coop structure, draft documents authorizing the formation of the LEHC, drafts of all legal and operational documents, and updated budgets with its application for coop conversion. Borrower shall promptly provide City with any further documentation in connection with the Conversion reasonably requested by City. City may approve or deny the application, in its reasonable discretion.

(c) **If Borrower pursues the Conversion, Borrower shall ensure that the LEHC complies with the following provisions:**

- a. Borrower will set the equity share cost at a level that is affordable to qualifying households under the Small Sites Program (SSP) who desire to become a member of the LEHC. Borrower will complete a market analysis to determine the ability of potential qualified buyers to purchase the equity shares and will explore opportunities to stagger equity share prices according to target income levels of coop units prior to deciding on the final equity share cost. For those households who do not have the resources to acquire a share at Conversion (or upon that household's initial occupancy), Borrower will provide assistance to those households in the form of a no-interest loan or a payment plan.
- b. Equity shares will appreciate according to the Consumer Price Index (CPI), as defined by MOHCD.
- c. Carrying charges will be established at Conversion for all residents of the property as follows:
 - i. The carrying charges for those residents who were existing Tenants as of the date of the closing of the Loan (the "Closing Date") shall be the greater of:
 - A. **Thirty percent (30%) of the household's gross income** at the time of Conversion, provided that such carrying charge **may not exceed 30% of 150% of Median Income**; or
 - B. The household's current rent (\$1,200) escalated according to SSP guidelines, plus the monthly dollar amount needed to refinance the Boston Private Bank Loan with adequate cash out to repay the Pigeon Palace Loan and to replenish the Replacement Reserve Account according to the 20-year CNA (the "Refinancing").
 - ii. If, as a result of a rent increase under Section 3.7(c)c(i), the building's average rent exceeds the SSP maximum average rent of 80% AMI, when closing the Refinancing the Borrower and the LEHC may only borrow up to the loan amount supportable by the 80% AMI average rent level, thus preventing the Project



Attachment A: Limited Equity Co-Op Conversion Loan Condition Modification Request

Existing SSP Loan Condition for Pigeon Palace (only), part 2

from becoming overly debt burdened and allowing future tenants/owners to participate according to SSP rent guidelines.

- iii. The carrying charges for those residents who were not existing Tenants as of the Closing Date shall be equivalent to the household's rent on the date of Conversion.
- iv. Upon vacancy after conversion, carrying charges for incoming cooperative members and rents for incoming tenants will be set according to Section b, above.

(d) Borrower will market vacant units according to the marketing requirements in **Article 6** of this Agreement and will include a disclosure to all incoming Tenants that the property may become a LEHC, what their rights are with regard to the Conversion, and that financial assistance to acquire an equity share is or will be available.

(e) For any households who cannot or do not wish to become a member of the LEHC, Borrower will offer leases according to SSP guidelines.



GENERAL PLAN REFERRAL

April 12, 2023

Case No.: 2023-003115GPR
Addresses: 2840-2848 Folsom St
 308 Turk St
 4042-4048 Fulton St
 568-570 Natoma St
Block/Lot Nos.: 6520/007
 0337/007
 1659/023
 3726/074
Project Sponsor: San Francisco Community Land Trust
Applicant: Samir Habash – (650) 515-0728
 shabash@sfclt.org
 44 Page St., Suite 401
 San Francisco, CA 94102
Staff Contact: Patrick Race – (628) 652-7461
patrick.race@sfgov.org

Recommended By: 
 AnMarie Rodgers, Director of Citywide Policy for
 Rich Hillis, Director of Planning

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

Project Description

San Francisco Community Land Trust (SFCLT) requests up to \$5,000,000 in Preservation and Seismic Safety (PASS) Program funding, and up to \$4,733,902 in additional Small Sites Program (SSP) funding, for a cumulative total of \$13,800,000 in Small Sites Program funding (not including PASS) from the Mayor’s Office of Housing and Community Development (MOHCD) for the permanent re-financing and rehabilitation of four individual SFCLT-owned properties, totaling 36 residential units.

The proposed funding would result in one new PASS loan and one new SSP loan as a bundled refinance of four existing MOHCD SSP-funded sites. Each of the existing individual SSP loans will be recapitalized and replaced with one new single SSP loan along with a single new 1st position PASS loan across all four sites. The four sites are as follows:

2840-2848 Folsom Street consists of six units in a three-story residential building located in the Mission District. It was built in 1905 and all units feature two bedrooms plus a split bathroom. There is a small backyard shared by all units.

