

File No. 221157

Committee Item No. 4

Board Item No. 17

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date December 7, 2022

Board of Supervisors Meeting

Date December 13, 2022

Cmte Board

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>PLN Amend Ntc of Prj Eligible for AB2162 Approval 11/14/2022</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Solicitation of Information #134.1 10/2021</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>PLN General Plan Referral 11/14/2022</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>CSC Approval - Personal Services Contract Summary 8/15/2022</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Presidential Action Memo - 30 Day Waiver 11/17/2022</u> |
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Completed by: Brent Jalipa

Date December 1, 2022

Completed by: Brent Jalipa

Date December 8, 2022

1 [Lease and Property Management Agreement - Dolores Street Community Services 3055-
2 3061 16th Street - Not to Exceed ~~\$7,446,000~~7,147,000; Certain Administrative Code Waivers]

3 **Ordinance 1) approving and authorizing the Director of Property and the Executive**
4 **Director of the Department of Homelessness and Supportive Housing (“HSH”) to enter**
5 **into a Lease and Property Management Agreement (“Agreement”) with Dolores Street**
6 **Community Services to lease, operate, and maintain the real property and residential**
7 **improvements at 3055-3061 16th Street (“Property”) for an initial five-year term to**
8 **commence upon the first day of the month following the effective date of this**
9 **Ordinance with one five-year option to extend, and base rent of \$1 per year with no**
10 **annual rent increases, and for net property management and operating costs to be paid**
11 **by the City in a total five-year amount not to exceed ~~\$7,446,000~~7,147,000;**

12 **2) determining, in accordance with Administrative Code, Section 23.33, that the below**
13 **market rent payable under the Agreement will serve a public purpose, by providing**
14 **Permanent Supportive Housing for formerly homeless and low-income households;**

15 **3) adopting findings that the Property is “exempt surplus land” under the California**
16 **Surplus Land Act; 4) exempting the Property from contracting requirements in**
17 **Administrative Code, Chapter 6, but requiring compliance with the prevailing wage and**
18 **apprenticeship requirements of Administrative Code, Section 23.61; 5) authorizing the**
19 **Director of Property and the Executive Director of HSH to make certain modifications to**
20 **the Agreement and take certain actions in furtherance of the Agreement and this**
21 **Ordinance, as defined herein; 6) ratifying all prior actions taken by any City employee**
22 **or official with respect to the Agreement; and 7) affirming the Planning Department’s**
23 **determination under the California Environmental Quality Act, and adopting the**

1 **Planning Department’s findings that the Agreement is consistent with the General Plan,**
2 **and the eight priority policies of Planning Code, Section 101.1.**

3 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
4 **Additions to Codes** are in *single-underline italics Times New Roman font*.
5 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
6 **Board amendment additions** are in double-underlined Arial font.
7 **Board amendment deletions** are in ~~strikethrough Arial font~~.
8 **Asterisks (* * * *)** indicate the omission of unchanged Code
9 subsections or parts of tables.

10 Be it ordained by the People of the City and County of San Francisco:

11 Section 1. CEQA and Land Use Findings.

12 (a) The Planning Department has determined that the actions contemplated in this
13 ordinance are subject to ministerial approval and are not subject to review under the California
14 Environmental Quality Act (California Public Resources Code Sections 21000 et seq.). Said
15 determination is on file with the Clerk of the Board of Supervisors in File No. 221157 and is
16 incorporated herein by reference. The Board affirms this determination.

17 (b) On November 14, 2022, the Planning Department determined that the actions
18 contemplated in this ordinance are consistent, on balance, with the City’s General Plan and
19 eight priority policies of Planning Code Section 101.1. The Board adopts this determination
20 as its own, and hereby incorporates such findings by reference as though fully set forth in this
21 ordinance. A copy of said determination is on file with the Clerk of the Board of Supervisors in
22 File No. 221157, and is incorporated herein by reference.

23 Section 2. Background and General Findings.

24 (a) The Department of Homelessness and Supportive Housing’s (“HSH”) mission is
25 to prevent homelessness when possible and to make homelessness a rare, brief, and one-

1 time experience in San Francisco through the provision of coordinated, compassionate, and
2 high-quality services.

3 (b) With the adoption of Resolution No. 319-18 in October 2018, the Board of
4 Supervisors and Mayor Breed declared a shelter crisis and affirmed San Francisco's
5 commitment to combatting homelessness and creating or augmenting a continuum of shelter
6 and service options for those experiencing homelessness.

7 (c) Permanent Supportive Housing ("PSH") is the most effective, evidence-based
8 solution to ending chronic homelessness and also reduces new incidents of homelessness
9 among highly vulnerable people with long experiences of homelessness.

10 (d) In July 2020, Mayor Breed announced her Homelessness Recovery Plan, which
11 included the goal of acquiring and operating 1,500 new units of PSH by June 30, 2022. In the
12 two years ending June 30, 2022, the City achieved nearly double that goal, with 2,918 new
13 units of site-based and scattered-site PSH that were active or under contract with a non-profit
14 provider.

15 (e) On October 22, 2021, the City adopted Resolution No. 480-21, approving and
16 authorizing the acquisition of the real property and improvements located at 3055-3061 16th
17 Street, Assessor Parcel Number Block 3569, Lot 078 (the "Property"). The Property consists
18 of approximately 3,056 square feet of land, including 25 units, ground floor commercial space,
19 and all other buildings and structures located on the Property and all personal property and
20 equipment used in connection with the operation or occupancy of the Property. The City
21 acquired the Property on December 30, 2021, and a copy of the final executed Purchase and
22 Sale Agreement is on file with the Clerk of the Board of Supervisors in File No. 210940. On
23 September 29, 2022, the City adopted Resolution No. 402-22 authorizing HSH to accept and
24 expend \$7,480,080 in Project Homekey grant funds from the California Department of
25

1 Housing and Community Development to support the acquisition and operations of the
2 Property.

3 (f) In April 2022, HSH selected Dolores Street Community Services (“DSCS”), a
4 California nonprofit public benefit corporation, through a Solicitation of Information, a copy of
5 which is on file with the Clerk of the Board of Supervisors in File No. 221157, to provide
6 property management and operations services at the Property.

7 (g) HSH desires to enter into a Lease and Property Management Agreement (the
8 “Agreement”) with DSCS to provide onsite property management and operations services at
9 the Property for an initial five-year term commencing upon the first day of the month following
10 the effective date of this ordinance. A copy of the Agreement is on file with the Clerk of the
11 Board of Supervisors in File No. 221157.

12 (h) The Agreement requires DSCS to be responsible for the ongoing management,
13 maintenance, and operation of the Property as PSH in accordance with HSH housing-first and
14 PSH policies, and as residential housing for any other existing residents in accordance with all
15 applicable laws. In exchange for such services at the Property, the Agreement requires the
16 City to fund the annual net property management and operating costs for the Property in a
17 total five-year amount not to exceed ~~\$7,446,000~~7,147,000, subject to appropriations and
18 certain other conditions, reporting requirements, and HSH approval of an annual operating
19 budget submitted by DSCS, as further described in the Agreement.

20 (i) The Agreement also includes an option to extend the term of the Agreement for
21 up to an additional five years, upon mutual agreement of the City and DSCS (the “Extension
22 Option”). If the HSH and DSCS desire to exercise the Extension Option, the Director of
23 Property and HSH will seek required City approvals at that time.

24 (j) On August 15, 2022, the Civil Service Commission approved property
25 management services to be provided by selected non-profit organizations at HSH-acquired

1 properties including the Property, in the total amount of \$52,000,000, for a period of five
2 years, see PSC #43675-22/23, a copy of which is on file with the Clerk of the Board of
3 Supervisors in File No. 221157.

4 (k) The Agreement requires Board of Supervisors approval.

5 (l) Under the Agreement, DSCS will seek certain entitlements and complete certain
6 predevelopment work to convert the Property to PSH. Upon completion of the
7 predevelopment scope of work, HSH and DSCS intend to enter into a separate agreement
8 regarding any necessary construction or rehabilitation at the Property, which may be subject
9 to the prior approval of the Board of Supervisors, as required by law.

10
11 Section 3. Surplus Land Act Findings and Other Findings.

12 (a) The Board of Supervisors finds that the Property is “exempt surplus land,” as
13 defined by California Government Code Section 54221(f)(1).

14 (b) The Board of Supervisors finds that the below market base rental rate of \$1 per
15 year to be paid by DSCS to the City under the Agreement, with no annual rent increases,
16 furthers a proper public purpose sufficient to meet the requirements of Administrative Code
17 Section 23.33, since the exceptionally low rent will facilitate the operation of PSH for formerly
18 homeless and low-income households at the Property.

19
20 Section 4. Approval of Agreement and Related Authorizations.

21 (a) In accordance with the recommendation of the Director of Property and the
22 Executive Director of HSH, the Board of Supervisors hereby approves the Agreement in
23 substantially the form presented to the Board of Supervisors.

24 (b) The Board of Supervisors authorizes the Executive Director of HSH and the
25 Director of Property, or their designees, to take all actions on behalf of the City to enter into,

1 execute, and perform its obligations under the Agreement (including the exhibits to the
2 Agreement), and any other documents that are necessary or advisable to effectuate the
3 purpose of this ordinance and the Agreement.

4 (c) In addition, HSH may fund the net property management and operating costs for the
5 Property in a total amount not to exceed ~~\$7,446,000~~7,147,000, subject to appropriations and
6 certain other conditions, reporting requirements, and HSH approval of an annual operating
7 budget for the Property, as further described in the Agreement.

8

9 Section 5. Administrative Code Chapter 6 Waiver; Prevailing Wage and
10 Apprenticeship Requirements.

11 (a) The Board of Supervisors waives Administrative Code Chapter 6, to the extent
12 Chapter 6 would otherwise be applicable to the work performed by DSCS or its agents at the
13 Property.

14 (b) The payment of prevailing wages and the apprenticeship requirements of
15 Administrative Section 23.61 shall apply to the work performed by DSCS or its agents at the
16 Property.

17

18 Section 6. Additions, Amendments, and Modifications of the Agreement.

19 The Board of Supervisors authorizes the Director of Property and the Executive
20 Director of HSH, or their designees, in consultation with the City Attorney, to enter into any
21 additions, amendments, or other modifications to the Agreement (including the exhibits to the
22 Agreement) and any other documents or instruments necessary in connection therewith that
23 the Director of Property and the Executive Director of HSH determine, in consultation with the
24 City Attorney, are in the best interests of the City, do not materially decrease the benefits to
25 the City, do not materially increase the obligations or liabilities of the City, are necessary or

1 advisable to effectuate the purposes of the Agreement or this ordinance, and are in
2 compliance with all applicable laws, including the Charter, such determination to be
3 conclusively evidenced by the execution and delivery by the Director of Property and
4 Executive Director of HSH of any such additions, amendments, or other modifications.

5
6 Section 7. Ratification of Prior Actions; Authorization of Subsequent Actions.

7 All prior actions taken by any City employee or official with respect to the Agreement
8 are hereby approved and ratified, and the Board of Supervisors hereby authorizes all
9 subsequent action to be taken by City officials consistent with this ordinance.

10
11 Section 8. Effective Date. This ordinance shall become effective 30 days after
12 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
13 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
14 of Supervisors overrides the Mayor's veto of the ordinance.

15
16 Section 9. Inclusion of Final Agreement in Board File.

17 Within 30 days of the Agreement being fully executed by all parties, HSH shall submit
18 to the Clerk of the Board of Supervisors a fully executed copy of the Agreement for inclusion
19 in Board File No. 221157, the official file for this ordinance.

20
21 APPROVED AS TO FORM:
22 DAVID CHIU, City Attorney

23 By: /s/ Virginia Dario Elizondo
24 VIRGINIA DARIO ELIZONDO
25 Deputy City Attorney

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REVISED LEGISLATIVE DIGEST
(Amended in Committee, 12/7/2022)

[Lease and Property Management Agreement - Dolores Street Community Services – 3055-3061 16th Street - Not to Exceed \$7,147,000; Certain Administrative Code Waivers]

Ordinance 1) approving and authorizing the Director of Property and the Executive Director of the Department of Homelessness and Supportive Housing (“HSH”) to enter into a Lease and Property Management Agreement (“Agreement”) with Dolores Street Community Services to lease, operate, and maintain the real property and residential improvements at 3055-3061 16th Street (“Property”) for an initial five-year term to commence upon the first day of the month following the effective date of this Ordinance with one five-year option to extend, and base rent of \$1 per year with no annual rent increases, and for net property management and operating costs to be paid by the City in a total five-year amount not to exceed \$7,147,000; 2) determining, in accordance with Administrative Code, Section 23.33, that the below market rent payable under the Agreement will serve a public purpose, by providing Permanent Supportive Housing for formerly homeless and low-income households; 3) adopting findings that the Property is “exempt surplus land” under the California Surplus Land Act; 4) exempting the Property from contracting requirements in Administrative Code, Chapter 6, but requiring compliance with the prevailing wage and apprenticeship requirements of Administrative Code, Section 23.61; 5) authorizing the Director of Property and the Executive Director of HSH to make certain modifications to the Agreement and take certain actions in furtherance of the Agreement and this Ordinance, as defined herein; 6) ratifying all prior actions taken by any City employee or official with respect to the Agreement; and 7) affirming the Planning Department’s determination under the California Environmental Quality Act, and adopting the Planning Department’s findings that the Agreement is consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

Existing Law

This is a contract approval action. If the Board of Supervisors adopts this proposed uncodified ordinance, the City would enter into a Lease and Property Management Agreement (the “Agreement”) with Dolores Street Community Services (“DSCS”) to lease, operate, and maintain the real property and residential improvements at 3055-3061 16th Street (“Property”) as Permanent Supportive Housing (“PSH”) and exempt the Property from Administrative Code Chapter 6, but require compliance with the prevailing wage and apprenticeship requirements of Administrative Code, Section 23.61. Administrative Code Chapter 6 establishes the policies, procedures, and required contract terms that apply under City law to public works contracts, including construction contracts and contracts for related design and engineering services. There are no amendments to current law.

Background Information

Permanent Supportive Housing (“PSH”) is the most effective, evidence-based solution to ending chronic homelessness and also prevents new incidents of homelessness among highly vulnerable people with long experiences of homelessness.

On October 22, 2021, the City adopted Resolution No. 480-21, approving and authorizing the acquisition of the real property and improvements located at 3055-3061 16th Street, which consists of approximately 3,056 square feet of land, including 25 units, ground floor commercial space, and all other buildings and structures located on the Property and all personal property and equipment used in connection with the operation or occupancy of the Property. The City acquired the Property on December 30, 2021.

On September 29, 2022, the City adopted Resolution No. 402-22 authorizing HSH to accept and expend \$7,480,080 in Project Homekey grant funds from the California Department of Housing and Community Development to support the acquisition and operations of the Property.

This proposed ordinance would approve and authorize the Director of Property and the Executive Director of the Department of Homelessness and Supportive Housing (“HSH”), to enter into the Agreement with DSCS to lease, operate, and maintain the Property as PSH for an initial five-year term.

Under the Agreement, DSCS would provide ongoing property management services, including renting the Property to eligible unsheltered or formerly unsheltered households eligible for PSH as determined by HSH, and maintaining the Property in a safe, sanitary and habitable manner. Because the PSH rental income is not expected to cover the total operating costs at the Property, the Agreement would authorize HSH to provide an annual operating subsidy to DSCS in an amount not to exceed \$7,147,000, subject to annual appropriations and certain other conditions, reporting requirements, and HSH approval of an annual operating budget submitted by DSCS. The property management services have been approved by the Civil Service Commission, and are subject to Board approval under Charter Section 9.118(b).

This proposed ordinance would waive Administrative Code Chapter 6, and will require compliance with the prevailing wage and apprenticeship program requirements of Administrative Code §23.61.

The Agreement would also authorize DSCS to apply for any applicable entitlements and complete certain necessary predevelopment work. Upon completion of the predevelopment work, HSH and DSCS intend to enter into a separate funding agreement to govern any necessary construction or substantial rehabilitation at the Property, which may be subject to the prior approval of the Board of Supervisors, as required by law.

FILE NO. 221157

The not to exceed amount was amended from \$7,446,000, to \$7,147,000, by the Budget and Finance Committee on December 7, 2022.

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Item 4 File 22-1157	Department: Department of Homelessness and Supportive Housing (HSH)
EXECUTIVE SUMMARY	
<p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> • The proposed ordinance would approve a lease and property management agreement between the Department of Homelessness and Supportive Housing (HSH) and Dolores Street Community Services (Dolores) to lease, operate, and maintain the City-owned property at 3055-3061 16th Street for a term of five years from approximately March 2023 through February 2028, and one five-year option to extend, with total costs not to exceed \$7,446,000 for the initial five-year term, for use as permanent supportive housing. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • In October 2021, the Board of Supervisors approved the purchase of 3061 16th Street for use as permanent supportive housing. Under a Solicitation of Information, a joint proposal from Larkin Street Youth Services (Larkin), for supportive services, and Dolores, for property management, was deemed the highest scoring proposal. • Dolores would be responsible for providing property management services at 3061 16th Street, comprised of 25 units of permanent supportive housing. Dolores would also manage the process of property conversion to permanent supportive housing. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • The proposed lease and property management agreement would have a total amount not to exceed \$7,446,000 over the initial five-year term, including a reserve and contingency. Due to the existing reserve, the Budget and Legislative Analyst recommends reducing the contingency to 10 percent of estimated expenditures, or \$520,588. <p style="text-align: center;">Policy Consideration</p> <ul style="list-style-type: none"> • The proposed ordinance waives Administrative Code Chapter 6 requirements. The agreement's lack of specificity regarding the City's participation in selecting real estate development contractors may present a risk to adhering to the project budget. <p style="text-align: center;">Recommendations</p> <ul style="list-style-type: none"> • (1) Amend the proposed ordinance to reduce the not-to-exceed amount of the proposed lease and property management agreement to \$6,476,830. (2) Request HSH to include a provision in the proposed lease and property management agreement detailing the Department's role in selecting real estate development contractors, including approving solicitations, participating in selecting contractors, and providing technical assistance to assess bids. (3) Approve the lease and property management agreement approval portion of the ordinance, as amended. (4) Approval of the Chapter 6 waiver portion of the ordinance is a policy matter for the Board of Supervisors. 	

MANDATE STATEMENT

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

Administrative Code Section 23.1 authorizes the Director of Property to enter into leases of City-owned property for a term of one year or less. Longer term leases require Board of Supervisors approval.

Administrative Code Section 23.30 allows for leasing of City-owned property at less than market rate if doing so will serve a public purpose, subject to approval of the Board of Supervisors.

BACKGROUND

In November 2018, San Francisco voters approved Proposition C, a gross receipts tax to fund homeless services and housing. In July 2020, Mayor London Breed announced her Homelessness Recovery Plan, with the goal of acquiring or leasing 1,500 new units of permanent supportive housing over the next two years. According to the proposed ordinance, as of June 30, 2022, the City had acquired 2,918 new units of site-based and scattered site permanent supportive housing that were active or under contract with a non-profit provider. Also in July 2020, the California Department of Housing and Community Development (HCD) announced the Homekey program, providing grants to sustain and expand housing for homeless people impacted by COVID-19. In September 2021, HCD announced a second round of Homekey grant funding.

3055-3061 16th Street

In October 2021, the Board of Supervisors approved the City’s acquisition of the Eula Hotel at 3055-3061 16th Street for \$5,600,000, plus an estimated \$115,000 for closing costs, and authorized the Department of Homelessness and Supportive Housing (HSH) to apply for a Homekey grant to help fund the acquisition (File 21-0940). In March 2022, HCD notified HSH of a Homekey grant award of \$7,480,000. In September 2022, the Board of Supervisors approved the acceptance and expenditure of the grant (File 22-0885). The site consists of 25 units: 20 single-room occupancy (SRO) units, five units that had been used as tourist hotel rooms, and a ground floor space that had been used as a liquor store. HSH determined that the site would be used for transitional aged youth (TAY) because smaller sites are preferable for this population.

Procurement of Dolores Street Community Services

In October 2021, HSH issued a Solicitation of Information (SOI) to select property management, supportive services, and real estate development providers for three newly acquired permanent supportive housing sites, including 3061 16th Street. HSH received four responses for 3061 16th Street and an evaluation panel scored them, as shown in Exhibit 1 below.¹ Applicants were

¹ The evaluation panel consisted of a Program Specialist from the Department of Children, Youth, and their Families (DCYF), an Asset Manager from the Mayor’s Office of Housing and Community Development (MOHCD), a TAY Advisory Board Coordinator from the Department of Public Health (DPH), and a Program Manager from HSH.

required to have experience providing the service for which they were applying and were assessed on the service plans, organizational experience and capacity, and budget for services.

Exhibit 1: Proposers and Scores from SOI

Proposer	Score (140 Maximum Points)
Larkin Street Youth Services/Dolores Street Community Services	115.6
Five Keys/Amin Group	113.4
HYA/Tides DISH	99.5
WeHope/Patten Foundation	71.9

Source: HSH

A joint proposal from Larkin Street Youth Services (Larkin) and Dolores Street Community Services (Dolores) was deemed the highest scoring proposal. In May 2022, HSH executed an interim lease and property management agreement with Dolores for a term of 10 months, from May 2022 through February 2023, and an amount not to exceed \$2,474,468. HSH also executed a grant agreement with Larkin to provide support services for a term of three years and two months, from May 2022 through June 2025, with six one-year options to extend through June 2031, and an amount not to exceed \$892,624 for the initial term. The agreement with Larkin and interim agreement with Dolores did not require Board of Supervisors approval because they did not exceed 10 years or \$10 million.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would make the following actions:

1. Approve a lease and property management agreement with Dolores to lease, operate, and maintain the property at 3055-3061 16th Street, for a term of five years from approximately March 2023 through February 2028, with one five-year option to extend, for base rent of \$1 per year with no increases, and for property management and operating costs paid by the City to not exceed \$7,446,000 for the initial five-year term;
2. Determine in accordance with Administrative Code Section 23.33 that the below market rent payable under the lease will serve a public purpose by providing permanent supportive housing for formerly homeless and low-income households;
3. Adopt findings that the property is “exempt surplus land” under the California Surplus Land Act;
4. Exempt the property from contracting requirements under Administrative Code Chapter 6, but require compliance with the prevailing wage and apprenticeship requirements of Administrative Code Section 23.61, and local business enterprise procurement requirements of Administrative Code Section 14B;
5. Authorize the Director of Property and HSH Executive Director to make certain modifications to the agreement;
6. Ratify all prior actions taken by any City employee or official with respect to the agreement; and

7. Affirm the Planning Department's determination under the California Environmental Quality Act (CEQA) and adopt the Planning Department's findings that the agreement is consistent with the General Plan and eight priority policies of Planning Code Section 101.1.

Lease and Property Management Agreement Services

Dolores would be responsible for providing property management services at 3061 16th Street for 25 units and ground floor support spaces. As mentioned above, Larkin would provide support services at the site. According to Bryn Miller, HSH Legislative Analyst, there 20 residents at the building at the time of this report. The other five units are being used for staff space until completion of renovations on the first floor to turn the space into a service area. HSH anticipates that the building will be fully occupied following completion of the rehabilitation work, anticipated to take place between Summer 2023 and January 2024.

Property Management Services

Dolores' property management services include: (1) performing application reviews and executing lease agreements; (2) collecting rent and other housing-related payments from residents; (3) enforcing leases, which includes providing written notices and working to prevent evictions; (4) communicating with federal, state, and local agencies to process rental subsidies; (5) setting up and managing building utilities; (6) assuming responsibility for condition, operation, repair, and maintenance of the premises including janitorial services, garbage removal, pest control, facility maintenance and repair, building security, and preparing units for move-in and move-out; (7) conducting wellness checks and/or emergency safety checks; (8) providing means for residents to provide input through a complaint process and a written annual survey; (9) ensuring translation and interpreter services are available, (10) integrating harm reduction principles; (11) establishing and maintaining a written grievance procedure; (12) obtaining tenant income certifications and conducting re-certifications; (13) monthly inspections of interiors of residential units; (14) developing and maintaining a Disaster and Emergency Response Plan; (15) maintaining various insurance policies; and (16) front desk coverage as can be funded in the annual budget, as approved by HSH. The contract would fund approximately 8.5 full-time equivalent (FTE) positions.

Under the agreement, Dolores would submit an annual operating budget, an annual property management plan, and an annual preventative maintenance plan and schedule for City approval. Dolores would be able to adjust budget line items by no more than 10 percent, unless first receiving HSH pre-approval. No later than July 10 of each Operating Year, HSH would deposit 25 percent of the Annual Operating Subsidy for Dolores to pay for initial project expenses. Dolores should submit monthly invoices and any related documentation to HSH within 15 days after the month the expenditures occurred.

Real Estate Development Services

Dolores would also manage the process of property conversion to permanent supportive housing. The only anticipated improvements are to convert the ground floor liquor store into support spaces for residents, including offices, counseling rooms, and a resident lounge. Section 34 of the proposed agreement requires Dolores to competitively procure any service contracts

through an undefined competitive process in compliance with Administrative Code Section 14B, which pertains to local business enterprise utilization.

HSH preliminarily estimates that the hard costs for construction are approximately \$1,700,820 excluding escalation. HSH anticipates that it would enter into a separate agreement with Dolores to fund construction costs, which would not require Board of Supervisors approval if the amount were below \$10 million, as currently estimated. Exhibit F requires Dolores to update the proposed rehabilitation scope of work and budget assumptions with actual proposal and bid costs and follow MOHCD's Underwriting Guidelines until superseded by HSH guidelines. The proposed agreement includes \$658,857 for predevelopment work, including obtaining Planning Department entitlements, managing the procurement and overseeing architects, engineers, general contractors, and permit consultants, obtaining Department of Building Inspection permits, and overseeing tenant relocation, if necessary.

Although soft costs of approximately \$658,857 for predevelopment are included in the property management agreement budget, construction costs are not. Actual construction costs will be determined after the pre-development work is complete. By waiving Chapter 6 of the City's Administrative Code, Dolores, as the City's lessee under this lease agreement, would be able to procure construction or related professional services without going through the Department of Public Works.

Service and Outcome Objectives

The proposed lease and property management agreement include the following service and outcome objectives. The service objectives state that Dolores shall:

- Ensure that each unit is cleaned and/or repaired within 21 days of a request for service;
- Collect at least 90 percent of residents' monthly rent;
- Maintain a residential occupancy rate of at least 97 percent;
- Submit an Annual Operating Budget and provide a property management plan and a preventative maintenance plan and schedule to HSH for review and approval; and
- Submit all required asset management and program reports to HSH and other funders.

The outcome objectives state that:

- 90 percent of residents will maintain their housing for a minimum of 12 months, move to other permanent housing, or be provided with more appropriate placements;
- 85 percent of lease violations will be resolved without loss of housing to residents; and
- At least 75 percent of residents will complete an annual survey and 80 percent indicate that they are satisfied or very satisfied with property management services.

Fiscal and performance monitoring will occur annually. In addition, Dolores is required to submit monthly, quarterly, annual, and ad-hoc reports to HSH. The Department of Public Health (DPH) reviewed Dolores' financial documents as part of the FY 2021-22 Citywide Fiscal and Compliance Monitoring process and identified no findings.

FISCAL IMPACT

The proposed lease and property management agreement would have a total amount not to exceed \$7,446,000 over the initial five-year term. This amount includes a \$750,357 reserve account to cover overages in operating costs and maintenance and repair costs, as well as a contingency of \$1,489,758 (25 percent of expenses and reserves) in case overall budget costs come in higher than anticipated. The estimated sources and uses of funds are shown in Exhibit 2 below.

Exhibit 2: Estimated Sources and Uses of Funds

Sources	Start-Up & Year 1 (3/2023 – 6/2024)	Year 2 (7/2024 – 6/2025)	Year 3 (7/2025 – 6/2026)	Year 4 (7/2026 – 6/2027)	Year 5 (7/2027 – 2/2028)	Total
Homekey Grant	\$1,122,639	\$94,161	-	-	-	\$1,216,800
Proposition C	658,687	750,687	871,201	905,245	617,674	3,803,494
Tenant Income	37,091	40,500	40,500	40,500	27,000	185,591
<i>Subtotal</i>	<i>\$1,818,417</i>	<i>\$885,348</i>	<i>\$911,701</i>	<i>\$945,745</i>	<i>\$644,674</i>	<i>\$5,205,885</i>
Reserves (14.4%)						750,357
Contingency (25%)						1,489,758
Total Sources	\$1,818,417	\$885,348	\$911,701	\$945,745	\$644,674	\$7,446,000
Uses	Start-Up & Year 1 (3/2023 – 6/2024)	Year 2 (7/2024 – 6/2025)	Year 3 (7/2025 – 6/2026)	Year 4 (7/2026 – 6/2027)	Year 5 (7/2027 – 2/2028)	Total
Salaries & Benefits	\$758,874	\$586,230	\$603,817	\$621,932	\$427,060	\$2,997,914
Operating Expenses ²	204,045	143,978	148,117	158,381	104,635	759,155
Indirect Costs (15%)	144,438	109,531	112,790	117,047	79,754	563,560
Other Expenses ³	711,060	45,608	46,977	48,386	33,225	885,256
<i>Subtotal</i>	<i>\$1,818,417</i>	<i>\$885,348</i>	<i>\$911,701</i>	<i>\$945,745</i>	<i>\$644,674</i>	<i>\$5,205,885</i>
Reserves (14.4%)						750,357
Contingency (25%)						1,489,758
Total Uses	\$1,818,417	\$885,348	\$911,701	\$945,745	\$644,674	\$7,446,000

Source: Proposed Lease and Property Management Agreement

If needed, the reserves and contingency would be funded by Proposition C funds but would require prior written HSH pre-approval and in the case of any contingency, would require adequate expenditure authority.

² Operating expenses include rent, utilities, office supplies and postage, maintenance supplies and repair, printing and reproduction, insurance, staff training, staff travel, rental of equipment, legal fees, household/facility supplies, taxes, licenses and fees, and consulting services.

³ Other expenses include \$658,687 in predevelopment work in Year 1 and annual asset management and audit costs. The predevelopment amount includes an additional contingency of \$53,550, or nine percent of projected costs.

The reserve and contingency combine for 43 percent of estimated operating expenditures over the initial five-year term. Due to the existing 15.5 percent reserve for unanticipated expenses, the Budget and Legislative Analyst does not consider an additional 30 percent contingency to be necessary. The Budget and Legislative Analyst recommends reducing the contingency to 10 percent of estimated expenditures, or \$520,588, rather than 25 percent of total projected expenditures and reserves. This would reduce the not-to-exceed amount of the proposed agreement by \$969,170, for a total not to exceed amount of \$6,476,830. This reduction would still allow a reserve fund of \$750,357 to cover overages in operating costs and maintenance and repair costs. It would also still allow for a contingency of \$53,550 that is embedded within projected predevelopment soft cost expenditures.

Total Costs

The total cost to purchase and renovate the property and provide property management and support services through February 2028 (the end of the initial term of the proposed lease and property management agreement) is approximately \$16.1 million, excluding reserves and contingencies. The estimated sources and uses of funds are shown in Exhibit 3 below.

Exhibit 3: Total Estimated Sources and Uses of Funds: Acquisition, Rehabilitation, and Operating Costs for Five Years

Sources	Amount
Proposition C	\$8,444,999
Homekey Grant	7,480,000
Tenant Income	185,591
Total Sources	\$16,110,590

Uses	Amount
Building Purchase	\$5,715,000
Construction ⁴	1,700,820
Operating Costs	5,205,885
Interim Agreement ⁵	2,144,282
Support Services ⁶	1,344,603
Total Uses	\$16,110,590

Sources: HSH, Proposed Lease and Property Management Agreement, Interim Dolores Agreement, Larkin Contract

The total annual cost for property management and support services is approximately \$1.1 million, or approximately \$44,414 per unit, excluding reserves and contingencies. This is

⁴ Construction costs do not include an unknown amount in anticipated soft costs during the construction phase that are not funded by the proposed agreement.

⁵ According to Legislative Analyst Miller, the cost of the interim agreement is \$2,144,282 for the 10-month period of May 2022 through February 2023 because of one-time costs for furnishings, fixtures, and equipment (FF&E), entitlement applications, analysis and budget development for the rehabilitation scope of work, and improvements required by the Department of Building Inspection (DBI) as part of the conversion of the property.

⁶ The support services contract with Larkin has total projected costs of approximately \$743,853 over the initial three-year and two-month term, excluding contingencies. Assuming that annual costs of \$225,000 continue in the extension term, the total costs through February 2028 are approximately \$1,344,603.

approximately 124 percent higher than the amount of \$19,800 per unit estimated by HSH and reported by the Budget and Legislative Analyst in September 2021 and included in the solicitation used to procure this agreement, and approximately 48 percent higher than the revised estimate provided by HSH and reported by the Budget and Legislative Analyst in September 2022. According to Legislative Analyst Miller, the amount has increased due to wage increases for frontline property management staff included within HSH's FY 2022-24 operating budget, the FY 2022-23 service model for TAY that includes wage increases for non-profit case management workers, generally higher service levels for TAY programming, three additional FTE employees, and a lack of economies of scale in a smaller building.

POLICY CONSIDERATION

Chapter 6 Waiver

Administrative Code Chapter 6 generally requires General Fund Departments to use the Department of Public Works for construction projects, which applies to the real estate development work contemplated at 3061 16th Street. Ordinance 61-19 authorized the Department of Public Works to enter and/or amend any homelessness services contract for public works without adherence to Administrative Code Chapters 6 (public works contracting), 12B (non-discrimination), 14B (local business enterprise utilization), and the Environment Code. Ordinance 61-19 expires May 5, 2024. The proposed ordinance waives Administrative Code Chapter 6, while maintaining the prevailing wage and apprenticeship requirements under Chapter 23, the Chapter 14B local business enterprise utilization provisions and contains non-discrimination provisions. Given the existing waivers for homeless projects, the primary policy change of proposed ordinance's Chapter 6 waiver is to remove Public Works from the construction process to allow the non-profit master tenant to undertake rehabilitation work for the City-owned buildings.

