

File No. 221084

Committee Item No. 2

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date November 9, 2022

Board of Supervisors Meeting Date _____

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
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| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
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OTHER (Use back side if additional space is needed)

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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Personal Services Contract Summary 8/30/2022</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>HSH Solicitation of Information 10/2021</u> |
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Completed by: Brent Jalipa Date November 3, 2022

Completed by: Brent Jalipa Date _____

1 [Lease and Property Management Agreement - The Tides Center/Delivering Innovation in
2 Supportive Housing - 1321 Mission Street - Not to Exceed \$19,500,000]

3 **Resolution 1) approving and authorizing the Director of Property and the Executive**
4 **Director of the Department of Homelessness and Supportive Housing, to enter into a**
5 **Lease and Property Management Agreement (“Agreement”) with The Tides Center,**
6 **as fiscal sponsor for Delivering Innovation in Supportive Housing (“Tenant”), to**
7 **authorize Tenant to lease, operate, and maintain the real property and residential**
8 **improvements located at 1321 Mission Street for an initial five-year term, to**
9 **commence upon approval of this Resolution, with an option to extend for up to an**
10 **additional five years with a base rent of \$1 per year with no annual rent increases,**
11 **and for net property management and operating costs to be paid by the City in an**
12 **amount not to exceed \$19,500,000; 2) determining that the below market rent payable**
13 **under the Agreement will serve a public purpose by providing permanent supportive**
14 **housing for low-income households in need, in accordance with Administrative**
15 **Code, Section 23.33; 3) adopting findings declaring that the Property is “exempt**
16 **surplus land” under the California Surplus Lands Act; 4) affirming the Planning**
17 **Department’s determination under the California Environmental Quality Act; 5)**
18 **adopting the Planning Department’s findings of consistency with the General Plan,**
19 **and the eight priority policies of Planning Code, Section 101.1; and 6) authorizing the**
20 **Director of Property and the Executive Director of the Department of Homelessness**
21 **and Supportive Housing to execute the Agreement, make certain modifications, and**
22 **take certain actions in furtherance of the Agreement and this Resolution, as defined**
23 **herein.**

1 WHEREAS, The Department of Homelessness and Supportive Housing’s (“HSH”)
2 mission is to prevent homelessness when possible and to make homelessness a rare,
3 brief, and one-time experience in San Francisco through the provision of coordinated,
4 compassionate, and high-quality services; and

5 WHEREAS, With the enactment of Resolution No. 319-18 in October 2018, the
6 Board of Supervisors and Mayor Breed declared a shelter crisis and affirmed San
7 Francisco’s commitment to combatting homelessness and creating or augmenting a
8 continuum of shelter and service options for those experiencing homelessness; and

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

13 WHEREAS, In July 2020, Mayor Breed announced her Homelessness Recovery
14 Plan, that included the goal of acquiring and operating 1,500 new units of PSH; and

15 WHEREAS, As of June 30, 2022, the City had nearly doubled the goal with 2,918
16 units of site-based and scattered site PSH that were active or under contract with a non-
17 profit provider since July 2020; and

18 WHEREAS, On October 19, 2021, the Board of Supervisors adopted Resolution
19 No. 482-21, on file with the Clerk of the Board of Supervisors in File No. 210967, approving
20 and authorizing the acquisition of the real property and improvements located at 1321
21 Mission, Assessor Parcel Number Block 3509, Lot 043 (the “Property”); and

22 WHEREAS, On March 9, 2022, the Board of Supervisors adopted Resolution No.
23 067-22, on file with the Clerk of the Board of Supervisors in File No. 220133, authorizing
24 HSH to accept and expend up to \$54,778,000 of Project Homekey grant funds from the
25

1 California Department of Housing and Community Development for the acquisition and
2 operation of the Property; and

3 WHEREAS, The City acquired the Property on March 25, 2022, a copy of the final
4 executed Purchase and Sale Agreement is on file with the Clerk of the Board of
5 Supervisors in File No. 210967; and

6 WHEREAS, The Property consists of approximately 9,208 square feet of land,
7 and improvements including a residential building consisting of 160 apartments, ground
8 floor commercial space, a central lobby, public lounges, common areas, rooftop garden,
9 and all personal property and equipment used in connection with the operation of the
10 Property; and

11 WHEREAS, In March 2022, HSH selected The Tides Center, as fiscal sponsor to
12 Delivering Innovation in Supportive Housing (“DISH”), a California nonprofit public benefit
13 corporation, hereinafter referred to as Tenant, through a Solicitation of Interest, a copy of
14 which is on file with the Clerk of the Board of Supervisors in File No. 221084, to provide
15 property management and operations services at the Property; and

16 WHEREAS, HSH desires to enter into a Lease and Property Management
17 Agreement with Tenant, to provide onsite property management and operations services at
18 the Property for an initial five-year term commencing upon approval of this Resolution, a
19 copy of which is on file with the Clerk of the Board of Supervisors in File No. 221084
20 (“Agreement”); and

21 WHEREAS, The Agreement requires Tenant to be responsible for the ongoing
22 management, maintenance, and operation of the Property as PSH in accordance with HSH
23 housing-first and PSH policies and as residential housing for any other existing residents in
24 accordance with all applicable laws; and

1 WHEREAS, In exchange for such services at the Property, the Agreement
2 requires the City to fund the annual net property management and operating costs for the
3 Property in a total five-year amount not to exceed \$19,500,000, subject to appropriations
4 and certain other conditions, reporting requirements, and HSH approval of an annual
5 operating budget submitted by Tenant, as further described in the Agreement; and

6 WHEREAS, The Agreement includes a base rent of \$1 per year to be paid by
7 Tenant to City with no annual rent increases; and

8 WHEREAS, The Director of Property has determined the annual base rent to be
9 below market rent, but the lower rent will serve a public purpose by providing PSH for formerly
10 homeless and low-income households in need, in accordance with Section 23.33 of the
11 Administrative Code; and

12 WHEREAS, The Agreement includes an option to extend the term of the Agreement
13 for up to an additional five years (“Extension Option”), and if the City and Tenant desire to
14 exercise the Extension Option, the Director of Property and HSH Executive Director will seek
15 any required City approvals at that time, subject to all applicable laws; and

16 WHEREAS, The Planning Department, by letter dated September 3, 2021
17 (“Planning Letter”), which is on file with the Clerk of the Board of Supervisors under File No.
18 210967 and incorporated herein by reference, found that the acquisition of the Property is not
19 a project under the California Environmental Quality Act (California Public Resources Code,
20 Sections 21000 et seq.) (“CEQA”) under CEQA Guidelines, Sections 15378 and 15060(c)(2)
21 (“CEQA Determination”) and is consistent with the General Plan, and the eight priority policies
22 under Planning Code, Section 101.1 (“General Plan Findings”); and

23 WHEREAS, The Property is “exempt surplus land,” as defined by California
24 Government Code, Section 54221(f)(1)(F), because the Project will restrict all of the
25 residential units to persons and families of low or moderate income, with at least 75 percent of

1 the residential units restricted to lower income households, as defined in Section 50079.5 of
2 the California Health and Safety Code, with an affordable rent, as defined in Section 50053 of
3 the California Health and Safety Code, for a minimum of 55 years; and

4 WHEREAS, The Board of Supervisors has considered the lease of the Property to
5 Tenant and finds that the Project and future maintenance and repair work by Tenant will not
6 constitute a public work or improvement, and accordingly contracts entered into by, or on
7 behalf of, Tenant in connection with the Property are not subject to the requirements of
8 Administrative Code, Chapter 6, but the Agreement requires Tenant to comply with
9 Administrative Code, Chapter 23, Article VII, including compliance with prevailing wage;
10 apprenticeship and local hiring requirements; and

11 WHEREAS, On August 15, 2022, the Civil Service Commission approved property
12 management and operations services to be provided by selected non-profit organizations at
13 HSH acquired properties, including the Tenant at the Property, under PSC #43675-22/23 in
14 the total amount of \$52,000,000 for a period of five years, a copy of which is on file with the
15 Clerk of the Board of Supervisors in File No. 221084; and

16 WHEREAS, The funding of the net property management and operating costs for
17 the Property requires Board of Supervisors approval under Section 9.118 of the San
18 Francisco Charter; now, therefore, be it

19 RESOLVED, That in accordance with the recommendation of the HSH Executive
20 Director and the Director of Property, the Board of Supervisors approves the Agreement in
21 substantially the form presented to the Board and hereby authorizes the Director of
22 Property and the HSH Executive Director, or their designee(s), to execute the Agreement;
23 and, be it

24 FURTHER RESOLVED, The Board of Supervisors affirms the Planning
25 Department's CEQA Determination and General Plan Findings, for the same reasons as

1 set forth in the Planning Letter and for the further reasons that the Agreement does not
2 authorize a change in the use of the Property, or physical changes to the Property that
3 could result in significant environmental impacts, and hereby incorporates such findings by
4 reference as though fully set forth in this Resolution; and, be it

5 FURTHER RESOLVED, That the Board of Supervisors confirms that the below market
6 rental rate of the Agreement furthers a proper public purpose sufficient to meet the
7 requirements of Administrative Code Section 23.33; and, be it

8 FURTHER RESOLVED, That the Board of Supervisors finds that the Property is
9 “exempt surplus land,” as defined by California Government Code, Section 54221(f)(1)(F), for
10 the reasons set forth above; and, be it

11 FURTHER RESOLVED, That HSH is authorized to fund the net property management
12 and operating costs for the Property in a total amount not to exceed \$19,500,000, subject to
13 appropriations and certain other conditions, reporting requirements, and HSH approval of an
14 annual operating budget for the Property, as further described in the Agreement; and, be it

15 FURTHER RESOLVED, That the Board of Supervisors authorizes the HSH Executive
16 Director and the Director of Property, or their designees, to take all actions on behalf of the
17 City to enter into, execute, and perform its obligations under the Agreement (including, without
18 limitation, the exhibits) and any other documents that are necessary or advisable to effectuate
19 the purpose of this Resolution and the Agreement; and, be it

20 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
21 Property and the HSH Executive Director, or their designees, in consultation with the City
22 Attorney, to enter into any additions, amendments, or other modifications to the Agreement
23 and any other documents or instruments necessary in connection therewith (including but
24 not limited to the exhibits attached to the Agreement) that the HSH Executive Director and
25 the Director of Property determine are in the best interests of the City, do not materially

1 decrease the benefits to the City, do not materially increase the obligations or liabilities of
2 the City, are necessary or advisable to effectuate the purposes of the Agreement or this
3 Resolution, and are in compliance with all applicable laws, including the City's Charter,
4 such determination to be conclusively evidenced by the execution and delivery by the HSH
5 Executive Director and Director of Property of any such additions, amendments, or other
6 modifications; and, be it

7 FURTHER RESOLVED, That all actions taken by any City employee or official
8 with respect to the Agreement are hereby approved and ratified; and, be it

9 FURTHER RESOLVED, That within thirty (30) days of the Agreement being fully
10 executed by all parties, HSH shall submit to the Clerk of the Board of Supervisors a fully
11 executed copy for inclusion in the official file.