308 Turk Street is a 20-unit residential building in the Tenderloin neighborhood, featuring all studio units.

4042 Fulton Street is a two-story residential building in the Inner Richmond neighborhood featuring five apartments (two one-bedroom units and three two-bedroom units) with three parking spaces below.

568-570 Natoma Street is a three-story apartment building in the South of Market neighborhood featuring five apartments (four one-bedroom units and one studio unit).

The Total Development Cost for the entire four-site refinance Project is up to \$18,800,000. The PASS loan would provide up to \$5,000,000, and the proposed City SSP subsidy for the Project is up to \$13,800,000. The refinance provides additional capital for private loan payoff, rehabilitation needs, as well as replenishment of required reserves. The requested City subsidy is in-line with the applicable SSP subsidy cap at \$372,973 per unit.

Environmental Review

The Planning Department has determined that the proposed project is Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it would not result in a direct or indirect physical change in the environment.

General Plan Compliance and Basis for Recommendation

As described below, the proposed refinancing and rehabilitation is consistent with the Eight Priority Policies of Planning Code Section 101.1 and is, on balance, in conformity with the General Plan.

Note: General Plan Objectives are shown in **BOLD UPPER CASE** font; Policies are in **Bold** font; staff comments are in *italic* font.

MISSION AREA PLAN

OBJECTIVE 2.2

RETAIN AND IMPROVE EXISTING HOUSING AFFORDABLE TO PEOPLE OF ALL INCOMES

POLICY 2.2.2

Preserve viability of existing rental units.

The project will allow for safety and livability of existing units, making them viable for years to come.

EAST SOMA (SOUTH OF MARKET) AREA PLAN

OBJECTIVE 2.2

RETAIN AND IMPROVE EXISTING HOUSING AFFORDABLE TO PEOPLE OF ALL INCOMES

POLICY 2.2.2

Preserve viability of existing rental units.

The project will allow for safety and livability of existing units, making them viable for years to come.

HOUSING ELEMENT

OBJECTIVE 1.A

ENSURE HOUSING STABILITY AND HEALTHY HOMES

Policy 39

Support the repair and rehabilitation of housing to ensure life safety, health, and well-being of residents, especially in Environmental Justice Communities, and to support sustainable building practices.

The repair and rehabilitation of housing provided by this refinancing will ensure life safety upgrades, greater health, and well-being of existing and future residents, renting these units.

OBJECTIVE 1.B

ADVANCE EQUITABLE HOUSING ACCESS

Policy 5

Improve access to the available Affordable Rental and Homeownership units especially for disproportionately underserved racial and social group.

The project will rehabilitate existing rental units and provide an additional rental ADU unit. Programs like these, and the affordable housing they support, primarily serve BIPOC communities and will provide much-needed upgrades to units.

Policy 7

Pursue permanently affordable housing investments that are specific to the geographic, cultural, and support needs of recently arrived or newly independent residents or residents from marginalized groups, including transgender and LGBTQ+ people.

The project will rehabilitate existing rental units and provide an additional rental ADU unit. Investments like these assure the ongoing viability of affordable units and are particularly helpful to and supportive of the BIPOC community.

OBJECTIVE 2.C

INCREASE ACCOUNTABILITY TO AMERICAN INDIAN, BLACK, AND OTHER COMMUNITIES OF COLOR

Policy 21

Prevent the potential displacement and adverse racial and social equity impacts of zoning changes, planning processes, or public and private investments especially for populations and areas vulnerable to displacement.

The project's investments will support renters by providing rental housing upgrades that increase the safety and livability of these units. By lining up relevant financing structures, the upgrades can take place without displacing or disrupting these vulnerable populations.

OBJECTIVE 4.C

DIVERSIFY HOUSING TYPES FOR ALL CULTURES, FAMILY STRUCTURES, AND ABILITIES

Policy 33

Prevent the outmigration of families with children and support the needs of families to grow.

The project's investments will support upgrades to a mix of existing units, ranging from studios to two-bedroom units. This will support the prevention of outmigration of families with children, by continuing to provide upgraded, stable units for renters that need multiple bedrooms and a diversity in unit size and type.

Policy 36

Maximize the use of existing housing stock for residential use by discouraging vacancy, short-term use, and speculative resale.

The upgrades provided by the Project's refinancing will maximize the use of all existing units and additional new ADU by provide life and safety upgrades that will substantially increase the usability of these units and the quality of life of the tenants. These upgrades will help ensure that these units do not experience vacancy or short-term use.