As noted above, Section 34 and Exhibit F of the proposed agreement require Dolores to procure development contracts using an undefined "competitive process" overseen by the Contract Monitoring Division, which ensures compliance with the City's local business enterprise requirements in Chapter 14B.

Exhibit F of the proposed agreement requires that the master tenant comply with MOHCD's Underwriting Guidelines, which provides policy guidance for real estate development project costs. Unlike an MOHCD agreement, the proposed agreement does not specify the City's participation in the procurement of contractors, such as approving solicitations, participating in selecting contractors, and providing technical assistance to assess bids. The agreement's lack of specificity regarding the City's participation in selecting real estate development contractors may present a risk to adhering to the project budget. Following a discussion with the Budget and Legislative Analyst, HSH stated that it will develop written regulations for PSH operations and real estate development, specifying the Department's role in selecting contractors.

RECOMMENDATIONS

1. Amend the proposed ordinance to reduce the not-to-exceed amount of the proposed lease and property management agreement to \$6,476,830.
2. Request HSH to include a provision in the proposed lease and property management agreement detailing the Department's role in selecting real estate development contracts, including approving solicitations, participating in selecting contractors, and providing technical assistance to assess bids.
3. Approve the lease and property management agreement approval portion of the ordinance, as amended.
4. Approval of the Chapter 6 waiver portion of the ordinance is a policy matter for the Board of Supervisors.



DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

Lease & Property Management Agreements: Four Permanent Supportive Housing Sites

Budget and Finance Committee | December 7, 2022



Lease & Property Management Agreements

• Five acquired sites ready to operate as **Permanent Supportive Housing**.

• Need **master lease and property management agreement** with the non-profit property management provider.

Resolutions (no extensive rehab)

- 1321 Mission Street*
- 333 12th Street

Ordinances (Ch. 6 waivers for rehab)

- 3061 16th Street
- 5630 Mission Street
- 835 Turk Street

*Heard at Budget and Finance on 11/9

Legislation: Property Management & Lease

- Authorizes DRE & HSH to enter an Agreement with the selected non-profit Property Manager to **lease, operate, and maintain the property**.
- **Exempt properties** from contracting requirements under Admin. Code Ch. 6 and **require compliance** with the **prevailing wage and apprenticeship requirements** of Admin Code Section 23.61 and **competitive procurement** under Admin Code Section 14B.

Lease Agreement & Property Management Agreement

- **Term:** 5 years; option for 5-year extension.
- **Rent:** \$1 per year - below-market rent serves public purpose by providing supportive housing to low-income households.
- **Property Mgt Services:** Ongoing management, maintenance and operation of the Property as PSH in line with housing-first & other supportive housing policies.

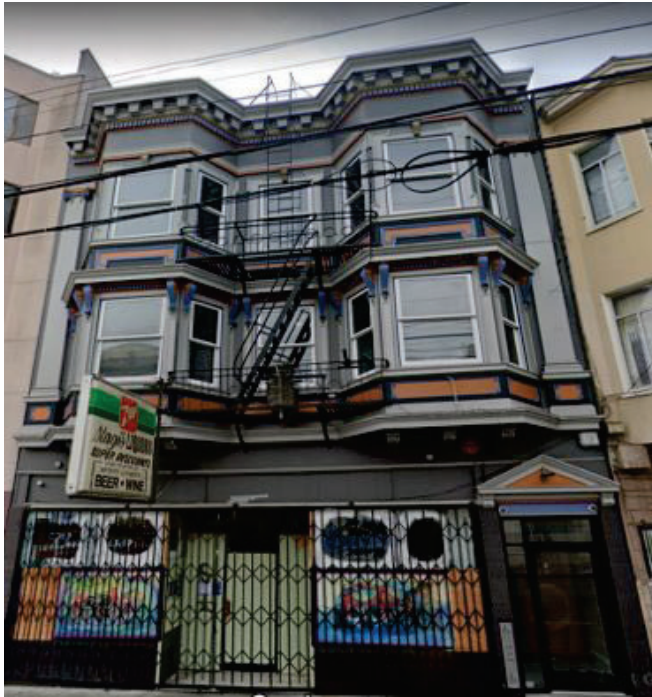
333 12th Street: Project Background

- Permanent Supportive Housing:
 - **200 units** with **618 bedrooms**
 - Serves families
- Property Management Provider selected through RFP #138:
Abode Services
- Lease & Property Mgt Agreement:
 - Not to Exceed: \$20,080,000
- Homekey: **\$56.6 million awarded**



Property at 333 12th Street

3061 16th Street: Project Background



Property at 3061 16th Street

- Permanent Supportive Housing:
 - **25 units**
 - Serves young adults 18 - 24
- Property Management Provider selected through SOI #134.1: **Dolores Street Community Services**
- Lease & Property Mgt Agreement:
 - Not to Exceed: \$7,446,000
- Homekey: **\$7.5 million accepted**

5630 Mission Street: Project Background

- Permanent Supportive Housing:
 - **52 units**
 - Serves young adults 18 – 24
- Property Management Provider selected through SOI #134.1: **Dolores Street Community Services**
- Lease & Property Mgt Agreement:
 - Not to Exceed: \$11,636,000
- Homekey: **\$16.8 million awarded**
 - Accept and Expend legislation before Budget and Finance in January 2023



Property at 5630 Mission Street

835 Turk Street: Project Background

- Permanent Supportive Housing:
 - **114 units**
 - Private bathrooms
 - Serves adults
- Property Management Provider selected through SOI #134.2: **Five Keys Schools and Programs**
 - Not to Exceed: \$16,682,000
- Homekey: N/A



Property at 835 Turk Street



DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

Questions?

Thank you!

Learn: hsh.sfgov.org | Like: [@SanFranciscoHSH](https://www.instagram.com/SanFranciscoHSH) | Follow: [@SF_HSH](https://www.instagram.com/SF_HSH)

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LEASE AND PROPERTY MANAGEMENT AGREEMENT
3055-3061 16th Street, San Francisco, CA

This Lease and Property Management Agreement (“**Agreement**”), is entered into as of _____, 2023 (the “**Effective Date**”), by and between THE CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (the “**City**”), and DOLORES STREET COMMUNITY SERVICES, a California nonprofit public benefit corporation (“**Tenant**”). The City and Tenant together may be referred to herein as the “**Parties.**”

RECITALS

A. The City is the fee owner of the real property consisting of approximately 3,056 square feet of land, located in the City and County of San Francisco, commonly known as 3055-3061 16th Street, Assessor Parcel Number Block 3569, Lot 078 and more particularly described in the attached Exhibit A (“**Site**”), with improvements including 25 units, ground floor commercial space, basement, and rear yard, and other buildings and structures located on the Site and all apparatus, equipment, and appliances used in connection with the operation or occupancy of the Site and its improvements (the “**Project**”, and together with the Site, the “**Premises**”). The Premises is under the jurisdiction of the City’s Department of Homelessness and Supportive Housing (“**HSH**”).

B. Tenant was selected pursuant to Ordinance No. 61-19, which authorizes HSH to enter into contracts without adhering to the Administrative Code provisions regarding competitive bidding and other requirements for construction work, procurement, and personal services relating to the shelter crisis and a competitive solicitation issued by HSH on October 20, 2021, to select a qualified supportive housing provider to operate and manage the Premises.

C. On August 15, 2022, the Civil Service Commission approved the services to be provided by the Tenant for the Premises under Personal Services Contract (PSC) number 43675-22/23 for a period of five (5) years from Effective Date of this Agreement.

D. On [_____, 20__], the City’s Board of Supervisors and the Mayor approved Resolution/Ordinance No. [_____], authorizing the City to enter into this Agreement with the Tenant.

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

F. City and Tenant wish to enter into this Agreement to provide for Tenant’s leasing, operation, and maintenance of the Premises.

NOW THEREFORE, in consideration of the mutual obligations of the parties hereto, the City and Tenant hereby agree as follows:

1. DEFINITIONS

Terms used herein have the meanings given them when first used or as set forth in this Section 1, unless the context clearly requires otherwise.

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- 1.1. **Agents** means agents, affiliates, subsidiaries, licensees, contractors, subcontractors, and each of the persons acting by, through or under each of them, and their respective, legal representatives, successors and assigns.
- 1.2. **Annual Operating Subsidy** means the funds paid by City to Tenant in accordance with the Annual Operating Budget and Exhibit D hereof, including but not limited to Project Reserves released by City in accordance with Exhibit D hereof.
- 1.3. **Annual Operating Budget** means the operating budget for the Premises submitted by Tenant and approved by City in the form attached hereto as Exhibit E, as may be amended by Tenant and City from time to time, and subject to appropriations in accordance with this Agreement.
- 1.4. **Applicable Legal Requirements** means all applicable statutes, laws, ordinances, regulations, orders, writs, judgments, injunctions, decrees or awards of the United States or any state, county, municipality or governmental agency, including but not limited to fair housing laws.
- 1.5. **Commercial Space** means the ground floor commercial space in the Premises, which may be modified as described herein.
- 1.6. **Coordinated Entry System (CES)** means the system that is designed to assess, match and prioritize people experiencing homelessness to housing. The CES organizes the City's Homelessness Response System with a common, population-specific assessment, centralized data system, and prioritization method. Eligibility criteria for housing varies upon the subsidy funding source and may include meeting a definition of homelessness at the time of referral and placement, enrollment in specific benefits programs, income criteria and/or the ability to live independently within the structure of the housing program. Participants who meet eligibility criteria are prioritized based on various criteria, such as levels of vulnerability, length and history of homelessness, and severity of housing barriers.
- 1.7. **Effective Date** means the date that this Agreement is deemed to be entered into and effective, as set forth above.
- 1.8. **Existing Occupancy Agreements** has the meaning set forth in Section 5.3.3 hereof.
- 1.9. **Existing Residents** means PSH-Eligible Existing Residents and Other Existing Residents.
- 1.10. **Housing First Principles** means tenant screening and selection practices that promote accepting applicants regardless of their sobriety or use of substances, completion of treatment, or participation in services, and prohibit rejecting applicants on the basis of poor credit or financial history, poor or lack of rental history, criminal convictions unrelated to tenancy, or behaviors that indicate a lack of "housing readiness," as further described in California Welfare and Institutions Code section 8255.
- 1.11. **HSH** means the City's Department of Homelessness and Supportive Housing.
- 1.12. **Invitees** means all clients, customers, vendors, invitees, guests, or licensees, but excluding the PSH Residents and the Existing Residents.
- 1.13. **Other Existing Residents** means any person who i) is authorized by City to occupy a residential unit on the Premises as of the Effective Date and ii) is not eligible for Permanent Supportive Housing as determined by HSH.

- 1.14. **Permanent Supportive Housing or PSH** means subsidized housing units that comply with PSH Program Rules and include on-site supportive services, including without limitation, intake and assessment of PSH Residents' needs, outreach to the PSH Residents to assist them with health or social needs, management of the health or social needs of PSH Residents, mediation of disputes with the property management, and referrals for services for the PSH Residents. Eligibility criteria for Permanent Supportive Housing varies upon the subsidy funding source and may include meeting a definition of homelessness at the time of referral and placement, enrollment in specific benefits programs, income criteria and/or the ability to live independently within the structure of the housing program. Individuals who meet eligibility criteria for Permanent Supportive Housing are prioritized based on various criteria, such as levels of vulnerability, length and history of homelessness, and severity of housing barriers.
- 1.15. **Project Expenses** means the following costs, to be detailed in, and funded by, the Annual Operating Budget: (a) all charges incurred in the operation of the Project for utilities, real estate and/or possessory interest taxes, assessments, and liability, fire, and other hazard insurance premiums; (b) salaries, wages, and other compensation due and payable to the employees or agents of the Tenant who maintain, administer, operate, or provide services in connection with the Permanent Supportive Housing at the Project, including all withholding taxes, insurance premiums, Social Security payments and other payroll taxes or payments required for such employees; (c) all other expenses actually incurred by the Tenant to cover any and all operating and services provision costs of the Project, including maintenance and repair; (d) reasonable costs to prepare financial audits and asset management reports required by HSH for City-owned property or funders to the Project, and reasonable legal costs, including costs to enforce Residential Agreements; (e) deposits to reserves accounts required to be established under this Agreement or by HSH under a separate agreement; (f) if applicable, approved annual asset management fees indicated in the Annual Operating Budget and approved in advance by the City; and (g) any extraordinary expenses as approved in advance by the City. Project Expenses does include Commercial Expenses, if applicable.
- 1.16. **Project Income** means all income and receipts in any form received by the Tenant from the use or operation of the Premises, including, but not limited to, the following: (a) rents, fees, charges, and deposits (other than Resident's refundable security deposits); (b) Section 8 or other rental subsidy payments received for the Residents and/or the Project; (c) price index adjustments and any other rental adjustments to leases or rental agreements; (d) proceeds from vending and laundry room machine; (e) the proceeds of business interruption or other insurance; (f) any accrued interest disbursed from any reserve account required under this Agreement for a purpose other than that for which the reserve account was established; (g) any reimbursements and other charges that may be paid to Tenant in connection with the Project; and (h) other consideration actually received from the Project, including non-residential uses of the Premises. Project Income does not include interest accruing on any Residents' refundable security deposits. Project Income does include Commercial Income, if applicable.
- 1.17. **Project Operating Account** means the Tenant's separate interest-bearing bank account used to credit and debit all Project Income, other than the security deposit payments, Annual Operating Subsidy, including advances and reimbursements, and Project Expenses. The Project Operating Account should be established in the Tenant's name and include the project name and/or address.
- 1.18. **Project Reserves** has the meaning set for in Section 6.3 hereof.

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- 1.19. **PSH-Eligible Existing Residents** means any person who is i) authorized by City to occupy a residential unit on the Premises as of the Effective Date and ii) eligible for Permanent Supportive Housing as determined by HSH. PSH-Eligible Existing Residents will become PSH Residents once they execute a PSH Lease with Tenant in accordance with Section 5.3.1 hereof.
- 1.20. **PSH Lease** has the meaning set forth in Section 5.3.1 hereof.
- 1.21. **PSH Program Rules** means the program rules and requirements adopted by HSH, as amended from time to time, for the operation and use of Permanent Supportive Housing, including but not limited to the rules and requirements described in HSH's PSH Resident Selection Plan for the Premises, attached hereto as Exhibit C, and the PSH Lease.
- 1.22. **PSH Residents** means formerly homeless and income-eligible individuals or other households that HSH deems eligible for Permanent Supportive Housing, as further described in HSH's PSH Resident Selection Plan for the Premises, attached hereto as Exhibit C, which are i) referred by City to Tenant through the Coordinated Entry System and/or other initiatives serving high priority individuals in coordination with the Coordinated Entry System, such as Shelter In Place hotel guests needing to be rehoused, high users of multiple systems of care, individuals being discharged from hospitals, or persons with behavioral health conditions and ii) have executed a PSH Lease with Tenant in accordance with Section 5.3.1 hereof.
- 1.23. **Rehab Funding Agreement** has the meaning set forth in Section 5.7.3 hereof.
- 1.24. **Residents** means Existing Residents and PSH Residents.
- 1.25. **Residential Agreements** has the meaning set forth in Section 5.3.3 hereof.

2. PREMISES

2.1. Premises. Subject to the provisions of this Agreement, the City hereby leases to Tenant, and Tenant hereby leases from the City, the Premises, together with reasonable rights of ingress and egress to and from the Premises. Tenant has the non-exclusive right to use, together with any other tenants or sub-tenants authorized by City in the Project, the Commercial Space, ground floor entry area, rear yard, community kitchen, residential corridors, stairways, basement and other public areas of the Premises (collectively, the "**Common Areas**"), and the non-exclusive right of access to and from the Premises by the main entrances to the Building and the Premises; provided, however, nothing in this Section shall be deemed to grant, or otherwise permit, any individual member of the general public any right to use or occupy any portion of the Premises.

2.2. As Is Condition.
TENANT ACKNOWLEDGES AND AGREES THAT THE PREMISES ARE BEING LEASED AND ACCEPTED IN THEIR "AS IS" CONDITION, WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, AND SUBJECT TO ALL APPLICABLE LEGAL REQUIREMENTS GOVERNING THEIR USE, OCCUPANCY, AND POSSESSION. TENANT ACKNOWLEDGES AND AGREES THAT NEITHER CITY NOR ANY OF ITS AGENTS HAVE MADE, AND CITY DISCLAIMS, ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, CONCERNING THE PREMISES, THE PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PREMISES, THE PRESENT OR FUTURE SUITABILITY OF THE PREMISES FOR TENANT'S BUSINESS, OR ANY OTHER MATTER WHATSOEVER RELATING TO THE PREMISES, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. NOTHING IN THIS SECTION SHALL BE DEEMED TO WAIVE, LIMIT,

OR OTHERWISE IMPAIR THE CITY'S OBLIGATION TO PROVIDE ANNUAL OPERATING SUBSIDY IN ACCORDANCE WITH THE ANNUAL OPERATING BUDGET AND EXHIBIT D HEREOF. TENANT HAS RECEIVED FROM CITY THE OBSERVATION AND ASSESSMENT REPORT PREPARED BY SAIDA & SULLIVAN ASSOCIATES DATED AS OF JULY 2ND, 2021.

3. TERM

- 3.1. Term. The term of this Agreement (“**Term**”) will commence upon the Effective Date and will end on [_____, 2028] (“**Expiration Date**”), unless sooner terminated or extended as provided in this Agreement. City will deliver the Premises to Tenant on the Effective Date in their then existing as-is condition as provided in Section 2.2, with no obligation of City to make any improvements, repairs, or alterations to the Premises.
- 3.2. If the combined Annual Operating Subsidy and Project Income are less than the actual Project Expenses for more than one hundred and eighty (180) consecutive days, unless caused by Tenant’s negligence or default under this Agreement, in which case the City reserves the right to withhold payment of Annual Operating Subsidy to remediate Tenant’s negligence or default, or if the City otherwise fails to approve an Annual Operating Budget in accordance with Exhibit D hereof, then City or Tenant will have the right to terminate this Agreement upon at least one hundred and eighty (180) days written notice to the other party and without penalty. After such written notice from either party, and during such one hundred and eighty (180) day period, City will continue to pay for all necessary and reasonable Project Expenses as detailed in the Annual Operating Budget. In the event of any conflict between the terms of this Section and any other provision of this Agreement, the terms of this Section shall control.
- 3.3. Extension Option. The City and Tenant may mutually agree to extend the Term (the “**Extension Option**”) for up to an additional five (5) years (the “**Extension Term**”) commencing on the Expiration Date. City and Tenant may exercise the Extension Option at any time by mutually executed written notice no later than one hundred eighty (180) days before the Expiration Date, subject to any necessary City approvals. If the Extension Option is exercised, then this Agreement will cover the entire Premises for the Extension Term and will be upon all of the terms, covenants and conditions of this Agreement, and all references to the Term will then include the Extension Term.
- 3.4. Holding Over. Any holding over after expiration of the Term without the City’s consent will constitute a default by Tenant and will entitle the City to exercise any or all of its remedies at law and/or as provided in this Agreement, even if the City elects to accept one or more payments of rent.
- 3.5. Termination Procedure. Upon termination of this Agreement, Tenant will assign to City, or to City’s assignee, all security deposits, any insurance proceeds applicable to the Premises, other Project funds (including all funds in the Project Operating Account), and Resident leases or occupancy agreements that have been assumed or entered into by Tenant as of the Effective Date or properly entered into by Tenant in accordance with this Agreement. City will assume all such funds and leases or occupancy agreements as of the date of the termination of this Agreement (“**Assumed Leases**”). In no event will Tenant be required to evict a Resident who has executed a Residential Agreement in conformity with this Agreement at the end of the Term. In addition, prior to termination of this Agreement, Tenant will provide to City a schedule setting forth a list of all other contracts or agreements that Tenant has entered into relating to the Premises, together with true and accurate copies of all such documents, for City’s review. City will advise Tenant which contracts and agreements City has elected that Tenant will assign to City or City’s

assignee, and City or City's assignee will assume upon termination of this Agreement ("Assumed Contracts"). At or before the termination of this Agreement, Tenant will terminate any contracts or agreements other than the Assumed Contracts and the Assumed Leases, without liability to City or City's assignee.

4. RENT

As of the Effective Date, Tenant has paid to the City, as and for rent of the Premises for the Term hereunder, the sum of One Dollar and No/100 (\$1.00), the receipt of which is hereby acknowledged by the City.

5. MANAGEMENT & OPERATIONS

- 5.1. Permitted Uses. Tenant and City hereby acknowledge and agree that during the Term, Tenant will only use the Premises to operate, maintain, and manage the Premises i) as Permanent Supportive Housing in accordance with PSH Program Rules; ii) as residential housing for Existing Residents, if applicable; iii) in accordance with any funding or other agreements between City and Tenant; and iv) in accordance with all applicable restrictions and recorded conditions on title, including but not limited to a Project Homekey Declaration of Restrictive Covenants that will be recorded against the Premises on or after the Effective Date, and for no other purposes. The use of the Commercial Space will be governed by Section 5.14 hereof. City may allow one or more units at the Premises to be used as Tenant's staff unit or Tenant's management or office space, in its sole discretion. Tenant and City further agree and acknowledge that the standard of care to be utilized by the Tenant shall be that of a professional property management company and homeless service provider utilizing commercially reasonable efforts to operate Permanent Supportive Housing at the Premises, and nothing in this Agreement shall impose liability on the Tenant for the acts of any Residents except to the extent of the Tenant's negligence, misconduct, or Tenant's material breach of any term of this Agreement. In the event of any conflict between the terms of this Section and any other provision of this Agreement, the terms of this Section shall control.
- 5.2. Project Income and Project Expenses; Operating Budget. Tenant will collect all rents from Residents, and deposit all such funds in accordance with Section 6 below, which will be used in accordance with the Annual Operating Budget approved by the City, as described in Exhibit D attached hereto. All Project Income will be used to pay Project Expenses. Tenant will communicate and coordinate with local, state and/or federal agencies, as needed, to process rental subsidies for Residents. For Residents paying a portion of their income towards rent, Tenant will assist with payment arrangements and will comply with PSH Program Rules and other applicable requirements governing the tenant portion of rent.
- 5.3. Leasing.
- 5.3.1. New PSH Residents. Upon referral by HSH to Tenant of a prospective PSH Resident through the Coordinated Entry System or otherwise, and prior to move-in, Tenant will perform application review, and execute a lease agreement, including all applicable addenda, which addenda shall include but not be limited to house rules, grievance procedure, and HSH PSH lease addendum, on a form approved by the City (each, a "**PSH Lease**") with each prospective PSH Resident. Tenant will review the PSH Lease in its entirety with each prospective PSH Resident at the time of lease signing, including the applicable grievance policies and procedures and all addenda. Tenant will keep a signed copy of the PSH Lease in each PSH Resident's file. Tenant will document, through

photographs and a contemporaneously drafted report, any damage or issues requiring repair or refurbishment prior to move-in of a PSH Resident.

- 5.3.2. PSH-Eligible Existing Residents. After the Effective Date, Tenant will use commercially reasonable efforts to enter into a PSH Lease within sixty (60) days of the Effective Date with all PSH-Eligible Existing Residents. Tenant will notify and coordinate with the City in the event that one or more PSH-Eligible Existing Residents do not execute a PSH Lease within sixty (60) days of the Effective Date.
- 5.3.3. Other Existing Residents. The rental or occupancy agreements for any Other Existing Residents, if applicable (“**Existing Occupancy Agreements**”, and together with the PSH Leases, the “**Residential Agreements**”), will be assigned to Tenant on the Effective Date using the form of Assignment of Leases attached hereto as Exhibit B.
- 5.3.4. No Other Occupants. Tenant will not lease a unit nor enter into a new residential lease or rental agreement with anyone who is not referred to Tenant by HSH or through the SF Coordinated Entry System, unless otherwise agreed to in writing by City.
- 5.3.5. Housing First Principles, PSH Program Rules, and Applicable Legal Requirements. Tenant will adhere to and comply with Housing First Principles, PSH Program Rules, and Applicable Legal Requirements at all times, including but not limited to those principles, rules, and requirements regarding tenant intake, HSH housing documentation, reasonable accommodation, fair housing, and transfers when accepting referrals and placing PSH Residents into housing. Referrals must not be rejected on the basis of poor credit or financial history, poor or lack of rental history, criminal convictions unrelated to tenancy, or behaviors that indicate a lack of “housing readiness.” Referrals may only be denied for reasons described in HSH’s PSH Resident Selection Plan for the Premises, attached hereto as Exhibit C.
- 5.3.6. Wellness Checks. Tenant will conduct wellness checks and/or emergency safety checks in accordance with HSH policy, internal agency policies and tenant laws to assess a Resident’s safety when there is a reason to believe the Resident is at immediate and substantial risk due to a medical and/or psychiatric emergency.
- 5.3.7. Resident Feedback, Complaint and Follow-up Policies. Tenant will provide means for the Residents to provide input, including the planning, design, and level of satisfaction with services. Feedback methods must include:
 - 5.3.7.1. A complaint process, including a written complaint policy informing the Residents how to report complaints; and
 - 5.3.7.2. A written annual survey provided to the Residents to gather feedback, measure satisfaction, and assess the effectiveness of services and systems provided at the Premises. Tenant will offer assistance to the Residents with survey completion.
- 5.3.8. Translation and Interpreter Services. Tenant will ensure that translation and interpreter services are available to Residents, as needed.
- 5.4. No Resident Displacement.
 - 5.4.1. Tenant will be responsible for enforcing, and will take commercially reasonable actions to enforce, the terms and conditions of all Residential Agreements, including, without limitation, the collection of all such rents when due; the preparation and delivery to Residents of any appropriate late payment, default, or other notices; the conducting of

exit interviews and walk-throughs; and the timely disbursement of all security deposits in accordance with this Agreement. Without violating any privacy or other Applicable Legal Requirements, and in accordance with the standard of care described in Section 5.1 above, Tenant will use commercially reasonable efforts to ensure that all Residents comply with the terms and conditions of their respective Residential Agreements.

- 5.4.2. Tenant will not terminate the tenancy or refuse to renew any Residential Agreement, except for material or repeated violations of the terms and conditions of such Residential Agreement, for violation of Applicable Legal Requirements, or other good cause. Any termination or refusal to renew a Residential Agreement for a Resident must be preceded by written notice to the Resident specifying the grounds for the action in accordance with Applicable Legal Requirements.
- 5.4.3. Tenant will at all times use a housing retention approach to enforcement of Residential Agreements, including, but not limited to, proactive engagement in collaboration with support services, conversations and mediations with Residents, and mediation strategies. Tenant will establish written agreements with support services and other service providers that provides services to the Premises to formalize collaboration and roles and responsibilities.
- 5.4.4. If a Resident is facing housing instability, Tenant will coordinate with support services staff to find creative ways to engage with Residents to prevent housing loss. Tenant will participate in individual case conferences and team coordination meetings with appropriate HSH-homeless response system programs as needed, to coordinate and collaborate regarding Residents' housing stability. Tenant will work with support services staff in communicating with and meeting with Residents regarding behaviors and issues that put the Resident at risk for housing instability. Tenant will initiate and participate in regular coordination meetings with support services staff to review Residents at risk for eviction and strategize on how to support Residents in maintaining their housing. Tenant will copy support services staff on all written communications to Residents. Tenant will alert support services staff when Residents give notice to leave the Premises and will keep a record of each Resident's forwarding address, whenever possible.
- 5.4.5. Tenant is required to follow the PSH Resident Selection Plan attached hereto as Exhibit C, and any other applicable PSH Program Rules governing admissions. Except to the extent that the services are to be rendered to a specific population as described in the PSH Resident Selection Plan, such policies must be administered in a manner that the served population is accepted for care without discrimination on the basis of race, color, creed, religion, sex, age, national origin, ancestry, sexual orientation, gender identification, disability, or HIV status. The PSH Resident Selection Plan will be in writing and available to the public.
- 5.4.6. Tenant will integrate harm reduction principles into service delivery and agency structure, as well as adhere to the requirements of Section III.e of the HSH Overdose Prevention Policy.
- 5.4.7. Tenant will provide written notice to Residents regarding issues that may impact housing stability including, but not limited to, non-payment of rent, lease violations or warnings, and conflicts with staff or other Residents.

- 5.4.8. Tenant will at all times comply with all applicable requirements and landlord obligations of the Residential Agreements.
- 5.4.9. Tenant will establish and maintain a written grievance procedure for Residents subject to HSH approval, which will include, at minimum, the following elements:
 - 5.4.9.1. The name or title of the person or persons authorized to make a determination regarding the grievance;
 - 5.4.9.2. The opportunity for the aggrieved party to discuss the grievance with those who will be making the determination;
 - 5.4.9.3. The amount of time required for each step, including when a participant can expect a response; and
 - 5.4.9.4. In accordance with published HSH policies/procedures, the HSH Grievances email address and mailing address for the participant to contact after the participant has exhausted Tenant's internal grievance procedure.
 - 5.4.9.5. Tenant will post the grievance procedure at all times in a location visible to Residents, and provide a copy of the procedure and any amendments to HSH. In no event shall the grievance procedure waive, limit, or impair, the Tenant's right to enforce a Residential Agreement in accordance with applicable law. In the event of any conflict between the preceding sentence and any other provision of this Agreement, the preceding sentence shall control.
- 5.5. Income Certifications.
 - 5.5.1. Tenant will use commercially reasonable efforts to promptly obtain income certifications for all PSH Residents using the standard certification form if required by HSH to comply with state Project Homekey funding or other City requirements. Annual income recertifications should generally be completed on the anniversary of a PSH Resident's move-in date, if applicable by HSH or external funding sources, or prior to the submission of the Annual Operating Budget.
- 5.6. No Unlawful Uses or Nuisances.
 - 5.6.1. Tenant will not use or occupy any portion of the Premises, or permit the use or occupancy thereof, in violation of any Applicable Legal Requirements, or permit to be carried on any use: (a) in violation of the conditions of any certificate of occupancy or the recorded conditions on title; (b) that is prohibited by the insurance policies carried by Tenant; or (c) that will increase in any way the existing premiums on (or otherwise affect) fire or any other insurance on the Premises or any personal property located on the Premises. Tenant will take all commercially reasonable precautions, to eliminate immediately any nuisances or hazards relating to its activities on or about the Premises.
 - 5.6.2. Tenant will not cause, and will make commercially reasonable efforts not to permit, any waste, damage, or injury to any portion of the Premises. Tenant will inspect the interiors of the residential units at least once per month, with proper written notice to Residents, and will provide monthly updates of such inspections to the City. Failure to perform such inspections and the corresponding updates to the City shall be considered a material breach of this Agreement.
 - 5.6.3. Tenant will not cause or permit the dumping or other disposal on, under or about the Premises of landfill, refuse or Hazardous Material, except any landfill associated with permitted construction and landscaping activities.

5.7. Service Objectives.

5.7.1. Tenant will use reasonable efforts, in accordance with the standard of care described in Section 5.1 above, to achieve the following service objectives, which may be amended from time to time by HSH with reasonable notice to Tenant:

- 5.7.1.1. Tenant will ensure that each unit, upon turnover, is clean and/or repaired within twenty-one (21) days, on average.
- 5.7.1.2. Tenant will collect at least ninety percent (90%) of Residents' portions of monthly rent from occupied units.
- 5.7.1.3. Tenant will maintain a residential occupancy rate at the Premises of at least ninety seven percent (97%).
- 5.7.1.4. Annually with submission of the Annual Operating Budget, Tenant will provide a property management plan and a preventative maintenance plan and schedule to HSH for review and approval, as described in Exhibit D.
- 5.7.1.5. Tenant will submit all required asset management and program reports on a timely basis to HSH and external funders, as applicable.

5.8. Outcome Objectives.

5.8.1. Tenant will use reasonable efforts, in accordance with the standard of care described in Section 5.1 above, to achieve the following outcome objectives, which may be amended from time to time by HSH with reasonable notice to Tenant:

- 5.8.1.1. Ninety percent (90%) of Residents will maintain their housing for a minimum of twelve (12) months, move to other permanent housing, or be provided with more appropriate placements.
- 5.8.1.2. Eighty-five percent (85%) of Resident lease violations will be resolved without loss of housing to Residents.
- 5.8.1.3. At least seventy-five percent (75%) of Residents will complete an annual resident satisfaction survey in accordance with Section 5.3.7.2 above, and of those responsive Residents, eighty percent (80%) of Residents indicate that they are satisfied or very satisfied with Tenant's property management services.

5.9. Construction and Repairs.

5.9.1. Tenant agrees that there will be no physical construction on the Premises during the Term, except in connection with any necessary repairs or alternations necessary to prepare or maintain the Premises or any portion thereof for occupancy as Permanent Supportive Housing. In addition, Tenant will not make or permit any Change (as defined below) in the Premises without the prior written approval of the City and subject to such terms and conditions as the City may reasonably require. The City agrees not to unreasonably withhold, condition, or delay its response to such a request.

5.9.2. "Change" as used in this Section means any alteration, modification, addition and/or substitution of or to the Premises and/or the density of the Project which differs materially from that which existed upon the Effective Date, and will include without limitation the interior or exterior design, Commercial Space tenant improvements or modifications, exterior materials and/or exterior color. For purposes of the foregoing, exterior will mean and include the roof of the Project. Changes will not include repairs or maintenance in the normal course of operation of the Premises, or as may be required in an emergency to protect the safety and well-being of the Residents, Tenant, or anyone lawfully permitted on the Premises.

5.9.3. Tenant will partner with HSH to safeguard the physical and financial health of the Premises and will: provide a capital needs assessment for review by HSH, manage an

HSH-approved capital improvement plan for the Premises, and provide other property financial performance and compliance reports detailed in Exhibit D of this Agreement.

- 5.9.4. City may elect to enter into one or more separate funding agreements with Tenant for any agreed upon Changes or other improvements necessary for the long-term operations of the Premises (“**Rehab Funding Agreement**”).

5.10. Reporting.

- 5.10.1. In addition to any reports required elsewhere in this Agreement, the Rehab Funding Agreement (if applicable), and/or any other agreement between City and Tenant related to the Premises, Tenant must:

5.10.1.1. Submit annual reports to HSH, and to any other City department indicated in written notice to Tenant, on or before August 1 of each calendar year, indicating the following information, as of June 30 of the previous year: (a) whether a unit is vacant or occupied; (b) the income level of the Residents for each unit; (c) the rental rates for each unit, including any rental subsidies; and (d) any other information reasonably required by the City to comply with Government Accounting Standards Board (GASB) reporting or otherwise.

5.10.1.2. On a monthly basis (no later than the 15th day of the month following each month), submit to HSH a rent roll report reconciled to the rent revenue deposited into Project Operating Account. The rent roll must include resident name or indicate that the unit is vacant, unit number, amount of rent owed, amount of rent collected, date of rent received, and any delinquent rent owed or pre-paid rent, and be submitted in a format required by the City. The first such report will be due no later than the 15th of the month after the Effective Date.

5.10.1.3. Provide any other information to confirm accuracy of rent roll and rent collected including reconciliation to Tenant’s bank statements on a monthly basis;

5.10.1.4. Provide an annual report by July 15 of each calendar year with total annual revenue and expenses, including total collected rent revenue and total delinquent rent in a format acceptable to HSH; and

5.10.1.5. Provide a copy of the annual external audit of Program Income, Annual Operating Subsidy, and Expenses every year once completed.

- 5.10.2. Tenant will ensure compliance with the Homeless Management Information System (HMIS) Participation Agreement and HSH Data Quality Standards that may be updated from time to time, as detailed in Exhibit D.

- 5.10.3. Assist with any reporting and compliance obligations for any applicable federal, state, and/or local funding related to the Premises.

5.11. Communication With City, Trainings and Meetings. Tenant will keep HSH informed of program operations on the Premises and comply with HSH policies, training requirements, and participation in meetings, including but not limited to:

5.11.1. Regular communication on a schedule to be determined by Tenant and HSH about the implementation of the PSH program at the Premises;

5.11.2. Reporting of all critical incidents in accordance with the HSH instructions and published HSH policies/procedures;

5.11.3. Attendance at all meetings as required by HSH. This shall include quarterly HSH meetings; and

5.11.4. Attendance at all trainings (e.g., overdose prevention training), when required by HSH. Tenant will ensure all of Tenant's site-based or resident-facing staff and Tenant's subcontractors are onboarded and trained to perform the services in accordance with Housing First, Harm Reduction, and Trauma-Informed Principles.

5.12. General Maintenance and Repair Obligations. Except as specifically provided herein, and to the extent consistent with the Annual Operating Budget, Tenant assumes full and sole responsibility for the condition, operation, repair, maintenance and management of the Premises and will keep the Premises in good condition as it is on the Effective Date and in a manner otherwise reasonably acceptable to the City. Subject to the approved Annual Operating Budget, Tenant will use commercially reasonable efforts to make all routine repairs and replacements, interior and exterior, foreseen and unforeseen, that are necessary to maintain the Premises at all times in a clean, safe, attractive, and sanitary condition and in good order and repair for safe and sanitary residential housing in accordance with any requirements pursuant to any applicable federal, state, and local funding attached to the Premises and all applicable federal, state, and local laws, including but not limited to California Health and Safety Code 17920.10 and the applicable provisions of 24 CFR Part 35, all to the extent reasonably feasible given the financial and physical condition of the Premises as of the Effective Date. Notwithstanding the foregoing, Tenant shall have sole responsibility for funding any repairs solely caused or exacerbated by its negligence, misconduct, or breach of any term of this Agreement, including but not limited to the standard of care described in Section 5.1 above. In performing these functions, Tenant will:

(a) Receive and investigate all requests for maintenance and repair from Residents and cause such routine repairs to be promptly and professionally completed when appropriate and warranted in accordance with the standards set forth in this Agreement.

(b) Annually develop and implement a preventive maintenance schedule taking into account the remaining anticipated life of the units in the Premises. The preventive maintenance schedule will be presented to the City for its reasonable approval together with each year's Annual Operating Budget.

(c) Contract with qualified independent contractors, in accordance with the Prevailing Wage Requirements and Applicable Legal Requirements, for the maintenance and repair of items that is not performed by regular maintenance employees. Tenant will consult with the HSH Director or its designee, regarding the estimated costs and scope of work, for any expenditure anticipated to exceed \$5,000 in any one instance for labor, materials, or otherwise, in connection with the routine maintenance and repair of the Premises, on which work items may be performed by Tenant's maintenance employees and which work items should be performed by qualified independent contractors; provided, however, that any expenditure of funds for unanticipated and emergency maintenance and repairs will be governed by Section 5.14 below. HSH will use reasonable efforts to review and respond to such expenditure requests within ten (10) business days of HSH receipt of all requested information from Tenant, including but not limited to at least one fully responsive vendor quote.

(d) Inform all Residents of the procedures to obtain maintenance and repair services during and after normal office hours, and in cases of an emergency.

(e) Maintain a log book or other HSH-accessible tracking system containing reports of all service requests and maintenance repairs provided, copies of which will be subject to periodic inspection by the City.

(f) Purchase all materials, equipment, tools, and appliances, supplies and services necessary to ensure proper maintenance and repair of the Premises.

(g) Maintain in good condition all landscaping, grounds, and common areas for the Premises.

(h) Provide pest control services within the Premises as needed and use commercially reasonable efforts to keep the Premises reasonably free of pests at all times, subject to the prohibition on the use of pesticides as set forth below.

(i) Contract for trash collection with an entity permitted by the City and use commercially reasonable efforts to (i) ensure that the Premises are reasonably free from rubbish, debris and refuse at all times, and (ii) encourage maximum waste diversion consistent with City policies.

(j) Comply with any required inspections and apply for any permits as needed in order to allow for all building systems to maintain the appropriate licenses, permits, and certifications to ensure their safe and code compliant operation.

(k) Identify and submit any necessary entitlement applications to the City's Planning Department, as approved by City, and participate in any applicable public hearings.

(l) Notify HSH Asset Manager or other designated HSH contact immediately in the event Tenant is given notice violations by the Department of Building Inspection (DBI), Department of Public Health (DPH), or another City agency relating to the Premises.

5.13. Disaster and Emergency Response Plan. Tenant will develop and maintain a Disaster and Emergency Response Plan containing site specific emergency response plan(s) for the Premises per HSH requirements. The Disaster and Emergency Response Plan must address disaster coordination at the Premises. Tenant will update the Disaster and Emergency Response Plan as needed, and Tenant will train all employees regarding the provisions of the Disaster and Emergency Response Plan for the Premises.

5.14. Unanticipated and Emergency Maintenance and Repairs. Tenant will notify HSH of any unanticipated and emergency maintenance or repairs within twenty-four (24) hours after discovery of the emergency. Tenant will promptly make all repairs that are immediately necessary for the preservation or protection of the Premises, to maintain occupancy of units or the safety of Residents or other persons in or on the Premises, or as required by Applicable Legal Requirements ("**Emergency Repairs**") without HSH prior approval; provided, however, that in each such instance Tenant shall, before causing any such Emergency Repairs to be made, use commercially reasonable efforts to obtain the approval of the HSH Director, or Director's designee, of such Emergency Repairs. Tenant's reasonable costs of any such Emergency Repairs will be paid accordance with Article 13 hereof. Tenant will consult with HSH regarding any necessary temporary relocation created by such unanticipated and emergency maintenance and repairs.

5.15. Issuance of Building Permits. Tenant will have the sole responsibility for obtaining all necessary building permits and will make application for such permits directly to the City's Department of Building Inspection or the appropriate City department.

5.16. Intentionally Omitted.

- 5.17. Lead Based Paint. For any repair or maintenance work performed by Tenant or Managing Agent under this Agreement, Tenant agrees to comply with any Applicable Legal Requirements, including but not limited to California Health and Safety Code 17920.10 and 24 CFR Part 35.
- 5.18. Limitation of Liability.
- 5.18.1. Tenant, on behalf of itself and its Agents and Invitees, covenants and agrees that the City will not be responsible for or liable to Tenant for, and, to the fullest extent allowed by any Applicable Legal Requirements, Tenant hereby waives all rights against the City and releases it from, any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including, without limitation, reasonable attorneys' and consultants' fees and costs ("Losses"), whether direct or indirect, known or unknown, foreseen and unforeseen, arising from or related to the (i) the acts or omissions of Tenant, its Agents and Invitees, including any Residents, Commercial Space subtenant, or other occupants and (ii) the condition or use of the Premises.
- 5.18.2. Notwithstanding the forgoing, City hereby acknowledges and agrees that Tenant will not be liable for any Losses arising from or related to: (i) the physical or environmental condition of the Premises, known or unknown, existing prior to the Effective Date; or (ii) the City's failure to fund reasonable Project Expenses in accordance with the Annual Operating Budget, unless solely caused or exacerbated by Tenant's negligence, misconduct, or material breach of any term of this Agreement.
- 5.19. Commercial Space. Subject to the scope of work described in Exhibit F attached hereto, Tenant will i) convert the Commercial Space to Tenant on-site office space and programming space for PSH Residents at the Premises and in accordance with PSH Program Rules. If there is excess office space, Tenant may sublease the Commercial Space to a commercial tenant for commercial services, which sublease will be subject to City's approval in its sole discretion.
- 5.20. Utilities. Tenant will set up and manage utility accounts and services related to the Premises, including but not limited to communications, alarms/security, fire alarm monitoring, garbage, water, and pest control. This may include elevator maintenance, as required.
- 5.21. Front Desk Coverage. Tenant will provide on site staff coverage as included in Exhibit E. Tenant will implement policies and procedures, as approved by HSH, pertaining to site security and emergency backup and will train Tenant staff accordingly.
- 5.22. Good Neighbor Policies. Tenant will maintain a good relationship with the neighborhood surrounding the Premises, including: collaborating with neighbors and relevant City agencies to ensure that neighborhood concerns about the Premises are heard and addressed; responding to neighbors within three (3) business days, if reasonable; and ensuring that a Tenant representative attends all appropriate neighborhood meetings.
- 5.23. Smoking Policy. Tenant will work with HSH to present for HSH review and approval a Smoking Policy that is in compliance with the City's Admin Code/Charter 19M. Upon written notice from City to Tenant, Tenant will enforce a smoking prohibition on all or a portion of the Premises.
- 5.24. Tenant's failure to comply with any of its obligations under this Article 5 will constitute a material breach of this Agreement; provided, however, the Parties agree and acknowledge that the Tenant's failure to achieve the "Service Objectives" set forth in Section 5.7 or the "Outcome

Objectives" set forth in Section 5.8 shall not constitute a breach of this Agreement so long as Tenant has made reasonable efforts, in accordance with the standard of care described in Section 5.1 above, to achieve the objectives, as described in Section 5.7 and Section 5.8 above.

- 5.25. Tenant will also complete the predevelopment work described in Exhibit F attached hereto, which reasonable costs will be included in the Annual Operating Budget.

6. ACCOUNTS

- 6.1. Project Operating Account. Tenant will record all Project Income and Project Expenses to Project Operating Account, other than the security deposit payments to be deposited into the Security Deposit Account described below. The Project Operating Account must be reconciled monthly and submitted to the City along with a rent roll as described in Section 5.8.1.2. The Project Operating Account must be held in a depository reasonably acceptable to the City whose deposits are insured by an agency of the federal government or other comparable federally insured program.
- 6.2. Security Deposit Account. On or around the Effective Date, City will transfer the rights to any existing security deposits to Tenant. Tenant will deposit all security deposits collected in accordance with requirements of the Residential Agreements and PSH Program Rules into a separate interest-bearing security deposit account for the Project established for the benefit of the City, Tenant and Residents (“**Security Deposit Account**”). Funds deposited in the Security Deposit Account may only be disbursed to pay the costs of any unpaid rent, damage, or unreasonable wear and tear caused by a Resident, or to reimburse the Project Operating Account for payment of these costs; or to return to the Residents upon termination of his or her tenancy the portion of the security deposit not used in accordance with this Section. In collecting, handling, and disbursing these funds, Tenant will comply with the requirements of the California Civil Code, Section 1950.5 and Business and Professions Code Section 10145, provided that Tenant will not be liable for any security deposits that were not transferred or collected prior to the Effective Date. The Security Deposit Account must be held in a depository reasonably acceptable to the City whose deposits are insured by an agency of the federal government or other comparable federally insured program.
- 6.3. Reserve Accounts. Upon written notice from City to Tenant, City may require Tenant to establish operating, replacement, and/or other reserve accounts for the Project (“**Project Reserves**”). The Project Reserves will be listed in the Annual Operating Budget submitted by Tenant and approved by City. Unless otherwise agreed to by City and Tenant, such reserves will be held by City and will require prior City approval for use, as described in Exhibit D.

7. TITLE TO IMPROVEMENTS

- 7.1. Improvements. Except for Tenant’s Personal Property (as defined in Section 7.2), all appurtenances, fixtures, improvements, equipment, additions, and other property used in connection with, attached or affixed to, or installed in the Premises as of the Effective Date or during the Term, will be and remain City’s property. Except if being replaced, Tenant will not remove any such property at any time during or after the Term unless City approves.
- 7.2. Tenant’s Personal Property. All furniture, office equipment and articles of movable personal property installed in the Premises by or for the account of Tenant, that was not paid for by City or by using Project Income with the approval of the City, and that can be removed without structural or other damage to the Premises (collectively, “**Tenant’s Personal Property**”) will be and remain Tenant’s property. Tenant may remove Tenant’s Personal Property at any time during the Term. Tenant will pay any taxes or other impositions levied or assessed upon

Tenant's Personal Property, at least ten (10) days prior to delinquency, and will deliver satisfactory evidence of such payment to City upon request.

8. ASSIGNMENT, SUBLEASE OR OTHER CONVEYANCE

8.1. Tenant will not sell, assign, convey, sublease, or transfer in any other mode or form all or any part of its interest in this Agreement or in the Premises or any portion thereof, or allow any person or entity to occupy or use all or any part of the Premises, other than the Residential Agreements, occupancy or other agreement for the Tenant staff unit, and sublease for the Commercial Space, if applicable and in accordance with Section 5.19, in the ordinary course of business, without the prior written approval of the City in its sole and absolute discretion. Tenant's failure to comply with its obligations under this Section will constitute a material breach of this Agreement.

9. TAXES

9.1. Tenant agrees to pay, or cause to be paid, when due to the proper authority, any and all valid taxes, assessments and similar charges on the Premises which become effective after the Effective Date, including all taxes levied or assessed on the possession, use or occupancy, as distinguished from the ownership, of the Premises. Tenant will not permit any such taxes, charges or other assessments to become a defaulted lien on the Premises; provided, however, that in the event any such tax, assessment or similar charge is payable in installments, without any fee, interest, or penalty, Tenant may make, or cause to be made, payment in installments; and, provided further, that Tenant may contest the legal validity or the amount of any tax, assessment or similar charge, through such proceedings as Tenant considers necessary or appropriate, and Tenant may defer the payment thereof so long as the validity or amount thereof will be contested by Tenant in good faith and without expense to the City. In the event of any such contest, Tenant will protect, defend and indemnify the City against all loss, cost, expense or damage resulting there from, and should Tenant be unsuccessful in any such contest, Tenant will forthwith pay, discharge, or cause to be paid or discharged, such tax, assessment or other similar charge. The City will furnish such information as Tenant will reasonably request in connection with any such contest provided that such information is in City's possession, control or is otherwise available to the public, City hereby consents to and will reasonably cooperate with and assist Tenant in applying for and obtaining any applicable exemptions from taxes or assessments levied on the Premises or on Tenant's interest thereon.

10. UTILITIES

10.1 Tenant will procure water and sewer service from the City, and electricity, telephone, natural gas, trash collection services, and any other utility service from utility companies providing such services, and will pay all deposits, connection, installation, and use charges imposed in connection with such services as Project Expenses. In accordance with Administrative Code Chapter 99, as may be amended, HSH will coordinate with the San Francisco Public Utilities Commission ("SFPUC") to determine if it is feasible for the SFPUC to provide electricity service for the Premises. If the SFPUC determines, in its sole judgment and at any point during the Term of this Agreement, that it is feasible for the SFPUC to provide electricity service for the Premises, Tenant will purchase all electricity necessary for its operations at the Premises from the SFPUC, at the SFPUC's standard rates charged to third parties. The City will pay for any costs associated with converting to SFPUC-provided electricity service, if applicable. The SFPUC is the provider of electric services to City property, and the SFPUC's Interconnection Services Department will coordinate with Pacific Gas and Electric Company and others to implement this Section. Except as otherwise provided in this Agreement, the City has no responsibility or liability of any kind with respect to any utilities that may be on or about the Premises. Tenant has the sole responsibility to locate any utility facilities within the Premises and protect them from damage resulting from Tenant's use of the Premises.

11. LIENS AND ENCUMBRANCES

- 11.1. No Encumbrances. Notwithstanding any other provision of this Agreement and subject to the prior written consent of the City, in its sole and absolute discretion, no mortgage, deed of trust, assignment of rents, fixture filing, security agreement, or similar security instrument, or other lien or encumbrance or assignment or pledge of an asset is permitted to be placed upon the Premises.
- 11.2. Liens. Tenant will keep the Premises free from any liens arising out of any work performed or materials furnished by itself or its Agents. In the event that Tenant fails to cause any such lien to be released of record or bonded around within twenty (20) days following written notice from the City of the imposition of any such lien, the City will have, in addition to all other remedies provided herein and by law, the right but not the obligation to cause the same to be released by such means as it will deem proper, including payment of the claim giving rise to such lien. All sums paid by the City for such purpose, and all reasonable expenses incurred by it in connection therewith, will be payable to the City by Tenant on demand; provided, however, Tenant will have the right, upon posting of an adequate bond or other security, to contest any such lien, and the City will not seek to satisfy or discharge any such lien unless Tenant has failed to do so within ten (10) days after the final determination of the validity thereof. In the event of any such contest, Tenant will protect, defend, and indemnify the City against all loss, cost, expense or damage resulting therefrom. Tenant's failure to comply with its obligations under this Section will constitute a material breach of this Agreement.

12. DEFAULT AND REMEDIES

- 12.1. Application of Remedies. The provisions of this Article 12 will govern the Parties' remedies for breach of this Agreement.
- 12.2. Notice and Cure Rights for Tenant. The City will not exercise its remedies under this Agreement for a default by the Tenant unless and until (i) the City has given written notice of any such default, in accordance with the notice provisions herein, to Tenant, and (ii) such default has not been cured within sixty (60) days, or such longer period as may be set forth herein, following the giving of such notice or, if such default cannot be cured within such 60-day period, such longer period as is reasonably necessary to cure such default, provided that such cure has been commenced within such 60-day period and is being prosecuted diligently to completion.
- 12.3. Breach by City. If Tenant believes that City has materially breached this Agreement, Tenant will first notify the City in writing of the purported breach, giving the City sixty (60) days from receipt of such notice to cure such breach. In the event City does not then cure or, if the breach is not reasonably susceptible to cure within that sixty (60) day period, begin to cure within sixty (60) days and thereafter diligently prosecute such cure to completion, then Tenant may either (i) terminate in writing this entire Agreement, or (ii) seek specific performance of this Agreement.
- 12.4. Breach by Tenant.
- 12.4.1. Default by Tenant.
- Subject to the notice and cure rights under Section 12.2, the following events each constitute a basis for the City to take action against Tenant (each, an "Event of Default"):
- (1) Tenant fails to comply with the permitted uses set forth in Article 5 hereof, or any other Applicable Legal Requirements;

- (2) Tenant voluntarily or involuntarily assigns, transfers or attempts to transfer or assign this Agreement or any rights in this Agreement, or in the Premises, except as permitted by this Agreement;
- (3) Tenant fails to pay real estate taxes or assessments on the Premises or any part thereof when due, or places thereon any encumbrance or lien unauthorized by this Agreement, or suffers any levy or attachment to be made, or any material supplier's or mechanic's lien or any other unauthorized encumbrance or lien to attach, and such taxes or assessments have not been paid, or the encumbrance or lien removed or discharged; provided, however, that Tenant will have the right to contest any tax or assessment pursuant to this Agreement and, upon the posting of an adequate bond or other security, to contest any such lien or encumbrance. In the event of any such contest, Tenant will protect, indemnify, and hold City harmless against all losses and damages, including reasonable attorneys' fees and costs resulting therefrom;
- (4) Tenant (i) is adjudicated bankrupt or insolvent or made a transfer in fraud of creditors, (ii) makes an assignment for the benefit of creditors, or (iii) brings or has brought against Tenant any action or proceeding of any kind under any provision of the Federal Bankruptcy Act or under any other insolvency, bankruptcy or reorganization act and, in the event such proceedings are involuntary, Tenant is not dismissed from the same within sixty (60) days thereafter; or, a receiver is appointed for a substantial part of the assets of Tenant and such receiver is not discharged within sixty (60) days;
- (5) Tenant breaches any other material provision of this Agreement;
- (6) Tenant breaches any material provision of the Rehab Funding Agreement (if applicable) or any other agreement between City and Tenant relating to the Premises; or
- (7) Tenant fails to pay any portion of rent or other payments when due in accordance with the terms and provisions of this Agreement.

12.4.2. Notification and City Remedies. Upon the occurrence of an Event of Default, and prior to exercising any remedies, City will notify Tenant in writing at the address listed in Article 24 hereof of the Tenant's purported breach, failure, or act, subject to the cure rights in Section 12.2. Upon the expiration of the applicable notice and cure period described in Section 12.2, City will have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, where applicable, City will have the right (but not obligation) to cure (or cause to be cured) on behalf of Tenant any Event of Default; Tenant will pay to City on demand all reasonable costs and expenses incurred by City in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. City will have the right to offset from any amounts due to Tenant under this Agreement or any other agreement between City and Tenant: (i) all damages, losses, reasonable costs or expenses incurred by City as a result of an Event of Default; and (ii) any liquidated damages levied upon Tenant pursuant to the terms of this Agreement; and (iii), any damages imposed by any ordinance or statute that is incorporated into this Agreement by reference, or into any

other agreement with the City. This Section 12.4.2 will survive termination of this Agreement.

12.4.3. All remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under Applicable Legal Requirements, rules and regulations. The exercise of any remedy will not preclude or in any way be deemed to waive any other remedy. Nothing in this Agreement will constitute a waiver or limitation of any rights that City may have under applicable law.

13. DAMAGE AND DESTRUCTION

- 13.1. Notification to City. If the Premises or any part thereof are damaged or destroyed by fire or other casualty, Tenant will notify HSH of such damage or destruction within twenty-four (24) hours of the casualty. Tenant will also comply with the Disaster and Emergency Response Plan, as approved by HSH in accordance with Section 5.13 hereof.
- 13.2. Insured Casualty. If the Premises or any part thereof are damaged or destroyed by any cause that is covered by any policy of insurance required to be maintained by Tenant under this Agreement, Tenant will promptly report the claim to the applicable insurance carrier and thereafter apply any insurance proceeds to promptly commence and diligently complete the restoration of the Premises as nearly as possible to the condition thereof before such damage or destruction. In order to avoid the suspension of necessary services to the Premises, City may, in its sole discretion, advance Annual Operating Subsidy, including but not limited to Project Reserves, to Tenant to ensure timely repairs; provided, however, that Tenant will reimburse City from any insurance proceeds actually received by Tenant. Tenant will provide regular updates to City on the status of such restoration. Tenant shall have no obligation to utilize any other funds or assets of the Tenant to restore the Premises, except Tenant shall have sole responsibility for funding any restoration solely caused or exacerbated by its negligence, misconduct, or breach of any term of this Agreement. Tenant shall use commercially reasonable efforts to obtain the maximum amount of insurance proceeds, or other payment from any insurance provider; provided, however, Tenant will notify the City promptly and will not consent to any settlement or adjustment of an insurance award without the City's written approval, which approval will not be unreasonably withheld or delayed.
- 13.3. Uninsured Casualty. If 1) the Premises or any part thereof are damaged or destroyed by any cause that is not wholly or partially covered by any policy of insurance required to be maintained by Tenant under this Agreement, 2) such damage or destruction is not solely attributable to, or exacerbated by, any act or omission of Tenant, its officers, agents, Invitees (other than Residents) or employees, and 3) Tenant's obligations under this Agreement could not have prevented the damage (subject to the standard of care set forth in Section 5.1), Tenant may request adjustments to the Annual Operating Budget, including but not limited to use of Project Reserves, in accordance with Exhibit D hereof, to pay for all of the reasonable repair costs and expenses, which City may approve in its sole discretion and which may be subject to Board of Supervisors approval. Upon receipt of such funds, Tenant will promptly commence and diligently complete the restoration of the Premises as nearly as possible to the condition thereof before such damage or destruction. Tenant will provide regular updates to City on the status of such restoration. The Parties agree and acknowledge that nothing in this Section shall be deemed to require the Tenant to fund any repair work that is not paid for by insurance proceeds, except to the extent such damage or destruction is solely attributable to, or exacerbated by, any act or omission of Tenant, its officers, agents, Invitees (other than Residents) or employees, Tenant's obligations under this Agreement could have prevented the damage (subject to the standard of care set forth in Section 5.1), and/or such damage or destruction was caused by Tenant's negligence, misconduct, or material breach of any term of this Agreement.

- 13.4. Unavailable Funds. If insurance proceeds or other funds to cover the reasonable repair costs of such damage or destruction cannot be identified within ninety (90) days after the date of such casualty, unless extended by City and Tenant, City or Tenant will have the option to terminate this Agreement as of a date specified in a written notice to the other Party, which date will be not less than ninety (90) days after notice is given by City or Tenant. In the event of termination of this Agreement, pursuant to this Section, Tenant will pay rent and other amounts due hereunder up to the date of termination, City will continue to pay for all necessary and reasonable Project Expenses as detailed in the Annual Operating Budget until such termination, and termination will be in accordance with Section 3.5 hereof. The termination right set forth in this Section is in addition to, and shall not be limited by, any other termination right set forth elsewhere in this Agreement, including, but not limited to Section 3.2.
- 13.5. Casualty Caused by Tenant. Notwithstanding anything to the contrary in this Agreement, Tenant will be responsible for its proportionate share of the costs of repairing such damage or destruction to the Premises in the event the damage or destruction is attributable to any act or omission of Tenant, its officers, agents, Invitees (other than Residents), or employees, in which event Tenant will indemnify City in accordance with Article 14 hereof and City may opt to immediately terminate this Agreement and thereafter seek all available remedies at law and/or as provided in this Agreement, at no cost to City; provided, however, Tenant shall not be liable for any damage or destruction caused by any acts of a Resident, except to the extent such damage or destruction is solely attributable to, or exacerbated by, any act or omission of Tenant, its officers, agents, Invitees (other than Residents) or employees, Tenant's obligations under this Agreement could have prevented the damage (subject to the standard of care set forth in Section 5.1), and/or such damage or destruction was caused by Tenant's negligence, misconduct, or material breach of any term of this Agreement.
- 13.6. Restoration. Tenant and City may, at City's discretion, collaborate to develop plans to restore the Premises as nearly as possible to the condition thereof immediately before such casualty (taking into account reasonable wear and tear on or about the Premises and the required use of the Premises). Upon City's request, Tenant shall have an affirmative obligation to promptly provide City with restoration plans and proposed costs, and the Tenant's reasonable costs and expenses to prepare such plans shall be deemed to be Project Expenses. Tenant will also consult with City regarding any necessary temporary relocation created by such casualty or restoration, and such reasonable costs and expenses shall be deemed to be Project Expenses.
- 13.7. Tenant's Personal Property. In no event will City be responsible for any damage to Tenant's Personal Property.
- 13.8. Waiver. City and Tenant intend that the provisions of this Section govern fully in the event of any damage or destruction and accordingly, City and Tenant each hereby waive the provisions of Sections 1932(2), 1933(4), 1941 and 1942 of the California Civil Code, as such sections may from time to time be amended, replaced, or restated.
- 13.9. This Article will survive termination of this Agreement. Tenant's failure to comply with its obligations under this Article will constitute a material breach of this Agreement.

14. DAMAGE; HAZARDOUS MATERIALS; INDEMNIFICATION

- 14.1. Damage to Person or Property - General Indemnification. City will not in any event whatsoever be liable for any injury or damage to any person happening on or about the Site, for any injury or damage to the Premises, or to any property of Tenant, or to any property of any other person, entity or association on or about the Site, unless arising from or related to: (i) physical or environmental condition of the Premises existing prior to the Effective Date, (ii) the City's failure to fund reasonable Project Expenses in accordance with the Annual Operating Budget, unless solely caused or exacerbated by Tenant's negligence or default under this Agreement; or (iii) any gross negligence or willful misconduct of the City or any of its commissioners, officers, agents or employees. Tenant will immediately defend, hold harmless

and indemnify the City and its respective commissioners, officers, agents, and employees, of and from all losses directly or indirectly arising from its tenancy, its use of the Site, including adjoining sidewalks and streets, and any of its operations activities thereon or connected thereto; provided, however, that this Article 14 will not be deemed or construed to and will not impose an obligation to indemnify and save harmless the City or any of its commissioners, officers, agents or employees from any Losses arising from or in any way related to or connected with: (i) physical or environmental condition of the Premises existing prior to the Effective Date; or (ii) gross negligence or willful misconduct of the City or any of its commissioners, officers, agents, or employees. Upon termination of this Agreement, Tenant will indemnify City against and hold City harmless from any and all costs, liabilities, losses, damages or expenses (including, without limitation, reasonable attorneys' fees) to the extent arising out of Tenant's negligence or breach of Tenant's obligations under this Agreement prior to the date of termination of this Agreement; provided that nothing in this Section shall obligate Tenant to indemnify City with respect to (i) the physical condition of the Premises as of the Effective Date, known or unknown, including, but not limited to any latent defect existing on or about the Premises as of the Effective Date, or (ii) any claim by any Resident arising after the termination of this Agreement, except to the extent arising out of a breach of Tenant's obligations under the Residential Agreements prior to the termination of this Agreement.

14.2. Hazardous Materials.

14.2.1. Tenant covenants and agrees that it will not, and will take commercially reasonable efforts to ensure that Tenant's Agents and Invitees do not, cause or permit any Hazardous Substance to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises or transported to or from the Premises in violation of Environmental Laws (as defined herein) without the prior written approval of the City.

14.2.2. Tenant will not, and Tenant will use commercially reasonable efforts to ensure that Tenant's Agents and Invitees do not, cause any Release (as defined herein) of Hazardous Substances in, on, under or about the Premises.

14.2.3. Tenant will indemnify, defend, and hold the City, and its commissioners, officers, agents and employees (individually, an "**Indemnified Party**" and collectively, the "**Indemnified Parties**") harmless from and against any and all losses, costs, claims, damages, liabilities, and causes of action of any nature whatsoever (including, without limitation, the reasonable fees and disbursements of counsel and engineering consultants) incurred by or asserted against any Indemnified Party in connection with, arising out of, in response to, or in any manner relating to Tenant's violation of any Environmental Law, or any Release, threatened Release and any condition or Hazardous Substance related nuisance on, under or from the Premises, except to the extent it arises from the existing condition of the Premises, known or unknown, as of the Effective Date or any gross negligence or willful misconduct of the City or any of its commissioners, officers, agents or employees.

14.2.4. For purposes of this Section, the following definitions will apply:

14.2.4.1. "**Hazardous Substance**" will have the meaning set forth in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended as of the date of this Agreement, 42 U.S.C. 9601(14), and in addition will include, without limitation, petroleum (including crude oil or any fraction thereof) and petroleum products, asbestos, asbestos-containing materials, polychlorinated biphenyls ("PCBs"), PCB-containing materials, all hazardous substances identified in the California Health & Safety Code Section 25316 and Section 25281(d), all chemicals listed pursuant to the California Health & Safety Code 25249.8, and any substance deemed a hazardous substance, hazardous material, hazardous waste, or contaminant under Environmental Law. The foregoing definition will not include substances

which occur naturally on the Site or that which are reasonably and customarily used in the operation and maintenance of a multifamily housing development.

14.2.4.2. “**Environmental Law**” will include all federal, state and local laws, regulations and ordinances governing hazardous waste, wastewater discharges, drinking water, air emissions, Hazardous Substance releases or reporting requirements, Hazardous Substance use or storage, and employee or community right-to-know requirements related to the work being performed under this Agreement.

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

14.3. This Article will survive termination of this Agreement. Tenant’s failure to comply with its obligations under this Article will constitute a material breach of this Agreement.

15. INSURANCE

15.1 During the Term, Tenant will procure and maintain insurance against claims for injuries to persons or damage to property that may arise from or in connection with the performance of any work by the Tenant, its agents, representatives, employees or subcontractors and the Tenant’s use and occupancy of the Premises.

15.2 Minimum Scope of Insurance. Without in any way limiting Tenant’s liability pursuant to this Agreement, Tenant must maintain in force, during the Term, and cause its contractors, subcontractors, and/or agents, as appropriate for each, insurance in the following amounts and coverages, as may be amended by City from time to time:

- (a) Commercial General Liability Insurance with limits not less than \$2,000,000 each occurrence for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations. Policy must include Abuse and Molestation coverage.
- (b) Commercial Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence, “Combined Single Limit” for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.
- (c) Workers’ Compensation, in statutory amounts, with Employers’ Liability Limits not less than \$1,000,000 each accident, injury, or illness.
- (d) Professional Liability Insurance, applicable to Tenant’s profession, with limits not less than \$2,000,000 for each claim with respect to negligent acts, errors or omissions in connection with this Agreement.
- (e) Reserved.
- (f) Reserved.
- (g) Pollution Liability Insurance applicable to Tenant’s activities and responsibilities under this Agreement with limits not less than \$2,000,000 each occurrence combined single limit, including coverage for on-site third party claims for bodily injury and property damage.

