

File No. 140650

Committee Item No. 6

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

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight Date June 26, 2014

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

#### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Digest                           |
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| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Budget                                 |
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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement                           |
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Completed by: Alisa Miller Date June 20, 2014

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

1 [Local Operating Subsidy Program Contract - Mercy Housing California XLIV, LP -  
2 1180-4th Street - Not to Exceed \$10,254,142]

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 **Mercy Housing California XLIV, a California limited partnership, to provide operating**  
6 **subsidies for formerly homeless households at 1180-4th Street, for a fifteen-year**  
7 **period, in an amount not to exceed \$10,254,142.**

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

13 WHEREAS, In 2004, the City and County of San Francisco (City) published its "Ten  
14 Year Plan to End Chronic Homelessness," and established a goal of creating 3,000  
15 permanent affordable housing units for homeless households by 2014; and

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

23 WHEREAS, All supportive housing projects selected for capital funding by the  
24 Citywide Affordable Housing Loan Committee (Loan Committee) are eligible to receive  
25

1 LOSP funds; and

2 WHEREAS, the Board of Supervisors authorizes City funding for LOSP projects as  
3 part of the Annual Appropriation Ordinance; and

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

10 WHEREAS, Mercy Housing California XLIV, L.P., a California limited partnership  
11 (the Developer), is the owner and developer of a newly constructed affordable housing  
12 development located at 1180 4<sup>th</sup> Street (Project), which will provide 149 units of affordable  
13 family rental housing, of which 11 one-bedroom, 30 two-bedroom and 9 three-bedroom  
14 units will be occupied by formerly homeless households; and

15 WHEREAS, On March 21, 2014, the Loan Committee recommended approval to the  
16 Mayor of a LOSP grant award for the Project in an amount not to exceed \$10,254,142,  
17 which would be used to subsidize the operating costs for 50 of the Project units that are  
18 specifically designated for formerly homeless households; and

19 WHEREAS, MOHCD proposes to provide a LOSP grant in the amount not to exceed  
20 \$10,254,142 to the Developer pursuant to a LOSP Grant Agreement (the Agreement) in  
21 substantially the form on file with the Clerk of the Board in File No. 140650 and in such final  
22 form as approved by the Director of MOHCD and the City Attorney; and

23 WHEREAS, the Agreement is for a 15 year term, and therefore requires Board of

24 //

25 //

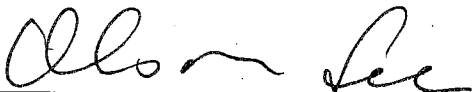
1 Supervisors authorization; now, therefore, be it

2 RESOLVED, That the Board of Supervisors hereby authorizes the Director of  
3 MOHCD or his designee to execute the Agreement for an amount not to exceed  
4 \$10,254,142; and, be it

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

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

16  
17 RECOMMENDED:

18 

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

GRANT AGREEMENT

between

CITY AND COUNTY OF SAN FRANCISCO

and

Mercy Housing California XLIV

For

1180 4<sup>th</sup> Street, San Francisco

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THIS GRANT AGREEMENT (this "**Agreement**") is made this \_\_\_\_\_ 2014, by and between Mercy Housing California, a California limited partnership ("**Grantee**"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("**City**") acting by and through the Mayor's Office of Housing and Community Development ("**MOHCD**").

**WITNESSETH:**

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

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

**WHEREAS**, the City's Board of Supervisors authorized execution of this Agreement on \_\_\_\_\_, 2014 pursuant to Resolution No. \_\_\_\_\_.

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

**ARTICLE 1  
DEFINITIONS**

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

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

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

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

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

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

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

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

**"Assisted Units"** means fifty (50) residential units at the Project, of which 11 shall be 1-bedroom units, 30 shall be 2-bedroom units, and 9 will be 3-bedroom units.

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

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

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

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

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

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

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

**"DPH"** means the San Francisco Department of Public Health.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**"MOHCD Loan Agreement"** means that certain Amended and Restated Tax Increment Loan Agreement, dated as of March 29, 2011, and as amended by that certain First Amendment to the City Tax Increment Loan Agreement and the Secured Promissory Note dated as of June 1, 2012, between MOHCD and Grantee with respect to a loan in an amount not to exceed \$39,131,442.

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

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

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

**"Opinion"** means an opinion of Grantee's California legal counsel, satisfactory to MOHCD and its legal counsel, that Grantee is a duly formed, validly existing limited partnership in good standing under the laws of the State of California, has the power and authority to enter into the Agreement and will be

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

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

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

**"Project"** means the one hundred and fifty (150) unit housing project commonly known as 1180 4<sup>th</sup> Street, which is located on the Real Property.

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

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

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

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

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

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

**"Senior Loan Documents"** means the following documents: Wells Fargo in the amount of \$31,698,707; California Community Reinvestment Corporation in the amount of \$1,780,000; and State of California Housing and Community Development in the amount of \$12,300,000.

**"Services Agreement"** means the Contract for Services dated \_\_\_\_\_ 2014, and between Tenant Services Contractor and HSA for the provision of services to LOSP Clients at the Project.

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

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



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

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

"**Tenant Services Contractor**" shall mean Episcopal Community Services, a California non-profit public benefit corporation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **ARTICLE 3 TERM**

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

### **ARTICLE 4 PERFORMANCE OF GRANT OBLIGATIONS**

#### **4.1 Lease of Assisted Units.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

If the Shortfall for a Calendar Year exceeds the Subsidy Payment made to Grantee for such Calendar Year, Grantee shall first use Subsidy Reserve Account funds, to the extent available, to pay the 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 Calendar 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 E** sets forth Grantee's anticipated Operating Costs, Project Income and Shortfall for the Term of the Agreement. Grantee shall pay Operating Costs in conformity with the approved Annual Operating Budget. MOHCD's prior written consent shall not be required before Grantee can spend funds on Operating Costs that differ in amount from the amounts in the Annual Operating Budget.

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

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

**4.7 [Intentionally Omitted]**

**4.8 Maintenance and Management of Project.**

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

(b) Grantee may contract with a management agent for the performance of the Maintenance Duties subject to MOHCD's prior written approval of both the management agent and the management contract, provided, however, that the arrangement will not relieve Grantee of responsibility for

performance of those duties. A management contract must contain a provision allowing Grantee to terminate the contract without penalty upon no more than thirty (30) days' notice.

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

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

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

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

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

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

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

**5.1 Maximum Amount of Grant Funds; Disbursement of Subsidy Payments.** In no event shall the total amount of Grant Funds disbursed hereunder exceed Ten Million Two Hundred Fifty Four Thousand One Hundred Forty Two and no/100 Dollars (\$10,254,142) (the "**Grant Amount**"). Subject to Grantee's performance of its obligations under this Agreement and MOHCD's receipt of sufficient funds, as further set forth in Article 2, the Grant Funds shall be disbursed through Subsidy Payments.

Provided that Grantee is in compliance with all of the conditions for receipt of the First Subsidy Payment, City shall deliver the First Subsidy Payment to Grantee within ten (10) business days immediately following the Effective Date. For every subsequent Fiscal Year during the Term, provided that Grantee is in compliance with all of the conditions for receipt of a Subsidy Payment, City shall deliver the Subsidy Payment for such Fiscal Year to Grantee within fifteen (15) business days immediately following the commencement of the applicable Fiscal Year.

**5.2 Subsidy Payment Amounts and Adjustments.**

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

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

**5.3 Use of Grant Funds.** Grantee shall use the Grant Funds only for 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 HSA to diligently pursue a cure of said default, which may or may not include Grantee directly providing the required services under the Services Agreement.

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

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

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

(b) Tenant Services Contractor shall be in compliance with all of its obligations under the Services Agreement, and no default, or event that with notice or the passage of time or both could constitute a default, shall exist and remain uncured under the Services Agreement; provided however that disbursement of any Subsequent Subsidy Payment shall not be withheld due to an uncured default under

the Services Agreement if at the time of expected disbursement, Grantee provides City with sufficient evidence that it is cooperating in good faith with the City and HSA to diligently pursue a cure of said default, which may or may not include Grantee directly providing the required services under the Services Agreement.

(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 Shortfall, City and Grantee have agreed that the parties shall allocate thirty-four percent (34%) of the total Operating Costs to the Assisted Units ("Assisted Units Operating Costs") and sixty-six percent (66%) of the total Operating Costs to the non-Assisted Units. Exhibit E shows this allocation of Operating Costs between the Assisted and non-Assisted Units based on projected Operating Costs for the first year of the Project's operation.

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

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

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

Such Annual Monitoring Report shall include a list of the Assisted Units Operating Costs paid by Grantee during such applicable prior Calendar Year and Grantee's certifications that (a) the total Grant Funds received by Grantee as of the end date of the applicable Calendar Year have been used only to pay 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 Calendar Year, (c) there is no Event of Default by Grantee as of the end date of the applicable Calendar Year, and (d) the party signing the Annual Monitoring Report is an officer of Grantee authorized to do so on Grantee's behalf.

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

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



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

**6.5 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 12O requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found.

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

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

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

(d) Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 12O of the San Francisco Administrative Code.

## **ARTICLE 8**

## REPRESENTATIONS AND WARRANTIES

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

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

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

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

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

**8.5 [Intentionally Omitted]**

## ARTICLE 9 INDEMNIFICATION AND GENERAL LIABILITY

**9.1 Indemnification.** Grantee shall indemnify, protect, defend and hold harmless each of the Indemnified Parties from and against any and all Losses arising from, in connection with or caused by: (a) a material breach of this Agreement by Grantee; (b) a material breach of any representation or warranty of Grantee contained in this Agreement; (c) any personal injury caused, directly or indirectly, by any act or omission of Grantee or its employees, subgrantees or agents; (d) any property damage caused, directly or indirectly by any act or omission of Grantee or its employees, subgrantees or agents; (e) the use, misuse or failure of any equipment or facility used by Grantee, or by any of its employees, subgrantees or agents, regardless of whether such equipment or facility is furnished, rented or loaned to Grantee by an Indemnified Party; (f) any tax, fee, assessment or other charge for which Grantee is responsible under Article 7; or (g) any infringement of patent rights, copyright, trade secret or any other proprietary right or trademark of any person or entity in consequence of the use by any Indemnified Party of any goods or services furnished to such Indemnified Party in connection with this Agreement. Grantee's obligations under the immediately preceding sentence shall apply to any Loss that is caused in whole or in part by the active or passive negligence of any Indemnified Party, but shall exclude any Loss caused solely by the willful misconduct or gross negligence of the Indemnified Party. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigating any claims against the City.

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

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

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

## **ARTICLE 10 INSURANCE**

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

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

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

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

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

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

(a) Name as additional insured City and its officers, agents and employees. With respect to the Commercial Automobile Insurance the City and its officers, agents and employees shall only be additional insured as to liability arising out of the use, by Mercy 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 can not be cured in ten (10) days, then City shall not exercise its remedies hereunder as long as Grantee continues to diligently pursue a cure of the breach; provided, however, that: (i) in the case of an improper use of Grant Funds, in no event shall such cure period extend beyond thirty (30) days after the date on which such performance or observance is due, and (ii) in the case of other defaults under this Section 11.1(b), in no event shall such cure period extend beyond ninety (90) days after the date on which such performance or observance is due.

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

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

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

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

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

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

(i) **Assignment.** Without MOHCD's prior written consent, Grantee assigns or attempts to assign any rights or interest under this Agreement or encumber its interests hereunder, whether

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

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

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

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

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

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

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

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

(d) **Return of Grant Funds.** City may demand the immediate return of any previously disbursed Grant Funds that have been claimed or expended by Grantee in breach of the terms of this

Agreement, together with interest thereon from the date of disbursement at the maximum rate permitted under applicable law.

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

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

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

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

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

## **ARTICLE 13 ASSIGNMENTS AND SUBCONTRACTING**

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

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

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



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

## **ARTICLE 14 INDEPENDENT CONTRACTOR STATUS**

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

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

### **14.3 Consequences of Recharacterization.**

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

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

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

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

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

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

If to Grantee:

\_\_\_\_\_  
\_\_\_\_\_  
San Francisco, CA 94102  
Attention: Executive Director

With a copy to:

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

With a copy to:

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

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

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

## ARTICLE 16 COMPLIANCE

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

**16.2 Nondiscrimination; Penalties.**

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

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

(c) **Non-Discrimination in Benefits.** Grantee does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco or where the work is

being performed for the City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

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

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

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

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

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

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

**16.7 Compliance with ADA.** Grantee acknowledges that, pursuant to the ADA, programs, services and other activities provided by a public entity to the public, whether directly or through a grantee or contractor, must be accessible to the disabled public. Grantee shall not discriminate against any person protected under the ADA in connection with its activities hereunder and shall comply at all times with the provisions of the ADA.

**16.8 Requiring Minimum Compensation for Employees.**

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

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

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

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

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

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

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

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

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

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

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

➔ **The requirements of Chapter 83 apply to: (a) entry level positions for work performed by a contractor in the City; (b) entry level positions for work performed on the contract in Alameda, San Francisco or San Mateo counties; (c) entry level positions for work performed on the contract on property owned by the City; and (d) entry level positions for work done under a permit authorization on a development project in the City. If the contract amount is more than \$50,000, then you must call the First Source Hiring Administrator (401-4960) to review whether Chapter 83 will apply to the contract. If it does, then insert §16.10. If the First Source Hiring Administrator grants a waiver, then §16.10 should read "Left blank by agreement of the parties."**

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

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

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

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

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

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

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

(6) Set the term of the requirements.

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

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

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

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

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

**e. Liquidated Damages.** Contractor agrees:

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

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

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

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

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

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

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

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

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

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

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

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

**16.12 Preservative-treated Wood Containing Arsenic.** Grantee may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Grantee may



purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Grantee from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

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

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

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

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

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

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

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

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

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

Information authorized by a Contracting Department shall be in accordance with any conditions or restrictions stated in the approval.

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

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

**16.15 Public Access to Meetings and Records.** If the Grantee receives a cumulative total per year of at least \$250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, the Grantee shall comply with and be bound by all the applicable provisions of that Chapter. By executing this Agreement, the Grantee agrees to open its meetings and records to the public in the manner set forth in Sections 12L.4 and 12L.5 of the Administrative Code. The Grantee further agrees to make good-faith efforts to promote community membership on its Board of Directors in the manner set forth in Section 12L.6 of the Administrative Code. The Grantee acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Agreement. The Grantee further acknowledges that such material breach of the Agreement shall be grounds for the City to terminate and/or not renew the Agreement, partially or in its entirety.

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

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

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

**16.17 Food Service Waste Reduction Requirements.** Grantee agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San

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

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

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

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

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

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

### **ARTICLE 17 MISCELLANEOUS**

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

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

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

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

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

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

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

**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.

\_\_\_\_\_,  
a California limited partnership

By: \_\_\_\_\_,  
a California limited liability company, its  
General Partner

By: \_\_\_\_\_,  
a California nonprofit public  
benefit corporation, its Sole  
Member/Manager

Name: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_,  
a California nonprofit public benefit  
corporation, its General Partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

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

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

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

**Exhibit B - LOSP Client Selection Criteria**



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

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

Lot 14, Block 8711, as shown on that certain Tract Map No. 3936, filed February 22, 2006, in Book BB of Maps, Pages 54-58, inclusive, in the office of Recorder of the City and County of San Francisco, State of California, as such map was corrected pursuant to Certificate of Correction recorded October 12, 2006, Reel J244, Image 295, in the office of such Recorder.

APN: Lot 014, Block 8711

**Exhibit D – Form of Referral Report**

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

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

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

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

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

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

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

[NAME OF GRANTEE]:

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

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

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

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

**EXHIBIT G – ANNUAL MONITORING REPORT**

**EXHIBIT H**  
**Tenant Selection Plan Policy**

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

**Application Process**

- **Application Materials.** The housing provider's written and/or electronic application materials should:
  - outline the screening criteria that the housing provider will use;
  - provide space(s) for the applicant to explain any conviction, eviction, tenancy issues or credit concerns and present evidence that he or she will be a suitable tenant;
  - outline how an applicant may request a modification of the admission process and/or a change in admission policies or practices as a reasonable accommodation;
  - be written in language that is clear and readily understandable.
- **First Interview.** In accordance with the housing provider policies, each applicant with the minimum eligibility requirements for housing unit shall be offered the opportunity for an interview.
- **Second Interview.** Before issuing a denial, the housing provider should consider offering a second interview to resolve issues and inconsistencies, gather additional information, and assist as much as possible with a determination to admit the applicant.
- **Confidentiality.** All information provided will be kept confidential and be used only by the housing provider, the referring agency and the funding agency for the purpose of assisting and evaluating the applicant in the admission process.
- **Delays in the Process.** If delays have occurred or are likely to occur in the application and screening process or the process exceeds the housing provider's normal timeline for application and screening, the housing provider must immediately inform the referring agency and the funding agency, of the status of the application, the reason for the delay and the anticipated time it will take to complete the application process.
- **Problems with the Referring Agency.** If at any point the housing provider has difficulty reaching or getting a response from the applicant and referring agency, the housing provider must immediately contact the referring agency, if possible, and the funding agency, DPH or HSA.

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

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

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

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

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

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

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

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

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

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

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

- The housing provider shall:
  - promptly send a written and electronic notice (to the addresses provided) to each applicant denied admission with a written and/or electronic copy to the referring agency and the funding agency. The notice should:

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agreement date

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

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



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

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

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

**Screening Criteria**

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

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<sup>3</sup> The policy recognizes that some housing may be subject to mandatory laws that require the exclusion of an applicant based upon certain types of criminal activity.

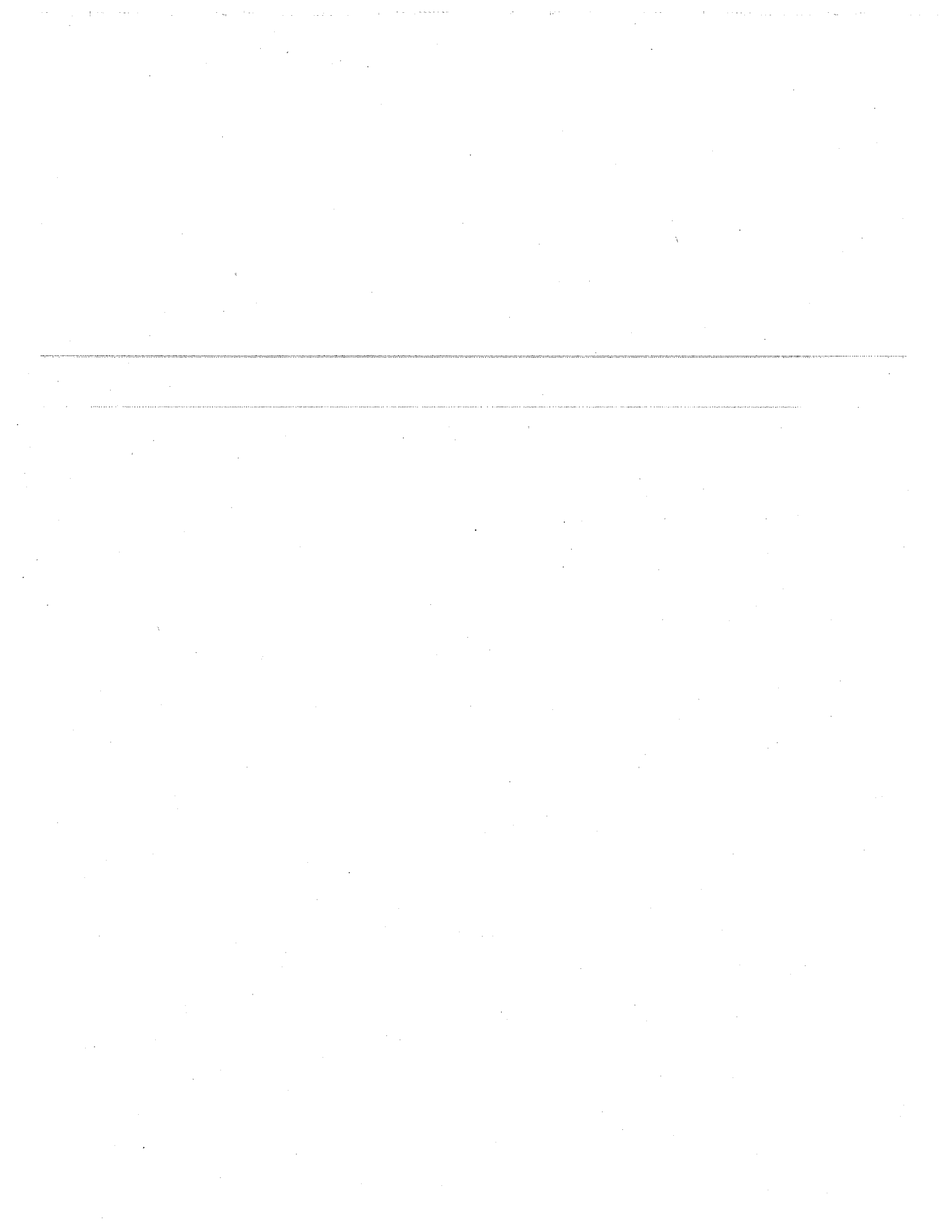
<sup>4</sup> The purpose of the statute is allow a petitioner to request a dismissal of the criminal accusations, a change in plea or setting aside of a verdict and to seek to have certain criminal records sealed or expunged and a release “from all penalties and disabilities resulting from the offense.”

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

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

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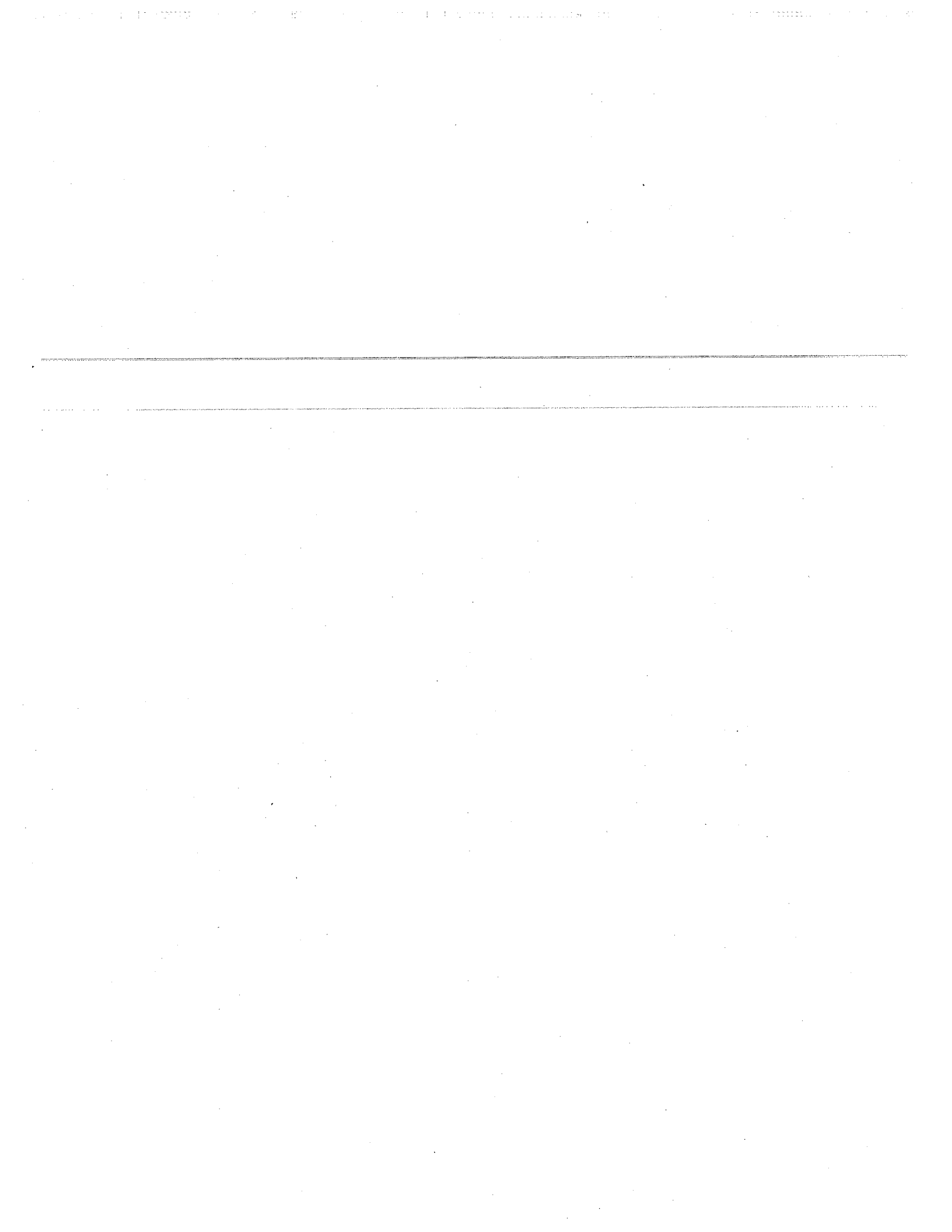
**1180 4th Street Family Housing**  
**8/1/2014**

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

	n/a	8/1-12/31	TOT	Total Months
2014	\$0.00	\$222,351.56	\$222,351.56	5
	1/1-6/30	7/1-12/31	TOT	Total Months
2015	\$275,220.74	\$275,220.74	\$550,441.47	12
2016	\$283,956.19	\$283,956.19	\$567,912.37	12
2017	\$292,989.47	\$292,989.47	\$585,978.94	12
2018	\$302,330.40	\$302,330.40	\$604,660.79	12
2019	\$311,989.64	\$311,989.64	\$623,979.27	12
2020	\$321,977.80	\$321,977.80	\$643,955.61	12
2021	\$332,305.89	\$332,305.89	\$664,611.77	12
2022	\$342,985.42	\$342,985.42	\$685,970.84	12
2023	\$354,028.33	\$354,028.33	\$708,056.67	12
2024	\$365,446.75	\$365,446.75	\$730,893.50	12
2025	\$377,253.51	\$377,253.51	\$754,507.02	12
2026	\$389,461.65	\$389,461.65	\$778,923.30	12
2027	\$402,084.58	\$402,084.58	\$804,169.17	12
2028	\$415,136.36	\$415,136.36	\$830,272.71	12
	1/1-6/30	7/1-7/31		
2028	\$426,391.64	\$71,065.27	\$497,456.91	7
			\$10,254,141.92	180

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

		n/a	TOT	Total Months
n/a		\$0.00	\$0.00	0
sent to sponsor btwn 7/1 & 9/1	8/1-12/31	1/1-6/30	TOT	Total Months
2014-15	\$222,351.56	\$275,220.74	\$497,572.29	11
		7/1-12/31		
2015-16	\$275,220.74	\$283,956.19	\$559,176.92	12
2016-17	\$283,956.19	\$292,989.47	\$576,945.65	12
2017-18	\$292,989.47	\$302,330.40	\$595,319.87	12
2018-19	\$302,330.40	\$311,989.64	\$614,320.03	12
2019-20	\$311,989.64	\$321,977.80	\$633,967.44	12
2020-21	\$321,977.80	\$332,305.89	\$654,283.69	12
2021-22	\$332,305.89	\$342,985.42	\$675,291.31	12
2022-23	\$342,985.42	\$354,028.33	\$697,013.75	12
2023-24	\$354,028.33	\$365,446.75	\$719,475.09	12
2024-25	\$365,446.75	\$377,253.51	\$742,700.26	12
2025-26	\$377,253.51	\$389,461.65	\$766,715.16	12
2026-27	\$389,461.65	\$402,084.58	\$791,546.24	12
2027-28	\$402,084.58	\$415,136.36	\$817,220.94	12
	7/1-12/31	1/1-6/30		
2028-29	\$415,136.36	\$426,391.64	\$841,528.00	12
	7/1-7/31			
2029-30	\$71,065.27		\$71,065.27	1
			\$10,254,141.92	180



## **Exhibit B - LOSP Client Selection Criteria**





MERCY MANAGEMENT GROUP

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# 1180 4th Street Family Housing

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Resident Selection Criteria

4-30-14

**1180 4th Street Family Housing  
RESIDENT SELECTION CRITERIA**

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**1180 4<sup>th</sup> Street Family Housing  
RESIDENT SELECTION CRITERIA**

**PROJECT DESCRIPTION AND INTRODUCTION**

1180 4<sup>th</sup> Street Family Housing is a new, **non smoking**, 150-unit apartment building located at the corner of Channel Street and 4<sup>th</sup> Street in San Francisco, California. There are 1, 2 & 3 bedroom apartments of which 99 will serve the general population. **DEADLINE FOR APPLICATIONS IS March 5, 2014.** Applications may be delivered in person or mailed to Mercy Housing's Mission Creek Senior Community located at 225 Berry Street, San Francisco, CA 94158. All applications mailed must be postmarked no later than March 5, 2014. 99 units will be available via a lottery drawing no later than March 12, 2014. The remaining 50 units will be referred directly by the San Francisco Human Services Agency (SFHSA) designated for applicant families referred by SFHSA. There is one apartment set aside for onsite property management staff. Priority will be given to former San Francisco Redevelopment Agency now Office of Community Investment and Infrastructure (OCII) Certificate of Preference holders. Certificate of Preference holders are primarily households displaced by former Redevelopment Agency action in Redevelopment Project Areas during 1960's and 1970's but may also include other persons displaced by Redevelopment Agency action. San Francisco Mayor's Office of Housing and Community Development (MOHCD) has established a Certificate Hotline: 415-701-5613. The project is owned by Mercy Housing XLIV, a California Limited Partnership. Mercy Housing Management Group (MHMG) is the managing agent. Episcopal Community Services has been designated as the onsite service provider. Mercy Housing California will coordinate resident services for the families living at the property.

The development includes:

- 150 apartments-11 Townhomes, 2 Three bedroom units designated as family based day care units, 41 1-bedrooms (652s.f.), 46 2-bedrooms (908s.f.) & 49 3-bedrooms (1,239 s.f.) and a managers unit
- Community room and kitchen, computer room, youth room, and exercise room, main lobby
- Bike storage room
- Landscaped outdoor space with BBQ area, ping pong, outdoor movie and community garden area
- Two central laundry facilities
- Professional Site Management – Mercy Housing Management Group
- Located in the Mission Bay South neighborhood, close to services and employment centers, accessible to public transportation via CAL TRAIN and MUNI
- Phone, Cable, Satellite hook ups available in units
- Two family day care units on site
- Limited onsite parking
- Car Share
- Nearby farmers market, grocery stores, library, ATT Ballpark, playgrounds and parks.
- Fourth Street retail corridor.
- The neighborhood in 2014 and 2015 will still be under construction expect construction noise.

## **SECTION 504 AND FAIR HOUSING**

Policies to Comply with Section 504 of the Rehabilitation Act of 1973 (and REASONABLE ACCOMMODATION/MODIFICATION), the Fair Housing Amendments Act of 1988 and Title VI of the Civil Rights Act of 1964, AND EQUAL ACCESS TO HOUSING IN FEDERALLY-ASSISTED PROGRAMS:

Section 504 prohibits discrimination based upon disability in all programs or activities operated by recipients of federal financial assistance. Although Section 504 often overlaps with the disability discrimination prohibitions of the Fair Housing Act, it differs in that it also imposes broader affirmative obligations on owners to make their programs as a whole, accessible to persons with disabilities. These obligations include the following:

1. Making and paying for reasonable structural modifications to units and/or common areas that are needed by applicants and tenants with disabilities, unless these modifications would change the fundamental nature of the project or result in undue financial and administrative burdens;
2. Operating housing that is not segregated based upon disability or type of disability, unless authorized by federal statute or executive order;
3. Providing auxiliary aids and services necessary for effective communication with persons with disabilities;
4. Developing a transition plan to ensure that structural changes are properly implemented to meet program accessibility requirements (for properties built before June 1988); and
5. Performing a self-evaluation of the owner's program and policies to ensure that they do not discriminate based on disability;
6. Operating their programs in the most integrated setting appropriate to the needs of qualified individuals with disabilities;
7. Allowing a larger apartment to accommodate a Live-In Aide (Aides must pass the same criminal criteria as a new move-in would).

Furthermore, the Section 504 regulations establish affirmative accessibility requirements for newly constructed or rehabilitated housing, including providing a minimum percentage of accessible units. In order for a unit to be considered accessible, it must meet the requirements of the Uniform Federal Accessibility Standards (UFAS). Priority will be given to those applicants requesting accessibility features and demonstrating need for such features.

1. Ten (10) Units have been designed specifically for individuals with a physical impairment:
  - a. For this development, "physical impairment" is defined as mobility impairment which necessitates the permanent use of a wheelchair. For all units designed specifically for wheelchair accessibility, priority will be given to those applicants needing such modifications;
  - b. Priority will be given to households where a member is required to use a wheelchair;
  - c. If there are not enough such households to fill all specially equipped units, owners may give preference to households with members whose physical or mobility impairment would be eased by the design of the accessible unit.

2. Three (3) units have been designed for individuals with hearing and sight impairments.

The Fair Housing Act prohibits discrimination in housing and housing-related transactions based on race, color, religion, sex, national origin, disability and familial status. It applies to housing, regardless of the presence of federal financial assistance.

Title VI of the Civil Rights Acts of 1964 prohibits discrimination on the basis of race, color or national origin in any program or activity receiving federal financial assistance from HUD.

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~~Protections Provided Based on Sexual Orientation, Gender Identity or Marital Status: Equal Access to Housing in HUD Programs – Regardless of Sexual Orientation or Gender Identity -~~  
The Owner/Agent will comply with the requirements established in the Final Rule which ensures that HUD's core housing programs are open to all eligible persons regardless of sexual orientation, gender identity or marital status in any phase of the occupancy process.

Persons with disabilities have the right to request reasonable accommodations and to participate in the informal hearing process. The 504 Coordinator for Mercy Housing is: Melanie Kibble, 303-830-3300; TTY number 1-800-855-2880.

#### VIOLENCE AGAINST WOMEN AND JUSTICE DEPARTMENT REAUTHORIZATION ACT OF 2005 (VAWA), AND VAWA 2013:

A. The VAWA protections apply to families applying for or receiving rental assistance payments under HUD programs and other affordable programs. The law protects victims of domestic violence, dating violence or stalking or sexual assault, as well as their immediate family members generally, from being evicted or being denied housing assistance if an incident of violence [that] is reported and confirmed. The VAWA also provides that an incident of actual or threatened domestic violence, dating violence or stalking does not qualify as a serious or repeated violation of the lease nor does it constitute good cause for terminating the assistance, tenancy, or occupancy rights of the victim. Furthermore, criminal activity directly relating to domestic violence, dating violence or stalking or sexual assault is not grounds for terminating the victim's tenancy. Owner/Agents (O/A) may bifurcate (divide a lease as a matter of law) in order to evict, remove, or terminate the assistance of the offender while allowing the victim, who is a tenant or lawful occupant, to remain in the unit.

B. Definitions – The following definitions are provided as assistance in understanding and implementing the VAWA protections. The definitions for domestic violence, dating violence, stalking and immediate family member have been incorporated into the United States Housing Act.

Domestic Violence includes felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabited with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the

jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.

Dating Violence means violence committed by a person: (A) who is or has been in a social relationship of a romantic or intimate nature with the victim, and (B) where the existence of such a relationship shall be determined based on a consideration of the following factors: (i) the length of the relationship; (ii) the type of relationship; and (iii) the frequency of interaction between the persons involved in the relationship.

Stalking means (A)(i) to follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate; or (ii) to place under surveillance with the intent to kill, injure, harass, or intimidate another person; and (B) in the course of, or as a result of, such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to (i) that person; (ii) a member of the immediate family of that person; or (iii) the spouse or intimate partner of that person.

Immediate Family Member means, with respect to a person: (a) a spouse, parent, brother or sister, or child of the person, or an individual to whom that person stands in loco parentis (in place of a parent); or (B) any other person living in the household of that person and related to that person by blood or marriage.

Bifurcate means to divide a lease as a matter of law so that certain tenants can be evicted or removed while the remaining family members' lease and occupancy rights are allowed to remain intact.

C. Protections for Victims of Domestic Violence, Dating Violence or Stalking or Sexual Assault - The law offers the following protections against eviction or denial of housing based on domestic violence, dating violence or stalking:

1. An applicant's or program participant's status as a victim of domestic violence, dating violence or stalking or sexual assault is not a basis for denial of rental assistance or for denial of admission, if the applicant otherwise qualifies for assistance or admission.
2. An incident or incidents of actual or threatened domestic violence, dating violence or stalking or sexual assault will not be construed as serious or repeated violations of the lease or other "good cause" for terminating the assistance, tenancy, or occupancy rights of a victim of abuse.
3. Criminal activity directly related to domestic violence, dating violence or stalking or sexual assault, engaged in by a member of a tenant's household or any guest or other person under the tenant's control, shall not be cause for termination of assistance, tenancy, or occupancy rights of the victim of the criminal acts.
4. Assistance may be terminated or a lease "bifurcated" in order to remove an offending household member from the home. Whether or not the individual is a signatory to the lease and

lawful tenant, if he/she engages in a criminal act of physical violence against family members or others, he/she stands to be evicted, removed, or have his/her occupancy rights terminated. This action is taken while allowing the victim, who is a tenant or a lawful occupant, to remain.

5. The provisions protecting victims of domestic violence, dating violence or stalking or sexual assault engaged in by a member of the household, may not be construed to limit the O/A, when notified, from honoring various court orders issued to either protect the victim or address the distribution of property in case a family breaks up.

6. The authority to evict or terminate assistance is not limited with respect to a victim that commits unrelated criminal activity. Furthermore, if an O/A can show an actual and imminent threat to other tenants or those employed at or providing service to the property if an unlawful tenant's residency is not terminated, then evicting a victim is an option, the VAWA notwithstanding. Ultimately, O/As may not subject victims to more demanding standards than other tenants.

7. The VAWA protections shall not supersede any provision of any federal, state, or local law that provides greater protection for victims of domestic violence, dating violence or stalking or sexual assault. The laws offering greater protection are applied in instances of domestic violence, dating violence or stalking or sexual assault.

D. Certification and Confidentiality – O/As responding to an incident of actual or threatened domestic violence, dating violence or stalking or sexual assault that could potentially have an impact on a tenant's participation in the housing program may request in writing that an individual complete, sign, and submit within fourteen (14) business days of the request, the HUD-approved certification form (HUD-91066).

Alternately, in lieu of the certification form or in addition to it, O/As may accept a) a federal, state, tribal, territorial, or local police record or court record or b) documentation signed and attested to by a professional (employee, agent or volunteer of a victim service provider, an attorney, medical personnel, etc.) from whom the victim has sought assistance in addressing domestic violence, dating violence or stalking or sexual assault or the effects of the abuse. The signatory attests to his/her belief that the incident in question represents bona fide abuse, and the victim of domestic violence, dating violence or stalking or sexual assault has signed or attested to the documentation.

E. Tenants Rights and Responsibilities – Tenants and family members of tenants who are victims of domestic violence, dating violence or stalking are protected by the VAWA from being evicted or from housing assistance being terminated because of the acts of violence against them.

If requested, tenants are required to submit to the O/A a completed Certification of Domestic Violence, Dating Violence or Stalking, Form HUD-91066, or other supporting documentation as described in D., above, within fourteen (14) business days of the O/A's request, or any extension of that date provided by the O/A. If the certification or other supporting documentation is not provided within the specified timeframe, the landlord may begin eviction proceedings.

If the tenant has sought assistance in addressing domestic violence, dating violence or stalking from a federal, state, tribal, territorial jurisdiction, local police or court, the tenant may submit written proof of this outreach.

It is possible for someone lawfully occupying the unit, who is also a victim, to be evicted or removed from the home. If the victim commits separate criminal activity, a landlord may evict them for engaging in crime. Furthermore, if a victim poses “an actual and imminent threat to other tenants or those employed at or providing service to the property,” they could be evicted, despite the VAWA. Of paramount consideration within the VAWA is that the landlord may not hold the victim to a more demanding standard than other tenants.

**OCCUPANCY STANDARDS**

**Units will be occupied in accordance with the following standards:**

**General Population units only:**

<u>Unit Size</u>	<u>Minimum Household Size</u>	<u>Maximum Household Size</u>
1 Bedroom	1 person	3 persons
2 Bedroom	2 persons	5 persons
3 Bedroom	4 persons	7 persons

**SFHSA LOSP units only:**

<u>Unit Size</u>	<u>Minimum Household Size</u>	<u>Maximum Household Size</u>
1 Bedroom	2 person	3 persons
2 Bedroom	3 persons	5 persons
3 Bedroom	5 persons	7 persons

1. The head of household must be eighteen years of age or older, or be an emancipated minor.
2. Households under minimum or over maximum standard for occupancy are required to transfer to the next available unit of appropriate size.
3. Spouses and/or domestic partners must share a bedroom, unless a medical necessity verified by a physician is warranted.
4. Persons of different generations, persons of the opposite sex (other than spouses or co-heads), and unrelated adults (except same-sex domestic partners) may have a separate bedroom, within the limitations of the minimum occupancy standards outlined above.
5. Foster children will be considered in determining unit size upon third-party verification of placement in the family only if they will be in the unit for more than a month. Families with foster children are subject to the same minimum/maximum occupancy as families without foster children. A family may not be able to accept a foster care placement if the foster agency requires the child to have its own bedroom and as a result the family would exceed the minimum/maximum occupancy standards described above.
6. Live-in aides will be provided a separate bedroom, if the presence of an overnight live-in-aide is medically necessary. No additional bedrooms are provided for the attendant's family. A maximum of one bedroom per family will be allocated for live-in aides, even



- if the family has more than one aide.
7. A single pregnant woman with no other family members shall be treated as two-person family (eligible for a one bedroom unit)
  8. Full-time students who live away from home more than half the year are not included in household size for the purpose of determining occupancy standards. Space will not be provided for a family member, other than a spouse, who will be absent most of the time, such as a member who is away in the military.
  9. Children under the age of 18 of the same sex will be allotted 1 (one) bedroom unless it is medically necessary that they require a two bedroom within the limitations of the minimum occupancy standards outlined above.
  10. Children under the age of 18 of opposite sex may have separate bedrooms within the limitations of the minimum occupancy standards outlined above.

### **ELIGIBILITY:**

#### **All units:**

All applicants will be fully screened before being selected for residency. The screening focuses on rental history and eligibility criteria. Applicants will not be considered to have a poor history of tenancy when records show minor lease violations, or criminal offenses which do not include physical violence to persons or property, domestic violence, sales of narcotics, illegal weapons possession, any form of assault, breaking and entering and burglary.

A. The screening includes the following areas:

- Completed Application
- Income Eligibility – Verified
- Landlord references (if available) and/or personal references
- Credit/Criminal History check

B. Each Applicant will be reviewed in terms of the following eligibility criteria:

- Eligible based on qualifying Income and Household size
- The applicant must be willing and able to abide by the house and community rules
- The applicant must complete the required orientation and application process and provide all requested authorizations for release of otherwise confidential information

C. All applicants must meet the criteria defined below:

- They must be able to keep the apartment in a safe and sanitary manner, manage personal finances, meet personal health needs, and function without threatening personal safety or the safety of others and comply with the lease. Or accept assistance with any of those items listed if they become an issue with the resident.
- They must behave in a manner which is not abusive, disruptive, or aggressive.
- Any household that requires a Live-in Attendant must complete all Live-in

Attendant verifications. The Live-in Attendant will be subject to the same credit/criminal background checks, and must meet with Property Management Staff to review the Lease and House Rules. A Live-in Attendant must also sign an Occupancy Agreement that will be kept in the Resident's file. The Live-in Attendant must abide by the Lease and House Rules but will not be added to the Lease. If the resident expires or moves out, the Live-in Attendant must comply with the Live-in Attendant Occupancy Agreement (which is available upon request) to vacate the premises.

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## **ALL APPLICANTS**

Mercy Housing Management Group will hire a contractor (currently Credit Retriever which can be contacted at [www.creditretriever.com](http://www.creditretriever.com)) to run a credit check on all applicants, and a criminal background check on all applicants. Mercy Housing Management Group will also check court records for evidence of evictions or judgments against the applicant and evidence of criminal convictions. The purpose of these checks is to obtain information on the applicant's past history of meeting financial obligations and future ability to make timely rent payments and to abide by operational policies and regulatory agreements regarding the prohibition of admitting any applicant with specific criminal activity.

The following set of standard criteria is to be used as a guide to select residents after all interview and reference check information has been taken into consideration and are applied consistently and fairly to all candidates:

### **Rent Paying Habits and Credit History**

Staff will request credit histories on each adult member of each applicant household and will request phone references from the applicant's current landlord and former landlords for the past two (2) years. Based upon these verifications, the staff will determine if the applicant(s) was paid rent on time, took care of the unit, and if the landlord would rent to them again. If the landlord provides a good reference, Staff will move forward with the application process. If the landlord provides a negative reference, this shall be grounds for an ineligibility determination.

### **Gross Rent as Percentage of Gross Income**

Minimum income requirements shall not be more restrictive than requiring a minimum income that is two times the rent, and must include tenant based rent subsidies as income. Additionally ability to pay rent based on rental history of paying a similar or higher rent or other demonstrable methods of rent payment such as participation in money management shall be considered mitigating circumstances related to minimum income and must be evaluated prior to denial of housing.

- To protect the project from rent loss and rent delinquency, persons spending more than 50% of the household's combined monthly income for rent may not be accepted. At the time of initial certification, if a HH does not meet the 50% rent burden criteria, additional information may be required to qualify. Those household members listed on the application must be the same as those who have

contributed to a household's history of paying more than 50% of gross household income for rent.

- Current documentation of ability to pay higher rent above 50% must be within the past twelve months for a period of no less than eight (8) months. Suitable documentation shall include the following: cancelled checks, rent receipts or mortgage statements, lease agreement, and landlord verification. All income must be third-party verified by management.
- If a member of the Applicant's household is a full-time student, they must meet one of the following criteria to be eligible:

1. The Head of Household is a single parent of the children listed *on the application* and the listed parent is not the dependent of another individual for tax purposes, and the children are not claimed as a dependent by someone other than a parent.
2. Household is currently receiving Cal WORKs, or TANF - (Temporary Aid to Need Families).
3. A full-time student that is enrolled in the Job Training Partnership Act (JTPA) or a similar program funded by a state or local public agency.
4. The members of the household are married and eligible to file a joint federal tax return.
5. At least one household member was previously (not currently) under the care and placement responsibility of the State Agency responsible for administering a plan under Part B or Part E of Title IV of the Social Security Act (Foster Care).