SAFETY AND RESILIENCE ELEMENT

OBJECTIVE 1.2

CONTINUOUS ASSESSMENT AND EVOLUTION. ACT BASED UPON BEST PRACTICES AND CONTINUOUSLY IMPROVE THE KNOWLEDGE BASE TO REMEDY PAST INJUSTICES AND ELIMINATE DISPARITIES

Policy 1.2.1

In all stages of safety and resilience, prioritize the needs of people most impacted by the adverse impacts of hazards.

This project will provide safety and livability upgrades that will prioritize current residents who have been most impacted by the adverse impacts of hazards. These upgrades will mitigate future risk of continued deferred maintenance and upgrades.

Policy 1.2.4

Prioritize funding for infrastructure maintenance and improvements in Environmental Justice Communities.

The project sponsor, SF Community Land Trust, has prioritize permanent refinance and rehabilitation funding to address infrastructure maintenance and improvements for units that serve BIPOC communities in Environmental Justice Communities.

OBJECTIVE 3.1

EXISTING BUILDINGS. ENSURE RETROFITS AND RENOVATIONS TO EXISTING STRUCTURES INCREASE BUILDING LONGEVITY AND MEET CURRENT BEST PRACTICES TO PROTECT OCCUPANTS AND STRUCTURES

Policy 3.1.1

Reduce the risks presented by City-owned structures and privately-owned buildings and provide assistance to vulnerable communities with limited adaptive capacity to reduce those risks.

Policy 3.1.2

Reduce the risk of all hazards, especially geological, weather-related, and fire-related hazards, posed by concrete buildings and older, small, wood-frame residential buildings.

The upgrades provided by this permanent refinancing and rehabilitation will reduce the risks of structural and fire hazard by upgrading structural systems for exits and fire systems.

Planning Code Section 101 Findings

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

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

The Project would not have an adverse effect on existing neighborhood-serving retail uses and will not have a negative effect on opportunities for resident employment in and ownership of neighborhood-serving retail.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the

cultural and economic diversity of our neighborhoods;

The Project would not have a negative effect on existing housing or neighborhood character in San Francisco and will continue to preserve existing San Francisco housing stock.

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

The Project would not have an adverse effect on the City’s supply of affordable housing. The refinancing event will provide SF Community Land Trust sufficient funds to build a single new affordable ADU studio and preserve 36 existing affordable units.

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

The Project would not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking in San Francisco County.

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

The Project would not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired for San Francisco.

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

The Project would not have an adverse effect on City’s preparedness against injury and loss of life in an earthquake and are soft story retrofit compliant.

7. That the landmarks and historic buildings be preserved;

The Project would not have an adverse effect on the City’s Landmarks and historic buildings.

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

The Project would not have an adverse effect on the City’s parks and open space and their access to sunlight and vistas.

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



San Francisco Ethics Commission

25 Van Ness Avenue, Suite 220, San Francisco, CA 94102

Phone: 415.252.3100 . Fax: 415.252.3112

ethics.commission@sfgov.org . www.sfethics.org

Received On:

File #: 230508

Bid/RFP #:

Notification of Contract Approval

SFEC Form 126(f)4

(S.F. Campaign and Governmental Conduct Code § 1.126(f)4)

A Public Document

Each City elective officer who approves a contract that has a total anticipated or actual value of \$100,000 or more must file this form with the Ethics Commission within five business days of approval by: (a) the City elective officer, (b) any board on which the City elective officer serves, or (c) the board of any state agency on which an appointee of the City elective officer serves. For more information, see: <https://sfethics.org/compliance/city-officers/contract-approval-city-officers>

1. FILING INFORMATION

TYPE OF FILING	DATE OF ORIGINAL FILING (for amendment only)
Original	
AMENDMENT DESCRIPTION – Explain reason for amendment	

2. CITY ELECTIVE OFFICE OR BOARD

OFFICE OR BOARD	NAME OF CITY ELECTIVE OFFICER
Board of Supervisors	Members

3. FILER'S CONTACT

NAME OF FILER'S CONTACT	TELEPHONE NUMBER
Angela Calvillo	415-554-5184
FULL DEPARTMENT NAME	EMAIL
office of the clerk of the Board	Board.of.Supervisors@sfgov.org

4. CONTRACTING DEPARTMENT CONTACT

NAME OF DEPARTMENTAL CONTACT	DEPARTMENT CONTACT TELEPHONE NUMBER
Amanda Fukutome-Lopez	628-652-5845
FULL DEPARTMENT NAME	DEPARTMENT CONTACT EMAIL
MYR Mayor's Office of Comm. Dev.	amanda.fukutome-lope@sfgov.org