(h) A crime policy or fidelity bond covering Tenant's officers and employees against dishonesty with respect to the funds advanced by the City of no less than 25% of the Annual Operating Budget each loss, with any deductible not to exceed \$5,000 each loss, including the City as additional obligee or loss payee.

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

(j) Property insurance, excluding earthquake, in the amount no less than One Hundred Percent (100%) of replacement value of all improvements and City property in the care, custody, and control of the Tenant or its contractor.

15.3 Additional Insured Endorsements

(a) The Commercial General Liability policy must be endorsed to name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.

(b) The Commercial Automobile Liability Insurance policy must be endorsed to name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.

(c) The Commercial Automobile Liability Insurance policy must be endorsed to include (i) Auto Pollution Additional Insured Endorsement naming as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees; and (ii) if applicable, Form MCS-90 for Motor Carrier Policies of Insurance for Public Liability under Sections 29 and 30 of the Motor Carrier Act of 1980.

15.4 Waiver of Subrogation Endorsements. The Workers' Compensation policy(ies) shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Tenant, its employees, agents and subcontractors.

15.5 Primary Insurance

(a) The Commercial General Liability policy shall provide that such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that the insurance applies separately to each insured against whom claim is made or suit is brought.

(b) The Commercial Automobile Liability Insurance policy shall provide that such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that the insurance applies separately to each insured against whom claim is made or suit is brought.

(c) The Pollution Liability Insurance policy shall provide that such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that the insurance applies separately to each insured against whom claim is made or suit is brought.

15.6 Commercial Space. If Tenant subleases the Commercial Space to a commercial tenant for commercial services in accordance with Section 5.19 above, Tenant will require that all nonresidential tenants' liability insurance policies include Tenant and the City as additional insureds, as their respective interests may appear. Throughout the term of any lease of Commercial Space, Tenant will require commercial tenants to maintain insurance as follows:

- (a) to the extent the tenant has "employees" as defined in the California Labor Code, workers' compensation insurance with employer's liability limits not less than One Million Dollars (\$1,000,000) each accident;
- (b) commercial general liability insurance, with limits not less than One Million Dollars (\$1,000,000) each occurrence, combined single limit for bodily injury and property damage, including coverage for contractual liability; personal injury; advertisers' liability; including coverage for loss of income due to an insured peril for twelve (12) months; owners' and contractors' protective; broadform property damage; explosion, collapse and underground (XCU); products and completed operations coverage; if applicable to commercial uses, policy must not exclude Abuse & Molestation.
- (c) business automobile liability insurance, with limits not less than One Million Dollars (\$1,000,000) each occurrence, combined single limit for bodily injury and property damage, including owned, hired and non-owned auto coverage, as applicable;
- (d) with respect to any tenant who has (or is required by Law to have) a liquor license and who is selling or distributing alcoholic beverages and/or food products on the leased premises, to maintain liquor and/or food products liability coverage with limits not less than One Million Dollars (\$1,000,000), as appropriate;
- (e) Property insurance, including vandalism and malicious mischief, in the amount of 100% of the full replacement cost thereof, covering all furnishings, fixtures, equipment, leasehold improvements, alterations and property of every kind of the tenant and of persons claiming through the tenant; and including any plate glass or glass doors on the commercial space. During any period of construction or rehabilitation, Tenant shall also provide "Special Form" (All Risk) Builder's Risk Insurance equal to the full replacement cost on a completed value basis, naming City as loss payee.

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

15.8 Other Insurance Requirements

Any insurance required by this Article 15 must also meet the following requirements:

- (a) Thirty (30) days' advance written notice shall be provided to the City of cancellation, intended non-renewal, or reduction in coverages, except for non-payment for which no less than ten (10) days' notice shall be provided to City. Notices shall be sent to the City address set forth in Section 11.1 entitled "Notices to the Parties."

- (b) Should any of the required insurance be provided under a claims-made form, Tenant shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the Agreement term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.
- (c) Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.
- (d) Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the City may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.
- (e) Before the Effective Date, Tenant shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Approval of the insurance by City shall not relieve or decrease Tenant's liability hereunder.
- (f) If Tenant will use any subcontractor(s), Tenant shall require the subcontractor(s) to provide all necessary insurance and to name the City and County of San Francisco, its officers, agents and employees and the Tenant as additional insureds. All coverage for such subcontractor(s) will be subject to all of the requirements stated herein unless otherwise approved by the City.

16. COMPLIANCE WITH SITE-RELATED AND LEGAL REQUIREMENTS

- 16.1. Compliance with Legal Requirements. Tenant will comply with all Applicable Legal Requirements, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, with the requirements of any board of fire underwriters or other similar body now or hereafter constituted, with any direction or occupancy certificate issued pursuant to any law by any public officer or officers, with respect to the condition, use or occupancy of the Premises. In the event Tenant contests any Applicable Legal Requirement, Tenant will not be obligated to comply therewith to the extent that the application of the contested law, statute, ordinance, rule, regulation or requirement is stayed by the operation of law or administrative or judicial order. Tenant will Indemnify City for any Loss relating to any such contest by Tenant.
- 16.2. Regulatory Approvals. Tenant understands and agrees that the City is entering into this Agreement in its capacity as a landowner with a proprietary interest in the Premises and not as a regulatory agency with certain police powers. Tenant understands and agrees that neither entry by the City into this Agreement nor any approvals given by the City under this Agreement will be deemed to imply that Tenant will obtain any required approvals from City departments, boards or commissions that have jurisdiction over the Premises. By entering into this Agreement, the City is

in no way modifying or limiting the obligations of Tenant to develop the Premises in accordance with all Applicable Legal Requirements and as provided in this Agreement.

17. ENTRY

- 17.1. The City reserves for itself and its authorized representatives the right to enter the Premises at all reasonable times during normal business hours upon not less than forty-eight (48) hours' written notice to Tenant (except in the event of an emergency), subject to the rights of the Residents and others lawfully permitted on the Property, for any of the following purposes:
- 17.1.1.1. to determine whether the Premises is in good condition and to inspect the Premises;
 - 17.1.1.2. to determine whether Tenant is in compliance with its Agreement obligations and to cure or attempt to cure any Tenant default;
 - 17.1.1.3. to serve, post or keep posted any notices required or allowed under any of the provisions of this Agreement; and
 - 17.1.1.4. to do any maintenance or repairs to the Premises that the City has the right or the obligation, if any, to perform hereunder.
- 17.2. In the event of any emergency, as reasonably determined by the City, at its sole option and without notice, the City may enter the Premises and alter or remove any Tenant's personal property on or about the Premises as reasonably necessary, given the nature of the emergency. The City will have the right to use any and all means the City considers appropriate to gain access to any portion of the Premises in an emergency, in which case, the City will not be responsible for the replacement of any property, and no emergency entry may be deemed to be a forcible or unlawful entry onto or a detainer of the Premises, or an eviction, actual or constructive, of Tenant from the Premises or any portion thereof.
- 17.3. The City will not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance or other damage arising out of the City's entry onto the Premises, except to the extent damage arises out of the gross negligence or willful misconduct of the City or its agents. The City will be responsible for any losses resulting from its gross negligence or willful misconduct and will repair any resulting damage promptly.
- 17.4. Tenant will not be entitled to any abatement in rent or other amounts due under this Agreement if the City exercises any rights reserved in this Section, subject to subsection 17.3 above.
- 17.5. The City will use its reasonable good faith efforts to conduct any activities on the Premises allowed under this Section in a manner that, to the extent practicable, will minimize any disruption to Tenant's use hereunder.

18. CONDEMNATION AND TAKINGS

- 18.1. Parties' Rights and Obligations to be Governed by Agreement. If, during the Term, there is any condemnation of all or any part of the Premises is taken by condemnation, the rights and obligations of the parties will be determined pursuant to this Article 18.
- 18.2. Total Taking. If the Premises is totally taken by condemnation, this Agreement will terminate on the date the condemnor has the right to possession of the Premises.
- 18.3. Partial Taking. If any portion of the Premises is taken by condemnation, this Agreement will remain in effect, except that Tenant may elect to terminate this Agreement if, in Tenant's

reasonable judgment, the remaining portion of the Premises is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to terminate this Agreement, Tenant must exercise its right to terminate pursuant to this paragraph by giving notice to the City within sixty (60) days after the City notifies Tenant of the nature and the extent of the taking. If Tenant elects to terminate this Agreement as provided in this Section 18.3, Tenant also will notify the City of the date of termination, which date will not be earlier than ninety (90) days nor later than six (6) months after Tenant has notified the City of its election to terminate; except that this Agreement will terminate as to the portions of the Premises taken by the condemnor on the date the condemnor takes possession of that portion of the Premises. If Tenant does not terminate this Agreement within such sixty (60) day notice period, this Agreement will continue in full force and effect.

- 18.4. Award and Distribution. Any compensation awarded, paid or received on a total or partial condemnation of the Premises or threat of condemnation of the Premises will belong to and be distributed in the following order:
- 18.4.1. First, to pay the balance due on any outstanding or unpaid obligations and/or liabilities, including but not limited to, trade accounts, taxes, payroll accruals and residuals, to the extent provided therein; and
- 18.4.2. Second, to the City.

19. SURRENDER

Upon expiration or sooner termination of this Agreement, Tenant will surrender the Premises to the City in good order and condition, subject to normal wear and tear (taking into consideration the required use of the Premises), and, at the City's request, will execute, acknowledge, and deliver to the City a good and sufficient quitclaim deed with respect to any interest of Tenant in the Premises. Normal wear and tear will not include any damage or deterioration that would have been prevented had Tenant properly performed its obligations under this Agreement (taking into consideration the required use of the Premises). The Premises will be surrendered free and clear of all liens and encumbrances arising out of Tenant's acts other than liens and encumbrances approved by the City and rights of Residents in units occupied at the end of the Term. Immediately before the expiration or termination of this Agreement, Tenant will remove all of Tenant's Personal Property as provided in this Agreement and repair any damage resulting from such removal. Tenant's obligations under this Section will survive the expiration or termination of this Agreement. Any items of Tenant's Personal Property remaining in the Premises after the expiration or termination of this Agreement may, at the City's option, be deemed abandoned and disposed of in accordance with Section 1980 et seq. of the California Civil Code or in any other manner allowed by Applicable Legal Requirements. The City agrees to assume all Resident leases and occupancy agreements at the end of the Term, entered into by Tenant in conformity with this Agreement. In no event will Tenant be required to evict a Resident who has executed a Residential Agreement in conformity with this Agreement at the end of the Term.

20. EQUAL OPPORTUNITY

In the selection of all contractors and professional consultants for any work on the Premises, Tenant will comply with the requirements of Chapter 14B of the San Francisco Administrative Code ("**LBE Ordinance**") according to the procedures established by the City's Contract Monitoring Division. If federal funds are used by City or Tenant in connection with the Premises, the Premises will be subject to the requirements of Section 3 of the Housing and Community Development Act of 1968 and of the San Francisco Section 3 program as required. Federal Section 3 requirements state that contracts and opportunities for job training and employment be given, to the greatest extent feasible, to local low-income residents. Local residents for the purposes of this Agreement are San Francisco residents. In addition, any work on the Premises will be required to comply with hiring requirements as incorporated into the local Section 3 program and in conjunction with the City's low-income hiring

requirements pursuant to San Francisco's First Source Hiring Ordinance (San Francisco Administrative Code Chapter 83).

21. NO PERSONAL LIABILITY

No commissioner, official, or employee of the City will be personally liable to Tenant or any successor in interest in the event of any default or breach by the City or for any amount which may become due to Tenant or its successors or on any obligations under the terms of this Agreement. No commissioner, official, or employee of the Tenant will be personally liable to the City or any successor in interest in the event of any default or breach by the Tenant or for any amount which may become due to City or its successors or on any obligations under the terms of this Agreement, except in the event of Tenant's negligence or misconduct or Tenant's default under this Agreement.

22. WAIVER

The waiver by the City or Tenant of any term, covenant, agreement or condition herein contained will not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, agreement or condition herein contained, nor will any custom or practice which may grow up between the parties in the administration of the terms hereof be construed to waive or to lessen the right of the City or Tenant to insist upon the performance by the other in strict accordance with the said terms. The subsequent acceptance of rent or any other sum of money hereunder by the City will not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant, agreement or condition of this Agreement, other than the failure of Tenant to pay the particular rent or other sum so accepted, regardless of the City's knowledge of such preceding breach at the time of acceptance of such rent or other sum. Any waiver must be in writing and signed by the party that is waiving its rights under this Agreement. Any City consent under this Agreement will not relieve Tenant of any obligation to secure City's consent in any other or future instance as required by this Agreement.

23. RECORDS

Upon reasonable notice during normal business hours, and as often as the City may deem necessary, there will be made available to the City and its authorized representatives for examination all records, reports, data and information made or kept by Tenant regarding its activities or operations on the Premises. To the extent that it is permitted by law to do so, the City will respect the confidentiality requirements of Tenant in regard to the lists furnished by Tenant pursuant to this Agreement, of the names of occupants of the Premises.

24. NOTICES AND CONSENTS

All notices, demands, consents or approvals which may be or are required to be given by either party to the other hereunder will be in writing and will be deemed to have been fully given when delivered in person to such representatives of Tenant and the City as will from time to time be designated by the parties for the receipt of notices, or when deposited in the United States mail, certified, postage prepaid, or by express delivery service with a delivery receipt and addressed

if to Tenant at: Dolores Street Community Services
938 Valencia Street
San Francisco, CA 94110
Attn: Executive Director

if to City at: Department of Homelessness and Supportive Housing
440 Turk Street
San Francisco, CA 94102

DRAFT

Attn: Administration & Finance Division

with a copy to:

Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4682
Attn: RE/Finance
Fax No.: (415) 554-4755

or to such other address with respect to either party as that party may from time to time designate by notice to the other given pursuant to the provisions of this Article 24. Any notice given pursuant to this Article 24 will be effective on the date of delivery or the date delivery is refused as shown on the delivery receipt.

25. COMPLETE AGREEMENT

There are no oral agreements between Tenant and the City affecting this Agreement, and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings between Tenant and the City with respect to the Premises, including but not limited to the Agreement between Tenant and City dated as of May 1, 2022, which the parties agree and acknowledge is hereby terminated pursuant to this reference as of the Effective Date, and is of no further force or effect. The parties intend that this Agreement constitutes the complete and exclusive statement of its terms and no extrinsic evidence whatsoever (including prior drafts and changes) may be introduced in any judicial, administrative, or other legal proceeding involving this Agreement. Tenant acknowledges that neither City nor City's Agents have made any representations or warranties with respect to the Premises or this Agreement except as expressly set forth in this Agreement.

26. HEADINGS

Any titles of the several parts and sections of this Agreement are inserted for convenience of reference only and will be disregarded in construing or interpreting any of its provisions. "Paragraph" and "section" may be used interchangeably.

27. SUCCESSORS AND ASSIGNS

This Agreement will be binding upon and inure to the benefit of the successors and assigns of the City and Tenant and where the term "Tenant" or "City" is used in this Agreement, it will mean and include their respective successors and assigns; provided, however, that the City will have no obligation under this Agreement to, nor will any benefit of this Agreement accrue to, any unapproved successor or assign of Tenant where City approval of a successor or assign is required by this Agreement. At such time as City sells or transfers its interests in the Premises to any third party, City may elect to terminate or assign this Agreement to such third party, provided that if City elects to assign this Agreement to such third party, City will require such third party to assume all of City's obligations hereunder arising on and after the transfer in writing for the benefit of Tenant and its successors and assigns.

28. TIME

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

29. PARTIAL INVALIDITY

If any provisions of this Agreement will be determined to be illegal or unenforceable, such determination will not affect any other provision of this Agreement and all such other provisions will remain in full force and effect.

30. APPLICABLE LAW; NO THIRD PARTY BENEFICIARY

This Agreement will be governed by and construed pursuant to the laws of the State of California. This Agreement is entered into solely among, between, and for the benefit of, and may be enforced only by, the Parties hereto and does not create rights in any other third party.

31. SEVERABILITY

If any provision of this Agreement or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, will not be affected thereby, and each other provision of this Agreement will be valid and be enforceable to the fullest extent permitted by Applicable Legal Requirements.

32. EXECUTION IN COUNTERPARTS

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

33. AUTHORITY

Tenant hereby represents and warrants that it is a California nonprofit public benefit corporation and has full rights, power and authority to enter into and perform its obligations under this Agreement.

34. PREVAILING WAGE AND WORKING CONDITIONS

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

Tenant will include, and will require its subtenants, and Contractors and Subcontractors (regardless of tier) to include, the Prevailing Wage Requirements and the agreement to cooperate in City enforcement actions in any Construction Contract with specific reference to San Francisco Administrative Code Section 23.61. Each such Construction Contract must name the City and County of San Francisco, affected workers, and employee organizations formally representing affected workers as third party beneficiaries for the limited purpose of enforcing the Prevailing Wage Requirements, including the right to file charges and seek penalties against any Contractor or

Subcontractor in accordance with San Francisco Administrative Code Section 23.61. Tenant's failure to comply with its obligations under this Section will constitute a material breach of this 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. For the current Prevailing Rate of Wages, contact the City's Office of Labor Standards Enforcement.

Tenant will also competitively procure and enter into any necessary professional services contracts in connection with Tenant's maintenance and repair work under this Agreement. Such procurement shall comply with all Applicable Legal Requirements, including but not limited to Administrative Code Section 14B.

35. CITY PROVISIONS

35.1. Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation

This Agreement is subject to the budget and fiscal provisions of the City's Charter. City shall have no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements or for other City expenditures. No City funds shall be available under this Agreement until prior written authorization certified by the Controller. The amount of City's obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization. Tenant acknowledges that City's obligation to pay Annual Operating Subsidy and any other funds under this Agreement is expressly conditioned on the appropriation of sufficient funds to HSH, which appropriation is subject to HSH's annual operating budget. City budget decisions are subject to the discretion of the Mayor and the Board of Supervisors. Tenant's assumption of risk of possible non-appropriation is part of the consideration for this Agreement. This Section controls against any and all other provisions of this Agreement; provided, however, nothing in this Section shall be deemed to waive, limit, or impair Tenant's right to terminate this Agreement as set forth elsewhere in this Agreement.

35.2. Public Transit Information

At its sole expense, Tenant will establish and carry on during the Term a program to encourage maximum use of public transportation by personnel of Tenant employed on the Premises, including the distribution of written materials to personnel explaining the convenience and availability of public transportation facilities adjacent or near the Building and encouraging use of them.

35.3. Taxes, Assessments, Licenses, Permit Fees, and Liens

- 35.3.1. Tenant recognizes and understands that this Agreement may create a possessory interest subject to property taxation and Tenant may be subject to the payment of property taxes levied on its possessory interest. In addition, if the Term, including any extension options, is thirty-five (35) years or more, then Tenant will be obligated to pay real property transfer tax upon execution of the Lease.
- 35.3.2. Tenant will pay to the proper authority on or before when due all taxes and assessments of every kind, including, but not limited to, possessory interest taxes lawfully assessed on the leasehold interest created by this Agreement or any subleasehold interest in the Premises, real property transfer taxes, real and personal property taxes, general and special assessments, and all license fees, permit fees, and all other governmental charges of any kind or nature whatsoever, and to pay all other taxes, excises, licenses, permit charges, and assessments based on Tenant's use of the Premises or any transfer of a leasehold interest or subleasehold interest in the Premises (including, but not limited to, any transfer of the leasehold interest in the Premises pursuant to this Agreement) and imposed by Legal

Requirements, whether in effect at the time this Agreement is entered into or that become later effective. Without limiting the foregoing, Tenant will pay all real property transfer taxes imposed on any transfer of a leasehold interest or subleasehold interest in the Premises (including but not limited to the transfer of the Premises pursuant to this Agreement). Tenant further recognizes and agrees that its leasehold interest may be subject to the payment of special taxes, including without limitation a levy of special taxes to finance energy efficiency, water conservation, water pollution control and similar improvements under the Special Tax Financing Law in Chapter 43 Article X of the Administrative Code.

- 35.3.3. Tenant will not allow or suffer a lien for any taxes, assessments, or other charges to be imposed on the Premises or on any equipment or property located in the Premises without promptly discharging the lien, provided that Tenant, if it desires, may have reasonable opportunity to contest the legal validity or the amount of any tax, assessment, or similar charge so long as the tax, assessment, or charge does not become a defaulted lien. In the event of any disputed tax, assessment, or similar charge, Tenant will Indemnify City, and their Agents from and against all resulting Claims.
- 35.3.4. San Francisco Administrative Code Sections 23.38 and 23.39 require that certain information relating to the creation, renewal, extension, assignment, sublease, or other transfer of this Agreement be provided to the County Assessor within sixty (60) days after the transaction. Accordingly, Tenant must provide a copy of this Agreement, and any renewals, extensions, Assignment documents, Sublease documents, or any other transfers of the Premises or the Lease to the County Assessor not later than sixty (60) days after the full execution of the foregoing, and any failure of Tenant to timely provide a copy of this Agreement, and any renewals, extensions, Assignment document, Sublease documents, or any other transfers of the Premises or the Lease to the County Assessor will be a default under this Agreement. Tenant will also timely provide any information that City may request to ensure compliance with this or any other reporting requirement.

35.4. **Non-Discrimination in City Contracts and Benefits Ordinance**

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

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

(c) Non-Discrimination in Benefits. Tenant does not as of the date of this Agreement and will not during the Term, in any of its operations in San Francisco, on real property owned by City, or

where the work is being performed for City 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 the employees, where the domestic partnership has been registered with a governmental entity under the Legal Requirements authorizing that registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) CMD Form. As a condition to this Agreement, Tenant will execute the “Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits” form (Form CMD-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Contract Monitoring Division. Tenant represents that before execution of this Agreement, **(i)** Tenant executed and submitted to the CMD Form CMD-12B-101 with supporting documentation, and **(ii)** the CMD approved the form.

(e) Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the lease of City property are incorporated in this Section by reference and made a part of this Agreement as though fully set forth in this Agreement. Tenant will comply fully with and be bound by all of the provisions that apply to this Agreement under those Chapters of the Administrative Code, including the remedies provided in those Chapters. Without limiting the foregoing, Tenant understands that under Section 12B.2(h) of the San Francisco Administrative Code, a penalty of Fifty Dollars (\$50) for each person for each calendar day during which the person was discriminated against in violation of the provisions of this Agreement may be assessed against Tenant and/or deducted from any payments due Tenant.

35.4. No Relocation Assistance; Release of Claims

Tenant acknowledges that it will not be a displaced person at the time this Agreement is terminated or expires by its own terms, and Tenant fully RELEASES AND DISCHARGES forever any and all Claims against, and covenants not to sue, City, its departments, commissions, officers, directors, and employees, and all persons acting by, through or under each of them, under any Legal Requirements, including any and all claims for relocation benefits or assistance from City under federal and state relocation assistance Legal Requirements (including California Government Code Section 7260 et seq.), except as otherwise specifically provided in this Agreement with respect to a Taking/Condemnation.

35.5. MacBride Principles—Northern Ireland

The provisions of San Francisco Administrative Code Section 12F are incorporated by this reference and made part of this Agreement. By signing this Agreement, Tenant confirms that Tenant has read and understood that City urges companies doing business in Northern Ireland to resolve employment inequities and to abide by the MacBride Principles, and urges San Francisco companies to do business with corporations that abide by the MacBride Principles.

35.6. Tropical Hardwood and Virgin Redwood Ban; Preservative-Treated Wood Containing Arsenic

City urges companies not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product. Except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code, Tenant will not provide any items to the construction of the Premises or the Alterations, or otherwise in the performance of this Agreement, that are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. If Tenant fails to comply with any of the provisions of Chapter 8 of the San Francisco Environment Code, Tenant will be liable for liquidated damages for each violation in any amount equal to Tenant’s net profit on the contract, or five percent (5%) of the total amount of the contract dollars, whichever is greater. Tenant may not purchase preservative-treated wood products

containing arsenic in the performance of this Agreement unless an exemption from the requirements of Environment Code Chapter 13 is obtained from the Department of Environment.

35.7. Restrictions on the Use of Pesticides

(a) Chapter 3 of the San Francisco Environment Code (the Integrated Pest Management Program Ordinance or “**IPM Ordinance**”) describes an integrated pest management (“**IPM**”) policy to be implemented by all City departments. Tenant may not use or apply or allow the use or application of any pesticides on the Premises or contract with any party to provide pest abatement or control services to the Premises without first receiving City’s written approval of an IPM plan that (i) lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Tenant may need to apply to the Premises during the Term, (ii) describes the steps Tenant will take to meet City’s IPM Policy described in Section 300 of the IPM Ordinance, and (iii) identifies, by name, title, address, and telephone number, an individual to act as the Tenant’s primary IPM contact person with City. Tenant will comply, and will require all of Tenant’s contractors to comply, with the IPM plan approved by City and will comply with the requirements of Sections 300(d), 302, 304, 305(f), 305(g), and 306 of the IPM Ordinance, as if Tenant were a City department. Among other matters, the provisions of the IPM Ordinance: (i) provide for the use of pesticides only as a last resort, (ii) prohibit the use or application of pesticides on City property, except for pesticides granted an exemption under Section 303 of the IPM Ordinance (including pesticides included on the most current Reduced Risk Pesticide List compiled by City’s Department of the Environment), (iii) impose certain notice requirements, and (iv) require Tenant to keep certain records and to report to City all pesticide use at the Premises by Tenant’s staff or contractors.

(b) If Tenant or Tenant’s contractor would apply pesticides to outdoor areas at the Premises, Tenant will first obtain a written recommendation from a person holding a valid Agricultural Pest Control Advisor license issued by the California Department of Pesticide Regulation (“**CDPR**”) and the pesticide application will be made only by or under the supervision of a person holding a valid, CDPR-issued Qualified Applicator certificate or Qualified Applicator license. City’s current Reduced Risk Pesticide List and additional details about pest management on City property can be found at the San Francisco Department of the Environment website, <http://sfenvironment.org/ipm>.

35.8. Sunshine Ordinance

In accordance with Section 67.24(e) of the San Francisco Administrative Code, contracts, contractors’ bids, leases, agreements, responses to Requests for Proposals, and all other records of communications between City and persons or firms seeking contracts will be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person’s or organization’s net worth or other proprietary financial data submitted for qualification for a contract, lease, agreement or other benefit until and unless that person or organization is awarded the contract, lease, agreement, or benefit. Information provided that is covered by this Section will be made available to the public on request.

35.10. Conflicts of Interest

Through its execution of this Agreement, Tenant acknowledges that it is familiar with the provisions of Article III, Chapter 2 of City’s Campaign and Governmental Conduct Code, and California Government Code Section 87100 et seq. and Section 1090 et seq., and certifies that it does not know of any facts that would constitute a violation of those provisions, and agrees that if Tenant becomes aware of any violation during the Term, Tenant will immediately notify City.

35.11. Charter Provisions

This Agreement is governed by and subject to the provisions of City’s Charter and Municipal Code.

35.12. Drug-Free Workplace

Tenant acknowledges that under the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, possession, or use of a controlled substance under federal Legal Requirements is prohibited on City premises. Tenant will advise the City immediately of any violation. Any violation of this prohibition by Tenant, its Agents, or assigns will be a material breach of this Agreement.

35.13. Prohibition of Tobacco Sales and Advertising

Tenant acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on the Premises. This advertising prohibition includes the placement of the name of a company producing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. In addition, Tenant acknowledges and agrees that no Sales, Manufacture, or Distribution of Tobacco Products (as such capitalized terms are defined in Health Code Section 19K.1) is allowed on the Premises and such prohibition must be included in all subleases or other agreements allowing use of the Premises. The prohibition against Sales, Manufacture, or Distribution of Tobacco Products does not apply to persons who are affiliated with an accredited academic institution where the Sale, Manufacture, and/or Distribution of Tobacco Products is conducted as part of academic research.

35.14. Prohibition of Alcoholic Beverage Advertising

No advertising of alcoholic beverages is allowed on the Premises. For purposes of this Section, “alcoholic beverage” is defined as set forth in California Business and Professions Code Section 23004, and does not include cleaning solutions, medical supplies, and other products and substances not intended for drinking. This advertising prohibition includes the placement of the name of a company producing alcoholic beverages or the name of any alcoholic beverage in any promotion of any event or product.

35.15. Requiring Health Benefits for Covered Employees

(a) Unless exempt, Tenant will comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (“HCAO”), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as they may be amended from time to time. The provisions of Chapter 12Q are incorporated into this Agreement by reference and made a part of this Agreement as though fully set forth. The text of the HCAO is available on the web at <http://www.sfgov.org/olse/hcao>. Capitalized terms used in this Section and not defined in this Agreement have the meanings assigned to those terms in Chapter 12Q.

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

(c) Notwithstanding the above, if the Tenant is a small business as defined in Section 12Q.3(e) of the HCAO, it will have no obligation to comply with subsection (a) above.

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

(e) Any Subcontract entered into by Tenant will require the Subcontractor to comply with the requirements of the HCAO and contain contractual obligations substantially the same as those set forth in this Section. Tenant will notify City’s Purchasing Department when it enters into a Subcontract and will certify to the Purchasing Department that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract.

Each Tenant will be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, City may pursue the remedies set forth in this Section against Tenant based on the Subcontractor's failure to comply, provided that City has first provided Tenant with notice and an opportunity to cure the violation.

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

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

(h) Tenant will keep itself informed of the current requirements of the HCAO.

(i) Tenant will provide reports to City in accordance with any reporting standards promulgated by City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

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

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

(l) If Tenant is exempt from the HCAO when this Agreement is executed because its amount is less than Fifty Thousand Dollars (\$50,000), but Tenant later enters into an agreement or agreements that cause Tenant's aggregate amount of all agreements with City to reach Seventy-Five Thousand Dollars (\$75,000), then all the agreements will be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Tenant and the Contracting Department to be equal to or greater than Seventy-Five Thousand Dollars (\$75,000) in the fiscal year.

35.16. Notification of Prohibition on Contributions

For the purposes of this Section, a "City Contractor" is a party that contracts with, or seeks to contract with, the City for the sale or leasing of any land or building to or from the City whenever such transaction would require the approval by a City elective officer, the board on which that City elective officer serves, or a board on which an appointee of that individual serves. Through its execution of this Agreement, Tenant acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits a City Contractor from making any campaign contribution to (1) the City elective officer, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual or candidate, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for that contract or twelve (12) months after the date that contract is approved. Tenant acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$100,000 or more. Tenant further acknowledges that (i) the prohibition on contributions applies to Tenant, each member of Tenant's board of directors, Tenant's chief executive officer, chief financial officer and chief operating officer, any person with an ownership interest of more than ten percent (10%) in Tenant, any subcontractor listed in the contract, and any committee that is sponsored or controlled by Tenant, and (ii) within thirty (30) days of the submission of a proposal for the contract, the City department seeking to enter into the contract must notify the Ethics Commission of the parties and any subcontractor to the contract. Additionally, Tenant certifies it has informed each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126 by the time it submitted a proposal for the contract to the City, and has provided the names of the persons required to be informed to the City department seeking to enter into that contract within thirty (30) days of submitting its

contract proposal to the City department receiving that submittal, and acknowledges the City department receiving that submittal was required to notify the Ethics Commission of those persons.

35.17. Public Access to Meetings and Records.

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

35.18 Resource Efficient City Buildings

Tenant acknowledges that City has enacted San Francisco Environment Code Sections 700 to 713 relating to green building requirements for the design, construction, and operation of buildings owned or leased by City. Tenant will comply with all applicable provisions of those code sections.

35.19. Food Service and Packaging Waste Reduction Ordinance

Tenant will comply with and is bound by all of the applicable provisions of the Food Service and Packaging Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided therein, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated into this Agreement by reference and made a part of this Agreement as though fully set forth. Accordingly, Tenant acknowledges that City contractors and lessees may not use Food Service Ware for Prepared Food in City Facilities and while performing under a City contract or lease (1) where the Food Service Ware is made, in whole or in part, from Polystyrene Foam, (2) where the Food Service Ware is not Compostable or Recyclable, or (3) where the Food Service Ware is Compostable and not Fluorinated Chemical Free. The capitalized terms (other than Tenant and City) in the previous sentence are defined in San Francisco Environment Code Section 1602.

35.20. San Francisco Packaged Water Ordinance

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

35.21. Criminal History in Hiring and Employment Decisions

(a) Unless exempt, Tenant will comply with and be bound by all of the provisions of San Francisco Administrative Code Chapter 12T (Criminal History in Hiring and Employment Decisions), as amended from time to time (“**Chapter 12T**”), which are incorporated into this Agreement as if fully set forth, with respect to applicants and employees of Tenant who would be or are performing work at the Premises.

(b) Tenant will incorporate by reference the provisions of Chapter 12T in all subleases of some or all of the Premises, and require all subtenants to comply with those provisions. Tenant’s failure to comply with the obligations in this subsection will constitute a material breach of this Agreement.

(c) Tenant and subtenants may not inquire about, require disclosure of, or if the information is received base an Adverse Action on an applicant’s or potential applicant for employment, or

employee's: (i) Arrest not leading to a Conviction, unless the Arrest is undergoing an active pending criminal investigation or trial that has not yet been resolved; (ii) participation in or completion of a diversion or a deferral of judgment program; (iii) a Conviction that has been judicially dismissed, expunged, voided, invalidated, or otherwise rendered inoperative; (iv) a Conviction or any other adjudication in the juvenile justice system; (v) a Conviction that is more than seven years old, from the date of sentencing; or (vi) information pertaining to an offense other than a felony or misdemeanor, such as an infraction.

