

File No. 251008

Committee Item No. 14

Board Item No. 21

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date October 22, 2025

Board of Supervisors Meeting Date October 28, 2025

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| ☒ | ☒ | Budget and Legislative Analyst Report |
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Completed by: Brent Jalipa Date October 16, 2025

Completed by: Brent Jalipa Date October 23, 2025

1 [Loan Agreement - 1303 Larkin Street, L.P. - 1303 Larkin Street - 100% Affordable Housing -
2 Not to Exceed \$18,502,271]

3 **Resolution approving and authorizing the Director of the Mayor's Office of Housing and**
4 **Community Development ("MOHCD") to execute documents relating to a loan with**
5 **1303 Larkin Street, L.P., a California limited partnership, for an aggregate loan amount**
6 **not to exceed \$18,502,271 to finance the acquisition, rehabilitation, and permanent**
7 **financing of a 100% affordable, 68-unit multifamily rental housing development for low-**
8 **income households located at 1303 Larkin Street (the "Project"); adopting findings that**
9 **the Project and proposed transactions are consistent with the General Plan, and the**
10 **eight priority policies of Planning Code, Section 101.1; affirming the Planning**
11 **Department's determination under the California Environmental Quality Act;**
12 **authorizing the Director of MOHCD or their designee to execute the loan documents for**
13 **the Project and make certain modifications to such loan documents, as defined herein,**
14 **and take certain actions in furtherance of this Resolution, as defined herein.**

15
16 WHEREAS, The City and County of San Francisco, acting through the Mayor's Office
17 of Housing and Community Development ("MOHCD"), administers a variety of housing
18 programs that provide financing for the development of new housing and the rehabilitation of
19 single- and multi-family housing for low- and moderate-income households in San Francisco;
20 and

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

24 WHEREAS, MOHCD enters into loan agreements with affordable housing developers
25 and operators; administers loan agreements; reviews annual audits and monitoring reports;

1 monitors compliance with affordable housing requirements in accordance with capital funding
2 regulatory agreements; and if necessary, takes appropriate action to enforce compliance; and

3 WHEREAS, Among its programs, MOHCD administers the Preservation and Seismic
4 Safety Program ("PASS Program") under Administrative Code, Chapter 66, which plays a
5 critical role in advancing the City's anti-eviction and preservation strategies by providing low-
6 cost and long-term financing for the acquisition, rehabilitation, and preservation of multi-family
7 housing as well as seismic retrofits not currently available on the conventional loan market;
8 and

9 WHEREAS, MOHCD issued a Notice of Funding Availability for Existing Nonprofit
10 Owned Rental Housing Capital Repairs ("NOFA") on February 17, 2023, to solicit qualified
11 affordable housing developers for capital improvements and repairs in existing affordable
12 housing units serving low-income households, including homeless households; in response to
13 the NOFA, MOHCD selected Chinatown Community Development Center, a California
14 nonprofit public benefit corporation ("CCDC"), to rehabilitate the existing affordable housing
15 development at 1303 Larkin Street; in response, CCDC formed 1303 Larkin Street L.P., a
16 California limited partnership ("Borrower"), for the purpose of undertaking the activities
17 described in the NOFA; and

18 WHEREAS, Borrower seeks to acquire and rehabilitate the 100% affordable,
19 multifamily residential rental development located at 1303 Larkin Street, which will include the
20 substantial rehabilitation of the existing 63-unit multifamily rental housing development
21 (including one manager's unit), conversion of 41 of the existing SRO units into studio and one-
22 bedroom units, and addition of 5 affordable rental units to the Project for a total of 68 rental
23 units for low-income households (the "Project"); and

24 WHEREAS, The Project requires extensive rehabilitation consisting of replacement of
25 major building systems including the exterior and electrical systems; and

1 WHEREAS, The City previously provided loans in the total principal amount of
2 \$5,294,853 (“Original Loans”) to Larkin Pine Limited Partnership, a California limited
3 partnership (“Original Borrower”), which is an affiliate of CCDC. Original Borrower intends to
4 assign to Borrower, and Borrower intends to assume, all of Original Borrower’s rights and
5 duties with respect to the Original Loans for the purpose of rehabilitation and permanent
6 financing of the Project; and

7 WHEREAS, The Borrower has requested, and MOHCD desires to consent to, the
8 consolidation of the Original Loans for the Project, including rolling some of the accrued
9 interest into the principal amount of the Original Loans; and

10 WHEREAS, The Borrower has requested, and MOHCD desires to loan, up to
11 \$11,903,000 in additional funds pursuant to the NOFA and the PASS Program for the Project
12 (“PASS Loan”); and

13 WHEREAS, On May 16, 2025, the Citywide Affordable Housing Loan Committee,
14 consisting of representatives of MOHCD, the Department of Homelessness and Supportive
15 Housing, the Office of Community Investment and Infrastructure, and the Controller’s Office of
16 Public Finance recommended approval to the Mayor of the acquisition, rehabilitation, and
17 permanent financing loan for the Project in a total amount not to exceed \$18,502,271.

18 WHEREAS, The form of loan documents (collectively, the “Loan Documents”)
19 evidencing and securing the loan for the Project are on file with the Clerk of the Board in File
20 No. 251008, and include: Amended and Restated Declarations of Restrictions; an Amended
21 and Restated Loan Agreement; one or more promissory notes; and one or more leasehold
22 deeds of trust; and

23 WHEREAS, The Amended and Restated Declarations of Restrictions will restrict the
24 Project as affordable housing to low-income households with annual maximum rent and
25

1 income established by MOHCD for as long as the Project or any modification of the Project
2 remains in existence; and

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

5 WHEREAS, The Amended and Restated Loan Agreement would be entered into under
6 the following material terms: (i) a minimum term of 57 years from the date of recordation of the
7 deed of trust for the Original Loans and 44 years from the date of recordation of the deed of
8 trust for the PASS Loan; (ii) simple interest at a rate of 0% and simple interest at a rate of at
9 least three percent, but no more than the long-term applicable federal rate as of the
10 Agreement Date for the Original Loans, as provided in the corresponding promissory notes,
11 and compounding interest at rates of 6.61023%, 3.87289%, 1.87008%, and 0.95763% for the
12 PASS Loan, as provided in the corresponding promissory notes; (iii) annual repayment of the
13 Original Loans through residual receipts from the Project and hard debt service payments for
14 the PASS Loan; (iv) the Project shall be restricted for the life of the Project as affordable
15 housing to low-income households with annual maximum rent and income established by
16 MOHCD; (v) the loan shall be secured by one or more deeds of trust recorded against the
17 Borrower's leasehold interest in the Project; and

18 WHEREAS, The Planning Department, by letter dated February 28, 2025 ("Planning
19 Letter"), has determined that the proposed Project is exempt from the California
20 Environmental Quality Act, ("CEQA") as a Class 1 under CEQA Guidelines, Section 15301
21 and is consistent, on balance, with the General Plan, and the eight priority policies of Planning
22 Code, Section 101.1, which Planning Letter is on file with the Clerk of the Board of
23 Supervisors in File No. 251008, and incorporated herein by this reference; now, therefore, be
24 it

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

5 FURTHER RESOLVED, That the Board of Supervisors hereby approves the Loan
6 Documents, and authorizes the Mayor and the Director of MOHCD or the Director's designee
7 to negotiate and enter into agreements based upon and substantially in the form of the Loan
8 Documents for the Project (including, without limitation, modifications of the Loan Documents,
9 and preparation and attachment of, or changes to, any of the exhibits and ancillary
10 agreements) and any other documents or instruments necessary in connection therewith, that
11 the Director of MOHCD determines, in consultation with the City Attorney, are in the best
12 interest of the City, do not materially increase the obligations or liabilities for the City or
13 materially diminish the benefits of the City, or are necessary or advisable to effectuate the
14 purposes and intent of this Resolution and are in compliance with all applicable laws,
15 including the City Charter; and, be it

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

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

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

RECOMMENDED:

/s/
Daniel Adams, Director
Mayor's Office of Housing and Community Development

Item 14
File 25-1008

Department:
Mayor's Office of Housing and Community Development

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would approve an amended and restated loan agreement with 1303 Larkin Street, L.P., an affiliate of Chinatown Community Development Center (CCDC), for an amount not to exceed \$18,502,271 to finance the acquisition, rehabilitation, and permanent financing of 68-units of affordable rental housing.

Key Points

- Larkin Pine is an existing 63-unit affordable housing project, located at 1303 Larkin Street in Lower Nob Hill. The project's residents have an average income of 20 percent of area median income. CCDC built the project in 1993 on top of a US Post Office and has a long-term lease with the United States Postal Service on the air space.
- MOHCD previously provided two loans to acquire and rehabilitate the project. MOHCD is proposing to consolidate the existing loans and provide new loans under the Preservation and Seismic Safety (PASS) program to further rehabilitate the project. The scope of work includes converting 42 of the single-room occupancy units to studios and one-bedroom units by adding cooktops or kitchens, converting underutilized common areas into five new units, upgrading remaining common areas, replacing windows, and other improvements.

Fiscal Impact

- Existing City funding of \$6.6 million is from federal HOME Investment Partnership Program funds and local hotel tax revenues. New PASS loans of \$11.9 million are funded by 2016 General Obligation Bonds for the PASS program.
- The City's subsidy for the acquisition and rehabilitation of the project is \$18.5 million, or \$272,092 per unit, including PASS funding of \$175,044 per unit and MOHCD soft debt funding of \$97,048 per unit.
- The operating budget assumes new rental subsidies for 32 units that will be funded through the U.S. Department of Housing and Urban Development (HUD)'s Restore-Rebuild program after rehabilitation, for a total of 47 units funded by Section 8 Project Based Vouchers. However, the new subsidies are dependent on available HUD Section 8 budget authority after rehabilitation is completed and HUD's partnership in administering the program and facilitating a new contract. MOHCD currently anticipates the subsidies will be available.

Recommendation

- Approve the proposed resolution.

MANDATE STATEMENT

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

BACKGROUND**Rehabilitation of 1303 Larkin Street**

Larkin Pine is an existing 63-unit affordable housing project, located at 1303 Larkin Street in Lower Nob Hill, that is owned and operated by Chinatown Community Development Center (CCDC). The project's residents have an average income of 20 percent of area median income. CCDC built the project in 1993 on top of a US Post Office and has a long-term lease with the United States Postal Service on the air space.

According to the Mayor's Office of Housing and Community Development (MOHCD) loan evaluation on the proposed loan, the project needs to be rehabilitated to improve the living conditions for residents and preserve affordability. The rehabilitation scope of work includes converting 42 of the single-room occupancy units to studios and one-bedroom units by adding cooktops or kitchens, converting underutilized common areas into five new units, upgrading remaining common areas, replacing the windows and building skin, and transitioning to all-electric heat. According to MOHCD staff, construction would begin in December 2025 and is scheduled to be completed by February 2027.

CCDC is in the process of renegotiating its existing lease with the United States Postal Service to facilitate the rehabilitation.

City Funding for the Project

In 1993, MOHCD provided a loan of \$2.8 million to fund the development of the project. In 2023, MOHCD provided an additional loan of approximately \$2.5 million from the Existing Non-Profit Notice of Funding Availability (NOFA)¹ for immediate repair needs, including elevator repairs, façade sealing, kitchen and bathroom remodeling, and replacement of hot water systems. MOHCD is proposing to consolidate the existing loans and provide new loans under the Preservation and Seismic Safety (PASS) program² to further rehabilitate the project. PASS funding

¹ MOHCD received 15 applications in response to the Existing Non-Profit NOFA, and 14 met the minimum scoring criteria of 70 out of 120 points to proceed in the selection process, including Larkin Pine which received a score of 86.8. MOHCD awarded funding to the top six scoring applicants, including Larkin Pine.

² The PASS program provides low-cost financing to fund the acquisition and preservation of affordable housing and seismic retrofits to existing buildings. Unlike other MOHCD permanent loans for affordable housing which are

is provided to projects that meet certain criteria and is awarded on a rolling, first-come, first-served basis.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would:

- Approve a loan in an amount not to exceed \$18,502,271 to 1303 Larkin Street, L.P.³ to finance the acquisition, rehabilitation, and permanent financing of 68-units of affordable rental housing
- Affirm the Planning Department's determination under the California Environmental Quality Act;
- Adopt findings that the proposed transactions are consistent with the General Plan and policy priorities of the Planning Code; and
- Authorize the Director of MOHCD to execute loan documents and amend loan documents as needed.

Loan Agreement

The proposed Amended and Restated Loan Agreement would: (a) consolidate the two existing City loans, that have a combined principal amount totaling approximately \$5.3 million under one loan agreement; and (b) provide a new PASS program loan totaling approximately \$11.9 million. The total loan amount would be up to approximately \$18.5 million, which is \$13.2 million greater than the combined principal amounts of the original City loans, including accrued interest on the original loans that is being consolidated into the new principal amount. Key terms of the loan are summarized in Exhibit 1 below.

structured as soft debt and repaid through residual receipts, PASS program loans are structured as hard debt, which means they must be repaid every year for the duration of the lending period.

³ Chinatown Community Development Center Inc. is the general partner of 1303 Larkin Street, L.P.

Exhibit 1: Loan Summary for Larkin Pine

Terms	Existing	Proposed
Number of Loan Agreements	2 original loan agreements	1 amended and restated loan agreement
Loan Amount	Soft debt: \$5,294,853	Soft debt: \$6,599,271*
	Hard debt (PASS): <u>\$0</u>	Hard debt (PASS): <u>\$11,903,000</u>
	Total: \$5,294,853	Total: \$18,502,271
Term	Soft debt: 55 years ending in 2048 and 2079	Soft debt: 55 years ending approximately 2082 Hard debt: 40 years ending approximately 2067
Maximum Income Level	60% of Median Income	60% of Median Income
Number of Units	63	68
Unit Mix	Single-room occupancy: 60	Single-room occupancy: 20
	Studios: 0	Studios: 29
	One-beds: 3	One-beds: 19

Sources: Amended and Restated Loan Agreement, MOHCD

*The proposed transaction will consolidate approximately \$1.3 million in accrued interest on the HOME and Hotel Tax Fund loans into the principal amount of \$5.3 million for a new total principal amount of \$6.6 million. The project is not receiving additional funding from soft debt.

The interest rates and repayment terms for the loans are provided in Exhibit 2 below based on the terms in eight separate promissory notes.

Exhibit 2: Loan Interest Rates and Repayment Terms

Loan	Term	Amount	Annual Interest Rate	Interest Type	Repayment
Soft Debt					
HOME Program (2023 Existing Non-Profit)	55 years	\$2,538,120	4.73%	Compound	Annual payments based on residual receipts
Hotel Tax Fund (1993 Loan)	55 years	\$4,061,151	0.00%	Simple	Annual payments based on residual receipts
Hard Debt					
PASS Below Market Rate (2020C)	40 years	\$3,730,944	0.96%	Compound	Interest-only payments through permanent loan conversion; After conversion: monthly payments of principal and interest
PASS Deferred (2020C)	40 years	\$610,720	0.96%	Compound	Repayment at Maturity Date, no monthly or annual payments
PASS Market Rate (2020C)	40 years	\$6,762,336	3.87%	Compound	Interest-only payments through permanent loan conversion; After conversion: monthly payments of principal and interest
PASS Below Market Rate (2025E)	40 years	\$269,023	1.87%	Compound	Interest-only payments through permanent loan conversion; After conversion: monthly payments of principal and interest
PASS Deferred (2025E)	40 years	\$43,721	1.87%	Compound	Repayment at Maturity Date, no monthly or annual payments
PASS Market Rate (2025E)	40 years	\$486,256	6.61%	Compound	Interest-only payments through permanent loan conversion; After conversion: monthly payments of principal and interest
Total		\$18,502,271			

Source: Master Promissory Notes

As shown above, there are six PASS loans. The PASS loans are funded by two bond sales (2020C and 2025E) from the 2016 general obligation Bond authorization for affordable housing preservation and seismic safety, and each series includes three components: (1) a market rate loan; (2) below market rate loan; and (3) a deferred loan. MOHCD combines PASS market rate loans with PASS affordable loans (below market rate and deferred) to create a blended interest rate and maximize total bond proceeds available for affordable housing preservation projects.

Loan Documents

The proposed resolution also approves the following associated loan documents:

- The Amended and Restated Declaration of Restrictions, which requires the project sponsor to maintain the housing affordability levels defined in the loan agreement for the life of the project, even after the loan is paid in full or otherwise satisfied;
- Eight Promissory Notes for the loan (one for each loan type shown in Exhibit 2 above); and
- Two Deeds of Trust (one for the PASS funding and one for the remaining MOHCD loan), which secure the loan.

Sponsor Performance

According to the MOHCD loan evaluation, staff turnover at CCDC contributed to delays in the lease-up of its most recent project (2060 Folsom). MOHCD provided training to new CCDC staff but notes that CCDC should improve collaboration between asset management, project management and lease-up staff to ensure an efficient lease up process.

FISCAL IMPACT

The City will provide new PASS loans totaling approximately \$11.9 million for a total loan not to exceed \$18,502,271 for the rehabilitation of 1303 Larkin Street. Exhibit 3 below summarizes the sources and uses of funding for the project.

Exhibit 3: Sources and Uses of Proposed Loan

Sources and Uses	Amount	% of Total
<u>Sources</u>		
MOHCD Loans	18,502,271	47%
<i>MOHCD Soft Debt</i>	6,599,271	17%
PASS Loans	11,903,000	30%
HCD Loan Portfolio Restructuring - Rental Housing Construction Loan	3,542,242	9%
Accrued Deferred Interest	494,263	1%
CCDC Sponsor Loan	1,000,000	3%
Deferred Developer Fee	2,620,895*	7%
Limited Partner Equity	13,143,931	33%
General Partner Capital	251,069	1%
Total Sources	39,554,671	100%
<u>Uses</u>		
Acquisition	10,111,367	26%
Hard Costs (incl. 10% contingency)	17,974,219	45%
Soft Costs (incl. 3% contingency)	7,480,365	19%
Reserves	412,000	1%
Developer Fee	3,576,720*	9%
Total Uses	39,554,671	100%

Source: Closing Projections for Larkin Pine provided by MOHCD

*The developer fee agreement provides for a \$3.6 million total developer fee, including a cash fee of \$2 million and a deferred fee of \$1.6 million payable from residual receipts. The project currently has a \$1 million funding gap which the budget addresses by deferring an additional \$1 million of the developer fee (for a total deferred fee of \$2.6 million), per the terms of the developer fee agreement. According to MOHCD staff, the sponsor is applying for Affordable Housing Program (AHP) funding from the Federal Home Loan Bank to fill the gap.

Funding Sources

Existing City funding is from federal HOME Investment Partnership Program funds and local hotel tax revenues, as shown in Exhibit 2. New PASS loans are funded by 2016 General Obligation Bonds for the PASS program. In addition, CCDC secured a loan from the California Housing and Community Development Department and tax credit financing (the limited partner equity noted above), and CCDC is providing a loan and equity funding for the project.

City Subsidy

The City's subsidy for the acquisition and rehabilitation of the project is \$18.5 million, or \$272,092 per unit, including PASS funding of \$175,044 per unit and MOHCD soft debt funding of \$97,048 per unit. Exhibit 4 below shows the total rehabilitation cost and City subsidy per unit for the proposed loan.

Exhibit 4: City Subsidy per Unit

Total Cost & City Subsidy	Amount	Cost per Unit
Total Refinance & Rehab Cost	\$39,554,671	\$581,686
Total City Subsidy	18,502,271	272,092
1993 Original Loan	4,061,151	59,723
2023 Existing Non-Profit Loan	2,538,120	37,325
Proposed PASS Loan	11,903,000	175,044

Source: MOHCD

The Existing Non-Profit Loan is within the maximum total amount (\$4 million) and per unit amount (\$100,000 per unit) established in the NOFA. Because PASS funding is a hard debt product, there are no comparable guidelines for PASS funding, but PASS loans are constrained and sized based on a minimum debt service coverage ratio of 1.15, a maximum loan-to-value ratio of 90 percent, and a maximum loan-to-cost ratio of 80 percent.

Operating Budget

According to the 20-year cash flow analysis for the project, the project will have sufficient revenues to cover operating expenses, management fees, and debt service on the PASS loans. Project revenues consist of tenant rent and rental subsidies for 47 units funded by Section 8 Project Based Vouchers. A portion of net income after operating expenses (residual receipts) will be used to repay the non-PASS MOHCD loan and the California Department of Housing and Community Development loan.

Operating Subsidies Uncertainty

The operating budget assumes rental subsidies for 47 of the 68 units, which allows the project to maintain deeply affordable rents. Rental subsidies for 15 units are funded by an existing Section 8 contract with the U.S. Department of Housing and Urban Development (HUD). Rental subsidies for an additional 32 units will be funded through HUD's Restore-Rebuild program⁴ after rehabilitation. However, the new subsidies are dependent on available HUD Section 8 budget authority after rehabilitation is completed and HUD's partnership in administering the program and facilitating a new contract, according to the MOHCD loan evaluation. MOHCD reports that MOHCD staff are working closely with senior HUD staff and the San Francisco Housing Authority to mitigate the risks to the operating subsidies, and MOHCD currently anticipates the subsidies will be available.

Exceptions from MOHCD Guidelines

- The project budget does not include a capitalized **replacement reserve**, which supports the project's capital needs over time, because anticipated replacement costs through

⁴ The Restore-Rebuild program provides long-term subsidy contracts to rebuild and finance deeply affordable housing. The program aims to "restore" rental subsidies that have been lost since 1999 due to the demolition of public housing.

year 15 can be covered by the existing reserve balance and annual replacement reserve deposits. MOHCD's underwriting guidelines require rehabilitation projects to fund a capitalized replacement reserve of at least \$1,000 per unit, or \$68,000 for a 68-unit project.

- The **developer cash-out fee** (which excludes the deferred fee) is \$2 million, which exceeds the maximum of \$1.1 million for rehabilitation projects under MOHCD's Policy on Development Fees because of the complexity of the project and financing. The cash developer fee of \$2 million is the maximum permitted by the California Tax Credit Allocation Committee, which administers the Low-Income Housing Tax Credit programs.

RECOMMENDATION

Approve the proposed resolution.

**AMENDED AND RESTATED LOAN AGREEMENT
(CITY AND COUNTY OF SAN FRANCISCO HOME PROGRAM, HOTEL TAX FUND,
AND PASS PROGRAM)**

By and Between

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

and

1303 LARKIN STREET, L.P.,
a California limited partnership

for

1303 Larkin
1303 Larkin Street, San Francisco CA

HOME: \$2,538,120
Hotel Tax Fund: \$4,061,151

2016 G.O. Bond (Series 2020C): \$11,104,000
PASS - Market Rate Loan: \$6,762,336
PASS - Below Market Rate Loan: \$3,730,944
PASS - Deferred Loan: \$610,720

2016 G.O. Bond (Series 2025E): [\$799,000]
PASS - Market Rate Loan: [\$486,256]
PASS - Below Market Rate Loan: [\$269,023]
PASS - Deferred Loan: [\$43,721]

Total: \$[18,502,271]

Dated as of [_____], 2025

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ARTICLE 6 MARKETING **ERROR! BOOKMARK NOT DEFINED.**

6.1	Marketing and Tenant Selection Plan	Error! Bookmark not defined.
6.2	Affirmative Marketing Elements	Error! Bookmark not defined.
6.3	Marketing and Tenant Selection Plan & Tenant Screening Criteria Requirements	Error! Bookmark not defined.
6.4	Marketing Records	Error! Bookmark not defined.
6.5	Waiting List	Error! Bookmark not defined.

ARTICLE 7 AFFORDABILITY AND OTHER LEASING RESTRICTIONS **ERROR! BOOKMARK NOT DEFINED.**

7.1	Term of Leasing Restrictions	Error! Bookmark not defined.
7.2	Borrower's Covenant	Error! Bookmark not defined.
7.3	Rent Restrictions	Error! Bookmark not defined.
7.4	Certification	Error! Bookmark not defined.

7.5	Form of Lease	Error! Bookmark not defined.
7.6	Nondiscrimination	Error! Bookmark not defined.
7.7	Security Deposits	Error! Bookmark not defined.
7.9	Other Requirements	Error! Bookmark not defined.

ARTICLE 8 MAINTENANCE AND MANAGEMENT OF THE PROJECT ERROR! BOOKMARK NOT DEFINED.

8.1	Borrower's Responsibilities	Error! Bookmark not defined.
8.2	Contracting With Management Agent	Error! Bookmark not defined.
8.3	Borrower Management	Error! Bookmark not defined.

ARTICLE 9 GOVERNMENTAL APPROVALS AND REQUIREMENTS ERROR! BOOKMARK NOT DEFINED.

9.1	Approvals	Error! Bookmark not defined.
9.2	Borrower Compliance	Error! Bookmark not defined.
9.3	Additional Federal Requirements	Error! Bookmark not defined.

ARTICLE 10 PROJECT MONITORING, REPORTS, BOOKS AND RECORDS ERROR! BOOKMARK NOT DEFINED.

10.1	Generally	Error! Bookmark not defined.
10.2	Monthly Reporting	Error! Bookmark not defined.
10.3	Annual Reporting	Error! Bookmark not defined.
10.4	Capital Needs Assessment	Error! Bookmark not defined.
10.5	Project Completion Report	Error! Bookmark not defined.
10.6	Response to Inquiries	Error! Bookmark not defined.
10.7	Delivery of Records	Error! Bookmark not defined.
10.8	Access to the Project and Other Project Books and Records	Error! Bookmark not defined.
10.9	Records Retention	Error! Bookmark not defined.

ARTICLE 11 USE OF INCOME FROM OPERATIONS ERROR! BOOKMARK NOT DEFINED.

11.1	Project Operating Account	Error! Bookmark not defined.
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ARTICLE 12 REQUIRED RESERVES

ERROR! BOOKMARK NOT DEFINED.

12.1 Replacement Reserve Account

Error! Bookmark not defined.

12.2 Operating Reserve Account

Error! Bookmark not defined.

ARTICLE 13 DISTRIBUTIONS

ERROR! BOOKMARK NOT DEFINED.

13.1 Definition

Error! Bookmark not defined.

13.2 Conditions to Distributions

Error! Bookmark not defined.

13.3 Prohibited Distributions

Error! Bookmark not defined.

13.4 Borrower's Use of Residual Receipts for Development

Error! Bookmark not defined.

ARTICLE 14 SYNDICATION PROCEEDS

ERROR! BOOKMARK NOT DEFINED.

14.1 Distribution and Use

Error! Bookmark not defined.

ARTICLE 15 DEVELOPER FEES

ERROR! BOOKMARK NOT DEFINED.

15.1 Amount

Error! Bookmark not defined.

15.2 Fee Payment Schedule

Error! Bookmark not defined.

ARTICLE 16 TRANSFERS

ERROR! BOOKMARK NOT DEFINED.

16.1 Permitted Transfers/Consent

Error! Bookmark not defined.

ARTICLE 17 INSURANCE AND BONDS; INDEMNITY DEFINED.

ERROR! BOOKMARK NOT

17.1 Borrower's Insurance

Error! Bookmark not defined.

17.2 Borrower's Indemnity Obligations

Error! Bookmark not defined.

17.4 No Limitation

Error! Bookmark not defined.

ARTICLE 18 HAZARDOUS SUBSTANCES

ERROR! BOOKMARK NOT DEFINED.

18.1 Borrower's Representations

Error! Bookmark not defined.

18.2 Covenant

Error! Bookmark not defined.

18.3 Survival

Error! Bookmark not defined.

ARTICLE 19 DEFAULT

ERROR! BOOKMARK NOT DEFINED.

19.1 Event of Default

Error! Bookmark not defined.

19.2 Remedies Error! Bookmark not defined.

19.3 Force Majeure Error! Bookmark not defined.

ARTICLE 20 REPRESENTATIONS AND WARRANTIES ERROR! BOOKMARK NOT DEFINED.

20.1 Borrower Representations and Warranties Error! Bookmark not defined.

ARTICLE 21 NOTICES ERROR! BOOKMARK NOT DEFINED.

21.1 Written Notice Error! Bookmark not defined.

21.2 Required Notices Error! Bookmark not defined.

ARTICLE 22 GENERAL PROVISIONS ERROR! BOOKMARK NOT DEFINED.

22.1 Subordination Error! Bookmark not defined.

22.2 No Third Party Beneficiaries Error! Bookmark not defined.

22.3 No Claims by Third Parties Error! Bookmark not defined.

22.4 Entire Agreement Error! Bookmark not defined.

22.5 City Obligations Error! Bookmark not defined.

22.6 Borrower Solely Responsible Error! Bookmark not defined.

22.7 No Inconsistent Agreements Error! Bookmark not defined.

22.8 Inconsistencies in City Documents Error! Bookmark not defined.

22.9 Governing Law Error! Bookmark not defined.

22.10 Joint and Several Liability Error! Bookmark not defined.

22.11 Successors Error! Bookmark not defined.

22.12 Attorneys' Fees Error! Bookmark not defined.

22.13 Severability Error! Bookmark not defined.

22.14 Time Error! Bookmark not defined.

22.15 Further Assurances Error! Bookmark not defined.

22.16 Binding Covenants Error! