

File No. 176560

Committee Item No. 15
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS
AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Sub-Committee Date May 25, 2017

Board of Supervisors Meeting Date _____

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Completed by: Linda Wong Date May 19, 2017
Completed by: Linda Wong Date _____

1 [Grant Agreement - Armstrong Place Associates, L.P. - Local Operating Subsidy Program
2 Contract - Armstrong Place, 5600 Third Street - Not to Exceed \$4,237,156]

3 **Resolution authorizing the Director of the Mayor’s Office of Housing and Community**
4 **Development to execute a Local Operating Subsidy Program Grant Agreement with**
5 **Armstrong Place Associates, L.P., a California limited partnership, to provide operating**
6 **subsidies for formerly homeless senior households at Armstrong Place, 5600 Third**
7 **Street, for a term of 15 years and two months to commence following Board approval,**
8 **in an amount not to exceed \$4,237,156.**

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

14 WHEREAS, In 2016, the City and County of San Francisco (“City”) founded the
15 Department of Homelessness and Supportive Housing (“HSH”), with one of its goals to reduce
16 the number of chronically homeless households that numbered 1,700 per the 2015 Point in
17 Time Homeless Count; and

18 WHEREAS, MOHCD developed the Local Operating Subsidy Program (“LOSP”) in
19 order to establish long-term financial support to operate and maintain permanent affordable
20 housing for homeless households; and

21 WHEREAS, Through the LOSP, the City subsidizes the difference between the cost of
22 operating housing for homeless persons and all other sources of operating revenue for a
23 given project, such as tenant rental payments, commercial space lease payments, Continuum
24 of Care (“CoC”) Shelter Plus Care Program subsidies, project-based Section 8 rent subsidies
25 and California Mental Health Services Act operating subsidies; and

1 WHEREAS, All supportive housing projects selected for capital funding by the
2 Citywide Affordable Housing Loan Committee ("Loan Committee") are eligible to receive
3 LOSP funds; and

4 WHEREAS, The Board of Supervisors authorizes City funding for LOSP projects as
5 part of the Annual Appropriation Ordinance; and

6 WHEREAS, MOHCD enters into grant agreements with supportive housing owners and
7 operators for LOSP projects in consultation with HSH, administers LOSP contracts, reviews
8 annual audits and prepares recommendations for annual adjustments to project funding,
9 monitors compliance with LOSP requirements in accordance with capital funding regulatory
10 agreements, and if necessary, takes appropriate action to enforce compliance; and

11 WHEREAS, Armstrong Place Associates, L.P., a California limited partnership (the
12 "Developer"), is the owner and developer of Armstrong Place, located at 5600 Third Street
13 ("Project"), which provides 12 studios, 103 one-bedroom, and 1 two-bedroom units (the
14 resident manager unit), including 12 studios and 11 one-bedroom units for formerly homeless
15 seniors at 5600 Third Street; and

16 WHEREAS, On February 3, 2017, the Loan Committee recommended approval to the
17 Mayor of a LOSP grant award for the Project in an amount not to exceed \$4,237,156; and,

18 WHEREAS, MOHCD proposes to provide a LOSP grant in the amount not to exceed
19 \$4,237,156 to the Developer pursuant to a LOSP Grant Agreement (the "Agreement") in
20 substantially the form on file with the Clerk of the Board of Supervisors in File No. 170560 and
21 in such final form as approved by the Director of MOHCD and the City Attorney; and

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

24 RESOLVED, That the Board of Supervisors hereby authorizes the Director of MOHCD
25 or his designee to execute the Agreement for an amount not to exceed \$4,237,156; and, be it

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

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

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

15
16 RECOMMENDED:

17 

18 Olson Lee, Director
19 Mayor's Office of Housing and Community Development

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21
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25

**Items 12, 13, 14, 15, 16, 17 and 18
Files 17-0557, 17-0558, 170559, 17-0560, 17-0561, 17-0562 and 17-0563**

Department:
Mayor’s Office of Housing and Community Development

EXECUTIVE SUMMARY

Legislative Objectives

- The seven proposed resolutions approve approximately 15-year Local Operating Subsidy Program (LOSP) agreements with seven nonprofit affordable housing providers: (i) Alabama Street Housing Associates, LP for Mosaica Senior Apartments at 655 Alabama Street for a not to exceed \$1,258,693; (ii) Alabama Street Housing Associates, LP for Mosaica Family Apartments at 680 Florida Street for a not to exceed \$3,616,321; (iii) 650 Eddy, LP for Arnett Watson Apartments at 650 Eddy Street for a not to exceed \$19,018,559; (iv) Armstrong Place Associates, LP for Armstrong Place at 5600 Third Street for a not to exceed \$4,237,156; (v) Hotel Essex, LP at 684 Ellis Street for a not to exceed \$18,623,354; (vi) BTW Housing Partners, LP for John Burton Advocates for Youth Housing Complex at 800 Presidio Avenue for a not to exceed \$7,780,147; and (vii) Polk Senior Housing Associates, LP for 990 Polk Senior Apartments at 990 Polk Street for a not to exceed \$13,131,321.

Key Points

- MOHCD provides operating subsidies to owners and operators of 26 supportive housing facilities through its Local Operating Subsidy Program (LOSP). LOSP was created to bridge the gap between the cost of providing housing and the amount that very low income, formerly homeless tenants can afford to pay. In FY 2016-17, MOHCD is anticipated to pay \$12,117,510 in operating subsidies to 26 supportive housing nonprofit providers for 1,464 units throughout the City, for an average subsidy of \$690 per unit of housing per month.

Fiscal Impact

- Under the proposed agreements, the amount of the subsidy to be paid to each nonprofit provider will be adjusted annually based on MOHCD’s review of the occupancy rate and actual operating expenditures. Funding for the proposed agreements are General Fund monies appropriated annually in the DSHS budget, which are subject to Board of Supervisors annual appropriation approval. The annual General Fund subsidies for these seven proposed LOSP agreements are anticipated to increase from \$4,291,721 in FY 2017-18 to \$5,762,986 in FY 2031-32. The total costs over the approximately 15-year term for the seven proposed LOSP agreements are estimated to be \$67,665,552.

Recommendations

- Amend the proposed resolutions to clarify the term of each agreement.
- Amend (i) File 17-0559 to state that the current agreement between MOHCD and 650 Eddy, LP for Arnett Watson Apartments will terminate on June 30, 2017; and (ii) File 17-0561 to state that the current agreement between MOHCD and Hotel Essex, LP will terminate on June 30, 2017.
- Approve the proposed resolutions as amended.
- Request that MOHCD continue to include an update on the Local Operating Subsidy Program (LOSP) in the MOHCD Annual Progress Report submitted to the Board of Supervisors on supportive housing.

MANDATE STATEMENT

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

BACKGROUND

The Mayor's Office of Housing and Community Development (MOHCD), in collaboration with the Department of Homelessness and Supportive Housing (DHS¹), currently provides operating subsidies to non-profit owners and operators of 26 supportive housing facilities, through its Local Operating Subsidy Program (LOSP). The program was started in 2004 as a part of the Mayor's ten year "San Francisco Plan to Abolish Chronic Homelessness," which had a goal of providing 3,000 new supportive housing units within 10 years to low income persons who were formerly homeless. Supportive housing provides social and other related services as well as housing to formerly homeless persons in order to improve their social outcomes and in an attempt to reduce the City's associated health, mental health, social services, criminal justice, and other related costs.

According to Ms. Anne Romero, MOHCD Senior Project Manager, tenants in supportive housing have very low incomes (below 20 percent of area median income)². Under the agreements between the City and housing operators, rent in supportive housing units is capped to a fixed percentage of a tenant's income (50 percent in Direct Access to Housing (DAH)³ subsidized units, 30 percent in all other subsidized units). The LOSP was created to bridge the gap between the cost of operating the housing and the amount the tenants can afford to pay, thereby providing long-term financial incentives to owners and operators to create and maintain permanent supportive housing units.

As shown in Table 1 below, between FY 2012-13 and FY 2016-17, the number of LOSP agreements has grown from 17 to 26, the number of subsidized units increased from 984 to 1,464 and the overall annual General Fund costs have grown from \$6,594,816 to \$12,117,510. In FY 2016-17, MOHCD is anticipated to pay \$12,117,510 in operating subsidies to 26 supportive housing nonprofit providers for 1,464 units throughout the City, for an average subsidy of \$690 per unit of housing per month.

¹ MOHCD previously collaborated with the Department of Public Health (DPH) and the Human Services Agency (HSA) prior to the creation of the Department of Homelessness and Supportive Housing (DHS), which combines key homeless serving programs and contracts from the two agencies.

² 20 percent of area median income (AMI) for one person in 2017 is \$16,150 annually.

³ Established by the San Francisco Department of Public Health – Housing and Urban Health Section (SFDPH-HUH) in 1998, the Direct Access to Housing (DAH) is a permanent supportive housing program targeting low-income San Francisco residents who are homeless and have special needs.

Table 1: Actual Local Operating Subsidy Program Agreements, Subsidized Units, Budget, and Subsidy per Unit – FY 2012-13 through FY 2016-17

| Fiscal Year | Number of Local Operating Subsidy Program Agreements | Number of Subsidized Units of Housing | Total Annual Budgeted Amount | Average Subsidy per Unit per Year | Average Subsidy per Unit per Month |
|-------------|--|---------------------------------------|------------------------------|-----------------------------------|------------------------------------|
| FY 2012-13 | 17 | 984 | \$6,594,816 | \$6,702 | \$559 |
| FY 2013-14 | 21 | 1,218 | 9,377,788 | 7,699 | 642 |
| FY 2014-15 | 26 | 1,454 | 12,231,928 | 8,413 | 701 |
| FY 2015-16 | 26 | 1,459 | 12,359,887 | 8,471 | 706 |
| FY 2016-17 | 26 | 1,464 | 12,117,510 | 8,277 | 690 |

As shown in Table 2 below, MOHCD estimates that over the next five years, or by FY 2021-22, the LOSP will provide subsidies to 56 housing projects covering 2,564 units of supportive housing at an overall General Fund cost of \$28,804,991 in FY 2021-22, or an average cost of \$936 per unit per month.

Table 2: Estimated Local Operating Subsidy Program Agreements, Subsidized Units, Budget, and Subsidy per Unit – FY 2017-18 through FY 2021-22

| Fiscal Year | Number of Local Operating Subsidy Program Agreements | Number of Subsidized Units | Total Annual Budgeted amount | Average Subsidy per Unit per Year | Average Subsidy per Unit per Month |
|-------------|--|----------------------------|------------------------------|-----------------------------------|------------------------------------|
| FY 2017-18 | 27 | 1,494 | \$14,660,916 | \$9,813 | \$818 |
| FY 2018-19 | 32 | 1,639 | 15,965,857 | 10,351 | 812 |
| FY 2019-20 | 42 | 2,008 | 18,946,526 | 9,436 | 786 |
| FY 2020-21 | 43 | 2,116 | 22,956,054 | 10,849 | 904 |
| FY 2021-22 | 56 | 2,564 | 28,804,991 | 11,234 | 936 |

DETAILS OF PROPOSED LEGISLATION

The seven proposed resolutions authorize MOHCD to execute seven new approximately 15-year Local Operating Subsidy Program (LOSP) agreements with nonprofits providing housing to low income persons who were formerly homeless, replacing six existing 9-year agreements with six current nonprofit providers and adding one new agreement with a new provider as follows:

- **File 17-0557:** Alabama Street Housing Associates, LP for Mosaica Senior Apartments at 655 Alabama Street for a not to exceed \$1,258,693 and a term of 15 years from January 1, 2018 through December 31, 2032. The proposed new agreement replaces the current 9-year LOSP agreement with Mosaica Senior Apartments from approximately April 2009 and through April 2018. According to Ms. Romero, the current agreement will now terminate on December 31, 2017.

- File 17-0558: Alabama Street Housing Associates, LP for Mosaica Family Apartments at 680 Florida Street for a not to exceed \$3,616,321 and a term of 15 years from January 1, 2018 through December 31, 2032. The proposed new agreement replaces the current 9-year LOSP agreement with Mosaica Family Apartments from approximately April 2009 and through April 2018. According to Ms. Romero, the current agreement will now terminate on December 31, 2017.
- File 17-0559: 650 Eddy, LP for Arnett Watson Apartments at 650 Eddy Street for a not to exceed \$19,018,559 and a term of 15 years from July 1, 2017 through June 30, 2032. The proposed new agreement replaces the current 9-year LOSP agreement with Arnett Watson Apartments from 2009 through December 2017. According to Ms. Romero, the existing agreement will now terminate in October 2017, resulting in a three-month overlap between the two agreements. The proposed legislation should be amended to terminate the existing agreement with 650 Eddy, LP on June 30, 2017 prior to the start of the new agreement on July 1, 2017.
- File 17-0560: Armstrong Place Associates, LP for Armstrong Place at 5600 Third Street for a not to exceed \$4,237,156 and a term of 15 years and two months from November 1, 2017 through December 31, 2032. The current LOSP agreement with Armstrong Place covers a 9-year term, beginning in 2011 to 2020. Due to two requests for supplemental disbursements to cover operating shortfalls⁴, the current LOSP agreement authority will not be sufficient to cover the Armstrong Place operating costs subsidized by LOSP through the end of the agreement period. Based on disbursements made to date and projected operating costs, the project is estimated to exhaust the full contract amount by November 2017.
- File 17-0561: Hotel Essex, LP at 684 Ellis Street for a not to exceed \$18,623,354 and a term of 15 years and six months from July 1, 2017 through December 31, 2032. The proposed new agreement replaces the current 9-year LOSP agreement with Hotel Essex from 2008 to 2017. According to Ms. Romero, the existing agreement will now terminate in October 2017, resulting in a three-month overlap between the two agreements. The proposed legislation should be amended to terminate the existing agreement with Hotel Essex, LP on June 30, 2017 prior to the start of the new agreement on July 1, 2017.
- File 17-0562: BTW Housing Partners, LP for John Burton Advocates for Youth Housing Complex at 800 Presidio Avenue for a not to exceed \$7,780,147 and a term of 15 years

⁴ During the first several years of operations of the Armstrong Place agreement, several significant operational changes were made. BRIDGE Housing, the project sponsor, assumed property management responsibilities from Eskaton, and also entered into contracts for security/front desk staffing. These two changes resulted in LOSP budget shortfalls during 2012 and 2013, for which BRIDGE Housing requested and was approved for a supplemental disbursement of LOSP funding in February 2015. More recently, BRIDGE Housing submitted another request for a supplemental disbursement of LOSP funding for shortfalls experienced in 2015 and 2016, due to lower than projected rental income and escalating operating costs. The request for a supplemental disbursement to cover shortfalls from the 2015 and 2016 operating years was approved by MOHCD in January 2017.

and six months. The proposed agreement is a new agreement with the funding period beginning on July 1, 2017 through December 31, 2032.

- File 17-0563: Polk Senior Housing Associates, LP for 990 Polk Senior Apartments at 990 Polk Street for a not to exceed \$13,131,321 and a term of 15 years and six months. The proposed new agreement replaces the current 9-year LOSP agreement with 990 Polk Senior Apartments, beginning in July 2008 and expiring in June 2017. The proposed agreement would renew the agreement with the funding period beginning on July 1, 2017 through December 31, 2032.

Table 3 below shows the target population, total number of units, and the number of units to be subsidized under the proposed LOSP agreements.

Table 3: Summary of Proposed LOSP Agreements

| Project: Address | Target Population | Total Number of Units | LOSP Funded Units |
|--|---|-----------------------|-------------------|
| Mosaica Senior: 655 Alabama | Seniors | 24 | 11 |
| Mosaica Family: 680 Florida | Families | 93 | 20 |
| Arnett Watson: 650 Eddy | Families and Adults | 83 | 79 |
| Armstrong Place: 5600 3 rd Street | Seniors | 116 | 23 |
| Hotel Essex: 684 Ellis Street | Adults | 84 | 84 |
| John Burton: 800 Presidio | Transition Age Youth (TAY) ⁵ | 50 | 25 |
| 990 Polk Senior: 990 Polk Street | Seniors | 110 | 50 |
| Total | | 560 | 292 |

Each of the projects and project sponsors are summarized below:

Mosaica Senior Housing (File 17-0557)

Mosaica Senior Housing at 655 Alabama Street is a 24 unit affordable senior development with 11 units targeted to homeless seniors under the proposed LOSP agreement. The site was developed adjacent to Mosaica Family Housing by Citizens Housing Corporation (CHC) and then transferred to the Tenderloin Neighborhood Development Corporation (TNDC) when CHC ended operations. Supportive services are provided by Lutheran Social Services. The project sponsor is the TNDC.

Mosaica Family Housing (File 17-0558)

Mosaica Family Housing at 680 Florida Street is a 93 unit affordable family housing development with 20 units targeted to homeless families under the proposed LOSP agreement. The project was completed in 2010 and developed by CHC and subsequently transferred to the TNDC when CHC ended operations. The site is developed adjacent to Mosaica Senior Housing. Supportive services are provided by Lutheran Social Services. The project sponsor is the TNDC.

⁵ Transition Age Youth are disconnected homeless youth between the ages of 18-24 years old.

Arnett Watson Apartments (File 17-0559)

Arnett Watson Apartments at 650 Eddy Street in the Tenderloin provides 83 units of supportive housing for homeless families and adults. The site was developed by Community Housing Partnership (CHP) and the TNDC and is owned and operated by CHP. 47 one and two bedroom units are for homeless families, and 32 studios are for homeless adults, for a total of 79 units under the proposed LOSP agreement. Services are provided by CHP. The project sponsor is CHP.

Armstrong Place (File 17-0560)

Armstrong Place at 5600 Third Street is a 116 unit senior housing development with 23 units targeted to homeless seniors under the proposed LOSP agreement. The development completed construction in 2011 and is financed with Department of Housing and Urban Development (HUD) 202⁶ capital dollars and a Project Rental Assistance Contract (PRAC) on 72 units. The project sponsor is BRIDGE Housing.

Hotel Essex (File 17-0561)

Hotel Essex at 864 Ellis Street is a building that was rehabilitated by CHP to create 84 efficiency studio units for single homeless adults and is located in the Tenderloin. All 84 units are to be funded under the proposed LOSP agreement. Support services are provided by CHP. The project sponsor is CHP.

John Burton Advocates for Youth Housing Complex at Booker T. Washington (File 17-0562)

John Burton Advocates for Youth Housing Complex at 800 Presidio is a 50 unit affordable housing development with 25 of the units under the proposed LOSP new agreement targeted to homeless or at-risk Transition Age Youth (TAY) ages 18-24, including former foster youth. The building will complete construction in June 2017 and is located adjacent to the newly constructed Booker T. Washington Community Service Center, which provides programs for families and youth. The housing development is a partnership between the Booker T. Washington Community Service Center and the John Stewart Company with services provided by First Place for Youth. The project sponsors are Booker T. Washington Community Service Center and the John Stewart Company.

990 Polk Street (File 17-0563)

990 Polk Street Senior Housing at 990 Polk Street is a 110 unit affordable senior housing development with 50 units targeted to homeless seniors under the proposed LOSP agreement. 10 of the 50 LOSP units are for clients referred by the Mental Health Services Act (MHSA) and serve homeless seniors with serious mental illness. This development was developed by CHC and subsequently transferred to TNDC when CHC ended operations. Support services are provided by Lutheran Social Services. The project sponsor is TNDC.

⁶ The Section 202 program provides capital advances and operating subsidies to facilitate the creation of multifamily housing for very low-income elderly persons.

Approval of Local Operating Subsidy Program Providers

According to Ms. Romero, the seven nonprofit providers were approved for LOSP subsidies as part of the evaluation by the Citywide Affordable Housing Loan Committee⁷ of applications responding to various Notice of Funding Availability (NOFA) for capital funding for acquisition and predevelopment financing for supportive housing for homeless persons, or Request for Proposals (RFP) for specific development sites.

Ms. Romero advises that the operating subsidies to be paid to the seven nonprofit affordable housing owners and operators are necessary because revenue generated by the affordable housing developments, including outside grants, tax credits and tenant rents, are not sufficient to fund permanent supportive housing to low income persons who were formerly homeless.

Funding for the proposed agreements are General Fund monies allocated annually in the DSHS budget, which is subject to Board of Supervisors annual appropriation approval. The proposed agreements are administered by MOHCD, under work order agreements with DSHS. Ms. Romero notes that, if any of the seven proposed LOSP agreements are not approved, or if any of the General Fund appropriations are not approved in the current or future 14 fiscal years, then the individual nonprofit housing providers would not be able to provide such specified housing units for very low income formerly homeless target populations.

FISCAL IMPACT

Under the proposed LOSP agreements, the rent charged to tenants living in these subsidized units would be capped at a fixed percentage of a tenant's income (50 percent in Direct Access to Housing (DAH) subsidized units, 30 percent in all other subsidized units). According to Ms. Romero, in 2015, the average tenant's rent was \$326 per unit per month. The projected City LOSP subsidy amount for the units covered under the proposed agreements is the difference between the rent paid by individual tenants and the actual cost to operate the unit per month. The actual operating cost is the amount necessary to cover each facility's operating expenses, which includes property management and office staff, utilities, taxes, licenses, insurance, maintenance, security and required reserves. The amount of the projected subsidy is specified in each agreement, and (i) is subject to revision annually by MOHCD based on the prior years' occupancy, and (ii) is contingent on the annual General Fund appropriation, to DSHS, under work orders with MOHCD, by the Board of Supervisors.

The Attachment provided by MOHCD summarizes the projected LOSP expenditures for each of the seven projects, over the approximately 15-year term of each agreement. As shown in the Attachment, the City's FY 2017-18 subsidy provided per housing unit ranges from \$324 per month at the Mosaica Senior Housing project to \$1,277 per month at the John Burton Advocates for Youth project. According to Ms. Romero, the significant variation in the subsidy per unit is primarily due to the number of the LOSP units per project because economies of scale allow property management and other housing staff requirements to be spread over a

⁷ The Citywide Affordable Housing Loan Committee is composed of the Directors and/or senior staff of the Mayor's Office of Housing and Community Development, the Office of Community Investment and Infrastructure, and the Department of Homelessness and Supportive Housing.

greater number of units. Over the approximately 15-year term, the subsidies per unit are projected to increase.

As summarized in Table 4 below, the total costs over the approximately 15-year term for the seven projects is estimated to be \$67,665,552. The annual General Fund subsidies for these seven projects are anticipated to increase from \$4,291,721 in FY 2017-18 to \$5,762,986 in FY 2031-32. The average cost of each unit's subsidy that would be provided over the approximately 15-year term of each of these agreements is shown in Table 4, ranging from \$114,427 for each of the 11 units in the Mosaica Senior Housing project to \$311,206 for each of the 25 units at the John Burton Advocates for Youth Housing project.

Table 4: Projected Subsidy Expenditures under the Proposed Seven Agreements

| Project | Number of LOSP Units | Total LOSP Cost | Average Cost Per Unit for Agreement Term |
|--------------------------------|----------------------|---------------------|--|
| Mosaica Senior (File 17-0557) | 11 | \$1,258,693 | \$114,427 |
| Mosaica Family (File 17-0558) | 20 | 3,616,321 | 180,816 |
| Arnett Watson (File 17-0559) | 79 | 19,018,558 | 240,741 |
| Armstrong Place (File 17-0560) | 23 | 4,237,157 | 184,224 |
| Hotel Essex (File 17-0561) | 84 | 18,623,354 | 221,707 |
| John Burton (File 17-0562) | 25 | 7,780,148 | 311,206 |
| 990 Polk Senior (File 17-0563) | 50 | 13,131,321 | 262,626 |
| TOTAL: | 292 | \$67,665,552 | |

As noted above, funding for the proposed agreements are General Fund monies appropriated annually in the Department of Homelessness and Supportive Housing (DHS) budget, which are subject to Board of Supervisors annual appropriation approval. The proposed agreements are administered by MOHCD, under work order agreements with DHS, such that MOHCD would be party to each of the proposed LOSP agreements on behalf of the City.

POLICY CONSIDERATION

The Budget and Legislative Analyst's January 2012 Performance Audit of San Francisco's Affordable Housing Policies recommended that MOHCD report annually to the Board of Supervisors on (i) completed and planned supportive housing units for chronically homeless individuals and families, and (ii) funding strategies for planned but not constructed units. According to Ms. Romero, MOHCD reports on the LOSP contracts in the MOHCD Annual Progress Report, which contains all of MOHCD's required reports for the Board of Supervisors. The Budget and Legislative Analyst continues to recommend that MOHCD include an annual report on the LOSP in its Annual Progress Report to the Board of Supervisors.

RECOMMENDATIONS

1. Amend the proposed resolutions to clarify the term of each agreement as follows:

| File | Provider | Agreement Start Date | Agreement End Date | Term |
|---------|------------------------------------|----------------------|--------------------|--------------|
| 17-0557 | Alabama Street Housing Associates | January 1, 2018 | December 31, 2032 | 15 yrs |
| 17-0558 | Alabama Street Housing Associates | January 1, 2018 | December 31, 2032 | 15 yrs |
| 17-0559 | 650 Eddy, LP | July 1, 2017 | June 30, 2032 | 15 yrs |
| 17-0560 | Armstrong Place Associates, LP | November 1, 2017 | December 31, 2032 | 15 yrs, 2 mo |
| 17-0561 | Hotel Essex, LP | July 1, 2017 | December 31, 2032 | 15 yrs, 6 mo |
| 17-0562 | BTW Housing Partners, LP | July 1, 2017 | December 31, 2032 | 15 yrs, 6 mo |
| 17-0563 | Polk Senior Housing Associates, LP | July 1, 2017 | December 31, 2032 | 15 yrs, 6 mo |

2. Amend (i) File 17-0559 to state that the current agreement between MOHCD and 650 Eddy, LP for Arnett Watson Apartments will terminate on June 30, 2017 prior to the start of the new LOSP agreement on July 1, 2017; and (ii) File 17-0561 to state that the current agreement between MOHCD and Hotel Essex, LP will terminate on June 30, 2017 prior to the start of the new LOSP agreement on July 1, 2017.
3. Approve the proposed resolutions as amended.
4. Request that MOHCD continue to include an update on the Local Operating Subsidy Program (LOSP) in the MOHCD Annual Progress Report submitted to the Board of Supervisors on supportive housing.

Combined Exhibit A

| Fiscal Year | John Burton Advocates for Youth, 800 Presidio | | | | Armstrong Place, 9600 3rd Street | | | | Mosalca Family, 680 Florida Street | | | | Mosalca Senior, 655 Alabama Street | | | | Hotel Essex, 964 Ellis Street | | | | Arnett Watson Apts, 630 Eddy Street | | | | Polk and Geary Senior, 990 Polk Street | | | |
|-----------------|---|---|--|--------------------|---|--|--------------------|---|--|--------------------|---|--|------------------------------------|---|--|--------------------|---|--|--------------------|---|--|--------------------|---|--|--|--|--|--|
| | Months of Contract | Projected Local Operating Subsidy Program Expenditure | Average Local Operating Subsidy Program Subsidy Per Unit Per Month | Months of Contract | Projected Local Operating Subsidy Program Expenditure | Average Local Operating Subsidy Program Subsidy Per Unit Per Month | Months of Contract | Projected Local Operating Subsidy Program Expenditure | Average Local Operating Subsidy Program Subsidy Per Unit Per Month | Months of Contract | Projected Local Operating Subsidy Program Expenditure | Average Local Operating Subsidy Program Subsidy Per Unit Per Month | Months of Contract | Projected Local Operating Subsidy Program Expenditure | Average Local Operating Subsidy Program Subsidy Per Unit Per Month | Months of Contract | Projected Local Operating Subsidy Program Expenditure | Average Local Operating Subsidy Program Subsidy Per Unit Per Month | Months of Contract | Projected Local Operating Subsidy Program Expenditure | Average Local Operating Subsidy Program Subsidy Per Unit Per Month | Months of Contract | Projected Local Operating Subsidy Program Expenditure | Average Local Operating Subsidy Program Subsidy Per Unit Per Month | | | | |
| FY 2017-18* | 18 | \$ 574,617 | \$ 1,277 | 18 | \$ 210,573 | \$ 509 | 18 | \$ 168,965 | \$ 469 | 18 | \$ 64,203 | \$ 324 | 18 | \$ 1,422,414 | \$ 941 | 12 | \$ 979,477 | \$ 1,027 | 18 | \$ 877,752 | \$ 617 | | | | | | | |
| FY 2018-19 | 12 | \$ 401,833 | \$ 1,339 | 12 | \$ 204,466 | \$ 741 | 12 | \$ 177,565 | \$ 740 | 12 | \$ 67,071 | \$ 508 | 12 | \$ 989,015 | \$ 981 | 12 | \$ 1,013,167 | \$ 1,069 | 12 | \$ 627,859 | \$ 662 | | | | | | | |
| FY 2019-20 | 12 | \$ 416,866 | \$ 1,390 | 12 | \$ 215,210 | \$ 780 | 12 | \$ 186,835 | \$ 778 | 12 | \$ 70,070 | \$ 531 | 12 | \$ 1,021,107 | \$ 1,013 | 12 | \$ 1,045,992 | \$ 1,103 | 12 | \$ 860,178 | \$ 696 | | | | | | | |
| FY 2020-21 | 12 | \$ 432,444 | \$ 1,441 | 12 | \$ 226,410 | \$ 820 | 12 | \$ 196,482 | \$ 819 | 12 | \$ 73,204 | \$ 555 | 12 | \$ 1,065,227 | \$ 1,057 | 12 | \$ 1,086,096 | \$ 1,146 | 12 | \$ 693,839 | \$ 732 | | | | | | | |
| FY 2021-22 | 12 | \$ 448,587 | \$ 1,495 | 12 | \$ 238,083 | \$ 863 | 12 | \$ 203,220 | \$ 847 | 12 | \$ 69,810 | \$ 529 | 12 | \$ 1,088,932 | \$ 1,080 | 12 | \$ 1,127,706 | \$ 1,190 | 12 | \$ 728,903 | \$ 769 | | | | | | | |
| FY 2022-23 | 12 | \$ 465,316 | \$ 1,551 | 12 | \$ 250,250 | \$ 907 | 12 | \$ 213,666 | \$ 890 | 12 | \$ 73,234 | \$ 555 | 12 | \$ 1,119,012 | \$ 1,110 | 12 | \$ 1,170,876 | \$ 1,235 | 12 | \$ 761,605 | \$ 803 | | | | | | | |
| FY 2023-24 | 12 | \$ 482,650 | \$ 1,609 | 12 | \$ 262,931 | \$ 953 | 12 | \$ 224,538 | \$ 936 | 12 | \$ 76,812 | \$ 582 | 12 | \$ 1,156,118 | \$ 1,147 | 12 | \$ 1,215,662 | \$ 1,282 | 12 | \$ 799,800 | \$ 844 | | | | | | | |
| FY 2024-25 | 12 | \$ 500,611 | \$ 1,669 | 12 | \$ 276,148 | \$ 1,001 | 12 | \$ 235,855 | \$ 983 | 12 | \$ 80,552 | \$ 610 | 12 | \$ 1,194,605 | \$ 1,185 | 12 | \$ 1,252,246 | \$ 1,321 | 12 | \$ 839,592 | \$ 886 | | | | | | | |
| FY 2025-26 | 12 | \$ 519,221 | \$ 1,731 | 12 | \$ 289,923 | \$ 1,050 | 12 | \$ 247,635 | \$ 1,032 | 12 | \$ 84,460 | \$ 640 | 12 | \$ 1,234,524 | \$ 1,225 | 12 | \$ 1,290,220 | \$ 1,361 | 12 | \$ 881,054 | \$ 929 | | | | | | | |
| FY 2026-27 | 12 | \$ 537,254 | \$ 1,791 | 12 | \$ 304,280 | \$ 1,102 | 12 | \$ 259,899 | \$ 1,083 | 12 | \$ 88,545 | \$ 671 | 12 | \$ 1,275,926 | \$ 1,265 | 12 | \$ 1,339,510 | \$ 1,413 | 12 | \$ 924,263 | \$ 975 | | | | | | | |
| FY 2027-28 | 12 | \$ 557,233 | \$ 1,857 | 12 | \$ 319,243 | \$ 1,157 | 12 | \$ 272,668 | \$ 1,136 | 12 | \$ 92,813 | \$ 703 | 12 | \$ 1,318,866 | \$ 1,308 | 12 | \$ 1,390,698 | \$ 1,467 | 12 | \$ 969,259 | \$ 1,022 | | | | | | | |
| FY 2028-29 | 12 | \$ 577,932 | \$ 1,926 | 12 | \$ 334,837 | \$ 1,213 | 12 | \$ 285,965 | \$ 1,192 | 12 | \$ 97,274 | \$ 737 | 12 | \$ 1,363,999 | \$ 1,353 | 12 | \$ 1,443,671 | \$ 1,523 | 12 | \$ 1,016,247 | \$ 1,072 | | | | | | | |
| FY 2029-30 | 12 | \$ 599,377 | \$ 1,998 | 12 | \$ 351,090 | \$ 1,272 | 12 | \$ 299,813 | \$ 1,249 | 12 | \$ 101,936 | \$ 772 | 12 | \$ 1,409,583 | \$ 1,398 | 12 | \$ 1,498,677 | \$ 1,581 | 12 | \$ 1,065,198 | \$ 1,124 | | | | | | | |
| FY 2030-31 | 12 | \$ 621,595 | \$ 2,072 | 12 | \$ 368,029 | \$ 1,333 | 12 | \$ 314,236 | \$ 1,309 | 12 | \$ 106,808 | \$ 809 | 12 | \$ 1,457,478 | \$ 1,446 | 12 | \$ 1,555,726 | \$ 1,641 | 12 | \$ 1,116,244 | \$ 1,177 | | | | | | | |
| FY 2031-32 | 12 | \$ 644,612 | \$ 2,149 | 12 | \$ 385,684 | \$ 1,397 | 12 | \$ 329,259 | \$ 1,372 | 12 | \$ 111,801 | \$ 848 | 12 | \$ 1,507,148 | \$ 1,495 | 12 | \$ 1,614,894 | \$ 1,703 | 12 | \$ 1,169,488 | \$ 1,234 | | | | | | | |
| TOTAL: | 186 | \$ 7,780,148 | | 186 | \$ 4,237,157 | | 186 | \$ 3,616,321 | | 186 | \$ 1,258,693 | | 186 | \$ 18,623,354 | | 180 | \$ 19,018,558 | | 186 | \$ 13,131,321 | | | | | | | | |
| # of LOSP Units | 25 | | | 23 | | | 20 | | | 11 | | | 84 | | | 79 | | | 50 | | | | | | | | | |

*Some contracts in FY 2017-18 received LOSP surplus funds from FY 2016-17. MOHCD requested to use these funds to transition new or renewal contracts to a calendar year to simplify the accounting. Therefore, some contracts reflect a total of 18 months, which includes a one-time six month additional subsidy.

03

| Total LOSP by Fiscal Year for 7 projects | |
|--|---------------|
| Total LOSP 2017-18 | \$ 4,291,721 |
| Total LOSP 2018-19 | \$ 3,480,976 |
| Total LOSP 2019-20 | \$ 3,616,258 |
| Total LOSP 2020-21 | \$ 3,773,702 |
| Total LOSP 2021-22 | \$ 3,905,241 |
| Total LOSP 2022-23 | \$ 4,053,959 |
| Total LOSP 2023-24 | \$ 4,218,511 |
| Total LOSP 2024-25 | \$ 4,379,609 |
| Total LOSP 2025-26 | \$ 4,547,037 |
| Total LOSP 2026-27 | \$ 4,729,677 |
| Total LOSP 2027-28 | \$ 4,920,760 |
| Total LOSP 2028-29 | \$ 5,119,325 |
| Total LOSP 2029-30 | \$ 5,325,674 |
| Total LOSP 2030-31 | \$ 5,540,116 |
| Total LOSP 2031-32 | \$ 5,762,986 |
| Total 7 projects over contract | \$ 67,665,552 |

| LOSP New or Renewal Projects coming on line in 2017-18 | | | | | | | | | | UNIT MIX - HOMELESS UNITS | | | | | |
|--|------------------------------------|-------------------------------|----------|-------------------|---------------|-----------------------|---|---------|------|---------------------------|------|-------|--|--|--|
| Project | Target Population | Service Agency | TI Units | TI Homeless Units | TI LOSP units | 15 Year LOSP Contract | Other Operating Subsidies | Studios | 2-BR | 3-BR | 4-BR | TOTAL | | | |
| John Burton | YAY | First Place for Youth | 50 | 25 | 25 | \$ 7,780,148 | None | 24 | 1 | | | 25 | | | |
| Armstrong | Seniors | Providence Foundation | 116 | 23 | 23 | \$ 4,237,157 | HUD PRAC | 12 | 11 | | | 23 | | | |
| Mosalca Family | Families | Lutheran Social Services | 93 | 24 | 20 | \$ 3,616,321 | Shelter Plus Care | 0 | 9 | 13 | 2 | 20 | | | |
| Mosalca Senior | Seniors | Lutheran Social Services | 24 | 11 | 11 | \$ 1,258,693 | None | 9 | 2 | | | 11 | | | |
| Hotel Essex | Adults | Community Housing Partnership | 84 | 84 | 84 | \$ 18,623,354 | Shelter Plus Care | 84 | | | | 84 | | | |
| Arnett Watson | Families and Single Adults | Community Housing Partnership | 83 | 83 | 79 | \$ 15,018,558 | Shelter Plus Care | 32 | 33 | 14 | | 79 | | | |
| 990 Polk | Seniors, 10 units targeted to MHSA | Lutheran Social Services | 110 | 50 | 50 | \$ 13,131,321 | None (project has MHSA capital dollars that restricts 10 units to MHSA clients) | 45 | 5 | 0 | 0 | 50 | | | |
| TOTAL: | | | 560 | 300 | 292 | \$ 67,665,552 | | 206 | 54 | 28 | 2 | 292 | | | |

TOTAL: \$ 67,665,552

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

GRANT AGREEMENT

between

CITY AND COUNTY OF SAN FRANCISCO

and

ARMSTRONG PLACE ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP

For
ARMSTRONG PLACE

5600 THIRD STREET

THIS GRANT AGREEMENT (this "**Agreement**") is made this _____, 2017, by and between Armstrong Place Associates, a California limited partnership ("**Grantee**"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("**City**") acting by and through the Mayor's Office of Housing and Community Development ("**MOHCD**").

WITNESSETH:

WHEREAS, the City previously provided Grantee funding through MOHCD's Local Operating Subsidy Program ("**Program**") under a nine-year agreement dated August 11, 2011; and

WHEREAS, Grantee submitted the Application Documents (as hereinafter defined) to MOHCD for a new grant through MOHCD's Program; and

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

WHEREAS, the City's Board of Supervisors authorized execution of this Agreement on _____, 2017 pursuant to Resolution No. _____.

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

**ARTICLE 1
DEFINITIONS**

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

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

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

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

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

“**Annual Operating Budget**” means the operating budget for the Project approved by City attached hereto as **Exhibit B**, as amended by Grantee and City from time-to-time.

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

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

“**Approved Shortfall**” means the amount that is approved by MOHCD, if any, by which the Assisted Units Operating Costs for any Business Year during the Term exceed the Project Income attributable to the Assisted Units for such Business Year.

“**Assisted Units**” means the 23 residential units at the Project assisted with LOSP funds pursuant to this Agreement.

“**Business Year**” means each period of twelve (12) months used by the Project to define the beginning and end of the year for purposes of accounting and other reporting.

“**CFR**” means the Code of Federal Regulations.

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

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

“**Charter**” shall mean the Charter of City.

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

“**City**” means the City and County of San Francisco.

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

“**Controller**” shall mean the Controller of City.

“**Director**” means MOHCD’s Director or an authorized representative of the Director.

“**Effective Date**” means the Agreement Date.

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

“**First Subsidy Payment**” shall mean the Subsidy Payment for the initial period starting from the Effective Date.

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

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

“**Gross Rent**” means the aggregate annual sum charged to Tenants for rent and utilities, with utility charges limited to an allowance determined by the San Francisco Housing Authority and published by MOHCD.

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

“**HSH**” means the San Francisco Department of Homelessness and Supportive Housing

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

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

“**Loan Committee**” means the City review committee that selects Program grantees.

“**LOSP Clients**” means the formerly homeless individuals or households that MOHCD deems eligible for Program assistance pursuant to the Program criteria set forth on the attached **Exhibit D** (as such criteria may be amended from time to time by MOHCD) as administered by Grantee pursuant to this Agreement, the LOSP Policies and Procedures Manual and the Services Agreement.

“**LOSP Policies and Procedures Manual**” means the document published jointly by MOHCD and HSH describing the program’s operational policies and procedures, as may be amended from time to time.

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

“**Median Income**” means median income as published annually by MOHCD, derived from the Income Limits determined by HUD for the for the San Francisco area, adjusted solely for household size, but not high housing cost area.

“**MOHCD**” shall mean the Mayor’s Office of Housing and Community Development of the City and County of San Francisco.

“**MOHCD Loan Agreement**” means that certain loan agreement, dated as of December 1, 2008, between the former San Francisco Redevelopment Agency (“Agency”) and Grantee with respect to a Thirteen Million Five Hundred Forty-Five Thousand Five Hundred Sixteen Dollar (\$13,545,516) loan.

“**Operating Costs**” means the following costs: (a) all charges incurred in the operation of the Project for utilities, real estate taxes and assessments and premiums for insurance required under this Agreement, the City Loan Documents or the Senior Loan Documents; (b) salaries, wages and any other compensation due and payable to the employees or agents of Grantee employed in connection with the Project, including all related withholding taxes, insurance premiums, Social Security payments and other

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

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

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

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

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

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

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

"Project" means the one hundred sixteen (116) unit housing project commonly known as Armstrong Place, which is located on the Real Property.

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

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

"Projected Shortfall" means the amount, if any, by which the Assisted Units Operating Costs (as defined in Section 5.6) for any Business Year during the Term are projected to exceed the Project Income obtained from the Assisted Units for such Business Year.

"Qualified Minimal Debt Service Payment" means a minimal debt service payment that Grantee must make under the MOHCD Loan Agreement, the Senior Loan Documents or any additional affordable

housing loan for the Project, provided that Grantee first obtains MOHCD's written consent to such additional loan, including any proposed repayments to be made to such additional loan.

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

"Referral" means HSH documentation of eligibility of LOSP client being referred for permanent supportive housing at the Project.

"Senior Loan Documents" means the following documents: the loan documents executed by Grantee in connection with a loan from the Agency in the amount of Thirteen Million Five Hundred Forty-Five Thousand Five Hundred Sixteen Dollars (\$13,545,516); the loan documents executed by Grantee in connection with a loan in the amount of Twenty Million Six Hundred Thirty-Three Thousand One Hundred Seventy Dollars (\$20,633,170) from Wells Fargo Bank N.A., related to the Redevelopment Agency of the City and County of San Francisco Multifamily Housing Mortgage Revenue Bonds (Armstrong Place Senior Housing) 2008; the loan documents executed by Grantee in connection with the loan from the United States Department of Housing and Urban Development in the amount of Nine Million Seven Hundred Thirty-Five Thousand Two Hundred Dollars (\$9,735,200); and ate loan documents executed by Grantee in connection with a loan in the amount of Nine Million One Hundred Six Thousand Five Hundred Seventeen Dollars (\$9,106,517) from the State of California Department of Housing and Community Development.

"Services Agreement" means the Contract for Services dated July 1, 2010, and between Tenant Services Contractor and HSH for the provision of services to LOSP Clients at the Project.

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

"Subsidy Reserve Account" means a checking account maintained by Grantee, which shall be held in a bank or savings and loan institution acceptable to MOHCD as a segregated account insured by the Federal Deposit Insurance Corporation or other comparable federal insurance program, and used only for the purposes specified in Section 4.3.

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

"Tenant-Paid Rent" means the annual amount charged to Tenants for rent, not including any applicable utility allowance, which must be included when calculating Gross Tenant Rent.

"Tenant Services Contractor" shall mean Providence Foundation of San Francisco, a California non-profit public benefit corporation].

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

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

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

"Underlying Restricted Rent" is the maximum Gross Rent allowed under the MOHCD Loan Agreement or any other more-restrictive covenants under City-approved funding agreements.