(d) Tenant and subtenants may not inquire about or require applicants, potential applicants for employment, or employees to disclose on any employment application the facts or details of any conviction history, unresolved arrest, or any matter identified in subsection (c) above. Tenant and subtenants may not require that disclosure or make any inquiry until either after the first live interview with the person, or after a conditional offer of employment.

(e) Tenant and subtenants will state in all solicitations or advertisements for employees that are reasonably likely to reach persons who are reasonably likely to seek employment with Tenant or subtenant at the Premises, that the Tenant or subtenant will consider for employment qualified applicants with criminal histories in a manner consistent with the requirements of Chapter 12T.

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

(g) Tenant and subtenants understand and agree that on any failure to comply with the requirements of Chapter 12T, City will have the right to pursue any rights or remedies available under Chapter 12T or this Agreement, including 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, or termination of this Agreement in whole or in part.

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

35.22. Vending Machines; Nutritional Standards

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

35.23. All-Gender Toilet Facilities

If applicable, Tenant will comply with San Francisco Administrative Code Section 4.1-3 requiring at least one all-gender toilet facility on each floor of the Building where extensive renovations are made. An "all-gender toilet facility" means a toilet that is not restricted to use by persons of a specific sex or gender identity by means of signage, design, or the installation of fixtures, and "extensive renovations" means any renovation where the construction cost exceeds 50% of the cost of providing the toilet facilities

required by Administrative Code Section 4.1-3. If Tenant has any question about applicability or compliance, Tenant should contact the HSH Director of Property for guidance.

35.24. Tenant's Compliance with City Business and Tax Regulations Code

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

35.25. Consideration of Salary History

In addition to Tenant's obligations as an employer under San Francisco Police Code Article 33J, Tenant must comply with San Francisco Administrative Code Chapter 12K. For each employment application to Tenant for work of eight (8) or more hours per week at the Premises, Tenant must not consider the applicant's current or past salary (a "**Salary History**") in deciding whether to hire the applicant or what salary to offer the applicant unless the applicant voluntarily discloses that Salary History without prompting. In addition, Tenant must not (1) ask those applicants about their Salary History, (2) refuse to hire, or otherwise disfavor, injure, or retaliate against applicants that do not disclose their Salary History, or (3) disclose a current or former employee's Salary History without that employee's authorization unless it is required by law, publicly available, or subject to a collective bargaining agreement.

Tenant is subject to the posting, enforcement, and penalty provisions in Chapter 12K. Information about Chapter 12K is available on the web at <https://sfgov.org/olse/consideration-salary-history>.

35.26. Contractor Vaccination Requirements.

(1) Tenant acknowledges that it has read the requirements of the 38th Supplement to Mayoral Proclamation Declaring the Existence of a Local Emergency ("Emergency Declaration"), dated February 25, 2020, and the Contractor Vaccination Policy for City Contractors issued by the City Administrator ("Contractor Vaccination Policy"), as those documents may be amended from time to time. A copy of the Contractor Vaccination Policy can be found at: <https://sf.gov/confirm-vaccine-status-your-employees-and-subcontractors>. Any undefined, initially-capitalized term used in this Section has the meaning given to that term in the Contractor Vaccination Policy.

(2) A Contract as defined in the Emergency Declaration is an agreement between the City and any other entity or individual and any subcontract under such agreement, where Covered Employees of the contractor or subcontractor work in-person with City employees at a facility owned, leased, or controlled by the City. A Contract includes such agreements currently in place or entered into during the term of the Emergency Declaration. A Contract does not include an agreement with a state or federal governmental entity or agreements that does not involve the City paying or receiving funds.

(3) Tenant has read the Contractor Vaccination Policy. In accordance with the Emergency Declaration, if this Agreement is (or becomes) a Contract as defined in the Contractor Vaccination Policy, Tenant agrees that:

(I) Tenant will ensure it complies with the requirements of the Contractor Vaccination Policy pertaining to Covered Employees, as they are defined under the Emergency

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Declaration and the Contractor Vaccination Policy, and insure such Covered Employees are fully vaccinated for COVID-19 or obtain an exemption based on medical or religious grounds; and

(II) If Tenant grants Covered Employees an exemption based on medical or religious grounds, Tenant will promptly notify City by completing and submitting the Covered Employees Granted Exemptions Form (“Exemptions Form”), which can be found at <https://sf.gov/confirm-vaccine-status-your-employees-and-subcontractors> (navigate to “Exemptions” to download the form).

36. AMENDMENTS

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

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

[signatures follow]

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IN WITNESS WHEREOF, City and Tenant have executed this Agreement as of the date first written above.

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
Andrico Q. Penick
Director of Property

Recommended by:

By: _____
Shireen McSpadden
Executive Director
Department of Homelessness and Supportive Housing

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: _____
[DEPUTY'S NAME]
Deputy City Attorney

TENANT:

[_____]]
City Supplier Number: [_____]]

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EXHIBIT A

Legal Description of the Property

All that certain real property located in the County of San Francisco, State of California, described as follows:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SAN FRANCISCO, IN THE COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Commencing at a point on the Southerly line of 16th Street, distant thereon 61 feet Westerly from the Westerly line of Hoff Street; thence Westerly along the Southerly line of 16th Street, 31 feet, 6 inches; thence at a right angle Southerly 97 feet; thence at a right angle Easterly 31 feet, 6 inches; thence at a right angle Northerly 97 feet to the point of commencement.

Being a part of Mission Block No. 40.

APN: Lot 078, Block 3569

EXHIBIT B

**Assignment of Existing Resident Occupancy and Rental Agreements
(Other Existing Residents)**

This ASSIGNMENT is made and entered into as of _____, 20____, by and between CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (“Assignor”) and DOLORES STREET COMMUNITY SERVICES, a California nonprofit public benefit corporation (“Assignee”).

FOR GOOD AND VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, effective as of the Effective Date (as defined in the Lease and Property Management Agreement between Assignor and Assignee dated as of [_____] (the “Agreement”)), Assignor hereby assigns and transfers to Assignee all of Assignor’s right, title, claim and interest in and under certain leases and occupancy agreements executed with respect to that certain real property commonly known as 3055-3061 16th Street, San Francisco, and more fully described in Exhibit A to the Agreement (the “Property”) as more fully described in Schedule 1 attached hereto (collectively, the “Leases”). Initially capitalized terms used but not defined in this Assignment have the meanings given to them in the Agreement.

ASSIGNOR AND ASSIGNEE FURTHER HEREBY AGREE AND COVENANT AS FOLLOWS:

1. Assignor represents and warrants that, as of the date of this Assignment, the attached Schedule 1 includes all of the Leases to which Assignor is a party affecting any of the Property. As of the date hereof, there are no assignments of or agreements to assign the Leases by Assignor to any other party; and (ii) Assignor has not received any written notice from any Existing Resident alleging any default or breach of a Lease by Assignor (or Assignor's predecessor-in-interest) under a Lease, except to the extent Assignor has informed Assignee on or before the date hereof, as applicable.
2. Assignor hereby agrees to indemnify Assignee against and hold Assignee harmless from any and all costs, liabilities, losses, damages or expenses (including, without limitation, reasonable attorneys’ fees) to the extent arising out of the breach of landlord’s obligations under the Leases prior to the Effective Date; provided that nothing in this Section 2 will obligate Assignor to indemnify Assignee with respect to the physical condition of the Property, which Assignee has agreed to accept in its “as is, where is” condition as of the Effective Date, or any matter for which Assignee has agreed to release Assignor as set forth in the Agreement. Nothing in this Section shall be deemed to waive, limit, or otherwise impair the Assignor's duties and obligations set forth in the Agreement.
3. Effective as of the Effective Date, Assignee hereby assumes all of the landlord’s obligations under the Leases required to be performed on or subsequent to the Effective Date. Assignee hereby agrees to indemnify Assignor against and hold Assignor harmless from any and all costs, liabilities, losses, damages or expenses (including, without limitation, reasonable attorneys’ fees) to the extent arising out of the breach of landlord’s obligations under the Leases on or after the Effective Date.
4. Any rental and other payments under the Leases will be prorated between the parties as provided in the Agreement.
5. This Assignment will be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest and assigns.
6. This Assignment is governed by and will be construed in accordance with the laws of the State of California.

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7. This Assignment may be executed in two (2) or more counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument.

Assignor and Assignee have executed this Assignment as of the day and year first written above.

ASSIGNOR:
CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
Andrico Q. Penick
Director of Property

APPROVED AS TO FORM:
DAVID CHIU City Attorney

By: _____
[DEPUTY'S NAME]
Deputy City Attorney

ASSIGNEE:
[_____]

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SCHEDULE 1

LEASES, OCCUPANCY AND RENTAL AGREEMENTS

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EXHIBIT C

PSH Resident Selection Plan

See attached.

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CASA ESPERANZA

RESIDENT SELECTION PLAN

INTRODUCTION

The purpose of the Resident Selection Plan is to establish fair and equitable guidelines for selecting applicants to occupy permanent supportive housing units at 3055 16th Street, aka the Casa Esperanza (the “Project”), in accordance with the State of California Department of Housing and Community Development Homekey Program and policies and procedures established by the Department of Homelessness and Supportive Housing for permanent supportive housing programs.

The Project is a supportive housing development comprised of 25 units targeting Transition Age Youth who are experiencing homelessness or who are at risk of homelessness defined in Section 578.3 of Title 24 of the Code of Federal Regulations.

I. POLICY ON NON-DISCRIMINATION

It is the policy of the City and County of San Francisco (the “Owner”) to comply fully with Title VI of the Civil Rights Act of 1964, Title VIII and Section 3 of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974), Executive Order 11063, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, Fair Housing Amendments of 1988, American with Disabilities Act, the California Fair Employment and Housing Act, the Unruh Act, Government Code Section 11135, and any legislation which may subsequently be enacted protecting the individual rights of residents, applicants, or staff.

The Owner shall not discriminate because of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, age, medical condition, genetic information, citizenship, Acquired Immune Deficiency Syndrome (AIDS) or HIV status, primary language, immigration status (except where explicitly prohibited by federal law), arbitrary characteristics, and all other classes of individuals protected from discrimination under federal or state fair housing laws, individuals perceived to be a member of any of the preceding classes, or any individual or person associated with any of the preceding classes, in the leasing, rental, or other disposition of housing or related facilities.

II. POLICY ON PRIVACY

It is the policy of the Owner to guard the privacy of applicants as conferred by the Federal Privacy Act of 1974, and to ensure the protection of such applicants' records maintained. Therefore, neither Owner nor its agents or employees shall disclose any personal information contained in its records to any person or agency unless the individual about whom information is requested shall give written consent to such disclosure. This Privacy Policy in no way limits Owner’s ability to collect such information as it may need to determine eligibility, compute rent, or determine an applicant’s

suitability for tenancy. Consistent with the intent of Section 504 of the Rehabilitation Act of 1973, any information obtained on handicap or disability will be treated in a confidential manner.

III. ELIGIBILITY FOR SELECTION

Program Type	#of units	Income targeting	Eligibility requirement
State of California Housing and Community Development Department – Homekey Program	22	At or below 30% of AMI, per Target Population definition	Target Population is identified in HSC Section 50675.1.3 22 units will house youth experiencing homelessness aged 18-24, who are homeless or at-risk of homelessness as defined by Part 578.3 of Title 42 of the United States Code.
City and County of San Francisco	3	At or below 30% of AMI, per Target Population definition	Target Population is identified in HSC Section 50675.1.3 3 units will target young adults aged 25-29 who Are currently experiencing homelessness, and were part of the Homeless Response System as TAY, and who are homeless or at-risk of homelessness as defined by Part 578.3 of Title 42 of the United States Code. San Francisco's Proposition C, passed by voters in 2018, speaks specifically to housing for the TAY population and allows for young adults aged 25-29 to be placed in TAY designated Permanent Supportive Housing.
Department of Homelessness and Supportive Housing's Permanent Supportive Housing Program	25	N/A	All 25 units will serve homeless Transition Age Youth (TAY) and adults as defined by Part 578.3 of Title 42 of the United States Code. All new residents will be referred by the Department of Homelessness and Supportive Housing (HSH) via the Coordinated Entry System

The Owner will employ the core components of Housing First, as set forth in the Welfare and Institutions Code Section 8255. Examples of these core components include:

- 1) Resident screening and selection practices that promote accepting applicants regardless of their sobriety or use of substances, completion of treatment, or participation in services.
- 2) Applicants are not rejected on the basis of poor credit or financial history, poor or lack of rental history, criminal convictions unrelated to tenancy, or behaviors that indicate a lack of “housing readiness.”
- 3) Supportive services that emphasize engagement, problem solving and service plans that are highly resident-driven without predetermined goals.
- 4) Participation in services is not a condition of permanent housing tenancy.
- 5) Residents have a lease and all the rights and responsibilities of tenancy, as outlined in California’s Civil, Health and Safety, and Government codes.
- 6) The use of alcohol or drugs in and of itself, without other lease violations, is not a reason for eviction.
- 7) In communities with coordinated assessment and entry systems, incentives for funding promote resident selection plans for supportive housing that prioritize eligible residents based on criteria other than “first-come-first-serve,” including, but not limited to, the duration or chronicity of homelessness, vulnerability to early mortality, or high utilization of crisis services. Prioritization may include triage tools, developed through local data, to identify high-cost, high-need homeless residents.
- 8) Case managers and service coordinators who are trained in and actively employ evidence-based practices for client engagement, including, but not limited to, motivational interviewing and client-centered counseling.
- 9) Services are informed by a harm-reduction philosophy that recognizes drug and alcohol use and addiction as a part of residents’ lives, where residents are engaged in nonjudgmental communication regarding drug and alcohol use, and where residents are offered education regarding how to avoid risky behaviors and engage in safer practices, as well as connected to evidence-based treatment if the resident so chooses.
- 10) The project and specific apartment may include special physical features that accommodate disabilities, reduce harm, and promote health and community and independence among residents.

Income and Rent Restrictions

1. Maximum rent is 30% of applicable maximum income level, adjusted for household size.
2. All units must be made available to Homekey eligible households for a period of 55 years pursuant to the recorded Declaration of Restrictions.

Applicants must complete and sign an application form in order to be considered for occupancy. Applicants will be considered conditionally eligible for housing based solely on statements given on the application form and any required third-party verification forms. Background checks (i.e. criminal, credit, or resident history) shall not be used to screen applicants in for housing, however, this information can be used to tailor appropriate support plans for residents.

Applicants shall sign releases and consents authorizing any depository or private sources of income, or any federal, state, or local agency, to furnish or release such information and the applicable program regulations determine to be necessary.

Applicant must meet other program regulated eligibility requirements, if applicable.

IV. **OCCUPANCY STANDARDS**

Applicants' household size must be appropriate for the unit sizes available in accordance with the following occupancy standards:

<u>Unit Size</u>	<u>Minimum</u>	<u>Maximum</u>
SRO	1	2

V. **REFERRALS**

There is not an open application process for the units at the Project. No waiting list is being established. The 25 available units are part of the SF Coordinated Entry (CE) process, designated to serve homeless households referred through HSH's Online Navigation and Entry (ONE) system which serves as San Francisco's federally compliant HMIS system. Youth referred to vacancies through CE have been prioritized via an assessment administered by the CE Access Points. Youth who are prioritized for housing meet the definition of homelessness as defined by Part 578.3 of Title 42 of the United States Code. Factors that affect prioritization for housing are vulnerability, chronicity of homelessness, and barriers to housing.

VI. **APPLICANT INTERVIEWS**

Applicants will be interviewed in the order of referrals received from HSH. Applicants are required to attend the interview. Property management will clarify any information provided and answer any questions applicant may have.

Property Management will conduct the housing interview to review the application documents and eligibility criteria, explain the application process and timeline, answer questions from the applicant and show the building and unit to the applicant. Support Services will make all efforts to meet with the applicant after the housing interview to discuss the services provided and discuss resources available to the applicant.

VII. **VERIFICATION PROCEDURES**

The following screening criteria will be used for each applicant:

- Applicant household income must be at or below 30% Area Median Income per the current State Income Limits issued by the Department of Housing and Community Development. All income and assets will be verified in writing from the income source on appropriate income

verification forms, including the use of MEDS, CALWIN, and/or CHANGES for verification.

- Applicant must have the ability to maintain the housing unit in accordance with local health standards. No distinction will be drawn between a person who keeps his/her own unit and one who does so with the assistance of an attendant.
- Homeless status will be verified and documented in the ONE system.

VIII. **REASONS FOR DENIAL**

1. Applicant who fails to attend multiple scheduled interviews.
2. Applicant has falsified information on the application.
3. Applicant's income exceeds the maximum allowed by program regulations.
4. Applicant's household size does not meet the established occupancy standards.
5. Applicant does not meet other program regulated eligibility requirements as described herein.
6. Applicant declines a unit when offered.
7. Applicant has engaged in or exhibited abusive or violent behavior towards staff or Project residents during the housing application process. This includes racism and homophobia.

IX. **RIGHT TO REASONABLE ACCOMMODATION**

If applicant has a disability and as a result of the disability needs: a change in the rules or policies, a change or repair to a unit or a special type of unit, a change or repair to some other part of the Project, that would give applicant an equal chance to live at the Project and use the facilities and take part in any programs offered on-site, a change in the way Property Management communicates or gives information to applicant, applicant may ask for a Reasonable Accommodation. Property Management will respond to the request for a reasonable accommodation or modification within ten (10) business days. Property Management shall determine if the request for accommodation is reasonable. Property Management will work with the applicant and referring agency to determine if there are ways to accommodate the applicant.

Applicant must complete a Reasonable Accommodation Request form, which will be forwarded to applicant's medical/health care provider for verification and certification of both disability and requested accommodation. If the request is reasonable and does not pose undue financial or administrative burden to the Project, Property Management shall make the requested changes. If the request is denied, the rejection will explain the reasons in writing.

X. SELECTING RESIDENTS AND RIGHT TO APPEAL

The Resident Selection Criteria discussed above are designed to satisfy the requirements of San Francisco Police Code Article 49, Section 4901-4920 or the Fair Chance Ordinance. Owner seeks to screen in applicants, rather than screen out. An applicant meeting the eligibility requirements and passing the Project’s Resident Selection Criteria will be contacted by Property Management to finalize all lease documents and to set a move-in date.

An applicant determined to be ineligible and or does not meet the Resident Selection Criteria will receive a written Notice of Denial, with the reason for denial and appeal information noted. Subject to the established Grievance and Appeals Procedure, applicant has fourteen (14) days to appeal or to request in writing, by phone and or in person to meet with Property Management to discuss the denial.

XI. MITIGATING CIRCUMSTANCES

If applicant fails to meet one or more of the Resident Selection Criteria, Property Management will determine whether it is possible to admit applicant through consideration of mitigating circumstances or by applying reasonable accommodation.

Mitigating circumstances would be verifiable facts that would overcome or outweigh information already gathered in the resident screening process. Mitigating circumstances shall be verified. The verifier must corroborate the reason(s) given by applicant for the disqualifying circumstances and indicate that the prospect for lease compliance in the future is good because the reason for his/her disqualifying circumstances is either no longer in effect or otherwise controlled.

If the evidence of mitigating circumstances presented by applicant relates to a change in medical condition or course of treatment, Property Management shall have the right to refer such information to persons qualified to evaluate the evidence and verify the mitigating circumstance(s).

XII. UNIT ASSIGNMENTS

Property Management, in consultation with Service Provider when necessary, makes unit assignment decisions. Special attention is given to designated units where applicant requires special needs. Consideration must be given to the preferences expressed by applicant at the time of the interview process and any special needs identified and verified at that time.

Accessible units will be offered to eligible applicants with disabilities requiring the accessibility features of the unit in accordance with 24 CFR Paragraph 8.27. Preference/priority will be given based upon any verifiable information provided by applicant during the application process. If an accessible unit is offered to an applicant not having a disability, Property Management requires the lease to include a provision requiring a transfer to a non-accessible unit when an applicant or existing resident with disabilities requires the accessibility features of the unit.

XIII. TRANSFERS (AFTER INITIAL OCCUPANCY)

Unit transfers may take precedence over new move-ins. A unit transfer may be approved when a resident is eligible for continued occupancy and when at least one of the following conditions exists:

- a) A resident's dwelling unit has been damaged by fire or other cause(s) to such a degree that the unit is not habitable.
- b) Resident is experiencing an immediate verifiable life safety or violence issue.
- c) To accommodate a disabled person who has requested a unit transfer subject to the Reasonable Accommodation Policy.

Priority for unit transfers will be given based upon the following ranking:

- 1. Unit is not habitable
- 2. Violence Against Women Act (VAWA)/Life Safety
- 3. Reasonable Accommodation
- 4. Eligibility for unit

XIV. LANGUAGE ACCESS

Reasonable steps will be taken to ensure that persons with Limited English Proficiency (LEP) have meaningful access and an equal opportunity to participate in our services, activities, programs and other benefits. Property Management ensures meaningful communication with LEP applicants and residents and their authorized representatives. Interpreters, translators and other aids needed to comply with this policy shall be provided free of charge to the person being served, and residents and their families will be informed of the availability of such assistance. Language assistance will be provided through use of a contracted telephonic interpretation service, competent bilingual staff, staff interpreters, or formal arrangements with local organizations providing interpretation or translation services or technology.

XV. SUPPORT FOR RESIDENTS AFTER INITIAL OCCUPANCY

Eviction Prevention

Communication and collaboration between Property Management and Support Services is critical in order for residents to achieve and maintain stability in housing. Property Management and Support Services will meet routinely to resolve issues that put residents at risk for eviction. If a resident is facing housing instability, Support Services shall coordinate with Property Management to find creative ways to engage with residents to prevent housing loss.

Support Services will assist residents in communicating with, responding to, and meeting with Property Management. This may include helping a resident to understand the communications from Property Management, helping to write requests, responses, or complaints to Property

Management, and attending meetings between the resident and Property Management to facilitate communication.

Property Management shall ensure there is a process in place for Support Services to receive timely communication from and copies of correspondence (e.g. notices, warning letters, lease violations, etc.) issued. Support Services will outreach to and offer on-site services and/or referrals to all residents who display indications of housing instability, within a reasonable timeframe. Housing instability indicators include but are not limited to, discontinuance from benefits leading to non-payment of rent, lease violations or warnings from Property Management, and conflicts with staff or other residents.

Any urgent resident incidents or time-sensitive information shall be communicated as they occur and as needed rather than reserving such communication for ongoing meetings, so that service connections and resources can be made immediately.

Moving On Strategies

Support Services will work with residents to identify goals related to income and housing, and create services plans accordingly, to help residents achieve their goals. Residents interested in moving to other types of housing t, will be given linkages to resources and referrals appropriate for their housing goals. Residents may be referred to: job training programs and resume building workshops; agencies in the community that provide financial empowerment such as budgeting and increasing savings, and improving credit scores; affordable housing opportunities and/or opportunities for rental subsidies and housing vouchers. Support Services will assist residents in the application for other housing opportunities, and work with the residents on exit planning to ensure continuity of external services and supports which may be needed to maintain stability.

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EXHIBIT D

Funding Requirements

See attached.

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EXHIBIT D
Funding Requirements

I. FUNDING APPROVAL PROCESS

Except as otherwise agreed to by City and Tenant, the following describes the submittal and approval process for payment of Annual Operating Subsidy by City to Tenant:

- A. **Annual Operating Budget, Property Management Plan, Preventative Maintenance Plan Submission.** No later than January 1 of each City fiscal year of the Term (“Operating Year”), Tenant will prepare and submit to the City a revised Annual Operating Budget covering the upcoming City fiscal year, in the same format as Exhibit E attached hereto, for City’s approval. The Annual Operating Budget will be based on the anticipated Project Income and a detailed estimate of all anticipated Project Expenses, as well as any other requested information by City, and Annual Operating Subsidy. The Annual Operating Budget must include the anticipated costs of general maintenance and repair as described in Section 5.12 and Section 5.7.1.4 of the Agreement. In conjunction with its submission of the Annual Operating Budget, Tenant will also submit an annual property management plan (“Property Management Plan”) and an annual preventative maintenance plan and schedule (“Preventative Maintenance Plan”) for City approval.
- B. **City Review and Approval of Annual Operating Budget, Property Management Plan, Preventative Maintenance Plan.** No later than July 1 of each Operating Year, City will review and if necessary, revise the proposed Annual Operating Budget, Property Management Plan, and Preventative Maintenance Plan. City expects to review and provide initial feedback to Tenant regarding the proposed Annual Operating Budget, Property Management Plan, and Preventative Maintenance Plan by March 1 of each Operating Year. City has the right to audit any and all financial records of Tenant relating to Project Income, Project Expenses, Annual Operating Budget, Property Management Plan, Preventative Maintenance Plan, or any other Tenant files relating to the Premises at any time. City approval of the Annual Operating Budget will remain subject to the budget and fiscal provisions of the City's Charter and sufficient appropriated authority for the applicable fiscal year in the sole discretion of the Mayor and the Board of Supervisors, in accordance with the Agreement. City may adjust the Annual Operating Budget based on the end of Operating Year reconciliation, as described in Section E below.
- C. **Annual Advance of Annual Operating Subsidy.** No later than July 10 of each Operating Year, HSH will deposit into the Tenant’s Project Operating Account an annual advance equivalent to 25% of Annual Operating Subsidy (“Annual Advance”), based on the latest City-approved Annual Operating Budget. Tenant may draw on the Annual Advance to pay for the initial Project Expenses incurred prior to submitting the first month’s invoice in CARBON (as described below) and receiving reimbursement from the City for each Operating Year.

D. **Tenant Payment of Project Expenses.** During each Operating Year, Tenant will timely pay and then bill City for actual monthly Project Expenses in conformity with the City-approved Annual Operating Budget and as described below. Tenant may adjust budget line items in the City-approved Annual Operating Budget by no more than 10% to pay for actual Project Expenses; any adjustments to the budget line items in the City-approved Annual Operating Budget that exceed 10% will require the prior approval of City in CARBON. Notwithstanding the foregoing, under no circumstances will City payment to Tenant exceed the total not-to-exceed amount set forth in the Agreement. Any City payments to Tenant will be paid to Tenant’s Project Operating Account.

1. **Monthly Invoicing.** Tenant shall submit all invoices and any related required documentation in the format specified below, after costs have been incurred, and within 15 days after the month the expenditures has been incurred. All final invoices must be submitted 15 days after the close of the fiscal year or project period.

Billing Month/Date	Operating Month Begin Date	Operating Month End Date
August 15	July 1	July 31
September 15	August 1	August 31
October 15	September 1	September 30
November 15	October 1	October 31
December 15	November 1	November 30
January 15	December 1	December 31
February 15	January 1	January 31
March 15	February 1	February 28/29
April 15	March 1	March 31
May 15	April 1	April 30
June 15	May 1	May 31
July 15	June 1	June 30

- a. Tenant shall submit invoices and all required supporting documentation demonstrating evidence of the expenditure through the HSH’s web-based Contracts Administration, Reporting, and Billing Online (CARBON) System at: <https://contracts.sfhsa.org>.
- b. Tenant’s Executive Director or Chief Financial Officer shall submit a letter of authorization designating specific users, including their names, emails and phone numbers, who will have access to CARBON to electronically submit and sign for invoices, submit program reports, and view other information that is in CARBON.
- c. Tenant acknowledges that submittal of the invoice by Tenant’s designated authorized personnel with proper login credentials

constitutes Tenant's electronic signature and certification of the invoice.

- d. Tenant's authorized personnel with CARBON login credentials shall not share or internally reassign logins.
 - e. Tenant's Executive Director or Chief Financial Officer shall immediately notify the assigned HSH Contract Manager, as listed in CARBON, via email or letter regarding any need for the restriction or termination of previously authorized CARBON users and include the name(s), email(s) and phone number(s) of those previously authorized CARBON users.
 - f. Tenant may invoice and submit related documentation in the format specified by HSH via paper or email only upon special, written approval from the HSH Contracts Manager.
2. Project Reserves. In accordance with Section 6.3 of the Agreement, City will hold any required operating and replacement reserves unless otherwise agreed to by City and Tenant. Such reserves will be listed in the Annual Operating Budget that is submitted by Tenant and approved by City. Absent of an Emergency Repairs as described in Section 5.14 of the Agreement, Tenant must receive written approval from City before incurring any costs against the reserves listed in the Annual Operating Budget. Once approved, City will allow Tenant to bill against the reserve budget line item/s in CARBON in the next monthly invoice. City approval will uses of such reserves, in accordance with the general principles describe below. City may require other information from the Tenant to analyze the requested reallocation including but not limited to a variance analysis between projected annual income and expenses and actual annual income and expenses, and explanations for the cause of any significant variances.
- a. Operating Reserve: City may approve release of an operating reserve solely to alleviate cash shortages resulting from unanticipated and unusually high, yet justified unbudgeted maintenance expenses, unknown costs at the time of the Annual Operating Budget approval (including any and all real estate taxes and assessments), increases to utility costs not accounted for in the Annual Operating Budget, abnormally high vacancies and other expenses that that are justified as costs greater than the approved Annual Operating Budget.
 - b. Replacement Reserve: City may approve release of a replacement reserve solely to fund unusual replacement and repairs, such replacing, repairing or relocation costs due to unanticipated and emergency maintenance and repairs in accordance with Section 5.14 of the Agreement, replacing furniture, fixtures or equipment of the Project

that are reasonably required to preserve the Project for use as Permanent Supportive Housing.

E. End of Operating Year Reconciliation Process.

- i. No later than May 1 of each Operating Year, In the case where advance spend down cannot be fully recovered, by deducting actual expenditures from the Tenant's monthly invoices, by the end of the fiscal year, Tenant shall repay HSH any outstanding balance via check or wire in the amount verified by HSH contracts. Tenant shall make the repayment after the final invoice of the fiscal year has been approved.
Tenant will provide to City a variance analysis of the current Annual Operating Budget, including a budget-to-actual comparison of the Project Expenses, Project Income, and Annual Operating Subsidy for the Operating Year from July 1 through April 1 and projected (based on the actual costs) for April, May and June of that Operating Year. This end of Operating Year reconciliation will be used to make any necessary adjustments to the proposed Annual Operating Budget for final City review and approval.
- ii. By the end of each fiscal year, Tenant must either 1) fully spend the Annual Advance to pay actual Project Expenses, or 2) repay any City-confirmed outstanding Annual Advance balance as directed by City.

II. DOCUMENTATION AND RECORD RETENTION

A. General Documentation Requirements.

1. All documentation requested by and submitted to HSH must:
 - a. Be easily searchable (e.g., PDF) or summarized;
 - b. Follow all HSH instructions and ensure that all documentation clearly matches the City-approved Annual Operating Budget line item(s) and eligible activities;
 - c. Not include identifiable served population information (e.g., tenant, client, Protected Health Information (PHI), Personally Identifiable Information (PII)); and
 - d. Include only costs that are reflected in the City-approved Annual Operating Budget. City will not pay for costs that are not reflected in the City-approved Annual Operating Budget.
2. In addition to the instructions below, HSH may request and review supporting documentation on the following occasions without modification to this Exhibit: program monitoring, fiscal and compliance monitoring, end of year budget reconciliation, monthly invoice review, as needed per HSH request, and/or as needed to fulfill audit and other monitoring requirements.

Type	Instructions and Examples of Documentation
Salaries & Benefits	<p>Tenant shall maintain and provide documentation for all approved payroll expenses paid to any personnel included in the Annual Operating Budget covered by the Agreement and invoice period each time an invoice is submitted.</p> <p>Documentation shall include, but is not limited to, historical and current payroll information from a payroll service or a payroll ledger from Tenant's accounting system and must include employee name, title, rate, and hours worked for each pay period.</p>
Operating	<p>Tenant shall maintain documentation for all approved Operating costs included in the Annual Operating Budget and submitted in CARBON. Tenant shall provide documentation, as requested by HSH. Each time an invoice is submitted, Tenant shall upload documentation for all subcontractor and consultant costs, if applicable, and documentation for any operating line items that exceed \$10,000.</p> <p>Documentation may include, but is not limited to, receipts of purchases or paid invoices of recurring expenditures, such as lease payments; copies of current leases; subcontractor payments; equipment lease invoices; and utility payments.</p>
Revenue	<p>Tenant shall maintain and provide documentation for all revenues that offset the costs in the Annual Operating Budget covered by the Agreement each time an invoice is submitted. This includes all Project Income as defined in Section 1.15 in the Master Lease Agreement. All Project Income and Annual Operating Subsidy must be deposited into the Project Operating Account such that monthly income and expenses can be easily reconciled to the monthly bank statement. Documentation shall include monthly bank statement, monthly rent roll report (tracking tenant name, unit, prior rent receivable balance, current rent owed, date rent/prepaid rent received, and remaining receivable balance for each tenant (delinquent rent) and a notation if unit is vacant), General Ledger report showing itemized revenue receipts including proceeds from any vending and laundry income, copies of Section 8 or other rental subsidy payments and other documentation showing the proper accounting of all revenue associated with the Project.</p>
Security Deposits	<p>Tenant shall maintain and provide documentation for all security deposits each time an invoice is submitted. Security</p>

Type	Instructions and Examples of Documentation
	deposits should be kept in the Security Deposit Account such that the monthly security deposit statements can be easily reconciled to the monthly bank statement. Documentation shall include monthly bank statement, monthly security deposit statements (tracks by tenant and unit, the security deposit amount, type of tenant (i.e., FMR, Flexible Housing Subsidy client), to whom the deposit is owed if the tenant vacates their unit, and monthly change in overall liability), and individual security deposit refund statements for any refunds made that month.

3. If a Tenant has outstanding items due to the City (e.g., Corrective Action Plans/report/document/data input), as specified in any written form from City (e.g., Letter of Correction, Corrective Action Plan), Tenant shall submit and comply with such requirements prior to or in conjunction with invoices. Failure to submit required information or comply by specified deadlines may result in City withholding of Annual Operating Subsidy until such information is received by City.

B. Permanent Supportive Housing Documentation and Data Collection Requirements.

1. Tenant shall update applicant referral status information in the Online Navigation and Entry (ONE) System in accordance with HSH policy and instruction, including but not limited to:
 - a. Tenant shall maintain confidential files on the served population, including signed lease agreement and addenda, notices or lease violations issued to the tenant, copies of payment plans or other agreements to support housing stability.
 - b. Tenant shall track receipt and completion of maintenance work orders.
 - c. Tenant shall maintain all eligibility and inspection documentation in the ONE System according to HSH written instruction, and maintain hard copy files with eligibility, including homelessness verification documents.

2. Tenant shall ensure compliance with the Homeless Management Information System (HMIS) Participation Agreement, as may be amended from time to time, including but not limited to:
 - a. Entering all household data within three (3) business days (unless specifically requested to do so sooner);
 - b. Ensuring accurate dates for household enrollment, household exit, and household move in (if appropriate); and
 - c. Running monthly data quality reports and correcting any errors.

- d. Tenant shall maintain updated unit vacancy information on a weekly basis in the data system designated by HSH (Offline Vacancy Tracker and/or ONE System) as required. Changes to vacancy reporting shall be communicated to Tenant in writing from HSH.
3. Any information shared between Tenant, HSH, and other providers about the served population shall be communicated in a secure manner, with appropriate release of consent forms and in compliance with 24 C.F.R. Part 578, Continuum of Care; 45 C.F.R. Parts 160 and 164, the Health Insurance Portability and Accountability Act (HIPAA) and federal and state data privacy and security guidelines.
4. Tenant shall report unit vacancies to HSH in a timely fashion according to established procedures and process all tenant referrals in the pre-established timeframe. When required by HSH, Tenant shall enter tenant data in the ONE System.
5. Tenant shall report certain measures in CARBON, via secure email, or through uploads to a File Transfer Protocol (FTP) site as required by HSH. Tenant shall submit the monthly, quarterly and/or annual metrics into the CARBON database.
 - i. On a monthly basis, Tenant shall enter the required metrics, including any required templates to be uploaded, into the CARBON database by the 15th of the month following the month of service, including: the occupancy rate; and the number of new placements.
 - ii. On a quarterly basis, Tenant shall enter the required metrics, including any required templates to be uploaded, into the CARBON database by the 15th of the month following the end of each quarter, including: average number of days to turn over units; and the number of Residents receiving lease violations, and the number and percentage of tenant lease violations that were resolved without loss of housing to Residents.
 - iii. On an annual basis, Tenant shall enter the required metrics, including any required templates to be uploaded, into the CARBON database by the 15th of the month following the end of each year, including: the number and percentage of Residents who maintained their housing for a minimum of 12 months, moved to other permanent housing, or were provided with more appropriate placements; the number of program exits; the number and percentage of Residents who completed a written survey to provide feedback on the type and quality of program services; the tenant

satisfaction survey results; and the number of Residents showing housing instability that remained housed.

6. Tenant shall participate in annual Eviction Survey reporting, per the 2015 City and County of San Francisco Tenant Eviction Annual Reports Ordinance (<https://sfbos.org/ftp/uploadedfiles/bdsupvrs/ordinances15/o0011-15.pdf>). Tenant shall provide the number of evicted Residents and eviction notices issued to Residents residing in City-funded housing through the annual HSH administered Eviction Survey. Tenant shall adhere to all deadlines for submission as required by HSH.
7. Tenant shall submit Facility Inventory data to HSH during the last week of January. Data will include unit/bed inventory, point in time population count of residents, and general characteristic data of residents. Data is used for reporting mandated by the Federal Government under the U.S. Department of Housing and Urban Development (HUD)'s Continuum of Care (CoC) program.
8. Tenant shall provide information requested by City in order to submit reports to HCD as required by Homekey funding, including milestone and annual program reports, and respond to requests in a timely manner to allow City to report to HCD by required milestones.
9. Tenant shall provide information for an annual report on client enrollment in public benefits per the Administrative Code - Permanent Supportive Housing - Rent Contribution Standard (<https://sfgov.legistar.com/View.ashx?M=F&ID=9074560&GUID=FDA1BCF9-1096-42C8-AD19-9143A348AC07>), as instructed by HSH.
10. Tenant shall participate, as required by HSH, with City, State and/or Federal government evaluative studies designed to show the effectiveness of Tenant's services. Tenant agrees to meet the requirements of and participate in the evaluation program and management information systems of the City. The City agrees that any final reports generated through the evaluation program shall be made available to Tenant within 30 working days of receipt of any evaluation report and any Tenant response will become part of the official report.
11. Tenant shall provide any additional reports as required by HSH and will respond to all requests by HSH in a timely manner.

For assistance with reporting requirements or submission of reports, Tenant should contact the assigned HSH Contract and Program Manager, listed in CARBON.

- C. **Record Retention.** Tenant will keep electronic or hard copy records and documentation of all City approved Project Expenses and any other documentation required by this Exhibit, including, but not limited to, payroll records; paid invoices; receipts; and payments made for the Premises, for a period not fewer than five (5) years after final payment under this Agreement, and shall provide these documents to the City immediately upon request.

III. CITY MONITORING

- A. **Program Monitoring.** Tenant will remain subject to program monitoring and/or audits at all times during the Term, including, but not limited to, review of the following: tenant files, Tenant's administrative records, staff training documentation, postings, program policies and procedures, data submitted in program reports, Disaster and Emergency Response Plan and training, personnel and activity reports, proper accounting for funds and other operational and administrative activities, and back-up documentation for reporting progress towards meeting the service and outcome objectives described in the Agreement.
- B. **Fiscal and Compliance Monitoring.** Tenant is subject to fiscal and compliance monitoring, which may include review of the Tenant's organizational budget, the general ledger, quarterly balance sheet, cost allocation procedures and plan, State and Federal tax forms, audited financial statement, fiscal policy manual, supporting documentation for selected invoices, cash receipts and disbursement journals. The compliance monitoring may include review of Personnel Manual, Emergency Operations Plan, Compliance with the Americans with Disabilities Act (ADA), subcontracts and Memoranda of Understanding (MOUs), and the current board roster and selected board minutes for compliance with the Sunshine Ordinance. As required in Section 5.10.1.5 of the Agreement, Tenant will provide, on an annual basis, an annual audit of Project Income, including Annual Operating Subsidy, and Project Expenses, conducted by an audit firm that is a professional certified public accounting firm,. The Audited Financial Statements should consist of Balance Sheet, Statement of Operations, and Statement of Cash Flows prepared in accordance with Generally Accepted Auditing Principles (GAAP).

City reserves the right to modify this Exhibit in its sole and absolute discretion, including but not limited to, situations where Tenant has demonstrated issues with spend down, accuracy, and timeliness of invoices. Any changes to the requirements described herein will be communicated to Tenant via written notice at least thirty (30) days prior to expected implementation.

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EXHIBIT E

5-Year and Annual Operating Budget

See attached.

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	A	B	C	D	G	J	M	P	S	AK
1	DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING									
2	Exhibit E – Master Lease & Property Management Budget Template									
3	Document Date	11/9/2022								
4	Contract Term	Begin Date	End Date	Duration (Years)						
5	Current Term	3/1/2023	2/29/2028	5						
7	Provider Name	Dolores Street Community Services								
8	Program	Eula Hotel (Casa Esperana)								
9	FSP Contract ID#	TBD								
10	Action (select)	New Agreement								
11	Effective Date	3/1/2023								
12	Budget Names	Lease & Property Management, Project Reserves, Real Estate Development Costs								
13		Current	New							
14	Term Budget	\$ -	\$ 5,205,885							
15	Reserves		\$ 750,357	25%						
16	Contingency	\$ -	\$ 1,489,758							
17	Not-To-Exceed	\$ -	\$ 7,446,000	Start-up & Year 1	Year 2	Year 3	Year 4	Year 5	All Years	
18		3/1/2023 - 6/30/2024	7/1/2024 - 6/30/2025	7/1/2025 - 6/30/2026	7/1/2026 - 6/30/2027	7/1/2027 - 2/29/2028	3/1/2023 - 2/29/2028			
19		New	New	New	New	New	New			
20	Expenditures									
21	Salaries & Benefits	\$ 758,874	\$ 586,230	\$ 603,817	\$ 621,932	\$ 427,060	\$ 2,997,914			
22	Operating Expense	\$ 204,045	\$ 143,978	\$ 148,117	\$ 158,381	\$ 104,635	\$ 759,155			
23	Subtotal	\$ 962,919	\$ 730,208	\$ 751,935	\$ 780,313	\$ 531,695	\$ 3,757,069			
24	Indirect Percentage									
25	Indirect Cost (Line 22 X Line 23)	\$ 144,438	\$ 109,531	\$ 112,790	\$ 117,047	\$ 79,754	\$ 563,560			
26	Other Expenses (Not subject to indirect %)	\$ 711,060	\$ 45,608	\$ 46,977	\$ 48,386	\$ 33,225	\$ 885,256			
27	Capital Expenditure	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
29	Total Expenditures	\$ 1,818,417	\$ 885,348	\$ 911,701	\$ 945,745	\$ 644,674	\$ 5,205,885			
30										
31	Operating Subsidies (select)									
32	State Project Homekey	\$ 1,122,639	\$ 94,161	\$ -	\$ -	\$ -	\$ 1,216,800			
34	Prop C	\$ 658,687	\$ 750,687	\$ 871,201	\$ 905,245	\$ 617,674	\$ 3,803,494			
40		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
41	Total HSH Revenues	\$ 1,781,326	\$ 844,848	\$ 871,201	\$ 905,245	\$ 617,674	\$ 5,020,294			
42	Program Income (to offset Total Expenditures)									
43	Tenant Income	\$ 37,091	\$ 40,500	\$ 40,500	\$ 40,500	\$ 27,000	\$ 185,591			
45		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
48	Total Program Revenue	\$ 37,091	\$ 40,500	\$ 40,500	\$ 40,500	\$ 27,000	\$ 185,591			
49										
50	Total HSH Revenues	\$ 1,818,417	\$ 885,348	\$ 911,701	\$ 945,745	\$ 644,674	\$ 5,205,885			
51	Rev-Exp (Budget Match Check)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
53	Total Adjusted Salary FTE (All Budgets)	8.50	8.50	8.50	8.50	8.50				
54										

	A	B	C	D	E	H	I	J	K	L	O		
1	DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING												
2	SALARY & BENEFIT DETAIL												
3	Document Date	11/9/2022											
4	Provider Name	Dolores Street Community Services											
5	Program	Eula Hotel (Casa Esperana)											
6	F&P Contract ID#	TBD											
7	Budget Name	Lease & Property Management											
8		Year 1					Year 2						
9	POSITION TITLE	Agency Totals		For HSH Funded Program		3/1/2023 -	Agency Totals		For HSH Funded Program		7/1/2024 -		
6/30/2024						6/30/2025							
10		New		New		New							
11		Annual Full Time Salary (for 1.00 FTE)	Position FTE	% FTE funded by this budget	Adjusted Budgeted FTE	Budgeted Salary	Annual Full Time Salary (for 1.00 FTE)	Position FTE	% FTE funded by this budget	Adjusted Budgeted FTE	Budgeted Salary		
12	Director of Programs	\$ 125,000	1.00	5%	0.05	\$ 8,333	\$ 128,750	1.00	5%	0.05	\$ 6,438		
13	Associate Director of Programs	\$ 85,000	1.00	5%	0.05	\$ 5,667	\$ 87,550	1.00	5%	0.05	\$ 4,378		
14	Program Manager	\$ 75,000	1.00	100%	1.00	\$ 100,000	\$ 77,250	1.00	100%	1.00	\$ 77,250		
15	Lead Health Promoter	\$ 47,840	1.40	100%	1.40	\$ 89,301	\$ 49,275	1.40	100%	1.40	\$ 68,985		
16	Health Promoter	\$ 45,760	3.60	100%	3.60	\$ 219,648	\$ 47,133	3.60	100%	3.60	\$ 169,678		
17	Program Assistant	\$ 41,600	1.00	50%	0.50	\$ 27,733	\$ 42,848	1.00	50%	0.50	\$ 21,424		
18	Director of Operations	\$ 105,000	1.00	5%	0.05	\$ 7,000	\$ 108,150	1.00	5%	0.05	\$ 5,408		
19	Maintenance Technician	\$ 52,000	5.00	10%	0.50	\$ 34,667	\$ 53,560	5.00	10%	0.50	\$ 26,780		
20	Janitorial	\$ 47,840	1.20	100%	1.20	\$ 76,544	\$ 49,275	1.20	100%	1.20	\$ 59,130		
21	Accounting Clerk	\$ 52,000	1.00	15%	0.15	\$ 10,400	\$ 53,560	1.00	15%	0.15	\$ 8,034		
22						\$ -	\$ -				\$ -		
23						\$ -					\$ -		
24						\$ -					\$ -		
55		TOTAL SALARIES					\$ 579,293	TOTAL SALARIES					\$ 447,504
56		TOTAL FTE		8.50			TOTAL FTE		8.50				
57		FRINGE BENEFIT RATE				31.00%	FRINGE BENEFIT RATE				31.00%		
58		EMPLOYEE FRINGE BENEFITS				\$ 179,581	EMPLOYEE FRINGE BENEFITS				\$ 138,726		
59		TOTAL SALARIES & BENEFITS				\$ 758,874	TOTAL SALARIES & BENEFITS				\$ 586,230		
60													
61													
62													

	A	P	Q	R	S	V	W	X	Y	Z	AC
1	DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING										
2	SALARY & BENEFIT DETAIL										
3	Document Date										
4	Provider Name										
5	Program										
6	FSP Contract ID#										
7	Budget Name										
8		Year 3					Year 4				
9	POSITION TITLE	Agency Totals		For HSH Funded Program		7/1/2025 - 6/30/2026	Agency Totals		For HSH Funded Program		7/1/2026 - 6/30/2027
10						New					New
11		Annual Full Time Salary (for 1.00 FTE)	Position FTE	% FTE funded by this budget	Adjusted Budgeted FTE	Budgeted Salary	Annual Full Time Salary (for 1.00 FTE)	Position FTE	% FTE funded by this budget	Adjusted Budgeted FTE	Budgeted Salary
12	Director of Programs	\$ 132,613	1.00	5.00%	0.05	\$ 6,631	\$ 136,591	1.00	5%	0.05	\$ 6,830
13	Associate Director of Programs	\$ 90,177	1.00	5.00%	0.05	\$ 4,509	\$ 92,882	1.00	5%	0.05	\$ 4,644
14	Program Manager	\$ 79,568	1.00	100.00%	1.00	\$ 79,568	\$ 81,955	1.00	100%	1.00	\$ 81,955
15	Lead Health Promoter	\$ 50,753	1.40	100.00%	1.40	\$ 71,055	\$ 52,276	1.40	100%	1.40	\$ 73,186
16	Health Promoter	\$ 48,547	3.60	100.00%	3.60	\$ 174,768	\$ 50,003	3.60	100%	3.60	\$ 180,011
17	Program Assistant	\$ 44,133	1.00	50.00%	0.50	\$ 22,067	\$ 45,457	1.00	50%	0.50	\$ 22,729
18	Director of Operations	\$ 111,395	1.00	5.00%	0.05	\$ 5,570	\$ 114,736	1.00	5%	0.05	\$ 5,737
19	Maintenance Technician	\$ 55,167	5.00	10.00%	0.50	\$ 27,583	\$ 56,822	5.00	10%	0.50	\$ 28,411
20	Janitorial	\$ 50,753	1.20	100.00%	1.20	\$ 60,904	\$ 52,276	1.20	100%	1.20	\$ 62,731
21	Accounting Clerk	\$ 55,167	1.00	15.00%	0.15	\$ 8,275	\$ 56,822	1.00	15%	0.15	\$ 8,523
22		\$ -				\$ -	\$ -				\$ -
23						\$ -					\$ -
24						\$ -					\$ -
55		TOTAL SALARIES				\$ 460,929	TOTAL SALARIES				\$ 474,757
56		TOTAL FTE		8.50		TOTAL FTE		8.50			
57		FRINGE BENEFIT RATE				FRINGE BENEFIT RATE					
58		EMPLOYEE FRINGE BENEFITS				\$ 142,888	EMPLOYEE FRINGE BENEFITS				\$ 147,175
59		TOTAL SALARIES & BENEFITS				\$ 603,817	TOTAL SALARIES & BENEFITS				\$ 621,932
60											
61											
62											

	A	AD	AE	AF	AG	AJ	BV
1	DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING						
2	SALARY & BENEFIT DETAIL						
3	Document Date						
4	Provider Name						
5	Program						
6	FSP Contract ID#						
7	Budget Name						
8		Year 5					All Years
9	POSITION TITLE	Agency Totals		For HSH Funded Program		7/1/2027 -	3/1/2023 -
10						2/29/2028	2/29/2028
11		Annual Full Time Salary (for 1.00 FTE)	Position FTE	% FTE funded by this budget	Adjusted Budgeted FTE	New	Budgeted Salary
12	Director of Programs	\$ 140,689	1.00	5%	0.05	\$ 4,690	\$ 32,921
13	Associate Director of Programs	\$ 95,668	1.00	5%	0.05	\$ 3,189	\$ 22,386
14	Program Manager	\$ 84,413	1.00	100%	1.00	\$ 56,275	\$ 395,047
15	Lead Health Promoter	\$ 53,844	1.40	100%	1.40	\$ 50,255	\$ 352,783
16	Health Promoter	\$ 51,503	3.60	100%	3.60	\$ 123,608	\$ 867,714
17	Program Assistant	\$ 46,821	1.00	50%	0.50	\$ 15,607	\$ 109,560
18	Director of Operations	\$ 118,178	1.00	5%	0.05	\$ 3,939	\$ 27,653
19	Maintenance Technician	\$ 58,526	5.00	10%	0.50	\$ 19,509	\$ 136,950
20	Janitorial	\$ 53,844	1.20	100%	1.20	\$ 43,075	\$ 302,385
21	Accounting Clerk	\$ 58,526	1.00	15%	0.15	\$ 5,853	\$ 41,085
22		\$ -				\$ -	\$ -
23						\$ -	\$ -
24						\$ -	\$ -
55		TOTAL SALARIES				\$ 326,000	\$ 2,288,484
56		TOTAL FTE		8.50			
57		FRINGE BENEFIT RATE				31.00%	
58		EMPLOYEE FRINGE BENEFITS				\$ 101,060	\$ 709,430
59		TOTAL SALARIES & BENEFITS				\$ 427,060	\$ 2,997,914
60							
61							
62							

	A	D	G	J	M	P	AH
1	DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING						
2	OPERATING DETAIL						
3	Document Date	11/9/2022					
4	Provider Name	Dolores Street Community Servic					
5	Program	Eula Hotel (Casa Esperana)					
6	FSP Contract ID#	TBD					
7	Budget Name	Lease & Property Management					
8							
9		Start-up & Year 1	Year 2	Year 3	Year 4	Year 5	All Years
10		3/1/2023 - 6/30/2024	7/1/2024 - 6/30/2025	7/1/2025 - 6/30/2026	7/1/2026 - 6/30/2027	7/1/2027 - 2/29/2028	3/1/2023 - 2/29/2028
11		New	New	New	New	New	New
12		Budgeted Expense	Budgeted Expense	Budgeted Expense	Budgeted Expense	Budgeted Expense	Budgeted Expense
13	Operating Expenses						
13	Rental of Property	\$ 1,045	\$ 808	\$ 832	\$ 857	\$ 588	\$ 4,130
14	Utilities(Elec, Water, Gas, Phone, Internet, Scavenger)	\$ 60,037	\$ 36,022	\$ 37,103	\$ 38,216	\$ 26,241	\$ 197,619
15	Office Supplies, Postage	\$ 2,888	\$ 2,231	\$ 2,298	\$ 2,367	\$ 1,625	\$ 11,410
16	Building Maintenance Supplies and Repair	\$ 34,564	\$ 33,376	\$ 34,378	\$ 35,409	\$ 24,314	\$ 162,041
17	Printing and Reproduction	\$ 200	\$ 463	\$ 477	\$ 491	\$ 337	\$ 1,968
18	Insurance	\$ 20,677	\$ 15,973	\$ 16,452	\$ 16,946	\$ 11,636	\$ 81,685
19	Staff Training	\$ 7,333	\$ 2,500	\$ 2,575	\$ 2,652	\$ 1,821	\$ 16,882
20	Staff Travel-(Local & Out of Town)	\$ 4,807	\$ 4,506	\$ 4,641	\$ 4,781	\$ 3,283	\$ 22,018
21	Rental of Equipment	\$ 10,955	\$ 8,462	\$ 8,716	\$ 8,978	\$ 6,165	\$ 43,276
22	Legal fees	\$ 2,800	\$ 2,163	\$ 2,228	\$ 2,295	\$ 1,576	\$ 11,061
23	Household/facility supplies	\$ 35,761	\$ 22,100	\$ 22,763	\$ 23,446	\$ 16,100	\$ 120,169
24	Taxes licenses and fees	\$ 1,911	\$ 4,429	\$ 4,562	\$ 4,699	\$ 3,226	\$ 18,827
26		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38	Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39	IT consulting	\$ 6,400	\$ 4,944	\$ 5,092	\$ 5,245	\$ 3,602	\$ 25,283
40	Other Consulting	\$ 8,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 4,120	\$ 30,120
41	PNA Consultant	\$ 6,667	\$ -	\$ -	\$ 6,000	\$ -	\$ 12,667
42		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	Subcontractors (First \$25k Only)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
49		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
61	TOTAL OPERATING EXPENSES	\$ 204,045	\$ 143,978	\$ 148,117	\$ 158,381	\$ 104,635	\$ 759,155
62							
63	Other Expenses (not subject to indirect cost %)		\$ -				
64	Asset Management Fee	\$ 32,373	\$ 25,008	\$ 25,759	\$ 26,531	\$ 18,218	\$ 127,890
65	Audit	\$ 20,000	\$ 20,600	\$ 21,218	\$ 21,855	\$ 15,007	\$ 98,679
66							
72							
73	TOTAL OTHER EXPENSES	\$ 52,373	\$ 45,608	\$ 46,977	\$ 48,386	\$ 33,225	\$ 226,569
74							
75	Capital Expenses						
76							
84	TOTAL CAPITAL EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
85							
86	HSH #3						7/26/2022

	A	B	C	D	G	J	M	P	S	AK
1	DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING									
2	APPENDIX B, BUDGET									
3	Document Date	11/9/2022								
4	Contract Term	Begin Date	End Date	Duration (Years)						
5	Current Term	3/1/2023	2/29/2028	5						
7	Provider Name	Dolores Street Community Services								
8	Program	Eula Hotel (Casa Esperana)								
9	F\$P Contract ID#	TBD								
10	Action (select)	New Agreement								
11	Effective Date	3/1/2023								
12	Budget Name	Real Estate Development Costs								
13		Current	New							
14	Term Budget	\$ -	\$ 658,687	25%						
15	Contingency	\$ -	\$ 1,489,758							
16	Not-To-Exceed	\$ -	\$ 7,446,000		Year 1	Year 2	Year 3	Year 4	Year 5	All Years
17		3/1/2023 - 6/30/2024	7/1/2024 - 6/30/2025	7/1/2025 - 6/30/2026	7/1/2026 - 6/30/2027	7/1/2027 - 2/29/2028	3/1/2023 - 2/29/2028			
18		New	New	New	New	New	New			
19	Expenditures									
20	Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
21	Operating Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
22	Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
23	Indirect Percentage	0.00%	0.00%	0.00%	0.00%	0.00%				
24	Indirect Cost (Line 22 X Line 23)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
25	Other Expenses (Not subject to indirect %)	\$ 658,687	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 658,687	
26	Capital Expenditure	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
28	Total Expenditures	\$ 658,687	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 658,687	
29										
30	HSH Revenues (select)									
33	Prop C	\$ 658,687	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 658,687	
39		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
40	Total HSH Revenues	\$ 658,687	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 658,687	
50	Rev-Exp (Budget Match Check)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
52										

	A	D	G	J	M	P	AH
1	DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING						
2	OPERATING DETAIL						
3	Document Date	11/9/2022					
4	Provider Name	Dolores Street Community Serv					
5	Program	Eula Hotel (Casa Esperana)					
6	F&P Contract ID#	TBD					
7	Budget Name	Real Estate Development Costs					
8							
9		Year 1	Year 2	Year 3	Year 4	Year 5	All Years
10		3/1/2023 - 6/30/2024	7/1/2024 - 6/30/2025	7/1/2025 - 6/30/2026	7/1/2026 - 6/30/2027	7/1/2027 - 2/29/2028	3/1/2023 - 2/29/2028
11		New	New	New	New	New	New
12	Predevelopment Expenses:	Budgeted Expense	Budgeted Expense	Budgeted Expense	Budgeted Expense	Budgeted Expense	Budgeted Expense
70	Other Expenses (not subject to indirect cost %)						
71	Architect	\$ 285,500	\$ -	\$ -	\$ -	\$ -	\$ 285,500
72	Other consultants, lighting, acoustic, T 24	\$ 159,000	\$ -	\$ -	\$ -	\$ -	\$ 159,000
73	Historic	\$ 7,500	\$ -	\$ -	\$ -	\$ -	\$ 7,500
74	Permits	\$ 84,000	\$ -	\$ -	\$ -	\$ -	\$ 84,000
75	Entitlement/CU Fees	\$ 11,600	\$ -	\$ -	\$ -	\$ -	\$ 11,600
76	Soft Cost Contingency	\$ 53,550	\$ -	\$ -	\$ -	\$ -	\$ 53,550
77	RE Dev Consultant (MHDC, Scott help subconsultant to	\$ 57,537	\$ -	\$ -	\$ -	\$ -	\$ 57,537
78				\$ -	\$ -	\$ -	\$ -
82							
83	TOTAL OTHER EXPENSES	\$ 658,687	\$ -	\$ -	\$ -	\$ -	\$ 658,687
97							
98	TOTAL CAPITAL EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
99							
100	HSH #3						7/26/2022

	A	D	G	J	M	P	AH
1	DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING						
2	OPERATING DETAIL						
3	Document Date	11/9/2022					
4	Provider Name	Dolores Street Community Services					
5	Program	Eula Hotel (Casa Esperana)					
6	FSP Contract ID#	TBD					
7	Budget Name	Project Reserves					
8							
9		Year 1	Year 2	Year 3	Year 4	Year 5	All Years
10		3/1/2023 - 6/30/2024	7/1/2024 - 6/30/2025	7/1/2025 - 6/30/2026	7/1/2026 - 6/30/2027	7/1/2027 - 2/29/2028	3/1/2023 - 2/29/2028
11		New	New	New	New	New	New
12	Operating Expenses	Budgeted Expense	Budgeted Expense	Budgeted Expense	Budgeted Expense	Budgeted Expense	Budgeted Expense
70	Project Reserves (not subject to indirect %)						
71	Operating Reseve	\$ 117,467	\$ 90,743	\$ 93,465	\$ 96,269	\$ 66,105	\$ 464,048
72	Replacement Reserve	\$ 65,000	\$ 50,213	\$ 51,719	\$ 53,270	\$ 66,105	\$ 286,307
73							\$ -
74							\$ -
83							
84	TOTAL OTHER EXPENSES	\$ 182,467	\$ 140,956	\$ 145,184	\$ 149,539	\$ 132,209	\$ 750,355
96							
97	HSH #3						7/26/2022

	A	B	C	D	E
1	DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING				
2	Exhibit E – Master Lease & Property Management Budget Template				
3	Document Date	11/9/2022			
4	Contract Term	Begin Date	End Date	Duration (Years)	
5	Current Term	3/1/2023	2/29/2028	5	
7					
8	Approved Subcontractors				
10	Mission Housing Development Corporation				
11	Falcone Development				
12					

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
1	DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING																		Page
2	Exhibit E – Master Lease & Property Management Budget Template																		
3	Document Date	11/9/2022																	
4	Contract Term	Begin Date	End Date	Duration (Years)															
5	Current Term	3/1/2023	2/29/2028	5															
7					Year 1	Year 2	Year 3	Year 4	Year 5										
8	Service Component				3/1/2023 - 6/30/2024	7/1/2024 - 6/30/2025	7/1/2025 - 6/30/2026	7/1/2026 - 6/30/2027	7/1/2027 - 2/29/2028										
10	Leasing & Property Management - TAY Units				20	25	25	25	25										
11	Leasing & Property Management - Temp. Office Units				5														
12																			
14	Total Units				25	25	25	25	25										

DRAFT

EXHIBIT F

Predevelopment Scope of Work

See attached.

DRAFT

EXHIBIT F
Predevelopment Scope of Work

The future anticipated scope of rehabilitation at the Premises is currently expected to include: conversion of the five (5) existing tourist units to residential units; conversion of the ground floor retail/mercantile use to office/community uses for management and services offices as well as community areas for residents; addition of a resident mail area, a trash collection room, laundry facilities, and a social enterprise space; incorporation of indoor air quality measures; and compliance with all applicable building code requirements.

In order to prepare for the anticipated rehabilitation scope of work, Tenant and its consultants and subcontractors will perform the following predevelopment scope of work, in collaboration with HSH, within 24 months from the Effective Date, as may be extended by HSH, and as may be further specified by HSH and Tenant:

1. Entitlements: Tenant shall manage the process of property conversion from its current use to permanent supportive housing, as well as the conversion of the ground floor retail/mercantile use to office/community uses for management and services offices as well as community areas for residents, including working with the Planning Department to identify use conversion requirements and most feasible path to conversion (e.g. density bonus, SB 35); submission of all required application materials to Planning; and participation in any required public hearings.
2. Budgeting: Tenant shall continue to update the proposed rehabilitation scope of work and budget assumptions with actual proposal and bid costs as they are received. The Tenant and Tenant subcontractors will make best efforts to manage the anticipated total rehabilitation budget of \$1,700,820, which cannot be exceeded unless there is prior written approval by HSH. Tenant will report regularly to HSH regarding any necessary updates to the budget assumptions. The budget should incorporate all applicable aspects of the most updated version of the Mayor's Office of Housing and Community Development's Underwriting Guidelines, current version is dated June 17, 2019, which can be found at the following link: [https://sf.gov/information/housing-development-forms-documents-policies-and-guidelines, which will be in effect until HSH guidelines are created](https://sf.gov/information/housing-development-forms-documents-policies-and-guidelines,which-will-be-in-effect-until-HSH-guidelines-are-created), which will be in effect until HSH guidelines are created.
3. Procurement: Tenant will competitively procure and enter into any necessary professional services contracts, such as architect, engineer, general contractor, and related services, to complete the predevelopment scope of work and refine the anticipated rehabilitation scope of work and budget. Such procurement shall comply with all applicable laws.
4. Design/Permitting: Tenant shall oversee consultants in the development of permit sets and submission of permit documents to the Department of Building Inspection (DBI) and other permitting entities.

5. Pre-Construction Oversight and Contract Negotiation: Tenant shall supervise General Contractor's performance during the pre-construction period, obtaining cost estimates for the work at each phase, subcontractor bidding of construction documents, and negotiation of construction contracts and (during construction) execution of permitted scope of work.
6. Financing: Where applicable, Tenant shall coordinate funding applications to state and federal funding sources (e.g. Project Homekey) and/or assist with any reporting and compliance obligations related to applicable state or federal funding related to the Premises.
7. Temporary Relocation: If there are existing occupants that will be affected by the proposed rehabilitation scope of work, Tenant will work with the architect and general contract, and any other applicable consultants, to develop a phased on-site relocation plan or identify any time-limited off-site relocation, create a complete budget for the on-site and off-site relocation, ensure that the timing for phased rehabilitation and on-site relocation is incorporated into the general contractor's rehabilitation construction schedule and manage the temporary relocation process (including working with residents to provide them with communication regarding relocation timing, moving assistance, cleaning of units to allow for on-site relocation, etc.) in compliance with all applicable laws.


Tenant's budget for the predevelopment scope of work is included in Exhibit E, as may be amended by HSH, and cannot be exceeded unless there is prior written approval by HSH. It is anticipated that upon completion of the predevelopment scope of work, HSH and Tenant will enter into a separate agreement to complete and fund the rehabilitation scope of work.



GENERAL PLAN REFERRAL

November 14, 2022

Case No.: 2022-010960GPR
Address: 3061 16th Street –Casa Esperanza (formerly the Eula)
Block/Lot No.: 3569/078
Project Sponsor: San Francisco Department of Homelessness and Supportive Housing
Applicant: Sharon Christen – (415) 336-7203
 sharon.christen@sfgov.org
 San Francisco Department of Homelessness and Supportive Housing
 440 Turk Street
 San Francisco, CA 94102
Staff Contact: Carly Grob – (628) 652-7532
 carly.grob@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

Working through the building's Tenant (Dolores Street Community Services) and property management entity, the City proposes to convert 5 tourist Group Housing SRO units to Group Housing Residential SRO units and rehab the ground floor retail to convert it into ground floor ancillary social service offices, community spaces and services office. The ground floor uses will all support the building's use as permanent supportive housing for formerly homeless Transitional Aged Youth residents. The ground floor will also house a 90 SF social enterprise space to allow the resident youth to engage with the neighborhood selling their art and crafts and contributing to the neighborhood commercial of 16th Street.

A General Plan Referral is generally required for public housing projects, or publicly assisted private housing projects. (Administrative Code Section 2A.53(c)(6)).

Environmental Review

The Project will be approved under California Assembly Bill No. 2162 (AB-2162) which is considered a ministerial approval and is not subject to CEQA.

General Plan Compliance and Basis for Recommendation

As described below, the proposed conversion of five tourist hotel rooms to Group Housing SROs and ground floor alterations are consistent with the Eight Priority Policies of Planning Code Section 101.1 and is, on balance, in conformity with the General Plan.