**Grounds for rejection include, but are not limited to:**

1. Applicant's household size either exceeds or is below reasonable occupancy limits for the available unit as identified on page 8.
2. Applicant was unable to provide identification which verified their identity.
3. Applicant submitted an incomplete application and has not taken steps to remedy.
4. Applicant has provided false, inconsistent or inaccurate information on their application.
5. Applicant had two un-excused failures to attend an agreed-upon time for an application appointment or interview.
6. Applicant was abusive or uncooperative with management during the application process.
7. History of behavioral problems related to criminal activity that makes applicant a poor risk.
8. Applicant appears at interview under the influence.
9. The applicant must be of legal age to execute a lease (age 18). If the applicant is under legal age, proof of legal emancipation will be required in order to lease.
10. Any altered information and/or deliberate misinformation regarding income, current status or past history.
- 11.

### General Population Units:

Total Household Income cannot exceed 50% of AMI as determined by US Dept of Housing and Urban Development adjusted only for household size as published annually by the SF MOHCD.

### SFHSA Local Operating Subsidy Program (LOSP) 50 units only:

SF-HSA Income Eligibility:

~~These residents will pay 30% of their income in rent and the City's Local Operating Support Program will pay the balance.~~

- 12 one bedroom units at 35% of AMI as determined by TCAC
- 29 two-bedroom units at 35% of AMI as determined by TCAC
- 9 three-bedroom units at 35% of AMI as determined by TCAC

SF-HSA Eligibility Criteria

- o Household consists of at least one adult (18 and over) and one minor child with documentation of familial status or guardianship, or homeless pregnant woman
- o Household income does not exceed 50 percent of area median income (AMI)
- o Household meets the City's homeless definition (see below)

**The term "HOMELESS" includes individuals or families who lack a fixed, regular, and adequate nighttime residence and who have a primary nighttime residence in one or more of the following categories:**

**Shelter:** Anyone staying in a mission or homeless or domestic violence shelter, i.e., a supervised public or private facility that provides temporary living accommodations. Anyone displaced from housing due to a disaster situation.

**Street:** Anyone is staying outdoors; for example, street, sidewalk, doorway, park, freeway underpass.

**Vehicle:** Anyone is staying in a car, van, bus, truck, RV, or similar vehicle.

**Make-Shift:** Anyone is staying in an enclosure or structure that is not authorized or fit for human habitation by building or housing codes, including abandoned buildings ("squats") or sub-standard apartments and dwellings.

**Doubled-Up:** Anyone staying with friends and/or extended family members (excluding parents and children), because they are otherwise unable to obtain housing, or, any family with children staying in a Single Room Occupancy (SRO) hotel room - whether or not they have tenancy rights, or, anyone staying in temporary housing for less than 6 months, and the accommodations provided the person are substandard or inadequate, for example, garage, small room, overly crowded space.

**Transitional:** Anyone staying in a Single Room Occupancy (SRO) hotel room without tenancy rights, or, anyone formerly homeless (formerly in one of the above categories) who is now incarcerated, hospitalized, or living in a treatment program, half-way house, transitional housing, or, anyone formerly homeless (formerly in one of the above categories) who has obtained supportive housing or permanent housing for less than 30 days.

## **SCREENING PROCESS:**

### **All units:**

**Application Process Review:** The 1180 4th Street Family Housing application process is aimed at verifying which Applicants meet the above eligibility requirements and selection criteria. All Applicants must complete an application specific to the 1180 4th Street Family Housing facility in addition to any documents required by the San Francisco Human Services Agency.

Those households determined to be eligible will be scheduled with a tentative Move-In date in the order in which their applications are processed.

Households determined as ineligible will be notified of their ineligibility in writing. These Households are encouraged to review and utilize the Grievance and Appeal Procedure if they so choose.

Additionally,

1. All income will be verified in writing from the income source on appropriate project income verification forms.
2. All assets, if over \$5,000, including bank accounts, will be verified. The applicants must have an eligibility income equal to or less than the designated Area Median Income –per the AMI income limit eligibility outlined above.

## **REFERENCES**

In accord with owner and regulatory requirements:

1. Both the current and previous landlords, including Family Shelter and Transitional Housing Providers, will be contacted for references concerning payment records, lease compliance, and housekeeping habits. The most recent past two (2) years will be reviewed.
2. If landlord references are not available, two professional alternative reference verifications will be conducted.

If unfavorable items are found in a report and noted as cause for ineligibility, households are encouraged to review and utilize the Grievance and Appeal Procedure if they so choose. In that process, Property Management Staff, and in conjunction with the building's service provider, Episcopal Community Services may review concerns with the Applicant household and their case manager (as applicable) to determine the household's continued eligibility.

## **CRIMINAL HISTORY**

### **All units:**

Mercy Housing Management Group is committed to providing a safe environment for residents at 1180 4th Street Family Housing. Applicants will be asked to disclose criminal history on their applications. This information will be verified by conducting criminal record checks through a designated agency of Mercy Management Group.

Prior records of involvement in criminal activity or convictions for crimes that involve violence to persons or property, which would adversely affect the health, safety, or welfare of others, may be a reason for denial of eligibility, as detailed in the following criteria.

A criminal history background reference check is conducted to determine that applicants and/or members of an applicant's household have any of the following history of criminal activity:

- Arson and/or destruction of property
- Manufacture, sale, possession and/or distribution of illegal drugs
- Violence towards landlords, neighbors or other community members
- Crimes against children or any at-risk person
- Registered sex offender or criminal sex offenses
- Other violent criminal activity

Mercy Management Group will make a determination based on the criminal background check if the prior record of involvement in criminal activity or convictions for crimes may result in a denial of the applicant eligibility.

Mercy Management Group's determination of denial of applicant eligibility will be based on the:

1. Seriousness of the offense
2. Effect on the community
3. Extent of participation by the applicant
4. Effect that denial of admission or termination of assistance would have on the other members of the household
5. Extent that the applicant has shown personal responsibility and taken all reasonable steps to prevent or mitigate the offending action

**The decision will be made at the discretion of the Property Supervisor.**

### **APPLICATION PROCESS**

#### **All units:**

In screening and selecting applicants for units at 1180 4th Street Family Housing, there shall be no discrimination. All applicants are asked for the same information by Mercy Management Group and treated in the same manner. The applicant screening and selection process is conducted in strict conformity with both the letter and spirit of all federal and state and local fair housing statutes and ordinances. The Property Manager is to regularly receive in-service training and counseling regarding Fair Housing requirements.

All units are leased to qualified applicants based on income and the 1180 4th Street Family Housing Resident Selection Criteria.

Property Management will rank all applications for consideration and units will be offered according to the following descending order of priorities:

1. Eligible Certificate Holder.

2. Lottery drawing.
3. Date project received original application and reference number assigned.
4. Date of completion of verification/certification process.
5. Date of availability for move-in.

All efforts will be made by MHMG and EPISCOPAL COMMUNITY SERVICES to communicate the information above and in the application and intake processes in the primary language of the applicant. The applicant in turn must make every effort to have family members or other trusted resources assist in interpreting and translating for maximum mutual comprehension.

Only one application will be processed per household. If multiple applications are found to have been submitted by the same household, they will be handled in the following manner. The application which receives the highest lottery number will be used. All others will be disqualified and not processed and the household notified accordingly. Following the random drawing, if multiple applications from the same household are identified at any time, the application highest on the waiting list or submitted first will be used. All others will be disqualified and not processed and the household notified accordingly.

The Certificate Holder priority policy as determined in the attached reference must be followed and Certificate Holders must meet the criteria outlined in this Resident Selection Criteria. Certificate Holder applications will be processed prior to all other applicants. Eligible applicants will be offered units based on the order of priority outlined by the SF MOHCD.

#### General Population:

#### **Resident Application and Deposit:**

- A non-refundable Application Fee of \$25.00, paid by money order, is required for all adults over the age of 18 who will reside in the apartment and should be submitted at time of interview.
- A separate money order in the amount of \$100 for a holding deposit is required after application has been approved in order to hold an apartment off the market. This will be applied to the security deposit upon move in. If you are rejected for any reason, your Deposit *is* refundable. If you cancel after acceptance, your Deposit is considered liquidated damages for non-performance and will be forfeited by applicant as compensation for holding the apartment off the market.
- It is the policy of Mercy Management Group to deny admission to applicants whose habits and practices may reasonably be expected to have a detrimental effect on the operations of the property or on the quality of life for its residents. As a part of the final eligibility determination, Mercy Management Group will screen each applicant household to assess suitability. Factors to be considered in the screening are housekeeping habits, rent paying habits and credit records, prior history as a tenant and criminal records.

- The application period will be advertised as described under the Marketing Activities section for these units.
- The application packet will be distributed at the Mercy Management Group marketing office located at Mercy Housing's Mission Creek Senior Community located at 225 Berry Street, San Francisco, CA 94158, or through the mail by request for ten (10) business days beginning February 19, 2014. Application packet includes an application form, a summary of the parking availability and fees as well as how to apply for a parking place, a description of pest control measures for 1180 4th Street, and a flyer summarizing the 1180 4th Street Family Housing "Resident Selection Criteria," explaining where and when the application should be submitted, a rendering of the property and of the three unit types, a description of the amenities, income limits and rents for 1180 4th Street Family Housing. This application packet is attached. The flyer will be made available in four languages: English, Spanish, Chinese and Russian.
- Applications for initial lease up are submitted to Mercy Housing's Mission Creek Senior Community located at 225 Berry Street, San Francisco, CA 94158, in person or postmarked by the deadline date of March 5, 2014.
- Priority will be given to Certificate Holders. These certificate holders will be drawn in a separate lottery.
- All other applications that are submitted to Mercy Management Group by the application deadline will be included in a lottery drawing, which will be held on March 12, 2014. The lottery will determine the order in which the applications are processed with the exception of the priority processing of eligible Certificate Holders. The lottery will be open to the public.
- Applicants with lottery numbers 1-150 will be contacted for further processing. Applications with lottery numbers over 150 will be put on the waiting list to be processed at a later date when vacancies occur at the 1180 4<sup>th</sup> Street Family Housing or if all units are not filled from the initial 150 applications processed.
- Property Management Staff will conduct an initial interview. The location of the interviews will be determined prior to applications being accepted. The purpose of the initial interview is to review the application and eligibility criteria and review the resources available to meet the Applicant's needs. At the time of the interview, all members of the household 18 years of age or older must be present. Documents or identification to determine each family member's eligibility will be required at that interview. Applicants with lottery numbers 1-150 will be interviewed to obtain and confirm the information provided on the Preliminary Application, specifically income, social security numbers, and household size. The interview will also start the process of obtaining third party verification of income, assets and authorization for a credit check.



- All household members 18 years of age or older must be present during the interview process. Additionally, the interview will determine if the applicant is interested in obtaining a unit with accessibility enhancements. Applicants who are disabled and eligible for a unit with accessible enhancements will be given priority for the occupancy of these units. If there are not enough such households to fill all specially equipped units, Mercy Housing Management Group may fill units with accessible features with non-disabled applicants. Upon future vacancies and screening of a household requiring an accessible enhanced unit, ~~non-disabled households occupying accessible units will be required to move to a non-accessible unit.~~
- Each interview may be rescheduled one time. If an applicant is a no-show, staff will attempt to contact them and reschedule one time. If an applicant is a no-show a second time or if an applicant needs to reschedule the initial interview more than one time, his/her name will no longer be considered for an apartment at 1180 4th Street Family Housing and the applicant will be so informed in writing.
- Applications will be screened for eligibility according to the Mercy Housing Management Group (MHMG), Tax Credit Allocation Committee (TCAC) and TOD established criteria. If the Applicant does not meet the eligibility criteria he/she will be informed. Denials based upon failure to meet the eligibility criteria are subject to review only by the MHMG property management staff and will follow the approved Grievance Procedure (see attached). Mercy Housing Management Group will screen applicants for income eligibility based on their gross potential annual income and income from assets and other miscellaneous sources of income. Full-time student status will also be considered.
- After income and household information have been collected during the interview, the management agent is responsible for obtaining third-party income and asset verifications to confirm that the applicant is income eligible under the requirements of the Low-Income Housing Tax Credits Program, San Francisco Mayor's Office of Housing and Community Development, and HCD Transit Orient Design Program requirements. Employment verifications must be obtained by the management agent by mailing or faxing an applicant-signed employment verification form to the employer with an enclosed self-addressed stamped envelope. Other types of income and resident status verifications, such as social security or public assistance will be requested by mail and fax or in person on forms provided by the management agent and signed by the applicant. Gross Annual Income shall be calculated in accordance with regulations, which are specified in the HUD Handbook 4350.3 definitions of income and assets and include acceptable types of verification.
- Income *at the time of initial move in* may not exceed 50% of area median income, which is published by the San Francisco Mayor's Office of Housing and Community Development (SF MOHCD) and which will be posted in the marketing office and updated annually. Once all verifications of all sources of

incomes and assets have been received, the Property Manager will total income from all sources. Then the Property Manager will verify that the applicant's total household income is at or below the latest published maximum amounts (new figures are generally published by HUD and SF MOHCD between February and May of each year and are subject to change). The information will be faxed to the MHMG Compliance Dept. for review and approval.

- The management agent must request a credit and criminal report to obtain information about the applicant's credit and criminal history and determine whether the applicant has had a prior eviction or criminal history and meets all other resident selection criteria.
- The management agent is responsible for acquiring written references from the applicant's present and former landlords (or property managers) to determine the applicant's suitability as a resident of 1180 4th Street Family Housing. All interviews and application screening information will be documented in writing by the Property Manager on a Tenant Screening Verification Form.
- The Property Management Staff will contact the applicant after notification from the MHMG compliance Department. There are three kinds of notification:
  - 1) Household has been accepted; paperwork has been certified as complete and correct and units are available. The Property Manager begins work on a unit assignment and Move-In date. If an applicant declines an available apartment when notified in writing, his/her name will be returned to the appropriate agency and noted as having declined a unit at 1180 4<sup>TH</sup> Street Family Housing. After receiving the notification letter, applicants have ten days to respond to management regarding the available apartment. If there is no response, a second notice will be mailed and the applicant will have an additional five days to notify management of his/her decision.
  - 2) Household has been accepted; paperwork has been certified as complete but no units are currently available.
  - 3) Household has been rejected. The Property Management staff will promptly notify the applicant in writing with an explanation of:
    - a. The reasons for the rejection; and
    - b. The appeal process; i.e. that the applicant has ten (10) business days to respond in writing according to the Grievance Procedure.
- If all of Mercy's eligibility requirements are met as indicated in #2 above, a letter will be mailed to the approved applicant outlining the terms and conditions of occupancy. If for any reason an application is denied, the Applicant will be informed in writing and given the procedure required for an appeal. A unit will not be held during an appeal process as outlined in the Grievance Procedure.
- Mercy Housing Management Group staff will conduct the move-in process with the approved applicant to include the TOD/TCAC Lease Agreement and Addenda

with the Household and inform the new Residents of all other documents that the Household must also sign. To complete the move in process, approved applicants must present a money order or cashier's check for the security deposit and separately a money order or cashier's check for the rent owed. Staff will review expectations of resident responsibilities and behavior, as included in the 1180 4th Street Family Housing lease and house rules will be discussed at this time. The household will sign the Lease Agreement and Addenda, which will include the House Rules, Smoking, Drug-Free, Pest Control, Parking Agreements and Unit Inspection Report among other required addenda and forms. All new residents will receive a copy of their signed documents and key fobs and other security entrance requirements.

**SFHSA units only:**

- All applicant households will be referred by the San Francisco Human Services Agency ("SFHSA"). SFHSA will refer applicants through their Family Housing Referral Process with applicants being referred by "Access Point Agency" or "APA". SFHSA does not anticipate any shortfall of referrals for this initial rent up period or subsequent rent up. SFHSA will work with their referral agencies to fill all LOSP designated units.
- Property Management will rank all applications for consideration (and all units will be offered) according to the following descending order of priorities:
  - a. Certificate holder.
  - b. In the order received from HSA.
- Property Management Staff will conduct an initial interview. The location of the interviews will be determined prior to applications being accepted. The purpose of the initial interview is to review the application and eligibility criteria and review the resources available to meet the Applicant's needs. At the time of the interview, all members of the household 18 years of age or older must be present. Documents or identification to determine each family member's eligibility will be required at that interview. Applicants will be interviewed to obtain and confirm the information provided on the Preliminary Application, specifically income, social security numbers, and household size. The interview will also start the process of obtaining third party verification of income, assets and authorization for a credit check.
- All household members 18 and older must be present during the interview process. Additionally, the interview will determine if the applicant is interested in obtaining a unit with accessibility enhancements. Applicants who are disabled and eligible for a unit with accessible enhancements will be given priority for the occupancy of these units. When a specially equipped unit is one of the designated SFHSA LOSP units, then SFHSA will be informed and will provide a referral that is eligible for that unit. If there are not enough such households to fill all specially equipped units, Mercy Housing Management Group may fill units with accessible features with non-disabled applicants. Upon future vacancies and screening of a household requiring an accessible enhanced unit, non-

disabled households occupying accessible units may be required to move to a non-accessible unit.

- Each interview may be rescheduled one time. If an applicant needs to reschedule the initial interview more than one time, then his/her application will be returned to the appropriate agency. If an applicant is a no-show, staff will attempt to contact them and reschedule one time. If an applicant is a no-show a second time, his/her name will be returned to the appropriate agency, and will no longer be considered for an apartment at 1180 4th Street Family Housing. The applicant and HSA will be so informed in writing if this occurs.
- ~~Applications will be screened for eligibility according to the Mercy Housing~~ Management Group (MHMG), Tax Credit Allocation Committee (TCAC) and TOD established criteria. If the Applicant does not meet the eligibility criteria he/she will be informed. Denials based upon failure to meet the eligibility criteria are subject to review only by the MHMG property management staff and will follow the approved Grievance Procedure (see attached). This will be conducted in conversation with SFHSA staff. Mercy Housing Management Group will screen applicants for income eligibility based on their gross potential annual income and income from assets and other miscellaneous sources of income. Full-time student status will also be considered.
- After income and household information have been collected during the interview, the management agent is responsible for obtaining third-party income and asset verifications to confirm that the applicant is income eligible under the requirements of the Low-Income Housing Tax Credits Program, San Francisco Mayor's Office of Housing, and HCD Transit Orient Design Program requirements. Employment verifications must be obtained by the management agent by faxing or mailing an applicant-signed employment verification form to the employer with an enclosed self-addressed stamped envelope. Other types of income and resident status verifications, such as social security or public assistance will be requested by fax, mail or in person on forms provided by the management agent and signed by the applicant. Gross Annual Income shall be calculated in accordance with regulations, which are specified in the HUD Handbook 4350.3 definitions of income and assets and include acceptable types of verification.
- Income *at the time of initial move in* may not exceed 50% of area median income, which is published by MOHCD and which will be posted in the marketing office and updated annually. Once all verifications of all sources of incomes and assets have been received, the Property Manager will total income from all sources. Then the Property Manager will verify that the applicant's total household income is at or below the latest published maximum amounts (new figures are generally published by HUD and SF MOHCD between February and May of each year). The information will be faxed to the MHMG Compliance Dept. for review and approval.
- The management agent must request a credit and criminal report to obtain information about the applicant's credit and criminal history and determine whether the applicant has had a prior eviction or criminal history and meets all other resident selection criteria.

- The management agent is responsible for acquiring written references from the applicant's present and former landlords or alternate reference verification to determine the applicant's suitability as a resident of 1180 4th Street Family Housing. All interviews and application screening information will be documented in writing by the Property Manager on a Tenant Screening Verification Form.
- MHMG and SFHSA will coordinate and plan outreach to avoid any surprises for applications once the applicant has been passed on to Property management. Each application packet will have a cover sheet outlining MHMG requirements and the referral agency will sign off with their contact information. However, it is possible that additional documentation may be required. If so, MHMG may contact the applicant and the referring agency directly. Additional information, as needed, will be sought from the referring entity through HSA prior to a final determination on an applicant's eligibility.
- The Property Management Staff will contact the applicant and copy SFHSA in the notification letters after the notification from the MHMG Compliance Department regarding a decision. There are three kinds of notification:
  - 1) Household has been accepted; paperwork has been certified as complete and correct and units are available. The Property Manager begins work on a unit assignment and Move-In date. If an applicant declines an available apartment when notified in writing, his/her name will be returned to the appropriate agency and noted as having declined a unit at 1180 4th Street Family Housing. After receiving the notification letter, applicants have – three days to respond to management regarding the available apartment. If there is no response, a second notice will be mailed and the applicant will have an additional three days to notify management of his/her decision.
  - 2) Household has been accepted; paperwork has been certified as complete but no units are currently available. This could occur for example if household size changes in the application process and an appropriate unit is not available.
  - 3) Household has been rejected. The Property Management staff will promptly notify the applicant, referring agency, and SFHSA in writing with an explanation of:
    - c. The reasons for the rejection; and
    - d. The appeal process; i.e. that the applicant has 10 days to respond in writing according to the Grievance Procedure.
- Referral agencies have a responsibility to the applicant whether the applicant has been approved or denied for housing.
- If the applicant meets the eligibility requirements as notified in #2 above, a letter will be emailed to SFHSA outlining the terms and conditions of occupancy. SFHSA will notify the referring agency and follow up accordingly. The letter will contain a final interview date to be confirmed by the Applicant or their case manager. If for any reason an application is denied, the Applicant, the referring agency and SFHSA will be informed

in writing and given the Grievance Procedure required for an appeal (see attached). A unit will not be held during an appeal process as outlined in the Grievance Procedure. Should the response to the appeal process be unfavorable, SFHSA will provide a replacement referral within one business day.

- Mercy Housing Management Group staff will conduct the move-in process with the approved applicant to include the TOD/TCAC Lease Agreement and Addenda with the Household and inform the new Residents of all other documents that the Household must sign. To complete the move-in process, approved applicants must present a money order or cashier's check for the security deposit and separately a money order or check for the rent owed. SFHSA LOSP referrals that will be getting these monies from rental assistance agencies, may provide an agency check or Promissory Note in lieu of the deposit and rent. Invoices to rental assistance agencies will be provided upon request. Staff will review expectations of resident responsibilities and behavior, as included in the 1180 4th Street Family Housing lease and house rules and will be discussed at this time. The household will sign the Lease Agreement and Addenda, which include the House Rules, Drug-Free, Smoking Agreement, Pest Control Agreement and Unit Inspection Report as well as other required forms and addenda. All new residents will receive a copy of their signed documents and key fobs and other security entrance requirements.

#### **FAMILY DAY CARE units:**

There are 2 family day care units at the property. Additional outreach will be done to find qualified households interested in running a family day care from their unit. In addition to the requirements listed above the following will also be required:

- A description of the family day care program that will be operated from the unit. How many children and other staff that might be on site to assist with the program.
- Resume with previous experience
- If available, a current state license to run a program
- References from landlord and clients..

Attachment II of this Resident Selection Criteria is a lease addendum which outlines the requirements for occupancy of the units designed for the purpose and designated for the use of operating an in home Family Day Care. The lease addendum reflects the intention to provide such a resource to the community and is in alignment with requirements set forth by the State of California.

#### **FINAL SELECTION OF RESIDENTS**

Following is a description of each of the factors and the method of verification to be employed:

### Housekeeping and Care of Property

Staff will request written references from the applicant's current landlord and previous landlords for the past two (2) years. Based upon these verifications, Mercy Management Group will determine if the applicant is able and willing to maintain an apartment in a clean and sanitary manner, refraining from damaging the unit. The applicant will not be held accountable for conditions, which are or could be the responsibility of the property owner, or conditions which are otherwise not within the control of the applicant to remedy.

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### Rent Paying Habits and Credit History

Staff will request credit histories on each adult member of each applicant household and will request written references from the applicant's current landlord and former landlords for the past two (2) years. Based upon these verifications, the staff will determine if the applicant(s) paid rent on time, took care of the unit, and if the landlord would rent to them again. If the landlord provides a good reference, Staff will move forward with the application process. If the landlord provides a negative reference, Staff will request a written reference from the Landlord.

Applicants who have failed to pay amounts due or failed to reach a satisfactory agreement to pay those amounts will also be considered ineligible.

Management will initiate an eviction history and credit report. The applicant shall be notified of such action in advance. Applicants will be charged the actual costs of the credit and criminal records reports OR the maximum allowable fee set by statute, whichever is less. Applicants to properties with HUD rental subsidies will not be charged for the reports.

Should there be a finding of any kind, which would negatively impact an applicant's application; the applicant will be notified in writing. The applicant then shall have five (5) calendar days in which such a filing may be appealed to staff for consideration.

Applicants will not be considered to have a poor credit history when they were occasionally late paying bills or rent in the past (fewer than 3 times per year); were delinquent in rent because they were withholding rent due to substandard housing conditions in a manner consistent with local ordinance; or had a poor rent paying history clearly related to an excessive rent relative to their income, and responsible efforts were made to resolve the non-payment problem. Applicants may be required to complete a Personal Income/Expense Statement form to determine their ability to pay rent.

Any currently open bankruptcy proceeding of any of the household members will be considered a disqualifying condition as will any unpaid balances from previous rentals in the last five (5) years.

Applicants who have resided in homes they owned during the prior five years or more can provide proof of timely mortgage, insurance or property tax payments in order to demonstrate their ability to meet the financial requirements of the lease.

Applicants who have been homeless or who have lived in housing for which they were not financially responsible must provide references from person(s) with whom they have had a professional relationship to demonstrate their ability to meet the financial conditions of the lease. **(Letters of reference from family members will not be accepted.)**

#### History of Responsible Tenancy, Behavior and Conduct

#### **Rent Paying Habits and Credit History**

Staff will request credit histories on each adult member of each applicant household and will request phone references from the applicant's current landlord and former landlords for the past two (2) years. Based upon these verifications, the staff will determine if the applicant(s) was paid rent on time, took care of the unit, and if the landlord would rent to them again. If the landlord provides a good reference, Staff will move forward with the application process. If the landlord provides a negative reference, this shall be grounds for an ineligibility determination.

#### **Gross Rent as Percentage of Gross Income**

Minimum income requirements shall not be more restrictive than requiring a minimum income that is two times the rent, and must include tenant based rent subsidies as income. Additionally ability to pay rent based on rental history of paying a similar or higher rent or other demonstrable methods of rent payment such as participation in money management shall be considered mitigating circumstances related to minimum income and must be evaluated prior to denial of housing.

- To protect the project from rent loss and rent delinquency, persons spending more than 50% of the household's combined monthly income for rent may not be accepted. . At the time of initial certification, if a HH does not meet the 50% rent burden criteria, additional information may be required to qualify. Those household members listed on the application must be the same as those who have contributed to a household's history of paying more than 50% of gross household income for rent.

#### **Utility Services**

The staff will request written confirmation from the applicable utility companies that applicants are able to obtain utility services in their names.

An applicant who has a past due balance with a utility company which must be paid prior to obtaining new service will not be ineligible providing the applicant is able and willing to make full payment.

#### **Criminal Records Check**

The following standards are established to comply with the Federal Laws:



A household member involved in a drug-related criminal activity, which resulted in an eviction for the reason, will not be admitted for 3 years after the date of the eviction or conviction. To be admitted, the household member will have to provide the following:

- Proof of successful completion of an approved supervised drug rehabilitation program; or
- Proof that the circumstance leading to the eviction and/or conviction no longer exist and the applicant has been clean and sober for at least 1 year.
- A household member convicted of drug-related criminal activity for ~~manufacture or production of methamphetamine on the premises of~~ federally assisted housing will not be admitted under any circumstances.
- A household member currently engaged in use of a drug or if the owner has reasonable cause to believe that a household member's illegal use of a drug or pattern of illegal use may interfere with the health, safety or right to peaceful enjoyment of the premise by other residents will not be admitted.
- A household member who is subject to lifetime registration requirement under a State sex offender registration program will not be admitted under any circumstances.
- Staff will check the names of all adults applying for housing through the sex offender registry in each state where each adult has lived.

A household member who has been involved in the following:

- Non drug related criminal activity will not be admitted for 3 years after the date of the conviction;
- Violent criminal activity will not be admitted;
- Other criminal activity that would threaten the health, safety or right to peaceful enjoyment of the premises by other residents, any employee, contractor, subcontractor or agent of owner who is involved in the housing operations will not be admitted for 3 years after the date of the conviction.

Determination of acceptability will be based on the; 1) the seriousness of the offense; 2) the effect on the community; 3) extent of participation by the applicant in required counseling and rehabilitation programs; 4) the effect that denial of admission or termination of assistance would have on other members of the household; 5) the demand for assisted housing by other families who will adhere to lease responsibilities; 6) the extent that the applicant has shown personal responsibility and taken all reasonable steps to prevent or mitigate the offending action; 7) the effect on the integrity of the program. **The decision will be made at the discretion of the Regional Vice President and/or Compliance Supervisor.**

A household member who has been convicted of a criminal activity and was previously denied housing may be admitted if the conviction occurred 2 years or more from the date of move-in. Such household member will be required to provide personal certification along with supporting documentation from a probation officer, landlord, and / or social service workers. Staff will be required to review current criminal records.

Staff will hire a contractor to run a credit check and criminal background check on all applicants and it will check court records for evidence of evictions or judgments against the applicant and evidence of criminal convictions. The purpose of these checks is to obtain information on the applicant's past history of meeting financial obligations and future ability to make timely rent payments and to abide by the federal laws regarding the prohibition of admitting any applicant with specific criminal activity including drug-related activity. These standards are established to comply with the federal laws.

Prior records of involvement in criminal activity or convictions for crimes that involve violence to persons or property, which would adversely affect the health, safety, or welfare of other residents satisfies one of the criteria for a determination of ineligibility.

#### DENIED APPLICATIONS

- These standards are established to comply with the federal laws, and a household member who has been involved in the following will not be admitted under any circumstances:
- Any household containing a member(s) who was evicted in the last three (3) years from federally assisted housing for drug-related criminal activity. To be admitted, the household member would have to provide the following:
  - 1) Proof of successful completion of an approved supervised drug rehabilitation program; or
  - 2) Proof that the circumstance leading to the eviction and/or conviction no longer exists and the applicant has been clean and sober for at least one (1) year.
- A household in which any member is currently engaged in illegal use of drugs for which the owner has reasonable cause to believe that a member's illegal use or pattern of illegal use of a drug may interfere with the health, safety, and right to peaceful enjoyment of the property by other residents;

A background criminal reference check is conducted to determine that applicants and/or members of an applicant's household have:

- No record of felony convictions within the past two (2) years;
- No record of criminal sexual activity ever;
- No record of terrorist activity ever.
- No record of arson ever
- No production or manufacturing of methamphetamines

The denial of eligibility may be based on any one of the following:

- seriousness of the offense;
- effect on the community;
- extent of participation by the applicant in the crime;
- effect that denial of admission or termination of assistance would have on other members of the household;
- demand for assisted housing by other applicants who will adhere to lease responsibilities;
- Effect on the integrity of the program.

### Summary

Applicants who fail to satisfactorily meet any of the Resident Selection Criteria described above will be considered ineligible and will be notified in writing of the determination. In determining eligibility on the basis of these criteria, staff will give fair and equitable consideration to factors such as:

- Length of time since the objectionable incident(s);
- Evidence of rehabilitation;
- Other evidence which may indicate a reasonable probability of responsible future tenancy.

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

Property Management staff (Mercy Management Group) will make final tenant selection decisions. After determination of an applicants' eligibility, the applicant and the SFHSA Placement Coordinator, will be notified of the determination. If the applicant household and referring entity disagree with the determination of ineligibility, these Households are encouraged to review and utilize the Grievance and Appeal Procedure if they so choose. They can appeal the determination in writing within 10 days of being notified of ineligibility. In the grievance process, they may provide additional information to Property Management and Resident Services staff to appeal the decision.

### **VERIFICATION, ALL UNITS**

Because Regulatory Agencies, investors and the IRS require written proof of income for every person in each household, 1180 4th Street Family Housing Management staff verifies this information to ensure that it is accurate. All verifications must be obtained in writing from the income source and are kept in the household's file.

Personal information is verified (ages, birth dates, social security numbers) through documentation such as birth certificates or other identification and a Social Security card. Management staff sends verification forms to the appropriate entities. The entire process may include:

- Running a credit/criminal check (much of the information on the application can be verified through a credit check).
- Contacting previous landlords, shelters, agencies and personal references.
- Verifying the sources of income listed by the applicant, which may include: Private Employer, Social Security, public aid, military, Veterans' Administration, pension plans, unemployment insurance, etc.

- Verifying all other information given by the household, including student status and physical handicap.

**CRITERIA FOR REJECTION OF APPLICATIONS**

1. Applicants may be denied for any of the following:

- (a) Failure to present all members of the family over the age of 18 at the full family interview (or some other time acceptable to management) prior to completion of Initial Certification;
- (b) Blatant disrespect or disruptive or behavior toward management, the property or other residents exhibited by an applicant or family member any time prior to move-in (or a demonstrable history of such behavior);
- (c) A negative landlord or other reference, encompassing failure to comply with the lease, poor payment history, poor housekeeping habits, or evictions for cause including current notices to pay or quit;
- (d) Falsification of any information on the application;
- (e) Eligibility income exceeding the maximum allowed;
- (f) Family composition not appropriate for available bedroom size;
- (g) All members of household are full-time students and do not meet any of the criteria outlined in the Student Eligibility Rule section;
- (h) Failure to update application for the Waiting List within specified time when notified;
- (i) Other good cause: including, but not limited to, failure to meet any of the selection criteria in this document;
- (j) Failure to provide photo identification for adults 18 years of age and older;
- (k) Failure to provide birth certificates for household members below 18 years of age;
- (l) Consideration may be given for extenuating circumstances where this would be required as a reasonable accommodation when determining the acceptability of tenancy. Persons with disabilities have the right to request reasonable accommodations to participate in the informal hearing process. After receiving the notification letter, applicants have ten (10) days to respond to management regarding the available apartment. If there is no response, a second notice will be mailed and the applicant will have an additional five 5 days to notify management of his/her decision. If an applicant declines a second offer of an available apartment when notified in writing, his/her name will be placed on the bottom of the waiting list. If an applicant declines an apartment a third time, his/her application may be cancelled.

- Failure to present all members of the household at the initial interview (or some other time acceptable to management) as described above.

- Blatant disrespect, disruptive or anti-social behavior toward management, the property or other residents exhibited by an applicant or family member any time prior to move-in (or a demonstrable history of such behavior).
- A negative landlord verification or other reference, indicating failure to comply with the lease, poor payment history, poor housekeeping habits, or cause for eviction, unless the Applicant can demonstrate rehabilitation or completion of a program to change the problem or behavior that caused the past evictions.
- Any evictions on record. In such cases, the screening team will attempt to determine if the applicant should still be considered and make a recommendation to the Property Supervisor for final determination.
- History of behaviors which have impacted the applicant's ability to retain housing or would affect the applicant's ability to live in the community. Examples include: history of failure to pay rent and/or abide by lease terms or house rules.
- Falsification of any information on the application.
- A criminal history as described under the section on Criminal History.
- Eligibility income exceeding that allowed for a defined unit size for the household in the San Francisco AMI.
- Family composition not appropriate for available unit bedroom size.
- Failure to update application for the waiting list within specified time when notified.
- Management and EPISCOPAL COMMUNITY SERVICES determination that the applicant household is not appropriate for 1180 4th Street Family Housing.
- Other good cause: including, but not limited to, failure to meet any of the selection criteria in this document.

**UNIT ASSIGNMENTS:**

All units:

Units will be offered according to the following descending order of priorities:

1. Eligible Certificate of Preference Holders
2. Date project received original application and reference number assigned through the random drawing process.
3. Date of completion of verification/certification process.
4. Date of availability for move-in.

DESCENDING ORDER OF PRIORITY FOR PROCESSING (Reference HUD 4350.3 chg. 1-3 1987)

- A. Five units have been developed for the mobility, hearing, and sight-impaired:
1. For all units designed specifically for mobility, hearing and sight-impaired accessibility, and priority will be given to those applicants needing such modifications;
  2. An applicant without a medically verifiable handicap is moved into an accessibility enhanced unit; they will be informed in writing that acceptance of the ADA unit included condition and requires signed acknowledgement and release for the applicant prior to move-in. This condition is that if a disabled person applies to a non-accessible vacancy at 1180 4th Street the non-medically verified tenant household may be required to transfer to the next available non-accessible unit in order for the disabled person to have the accessibility enhanced unit.
- B. Two units have been developed for the use of a licensed small family day care:
1. For all units designed specifically use as a small family day care, the resident will enter into a contractual agreement with 1180 4<sup>th</sup> Street to legally operate said day care.
  2. Commencement of operations must be within 180 days of move-in or the agreement will be considered void. The resident will then surrender the unit and relocate to a unit of satisfactory size for the family, once such a unit becomes available.

**WAITING LIST(S):**

1180 4th Street Family Housing will have on-going access to wait lists as indicated below. Priority will be given to eligible Certificate of Preference Holders.

**General Population Units:**

The management agent maintains a waiting list based upon the pre-established aforementioned criteria.

The Waiting Lists will be maintained according to family size, the percentage of area median income the annual income is, and type of unit for applicant households. The Waiting List remains open with the understanding that those who are listed are fully informed of its length and the policies/procedures for selecting individuals and updating the list when they apply and are added to the list.

1. If no units are available, an eligible applicant will be placed on a Waiting List.
2. If the existing Waiting List contains so many names that the average wait for a unit is a year or more, the property may decline to accept additional applications.

In this case, the Waiting List is "closed". An announcement (via posting in property office, on property voicemail or advertising in local newspapers) will be made when the Waiting List closes and when the Waiting List reopens.

3. The Waiting List shall be updated after the first year, and at minimum, each year thereafter.
4. Following initial rent-up for each size/type of unit, there will be a Waiting List for each of the following, as applicable:
  - (a) Current residents who need to transfer to a different unit (See Transfer Policy below)
  - (b) Outside applicants wishing to move into the property
  - (c) Applicants and/or current residents who have expressed the intention of providing Family Day Care

**SFHSA LOSP units only:**

SFHSA waitlist will not be maintained on-site. SFHSA does not maintain a waitlist for housing opportunities. Rather, when a unit becomes available, 1180 4th Street will request a referral from SFHSA and SFHSA will provide referrals in accordance with its Homeless Family Referral Process. The referral process is included as an appendix to this Resident Selection Criteria.

When vacancies occur, Mercy Housing Management Group staff will contact the SFHSA Placement Coordinator to obtain current applicant references from a SFHSA Access Point Agency.

Generally, use of waiting lists is as follows:

- When a vacancy occurs, HSA will contact the appropriate agency for that vacant unit's designation.
- The agency will forward a number of names for processing.
- The eligibility determination will proceed as noted above for each agency.
- The Waiting List is periodically updated by each agency. Mercy Management Group does not and will not have access to this process.
- Prospective tenants may contact the appropriate agency to determine their place on their waiting list. Mercy Management Group does not and will not have access to this information, but will have contact information available relative to those agencies.
- **Following initial rent up of the property, the SFHSA referral process will adhere to SFHSA approved procedures as outlined in the attached document.**

## DESCENDING ORDER OF PRIORITY FOR PROCESSING

In addition to a preference being given to all qualified applicants who are valid SF MOHCD voucher holders, the following priorities for processing will also be used:

### A. Processing Priorities:

Units designed specifically for the disabled:

- (a) For this development, "disabled" is defined as mobility impairment, which necessitates the permanent use of a wheelchair. For all units designed specifically for wheelchair accessibility, priority will be given to those applicants needing such modifications;
- (b) Priority will be given to households where a member is required to use a wheel chair;
- (c) If there are not enough such households to fill all specially equipped units, owners may give preference to households with members whose physical or mobility impairment would be eased by the design of the disabled unit.

### UNIT TRANSFER POLICY

Although one of the goals of 1180 4th Street is to accommodate resident's needs and to facilitate their quiet enjoyment of the premises, in-house transfers increase workloads for both the property's administrative and maintenance staff, as well as negatively affects the property's financial position. In order to allow 1180 4th Street residents the possibility of transferring to another unit without placing an undue burden on the property's staff and operating budget, the following Unit Transfer Policy has been adopted. Transfers from one unit to another type of unit within the property will take precedence over new move-ins, and may be required by management for the following reasons only:

1. To alleviate overcrowding;
2. To avoid occupancy by too few people; Households under the minimum standard for occupancy are required to transfer to the next available unit of appropriate size;
3. For verifiable medical necessity, i.e. wheelchair accessible unit or additional space for medical equipment;
4. To split a household due to their request to transfer one or more lessees out of an existing household into another unit on the property, this will be treated as a new move-in. If the household member is 18 years of age or older, they must qualify as a new move-in by completing an application and going through the screening



process regarding verifying income, criminal and credit history, etc., and will be placed at the bottom of the Waiting List;

5. For emergency temporary relocation. (If a unit becomes uninhabitable due to a catastrophe, the resident family will be given any open unit for temporary living quarters until their own unit is repaired. An "open unit" is a unit for which the keys are in the possession of the management company.)

Criteria for a unit transfer at 1180 4th Street are as follows:

1. After at least 5 years of occupancy in a unit, a resident may request a unit Transfer. These requests must be in writing to the Manager, specifying the type or location of the unit that the resident would prefer. Specific unit numbers will not be guaranteed. These requests will be placed on the list in the order they are received. NOTE: these are for transfers other than for mobility reasons, (other than a resident requesting an accessible unit).
2. Every third (3<sup>rd</sup>) vacant unit that becomes available will be offered to the Unit Transfer Waiting List. The exception to this provision of the Unit Transfer Policy is if a Wheelchair Accessible Unit becomes vacant. If an accessible unit is available and there is a resident on the transfer list who requires a wheelchair accessible unit for mobility impairment, they will be given priority. If there is no one on the transfer list that requires an accessible unit, then the third vacancy requirement will be filled by applicants from the non-resident waiting list.
3. Those in need of a Wheelchair Accessible Unit for mobility impairment are given first priority on the Unit Transfer Waiting List for that type of unit. All other requests will be handled in the order received.
  - a. The resident requesting an accessible unit for mobility impairment must first meet with the Manager or Community Resident Initiatives Coordinator and complete a request form.
  - b. The resident must then sign a verification form authorizing her/his physician to provide information regarding their mobility impairment directly to us.
  - c. The verification form will be sent to the resident's primary care physician by the Property Manager to verify the following information:
    - 1.) The need for an accessible unit in order to provide reasonable accommodation for mobility impairment.
    - 2.) Whether the need for the accessible unit is permanent or temporary.
  - d. Management must receive the signed physician information statement directly from the physician.
  - e. Requests for transfers for mobility accessibility reasons will be prioritized in the order that the requests were originally submitted to the staff.

4. In Order to allow an in-house transfer, management must:
  - a. Review the resident's income and adjust the rent for the new unit as needed prior to moving in. This will be in advance of receiving the balance of their security deposit from their previous unit.
  - b. The current unit must be inspected and if there is any damage, or alternations other than normal wear and tear, the resident must pay for the damages or alterations before transferring to the new unit.
  - c. No alterations shall be made to the new unit without first receiving written approval from the management.
  - d. The resident must also be in "good standing" in all other aspects of the lease.
5. It is the residents' responsibility to move all of their possessions and furniture to the new unit. It is not the responsibility of the maintenance staff.
6. At certain times management may request a unit transfer. There are no restrictions on the number of times management can make such requests. The management request may take precedence over the Unit Transfer Waiting List. When a transfer is due to a management request the requirement for the security deposit and damages paid in advance may be waived.
7. No one is exempt from paying cost or fees for situations mentioned in 4a-4b above.
8. Residents can only transfer once except for accessibility reasons or at management's request.
9. If a resident is asked if they want to transfer to a unit that is available and they say no, then they will remain in the same place on the unit transfer waiting list. However, the next person on the list will be asked.
10. If a resident is asked a second time if they want to transfer to a unit and they refuse, then their name will be moved to the bottom of the unit transfer waiting list.
11. A resident will not be removed from the unit transfer waiting list unless they notify management of such a request in writing

The Property Manager is responsible for keeping the transfer waiting list up-to-date by sending a notice to persons on the transfer waiting list annually by mail, and enclosing a form for them to send back to 1180 4th Street Family Housing management office indicating whether they are interested in still being on the waiting list. Persons for whom no confirmation is received, or who indicate they no longer wish to be on the waiting list, will have their names removed from the list. The Property Manager will verify priority status prior to starting the process of

obtaining current income verifications and update any information that may have changed regarding the size or composition of their households.

All units:

#### **REASONABLE ACCOMODATIONS**

It is Mercy Management Group's intent to provide reasonable accommodation and reasonable modification whenever possible. The Property Manager will discuss possibilities for ~~accommodating residents with the Area Director of Operations whenever such requests are~~ made. In California, all requests for accommodations or medications require MHMG Regional Vice President approval.

All applications will be accepted or denied in writing using the "Report of Findings Regarding Request for Accommodation or Modification" within a reasonable period of time.

**All applications will follow the Procedure for Application Regarding Reasonable Accommodation and Modification. Applications and policy are available from the Property Manager.**

#### **PET POLICY**

1. No pets are allowed (except fish and small birds)
2. Service animals or Companion animals with a doctor's statement are not pets.

#### **SMOKING POLICY**

1. No smoking is allowed in the apartments or any of the exterior and interior common areas of the community.
2. No smoking is allowed with 15 feet of the exterior of the building.

**MODIFICATION OF THE RESIDENT SELECTION CRITERIA PLAN**

**This Resident Selection Criteria Plan will be reviewed annually to ensure that it reflects current operating practices, program priorities and regulatory requirements. If this Resident Selection Criteria Plan is substantially updated, you may be notified.**

I certify that I have received a copy of the Resident Selection Criteria for housing at **1180 4th Street.**

\_\_\_\_\_  
Applicant Date

\_\_\_\_\_  
Applicant Date

\_\_\_\_\_  
Applicant Date

\_\_\_\_\_  
Applicant Date

\_\_\_\_\_  
Manager/Leasing Agent Signature Date



## Attachment I

### FAMILY LOCAL OPERATING SUBSIDY PROGRAM

#### Homeless Families Referral Process

1. Housing development requests a referral from HSA.

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2. HSA notifies Access Point of housing opportunities and Access Point conducts screening process of clients, which includes an evaluation of household needs and independent housing readiness.

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3. Access Point submits to HSA appropriate number of referrals based on results of screening and consideration of unit size and household composition.
  - INITIAL RENT UP: HSA contacts *each Access Point* to submit the appropriate number of referrals.
  - ONGOING RENT UP: HSA contacts the *next Access Point* to submit an appropriate referral(s).
4. The Access Point should submit eligible referral(s) within the timeframe specified by HSA or HSA reserves the right to contact the next referral agency to submit a referral. Each referral must include the following:
  - Completed application and supporting documentation
  - Applicant Evaluation
  - Homeless certification on agency's letterhead and any applicable supporting documentation
  - Consent allowing exchange of information between HSA, referring agency, property management firm and housing development
5. HSA will review the application to ensure completeness and eligibility, and after review, will submit the referral to the housing development if the application is deemed eligible and complete. If items are missing from the application, HSA will contact the Access Point to submit the required items before the application will be submitted to the housing development.
6. Housing development will receive a completed referral, and will proceed with their intake process which includes the following:

- The property management firm (PM) will conduct their regular application process which includes conducting an orientation and interview appointment; completion of the PM application; and conducting a credit, eviction, and criminal history check. The PM will either accept or deny the application for housing and inform HSA.
  - If application is accepted, PM will determine the unit assignment based on unit availability, household composition and selection criteria and send an approval letter to the applicant. The PM will coordinate the move-in, income certification and lease signing.
  - If application is denied PM will send a denial letter to the applicant. Applicant has the right to appeal the denial and begin a formal grievance process.
7. Copies of acceptance or denial letters will be sent to HSA. HSA will notify referral agency and follow up accordingly. Referral agencies have a responsibility to the applicant whether the applicant has been approved or denied for housing.
- **REFERRAL AGENCY RESPONSIBILITY IF APPLICANT IS ACCEPTED:** Assist applicant in securing move in costs for security deposits which are typically equal to one month's rent plus the utility allowance. Assist applicant in securing household furnishing, relocation and costs associated with relocation. Provide support as needed in navigating the rent-up process, which includes understanding the terms of the lease.
  - **REFERRAL AGENCY RESPONSIBILITY IF APPLICANT IS DENIED:** Assist denied client with understanding reasons for denial. Assist applicant with preparing an appeal and beginning the formal grievance process. Assist client with alternate housing or accommodations. Be prepared to provide HSA with a new referral.

**Attachment II**

**FAMILY DAY CARE UNIT LEASE ADDENDUM  
1180 4<sup>th</sup> FAMILY HOUSING**

Resident (head of household) \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

Unit # \_\_\_\_\_

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In consideration of the execution or renewal of a lease dated \_\_\_\_\_ of the unit identified above, \_\_\_\_\_ (RESIDENT) and 1180 4TH STREET FAMILY HOUSING agree as follows:

1. The parties consider the terms and covenants of this addendum regarding the establishment and operation of a family child care program to be material and reasonable. It is specifically understood and agreed that the above unit is designed for and committed to the operation of a family day care service licensed by the State of California.
2. It is understood that as of the signing of the lease and this lease addendum, RESIDENT is applying for a license from the State of California to operate a family child care program at Unit \_\_\_\_\_. In order to qualify for and secure this license, the RESIDENT must occupy the unit to allow the State of California to inspect the child care program space. 1180 4TH STREET FAMILY HOUSING is leasing the unit to the RESIDENT to facilitate the approval process for this license. Accordingly, the RESIDENT agrees to perform the necessary tasks to obtain the license from the State of California to operate a family child care program in the unit. 1180 4TH STREET FAMILY HOUSING will cooperate and provide reasonable assistance to the RESIDENT in their efforts to secure the license, but are under no obligation to do so and will not be held responsible if the RESIDENT experiences delays or fails to obtain the license.
3. If for any reason the RESIDENT fails to obtain a license from the State of California to operate a family child care program within 180 days of the signing of this lease addendum, or fails to provide child care services, the RESIDENT and all members of the family unit included in the lease for the unit, agree to move to the next available unit which is adequate for the Resident's household size. Furthermore, if the RESIDENT is allowed to remain in a family child care unit without the requirement to provide child care, based on a waiver 1180 4TH STREET FAMILY HOUSING received from the San Francisco Mayor's Office of Housing and Community Development, the RESIDENT must agree to move to the next available unit which is adequate for the RESIDENT's household size if a child care provider is located and qualified to rent the family child care unit.
4. Neither 1180 4TH STREET FAMILY HOUSING, Mercy Housing Management Group (1180 4TH STREET FAMILY HOUSING management agent), nor their

respective successors and assigns (collectively referred to as "Management"), shall be liable for any injury to any person(s) or for damage arising from the use of the premises for the purpose of operating family child care. The RESIDENT agrees to indemnify and hold Management and 1180 4TH STREET FAMILY HOUSING harmless from all liability, loss or other damage, claim or obligation that may arise either from the RESIDENT or the RESIDENT's invitees.

5. Management strongly urges the RESIDENT to obtain general liability insurance covering the operation of the family child care program. If the RESIDENT purchases such insurance, the RESIDENT agrees to add Management and 1180 4TH STREET FAMILY HOUSING as additionally insured entities, and provide evidence by means of a certificate of insurance to the management office. Management agrees to pay for any additional premium resulting from being added as additional insureds. Should the RESIDENT decide not to obtain a general liability insurance policy, the RESIDENT agrees to maintain current affidavits on file, signed by the parent or guardian of each child enrolled in the RESIDENT's family child care program, acknowledging the lack of such insurance.
6. The RESIDENT further agrees to comply with all the licensing requirements of the State of California, Department of Social Services with respect to family child care establishments, including providing Management with a copy of the RESIDENT's written disaster/emergency plan.

Any breach of the licensing requirements to operate the family child care program, will be considered a breach of this lease addendum. A 30-day notice to cure will be issued to the RESIDENT. If the RESIDENT fails to file a grievance regarding such notice within the 30-day period, or if the breach is not cured within the 30-day period, the provision to relocate the RESIDENT outlined in paragraph (3) above will be implemented.

This lease addendum is incorporated into the above referenced lease as of the date listed below.

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Date

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Date

\_\_\_\_\_  
Management

\_\_\_\_\_  
Date

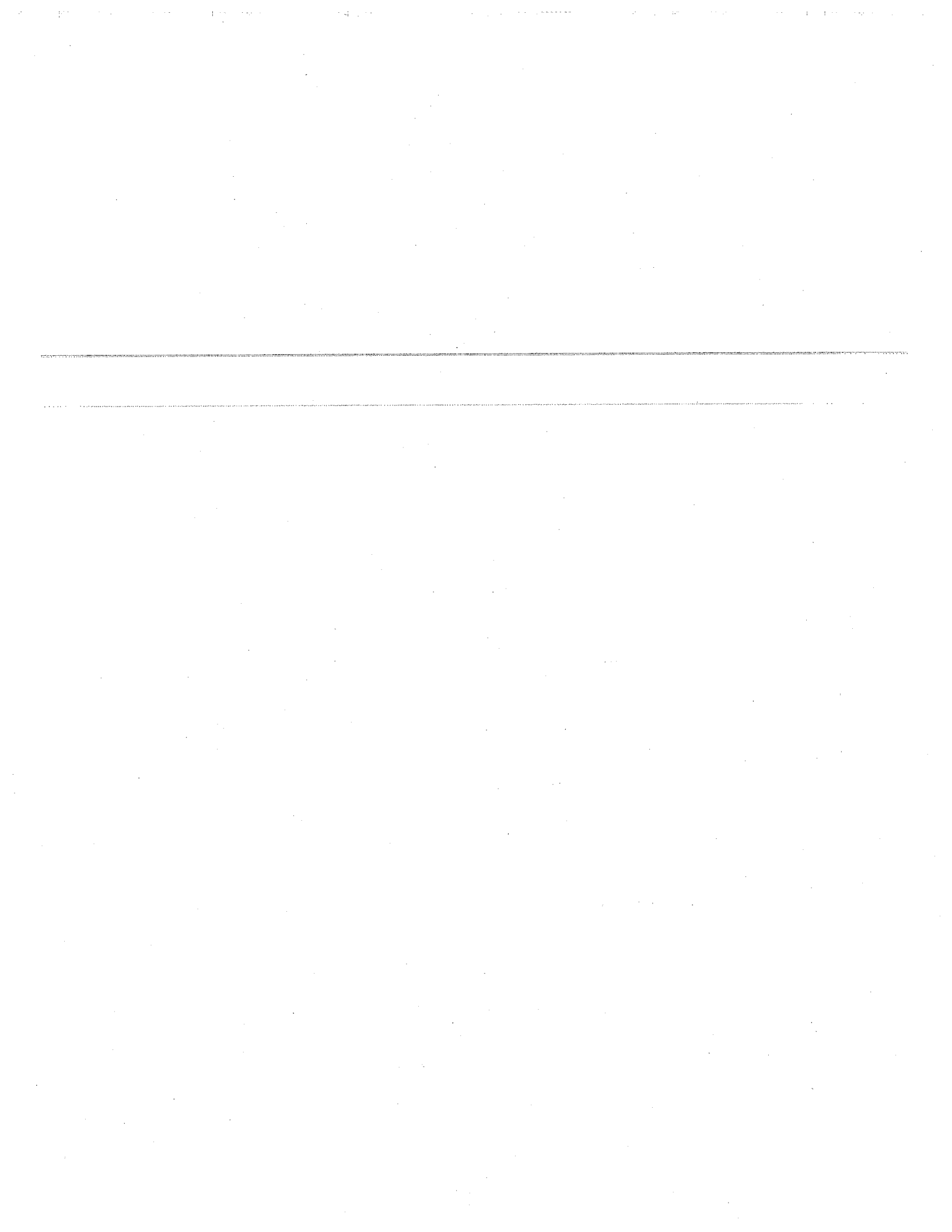


**Exhibit C – Legal Description of Real Property**

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

Lot 14, Block 8711, as shown on that certain Tract Map No. 3936, filed February 22, 2006, in Book BB of Maps, Pages 54-58, inclusive, in the office of Recorder of the City and County of San Francisco, State of California, as such map was corrected pursuant to Certificate of Correction recorded October 12, 2006, Reel J244, Image 295, in the office of such Recorder.

APN: Lot 014, Block 8711



**Exhibit D – Form of Referral Report**



**City and County of San Francisco**

**Human Services Agency**

PLEASE PRINT CLEARLY				
Client Name (HEAD OF HOUSEHOLD)				
SSN: / /	Household Size: ( )	No. Adults: ( )	No. Children: ( )	
Access Point Agency		Program Director Name:		Phone:
Contact Information for Agency Person Responsible for Referral				
Name:		Phone:		Email:

**Mercy Housing: 1180 4<sup>th</sup> Street Family Housing Referral  
Access Point Referral CHECK LIST**

Referral applications **MUST INCLUDE** the following completed forms and document copies:

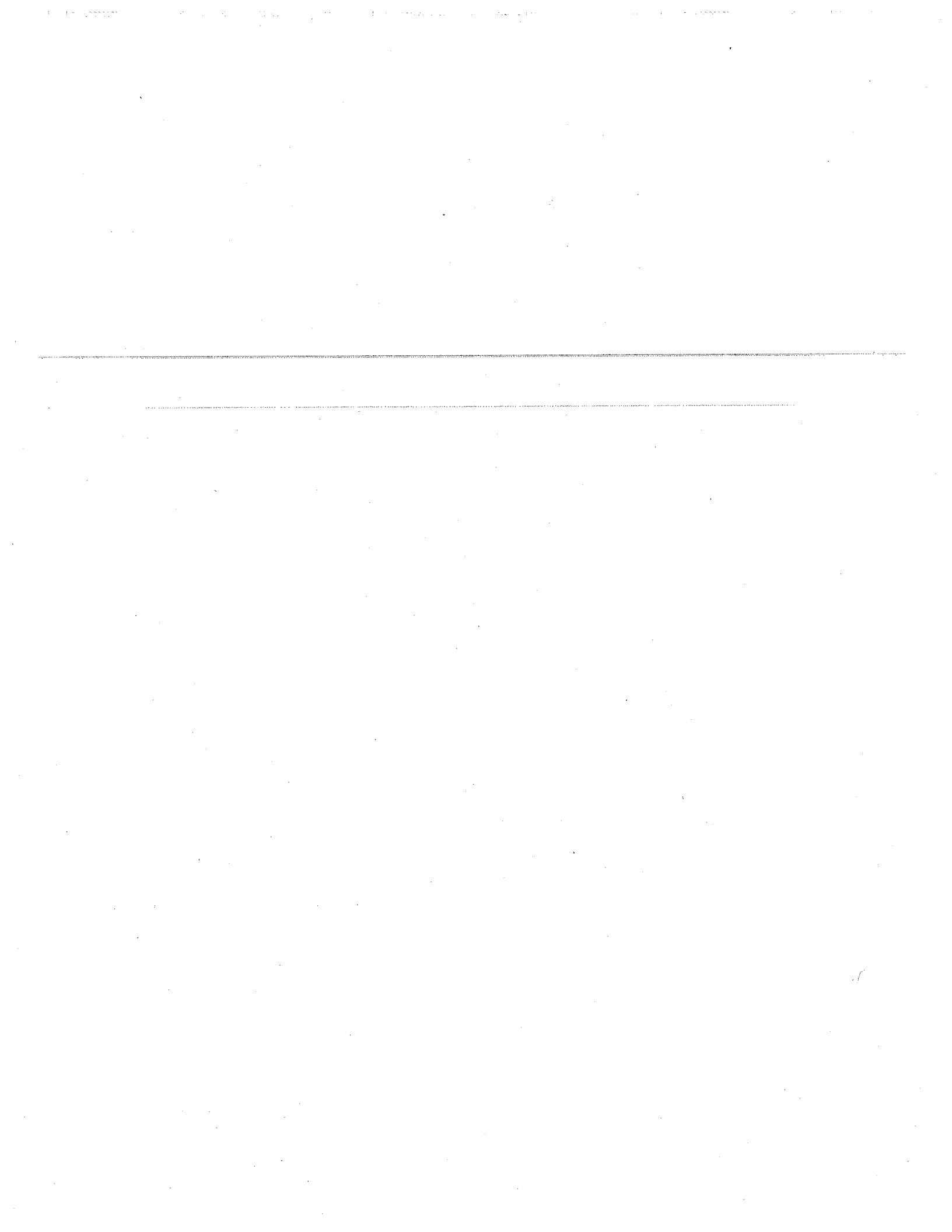
1.	<input type="checkbox"/> Access Point Referral CHECK LIST (this one page form, completed)	2.	<input type="checkbox"/> Evaluating Families for Housing Opportunities
3.	<input type="checkbox"/> 1180 4 <sup>th</sup> Street Apartments - Mercy Housing Management Group Information Summary (Sign Only) (Pages 1 through 6 - one per household)	4.	<input type="checkbox"/> Under \$5,000 Asset Certification (one per adult - sign only)
5.	<input type="checkbox"/> Tenant Release of Consent (one per household - sign only)	6.	<input type="checkbox"/> Background Authorization (one per adult - sign only)
7.	<input type="checkbox"/> Tenant Income Certification Questionnaire (one per adult - sign only)	8.	<input type="checkbox"/> Full-Time Student Affidavit (one per adult - sign only)
9.	<input type="checkbox"/> Child Support Affidavit (one per adult - sign only)	10.	<input type="checkbox"/> Affidavit of Non-Employed Status (one per adult - sign only)
11.	<input type="checkbox"/> Certification of Zero Income (one per adult - sign only)	12.	<input type="checkbox"/> Mayor's Office of Housing Certificate of Preference Voucher - COP (Sign and Date)
13.	<input type="checkbox"/> Current Award Letters for Unearned Income (TANF/SSI, etc.)	14.	<input type="checkbox"/> Homeless Certification (on agency letterhead - signed and dated)
15.	<input type="checkbox"/> Please specify language needs, if other than English:		
16.	Copies of Identification Needed:	Government Issued Photo ID (Passport/ State DL/ID)	Social Security Card for all Family
			Birth Certificates for all Minor Children

Direct general questions about 1180 4<sup>th</sup> Street Family Housing to:  
Briana Moore, MSW – Family Permanent Supportive Housing Program Manager  
1650 Mission Street, Suite 302, San Francisco, CA 94107  
Email: [briana.moore@sfgov.org](mailto:briana.moore@sfgov.org) Telephone: 415-557-6482

**All Applications Must be Hand Delivered by Due Date to Housing and Homeless Division**

**DO NOT WRITE BELOW THIS LINE – FOR OFFICIAL USE ONLY**

Date Due	Round No.	Date Received	Date To MHP	HSA Staffer
Application Status (circle one)		Accepted	Rejected	Date
<b>Comments:</b>				



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







MCH Operating Budget - Year 1

Personnel	1,000,000	1,000,000	1,000,000
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Personnel	1,000,000	1,000,000	1,000,000
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Personnel	1,000,000	1,000,000	1,000,000
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Personnel	1,000,000	1,000,000	1,000,000
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Personnel	1,000,000	1,000,000	1,000,000
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Personnel	1,000,000	1,000,000	1,000,000
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Personnel	1,000,000	1,000,000	1,000,000
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Personnel	1,000,000	1,000,000	1,000,000
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Personnel	1,000,000	1,000,000	1,000,000
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Personnel	1,000,000	1,000,000	1,000,000
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Personnel	1,000,000	1,000,000	1,000,000
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Personnel	1,000,000	1,000,000	1,000,000
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Personnel	1,000,000	1,000,000	1,000,000
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Personnel	1,000,000	1,000,000	1,000,000
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Personnel	1,000,000	1,000,000	1,000,000
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Personnel	1,000,000	1,000,000	1,000,000
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Personnel	1,000,000	1,000,000	1,000,000
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Personnel	1,000,000	1,000,000	1,000,000
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Personnel	1,000,000	1,000,000	1,000,000
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Personnel	1,000,000	1,000,000	1,000,000
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**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: \_\_\_\_\_

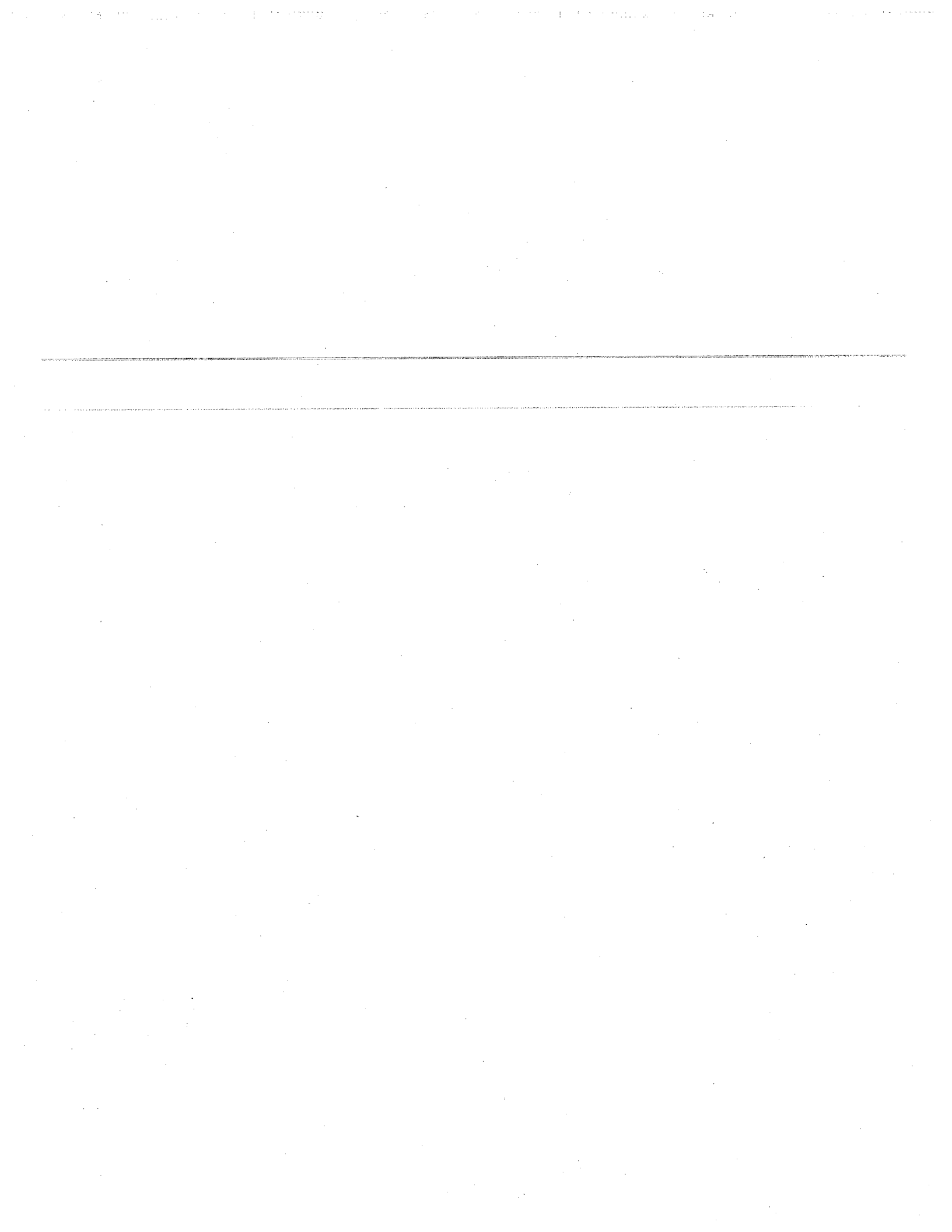
DATE: \_\_\_\_\_



**EXHIBIT G – ANNUAL MONITORING REPORT**

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



Edwin M. Lee  
Mayor

Olson Lee  
Director

August 30, 2013

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

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

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

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

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

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

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

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

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

**Completion and Submission Instructions**

The AMR consists of the following 3 parts:

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

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

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

Use Question #9 on the Narrative worksheet to explain any data that you provide that may be unclear or better understood with additional information. In addition, certain questions in this report prompt you to supply an explanation for your answers on the Narrative worksheet. *Failure*

1 South Van Ness Avenue, Fifth Floor, San Francisco, CA 94103  
Phone: (415) 701-5500 Fax: (415) 701-5501 TDD: (415) 701-5503 [www.sfgov.org/moh](http://www.sfgov.org/moh)

*to supply the required explanation will render your submission incomplete.*

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

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

**III. Audited Financial Statement** – Provide a financial statement for the project for Reporting Year 2013. It must be prepared by a certified public accountant in accordance with generally accepted accounting principles and applicable regulations and laws. If the project is owned by a single asset entity, provide a separate financial statement just for the project, otherwise provide a statement for the parent corporation. Also include copies of any Management Letters and special notes from the auditor that pertain to the property and the financial statement.

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

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

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



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

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

Complete this form, sign and date it, scan it along with the attachments required under the Insurance and Tax Certification on page 3 and email the form and the attachments with the Project Activity Report and audited financial statements to [moh.amr@sfgov.org](mailto:moh.amr@sfgov.org).

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

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

**Owner Compliance Certification**

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

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

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

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

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

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

**Insurance & Tax Certification**

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

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:	
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:	

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

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

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

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

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

## Property & Tenant Info

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

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

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

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

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

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

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

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

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

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

## Fiscal Activity

CCSF -- MOH -- RY2012AMR -- Instructions - Fiscal Activity

### Income and Expenses

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

### INSTRUCTIONS:

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

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

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

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

5120 Housing Units Gross Potential Tenant Rents. This account records gross rent received less tenant assistance payments for all residential units. Offsetting debits to this account are Account 6331, Manager rent free unit.

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

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

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

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

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

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

5300 Supportive Services Revenue. Accounts in this series are used primarily by group home projects or other projects restricted to a special needs population (e.g., group home for mentally disabled or senior apartments). These accounts record revenues received (other than rents) for services provided to tenants (e.g., meal services, housekeeping, etc.). Supportive service-related expenses are charged to accounts in the 6900 series. List all revenues received, with a separate line for each source.

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

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

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

5990 Other Revenue. This account records project revenue not otherwise described in the above revenue accounts. If necessary, agents should subdivide the account into specific revenue accounts numbered 5992 through 5999.

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

### Replacement Reserve Account Withdrawals

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

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

### Operating Reserve Account Withdrawals

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

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

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

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

6310 Office Salaries. This account records salaries paid to office employees whether the employees work on site or not. Front-line responsibilities include for example, taking applications, verifying income and processing maintenance requests. The account does not include salaries paid to occupancy, maintenance and regional supervisors who carry out the agent's responsibility for overseeing or supervising project operations and personnel. These salaries are paid from the management fee. This account also does not include the project's share of payroll taxes (Account 6711) or other employee benefits (Account 6723) paid by the project.

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

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

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

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

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

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

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

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

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

6390 Miscellaneous Administrative Expenses. This account records administrative expenses not otherwise classified in the 6300 Series. If necessary, agents should subdivide the account into specific accounts numbered 6391 through 6399.

6450 Utilities: Electricity

6451 Utilities: Water

6452 Utilities: Gas

6453 Utilities: Sewer

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

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

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

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

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

6722 Workmen's Compensation. This account records the cost of workmen's compensation insurance for project employees.

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

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

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

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

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

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

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

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

6590 Miscellaneous Operating and Maintenance Expenses. This account records the cost of maintenance and repairs not otherwise classified in the 6400 and 6500 account Series. If necessary, agents should subdivide the account into specific accounts numbered 6591 through 6599.

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

## Occupancy and Rent Info

CCSF – MOH – RY2012AMR – Instructions - Occupancy & Rent Info

Accurate and complete household and tenancy data must be submitted on the Occupancy & Rent Info worksheet as evidence that the project complies with the income eligibility and rent affordability restrictions of MOH's funding agreements. Enter the data described below into the chart in Section 3 - Occupancy & Rent Info for the tenant population that occupied the project as of the end of the reporting period. For vacant units and manager's units, you must supply data in columns D, E, P, R, S and U. All other columns should be left blank.

### COLUMN DESCRIPTION

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

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

E. **Low Income Unit.** You must answer "Yes" for each unit occupied by a low-income person or household and "No" for units not occupied by a low-income person or household. Low Income Units are units rented or set aside for Low Income Households. "Low-Income" from the U.S. Housing Act of 1937 (the Act). The Act is enforced and implemented by the Department of Housing and Urban Development (HUD). HUD defines "low-income families [households]" as families whose income does not exceed 80 percent of the median family income for the area, (Area Median Income - AMI) as adjusted for family size. "Very low-income families" as families who do not exceed 50% of the median household income for the area, adjusted for family size. The maximum incomes for the property are governed by the property's Loan/Regulatory Agreements with MOH and possibly other project funders. The owner must ensure that they comply with all loan requirements.

F. **Date of Initial Occupancy.** Enter the date (mm/dd/yyyy) of occupancy of the person/household that occupied the unit/bed on the last day of the reporting period.

G. **Household Annual Income AT INITIAL OCCUPANCY.** Enter annual income of the household from the most recent certification/recertification. OK to leave blank ONLY if ALL funders do not require ANY income certifications.

H. **Household Size at Initial Occupancy:** Enter the number of tenants in the household at the time of initial occupancy.

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

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

K. **Household Size as of last recertification within reporting period.** Enter the number of occupants in the unit (low-income units only) as of the end of the reporting period.

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

M. **Disability (Mobility/Other/None).** If the unit is occupied by a mobility impaired tenant, select "Mobility" from the drop-down menu. If the unit is occupied by a tenant with an other physical disability, select "Other" from the drop-down menu. Select "None" if the unit is not occupied by a mobility impaired or other physically disabled tenant.

N. **Household Annual Income as of last recertification within reporting period.** Enter annual income of the household from the most recent certification/recertification. OK to leave blank ONLY if ALL funders do not require annual income recertifications.

O. **Over Income:** if the tenant is "over income" per the definition of MOH's underlying funding agreement, select "Yes" and go to #9 Narrative worksheet to describe steps taken.



P. **Rental Assistance.** From the drop-down menu, select one code only to indicate the type of assistance, if any, being provided to the tenant (low-income units only). Select "None" if no rental assistance comes with the unit or none is provided to the tenant.

"Section 8 - Project Based" = The unit comes with Section 8 subsidy that will remain with the unit after the tenant moves out.

"Section 8 - Tenant Voucher" = Tenant is receiving assistance through the Section 8 Certificate or Voucher programs.

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

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

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

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

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

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

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

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

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

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

Bed = (measurement for Group homes or transitional housing)

"SRO" = Single Room Occupancy unit

"Studio" = Studio unit

"1BR" = 1 Bedroom unit

"2BR" = 2 Bedroom unit

"3BR" = 3 Bedroom unit

"4BR" = 4 Bedroom unit

"5+" = 5 or more Bedroom unit

S. **Amount of Maximum Gross Rent Allowed for Unit.** Enter the maximum rent for the unit that is allowed by the most restrictive funder of the project.

T. **Amount of Tenant Paid Rent for Unit.** Enter only the amount of rent that the tenant pays. Do not include any rental assistance paid on behalf of the tenant by another party.

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

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

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

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

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

### Project Financing

Supply the info requested about all current financing of the project. Lenders should be listed in lien order, i.e., with the most-senior lender in the first lien position, the most-junior lender in last lien position. If the project was funded by tax credits, don't forget to supply the end date for the initial tax credit compliance period (typically 15 years).

### Services Funding

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

## Links to Relevant Policies

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

MOH Forms Page at SFGOV.ORG

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

Program Income Overview

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

MOH Residual Receipt Policy

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

Residual Receipt Waiver Request Form

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

MOH Insurance Requirements Policy

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

Asset Management Fee Policy

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

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

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

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

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

**REPORT CHECKLIST**

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

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

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

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

<b>WORKSHEET 1A. Property &amp; Residents</b>	<b>incomplete</b>
questions 1 thru 4	incomplete
questions 5 thru 21	incomplete
questions 22 thru 29	incomplete
questions 30 thru 40	incomplete
questions 41 thru 51	incomplete
questions 52 thru 58	incomplete
questions 59 thru 83	incomplete

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

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

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

<b>WORKSHEET 5. Project Funding</b>	<b>incomplete</b>
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<b>WORKSHEET 6. Services Funding</b>	<b>To Be Determined</b>
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Annual Monitoring Report - Property & Residents - Reporting Year 2013 Mayor's Office of Housing & Community Development		
#	IDENTIFYING INFO	
1		Reporting Period Start Date (m/d/yyyy)
2		Reporting Period End Date (m/d/yyyy)
3		Property Name
4		Property Full Street Address (e.g. "123 Main Street")
CONTACT INFO		
5		Property Management Company
6		Property Manager Name
7		Property Manager Phone Number
8		Property Manager E-mail
9		Property Supervisor Name
10		Property Supervisor Phone Number
11		Property Supervisor E-mail
12		Property Owner Name
13		Property Owner Contact Person
14		Property Owner Contact Phone Number
15		Property Owner Contact E-mail
16		Asset Manager Name
17		Asset Manager Phone Number
18		Asset Manager E-mail
19		AMR Preparer's Name
20		AMR Preparer's Phone Number
21		AMR Preparer's E-mail
PROPERTY INFO		
	What is the Bedroom/Unit Mix for the Property?	
22		Number of <i>Single Room Occupancy (SRO) Units</i>
23		Number of <i>Studios / (0) Zero Bedroom Units</i>
24		Number of <i>(1) One Bedroom Units</i>
25		Number of <i>(2) Two Bedroom Units</i>
26		Number of <i>(3) Three Bedroom Units</i>
27		Number of <i>(4) Four Bedroom Units</i>
28		Number of <i>(5+) Four or More Bedroom Units</i>
29	0	Number of Residential Units at Property
30		What is the date of the last Capital Needs Assessment? (m/d/yyyy)
31		What is the projected date of the next Capital Needs Assessment? (m/d/yyyy)

32		<p><b># 5</b></p> <p>How many <b>Health, Building or Housing Code Violations</b> were issued against the property in the reporting year? (If there were no violations enter "0"). If the property was cited for code violations in the reporting year or has open, unresolved violations from prior years as indicated below, you must answer Question # 5 on the Narrative worksheet. <i>(Click on # 5 at left to jump to Narrative worksheet.)</i></p>
33		<p>How many <b>Health, Building or Housing Code Violations</b> were open from <i>prior years</i>?</p>
34		<p>How many <b>Health, Building or Housing Code Violations</b> were cleared in the reporting year?</p>
35		<p><b># 6</b></p> <p>Are there urgent <b>Major Property Repairs</b> needed on the property in the next two years? (<b>Yes/No</b>) If there are needed major repairs you must answer Question #6 on the Narrative worksheet. <i>(Click on # 6 at left to jump to Narrative worksheet.)</i></p>
36		<p><b># 6</b></p> <p>If the property has <b>Immediate Capital Needs</b> and lacks adequate funds in the Replacement Reserve (or elsewhere) to cover the costs, please supply the amount of funds needed to makeup the difference, and supply additional explanation in question #6 of the Narrative report. <i>(Click on # 6 at left to jump to Narrative worksheet.)</i></p>
37		<p>As of the last day of the reporting period, how many units were fully <b>Accessible to Physically Impaired Tenants</b>?</p>
38		<p>As of the last day of the reporting period, how many units were <b>Adaptable for Physically Impaired Tenants</b>?</p>
39		<p>As of the last day of the reporting period, how many units were fully <b>Accessible to Visually Impaired Tenants</b>?</p>
40		<p>As of the last day of the reporting period, how many units were fully <b>Accessible to Hearing Impaired Tenants</b>?</p>

Q#	Resident Services: ANSWER REQD FOR q's 41-49. Indicate below any services that were available to the residents free of charge, on site or at another designated location within 1/4 mile of the project. You must also provide detailed info about the service provider using Worksheet "6, Service Summary". <b>Projects that received bond financing and remain subject to CDLAC reporting requirements have additional annual reporting duties, please read the instructions on Worksheet 6 carefully.</b>
41	<div style="display: flex; justify-content: space-between;"> <span style="writing-mode: vertical-rl; transform: rotate(180deg);">Go To W56</span> <span>After School Program/s (y/n)</span> </div>
42	<div style="display: flex; justify-content: space-between;"> <span style="writing-mode: vertical-rl; transform: rotate(180deg);">Go To W56</span> <span>Licensed Day Care Service (participant fees are allowable for day care ONLY) (y/n)</span> </div>
43	<div style="display: flex; justify-content: space-between;"> <span style="writing-mode: vertical-rl; transform: rotate(180deg);">Go To W56</span> <span>Youth Program/s (y/n)</span> </div>
44	<div style="display: flex; justify-content: space-between;"> <span style="writing-mode: vertical-rl; transform: rotate(180deg);">Go To W56</span> <span>Educational Classes (e.g. basic skills, computer training, ESL) (y/n)</span> </div>
45	<div style="display: flex; justify-content: space-between;"> <span style="writing-mode: vertical-rl; transform: rotate(180deg);">Go To W56</span> <span>Health and Wellness Services/Programs (y/n)</span> </div>
46	<div style="display: flex; justify-content: space-between;"> <span style="writing-mode: vertical-rl; transform: rotate(180deg);">Go To W56</span> <span>Employment Services (y/n)</span> </div>
47	<div style="display: flex; justify-content: space-between;"> <span style="writing-mode: vertical-rl; transform: rotate(180deg);">Go To W56</span> <span>Case Management, Information and Referrals (y/n)</span> </div>
48	<div style="display: flex; justify-content: space-between;"> <span style="writing-mode: vertical-rl; transform: rotate(180deg);">Go To W56</span> <span>Benefits Assistance and Advocacy; Money Management; Financial Literacy and Counseling (y/n)</span> </div>
49	<div style="display: flex; justify-content: space-between;"> <span style="writing-mode: vertical-rl; transform: rotate(180deg);">Go To W56</span> <span>Support Groups, Social Events, Organized Tenant Activities (y/n)</span> </div>
50	<div style="display: flex; justify-content: space-between;"> <span style="writing-mode: vertical-rl; transform: rotate(180deg);">Go To W56</span> <span>Other Service #1 - Please specify in column G.</span> </div>
51	<div style="display: flex; justify-content: space-between;"> <span style="writing-mode: vertical-rl; transform: rotate(180deg);">Go To W56</span> <span>Other Service #2 - Please specify in column G.</span> </div>
52	<div style="background-color: #cccccc; padding: 5px;"> <p>Is the project any of the following: Transitional Housing, Residential Treatment Program, Shelter or Transitional Group Home? If you answer 'yes', it is likely that the next 10 questions below (52 thru 62) are not relevant, so you may skip any that do not apply, instead you must complete worksheet titled "1B: Transitional Programs Only"</p> </div>
53	<div style="background-color: #cccccc; padding: 5px;"> <p><b>Vacancies</b> - How many vacancies occurred at the project during the reporting period? (Please be sure that the data supplied on worksheet 3 does not show more vacancies than what is reported here.)</p> </div>
54	<div style="background-color: #cccccc; padding: 5px;"> <p><b>Evictions</b> - How many evictions occurred during the reporting year?</p> </div>

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

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



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

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

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

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

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

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

**Project Address:**

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

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

**Persons Served During Operating Year**

	A. Num Singles Not in Families	B. Num Families	C1. Num Adults in Families	C2. Num Children in Families	
3					Num on the first day of operating year
4					Num entering the program during the operating year
5	0				<b>Total Households (Singles and Families) Served</b>
6					Num who left the program during the operating year
7	0	0	0	0	Num in the program on the last day of the operating year
8	0				<b>Total Households in program on the last day of the operating year</b>
9					<b>&lt;-Capacity Utilization Rate (by Household as of last Day of Operating Year)</b>

If the Capacity Utilization Rate is LESS than 75% you must respond to the following:

10		1. Explain the reason(s) why the capacity utilization rate is as low as it is; and
11		2. Describe plan/s to raise the capacity utilization rate to at least 75%, with specific timeline.

**Length of Stay:** For the 0 households that LEFT the program during the operating year, how many were in the project for the following lengths of time? (Total in cell H128 should match total of cells H12 & I12.)

12		Less than 1 month
13		1 to 2 months
14		3 - 6 months
15		7 months - 12 months
16		13 months - 24 months
17		25 months - 3 years
18	0	<b>TOTAL # HH's that left the program</b>

**Destination:** For the 0 households reported to have LEFT the program during the operating year, how many left for the following destinations? (Total in cell H51 should match total of cells H12 & I12.)

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

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

INCOME & EXPENSES				
12 Month Report Period:		Start Date:	End Date:	
* Number of Units-->		1/0/1990	1/0/1990	
Description of Expense Accounts	Account Number	Residential	Non-Residential	Total
<b>Rental Income</b>				
Housing Units - Gross Potential Tenant Rents	5120			
Rental Assistance Payments (Identify sources in row below if applicable; LOSP funding should be shown here)	5121			
Commercial	5140			
Sources-->				
sub-total Gross Rental Income:		\$0.00	\$0.00	\$0.00
<b>Vacancy Losses - enter amounts as negative numbers!</b>				
Housing Units	5220			0.00%
Commercial	5240			0.00%
sub-total Vacancies:		\$0.00	\$0.00	\$0.00
<b>NET RENTAL INCOME:</b>		<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Other Income</b>				
Parking Spaces	5170			
Miscellaneous Rental Income	5190			
Supportive Services Income - Do not enter supportive services income if it is tracked in a separate budget and not appropriate per MDH loan terms to be included in Residual Receipts calculation				
Supportive Services Income Source(s) - Identify program source(s) if applicable-->	5300			
Interest Income - Project Operations	5400			
Laundry and Vending	5810			
Tenant Charges	5820			
Other Revenue	5990			
sub-total Other Income Received:		\$0.00	\$0.00	\$0.00
<b>1. TOTAL INCOME RECEIVED:</b>		<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

INCOME & EXPENSES				
Description of Expense Accounts	Account Number	Residential	Non-Residential	Total
<b>Management</b>				
Management Fee	6320			
*Above the Line* Asset Management Fee (amount allowable may be limited, see Asset Mgt. Fee Policy)				
sub-total Management Expense:		\$0.00	\$0.00	\$0.00
<b>Salaries/Benefits</b>				
Office Salaries	6310			
Manager's Salary	6330			
Health Insurance and Other Employee Benefits	6723			
Other Salary/Benefit Expenses				
Administrative Rent Free Unit	6331			
sub-total Salary/Benefit Expense:		\$0.00	\$0.00	\$0.00
<b>Administration</b>				
Advertising and Marketing	6210			
Office Expenses	6311			
Office Rent	6312			
Legal Expense - Property	6340			
Audit Expense	6350			
Bookkeeping/Accounting Services	6351			
Bad Debts	6370			
Miscellaneous Administrative Expenses	6390			
sub-total Administrative Expense:		\$0.00	\$0.00	\$0.00
<b>Utilities</b>				
Electricity	6450			
Water	6451			
Gas	6452			
Sewer	6453			
sub-total Utilities Expense:		\$0.00	\$0.00	\$0.00
<b>Taxes and License</b>				
Real Estate Taxes	6710			
Payroll Taxes	6711			
Miscellaneous Taxes, Licenses, and Permits	6790			
sub-total Taxes and License Expense:		\$0.00	\$0.00	\$0.00
<b>Insurance</b>				
Property and Liability Insurance	6720			
Fidelity Bond Insurance	6721			
Workers' Compensation	6722			
Directors & Officers Liabilities Insurance*	6724			
sub-total Insurance Expense:		\$0.00	\$0.00	\$0.00
<b>Maintenance Repair</b>				
*IMPORTANT NOTE: THE AMOUNT OF NON-CAPITAL MAINTENANCE REPAIR EXPENSES ELIGIBLE FOR PAYMENT BY REPLACEMENT RESERVES IS POSITIVE, AND IS BASED FROM THE AMOUNT OF THE TOTAL MAINTENANCE REPAIR EXPENSES. SEE AMOUNTS REPORTED IN THE MAINTENANCE & REPAIR SECTION OF THE ANNUAL MONITORING REPORT.				
Payroll	6510			
Supplies	6515			
Contracts	6520			
Garbage and Trash Removal	6525			
Security Payroll/Contract	6530			
HVAC Repairs and Maintenance	6545			
Vehicle and Maintenance Equipment Operation and Repairs	6570			
Miscellaneous Operating and Maintenance Expenses	6590			
sub-total Maintenance Repair Expense:		\$0.00	\$0.00	\$0.00
Supportive Services: do not enter supportive services expenses if tracked in separate budget and not eligible to be counted against project income for residual receipts calculation.				
SUB-TOTAL OPERATING EXPENSES:		\$0.00	\$0.00	\$0.00
<b>Non-Capital Maintenance Repair Expenses eligible for payment by Replacement Reserves: Only enter amounts here if they were included in amounts entered for Maintenance &amp; Repair section above. Enter as positive number.</b>				
TOTAL OPERATING EXPENSES:		\$0.00	\$0.00	\$0.00
<b>1. TOTAL INCOME RECEIVED:</b>				
		\$0.00	\$0.00	\$0.00
<b>2. TOTAL OPERATING EXPENSES:</b>				
		\$0.00	\$0.00	\$0.00
<b>3. NET OPERATING INCOME:</b>				
		\$0.00	\$0.00	\$0.00

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

	Lenders/Other Amounts			
<b>4. Debt Service (Principal and Interest)</b>				
Lender1 - Principal Paid (provide lender name to the right)				
Interest Paid				
Other Amount (describe to the right)				
Lender2 - Principal Paid (provide lender name to the right)				
Interest Paid				
Other Amount (describe to the right)				
Lender3 - Principal Paid (provide lender name to the right)				
Interest Paid				
Other Amount (describe to the right)				
Lender4 - Principal Paid (provide lender name to the right)				
Interest Paid				
Other Amount (describe to the right)				
Lender5 - Principal Paid (provide lender name to the right)				
Interest Paid				
Other Amount (describe to the right)				
<b>Total Debt Service Payments</b>		<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>5. Reserve Account Activity</b>				
Replacement Reserve Required Annual Deposit	1320			\$0.00
Operating Reserve Deposits	1365			\$0.00
Operating Reserve Account Withdrawals				\$0.00
Other Required Reserve Account Deposits (Identify account in row below) (1330)				\$0.00
Other Required Reserve Account Withdrawals - Identify account in next col ->				\$0.00
<b>Net Reserve Activity:</b>		<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Surplus Cash, Detail (NOI minus Debt Service and Reserve Activity)</b>		<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<i>If amount for Surplus Cash above is negative - you must provide a detailed explanation to question #1 on the Narrative Worksheet - you must NOT supply data for any of the fields for Uses of Surplus Cash below</i>				
				Go to ws4 Narrative question #1
<b>Surplus Cash, Total</b>				<b>\$0.00</b>
<b>REFER TO THE PROJECT'S SURPLUS CASH FLOW "WATERFALL" (IF APPLICABLE) PRIOR TO COMPLETING SECTION BELT</b>				
<b>USES OF SURPLUS CASH THAT ARE AUTHORIZED TO BE PAID PRIOR TO CALCULATION OF MOHCD DEBT PAYMENT (IF APPLICABLE)</b>				
<b>6. Operating Reserve Replacements (Deposit made out of surplus cash to satisfy minimum balance requirements)</b>				
<b>7. "Below-the-line" Asset Mgt fee (prior written authorization from City/SFRA may be required, see Asset Mgt. Fee Policy)</b>				
<b>8. Ground Leases &amp; related payments, if any</b>				
<b>8a. Partnership Management fee due from this reporting period, if any (tax credit projects only; not allowed if project is beyond 15-year compliance period)</b>				
<b>8b. Partnership Management fee accrued but unpaid from PRIOR reporting periods, if any (tax credit projects only; per City policy; not allowed if project is beyond 15-year compliance period)</b>				
<b>10a. Investor Services Fee (aka LP Asset Management Fee) due from this reporting period, if any (tax credit projects only; per City policy; not allowed if project is beyond 15-year compliance period)</b>				
<b>10b. Investor Services Fee (aka LP Asset Management Fee) accrued but unpaid from PRIOR reporting periods, if any (tax credit projects only; per City policy; not allowed if project is beyond 15-year compliance period)</b>				
<b>11. Deferred Developer fee, if any</b>				
<b>12. Other payments; use question #2 on the Narrative Worksheet #4 to provide details about any fee or other payments included here. Failure to provide details will result in disallowance of this expense. You may only include payments that were approved by MOHCD at time of funding that are also explicitly authorized by a Partnership Agreement or similar project document.</b>				
Lender Name of Debt Service payments entered below:				
<b>13a. Debt Pmt to other lender1: Principal Paid (note lender name to right)</b>				
<b>13a. Debt Pmt to other lender1: Interest Paid</b>				
<b>13b. Debt Pmt to other lender2: Principal Paid (note lender name to right)</b>				
<b>13b. Debt Pmt to other lender2: Interest Paid</b>				
<b>13c. Debt Pmt to other lender3: Principal Paid (note lender name to right)</b>				
<b>13c. Debt Pmt to other lender3: Interest Paid</b>				
<b>13d. Debt Pmt to other lender4: Principal Paid (note lender name to right)</b>				
<b>13d. Debt Pmt to other lender4: Interest Paid</b>				
<b>13e. Debt Pmt to other lender5: Principal Paid (note lender name to right)</b>				
<b>13e. Debt Pmt to other lender5: Interest Paid</b>				
<b>Total Payments preceding MOHCD on Surplus Cash waterfall</b>				<b>\$0.00</b>
<b>14. RESIDUAL RECEIPTS</b>				<b>\$0.00</b>
<b>PROPOSED USE OF RESIDUAL RECEIPTS</b>				
<b>14a. Is This Project Obligated to make Repayments on any MOHCD loans out of Residual Receipts? (enter yes or no in cell to the right)</b>				
<b>-- Residual Receipts Obligation Calculation (if applicable) --</b>				
<b>14b. % of Residual Receipts (14)</b>				
<b>14c. \$500 per unit</b>				
<b>14d. Allowable Distribution (lesser of 14b &amp; 14c)</b>				
<b>14e. Net Residual Receipts Amount Due (14 - 14d)</b>				<b>Proposed Amount:</b>
<b>15. PROPOSED RESIDUAL RECEIPTS PAYMENT TO MOHCD</b>				
It may be acceptable for the Proposed Residual Receipts Payment to MOHCD noted on line 15 to be less than the amount calculated for line 14e. You must supply a detailed explanation in the cell to the right if 15 is not equal to 14e.				
<b>DO NOT SUBMIT YOUR PROPOSED RESIDUAL RECEIPT PAYMENT TO MOHCD WITH THIS AMR. MOHCD WILL REVIEW YOUR PROPOSED PAYMENT AND GENERATE AN INVOICE IF THE CALCULATION CAN BE VERIFIED AS APPROPRIATE. IF THE CALCULATION CANNOT BE VERIFIED, MOHCD WILL CONTACT YOU.</b>				
<b>Remaining Balance if MOHCD Payment Amount is Accepted</b>				<b>\$0.00</b>