12
13
14 RECOMMENDED:

15
16 /s/ _____

17 Shireen McSpadden
18 Department of Homelessness and Supportive Housing
19 Executive Director

20
21
22 /s/ _____

23 Andrico Q. Penick
24 Real Estate Division
25 Director of Property

| | |
|---|---|
| <p>Item 2 File 22-1084</p> | <p>Department: Homelessness and Supportive Housing (HSH)</p> |
| <p>EXECUTIVE SUMMARY</p> | |
| <p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> • The proposed resolution approves a lease and property management agreement between HSH with the Tides Center/Delivering Innovation in Supportive Housing for the City-owned property at 1321 Mission Street, a 160-unit permanent supportive housing site. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • The \$86.5 million purchase of 1321 Mission Street was approved by the Board of Supervisors in October 2021. In March 2022, the Board approved the acceptance of a \$54.8 million Homekey Grant to offset the cost of the purchase and provide a partial operating subsidy for five years. • Under the proposed agreement, Tides serves as the fiscal sponsor for Delivering Innovation in Supportive Housing (DISH). DISH would lease, operate, and maintain the City-owned property at 1321 Mission Street to provide permanent supportive housing. The agreement has a 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. • Through a Solicitation of Interest (SOI) process, HSH entered an agreement with Tides/DISH to provide property management services at 1321 Mission Street from March 15, 2022 through February 28, 2023. The interim property agreement will sunset earlier if the proposed master lease is approved. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • The City is to pay the net property management and operating costs in a total five-year amount not to exceed \$19,500,000. • Total operating expenditures of \$15.4 million will be funded through \$6.9 million in Project Homekey grant funds and \$7.1 million in Proposition C funds. The cost to the City is offset by an anticipated \$1.4 million of tenant income. There is an additional \$2.2 million of reserves funded through Proposition C and \$3.3 million in contingency at a rate of 20 percent. <p style="text-align: center;">Policy Consideration</p> <ul style="list-style-type: none"> • The contract for property management and supportive services at 1321 Mission Street will cost approximately \$26,000 per unit per year, or \$6,200 more than the previous estimate made during the acquisition of the property and approximately \$1,725 more than the Tides/DISH property management agreement approved by the Board of Supervisors in May 2022. According to HSH, new requirements to manage a City-owned asset and updates to the supportive services model increased per unit costs. <p style="text-align: center;">Recommendation</p> <ul style="list-style-type: none"> • Approve the proposed resolution. | |

MANDATE STATEMENT

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

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 and operating 1,500 new units of permanent supportive housing over the next two years. According to the proposed resolution, as of June 30, 2022, the City had acquired 2,918 new units of site-based and scattered site Permanent Supportive Housing (PSH) 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.

1321 Mission Street

The Board of Supervisors approved the purchase of 1321 Mission Street at a total acquisition cost of \$86.5 million (File 21-0967) in October 2021 and, in March 2022, approved the acceptance of a \$54.8 million Homekey Grant to offset the cost of the purchase and provide a partial operating subsidy for five years (File 22-0133). The Homekey grant agreement requires that the property be 90 percent occupied by March 2023.

On March 25, 2022, the City acquired 1321 Mission Street to provide Permanent Supportive Housing (PSH). 1321 Mission is approximately 9,000 square feet of land with 160 apartments, a ground-floor commercial space, a central lobby, public lounges, commons areas, and a rooftop garden. The property is in the South of Market District at the corner of Mission Street and 9th Street. According to HSH staff, 95 units are filled, a 60% occupancy rate. Of the tenant units, 31 are occupied by adults aged 60 or older; 42 are occupied by other adults; 18 are occupied by families; and 4 are occupied by market-rate tenants who lived in the units at the time of acquisition and continue to reside there. The selected non-profit provider continues to process referrals to fill vacant units.

Procurement of Tides/DISH Property Management Services for 1321 Mission Street

In October 2021, HSH issued a Solicitation of Information (SOI) to select an operator for three newly acquired PSH buildings, including 1321 Mission. Four proposals were received for this SOI, including a proposal from Tides/DISH. Three evaluation panelists scored the proposals divided amongst three categories: Plan, Organizational Experience & Capacity, and Budget. The

Tides/DISH proposal received an average score of 98.8 out of 100 possible points and was awarded the contract.

Interim Property Management Agreement

In March 2022, HSH entered an interim agreement with Tides/DISH to provide property management services at 1321 Mission Street from March 15, 2022 through February 28, 2023. If the proposed master lease is approved, this interim property agreement will sunset earlier. The budget has a not to exceed amount of \$3,060,085 with a term budget of \$2,448,068 and \$612,017 in contingency at a 25% rate, funded primarily by Homeless Gross Receipt Tax (Proposition C) revenues and approximately \$300,000 in tenant income. The contract funds 10.90 full-time equivalent (FTE) positions.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution approves a lease and property management agreement with the Tides Center, as the fiscal sponsor for Delivering Innovation in Supportive Housing (DISH). The Tides Center would authorize DISH to lease, operate, and maintain the City-owned property at 1321 Mission Street. The agreement includes:

- A 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.
- A not to exceed amount of \$19,500,000 for the City to pay the net property management and operating costs.

The proposed legislation would also make the following findings and actions:

- The below market rent payable under the agreement will provide Permanent Supportive Housing for low-income households in need, in accordance with Section 23.33 of the Administrative Code.
- Adopt findings declaring that the property is “exempt surplus land” under the California Surplus Lands Act.
- Affirm the Planning Department’s determination under the California Environmental Quality Act.
- Adopt the Planning Department's findings of consistency with the General Plan and Planning Code Section 101.1.
- Authorize the Director of Property and the Executive Director of HSH to execute the agreement, make certain modifications, and take certain actions in furtherance of the agreement and resolution.

Lease and Property Management Agreement Services

Tides/DISH would be responsible for providing property management services at 1321 Mission for 160 units comprised of 120 adult units, 39 family units, and 1 programmatic office space. Residents would be referred by HSH’s Coordinated Entry program. Supportive services are provided by a partnership between University of California San Francisco and Compass Family Services, funded by HSH.

Tides/DISH 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 24 hours a day, seven days a week.

Under the agreement, Tides/DISH will submit an annual operating budget, an annual property management plan, and an annual preventative maintenance plan and schedule for City approval. Tides/DISH would be able to adjust budget line items by no more than 20%, unless first receiving HSH pre-approval. No later than July 10-15 of each Operating Year, HSH would deposit 25% of the Annual Operating Subsidy for Tides/DISH to pay for initial project expenses. Tides/DISH should submit monthly invoices and any related documentation to HSH within 30 days after the month the expenditures occurred.

Project Reserves

The Project Reserves are detailed in Exhibit E of the annual operating budget. The City would hold any required project reserves and Tides/DISH must receive written approval from the City before incurring any costs against reserves listed. The City would approve uses of the reserves in two general categories: (1) operating reserve and (2) replacement reserve. The operating reserve may be used to alleviate cash shortages from unbudgeted maintenance expenses, increases to utility costs, abnormally high vacancies, inability to collect rent, final quotes for property insurance and elevator contracts, and other project expenses. The replacement reserve may be used for unusual replacement and repairs, relocation costs due to an unanticipated emergency, or the replacement of furniture, fixtures, or equipment required. The replacement reserve is sized to allow for 5% of the units to be turned over and re-released per year plus \$20,000 for unexpected building systems emergency repairs. According to Exhibit E, the reserve amounts total \$2,245,600 and is prorated annually over the 5-year term. According to HSH staff, the reserve amount is based on review of the budget in comparison to other similar sized buildings.

Service and Outcome Objectives

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

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

The outcome objectives state that:

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

Fiscal and performance monitoring will occur annually. In addition, Tides/DISH is required to submit monthly, quarterly, annual, and ad-hoc reports to HSH.

FISCAL IMPACT

The proposed resolution would approve a total not to exceed amount of \$19,500,000. As Exhibit 1 shows below, the term budget totals \$14,002,719. The budget also includes \$2,245,600 of Homeless Gross Receipts Tax (Proposition C) Reserve funds. The not-to-exceed amount includes \$3,251,682 in contingency funding at a rate of approximately 20 percent.

Excluding reserves, the total operating expenditure for this contract is \$15,418,295, and the total HSH funding is \$14,002,719. Operating costs are offset by \$1,415,576 in estimated tenant rental income.

Exhibit 1 below shows the proposed budget of this resolution for the five-year period.

Exhibit 1: Fiscal Impact of Proposed Resolution

| | Year 1 (12/1/2022- 6/30/2023) | Year 2 (7/1/2023- 6/30/2024) | Year 3 (7/1/2024- 6/30/2025) | Year 4 (7/1/2025- 6/30/2026) | Year 5 (7/1/2026- 6/30/2027) | All Years (12/1/2022- 6/30/2027) |
|--------------------------------------|-------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|--|
| Expenditures | | | | | | |
| Salaries & Benefits | \$603,970 | \$1,066,439 | \$1,098,433 | \$1,131,385 | \$1,165,327 | \$5,065,555 |
| Operating Expenses | 1,211,329 | 1,372,856 | 1,413,292 | 1,454,941 | 1,497,839 | 6,950,256 |
| Indirect Cost | 272,295 | 365,894 | 376,759 | 387,949 | 399,475 | 1,802,372 |
| Other Expenses | 454,085 | 224,464 | 205,139 | 211,293 | 217,632 | 1,312,612 |
| Capital Expenditure | - | 287,500 ¹ | - | - | - | 287,500 |
| Total Expenditures | \$2,541,679 | \$3,317,154 | \$3,093,622 | \$3,185,568 | \$3,280,272 | \$15,418,295 |
| Reserves | | | | | | |
| Operating Reserve | 218,750 | 386,250 | 397,838 | 409,773 | 422,066 | 1,834,676 |
| Replacement Reserve | 48,956 | 86,520 | 89,116 | 91,789 | 94,543 | 410,924 |
| Total Reserves | \$267,706 | \$472,770 | \$486,953 | \$501,562 | \$516,609 | \$2,245,600 |
| Total Expenditures + Reserves | \$2,809,385 | \$3,789,924 | \$3,580,575 | \$3,687,130 | \$3,796,881 | \$17,663,895 |
| Revenues | | | | | | |
| State Project Homekey | 2,048,603 | 2,682,379 | 2,167,018 | - | - | 6,898,000 |
| Prop C | 365,400 | 312,800 | 604,629 | 2,863,593 | 2,958,297 | 7,104,719 |
| Subtotal | \$2,414,003 | \$2,995,179 | \$2,771,647 | \$2,863,593 | \$2,958,297 | \$14,002,719 |
| Prop-C Reserves | 267,706 | 472,770 | 486,953 | 501,562 | 516,609 | 2,245,600 |
| Total HSH Revenues | \$2,681,709 | \$3,467,949 | \$3,258,600 | \$3,365,155 | \$3,474,906 | \$16,248,319 |
| Tenant Income | 127,676 | 321,975 | 321,975 | 321,975 | 321,975 | 1,415,576 |
| Total HSH + Other Revenues | \$2,809,385 | \$3,789,924 | \$3,580,575 | \$3,687,130 | \$3,796,881 | \$17,663,895 |
| Not-to-Exceed Contract Amount | | | | | | |
| Agreement Funding Sources | | | | | | \$16,248,319 |
| Contingency (20%) | | | | | | \$3,251,681 |
| Total Not-to-Exceed Amount | | | | | | \$19,500,000 |

¹ Allocated towards a guardrail revision to prevent tenant injury. \$37.5k contingency.

Source: Appendix E of Proposed Lease Agreement

Sources of Funding

Operating costs are funded by the previously approved Homekey grant (\$6.9 million), Homelessness Gross Receipt Tax revenues (\$7.1 million), and tenant income (\$1.4 million). A \$2.2 million reserve is funded by Homeless Gross Receipt Tax revenues.

According to HSH staff, the final amount of Homekey and Homeless Gross Receipt Tax funds will be different than in the draft agreement, which is shown above in Exhibit 1. HSH staff estimate that \$679,885 of the \$6,898,000 Homekey operating award will be expended in the interim property management contract through November 2022, reducing the total amount of Project Homekey funds for this agreement in Year 3, which will be backfilled by Homeless Gross Receipt Tax funding.

Staffing

The proposed grant agreement funds 11.90 full-time equivalent positions for property management. In addition, the agreement provides funding for janitorial, legal, and security services. This agreement has an increase of 1.00 FTE compared to the interim agreement. The additional 1.00 FTE is a financial analyst responsible for monthly reporting, including occupancy and assessment information, oversight of accounting, and invoicing procedures required to comply with the City's reporting requirements.

The agreement also includes approximately \$9,000 per year of unallocated salary for property management pay equity increases for positions funded by the contract.

POLICY CONSIDERATION

The proposed lease agreement’s budget includes funding for services the Department believes are necessary due to experience with its current PSH portfolio and because the property is City-owned. When the Board of Supervisors considered the purchase of 1321 Mission, HSH estimated that the cost of operating the site would be \$19,800 per unit per year for property management and supportive services. This estimate that was based on existing non-profit leased sites, in which a private owner is responsible for major repairs and upkeep, rather than the cost to operate this particular building and FY 2021-22 service models.

The contract for property management and supportive services at 1321 Mission Street will cost approximately \$26,000 per unit per year, or \$6,200 more than the original estimate. According to HSH, this is due to two main reasons: first, the supportive services amount reflects a staffing model for 38 family units at the site. Second, the property management costs are higher than at sites leased by a non-profit from a private owner. For example, per unit costs in the proposed agreement are approximately \$1,725 more than the Tides/DISH property management agreement approved by the Board of Supervisors in May 2022 (File 22-0452). According to HSH, this is due to new requirements to manage a City-owned asset, including: additional insurance coverage required by the City, legal costs, security, and financial costs associated with meeting the City’s financial reporting requirements. In addition, as noted above, the proposed agreement includes \$2.2 million in project reserves (or approximately \$500,000 annually), similar to a MOHCD affordable housing project, to pay for unexcepted building costs.

RECOMMENDATION

Approve the proposed resolution.

DRAFT

LEASE AND PROPERTY MANAGEMENT AGREEMENT
1321 Mission Street, San Francisco, CA

This Lease and Property Management Agreement (“**Agreement**”), is entered into as of [_____, 2022 (the “**Effective Date**”), by and between THE CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (the “**City**”), and THE TIDES CENTER, AS FISCAL SPONSOR FOR DELIVERING INNOVATION IN SUPPORTIVE HOUSING (DISH), a California nonprofit public benefit corporation (together, the “**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 9,208 square feet of land, located in the City and County of San Francisco, commonly known as 1321 Mission Street, Assessor Parcel Number Block 3509, Lot 043 and more particularly described in the attached Exhibit A (“**Site**”), with improvements including an apartment building consisting of 160 apartments, ground floor commercial space, a central lobby, public lounges, common areas, rooftop garden, 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 [_____, 2022], the City’s Board of Supervisors and the Mayor approved Resolution 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.

- 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 Reserve funds 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.
- 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.

- 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, 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, central lobby, rooftop garden, lounges, corridors, elevators, stairways, 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.

3. TERM

- 3.1. Term.** The term of this Agreement (“**Term**”) will commence upon the Effective Date and will end on [_____, 2027] (“**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 will allow one three-bedroom unit at the Premises to be used as Tenant's staff unit, unless otherwise agreed to by City and Tenant. 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 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.

(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(s), 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 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 City approval, Tenant will either i) use the Commercial Space as programming space for PSH Residents at the Premises and in accordance with PSH Program Rules, or ii) 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 front desk coverage 24 hours per day, seven days per week. 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.

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 5.14, 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. 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 laws, 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, 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 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 2528 l(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. 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 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, facsimile, or by express delivery service with a delivery receipt and addressed

if to Tenant at:

The Tides Center
1012 Torney Ave.
San Francisco, CA 94129
Attn: Director, Legal

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with a copy to: Delivering Innovation in Supportive Housing (DISH)
1119 Market Street, 2nd Floor
San Francisco, CA 94102
Attn: Executive Director

if to City at: Department of Homelessness and Supportive Housing
440 Turk Street
San Francisco, CA 94102
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 March 15, 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

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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 laws.

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

(f) 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.

(g) 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:

(1) 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 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, 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 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:

THE TIDES CENTER, AS FISCAL SPONSOR FOR
DELIVERING INNOVATION IN SUPPORTIVE
HOUSING (DISH), a California nonprofit public benefit corporation

By: _____
Name: _____
Its: _____

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EXHIBIT A

Legal Description of the Site

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

Beginning at a point of intersection of the Southwesterly line of 9th Street with the Southeasterly line of Mission Street, running thence Southwesterly along the Southeasterly line of Mission Street 113 feet 4 inches to the Northeasterly line of Washburn Street; thence at a right angle Southeasterly along the Northeasterly line of Washburn Street 81 feet 3 inches, thence at a right angle Northeasterly 113 feet and 4 inches to the Southeasterly line of 9th Street; and thence at a right angle Northwesterly along the Southwesterly line of 9th Street 81 feet and 3 inches to the Southeasterly line of Mission Street and the point of beginning.

Being a portion of Mission Block No. 3.

Assessors Lot/Block: Lot 043; Block 3509

EXHIBIT B

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

This ASSIGNMENT (the “**Assignment**”) is made and entered into as of _____, 20____, by and between CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (“**Assignor**”) and THE TIDES CENTER, AS FISCAL SPONSOR FOR DELIVERING INNOVATION IN SUPPORTIVE HOUSING (DISH), 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 _____, 2022 (the “**Agreement**”)), Assignor hereby assigns and transfers to Assignee all of Assignor’s right, title, claim and interest in and under certain leases executed with respect to that certain real property commonly known as 1321 Mission 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:

THE TIDES CENTER, AS FISCAL SPONSOR
FOR DELIVERING INNOVATION IN SUPPORTIVE
HOUSING (DISH), a California nonprofit public benefit corporation

By: _____
Name: _____
Its: _____

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SCHEDULE 1

LEASES

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EXHIBIT C

PSH Resident Selection Plan

See attached.

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1321 Mission

RESIDENT SELECTION PLAN

I. 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 1321 Mission Street (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 targeting Adult over 18 years of age (individuals and couples) and Families 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. This project proposes that the 160 units in the building will be occupied by Homekey eligible households, including two (2) employee units.

II. POLICY ON NON-DISCRIMINATION

It is the policy of the City and County of San Francisco (City) 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 City 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.

III. POLICY ON PRIVACY

It is the policy of the City to guard the privacy of applicants as conferred by the Federal Privacy Act of 1974, and other applicable confidentiality laws 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 regarding disability will be treated in a confidential manner.

IV. ELIGIBILITY FOR SELECTION

| Program Type | # of Total Units | Income Targeting | Eligibility Requirement |
|--|---|-------------------------|---|
| State of California Housing and Community Development Department – Homekey Program | 158 | N/A | Target Population is identified in HSC Section 50675.1.3 Individuals and families who are homeless or at-risk of homelessness as defined by Part 578.3 of Title 42 of the United States Code. |
| Department of Homelessness and Supportive Housing's Permanent Supportive Housing Program | | N/A | All new tenants will be referred by the Department of Homelessness and Supportive Housing (HSH) via the Coordinated Entry System. |
| | | | |
| Unit Breakdown by Population | # of Units in the building dedicated to the population | Income Targeting | Eligibility Requirement |
| Chronically Homeless | 60 | N/A | 60 studio units will serve chronically homeless adults aged 18 and over who are homeless or at-risk of homelessness as defined by Part 578.3 of Title 42 of the United States Code. Per HUD, a “chronically homeless” individual is defined to mean a homeless individual with a disability who lives either in a place not meant for human habitation, a safe haven, or in an emergency shelter, or in an institutional care facility if the individual has been living in the facility for fewer than 90 days and had been living in a place not meant for human habitation, a safe haven, or in an emergency shelter immediately before entering the institutional care facility. In order to meet the “chronically homeless” definition, the individual also must have been living as described above continuously for at least 12 months, or on at least four separate occasions |

| | | | |
|-----------------|-----------|-----|--|
| | | | in the last 3 years, where the combined occasions total a length of time of at least 12 months. Each period separating the occasions must include at least 7 nights of living in a situation other than a place not meant for human habitation, in an emergency shelter, or in a safe haven. |
| Adults aged 60+ | 40 | N/A | 40 studio units are designated to serve households with at least one person who is age 60 and over. |
| Adults 18+ | 19 | N/A | 20 studio units are designated to serve adults over the age of 18, who meet one or more of the following criteria: experiencing homelessness, are chronically homeless as defined by HUD, currently experiencing homelessness, or are at imminent risk of becoming homeless. |
| Families | 39 | N/A | 39 three-bedroom units designated to serve family households with minor children, who are currently experiencing homelessness or at risk of homelessness. |
| | | | |

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:

- a. Tenant screening and selection practices that promote accepting applicants regardless of their sobriety or use of substances, completion of treatment, or participation in services.
- b. 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.”
- c. Supportive services that emphasize engagement and problem solving over therapeutic goals and service plans that are highly tenant-driven without predetermined goals.
- d. Participation in services or program compliance is not a condition of permanent housing tenancy.
- e. Tenants have a lease and all the rights and responsibilities of tenancy, as outlined in California’s Civil, Health and Safety, and Government codes.
- f. The use of alcohol or drugs in and of itself, without other lease violations, is not a reason for eviction.
- g. In communities with coordinated assessment and entry systems, incentives for funding promote tenant selection plans for supportive housing that prioritize eligible tenants 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.

- h. 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.
- i. Services are informed by a harm-reduction philosophy that recognizes drug and alcohol use and addiction as a part of tenants’ lives, where tenants are engaged in nonjudgmental communication regarding drug and alcohol use, and where tenants are offered education regarding how to avoid risky behaviors and engage in safer practices, as well as connected to evidence-based treatment if the tenant so chooses.
- j. The project and specific apartment may include special physical features that accommodate disabilities, reduce harm, and promote health and community and independence among tenants. Units can come equipped with overdose detection devices if the tenant is willing to participate in Brave Button program though this program is voluntary.

Income and Rent Restrictions

- 1. Income and Rent Restrictions. Maximum rent is 30% of applicable maximum income level, adjusted for household size.
- 2. All Units except for the two staff 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 tenant history) shall not be used to screen applicants for housing, however, this information can be used to tailor appropriate support plans for residents after placement into housing.

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 determined to be necessary.

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

V. 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> |
|------------------|----------------|----------------|
| Studio | 1 | 2 |
| 3-Bedroom* | 3 | 4 |

*HSH’s criteria for family units require a child under the age of 18 in the parent/guardian’s care at the time of move into the unit. As per San Francisco Housing Code, children under the age of 6 shall not be counted towards the maximum occupancy standard. Households of three persons, regardless of the age of children in the household,

meet the minimum occupancy.

VI. REFERRALS

There is not an open application process for the units at the Project. No waiting list is being established. The 158 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). Individuals and families referred to vacancies through CE have been prioritized via an assessment administered by the CE Access Points. Individuals and families 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.

VII. 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.

VIII. VERIFICATION PROCEDURES

The following screening criteria will be used for each applicant:

- Homeless status will be verified in writing and documented in the ONE system.
- 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, in order for the tenant share of rent to be calculated at 30% of income.
- Copies of identifications obtained from government databases will be accepted to process housing applications for residents that don't have original documents.
- 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.
- Written disability verification, when required, to document eligibility (i.e. for applicants who must meet HUD's definition of chronically homeless).

IX. REASONS FOR DENIAL

1. Applicant who fails to attend multiple scheduled interviews.
2. Applicant has falsified information on the application.
3. Applicant's household size does not meet the established occupancy standards.
4. Applicant does not meet other program regulated eligibility requirements as described herein.
5. Applicant declines a unit when offered.
6. Applicant has engaged in or exhibited abusive or violent behavior towards staff or Project residents during the housing application process.
7. Applicant is listed in the National Sex Offender Registry and per legal mandates (ex. court order) are unable to reside in the building.

X. RIGHT TO REASONABLE ACCOMODATION

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 remove barriers to applicants' ability to live at the Project and use the facilities and take part in any programs offered on-site, or 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 will be asked to provide documentation of their request, with information from applicant's—medical/health care provider for verification that the requested accommodation is necessary due to a disability. If the applicant's disability is obvious and the need for the requested accommodation is apparent, Property Management will make a determination without requesting additional verification. 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.

XI. 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, Sections 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.

If an applicant does not meet the established eligibility criteria, Property Management will issue a written denial letter within two (2) business days of the decision to deny, and will include a clearly identified reason for denial and instructions on how to file an appeal. Upon request, Property Management will provide the applicant with additional information used to make the denial decision, such as an income calculation sheet. Applicants will have fourteen (14) calendar days to appeal the decision to deny, and may work with a Case Manager, Housing Navigator, or community advocate to submit their appeal and any supporting documentation. Property Management will review the appeal and consider the individual circumstances of each applicant and any mitigating factors, and will issue a response within five (5) calendar days of receiving the appeal.

XII. 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 are verifiable facts that would overcome or outweigh information already gathered in the resident screening process. The verifier must corroborate the reason(s) given by applicant for the disqualifying circumstances and determine that the prospect for lease compliance in the future is good because the reason for the applicant's 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).

XIII. UNIT ASSIGNMENTS

Property Management, in consultation with Service Provider, makes unit assignment decisions. 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 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.

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

A. HOUSING STABILITY

On-site Support Services will assess residents' skills and goals at intake and encourage all residents to participate in educational and employment services. The goals of these services are to increase education levels, skill levels, and find employment all geared towards increasing the resident's income. Additionally, clients will be asked to provide written verification of current income and assets to help with goal planning and housing stability support. Support Services will provide assistance to all residents in obtaining or maintaining benefits and income, and in solving problems related to county, state, and federal benefits programs.

Residents will be provided with assistance in identifying, applying for, and establishing appointments with available services such as food programs, medical clinics, in-home support, transportation services, and services for youth and children in the community.

Residents will also receive support in identifying and accessing services available within the community that meet specific needs or support progress toward identified goals. This may include providing information about services, calling to help establish appointments, assisting with the completion of applications, helping with appointment reminders, following up/checking in with clients regarding the process, and, as necessary, re-referral. Youth will be referred to appropriate community resources, and age-appropriate activities and groups will be provided on-site.

The on-site support services will identify residents and their children with unmet behavioral health needs that are impacting their ability to be stably housed. Support Services will also collaborate with property management to identify clients who have not been seen or have shown signs of concern to staff on at least a weekly basis. Outreach efforts shall be used to make contact with and check in with these residents.

B. TRANSFERS

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 person with a disability who has requested a unit transfer subject to the Reasonable Accommodation Policy.

d) Resident is no longer eligible for the unit or the subsidy for the unit.

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

C. 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 tenants at risk for eviction. If a resident is facing housing instability, Support Services shall coordinate with Property Management to find proactive ways to engage with tenants to prevent housing loss.

Support Services will assist tenants in communicating with, responding to, and meeting with Property Management. This may include helping a tenant to understand the 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.

Property Management shall ensure there is a process for Support Services to receive timely communication 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 tenants 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 tenants.

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 as quickly as possible.

D. 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. Households interested in moving to other types of housing in the future 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 15th 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 Operating Year, in the same format as Exhibit E attached hereto, for City’s approval. The Annual Operating Budget will be based on the Project Expenses incurred during the previous year, anticipated Project Income and a detailed estimate of all anticipated Project Expenses, as well as any other requested information by City, and the 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 10-15 of each Operating Year, HSH will deposit into the Tenant’s Project Operating Account an annual advance equivalent to 25% of the 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 20% to pay for actual Project Expenses; any adjustments to the budget line items in the City-approved Annual Operating Budget that exceed 20% 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 Annual Operating Budget. 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 30 days after the month the expenditures has been incurred. All final invoices must be submitted 30 days after the close of the Operating Year.