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

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

1.2 Additional Terms. The terms "as directed," "as required" or "as permitted" and similar terms shall refer to the direction, requirement, or permission of MOHCD. The terms "sufficient," "necessary"

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

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

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

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

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

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

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

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

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

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

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

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

2.4 SUPERSEDURE OF CONFLICTING PROVISIONS. IN THE EVENT OF ANY CONFLICT BETWEEN ANY OF THE PROVISIONS OF THIS ARTICLE 2 AND ANY OTHER PROVISION OF THIS AGREEMENT, THE APPLICATION DOCUMENTS OR ANY OTHER DOCUMENT OR COMMUNICATION RELATING TO THIS AGREEMENT, THE TERMS OF THIS ARTICLE 2 SHALL GOVERN.

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

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

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

Program Transition Reserve Account at the expiration of the Term or earlier termination of this Agreement, such funds shall remain with City and Grantee shall have no rights thereto.

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

ARTICLE 3 TERM

The term of this Agreement (the “**Term**”) shall commence on the Effective Date and shall terminate on the thirty-first day of December 2032, unless earlier terminated in accordance with the terms herein.

ARTICLE 4 PERFORMANCE OF GRANT OBLIGATIONS

4.1 Lease of Assisted Units.

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

If an Assisted Unit lease terminates at any time, Grantee shall deliver written notice of such termination to City within five (5) business days of such termination (the “**Termination Notice Date**”). City shall accordingly deliver a Referral to Grantee within fifteen (15) business days of receiving such Assisted Unit lease termination notice and Grantee shall lease such vacated Assisted Unit to the LOSP Client within the sixty (60) day period immediately following its receipt of such Referrals (each such additional lease up date shall be referred to as an “**Additional Leasing Date**”). The period of time between a Termination Notice Date and the corresponding Additional Leasing Date shall be referred to as a “**Vacancy Period**”. After the Initial Leasing Date, an Assisted Unit may remain vacant during any Vacancy Period applicable to such Assisted Unit. If City fails to timely deliver the required Referrals at any time, until City delivers such Referrals, Grantee can submit a request to City to use a qualified candidate identified by Grantee that satisfies the requirements of **Exhibit D**, and such request shall not be unreasonably denied.

(b) Grantee shall give preference in occupying all Assisted Units first to Certificate of Preference Holders in accordance with the Preferences Ordinance; provided that such applicants satisfy all other applicable eligibility requirements under the City Loan Documents and the Senior Loan Documents.

(c) [Intentionally Omitted]

(d) Grantee shall have sole discretion in selecting the LOSP Clients that will be Tenants, provided that Grantee’s decision not to rent an Assisted Unit to an LOSP Client referred to Grantee by City shall not be unreasonably withheld or conditioned, and provided further that Grantee shall not discriminate against or permit discrimination against any person or group of persons because of race, color, creed, national origin, ancestry, age, sex, sexual orientation, disability, gender identity, height, weight, source of income or acquired immune deficiency syndrome (AIDS) or AIDS related condition (ARC) in the leasing of the Assisted Units.

(e) Grantee shall comply with the Tenant Selection Plan Policy set forth in the attached **Exhibit H** when selecting tenants for the Assisted Units.

(f) Grantee shall comply with the Tenant Screening Criteria Policy set forth in the attached **Exhibit I** when screening tenants for the Assisted Units.

(g) Grantee shall rent each Assisted Unit to a Tenant pursuant to a separate lease agreement that complies with this Agreement. Each Tenant lease shall provide for termination of such lease and such Tenant's consent to immediate eviction if the Tenant has made any material misrepresentation in the initial income certification made by Tenant to City or in any later income certification made by Tenant to Grantee. The lease agreement for each Assisted Unit must also contain the applicable Lease Addendum, which can be found in the **LOSP Policies and Procedures Manual**.

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

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

4.2 Rent Restrictions.

(a) Gross Rent charged for any Tenant shall be the lower of fifty percent (50%) of a Tenant's gross monthly income, or the maximum rent allowed under the MOHCD Loan Agreement.

(b) With the written approval of DSHH, the Gross Rent charged to a Tenant may be increased as a result of a determination by HSH that such Tenant is no longer eligible under the Program, so long as the Gross Rent charged does not exceed the Underlying Restricted Rent. Notwithstanding the forgoing, Tenants deemed no longer eligible by HSH who remain occupants of the Project shall still be considered a LOSP Client and the Tenant's Unit shall still constitute an Assisted Unit for purposes of compliance with the requirements of this Agreement.

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

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

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

4.4 [Intentionally Omitted]

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

Grantee can submit requests to change the amount of the Annual Operating Budget and corresponding Subsidy Payment for any year during the term by supplying a written proposal to MOHCD. MOHCD will provide project-specific guidance about other materials required to analyze the requested change including but not limited to a variance analysis that includes a quantitative assessment of the difference between projected annual income and expenses and actual annual income and expenses, and explanations for the cause of any significant variances.

Any travel expenses incurred by Grantee must be reasonable and must comply with the following:

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

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

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

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

(v) Any Disbursement Request for travel expenses must include supporting documentation, including, without limitation, original itemized receipts showing rates and cost, air travel itinerary, proof of payment, and any written justification requested by the City.

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

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

4.7 [Intentionally Omitted]

4.8 Maintenance and Management of Project.

(a) Grantee shall be responsible for ensuring all Project maintenance, repair and management functions, including the collection of rents, routine and extraordinary repairs and replacement of capital items, and for keeping the Project in a safe and sanitary manner and in good operating condition in accordance with all Applicable Laws, the City Loan Documents and the Senior Loan Documents (collectively, the “**Maintenance Duties**”).

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

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

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

4.9 Services Agreement; Provision of Services.

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

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

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

ARTICLE 5 USE AND DISBURSEMENT OF GRANT FUNDS

5.1 Maximum Amount of Grant Funds; Disbursement of Subsidy Payments. In no event shall the total amount of Grant Funds disbursed hereunder exceed Four Million Two Hundred Thirty Seven Thousand One Hundred Fifty Six Dollars (\$4,237,156) (the “**Grant Amount**”). Subject to Grantee’s performance of its obligations under this Agreement and MOHCD’s receipt of sufficient funds, as further set forth in Article 2, the Grant Funds shall be disbursed through Subsidy Payments.

Provided that Grantee is in compliance with all of the conditions for receipt of the First Subsidy Payment, City shall deliver the First Subsidy Payment to Grantee within sixty (60) business days immediately following the Agreement Date. For every subsequent year during the Term, provided that Grantee is in compliance with all of the conditions for receipt of a Subsidy Payment, City shall deliver the Subsidy Payment for such year to Grantee within sixty (60) business days immediately following the date when the funds have been made available for MOHCD for disbursement.

5.2 Subsidy Payment Amounts and Adjustments.

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

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

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

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

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

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

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

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

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

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

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

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

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

5.6 Allocation of Grant Funds and Calculation of Assisted Unit Operating Costs. For the purposes of determining the Subsidy Payment and the Projected Shortfall, City and Grantee have agreed that the parties shall allocate 19.83 percent (19.83%) of the total Operating Costs to the Assisted Units (“**Assisted Units Operating Costs**”) and 80.17 percent (80.17%) of the total Operating Costs to the non-Assisted Units. For most budget line items, LOSP units are assigned a prorated share of the total project operating cost. There are some line items where alternative portions of the line item may be proposed. **Exhibit B** depicts the allocation of Operating Costs between the Assisted and non-Assisted Units, including and budget line items for which alternative portions have been allocated to the Assisted/non-Assisted units.

ARTICLE 6 REPORTING REQUIREMENTS; AUDITS; PENALTIES FOR FALSE CLAIMS

6.1 Regular Reports; Operating Statements. Grantee must file electronically with the City no later than one hundred fifty (150) days after the end of Grantee’s calendar year annual report forms (the “**Annual Monitoring Report**”) that include audited financial statements including any management letters; an income and expense statement for the Project covering the applicable reporting period “**Operating Statement**”; a statement of balances, deposits and withdrawals from all Accounts; and evidence of required insurance. The Annual Monitoring Report must be in substantially the form attached as **Exhibit G** or as later modified by MOHCD during the Term.

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

6.2 Organizational Documents. Prior to the Effective Date, Grantee shall provide to City the following documents (collectively, the “**Charter Documents**”): a certified certificate of status and (a) if Grantee is a corporation, its bylaws, and a certified copy of its articles of incorporation; (b) if Grantee is limited partnership, its partnership agreement, a certified copy of its certificate of partnership, and the organizational documents of its general partner; and (c) if Grantee is a limited liability company, its

operating agreement, a certified copy of its certificate of limited liability company; and the organizational documents of its manager. All certified documents to be provided pursuant to this Section shall be certified by the California Secretary of State or, if the entity for which a certified document is to be provided was not organized in the State of California, certified by the Secretary of State of such entity's state of organization, no earlier than two (2) months prior to the Effective Date. The Charter Documents must be delivered to the City in their original form, as amended if applicable.

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

6.4 Financial Statements. As noted in Section 6.1, Grantee shall also deliver to City, no later than one hundred fifty (150) days following the end of any Business Year, an audited balance sheet and the related statement of income and cash flows for such Business Year, certified by a reputable accounting firm as accurately presenting the financial position of Grantee, including any management letters supplied by the auditors.

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

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

6.7 Submitting False Claims; Monetary Penalties. Grantee acknowledges and agrees that it is a "contractor" under and is subject to San Francisco Administrative Code Section 21.35. Under such Section 21.35, any contractor, subgrantee or consultant who submits a false claim shall be liable to City for three times the amount of damages which City sustains because of the false claim. A contractor, subgrantee or consultant who submits a false claim shall also be liable to City for the costs, including attorney's fees, of a civil action brought to recover any of those penalties or damages, and may be liable to City for a civil penalty of up to Ten Thousand Dollars (\$10,000) for each false claim. A contractor, subgrantee or consultant will be deemed to have submitted a false claim to City if the contractor, subgrantee or consultant: (a) knowingly presents or causes to be presented to an officer or employee of City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by City; (c) conspires to defraud City by getting a false claim allowed or paid by City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or

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

6.8 Project Monitoring Generally. Grantee understands and agrees that it will be monitored by the City from time to time to assure compliance with all terms and conditions in this Agreement and all Laws. Grantee acknowledges that the City may also conduct periodic on-site inspections of the Project. Grantee must cooperate with the monitoring by the City and ensure full access to the Project and all information related to the Project as reasonably required by the City.

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

ARTICLE 7 TAXES

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

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

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

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

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

7.3 Earned Income Credit (EIC) Forms. Administrative Code Section 120 requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found.

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

(b) Failure to comply with any requirement contained in subparagraph (a) of this Section shall constitute a material breach by Grantee of the terms of this Agreement. If, within thirty (30) days after

Grantee receives written notice of such a breach, Grantee fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty (30) days, Grantee fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the City may pursue any rights or remedies available under this Agreement or under applicable law.

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

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

ARTICLE 8 REPRESENTATIONS AND WARRANTIES

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

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

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

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

8.4 Conflict of Interest. Through its execution of this Agreement, Grantee acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of the City's Campaign and Governmental Conduct Code, and Section 87100 *et seq.* and Section 1090 *et seq.* of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify MOHCD if it becomes aware of any such fact during the term of this Agreement.

ARTICLE 9 INDEMNIFICATION AND GENERAL LIABILITY

9.1 Indemnification. Grantee shall indemnify, protect, defend and hold harmless each of the Indemnified Parties from and against any and all Losses arising from, in connection with or caused by: (a) a material breach of this Agreement by Grantee; (b) a material breach of any representation or warranty of Grantee contained in this Agreement; (c) any personal injury caused, directly or indirectly, by any act or omission of Grantee or its employees, subgrantees or agents; (d) any property damage caused, directly or indirectly by any act or omission of Grantee or its employees, subgrantees or agents; (e) the use, misuse or failure of any equipment or facility used by Grantee, or by any of its employees, subgrantees or agents, regardless of whether such equipment or facility is furnished, rented or loaned to

Grantee by an Indemnified Party; (f) any tax, fee, assessment or other charge for which Grantee is responsible under Article 7; or (g) any infringement of patent rights, copyright, trade secret or any other proprietary right or trademark of any person or entity in consequence of the use by any Indemnified Party of any goods or services furnished to such Indemnified Party in connection with this Agreement. Grantee's obligations under the immediately preceding sentence shall apply to any Loss that is caused in whole or in part by the active or passive negligence of any Indemnified Party, but shall exclude any Loss caused solely by the willful misconduct or gross negligence of the Indemnified Party. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigating any claims against the City.

9.2 Duty to Defend; Notice of Loss. Grantee acknowledges and agrees that its obligation to defend the Indemnified Parties under Section 9.1: (a) is an immediate obligation, independent of its other obligations hereunder; (b) applies to any Loss which actually or potentially falls within the scope of Section 9.1, regardless of whether the allegations asserted in connection with such Loss are or may be groundless, false or fraudulent; and (c) arises at the time the Loss is tendered to Grantee by the Indemnified Party and continues at all times thereafter. The Indemnified Party shall give Grantee prompt notice of any Loss under Section 9.1 and Grantee shall have the right to defend, settle and compromise any such Loss; provided, however, that the Indemnified Party shall have the right to retain its own counsel at the expense of Grantee if representation of such Indemnified Party by the counsel retained by Grantee would be inappropriate due to conflicts of interest between such Indemnified Party and Grantee. An Indemnified Party's failure to notify Grantee promptly of any Loss shall not relieve Grantee of any liability to such Indemnified Party pursuant to Section 9.1, unless such failure materially impairs Grantee's ability to defend such Loss. Grantee shall seek the Indemnified Party's prior written consent to settle or compromise any Loss if Grantee contends that such Indemnified Party shares in liability with respect thereto.

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

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

ARTICLE 10 INSURANCE

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

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

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

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

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

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

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

(b) Provide that such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to limits of liability.

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

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

10.5 General Annual Aggregate Limit/Inclusion of Claims Investigation or Legal Defense Costs. Should any of the insurance required hereunder be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

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

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

ARTICLE 11 EVENTS OF DEFAULT AND REMEDIES

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

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

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

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

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

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

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

(g) **Damage or Destruction.** All or a substantial or material portion of the Project is damaged or destroyed by fire or other casualty or is condemned, seized or appropriated by any non-City governmental agency or subject to any action or other proceeding instituted by any non-City governmental agency for any purpose with the result that the Project cannot be operated for its intended purpose.

(h) **Dissolution.** Grantee or Grantee's general partners are dissolved or liquidated or merged with or into any other entity or ceases to exist in its present form and (where applicable) in good standing and duly qualified under the laws of the jurisdiction of formation and California for any period of more than ten (10) days, or all or substantially all of Grantee's assets are sold or otherwise transferred except as permitted.

(i) **Assignment.** Without MOHCD's prior written consent, Grantee assigns or attempts to assign any rights or interest under this Agreement or encumber its interests hereunder, whether voluntarily or involuntarily, or voluntarily or involuntarily assigns or attempts to sell, lease, assign, encumber or otherwise transfer all or any portion of the ownership interests in Grantee or of its right, title or interest in the Project or the Real Property, other than: (a) leases, subleases or occupancy agreements to occupants of Units and/or Commercial Space in the Project; or (b) security interests for the benefit of lenders securing loans for the Project as approved by the City on terms and in amounts as approved by City in its reasonable discretion (c) transfers from Borrower to a limited partnership or limited liability company formed for the tax credit syndication of the Project, where Borrower or an affiliated nonprofit public benefit corporation is the sole general partner or manager of that entity; (d) transfers of the general partner's or manager's interest in Borrower to a nonprofit public benefit corporation approved in advance by the City; (e) transfers of any limited partnership or membership interest in Borrower to an investor pursuant to the tax credit syndication of the Project or any subsequent transfer of a limited partnership interest in Borrower by an investor limited partner in Borrower, or any direct or indirect transfer of a limited partnership interest or membership interest in any investor limited partner in Borrower; (f) any transfer permitted under the City Documents; or (g) the grant or exercise of an option agreement between Borrower and Borrower's general partner or manager or any of its affiliates in connection with the tax credit syndication of the Project. Any other transfer, assignment, encumbrance or lease without the City's prior written consent will be voidable and, at the City's election, constitute an Event of Default under this Agreement. The City's consent to any specific assignment, encumbrance, lease or other transfer will not constitute its consent to any subsequent transfer or a waiver of any of the City's rights under this Agreement.

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

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

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

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

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

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

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

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

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

ARTICLE 12 DISCLOSURE OF INFORMATION AND DOCUMENTS

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

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

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

ARTICLE 13 ASSIGNMENTS AND SUBCONTRACTING

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

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

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

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

ARTICLE 14 INDEPENDENT CONTRACTOR STATUS

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

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

14.3 Consequences of Recharacterization.

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

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

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

ARTICLE 15 NOTICES AND OTHER COMMUNICATIONS

15.1 Requirements. Unless otherwise specifically provided herein, all notices, consents, directions, approvals, instructions, requests and other communications hereunder shall be in writing, shall be addressed to the person and address set forth below and shall be (a) deposited in the U.S. mail, first class, certified with return receipt requested and with appropriate postage, (b) hand delivered, (c) sent by

facsimile (if a facsimile number is provided below), provided that a copy of such notice shall be deposited in the U.S. mail, first class, or (d) deposited with a nationally-recognized overnight delivery service, provided that next business-day delivery is requested:

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

If to Grantee: Armstrong Place Associates
600 California Street, Suite 900
San Francisco, CA 94108
Attention: Susan Johnson, Executive Vice President

With a copy to: Gubb & Barshay LLP
505 14th Street, Suite 1050
Oakland, CA 94612
Attention: General Counsel

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

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

ARTICLE 16 COMPLIANCE

16.1 Reserved.

16.2 Nondiscrimination; Penalties.

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

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

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

(d) **Condition to Contract.** As a condition to this Agreement, Grantee shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

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

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

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

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

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

16.7 Compliance with ADA. Grantee acknowledges that, pursuant to the ADA, programs, services and other activities provided by a public entity to the public, whether directly or through a grantee or contractor, must be accessible to the disabled public. Grantee shall not discriminate against any person

protected under the ADA in connection with its activities hereunder and shall comply at all times with the provisions of the ADA.

16.8 Requiring Minimum Compensation for Employees.

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

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

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

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

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

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

g. Grantee understands and agrees that if it fails to comply with the requirements of the MCO, the City shall have the right to pursue any rights or remedies available under Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, Grantee fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Grantee fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

h. Grantee represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

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

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

16.10 First Source Hiring Program.

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

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

(1) Set appropriate hiring and retention goals for entry level positions. The employer shall agree to achieve these hiring and retention goals, or, if unable to achieve these goals, to establish good faith efforts as to its attempts to do so, as set forth in the agreement. The agreement shall take into consideration the employer's participation in existing job training, referral and/or brokerage programs. Within the discretion of the FSHA, subject to appropriate modifications, participation in such programs maybe certified as meeting the requirements of this Chapter. Failure either to achieve the specified goal, or to establish good faith efforts will constitute noncompliance and will subject the employer to the provisions of Section 83.10 of this Chapter.

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

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

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

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

(6) Set the term of the requirements.

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

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

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

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

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

e. Liquidated Damages. Contractor agrees:

(1) To be liable to the City for liquidated damages as provided in this section;

(2) To be subject to the procedures governing enforcement of breaches of contracts based on violations of contract provisions required by this Chapter as set forth in this section;

(3) That the contractor's commitment to comply with this Chapter is a material element of the City's consideration for this contract; that the failure of the contractor to comply with the contract provisions required by this Chapter will cause harm to the City and the public which is significant and substantial but extremely difficult to quantify; that the harm to the City includes not only the financial cost of funding public assistance programs but also the insidious but impossible to quantify harm that this community and its families suffer as a result of unemployment; and that the assessment of liquidated damages of up to \$5,000 for every notice of a new hire for an entry level position improperly withheld by the contractor from the first source hiring process, as determined by the FSHA during its first investigation of a contractor, does not exceed a fair estimate of the financial and other damages that the City suffers as a result of the contractor's failure to comply with its first source referral contractual obligations.

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

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

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

B. In 2004, the retention rate of adults placed in employment programs funded under the Workforce Investment Act for at least the first six months of employment was 84.4%. Since qualified individuals under the First Source program face far fewer barriers to employment than their counterparts in programs funded by the Workforce Investment Act, it is reasonable to conclude that the average length of employment for an individual whom the First Source Program refers to an employer and who is hired in an entry level position is at least one year;

therefore, liquidated damages that total \$5,000 for first violations and \$10,000 for subsequent violations as determined by FSHA constitute a fair, reasonable, and conservative attempt to quantify the harm caused to the City by the failure of a contractor to comply with its first source referral contractual obligations.

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

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

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

16.11 Prohibition on Political Activity with City Funds. In accordance with S. F. Administrative Code Chapter 12.G, no funds appropriated by the City and County of San Francisco for this Agreement may be expended for organizing, creating, funding, participating in, supporting, or attempting to influence any political campaign for a candidate or for a ballot measure (collectively, “**Political Activity**”). The terms of San Francisco Administrative Code Chapter 12.G are incorporated herein by this reference.

Accordingly, an employee working in any position funded under this Agreement shall not engage in any Political Activity during the work hours funded hereunder, nor shall any equipment or resource funded by this Agreement be used for any Political Activity. In the event Grantee, or any staff member in association with Grantee, engages in any Political Activity, then (i) Grantee shall keep and maintain appropriate records to evidence compliance with this Section, and (ii) Grantee shall have the burden to prove that no funding from this Agreement has been used for such Political Activity. Grantee agrees to cooperate with any audit by the City or its designee in order to ensure compliance with this Section. In the event Grantee violates the provisions of this Section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement and any other agreements between Grantee and City, (ii) prohibit Grantee from bidding on or receiving any new City contract for a period of two (2) years, and (iii) obtain reimbursement of all funds previously disbursed to Grantee under this Agreement.

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

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

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

If Grantee, or any of its subgrantees, hires an employee or volunteer to provide services to minors at any location other than a Recreational Site, and that employee or volunteer has been convicted of an

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

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

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

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

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

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

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

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

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

16.15 Public Access to Meetings and Records. If the Grantee receives a cumulative total per year of at least \$250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, the Grantee shall comply with and be bound by all the applicable provisions of that Chapter. By executing this Agreement, the Grantee agrees to open its meetings and records to the public in the manner set forth in Sections 12L.4 and 12L.5 of the Administrative Code. The Grantee further agrees to make good-faith efforts to promote community membership on its Board of Directors in the manner set forth in Section 12L.6 of the Administrative Code. The Grantee acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Agreement. The Grantee further acknowledges that

such material breach of the Agreement shall be grounds for the City to terminate and/or not renew the Agreement, partially or in its entirety.

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

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

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

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

16.18 Slavery Era Disclosure.

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

(b) In the event the Director finds that Grantee has failed to file an affidavit as required by Section 12Y.4(a) and this Agreement, or has willfully filed a false affidavit, the Grantee shall be liable for

liquidated damages in an amount equal to the Grantee's net profit on the Agreement, 10 percent of the total amount of the Agreement, or \$1,000, whichever is greatest as determined by the Director. Grantee acknowledges and agrees that the liquidated damages assessed shall be payable to the City upon demand and may be set off against any monies due to the Grantee from any Agreement with the City.

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

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

ARTICLE 17 MISCELLANEOUS

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

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

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

17.4 Governing Law; Venue. The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California, without regard to its conflict of laws principles. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

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

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

- Exhibit A, Projected Project Subsidy Payments
- Exhibit B, Annual Operating Budget for Initial Operating Period and 15-Year Cash Flow
- Exhibit C, Real Property Legal Description
- Exhibit D, LOSP Client Selection Criteria
- Exhibit E, Intentionally Omitted
- Exhibit F, Lobbying/Debarment Certification Form
- Exhibit G, Annual Monitoring Report
- Exhibit H, Tenant Selection Plan Policy – LOSP
- Exhibit I, Tenant Screening Criteria Policy – LOSP

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

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

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

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

- Section 6.4 Financial Statements.
- Section 6.5 Books and Records.
- Section 6.6 Inspection and Audit.
- Section 6.7 Submitting False Claims;
Monetary Penalties
- Section 6.8 Ownership of Results.
- Article 7 Taxes
- Article 9 Indemnification and General
Liability
- Section 10.4 Required Post-Expiration
Coverage.
- Article 12 Disclosure of Information and
Documents
- Section 13.4 Grantee Retains
Responsibility.
- Section 14.3 Consequences of
Recharacterization.
- This Article 17 Miscellaneous

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

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

[REMAINDER OF PAGE INTENTIONALLY BLANK]

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

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____

Edwin M. Lee
Mayor

By: _____

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

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

By: _____

Deputy City Attorney

GRANTEE:

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

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

Armstrong Place Associates,
a California limited partnership

By: _____,
Site K, Inc. a California nonprofit public
benefit corporation, its General Partner

By: _____

Name: _____

Its: _____

Federal Tax ID #: _____

City Vendor Number: _____

Exhibit A – Projected Project Subsidy Payments

LOSP FUNDING SCHEDULE

Project Address: Armstrong Place

Projected Start Date (must be on 1st of the month): 1/1/2017

FOR REFERENCE ONLY

Exhibit A-2: LOSP Funding By Calendar Year

| | 1/1-6/30 | 7/1-12/31 | TOT | Total Months |
|-------|----------|-----------|-------|--------------|
| CY-0 | A | B | A+B | 12 |
| | 1/1-6/30 | 7/1-12/31 | TOT | Total Months |
| CY-1 | C | D | C+D | 12 |
| CY-2 | E | F | E+F | 12 |
| CY-3 | G | H | G+H | 12 |
| CY-4 | I | J | I+J | 12 |
| CY-5 | K | L | K+L | 12 |
| CY-6 | M | N | M+N | 12 |
| | | | | |
| | | | | |
| CY-7 | O | P | O+P | 12 |
| CY-8 | Q | R | Q+R | 12 |
| CY-9 | S | T | S+T | 12 |
| CY-10 | U | V | U+V | 12 |
| CY-11 | W | X | W+X | 12 |
| CY-12 | Y | Z | Y+Z | 12 |
| CY-13 | AA | BB | AA+BB | 12 |
| CY-14 | CC | DD | CC+DD | 12 |
| CY-15 | EE | FF | EE+FF | 12 |
| | | | | 192 |

Exhibit A-2: LOSP Funding By Calendar Year

| | 1/1-6/30 | 7/1-12/31 | TOT | Total Months |
|------|--------------|--------------|----------------|--------------|
| 2017 | \$0.00 | \$16,415.11 | \$16,415.11 | 1.1 |
| | 1/1-6/30 | 7/1-12/31 | TOT | Total Months |
| 2018 | \$97,079.07 | \$97,079.07 | \$194,158.14 | 12 |
| 2019 | \$102,232.93 | \$102,232.93 | \$204,465.86 | 12 |
| 2020 | \$107,605.16 | \$107,605.16 | \$215,210.32 | 12 |
| 2021 | \$113,204.85 | \$113,204.85 | \$226,409.69 | 12 |
| 2022 | \$119,041.46 | \$119,041.46 | \$238,082.93 | 12 |
| 2023 | \$125,124.90 | \$125,124.90 | \$250,249.79 | 12 |
| | | | | |
| | | | | |
| 2024 | \$131,465.46 | \$131,465.46 | \$262,930.91 | 12 |
| 2025 | \$138,073.90 | \$138,073.90 | \$276,147.81 | 12 |
| 2026 | \$144,961.47 | \$144,961.47 | \$289,922.93 | 12 |
| 2027 | \$152,139.86 | \$152,139.86 | \$304,279.73 | 12 |
| 2028 | \$159,621.33 | \$159,621.33 | \$319,242.65 | 12 |
| 2029 | \$167,418.62 | \$167,418.62 | \$334,837.24 | 12 |
| 2030 | \$175,545.08 | \$175,545.08 | \$351,090.16 | 12 |
| 2031 | \$184,014.62 | \$184,014.62 | \$368,029.24 | 12 |
| 2032 | \$192,841.76 | \$192,841.76 | \$385,683.53 | 12 |
| | | | \$4,237,156.04 | 181.1 |

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

MOHCD Reform - Year 1 Operating Budget

| Application Date: | 12/1/2016 | LOSP Units | 23 | Non-LOSP Units | 93 | Project Name: | Armstrong Place |
|---|----------------|--------------------------|------------------|--|---------------------|------------------|--|
| Total # Units: | 116 | | | | | Project Address: | 5600 Third Street |
| First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operation): | 2017 | LOSP/Non-LOSP Allocation | | | Project Sponsor: | BRIDGE Housing | |
| | | LOSP | non-LOSP | Total | | | |
| | | 10.83% | 89.17% | | | | |
| INCOME | | | | | | | |
| Residential - Tenant Rents | 125,405 | 447,759 | 673,163 | Links from 'Existing Proj - Rent Info' Worksheet | | | |
| Residential - Tenant Assistance Payments (Non-LOSP) | 0 | 443,448 | 443,448 | Links from 'Existing Proj - Rent Info' Worksheet | | | |
| Residential - OSB Tenant Assistance Payments | 184,370 | 0 | 184,370 | \$100.12 per unit per year | | | |
| Commercial Space | 0 | 0 | 0 | Links from 'Commercial Op. Budget' Worksheet | | | |
| Residential Parking | 0 | 0 | 0 | Links from 'Utilities & Other Income' Worksheet | | | |
| Miscellaneous Rent Income | 0 | 0 | 0 | Links from 'Utilities & Other Income' Worksheet | | | |
| Supportive Services Income | 0 | 0 | 0 | | | | |
| Interest Income - Project Operations | 0 | 0 | 0 | Links from 'Utilities & Other Income' Worksheet | | | |
| Laundry and Vending | 920 | 3,718 | 4,637 | Links from 'Utilities & Other Income' Worksheet | | | |
| Telco Charges | 488 | 1,972 | 2,460 | Links from 'Utilities & Other Income' Worksheet | | | |
| Miscellaneous Residential Income | 265 | 1,429 | 1,694 | Links from 'Utilities & Other Income' Worksheet | | | |
| Other Commercial Income | 0 | 0 | 0 | Links from 'Commercial Op. Budget' Worksheet | | | |
| Withdrawal from Capitalized Reserve (deposit to operating account) | 0 | 67,977 | 67,977 | Withdrawal - Operating Reserve for HCD Debt (\$37,977) and PAI and AMI fee (\$30,000) | | | |
| | 314,448 | 895,332 | 1,209,780 | | | | |
| | | | | Gross Potential Income | | | |
| Vacancy Loss - Residential - Tenant Rents | (6,270) | (22,388) | (28,658) | Vacancy loss is 5% of Tenant Rents | | | |
| Vacancy Loss - Residential - Tenant Assistance Payments | 0 | (22,172) | (22,172) | Vacancy loss is 5% of Tenant Assistance Payments | | | |
| Vacancy Loss - Commercial | 0 | 0 | 0 | Links from 'Commercial Op. Budget' Worksheet | | | |
| | 305,177 | 821,792 | 1,226,969 | | | | |
| | | | | EFFECTIVE GROSS INCOME | | | 47% |
| | | | | | | | PUPA: 16,577 |
| OPERATING EXPENSES | | | | | | | |
| Management | | | | | | | |
| Management Fee | 0 | 56,160 | 56,160 | HUD management fee - does not escalate until HUD makes changes in fee structure | | | |
| Asset Management Fee | 13,577 | 12,357 | 25,934 | Property management fee for LOSP and TCAC units - escalates at 3% | | | |
| | 13,577 | 68,517 | 82,134 | | | | PUPA: 708 |
| Salaries/Benefits | | | | | | | |
| Office Salaries | 8,560 | 35,948 | 44,508 | Assistant Manager at 17.99 per hour (includes a 3% increase) and contracted frontlines | | | |
| Manager's Salary | 9,419 | 38,081 | 47,500 | Manager salary will be adjusted to reflect be in compliance with new federal regulations. | | | |
| Health Insurance and Other Benefits | 7,909 | 31,974 | 39,883 | Based on premiums for medical and dental for all employees | | | |
| Other Salaries/Benefits | 2,016 | 8,159 | 10,175 | 4039 plan based on 6% of salaries | | | |
| Administrative Fee-Free List | 0 | 9,303 | 9,303 | Start-up fee in a HUD regulated unit | | | |
| | 27,808 | 124,464 | 152,270 | | | | PUPA: 1,314 |
| Administration | | | | | | | |
| Advertising and Marketing | 154 | 622 | 776 | Cost to process credit checks. | | | |
| Office Expenses | 4,448 | 17,981 | 22,428 | Telephone of 514.400 and Office Supplies and printing of 57270 | | | |
| Office Rent | 0 | 0 | 0 | | | | |
| Legal Expense - Property | 885 | 3,983 | 4,868 | HUD's plus miscellaneous legal counsel of \$1,200 | | | |
| Audit Expense | 2,011 | 8,132 | 10,143 | Annual audit fee | | | |
| Bookkeeping/Accounting Service | 1,223 | 4,945 | 6,168 | Annual bookkeeping fee based on \$4.28 per pm | | | |
| Bad Debt | 616 | 2,489 | 3,105 | Estimate based on 2015 actuals | | | |
| Miscellaneous | 3,329 | 13,459 | 16,788 | Solvents maintenance fees, Conferences, Staff advertising and fund-raising, payroll services | | | |
| | 12,766 | 51,611 | 64,377 | | | | PUPA: 555 |
| Utilities | | | | | | | |
| Electricity | 8,349 | 33,758 | 42,105 | Based on 2016 actuals | | | |
| Gas | 6,038 | 24,412 | 30,450 | Based on 2016 actuals | | | |
| Oil | 4,597 | 20,203 | 25,200 | Based on 2016 actuals | | | |
| Water | 8,303 | 35,107 | 43,410 | Based on 2016 actuals | | | |
| | 28,333 | 114,567 | 142,905 | | | | PUPA: 1,232 |
| Taxes and Licenses | | | | | | | |
| Real Estate Taxes | 54 | 220 | 274 | Assumes 100% waiver exemption | | | |
| Payroll Taxes | 3,257 | 13,167 | 16,424 | Based on 10% of salaries | | | |
| Miscellaneous Taxes, Licenses and Permits | 816 | 2,489 | 3,305 | Annual FTB payment of \$800, elevator permits, \$276, encroachment fee \$1,700 plus | | | |
| | 3,827 | 15,876 | 19,803 | | | | PUPA: 171 |
| Insurance | | | | | | | |
| Property and Liability Insurance | 15,884 | 64,135 | 80,000 | Annual premiums for property, liability, umbrella, D&O and pollution | | | |
| Fidelity Bond Insurance | 0 | 0 | 0 | | | | |
| Workers Compensation | 2,405 | 10,553 | 13,139 | Based on 6% of payroll | | | |
| Director's & Officers' Liability Insurance | 0 | 0 | 0 | | | | |
| | 18,469 | 74,669 | 93,139 | | | | PUPA: 803 |
| Maintenance & Repair | | | | | | | |
| Janitor | 15,218 | 61,522 | 76,740 | Janitor at \$15 per hour (in 2017) and Maintenance Supervisor at \$20.75 per hour plus | | | |
| Supplies | 6,227 | 26,386 | 32,613 | Janitorial supplies of \$6,000, Repairs materials of \$20,000 and Decorating supplies of | | | |
| Contractors | 20,000 | 68,000 | 88,000 | Janitorial contract of \$26,000, Externalizing of \$11,700, Grounds contract of \$9,500, | | | |
| Garbage and Trash Removal | 8,251 | 33,356 | 41,607 | Based on monthly charge of \$3,100 plus \$3,000 in extra pick ups | | | |
| SECURITY Firm/Contract | 140,143 | 547,772 | 687,915 | Front desk coverage for 16 hours a day 5 days per week and 24 hours on weekends at | | | |
| HVAC Repairs and Maintenance | 0 | 0 | 0 | | | | |
| Vehicle and Maintenance Equipment Operation and Repairs | 164 | 664 | 828 | Five extinguishers | | | |
| Miscellaneous Operating and Maintenance Expenses | 308 | 1,245 | 1,553 | uniforms | | | |
| | 191,310 | 245,946 | 437,256 | | | | PUPA: 3,789 |
| Supportive Services | | | | | | | |
| Supportive Services | 0 | 40,572 | 40,572 | Service Coordination paid with HUD rent | | | |
| Commercial Expenses | 0 | 0 | 0 | Links from 'Commercial Op. Budget' Worksheet | | | |
| TOTAL OPERATING EXPENSES w/o RESERVES/CL BASE | 286,293 | 736,282 | 1,022,555 | | | | PUPA: 8,901 |
| Reserves/Ground Lease Base Rent/Bond Fees | | | | | | | |
| Ground Lease Base Rent | 0 | 0 | 0 | Provide additional comments here, if needed. | | | |
| Bond Monitoring Fee | 0 | 0 | 0 | | | | |
| Replacement Reserve Deposit | 8,884 | 94,905 | 103,879 | | | | |
| Operating Reserve Deposit | 0 | 0 | 0 | | | | |
| Other Required Reserve 1 Deposit | 0 | 0 | 0 | | | | |
| Other Required Reserve 2 Deposit | 0 | 0 | 0 | | | | |
| Required Reserve Deposits, Commercial | 8,884 | 94,905 | 103,879 | Links from 'Commercial Op. Budget' Worksheet | | | |
| | 8,884 | 94,905 | 103,879 | | | | PUPA: 898 |
| TOTAL OPERATING EXPENSES w/ RESERVES/CL BASE | 305,177 | 831,257 | 1,126,434 | | | | PUPA: 9,797 |
| NET OPERATING INCOME (INCOME minus OP EXPENSES) | | | | | | | |
| | 0 | 80,535 | 80,535 | | | | PUPA: 780 |
| DEBT SERVICE (Hard debt amortized loans) | | | | | | | |
| Hard Debt - First Lender | 0 | 0 | 0 | | | | |
| Hard Debt - Second Lender (HUD Program 0.42% pmt. or other 3rd) | 0 | 37,977 | 37,977 | HCD/TOD | | | Provide additional comments here, if needed. |
| Hard Debt - Third Lender (Other HUD Program, or other 3rd Lender) | 0 | 0 | 0 | | | | Provide additional comments here, if needed. |
| Hard Debt - Fourth Lender | 0 | 0 | 0 | | | | Provide additional comments here, if needed. |
| Commercial Hard Debt Service | 0 | 0 | 0 | Links from 'Commercial Op. Budget' Worksheet | | | |
| | 0 | 37,977 | 37,977 | | | | PUPA: 322 |
| CASH FLOW (NOI minus DEBT SERVICE) | 0 | 42,558 | 42,558 | | | | |
| Commercial Only Cash Flow | 0 | 0 | 0 | | | | |
| Allocation of Commercial Supplies to LOSP/Non-LOSP (residual income) | 0 | 0 | 0 | | | | |
| AVAILABLE CASH FLOW | 0 | 42,558 | 42,558 | | | | |
| USES OF CASH FLOW BELOW (This row also shows DSCR.) | | | | | | | |
| USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL | | | | | | | |
| Below-the-line Asset Mgt fee (noncom in new projects, see policy) | 0 | 0 | 0 | | | | |
| Partnership Management Fee (see policy for limits) | 0 | 0 | 0 | \$25,000 paid from a fee reserve - not allocated to LOSP - see line 118 | | | |
| Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits) | 0 | 0 | 0 | \$5,000 paid for a fee reserve - not allocated to LOSP - see line 118 | | | |
| Other Payments | 0 | 30,000 | 30,000 | AM fee to LP of \$5,000 and PM fee of \$25,000. Fees fees are paid from a reserve which | | | |
| Non-amortizing Loan Pmt - Lender 1 (asset mgt in commercial only) | 0 | 0 | 0 | | | | Provide additional comments here, if needed. |
| Non-amortizing Loan Pmt - Lender 2 (asset mgt in commercial only) | 0 | 0 | 0 | | | | Provide additional comments here, if needed. |
| Delayed Developer Fee (limit amt. see Max Fee from 04/11/15) | 0 | 0 | 0 | Def. Developer Fee split 0% | | | Provide additional comments here, if needed. |
| TOTAL PAYMENTS PRECEDING MOHCD | 0 | 30,000 | 30,000 | | | | PUPA: 259 |
| RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS) | 0 | 12,558 | 12,558 | | | | |
| PRECEDING MOHCD | 0 | 22,558 | 22,558 | | | | |
| Residual Receipts Calculation | | | | | | | |
| Does Project have a MOHCD Residual Receipt Obligation? | | Yes | | Project has MOHCD ground lease? | | | TBD |
| W/Project Debt Developer Fee? | | No | | | | | |
| Max Deferred Developer Fee/Reserve % of Residual Receipts In Yr 1: | | 33% | | | | | |
| % of Residual Receipts available for distribution to soft debt lenders | | 67% | | | | | |
| Soft Debt Lenders with Residual Receipts Obligations | | | | | | | |
| MOHCD/CCI - Soft Debt Loans | | | | Exact limit on pro-rata amount due debt serv | Total Principal Amt | \$7,696,358 | 45.96% |
| MOHCD/CCI - Ground Lease Value | | | | All MOHCD/CCI Loans payable from res. rec. | Ground Lease | 0 | 0.00% |
| HCD (soft debt loan) - Lender 3 | | | | | | \$9,042,172 | 54.02% |
| Other Soft Debt Lender - Lender 4 | | | | | | 0 | 0.00% |
| Other Soft Debt Lender - Lender 5 | | | | | | 0 | 0.00% |
| MOHCD RESIDUAL RECEIPTS DEBT SERVICE | | | | | | | |
| MOHCD Residual Receipts Amount Due | 6,516 | 6,516 | 6,516 | 67% of residual receipts, multiplied by 45.96% - MOHCD's pro rata share of all soft debt | | | |
| Proposed MOHCD Residual Receipts Amount to Loan Repayment | 6,516 | 6,516 | 6,516 | Enter/override amount of residual receipts proposed for loan repayment. | | | |
| Proposed MOHCD Residual Receipts Amount in Residual Ground Lease | 0 | 0 | 0 | 0 if applicable, MOHCD residual receipts are due LESS amt proposed for loan repaym. | | | |
| REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE | | | | | | | |
| | | | 16,042 | | | | |
| NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE | | | | | | | |
| HCD Residual Receipts Amount Due | | | 6,042 | 67% of residual receipts, multiplied by 54.02% - HCD/TOD's pro rata share of all soft debt | | | |
| Lender 4 Residual Receipts Due | | | 0 | | | | |
| Lender 5 Residual Receipts Due | | | 0 | | | | |
| Total Non-MOHCD Residual Receipts Debt Service | | | 6,042 | | | | |
| REMAINDER (should be zero unless there are distributions below) | | | | | | | |
| Owner Distribution/Incentive Management Fee | | | 7,519 | 100% of Borrower share of 33% of residual receipts | | | |
| Other Distributions/Uses | | | 0 | | | | |
| Final Balance (should be zero) | | | 0 | | | | |

Application Date: 12/1/2018
 Total # Units: 116
 First Year of Operations (provide data assuming that Year 1 is a full year. I.e. 12 months of operations): 2017

| INCOME | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
|--|------------------------|------|----------|---------------------|
| Residential - Tenant Rents | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Residential - Tenant Assistance Payments (Non-LOSP) | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Residential - LOSP Tenant Assistance Payments | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Commercial Space | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Residential Parking | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Miscellaneous Rent Income | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Supportive Services Income | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Interest Income - Project Operations | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Laundry and Vending | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Tenant Charges | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Miscellaneous Residential Income | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Other Commercial Income | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Withdrawal from Capitalized Reserve (Deposit to operating account) | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Withdrawal from Capitalized Reserve (Deposit) | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Vacancy Loss - Residential - Tenant Rents | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Vacancy Loss - Residential - Tenant Assistance Payments | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Vacancy Loss - Commercial | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| EFFECTIVE GROSS INCOME | | | | |

| OPERATING EXPENSES | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
|---|------------------------|------|----------|---------------------|
| Management | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Management Fee | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Asset Management Fee | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Sub-total Management Expenses | | | | |
| Salaries/Benefits | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Office Salaries | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Manager's Salary | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Health Insurance and Other Benefits | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Other Salaries/Benefits | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Administrative Staff-Traffic Unit | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Sub-total Salaries/Benefits | | | | |
| Administration | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Advertising and Marketing | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Office Expenses | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Office Rent | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Legal Expenses - Property | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Audit Expenses | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Bookkeeping/Accounting Services | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Bad Debts | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Miscellaneous | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Sub-total Administration Expenses | | | | |
| Utilities | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Electricity | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Water | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Gas | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Sewer | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Sub-total Utilities | | | | |
| Taxes and Licenses | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Real Estate Taxes | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Property Taxes | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Miscellaneous Taxes, Licenses and Permits | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Sub-total Taxes and Licenses | | | | |
| Insurance | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Property and Liability Insurance | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Fidelity Bond Insurance | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Workers' Compensation | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Director's & Officers' Liability Insurance | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Sub-total Insurance | | | | |
| Maintenance & Repair | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Payroll | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Supplies | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Contracts | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Garbage and Trash Removal | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Security Payroll/Contract | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| HVAC Repairs and Maintenance | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Vehicle and Maintenance Equipment Operation and Repairs | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Miscellaneous Operating and Maintenance Expenses | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Sub-total Maintenance & Repair Expenses | | | | |
| Supplies/Benefits | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Commercial Expenses | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |

| TOTAL OPERATING EXPENSES w/o RESERVES/OL BASE | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
|--|------------------------|------|----------|---------------------|
| Reserves/Ground Lease Base Rent/Bond Fees | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Ground Lease Base Rent | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Bond Monitoring Fee | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Reserve/Reserve Deposit | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Operating Reserve Deposit | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Other Reserved Reserve 1 Deposit | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Other Reserved Reserve 2 Deposit | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Reserve/Reserve Deposit - Commercial | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Sub-total Reserves/Ground Lease Base Rent/Bond Fees | | | | |
| TOTAL OPERATING EXPENSES w/ RESERVES/OL BASE | | | | |

| NET OPERATING INCOME (INCOME minus OP EXPENSES) | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
|--|------------------------|------|----------|---------------------|
| DEBT SERVICE (Hard debt/amortized loans) | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Hard Debt - First Lender | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Hard Debt - Second Lender (HCD Program 0.42% pymt or other 2nd) | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender) | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Hard Debt - Fourth Lender | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Commercial Hard Debt Service | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| TOTAL HARD DEBT SERVICE | | | | |
| CASH FLOW (Net Income minus DEBT SERVICE) | | | | |
| Commercial Only Cash Flow | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Allocation of Commercial Surplus to LOSP/Non-LOSP (see comments field) | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| AVAILABLE CASH FLOW | | | | |
| USES OF CASH FLOW BELOW (This row also shows DSCR.) | | | | |
| USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL | | | | |
| Reserve/Reserve Deposit (see policy for limits) | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Partnership Management Fee (see policy for limits) | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits) | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Other Payments | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Non-amortizing Loan Pmt - Lender 1 (select lender in comments field) | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Non-amortizing Loan Pmt - Lender 2 (select lender in comments field) | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Deferred Developer Fee (Einar and/or Max Fee from 04/11/20) | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |

| TOTAL PAYMENTS PRECEDING MOHCD | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
|--|------------------------|------|----------|---------------------|
| RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD) | Alternative LOSP Split | LOSP | non-LOSP | Approved By (req'd) |
| Residual Receipts Calculation | | | | |
| Does Project have a MOHCD Residual Receipt Obligation? | | | | |
| Will Project Developer Pay? | | | | |
| Max Deferred Developer Fee/Borrower: % of Residual Receipts in Yr. Sum of DD F from LOSP and non-LOSP. | 0 | | | |
| % of Residual Receipts available for distribution to soft debt lenders Ratio of Sum of DDF and calculated 50%. | #VALUE! | | | |

| Soft Debt Lenders with Residual Receipts Obligations |
|--|
| MOHCD/DCQI - Soft Debt Loans |
| MOHCD/DCQI - Ground Lease Value |
| HCD Soft Debt Lender - Lender 3 |
| Other Soft Debt Lender - Lender 4 |
| Other Soft Debt Lender - Lender 5 |

| MOHCD RESIDUAL RECEIPTS DEBT SERVICE |
|--|
| MOHCD Residual Receipts Amount Due |
| Proposed MOHCD Residual Receipts Amount to Loan Repayment |
| Proposed MOHCD Residual Receipts Amount to Residual Ground Lease |

| REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE |
|--|
| NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE |
| HCD Residual Receipts Amount Due |
| Lender 4 Residual Receipts Due |
| Lender 5 Residual Receipts Due |
| Total Non-MOHCD Residual Receipts Debt Service |

| REMAINDER (Should be zero unless there are distributions below) |
|---|
| Owner Distributions/Incentive Management Fee |
| Other Distributions/Uses |
| Final Balance (should be zero) |

Armstrong Place

| Total # Units: | LOSP Units | Non-LOSP Units | | Year 4 2020 | | | Year 5 2021 | | | Year 6 2022 | | |
|--|------------|----------------|-------------------|--|-----------|-----------|-------------|-----------|-----------|-------------|-----------|-----------|
| | | | | LOSP | non-LOSP | Total | LOSP | non-LOSP | Total | LOSP | non-LOSP | Total |
| 116 | 27 | 89 | % annual inc/LOSP | 1.0% | 2.5% | | 1.0% | 2.5% | | 1.0% | 2.5% | |
| | | | | Comments (related to annual lease assumption) | | | | | | | | |
| | | | | Includes Assisted + no increase annual for LOSP | | | | | | | | |
| | | | | Includes a portion of PUD Income in 2017/2018 for MOHCD income | | | | | | | | |
| Residential - Tenant Rents | n/a | n/a | | 120,500 | 492,196 | 612,696 | 120,427 | 494,241 | 614,730 | 121,932 | 508,867 | 630,799 |
| Residential - Vacant Assisted Payment (MOHCD LOSP) | n/a | n/a | | - | - | - | - | - | - | - | - | |
| Residential - LOSP Tenant Assistance Payments | n/a | n/a | | 237,910 | 215,210 | 226,410 | 229,410 | 229,410 | 238,610 | 238,610 | 248,810 | |
| Commercial Space | n/a | 2.5% | | - | - | - | - | - | - | - | - | |
| Residential Parking | 3.0% | 2.0% | | - | - | - | - | - | - | - | - | |
| Miscellaneous Rev Income | 2.0% | 2.0% | | - | - | - | - | - | - | - | - | |
| Supportive Services Income | 2.0% | 2.0% | | - | - | - | - | - | - | - | - | |
| Interest Income - Project Overruns | 2.0% | 2.0% | | - | - | - | - | - | - | - | - | |
| Laundry and Vending | 2.0% | 2.0% | | 800 | 4,000 | 4,084 | 1,018 | 4,103 | 5,118 | 1,040 | 4,200 | |
| Tenant Charges | 2.0% | 2.0% | | 825 | 2,124 | 2,949 | 858 | 2,177 | 2,715 | 883 | 2,231 | |
| Miscellaneous Residential Income | 2.5% | 2.5% | | 204 | 1,820 | 1,907 | 404 | 1,651 | 2,007 | 414 | 1,774 | |
| Other Commercial Income | n/a | 2.5% | | - | - | - | - | - | - | - | - | |
| Withdrawals from Capitalized Reserve (applied to operating expense) | n/a | n/a | | - | - | - | - | - | - | - | - | |
| Gross Potential Income | | | | 346,234 | 1,040,542 | 1,385,927 | 348,664 | 1,079,819 | 1,437,851 | 371,891 | 1,109,232 | |
| Vacancy Loss - Residential - Tenant Rents | n/a | n/a | | (6,660) | (24,100) | (20,070) | (6,520) | (24,770) | (21,237) | (6,900) | (24,200) | |
| Vacancy Loss - Residential - Tenant Assistance Payments | n/a | n/a | | (74,583) | (24,583) | - | (24,443) | (24,443) | - | (24,303) | (24,303) | |
| Vacancy Loss - Commercial | n/a | n/a | | - | - | - | - | - | - | - | - | |
| EFFECTIVE GROSS INCOME | | | | 279,884 | 6,046,896 | 1,340,714 | 282,229 | 1,076,642 | 1,261,181 | 284,281 | 1,072,888 | 1,422,909 |
| OPERATING EXPENSES | | | | | | | | | | | | |
| Management | | | | | | | | | | | | |
| Management Fee | 0.0% | 0.0% | | - | 50,100 | 50,100 | - | 50,100 | 50,100 | - | 50,100 | |
| Asset Management Fee | 3.0% | 3.0% | | 14,830 | 13,516 | 28,353 | 15,281 | 19,522 | 29,224 | 16,740 | 14,971 | |
| Sub-Total Management Expenses | | | | 14,830 | 63,616 | 78,453 | 15,281 | 70,112 | 86,384 | 16,740 | 76,631 | |
| Salaries/Benefits | | | | | | | | | | | | |
| Chief Executive | 3.5% | 3.5% | | 2,491 | 40,903 | 50,455 | 8,220 | 42,269 | 52,221 | 10,747 | 43,883 | |
| Chief Financial Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Marketing Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Operations Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Administrative Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Development Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Legal Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Human Resources Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Information Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Sustainability Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Security Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Compliance Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Risk Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Diversity Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Ethics Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Privacy Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Accessibility Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Corruption Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Bribery Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Fraud Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Money Laundering Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Terrorism Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Smuggling Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Counterfeit Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Forgery Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Identity Theft Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Phishing Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Social Engineering Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Insider Threat Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Breach Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Information Security Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Operational Security Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Physical Security Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Perimeter Security Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Access Control Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Camera Security Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Video Surveillance Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Alarm System Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Intrusion Detection Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Perimeter Detection Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Asset Tracking Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Inventory Management Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Procurement Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Supplier Management Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Contract Management Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Legal Affairs Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Dispute Resolution Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Intellectual Property Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Trademark Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Patent Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Copyright Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Trade Secret Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Protection Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Privacy Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Security Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Breach Response Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Incident Response Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Recovery Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Backup Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Archiving Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Retention Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Disposal Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Destruction Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Purge Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Wipe Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Sanitization Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Encryption Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Decryption Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Compression Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Decompression Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Migration Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Replication Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Synchronization Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Backup and Restore Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Archiving and Retrieval Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Retention and Deletion Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Disposal and Destruction Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Purge and Wipe Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Sanitization and Encryption Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Decryption and Decompression Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Compression and Decompression Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Migration and Replication Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Synchronization and Backup Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Backup and Restore and Archiving Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Archiving and Retrieval and Retention Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Retention and Deletion and Disposal Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Disposal and Destruction and Purge Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Purge and Wipe and Sanitization Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Sanitization and Encryption and Decryption Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Decryption and Decompression and Compression Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Compression and Decompression and Migration Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Migration and Replication and Synchronization Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Synchronization and Backup and Restore Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Backup and Restore and Archiving and Retrieval Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Archiving and Retrieval and Retention and Deletion Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Retention and Deletion and Disposal and Destruction Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Disposal and Destruction and Purge and Wipe Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Purge and Wipe and Sanitization and Encryption Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Sanitization and Encryption and Decryption and Decompression Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Decryption and Decompression and Compression and Migration Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Compression and Decompression and Migration and Replication Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Migration and Replication and Synchronization and Backup Officer | 3.5% | 3.5% | | - | - | - | - | - | - | - | - | |
| Chief Anti-Data Synchronization and Backup and Restore and Arch | | | | | | | | | | | | |

Armstrong Place

| INCOME | Total # Units | LOSP Units | Non-LOSP Units | Comments | Year 1 2023 | | | Year 2 2024 | | | Year 3 2025 | | | | | |
|---|---------------|------------|----------------|--|--------------|--------------|--------------|-------------|-----------|-----------|-------------|-----------|-----------|------|----------|-------|
| | | | | | % annual inc | % annual inc | % annual inc | LOSP | non-LOSP | Total | LOSP | non-LOSP | Total | LOSP | non-LOSP | Total |
| | | | | | 2023 | 2024 | 2025 | 2023 | 2024 | 2025 | 2023 | 2024 | 2025 | 2023 | 2024 | 2025 |
| Rentals - Tenant Rent | 116 | 80 | 36 | | 133,120 | 61,262 | 633,381 | 154,491 | 532,243 | 656,654 | 121,776 | 645,650 | 681,145 | | | |
| Residential - Tenant Assistance Payments (Non-LOSP) | | | | Added by proposed HUD memo in 2017, waiting for HUD approval | - | 648,111 | 515,111 | - | 564,100 | 564,100 | - | 643,636 | 583,636 | | | |
| Residential - LOSP Tenant Assistance Payments | | | | | 250,250 | - | 250,250 | 20,620 | - | 287,951 | 278,148 | - | 278,148 | | | |
| Commercial Taxes | | | | | - | - | - | - | - | - | - | - | - | | | |
| Residential Parking | | | | | - | - | - | - | - | - | - | - | - | | | |
| Miscellaneous Rent Income | | | | | - | - | - | - | - | - | - | - | - | | | |
| Support Services Income | | | | | - | - | - | - | - | - | - | - | - | | | |
| Interest Income - Project Operations | | | | | - | - | - | - | - | - | - | - | - | | | |
| Landlord's Net Operating Income | | | | | 1,068 | 4,317 | 5,378 | 1,092 | 4,419 | 5,512 | 1,103 | 4,453 | 5,562 | | | |
| Interest Income | | | | | 568 | 2,932 | 3,853 | 263 | 2,284 | 3,051 | 281 | 2,405 | 3,287 | | | |
| Miscellaneous Residential Income | | | | | 424 | 1,715 | 2,140 | 425 | 1,758 | 2,183 | 416 | 1,802 | 2,248 | | | |
| Other Commercial Income | | | | | - | - | - | - | - | - | - | - | - | | | |
| Withdrawal from Capital Reserve (does not operate account) | | | | | - | 67,977 | 67,977 | - | 67,977 | 67,977 | - | 67,977 | 67,977 | | | |
| Withdrawal from Capital Reserve (does not operate account) | | | | | - | 67,977 | 67,977 | - | 67,977 | 67,977 | - | 67,977 | 67,977 | | | |
| Effective Gross Income | | | | | 374,770 | 1,607,445 | 1,646,216 | 392,767 | 1,116,110 | 1,610,977 | 407,214 | 1,149,723 | 1,607,037 | | | |
| OPERATING EXPENSES | | | | | | | | | | | | | | | | |
| Management Fee | | | | | - | 56,180 | 56,180 | - | 56,180 | 56,180 | - | 56,180 | 56,180 | | | |
| Asset Management Fee | | | | | - | 16,212 | 14,692 | 31,014 | 16,899 | 15,265 | 31,684 | 17,319 | 18,564 | | | |
| Sub-Total Management Expenses | | | | | - | 72,392 | 70,872 | 87,124 | 73,079 | 71,445 | 68,164 | 73,499 | 74,744 | | | |
| Salaries/Benefits | | | | | 10,222 | 46,418 | 55,941 | 11,891 | 47,098 | 57,696 | 11,272 | 48,653 | 59,225 | | | |
| Office Salary | | | | | 11,870 | 48,611 | 58,390 | 11,891 | 48,415 | 60,433 | 12,493 | 50,745 | 62,543 | | | |
| Health Insurance and Other Benefits | | | | | 7,222 | 29,504 | 49,026 | 10,002 | 40,440 | 50,746 | 10,414 | 42,104 | 52,816 | | | |
| Other Salaries/Benefits | | | | | 2,480 | 10,000 | 12,515 | 2,888 | 10,363 | 12,905 | 2,675 | 10,744 | 13,461 | | | |
| Administrative Staff Time Used | | | | | 34,394 | 152,898 | 181,262 | 33,604 | 146,892 | 180,848 | 26,747 | 143,891 | 200,643 | | | |
| Sub-Total Salaries/Benefits | | | | | 180,792 | 782,929 | 954,199 | 792,792 | 658,293 | 819,245 | 698,209 | 810,102 | 1,022,191 | | | |
| Advertising and Marketing | | | | | 4,647 | 22,100 | 27,570 | 4,650 | 22,877 | 28,550 | 4,497 | 24,877 | 30,534 | | | |
| Office Rent | | | | | 1,217 | 4,900 | 6,107 | 1,243 | 5,097 | 6,331 | 1,297 | 5,249 | 6,542 | | | |
| Legal Expenses - Property | | | | | 2,472 | 8,995 | 12,488 | 2,656 | 10,249 | 13,905 | 2,649 | 10,709 | 13,356 | | | |
| Audit Expenses | | | | | 1,964 | 6,079 | 7,363 | 1,868 | 6,292 | 7,648 | 1,611 | 6,312 | 8,123 | | | |
| Accounting/Accounting Service | | | | | 727 | 2,959 | 3,817 | 726 | 3,197 | 3,969 | 611 | 3,278 | 4,088 | | | |
| IT/IT Support | | | | | 4,092 | 16,944 | 20,836 | 4,235 | 17,123 | 21,359 | 4,384 | 17,723 | 22,106 | | | |
| Miscellaneous | | | | | 15,883 | 63,443 | 79,136 | 14,242 | 64,942 | 81,968 | 16,610 | 67,842 | 84,772 | | | |
| Sub-Total Administration Expenses | | | | | 37,078 | 164,511 | 200,836 | 38,674 | 167,907 | 203,622 | 41,468 | 185,289 | 211,136 | | | |
| Utilities | | | | | 17,189 | 49,536 | 56,425 | 17,744 | 47,427 | 60,248 | 12,338 | 46,472 | 62,208 | | | |
| Electricity | | | | | 8,092 | 22,714 | 26,895 | 8,493 | 24,350 | 29,440 | 8,921 | 26,067 | 33,809 | | | |
| Water | | | | | 6,497 | 21,074 | 24,051 | 6,783 | 20,776 | 25,790 | 7,289 | 20,840 | 27,323 | | | |
| Gas | | | | | 11,994 | 49,507 | 60,528 | 12,944 | 30,222 | 43,201 | 13,222 | 43,770 | 65,707 | | | |
| sewer | | | | | 37,978 | 164,511 | 200,836 | 38,674 | 167,907 | 203,622 | 41,468 | 185,289 | 211,136 | | | |
| Sub-Total Utilities | | | | | 47,772 | 137,613 | 157,375 | 49,961 | 135,806 | 169,299 | 34,988 | 136,671 | 187,264 | | | |
| Taxes and Licenses | | | | | 47 | 370 | 337 | 69 | 240 | 348 | 72 | 290 | 381 | | | |
| Real Estate Taxes | | | | | 47 | 370 | 337 | 69 | 240 | 348 | 72 | 290 | 381 | | | |
| Payroll Taxes | | | | | 4,003 | 16,183 | 20,189 | 4,144 | 16,722 | 20,658 | 4,330 | 17,392 | 21,877 | | | |
| Miscellaneous Taxes, Licenses and Permits | | | | | 27 | 5,007 | 3,011 | 763 | 3,107 | 3,960 | 811 | 3,718 | 4,600 | | | |
| Sub-Total Taxes and Licenses | | | | | 4,077 | 18,460 | 23,443 | 4,886 | 20,189 | 26,186 | 5,173 | 30,606 | 28,677 | | | |
| Insurance | | | | | 22,503 | 89,878 | 113,482 | 23,854 | 88,437 | 120,280 | 25,395 | 102,232 | 127,808 | | | |
| Property and Liability Insurance | | | | | 22,503 | 89,878 | 113,482 | 23,854 | 88,437 | 120,280 | 25,395 | 102,232 | 127,808 | | | |
| Fidelity Bond Insurance | | | | | 3,356 | 13,121 | 16,411 | 3,519 | 13,401 | 17,178 | 3,631 | 13,871 | 17,901 | | | |
| Workers Compensation | | | | | 3,202 | 12,948 | 16,591 | 3,216 | 12,607 | 16,811 | 3,451 | 13,071 | 17,001 | | | |
| Directors & Officers Liability Insurance | | | | | 26,746 | 104,829 | 129,631 | 27,119 | 109,889 | 137,007 | 26,718 | 116,994 | 144,808 | | | |
| Sub-Total Insurance | | | | | 55,764 | 220,776 | 276,115 | 58,708 | 224,934 | 294,576 | 62,835 | 236,476 | 307,518 | | | |
| Maintenance & Repair | | | | | 14,708 | 74,977 | 94,333 | 16,241 | 78,274 | 97,833 | 20,099 | 81,913 | 101,052 | | | |
| Paint | | | | | 8,023 | 35,448 | 42,456 | 8,304 | 33,871 | 41,875 | 8,994 | 36,746 | 43,940 | | | |
| Supplies | | | | | 2,549 | 12,589 | 15,774 | 2,549 | 12,589 | 15,774 | 2,549 | 12,589 | 15,774 | | | |
| Contractor | | | | | 24,996 | 89,598 | 106,174 | 25,448 | 89,598 | 111,084 | 28,556 | 89,598 | 111,084 | | | |
| Garbage and Trash Removal | | | | | 10,142 | 41,003 | 51,145 | 10,671 | 42,490 | 52,632 | 10,860 | 43,934 | 54,784 | | | |
| Repairs/Plumbing/Contract | | | | | 774,123 | 472,329 | 240,481 | 179,197 | 29,488 | 248,877 | 185,043 | 75,129 | 227,084 | | | |
| PVAC Repairs and Maintenance | | | | | 202 | 816 | 1,018 | 209 | 845 | 1,083 | 316 | 874 | 1,040 | | | |
| Fences and Maintenance Equipment Operation and Repairs | | | | | 378 | 1,808 | 2,221 | 383 | 1,934 | 1,975 | 405 | 1,934 | 2,004 | | | |
| Miscellaneous Operating and Maintenance Expenses | | | | | 235,148 | 304,339 | 337,499 | 243,993 | 312,912 | 356,314 | 281,918 | 322,864 | 370,793 | | | |
| Sub-Total Maintenance & Repair Expenses | | | | | 14,708 | 74,977 | 94,333 | 16,241 | 78,274 | 97,833 | 20,099 | 81,913 | 101,052 | | | |
| Supplies | | | | | 8,023 | 35,448 | 42,456 | 8,304 | 33,871 | 41,875 | 8,994 | 36,746 | 43,940 | | | |
| Contractor | | | | | 24,996 | 89,598 | 106,174 | 25,448 | 89,598 | 111,084 | 28,556 | 89,598 | 111,084 | | | |
| Garbage and Trash Removal | | | | | 10,142 | 41,003 | 51,145 | 10,671 | 42,490 | 52,632 | 10,860 | 43,934 | 54,784 | | | |
| Repairs/Plumbing/Contract | | | | | 774,123 | 472,329 | 240,481 | 179,197 | 29,488 | 248,877 | 185,043 | 75,129 | 227,084 | | | |
| PVAC Repairs and Maintenance | | | | | 202 | 816 | 1,018 | 209 | 845 | 1,083 | 316 | 874 | 1,040 | | | |
| Fences and Maintenance Equipment Operation and Repairs | | | | | 378 | 1,808 | 2,221 | 383 | 1,934 | 1,975 | 405 | 1,934 | 2,004 | | | |
| Miscellaneous Operating and Maintenance Expenses | | | | | 235,148 | 304,339 | 337,499 | 243,993 | 312,912 | 356,314 | 281,918 | 322,864 | 370,793 | | | |
| Sub-Total Maintenance & Repair Expenses | | | | | 14,708 | 74,977 | 94,333 | 16,241 | 78,274 | 97,833 | 20,099 | 81,913 | 101,052 | | | |
| Depreciation Expense | | | | | - | 40,812 | 40,812 | - | 40,812 | 40,812 | - | 40,812 | 40,812 | | | |
| Commercial Expenses | | | | | - | 40,812 | 40,812 | - | 40,812 | 40,812 | - | 40,812 | 40,812 | | | |
| TOTAL OPERATING EXPENSES w/ RESERVE/BASE RENT/BOND FEES | | | | | 218,848 | 816,540 | 1,286,455 | 382,283 | 861,108 | 1,335,981 | 218,430 | 897,227 | 1,265,767 | | | |
| Reserve/Ground Lease Base Rent/Bond Fees | | | | | - | - | - | - | - | - | - | - | - | | | |
| Ground Lease Base Rent | | | | | - | - | - | - | - | - | - | - | - | | | |
| Bond Monitoring Fee | | | | | - | - | - | - | - | - | - | - | - | | | |
| Replacement Reserve Deposit | | | | | 8,884 | 84,955 | 103,870 | 8,884 | 84,955 | 103,870 | 8,884 | 84,955 | 103,870 | | | |
| Operating Reserve Deposit | | | | | - | - | - | - | - | - | - | - | - | | | |
| Other Required Reserve 1 Deposits | | | | | - | - | - | - | - | - | - | - | - | | | |
| Other Required Reserve 2 Deposits | | | | | - | - | - | - | - | - | - | - | - | | | |
| Reserve/Ground Lease Base Rent/Bond Fees | | | | | 8,884 | 84,955 | 103,870 | 8,884 | 84,955 | 103,870 | 8,884 | 84,955 | 103,870 | | | |
| Sub-Total Reserve/Ground Lease Base Rent/Bond Fees | | | | | 8,884 | 84,955 | 103,870 | 8,884 | 84,955 | 103,870 | 8,884 | 84,955 | 103,870 | | | |
| TOTAL OPERATING EXPENSES w/ RESERVE/BASE RENT/BOND FEES | | | | | 374,770 | 1,612,425 | 1,390,325 | 392,767 | 1,046,183 | 1,439,861 | 407,214 | 1,082,272 | 1,468,888 | | | |
| NET OPERATING INCOME (INCOME MINUS OP EXPENSES) | | | | | - | 74,977 | 78,870 | - | 71,817 | 71,817 | - | 67,451 | 67,451 | | | |
| DEBT SERVICE (Hard debt/softened bond) | | | | | - | - | - | - | - | - | - | - | - | | | |
| Hard Debt - First Lender | | | | | - | - | - | - | - | - | - | - | - | | | |
| Hard Debt - Second Lender (MOHCD Program 0.25% term, or other 3rd Lender) | | | | | - | 37,977 | 37,977 | - | 37,977 | 37,977 | - | 37,977 | 37,977 | | | |
| Hard Debt - Third Lender (Other 15% Interest, or other 3rd Lender) | | | | | - | - | - | - | - | - | - | - | - | | | |
| Hard Debt - Fourth Lender | | | | | - | - | - | - | - | - | - | - | - | | | |
| Commercial Hard Debt Service | | | | | - | 37,977 | 37,977 | - | 37,977 | 37,977 | - | 37,977 | 37,977 | | | |
| TOTAL HARD DEBT SERVICE | | | | | - | 37,977 | 37,977 | - | 37,977 | 37,977 | - | 37,977 | 37,977 | | | |
| CASH FLOW (NOI minus DEBT SERVICE) | | | | | - | 37,977 | 37,893 | - | 33,840 | 33,840 | - | 29, | | | | |

Armstrong Place

| | Total # Units | LOSP Units | Non-LOSP Units | Year 10 2026 | | | Year 11 2027 | | | Year 12 2028 | | | | | |
|--|---------------|------------|----------------|-------------------|-------------------|--|-----------------|-----------|-----------|-----------------|-----------|-----------|-----------|-----------|-----------|
| | | | | % annual low LOSP | % annual increase | Comments | LOSP | non-LOSP | Total | LOSP | non-LOSP | Total | LOSP | non-LOSP | Total |
| INCOME | | | | | | | | | | | | | | | |
| Residential - Tenant Rents | 72 | 69 | 3 | 1.0% | 2.0% | LOSP | 127,163 | 596,188 | 888,341 | 138,626 | 573,168 | 711,625 | 199,916 | 547,497 | 727,407 |
| Residential - Term Assurance Payments (Non-LOSP) | - | - | - | n/a | 3.0% | Refer to proposed H&M review in 2017. | - | 654,374 | 654,374 | - | 672,927 | 672,927 | - | 677,421 | 677,421 |
| Residential - LOSP Term Assurance Payments | - | - | - | n/a | - | Refer to proposed H&M review in 2017. | 276,920 | - | 276,920 | 204,283 | - | 204,283 | 312,419 | - | 312,419 |
| Commercial Space | - | - | - | n/a | 2.0% | - | - | - | - | - | - | - | - | - | - |
| Residential Parking | - | - | - | 2.0% | 2.0% | - | - | - | - | - | - | - | - | - | - |
| Miscellaneous Rent Income | - | - | - | 2.0% | 2.0% | - | - | - | - | - | - | - | - | - | - |
| Supportive Services Income | - | - | - | 2.0% | 2.0% | - | - | - | - | - | - | - | - | - | - |
| Interest Income - Project Operations | - | - | - | 2.0% | 2.0% | - | - | - | - | - | - | - | - | - | - |
| Landlord's Income | - | - | - | 2.0% | 2.0% | - | - | - | - | - | - | - | - | - | - |
| Landlord's Expenses | - | - | - | 2.0% | 2.0% | - | - | - | - | - | - | - | - | - | - |
| Miscellaneous Residential Income | - | - | - | 2.0% | 2.0% | - | 467 | 1,847 | 2,304 | 468 | 1,847 | 2,304 | 469 | 1,847 | 2,411 |
| Other Commercial Income | - | - | - | n/a | 2.0% | - | - | - | - | - | - | - | - | - | - |
| Other Commercial Expenses | - | - | - | n/a | 2.0% | MOA from Reserve Section below, see schedule | - | - | - | - | - | - | - | - | - |
| Other Commercial Income | - | - | - | - | - | - | 47,077 | 47,077 | - | 47,077 | 47,077 | - | 47,077 | 47,077 | |
| Other Commercial Expenses | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Gross Potential Income | - | - | - | - | - | - | 422,281 | 1,443,452 | 1,668,763 | 445,074 | 1,726,649 | 1,759,815 | 441,429 | 1,512,201 | 1,775,730 |
| Vacancy Loss - Residential - Tenant Rents | n/a | n/a | n/a | n/a | n/a | Refer to annual vacancy per reserve MOA | (6,850) | (22,980) | (34,817) | (8,229) | (26,549) | (38,565) | (8,920) | (28,278) | (348,370) |
| Vacancy Loss - Residential - Term Assurance Payments | n/a | n/a | n/a | n/a | n/a | Refer to annual vacancy per reserve MOA | (32,210) | (120,216) | - | (61,228) | (212,178) | - | (122,271) | (282,371) | |
| Vacancy Loss - Commercial | n/a | n/a | n/a | n/a | n/a | Refer to annual vacancy per reserve MOA | - | - | - | - | - | - | - | - | |
| EFFECTIVE GROSS INCOME | - | - | - | - | - | - | 422,432 | 1,414,314 | 1,604,747 | 436,148 | 1,719,912 | 1,684,982 | 434,448 | 1,559,616 | 1,756,938 |
| OPERATING EXPENSES | | | | | | | | | | | | | | | |
| Management | | | | | | | | | | | | | | | |
| Management Fee | - | - | - | 0.0% | 0.0% | Fee set by HUD - for purposes of budget, assume zero escalation. | - | 58,120 | 58,120 | - | 58,120 | 58,120 | - | 58,120 | |
| Property Management Fee | - | - | - | 3.0% | 3.0% | Fee set by HUD - for purposes of budget, assume zero escalation. | 17,716 | 18,170 | 33,886 | 18,247 | 18,663 | 34,907 | 18,784 | 17,180 | 35,964 |
| Sub-total Management Expenses | - | - | - | - | - | - | 17,716 | 76,290 | 92,006 | 18,247 | 76,783 | 91,807 | 18,768 | 75,300 | 62,114 |
| Salaries/Benefits | | | | | | | | | | | | | | | |
| Office Salaries | - | - | - | 3.5% | 3.5% | Manager's salary to increase to \$147,500 in 2017 to be in compliance with fed and state requirements. | 11,861 | 66,558 | 62,023 | 72,073 | 62,910 | 64,163 | 12,487 | 65,643 | 66,404 |
| Management's Salary | - | - | - | 3.5% | 3.5% | - | 12,837 | 51,600 | 64,748 | 33,287 | 63,717 | 67,003 | 13,720 | 65,987 | 69,649 |
| Health Insurance and Other Benefits | - | - | - | 3.5% | 3.5% | - | 16,779 | 43,877 | 54,359 | 11,150 | 44,102 | 52,248 | 11,647 | 43,871 | 53,226 |
| Other Salaries/Benefits | - | - | - | 3.5% | 3.5% | - | 2,161 | 11,490 | 13,875 | 2,847 | 11,600 | 14,648 | 2,965 | 11,619 | 14,658 |
| Sub-total Salaries/Benefits | - | - | - | - | - | - | 33,637 | 133,525 | 134,905 | 38,367 | 132,229 | 136,067 | 39,964 | 137,067 | 144,937 |
| Administration | | | | | | | | | | | | | | | |
| Advertising and Marketing | - | - | - | 3.5% | 3.5% | - | 210 | 848 | 1,050 | 217 | 878 | 1,095 | 223 | 899 | 1,133 |
| Office Expenses | - | - | - | 3.5% | 3.5% | - | 8,082 | 25,606 | 30,568 | 8,274 | 26,034 | 31,833 | 8,463 | 26,282 | 32,745 |
| Office Rent | - | - | - | 3.5% | 3.5% | - | 1,043 | 4,428 | 5,771 | 1,060 | 4,513 | 5,904 | 1,078 | 4,610 | 5,995 |
| Legal Expenses - Property | - | - | - | 3.5% | 3.5% | - | 2,741 | 11,082 | 13,824 | 2,837 | 11,470 | 14,260 | 2,927 | 11,672 | 14,608 |
| Legal Expenses - Other | - | - | - | 3.5% | 3.5% | - | 1,981 | 8,101 | 10,475 | 2,028 | 8,275 | 10,704 | 2,076 | 8,449 | 10,928 |
| Audit Expenses | - | - | - | 3.5% | 3.5% | - | 839 | 3,353 | 4,293 | 860 | 3,411 | 4,300 | 869 | 3,434 | 4,333 |
| Bookkeeping/Accounting Services | - | - | - | 3.5% | 3.5% | - | 4,577 | 18,342 | 22,860 | 4,661 | 18,685 | 23,511 | 4,746 | 18,999 | 23,510 |
| Bad Debt | - | - | - | 3.5% | 3.5% | - | - | - | - | - | - | - | - | - | - |
| Miscellaneous | - | - | - | 3.5% | 3.5% | - | 12,293 | 76,341 | 97,738 | 12,408 | 77,822 | 99,199 | 12,523 | 78,357 | 99,888 |
| Sub-total Administration Expenses | - | - | - | - | - | - | 28,633 | 113,901 | 142,086 | 29,163 | 115,110 | 144,411 | 29,693 | 116,301 | 145,664 |
| Utilities | | | | | | | | | | | | | | | |
| Electricity | - | - | - | 6.0% | 6.0% | - | 18,920 | 82,367 | 65,318 | 19,500 | 84,644 | 69,285 | 14,299 | 67,730 | 72,614 |
| Water | - | - | - | 6.0% | 6.0% | - | 7,783 | 31,441 | 39,063 | 8,149 | 32,604 | 41,048 | 8,647 | 34,562 | 43,121 |
| Gas | - | - | - | 6.0% | 6.0% | - | 10,810 | 44,928 | 55,738 | 11,250 | 45,729 | 57,979 | 11,690 | 46,530 | 59,249 |
| Sewer | - | - | - | 6.0% | 6.0% | - | 10,810 | 44,928 | 55,738 | 11,250 | 45,729 | 57,979 | 11,690 | 46,530 | 59,249 |
| Sub-total Utilities | - | - | - | - | - | - | 48,323 | 199,664 | 205,857 | 49,149 | 208,606 | 216,291 | 49,726 | 215,382 | 224,233 |
| Taxes and Licenses | | | | | | | | | | | | | | | |
| Real Estate Taxes | - | - | - | 3.5% | 3.5% | - | 41 | 200 | 374 | 77 | 370 | 387 | 79 | 391 | 400 |
| Payroll Taxes | - | - | - | 3.5% | 3.5% | - | 4,451 | 17,620 | 22,286 | 4,694 | 18,672 | 23,977 | 4,937 | 19,629 | 25,578 |
| Miscellaneous Taxes, Licenses and Permits | - | - | - | 3.5% | 3.5% | - | 83 | 3,373 | 4,232 | 89 | 3,611 | 4,390 | 89 | 3,634 | 4,533 |
| Sub-total Taxes and Licenses | - | - | - | - | - | - | 4,935 | 21,193 | 27,896 | 5,560 | 22,353 | 27,754 | 5,797 | 24,174 | 29,811 |
| Insurance | | | | | | | | | | | | | | | |
| Property and Liability Insurance | - | - | - | 0.0% | 0.0% | See premium table below necessary at highest level - 4.12% replacement value reduced, premium to be \$20k in 2017. | 26,802 | 106,555 | 135,158 | 28,410 | 116,653 | 145,268 | 30,115 | 121,720 | 151,864 |
| Auto Insurance | - | - | - | 3.5% | 3.5% | - | 2,651 | 14,536 | 17,907 | 2,735 | 14,954 | 18,544 | 2,819 | 15,372 | 19,182 |
| Director's & Officer's Liability Insurance | - | - | - | 3.5% | 3.5% | - | - | - | - | - | - | - | - | - | |
| Sub-total Insurance | - | - | - | - | - | - | 29,453 | 121,091 | 153,065 | 31,145 | 131,607 | 163,812 | 32,934 | 137,102 | 171,046 |
| Maintenance & Repair | | | | | | | | | | | | | | | |
| Payroll | - | - | - | 3.5% | 3.5% | - | 20,740 | 82,840 | 104,589 | 21,446 | 86,784 | 108,245 | 22,217 | 88,421 | 110,238 |
| Supplies | - | - | - | 3.5% | 3.5% | - | 8,807 | 35,927 | 44,857 | 9,208 | 37,227 | 46,677 | 9,599 | 38,539 | 48,092 |
| Contractor | - | - | - | 3.5% | 3.5% | Rescheduling in 2017. | 27,228 | 93,477 | 116,928 | 29,273 | 99,491 | 124,135 | 31,019 | 99,278 | 124,577 |
| Garbage and Trash Removal | - | - | - | 3.5% | 3.5% | - | 11,243 | 46,461 | 58,708 | 11,638 | 47,052 | 59,691 | 12,048 | 48,489 | 60,745 |
| Security/Alarm/Access Control | - | - | - | 3.5% | 3.5% | - | 191,957 | 74,442 | 266,603 | 188,072 | 77,282 | 275,254 | 205,629 | 79,918 | 285,942 |
| MVAC Repairs and Maintenance | - | - | - | 3.5% | 3.5% | - | 224 | 905 | 1,128 | 232 | 933 | 1,158 | 240 | 949 | 1,209 |
| Vehicle and Maintenance Equipment Operation and Repairs | - | - | - | 3.5% | 3.5% | - | 493 | 1,967 | 2,118 | 491 | 1,958 | 2,102 | 489 | 1,917 | 2,207 |
| Miscellaneous Operating and Maintenance Expenses | - | - | - | 3.5% | 3.5% | - | 269,729 | 336,199 | 695,824 | 285,981 | 349,871 | 614,792 | 299,298 | 349,073 | 619,249 |
| Sub-total Maintenance & Repair Expenses | - | - | - | - | - | - | 469,793 | 1,663,908 | 2,063,614 | 486,192 | 1,862,006 | 2,250,642 | 499,573 | 1,833,068 | 2,239,262 |
| Supervisory Services | - | - | - | 3.5% | 3.5% | - | - | 55,265 | 55,265 | - | 57,221 | 57,221 | - | 60,234 | 60,234 |
| Commercial Expenses | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| TOTAL OPERATING EXPENSES w/o RESERVE/BL BASE RENT/BOND FEES | - | - | - | - | - | - | 413,640 | 1,624,882 | 1,838,421 | 429,244 | 1,948,801 | 1,838,205 | 445,800 | 1,704,646 | 1,950,546 |
| RESERVE/GROUND LEASE BASE RENT/BOND FEES | | | | | | | | | | | | | | | |
| Ground Lease Base Rent | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Bond Monitoring Fee | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Replacement Reserve Deposit | - | - | - | - | - | - | 8,884 | 24,952 | 103,878 | 8,884 | 24,952 | 103,878 | 8,884 | 24,952 | 103,878 |
| Operating Reserve Deposit | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Other Required Reserve 1 Deposit | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Other Required Reserve 2 Deposit | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Required Reserve Deposits, Commercial | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Sub-total Reserve/Ground Lease Base Rent/Bond Fees | - | - | - | - | - | - | 8,884 | 24,952 | 103,878 | 8,884 | 24,952 | 103,878 | 8,884 | 24,952 | 103,878 |
| TOTAL OPERATING EXPENSES w/ RESERVE/BL BASE RENT/BOND FEES | - | - | - | - | - | - | 422,432 | 1,611,877 | 1,842,310 | 438,148 | 1,973,754 | 1,992,225 | 454,448 | 1,729,598 | 1,860,424 |
| NET OPERATING INCOME (INCOME minus OP EXPENSES) | | | | | | | | | | | | | | | |
| NET OPERATING INCOME | - | - | - | - | - | - | 82,437 | 82,437 | - | 66,828 | 66,828 | - | 66,814 | 66,814 | |
| DEBT SERVICE ("hard debt"/mortgage loans) | | | | | | | | | | | | | | | |
| Hard Debt - PUPA (Land) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Hard Debt - Reserve PUPA (PUPA) Proposed 4.0% (Other 2nd Lien) | - | - | - | - | - | - | 37,977 | 37,977 | - | 37,977 | 37,977 | - | 37,977 | 37,977 | |
| Hard Debt - 3rd Lien (Other HCD) Proposed, or Other 3rd Lien (Other) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Hard Debt - Health Lender | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Commercial Hard Debt Service | - | - | - | - | - | - | 37,977 | 37,977 | - | 37,977 | 37,977 | - | 37,977 | 37,977 | |
| TOTAL HARD DEBT SERVICE | - | - | - | - | - | - | 37,977 | 37,977 | -</ | | | | | | |