Note: General Plan Objectives are shown in **BOLD UPPER CASE** font; Policies are in **Bold** font; staff comments are in *italic* font.

HOUSING ELEMENT

OBJECTIVE 3

PROTECT THE AFFORDABILITY OF THE EXISTING HOUSING STOCK, ESPECIALLY RENTAL UNITS

Policy 3.5

Retain permanently affordable residential hotels and single room occupancy (SRO) units.

The project will retain an existing SRO building while enhancing the affordability of these existing rooms, as the project sponsor will deed-restrict all 25 rooms at the site for permanent supportive housing for transitional-aged youth.

OBJECTIVE 6

REDUCE HOMELESSNESS AND THE RISK OF HOMELESSNESS

Policy 6.1

Prioritize permanent housing and service enriched solutions while pursuing both short- and long-term strategies to eliminate homelessness.

The project will provide affordable housing and supportive services for formerly homeless transitional-aged youth.

OBJECTIVE 7

SECURE FUNDING AND RESOURCES FOR PERMANENTLY AFFORDABLE HOUSING, INCLUDING INNOVATIVE PROGRAMS THAT ARE NOT SOLELY RELIANT ON TRADITIONAL MECHANISMS OR CAPITAL

Policy 7.5

Encourage the production of affordable housing through process and zoning accommodations, and prioritize affordable housing in the review and approval process.

The project is using the streamlining provisions set forth in CA Govt. Code Section 65650 (AB 2162), which provide a streamlined, ministerial approval path for permanent supportive housing projects.

Policy 7.6

Acquire and rehabilitate existing housing to maximize effective use of affordable housing resources.

The project is maximizing affordable housing resources as it proposes to convert existing residential hotel rooms and tourist hotel rooms into permanent supportive housing.

OBJECTIVE 11

SUPPORT AND RESPECT THE DISTINCT CHARACTER OF SAN FRANCISCO'S NEIGHBORHOODS

Policy 11.7

Respect San Francisco's historic fabric, by preserving landmark buildings and ensuring consistency with historic districts.

The project will retain the existing building and proposes minimal exterior alterations on the front façade, generally preserving the character of the building.

MISSION AREA PLAN

OBJECTIVE 1.1

STRENGTHEN THE MISSION'S EXISTING MIXED-USE CHARACTER, WHILE MAINTAINING THE NEIGHBORHOOD AS A PLACE TO LIVE AND WORK

3055-3061 16th Street is located within the geography of the Mission Area Plan. The project will maintain the mixed-use character of the Mission by preserving and enhancing existing residential uses, while also providing a social enterprise space at the ground floor to allow the residents to sell their arts and crafts, which allows them to engage with the neighborhood and diversifies the commercial uses on 16th Street.

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. The project would replace a liquor store with supportive services at the ground floor, which includes a social enterprise space for the residents to sell their arts and crafts. While the ground floor use

will change, the new ground floor use will also be active in nature.

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.

3. That the City's supply of affordable housing be preserved and enhanced;

The Project would enhance the City's supply of affordable housing by permanently restricting existing SRO units for permanent supportive housing for formerly homeless transitional- aged youth.

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.

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.



AMENDED NOTICE OF PROJECT ELIGIBLE FOR AB-2162 APPROVAL

Date: 11/14/2022
BPA No.: 202211076021
Planning Record No. 2022-010864PRJ
Project Address: 3055-3061 16th Street
Zoning: Valencia Street NCT (Neighborhood Commercial Transit) District
65-X Height and Bulk District
Block/Lot: **3569/078**
Project Sponsor: **Saul Hidalgo**
Dolores Street Community Services
938 Valencia Street
San Francisco, CA 94110
Staff Contact: **Mathew Chandler – 628-652-7340**
Mathew.Chandler@sfgov.org

Project Description

The project proposes renovation of the basement and ground stories and converting five (5) tourist rooms to single-room occupancy (SRO) rooms in an existing three-story over basement building containing twenty (20) residential single-room occupancy (SRO) rooms, plus five (5) tourist rooms, and ground floor retail space. All 25 SRO rooms at the project site will be used as permanent supportive housing for transitional aged youth. The ground floor, most recently used as a liquor store, a Retails Sales and Service use, will be renovated to include a lobby, trash room, bathrooms, offices for supportive-services and property management, resident amenity space, and a Social Service use. The basement will be used for tenants' storage and other spaces for storage or services necessary to the operation or maintenance of the building.

AB-2162 Eligibility Checklist

The Planning Department has determined that the project, as proposed, is eligible for approval under Assembly Bill 2162 (California Government Code Sections 65583 and 65650) in conjunction with the State Density Bonus Law (California Government Code Section 65915).

- Affordability:** All of the proposed residential units must be dedicated as affordable to households at 80% AMI or below for a period of at least 55 years. At least 25% of the total number of units, or 12 units (whichever is greater) must be restricted for residents of Supportive Housing who meet the Target Population. If there are fewer than 12 units in the project, then the entire project must be restricted for residents of Supportive Housing.

- Supportive Services:** Supportive Services include, but are not limited to, a combination of subsidized. Permanent housing, intensive case management, medical and mental health care, substance abuse treatment, employment services, and benefits advocacy. For projects with 20 units or fewer, at least 90 square feet of space must be dedicated to supportive services. For projects with more than 20 units at least 3% of the non-residential floor area must be dedicated to supportive services.
- Zoning:** The project must be in a District that allows for multifamily (2 or more units) or mixed-use zoning.
- Replacement of Existing Units:** If the project demolishes any existing residential unit, then the project must include replacement unit(s) in the Supportive Housing Development in the manner described in CA Govt. Code Section 65915(c)(3).
- Amenities:** Each unit, excluding the manager's unit, must have at least a bathroom, refrigerator, stovetop, and sink.
- Consistent with Objective Standards:** The project must comply with objective, written development standards and policies which apply to other multifamily developments within the same Zoning District. Such objective standards are those that require no personal or subjective (discretionary) judgement, such as objective dimensional requirements, and as otherwise set forth below.

Review Timeline

The AB 2162 Application and accompanying site permit for the project at 3055-3061 16th Street was submitted on October 13, 2022. Pursuant to Government Code Sections 65583 and 65650, the Planning Department must complete any necessary design review within 30 days of application submittal, not including time spent waiting for applicant response to Planning Department requirements. Provided the application is complete, the Planning Department must complete design review by November 11, 2022. This notice serves only to confirm eligibility for using AB-2162; Planning staff may request additional information, as required, to complete their review. Design review or public oversight must be completed in 60 days for projects with 50 or fewer units and 120 days for projects with more than 50 units. The project sponsor will receive a Notice of Final AB-2162 Approval upon completion of design review. Please note that the Planning Director may decide, on a case by case basis, to schedule a design review hearing at the Planning Commission and/or Historic Preservation Commission.



Solicitation of Information (SOI) #134.1
Eula Hotel, Mission Inn Hotel, & 1321 Mission Street
Contact: Monique Colón | HSHProcurements@SFGov.org

The following Amendments have been made to this SOI:

- Footer revised to show AMENDMENT 1 SOI: 134.1
- Solicitation Questions Deadline date revised to October 27, 2021, by 5:00 pm.
- Solicitation Answers and Clarifications Published date revised to October 29, 2021.

I. Summary

The City and County of San Francisco (“City”) Department of Homelessness and Supportive Housing (HSH) is soliciting Applications from Applicant providers to operate and deliver services in three newly acquired Permanent Supportive Housing (PSH) buildings. PSH provides permanent solutions to homelessness through housing placements, subsidies, Support Services, Property Management, and in some instances, requires time-limited Real Estate Development. HSH is seeking providers who will deliver or collaborate with other providers to deliver Support Services and Property Management services to ensure tenants can remain stably housed.

Grantees selected through this Solicitation will operate and provide services in former hotels, motels, and single room occupancy (SRO) buildings purchased and converted into PSH by the City using local Proposition C revenues, general obligation (GO) bond financing, and/or state-awarded Project Homekey funds. This Solicitation is for three properties:

Building	Address	# of Units in Building	Served Population	Services Required
A. Eula	3055-3061 16 th Street	25	<ul style="list-style-type: none"> • Transition Age Youth (TAY) experiencing homelessness 	<ul style="list-style-type: none"> • Support Services • Property Management • Real Estate Development Management (time-limited)¹
B. Mission Inn	5630-5638 Mission Street	52	<ul style="list-style-type: none"> • Transition Age Youth (TAY) experiencing homelessness 	<ul style="list-style-type: none"> • Support Services • Property Management • Real Estate Development Management (time-limited)
C. 1321 Mission Street (formerly, “The Panoramic”)	1321 Mission Street	160	<ul style="list-style-type: none"> • Formerly homeless adults; and • Formerly homeless older adults aged 60 and over; and 	<ul style="list-style-type: none"> • Support Services • Property Management²

¹ Note, that while Applicants are encouraged to provide this capacity in their response, it is not required and will not be included in the evaluation scoring.

² Real Estate Development Management is not required for 1321 Mission.

Building	Address	# of Units in Building	Served Population	Services Required
			<ul style="list-style-type: none"> Formerly homeless or at-risk of homelessness family households 	

The City will release separate solicitations for additional buildings as they are acquired.

Interested parties may submit one Application per property to provide all required service types (Support Services, Property Management, Real Estate Development Management). Two or more providers may submit a *single* collaborative Application per property. If a collaborative Application is funded, HSH is willing to create up to two agreements per property with collaborators, based on the preference of Applicants.

HSH desires Grantees with:

- An ability to lead with a Housing First philosophy, which includes principles of harm reduction and low barriers to entry;
- A racial equity-based, culturally responsive and trauma-informed approach;
- An ability to collaborate with tenants and providers with the goal of tenant housing stability; and
- The ability to begin planning for services and hiring staff immediately upon agreement execution.

Additionally, to be considered for funding under this Solicitation, Applicants must meet the following State Homekey minimum requirements:

- At least three years of experience successfully providing similar services to the served populations; and
- For Property Management, Applicants must have operated a project similar in scope and size to the proposed project; or operation of at least two affordable rental housing projects in the last ten years, with at least one of those projects containing at least one unit housing a tenant who qualifies as a member of the served population.

HSH anticipates agreement start dates in winter 2021/22, for an initial three-year agreement term with selected Grantees. The City may extend agreements for a total term no longer than ten years. It is the City's long-term goal to transfer these properties to community ownership. The timing and nature of that process is yet to be determined, and there should be no presumption that an award under this Solicitation guarantees future ownership of any property.

II. Schedule³

Solicitation Issued	October 20, 2021
Solicitation Questions Deadline ⁴	October 27, 2021, by 5:00 pm
Solicitation Answers and Clarifications Published	October 29, 2021
Applications Due Date	November 18, 2021, by 12:00 pm

³ Dates are subject to change. Check the HSH website for updates.

⁴ No questions will be accepted after the RFQ Questions Deadline except for Applicant-specific City vendor compliance questions.

Intent to Award Notification	December 2021 ⁵
Grant Agreements Begin	Winter 2021/22

Interested parties must submit all questions to HSHProcurements@sfgov.org no later than **the Solicitation Questions Deadline** and must submit all information no later than **the Applications Due Date** to be considered. Interested parties must not contact City staff other than the contact stated in this document.

III. Delivering Services with Equity

Racial equity is a set of social justice practices, rooted in a solid understanding and analysis of historical and present-day oppression, aiming towards a goal of fairness for all. As an outcome, achieving racial equity would mean living in a world where race is no longer a factor in the distribution of opportunity. Since its launch, HSH has emphasized racial equity in its work to address homelessness. In acknowledging that racism is a root cause of homelessness, it is imperative that race and racism must be discussed and addressed on an interpersonal and structural level in order to make positive impact on the lives of people experiencing homelessness.

The HSH Strategic Framework included a call for making the Homelessness Response System (HRS) more equitable as one of several guiding principles. The historic and continuing impact of anti-Blackness and white supremacy, and of homophobia and anti-trans bias, have led to vastly disproportionate levels of homelessness for communities of color, lesbian, gay, bisexual, and queer (LGBQ+) and transgender persons. Deeply racialized systems are costly and depress outcomes and life chances for people of color experiencing homelessness.

COVID-19 has heightened these impacts, with communities of color vastly more likely to be impacted. Equity must be the foundational consideration in everything HSH does, and the Department is working to bring an equity lens to the forefront of all its planning and actions.

HSH is seeking to partner with Grantees who demonstrate a deep understanding of and focus on racial equity, with the intent of achieving different outcomes in the communities HSH serves and paying close attention to those who are often excluded. Grantees shall demonstrate the ability to conduct equity focused data analyses, and to use feedback received from the served population to enhance services.

IV. Served Population

- A. Eula: The Eula Grantee(s) shall serve Transition Age Youth (TAY) experiencing homelessness, aged 18 to 24, as well as those aged 25 to 29 who have been part of the HRS as TAY.
- B. Mission Inn: The Mission Inn Grantee(s) shall serve TAY experiencing homelessness, aged 18 to 24, as well as those aged 25 to 29 who have been part of the HRS as TAY and formerly homeless or at-risk of homelessness.
- A. 1321 Mission
The 1321 Mission Grantee(s) shall serve:

⁵ Sites visits will occur post award.

1. Formerly homeless and income-eligible adults aged 18 years or older without the custody of minors below 18 years of age, which includes formerly homeless or at-risk of homelessness and income-eligible family households. A family may include any group of persons presenting for assistance together with or without children regardless of marital status, actual or perceived sexual orientation, or gender identity; and
2. Formerly homeless and income-eligible adults aged 60 years or older, without the custody of minors below 18 years of age; and
3. Formerly homeless or at-risk of homelessness and income-eligible family households. Family households shall be defined as an adult and at least one natural, adoptive and/or foster child below the age of 18. A household may also include a pregnant person, with or without a partner.

V. Referral and Prioritization

All new tenants will be referred by HSH through the Coordinated Entry System, and/or other initiatives serving high priority individuals in coordination with Coordinated Entry, such as Shelter In Place (SIP) hotel guests needing to be rehoused, Emergency Housing Voucher holders, high users of multiple systems of care, individuals being discharged from hospitals or persons with behavioral health conditions. The Coordinated Entry System organizes the City's HRS with a common, population-specific assessment, centralized data system, and prioritization method.

Eligibility criteria for PSH varies upon the subsidy funding source and may include meeting a definition of homelessness at the time of referral and placement, enrollment in specific benefits programs, income criteria and/or the ability to live independently within the structure of the housing program. Tenants who meet eligibility criteria for PSH are prioritized based on various criteria, such as levels of vulnerability, length and history of homelessness, and severity of housing barriers.

VI. Services

Grantees shall provide the following services for all properties and served populations, unless otherwise specified below.

A. Support Services shall include, but are not limited to, the following:

1. Outreach: Grantee shall engage tenants to provide information about available Support Services and invite them to participate. This shall include multiple and creative attempts to engage with tenants through one-on-one outreach efforts as well as informal interactions and group activities.

Grantee shall contact each tenant at least six times during the first 60 days following placement. Grantee shall document all outreach and attempts.

2. Intake and Assessment: Grantee shall coordinate with Property Management during the initial intake for units and participate in orientation meetings with Property Management. If possible, Grantee shall establish rapport with tenants prior to move-in to support tenants during the application and move-in process. Grantee shall coordinate with tenant's current support service providers to ensure a successful transition into housing.
3. Case Management: Grantee shall provide case management services to tenants with the primary goal of maintaining housing stability, including ongoing meetings and counseling to establish goals, develop service plans, which are tenant-driven without predetermined goals, provide

referrals and linkages to off-site services, and track progress toward achieving those goals. Grantee shall document case management meetings, engagement, plans and progress.

- a. Grantee shall connect each tenant with resources needed to be food secure as they live independently.
- b. Grantee shall refer tenants to and coordinate services within the community that support progress toward identified goals. This may include providing information about services, calling to make appointments, assisting with applications, providing appointment reminders, following up/checking in with tenants regarding the process, and, as necessary, re-referral. Grantee shall communicate and coordinate with outside service providers to support housing stability.
- c. Grantee shall assess tenant health, mental health, and substance use treatment needs and incorporate these into their case management plan. As needed, Grantee shall assist tenants to access primary care to ensure tenant primary care needs are met.
- d. Consistent with San Francisco Administrative Code Article VI, Section 54.4, within three months of placement and annually thereafter, Grantee shall provide public benefits advocacy to assist tenants with obtaining and maintaining benefits, including, but not limited to, cash aid (e.g., CalWORKs, County Adult Assistance Program, Social Security Income), CalFresh and other food programs, Medi-Cal health coverage, medical clinics and/or In-Home Support Services (IHSS).
- e. Grantee shall assess tenant employment and education skills and goals at intake and incorporate those into their case management plan.

Grantees serving TAY shall provide the following case management services in addition to the above:

- f. Grantee shall communicate and coordinate with outside service providers to support housing stability and long-term exit planning.
- g. Grantee shall connect tenants with educational and employment services to increase education and skill levels. Grantee shall monitor tenant education and employment progress to ensure housing stability, opportunities to gain and increase income, and long-term exit planning.
- h. Through counseling, case management, referrals to community programs, and workshops, Grantee shall provide financial literacy education (e.g. rent payment, obtaining public benefits, budgeting, financial planning, saving, credit repair).
- i. Grantee shall provide resources to remove transportation barriers to increase tenant self-sufficiency.
- j. Grantee shall connect tenants with physical health resources and services, including but not limited to, sexual reproduction health education, family planning, substance use, and harm reduction.
- k. Grantee shall identify tenants with unmet behavioral health needs that are impacting their ability to be stably housed and shall refer tenants to appropriate community resources, including to the Department of Public Health (DPH) Community Behavioral Health TAY system of care.

Grantees serving family households shall provide the following case management services in addition to the above:

- l. Grantee shall identify families and/or children who have unmet behavioral health needs that are impacting their ability to be stably housed and shall refer families to appropriate community resources, including to HSH contracted mobile behavioral health services.

4. **Housing Stability Support:** Grantee shall outreach to and offer on-site services and/or referrals to all tenants who display indications of housing instability, within a reasonable timeframe. Such indications include, but are not limited to, discontinuance from benefits, non-payment of rent, lease violations or warnings from Property Management, and conflicts with staff or other tenants. Grantee shall work with tenants, in conjunction with Property Management, to resolve issues that put tenants at risk for eviction. Grantee shall assist with the de-escalation and resolution of conflicts, as needed. Grantee shall document Housing Stability outreach and assistance provided.
5. **Coordination with Property Management:** Grantee shall assist tenants in communicating with, responding to, and meeting with Property Management. This may include helping a tenant to understand communications from Property Management, helping to write requests, responses, or complaints to Property Management, and attending meetings between the tenant and Property Management to facilitate communication.

If a tenant is facing housing instability, Grantee shall coordinate with Property Management to find creative ways to engage with tenants to prevent housing loss. Grantee shall ensure there is a process in place for receiving timely communication from Property Management and copies of correspondence (e.g. notices, warning letters, lease violations) issued. Grantee shall have a structured written process for engaging tenants who receive such notices.

6. **Wellness and Emergency Safety Checks:** Grantee shall conduct Wellness and/or Emergency Safety Checks in accordance with HSH policy to assess a tenant's safety when there is a reason to believe there is immediate and substantial risk due to a medical and/or psychiatric emergency.
7. **Support Groups, Social Events and Organized Activities:**
 - a. Grantee shall plan groups, events, and activities with input from tenants to build community engagement, develop peer support, share information, form social connections or to celebrate significant events. Grantee shall post and provide to tenants a monthly calendar of events.
 - b. Grantee shall conduct monthly community meetings for tenants, in coordination with Property Management, where tenants may discuss building concerns and program ideas with representatives from both Support Services and Property Management.
 - c. Grantee shall periodically assess the needs of tenants with Property Management and other teams at the building to develop programming that will help tenants maintain stability and enjoy their housing.

Grantees serving family households shall provide the following services in addition to the above:

- d. Grantee shall provide appropriate programming for the served population. Grantee shall provide linkages to activities and services, to meet the needs of youth in the program, on an as-needed basis.
8. **Exit Planning:** If a tenant is moving out of the building, Grantee shall engage tenant in exit planning to support the tenant's successful transition out of the program. The exit plan shall depend on the tenant's needs and preferences, and may include establishing linkages to community based services or other housing options.

Grantees serving TAY shall provide the following services in addition to the above:

- a. Grantee shall provide support, which assists tenants in achieving goals that move them towards more independent housing. Grantee shall ensure tenant exit planning begins during initial move in and is periodically revisited and/or revised based on tenant's independent living planning. When this level of self-sufficiency is achieved, Grantee shall assist tenants in housing searches and applications.

B. Property Management services shall include, but are not limited to, the following:

1. Tenant Selection and Intake:
 - a. Grantee shall adhere to Housing First principles found at California Welfare and Institutions Code Section 8255 and follow the processes agreed upon by Grantee, HSH, property owner, housing subsidy administrators, funding regulations, fair housing laws, and/or other entities involved with referrals. Under Housing First, tenant screening and selection practices must promote accepting applicants regardless of their sobriety or use of substances, completion of treatment, or participation in services. Tenant applicants must not be rejected based on poor credit or financial history, poor or lack of rental history, criminal convictions unrelated to tenancy, or behaviors that indicate a lack of "housing readiness."
 - b. Grantee shall abide by the Tier 1 documentation strategy, as outlined in the SIP Placement Documentation Policy. See [Exhibit D](#) for the policy.
 - c. Grantee shall adhere to all published HSH policies, including, but not limited to those covering tenant intake, HSH housing documentation, reasonable accommodation, and transfers when accepting referrals and placing tenants into housing. See select housing policies [here](#).
2. Tenant Lease Set-Up: Grantee shall draft, provide, and sign a rental agreement with each tenant at the time of move-in. The lease agreement shall include house rules and other pertinent lease addenda. Grantee shall review its grievance policies and procedures and HSH policies and procedures with tenants at the time of lease signing.
3. Annual Tenant Re-certification: As required by rental subsidy type, Grantee shall re-certify tenant income annually. This is generally done on the anniversary of a tenant's move-in date.
4. Collection of Rents, Security Deposits, and Other Receipts: Grantee shall collect and process rent and other housing-related payments (e.g. security deposit) made by tenants.
 - a. Grantee shall communicate and coordinate with local, state and/or federal agencies, as needed, to process rental subsidies.
 - b. For tenants paying a portion of their income towards rent, Grantee shall assist with payment arrangements and comply with HSH and other applicable requirements governing the tenant portion of rent. Tenants will pay no more than 30 percent of their monthly adjusted household income towards rent.
5. Lease Enforcement, Written Notices and Eviction Prevention:
 - a. Grantee shall take a housing retention approach to lease enforcement, including, but not limited to, proactive engagement in collaboration with Support Services, conversations and meetings with tenants, and mediation strategies.
 - b. Grantee shall provide written notice to tenants regarding issues that may impact housing stability including, but not limited to, discontinuance from benefits, non-payment of rent, lease violations or warnings, and conflicts with staff or other tenants.

- c. When necessary, Grantee shall provide notice to tenants of any actions related to the eviction process in accordance with all applicable laws.
 - d. Grantee shall copy Support Services on all communications to tenants.
6. **Building Service Payments:** Grantee shall set up and manage utility accounts and services related to the property, including but not limited to communications, alarms/security, fire alarm monitoring, garbage, water, and pest control. This may include elevator maintenance, as required.
7. **Building Maintenance:** Grantee shall maintain the facility in a sanitary and operable condition, post protocol and forms for tenant requests for maintenance or repairs, and respond to requests in a timely manner. Building maintenance shall include the following services:
- a. Janitorial services in common areas, offices, and shared-use restrooms, and shower facilities;
 - b. Regular removal of garbage/trash from designated trash areas and maintenance of these areas as clean and functional;
 - c. Pest control services, as needed;
 - d. Maintenance and repair of facility systems (e.g. plumbing, electrical);
 - e. Building security;
 - f. Preparation of apartments for tenant move-in and move-out; and
 - g. Development of a preventative maintenance schedule for review and approval by HSH, and monitor adherence to the approved schedule.
8. **Coordination with Support Services:** If a tenant is facing housing instability, Grantee shall coordinate with Support Services to find creative ways to engage with tenants to prevent housing loss. Grantee shall work with Support Services by communicating and meeting with tenant regarding behaviors and issues that put the tenant at risk for housing instability.

Grantee shall participate in regular coordination meetings with Support Services to review tenants at risk for eviction and strategize on how to support tenants in maintaining their housing.

9. **Wellness Checks and Emergency Safety Checks:** Grantee shall conduct Wellness Checks and/or Emergency Safety Checks in accordance with HSH policy, internal agency policies, and tenant laws to assess a tenant's safety when there is a reason to believe the tenant is at immediate and substantial risk due to a medical and/or psychiatric emergency.
10. **Front Desk Coverage:** Grantee shall provide front desk coverage 24 hours per day, seven days per week.
11. **Asset Management:** The properties covered in this Solicitation will initially be owned by the City, and as such all final decisions and incurred expenses related to asset management shall be solely at the discretion of HSH, acting on behalf of the City. However, Grantee shall partner with HSH to safeguard the physical and financial health of the property and provide limited asset management services, which include the following:
- a. Provide a capital needs assessment for review and approval by HSH, and manage approved capital improvement plan for the property.
 - b. Monitor and report to HSH on property financial performance, recommending related actions, as appropriate.
 - c. Monitor and report to HSH on compliance requirements related to the funding, recommending related actions. as appropriate.

12. Exit Planning: Grantee shall alert Support Services when tenants give notice to leave housing and shall keep a record of each tenant's forwarding address, whenever possible.

C. Real Estate Development Management:

For the Eula Hotel, Grantees *may* provide time-limited Real Estate Development Management services to coordinate the conversion of five tourist rooms to residential rooms, as well as the conversion of the ground floor from commercial use to a tenant-service space, including required rehabilitation.

For the Mission Inn, Grantees *shall* provide time-limited Real Estate Development Management services to coordinate entitlements and required rehabilitation.

1. Entitlements: Grantee shall manage the process of property conversion from current use to PSH, including, working with the Planning Department to identify use conversion requirements and most feasible path to conversion (e.g. density bonus, SB 35); submission of all required application materials to Planning; and, participation in any required public hearings.
2. Budgeting: Grantee, in collaboration with HSH, shall confirm initial rehabilitation scope assumptions and develop initial budget.
3. Procurement: Grantee will procure required professional services, such as architect, engineer, general contractor, and related services.
4. Design/Permitting: Grantee shall oversee consultants in the development of permit sets, submission of permit documents to the Department of Building Inspection (DBI) and other permitting entities.
5. Construction Oversight and Contract Administration: Grantee shall supervise General Contractor's performance during design, subcontractor bidding of construction documents, and execution of permitted scope of work.
6. Financing: Where applicable, Grantee shall coordinate funding applications to state and federal funding sources (e.g. Project Homekey) and/or assist with any reporting and compliance obligations related to applicable state or federal funding related to the project.
7. Temporary Relocation: If there are existing occupants that will be affected by the rehabilitation scope, Grantee will manage the temporary relocation process in compliance with all applicable laws.

VII. Properties

A. Eula:

1. Specifications:
 - Location: 3055-3061 16th Street
 - Property Type: Residential Hotel with 1st Floor Retail
 - Number of Units: 25 Single Room Occupancy (SRO) units

- Elevator: None
 - Amenities:
 - No kitchenettes in the units
 - Private baths
 - Common kitchen and small rear yard/open space
 - Other Notes: Commercial use space on the 1st floor at 3055 16th Street
2. Renovation and Improvement Needs: The residential portion of the building was recently renovated and requires no major renovations. However, certain minor modifications may be advisable to improve accessibility. Additional changes, including, but not limited to, adding mailboxes, a trash collection room, and laundry facilities may also be required. The first floor, which served as a liquor store, requires conversion into tenant support space (e.g. counseling space, lounge) and offices. Grantee shall work in partnership with HSH and the Mayor's Office on Housing and Community Development (MOHCD) to develop a detailed scope of improvements.

Please see [Exhibit A](#). for more detailed information about the property and noted renovation and improvements.

B. Mission Inn:

1. Specifications:
- Location: 5630-5638 Mission Street
 - Property Type: Tourist Motel
 - Number of Units: 52 total units; 51 currently utilized as motel rooms and one dedicated to cell tower equipment
 - Elevator: Present in Building A
 - Amenities:
 - Some units have kitchens/kitchen areas
 - Private baths
 - Other Notes:
 - Property consists of three buildings: 1. Building A, 24 room 4-story building; 2. Building B, a two-story 27 room "L" shaped building; and 3. Building C, a detached two-story building situated in the middle of the lot which, currently accommodates two units, a manager's unit, and a private residence with office
 - shared laundry room on the 2nd floor
 - Some rooms have been recently renovated
2. Renovations and Improvement Needs: Anticipated improvements to the building include unit renovations for the units that have not been recently renovated, including, but not limited to, new bathroom fixtures, accessibility improvements, new kitchenettes, new plumbing. The property requires new/updated life safety systems, new windows, new heating/cooling and new doors/door locks. Additional changes required, include, but are not limited to, adding residential mailboxes, replacing stair railings, stairs and walkways, and adding a trash collection area, laundry

room and community gathering/services space. Grantee shall work in partnership with HSH and MOHCD to develop a detailed scope of improvements.

Please see [Exhibit B](#). for more detailed information about the property and noted renovations and improvements.

C. 1321 Mission:

1. Specifications:

- Location: 1321 Mission Street
- Property Type: Multifamily residential
- Number of Units: 120 studios; 40 three-bedroom suites⁶
- Elevator: Present
- Amenities: Kitchen and bathrooms in each unit
- Other Notes:
 - Lobby; front desk; courtyard; roof garden; bike and storage at basement
 - Cafe/bar area at ground level

2. Renovations and Improvement Needs: The property was constructed in 2015 and the Physical Needs Assessment found that the building condition was good with no immediate repair needs. Grantee shall work in partnership with HSH and MOHCD to propose a program design for common areas and community space to serve the served population.

Please see [Exhibit C](#). for more detailed information about the property.

VIII. Budget

The available budget is \$1,650 per unit/per month (\$1100 per unit/per month for operating and \$550 per unit/per month for services) annually. Grantee must stay within two percent of that budget amount to be considered. HSH will give budget consideration to smaller buildings or buildings serving special populations when establishing final funding amounts. Grantee and HSH will negotiate a one-time start up budget for items such as minor tenant improvements or furniture fixtures and equipment (FFE).

A. Staffing Requirements

In addition to the appropriate staffing levels for Property Management, Grantee shall maintain a *minimum* of one full time equivalent (FTE) case management staff per 25 adult units and one FTE case management staff per 20 family or TAY units. Additional staffing above the minimum may be appropriate based on the served population and household size.

B. Operating Requirements

Grantee shall manage building operations and their costs, including, but not limited to janitorial services to maintain the cleanliness of shared space, maintenance to ensure the safety and functioning of the building and its systems, unit turnover, utilities (water, gas, electric, internet, phone), Recology, furnishings for shared spaces and replacement for turnover, and insurance.

⁶As of writing this, 20 units are already leased by existing tenants. In addition, there are 50 units leased to formerly homeless households placed under the City's Flexible Housing Subsidy Pool program.

1. Asset Management: HSH will work with selected Grantees to develop appropriate budgets for this portion of the work, including costs associated with staffing the Asset Management function. *These costs do not have to be incorporated within the \$1,650 per unit/per month amount.*

C. Real Estate Development Management

Based on the scope of required rehabilitation and nature of entitlements/conversion, HSH will work with selected Grantees to develop appropriate budgets for this portion of the work, including fees for Real Estate Development Management services. *These costs do not have to be incorporated within the \$1,650 per unit/per month amount.*

IX. Service Requirements⁷

A. Property Management Record Keeping and Files:

Grantee shall update tenant applicant referral status information in the Online Navigation and Entry (ONE) System in accordance with HSH policy and instruction.

1. Grantee shall maintain confidential tenant files, including signed lease agreement and addenda, notices or lease violations issued to the tenant, copies of payment plans, or other agreements to support housing stability.
2. Grantee shall track receipt and completion of maintenance work orders.
3. Grantee shall maintain all eligibility and inspection documentation in the ONE System and maintain hard copy files with eligibility, including homelessness verification documents.

B. Support Services Record Keeping and Files: Grantee shall consistently maintain confidential tenant files that document the services provided for the purpose of tracking and reporting objectives and outcomes in a timely manner.

1. Grantee shall maintain tenant program enrollment, annual status updates, and program exit information in the ONE System and maintain hard copy files with eligibility, including homelessness verification documents.
2. Grantee shall maintain an up-to-date program roster of all current tenants in the ONE System.
3. Grantee shall maintain confidential files on the served population, including developed plans, notes, and progress as described in the Service Description and Service Requirements.

C. Data Standards:

1. Records entered into the HSH Homeless Management Information System (HMIS) ONE System shall meet or exceed the ONE System Continuous Data Quality Improvement Process standards: <https://onesf.clarityhs.help/hc/en-us/articles/360001145547-ONE-System-Continuous-Data-Quality-Improvement-Process>.
2. Grantee shall maintain updated unit vacancy information on a weekly basis in the data system designated by HSH (Offline Vacancy Tracker and/or ONE System) as required. Changes to vacancy reporting will be communicated to Grantees in writing from HSH.
3. Grantee shall enter data into the ONE System, but may be required to report certain measures or conduct interim reporting in CARBON, via secure email, or through uploads to a File Transfer Protocol (FTP) site. When required by HSH, Grantee shall submit the monthly, quarterly and/or

⁷ Additional Service Requirements may be required and will be ultimately reflected in the awarded agreement's Appendix A, Services to be Provided.

annual metrics into the CARBON database. Changes to data collection or reporting requirements shall be communicated to Grantees via written notice at least one month prior to expected implementation.