| Billing Month/Date | Operating Month Begin Date | Operating Month End Date |
|--------------------|----------------------------|--------------------------|
| August 31 | July 1 | July 31 |
| September 30 | August 1 | August 31 |
| October 31 | September 1 | September 30 |
| November 30 | October 1 | October 31 |
| December 31 | November 1 | November 30 |
| January 31 | December 1 | December 31 |
| February 28/29 | January 1 | January 31 |
| March 31 | February 1 | February 28/29 |
| April 30 | March 1 | March 31 |
| May 31 | April 1 | April 30 |
| June 30 | May 1 | May 31 |
| July 31 | 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 promptly 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 Project 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. Except for 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 will approve 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 Project Expenses and actual annual Project Income and Project Expenses, and explanations for the cause of any significant variances.
- a. Operating Reserve: City may approve release of operating reserve funds 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, inability to collect rent from Residents, and other Project Expenses that that are justified as costs greater than the approved Annual Operating Budget.
 - b. Replacement Reserve: City may approve release of replacement reserve funds solely to fund unusual replacement and repairs, such as replacing or repairing components of the Project, relocation costs due to unanticipated and emergency maintenance and repairs in accordance with Section 5.14 of the Agreement, or 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 the annual advance spend down cannot be fully recovered, by deducting actual expenditures from the Tenant's monthly invoices, by the end of the Operating Year, Tenant shall return to HSH any outstanding balance via check or wire in the amount verified by HSH contracts. Tenant shall return the funds after the final invoice of the Operating 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 Operating Year by July 30th annually, Tenant must either 1) fully spend the Annual Advance to pay actual Project Expenses or otherwise have incurred Project Expenses that have not yet been paid, or 2) return 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 name, client name, Protected Health Information (PHI), or Personally Identifiable Information (PII)); and
 - d. Include only costs that are reflected in the City-approved Annual Operating Budget other than emergency repairs or costs incurred pursuant to Article 13. City will not pay for costs that are not reflected in the City-approved Annual Operating Budget except as otherwise set forth in the Agreement.
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 1.16 in the Agreement. All Project Income and Annual Operating Subsidy must be deposited into the Project Operating Account such that monthly Project income and Project 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> |

| Type | Instructions and Examples of Documentation |
|-------------------|--|
| Security Deposits | Tenant shall maintain and provide documentation for all security deposits each time an invoice is submitted. Security 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 unless City otherwise permits in writing later submission. 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 tenants receiving lease violations, and the number and percentage of tenant lease violations that were resolved without loss of housing to tenants.
 - 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 Operating year, including: the number and percentage of tenants 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 tenants 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 tenants 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 households and eviction notices issued to households residing at the premises 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 written 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 promptly upon written 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 may 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 modifications to the requirements described herein will be effective no earlier than thirty (30) days after City's written notice to Tenant of such modifications. Tenant may propose adjustments to the Annual Operating Budget in order to account for any significant modifications to Tenant's responsibilities under this Exhibit, which City will consider in its reasonable discretion; provided, however nothing in this sentence shall be deemed to waive, limit, or otherwise impair the right to terminate as set forth in Section 3.2 of the Agreement.

DRAFT

EXHIBIT E

5-Year and Annual Operating Budget

See attached.

DRAFT

| | A | B | C | D | G | J | M | P | S | AK |
|----|---|---|---------------------|-------------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| 1 | DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING | | | | | | | | | Page 1 of 12 |
| 2 | Exhibit E – Master Lease & Property Management Budget Template | | | | | | | | | |
| 3 | Document Date | 10/13/2022 | | | | | | | | |
| 4 | Contract Term | Begin Date | End Date | Duration (Years) | | | | | | |
| 5 | Current Term | 12/1/2022 | 6/30/2027 | 5 | | | | | | |
| 7 | Provider Name | TIDES Center (Delivering Innovation in Supporti | | | | | | | | |
| 8 | Program | Lease and Property Management at 1321 Missi | | | | | | | | |
| 9 | F\$P Contract ID# | 1000024657 | | | | | | | | |
| 10 | Action (select) | New Agreement | | | | | | | | |
| 11 | Effective Date | 12/1/2022 | | | | | | | | |
| 12 | Budget Names | Lease & Property Management, Project Reserves, Real Estate Development Costs | | | | | | | | |
| 13 | | Current | New | | | | | | | |
| 14 | Term Budget | \$ - | \$ 14,002,719 | 20% | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | All Years |
| 15 | Reserves | | \$ 2,245,600 | | 12/1/2022 - 6/30/2023 | 7/1/2023 - 6/30/2024 | 7/1/2024 - 6/30/2025 | 7/1/2025 - 6/30/2026 | 7/1/2026 - 6/30/2027 | 12/1/2022 - 6/30/2027 |
| 16 | Contingency | \$ - | \$ 3,251,682 | | New | New | New | New | New | New |
| 17 | Not-To-Exceed | \$ - | \$ 19,500,000 | | | | | | | |
| 18 | | | | | | | | | | |
| 19 | | | | | | | | | | |
| 20 | Expenditures | | | | | | | | | |
| 21 | Salaries & Benefits | \$ 603,970 | \$ 1,066,439 | \$ 1,098,433 | \$ 1,131,385 | \$ 1,165,327 | \$ 5,065,555 | | | |
| 22 | Operating Expense | \$ 1,211,329 | \$ 1,372,856 | \$ 1,413,292 | \$ 1,454,941 | \$ 1,497,839 | \$ 6,950,256 | | | |
| 23 | Subtotal | \$ 1,815,299 | \$ 2,439,296 | \$ 2,511,724 | \$ 2,586,326 | \$ 2,663,166 | \$ 12,015,811 | | | |
| 24 | Indirect | | | | | | | | | |
| 25 | Indirect Cost | \$ 272,295 | \$ 365,894 | \$ 376,759 | \$ 387,949 | \$ 399,475 | \$ 1,802,372 | | | |
| 26 | Other Expenses (Not subject to indirect %) | \$ 454,085 | \$ 224,464 | \$ 205,139 | \$ 211,293 | \$ 217,632 | \$ 1,312,612 | | | |
| 27 | Capital Expenditure | \$ - | \$ 287,500 | \$ - | \$ - | \$ - | \$ 287,500 | | | |
| 29 | Total Expenditures | \$ 2,541,679 | \$ 3,317,154 | \$ 3,093,622 | \$ 3,185,568 | \$ 3,280,272 | \$ 15,418,295 | | | |
| 30 | | | | | | | | | | |
| 31 | <u>Operating Subsidies (select)</u> | | | | | | | | | |
| 32 | State Project Homekey | \$ 2,048,603 | \$ 2,682,379 | \$ 2,167,018 | \$ - | \$ - | \$ 6,898,000 | | | |
| 34 | Prop C | \$ 365,400 | \$ 312,800 | \$ 604,629 | \$ 2,863,593 | \$ 2,958,297 | \$ 7,104,719 | | | |
| 41 | Total HSH Revenues | \$ 2,414,003 | \$ 2,995,179 | \$ 2,771,647 | \$ 2,863,593 | \$ 2,958,297 | \$ 14,002,719 | | | |
| 42 | Program Income (to offset Total Expenditures) | | | | | | | | | |
| 43 | Tenant Income | \$ 127,676 | \$ 321,975 | \$ 321,975 | \$ 321,975 | \$ 321,975 | \$ 1,415,576 | | | |
| 44 | Other Program Income | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | | |
| 48 | Total Other Revenues | \$ 127,676 | \$ 321,975 | \$ 321,975 | \$ 321,975 | \$ 321,975 | \$ 1,415,576 | | | |
| 49 | | | | | | | | | | |
| 50 | Total HSH + Other Revenues | \$ 2,541,679 | \$ 3,317,154 | \$ 3,093,622 | \$ 3,185,568 | \$ 3,280,272 | \$ 15,418,295 | | | |
| 51 | Rev-Exp (Budget Match Check) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | | |
| 53 | Total Adjusted Salary FTE (All Budgets) | 12.90 | | 12.90 | 12.90 | 12.90 | 12.90 | | | |

| | A | B | C | D | E | H | I | J | K | L | O | |
|------------|--|---|---------------------|------------------------------------|------------------------------|---------------------------------|---|---------------------|------------------------------------|------------------------------|-----------------------------|--------------|
| 1 | DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING | | | | | | | | | | | Page 3 of 12 |
| 2 | SALARY & BENEFIT DETAIL | | | | | | | | | | | |
| 3 | Document Date | 10/13/2022 | | | | | | | | | | |
| 4 | Provider Name | TIDES Center (Delivering Innovation in Supportive Housing (DISH)) | | | | | | | | | | |
| 5 | Program | Lease and Property Management at 1321 Mission | | | | | | | | | | |
| 6 | FSP Contract ID# | 1000024657 | | | | | | | | | | |
| 7 | Budget Name | Lease & Property Management | | | | | | | | | | |
| 8 | | Year 1 | | | | | Year 2 | | | | | |
| 9 | POSITION TITLE | Agency Totals | | For HSH Funded Program | | 12/1/2022 - 6/30/2023 | Agency Totals | | For HSH Funded Program | | 7/1/2023 - 6/30/2024 | |
| New | | | | | | New | | | | | | |
| 10 | | 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 | |
| 11 | | | | | | | | | | | | |
| 12 | Assistant General Manager | \$ 60,000 | 1.00 | 100.00% | 1.00 | \$ 35,000 | \$ 61,800 | 1.00 | 100.00% | 1.00 | \$ 61,800 | |
| 13 | Community Clerk | \$ 57,855 | 1.00 | 100.00% | 1.00 | \$ 33,749 | \$ 59,591 | 1.00 | 100.00% | 1.00 | \$ 59,591 | |
| 14 | Desk Clerks | \$ 47,840 | 4.20 | 100.00% | 4.20 | \$ 117,208 | \$ 49,275 | 4.20 | 100.00% | 4.20 | \$ 206,956 | |
| 15 | Assistant Janitorial Supervisor | \$ 63,789 | 1.00 | 10.00% | 0.10 | \$ 3,721 | \$ 65,703 | 1.00 | 10.00% | 0.10 | \$ 6,570 | |
| 16 | Maintenance Worker II | \$ 59,446 | 2.00 | 100.00% | 2.00 | \$ 69,354 | \$ 61,230 | 2.00 | 100.00% | 2.00 | \$ 122,460 | |
| 17 | Maintenance Worker III | \$ 67,600 | 1.00 | 100.00% | 1.00 | \$ 39,433 | \$ 69,628 | 1.00 | 100.00% | 1.00 | \$ 69,628 | |
| 18 | Property Supervisor | \$ 110,000 | 1.00 | 50.00% | 0.50 | \$ 32,083 | \$ 113,300 | 1.00 | 50.00% | 0.50 | \$ 56,650 | |
| 19 | Senior Facilities Manager | \$ 105,000 | 1.00 | 10% | 0.10 | \$ 6,125 | \$ 108,150 | 1.00 | 10.00% | 0.10 | \$ 10,815 | |
| 20 | Senior General Manager | \$ 84,425 | 1.00 | 100% | 1.00 | \$ 49,248 | \$ 86,958 | 1.00 | 100.00% | 1.00 | \$ 86,958 | |
| 21 | Finance Analyst | \$ 80,000 | 1.00 | 100% | 1.00 | \$ 46,667 | \$ 82,400 | 1.00 | 100.00% | 1.00 | \$ 82,400 | |
| 22 | PLACE HOLDER - PM Staff Increase Amount (remaining) | \$ 8,694 | 1.00 | 100% | 1.00 | \$ 5,072 | \$ 8,955 | 1.00 | 100.00% | 1.00 | \$ 8,955 | |
| 23 | | | | | | \$ - | | | | | \$ - | |
| 24 | | | | | | \$ - | | | | | \$ - | |
| 55 | | TOTAL SALARIES | | | | \$ 437,660 | TOTAL SALARIES | | | | \$ 772,782 | |
| 56 | | TOTAL FTE | | 12.90 | | TOTAL FTE | | 12.90 | | | | |
| 57 | | FRINGE BENEFIT RATE | | | | FRINGE BENEFIT RATE | | | | | | |
| 58 | | EMPLOYEE FRINGE BENEFITS | | | \$ 166,311 | EMPLOYEE FRINGE BENEFITS | | | | \$ 293,657 | | |
| 59 | | TOTAL SALARIES & BENEFITS | | | | \$ 603,970 | TOTAL SALARIES & BENEFITS | | | | \$ 1,066,439 | |
| 60 | | | | | | | | | | | | |