MOHCD Problems - 20 Year Cash Flow

Armstrong Place

| INCOME | Total # Units | LOSP Units | Non-LOSP Units | Comments | Year 13 2019 | | | Year 14 2020 | | | Year 15 2021 | | | | | |
|--|---------------|------------|----------------|---|---------------------|---------------------|---------------------|-----------------|-----------|-----------|-----------------|-----------|-----------|------|----------|-------|
| | | | | | % annual (net LOSP) | % annual (net LOSP) | % annual (net LOSP) | LOSP | non-LOSP | Total | LOSP | non-LOSP | Total | LOSP | non-LOSP | Total |
| | | | | | 19.83% | 2.0% | 2.0% | | | | | | | | | |
| Residential - Tenant Rents | | | | Includes in proposed FRA increase in 2017 | 141,000 | 892,185 | 743,484 | 142,722 | 817,259 | 750,961 | 144,149 | 822,870 | 774,600 | | | |
| Residential LOSP Tenant Assistance Payments (Non-LOSP) | n/a | n/a | | Followed by proposed FRA increase in 2017 | - | 670,080 | 670,080 | - | 693,833 | 693,833 | - | 717,897 | 717,897 | | | |
| Commercial Space | | | | | 874,837 | - | - | 874,837 | 874,837 | 874,837 | 874,837 | 874,837 | 874,837 | | | |
| Residential Parking | | | | | - | - | - | - | - | - | - | - | - | | | |
| Manufacturers Rent Income | | | | | - | - | - | - | - | - | - | - | - | | | |
| Supportive Services Income | | | | | - | - | - | - | - | - | - | - | - | | | |
| Interest Income - Project Operations | | | | | - | - | - | - | - | - | - | - | - | | | |
| Leasehold Improvements | | | | | 1,227 | 5,000 | 6,227 | 1,227 | 5,000 | 6,227 | 1,227 | 5,000 | 6,227 | | | |
| Tenant Charges | | | | | 850 | 2,652 | 3,502 | 872 | 2,718 | 3,590 | 889 | 2,781 | 3,670 | | | |
| Miscellaneous Residential Income | | | | | 482 | 1,796 | 2,481 | 564 | 2,029 | 2,593 | 617 | 2,206 | 2,827 | | | |
| Other Commercial Income | | | | | - | - | - | - | - | - | - | - | - | | | |
| Withdrawal from Capitalized Reserve (depend on operating success) | n/a | n/a | | LOSP from Reserve Section below, as indicated | - | 67,977 | 67,977 | - | 67,977 | 67,977 | - | 67,977 | 67,977 | | | |
| Gross Potential Income | | | | | 476,837 | 1,516,862 | 1,814,414 | 484,227 | 1,564,822 | 1,864,818 | 493,624 | 1,514,832 | 1,843,323 | | | |
| Vacancy Loss - Residential - 1 Year | n/a | n/a | | Rate increase in monthly per relevant MOH policy, annual operating success not guaranteed | (7,059) | (20,109) | (27,171) | (7,159) | (20,927) | (27,996) | (7,297) | (21,622) | (28,919) | | | |
| Vacancy Loss - Residential - 1 Year | n/a | n/a | | | - | (23,594) | (23,594) | - | (23,677) | (23,677) | - | (23,695) | (23,695) | | | |
| Vacancy Loss - Commercial | n/a | n/a | | | - | - | - | - | - | - | - | - | - | | | |
| EFFECTIVE GROSS INCOME | | | | | 471,488 | 1,484,219 | 1,787,243 | 480,721 | 1,520,897 | 1,812,214 | 507,477 | 1,511,619 | 1,814,404 | | | |
| OPERATING EXPENSES | | | | | | | | | | | | | | | | |
| Management | | | | | | | | | | | | | | | | |
| Management Fee | 0.2% | 0.0% | | Fee set by MOH - for purposes of judicial, security or escrow | - | 56,100 | 56,100 | - | 56,100 | 56,100 | - | 56,100 | 56,100 | | | |
| Asset Management Fee | 3.0% | 3.0% | | Fee High for LOSP and TCAG units increases per LPA | 18,259 | 17,075 | 37,022 | 18,009 | 18,145 | 36,157 | 18,781 | 39,248 | 40,468 | | | |
| Sub-total Management Expenses | | | | | 18,259 | 73,175 | 93,122 | 18,009 | 74,245 | 94,305 | 20,527 | 74,811 | 95,448 | | | |
| Salaries/Benefits | | | | | | | | | | | | | | | | |
| Office Salaries | 3.5% | 3.5% | | Salary of salary to increase to \$17,500 in 2017 to be in compliance with end state increases | 12,655 | 65,651 | 68,766 | 13,588 | 57,785 | 71,172 | 13,826 | 58,907 | 73,623 | | | |
| Management & Salary | 3.5% | 3.5% | | | 14,233 | 67,664 | 71,798 | 14,791 | 69,507 | 74,288 | 15,247 | 68,041 | 73,886 | | | |
| Health Insurance and Other Benefits | 3.5% | 3.5% | | | 11,957 | 48,315 | 60,345 | 12,249 | 49,000 | 62,378 | 12,627 | 47,758 | 61,554 | | | |
| Other Salaries/Benefits | 3.5% | 3.5% | | | 3,600 | 15,028 | 18,728 | 3,650 | 15,100 | 18,750 | 3,700 | 15,200 | 18,875 | | | |
| Administrative Staff/Free L&A | 3.5% | 3.5% | | | 15,057 | 18,057 | 33,114 | 15,610 | 18,513 | 34,123 | 16,163 | 19,066 | 35,229 | | | |
| Sub-total Salaries/Benefits | | | | | 47,402 | 184,974 | 230,242 | 49,846 | 194,677 | 238,201 | 46,722 | 201,494 | 248,841 | | | |
| Administration | | | | | | | | | | | | | | | | |
| Advertising and Marketing | 3.5% | 3.5% | | | 233 | 946 | 1,179 | 241 | 973 | 1,214 | 249 | 1,007 | 1,257 | | | |
| Office Expenses | 3.5% | 3.5% | | | 6,721 | 27,176 | 33,861 | 6,856 | 28,127 | 35,077 | 7,199 | 29,100 | 36,300 | | | |
| Office Rent | 3.5% | 3.5% | | | 1,499 | 6,018 | 7,507 | 1,541 | 6,230 | 7,770 | 1,583 | 6,447 | 8,043 | | | |
| Legal Expenses - Property | 3.5% | 3.5% | | | 3,209 | 12,287 | 15,527 | 3,349 | 12,718 | 16,065 | 3,494 | 13,161 | 16,418 | | | |
| Accounting/Accounting Services | 3.5% | 3.5% | | | 1,814 | 7,472 | 9,286 | 1,863 | 7,724 | 9,587 | 1,909 | 8,003 | 9,913 | | | |
| Build Data | 3.5% | 3.5% | | | 830 | 3,781 | 4,611 | 853 | 3,853 | 4,706 | 897 | 4,070 | 5,028 | | | |
| Miscellaneous | 3.5% | 3.5% | | | 3,010 | 20,377 | 23,387 | 3,097 | 21,040 | 24,255 | 3,187 | 21,790 | 25,173 | | | |
| Sub-total Administration Expenses | | | | | 18,298 | 77,884 | 97,716 | 18,888 | 82,777 | 102,833 | 20,411 | 81,642 | 104,201 | | | |
| Utilities | | | | | | | | | | | | | | | | |
| Electricity | 5.0% | 5.0% | | | 14,844 | 69,070 | 79,515 | 15,747 | 63,657 | 79,395 | 16,631 | 64,821 | 83,365 | | | |
| Water | 5.0% | 5.0% | | | 4,974 | 34,281 | 43,258 | 4,423 | 34,095 | 47,518 | 4,894 | 42,000 | 49,824 | | | |
| Gas | 5.0% | 5.0% | | | 8,079 | 65,004 | 81,563 | 8,482 | 65,254 | 85,137 | 7,727 | 71,607 | 89,224 | | | |
| Sewer | 5.0% | 5.0% | | | 60,981 | 30,744 | 29,637 | 63,438 | 29,849 | 46,197 | 65,461 | 29,623 | 28,242 | | | |
| Sub-total Utilities | | | | | 47,878 | 200,109 | 244,973 | 48,690 | 198,255 | 258,167 | 46,713 | 209,030 | 262,416 | | | |
| Taxes and Licenses | | | | | | | | | | | | | | | | |
| Real Estate Taxes | 3.5% | 3.5% | | | 82 | 353 | 414 | 83 | 364 | 429 | 88 | 380 | 444 | | | |
| Miscellaneous Taxes, Licenses and Permits | 3.5% | 3.5% | | | 930 | 3,781 | 4,611 | 953 | 3,853 | 4,706 | 997 | 4,070 | 5,028 | | | |
| Sub-total Taxes and Licenses | | | | | 1,012 | 4,134 | 4,925 | 1,033 | 4,417 | 5,235 | 1,085 | 4,870 | 5,472 | | | |
| Insurance | | | | | | | | | | | | | | | | |
| Property and Liability Insurance | 0.0% | 0.0% | | Per premium has been increasing at higher rate than inflation. Replacement cost reduced, increases by 1% in 2017. | 31,921 | 129,054 | 160,876 | 33,837 | 138,797 | 170,634 | 35,887 | 145,025 | 180,872 | | | |
| Fidelity Bond Insurance | 3.5% | 3.5% | | | 2,827 | 15,012 | 18,566 | 4,013 | 18,474 | 20,542 | 4,217 | 17,025 | 21,248 | | | |
| Workers Compensation | 3.5% | 3.5% | | | - | - | - | - | - | - | - | - | - | | | |
| Director's & Officers' Liability Insurance | 3.5% | 3.5% | | | - | - | - | - | - | - | - | - | - | | | |
| Sub-total Insurance | | | | | 34,848 | 144,071 | 180,809 | 37,850 | 157,271 | 191,184 | 40,104 | 162,050 | 202,140 | | | |
| Maintenance & Repair | | | | | | | | | | | | | | | | |
| Paint | 3.5% | 3.5% | | | 22,892 | 92,953 | 115,958 | 23,800 | 87,711 | 120,018 | 24,623 | 89,583 | 124,219 | | | |
| Sumpers | 3.5% | 3.5% | | | 8,852 | 39,872 | 49,724 | 10,927 | 41,397 | 51,474 | 10,563 | 42,711 | 53,276 | | | |
| Contractors | 3.5% | 3.5% | | Working on 2016 in 2017 | 20,221 | 109,783 | 130,004 | 21,079 | 109,549 | 131,628 | 22,774 | 110,671 | 142,485 | | | |
| Gutters and Trash Removal | 3.5% | 3.5% | | | 13,467 | 60,404 | 67,811 | 12,804 | 62,188 | 69,972 | 13,252 | 63,994 | 67,340 | | | |
| Security/Parking/Control | 3.5% | 3.5% | | | 218,823 | 82,762 | 299,588 | 220,272 | 88,067 | 308,339 | 227,881 | 88,020 | 315,901 | | | |
| HVAC Repairs and Maintenance | 3.5% | 3.5% | | | 246 | 1,003 | 1,251 | 257 | 1,028 | 1,295 | 268 | 1,078 | 1,340 | | | |
| Vehicle and Maintenance Equipment Operation and Repairs | 3.5% | 3.5% | | | 465 | 1,897 | 2,348 | 481 | 1,947 | 2,428 | 498 | 2,013 | 2,513 | | | |
| Miscellaneous Operating and Maintenance Expenses | 3.5% | 3.5% | | | 286,982 | 371,841 | 460,729 | 289,209 | 384,448 | 481,348 | 292,872 | 381,511 | 472,763 | | | |
| Sub-total Maintenance & Repair Expenses | | | | | 488,925 | 1,556,813 | 1,918,315 | 501,497 | 1,551,311 | 1,918,315 | 510,426 | 1,551,311 | 1,918,315 | | | |
| Responsible Services | 3.5% | 3.5% | | | - | 41,307 | 81,207 | - | 63,463 | 63,453 | - | 65,674 | 65,674 | | | |
| Commercial Expenses | | | | | - | - | - | - | - | - | - | - | - | | | |
| TOTAL OPERATING EXPENSES w/ RESERVE/SL BASE RENT/BOND FEES | | | | | 482,882 | 1,647,551 | 1,814,132 | 489,337 | 1,619,074 | 1,872,210 | 496,930 | 1,528,294 | 1,796,888 | | | |
| Reserve/Ground Lease Base Rent/Bond Fee | | | | | - | - | - | - | - | - | - | - | - | | | |
| Ground Lease Base Rent | | | | | - | - | - | - | - | - | - | - | - | | | |
| Bond Monitoring Fee | | | | | - | - | - | - | - | - | - | - | - | | | |
| Replacement Reserve Deposit | | | | | 8,844 | 24,923 | 103,819 | 8,844 | 24,923 | 103,819 | 8,844 | 24,923 | 103,819 | | | |
| Operating Reserve Deposit | | | | | - | - | - | - | - | - | - | - | - | | | |
| Other Required Reserve 1 (Deposit) | | | | | - | - | - | - | - | - | - | - | - | | | |
| Other Required Reserve 2 (Deposit) | | | | | - | - | - | - | - | - | - | - | - | | | |
| Required Reserve Deposits, Commercial | | | | | - | - | - | - | - | - | - | - | - | | | |
| Sub-total Reserve/Ground Lease Base Rent/Bond Fee | | | | | 8,844 | 24,923 | 103,819 | 8,844 | 24,923 | 103,819 | 8,844 | 24,923 | 103,819 | | | |
| TOTAL OPERATING EXPENSES w/ RESERVE/SL BASE RENT/BOND FEES | | | | | 471,488 | 1,672,474 | 1,917,951 | 498,181 | 1,643,997 | 1,976,029 | 505,777 | 1,553,217 | 1,899,707 | | | |
| NET OPERATING INCOME (INCOME minus OP EXPENSES) | | | | | 43,724 | 43,724 | 36,155 | 36,155 | 36,155 | 36,155 | 37,748 | 37,748 | | | | |
| DEBT SERVICE (Hard debt/amortized loans) | | | | | | | | | | | | | | | | |
| Hard Debt - PM Lender | | | | | - | - | - | - | - | - | - | - | - | | | |
| Hard Debt - Second Lender (MOHCD Program, OCHL, First or Other 2nd Lender) | | | | | - | 37,977 | 37,977 | - | 37,977 | 37,977 | - | 37,977 | 37,977 | | | |
| Hard Debt - Third Lender (Other MOHCD Program, or Other 3rd Lender) | | | | | - | - | - | - | - | - | - | - | - | | | |
| Hard Debt - Fourth Lender | | | | | - | - | - | - | - | - | - | - | - | | | |
| Hard Debt - Fifth Lender | | | | | - | - | - | - | - | - | - | - | - | | | |
| Commercial Hard Debt Service | | | | | - | - | - | - | - | - | - | - | - | | | |
| TOTAL HARD DEBT SERVICE | | | | | - | 37,977 | 37,977 | - | 37,977 | 37,977 | - | 37,977 | 37,977 | | | |
| CASH FLOW (NOI) minus DEBT SERVICE | | | | | - | 6,747 | 6,747 | - | 6,747 | 6,747 | - | 6,747 | 6,747 | | | |
| Commercial Only Cash Flow | | | | | - | - | - | - | - | - | - | - | - | | | |
| Allocation of Commercial Receipts to LOSPs (net LOSP) | | | | | - | - | - | - | - | - | - | - | - | | | |
| AVAILABLE CASH FLOW | | | | | - | 6,747 | 6,747 | - | 6,747 | 6,747 | - | 6,747 | 6,747 | | | |
| USES OF CASH FLOW BELOW (This row also shows DSCR) | | | | | | | | | | | | | | | | |
| USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL | | | | | | | | | | | | | | | | |
| Below-the-Line Asset for the Unsecured (see policy) | 0.0% | 0.0% | | Per MOHCD policy | - | - | - | - | - | - | - | - | - | | | |
| Portfolio Management Fee (see policy for limits) | 0.0% | 0.0% | | Per MOHCD policy | - | - | - | - | - | - | - | - | - | | | |
| Investor Service Fee (aka LP Asset Mgt Fee) (see policy for limits) | 0.0% | 0.0% | | Per MOHCD policy as annual increase | - | 36,900 | 36,900 | - | 36,900 | 36,900 | - | 36,900 | 36,900 | | | |
| Other Payments | | | | | - | - | - | - | - | - | - | - | - | | | |
| Non-amortizing Loan Prem - Lender 1 | | | | | - | - | - | - | - | - | - | - | - | | | |
| Non-amortizing Loan Prem - Lender 2 | | | | | | | | | | | | | | | | |

Armstrong Place

Table with columns for Year 16 (2032), Year 17 (2033), and Year 18 (2034). Rows include INCOME (Residential - Tenant Rent, Commercial Space, etc.), OPERATING EXPENSES (Management, Salaries/Benefits, Administration, etc.), TOTAL OPERATING EXPENSES, NET OPERATING INCOME, DEBT SERVICE, CASH FLOW, and RESIDUAL RECEIPTS. Includes sub-totals and detailed breakdowns.

MOHCD Programs - 20 Year Cash Flow

Armstrong Place

| | Total # Units | LOSP Units | Non-LOSP Units | Year 19 | | | Year 20 | | | |
|---|---------------|-------------------|-------------------|---|---------|-----------|-----------|---------|-----------|-----------|
| | | | | 2015 | 2016 | 2017 | 2015 | 2016 | 2017 | |
| | 116 | 27 | 89 | | | | | | | |
| | | 12.85% | 66.17% | | | | | | | |
| | | % annual Inc LOSP | % annual Increase | Comments (reflected in annual fee assumption) | LOSP | non-LOSP | Total | LOSP | non-LOSP | Total |
| INCOME | | | | | | | | | | |
| Residential - Tenant Rents | | 1.0% | 0.6% | | 160,073 | 688,320 | 848,393 | 161,602 | 715,608 | 877,211 |
| Residential - Tenant Assistance Payments (Non-LOSP) | | na | 3.8% | | | 839,700 | 839,700 | | 839,700 | 839,700 |
| Residential - LOSP Tenant Assistance Payments | | na | na | | 443,219 | | 443,219 | 449,090 | | 449,090 |
| Commercial - Sales | | na | 2.0% | | | | | | | |
| Commercial - Parking | | 2.0% | 2.0% | | | | | | | |
| Miscellaneous Rent Income | | 2.0% | 2.0% | | | | | | | |
| Supplies/Services Income | | 2.0% | 2.0% | | | | | | | |
| Interest Income - Project Operations | | 2.0% | 2.0% | | | | | | | |
| Laundry and Vending | | 2.0% | 2.0% | | 1,431 | 8,798 | 7,292 | 1,470 | 8,923 | 7,433 |
| Tenant Charges | | 2.0% | 2.0% | | 711 | 6,078 | 3,807 | 759 | 3,182 | 3,941 |
| Miscellaneous Residential Income | | 2.0% | 2.0% | | 271 | 2,297 | 2,818 | 293 | 2,388 | 2,681 |
| Other Commercial Income | | na | 2.0% | | | | | | | |
| Withdrawal from Capitalized Reserves (deposited to operating account) | | na | na | LOSP from Reserve System below, as applicable | | 67,977 | 67,977 | | 67,977 | 67,977 |
| | | | | Gross Potential Income | 686,616 | 1,601,297 | 2,107,273 | 618,618 | 1,647,778 | 2,266,393 |
| Vacancy Loss - Residential - Tenant Rents | | na | na | Other structure in vacancy per relevant MOH | (7,600) | (24,617) | (42,418) | (2,579) | (25,780) | (43,288) |
| Vacancy Loss - Residential - Tenant Assistance Payments | | na | na | Other structure in vacancy per relevant MOH | | (41,183) | | | (42,678) | (17,028) |
| Vacancy Loss - Commercial | | na | na | | | | | | | |
| EFFECTIVE GROSS INCOME | | | | | 679,016 | 1,535,497 | 2,064,855 | 616,039 | 1,602,098 | 2,193,205 |
| OPERATING EXPENSES | | | | | | | | | | |
| Management | | | | | | | | | | |
| Management Fee | | 0.0% | 0.0% | Fee set by MOH - for purpose of audits, accounts receivable, etc. | | 86,100 | 86,100 | | 86,100 | 86,100 |
| Asset Management Fee | | 3.0% | 3.0% | Fee set by MOH and TCA, with increase per LPA | 23,114 | 21,104 | 44,319 | 22,609 | 21,737 | 45,346 |
| | | | | Sub-total Management Expenses | 23,114 | 77,814 | 109,279 | 23,608 | 77,467 | 101,746 |
| Salaries/Benefits | | | | | | | | | | |
| Office Salaries | | 3.5% | 3.5% | | 15,000 | 66,630 | 84,630 | 14,537 | 71,652 | 87,489 |
| Management & Salary | | 3.5% | 3.5% | Management salary increase to \$110,000 in 2017 to be in compliance with Fed and state requirements | 17,409 | 70,725 | 88,231 | 18,100 | 72,910 | 91,119 |
| Health Insurance and Other Benefits | | 3.5% | 3.5% | | 14,909 | 66,391 | 74,082 | 15,255 | 61,470 | 76,775 |
| Other Salaries/Benefits | | 3.5% | 3.5% | | 3,749 | 15,155 | 18,904 | 3,889 | 16,668 | 19,988 |
| Administrative Project Fees/Int. | | 3.5% | 3.5% | | | | | | | |
| | | | | Sub-total Salaries/Benefits | 41,067 | 217,111 | 265,847 | 42,681 | 222,640 | 284,251 |
| Administration | | | | | | | | | | |
| Advertising and Marketing | | 3.5% | 3.5% | | 760 | 1,150 | 1,442 | 363 | 1,180 | 1,482 |
| Office Expenses | | 3.5% | 3.5% | | 8,261 | 33,097 | 41,861 | 8,600 | 34,658 | 43,119 |
| Office Rent | | 3.5% | 3.5% | | | | | | | |
| Legal Expenses - Property | | 3.5% | 3.5% | | 1,830 | 7,768 | 9,228 | 1,864 | 7,957 | 9,581 |
| Audit Expenses | | 3.5% | 3.5% | | 3,729 | 15,104 | 18,841 | 3,867 | 16,633 | 19,800 |
| Bookkeeping/Accounting Services | | 3.5% | 3.5% | | 2,272 | 9,199 | 11,438 | 2,352 | 9,007 | 11,610 |
| IT/Data | | 3.5% | 3.5% | | 1,144 | 4,874 | 5,768 | 1,181 | 4,764 | 5,669 |
| Miscellaneous | | 3.5% | 3.5% | | 6,184 | 24,899 | 31,183 | 6,400 | 25,974 | 32,774 |
| | | | | Sub-total Administration Expenses | 23,717 | 95,867 | 119,650 | 24,543 | 89,222 | 120,768 |
| Utilities | | | | | | | | | | |
| Electricity | | 6.0% | 6.0% | | 20,824 | 81,237 | 101,331 | 21,099 | 85,390 | 106,397 |
| Water | | 6.0% | 6.0% | | 8,049 | 32,437 | 39,507 | 8,097 | 32,513 | 39,746 |
| Gas | | 6.0% | 6.0% | | 12,029 | 48,517 | 60,617 | 12,532 | 51,032 | 63,679 |
| sewer | | 6.0% | 6.0% | | 21,547 | 87,112 | 108,659 | 22,024 | 91,497 | 114,092 |
| | | | | Sub-total Utilities | 62,459 | 247,313 | 309,814 | 71,609 | 289,955 | 363,714 |
| Taxes and Licenses | | | | | | | | | | |
| Real Estate Taxes | | 3.5% | 3.5% | | 101 | 498 | 506 | 103 | 423 | 527 |
| Payroll Taxes | | 3.5% | 3.5% | | 8,049 | 32,437 | 39,507 | 8,097 | 32,513 | 39,746 |
| Miscellaneous Taxes, Licenses and Permits | | 3.5% | 3.5% | | 1,144 | 4,874 | 5,768 | 1,181 | 4,764 | 5,669 |
| | | | | Sub-total Taxes and Licenses | 7,294 | 38,419 | 35,784 | 7,584 | 36,822 | 36,971 |
| Insurance | | | | | | | | | | |
| Property and Liability Insurance | | 6.0% | 6.0% | Our premiums have been increasing at higher rates - 8-11% replacement value reduced, premium to be 15% in 2017. | 42,281 | 183,095 | 228,347 | 47,899 | 194,070 | 242,048 |
| Fidelity Bond Insurance | | 3.5% | 3.5% | | | | | | | |
| Workers Compensation Insurance | | 3.5% | 3.5% | | 4,410 | 19,566 | 24,055 | 6,000 | 28,251 | 35,269 |
| Director's & Officer's Liability Insurance | | 3.5% | 3.5% | | | | | | | |
| | | | | Sub-total Insurance | 46,691 | 202,661 | 252,402 | 53,899 | 222,321 | 277,317 |
| Maintenance & Repair | | | | | | | | | | |
| Paint | | 3.5% | 3.5% | | 28,260 | 114,277 | 142,544 | 29,290 | 118,277 | 147,533 |
| Supplies | | 3.5% | 3.5% | | 18,123 | 48,212 | 61,130 | 12,547 | 60,728 | 83,215 |
| Electricity | | 3.5% | 3.5% | | 37,769 | 124,200 | 163,426 | 38,430 | 130,730 | 169,180 |
| Garbage and Trash Removal | | 3.5% | 3.5% | Maintaining at 2016 in 2017. | 18,209 | 81,809 | 77,285 | 19,817 | 84,138 | 79,900 |
| Security Patrol/Contract | | 3.5% | 3.5% | | 261,614 | 101,738 | 383,353 | 270,770 | 165,300 | 336,070 |
| HVAC Repairs and Maintenance | | 3.5% | 3.5% | | | | | | | |
| Vehicle and Maintenance Equipment Operation and Repairs | | 3.5% | 3.5% | | 308 | 1,283 | 1,538 | 310 | 1,278 | 1,502 |
| Miscellaneous Operating and Maintenance Expenses | | 3.5% | 3.5% | | 572 | 2,312 | 2,884 | 602 | 2,393 | 2,983 |
| | | | | Sub-total Maintenance & Repair Expenses | 355,339 | 496,842 | 612,107 | 367,793 | 476,801 | 604,024 |
| Reserve/Retainage | | | | | | | | | | |
| Reserve/Retainage | | 3.5% | 3.5% | | | 75,392 | 75,392 | | 76,000 | 76,000 |
| | | | | Commercial Expenses | | | | | | |
| TOTAL OPERATING EXPENSES w/o RESERVE/RETAINAGE BASE RESERVE/RETAINAGE FEES | | | | | 679,832 | 1,644,258 | 2,027,898 | 616,638 | 1,581,869 | 2,103,518 |
| Reserve/Retainage Lease Base Reserve/Bond Fees | | | | | | | | | | |
| Ground Lease Base Rent | | | | | | | | | | |
| Bond Monitoring Fee | | | | | | | | | | |
| Replacement Reserve Deposit | | | | | 8,884 | 84,995 | 103,879 | 8,884 | 84,995 | 103,879 |
| Operating Reserve Deposit | | | | | | | | | | |
| Other Required Reserve 1 Deposit | | | | | | | | | | |
| Other Required Reserve 2 Deposit | | | | | | | | | | |
| | | | | Sub-total Reserve/Retainage Lease Base Reserve/Bond Fees | 8,884 | 84,995 | 103,879 | 8,884 | 84,995 | 103,879 |
| TOTAL OPERATING EXPENSES w/ RESERVE/RETAINAGE BASE RESERVE/RETAINAGE FEES | | | | | 688,716 | 1,629,253 | 2,127,777 | 625,522 | 1,666,864 | 2,207,397 |
| NET OPERATING INCOME (INCOME minus OP EXPENSES) | | | | | | | | | | |
| | | | | | | (64,285) | (14,516) | | (67,192) | (12,192) |
| DEBT SERVICE (Hard debt/Secured loans) | | | | | | | | | | |
| Hard Debt - First Lender | | | | | | | | | | |
| Hard Debt - Second Lender (MOHCD Program 0.45% yield, or other 2nd Lender) | | | | | | 37,977 | 37,977 | | 37,977 | 37,977 |
| Hard Debt - Third Lender (Other MOHCD Program, or secured Lender) | | | | | | | | | | |
| Hard Debt - Fourth Lender | | | | | | | | | | |
| Commercial Hard Debt Service | | | | | | | | | | |
| | | | | TOTAL HARD DEBT SERVICE | | 37,977 | 37,977 | | 37,977 | 37,977 |
| CASH FLOW (NO) minus DEBT SERVICE | | | | | | | | | | |
| Commercial Only Cash Flow | | | | | | (62,233) | (62,233) | | (65,174) | (65,174) |
| Allocation of Commercial Surplus to LOSP (non-LOSP income) | | | | | | | | | | |
| AVAILABLE CASH FLOW | | | | | | (62,233) | (62,233) | | (65,174) | (65,174) |
| USES OF CASH FLOW BELOW (The two also above DSCR) | | | | | | | | | | |
| USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL | | | | | | | | | | |
| Below-the-line Assmt Mtg fee (accrue on new projects, see policy) | | 0.0% | 0.0% | See MOHCD policy | | | | | | |
| Projectwide Management Fee (only for links) | | 0.0% | 0.0% | See MOHCD policy | | | | | | |
| Investor Service Fee (aka LP Assmt Mtg Fee) (see policy for links) | | 0.0% | 0.0% | See MOHCD policy for annual increases | | | | | | |
| Other Payments | | | | | | 30,000 | 30,000 | | 30,000 | 30,000 |
| Hard-Asseting Loan Pmt - Lender 1 | | | | | | | | | | |
| Non-amortizing Loan Pmt - Lender 2 | | | | | | | | | | |
| Refunded Developer Fee (Refund amt. & Misc Fee from the 1st) | | | | | | | | | | |
| | | | | TOTAL PAYMENTS PRECEDING MOHCD | | 30,000 | 30,000 | | 30,000 | 30,000 |
| RESIDUAL RECEIPTS (CASH FLOW) minus PAYMENTS PRECEDING MOHCD | | | | | | (92,233) | (92,233) | | (95,174) | (95,174) |
| Does Project have a MOHCD Residual Receipt Obligation? | | | Yes | | | | | | | |
| Will Project Deliver Developer Fee? | | | No | | | | | | | |
| Residual Receipt split for all years - Lender/Owner | | | 67%/33% | | | | | | | |
| MOHCD RESIDUAL RECEIPTS DEBT SERVICE | | | | | | | | | | |
| MOHCD Residual Receipts Amount Due | | | 45.00% | Allocation per pro rata share of all debt debt loads, and MOHCD residual receipts policy | | | | | | |
| Proposed MOHCD Residual Receipts Amount to Loan Payment | | | | | | | | | | |
| Proposed MOHCD Residual Receipts Amount to Residual Ground Lease | | | | | | | | | | |
| NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE | | | | | | | | | | |
| Non-MOHCD Residual Receipts Amount Due | | | 54.00% | Allocation per pro rata share of all debt debt loads | | | | | | |
| Lender 4 Residual Receipts Due | | | 0.00% | | | | | | | |
| Lender 5 Residual Receipts Due | | | 0.00% | | | | | | | |
| Total Non-MOHCD Residual Receipts Debt Service | | | | | | | | | | |
| REMAINDER (should be zero unless there are distributions below) | | | | | | | | | | |
| Owner Distribution/Incentive Management Fee | | | | | | | | | | |
| Other Distributions | | | | | | | | | | |
| Final Balance (should be zero) | | | | | | | | | | |
| REPLACEMENT RESERVE - RUNNING BALANCE | | | | | | | | | | |
| Replacement Reserve Starting Balance | | | | | | | 2,316,850 | | 2,430,729 | |
| Replacement Reserve Deposits | | | | | | | 193,878 | | 193,878 | |
| Replacement Reserve Withdrawals (Study fee to CNA) | | | | | | | | | | |
| Replacement Reserve Interest | | | | | | | 493 | | 493 | |
| | | | | RR Running Balance | | | 2,420,219 | | 2,524,908 | |
| OPERATING RESERVE - RUNNING BALANCE | | | | | | | | | | |
| Operating Reserve Starting Balance | | | | | | | 395,729 | | 395,729 | |
| Operating Reserve Deposits | | | | | | | | | | |
| Operating Reserve Withdrawals | | | | | | | | | | |
| Operating Reserve Interest | | | | | | | 310 | | 310 | |
| | | | | OR Running Balance | | | 396,109 | | 396,489 | |
| OTHER REQUIRED RESERVE 1 - RUNNING BALANCE | | | | | | | | | | |
| Other Reserve 1 Starting Balance | | | | | | | 133,276 | | 98,045 | |
| Other Reserve 1 Deposits | | | | | | | | | | |
| Other Reserve 1 Withdrawals | | | | | | | 37,979 | | 37,979 | |
| Other Reserve 1 Interest | | | | | | | 2,681 | | 1,861 | |
| | | | | Other Required Reserve 1 Running Balance | | | 98,045 | | 62,937 | |

Exhibit C – Legal Description of Real Property

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

Parcel B of "Final Map 3813", filed in the Office of the Recorder of the City and County of San Francisco, State of California, on September 26, 2007 in Book 102 of Condominium Maps at Pages 146 through 148.

APN: 5421-013

Exhibit D - LOSP Client Selection Criteria

Exhibit D

Tenant Selection and Eligibility Criteria (all unit categories: DAH Units, HUD Units, & Tax Credit Units)

Armstrong Place Senior Housing is a layered HUD 202/PRAC, Tax Credit and locally funded property with eligibility requirements based on funding from the following sources:

1. The California Tax Credit Allocation Committee
2. The Department of Housing and Urban Development
3. The San Francisco Redevelopment Agency
4. LOSP funded by the Department of Public Health, and administered by The Mayor's Office of Housing
5. The Federal Home Loan Bank of San Francisco Affordable Housing Program
6. Housing and Community Development Transit Oriented Development Program

Occupancy Standards

Armstrong Place Senior Housing has the following occupancy standards:

| Unit Size | Minimum Household Size | Maximum Household Size |
|-------------|------------------------|------------------------|
| Studio | 1 | 2 |
| One Bedroom | 1 | 3 |

Age Restrictions

Armstrong Place Senior Housing will serve elderly families in which at least one household member is age 62 or older. As required in the San Francisco Redevelopment Agency's regulatory agreement and the Unruh Act, all other household members must be age 45 or older (unless they are a spouse, cohabitant, or person providing primary physical or economic support to the senior citizen). Additionally, a disabled person who is a child or grandchild of the senior citizen, and who must live with the senior citizen because of the disability or illness, is eligible to reside at Armstrong Place even though he or she may be under age 45.

Student Status

Households consisting entirely of full time students are not eligible for an apartment at Armstrong Senior. Exceptions to this rule are:

- a) All students are married and are entitled to file a joint tax return.
- b) The student is receiving Title IV of the Social Security Act.
- c) The student is currently enrolled in a job training program receiving assistance under the Job Training Partnership ACT (JTPA) or under similar Federal, State, or local laws.
- d) The student is a single parent with minor child(ren) and the student is not a dependant of another individual. The child(ren) may be claimed as a dependent on the other parent's tax return.

Criminal Standards

In order to meet screening requirements, Eskaton obtains access to criminal records by use of private credit and screening services, and available criminal databases. These private credit and screening services obtain information from each city, county, and state where the applicant was a tenant.

Management may initially deny admission to applicants with one or more of the following conditions:

1. Conviction of the applicant or member of the applicant household in any state or federal court within the last five (5) years of any of the following:
 - a. A felony against person and/or property (e.g., murder, rape, burglary, child abuse)
 - b. Misdemeanor involving violence against person and/or property (as listed above)
 - c. Manufacturing and/or distributing a controlled illegal substance.
 - d. Violation of one or more arms control law(s).
 - e. A pattern, defined as two or more misdemeanor charges in the past five years, of possessing and/or using a controlled illegal substance.
2. Any applicant or household member who, in the last twelve (12) months, has been arrested for any of the above-described offenses shall have his/her application suspended until the case has been legally resolved.
3. If any household member/applicant is subject to a lifetime registration requirement under a state sex offender registration program 982.553(a).
4. Other criminal activity which may threaten the health, safety or right to peaceful enjoyment of the premises by other tenants or persons residing in the immediate vicinity, or the owner, staff, contractor, or subcontractor.

Any applicant who receives an initial denial notice will have the right to appeal. Please see the Appeal and Grievance Section IV, below. If a household contains a convicted household member, the other applicant(s) will have the opportunity to remove said member from the application.

If a household member/applicant has previously been denied admission for criminal activities, but now has sufficient evidence that the household member/applicant has not engaged in the activities for a reasonable period of time, the household member/applicant may be reconsidered by looking at mitigating circumstances. Eskaton will ensure that considerations will be uniformly applied to all applicants in a nondiscriminatory manner and in accordance with applicable housing and civil rights laws as part of the Appeal and Grievance procedure.

Rental and Personal History

An applicant's eligibility regarding rental and personal history will be determined by information obtained through one or more of the following: unlawful detainer report, landlord verification covering the past five years, personal reference letters, and home visits.

Management may initially deny admission to applicants with one or more of the following conditions:

1. A judgment against an applicant obtained by the current or previous landlord.

2. An unmet obligation owed to a previous landlord.
3. Failure to have made timely payments of the previous year's rental payments.
4. A history of violence or abuse, physical or verbal, in which the applicant was determined to be the antagonist.
5. Current abuse of alcohol or use of illegal drugs. Use shall constitute abuse of illegal drugs (unless required by doctor's verification of need—not underlying condition).
6. An applicant's unwillingness to cooperate with management (behavior problems, poor housekeeping, etc.) as verified by past rental history in the past five years.
7. If any household member/applicant has been evicted from federally-assisted housing for drug-related criminal activity, including manufacturing or production of illegal drugs, for three years from the date of eviction. If the evicted household member/applicant who engaged in drug-related criminal activity has successfully completed a supervised drug rehabilitation program or circumstances leading to the eviction no longer exist, Eskaton may, but is not required to, admit the household. Eskaton may require the applicant to submit verification of rehabilitation. If applicant is a person with disabilities, Eskaton's decision is subject to consideration of reasonable accommodation.
8. If any household member/applicant is currently engaging in illegal drug use or criminal activity and if Eskaton determines that there is reasonable cause to believe that a household member's abuse, or pattern of abuse, of illegal drugs, alcohol, and/or criminal activity interferes with the health, safety, or right to peaceful enjoyment of the premises by other tenants.
9. For applicants enrolled in a third-party rent payment program, items 1, 2, and 3, above, are not applicable.

Any applicant who receives an initial denial notice will have the right to appeal. Please see the Appeal and Grievance Section, below. If a household contains a household member deemed ineligible based on the above criteria, the other applicant(s) will have the opportunity to remove said member from the application.

Credit history

Applicants will be screened for credit history. If applicant's credit reflects one or more of the following, they may be denied.

1. Total unmet credit problems (including governmental tax liens) in excess of \$2,500
2. A bankruptcy within the last three years
3. A total of seven (7) unmet credit problems of any value.
4. For applicants enrolled in a third-party rent payment program, items 1, 2 and 3 are not applicable.

Any applicant who receives an initial denial notice will have the right to appeal. Please see the Appeal and Grievance Section, below. If a household contains a household member deemed ineligible based on the above criteria, the other applicant(s) will have the opportunity to remove said member from the application. After an initial denial based on the above criteria, an applicant may appeal the denial as per the Appeal and Grievance, Section IV, below. Eskaton Properties, Inc. will consider mitigating circumstances that the applicant feels would have an effect on their Rental Application and that would overcome or outweigh information already gathered in the

applicant resident screening process. Mitigating circumstances must be documented in the appeal and must corroborate the grounds for denial of the Rental Application

Income Restrictions

- (1) All unit categories have maximum income restrictions as per Attachment B, the income and rent matrix;
- (2) No minimum income standard for the 23 DAH units and 72 HUD Section 202 units because of the rental subsidy funding tied to these unit types and requirements of funders;
- (3) No minimum income standard for the remaining units without rental subsidy (the "Tax Credit Units"), as required by the funder, San Francisco Redevelopment Agency, if an applicant can demonstrate that they have successfully paid a rent which is greater than 50% of their gross annual household income, and if rent is greater than or equal to the rent for the unit being offered:
 - a. Demonstration of ability to pay rent will be through submittal of:
 - i. a copy of their formal rental agreement for the last 12 months or a letter from the landlord stating the rent amount for the last 12 months, and;
 - ii. rent receipts for the last 12 months, or a rental verification from the landlord stating that the applicant paid their rent in a timely manner for the last 12 months.
 - b. Applicant's gross household income will also be evaluated over the past 12 months in order to ensure that the income to rent ratio is accurate.
- (4) A minimum income restriction will be applied in which residents can pay up to 50% of their gross annual household income towards rent for those residents not covered by (2) or (3) (i.e. applicants for Tax Credit Units that cannot provide documentation of paying over 50% of their gross annual household income towards a unit with a rent level rent greater than or equal to the rent for the unit being offered.

Limitations on application of above policy related to minimum income standards:

The standard stated above allowing a tenant to pay a maximum of up to 50% of their gross annual household income towards rent if they aren't already paying a higher percentage ("Allowable Rent Burden"), is set for this project, Armstrong Senior Community, based on the establishment of 30% of 35% as the rent standard for the Tax Credit Units (the "Rent Standard"). The standard Allowable Rent Burden is only applicable to the Armstrong Senior Community and may not be applied to other affordable housing projects without consultation with the Agency and any such standards established for other projects will be based on the established rent standard for the project and available subsidies. Furthermore, any change in the Rent Standard for the Armstrong Senior Community (e.g., an increase to a rent standard of 30% or 50%) could result in a required revision to the Allowable Rent Burden with an increase of the 50% Allowable Rent Burden accordingly.

Exhibit E – Intentionally Omitted

Exhibit F -- Lobbying/Debarment Certification Form

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

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

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

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

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

[NAME OF GRANTEE]:

BY: _____

NAME: _____

TITLE: _____

DATE: _____

EXHIBIT G – ANNUAL MONITORING REPORT

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



Edwin M. Lee
Mayor

Olson Lee
Director

March 16, 2017

Notice of Availability of 2016 Annual Monitoring Report Form
(including new audit requirements and wait list submittal)

Announcement of Serious Incident Protocol

MOHCD is pleased to announce the availability of the Annual Monitoring Report (AMR) forms for Reporting Year 2016 (RY2016). The forms can be downloaded from the [Asset Management page](#) of the MOHCD web site. A training on how to complete the AMR will be held at MOHCD on April 13th from 9 a.m. to 12 noon. See below for more information.

New Audit Requirement and Deadline: To provide sufficient time for project sponsors to complete AMRs in accordance with the City's "New Audit Requirements for MOHCD-Funded Projects," the report is now due 5 months after the end of a project's business year. (Previously, it was due 4 months after.) For projects whose business year ended December 31, 2016, the report will be due on May 31, 2017 for the period January 1, 2016, through December 31, 2016. For projects not owned by a single-asset entity and whose financial activity is accounted for and audited with the parent corporation's finances, sponsors may request up to a one-month extension of the deadline to allow for additional time to complete consolidated audited financial statements in accordance with the new audit requirements.

New Waiting List Submittal Requirement: To aid the City in its efforts to ensure that the allocation of MOHCD-financed affordable housing resources is conducted in a consistent, fair, appropriate and inclusive manner, MOHCD is now requiring all sponsors to submit the current version of a project's waiting list with the Annual Monitoring Report.

Submissions for RY2016 and any outstanding reports from prior reporting years will be accepted only in the RY2016 format.

Completion and Submission Instructions

The Annual Monitoring Report consists of the following 3 parts:

I. AMR_RY2016 – project name.xlsx – This is a Microsoft Excel spreadsheet that is comprised of the following worksheets:

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

Provide all applicable information that is requested in worksheets 1-7. Use the Instructions to

help you complete each form and the Completeness Tracker to help you to determine when each worksheet is complete.

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

Submit this report as an Excel file only; do not convert it to pdf or another file type. Changing the format of AMR_RY2016.xlsx without MOHCD's prior approval is not allowed. Do not overwrite any validations for any of the cells, alter any formulas or add or delete any rows or columns. If you need to revise the form in order to successfully complete the report, submit a request to moh.amr@sfgov.org.

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

III. Audited Financial Statements – Provide financial statements for the project for Reporting Year 2016. They must be prepared by a certified public accountant in accordance with generally accepted accounting principles, applicable regulations and laws and with the City's "New Audit Requirements for MOHCD-Funded Projects" a copy of which is attached and posted on [MOHCD's Asset Management web page](#). If the project is owned by a single asset entity, provide separate financial statements just for the project, otherwise provide audited statements for the parent corporation. Also include copies of any Management Letters and special notes from the auditor that pertain to the property and the financial statements.

IV. Waiting List – Submit a copy of the project's waiting list that is current as of the date of submittal. The waiting list must include the following information for each person or household who has applied to live at the project and is still waiting to be considered for an available unit: name of head-of-household, contact information, date of application, number of people in the household, stated household income and desired unit size. This requirement is not applicable to transitional housing projects, residential treatment programs, shelters, group homes or permanent supportive housing for homeless people that is leased through a closed referral system.

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

Updates to the Reporting Form

The RY2016 AMR form has been revised from the form for RY2015, as follows:

- **Data for Race/Ethnicity** – Must now be provided for each tenant household rather than in summary form for the project. Also, race and ethnicity have been split into two, separate demographic categories. For additional information on these changes, see the email notice from MOHCD dated 9/29/16 regarding new requirements for collection of ethnicity and race data.
- **Worksheet 1A** – Most of the demographic questions have been moved to the new worksheet, "3B. Demographic Information," and the order of the remaining items has been changed to improve the flow of information.
- **Worksheet 2** – A new line item titled "Capital Maintenance Repairs/Improvements" has been

added to the expense section to account for capital costs that were paid out of the operating account and may be reimbursed by the Replacement Reserve. The "Reserve Account Details" section has been revised to improve functionality. The section for cash flow "waterfall" (distribution of Surplus Cash) has been simplified and now requires the user to enter the distribution priority as well as the amount of any Residual Receipts loan payment that is due to MOHCD, which previously was auto-calculated.

- Worksheet 3A – Has been shortened by moving the data related to female-headed households, elderly households, number of children and disability to worksheet 3B.
- Worksheet 3B – New worksheet where ethnicity, race and other demographic information must be entered for each tenant household.
- Worksheet 3C – New worksheet where summaries of demographic information for a project are auto-generated, based on data entered on worksheet 3A and 3B.
- Worksheet 6 – Has been enhanced so that supportive services that are selected on Worksheet 1A are auto-filled into Worksheet 6
- Worksheet 4 – New section added where reporters must provide the details of miscellaneous administrative and maintenance expenditures that exceed \$10,000
- Worksheet 7 – This new worksheet has been added in connection with the City's "New Audit Requirements for MOHCD-Funded Projects." Most fields on this sheet are auto-filled with data that is entered on Worksheet 2. Printouts of this sheet may be used to produce the "Supplementary Information Required by MOHCD" that must now be included in the project's audited financial statements. If the auditor elects to use this sheet for this purpose, some data entry on the sheet is required in the yellow-highlighted cells.

AMR Training – April 13, 9am-12noon

To facilitate completion of the AMR by project sponsors, MOHCD will conduct a training on April 13 from 9 a.m. to 12 noon in our office at 1 South Van Ness Avenue, 5th Floor, Room 5080. We strongly encourage the primary staff person responsible for completion of the report to attend. Space is limited. Please RSVP to Ricky Lam at ricky.lam@sfgov.org or 415-701-5542.

Serious Incident Protocol

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

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

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

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

- The date of the incident
- A description of the incident

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

Available Units and Waiting List Openings

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

**Owner Compliance Certification and Insurance & Tax Certification Form
2016 Annual Monitoring Report
San Francisco Mayor's Office of Housing and Community Development**

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

Complete this form, sign and date it, scan it along with current liability and property insurance certificates into a single PDF file, then email the file along with AMR_RY2016 – project name.xlsx, audited financial statements, and current waiting list to moh.amr@sfgov.org.