5. CONTRACTOR	
NAME OF CONTRACTOR SFCLT TNFF Holdings LLC	TELEPHONE NUMBER 415-399-1490
STREET ADDRESS (including City, State and Zip Code) 44 Page St., Suite 401, San Francisco, CA 94102	EMAIL sbailey@sfclt.org

6. CONTRACT		
DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)	ORIGINAL BID/RFP NUMBER	FILE NUMBER (If applicable) 230508
DESCRIPTION OF AMOUNT OF CONTRACT Up to \$18,800,000.00		
NATURE OF THE CONTRACT (Please describe) PASS and Small Sites Program permanent loan to finance the acquisition, rehabilitation, and refinancing of four existing affordable multifamily rental housing projects for low-to moderate-income households, known as SFCLT Scattered Sites, which includes 2480-2848 Folsom Street; 4042-4048 Fulton Street; 568-570 Natoma Street; and 308 Turk Street.		

7. COMMENTS
San Francisco Community Land Trust is the sole member of SFCLT TNFF Holdings LLC.

8. CONTRACT APPROVAL	
This contract was approved by:	
<input type="checkbox"/>	THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM
<input checked="" type="checkbox"/>	A BOARD ON WHICH THE CITY ELECTIVE OFFICER(S) SERVES Board of Supervisors
<input type="checkbox"/>	THE BOARD OF A STATE AGENCY ON WHICH AN APPOINTEE OF THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM SITS

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
1	Hennessy	Keith	Board of Directors
2	Refuerzo	Monica	Board of Directors
3	Yedidia	Dalia Rubiano	Board of Directors
4	Moody	Shelah	Board of Directors
5	How	Hans	Board of Directors
6	Williams	Hope	Board of Directors
7	Mazique	Marquise	Board of Directors
8	Singh	Shanti	Board of Directors
9	Manning	Francesca	Board of Directors
10	Goyal	Vinita	Board of Directors
11	Steinmuller	Antje	Board of Directors
12	Smealie	Kyle	Board of Directors
13	Bailey	Saki	CEO
14	Dai	Junli	Other Principal Officer
15	Nation	Kristen	Other Principal Officer
16	Habash	Samir	CFO
17	Silagon	Emily	Other Principal Officer
18			
19			

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor’s board of directors; (B) the contractor’s principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
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9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor’s board of directors; (B) the contractor’s principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
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Check this box if you need to include additional names. Please submit a separate form with complete information. Select “Supplemental” for filing type.

10. VERIFICATION

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information I have provided here is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

<p>SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK</p> <p>BOS Clerk of the Board</p>	<p>DATE SIGNED</p>
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From: [Conine-Nakano, Susanna \(MYR\)](#)
To: [BOS Legislation, \(BOS\)](#)
Cc: [Paulino, Tom \(MYR\)](#); [Nikolopoulos, Sheila \(MYR\)](#); [Geithman, Kyra \(MYR\)](#); [Gluckstein, Lisa \(MYR\)](#)
Subject: Mayor -- Resolution -- SFCLT Scattered Sites
Date: Tuesday, May 2, 2023 4:28:28 PM
Attachments: [Mayor -- Resolution -- SFCLT Scattered Sites.zip](#)

Hello Clerks,

Attached for introduction to the Board of Supervisors is a Resolution approving and authorizing the Director of the Mayor's Office of Housing and Community Development ("MOHCD") to execute documents relating to a loan in an aggregate total amount not to exceed \$18,800,000 to finance the acquisition, rehabilitation, and permanent refinancing of four existing affordable multifamily rental housing projects for low- to moderate-income households, known as "SFCLT Scattered Sites" consisting of a total of 36 rental units in four buildings located at 2840-2848 Folsom Street, 4042-4048 Fulton Street, 568-570 Natoma Street, and 308 Turk Street, and to construct one accessory dwelling unit at 4042-4048 Fulton Street, pursuant to the Small Sites Program (collectively, the "Project"); affirming the Planning Department's determination under the California Environmental Quality Act; adopting findings that the Project and the proposed transactions are consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and authorizing the Director of MOHCD or his or her designee to execute the loan documents for the Project and make certain modifications to such loan documents, as defined herein, and take certain actions in furtherance of this Resolution, as defined herein.

Best,
Susanna

Susanna Conine-Nakano
Office of Mayor London N. Breed
City & County of San Francisco
1 Dr. Carlton B. Goodlett Place, Room 200
San Francisco, CA 94102
415-554-6147