| | A | P | Q | R | S | V | W | X | Y | Z | AC | | |
|----|---|---|--------------|-----------------------------|-----------------------|----------------------|--|--------------------------------------|-----------------------------|-----------------------|----------------------|--------------|---------------------|
| 1 | DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING | | | | | | | | | | | Page 4 of 12 | |
| 2 | SALARY & BENEFIT DETAIL | | | | | | | | | | | | |
| 3 | Document Date | 10/13/2022 | | | | | | | | | | | |
| 4 | Provider Name | TIDES Center (Delivering Innovation in Supportive Housing (DISH)) | | | | | | | | | | | |
| 5 | Program | Lease and Property Management at 1321 Mission | | | | | | | | | | | |
| 6 | F\$P Contract ID# | 1000024657 | | | | | | | | | | | |
| 7 | Budget Name | Lease & Property Management | | | | | | | | | | | |
| 8 | | Year 3 | | | | | Year 4 | | | | | | |
| 9 | POSITION TITLE | Agency Totals | | For HSH Funded Program | | 7/1/2024 - 6/30/2025 | Agency Totals | | For HSH Funded Program | | 7/1/2025 - 6/30/2026 | | |
| 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 | Assistant General Manager | \$ 63,654 | 1.00 | 100.00% | 1.00 | \$ 63,654 | \$ 65,564 | 1.00 | 100.00% | 1.00 | \$ 65,564 | | |
| 13 | Community Clerk | \$ 61,378 | 1.00 | 100.00% | 1.00 | \$ 61,378 | \$ 63,220 | 1.00 | 100.00% | 1.00 | \$ 63,220 | | |
| 14 | Desk Clerks | \$ 50,753 | 4.20 | 100.00% | 4.20 | \$ 213,165 | \$ 52,276 | 4.20 | 100.00% | 4.20 | \$ 219,559 | | |
| 15 | Assistant Janitorial Supervisor | \$ 67,674 | 1.00 | 10.00% | 0.10 | \$ 6,767 | \$ 69,704 | 1.00 | 10.00% | 0.10 | \$ 6,970 | | |
| 16 | Maintenance Worker II | \$ 63,067 | 2.00 | 100.00% | 2.00 | \$ 126,133 | \$ 64,959 | 2.00 | 100.00% | 2.00 | \$ 129,917 | | |
| 17 | Maintenance Worker III | \$ 71,717 | 1.00 | 100.00% | 1.00 | \$ 71,717 | \$ 73,868 | 1.00 | 100.00% | 1.00 | \$ 73,868 | | |
| 18 | Property Supervisor | \$ 116,699 | 1.00 | 50.00% | 0.50 | \$ 58,350 | \$ 120,200 | 1.00 | 50.00% | 0.50 | \$ 60,100 | | |
| 19 | Senior Facilities Manager | \$ 111,395 | 1.00 | 10.00% | 0.10 | \$ 11,139 | \$ 114,736 | 1.00 | 10.00% | 0.10 | \$ 11,474 | | |
| 20 | Senior General Manager | \$ 89,567 | 1.00 | 100.00% | 1.00 | \$ 89,567 | \$ 92,254 | 1.00 | 100.00% | 1.00 | \$ 92,254 | | |
| 21 | Finance Analyst | \$ 84,872 | 1.00 | 100.00% | 1.00 | \$ 84,872 | \$ 87,418 | 1.00 | 100.00% | 1.00 | \$ 87,418 | | |
| 22 | PLACE HOLDER - PM Staff Increase Amount (remaining) | \$ 9,223 | 1.00 | 100.00% | 1.00 | \$ 9,223 | \$ 9,500 | 1.00 | 100.00% | 1.00 | \$ 9,500 | | |
| 23 | | | | | | \$ - | | | | | \$ - | | |
| 24 | | | | | | \$ - | | | | | \$ - | | |
| 55 | | TOTAL SALARIES | | | | | \$ 795,966 | TOTAL SALARIES | | | | | \$ 819,845 |
| 56 | | TOTAL FTE | | 12.90 | | | TOTAL FTE | | 12.90 | | | | |
| 57 | | FRINGE BENEFIT RATE | | | | 38.00% | FRINGE BENEFIT RATE | | | | 38.00% | | |
| 58 | | EMPLOYEE FRINGE BENEFITS | | | | \$ 302,467 | EMPLOYEE FRINGE BENEFITS | | | | \$ 311,541 | | |
| 59 | | TOTAL SALARIES & BENEFITS | | | | | \$ 1,098,433 | TOTAL SALARIES & BENEFITS | | | | | \$ 1,131,385 |
| 60 | | | | | | | | | | | | | |

| | A | AD | AE | AF | AG | AJ | BV |
|----|--|---|--------------|-----------------------------|-----------------------|----------------------|-----------------------|
| 1 | DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING | | | | | | Page 5 of 12 |
| 2 | SALARY & BENEFIT DETAIL | | | | | | |
| 3 | Document Date | 10/13/2022 | | | | | |
| 4 | Provider Name | TIDES Center (Delivering Innovation in Supportive Housing (DISH)) | | | | | |
| 5 | Program | Lease and Property Management at 1321 Mission | | | | | |
| 6 | F\$P Contract ID# | 1000024657 | | | | | |
| 7 | Budget Name | Lease & Property Management | | | | | |
| 8 | | Year 5 | | | | All Years | |
| 9 | POSITION TITLE | Agency Totals | | For HSH Funded Program | | 7/1/2026 - 6/30/2027 | 12/1/2022 - 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 | Budgeted Salary |
| 12 | Assistant General Manager | \$ 67,531 | 1.00 | 100.00% | 1.00 | \$ 67,531 | \$ 293,548 |
| 13 | Community Clerk | \$ 65,116 | 1.00 | 100.00% | 1.00 | \$ 65,116 | \$ 283,054 |
| 14 | Desk Clerks | \$ 53,844 | 4.20 | 100.00% | 4.20 | \$ 226,146 | \$ 983,034 |
| 15 | Assistant Janitorial Supervisor | \$ 71,796 | 1.00 | 10.00% | 0.10 | \$ 7,180 | \$ 31,209 |
| 16 | Maintenance Worker II | \$ 66,907 | 2.00 | 100.00% | 2.00 | \$ 133,815 | \$ 581,679 |
| 17 | Maintenance Worker III | \$ 76,084 | 1.00 | 100.00% | 1.00 | \$ 76,084 | \$ 330,731 |
| 18 | Property Supervisor | \$ 123,806 | 1.00 | 50.00% | 0.50 | \$ 61,903 | \$ 269,086 |
| 19 | Senior Facilities Manager | \$ 118,178 | 1.00 | 10.00% | 0.10 | \$ 11,818 | \$ 51,371 |
| 20 | Senior General Manager | \$ 95,021 | 1.00 | 100.00% | 1.00 | \$ 95,021 | \$ 413,047 |
| 21 | Finance Analyst | \$ 90,041 | 1.00 | 100.00% | 1.00 | \$ 90,041 | \$ 391,398 |
| 22 | PLACE HOLDER - PM Staff Increase Amount (remaining) | \$ 9,785 | 1.00 | 100.00% | 1.00 | \$ 9,785 | \$ 42,535 |
| 23 | | | | | | \$ - | \$ - |
| 24 | | | | | | \$ - | \$ - |
| 55 | | TOTAL SALARIES | | | | \$ 844,440 | \$ 3,670,692 |
| 56 | | TOTAL FTE | | 12.90 | | | |
| 57 | | FRINGE BENEFIT RATE | | | 38.00% | | |
| 58 | | EMPLOYEE FRINGE BENEFITS | | | | \$ 320,887 | \$ 1,394,863 |
| 59 | | TOTAL SALARIES & BENEFITS | | | | \$ 1,165,327 | \$ 5,065,555 |
| 60 | | | | | | | |