4. Any information shared between Grantee, HSH, and other providers about the served population shall be communicated in a secure manner, with appropriate release of consent forms and in compliance with 24 C.F.R. Part 578, Continuum of Care; 45 C.F.R. Parts 160 and 164, the Health Insurance Portability and Accountability Act (HIPAA) and federal and state data privacy and security guidelines.

X. Service and Outcome Objectives⁸

A. Support Services: Grantee shall achieve the following objectives.

1. At least 75 percent of tenants shall complete an annual tenant satisfaction survey and of those, eighty percent of tenants completing an annual resident satisfaction survey will be satisfied or very satisfied with Support Services.
2. Grantee shall offer Support Services to 100 percent of all households who showed housing instability (e.g., non-payment of rent, lease violations) at least once per incident.
 - a. At least eighty-five percent of tenant lease violations will be resolved without loss of housing to tenants.
3. Grantee shall offer assessment to 100 percent of tenants within 90 days of move-in and annually thereafter for primary medical care, mental health, and substance use treatment needs, and to maximize their income and assist in applying for benefits for which they are eligible.
 - a. 75 percent of tenants assessed with needs related to medical care, mental health, substance use, benefits and other income assistance will develop a service plan within the first six months, and Grantee shall review service plans at least once every six months and update as needed.
4. At least ninety percent of tenants will maintain their housing for a minimum of 12 months, move to other permanent housing, or be provided with more appropriate placements.

B. Property Management: Grantee shall achieve the following objectives:

1. At least 75 percent of tenants shall complete an annual Tenant Satisfaction Survey and of those, eighty-five percent of tenants will be satisfied or very satisfied with Property Management services.
2. Grantee shall ensure that each unit, upon turnover, is clean and/or repaired within 14 days, on average.
3. Grantee shall collect at least 90 percent of tenant portions of monthly rent from occupied units.
4. Ninety percent of tenants will maintain their housing for a minimum of 12 months, move to other permanent housing, or be provided with more appropriate placements.
5. At least eighty-five percent of tenant lease violations will be resolved without loss of housing to tenants.
6. Grantee shall provide a preventative maintenance schedule to HSH for review and approval.
7. Grantee shall provide a capital needs assessment to HSH within the first six months of the agreement.
8. Grantee shall submit all required asset management reports on a timely basis to HSH and external funders.

⁸ Objectives may change and will be ultimately reflected in the awarded agreement's Appendix A, Services to be Provided.

- C. Real Estate Development Management: Grantee shall achieve the following objectives:
1. Grantee shall successfully convert the property into Permanent Supportive Housing within the timeframe agreed upon by the City and Grantee.
 2. Grantee shall deliver required improvements and renovations on-time and within budget.

XI. Application and Evaluation Criteria and Submittal

A. Application and Evaluation Criteria:

Application Section	Submittal Format	Applicant must complete/provide/respond to the following:	Evaluation Criteria	Points
1.Summary	Appendix 1: Application Template	1.1 Applicant Information 1.2 Certifications	HSH will review for pass/fail: Did Applicants complete all required Appendix 1: Applicant Template information?	Pass/Fail

Application Section	Submittal Format	Applicant must complete/provide/respond to the following:	Evaluation Criteria	Points
2. Minimum Qualification		<p>2.1 For each service type (e.g. Support Services; Property Management; and Real Estate Development Management, if applicable), whether provided through a single entity, collaboration, and/or subcontractor, Applicants must demonstrate at least three years of experience delivering similar services, respectively.</p> <ul style="list-style-type: none"> • If any part of the service will be through a collaboration or subcontract, Applicants must indicate as such and describe the plan for collaboration to successfully deliver the services in this Solicitation. <p>2.2 Property Management Applicants must demonstrate experience:</p> <ul style="list-style-type: none"> • Operation of a project similar in scope and size to the proposed project; or • Operation of at least two affordable rental housing projects in the last ten years, with at least one of those projects containing at least one unit housing a tenant who qualifies as a member of the served population. 	<p>2.1 Did Applicant demonstrate a verifiable minimum of three years of experience delivering similar services for each respective service type?</p> <p>2.2 Did Applicant demonstrate a verifiable Property Management project similar in scope and size to the proposed project or operation of at least two affordable rental housing projects in the last ten years, with at least one project containing at least one unit housing a tenant who qualifies as a member of the served population?</p>	
3. Plan		<p>3.1 For Support Services and Property Management, Applicants must describe the plan to engage and maintain housing stability for a diverse population of tenants, including non-English speakers, persons with disabilities, and individuals with a history of homelessness, substance use and/or mental health challenges.</p>	<p>3.1. How well does the Applicant(s) plan align with the requirements of this Solicitation (e.g. how well does the applicant understand tenant needs and challenges and describe ways to address them to maintain tenant housing)?</p>	15

Application Section	Submittal Format	Applicant must complete/provide/respond to the following:	Evaluation Criteria	Points
		3.2 For Support Services and Property Management, Applicants must describe the plan deliver services to achieve the service and outcome objectives described in this Solicitation.	3.2. How well does the Applicant plan align with the requirements of this Solicitation to meet the outlined objectives?	15
4. Organizational Experience & Capacity		4.1 For Support Services and Property Management, Applicants must describe their respective service approaches, including, but not limited to: <ul style="list-style-type: none"> • Delivering services with equity; and • Housing First and housing stability principles to deliver the services as outlined in the Solicitation. • Applicant(s) must describe any policies or procedures that are in place that demonstrate how these principles will be/are implemented. • Applicant(s) must describe intake requirements and resident selection criteria. 	4.1 How well does Applicant approach align with the requirements of this Solicitation (e.g. to what extent does the applicant understand equity, Housing First, and housing stability and how to achieve positive outcomes)?	25
		4.2 For Real Estate Management Development (if applicable), Applicants must describe their experience and capacity in delivering services on-time and within budget.	4.2 How well does Applicant experience and capacity with Real Estate Management Development align with the requirements of this Solicitation?	

Application Section	Submittal Format	Applicant must complete/provide/respond to the following:	Evaluation Criteria	Points
		<p>4.3 For each service type, Applicants must describe their organizational <i>experience</i> in delivering services, managing buildings, including Asset Management and Real Estate Development Management (if applicable), including, but not limited to:</p> <ul style="list-style-type: none"> • Years of experience delivering each service type, • Average building vacancy and turnover rates in existing portfolio; • Challenges and learnings with each service type; • Serving a diverse population of tenants, including non-English speakers, persons with disabilities, and individuals with a history of homelessness, substance use and/or mental health challenges; • Delivering services with equity; and • Engaging in collaborative service partnerships. 	<p>4.3. How well does the Applicant(s) experience align with the requirements of this Solicitation?</p>	<p>15</p>
		<p>4.4 For Support Services and Property Management, Applicants must describe their respective organizational <i>capacity</i>, including, but not limited to:</p> <ul style="list-style-type: none"> • Their current employee vacancy rates; • Employee turnover rates; • Capacity to hire, train, and retain staff; • Capacity to deliver services on-time and within budget; and • Organizational capacity to track and report service and outcome data. 	<p>4.4. How well does Applicant capacity align with the requirements of this Solicitation?</p>	<p>15</p>

Application Section	Submittal Format	Applicant must complete/provide/respond to the following:	Evaluation Criteria	Points
5. Budget	Appendix 2: Budget Template	5.1 For each service type (Support Services and Property Management), Applicants must submit one completed single Appendix 2: Budget Template for a 12-month period with each tab completed. Submittals with budgets above the allocated budget amount and/or those that do not contain the required staffing will not be evaluated further.	5.1 How well do the Applicant(s) budgets align with the requirements of this Solicitation (e.g. how reasonable and clear is the budget; does it contain the appropriate staffing and operating costs; is the narrative complete)?	15
Total				100

B. Time and Place for Submission of Applications:

Applications are due electronically in the format detailed below and must be received by the Applications Deadline. Applications received after the deadline may not be considered.

- Applicants shall submit the Appendix 1: Application Template and Appendix 2: Budget Template attachments in **one** PDF file saved as “SOI 134.1 Response Organization Name(s)”
 - Note that if the Support Services and Property Management are being proposed as a collaboration, one Appendix 2: Budget Template must be submitted for each service area.
- Applicants shall submit the Appendix 2: Budget Template(s) in an Excel format as well, saved as “SOI 134.1 Budget SS or PM Organization Name(s)”.
 - Note that if the Support Services and Property Management are being proposed as a collaboration, one Appendix 2: Budget Template must be submitted for each service area and labeled as SS for Support Services or PM for Property Management.
- Applicants shall submit the attachments to **HSHProcurements@sfgov.org**.
- The email subject shall have the subject “SOI 134.1 Response Organization Name(s)”.

Applications submitted by fax will not be accepted. Applicants must receive an email confirmation from the City to be considered submitted. Supplemental documents or revisions submitted after the Applications Deadline will not be accepted.

C. Application Submission Format:

Applicants must submit one Appendix 1: Proposal Template and one Appendix 2: Budget Template as instructed above. This is necessary so that all Applications can receive fair and consistent evaluation. Applications that do not follow the required format may not be considered. Information must be at a level of detail that enables effective evaluation.

The City intends to select Grantees who best meet the criteria set forth in this Solicitation.

Applicants who are qualified are not guaranteed an agreement. Applicants selected for negotiations are not guaranteed an agreement. This Solicitation does not in any way limit the City’s right to solicit similar or identical services. The City may at a future date elect to fund additional Applicants not originally selected.

D. Additional Information:

In some instances, the City may request additional information from Applicants prior to deciding whether to enter into an agreement.

XII. Standard City Grant

Grantees will enter into an agreement with the City using the standard agreement templates and shall comply with all requirements: <https://hsh.sfgov.org/wp-content/uploads/2019/11/G-100-Grant-Template-4-19-for-posting.pdf>.

XIII. Glossary of Terms

Term	Definition
Access Point	Localized points of community entry into San Francisco’s Homelessness Response System (HRS). Operated by approved non-profit service providers. Families, adults, and youth experiencing homelessness can obtain Coordinated Entry services at geographically diverse Access Points (AP). The Access Point staff will assess households for service needs and eligibility and perform Problem Solving, needs assessment, prioritization, and referrals to appropriate resources.
Adult	An individual or couple over the age of 24 years without custody of a minor child. Couples consist of two adult individuals who are married, in a domestic partnership, or who can provide documentation of an established partnership.
Applicant	Any entity (i.e. agency) submitting an Application to this Solicitation.
Application	The required documents to compete on this award.
Awarded Provider	Any Proposer awarded an Agreement for services under this procurement. Also known as Grantee or Contractor.
Continuum of Care	Federal Continuum of Care grant program stressing permanent, holistic solutions to homelessness
Coordinated Entry	Organizes the Homelessness Response System (HRS) with a common, population-specific assessment, centralized data system, and prioritization method that directs participants to the appropriate resources and allows for data-driven decision-making and performance-based accountability. Coordinated Entry in San Francisco is organized to serve three subpopulations at designated Access Points, Adults, Family, and Youth , as described above. A CE system for survivors of domestic violence will be established in FY 21-22.
Critical Incident Report (CIR)	A critical incident is defined as when emergency responders are called to the shelter by staff or program participants, and/or when Child Protective Services (CPS) removes a child. Shelters also may send reports for incidents in which there were no emergency responders.
Department of Homelessness and Supportive Housing (HSH)	The City and County of San Francisco’s Department of Homelessness and Supportive Housing (HSH), the sponsor of this RFP. HSH may also be referenced as “Department” in this RFP.
Equitable	With mindfulness about the racism and bias that has disproportionately unhoused people of color, lesbian, gay, bisexual, transgender, and questioning (LGBTQ) youth, HSH is committed to equity in the Department, system, and programs.
Family	Families include an adult and at least one natural, adoptive and/ or foster child under the age of 18, and may include a significant other or a domestic partner. A family may also include a pregnant person, with or without a partner.
Grant Agreement	The binding legal document resulting from this procurement process. Also known as Agreement.
Harm Reduction Model	Harm-reduction consists of working with program participants to set realistic goals that support reductions in high-risk substance use behaviors.

Term	Definition
	Abstinence from drugs or alcohol is not a pre-requisite for access to services nor required for continued access or eligibility for services.
Health Insurance Portability and Accountability Act (HIPAA)	The Health Insurance Portability and Accountability Act of 1996 (HIPAA) established national standards for the protection of private health information.
Homelessness Response System (HRS)	Describes the overall system of services to managed by HSH to address homelessness. The goal of this system is to prevent homelessness when possible and to make it rare, brief, and one-time. The system helps people exit homelessness by getting a house key into their hands as quickly as possible. Core components of the HRS include Coordinated Entry, Problem Solving, Street Outreach, Temporary Shelter, Housing, and Housing Ladder programs.
Housing	Provides permanent solutions to homelessness through subsidies and housing placements. This may include time-limited support such as Rapid Rehousing, and time-flexible programs such as Rent Subsidies and Permanent Supportive Housing (subsidized housing with services).
Housing First	Prioritizes the provision of housing to people experiencing homelessness, thus ending their homelessness and serving as a platform from which they can stabilize their lives and pursue their personal goals. Housing First is guided by the belief that people must secure basic necessities such as food and a place to live before they can attend to other challenges such as employment or substance use issues. Additionally, Housing First is based on the theory that participant choice is valuable in housing selection and supportive services participation. While Permanent Supportive Housing is the most commonly known Housing First program model, many other approaches fall under the Housing First umbrella.
Housing Ladder	Offers opportunities for residents of Permanent Supportive Housing to move outside of the Homelessness Response System.
Housing-Focused	The system and all programs within it will use a Housing First, low barrier approach focused on ending homelessness for each household as quickly as possible.
HSH	San Francisco Department of Homelessness and Supportive Housing
Indirect Cost	Indirect Costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective. ⁹
Individual Services Plan (ISP)	The Individual Service Plan (ISP) is the written details of the supports, activities, and resources required for the individual to achieve personal goals. The Individual Service Plan is developed to articulate decisions and agreements made during a person-centered process of planning and information gathering. The general welfare and personal preferences of the individual are the key consideration in the development of all plans.

⁹ Office of Management and Budget. (2004, May 10). Circular A-122. Retrieved from: https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/circulars/A122/a122_2004.pdf

Term	Definition
Innovative	With the systems goals in mind, opportunities to adapt practices and innovate new strategies and approaches are encouraged and will be supported and evaluated.
Minor Children	Children between the ages of 12 to 17.
Moving On Initiative	Moving On is a Housing Ladder initiative that provides tenants who are able and want to move out of supportive housing with a rental subsidy or preference into a project-based affordable or public housing unit. By offering alternatives to tenants in Permanent Supportive Housing who are stable and no longer need the intensive services offered. Moving On programs help make PSH units available for chronically homeless people who need intensive support.
Older Adult	An adult aged 60 years and older. Minimum age requirements for programs serving older adults may vary based on funding source.
Online Entry Navigation System (ONE System)	ONE is the data system used for all housing and services to people experiencing homelessness in San Francisco. The ONE System is a participant-level database that is used system-wide to track all HSH related services and housing placements. The implementation of the ONE System is ongoing.
Operating Services	Services that support the infrastructure of the program, including the daily provision of administration, maintenance, utilities, furnishings, operational program supplies, security, and program equipment.
Operations	The infrastructure of the program including the daily provision of administration, maintenance, utilities, furnishings, operational program supplies, food, clothing, security, program equipment and equipment.
People-Focused	People should drive their own solutions, and programs should focus on meeting their needs. Through shared assessment and a common front door, program participants should have a clear understanding of how to access services and what to expect from the system; program participants should not be required to sign up for numerous waiting lists or approach multiple programs to receive help. Program participant choice, strengths, and personal networks will be considered as part of finding the right solution.
Permanent Supportive Housing (PSH)	Subsidized rental housing without time limits and with intensive on-site Support Services to help tenants maintain housing and meet their personal goals. Permanent Supportive Housing is designed to house individuals with the greatest housing barriers and highest service needs.
PIT	Point-in-Time Count (of Homeless Population)
Project Homekey	Project Homekey is a State funding source that provides funding for state, regional, and local public entities to develop a broad range of housing types, including, but not limited to hotels, motels, hostels, single-family homes and multifamily apartments, adult residential facilities, and manufactured housing, and to convert commercial properties and other existing buildings to Permanent or Interim Housing.
Property Management	The management of the residential facility, including oversight of the property's maintenance, janitorial and repair services; supervision of Property Management, janitorial, and maintenance staff; coordination of potential tenant intake; handling the signing of lease agreements and other

Term	Definition
	tasks related to the placement process; handling complaints; emergencies and lease violations; rent collection and tenancy records; evictions; and room preparations between tenants and move-outs. Property Management is required to coordinate and collaborate with Support Services staff.
Respectful	It is imperative that services be delivered in a respectful, appropriate manner. Best practices, such as strengths-based interviewing, trauma informed care, and harm reduction, must be incorporated into all programs.
Strategic Framework	The Five-Year Strategic Framework outlines the ambitious yet achievable goals of the Department of Homelessness and Supportive Housing. It provides a roadmap for reducing homelessness in San Francisco and making it a rare, brief, and one-time occurrence.
Support Services	Intake and assessment, case management, benefits counseling and advocacy, referrals and counseling services including the development of an individualized participant services plan that assists participants in obtaining transitional and/or permanent housing, employment, health care, substance abuse and mental health treatment and educational services.
Tenant	An individual or family that resides in permanent housing.
Transition Age Youth (TAY)	An individual between 18 and 24 (29 under some programs) who is experiencing homelessness. These individuals often have specialized needs, different from those of families or adults that must be considered when designing programs and services.
Trauma Informed	Trauma-informed care is a strengths-based framework grounded in an understanding of and responsiveness to the impact of trauma, that emphasizes physical, psychological, and emotional safety for both providers and survivors, and that creates opportunities for survivors to rebuild a sense of control and empowerment. Grantees shall ensure delivery of trauma-informed assistance to maximize self-sufficiency for people experiencing homelessness in San Francisco, to reduce the timeline from first encounter to housing placement, and to ensure that households are not subject to redundant or unnecessary access barriers.
Urgency	Each household's homelessness should be treated as an emergency, and the system will respond accordingly.
VA	U.S. Department of Veterans Affairs.
Veteran	An individual who has served in any branch of the U.S. Armed Forces.
Veterans Affairs Supportive Housing (VASH)	The HUD Veterans Affairs Supportive Housing (VASH) program combines Housing Choice Voucher rental assistance with case management and clinical services from the VA. Housing Choice Vouchers are administered by the San Francisco Housing Authority (SFHA) and referrals are provided by the VA.

XIV. Standard City Vendor Forms

A. How to Become Eligible to Do Business with the City:

Proposers must fulfill the City's administrative requirements for doing business with the City and become a compliant supplier prior to agreement award. Fulfillment is defined as completion, submission and approval by applicable City agencies of the forms and requirements referenced below.

Before the City can award any agreement, all vendors must become a City Vendor by meeting the requirements described below. There may be additional requirements placed upon a vendor depending on the type of good or service to be purchased.

B. Mandatory Forms:

In order to become eligible to do business with the City, vendors must first become an Approved Supplier by following the instructions on the San Francisco City Partner Become a Supplier page: <https://sfcitypartner.sfgov.org/pages/become-a-supplier.aspx>.

At a minimum, vendors will be required to complete the following steps:

1. Register to become a "Registered Bidder"
2. Complete a San Francisco Business Tax Registration
3. Complete a 12B Equal Benefits Declaration

To view step-by-step directions on how to become an Approved Supplier, visit <https://sfcitypartnersupport.sfgov.org/support/solutions/articles/11000022936-bidder-a-step-by-step-guide-to-becoming-an-approved-supplier>.

Vendors must have:

1. A City-issued vendor/supplier number;
2. Have all compliance paperwork submitted and approved by the City; and
3. Have an executed agreement or purchase order before payments can be made.

Once a vendor/supplier number has been assigned, an email notification will be provided by the City's Vendor File Support Division. This notification will include instructions on how to sign up to receive payments through the City's vendor/supplier portal.

The City and County of San Francisco requires vendors/suppliers to comply with multiple ordinances and provide proof of insurance coverage, including compliance with the below. Please visit <https://sfgov.org/oca/qualify-do-business> for a list of the forms and when they are required.

- Minimum Compensation Ordinance
- Health Care Accountability Ordinance
- Insurance Requirements
- Payment (Labor and Material Bond)
- Performance Bond
- Local Business Enterprise Program
- Sweatfree Contracting Ordinance
- Nondiscrimination in Contracts

PERSONAL SERVICES CONTRACT SUMMARY ("PSC FORM 1")

Department: DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING -- Dept. Code: HOM HOM

Type of Request: Initial Modification of an existing PSC (PSC # _____)

Type of Approval: Expedited Regular Annual Continuing (Omit Posting)

Type of Service: Master Lease and Property Management

Funding Source: State, Federal, Local PSC Duration: 5 years

PSC Amount: \$52,000,000

1. Description of Work

A. Scope of Work/Services to be Contracted Out:

This request pertains to HSH’s COVID-19 response efforts to acquire properties to serve as Permanent Supportive Housing (PSH) options for guests exiting Shelter In Place (SIP) hotels and emergency COVID-19 shelter sites. Acquiring properties to house current SIP guests is a critical component of the City’s SIP Rehousing Plan, and for vulnerable guests with comorbidities, successful rehousing could mean the difference between life and death.

Interim Property Management

Property management services and conversion activities which accompany a master lease of the site include:

- Provide immediate building operation services on an interim basis, including property maintenance, security (including front desk coverage), janitorial services, trash removal, and utility account management;
- Coordinate lease up, tenant move-ins, rent collection and lease enforcement; and
- Provide Assessment Management services.

B. Explain why this service is necessary and the consequence of denial:

Acquiring properties to house current SIP guests is a critical component of the City’s SIP Rehousing Plan, and for vulnerable guests with co-morbidities, successful rehousing could mean the difference between life and death. Should contracting authority not be granted, the City would incur significant liability in owning property without an appropriate 24/7 management structure in place to address the needs of existing and new residents, provide security and prevent damage to the property, and respond to emergencies should they arise. Any delays in contracting would only exacerbate the City’s challenges in housing its unsheltered residents and facilitating permanent placements for SIP hotel residents who must be rehoused on a set timeline. Additionally, delays in moving people from the SIP sites to PSH could impact the state funding received for purchasing and supporting these PSH sites.

C. Has this service been provided in the past? If so, how? If the service was provided under a previous PSC, attach copy of the most recently approved PSC.
Property management services were previously approved via PSC# 47945 – 21/22.

D. Will the contract(s) be renewed?

It is possible the Master Lease and Property Management Agreements will be renewed for a time-limited period; however, it is not the City's intent to hold these properties in perpetuity. Following stabilization of each property as a PSH site, it is the City's goal to outline a process by which the properties can be transferred to non-profit ownership and management.

E. If this is a request for a new PSC in excess of five years, or if your request is to extend (modify) an existing PSC by another five years, please explain why.
not applicable

2. Reason(s) for the Request

A. Indicate all that apply (be specific and attach any relevant supporting documents):

Immediately needed services to address unanticipated or transitional situations, or services needed to address emergency situations.

Short-term or capital projects requiring diverse skills, expertise and/or knowledge.

B. Explain the qualifying circumstances:

The emergency nature of the SIP rehousing effort, its scale, and the expedited timeline under which it must be completed, has required that the City purchase the properties directly and own them in the immediate term, while simultaneously conducting solicitations from qualified entities to operate the properties as PSH. These operators include property management entities with expertise managing PSH. While it is unprecedented for the City to purchase hotels and residential properties for use as PSH, the quick and direct City purchase has enabled the City to leverage significant federal and state funding for acquisition. It is not the City's intent to hold these properties in perpetuity; following stabilization of each property as a PSH site, it is the City's goal to outline a process by which the properties can be transferred to non-profit ownership and management. Although the acquired properties will be owned by the City on an interim basis, there are not City staff with the specialized knowledge and training in addressing the priorities of homeless and tenants with physical and behavioral health needs in addition to providing immediate property management services and conversion coordination. Furthermore, the state grants awarded to the City specifically require specialized knowledge and experience working with people who have experienced homelessness. To be competitive for the Homekey funding, the City made a commitment to work with a property management provider with the aforementioned level of experience. It would not be in the City's best interest to create new City classifications to perform this work for an interim period.

3. Description of Required Skills/Expertise

A. Specify required skills and/or expertise: Experience with: • Operation of a project similar in scope and size to the proposed project; or • Operation of at least two affordable rental housing projects in the last ten years, with at least one of those projects containing at least one unit housing a tenant who qualifies as a member of the served population. Served population includes formerly homeless and income-eligible adults, transitional aged youth (TAY), and family households.

- B. Which, if any, civil service class(es) normally perform(s) this work? 1406, Senior Clerk; 1823, Senior Administrative Analyst; 1824, Pr Administrative Analyst; 2708, Custodian; 4140, Real Property Manager; 4142, Senior Real Property Officer; 4143, Principal Real Property Ofc; 5268, Architect; 5502, Project Manager 1; 5504, Project Manager 2; 7203, Bldg & Grounds Maint Sprv; 7334, Stationary Engineer;
- C. Will contractor provide facilities and/or equipment not currently possessed by the City? If so, explain: No.

4. If applicable, what efforts has the department made to obtain these services through available resources within the City?

None. The emergency nature of the SIP rehousing effort, its scale, and the expedited timeline under which it must be completed, has required that the City purchase the properties directly and own them in the immediate term, while simultaneously conducting solicitations from qualified entities to operate the properties as PSH. These operators include property management entities with expertise managing PSH. While it is unprecedented for the City to purchase hotels and residential properties for use as PSH, the quick and direct City purchase has enabled the City to leverage significant federal and state funding for acquisition. It is not the City's intent to hold these properties in perpetuity; following stabilization of each property as a PSH site, it is the City's goal to outline a process by which the properties can be transferred to non-profit ownership and management. Although the acquired properties will be owned by the City on an interim basis, there are not City staff with the specialized knowledge and training in addressing the priorities of homeless and tenants with physical and behavioral health needs in addition to providing immediate property management services and conversion coordination. Furthermore, the state grants awarded to the City specifically require specialized knowledge and experience working with people who have experienced homelessness. To be competitive for the Homekey funding, the City made a commitment to work with a property management provider with the aforementioned level of experience. It would not be in the City's best interest to create new City classifications to perform this work for an interim period.

5. Why Civil Service Employees Cannot Perform the Services to be Contracted Out

- A. Explain why civil service classes are not applicable.

Although the acquired properties will be owned by the City on an interim basis, there are not City staff with the specialized knowledge and training in addressing the priorities of homeless and tenants with physical and behavioral health needs in addition to providing immediate property management services and conversion coordination, specifically as it relates to addressing the needs and priorities of formerly homeless and extremely low-income households. Furthermore, the state grants awarded to the City specifically require specialized knowledge and experience working with people who have experienced homelessness. To be competitive for the Homekey funding, the City made a commitment to work with a property management provider with the aforementioned level of experience. It would not be in the City's best interest to create new City classifications to perform this work for an interim period. It would also not be practical to create new City classifications to perform this work for an interim basis.

- B. If there is no civil service class that could perform the work, would it be practical and/or feasible to adopt a new civil service class to perform this work? Explain. Although the acquired properties will be owned by the City on an interim basis, there are not City staff with the specialized knowledge and training in addressing the priorities of homeless and tenants with physical and behavioral health needs in addition to providing immediate 24/7 property management services and conversion coordination, specifically as it relates to addressing the needs and priorities of formerly homeless and extremely low-income households. Furthermore, the state grants awarded to the City specifically require specialized knowledge and experience working with people who have experienced homelessness. To be competitive for the Homekey funding, the City made a commitment to work with a property management provider with the aforementioned level of experience. It would not be in the City's best interest to create new City classifications to perform this work for an interim period. It would also not be practical to create new City classifications to perform this work for an interim basis.

6. **Additional Information**

- A. Will the contractor directly supervise City and County employee? If so, please include an explanation.
No.
- B. Will the contractor train City and County employees and/or is there a transfer of knowledge component that will be included in the contact? If so, please explain what that will entail; if not, explain why not.
No. No training required as there are no Civil Service Classifications that have the qualifications listed to perform this work.
- C. Are there legal mandates requiring the use of contractual services?
No.
- D. Are there federal or state grant requirements regarding the use of contractual services? If so, please explain and include an excerpt or copy of any such applicable requirement.
No.
- E. Has a board or commission determined that contracting is the most effective way to provide this service? If so, please explain and include a copy of the board or commission action.
No.
- F. Will the proposed work be completed by a contractor that has a current PSC contract with your department? If so, please explain.
Yes. The proposed work will be completed by service providers who are awarded Master Lease and Property Management agreements through a competitive process, many of whom have active agreements with HSH.

7. **Union Notification:** On 07/29/2022, the Department notified the following employee organizations of this PSC/RFP request:
Architect & Engineers, Local 21; Prof & Tech Eng, Local 21; Professional & Tech Engrs, Local 21; SEIU 1021 Miscellaneous; SEIU Local 1021; Stationary Engineers, Local 39

I CERTIFY ON BEHALF OF THE DEPARTMENT THAT THE INFORMATION CONTAINED IN AND ATTACHED TO THIS FORM IS COMPLETE AND ACCURATE:

Name: Monique Colon Phone: 4153555230 Email: monique.colon@sfgov.org

Address: 440 Turk Street San Francisco, CA 94102

FOR DEPARTMENT OF HUMAN RESOURCES USE

PSC# 43675 - 22/23

DHR Analysis/Recommendation:

action date: 08/15/2022

Commission Approval Required
conditions

Approved by Civil Service Commission with

08/15/2022 DHR Approved for 08/15/2022

President, District 10
BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. 554-6516
Fax No. 554-7674
TDD/TTY No. 544-6546

Shamann Walton

PRESIDENTIAL ACTION

Date: 11/17/2022

To: Angela Calvillo, Clerk of the Board of Supervisors

Madam Clerk,

Pursuant to Board Rules, I am hereby:

Waiving 30-Day Rule (Board Rule No. 3.23)

File No.

221157

Mayor

(Primary Sponsor)

Title. Lease and Property Management Agreement - Dolores Street Community Services - 3055-3061 16th Street - Not to Exceed \$7,446,000; Certain Administrative Code Waiver

Transferring (Board Rule No 3.3)

File No.

(Primary Sponsor)

Title.

From:

Committee

To:

Committee

Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor:

Replacing Supervisor:

For:

(Date)


(Committee)

Meeting

Start Time:

End Time:

Temporary Assignment: Partial Full Meeting


Shamann Walton, President
Board of Supervisors



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 #: 221157

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
Bryn Miller	978-460-2875
FULL DEPARTMENT NAME	DEPARTMENT CONTACT EMAIL
HOM Homelessness and Supportive Housing	bryn.miller@sfgov.org

5. CONTRACTOR	
NAME OF CONTRACTOR Dolores Street Community Services	TELEPHONE NUMBER (415) 282-6209
STREET ADDRESS (including City, State and Zip Code) 938 Valencia Street, San Francisco, CA 94110	EMAIL

6. CONTRACT		
DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)	ORIGINAL BID/RFP NUMBER	FILE NUMBER (If applicable) 221157
DESCRIPTION OF AMOUNT OF CONTRACT \$7,446,000		
NATURE OF THE CONTRACT (Please describe) Agreement for property management services and lease for Permanent Supportive Housing at 3061 16th Street.		

7. COMMENTS

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	Valdéz	Laura	CEO
2	Hidalgo	Saul	CFO
3	Winn	Michael	Board of Directors
4	Hernandez	Pedro	Board of Directors
5	Lin	Kani	Board of Directors
6	Cameron	Anjali	Board of Directors
7	Leonard-wookey	Anat	Board of Directors
8	Tanaka	Chelsey	Board of Directors
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9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor’s board of directors; (B) the contractor’s principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
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9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor’s board of directors; (B) the contractor’s principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
39			
40			
41			
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50			
<input type="checkbox"/>	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>
---	---------------------------

City & County of San Francisco
London N. Breed, Mayor



Office of the City Administrator
Carmen Chu, City Administrator
Andrico Q. Penick, Director of Real Estate

November 10, 2022

Honorable Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: Lease and Property Management Agreement – 3061 16th Street – Permanent Supportive Housing

Dear Honorable Board Members:

Attached for your consideration is an Ordinance authorizing the Director of Property and the Executive Director of the Department of Homelessness and Supportive Housing (“HSH”) to enter into a Lease and Property Management Agreement (“Agreement”) with Dolores Street Community Services (“DSCS”). The Agreement authorizes DSCS to lease, operate, and maintain the real property and residential improvements for the property located at 3061 16th Street (“Property”).

The Property consists of a 25-room hotel which was acquired by the City in fall 2021 to be converted into Permanent Supportive Housing for Transitional Aged Youth exiting homelessness by Resolution #480-21.

The Agreement is for an initial five-year term, with an option to extend for up to an additional five years and base rent of \$1.00 per year with no annual rent increases, commencing upon the first day of the month following the effective date of this Ordinance. Annual net property management and operating costs will be paid by the City in a total five-year amount not to exceed \$7,446,000.

The City, through HSH and the Real Estate Division, in consultation with the Office of the City Attorney, has negotiated the Agreement with DSCS. The below market rent payable under the Agreement will serve a public purpose by providing Permanent Supportive Housing for low-income households in need, in accordance with Section 23.33 of the Administrative Code.

The Ordinance waives Administrative Code Chapter 6, to the extent applicable to work performed by DSCS or its agents at the Property, provided the payment of prevailing wages and apprenticeship requirements as required by Section 23.61 of the Administrative Code will apply as set forth in the Agreement.

Along with the recommendation of the Director of Property, HSH recommends approval of the proposed resolution authorizing the Agreement. If you have questions regarding the property management and operations services, please contact Dylan Schneider of HSH at 628.652.7742 or dylan.schneider@sfgov.org; if you have questions regarding the lease, please contact me at 415.554.9871 or claudia.gorham@sfgov.org.

Respectfully,

Claudia J. Gorham
Deputy Managing Director