Project Name: _____

Project Street Address: _____

Reporting Period – Start Date: _____ End Date: _____

Owner Compliance Certification

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

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

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

**Owner Compliance Certification and Insurance & Tax Certification Form
2016 Annual Monitoring Report
San Francisco Mayor's Office of Housing and Community Development**

| | True | False | |
|----|------|-------|---|
| 8 | | | The project has met affordability and other leasing provisions set forth in the funding agreement/s entered into with CCSF during the entire reporting period. As of the end date of the reporting period, _____ units (<i>supply exact number</i>) were occupied or held vacant and available for rental by low-income tenants meeting the income qualifications pursuant to the funding agreement/s entered into with CCSF. |
| 9 | | | The undersigned has obtained a tenant income certification and/or third party documentation to support that certification from each tenant household occupying a unit restricted to occupancy by income-qualified tenants. All income certifications are maintained onsite with respect to each qualified tenant who resides in a unit or resided therein during the immediately preceding business year. |
| 10 | | | The total charges for rent and a utility allowance to each income-qualified tenant in a restricted unit do not exceed the maximum rent specified in the funding agreement/s entered into with CCSF as adjusted by the most recent HUD income and rent figures, which have been taken from the figures that are supplied by MOHCD on its website. |
| 11 | | | All withdrawals from the replacement and operating reserve accounts have been made in accordance with the MOHCD funding agreement/s, unless approved in writing by MOHCD. |
| 12 | | | Security deposits required of tenants of the project are in accordance with applicable laws and the funding agreement/s entered into with CCSF. |
| 13 | | | The undersigned has obtained and will maintain insurance policies in accordance with requirements of the funding agreement/s entered into with CCSF as may be reasonably updated from time to time, and has supplied with this AMR certificates of insurance that are current through the end of the reporting period. |
| 14 | | | The undersigned has maintained the units and common areas in a decent, safe and sanitary manner in accordance with all local health, building, and housing codes and in accordance with the HUD Housing Quality Standards. |
| 15 | | | The data submitted in Section 1A – Property & Residents of the Annual Monitoring Report regarding any violation/s of any health, building, or housing codes is complete and accurate; all required copies of violations/citations that were not resolved by the end of the reporting periods are also included with this AMR submission. |
| 16 | | | The undersigned has made best efforts to: (a) keep the units in good repair and available for occupancy; and (b) keep the Project fully rented and occupied. |
| 17 | | | All questions in the Annual Monitoring Report submitted for this reporting period have been answered fully and truthfully; answers have been supplied for all of questions requiring detailed responses on the Annual Monitoring Narrative Worksheet and any related documents have been submitted as attachments. |
| 18 | | | The project has received additional equity proceeds in the amount of \$_____ (<i>supply amount</i>) from low-income housing tax credit investors during the reporting period. |
| 19 | | | Accurate information has been provided in Worksheet 2 - Fiscal Activity about any Federal Program Income earned by this project during the reporting period. |
| 20 | | | Any amounts charged as Asset Management Fees are reflected accurately under Income & Expenses in Worksheet 2 - Fiscal Activity of the Annual Monitoring Report, and all such amounts have been used exclusively toward asset management of this project. Asset Management Fees taken beyond pre-approved levels have been documented as required in response to question 7 in Section 4 - Narrative. |

**Owner Compliance Certification and Insurance & Tax Certification Form
2016 Annual Monitoring Report
San Francisco Mayor's Office of Housing and Community Development**

| | True | False | |
|----|------|-------|---|
| 21 | | | The calculation of cash flow in Worksheet 2 - Fiscal Activity accurately reflects all expenses incurred and income earned, and the proposed distribution of any Residual Receipts would be in accordance with all relevant agreements and policies. |
| 22 | | | The Waiting List that has been submitted with the 2016 Annual Monitoring Report is an accurate and correct record as of the last day of the reporting period of the households who have applied to live at the Project, including the name of the head-of-household (or a suitable alternative), date of application, number of people in the household, stated household income and desired unit size. |

Property and Liability Insurance

Enter the information requested below, and attach a current copy (each) of the Property and Liability Insurance Certificates. SCAN the documents and send them as an attachment along with the complete AMR to MOHCD via e-mail to: moh.amr@sfgov.org.

| | | |
|---------------------|--------------------------|--|
| Property Insurance | | |
| | Property Street Address: | |
| | Policy Number: | |
| | Policy Effective Date: | |
| | Policy Expiration Date: | |
| Liability Insurance | | |
| | Property Street Address: | |
| | Policy Number: | |
| | Policy Effective Date: | |
| | Policy Expiration Date: | |

Tax Certification

Enter the information requested below. You do **NOT** need to submit copies of the invoice or checks used to pay the tax.

| | | |
|--------------|--|--|
| Property Tax | | |
| | Tax Year: | |
| | Amount of Tax Paid: | |
| | Date Paid: | |
| | Amount outstanding from taxes due for Reporting Period: | |
| | Amount outstanding from taxes due prior to Reporting Period: | |

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

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

Name: _____ Title: _____

Signature: _____ Date: _____

Annual Monitoring Report - Instructions - Reporting Year 2016 - Mayor's Office of Housing & Community Development

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

Updated 02/16/2017

1A. Property & Residents

Please follow the instructions provided on the worksheet.

1B. Transitional Programs Only

Please follow the instructions provided on the worksheet.

1C. Eviction Data

Please follow the instructions provided on the worksheet.

2. Fiscal Activity

Income and Expenses

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

INSTRUCTIONS:

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

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

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

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

Income

Rental Income

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

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

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

Vacancy Loss

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

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

Other Income

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

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

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

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

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

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

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

Expenses

Management

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

Salaries/Benefits

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

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

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

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

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

Administration

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

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

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

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

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

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

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

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

Utilities

6450 Electricity

6451 Water

6452 Gas

6453 Sewer

Taxes and Licenses

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

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

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

Insurance

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

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

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

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

Maintenance and Repairs

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

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

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

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

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

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

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

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

Supportive Services

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

Reserve Account Activity

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

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

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

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

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

3A. Occupancy & Rent Info

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

COLUMN DESCRIPTION

- C. **Row Number.** Do not enter data in this column.
- D. **Unit No.** Enter the unit number (or bed number for transitional or group housing) for each unit/bed in the property.
- E. **Unit Type.** Use the drop down menu to select the unit type (also shown below):
 Bed = (measurement for Group homes or transitional housing)
 "SRO" = Single Room Occupancy unit
 "Studio" = Studio unit
 "1BR" = 1 Bedroom unit
 "2BR" = 2 Bedroom unit
 "3BR" = 3 Bedroom unit
 "4BR" = 4 Bedroom unit
 "5+BR" = 5 or more Bedroom unit
- F. **Date of Initial Occupancy.** Enter the date when the tenant occupied their *first unit in the project*. For tenants who have transferred to another unit in the project, this date will be different than the date when they moved into their current unit.
- G. **Household Annual Income at Initial Occupancy.** Enter the tenant's annual household income from the initial income certification that was done before they moved into their *first unit in the project*. For tenants who have transferred to another unit in the project, this amount will be different than the amount from the certification that was done when they moved into their current unit.
- H. **Household Size at Initial Occupancy.** Enter the number of people that was in the tenant's household when they occupied their first unit in the project. For tenants who have transferred to another unit in the project, this number may be different than it was when they moved into their current unit.
- I. **Date of Most Recent Income Recertification.** Enter date of most recent income recertification. Leave blank for vacant units.
- J. **Household Annual Income as of Most Recent Recertification within reporting period.** Enter annual income of the household from the most recent recertification. OK to leave blank ONLY if ALL funders do not require annual income recertifications.
- K. **Household Size as of Most Recent Recertification within reporting period.** Enter the number of occupants in the unit from the most recent recertification within the reporting period.
- L. **Minimum Occupancy for Unit Type.** The data here is automatically entered from items 25-31 on Worksheet #1A.
- M. **Maximum Occupancy for Unit Type.** The data here is automatically entered from items 25-31 on Worksheet #1A.
- N. **Overhoused or Overcrowded?** The data here is automatically generated based on entries in column K and on items 26-32 on Worksheet #1A.
- O. **Overhoused or Overcrowded - Narrative** A household is "Overhoused" if there are fewer people residing in the unit than the minimum occupancy. "Overcrowded" means that there are more people residing in the unit than the maximum occupancy. If the data in column N indicates that the household is overhoused or overcrowded, please describe any extenuating circumstances that justify the overhoused/overcrowded status and summarize efforts that you have made to transfer the tenant to a unit that is appropriate for the size of the household, if applicable.
- P. **Rental Assistance.** From the drop-down menu, select one code only to indicate the type of assistance, if any, being provided to the tenant (low-income units only). Select "None" if no rental assistance comes with the unit or none is provided to the tenant.
 "Section 8 - Project Based" = The unit comes with Section 8 subsidy that will remain with the unit after the tenant moves out.
 "Section 8 - Tenant Voucher" = Tenant is receiving assistance through the Section 8 Certificate or Voucher programs.

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

"PRAC - 811" = The unit receives a subsidy through a Project Rental Assistance Contract from HUD's 811 program.

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

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

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

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

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

"HSA Master Lease" = The unit receives a subsidy through the City's Master Lease Program of the Human Services Agency.

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

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

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

- Q. **Amount of Rental Assistance.** Enter the dollar amount of rental assistance that is paid on behalf of the household/tenant.
- R. **Amount of Maximum Gross Rent Allowed for Unit.** Enter the maximum rent for the unit that is allowed by the most restrictive funder of the project.
- S. **Amount of Tenant Paid Rent for Unit.** Enter only the amount of rent that the tenant pays. Do not include any rental assistance paid on behalf of the tenant by another party.
- T. **Utility Allowance.** If the tenant pays for utilities, enter the Utility Allowance allowed for the unit. Enter zero (0) if the Utilities are paid by the project.
- U. **Date of Most Recent Rent Increase within the Reporting Period. ONLY FOR UNITS THAT DO NOT HAVE RENTAL ASSISTANCE OR SUBSIDY.** Enter date of most recent rent increase for unit.
- V. **Amount of Most Recent Rent Increase within the Reporting Period. ONLY FOR UNITS THAT DO NOT HAVE RENTAL ASSISTANCE OR SUBSIDY.** Enter amount of most recent rent increase for unit.
- W. **Percentage of Most Recent Rent Increase. THIS IS A SELF-CALCULATING CELL - ENTER NO DATA HERE.**

3B. Demographic

The two ethnic categories are defined below:

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

The 10 racial categories are defined below:

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

Female-headed Household. For each residential unit, enter "Yes" if the head of household is a woman that is either alone or with one or more children. Enter "No" if the head of the household is not a woman.

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

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

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

3C. Summary of Reported Household Demographics

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

4. Narrative

Please follow the instructions provided on the worksheet.

5. Project Financing

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

6. Services Funding

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

7. Supplementary Audit Information - Required by MOHCD

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

Completeness Tracker

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

Links to Relevant Policies

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

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

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

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

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

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

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

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

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

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

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

**Annual Monitoring Report - Property & Residents - Reporting Year 2016 -
Mayor's Office of Housing & Community Development**

| # | IDENTIFYING INFO |
|----|---|
| 1 | Reporting Period Start Date (m/d/yyyy) |
| 2 | Reporting Period End Date (m/d/yyyy) |
| 3 | Property Name (select from drop down) |
| 4 | Property Full Street Address (e.g. "123 Main Street") |
| | CONTACT INFO |
| 5 | Sponsor Executive Director Name |
| 6 | Sponsor Executive Director Phone Number |
| 7 | Sponsor Executive Director E-mail |
| 8 | Property Management Company |
| 9 | Property Manager Name |
| 10 | Property Manager Phone Number |
| 11 | Property Manager E-mail |
| 12 | Property Supervisor Name |
| 13 | Property Supervisor Phone Number |
| 14 | Property Supervisor E-mail |
| 15 | Property Owner Name |
| 16 | Property Owner Contact Person |
| 17 | Property Owner Contact Phone Number |
| 18 | Property Owner Contact E-mail |
| 19 | Property Asset Manager Name |
| 20 | Property Asset Manager Phone Number |
| 21 | Property Asset Manager E-mail |
| 22 | AMR Preparer's Name |
| 23 | AMR Preparer's Phone Number |
| 24 | AMR Preparer's E-mail |

| PROPERTY/MARKETING INFO | | | | |
|--|------------------------------------|---|---|---|
| 25 | | Is the project any of the following: Transitional Housing, Residential Treatment Program, Shelter or Transitional Group Home? (select "yes" or "no" from the drop-down menu to the left.) <i>If you answer "yes", skip questions 26 through 39 below, and continue with question 40. Also, you must complete worksheet "1B.TransitionalProg."</i> | | |
| What is the Unit Mix for the Property? Please include any manager's units in this tally. | | | | |
| | Unit Types | Number Of Units | Occupancy Standard: Minimum HH Size for this Unit Type* | Occupancy Standard: Maximum HH Size for this Unit Type* |
| 26 | Single Room Occupancy (SRO) Units | | 1 | |
| 27 | Studio Units | | 1 | |
| 28 | One-Bedroom (1BR) Units | | 1 | |
| 29 | Two-Bedroom (2BR) Units | | | |
| 30 | Three-Bedroom (3BR) Units | | | |
| 31 | Four-Bedroom (4BR) Units | | | |
| 32 | Five- or More (5+BR) Bedroom Units | | | |
| 33 | TOTAL # Units----> | 0 | | |
| 34 | | Vacancies - How many vacancies occurred at the project during the reporting period? (Be sure that the number you report here is not less than the number of vacant units that are included on worksheet 3.) | | |
| 35 | 0 | Evictions - How many evictions occurred during the reporting year? (This data in this field is automatically calculated from the data that is entered on worksheet 1C. You must complete worksheet 1C, unless the project is transitional housing, a residential treatment program, a shelter or a transitional group home.) | | |
| 36 | | # 4 Vacant Unit Rent-Up Time - (in DAYS) State the average vacant unit rent-up time. This is the period from the time a household moves out to when the unit is rented again. If this period exceeds 30 days, you must answer Question # 4 on the Narrative worksheet. (Click on # 4 at left to jump to Narrative worksheet.) | | |
| 37 | | Waiting List - How many applicants are currently on the waiting list? | | |
| 38 | | When was the waiting list last updated? (m/yyyy) | | |
| 39 | | # 5 Affirmative Marketing - Did you conduct any marketing of the project during the reporting period? If you conducted marketing during the reporting period, you must answer Question #5 on the Narrative worksheet. (Click on #5 at left to jump to Narrative worksheet.) | | |

*Occupancy Standards should be described in project's Approved Tenant Selection and Marketing Plan. If not defined there, supply the standards used organization-wide.

| | | |
|----|-----|--|
| 40 | | What is the date of the last Capital Needs Assessment? (m/d/yyyy) |
| 41 | | What is the projected date of the next Capital Needs Assessment? (m/d/yyyy) |
| 42 | # 2 | How many Health, Building or Housing Code Violations were issued against the property in the reporting year? (If there were no violations enter "0"). If the property was cited for code violations in the reporting year or has open, unresolved violations from prior years as indicated below, you must answer Question #2 on the Narrative worksheet. (Click on #2 at left to jump to Narrative worksheet.) |
| 43 | | How many Health, Building or Housing Code Violations were open from <i>prior</i> years? |
| 44 | | How many Health, Building or Housing Code Violations were cleared in the reporting year? |
| 45 | # 3 | Are there urgent Major Property Repairs needed on the property in the next two years? (Yes/No) If there are needed major repairs you must answer Question #3 on the Narrative worksheet. (Click on #3 at left to jump to Narrative worksheet.) |
| 46 | # 3 | If the property has Immediate Capital Needs and lacks adequate funds in the Replacement Reserve (or elsewhere) to cover the costs, please supply the amount of funds needed to make up the difference, and supply additional explanation in question #3 of the Narrative report. (Click on # 3 at left to jump to Narrative worksheet.) |
| 47 | | As of the last day of the reporting period, how many units were fully Accessible to Physically Impaired Tenants? |
| 48 | | As of the last day of the reporting period, how many units were Adaptable for Physically Impaired Tenants? |
| 49 | | As of the last day of the reporting period, how many units were fully Accessible to Visually Impaired Tenants? |
| 50 | | As of the last day of the reporting period, how many units were fully Accessible to Hearing Impaired Tenants? |

| Resident Services: AN ANSWER IS REQUIRED FOR questions 51-61. Indicate below any services that were available to the residents free of charge, on site or at another designated location within 1/4 mile of the project. You must also provide additional information about each of the marked services below on Worksheet "6.Services" | | |
|--|----|--|
| 51 | no | Go To WS6 After School Program/s (y/n) |
| 52 | no | Go To WS6 Licensed Day Care Service (<i>participant fees are allowable for day care ONLY</i>) (y/n) |
| 53 | no | Go To WS6 Youth Program/s (y/n) |
| 54 | no | Go To WS6 Educational Classes (e.g. basic skills, computer training, ESL) (y/n) |
| 55 | no | Go To WS6 Health and Wellness Services/Programs (y/n) |
| 56 | no | Go To WS6 Employment Services (y/n) |
| 57 | no | Go To WS6 Case Management, Information and Referrals (y/n) |
| 58 | no | Go To WS6 Benefits Assistance and Advocacy; Money Management; Financial Literacy and Counseling (y/n) |
| 59 | | Go To WS6 Support Groups, Social Events, Organized Tenant Activities (y/n) |
| 60 | | Go To WS6 Other Service #1 - Please specify in column G. |
| 61 | | Go To WS6 Other Service #2 - Please specify in column G. |

POPULATION SERVED

Target / Actual Populations: As of the last day of the reporting period, what are the Actual and Target Populations (expressed as Number of Households) for the Project?

Under Target Population, enter the number of units at the project that, as a requirement of a specific funding source (e.g. 202, HOPWA, McKinney), are targeted to and set aside for the target populations shown in the table. Under Actual Population, enter the number of households at the project that, as of the end of the reporting period, contained at least one person who is a member of the populations shown in the table.

| | | Target Population | | Actual Population | |
|----|--|-------------------|---------------------------------|-------------------|---------------------------------|
| 62 | | 0 | Families | 0 | Families |
| 63 | | 0 | Persons with HIV/AIDS | 0 | Persons with HIV/AIDS |
| 64 | | 0 | Housing for Homeless | 0 | Housing for Homeless |
| 65 | | 0 | Mentally or Physically Disabled | 0 | Mentally or Physically Disabled |
| 66 | | 0 | Senior Housing | 0 | Senior Housing |
| 67 | | 0 | Substance Abuse | 0 | Substance Abuse |
| 68 | | 0 | Domestic Violence Survivor | 0 | Domestic Violence Survivor |
| 69 | | 0 | Veterans | 0 | Veterans |
| 70 | | 0 | Formerly Incarcerated | 0 | Formerly Incarcerated |
| 71 | | 0 | Transition-Aged Youth ("TAY") | 0 | Transition-Aged Youth ("TAY") |

Remember, SAVE YOUR WORK!

Annual Monitoring Report - Eviction Data - Reporting Year 2016 - Mayor's Office of Housing & Community Development

Project Address: _____

This section of the AMR must be completed for all projects, except for transitional housing or residential treatment services.

Number of households who lived in the project during the reporting period: _____

1 | _____ | **Number of households who lived in the project AT ANY TIME during the reporting period. Be sure to include all households that moved in during the reporting period.**

Number of households in the project who received Notices of Eviction during the reporting period for each of the following reasons:
(If more than one reason applies to a household, report only the primary reason.) You MUST answer every question (i.e., enter zero if applicable).

| | |
|----|--|
| 2 | Breach of Lease Agreement |
| 3 | Capital Improvement |
| 4 | Condo Conversion |
| 5 | Demolition |
| 6 | Denial of Access to Unit |
| 7 | Development Agreement |
| 8 | Ellis Act Withdrawal |
| 9 | Failure to Sign Lease Renewal |
| 10 | Good Samaritan Tenancy Ends |
| 11 | Habitual Late Payment of Rent |
| 12 | Illegal Use of Unit |
| 13 | Lead Remediation |
| 14 | Non-payment of Rent |
| 15 | Nuisance |
| 16 | Other |
| 17 | Owner Move In |
| 18 | Roommate Living in Same Unit |
| 19 | Substantial Rehabilitation |
| 20 | Unapproved Subtenant |
| 21 | 0 Total number of households who received Notices of Eviction |

Number of unlawful detainer actions filed in court by the owner against tenants in the project during the reporting period for each of the following reasons:
(If more than one reason applies to a household, report only the primary reason.) You MUST answer every question (i.e., enter zero if applicable).

| | |
|----|--|
| 22 | Breach of Lease Agreement |
| 23 | Capital Improvement |
| 24 | Condo Conversion |
| 25 | Demolition |
| 26 | Denial of Access to Unit |
| 27 | Development Agreement |
| 28 | Ellis Act Withdrawal |
| 29 | Failure to Sign Lease Renewal |
| 30 | Good Samaritan Tenancy Ends |
| 31 | Habitual Late Payment of Rent |
| 32 | Illegal Use of Unit |
| 33 | Lead Remediation |
| 34 | Non-payment of Rent |
| 35 | Nuisance |
| 36 | Other |
| 37 | Owner Move In |
| 38 | Roommate Living in Same Unit |
| 39 | Substantial Rehabilitation |
| 40 | Unapproved Subtenant |
| 41 | 0 Total number of unlawful detainer actions filed |

Number of households evicted from the project during the reporting period for the each of the following reasons:
(If more than one reason applies to a household, report only the primary reason.) You MUST answer every question (i.e., enter zero if applicable).

| | |
|----|--|
| 42 | Breach of Lease Agreement |
| 43 | Capital Improvement |
| 44 | Condo Conversion |
| 45 | Demolition |
| 46 | Denial of Access to Unit |
| 47 | Development Agreement |
| 48 | Ellis Act Withdrawal |
| 49 | Failure to Sign Lease Renewal |
| 50 | Good Samaritan Tenancy Ends |
| 51 | Habitual Late Payment of Rent |
| 52 | Illegal Use of Unit |
| 53 | Lead Remediation |
| 54 | Non-payment of Rent |
| 55 | Nuisance |
| 56 | Other |
| 57 | Owner Move In |
| 58 | Roommate Living in Same Unit |
| 59 | Substantial Rehabilitation |
| 60 | Unapproved Subtenant |
| 61 | 0 Total number of households evicted (total also used to answer question #35 on Worksheet 1A) |

| Annual Monitoring Report - Fiscal Activity - Reporting Year 2016 - Mayor's Office of Housing & Community Development | | | | | | | | | | | |
|--|--|--|--|--|-----------------------|--------------------|-----------------|--------|--|----------|--------|
| INCOME & EXPENSES | | | | | LDBP REPORTING | | | | LDBP REPORTING | | |
| | | | | | # LDBP Units | # non-LDBP Units | | | | | |
| 12 Month Report Period | | | | | Start Date: 1/1/16 | End Date: 12/31/16 | | | | | |
| Number of Units -> | | | | | 0 | 0 | | | | | |
| Account | | | | | Residential Breakdown | | | | | | |
| Description of Expense Account | | | | | Number | Residential | Non-Residential | Total | LDBP | non-LDBP | |
| | | | | | | | | | Rental Assistance Funds - OTHER - Amount | | |
| | | | | | | | | | Rental Assistance Funds - OTHER - Source | | |
| 22 Rental Income | | | | | | | | | | | |
| 23 Housing Units - Gross Potential Tenant Rents | | | | | 6120 | | | | | | \$0.00 |
| 24 Rental Assistance Payments (Identify ALL sources in rows below if applicable, including LDBP funding) | | | | | 6121 | | | | #VALUE! | #VALUE! | \$0.00 |
| 25 Sources--> | | | | | | | | | #VALUE! | #VALUE! | |
| 26 Commercial Unit Rents | | | | | 6140 | | | | | | 0.00% |
| 27 sub-total Gross Rental Income: | | | | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | #VALUE! | #VALUE! | \$0.00 |
| 28 Vacancy Loss - enter amounts as negative numbers! | | | | | | | | | | | |
| 29 Housing Units | | | | | 6220 | | | | | | \$0.00 |
| 30 Commercial | | | | | 6240 | | | 0.00% | | | \$0.00 |
| 31 sub-total Vacancies: | | | | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | | | \$0.00 |
| 32 | | | | | | | | | | | |
| 33 NET RENTAL INCOME: | | | | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | #VALUE! | #VALUE! | |
| 34 Other Income | | | | | | | | | | | |
| 35 Garage and Parking Spaces | | | | | 6170 | | | | #VALUE! | #VALUE! | |
| 37 Miscellaneous Rent Income | | | | | 6190 | | | | #VALUE! | #VALUE! | |
| 38 Supportive Services Income - Do not enter supportive services income if it is tracked in a separate budget and not appropriate per MOHCD loan terms to be included in Resident Receipts calculation. | | | | | 6300 | | | | #VALUE! | #VALUE! | |
| 39 Supportive Services Income Source(s)- Identify program source(s) if applicable --> | | | | | | | | | | | |
| 40 Interest Income - Project Operations (From Operating Account Only) | | | | | 6400 | | | | #VALUE! | #VALUE! | |
| 41 Laundry and Vending | | | | | 6910 | | | | #VALUE! | #VALUE! | |
| 42 Tenant Charges | | | | | 6920 | | | | #VALUE! | #VALUE! | |
| 43 Other Revenue | | | | | 6990 | | | | #VALUE! | #VALUE! | |
| 44 sub-total Other Income Received: | | | | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | #VALUE! | #VALUE! | |
| 45 | | | | | | | | | | | |
| 46 TOTAL INCOME RECEIVED: | | | | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | #VALUE! | #VALUE! | |
| 47 | | | | | | | | | | | |
| 48 INCOME & EXPENSES | | | | | | | | | | | |
| 49 | | | | | | | | | | | |
| 50 | | | | | | | | | | | |
| 51 Management | | | | | | | | | #VALUE! | #VALUE! | 0% |
| 52 Management Fee (Above the Line: Asset Management Fee amount allowable may be limited, see Asset Mgt. Fee Policy) | | | | | 6320 | | | | #VALUE! | #VALUE! | |
| 53 | | | | | | | | | #VALUE! | #VALUE! | |
| 54 sub-total Management Expense: | | | | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | #VALUE! | #VALUE! | |
| 55 Salaries/Benefits | | | | | | | | | | | |
| 56 Office Salaries | | | | | 6310 | | | | #VALUE! | #VALUE! | 0.00% |
| 57 Manager's Salary | | | | | 6330 | | | | #VALUE! | #VALUE! | 0.00% |
| 58 Employee Benefits: Health Insurance & Disability Insurance | | | | | 6720 | | | | #VALUE! | #VALUE! | 0.00% |
| 59 Employee Benefits: Retirement & Other Salary/Benefit Expenses | | | | | | | | | #VALUE! | #VALUE! | 0.00% |
| 60 Administrative Rent Free Unit | | | | | 6331 | | | | #VALUE! | #VALUE! | 0.00% |
| 61 sub-total Salary/Benefit Expense: | | | | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | #VALUE! | #VALUE! | |
| 62 Administration | | | | | | | | | | | |
| 63 Advertising and Marketing | | | | | 6210 | | | | #VALUE! | #VALUE! | 0 |
| 64 Office Expenses | | | | | 6311 | | | | #VALUE! | #VALUE! | \$0.00 |
| 65 Office Rent | | | | | 6312 | | | | #VALUE! | #VALUE! | \$0.00 |
| 66 Legal Expenses - Property | | | | | 6340 | | | | #VALUE! | #VALUE! | |
| 67 Audit Expenses | | | | | 6350 | | | | #VALUE! | #VALUE! | \$0.00 |
| 68 Bookkeeping/Accounting Services | | | | | 6351 | | | | #VALUE! | #VALUE! | \$0.00 |
| 69 Bad Debt | | | | | 6370 | | | | #VALUE! | #VALUE! | |
| 70 Miscellaneous Administrative Expenses (must click & explain if >\$15K) | | | | | 6390 | | | | #VALUE! | #VALUE! | \$0.00 |
| 71 sub-total Administrative Expense: | | | | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | #VALUE! | #VALUE! | |
| 72 Utilities | | | | | | | | | | | |
| 73 Electricity | | | | | 6450 | | | | #VALUE! | #VALUE! | |
| 74 Water | | | | | 6451 | | | | #VALUE! | #VALUE! | \$0.00 |
| 75 Gas | | | | | 6452 | | | | #VALUE! | #VALUE! | \$0.00 |
| 76 Sewer | | | | | 6453 | | | | #VALUE! | #VALUE! | \$0.00 |
| 77 sub-total Utilities Expense: | | | | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | #VALUE! | #VALUE! | |
| 78 Taxes and Licenses | | | | | | | | | | | |
| 79 Real Estate Taxes | | | | | 6710 | | | | #VALUE! | #VALUE! | \$0.00 |
| 80 Payroll taxes | | | | | 6711 | | | | #VALUE! | #VALUE! | |
| 81 Miscellaneous Taxes, Licenses, and Permits | | | | | 6719 | | | | #VALUE! | #VALUE! | \$0.00 |
| 82 sub-total Taxes and License Expense: | | | | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | #VALUE! | #VALUE! | |
| 83 Insurance | | | | | | | | | | | |
| 84 Property and Liability Insurance | | | | | 6720 | | | | #VALUE! | #VALUE! | \$0.00 |
| 85 Fidelity Bond Insurance | | | | | 6721 | | | | #VALUE! | #VALUE! | \$0.00 |
| 86 Workers' Compensation | | | | | 6722 | | | | #VALUE! | #VALUE! | |
| 87 Directors & Officers Liability Insurance | | | | | 6724 | | | | #VALUE! | #VALUE! | \$0.00 |
| 88 sub-total Insurance Expense: | | | | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | #VALUE! | #VALUE! | |
| 89 Maintenance and Repair | | | | | | | | | | | |
| 90 | | | | | | | | | | | |
| 91 Payroll | | | | | 6510 | | | | #VALUE! | #VALUE! | \$0.00 |
| 92 Supplies | | | | | 6515 | | | | #VALUE! | #VALUE! | |
| 93 Contracts | | | | | 6520 | | | | #VALUE! | #VALUE! | 0.00% |
| 94 Garbage and Trash Removal | | | | | 6525 | | | | #VALUE! | #VALUE! | \$0.00 |
| 95 Security Payroll/Contract | | | | | 6530 | | | | #VALUE! | #VALUE! | |
| 96 HVAC Repairs and Maintenance | | | | | 6545 | | | | #VALUE! | #VALUE! | 0.00% |
| 97 Vehicle and Maintenance Equipment, Operation and Repairs | | | | | 6570 | | | | #VALUE! | #VALUE! | \$0.00 |
| 98 Miscellaneous Operation and Maintenance Expenses (must click & explain if >\$15K) | | | | | 6590 | | | | #VALUE! | #VALUE! | \$0.00 |
| 99 sub-total Maintenance Repair Expense: | | | | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | #VALUE! | #VALUE! | |
| 100 Supportive Services: do not enter supportive services expenses if tracked in separate budget and not eligible to be counted against project income for resident receipts calculation. | | | | | 6900 | | | | #VALUE! | #VALUE! | 0.00% |
| 101 SUB-TOTAL OPERATING EXPENSES: | | | | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | #VALUE! | #VALUE! | |
| 102 Capital Maintenance Repair/Improvements eligible for payment by Replacement Reserve. If capital costs were entered in amount for Maintenance & Repair section above and are eligible for payment by the Replacement Reserve, please enter details in Replacement Reserve-Eligible Expenditures below, beginning from row 207. Amounts included in F216-215 will be listed in cell F102 and rolled out from operating expenses. | | | | | | | | | #VALUE! | #VALUE! | \$0.00 |
| 103 Non-Capital Maintenance Repair Expenses eligible for payment by Replacement Reserve. Only enter amounts here if they were included in amount entered for Maintenance & Repairs section above and will be reimbursed by Replacement Reserve. Amount will be rolled out from operating expenses. Enter as positive number. | | | | | | | | | #VALUE! | #VALUE! | \$0.00 |
| 104 TOTAL OPERATING EXPENSES: | | | | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | #VALUE! | #VALUE! | |
| 105 | | | | | | | | | | | |
| 106 | | | | | | | | | | | |
| 107 TOTAL INCOME RECEIVED: | | | | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | #VALUE! | #VALUE! | |
| 108 TOTAL OPERATING EXPENSES: | | | | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | #VALUE! | #VALUE! | |
| 109 NET OPERATING INCOME: | | | | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | #VALUE! | #VALUE! | |

| Annual Monitoring Report - Fiscal Activity - Reporting Year 2018 - Mayor's Office of Housing & Community Development | | | | | | | | | |
|--|--|--|--|--|-----------------|---------------------------------------|----------|------|----------|
| | | | | Residential Breakdown | | Pre-authorized alternative LOSP split | | | |
| Name of Lender / Lender / (Descriptor) | | | | Residential | Non-Residential | LOSP | non-LOSP | LOSP | non-LOSP |
| 110 | Ground Lease Base Rent & Debt Service (Principal and Interest) | | | | | | | | |
| 111 | Ground Lease - Base Rent (provide Lessor name to the right) | | | | | | | | 0.00% |
| 112 | Bond Monitoring Fee | | | | | | | | 0.00% |
| 113 | Lender 1 - Principal Paid (provide lender name to the right) | | | | | | | | 0.00% |
| 114 | Interest Paid | | | | | | | | 0.00% |
| 115 | Other Amount (describe to the right) | | | | | | | | 0.00% |
| 116 | Lender 2 - Principal Paid (provide lender name to the right) | | | | | | | | 0.00% |
| 117 | Interest Paid | | | | | | | | 0.00% |
| 118 | Other Amount (describe to the right) | | | | | | | | 0.00% |
| 119 | Lender 3 - Principal Paid (provide lender name to the right) | | | | | | | | 0.00% |
| 120 | Interest Paid | | | | | | | | 0.00% |
| 121 | Other Amount (describe to the right) | | | | | | | | 0.00% |
| 122 | Lender 4 - Principal Paid (provide lender name to the right) | | | | | | | | 0.00% |
| 123 | Interest Paid | | | | | | | | 0.00% |
| 124 | Other Amount (describe to the right) | | | | | | | | 0.00% |
| 125 | Total Ground Lease Base Rent + Debt Service Payments | | | \$0.00 | \$0.00 | \$0.00 | | | |
| 126 | Reserve Account Activity Impacting Operating Account | | | | | | | | |
| 127 | Replacement Reserve Required Annual Deposit (Source is Operating Account) Enter as positive number. | | | 1320 | \$0.00 | | | | 0.00% |
| 128 | Operating Reserve Deposits (Source is Operating Account) Enter as positive number. | | | 1365 | \$0.00 | | | | 0.00% |
| 129 | Operating Reserve Account Withdrawals (For deposits to Operating Account) Enter as positive number. | | | | \$0.00 | | | | 0.00% |
| 130 | Other Required Reserve Account Deposits (Source is Operating Account, Enter as positive number, identify reserve account in next col) (130) | | | | \$0.00 | | | | |
| 131 | Other Required Reserve Account Withdrawals (For deposits to Operating account, Enter as positive number, identify account in next col) (130) | | | | \$0.00 | | | | |
| 132 | Net Reserve Activity: | | | \$0.00 | \$0.00 | \$0.00 | | | |
| 133 | Surplus Cash, Detail (NOL minus Debt Service and Reserve Activity) | | | \$0.00 | \$0.00 | \$0.00 | | | |
| 134 | Cells below affect only narrative identified surplus item #133 | | | | | | | | |
| 135 | If amount for Surplus Cash above is negative, you must provide a detailed explanation to question #8 on the Narrative worksheet. You must NOT supply data for any of the fields for Use of Surplus Cash below. | | | Go to vsc4 Narrative question #8 | | | | | |
| 136 | Surplus Cash, Total | | | | \$0.00 | | | | 0.00% |
| 137 | Distribution of Surplus Cash/Residual Receipts - (Response Required) In the space below, please provide a detailed narrative summary of allowable distributions of Surplus Cash that accurately reflects the requirements under all MOHCD agreements as well as the requirements of other lenders and any other agreements that govern. Please include the calculation methodology, applicable annual increases, etc. For proposed distribution accounts entered in column J, rows 143-164, select the distribution priority for each of the uses of cash flow/surplus cash in column H. If distribution of surplus cash is not allowed under MOHCD agreements or other lender agreements, write N/A in the box below. | | | | | | | | |
| 138 | USES OF SURPLUS CASH THAT ARE AUTHORIZED TO BE PAID PRIOR TO CALCULATION OF RESIDUAL RECEIPTS PAYMENTS (IF APPLICABLE) | | | Distribution Priority (select below) | | | | | |
| 139 | A. Operating Reserve Replenishments (Deposits made out of surplus cash to satisfy minimum balance requirements) | | | | | | | | |
| 140 | B. "Follow-the-Leader" Asset Mgt Fee (prior written authorization from City/SFRA may be required, see Asset Mgt. Fee Policy) | | | | | | | | |
| 141 | C. Partnership Management fee due from this reporting period. If any (tax credit projects only, not allowed if project is beyond 15-year compliance period). | | | | | | | | |
| 142 | D. Partnership Management fee accrued but unpaid from PRIOR reporting periods. If any (tax credit projects only, per City policy, not allowed if project is beyond 15-year compliance period). | | | | | | | | |
| 143 | E. Investor Services Fee (aka LP Asset Management Fee) due from this reporting period. If any (tax credit projects only, per City policy, not allowed if project is beyond 15-year compliance period). | | | | | | | | |
| 144 | F. Investor Services Fee (aka LP Asset Management Fee) accrued but unpaid from PRIOR reporting periods. If any (tax credit projects only, per City policy, not allowed if project is beyond 15-year compliance period). | | | | | | | | |
| 145 | G. Deferred Developer fee, if any | | | | | | | | |
| 146 | H. Other payments: use question #1 on the Narrative (worksheet #4) to provide details about any fees or other payments, including ground lease residual rent payments for a non-MOHCD/OCI ground lease. Failure to provide details will result in disallowance of the expense. You may only include payments that were approved by MOHCD at time of funding that are also explicitly authorized by a Partnership Agreement or similar project document. | | | Go to vsc4 Narrative question #1 | | | | | |
| 147 | I. Debt Paid to other lender: Principal Paid (note lender name to right) | | | | | | | | 0.00% |
| 148 | J. Debt Paid to other lender: Interest Paid | | | | | | | | 0.00% |
| 149 | K. Debt Paid to other lender: Interest Paid | | | | | | | | 0.00% |
| 150 | Total Payments preceding Residual Receipts Calculation: | | | | \$0.00 | | | | |
| 151 | RESIDUAL RECEIPTS | | | Distribution Priority (select below) | | | | | |
| 152 | 152a. MOHCD Residual Receipts Due for Loan Repayment | | | | | | | | |
| 153 | 152b. MOHCD Residual Receipts Due for Ground Lease Residual Rent Payment | | | | | | | | 0.00% |
| 154 | 152c. Subtotal Residual Receipts Payments to MOHCD | | | | \$0.00 | | | | 100.00% |
| 155 | 152d. Residual Receipts Debt Pmt to other lender (note lender name to right) | | | | | | | | 0.00% |
| 156 | 152e. Residual Receipts Debt Pmt to other lender (note lender name to right) | | | | | | | | 0.00% |
| 157 | 152f. Residual Receipts Debt Pmt to other lender (note lender name to right) | | | | | | | | 0.00% |
| 158 | Total Residual Receipts Payments: | | | | \$0.00 | | | | |
| 159 | DO NOT SUBMIT YOUR PROPOSED RESIDUAL RECEIPT PAYMENT TO MOHCD WITH THIS AMR. MOHCD WILL REVIEW YOUR PROPOSED PAYMENT AND GENERATE AN INVOICE IF THE CALCULATION CAN BE VERIFIED AS APPROPRIATE; IF THE CALCULATION CANNOT BE VERIFIED, MOHCD WILL CONTACT YOU. | | | | | | | | |
| 160 | Remaining Balance | | | | \$0.00 | | | | |
| 161 | Proposed Owner Distributions (provide description in column D and enter amount in column J. If an amount is entered, a description is required.) | | | If 152a to 152f, enter that number in J170 & L171 below. This amount will be tracked in the LOSP City surplus. | | | | | |
| 162 | Proposed Other Distributions (provide description in column D and enter amount in column J. If an amount is entered, a description is required.) | | | If 152g to 152h, you may enter that amount in J171 & L172 below. If your LOSP budget allows no owner distribution. | | | | | |
| 163 | LOSP surplus, please acknowledge that and note exact amount. | | | | | | | | |
| 164 | Final Balance, should be ZERO except when Surplus Cash (cell F136) is negative | | | | \$0.00 | | | | |

| | B | D | F | H | J | L | N | P | R |
|-----|--|-------------|---|---|---|---|---|---|---|
| 14 | Annual Monitoring Report - Fiscal Activity - Reporting Year 2016 - Mayor's Office of Housing & Community Development | | | | | | | | |
| 220 | FEDERAL PROGRAM INCOME REPORT | | | | | | | | |
| 221 | This section must be completed if the project received any CDBG funding, even if the amount of CDBG program income during the reporting period was zero. For more information, use the following link or copy this web address for manual navigation: | | | | | | | | |
| 222 | | | | | | | | | |
| 223 | http://www.a1mob.com/col/col451/ShowDocument.aspx?documentId=5144 | | | | | | | | |
| 224 | Overview of Federal (HOME and CDBG) Program Income | | | | | | | | |
| 225 | | | | | | | | | |
| 226 | CDBG PROGRAM INCOME | | | | | | | | |
| 227 | Proposed amounts to be used to fund eligible CDBG activities as described in the Federal CDBG Program Regulations at 24 CFR 870.201-208 and compliant with the City's 2015-2019 Consolidated Plan, 2016-17 Action Plans as follows: | | | | | | | | |
| 228 | AMOUNT | DESCRIPTION | | | | | | | |
| 229 | Amount to be used for CDBG eligible activity#1 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right): | | | | | | | | |
| 230 | Amount to be used for CDBG eligible activity#2 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right): | | | | | | | | |
| 231 | Amount to be used for CDBG eligible activity#3 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right): | | | | | | | | |
| 232 | Amount to be deposited for use on future eligible CDBG activities that will be undertaken by June 30, 2016 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right): | | | | | | | | |
| 233 | Other (provide amount in cell to the right, plus activity description and regulation citation in column furthest to the right): | | | | | | | | |
| 234 | Total CDBG Program Income Calculation (see instructions for guidance on how to calculate) | | | | | | | | |
| 235 | To ensure the eligible use of CDBG Program Income, the recipient of federal CDBG funding hereby requests approval by the Mayor's Office of Housing and Community Development for the use of CDBG program income received during the 2016 reporting period as depicted above. | | | | | | | | |
| 244 | | | | | | | | | |

**Annual Monitoring Report - Summary of Reported Household Demographics - Reporting Year 2016 -
Mayor's Office of Housing & Community Development**

| | | | | |
|------------------|------------------------------|----------|----------|---|
| Project Address: | Last Day of Reporting Period | 1/0/1900 | # Units: | 0 |
|------------------|------------------------------|----------|----------|---|

Household Size

| | # Reported Households | % of Total |
|--------------------------------|-----------------------|------------|
| One Person Household | 0 | |
| Two Person Household | 0 | |
| Three Person Household | 0 | |
| Four Person Household | 0 | |
| Five Person Household | 0 | |
| Six Person Household | 0 | |
| Seven or more Person Household | 0 | |
| TOTAL Households* | 0 | |
| TOTAL Residents | 0 | |

*Excludes 0 unit(s) reported as manager's or vacant unit(s).

Other Household Demographics

| | # Reported |
|---|------------|
| Female Headed Households | 0 |
| Elderly Households | 0 |
| Households with Children Under 18 | 0 |
| Number of Children Under 18 | 0 |
| Households with Tenant with Physical Disability | 0 |
| Households with Tenant with Visual Disability | 0 |
| Households with Tenant with Hearing Disability | 0 |
| Households with Tenant with No Disability | 0 |

Head of Household Race/Ethnicity

| | # Reported Head of HH | % of Total |
|---|-----------------------|------------|
| Hispanic/Latino | 0 | |
| Not Hispanic/Latino | | |
| American Indian/Alaskan Native | 0 | |
| Asian | 0 | |
| Black/African American | 0 | |
| Native Hawaiian/Other Pacific Islander | 0 | |
| White | 0 | |
| American Indian/Alaskan Native and Black/African American | 0 | |
| American Indian/Alaskan Native and White | 0 | |
| Asian and White | 0 | |
| Black/African American and White | 0 | |
| Other/Multiracial | 0 | |
| Not Reported | 0 | |
| Total Head of Households | 0 | |

Target and Actual Population Served

| <i>Target Population</i> | | <i>Actual Population</i> | |
|--------------------------|--|--------------------------|--|
| 0 | <i>Families</i> | 0 | <i>Families</i> |
| 0 | <i>Persons with HIV/AIDS</i> | 0 | <i>Persons with HIV/AIDS</i> |
| 0 | <i>Housing for Homeless</i> | 0 | <i>Housing for Homeless</i> |
| 0 | <i>Mentally or Physically Disabled</i> | 0 | <i>Mentally or Physically Disabled</i> |
| 0 | <i>Senior Housing</i> | 0 | <i>Senior Housing</i> |
| 0 | <i>Substance Abuse</i> | 0 | <i>Substance Abuse</i> |
| 0 | <i>Domestic Violence Survivor</i> | 0 | <i>Domestic Violence Survivor</i> |
| 0 | <i>Veterans</i> | 0 | <i>Veterans</i> |
| 0 | <i>Formerly Incarcerated</i> | 0 | <i>Formerly Incarcerated</i> |
| 0 | <i>Transition-Aged Youth ("TAY")</i> | 0 | <i>Transition-Aged Youth ("TAY")</i> |

**Annual Monitoring Report - Narrative - Reporting Year 2016 -
Mayor's Office of Housing & Community Development**

Project Street Address:

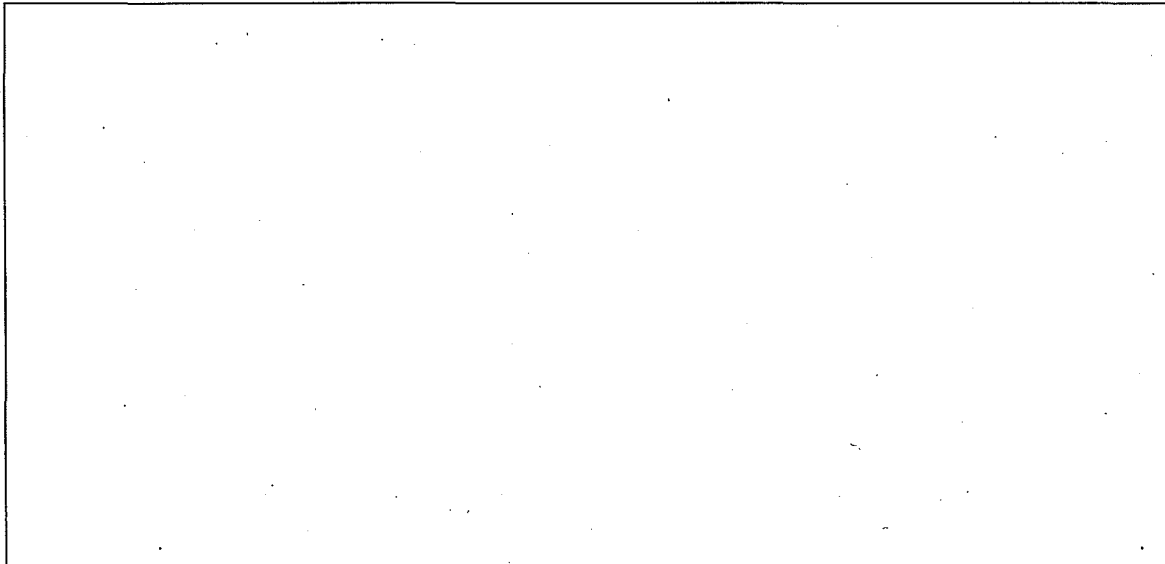
Reporting Period - Start Date: 1/0/1900

Reporting Period - End Date: 1/0/1900

MOHCD created the questions below to allow project owners to supply additional information about a small number of measurements that may indicate that a project is having difficulties. By providing this information, project owners will help provide context for the conclusions that can be made about the measurements. MOHCD will use the measurements and the information below to prioritize the projects that need closer scrutiny and support. Please supply as much information as is readily available.

1. Explanations & Comments

Use this space to record notes about any peculiarities in the data entry process. For example, if you entered a formula instead of a single number for a field, make a note here re: for which question on which worksheet that was done, and describe the formula & underlying numbers. Also use this field to describe in detail any amounts entered for "Other payments" on the worksheet "2.Fiscal," item 11.



2. Code Violations

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

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

(add additional rows as needed)

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

| Violation or Citation # | Date Cleared | Issued By | Description of Remedy |
|-------------------------|--------------|-----------|-----------------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

(add additional rows as needed)

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

3. Major Repairs

Describe any major repair or replacement needs that have been identified as being required within the next 2 years, and any related plans to pay for whatever is needed.

4. Vacant Unit Rent-Up Time

0

If the project had an average VACANT UNIT RENT-UP TIME greater than 30 days for question 36 on the worksheet "1A.Prop&Residents," you must supply the following:

- a. A description of the work done to analyze the cause/s of the high turnaround time, and what the identified causes are; and
- b. A description of the work done to identify means of reducing the turnaround time, and all viable remedies that have been identified; and
- c. A description of the plan to implement any remedies, including specific timelines for the implementation work.

5. Affirmative Marketing

0

Did you conduct any marketing of the project during the reporting period? If yes, please describe the marketing that was conducted, including

- a. when the marketing was conducted and how it was intended to reach populations least likely to apply for the project;
- b. any advertising, direct mailings, emailings and web postings that were done; and
- c. how many households were on the waiting list prior to the marketing and how many were on it after the marketing was completed.

6. Vacancy Rate -----

If the project had a VACANCY RATE greater than 15%, as may be shown above from the Income Expense section of the worksheet "2.Fiscal," you must supply the following:

- a. A description of the work done to analyze the cause/s of the vacancy rate, and what the identified causes are; and
- b. A description of the work done to identify means of reducing the vacancy rate, and all viable remedies that have been identified; and
- c. A description of the plan to implement any remedies, including specific timelines for the implementation work.

7. Miscellaneous Expenses: Administrative/Operating & Maintenance

If the project had miscellaneous administrative or miscellaneous operating & maintenance expenses greater than \$10,000 respectively, you must provide a detailed itemization of these individual expenses below. Total expenses must equal the total amount reported on the worksheet "2.Fiscal."

Misc. Admin Expenses

| Expense Description | Amount | HUD Acct # | Notes |
|---------------------------------------|--------|------------|-------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Total: | 0.00 | | |
| Diff. from Fiscal Activity WS: | | | |

Misc. Operating & Maintenance Expenses

| Expense Description | Amount | HUD Acct # | Notes |
|---------------------------------------|--------|------------|-------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Total: | 0.00 | | |
| Diff. from Fiscal Activity WS: | | | |

8. Negative Cash Flow

If the project had NEGATIVE CASH FLOW, as may be shown above from the Income Expense section of worksheet "2.Fiscal," you must supply the following:

- a. A description of the work done to analyze the cause/s of the shortfall, and what the identified causes are; and
- b. A description of the work done to identify remedies for the shortfall, and all viable remedies that have been identified; and
- c. A description of the plan to implement any remedies, including specific timelines for the implementation work.
- d. If the project has a Project-Based Section 8 Housing Assistance Payments (HAP) contract, please also supply the date of the last increase to the HAP contract, the date when the project will submit the next HAP contract rent increase, and any related comments about whether the project has been diligent in seeking annual increases to the HAP contract.

Project Street Address:

**Schedule of Operating Revenues
For the Year Ended December 31, 1900**

| | <u>Total</u> |
|---|--------------|
| Rental Income | |
| 5120 Gross Potential Tenant Rents | \$0 |
| 5121 Rental Assistance Payments (inc. LOSP) | 0 |
| 5140 Commercial Unit Rents | 0 |
| Total Rent Revenue: | <u>\$0</u> |
| | |
| Vacancies | |
| 5220 Apartments | \$0 |
| 5240 Stores & Commercial | 0 |
| Total Vacancies: | <u>\$0</u> |
| Net Rental Income: (Rent Revenue Less Vacancies) | <u>\$0</u> |
| | |
| Other Revenue | |
| 5170 Rent Revenue - Garage & Parking | \$0 |
| 5190 Misc. Rent Revenue | 0 |
| 5300 Supportive Services Income | 0 |
| 5400 Interest Revenue - Project Operations (From Operating Acct Only) | 0 |
| 5400 Interest Revenue - Project Operations (From All Other Accts) | 0 |
| 5910 Laundry & Vending Revenue | 0 |
| 5920 Tenant Charges | 0 |
| 5990 Misc. Revenue | 0 |
| Total Other Revenue: | <u>\$0</u> |
| Total Operating Revenue: | <u>\$0</u> |

Project Street Address:

**Schedule of Operating Expenses
For the Year Ended December 31, 1900**

| | <u>Total</u> |
|---|--------------|
| Management | |
| 6320 Management Fee | \$0 |
| "Above the Line" Asset Management Fee | 0 |
| Total Management Expenses: | <u>\$0</u> |
| Salaries/Benefits | |
| 6310 Office Salaries | \$0 |
| 6330 Manager's Salary | 0 |
| 6723 Employee Benefits: Health Insurance & Disability Insurance | 0 |
| Employee Benefits: Retirement & Other Salary/Benefit Expenses | 0 |
| 6331 Administrative Rent Free Unit | 0 |
| Total Salary/Benefit Expenses: | <u>\$0</u> |
| Administration | |
| 6210 Advertising and Marketing | \$0 |
| 6311 Office Expenses | 0 |
| 6312 Office Rent | 0 |
| 6340 Legal Expense - Property | 0 |
| 6350 Audit Expense | 0 |
| 6351 Bookkeeping/Accounting Services | 0 |
| 6370 Bad Debts | 0 |
| 6390 Miscellaneous Administrative Expenses | 0 |
| Total Administrative Expenses: | <u>\$0</u> |
| Utilities | |
| 6450 Electricity | \$0 |
| 6451 Water | 0 |
| 6452 Gas | 0 |
| 6453 Sewer | 0 |
| Total Utilities Expenses: | <u>\$0</u> |
| Taxes and Licenses | |
| 6710 Real Estate Taxes | \$0 |
| 6711 Payroll taxes | 0 |
| 6790 Miscellaneous Taxes, Licenses, and Permits | 0 |
| Total Taxes and Licenses Expenses: | <u>\$0</u> |
| Insurance | |
| 6720 Property and Liability Insurance | \$0 |
| 6721 Fidelity Bond Insurance | 0 |
| 6722 Workers' Compensation | 0 |
| 6724 Directors & Officers Liabilities Insurance | 0 |
| Total Insurance Expenses: | <u>\$0</u> |

Project Street Address:

**Schedule of Operating Expenses
For the Year Ended December 31, 1900**

| Maintenance and Repairs | Total |
|--|-------------------|
| 6510 Payroll | \$0 |
| 6515 Supplies | 0 |
| 6520 Contracts | 0 |
| 6525 Garbage and Trash Removal | 0 |
| 6530 Security Payroll/Contract | 0 |
| 6546 HVAC Repairs and Maintenance | 0 |
| 6570 Vehicle and Maintenance Equipment Operation and Repairs | 0 |
| 6590 Miscellaneous Operating and Maintenance Expenses | 0 |
| Total Maintenance and Repairs Expenses: | <u>\$0</u> |
| 6900 Supportive Services | \$0 |
| Capital and Non-Capital Expenditures to be Reimbursed from Replacement Reserve | \$0 |
| Total Operating Expenses: | <u><u>\$0</u></u> |

Financial Expenses

Enter amounts in yellow highlighted cells. Leave no cells blank. Enter "0" if applicable.

| | |
|--|------------|
| 6820 Interest on Mortgage (or Bonds) Payable | |
| 6825 Interest on Other Mortgages | |
| 6830 Interest on Notes Payable (Long Term) | |
| 6840 Interest on Notes Payable (Short Term) | |
| 6850 Mortgage Insurance Premium/Service Charge | |
| 6890 Miscellaneous Financial Expenses | |
| Total Financial Expenses: | <u>\$0</u> |
| 6000 Total Cost of Operations before Depreciation: | <u>\$0</u> |
| 5060 Operating Profit (Loss): | <u>\$0</u> |

Depreciation & Amortization Expenses

Enter amounts in yellow highlighted cells. Leave no cells blank. Enter "0" if applicable.

| | |
|--|------------|
| 6600 Depreciation Expense | |
| 6610 Amortization Expense | |
| Operating Profit (Loss) after Depreciation & Amortization: | <u>\$0</u> |

Net Entity Expenses

the right.

| | |
|----------------------------|------------|
| 7190 | |
| 7190 | |
| 7190 | |
| 7190 | |
| 7190 | |
| 7190 | |
| 7190 | |
| 7190 | |
| 7190 | |
| 7190 | |
| Total Net Entity Expenses: | <u>\$0</u> |

| | |
|---|-----|
| 3250 Change in Total Net Assets from Operations (Net Loss) | \$0 |
| <i>Amount computed in cell E139 should match audited financial statement.</i> | |

Project Street Address:

**Computation of Operating Cash Flow/Surplus Cash
For the Year Ended December 31, 1900**

| | Total |
|--|-----------------------------|
| Operating Revenue | \$0 |
| Interest earned on restricted accounts | 0 |
| Adjusted Operating Revenue | <u>\$0</u> |
| Operating Expenses | \$0 |
| Net Operating Income | \$0 |
| Other Activity | |
| Ground Lease Base Rent | \$0 |
| Bond Monitoring Fee | 0 |
| Mandatory Debt Service - Principal | 0 |
| Mandatory Debt Service - Interest | 0 |
| Mandatory Debt Service - Other Amount | 0 |
| Deposits to Replacement Reserve Account | 0 |
| Deposits to Operating Reserve Account | 0 |
| Deposits to Other Restricted Accounts per Regulatory Agreement | 0 |
| Withdrawals from Operating Reserve Account | 0 |
| Withdrawals from Other Required Reserve Account | 0 |
| Total Other Activity: | <u>\$0</u> |
| Allocation of Non-Residential Surplus (LOSP only) | <u> </u> |
| Operating Cash Flow/Surplus Cash: | <u>\$0</u> |

Distribution of Surplus Cash Ahead of Residual Receipts Payments
Select the Distribution Priority number from Worksheet 2. Fiscal Activity for payments to be paid ahead of residual receipts payments.

| | Total | | | | | | | | | |
|--|------------|--|--|--|--|--|--|--|--|--|
| <table border="1" style="width: 100%; height: 100%;"><tr><td> </td></tr><tr><td> </td></tr><tr><td> </td></tr><tr><td> </td></tr><tr><td> </td></tr><tr><td> </td></tr><tr><td> </td></tr><tr><td> </td></tr><tr><td> </td></tr></table> | | | | | | | | | | |
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| | | | | | | | | | | |
| | | | | | | | | | | |
| Total Cash Available for Residual Receipts Distribution: | <u>\$0</u> | | | | | | | | | |

Distribution of Residual Receipts
Select the Distribution Priority number from Worksheet 2. Fiscal Activity for payments to be paid with remaining residual receipts.

| | Total | | | | |
|---|------------|--|--|--|--|
| <table border="1" style="width: 100%; height: 100%;"><tr><td> </td></tr><tr><td> </td></tr><tr><td> </td></tr><tr><td> </td></tr></table> | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Total Residual Receipts Distributions to Lenders: | <u>\$0</u> | | | | |
| Proposed Owner Distribution | \$0 | | | | |
| Proposed Other Distribution/Uses | 0 | | | | |
| Total Residual Receipts Distributions to Lenders and Owners: | <u>\$0</u> | | | | |

Project Street Address:

**Summary of Replacement Reserve and Operating Reserve Activity
For the Year Ended December 31, 1900**

| | Replacement Reserve | Operating Reserve |
|----------------------------|--------------------------------|------------------------------|
| Balance, December 31, 1899 | \$0 | \$0 |
| Actual Annual Deposit | 0 | 0 |
| Interest Earned | 0 | 0 |
| Withdrawals | 0 | 0 |
| Balance, December 31, 1900 | <u>\$0</u> | <u>\$0</u> |

**Annual Monitoring Report - Completeness Tracker - Reporting Year 2016 -
Mayor's Office of Housing & Community Development**

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

Reporting Start Date: 1/0/00 Project Address: _____
Reporting End Date: 1/0/00

Submission Instructions:
Once all worksheets below are "COMPLETED", email the AMR, completed Owner Compliance Certification, along with the attachments required under the Insurance and Tax Certification per page 3 of the Owner Certification, waitlist, and audited financial statements to: moh.amr@sfgov.org.

| | |
|---|-------------------|
| Worksheet 1A. Property & Residents | INCOMPLETE |
| Questions 1 thru 4 | Incomplete |
| Questions 5 thru 24 | Incomplete |
| Questions 25 thru 39 | Incomplete |
| Questions 40 thru 60 | Incomplete |
| Questions 51 thru 61 | Incomplete |

| | |
|--|-------------------------|
| Worksheet 1B. Transitional Programs | To Be Determined |
| Questions 1 thru 11 | To Be Determined |
| Questions 12 thru 18 | To Be Determined |
| Questions 19 thru 39 | To Be Determined |

| | |
|------------------------------------|-------------------------|
| Worksheet 1C. Eviction Data | To Be Determined |
| Question 1 | To Be Determined |
| Questions 2 thru 21 | To Be Determined |
| Questions 22 thru 41 | To Be Determined |
| Questions 42 thru 61 | To Be Determined |

| | |
|--|-------------------|
| Worksheet 2. Fiscal Activity | INCOMPLETE |
| Rental Income - Housing Unit GPTR | Incomplete |
| Vacancy Loss - Housing Units | Incomplete |
| Operating Expenses | Incomplete |
| Surplus Cash/Residual Receipts (Rows 140 - 171) | Incomplete |
| Operating Reserve (Rows 177 - 186) | Incomplete |
| Replacement Reserve (Rows 188 - 199) | Incomplete |
| Changes to Real Estate Assets (Rows 198 - 205) | Incomplete |
| Replacement Reserve Eligible Expenditures (Rows 208 - 228) | Incomplete |
| Program Income (Rows 230 - 243) | Incomplete |

| | |
|---|-------------------|
| Worksheet 3A. Occupancy & Rent Info | INCOMPLETE |
| Does number of units entered on Worksheet 3 match total units entered on Worksheet 1A or the total households that can be served in Worksheet 1B? | To Be Determined |
| For each row with a Unit Number, was data entered in cells for Subsidy Type and Utility Allowance? | To Be Determined |
| Narrative Provided for All rows indicating Overhoused or Overcrowded? | To Be Determined |

| | |
|--|-------------------------|
| Worksheet 3B. Demographic Information | To Be Determined |
| Is Ethnicity and Race selected for each household? | To Be Determined |

| | |
|-------------------------------|-------------------------|
| Worksheet 4. Narrative | To Be Determined |
| 2 | To Be Determined |
| 3 | To Be Determined |
| 4 | To Be Determined |
| 5 | To Be Determined |
| 6 | To Be Determined |
| 7 | To Be Determined |
| 8 | To Be Determined |

| | |
|---------------------------------------|-------------------|
| Worksheet 5. Project Financing | INCOMPLETE |
|---------------------------------------|-------------------|

| | |
|--------------------------------------|-------------------------|
| Worksheet 6. Services Funding | To Be Determined |
|--------------------------------------|-------------------------|

| | |
|---|---|
| Worksheet 7. Supplementary Information Required by MOHCD | Worksheet Incomplete. If using AMR to generate Schedules required for Audited Financial Statement, please complete the required data entry. |
|---|---|

EXHIBIT H
Tenant Selection Plan Policy – LOSP

This policy is in addition to the obligations to comply with applicable federal, state and local civil rights laws, including laws pertaining to reasonable accommodation and limited English proficiency (LEP),¹ and the applicable provision of the Violence Against Women Act, Pub. Law 109-62 (January 5, 2006), as amended.

Application Process

- **Application Materials.** The housing provider's written and/or electronic application materials should:
 - outline the screening criteria that the housing provider will use;
 - be in compliance with San Francisco Police Code Article 49 or the Fair Chance Ordinance,
 - outline how an applicant may request a modification of the admission process and/or a change in admission policies or practices as a reasonable accommodation;
 - be written in language that is clear and readily understandable,
- **First Interview.** In accordance with the housing provider policies, an initial interview is required to assess each applicant's minimum eligibility requirements for housing units.
- **Second Interview.** Before issuing a denial, the housing provider should consider offering a second interview to resolve issues and inconsistencies, gather additional information, and assist as much as possible with a determination to admit the applicant.
- **Confidentiality.** All information provided will be kept confidential and be used only by the housing provider, the referring agency and the funding agency for the purpose of assisting and evaluating the applicant in the admission process. All applicant information shall be retained for 12 months after the final applicant interview.
- **Delays in the Process.** If delays have occurred or are likely to occur in the application and screening process or the process exceeds the housing provider's normal timeline for application and screening, the housing provider must immediately inform the referring agency and the funding agency, of the status of the application, the reason for the delay and the anticipated time it will take to complete the application process.
- **Problems with the Referring Agency.** If at any point the housing provider has difficulty reaching or getting a response from the applicant and referring agency, the housing provider must immediately contact the referring agency, if possible, and the funding agency, HSH.

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

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

Reasonable Accommodation and Modification Policy

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

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

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

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

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

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

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

Notice of Denial and Appeal Process

- The housing provider shall:
 - Hold a comparable unit for the household during the entire appeal process.

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

EXHIBIT I
Tenant Screening Criteria Policy – LOSP

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

The screening criteria and considerations outlined below encourage providers to “screen in” rather than “screen out” applicants. These requirements are also designed to satisfy the requirements of San Francisco Police Code Article 49, Sections 4901-4920 or the Fair Chance Ordinance. This policy describes a minimum level of leniency; providers are encouraged to adopt less restrictive policies and processes whenever appropriate. For example, providers may opt not to review or consider applicant criminal records at all.

Screening Criteria

- Housing providers shall not automatically bar applicants who have a criminal record² in recognition of the fact that past offenses do not necessarily predict future behavior, and many applicants with a criminal record are unlikely to re-offend.
- Housing providers shall not consider:
 - arrests that did not result in convictions, except for an open arrest warrant;
 - convictions that have been expunged or dismissed under Cal. Penal Code § 1203.4 or 1203.4a;³
 - juvenile adjudications.
- Housing providers shall consider:
 - the individual circumstances of each applicant; and
 - the relationship between the offense, and
 - (1) the safety and security of other tenants, staff and/or the property; and
 - (2) mitigating circumstances such as those listed below.
 - only those offenses that occurred in the prior 3 years, except in exceptional situations, which must be documented and justified, such as where the housing provider staff is aware that the applicant engaged in violent criminal activity against staff, residents or community members and/or that the applicant intentionally submitted an application with materially false information regarding criminal activity. As necessary, HSH will assess the justification for a longer look-back period and determine whether an exception is warranted. In these exceptional situations, the housing provider may consider offenses that occurred in the prior 5 years.
 - mitigating factors, including, but not limited to:

² The policy recognizes that some housing may be subject to mandatory laws that require the exclusion of an applicant based upon certain types of criminal activity.

³ The purpose of the statute is allow a petitioner to request a dismissal of the criminal accusations, a change in plea or setting aside of a verdict and to seek to have certain criminal records sealed or expunged and a release “from all penalties and disabilities resulting from the offense.”

- (1) the seriousness of the offense;
- (2) the age and/or circumstances of the applicant at the time of the offense;
- (3) evidence of rehabilitation, such as employment, participation in a job training program, continuing education, participation in a drug or alcohol treatment program, or letters of support from a parole or probation officer, employer, teacher, social worker, medical professional, or community leader;
- (4) if the offense is related to acts of domestic violence committed against the applicant;
- (5) if the offense was related to a person's disability.

Citywide Affordable Housing Loan Committee

San Francisco Mayor's Office of Housing and Community Development
Department of Homelessness and Supportive Housing
Office of Community Investment and Infrastructure

Evaluation of Request for Funding: **Local Operating Subsidy Program (LOSP)
Contract Renewal**

Prepared By: Jackie Tsou

Loan Committee Date: February 3, 2017

Sponsor Name: BRIDGE Housing
Project Name: Armstrong Place
Project Address (w. cross street): 5600 3rd Street at Armstrong Avenue, San Francisco, CA 94124
Number of Units/Beds (specify): 116 units including 23 units set aside for homeless seniors
Up to \$184,270 Year One budget, of which \$167,855 is funded under the original contract
Up to \$4,237,156 through 15 years

1. SUMMARY AND BACKGROUND

Armstrong Place Associates, a California limited partnership ("Armstrong"), an affiliate of BRIDGE Housing Corporation ("BRIDGE"), is requesting \$4,237,156 in General Funds from the Local Operating Subsidy Program ("LOSP") to subsidize continuing operations for 23 units set aside for formerly homeless people at Armstrong Place (the "Project") for a period of 15 years:

Armstrong Place, completed in October 2010, consists of 116 units of senior housing with 23 units of supportive housing targeted to homeless seniors. The Project serves very low-income seniors (ages 62 and older) at incomes of 50% of City AMI or below. BRIDGE partners with Providence Foundation of San Francisco ("PFSF") and the Department of Homelessness and Supportive Housing ("DHS") to provide supportive services to all of the residents.

Of the 116 units, HUD Section 202 funding subsidizes 72 of the units so that residents pay 30% of their income for rent, enabling extremely low income seniors to access this housing. In addition to the 72 HUD 202 units, BRIDGE has set aside 23 units for formerly chronically homeless senior households. These 23 households pay 50% of their income on

rent under the LOSP program. The remaining 21 units are not subsidized, and are available to seniors who are earn up to 35% of AMI.

The current LOSP grant agreement with Armstrong covers a 9-year term, beginning in 2011 and for a total contract amount of \$894,456. During the first several years of operations, several significant operational changes were made. BRIDGE assumed property management responsibilities from Eskaton, and also entered into contract for security/front desk staffing. These two changes resulted in LOSP budget shortfalls during 2012 and 2013, for which BRIDGE requested and was approved for a supplemental disbursement of LOSP funding in February 2015. More recently, BRIDGE submitted another request for supplemental disbursement of LOSP funding for shortfalls experienced in 2015 and 2016, due to lower than projected rental income and faster escalating operating costs. The request for a supplemental disbursement to cover shortfalls from the 2015 and 2016 operating years was approved in January 2017.

Due to the two requests for supplemental disbursements to cover operating shortfalls, the current LOSP contract will not be sufficient to cover the operating cost of LOSP units through the end of the contract period. Based on disbursements made to date, and projected operating costs, the Project is estimated to exhaust the full contract amount by November 2017. Therefore, the Project is requesting a new 15-year LOSP contract to commence at the end of 2017 and for a full 15 year period beginning on January 1, 2018.

1.1. Initial 9-Year LOSP Contract

As noted above, the initial LOSP contract spanned 9 years, from February 2011 through January 2020. Because 24-hour security was not originally contemplated with the 2011 financing, the additional costs security costs, as well as some unanticipated maintenance and repair costs caused the LOSP contract to be spent down faster than originally anticipated. BRIDGE made two requests for supplemental disbursements. After review and evaluation, MOHCD staff deemed the requests to be reasonable and approved the requests. Based on the most current projections, the LOSP contract will be expended by November 2017, two years and two months earlier than the originally forecasted end date.

Given that the Project has operated for nearly 6 years and operations have stabilized, the attached operating budget projection reflects the higher costs that Bridge did not previously anticipate as part of the first 9-year contract.

2. PROJECT PERFORMANCE COMPARED WITH MOHCD SUPPORTIVE HOUSING AND LOSP PORTFOLIOS

2.1. 2015 Operating Expenses

To evaluate Armstrong's financial performance, operating expenses from 2015, the most current year for which actual operating expenses have been reported, were compared with the operating expenses of projects in MOHCD's supportive housing and LOSP portfolios.

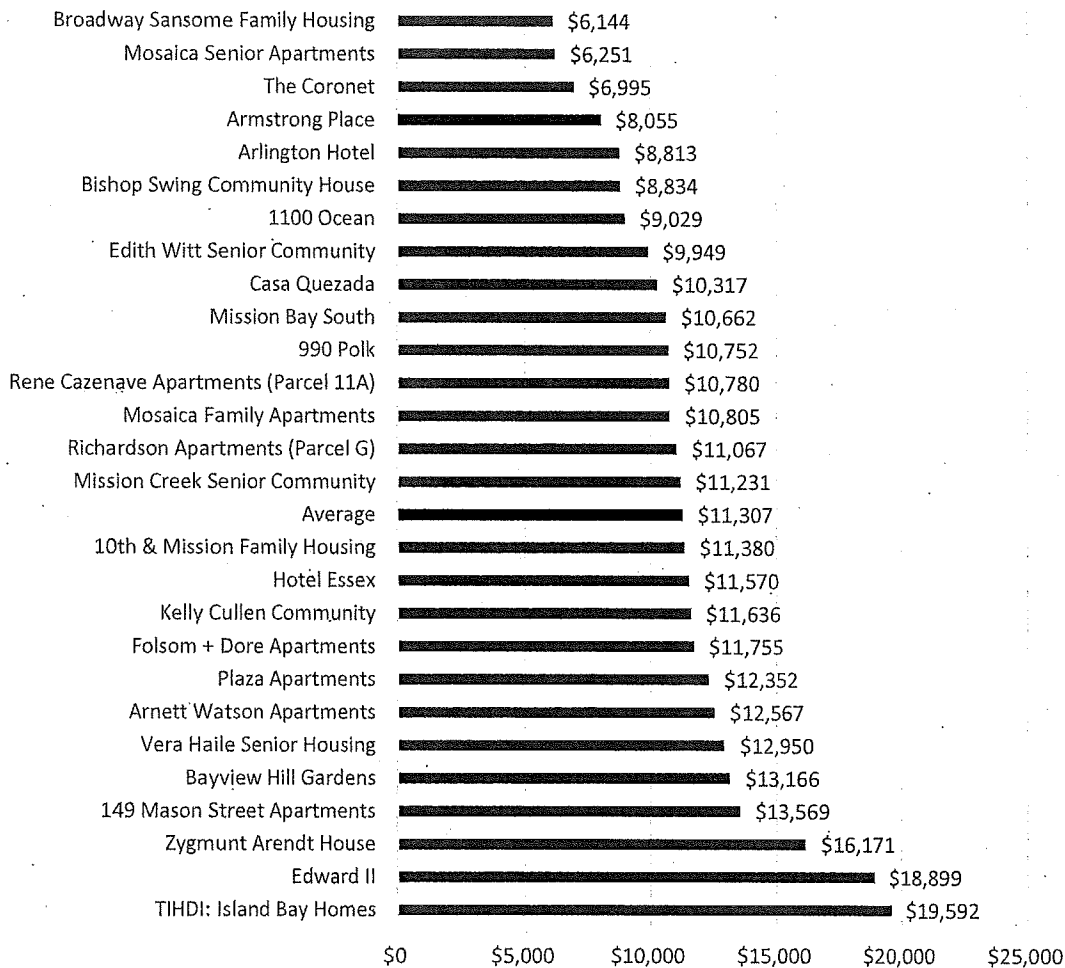
During 2015, MOHCD's portfolio had 91 supportive housing projects. Average total operating expenses (before replacement reserve deposits and hard debt service), averaged \$9.7k per unit per year. PUPA operating expenses varied by project size, with PUPA operating expenses higher for smaller buildings and lower for larger buildings.

**Average Operating Expenses Per Unit Per Annum,
 Supportive Housing Projects, 2015**

| # Units | # Projects | Average PUPA Operating Expenses |
|------------|------------|---------------------------------|
| 100+ | 33 | \$9,212 |
| 50-99 | 41 | \$10,285 |
| 1-49 | 17 | \$11,672 |
| All | 91 | \$9,741 |

Within MOHCD's LOSP portfolio of 27 projects, operating expenses PUPA ranged from a low of \$6.1k to a high of \$19.6k, and an average of \$11.3k. Armstrong's 2015 operating expense PUPA, at \$8.0k, ranked as the fourth lowest.

2015 LOSP PUPA Operating Expenses



Within the LOSP portfolio, some projects have just 20% LOSP units, while others are 100% LOSP. Average PUPA operating expenses also varies by the percentage of LOSP units within the building. Buildings with a higher percentage of LOSP units were found to cost more to operate.

**Average Operating Expenses Per Unit Per Annum
 by % of LOSP Units, 2015**

| % of LOSP Units | # Projects | Average PUPA Operating Expenses |
|------------------------|-------------------|--|
| 66% or more LOSP Units | 11 | \$12,251 |
| 20% - 66% LOSP Units | 12 | \$11,049 |
| 20% or less LOSP Units | 4 | \$9,487 |
| <i>All</i> | <i>27</i> | <i>\$11,307</i> |

20% of the units, or 23 units, at Armstrong are designated as LOSP units; therefore, Armstrong's 2015 PUPA operating expenses of \$8k is well within the average of MOHCD's LOSP portfolio.

Drilling down to the general expense categories, management, administration, utilities, taxes/licenses, insurance, and maintenance – Armstrong's 2015 expenditures are well below the average expenditures of all LOSP projects, with the exception of maintenance and repairs, which were 3% higher than the average across the 27 LOSP projects. In 2015, over 80% of the 2015 maintenance and repairs expenses at Armstrong were for maintenance staff, and security and janitorial contracts, due in large part to the cost of security. Additional janitorial costs were incurred due to an unexpected tenant death.

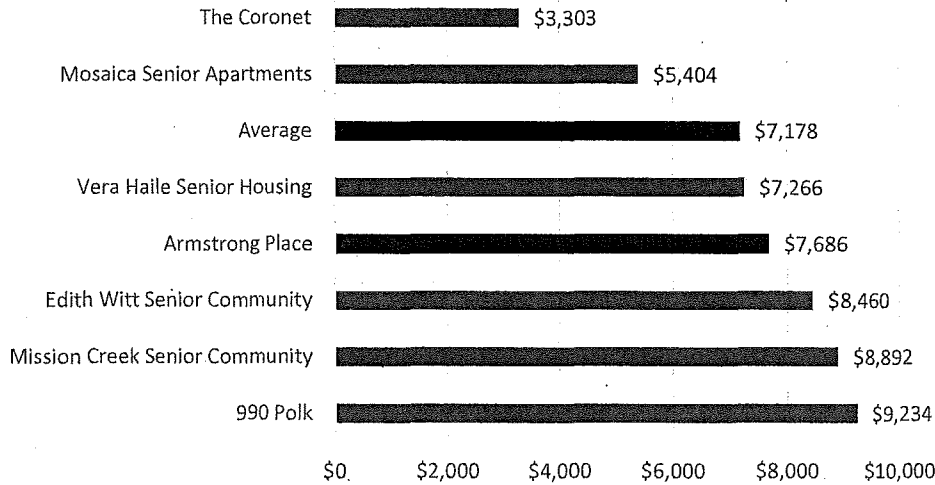
Operating Expenses by Expense Categories, 2015

| 2015 PUPA Expenses | Mgmt | Salaries/ Benefits | Admin | Utilities | Taxes/ Licenses | Insurance | Maintenance/ Repairs |
|-------------------------------|--------------|---------------------------|----------------|------------------|------------------------|------------------|-----------------------------|
| Armstrong Place | \$695 | \$1,273 | \$557 | \$1,054 | \$184 | \$666 | \$3,513 |
| <i>LOSP Portfolio Average</i> | <i>\$927</i> | <i>\$2,369</i> | <i>\$1,297</i> | <i>\$1,568</i> | <i>\$365</i> | <i>\$964</i> | <i>\$3,412</i> |

2.2. 2015 LOSP Subsidy

Due to the lower than average operating expenses, and the percentage of LOSP units at Armstrong, the per unit 2015 LOSP subsidy of \$7,686 was well below the average per unit LOSP subsidy across all LOSP projects - \$8,858. However, compared with other senior projects with some LOSP units, the 2015 LOSP subsidy for Armstrong was about 7% higher. Variation in the per unit LOSP subsidy is due to the different needs of each property and how expenses are allocated between LOSP and non-LOSP units.

2015 PUPA LOSP Subsidy, Senior LOSP Projects



3. PROJECT OPERATIONS

3.1. Allocation between LOSP/Non-LOSP Units

The LOSP program assumes that income and expenses are allocated pro-rata among LOSP/Non-LOSP units. Some items are allowed either an alternative split, or a projected split based on actuals, which is allowed if the sponsor's accounting system is able to track income and expenses at the program level. Sponsors must provide rationale for an alternative or project splits are proposed. At Armstrong, the pro-rata allocation is 19.83% LOSP units and 80.17% non-LOSP units. The sections below will further discuss alternative and proposed splits of specific income and expense line items.

3.2. Annual Operating Income Evaluation

Tenant Rent: Tenants rents are comprised of rents collected from the 21 non-subsidized units, targeted to senior households up to 35% AMI, the 23 LOSP households who pay 50% of their income on rent, based on DAH program requirements, and the 72 PRAC subsidized households who pay 30% of their income on rent. 2016 gross rent from the 21 non-subsidized 1-bedroom units average \$659 per month, or about 41% AMI. LOSP and PRAC-subsidized units are deeply affordable and currently households are at about 14% and 17% AMI, respectively according to 2015 reporting. This equates to approximately \$361 in tenant paid rent from the HUD 202 units and \$444 for the LOSP units. Tenant paid rents are projected to generate \$573,163 in 2017, during the first year of the new proposed LOSP contract.

HUD Rental Subsidy: Average contract rent on the 72 PRAC-subsidized 1-bedroom units at \$670 per month. BRIDGE has submitted a 23% rent increase request to HUD, which if approved, would be retroactively effective to September 2016. The projected 2017 rental

subsidy amount, at \$443,448, reflects the rent increase amount. The requested increase is higher than typical because Bridge has not received a rent increase since January 2014. Bridge anticipates a determination by HUD by the week of January 30th. If the full rent increase is not approved, however, the project will may need to use the operating reserve as a stop gap until the next rent increase can be requested in the late summer of 2017. All rental subsidy from the PRAC is earmarked as non-LOSP revenue.

Budget-based rent increases under the PRAC can be requested each year. Moving forward, BRIDGE has implemented a schedule to request rent increases each year.

LOSP Subsidy: The first year LOSP subsidy requested for the 23 senior homeless units is \$184,270 (\$8,012/PUPA and \$667/PUPM) and is shown in the attached operating budget. This is a modest 2.1% annual increase in LOSP subsidy from 2015, and is sized to fund a break-even budget, including operating expenses and replacement reserve deposits.

Other Income: A small amount of revenue, approximately \$9k, is anticipated to be generated from laundry, various tenant charges and miscellaneous income. Laundry and miscellaneous revenues are to be split pro-rata among the LOSP and non-LOSP units. As tenant charges can be tracked to the specific LOSP/non-LOSP unit, those revenues will be booked accordingly.

The operating budget also shows an annual \$68k withdrawal from capitalized reserves. \$38k is withdrawn from a debt service reserve, which pays for annual debt service on the Project's HCD TOD loan, and another \$30k is withdrawn from a fee reserve, which pays for a \$5k Limited Partner Asset Management Fee and a \$25k Partnership Management Fee. These withdrawals offset the respective payments dollar for dollar.

The commercial space at the ground floor is controlled by Bridge Housing Corporation and not the partnership, and was separately financed. The rental income generated by the commercial space, therefore, is not used to support the housing component.

Vacancy: The operating budget assumes a 5% vacancy on the LOSP and non-LOSP units. Historically, vacancy rates on the non-LOSP units are less than 5%, but the proforma budgets 5% to be conservative.

BRIDGE has experienced greater than 5% vacancy on the LOSP units in the past, especially in years with several vacancies that are filled via referrals which also require work with caseworkers. Also, some vacancies are attributable to tenant deaths or relocation of tenants who are in need of a higher level of care than can be provided on-site. Support Services and Property Management are working closely together to address any issues that would negatively impact housing retention.

3.3. Annual Operating Expenses Evaluation

The annual operating expenses in Year One, before debt service and reserves, are projected at \$1,032,555 or \$8,901 PUPA. This is a 10.5% increase above 2015 operating expenses, in part due to increases in water and sewer utility rates, increases to insurance premiums, and increases to security staffing costs due to federal and state minimum wage increases.

Even with these increases, Armstrong’s projected 2017 operating expenses are still much lower than the 2015 average operating expenses of other LOSP properties noted above.

Allocation between LOSP/Non-LOSP Units: The alternative and projected splits proposed in the operating expenses are generally the same as what was approved under the original contract. Minor refinements have been made as BRIDGE’s accounting system is able to track all income and expenses down to the unit and program (i.e, LOSP, HUD, non-subsidized) level.

Staffing: Staffing is anticipated to remain the same as current staffing levels. The staffing plan includes 7.2 FTE.

| Position | FTE | Notes |
|------------------------|------------|--|
| Resident Manager | 1.0 | \$47,500 annually beginning in 2017 per federal and state minimum wage requirements. Manager has staff unit. |
| Assistant Manager | 1.0 | \$18.63/hr plus any overtime, increasing at 3.5% annually. |
| Janitor | 1.0 | \$15/hur plus any overtime, increasing at 3.5% annually. |
| Maintenance Supervisor | 1.0 | \$21.48/hr plus any overtime |
| Front Desk/Security | 3.2 | Contracted positions - 16 hrs/day for 5 days and 24 hrs each Saturday and Sunday. Average rate of \$26/hr, plus overtime of \$5,000. |
| TOTAL | 7.2 | 1 staff per 17.58 households (estimated 1:23 residents) |

Management Fees: Management fees for the 72 HUD units are restricted by HUD program rules. The Sponsor will collect \$65 per unit per month in property management fees on the 72 HUD units during Year One. These fees are only allowed increases per HUD published their management fee schedule. As HUD does not publish the schedule annually, BRIDGE is not assuming annual increases. Furthermore, as rent increases are budget-based, any increases to the HUD management fee would be offset by higher contract rents.

For the remaining 23 LOSP units and 21 un-subsidized units, Management Fees are shown in the Asset Management line item of the operating budget. The Sponsor will collect \$49 per unit per month in Year One, split pro rata among the non-HUD units, as approved by other lenders and the investor during the annual budgeting process. Of the 44 non-HUD units only, the LOSP units’ portion is approximately 52.27% of the non-HUD management fee. The fee is estimated to increase 3% per year per the Limited Partnership Agreement.

Asset Management Fee: The Sponsor does not collect an above the line General Partner Asset Management fee, as this fee is not allowed by HCD, the Limited Partner or HUD.

Salaries and Benefits: Salaries and benefits are budgeted at \$152,370 or \$1,314 per unit per year, and covers the salary and benefits of the Resident Manager and Assistant Manager. Because there is work associated with managing the HUD waitlist and other HUD program requirements, only 18.81% of the office salary line item (Assistant Manager salary) is allocated to the LOSP units. The cost of the administrative free unit is allocated entirely to non-LOSP as it is a HUD-restricted unit.

Administration: Administration line items are budgeted at \$64,377, or \$555 per unit per year, and cover typical functions such as legal, office supplies and equipment, bookkeeping and accounting, computers and telephones. Legal Expenses and Bad Debts

are allocated directly to LOSP units. For projection purposes, the operating budget forecasts these expenses as being split pro-rata.

Utilities: Utilities (gas, water/sewer, common electric) are budgeted at \$142,905, or \$1,232 per unit per year and are based on 2016 actuals. As the building is individually metered for electricity, electricity costs are allocated directly to LOSP and non-LOSP units respectively.

Taxes: Taxes are budgeted at \$19,803, or \$171 per unit per year. Costs assume 100% of units receive welfare exemption. Payroll taxes are based on 10% of salaries, and various miscellaneous fees.

Insurance: Insurance is budgeted at \$93,139, or \$803 per unit per year, for property and liability and worker's compensation insurance.

Maintenance and Repair: Maintenance and repair costs in Year One are budgeted at \$437,256, or \$3,769 per unit per year. This line item includes payroll for one full time janitorial staff and one full time maintenance supervisor; contracts for a janitorial contract, supplies, grounds contract, exterminating, fire alarm and elevator; garbage and trash removal. Overall, projected expenses in this category are reasonable. Notably, the cost of security accounts for nearly 45% of all maintenance and repair costs, and 72% of security costs are allocated to the 23 LOSP units. Previously, 85% of security costs were allocated to LOSP units, as HUD did not initially fund front desk/security staffing.

Supportive Services: Supportive services is budgeted at \$40,572 in Year One and covers service coordination paid with HUD rents. Accordingly, 100% of the expense is allocated to the non-LOSP units, which is unchanged from the original contract. HSH provides an annual supportive services contract of approximately \$107k which is separate from this operating budget.

Replacement Reserve Deposits: Replacement reserve deposits are shown at \$869 per unit per year. This annual deposit amount is higher than MOHCD's underwriting standards but is required by HUD. 8.55%, or approximately \$486 per unit per year is paid by LOSP units and the remaining 91.45% is allocated to non-LOSP units. This allocation is unchanged from the original contract. BRIDGE anticipates commissioning a Capital Needs Assessment in the near future, at which time, the annual deposit to the replacement reserve may change, and would be subject to HUD and investor approval.

Operating Reserve Deposits: The project has a capitalized operating reserve account, with a 2017 beginning balance of \$389,269, which exceeds MOHCD's required balance of 25% of the prior year's operating expenses. No further contributions will be made from the operating budget.

Debt Service: The project has annual debt service payments of \$37,977 for an HCD/TOD loan. The annual debt service is paid out of the debt service reserve, shown as income from withdrawal from a capitalized account.

Partnership Management and Investor Services Fees: The project pays \$25,000 for an annual partnership management fee and another \$5,000 for the Limited Partner Asset Management Fee. Both fees are paid out of the capitalized fee reserve to the investor, and Bridge. Therefore, no operating income is used to pay these fees.

3.4. 20-Year Cash Flow

The attached 20-Year Cash Flow Projection shows the estimated amount of annual LOSP subsidy that will be needed for the 15-year grant period. The projection was made using MOHCD's standard underwriting guidelines, with certain adjustments made based on prior trends.

- Non-LOSP tenant rent income trends at 2.5% per year based on MOHCD guidelines, while LOSP tenant rents trend at 1.0% per year. BRIDGE has indicated that LOSP tenant rents are difficult to predict and may decrease from year to year. HUD tenant assistance payments are estimated to escalate at 3.5% based on BRIDGE's experience with HUD rent increase requests. However, these subsidies may increase at higher rates to cover the operating expenses, including reserve deposits, of the HUD units. Laundry income, tenant charges, and miscellaneous income trend at 2.5%, per underwriting guidelines.
- Operating expenses trend at 3.5% per year, per MOHCD Underwriting Guidelines, with the exception of:
 - Management Fee: 0% increase for portion allocated to HUD units. 3% increase for portion allocated to non-HUD units, per the LPA.
 - Utilities: 5% annual escalation due to actual and projected increases in utility rates. BRIDGE will be exploring ways to reduce utility costs through improved project operations and/or more energy efficient systems.
 - Property and Liability Insurance: 6% annual increase. Historically, premiums have increased at 8-12% annually. BRIDGE has recently updated their replacement values which will result in a premium reduction, and therefore the projected annual escalator is lower than increases experienced in the past. BRIDGE will continue to work with their insurance carrier to keep costs down.

With the above assumptions, the proforma shows that the non-LOSP units will run a deficit by year 14 after payment of hard debt, and year 9 (2025) after payment of the Limited Partner Asset Management Fee and Partnership Management Fee. BRIDGE believes that this forecast is unlikely, and the primary reason for the negative cash flow is due to the inability to precisely reflect a break-even budget on the HUD units, which are shown together with the 21 unsubsidized units in the MOHCD proforma. The assumed vacancy rate on the non-LOSP units is also higher than the historical average, so if vacancy loss is more on par with historical trends, at 2%, the project would stay positive through year 12.

Regardless, BRIDGE plans to focus on managing vacancy loss on all units, while continuing to pursue opportunities to improve revenue and decrease expenses, especially as it relates to energy efficiency opportunities. BRIDGE staff has already reached out to the Department of the Environment to determine if Armstrong would be a good candidate under the Bay Area Regional Energy Network ("BayREN") program for energy-efficiency improvements and rebates. In short, BRIDGE is committed to serving the tenants at Armstrong, and is actively working to ensure that the property is efficiently run. 2025 is Year 15, and during that time, BRIDGE may explore possible re-syndication.

4. SUPPORT SERVICES EVALUATION

Support Services at Armstrong Place are provided through a contract between Providence Foundation of San Francisco (“PFSF”) and Direct Access to Housing (“DAH”), Adult Housing Projects section of the Homelessness and Supportive Housing Department of the City and County of San Francisco.

PFSF provides a variety of services, including educational classes, health and wellness programs, organized tenant activities, and also case management and benefits assistance for the 23 households referred from the DAH Program.

The contract with PFSF is currently in year 2 of a 5 year contract expiring June 30, 2020. The current level of funding is \$106,884 per contract year. The contract receives annual monitorings through the City and has consistently scored well throughout the years.

Funding provides for a full time (1FTE) case manager including benefits, program supplies and a subcontract for an LCSW at 32 hrs/months to provide clinical supervision, mental health therapeutic services and counseling, crisis intervention and assistance with case management.

Case Management has been an integral and effective tool to keep tenants stably housed with a 0% eviction rate from the building. DAH tenants tend to be on the more medically/psychiatrically complex side and are also often frail due to age and often neglected medical care prior to being housed. The model of active engagement with these tenants has proven to enhance quality of life and ensures that tenants can avail themselves of primary care and other needed services like Homebridge or in home supportive services.

5. CONCLUSION

Compared with the other LOSP projects in MOHCD’s portfolio, Armstrong’s lower than average operating costs suggests that the project has been well-run and is efficient. Moving forward, BRIDGE needs to continue to closely monitor expenses and maximize income, including annual requests for rent increases under the PRAC contract, in order to maintain positive cash flow through the LOSP contract period.

The remainder of the existing LOSP contract, \$87,629, will be disbursed in Spring 2017. If a new 15-year LOSP contract is approved, the remaining LOSP subsidy requested for 2017, \$16,415, will be disbursed around June 2017, under the new 15-Year LOSP contract. The full \$194,158 LOSP subsidy requested for calendar year 2018 would be anticipated to be disbursed in early January 2018, and all disbursements moving forward would be on a calendar year basis.

6. RECOMMENDED CONDITIONS

As a condition of financing, MOHCD requires the following:


- Bridge will make a good faith effort to request budget-based rent increases to the HUD PRAC contract annually, or as needed.

7. LOAN COMMITTEE MODIFICATIONS

LOAN COMMITTEE RECOMMENDATION

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

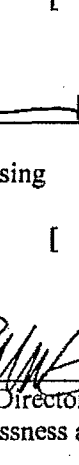
APPROVE. DISAPPROVE. TAKE NO ACTION.



Olson Lee, Director
Mayor's Office of Housing

Date: 2/3/17

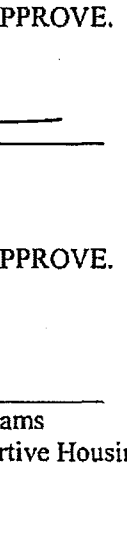
APPROVE. DISAPPROVE. TAKE NO ACTION.



Kerry Abbott, Deputy Director for Programs
Department of Homelessness and Supportive Housing

Date: 2-3-17

APPROVE. DISAPPROVE. TAKE NO ACTION.

for 

Nadia Sesay, Interim Director
Office of Community Investment and Infrastructure

Date: _____

- Attachments:
- A. LOSP Program Description
 - B. 1st Year Operating Budget
 - C. 20-year Operating Pro Forma
 - D. LOSP Funding Schedule A

Attachment A: LOSP Program Description

As part of the City and County of San Francisco's effort to address the needs of the growing homeless population, the City has prioritized the development of non-profit owned and operated permanent supportive housing for formerly homeless individuals and families. While capital financing can be leveraged for this population, stakeholders realized these units cannot be feasibly operated at the scale needed if they rely solely on scarce federal or state operating subsidies.

In June 2004, the City launched its *Ten Year Plan to Abolish Chronic Homelessness* (the 2004 10-Year Plan), a multifaceted approach that included a locally funded operating subsidy as a key element and established the Local Operating Subsidy Program (LOSP) in 2006 to support the creation of permanent supportive housing at a large scale. The operating subsidy leverages capital financing by integrating homeless units into Low Income Housing Tax Credit projects without burdening them with operating deficits. LOSP was created by the Mayor's Office of Housing and Community Development (MOHCD) in partnership with the Department of Public Health (DPH) and the Human Services Agency (HSA).

On July 1, 2016, the City's diverse programs addressing homelessness were brought under the new Department of Homelessness and Supportive Housing (HSH), which combines key homeless-serving programs and contracts previously located across several City departments. The new department consolidates the functions of DPH Direct Access to Housing (DAH) and HSA Housing & Homeless programs. San Francisco is developing a Coordinated Entry System (CES) for all homeless populations to best match households to the appropriate intervention and ensure those with the highest needs are prioritized.

Through 15-year grant agreements with MOHCD, which are subject to annual appropriations by the Board of Supervisors, LOSP pays the difference between the cost of operating housing for homeless persons and all other sources of operating revenue for a given project, such as tenant rental payments, commercial space lease payments, or other operating subsidies. HSH refers homeless applicants to the housing units as well as provides services funding to the projects under a separate contract.

This request is a contract renewal of the initial 9-year LOSP grant agreement for Armstrong Place. As discussed in the Loan Evaluation, MOHCD and HSH have evaluated the Project's performance during the initial contract period and have determined that the property has been well run, and that services provided address the needs of the tenants. Accordingly, MOHCD staff is recommending a renewal of the LOSP grant agreement for a 15-year period, beginning in November 2017, when the initial 9-year contract is projected to run out, and for a full 15-year period from 2018 through 2032.

Contract periods for LOSP contract renewals will transition from a fiscal year basis to a calendar year basis. For Armstrong, the full \$194,158 LOSP subsidy requested for calendar year 2018 is anticipated to be disbursed in early January 2018, and all disbursements moving forward would be on a calendar year basis.

Attachment B: 1st Year Operating Budget

MOHCD Program - Year 1 Operating Budget

Application Date: 12/1/2016 LOSP Units: 23 Non-LOSP Units: 83 Project Name: Armstrong Place
 Total # Units: 116 Project Address: 5600 Third Street
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2017 Project Sponsor: BRIDGE HOUSING

| INCOME | LOSP | | Total | Comments |
|---|----------------|----------------|------------------|--|
| | 19.83% | 63.17% | | |
| Residential - Tenant Rent | 126,405 | 447,758 | 573,163 | Links from Existing Proj - Rent Info Worksheet |
| Residential - Tenant Assistance Payments (Non-LOSP) | 0 | 443,448 | 443,448 | Links from Existing Proj - Rent Info Worksheet |
| Residential - LOSP Tenant Assistance Payments | 184,270 | 0 | 184,270 | \$5012 per unit per year |
| Commercial Space | 0 | 0 | 0 | Links from Commercial Op. Budget Worksheet |
| Residential Parking | 0 | 0 | 0 | Links from Utilities & Other Income Worksheet |
| Miscellaneous Rent Income | 0 | 0 | 0 | Links from Utilities & Other Income Worksheet |
| Supportive Services Income | 0 | 0 | 0 | |
| Interest Income - Project Operations | 0 | 0 | 0 | Links from Utilities & Other Income Worksheet |
| Laundry and Vending | 820 | 3,718 | 4,537 | Links from Utilities & Other Income Worksheet |
| Tenant Changes | 485 | 1,972 | 2,457 | Links from Utilities & Other Income Worksheet |
| Miscellaneous Residential Income | 569 | 1,479 | 2,048 | Links from Utilities & Other Income Worksheet |
| Other Commercial Income | 0 | 0 | 0 | Links from Commercial Op. Budget Worksheet |
| Withdrawal from Capital and Reserve (approx 10 opening account) | 0 | 67,977 | 67,977 | Withdrawal - Operating Reserve for HCD Debt (\$37,977) and PAI and All fees (\$30,000) |
| Gross Potential Income | 311,448 | 866,362 | 1,277,810 | |
| Vacancy Loss - Residential - Tenant Rent | (16,270) | (22,388) | (38,658) | Vacancy loss is 5% of Tenant Rent |
| Vacancy Loss - Residential - Tenant Assistance Payments | 0 | (22,172) | (22,172) | Vacancy loss is 5% of Tenant Assistance Payments |
| Vacancy Loss - Commercial | 0 | 0 | 0 | Links from Commercial Op. Budget Worksheet |
| EFFECTIVE GROSS INCOME | 395,177 | 921,792 | 1,226,969 | PUPA: 10,577 47% |

| OPERATING EXPENSES | | | | |
|--------------------------------------|---------------|----------------|----------------|--|
| Management | | | | |
| Management Fee | 0 | 55,160 | 55,160 | HUD management fee - does not escalate until HUD makes changes in fee structure |
| Asset Management Fee | 13,577 | 12,397 | 25,974 | Property management fee for LOSP and TCAC units - escalates at 3% |
| Sub-total Management Expenses | 13,577 | 67,557 | 81,134 | PUPA: 708 |
| Salaries/Benefits | | | | |
| Office Salaries | 8,500 | 35,948 | 44,508 | Accidental Manager at 17.50 per hour (includes a 3% increase) and contractor position |
| Manager's Salary | 9,419 | 39,031 | 47,500 | Manager salary will be adjusted to reflect in compliance with new federal regulations. |
| Health Insurance and Other Benefits | 7,909 | 31,974 | 39,883 | Based on premiums for medical and dental for all employees. |
| Other Salaries/Benefits | 2,018 | 8,159 | 10,177 | 4038 plus based on 6% of salaries |
| Administrative Rent/Free Unit | 0 | 9,303 | 9,303 | Staff unit is a HUD regulated unit |
| Sub-total Salaries/Benefits | 27,806 | 124,464 | 152,270 | PUPA: 1,214 |

| | | | | |
|--|---------------|----------------|----------------|---|
| Administration | | | | |
| Advertising and Marketing | 154 | 822 | 776 | Cost to process credit checks |
| Office Expenses | 4,448 | 17,981 | 22,428 | Telephone of \$14,400 and Office Supplies and printing of \$7,920 |
| Office Rent | 0 | 0 | 0 | |
| Legal Expense - Property | 885 | 3,983 | 4,868 | HUD's plus miscellaneous legal counsel of \$1,200 |
| Audit Expense | 2,011 | 6,132 | 10,143 | Annual audit fee |
| Bookkeeping/Accounting Services | 1,223 | 4,945 | 6,168 | Annual bookkeeping fee based on \$4.28 per pm |
| Bad Debts | 616 | 2,459 | 3,105 | Estimate based on 2015 actuals |
| Miscellaneous | 3,329 | 13,459 | 16,788 | Software maintenance fees, Conferences, Self advertising and functions, payroll service |
| Sub-total Administration Expenses | 12,766 | 61,611 | 64,377 | PUPA: 555 |
| Utilities | | | | |
| Electricity | 8,349 | 33,758 | 42,105 | Based on 2016 actuals |
| Water | 6,038 | 24,412 | 30,450 | Based on 2016 actuals |
| Gas | 4,997 | 20,203 | 25,200 | Based on 2016 actuals |
| Sewer | 8,953 | 36,197 | 45,150 | Based on 2016 actuals |
| Sub-total Utilities | 28,383 | 114,567 | 142,905 | PUPA: 1,232 |

| | | | | |
|--|---------------|---------------|---------------|---|
| Taxes and Licenses | | | | |
| Real Estate Taxes | 64 | 220 | 274 | Assumes 100% welfare exemption |
| Payroll Taxes | 3,257 | 13,167 | 16,424 | Based on 10% of salaries |
| Miscellaneous Taxes, Licenses and Permits | 618 | 2,489 | 3,105 | Annual FTB payment of \$800, elevator permits, \$275, encroachment fee \$1,700 plus |
| Sub-total Taxes and Licenses | 3,927 | 15,876 | 19,803 | PUPA: 177 |
| Insurance | | | | |
| Property and Liability Insurance | 15,854 | 64,136 | 80,000 | Annual premiums for property, liability, umbrella, D&O and pollution |
| Fidelity Bond Insurance | 0 | 0 | 0 | |
| Worker's Compensation | 2,006 | 10,503 | 13,139 | Based on 8% of payroll |
| Director's & Officers' Liability Insurance | 0 | 0 | 0 | |
| Sub-total Insurance | 18,460 | 74,639 | 93,139 | PUPA: 803 |

| | | | | |
|---|----------------|----------------|------------------|---|
| Maintenance & Repair | | | | |
| Janitor | 15,218 | 61,532 | 76,740 | Janitor at \$15 per hour (in 2017) and Maintenance Supervisor at \$20.75 per hour plus |
| Supplies | 6,527 | 26,388 | 32,915 | Janitorial supplies of \$6,000. Repairs materials of \$20,000 and Decommissioning supplies of |
| Contracts | 20,000 | 68,000 | 88,000 | Janitorial contract of \$26,000, exterminating of \$11,700, grounds contract of \$9,500. |
| Garbage and Trash Removal | 8,251 | 33,356 | 41,607 | Based on monthly charge of \$3,100 plus \$3,000 in extra pick ups |
| Security/Alarm/Control | 140,843 | 54,772 | 195,615 | Front desk coverage for 16 hours a day 5 days per week and 24 hours on weekends at |
| HVAC Repairs and Maintenance | 0 | 0 | 0 | |
| Vehicle and Maintenance Equipment Operation and Repairs | 164 | 684 | 826 | See extinguishers |
| Miscellaneous Operating and Maintenance Expenses | 308 | 1,245 | 1,553 | Uniforms |
| Sub-total Maintenance & Repair Expenses | 181,310 | 245,945 | 427,256 | PUPA: 3,769 |
| Supportive Services | 0 | 40,572 | 40,572 | Service Coordination paid with HUD rents |
| Commercial Expenses | 0 | 0 | 0 | Links from Commercial Op. Budget Worksheet |
| TOTAL OPERATING EXPENSES w/ RESERVES/CL BASE | 296,292 | 736,262 | 1,032,555 | PUPA: 8,901 |

| | | | | |
|--|----------------|----------------|------------------|--|
| Reserves/Ground Lease Base Rent/Bond Fees | | | | |
| Ground Lease Base Rent | 0 | 0 | 0 | Provide additional comments here, if needed. |
| Bond Monitoring Fee | 0 | 0 | 0 | |
| Replacement Reserve Deposit | 5,884 | 94,995 | 103,879 | |
| Operating Reserve Deposit | 0 | 0 | 0 | |
| Other Required Reserve 1 Deposit | 0 | 0 | 0 | |
| Other Required Reserve 2 Deposit | 0 | 0 | 0 | |
| Required Reserve Deposits, Commercial | 0 | 0 | 0 | Links from Commercial Op. Budget Worksheet |
| Sub-total Reserves/Ground Lease Base Rent/Bond Fees | 5,884 | 94,995 | 103,879 | PUPA: 890 |
| TOTAL OPERATING EXPENSES w/ RESERVES/CL BASE | 305,177 | 831,257 | 1,136,434 | PUPA: 9,797 |

| | | | | |
|--|----------|---------------|---------------|------------------|
| NET OPERATING INCOME (INCOME minus OP EXPENSES) | 0 | 80,535 | 80,535 | PUPA: 760 |
|--|----------|---------------|---------------|------------------|

| | | | | |
|--|----------|---------------|---------------|--|
| DEBT SERVICE (hard debt/amortized loans) | | | | |
| Hard Debt - First Lender | 0 | 0 | 0 | |
| Hard Debt - Second Lender (HCD Program @ 4.2% opt. or other 2nd) | 0 | 37,977 | 37,977 | HCD/OD |
| Hard Debt - Third Lender (Other HCD Program or other 3rd Lender) | 0 | 0 | 0 | Provide additional comments here, if needed. |
| Hard Debt - Fourth Lender | 0 | 0 | 0 | Provide additional comments here, if needed. |
| Commercial Hard Debt Service | 0 | 0 | 0 | Links from Commercial Op. Budget Worksheet |
| TOTAL HARD DEBT SERVICE | 0 | 37,977 | 37,977 | PUPA: 327 |

| | | | | |
|---|----------|---------------|---------------|--|
| CASH FLOW (NCI minus DEBT SERVICE) | | | | |
| Commercial Only Cash Flow | 0 | 62,558 | 62,558 | |
| Acquisition of Commercial Property to LOSP/non-LOSP (residual income) | 0 | 0 | 0 | |
| AVAILABLE CASH FLOW | 0 | 62,558 | 62,558 | |
| USES OF CASH FLOW BELOW (This row also shows DSER) | 0 | 0 | 238 | |

| | | | | |
|--|----------|---------------|---------------|---|
| Below-the-line Asset Mgt fee (uncommon in new projects, see policy) | 0 | 0 | 0 | |
| Partnership Management Fee (see policy for limits) | 0 | 0 | 0 | \$25,000 paid from a fee reserve - not allocated to LOSP - see line 118 |
| Investor Service Fee (aka LP Asset Mgt Fee) (see policy for limits) | 0 | 0 | 0 | \$5,000 paid for a fee reserve - not allocated to LOSP - see line 118 |
| Other Payments | 0 | 30,000 | 30,000 | Ground Lease |
| Non-amortizing Loan Pmt - Lender 1 (select lender in comments field) | 0 | 0 | 0 | Provide additional comments here, if needed. |
| Non-amortizing Loan Pmt - Lender 2 (select lender in comments field) | 0 | 0 | 0 | Provide additional comments here, if needed. |
| Deferred Developer Fee (Enter amt or Max Fee from cap table) | 0 | 0 | 0 | Def. Develop. Fee split 0% |
| TOTAL PAYMENTS PRECEDING MOHCD | 0 | 30,000 | 30,000 | PUPA: 259 |

| | | | | |
|--|----------|---------------|---------------------------------|-----|
| RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD) | 0 | 22,558 | 22,558 | |
| Residual Receipts Calculation | | | | |
| Does Project have a MOHCD Residual Receipt Obligation? | Yes | Yes | Project has MOHCD ground lease? | TBD |
| Will Project Developer Fee? | No | No | | |
| Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1: | 33% | 33% | | |
| % of Residual Receipts available for distribution to soft debt lenders | 67% | 67% | | |

| Soft Debt Lenders with Residual Receipts Obligations | SOFT DEBT LENDER PROPORTION FROM DEBT SERVICE | Total Principal Amt | Distrib. of Soft Debt Loans |
|--|---|---------------------|-----------------------------|
| MOHCD/ODI - Soft Debt Loans | | \$7,696,368 | 45.98% |
| MOHCD/ODI - Ground Lease Fees | | | 0.00% |
| HCD (soft debt loan) - Lender 3 | | \$9,042,172 | 54.02% |
| Other Soft Debt Lender - Lender 4 | | | 0.00% |
| Other Soft Debt Lender - Lender 5 | | | 0.00% |

| | | | | |
|---|---------------|---------------|--|--|
| MOHCD RESIDUAL RECEIPTS DEBT SERVICE | | | | |
| MOHCD Residual Receipts Amount Due | 6,816 | 6,816 | 67% of residual receipts, multiplied by 45.98% - MOHCD's pro rata share of all soft debt | |
| Proposed MOHCD Residual Receipts Amount to Loan Repayment | 6,816 | 6,816 | 67% of residual receipts, multiplied by 45.98% - MOHCD's pro rata share of all soft debt | |
| Proposed MOHCD Residual Receipts Amount to Residual Ground Lease | 0 | 0 | 0 if applicable, MOHCD residual receipts and dues LESS amt proposed for loan repayment. | |
| REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE | 15,643 | 15,643 | | |

| | | | | |
|--|--------------|--------------|---|--|
| NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE | | | | |
| HCD Residual Receipts Amount Due | 8,126 | 8,126 | 67% of residual receipts, multiplied by 54.02% - HCD/OD's pro rata share of all soft debt | |
| Lender 4 Residual Receipts Due | 0 | 0 | | |
| Lender 5 Residual Receipts Due | 0 | 0 | | |
| Total Non-MOHCD Residual Receipts Debt Service | 8,126 | 8,126 | | |
| REMAINDER (should be zero unless there are distributions below) | | | | |
| Owner Distribution/Incentive Management Fee | 7,519 | 7,519 | 100% of Borrower share of 33% of residual receipts | |
| Other Distributions/Fees | 0 | 0 | | |
| Final Balance (should be zero) | 0 | 0 | | |

Application Date: 12/1/2019
 Total # Units: 116
 First Year of Operations (provides data assuming that Year 1 is a full year, i.e. 12 months of operations): 2017

| INCOME | Alternative LOSP Split | LOSP | non-LOSP | Approved By (reqd) |
|--|--|--------|----------|---|
| Residential - Tenant Rents | | | | |
| Residential - Tenant Assistance Payments (Non-LOSP) | | | | |
| Residential - LOSP Tenant Assistance Payments | | 0.00% | 100.00% | |
| Commercial Space | | | | |
| Commercial Parking | | | | |
| Miscellaneous Rent Income | Alternative LOSP Split | LOSP | non-LOSP | Approved By (reqd) |
| Supportive Services Income | Supportive Services Income | | | |
| Intertax Income - Project Operations | | | | |
| Laundry and Vending | Projected LOSP Split | LOSP | non-LOSP | |
| Tenant Charges | Tenant Charges | 12.83% | 87.17% | (only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system) |
| Miscellaneous Residential Income | | | | |
| Other Commercial Income | Alternative LOSP Split | LOSP | non-LOSP | Approved By (reqd) |
| Withdrawal from Capitalized Reserves (Applied to Operating Budget) | Withdrawal from Capitalized Reserves (Applied) | 0.00% | 100.00% | |
| Gross Potential Income | | | | |
| Vacancy Loss - Residential - Tenant Rents | | | | |
| Vacancy Loss - Residential - Tenant Assistance Payments | | | | |
| Vacancy Loss - Commercial | | | | |
| EFFECTIVE GROSS INCOME | | | | |

| OPERATING EXPENSES | Alternative LOSP Split | LOSP | non-LOSP | Approved By (reqd) |
|--------------------------------------|------------------------|--------|----------|--------------------|
| Management | Alternative LOSP Split | LOSP | non-LOSP | Approved By (reqd) |
| Management Fee | Management Fee | 0.00% | 100.00% | |
| Asset Management Fee | Asset Management Fee | 62.27% | 37.73% | |
| Sub-total Management Expenses | | | | |

| Salaries/Benefits | Alternative LOSP Split | LOSP | non-LOSP | Approved By (reqd) |
|-------------------------------------|-------------------------------------|--------|----------|--------------------|
| Office Salaries | Office Salaries | 18.81% | 81.19% | |
| Manager's Salary | Manager's Salary | | | |
| Health Insurance and Other Benefits | Health Insurance and Other Benefits | | | |
| Other Salaries/Benefits | Other Salaries/Benefits | | | |
| Administrative Rent-Free Unit | Administrative Rent-Free Unit | 0.00% | 100.00% | |
| Sub-total Salaries/Benefits | | | | |

| Administration | Alternative LOSP Split | LOSP | non-LOSP | Approved By (reqd) |
|--|--------------------------|--------|----------|---|
| Advertising and Marketing | | | | |
| Office Expenses | | | | |
| Office Rent | Projected LOSP Split | LOSP | non-LOSP | (only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system) |
| Legal Expense - Property | Legal Expense - Property | 18.83% | 81.17% | |
| Audit Expense | | | | |
| Bookkeeping/Accounting Services | Projected LOSP Split | LOSP | non-LOSP | (only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system) |
| Bad Debts | Bad Debts | 18.83% | 81.17% | |
| Miscellaneous | | | | |
| Sub-total Administration Expenses | | | | |

| Utilities | Alternative LOSP Split | LOSP | non-LOSP | Approved By (reqd) |
|----------------------------|------------------------|--------|----------|---|
| Electricity | Electricity | 18.83% | 81.17% | (only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system) |
| Water | | | | |
| Gas | | | | |
| Sewer | | | | |
| Sub-total Utilities | | | | |

| Taxes and Licenses | Alternative LOSP Split | LOSP | non-LOSP | Approved By (reqd) |
|---|------------------------|------|----------|--------------------|
| Real Estate Taxes | Real Estate Taxes | | | |
| Payroll Taxes | Payroll Taxes | | | |
| Miscellaneous Taxes, Licenses and Permits | | | | |
| Sub-total Taxes and Licenses | | | | |

| Insurance | Alternative LOSP Split | LOSP | non-LOSP | Approved By (reqd) |
|---|------------------------|------|----------|--------------------|
| Property and Liability Insurance | | | | |
| Fidelity Bond Insurance | Alternative LOSP Split | LOSP | non-LOSP | Approved By (reqd) |
| Workers Compensation | Workers Compensation | | | |
| Directors & Officers' Liability Insurance | | | | |
| Sub-total Insurance | | | | |

| Maintenance & Repair | Alternative LOSP Split | LOSP | non-LOSP | Approved By (reqd) |
|---|---------------------------|--------|----------|---|
| Payroll | Projected LOSP Split | LOSP | non-LOSP | (only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system) |
| Supplies | Supplies | 18.83% | 81.17% | |
| Contracts | Contracts | 22.73% | 77.27% | |
| Cleaning and Trash Removal | Alternative LOSP Split | LOSP | non-LOSP | Approved By (reqd) |
| Security Payroll/Contract | Security Payroll/Contract | 72.60% | 27.40% | |
| HVAC Repairs and Maintenance | | | | |
| Vehicle and Maintenance Equipment Operation and Repairs | | | | |
| Miscellaneous Operating and Maintenance Expenses | | | | |
| Sub-total Maintenance & Repair Expenses | | | | |
| Supportive Services | Alternative LOSP Split | LOSP | non-LOSP | Approved By (reqd) |
| Commercial Expenses | Supportive Services | 0.00% | 100.00% | |

| TOTAL OPERATING EXPENSES w/o RESERVES/CL BASE | Alternative LOSP Split | LOSP | non-LOSP | Approved By (reqd) |
|--|----------------------------------|-------|----------|--------------------|
| Reserves/Ground Lease Base Rent/Bond Fees | | | | |
| Ground Lease Base Rent | | | | |
| Bond Monitoring Fee | Alternative LOSP Split | LOSP | non-LOSP | Approved By (reqd) |
| Replacement Reserve Deposit | Replacement Reserve Deposit | 8.60% | 91.40% | |
| Operating Reserve Deposit | Operating Reserve Deposit | 0.00% | 100.00% | |
| Other Required Reserve 1 Deposit | Other Required Reserve 1 Deposit | | | |
| Other Required Reserve 2 Deposit | | | | |
| Required Reserve Deposits, Commercial | | | | |
| Sub-total Reserves/Ground Lease Base Rent/Bond Fees | | | | |
| TOTAL OPERATING EXPENSES w/RESERVES/CL BASE | | | | |

| NET OPERATING INCOME (INCOME minus OP EXPENSES) | Alternative LOSP Split | LOSP | non-LOSP | Approved By (reqd) |
|---|---|-------|----------|--------------------|
| DEBT SERVICE (Hard debt/Amortized loans) | Alternative LOSP Split | LOSP | non-LOSP | Approved By (reqd) |
| Hard Debt - First Lender | Hard Debt - First Lender | 0.00% | 100.00% | |
| Hard Debt - Second Lender (HCD Program 0.42% pmt, or other 2nd) | Hard Debt - Second Lender (HCD Program 0) | 0.00% | 100.00% | |
| Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender) | Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender) | | | |
| Hard Debt - Fourth Lender | Hard Debt - Fourth Lender | | | |
| Commercial Hard Debt Service | | | | |
| TOTAL HARD DEBT SERVICE | | | | |

| CASH FLOW (NO) minus DEBT SERVICE | Alternative LOSP Split | LOSP | non-LOSP | Approved By (reqd) |
|---|--|---------|----------|--------------------|
| Commercial Only Cash Flow | | | | |
| Allocation of Commercial Surplus to LOSP/non-LOSP (Residual Income) | Allocation of Commercial Surplus to LOSP/non-LOSP | 100.00% | 0.00% | |
| AVAILABLE CASH FLOW | | | | |
| USES OF CASH FLOW BELOW (This row also shows DSCR.) | | | | |
| USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL | | | | |
| Below-the-line Asset Mgt fee (uncommon in new projects, see policy) | | | | |
| Performance Management Fee (see policy for limits) | | | | |
| Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits) | Alternative LOSP Split | LOSP | non-LOSP | Approved By (reqd) |
| Other Payments | Other Payments | 0.00% | 100.00% | |
| Non-amortizing Loan Pmt - Lender 1 (select lender in comments field) | Non-amortizing Loan Pmt - Lender 1 (select lender in comments field) | | | |
| Non-amortizing Loan Pmt - Lender 2 (select lender in comments field) | Non-amortizing Loan Pmt - Lender 2 (select lender in comments field) | | | |
| Deferred Developer Fee (Entire amt <= Max Fee from cell H15D) | Deferred Developer Fee (Entire amt <= Max Fee) | 0.00% | 100.00% | |

| TOTAL PAYMENTS PRECEDING MOHCD | Alternative LOSP Split | LOSP | non-LOSP | Approved By (reqd) |
|---|------------------------|------|----------|--------------------|
| RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD) | | | | |
| Residual Receipts Calculation | | | | |
| Does Project have a MOHCD Residual Receipt Obligation? | | | | |
| Will Project Defeat Developer Fees? | | | | |
| Max Deferred Developer Fee/Developer % of Residual Receipts in Yr: Sum of DD F from LOSP and non-LOSP | | | | |
| % of Residual Receipts available for distribution to soft debt lenders (Rate of Sum of DD F and calculated 65%) | #VALUE! | | | |

| Soft Debt Lenders with Residual Receipts Obligations |
|--|
| MOHCD/OCI - Soft Debt Loans |
| MOHCD/OCI - Ground Lease Value |
| HCD (soft debt loan) - Lender 3 |
| Other Soft Debt Lender - Lender 4 |
| Other Soft Debt Lender - Lender 5 |

| MOHCD RESIDUAL RECEIPTS DEBT SERVICE | |
|---|--|
| MOHCD Residual Receipts Amount Due | |
| Proposed MOHCD Residual Receipts Amount to Loan Repayment | |
| Proposed MOHCD Residual Receipts Amount to Residual Ground Lease | |
| REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE | |

| NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE |
|--|
| HCD Residual Receipts Amount Due |
| Lender 4 Residual Receipts Due |
| Lender 5 Residual Receipts Due |
| Total Non-MOHCD Residual Receipts Debt Service |

| REMAINDER (Should be zero unless there are distributions below) |
|---|
| Owner Distributions/Incentive Management Fee |
| Other Distributions/Dues |
| Final Balance (should be zero) |

Attachment C: 20-year Operating Proforma

Armstrong Place

| Total's | OSP Units | | Non-OSP Units | | Year 1 2017 | | | Year 2 2018 | | | Year 3 2019 | | |
|--|-----------|------|---------------|----|----------------|------------------|------------------|----------------|------------------|------------------|----------------|------------------|------------------|
| | 110 | 21 | 81 | 81 | LOSP | Non-LOSP | Total | LOSP | Non-LOSP | Total | LOSP | Non-LOSP | Total |
| INCOME | | | | | | | | | | | | | |
| Residential - Tenant Rents | 1.0% | 2.5% | | | 125,465 | 447,752 | 573,163 | 728,622 | 458,952 | 585,611 | 1,272,023 | 470,428 | 528,351 |
| Residential - Tenant Assistance Payments (Non-LOSP) | n/a | 3.5% | | | 156,270 | 443,445 | 603,445 | - | 458,959 | 470,023 | 470,023 | 470,023 | 470,023 |
| Residential - LOSP Tenant Assistance Payments | n/a | n/a | | | - | - | - | 184,128 | 184,128 | 184,128 | 204,458 | 204,458 | 204,458 |
| Commercial Space | n/a | 2.5% | | | - | - | - | - | - | - | - | - | - |
| Residential Parking | 2.0% | 2.0% | | | - | - | - | - | - | - | - | - | - |
| Manufacturing Rent Income | 2.0% | 2.0% | | | - | - | - | - | - | - | - | - | - |
| Supervisory Services Income | 2.0% | 2.0% | | | - | - | - | - | - | - | - | - | - |
| Internal Income - Project Operations | 2.0% | 2.0% | | | - | - | - | - | - | - | - | - | - |
| Leasing and Marketing | 2.0% | 2.5% | | | 822 | 3,713 | 4,535 | 943 | 3,211 | 4,753 | 265 | 3,808 | 4,872 |
| Tenant Changes | 2.4% | 2.5% | | | 488 | 1,972 | 2,460 | 500 | 2,071 | 2,572 | 519 | 2,071 | 2,645 |
| Manufacturing Residential Income | 2.5% | 2.5% | | | 366 | 1,479 | 1,845 | 373 | 1,518 | 1,911 | 394 | 1,557 | 1,930 |
| Other Commercial Income | n/a | 2.5% | | | - | - | - | - | - | - | - | - | - |
| Midlevel Cash Depleted Reserve (deposited to operating account) | n/a | n/a | | | - | - | - | 67,877 | 67,877 | - | 67,877 | 67,877 | 67,877 |
| Gross Residential Income | | | | | 311,448 | 866,352 | 1,277,749 | 322,834 | 692,246 | 1,315,814 | 334,254 | 1,020,857 | 1,355,221 |
| Factory Loss - Residential - Tenant Rents | n/a | n/a | | | (8,270) | (22,249) | (28,519) | (8,333) | (22,948) | (29,281) | (8,396) | (23,521) | (29,918) |
| Factory Loss - Residential - Tenant Assistance Payments | n/a | n/a | | | (21,171) | (57,173) | (78,344) | - | - | - | - | - | - |
| Factory Loss - Commercial | n/a | n/a | | | - | - | - | - | - | - | - | - | - |
| EFFICIENT GROSS INCOME | | | | | 306,177 | 827,192 | 1,228,988 | 316,107 | 679,197 | 1,286,533 | 327,858 | 973,694 | 1,301,522 |
| OPERATING EXPENSES | | | | | | | | | | | | | |
| Management | | | | | | | | | | | | | |
| Management Fee | 0.0% | 0.0% | | | - | 56,100 | 56,100 | - | 56,100 | - | 56,100 | - | 56,100 |
| Asset Management Fee | 3.0% | 3.0% | | | 13,877 | 12,507 | 26,384 | 13,953 | 12,768 | 26,721 | 14,404 | 13,152 | 27,556 |
| Sub-total Management Expenses | | | | | 13,877 | 68,607 | 82,484 | 13,953 | 68,868 | 82,521 | 14,404 | 69,252 | 83,716 |
| Salaries/Benefits | | | | | | | | | | | | | |
| Office Salary | 3.0% | 3.0% | | | 5,500 | 35,042 | 40,542 | 6,600 | 35,241 | 41,701 | 6,700 | 35,970 | 43,470 |
| Manager's Salary | 3.0% | 3.5% | | | 2,410 | 38,081 | 47,900 | 9,749 | 39,414 | 49,163 | 10,000 | 49,791 | 60,883 |
| Health Insurance and Other Benefits | 3.5% | 3.5% | | | 7,900 | 31,274 | 39,883 | 8,148 | 33,203 | 41,279 | 8,472 | 34,251 | 42,723 |
| Other Salaries/Benefits | 3.0% | 3.5% | | | 2,018 | 8,568 | 13,777 | 2,608 | 8,463 | 10,533 | 3,162 | 8,740 | 10,922 |
| Administrative Head and Staff | 3.0% | 3.5% | | | 6,082 | 2,963 | 7,263 | 6,683 | 6,951 | 6,951 | 6,951 | 6,951 | |
| Sub-total Salaries/Benefits | | | | | 27,910 | 124,468 | 162,370 | 28,841 | 122,819 | 161,767 | 28,284 | 133,239 | 163,223 |
| Administration | | | | | | | | | | | | | |
| Advertising and Marketing | 3.0% | 3.0% | | | 754 | 62 | 776 | 150 | 544 | 663 | 165 | 667 | 832 |
| Office Expense | 3.5% | 3.5% | | | 4,448 | 17,681 | 22,423 | 4,603 | 18,610 | 23,213 | 4,754 | 19,252 | 24,029 |
| Office Rent | 3.0% | 3.5% | | | 683 | 3,081 | 4,004 | 1,152 | 6,142 | 1,055 | 4,227 | 6,322 | |
| Legal Expense - Property | 3.0% | 3.5% | | | 2,071 | 8,132 | 10,143 | 2,062 | 8,416 | 10,428 | 2,155 | 9,771 | 10,885 |
| Audit Expense | 3.0% | 3.5% | | | 1,223 | 2,423 | 3,789 | 1,286 | 3,118 | 3,386 | 2,019 | 3,293 | |
| Banking/Accounting Services | 3.0% | 3.5% | | | 615 | 2,480 | 3,105 | 637 | 2,576 | 3,214 | 657 | 2,827 | 3,323 |
| Bad Debt | 3.0% | 3.5% | | | 3,329 | 13,429 | 18,784 | 3,446 | 13,857 | 19,255 | 3,566 | 14,477 | 19,892 |
| Businesses | 3.0% | 3.5% | | | 12,784 | 5,611 | 45,377 | 12,219 | 21,417 | 49,889 | 12,475 | 52,397 | 69,492 |
| Sub-total Administration Expenses | | | | | 27,910 | 124,468 | 162,370 | 28,841 | 122,819 | 161,767 | 28,284 | 133,239 | 163,223 |
| Utilities | | | | | | | | | | | | | |
| Electricity | 6.0% | 6.0% | | | 8,349 | 33,726 | 42,165 | 8,787 | 34,443 | 44,210 | 9,209 | 37,218 | 46,421 |
| Water | 6.0% | 6.0% | | | 8,035 | 34,417 | 42,452 | 8,249 | 33,823 | 41,873 | 8,457 | 33,214 | 41,671 |
| Gas | 6.0% | 6.0% | | | 4,987 | 20,203 | 25,200 | 5,247 | 21,213 | 26,460 | 5,500 | 22,774 | 27,783 |
| sewer | 6.0% | 6.0% | | | 8,932 | 38,167 | 47,100 | 9,407 | 38,007 | 47,408 | 9,771 | 38,827 | 48,778 |
| Sub-total Utilities | | | | | 28,299 | 116,499 | 146,915 | 29,750 | 128,289 | 162,949 | 32,937 | 128,219 | 157,259 |
| Taxes and Licenses | | | | | | | | | | | | | |
| Real Estate Taxes | 3.5% | 3.5% | | | 54 | 220 | 274 | 56 | 228 | 284 | 58 | 238 | 294 |
| Property Taxes | 3.5% | 3.5% | | | 3,227 | 13,423 | 16,650 | 3,371 | 14,438 | 18,069 | 3,498 | 15,028 | 18,523 |
| Miscellaneous Taxes, Licenses and Permits | 3.5% | 3.5% | | | 616 | 2,480 | 3,105 | 637 | 2,576 | 3,214 | 660 | 2,827 | 3,323 |
| Sub-total Taxes and Licenses | | | | | 3,927 | 16,123 | 19,854 | 4,064 | 16,422 | 20,468 | 4,207 | 17,000 | 21,113 |
| Insurance | | | | | | | | | | | | | |
| Property and Liability Insurance | 6.0% | 6.0% | | | 15,654 | 64,126 | 80,000 | 16,816 | 67,884 | 84,300 | 17,825 | 72,063 | 89,888 |
| Fidelity Bond Insurance | 3.5% | 3.5% | | | 2,606 | 10,583 | 13,189 | 2,667 | 10,802 | 13,589 | 2,701 | 11,284 | 14,076 |
| Director's & Officers Liability Insurance | 3.5% | 3.5% | | | 18,469 | 74,689 | 93,158 | 19,512 | 78,889 | 99,289 | 20,618 | 83,347 | 103,963 |
| Sub-total Insurance | | | | | 36,729 | 149,398 | 186,347 | 39,095 | 157,075 | 197,178 | 41,144 | 164,634 | 208,927 |
| Maintenance & Repair | | | | | | | | | | | | | |
| Payroll | 3.5% | 3.5% | | | 15,218 | 61,522 | 76,740 | 15,750 | 63,876 | 79,428 | 16,301 | 65,904 | 82,208 |
| Supplies | 3.5% | 3.5% | | | 6,527 | 28,265 | 34,813 | 7,253 | 27,310 | 34,066 | 6,922 | 28,556 | 35,257 |
| Contractors | 3.5% | 3.5% | | | 20,000 | 88,000 | 110,000 | 22,000 | 95,000 | 117,000 | 24,000 | 99,000 | 123,000 |
| Outlets and Trash Removal | 3.5% | 3.5% | | | 6,221 | 33,235 | 41,697 | 6,330 | 34,524 | 43,053 | 6,453 | 35,732 | 44,670 |
| Security Payroll/Contract | 3.5% | 3.5% | | | 10,643 | 54,772 | 195,816 | 10,643 | 54,772 | 195,816 | 10,643 | 54,772 | 195,816 |
| HVAC Expense and Maintenance | 3.5% | 3.5% | | | 161 | 664 | 828 | 170 | 687 | 857 | 178 | 711 | 887 |
| Vehicle and Maintenance Equipment Operation and Repairs | 3.5% | 3.5% | | | 308 | 1,243 | 1,553 | 319 | 1,268 | 1,607 | 330 | 1,293 | 1,653 |
| Miscellaneous Operating and Maintenance Expenses | 3.5% | 3.5% | | | 197,219 | 256,466 | 437,289 | 198,006 | 254,954 | 432,689 | 200,939 | 262,463 | 445,298 |
| Sub-total Maintenance & Repair Expenses | | | | | 251,292 | 1,013,275 | 1,269,293 | 252,125 | 1,013,275 | 1,269,293 | 252,125 | 1,013,275 | 1,269,293 |
| Supervisory Services | | | | | | | | | | | | | |
| Supervisory Services | 3.0% | 3.5% | | | - | 49,972 | 49,972 | - | 49,972 | 49,972 | - | 49,972 | 49,972 |
| Commercial Expense | | | | | - | - | - | - | - | - | - | - | - |
| TOTAL OPERATING EXPENSES w/o RESERVE/BASE RENT/BOND FEES | | | | | 294,269 | 736,362 | 1,022,656 | 307,417 | 783,215 | 1,073,745 | 318,974 | 791,514 | 1,110,440 |
| RESERVE/BASE RENT/BOND FEES | | | | | | | | | | | | | |
| Reserve/Lease Base Rent/Bond Fees | | | | | - | - | - | - | - | - | - | - | - |
| Bond Monitoring Fee | | | | | - | - | - | - | - | - | - | - | - |
| Replacement Reserve Deposit | | | | | 8,884 | 34,922 | 103,879 | 8,884 | 34,922 | 103,879 | 8,884 | 34,922 | 103,879 |
| Operating Reserve Deposit | | | | | - | - | - | - | - | - | - | - | - |
| Other Required Reserve 1 Deposit | | | | | - | - | - | - | - | - | - | - | - |
| Other Required Reserve 2 Deposit | | | | | - | - | - | - | - | - | - | - | - |
| Reserve/Lease Base Rent/Bond Fees | | | | | 8,884 | 34,922 | 103,879 | 8,884 | 34,922 | 103,879 | 8,884 | 34,922 | 103,879 |
| Sub-total Reserve/Lease Base Rent/Bond Fees | | | | | 8,884 | 34,922 | 103,879 | 8,884 | 34,922 | 103,879 | 8,884 | 34,922 | 103,879 |
| TOTAL OPERATING EXPENSES w/ RESERVE/BASE RENT/BOND FEES | | | | | 305,177 | 811,237 | 1,136,535 | 316,301 | 818,137 | 1,177,624 | 327,858 | 826,436 | 1,214,319 |
| NET OPERATING INCOME (INCOME minus OP EXPENSES) | | | | | 80,021 | 1,015,955 | 1,092,453 | 84,706 | 860,900 | 1,108,909 | 945,836 | 1,147,058 | 1,087,203 |
| DEBT SERVICE (Hard Cash/Amortized Loans) | | | | | | | | | | | | | |
| Head Debt - First Lender | | | | | - | - | - | - | - | - | - | - | - |
| Head Debt - Second Lender (MOHCD Program @ 4.25% p.a. or other 2nd Lender) | | | | | - | 29,977 | 29,977 | - | 29,977 | 29,977 | - | 29,977 | 29,977 |
| Head Debt - Third Lender (Other MOHCD Program, or other 3rd Lender) | | | | | - | - | - | - | - | - | - | - | - |
| Head Debt - Fourth Lender | | | | | - | - | - | - | - | - | - | - | - |
| Commercial Hard Debt Service | | | | | - | - | - | - | - | - | - | - | - |
| TOTAL HARD DEBT SERVICE | | | | | 29,977 | 29,977 | 29,977 | 29,977 | 29,977 | 29,977 | 29,977 | 29,977 | 29,977 |
| DASH FLOW (NO) minus DEBT SERVICE | | | | | | | | | | | | | |
| Commercial Only Cash Flow | | | | | - | - | - | - | - | - | - | - | - |
| Allocation of Commercially Supplied to LOPs/Non-LOSP (net/total) | | | | | - | 52,558 | 52,558 | - | 52,558 | 52,558 | - | 52,558 | 52,558 |
| AVAILABLE CASH FLOW | | | | | 52,558 | 52,558 | 52,558 | 52,558 | 52,558 | 52,558 | 52,558 | 52,558 | 52,558 |
| USES THAT PRECEED MOHCD DEBT SERVICE IN WATERFALL | | | | | | | | | | | | | |
| Below/Bankrupt Assn Mgt fees (non-amortized in new projects, see policy) | 0.0% | 0.0% | | | - | - | - | - | - | - | - | - | - |
| Payroll for Management Fee (see policy for limits) | 0.0% | 0.0% | | | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | | | | |

Yr 1 23 24 25 26 27 28 29 30

Table with columns for Year 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030. Rows include Income, Expenses, and Net Cash Flow.

Table with columns for Year 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030. Rows include Operating Expenses, Maintenance, and Administrative costs.

Table with columns for Year 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030. Rows include Property and Liability Insurance, Workers Compensation, and Commercial Expenses.

Table with columns for Year 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030. Rows include Total Operating Expenses, Total Operating Income, and Cash Flow (Net Debt Service).

Table with columns for Year 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030. Rows include Residual Receipts, Cash Flow, and Net Cash Flow.

Table with columns for Year 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030. Rows include Residual Receipts, Cash Flow, and Net Cash Flow.

Table with columns for Year 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030. Rows include Residual Receipts, Cash Flow, and Net Cash Flow.

Table with columns for Year 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030. Rows include Residual Receipts, Cash Flow, and Net Cash Flow.

Table with columns for Year 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030. Rows include Residual Receipts, Cash Flow, and Net Cash Flow.

Table with columns for Year 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030. Rows include Residual Receipts, Cash Flow, and Net Cash Flow.

Table with columns for Year 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030. Rows include Residual Receipts, Cash Flow, and Net Cash Flow.

Armstrong Place

| Total # of Units | SP June 22 | Non-LOSP June 23 | Comments | Year 10 2026 | | | Year 11 2027 | | | Year 12 2028 | | |
|--|------------|------------------|--|-------------------|-----------|-----------|-------------------|-----------|-----------|-------------------|-----------|---------|
| | | | | % annual increase | | Total | % annual increase | | Total | % annual increase | | Total |
| | | | | 19.83% | 80.17% | | 19.83% | 80.17% | | 19.83% | 80.17% | |
| INCOME | | | | | | | | | | | | |
| Residential - Tenant Rents | 1.0% | 2.5% | rent increases as new units are leased | 127,128 | 659,168 | 608,341 | 138,625 | 673,169 | 711,693 | 139,919 | 687,407 | 727,407 |
| Residential - Tenant Assistance Payments (Non-LOSP) | n/a | 3.5% | initially proposed HOV project in 2017 | - | 604,374 | 604,374 | - | 605,927 | 615,927 | - | 647,621 | 647,621 |
| Residential - LOSP - Tenant Assistance Payments | n/a | n/a | waiting for HOV approval | 309,923 | 309,923 | 309,923 | 304,300 | 304,300 | 304,300 | 319,245 | 319,245 | |
| Commercial Space | n/a | 2.5% | | - | - | - | - | - | - | - | - | |
| Residential Parking | 2.0% | 3.0% | | - | - | - | - | - | - | - | - | |
| Miscellaneous Rent Income | 2.0% | 2.0% | | - | - | - | - | - | - | - | - | |
| Supportive Services Income | 2.0% | 2.0% | | - | - | - | - | - | - | - | - | |
| Interest Income - Project Operations | 2.0% | 2.0% | | - | - | - | - | - | - | - | - | |
| Laundry and Vendor | 2.0% | 2.0% | | - | - | - | - | - | - | - | - | |
| Tenant Charges | 2.0% | 2.5% | | 600 | 2,463 | 3,072 | 624 | 2,523 | 3,149 | 640 | 2,588 | |
| Miscellaneous Residential Income | n/a | n/a | | 480 | 1,920 | 2,400 | 480 | 1,920 | 2,400 | 480 | 1,920 | |
| Other Commercial Income | n/a | 2.5% | | - | - | - | - | - | - | - | - | |
| Withdrawal from Capitalized Reserves (deposit to operating account) | n/a | n/a | ask time reserves action taken, as applicable | - | 87,877 | 87,877 | - | 87,877 | 87,877 | - | 87,877 | |
| Grassroots/Reserve Income | | | | 418,281 | 1,746,462 | 1,868,183 | 445,674 | 1,775,840 | 1,729,823 | 481,479 | 1,813,291 | |
| Grassroots/Reserve Income | | | | 418,281 | 1,746,462 | 1,868,183 | 445,674 | 1,775,840 | 1,729,823 | 481,479 | 1,813,291 | |
| Vacancy Loss - Residential - Tenant Rents | n/a | n/a | Other Reserves monthly payments from HOV project annual income being analyzed | (8,858) | (27,529) | (34,172) | (8,828) | (28,639) | (36,188) | (9,979) | (29,279) | |
| Vacancy Loss - Residential - Tenant Assistance Payments | n/a | n/a | | - | - | - | - | - | - | - | - | |
| Vacancy Loss - Commercial | n/a | n/a | | - | - | - | - | - | - | - | - | |
| EFFECTIVE GROSS INCOME | | | | 424,423 | 1,718,933 | 1,834,011 | 436,846 | 1,747,201 | 1,693,635 | 471,500 | 1,784,012 | |
| OPERATING EXPENSES | | | | | | | | | | | | |
| Management | | | | | | | | | | | | |
| Management Fee | 0.0% | 0.0% | fee waived by HOV for properties of 100 units or more | - | 56,180 | 56,180 | - | 56,180 | 56,180 | - | 56,180 | |
| Asset Management Fee | 3.0% | 3.0% | Prop HOV fee LOSP and TCAG with increase in per LPA | 17,718 | 18,175 | 23,800 | 18,247 | 18,660 | 24,007 | 18,724 | 20,264 | |
| Sub-total Management Expenses | | | | 17,718 | 74,355 | 80,980 | 18,247 | 74,847 | 80,197 | 18,724 | 76,444 | |
| Salaries/Benefits | | | | | | | | | | | | |
| Office Salaries | 3.0% | 3.5% | Manager's salary to increase to \$17,500 in 2017 due to compliance with local and state requirements | 11,666 | 80,836 | 82,823 | 72,075 | 80,119 | 84,183 | 72,497 | 83,643 | |
| Manager's Salary | 3.0% | 3.5% | | 12,837 | 51,900 | 54,733 | 18,287 | 59,717 | 63,003 | 19,743 | 65,949 | |
| Health Insurance and Other Benefits | 3.5% | 3.5% | | 10,779 | 48,577 | 54,356 | 11,156 | 45,102 | 51,284 | 11,547 | 46,881 | |
| Other Subcontractors | 3.5% | 3.5% | | 7,181 | 12,870 | 13,870 | 2,437 | 11,500 | 12,548 | 2,548 | 11,812 | |
| Administrative Rent-Other | 3.5% | 3.5% | | 12,078 | 12,078 | 12,078 | 12,078 | 12,078 | 12,078 | 12,078 | 12,078 | |
| Sub-total Salaries/Benefits | | | | 34,541 | 166,261 | 167,860 | 36,364 | 170,446 | 173,693 | 40,742 | 184,314 | |
| Administration | | | | | | | | | | | | |
| Advertising and Marketing | 3.0% | 3.5% | | 210 | 849 | 1,058 | 217 | 878 | 1,095 | 225 | 900 | |
| Office Expenses | 3.0% | 3.5% | | 8,062 | 24,208 | 30,588 | 6,274 | 25,664 | 31,628 | 6,493 | 28,292 | |
| Office Rent | 3.0% | 3.0% | | 1,243 | 5,428 | 6,771 | 1,243 | 5,428 | 6,771 | 1,243 | 5,428 | |
| Legal Expenses - Property | 3.0% | 3.0% | | 2,741 | 17,003 | 13,824 | 2,837 | 11,470 | 14,308 | 2,937 | 11,672 | |
| Audit Expenses | 3.0% | 3.0% | | 1,487 | 4,240 | 4,407 | 1,725 | 4,818 | 5,101 | 1,766 | 5,200 | |
| Bookkeeping/Accounting Services | 3.0% | 3.0% | | 639 | 3,303 | 4,232 | 600 | 3,111 | 4,340 | 609 | 3,634 | |
| Bad Debt | 3.0% | 3.0% | | 4,677 | 18,243 | 22,840 | 4,608 | 18,685 | 23,811 | 4,600 | 19,649 | |
| Miscellaneous | 3.0% | 3.0% | | 17,139 | 74,917 | 87,138 | 18,002 | 72,482 | 84,818 | 18,818 | 74,511 | |
| Sub-total Administration Expenses | | | | 27,199 | 108,281 | 129,869 | 27,199 | 108,281 | 129,869 | 27,199 | 108,281 | |
| Utilities | | | | | | | | | | | | |
| Electricity | 6.0% | 6.0% | | 12,953 | 52,888 | 65,219 | 12,600 | 54,684 | 68,585 | 12,250 | 57,213 | |
| Water | 6.0% | 6.0% | | 7,762 | 31,241 | 36,693 | 8,140 | 32,800 | 41,048 | 8,547 | 34,554 | |
| Gas | 6.0% | 6.0% | | 13,869 | 56,128 | 70,045 | 14,584 | 58,891 | 72,546 | 15,313 | 61,600 | |
| sewer | 6.0% | 6.0% | | 44,842 | 177,717 | 221,492 | 46,167 | 184,817 | 232,777 | 48,484 | 193,844 | |
| Sub-total Utilities | | | | 79,426 | 317,074 | 373,457 | 81,491 | 321,106 | 385,556 | 84,994 | 327,411 | |
| Taxes and Licenses | | | | | | | | | | | | |
| Real Estate Taxes | 3.5% | 3.5% | | 74 | 300 | 374 | 77 | 310 | 387 | 79 | 321 | |
| Payroll Taxes | 3.5% | 3.5% | | 4,439 | 17,645 | 22,384 | 4,604 | 18,513 | 21,187 | 4,755 | 19,223 | |
| Miscellaneous Taxes, Licenses and Permits | 3.5% | 3.5% | | 639 | 3,323 | 4,232 | 600 | 3,111 | 4,340 | 609 | 3,634 | |
| Sub-total Taxes and Licenses | | | | 5,152 | 21,268 | 27,090 | 5,371 | 22,934 | 27,914 | 5,733 | 23,178 | |
| Insurance | | | | | | | | | | | | |
| Property and Liability Insurance | 6.0% | 6.0% | but premium has been increasing at higher rate - 8.1%, replacement value reduced, increase to \$10k in 2017. | 26,002 | 108,336 | 135,158 | 28,410 | 114,658 | 143,208 | 30,115 | 121,749 | |
| Fidelity Bond Insurance | 3.5% | 3.5% | | 3,551 | 14,246 | 17,907 | 3,675 | 14,919 | 18,534 | 3,804 | 15,670 | |
| Workers Compensation | 3.5% | 3.5% | | 1,011 | 4,044 | 5,055 | 1,037 | 4,148 | 5,190 | 1,064 | 4,252 | |
| Director's & Officers' Liability Insurance | 3.5% | 3.5% | | 1,011 | 4,044 | 5,055 | 1,037 | 4,148 | 5,190 | 1,064 | 4,252 | |
| Sub-total Insurance | | | | 29,585 | 126,770 | 158,175 | 32,162 | 127,919 | 162,122 | 35,046 | 127,223 | |
| Maintenance & Repair | | | | | | | | | | | | |
| Paint | 3.5% | 3.5% | | 29,740 | 83,449 | 104,580 | 21,466 | 66,768 | 108,240 | 22,217 | 69,821 | |
| Supplies | 3.5% | 3.5% | | 8,062 | 24,208 | 30,588 | 8,267 | 25,024 | 31,628 | 8,493 | 28,292 | |
| Contractors | 3.5% | 3.5% | Maintenance at HOV in 2017 | 428 | 1,817 | 2,318 | 428 | 1,817 | 2,318 | 428 | 1,817 | |
| Garbage and Trash Removal | 3.5% | 3.5% | | 11,245 | 45,461 | 58,706 | 11,633 | 47,052 | 60,891 | 12,046 | 48,002 | |
| Security Patrol/Contract | 3.5% | 3.5% | | 18,954 | 74,649 | 94,603 | 19,573 | 77,262 | 97,934 | 20,548 | 79,665 | |
| HOV Repairs and Maintenance | 3.5% | 3.5% | | 224 | 905 | 1,128 | 232 | 918 | 1,168 | 240 | 930 | |
| Vehicle and Maintenance Equipment Operation and Repair | 3.5% | 3.5% | | 420 | 1,680 | 2,118 | 434 | 1,736 | 2,180 | 449 | 1,817 | |
| Miscellaneous Operating and Maintenance Expenses | 3.5% | 3.5% | | 242,719 | 315,118 | 391,834 | 249,817 | 314,817 | 392,718 | 258,973 | 329,340 | |
| Sub-total Maintenance & Repair Expenses | | | | 284,713 | 802,112 | 1,000,337 | 289,817 | 802,112 | 1,000,337 | 298,973 | 802,112 | |
| Supplies/Benefits | 3.5% | 3.5% | | 5,293 | 21,172 | 26,965 | 5,397 | 21,591 | 27,501 | 5,501 | 22,023 | |
| Commercial Expenses | - | - | | - | - | - | - | - | - | - | - | |
| TOTAL OPERATING EXPENSES w/o RESERVE/BASE RENT/BOND FEES | | | | 413,340 | 1,614,882 | 1,738,431 | 428,264 | 1,664,081 | 1,693,348 | 445,600 | 1,664,940 | |
| RESERVE/LEASE BASE RENT/BOND FEES | | | | | | | | | | | | |
| Reserve/Lease Base Rent/Bond Fee | - | - | | - | - | - | - | - | - | - | - | |
| Bond/Mortgage Fee | - | - | | - | - | - | - | - | - | - | - | |
| Replacement Reserve Deposit | 8.0% | 8.0% | | 8,084 | 34,925 | 43,878 | 8,084 | 34,925 | 43,878 | 8,084 | 34,925 | |
| Operating Reserve Deposit | 3.0% | 3.0% | | 12,634 | 50,520 | 63,150 | 12,634 | 50,520 | 63,150 | 12,634 | 50,520 | |
| Other Required Reserve 1 Deposit | - | - | | - | - | - | - | - | - | - | - | |
| Other Required Reserve 2 Deposit | - | - | | - | - | - | - | - | - | - | - | |
| Reserve/Lease Base Rent/Bond Fee | - | - | | - | - | - | - | - | - | - | - | |
| Sub-total Reserve/Lease Base Rent/Bond Fee | | | | 8,084 | 85,445 | 107,028 | 8,084 | 85,445 | 107,028 | 8,084 | 85,445 | |
| TOTAL OPERATING EXPENSES w/ RESERVE/BASE RENT/BOND FEES | | | | 421,424 | 1,700,327 | 1,845,459 | 436,348 | 1,749,526 | 1,800,376 | 453,684 | 1,750,385 | |
| NET OPERATING INCOME (MOHCD minus OPEX/RESERVE) | | | | | | | | | | | | |
| | | | | 42,423 | 1,718,933 | 1,834,011 | 436,846 | 1,747,201 | 1,693,635 | 471,500 | 1,784,012 | |
| DEBT SERVICE ("hard debt"/amortized loans) | | | | | | | | | | | | |
| Hard Debt - First Lender | - | - | Other comments re annual income etc. | - | - | - | - | - | - | - | - | |
| Hard Debt - Second Lender (HOV Program 0.4% profit, or other 2nd Lender) | - | - | Other comments re annual income etc. | 37,877 | 37,877 | 37,877 | 37,877 | 37,877 | 37,877 | 37,877 | 37,877 | |
| Hard Debt - Third Lender (Other HOV Program or other 3rd Lender) | - | - | Other comments re annual income etc. | - | - | - | - | - | - | - | - | |
| Hard Debt - Fourth Lender | - | - | Other comments re annual income etc. | - | - | - | - | - | - | - | - | |
| Commercial Hard Debt Service | - | - | Other comments re annual income etc. | - | - | - | - | - | - | - | - | |
| TOTAL HARD DEBT SERVICE | | | | 37,877 | 37,877 | 37,877 | 37,877 | 37,877 | 37,877 | 37,877 | 37,877 | |
| CASH FLOW (MOHCD minus DEBT SERVICE) | | | | | | | | | | | | |
| Commercial Only Cash Flow | - | - | | - | - | - | - | - | - | - | - | |
| Allocation of Commercial Surplus to LOSP/Non-LOSP (net of income) | - | - | | - | - | - | - | - | - | - | - | |
| AVAILABLE CASH FLOW | | | | 24,469 | 24,469 | 24,469 | 24,469 | 24,469 | 24,469 | 24,469 | 24,469 | |
| USES OF CASH FLOW BELOW (This row also shows DSCR) | | | | 24,469 | 24,469 | 24,469 | 24,469 | 24,469 | 24,469 | 24,469 | 24,469 | |
| USES THAT PRECEED MOHCD DEBT SERVICE IN WATERFALL | | | | | | | | | | | | |
| Replacement Reserve Deposit | 0.0% | 0.0% | per MOHCD policy | - | - | - | - | - | - | - | - | |
| Operating Reserve Deposit | 0.0% | 0.0% | per MOHCD policy | - | - | - | - | - | - | - | - | |
| Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits) | 0.0% | 0.0% | per MOHCD policy annual income | - | - | - | - | - | - | - | - | |
| Other Payments | - | - | | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | |
| Non-amortizing Loan Front - Lender 1 | - | - | Other comments re annual income etc. | - | - | - | - | - | - | - | - | |
| Non-amortizing Loan Front - Lender 2 | - | - | Other comments re annual income etc. | - | - | - | - | - | - | - | - | |
| Deferred Developer Fee (Enter and no Max Fee from row 131) (2% of 1) | - | - | | - | - | - | - | - | - | - | - | |
| TOTAL PAYMENTS PRECEDING MOHCD | | | | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | |
| RESIDUAL RECEIPTS (CASH FLOW) minus PAYMENTS PRECEDING MOHCD | | | | 42,423 | 1,718,933 | 1,834,011 | 436,846 | 1,747,201 | 1,693,635 | 471,500 | 1,784,012 | |
| Does Project have a MOHCD Residual Receipt Obligation? | Yes | No | | - | - | - | - | - | - | - | - | |
| Will Project Developer Fund? | Yes | No | | - | - | - | - | - | - | - | - | |
| Residual Receipts split for all years - Lender/Owner | 07%/93% | | | - | - | - | -</ | | | | | |

Armstrong Place

| Total # | JSP | | Non-LOSP | | Comments | Year 19 | | | Year 20 | | |
|--|--------|--------|--------------------|-------------------|---|------------------|------------------|------------------|----------------|------------------|------------------|
| | JSP | Units | JSP | Units | | LOSP | Non-LOSP | Total | LOSP | Non-LOSP | Total |
| 110 | 10.0% | 80.17% | % annual inc. LOSP | % annual increase | (related to annual fee assumption) | 2035 | 2035 | 2035 | 2036 | 2036 | 2036 |
| INCOME | | | | | | | | | | | |
| Residential - Tenant Rents | 1.0% | 2.5% | | | Historical projected HOV income in 2017 | 150,000 | 668,360 | 818,360 | 151,500 | 716,800 | 868,311 |
| Residential - Tenant Assistance Payments (Non-LOSP) | n/a | 3.5% | | | Waiting for HOV approval | - | 453,700 | 453,700 | - | 852,520 | 852,520 |
| Residential - LOSP Tenant Assistance Payments | n/a | 2.0% | | | | 448,248 | - | 448,248 | 448,000 | - | 448,000 |
| Commercial Space | n/a | 2.0% | | | | - | - | - | - | - | - |
| Residential Parking | 2.0% | 2.0% | | | | - | - | - | - | - | - |
| Miscellaneous Rent Income | 2.0% | 2.0% | | | | - | - | - | - | - | - |
| Supplemental Services Income | 2.0% | 2.0% | | | | - | - | - | - | - | - |
| Interest Income - Project Operations | 2.0% | 2.0% | | | | - | - | - | - | - | - |
| Landscaping and Vending | 2.5% | 2.5% | | | | 1,454 | 1,738 | 3,192 | 1,470 | 8,643 | 14,113 |
| Tenant Charges | 2.5% | 2.5% | | | | 761 | 3,079 | 3,840 | 760 | 3,153 | 3,913 |
| Miscellaneous Residential Income | 2.5% | 2.5% | | | | 971 | 2,907 | 3,878 | 963 | 2,865 | 3,828 |
| Other Commercial Income | n/a | 2.5% | | | | 2,025,252 | - | 2,025,252 | 2,025,252 | - | 2,025,252 |
| Withdrawal from Capitalized Reserve (opposed to spend for account) | n/a | n/a | | | LOA from Reserve Section below, as applicable | - | 67,877 | 67,877 | - | 67,877 | 67,877 |
| Withdrawal from Capitalized Reserve (opposed to spend for account) | n/a | n/a | | | Grass Potential Income | 598,018 | 1,651,202 | 2,249,220 | 418,418 | 1,647,718 | 2,266,163 |
| Vacancy Loss - Residential - Tenant Rents | n/a | n/a | | | Use fee formula manually per residential HOV policy, annual income will vary with occupancy | (7,500) | (24,917) | (32,417) | (7,575) | (25,790) | (33,365) |
| Vacancy Loss - Residential - Tenant Assistance Payments | n/a | n/a | | | | 51,153 | - | 51,153 | - | 82,828 | 142,879 |
| Vacancy Loss - Commercial | n/a | n/a | | | | - | - | - | - | - | - |
| EFFECTIVE GROSS INCOME | | | | | | 598,518 | 1,636,105 | 2,115,621 | 618,842 | 1,569,318 | 2,189,201 |
| OPERATING EXPENSES | | | | | | | | | | | |
| Management | | | | | | | | | | | |
| Management Fee | 0.0% | 0.0% | | | Fees are set by HOV for purposes of operating, reserves & lease allocation. Fees high for LOSP and TCOE units, increase to per LPA. | - | 56,160 | 56,160 | - | 56,160 | 56,160 |
| Asset Management Fee | 3.0% | 3.0% | | | | 29,114 | 21,104 | 50,218 | 29,900 | 21,727 | 45,645 |
| Sub-total Management Expenses | | | | | | 29,114 | 77,264 | 106,378 | 29,800 | 77,887 | 101,795 |
| Salaries/Benefits | | | | | | | | | | | |
| Office Salaries | 3.0% | 3.0% | | | Manager's salary to increase to \$17,000 in 2017 to be in compliance with local and state requirements | 15,000 | 56,500 | 84,500 | 16,457 | 71,022 | 87,480 |
| Manager's Salary | 3.5% | 3.5% | | | | 17,406 | 79,725 | 88,231 | 18,160 | 79,210 | 81,319 |
| Health Insurance and Other Benefits | 3.5% | 3.5% | | | | 14,000 | 50,261 | 74,661 | 15,203 | 61,470 | 78,675 |
| Other Salaries/Benefits | 3.5% | 3.5% | | | | 3,749 | 18,183 | 18,694 | 3,840 | 16,688 | 18,669 |
| Accretionary Rollover Unit | 3.5% | 3.5% | | | | 11,279 | 17,779 | 17,779 | 11,694 | 17,884 | 17,884 |
| Sub-total Salaries/Benefits | | | | | | 51,434 | 211,168 | 283,865 | 55,814 | 236,284 | 292,832 |
| Administration | | | | | | | | | | | |
| Advertising and Marketing | 3.5% | 3.5% | | | | 284 | 1,156 | 1,442 | 265 | 1,165 | 1,492 |
| Office Expenses | 3.5% | 3.5% | | | | 8,281 | 33,289 | 41,651 | 8,559 | 34,568 | 43,119 |
| Office Rent | 3.0% | 3.0% | | | | - | - | - | - | - | - |
| Legal Expenses - Property | 3.0% | 3.0% | | | | 1,830 | 7,255 | 9,228 | 1,864 | 7,637 | 9,551 |
| Audit Expenses | 3.0% | 3.0% | | | | 3,738 | 15,104 | 18,641 | 3,867 | 15,633 | 19,500 |
| Bookkeeping/Accounting Services | 3.0% | 3.0% | | | | 2,272 | 9,186 | 11,458 | 2,332 | 9,607 | 11,939 |
| Rent Data | 3.0% | 3.0% | | | | 1,144 | 4,642 | 5,786 | 1,164 | 4,761 | 5,993 |
| Miscellaneous | 3.5% | 3.5% | | | | 6,134 | 24,999 | 31,183 | 6,400 | 25,874 | 32,274 |
| Sub-total Administration Expenses | | | | | | 25,773 | 85,887 | 118,340 | 24,542 | 89,222 | 123,788 |
| Utilities | | | | | | | | | | | |
| Electricity | 5.0% | 5.0% | | | | 26,094 | 81,231 | 101,331 | 21,009 | 63,299 | 106,307 |
| Water | 6.0% | 6.0% | | | | 14,852 | 39,763 | 73,542 | 15,258 | 61,667 | 78,948 |
| Gas | 6.0% | 6.0% | | | | 12,008 | 49,611 | 82,647 | 12,621 | 51,652 | 85,671 |
| sewer | 6.0% | 6.0% | | | | 21,847 | 87,112 | 109,856 | 22,924 | 91,447 | 114,902 |
| Sub-total Utilities | | | | | | 74,799 | 257,717 | 343,916 | 71,800 | 276,505 | 381,114 |
| Taxes and Licenses | | | | | | | | | | | |
| Real Estate Taxes | 3.5% | 3.5% | | | | 101 | 408 | 509 | 105 | 423 | 527 |
| Payroll Taxes | 3.5% | 3.5% | | | | 6,949 | 24,677 | 36,607 | 6,961 | 23,973 | 35,974 |
| Miscellaneous Taxes, Licenses and Permits | 3.0% | 3.5% | | | | 1,144 | 4,642 | 5,786 | 1,164 | 4,761 | 5,993 |
| Sub-total Taxes and Licenses | | | | | | 7,194 | 29,499 | 36,784 | 7,549 | 30,152 | 38,071 |
| Insurance | | | | | | | | | | | |
| Property and Liability Insurance | 6.0% | 6.0% | | | Our premiums have been increasing at higher rate - 8-12%. Expectations will reduce reduced, but remain in line with 2017. | 45,281 | 163,006 | 228,347 | 47,003 | 164,000 | 242,048 |
| Fidelity Bond Insurance | 3.5% | 3.5% | | | | - | - | - | - | - | - |
| Workers Compensation/Health, Life, Disability, Accidents and Sickness Liability Insurance | 3.0% | 3.5% | | | | 4,840 | 19,566 | 24,405 | 5,009 | 20,261 | 26,269 |
| Director's & Officers' Liability Insurance | 3.0% | 3.5% | | | | 38,121 | 140,432 | 182,782 | 51,997 | 144,000 | 201,307 |
| Sub-total Insurance | | | | | | 88,242 | 282,994 | 355,534 | 104,012 | 288,261 | 369,624 |
| Maintenance & Repair | | | | | | | | | | | |
| Paint | 3.0% | 3.5% | | | | 28,208 | 114,277 | 142,544 | 29,258 | 118,277 | 147,533 |
| Supplies | 3.0% | 3.5% | | | | 12,123 | 48,012 | 61,136 | 12,547 | 50,728 | 63,775 |
| Cleaning | 3.0% | 3.5% | | | Challenging at 2017 in 2017 | 37,150 | 78,200 | 103,450 | 35,450 | 73,750 | 106,180 |
| Stamps and Trash Removal | 3.0% | 3.5% | | | | 15,200 | 61,921 | 77,281 | 15,692 | 61,921 | 78,600 |
| Security Patrol/Contract | 3.0% | 3.5% | | | | 261,614 | 105,729 | 363,353 | 270,770 | 103,000 | 378,070 |
| HOV Repairs and Maintenance | 3.0% | 3.5% | | | | - | - | - | - | - | - |
| Vehicle and Maintenance Equipment Operation and Repairs | 3.0% | 3.5% | | | | 809 | 1,243 | 1,538 | 316 | 1,279 | 1,592 |
| Miscellaneous Operating and Maintenance Expenses | 3.0% | 3.5% | | | | 972 | 2,212 | 2,884 | 902 | 2,303 | 2,985 |
| Sub-total Maintenance & Repair Expenses | | | | | | 355,708 | 456,442 | 612,167 | 397,763 | 473,831 | 640,924 |
| Supportive Services | | | | | | | | | | | |
| Commercial Expenses | 3.0% | 3.5% | | | | - | 76,262 | 76,262 | - | 78,000 | 78,000 |
| Sub-total Supportive Services | | | | | | - | 76,262 | 76,262 | - | 78,000 | 78,000 |
| TOTAL OPERATING EXPENSES w/o RESERVE/SQL BASE RENT/BOND FEES | | | | | | 579,832 | 1,444,346 | 2,023,918 | 601,938 | 1,591,810 | 2,193,918 |
| RESERVE/GROUND LEASE BASE RENT/BOND FEES | | | | | | | | | | | |
| Ground Lease Base Rent | | | | | | - | - | - | - | - | - |
| Bond Monitoring Fee | | | | | | - | - | - | - | - | - |
| Replacement Reserve Deposit | | | | | | 8,854 | 84,053 | 103,878 | 8,854 | 84,953 | 103,878 |
| Operating Reserve Deposit | | | | | | - | - | - | - | - | - |
| Other Required Reserve 1 Deposit | | | | | | - | - | - | - | - | - |
| Other Required Reserve 2 Deposit | | | | | | - | - | - | - | - | - |
| Reserve Reserve Deposit/Commercial | | | | | | - | - | - | - | - | - |
| Sub-total Reserve/Ground Lease Base Rent/Bond Fees | | | | | | 8,854 | 84,053 | 103,878 | 8,854 | 84,953 | 103,878 |
| TOTAL OPERATING EXPENSES w/ RESERVE/SQL BASE RENT/BOND FEES | | | | | | 588,686 | 1,528,401 | 2,127,797 | 610,792 | 1,676,763 | 2,297,797 |
| NET OPERATING INCOME (NON-LOSP minus OP EXPENSES) | | | | | | 1,047,819 | 1,107,704 | 987,824 | 958,526 | 892,555 | 891,404 |
| DEBT SERVICE ("hard debt"/mortgage loans) | | | | | | | | | | | |
| Hard Debt - First Lender | | | | | Other commercial loan interest, etc. | - | - | - | - | - | - |
| Hard Debt - Second Lender (HOV Program 0.42% pmt. on other 2nd Lender) | | | | | Other commercial loan interest, etc. | - | 37,977 | 37,977 | - | 37,977 | 37,977 |
| Hard Debt - Third Lender (Other HOV Program, on other 3rd Lender) | | | | | Other commercial loan interest, etc. | - | - | - | - | - | - |
| Hard Debt - Fourth Lender | | | | | Other commercial loan interest, etc. | - | - | - | - | - | - |
| Commercial Hard Debt Service | | | | | | - | - | - | - | - | - |
| TOTAL HARD DEBT SERVICE | | | | | | - | 37,977 | 37,977 | - | 37,977 | 37,977 |
| CASH FLOW (NON-LOSP DEBT SERVICE) | | | | | | | | | | | |
| Commercial Dry Cash Flow | | | | | | - | (51,313) | (51,313) | - | (65,174) | (65,174) |
| Allocation of Commercial Supply to LOSP/Non-LOSP (Initial Income) | | | | | | - | - | - | - | - | - |
| AVAILABLE CASH FLOW | | | | | | - | (51,313) | (51,313) | - | (65,174) | (65,174) |
| USES OF CASH FLOW BELOW (This row also shows DSCR) | | | | | | | | | | | |
| USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL | | | | | | | | | | | |
| Below-Debt Asses Mgt fee (uncommon in new projects, see policy) | 0.0% | 0.0% | | | See MOHCD policy | - | - | - | - | - | - |
| Partnership Management Fee (see policy for links) | 0.0% | 0.0% | | | | - | - | - | - | - | - |
| Investor Service Fee (See "1. Asset Mgt" fee Time policy for links) | | | | | | - | - | - | - | - | - |
| Other Payments | | | | | | - | 30,000 | 30,000 | - | 30,000 | 30,000 |
| Non-amortizing Loan Pmt - Lender 1 | | | | | Other commercial loan interest, etc. | - | - | - | - | - | - |
| Non-amortizing Loan Pmt - Lender 2 | | | | | Other commercial loan interest, etc. | - | - | - | - | - | - |
| Initial Development Fee (Enter and Amend Fee from row 131) - TCOE/LOSP | | | | | | - | - | - | - | - | - |
| TOTAL PAYMENTS PRECEDING MOHCD | | | | | | - | 30,000 | 30,000 | - | 30,000 | 30,000 |
| RESIDUAL RECEIPTS (CASH FLOW) minus PAYMENTS PRECEDING MOHCD | | | | | | 1,047,819 | 1,077,704 | 956,824 | 958,526 | 857,581 | 851,404 |
| Does Project have a MOHCD Residual Receipt Offset? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | | | | | | | | | |
| Will Project Developer Fee? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | | | | | | | | | |
| Residual Receipts split for years - Lender/Owner: 07%/93% | | | | | | | | | | | |
| MOHCD RESIDUAL RECEIPTS DEBT SERVICE | | | | | | | | | | | |
| MOHCD Residual Receipts Amount Due | 46.00% | | | | Allocation per pro rata share of all debt debt items, and MOHCD residual receipts policy. | - | - | - | - | - | - |
| Proposed MOHCD Residual Receipts Amount to Loan Repayment | | | | | | - | - | - | - | - | - |
| Proposed MOHCD Residual Receipts Amount to Residual Ground Lease | | | | | Proportional Total MOHCD Am. One Less Loan Repayment | - | - | - | - | - | - |
| NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE | | | | | | | | | | | |
| HOV Residual Receipts Amount Due | 54.00% | | | | Allocation per pro rata share of all debt debt. | - | - | - | - | - | - |
| Lender 4 Residual Receipts Due | 0.00% | | | | | - | - | - | - | - | - |
| Lender 5 Residual Receipts Due | 0.00% | | | | | - | - | - | - | - | - |
| Total Non-MOHCD Residual Receipts Debt Service | | | | | | - | - | - | - </ | | |

Attachment D: LOSP Funding Schedule A

LOSP FUNDING SCHEDULE

Project Address: Armstrong Place

Projected Start Date (must be on 1st of the month!): 1/1/2017

FOR REFERENCE ONLY

Exhibit A-2: LOSP Funding By Calendar Year

| | 1/1-6/30 | 7/1-12/31 | TOT | Total Months |
|-------|----------|-----------|-------|--------------|
| CY-0 | A | B | A+B | 12 |
| | 1/1-6/30 | 7/1-12/31 | TOT | Total Months |
| CY-1 | C | D | C+D | 12 |
| CY-2 | E | F | E+F | 12 |
| CY-3 | G | H | G+H | 12 |
| CY-4 | I | J | I+J | 12 |
| CY-5 | K | L | K+L | 12 |
| CY-6 | M | N | M+N | 12 |
| | | | | |
| CY-7 | O | P | O+P | 12 |
| CY-8 | Q | R | Q+R | 12 |
| CY-9 | S | T | S+T | 12 |
| CY-10 | U | V | U+V | 12 |
| CY-11 | W | X | W+X | 12 |
| CY-12 | Y | Z | Y+Z | 12 |
| CY-13 | AA | BB | AA+BB | 12 |
| CY-14 | CC | DD | CC+DD | 12 |
| CY-15 | EE | FF | EE+FF | 12 |
| | | | | 192 |


Exhibit A-2: LOSP Funding By Calendar Year

| | 1/1-6/30 | 7/1-12/31 | TOT | Total Months |
|------|--------------|--------------|-----------------------|--------------|
| 2017 | \$0.00 | \$16,415.11 | \$16,415.11 | 1.1 |
| | 1/1-6/30 | 7/1-12/31 | TOT | Total Months |
| 2018 | \$97,079.07 | \$97,079.07 | \$194,158.14 | 12 |
| 2019 | \$102,232.93 | \$102,232.93 | \$204,465.86 | 12 |
| 2020 | \$107,605.16 | \$107,605.16 | \$215,210.32 | 12 |
| 2021 | \$113,204.85 | \$113,204.85 | \$226,409.69 | 12 |
| 2022 | \$119,041.46 | \$119,041.46 | \$238,082.93 | 12 |
| 2023 | \$125,124.90 | \$125,124.90 | \$250,249.79 | 12 |
| | | | | |
| 2024 | \$131,465.46 | \$131,465.46 | \$262,930.91 | 12 |
| 2025 | \$138,073.90 | \$138,073.90 | \$276,147.81 | 12 |
| 2026 | \$144,961.47 | \$144,961.47 | \$289,922.93 | 12 |
| 2027 | \$152,139.86 | \$152,139.86 | \$304,279.73 | 12 |
| 2028 | \$159,621.33 | \$159,621.33 | \$319,242.65 | 12 |
| 2029 | \$167,418.62 | \$167,418.62 | \$334,837.24 | 12 |
| 2030 | \$175,545.08 | \$175,545.08 | \$351,090.16 | 12 |
| 2031 | \$184,014.62 | \$184,014.62 | \$368,029.24 | 12 |
| 2032 | \$192,841.76 | \$192,841.76 | \$385,683.53 | 12 |
| | | | \$4,237,156.04 | 181.1 |

OFFICE OF THE MAYOR
SAN FRANCISCO



EDWIN M. LEE

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: *for* Mayor Edwin M. Lee 
RE: Local Operating Subsidy Program Contract – 5600 Third Street – Not to Exceed \$4,237,156
DATE: May 9, 2017

Attached for introduction to the Board of Supervisors is a resolution authorizing the Director of the Mayor's Office of Housing and Community Development to execute a Local Operating Subsidy Program ("LOSP") Grant Agreement with Armstrong Place Associates, L.P., a California limited partnership, to provide operating subsidies for formerly homeless senior households at Armstrong Place, 5600 Third Street, for a fifteen-year and two month period, in an amount not to exceed \$4,237,156.

I respectfully request this item be heard in Budget & Finance Committee on May 25, 2017.

Should you have any questions, please contact Mawuli Tugbenyoh (415) 554-5168.

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
MAY -9 PM 2:37
AK

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

| | |
|---|--|
| City Elective Officer Information <i>(Please print clearly.)</i> | |
| Name of City elective officer(s): Members, Board of Supervisors | City elective office(s) held: Members, Board of Supervisors |

| | |
|---|---------------------------------|
| Contractor Information <i>(Please print clearly.)</i> | |
| Name of contractor: Armstrong Place Associates, L.P., a California limited partnership | |
| <p><i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i></p> <p>Armstrong Place Associates is a California limited partnership and does not have a board of directors or officers. Its managing GP, Site K, Inc. has the following directors and officers.</p> <p>Directors: Cynthia Parker D. Valentine Kimberly McKay Rebecca Hlebasko Susan Johnson</p> <p>Officers: President: Cynthia Parker CFO: D Valentine VP/Secretary: Susan Johnson VP: Kimberly McKay VP: Rebecca Hlebasko</p> | |
| Contractor address: Armstrong Place Associates, L.P., 600 California Street, Suite 900, San Francisco, CA 94108 | |
| Date that contract was approved: | Amount of contract: \$4,237,156 |
| Describe the nature of the contract that was approved: Local Operating Subsidy Program (LOSP) Grant Agreement for 15.2 years in a total amount of up to \$4,237,156 to subsidize the cost of operations of 23 units for homeless seniors at the 116-unit affordable housing development. | |
| Comments: | |

This contract was approved by (check applicable):

- the City elective officer(s) identified on this form (Mayor Edwin M. Lee)
- a board on which the City elective officer(s) serves: San Francisco Board of Supervisors

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

Print Name of Board

Filer Information *(Please print clearly.)*

| | |
|---|---|
| Name of filer: Angela Calvillo, Clerk of the Board | Contact telephone number: (415) 554-5184 |
| Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102 | E-mail: Board.of.Supervisors@sfgov.org |

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

Date Signed

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

Date Signed