| | A | D | G | J | M | P | AH |
|----|--|---|----------------------|----------------------|----------------------|----------------------|-----------------------|
| 1 | DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING | | | | | | Page 6 of 12 |
| 2 | OPERATING DETAIL | | | | | | |
| 3 | Document Date | 10/13/2022 | | | | | |
| 4 | Provider Name | TIDES Center (Delivering Innovation in Supportive Housing (DISH)) | | | | | |
| 5 | Program | Lease and Property Management at 1321 Mission | | | | | |
| 6 | F\$P Contract ID# | 1000024657 | | | | | |
| 7 | Budget Name | Lease & Property Management | | | | | |
| 8 | | | | | | | |
| 9 | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | All Years |
| 10 | | 12/1/2022 - 6/30/2023 | 7/1/2023 - 6/30/2024 | 7/1/2024 - 6/30/2025 | 7/1/2025 - 6/30/2026 | 7/1/2026 - 6/30/2027 | 12/1/2022 - 6/30/2027 |
| 11 | | New | New | New | New | New | New |
| 12 | <u>Operating Expenses</u> | Budgeted Expense | Budgeted Expense | Budgeted Expense | Budgeted Expense | Budgeted Expense | Budgeted Expense |
| 13 | Rental of Property | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 14 | Utilities(Elec, Water, Gas, Phone, Internet, Scavenger) | \$ 254,627 | \$ 449,598 | \$ 463,086 | \$ 476,978 | \$ 491,288 | \$ 2,135,576 |
| 15 | Office Supplies, Postage | \$ 3,512 | \$ 6,201 | \$ 6,387 | \$ 6,579 | \$ 6,776 | \$ 29,456 |
| 16 | Building Maintenance Supplies and Repair | \$ 209,264 | \$ 263,557 | \$ 271,464 | \$ 279,608 | \$ 287,996 | \$ 1,311,889 |
| 17 | Printing and Reproduction | \$ 5,600 | \$ 10,000 | \$ 10,300 | \$ 10,609 | \$ 10,927 | \$ 47,436 |
| 18 | Insurance | \$ 189,000 | \$ 194,670 | \$ 200,510 | \$ 206,525 | \$ 212,721 | \$ 1,003,427 |
| 19 | Staff Training | \$ 3,960 | \$ 7,000 | \$ 7,210 | \$ 7,426 | \$ 7,649 | \$ 33,245 |
| 20 | Staff Travel-(Local & Out of Town) | \$ 850 | \$ 1,500 | \$ 1,545 | \$ 1,591 | \$ 1,639 | \$ 7,125 |
| 21 | Rental of Equipment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 22 | Repairs & Maintenance | \$ 79,975 | \$ 141,342 | \$ 145,583 | \$ 149,950 | \$ 154,449 | \$ 671,299 |
| 24 | Community Building | \$ 3,509 | \$ 6,201 | \$ 6,387 | \$ 6,579 | \$ 6,776 | \$ 29,453 |
| 25 | Audit & Bank Fees | \$ 19,200 | \$ 19,776 | \$ 20,369 | \$ 20,980 | \$ 21,610 | \$ 101,935 |
| 27 | Furniture, Fixtures & Equipment (including printer): | \$ 200,000 | \$ - | \$ - | \$ - | \$ - | \$ 200,000 |
| 28 | Moving Expenses | \$ 35,000 | \$ - | \$ - | \$ - | \$ - | \$ 35,000 |
| 29 | | \$ - | \$ - | \$ - | \$ - | \$ - | |
| 38 | <u>Consultants</u> | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 39 | Legal | \$ 56,583 | \$ 100,000 | \$ 103,000 | \$ 106,090 | \$ 109,273 | \$ 474,946 |
| 40 | Temp Staffing | \$ 26,316 | \$ 46,510 | \$ 47,905 | \$ 49,343 | \$ 50,823 | \$ 220,897 |
| 41 | Security | \$ 56,683 | \$ 100,000 | \$ 103,000 | \$ 106,090 | \$ 109,273 | \$ 475,046 |
| 42 | Salesforce Consultant | \$ 7,000 | \$ 1,500 | \$ 1,545 | \$ 1,591 | \$ 1,639 | \$ 13,275 |
| 44 | Pati Boyle - Lease-Up Consultant | \$ 35,000 | \$ - | \$ - | \$ - | \$ - | \$ 35,000 |
| 45 | Robert Photography | \$ 250 | \$ - | \$ - | \$ - | \$ - | \$ 250 |
| 46 | | | | | | | |
| 47 | <u>Subcontractors (First \$25k Only)</u> | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 48 | Janitorial Services Vendor | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 125,000 |
| 60 | | \$ - | \$ - | | | | |
| 61 | TOTAL OPERATING EXPENSES | \$ 1,211,329 | \$ 1,372,856 | \$ 1,413,292 | \$ 1,454,941 | \$ 1,497,839 | \$ 6,950,256 |
| 62 | | | | | | | |
| 63 | <u>Other Expenses (not subject to indirect cost %)</u> | | \$ - | | | | |
| 64 | Janitorial Services Vendor (above \$25k/year) | \$ 75,000 | \$ 175,000 | \$ 180,250 | \$ 185,658 | \$ 191,227 | \$ 807,135 |
| 65 | Asset Management | \$ 13,685 | \$ 24,164 | \$ 24,889 | \$ 25,635 | \$ 26,404 | \$ 114,777 |
| 71 | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 72 | | | | | | | |
| 73 | TOTAL OTHER EXPENSES | \$ 88,685 | \$ 199,164 | \$ 205,139 | \$ 211,293 | \$ 217,632 | \$ 921,912 |
| 86 | HSH #3 | | | | | | 7/26/2022 |

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|----|---|--|-------------------|-------------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|--------------|
| 1 | DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING | | | | | | | | | Page 7 of 12 |
| 2 | Exhibit E – Master Lease & Property Management Budget Template | | | | | | | | | |
| 3 | Document Date | 10/13/2022 | | | | | | | | |
| 4 | Contract Term | Begin Date | End Date | Duration (Years) | | | | | | |
| 5 | Current Term | 12/1/2022 | 6/30/2027 | 5 | | | | | | |
| 7 | Provider Name | ter (Delivering Innovation in Supportive Housi | | | | | | | | |
| 8 | Program | ease and Property Management at 1321 Missid | | | | | | | | |
| 9 | F\$P Contract ID# | TBD | | | | | | | | |
| 10 | Action (select) | New Agreement | | | | | | | | |
| 11 | Effective Date | 12/1/2022 | | | | | | | | |
| 12 | Budget Name | Project Reserves | | | | | | | | |
| 13 | | Current | New | | | | | | | |
| 14 | Term Budget | \$ - | \$ 2,245,600 | | | | | | | |
| 15 | Contingency | \$ - | \$ - | 0% | | | | | | |
| 16 | Not-To-Exceed | \$ - | \$ 19,500,000 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | All Years | |
| 17 | | | | 12/1/2022 - 6/30/2023 | 7/1/2023 - 6/30/2024 | 7/1/2024 - 6/30/2025 | 7/1/2025 - 6/30/2026 | 7/1/2026 - 6/30/2027 | 12/1/2022 - 6/30/2027 | |
| 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% | | |
| 24 | Indirect Cost (Line 22 X Line 23) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| 25 | Other Expenses (Not subject to indirect %) | \$ 267,706 | \$ 472,770 | \$ 486,953 | \$ 501,562 | \$ 516,609 | \$ 2,245,600 | \$ 2,245,600 | | |
| 26 | Capital Expenditure | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| 28 | Total Expenditures | \$ 267,706 | \$ 472,770 | \$ 486,953 | \$ 501,562 | \$ 516,609 | \$ 2,245,600 | | | |
| 29 | | | | | | | | | | |
| 30 | Operating Subsidies (select) | | | | | | | | | |
| 31 | State Project Homekey | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| 33 | Prop C | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| 34 | Prop C - Reserves | \$ 267,706 | \$ 472,770 | \$ 486,953 | \$ 501,562 | \$ 516,609 | \$ 2,245,600 | | | |
| 40 | Total HSH Revenues | \$ 267,706 | \$ 472,770 | \$ 486,953 | \$ 501,562 | \$ 516,609 | \$ 2,245,600 | | | |
| 50 | Rev-Exp (Budget Match Check) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| 52 | | | | | | | | | | |

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|----|--|---|----------------------|----------------------|----------------------|----------------------|-----------------------|
| 1 | DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING | | | | | | Page 8 of 12 |
| 2 | OPERATING DETAIL | | | | | | |
| 3 | Document Date | 10/13/2022 | | | | | |
| 4 | Provider Name | TIDES Center (Delivering Innovation in Supportive Housing (DISH)) | | | | | |
| 5 | Program | Lease and Property Management at 1321 Mission | | | | | |
| 6 | F\$P Contract ID# | TBD | | | | | |
| 7 | Budget Name | Project Reserves | | | | | |
| 8 | | | | | | | |
| 9 | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | All Years |
| 10 | | 12/1/2022 - 6/30/2023 | 7/1/2023 - 6/30/2024 | 7/1/2024 - 6/30/2025 | 7/1/2025 - 6/30/2026 | 7/1/2026 - 6/30/2027 | 12/1/2022 - 6/30/2027 |
| 11 | | New | New | New | New | New | New |
| 12 | <u>Operating Expenses</u> | Budgeted Expense | Budgeted Expense | Budgeted Expense | Budgeted Expense | Budgeted Expense | Budgeted Expense |
| 70 | <u>Project Reserves (not subject to indirect %)</u> | | | | | | |
| 71 | Operating Reseve | \$ 218,750 | \$ 386,250 | \$ 397,838 | \$ 409,773 | \$ 422,066 | \$ 1,834,676 |
| 72 | Replacement Reserve | \$ 48,956 | \$ 86,520 | \$ 89,116 | \$ 91,789 | \$ 94,543 | \$ 410,924 |
| 73 | | | | | | | \$ - |
| 83 | | | | | | | |
| 84 | TOTAL OTHER EXPENSES | \$ 267,706 | \$ 472,770 | \$ 486,953 | \$ 501,562 | \$ 516,609 | \$ 2,245,600 |
| 97 | HSH #3 | | | | | | 7/26/2022 |

| | A | B | C | D | G | J | M | P | S | AK | |
|----|---|--|-------------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|----------------------|-----------------------|
| 1 | DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING | | | | | | | | | Page 9 of 12 | |
| 2 | APPENDIX B, BUDGET | | | | | | | | | | |
| 3 | Document Date | 10/13/2022 | | | | | | | | | |
| 4 | Contract Term | Begin Date | End Date | Duration (Years) | | | | | | | |
| 5 | Current Term | 12/1/2022 | 6/30/2027 | 5 | | | | | | | |
| 7 | Provider Name | TIDES Center (Delivering Innovation in Support | | | | | | | | | |
| 8 | Program | Lease and Property Management at 1321 Miss | | | | | | | | | |
| 9 | F\$P Contract ID# | 1000024657 | | | | | | | | | |
| 10 | Action (select) | New Agreement | | | | | | | | | |
| 11 | Effective Date | 12/1/2022 | | | | | | | | | |
| 12 | Budget Name | Real Estate Development Costs | | | | | | | | | |
| 13 | | Current | New | | | | | | | | |
| 14 | Term Budget | \$ - | \$ 678,200 | | | | | | | | |
| 15 | Contingency | \$ - | \$ 3,251,682 | 20% | | | | | | | |
| 16 | Not-To-Exceed | \$ - | \$ 19,500,000 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | All Years | | |
| 17 | | 12/1/2022 - 6/30/2023 | | 7/1/2023 - 6/30/2024 | | 7/1/2024 - 6/30/2025 | | 7/1/2025 - 6/30/2026 | | 7/1/2026 - 6/30/2027 | 12/1/2022 - 6/30/2027 |
| 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 %) | \$ 365,400 | \$ 25,300 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 390,700 | |
| 26 | Capital Expenditure | \$ - | \$ 287,500 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 287,500 | |
| 28 | Total Expenditures | \$ 365,400 | \$ 312,800 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 678,200 | |
| 29 | | | | | | | | | | | |
| 30 | HSH Revenues (select) | | | | | | | | | | |
| 31 | State Project Homekey | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| 33 | Prop C | \$ 365,400 | \$ 312,800 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 678,200 | |
| 39 | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| 40 | Total HSH Revenues | \$ 365,400 | \$ 312,800 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 678,200 | |
| 50 | Rev-Exp (Budget Match Check) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| 52 | | | | | | | | | | | |