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

USE OF SURPLUS CASH THAT ARE AUTHORIZED TO BE PAID AFTER CALCULATION OF MOHCD DEBT PAYMENT, IF APPLICABLE	
16. "Below-the-line" Asset Mgt fee (prior written authorization from City/SFRA may be required, see Asset Mgt. Fee Policy)	
17. Ground Lease & related payments, if any	
18a. Partnership Management fee due from this reporting period. If any (tax credit projects only, per City policy, not allowed if project is beyond 15-year compliance period)	
18b. Partnership Management fee accrued but unpaid from PRIOR reporting periods, if any (tax credit projects only, not allowed if project is beyond 15-year compliance period)	
19a. Investor Services Fee (aka LP Asset Management Fee) due from this reporting period, if any (tax credit projects only, not allowed if project is beyond 15-year compliance period)	
19b. Investor Services Fee (aka LP Asset Management Fee) accrued but unpaid from PRIOR reporting periods, if any (tax credit projects only, per City policy, not allowed if project is beyond 15-year compliance period)	
20. Deferred Developer fee, if any	
21. Other payments (see question 9 on the Narrative (worksheet #4) to provide details about any fees or other payments included here. Failure to provide details will result in disallowance of expense. You may only include payments that were approved by MOHCD at time of funding that are also explicitly authorized by a Partnership Agreement or similar project document.	Lender Agent for Debt Service payments entered on page 1
22a. Debt Paid to other lenders: Interest Paid	
22b. Debt Paid to other lenders: Principal Paid (note lender name to right)	
22bL. Debt Paid to other lenders: Interest Paid	
Total Payments below MOHCD on Surplus Cash "waterfall"	\$0.00
Subtotal of Remaining Balance	\$0.00
Proposed Owner Distributions (provide description in column C and enter amount in column F; description required if amount is greater than amount in 14d)	
Proposed Other Distributions/Uses (provide description in column C and enter amount in column F; if you had a Calendar Year LDSP surplus, please acknowledge that and note exact amount)	
Final Balance (should be zero)	\$0.00

OPERATING RESERVE (Do not leave blank for any questions asking for a number, enter zero if blank)	
Annual Withdrawal Amount:	
Minimum Required Balance:	
Beginning Balance:	
Ending Balance:	
Required Annual Deposit:	
Actual Annual Deposit (do not edit - taken from from page 1 account number 1365):	\$0.00
Total Operating Expenses plus debt service (don't edit cell - calculated)	\$0.00
If the calculated percentage shown to the right (Op Reserve Account Ending Balance divided by Total Op Expenses) is less than 23.5%, you must describe how the project will remedy the shortfall in the adjacent cell.	
If the calculated percentage shown to the right is greater than 26.5%, you must explain why the Op Reserve balance exceeds MOHCD's requirement in the adjacent cell.	0.000%

REPLACEMENT RESERVE (Do not leave blank for any questions asking for a number, enter zero if blank)	
Annual Withdrawal Amount:	
Minimum Required Balance:	
Beginning Balance:	
Ending Balance:	
Required Annual Deposit (do not edit - taken from from page 1 account number 1320):	\$0.00
Actual Annual Deposit	
Describe how the amount of annual deposit and the minimum required balance is determined.	

Capital Expenditures: provide the details below to generate the total and use the comments section at the bottom to supply explanations.			
Capital Expenditures - Categories	Additional Description	Source	Amount
Building & Improvements			
Office Improvements			
Site Improvements			
Land Improvements			
Furniture, Fixtures & Equipment			
Other			
2013 Annual Capital Expenditures			\$0.00

Other Replacement Reserve Eligible Expenditures: provide details below to generate the total and use the comments section below to supply explanations.	
Source	Amount
Part of Operating Budget, to be reimbursed by RR (from above)	\$0.00
Replacement Reserve	
2013 Annual Other Replacement Reserve Eligible Expenditures	\$0.00

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

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

**FEDERAL PROGRAM INCOME REPORT**

This section must be completed if the project received any CDBG funding, even if the amount of CDBG program income during the reporting period was zero. For more information, use the following link or copy this web address for manual navigation:

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

Overview of Federal (HOME and CDBG) Program Income

**CDBG PROGRAM INCOME**

Proposed amounts to be used to fund eligible CDBG activities as described in the Federal CDBG Programs Regulations at 24 CFR 570.201-206 and consistent with the City's 2010-2014 Consolidated Plan and 2013-2014 Action Plan as follows:	AMOUNT	DESCRIPTION
Amount to be used for CDBG eligible activity#1 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right):		
Amount to be used for CDBG eligible activity#2 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right):		
Amount to be used for CDBG eligible activity#3 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right):		
Amount to be deposited for use on future eligible CDBG activities that will be undertaken by June 30, 2013 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right):		
Other (provide amount in cell to the right, plus activity description and regulation citation in column furthest to the right):		
<b>Total CDBG Program Income Calculation (see instructions for guidance on how to calculate)</b>	<b>50.00</b>	

To ensure the eligible use of CDBG Program Income, the recipient of federal CDBG funding hereby requests approval by the Mayor's Office of Housing for the use of CDBG program income received during the 2013 reporting period as depicted above.

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

Project Address: \_\_\_\_\_ Date supplied must be from the rent roll for last month of the reporting period (entered on worksheet 1A) 1/0/1900 Num Units: \_\_\_\_\_ 0

Provide the data requested for the tenant population that was residing in the project at the end of the Reporting Period. For vacant units and manager's units, provide data in columns D, E, F, S and U only. Before using the "paste" function to enter data in the columns with orange highlighting, please check the drop-down menus to ensure that the data you are pasting conforms with the choices of the drop-down menu. This will help prevent you from submitting forms with invalid data. Any forms with invalid data will be returned with instructions to fix and resubmit.

**Remember, SAVE YOUR WORK!**

Row Num	Unit No.	Low Income Unit? (yes/no)	Date of RENTAL OCCUPANCY (m/d/yyyy)	Household Annual Income AT RENTAL OCCUPANCY (number)	Household Size AT RENTAL OCCUPANCY (number)	Female Headed Household (yes/no)	Eligible Household (yes/no)	Household Size (number) as of last REPORTING PERIOD	Number of Children under Age 18 in HH	Disability (Mobility / Other / None)	Household Annual Income as of last REPORTING PERIOD	Over Income Per MOHCD Agreement? (yes/bank)	Rental Assistance Type (Section 8 / Other / None)	Amount of Rental Assistance \$/C / (none)	Unit Type (Bed / SFD / 2BR / 3BR / 4BR / 5BR)	Amount of Maximum Gross Rent (enter zero) (none)	Amount Tenant Paid for Unit	Utility Allowance (yes/none)	Date Of Most Recent Rent Increase REPORTING PERIOD (m/d/yyyy)	Amount of Most Recent Rent Increase (enter zero) (none)	Steps of Rent Increase (planned, or not planned)
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**Annual Monitoring Report - Occupancy & Rent Info - Reporting Year 2013 - Mayor's Office of Housing & Community Development**

Project Address: \_\_\_\_\_ Date supplied must be from the rent roll for last month of the reporting period (entered on worksheet 1A) 1/01/1900 Num Units: \_\_\_\_\_ 0

Provide the data requested for the tenant population that was residing in the project at the end of the Reporting Period. For vacant units and manager's units, provide data in columns D, E, P, R, S and U only. Before using the "Save" function, please check the drop-down menus to ensure that the data you are pasting conforms with the choices of the drop-down menu. This will help prevent you from submitting forms with invalid data. Any forms with invalid data will be returned with instructions to fix and resubmit.

**Remember, SAVE YOUR WORK!**

Row Num	Unit No.	Low Income Unit (Y/N)	Date of Rental Agreement (mm/yyyy)	Household Annual Income AT RENTAL OCCUPANCY	Household Size AT RENTAL OCCUPANCY (number)	Female Headed Household (yes/no)	Elderly Household (yes/no)	Household Size (number) as of last reporting period WITHIN REPORTING PERIOD	Number of Children under Age 18 in HH	Disability (Mobility / Other / None)	Household Annual Income as of last reporting period WITHIN REPORTING PERIOD	Over Income Per MOHCD Agreement (yes/blank)	Rental Assistance Type (Subsidy / Section 8 / Other / None)	Amount of Rental Assistance	Unit Type (Bed / SRO / 2BR / 3BR / 4BR / 5+ BR)	Amount of Rent Above or Below Unit (per 4th of 1st)	Amount of Rent Paid (to Gov)	Utility Allowance	Date of Most Recent Rent Increase WITHIN THE REPORTING PERIOD (mm/yyyy)	Amount of Most Recent Rent Increase WITHIN THE REPORTING PERIOD	% of Rent Increase (calculated as of last enter)	
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**Narrative**

Project Street Address:

Reporting Period - Start Date: 1/0/1900

Reporting Period - End Date: 1/0/1900

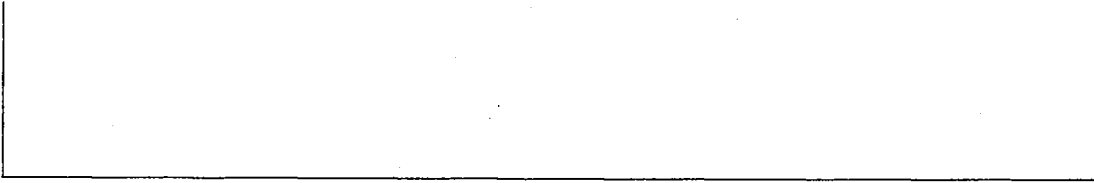
*MOHCD created the questions below to allow project owners to supply additional information about a small number of measurements that may indicate that a project is having difficulties. By providing this information, project owners will help provide context for the conclusions that can be made about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

**Negative Cash Flow**

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

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

2. If the project show a VACANCY RATE GREATER THAN 15% as shown ABOVE from the Income Expense section of the Fiscal Activity Report, you must supply the following:
  - a. A description of the work done to analyze the cause/s of the vacancy rate, and what the identified causes are; and
  - b. A description of the work done to identify means of reducing the vacancy rate, and all viable remedies that have been identified; and
  - c. A description of the plan to implement any remedies, including specific timelines for the implementation work.



**Vacant Unit Rent-Up Time**

0

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

**Affirmative Marketing**

0

4. Did you conduct any marketing of the project during the reporting period? If yes, please describe the marketing that was conducted, including
- a. when the marketing was conducted and how it was intended to reach populations least likely to apply for the project;
  - b. any advertising, direct mailings, emailings and web postings that were done; and
  - c. how many households were on the waiting list prior to the marketing and how many were on it after the marketing was completed.

**Code Violatons**

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

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

*(add additional rows as needed)*

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

Violation or Citation #	Date Cleared	Issued By	Description of Remedy

*(add additional rows as needed)*

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

**Major Repairs**

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

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**Asset Management Fee**

7. Has the project incurred Asset Management Fee expenses beyond the base amount of \$3000 allowed under the current Asset Management Fee Policy? If so, this amount should be reflected on item number 8 on page 1 of in the Income & Expense section of the Fiscal Activity Report, the use must be consistent with the finding agreement and/or the Asset Management Fee Policy, and you must provide the following information below:

- a. A detailed description of how the exact amount of the asset management fee was calculated; and
- b. A description of the specific staff expenses covered by the Asset Management Fee amounts, including managers that supervise the asset management work.

**Property Taxes**

8. Is the project delinquent in payment of any taxes due for the reporting period or any prior reporting periods? If so, you must supply the following:

- a. A description of the plan to pay the delinquent taxes, including specific timelines, and;
- b. A description of any solutions that have been identified to prevent future tax payment delinquencies, and the plans to implement those solutions, including specific timelines.

**Explanations & Comments**

9. Use this space to record notes about any peculiarities in the data entry process. For example, if you entered a formula instead of a single number for a field, make a note here re: for which question on which worksheet that was done, and describe the formula & underlying numbers. Also use this field to describe in detail any amounts entered for "Other Payments" on the WS #2, Fiscal Activity, items 12 & 20. Also use this space to record info about steps taken in response to discovery that tenant is over income per MOHCD funding agreement (see question 10b on Occupancy & Rent Info worksheet).

Remember, **SAVE YOUR WORK!**



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

**Tax Credit Initial Compliance Period/End Date:** \_\_\_\_\_

**Current Project Financing**

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

Lien Order	Lender (and Loan Program If applicable)	Loan Amount	Interest Rate	Maturity Date	Repayment Terms	Monthly Debt Service Payment	Outstanding Principal Balance As Of End of Last Reporting Period	Accrued Interest As Of End of Last Reporting Period
1								
2								
3								
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Annual Monitoring Report - Reporting Year 2013 - Mayor's Office of Housing & Community Development

Service Type	Service Provider Name	Street Address where Service is Provided	Name of Funder of this Service	Grant Amount	Grant Start Date	Grant End Date

**EXHIBIT H**  
**Tenant Selection Plan Policy**

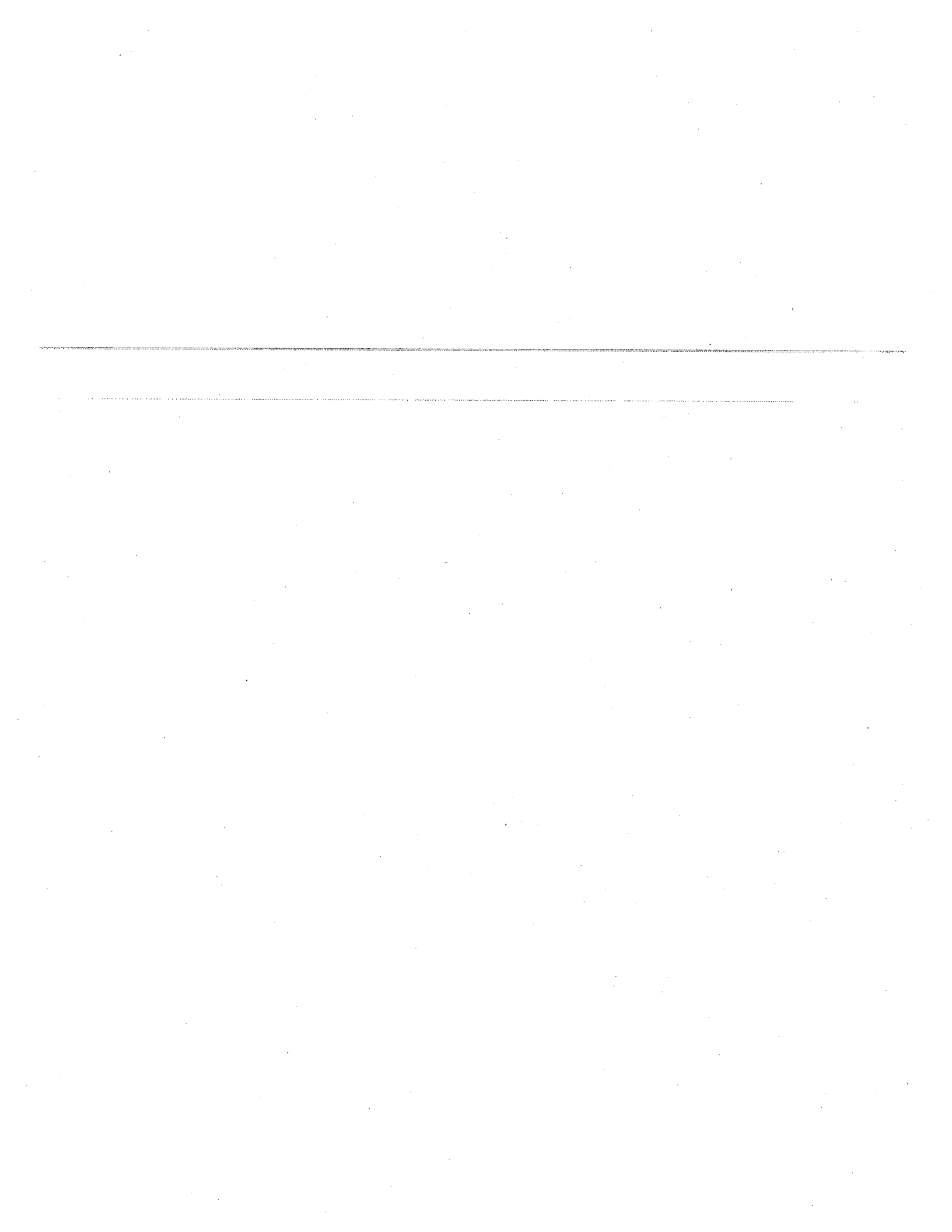
This policy is in addition to the obligations to comply with applicable federal, state and local civil rights laws, including laws pertaining to reasonable accommodation and limited English proficiency (LEP),<sup>1</sup> and the applicable provision of the Violence Against Women Act, Pub. Law 109-62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

**Application Process**

- **Application Materials.** The housing provider's written and/or electronic application materials should:
  - outline the screening criteria that the housing provider will use;
  - provide space(s) for the applicant to explain any conviction, eviction, tenancy issues or credit concerns and present evidence that he or she will be a suitable tenant;
  - outline how an applicant may request a modification of the admission process and/or a change in admission policies or practices as a reasonable accommodation;
  - be written in language that is clear and readily understandable.
- **First Interview.** In accordance with the housing provider policies, each applicant with the minimum eligibility requirements for housing unit shall be offered the opportunity for an interview.
- **Second Interview.** Before issuing a denial, the housing provider should consider offering a second interview to resolve issues and inconsistencies, gather additional information, and assist as much as possible with a determination to admit the applicant.
- **Confidentiality.** All information provided will be kept confidential and be used only by the housing provider, the referring agency and the funding agency for the purpose of assisting and evaluating the applicant in the admission process.
- **Delays in the Process.** If delays have occurred or are likely to occur in the application and screening process or the process exceeds the housing provider's normal timeline for application and screening, the housing provider must immediately inform the referring agency and the funding agency, of the status of the application, the reason for the delay and the anticipated time it will take to complete the application process.
- **Problems with the Referring Agency.** If at any point the housing provider has difficulty reaching or getting a response from the applicant and referring agency, the housing provider must immediately contact the referring agency, if possible, and the funding agency, DPH or HSA.

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



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

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

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

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

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

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

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

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

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

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

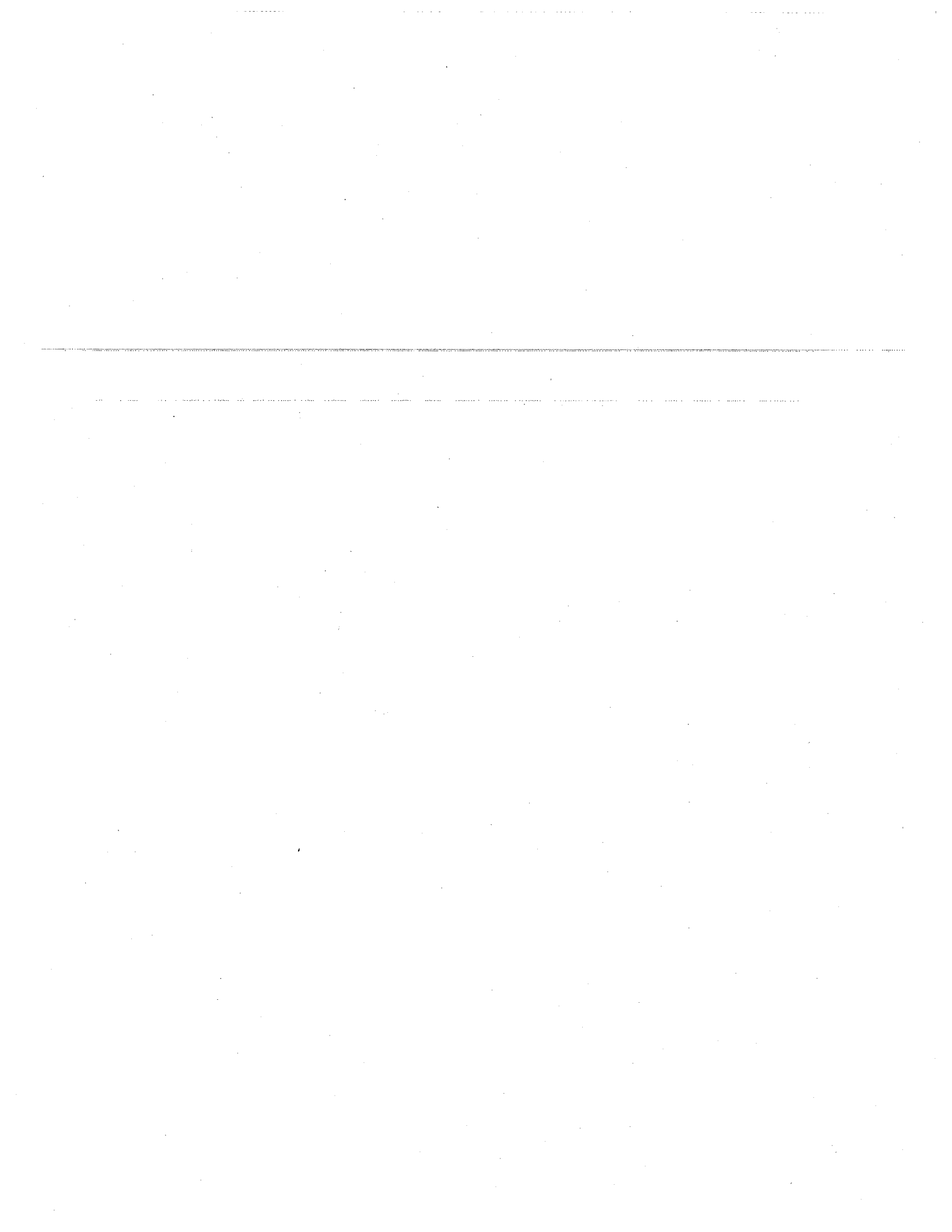
- The housing provider shall:
  - promptly send a written and electronic notice (to the addresses provided) to each applicant denied admission with a written and/or electronic copy to the referring agency and the funding agency. The notice should:



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

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





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

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

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

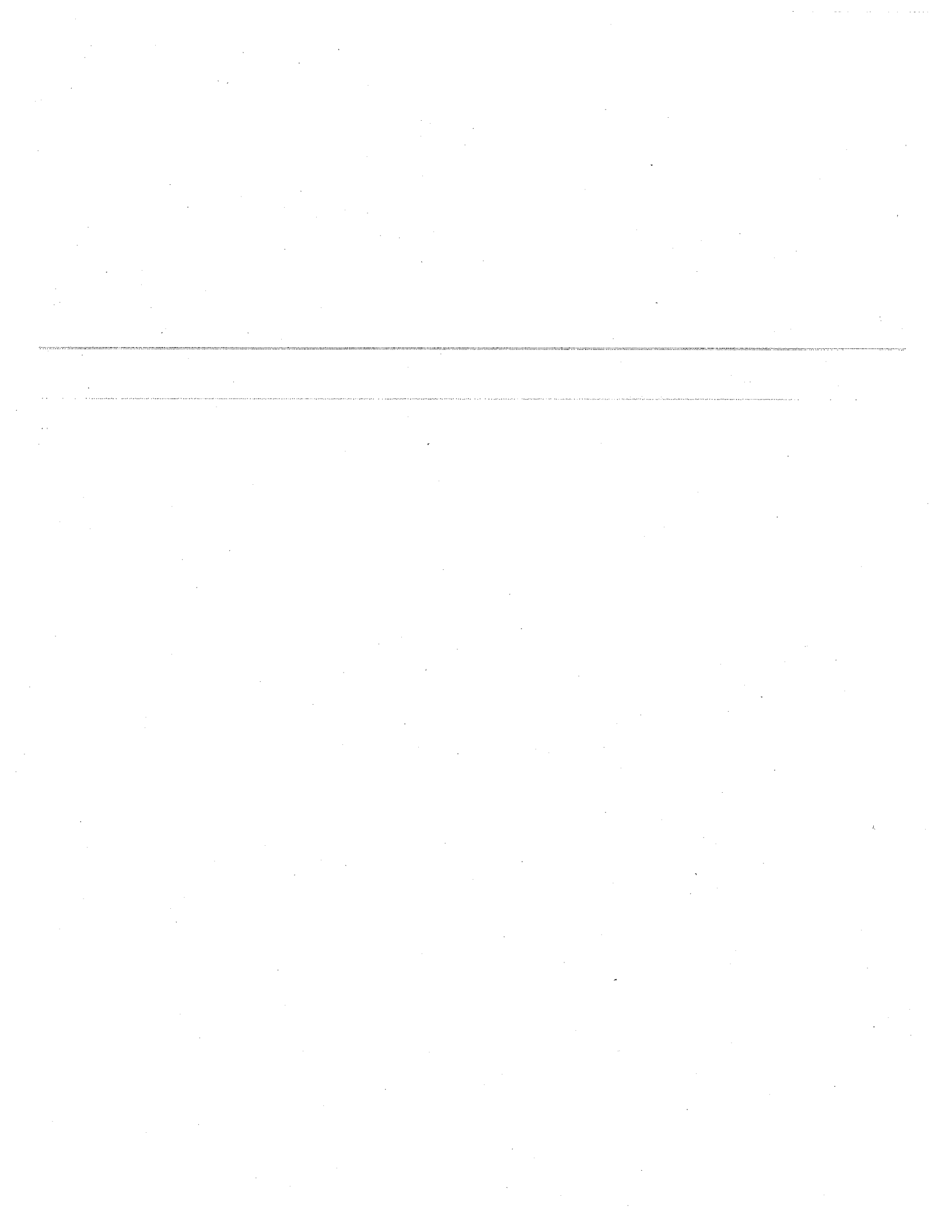
**Screening Criteria**

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

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<sup>3</sup> The policy recognizes that some housing may be subject to mandatory laws that require the exclusion of an applicant based upon certain types of criminal activity.

<sup>4</sup> The purpose of the statute is allow a petitioner to request a dismissal of the criminal accusations, a change in plea or setting aside of a verdict and to seek to have certain criminal records sealed or expunged and a release “from all penalties and disabilities resulting from the offense.”



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

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

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

*Prepared By: Pam Sims*

*Date prepared: 3-13-14*

*Loan Committee Date: 3-21-14*

*Sponsor Name:* Mercy Housing California XLIV  
*Project Name:* 1180 4<sup>th</sup> Street  
*Project Address (w. cross street):* 1180 4<sup>th</sup> Street  
*Number of Units/Beds (specify):* 50 units of 150 family units total (149 plus one manager's unit)

Local Operating Subsidy Funds Requested: \$222,352 (1<sup>st</sup> partial year request = 5 months)  
\$550,441 (1<sup>st</sup> full year request)  
\$10,254,142 (15 years)

*Amount of Funds Recommended:* \$222,352 (1<sup>st</sup> partial year request = 5 months)  
\$550,441 (1<sup>st</sup> full year request)  
\$10,254,142 (15 years)

**I. SUMMARY**

Mercy Housing California XLIV, LP is requesting Local Operating Subsidy in the amount of \$550,441 for the first full year of operations to subsidize the operations of 50 units of the larger 150 unit family development of affordable, family-rental housing (the "Project") at 1180 4<sup>th</sup> Street (Block 13 East) in Mission Bay South. Occupancy is expected to begin on August 1, 2014. Households for 50 units to be covered under this LOSP agreement and will be referred by San Francisco's Human Services Agency (HSA). The entire 15-year contract will run from August 1, 2014 to December 31, 2028, totaling \$10,254,142.

The five and six story development includes 42 one-bedroom (28%), 55 two-bedroom (36%), 53 three-bedroom (36%) apartments, with a maximum affordability of 60% of City area median income (“AMI”). Fifty units are set aside for formerly homeless families. The varied income mix was established to include the LOSP assisted units while improving the Project financial feasibility by using the 50% TCAC AMI levels on 99 units. Two of the three bedroom units will be family child-care units.

Eleven townhouses wrap around the base of the building along Channel Street and the mid-block walkway to create a pedestrian-oriented character along the street while camouflaging the on-grade garage. There are 49 parking spaces, including a car share pod. The Project includes 70 bicycle parking spaces, which well exceeds the minimum required. The Project includes approximately 8,000 square feet of retail space along Fourth Street, including a proposed restaurant at the corner of Fourth and Channel. A community garden for residents will be located at the upper podium level.

Along Channel, a major public courtyard opens the Project to Channel Street and Mission Creek Park, and will be activated by a variety of program elements. A 3,480 square foot community room faces the park across Channel Street and opens onto the courtyard and will be available to the greater Mission Bay community. The courtyard is further activated by a teen gathering space to be programmed based on resident needs. A sunny podium courtyard one level up, provides play area for two family childcare units. The Project’s two large laundry facilities are located on the podium level. The primary exterior material will be minimally textured stucco, Kynar coated pre-formed metal panels, aluminum window mullions, sealed concrete, and perforated aluminum “fins” serving as sunshades. Fences will be painted metal. The development is the first Agency Affordable Housing Parcel to be developed in compliance with the Mission Bay South Owner Participation Agreement (“OPA”).

Staff recommends approval of this LOSP request.

## 2. PROJECT OPERATIONS

### 2.1. Unit Mix

Unit Type	#	Unit HH Composition	Homeless Units
1-BR	42	Families	11
2-BR	55	Families and 1 manager unit	30
3-BR	53	Families	9
Total:	150		50

### 2.2. Annual Operating Budget

Please see the attached annualized budget for this initial year.

Tenant Rents – LOSP Units: The standard for HSA’s – Housing and Homeless Programs units is for tenants to pay 30% of income for rent. At 1180 4<sup>th</sup> Street a range of incomes from General Assistance to child support, therefore all 50 of the HSA referred households are assumed to be paying \$150/month. The rent levels are extremely unpredictable until all households realize its full benefits.

Local Operating Subsidy Assistance Payment: LOSP covers 50 homeless units, and is calculated on a pro-rata share of operating expenses. Please note that the attached operating budget shows the LOSP for the first full year of operations:

Operating Expenses - LOSP Units: 5 recent family LOSP projects similar in population and unit count were selected to compare operating expenses against that of 1180 4<sup>th</sup> Street. These properties are 1075 Le Conte, 10<sup>th</sup> and Mission, Mosaica Family, Arnett Watson at 650 Eddy, and 1100 Ocean Avenue. The comparative analysis chart can be found attached to this evaluation.

The total first year tenant rent portion of the income stream for the homeless units at 1180 4<sup>th</sup> Street is \$90,000 (\$1,800/PUPA) is much lower than the average of the 4 comparable projects, though Mosaica Family and 10<sup>th</sup> & Mission have higher tenant rent per unit levels. This is primarily due to the mixed population model whereby 66% of the units are targeted to families at 50% AMI while 1075 LeConte and Arnett Watson are 100 % supportive.

The LOSP per unit subsidy for 1180 4<sup>th</sup> Street (\$11,009/ PUPA) is higher than the average of the 5 comparable projects (\$7,497/PUPA) though lower than the \$11,289/ PUPA for Mosaica Family. This is because household rents at 1180 4<sup>th</sup> Street are based on General Assistance and child support incomes (as recommended by HSA staff) versus the comparative LOSP projects where more tenants came into the building with higher SSI incomes.

The total first full year operating expense budget for 1180 4<sup>th</sup> Street is projected to be \$1,470,064 (\$9,800/PUPA), excluding reserves and debt service. This amount falls in the middle of the 5 comparable projects, and within the average of the LOSP projects (\$9,995/PUPA). The comparable developments also have intensive staffing requirements, such as 24-hour front desk coverage. Additionally, expenses include one transit pass for each household living at because 1180 4<sup>th</sup> Street because the development received State Housing and Community Development Transit Oriented Development (HCD -TOD) funding.

The staffing plan for the building includes 9.2 FTE, not including services staff.

Position	FTE on Operations	Time Basis
Desk Clerk	4.2 FTE	Full
Property Manager	1 FTE	Full
Maintenance	2 FTE	Full
Assistant Manager	1 FTE	Full
Janitor	1 FTE	Full
TOTAL	9.2 FTE	

The total operational cost in year one for the project is \$1,834,211 (\$12,228/ PUPA) which is higher to the other family projects receiving LOSP assistance, however is comparable to the total operational costs at 10<sup>th</sup> and Mission. The higher than average operational cost is most attributable to several items: a higher than usual staffing pattern; debt service loan repayments to HCD-TOD and California Community Reinvestment

Corp (CCRC); and, lower incomes on the 50 supportive housing units at 1180 4<sup>th</sup> Street compared to the five projects analyzed.

At 1180 4<sup>th</sup> Street, 50 of the units (33%) will be supported by the LOSP. This percentage of units that are supported with LOSP are similar to 10<sup>th</sup> and Mission and 1100 Ocean, however the total operational costs associated with 1180 4<sup>th</sup> Street are higher than these two developments again for the reasons stated above.

Replacement Reserve Deposits: Replacement reserve deposits of \$600 unit / year is higher than MOHCD's underwriting guidelines, but required by HCD-TOD Program.

Partnership Management Fees: The partnership management fee consistent with MOHCD Underwriting Guidelines is included in the budget and represents the prorated share attributed to the LOSP units.

2.3. 20-Year Cash Flow. The attached 20-year cash flow projection includes the 15-year period for this contract request.

- Tenant rent income trends at 1.0%, which is meant to mirror increases in the assumed GA income for the LOSP subsidized households. The 50% AMI family units trend at 2.5% which is in accordance with MOHCD Underwriting Guidelines for Tax Credit projects.
- First year vacancy rates are compliant with standard MOHCD underwriting guidelines at 5%.
- Operating expenses trend at 3.5% per year, per MOHCD Underwriting Guidelines.
- Projected LOSP subsidy will trend at a rate of 3% year to year.

### 3. TARGET POPULATION AND SERVICES

#### Narrative

The building consists of 150 family units; with 50 units being subsidized under the LOSP. Initially the development was set to serve 25 families who would be LOSP eligible then in 2013 the City asked if 1180 4<sup>th</sup> Street could support an additional 25 family households, which was in response to a budget request to the Board of Supervisors by housing advocates and the Mayor's approval of the additional units. The Sponsor responded affirmatively, and now 50 formerly homeless families will be residing at 1180 4<sup>th</sup> Street. The 50 LOSP family units are targeted to incomes at or less than 20% of the San Francisco median income, and in the majority of cases are earning/receiving little or no income. HSA will identify housing applicants through referrals from homeless service providers (Access Point Agencies (APAs) on a rotating basis. It is anticipated that each APA will provide applicant names until the building is fully leased up. Upon vacancy, each referral source will provide one applicant on a rotating basis from the population currently receiving services. The Human Services Agency partners with nineteen community-based organizations located throughout the City that outreach to and serve homeless families with children to be the primary referral sources for LOSP housing. These Access Point organizations include family emergency shelters, domestic violence shelters, transitional

housing facilities, and other stand-alone agencies. APAs will provide referrals that fit the eligibility requirements for the Project from their respective (current) caseloads. Eligible clients of the APAs who have a Certificate of Preference from the former Redevelopment Agency will be prioritized for housing at 1180 4<sup>th</sup> Street.

It is anticipated that the needs for the 50 formerly homeless families will be more tangible and immediate and they may be living with physical and/or mental disabilities, or a special needs child is reuniting with their family. Most family referrals (who will fill the 50 LOSP units) have been traumatized by homelessness and are generally not able to process this trauma until they are living in stabilized housing. The goal is to provide services that will help to: ensure housing retention; address physical and mental health needs by connecting the tenants to the appropriate programs; provide substance use services and referrals (utilizing a harm reduction approach); work on goals to increase self-sufficiency; provide referrals and resources for educational and vocational services; provide assessment for counseling/advocacy; and, assist in accessing financial resources.

Supportive Services: The on-site services provider for 1180 4<sup>th</sup> Street will be a joint effort of Mercy Housing California (MHC) and Episcopal Community Services of San Francisco (ECS), however ECS will hold the HSA services contract, and will interface with the other providers as part of its LOSP services contract. The table below represents the on-site services staff and the resident group who will be served.

<b>ON-SITE STAFF</b>			
<b>Staff Position</b>	<b>Employed by</b>	<b>FTE</b>	<b>Resident Group Served</b>
Case Manager III	ECS	2 FTE	Up to 50 special needs households
Support Services Mgr.	ECS	1 FTE	Up to 50 special needs households
Youth Services Coordinator	MHC	.5 FTE	Households with one minor. Emphasis on youth programming.
Resident Services Coordinator	MHC	1 FTE	All households

The Case Manager III positions will be responsible for providing ongoing psychosocial assessments and support, wrap-around case management, referrals to community resources, and advocacy services for the 50 formerly homeless families. The Support Services Manager will provide supervision and oversee the services provided by the case managers, and will coordinate with the Mercy Resident Services Coordinator and property management staff weekly.

<b>OFF-SITE STAFF</b>			
<b>Staff Position</b>	<b>Employed by</b>	<b>FTE</b>	<b>Resident Group Served</b>
Director of Family Services	Mercy Housing	.1 FTE	Ensures high quality resident programs and services. Supervises Resident Services staff in the region.
Housing Director	ECS	.1 FTE	Provides overall leadership, administration and supervision to ECS staff at all housing sites.
Clinical Services Manager	ECS	.1 FTE	Provides case consultation and clinical direction to on-site staff; assists with



			resolution of difficult client issues; and leads staff clinical education and training programs.
Admin Asst/web asst	ECS	.1 FTE	Evaluates HSA contract compliance.
Compliance Specialist	ECS	.1 FTE	Tracks outcomes and identifies areas for improvement.

Specifically the supportive services team services model includes:

- **Health and Wellness** – Health service coordination, including an Individual Action Plan (IAP), well-being checks, transition plan to and from hospitals, health and wellness interviews, direct links to preventive and primary health care, behavioral health care, health benefits acquisition, health education and risk reduction, food, physical activity, referral and verification, and technology literacy.
- **Economic Development** – Housing Stability, IAP, including eviction prevention coaching, lease education, housing options, housing inspections, linkages with financial resources, and referral and verification.
- **Education** – Out-of-school time programs, including tutoring, summer programs, educational system advocacy, and parent support. Financial Stability education through, IAP, group seminars on financial stability, individual or household meetings on financial stability, financial benefit acquisition, individual and group employment, and job readiness support, referral and verification, and technology literacy.
- **Community Participation** – community projects and events, volunteer opportunities, voter education and registration, leadership programming, community safety initiatives, family reconciliation, referral and verification, and technology literacy.

#### Budget

Support services at 1180 4<sup>th</sup> Street will be funded through a contract between Episcopal Community Services and the Department of Human Services. The start-up costs total \$77,362 and the first full year budget totals \$378,272.

#### 4. RECOMMENDED CONDITIONS


None

#### 5. LOAN COMMITTEE MODIFICATIONS

**6. LOAN COMMITTEE RECOMMENDATION**

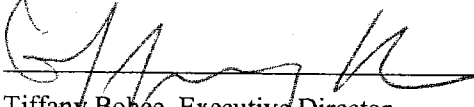
*Approval indicates approval with modifications, when so determined by the Committee.*

APPROVE.     DISAPPROVE.     TAKE NO ACTION.

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

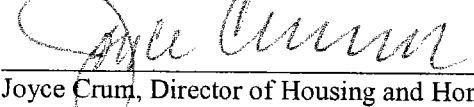
Date: 3/21/14

APPROVE.     DISAPPROVE.     TAKE NO ACTION.

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


Date: 3-19-21

APPROVE.     DISAPPROVE.     TAKE NO ACTION.

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

Date: 3/21/14

APPROVE.     DISAPPROVE.     TAKE NO ACTION.

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

Date: 3/21/14

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

## ATTACHMENT A

### LOSP PROGRAM DESCRIPTION

The requested funds would be delivered to the sponsor through a grant agreement with a term of up to 15 years, and, with the exception of the current fiscal year, will be subject to annual appropriations by the Board of Supervisors. Funds for the 2015 Calendar year will be included in San Francisco's Human Services Agency budget in the amount of up to \$222,352 and will be work-ordered to MOHCD for administration. The total amount of funds requested is based on Mercy Housing Management's current operating budget and 15-year cash flow projection using MOHCD's standard underwriting guidelines. The first full year's amount of subsidy (year two of operations) required is \$550,441 and the \$222,352 represents the partial year required to cover 5 months' worth of operations from August 1, 2014 to December 31, 2014 (CY 2014).

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

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

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

255 Broadway
2/1/2015

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

	2/1-6/30	7/1-12/31	TOT	Total Months
2015	\$98,423.38	\$118,108.06	\$216,531.43	11
	1/1-6/30	7/1-12/31	TOT	Total Months
2016	\$122,316.82	\$122,316.82	\$244,633.65	12
2017	\$127,016.50	\$127,016.50	\$254,033.01	12
2018	\$131,887.87	\$131,887.87	\$263,775.74	12
2019	\$137,065.40	\$137,065.40	\$274,130.81	12
2020	\$138,829.25	\$138,829.25	\$277,658.50	12
2021	\$144,253.25	\$144,253.25	\$288,506.50	12
2022	\$150,044.59	\$150,044.59	\$300,089.18	12
2023	\$155,699.28	\$155,699.28	\$311,398.56	12
2024	\$161,735.01	\$161,735.01	\$323,470.03	12
2025	\$167,989.15	\$167,989.15	\$335,978.30	12
2026	\$174,220.04	\$174,220.04	\$348,440.07	12
2027	\$180,458.37	\$180,458.37	\$360,916.73	12
2028	\$180,879.71	\$180,879.71	\$361,759.42	12
2029	\$188,142.23	\$188,142.23	\$376,284.47	12
	1/1-1/31	n/a		
2029	\$32,612.80	n/a		1
			\$4,570,219.19	180

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

		2/1-6/30	TOT	Total Months
2014-15		\$98,423.38	\$98,423.38	5
sent to sponsor btwn 7/1 & 9/1				
	7/1-12/31	1/1-6/30	TOT	Total Months
2015-16	\$118,108.06	\$122,316.82	\$240,424.88	12
	7/1-12/31	1/1-6/30		
2016-17	\$122,316.82	\$127,016.50	\$249,333.33	12
2017-18	\$127,016.50	\$131,887.87	\$258,904.37	12
2018-19	\$131,887.87	\$137,065.40	\$268,953.27	12
2019-20	\$137,065.40	\$138,829.25	\$275,894.65	12
2020-21	\$138,829.25	\$144,253.25	\$283,082.50	12
2021-22	\$144,253.25	\$150,044.59	\$294,297.84	12
2022-23	\$150,044.59	\$155,699.28	\$305,743.87	12
2023-24	\$155,699.28	\$161,735.01	\$317,434.29	12
2024-25	\$161,735.01	\$167,989.15	\$329,724.16	12
2025-26	\$167,989.15	\$174,220.04	\$342,209.19	12
2026-27	\$174,220.04	\$180,458.37	\$354,678.40	12
2027-28	\$180,458.37	\$180,879.71	\$361,338.08	12
2028-29	\$180,879.71	\$188,142.23	\$369,021.94	12
	7/1-12/31	1/1-1/31		
2029-30	\$188,142.23	\$32,612.80	\$220,755.04	7
	n/a			
n/a	n/a		n/a	0
			\$4,570,219.19	180



OFFICE OF THE MAYOR  
SAN FRANCISCO



EDWIN M. LEE  
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors  
FROM: *ra* Mayor Edwin M. Lee *of*  
RE: Local Operating Subsidy Program Contract – 1180 4th Street – Not to Exceed \$10,254,142  
DATE: June 3, 2014

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Attached for introduction to the Board of Supervisors is the resolution authorizing the Director of the Mayor's Office of Housing and Community Development to execute a Local Operating Subsidy Program Grant Agreement with Mercy Housing California XLIV, a California limited partnership, to provide operating subsidies for formerly homeless households at 1180 4th Street, for a fifteen-year period, in an amount not to exceed \$10,254,142.

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

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

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

<b>City Elective Officer Information</b> <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors
<b>Contractor Information</b> <i>(Please print clearly.)</i>	
Name of contractor: <b>MERCY HOUSING CALIFORNIA XLIV</b> , a California Limited Partnership with Mercy Housing Calwest, a California nonprofit public benefit corporation, its general partner	
<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>	
1) See attached 2) See attached 3) Not applicable 4) Not applicable 5) Not applicable	
Contractor address: c/o of Mercy Housing Calwest, its General Partner, 1360 Mission Street, 3 <sup>rd</sup> Floor, San Francisco, CA 94103	
Date that contract was approved: <i>(By the SF Board of Supervisors)</i>	Amount of contract: \$10,254,142.00
Describe the nature of the contract that was approved: a 15-year Local Operating Subsidy Program (LOSP) contract to support the operations of 50 units targeting formerly homeless families	
Comments:	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

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

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

Print Name of Board

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

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

Date Signed

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

Date Signed

**Mercy Housing Calwest  
Board Roster**

**Current Board and Term**

Vince Dodds (2007-2019)  
Val Agostino (2010-2015)  
Doug Shoemaker (2012-2017)  
Chris Burckhardt (2014-2019)

**Officers**

*President*  
Doug Shoemaker

*Vice President*  
Jane Graf  
Val Agostino  
Stephen Daues  
Jennifer Dolin  
Barbara Gualco  
Ed Holder  
Lillian Murphy  
Steve Spears  
Ben Phillips  
Melissa Clayton  
Bruce Saab

*Treasurer*  
Vince Dodds

*Secretary*  
Joe Rosenblum

*Assistant Secretary*  
Amy Bayley