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|----|--|---|----------------------|----------------------|----------------------|----------------------|-----------------------|
| 1 | DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING | | | | | | Page 10 of 12 |
| 2 | OPERATING DETAIL | | | | | | |
| 3 | Document Date | 10/13/2022 | | | | | |
| 4 | Provider Name | TIDES Center (Delivering Innovation in Supportive Housing (DISH)) | | | | | |
| 5 | Program | Lease and Property Management at 1321 Mission | | | | | |
| 6 | F\$P Contract ID# | 1000024657 | | | | | |
| 7 | Budget Name | Real Estate Development Costs | | | | | |
| 8 | | | | | | | |
| 9 | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | All Years |
| 10 | | 12/1/2022 - 6/30/2023 | 7/1/2023 - 6/30/2024 | 7/1/2024 - 6/30/2025 | 7/1/2025 - 6/30/2026 | 7/1/2026 - 6/30/2027 | 12/1/2022 - 6/30/2027 |
| 11 | | New | New | New | New | New | New |
| 12 | Predevelopment Expenses: | Budgeted Expense | Budgeted Expense | Budgeted Expense | Budgeted Expense | Budgeted Expense | Budgeted Expense |
| 69 | | | | | | | |
| 70 | Other Expenses (not subject to indirect cost %) | | | | | | |
| 72 | Architect (all consultants under arch) | \$ 28,125 | \$ 9,375 | \$ - | \$ - | \$ - | \$ 37,500 |
| 73 | Permits/new OPOS | \$ 26,250 | \$ 8,750 | \$ - | \$ - | \$ - | \$ 35,000 |
| 74 | Entitlement Fees | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 75 | Signage revision with Design Build signage vendor | \$ 75,000 | \$ - | \$ - | \$ - | \$ - | \$ 75,000 |
| 76 | soft cost contingency | \$ 14,625 | \$ 4,875 | \$ - | \$ - | \$ - | \$ 19,500 |
| 77 | 1x Start Up Expenses Carried Over (Cameras, Wifi, Stb | \$ 195,000 | \$ - | \$ - | \$ - | \$ - | \$ 195,000 |
| 78 | Project Management Fee | \$ 26,400 | \$ 2,300 | \$ - | \$ - | \$ - | \$ 28,700 |
| 81 | | | | | | | \$ - |
| 82 | | | | | | | |
| 83 | TOTAL OTHER EXPENSES | \$ 365,400 | \$ 25,300 | \$ - | \$ - | \$ - | \$ 390,700 |
| 84 | | | | | | | |
| 85 | Capital Expenses | | | | | | |
| 86 | Phase II Rehab Hard Cost: | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 87 | Guardrail revision | \$ - | \$ 250,000 | \$ - | \$ - | \$ - | \$ 250,000 |
| 88 | contingency | \$ - | \$ 37,500 | \$ - | \$ - | \$ - | \$ 37,500 |
| 89 | | | | | | | \$ - |
| 93 | | | | | | | |
| 94 | TOTAL CAPITAL EXPENSES | \$ - | \$ 287,500 | \$ - | \$ - | \$ - | \$ 287,500 |
| 96 | HSH #3 | | | | | | 7/26/2022 |

| | A | B | C | D | E |
|----|---|-------------------|-----------------|-------------------------|---------------|
| 1 | DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING | | | | Page 11 of 12 |
| 2 | Exhibit E – Master Lease & Property Management Budget Template | | | | |
| 3 | Document Date | 10/13/2022 | | | |
| 4 | Contract Term | Begin Date | End Date | Duration (Years) | |
| 5 | Current Term | 12/1/2022 | 6/30/2027 | 5 | |
| 7 | | | | | |
| 8 | Approved Subcontractors | | | | |
| 10 | Janitorial Services Vendor | | | | |
| 11 | | | | | |
| 12 | | | | | |
| 25 | | | | | |

| | 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 12 of 12 | | | |
| 2 | Exhibit E – Master Lease & Property Management Budget Template | | | | | | | | | | | | | | | | | | | |
| 3 | Document Date | 10/13/2022 | | | | | | | | | | | | | | | | | | |
| 4 | Contract Term | Begin Date | End Date | Duration (Years) | | | | | | | | | | | | | | | | |
| 5 | Current Term | 12/1/2022 | 6/30/2027 | 5 | | | | | | | | | | | | | | | | |
| 7 | | | | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | | | | | | | | | | | |
| 8 | Service Component | | | | 12/1/2022 - 6/30/2023 | 7/1/2023 - 6/30/2024 | 7/1/2024 - 6/30/2025 | 7/1/2025 - 6/30/2026 | 7/1/2026 - 6/30/2027 | | | | | | | | | | | |
| 10 | Leasing & Property Management - Adult Units | | | | 120 | 120 | 120 | 120 | 120 | | | | | | | | | | | |
| 11 | Leasing & Property Management - Family Units | | | | 39 | 39 | 39 | 39 | 39 | | | | | | | | | | | |
| 12 | Leasing & Property Management - Office Unit | | | | 1 | 1 | 1 | 1 | 1 | | | | | | | | | | | |
| 13 | | | | | | | | | | | | | | | | | | | | |
| 14 | Total Units | | | | 160 | 160 | 160 | 160 | 160 | | | | | | | | | | | |
| 21 | | | | | | | | | | | | | | | | | | | | |

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



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



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 #: 221084

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 Tides Center | TELEPHONE NUMBER (415) 561-6400 |
| STREET ADDRESS (including City, State and Zip Code) 1012 Torney Ave. San Francisco, CA 94129 | EMAIL |

| 6. CONTRACT | | |
|--|--------------------------------|--|
| DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S) | ORIGINAL BID/RFP NUMBER | FILE NUMBER (If applicable) 221084 |
| DESCRIPTION OF AMOUNT OF CONTRACT Not to exceed \$19,500,000 | | |
| NATURE OF THE CONTRACT (Please describe) 5 year lease and property management agreement for Permanent Supportive Housing at 1321 Mission 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 | Alston | Cheryl | Board of Directors |
| 2 | Diamond | Brickson | Board of Directors |
| 3 | Diaz | Marc | Board of Directors |
| 4 | Espinosa | Sid | Board of Directors |
| 5 | Evans-Page | Janiece | CEO |
| 6 | Fernandez | Michael | Board of Directors |
| 7 | Harris | Trista | Board of Directors |
| 8 | Jackson | Regina | Board of Directors |
| 9 | Klatzky | Antoinette | Board of Directors |
| 10 | Lloyd | Edward | Board of Directors |
| 11 | Carvalho Morris | Jessica | Board of Directors |
| 12 | Orr | Dylan | Board of Directors |
| 13 | Oxtoby | John | Board of Directors |
| 14 | Dawson Thompson | Roslyn | Board of Directors |
| 15 | Verhulp | Linda | Board of Directors |
| 16 | Weldon | Jacob | Board of Directors |
| 17 | Wang | Tim | Board of Directors |
| 18 | Lee | Holden | CFO |
| 19 | Shannon | Dan | Other Principal Officer |

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 |
|----|--------------------------------|------------|------|
| 20 | | | |
| 21 | | | |
| 22 | | | |
| 23 | | | |
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| 28 | | | |
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| 32 | | | |
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| 36 | | | |
| 37 | | | |
| 38 | | | |

9. AFFILIATES AND SUBCONTRACTORS

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

| # | LAST NAME/ENTITY/SUBCONTRACTOR | FIRST NAME | TYPE |
|----|--------------------------------|------------|------|
| 39 | | | |
| 40 | | | |
| 41 | | | |
| 42 | | | |
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| 44 | | | |
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| 49 | | | |
| 50 | | | |

Check this box if you need to include additional names. Please submit a separate form with complete information. Select “Supplemental” for filing type.

10. VERIFICATION

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information I have provided here is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

| | |
|---|---------------------------|
| <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

October 13, 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: Master Lease and Property Management Agreement – 1321 Mission Street –
Permanent Supportive Housing**

Dear Honorable Board Members:

Attached for your consideration is a Resolution authorizing the Director of Property and the Executive Director of the Department of Homelessness and Supportive Housing (“HSH”) to enter into a Master Lease and Property Management Agreement (“Agreement”) with The Tides Center, as fiscal sponsor for Delivering Innovation in Supportive Housing (“Tenant”). The Agreement authorizes Tenant to lease, operate, and maintain the real property and residential improvements located at 1321 Mission Street (“Property”).

The Property consists of an 11 story, 160-unit multi-family residence which was acquired by the City in Fall 2021 and converted into Permanent Supportive Housing for Adults and Families exiting homelessness by Resolution #482-21.

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. Annual net property management and operating costs will be paid by the City in a total five –year amount not to exceed \$19,500,000.

The City, through HSH and the Real Estate Division (“DRE”), in consultation with the Office of the City Attorney, has negotiated the Agreement with the Tenant. 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.

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 master lease, please contact me at 415.554.9850 or Andrico.penick@sfgov.org.

Respectfully,

A handwritten signature in blue ink, appearing to read "Andrico Penick".

Andrico Q. Penick
Director of Property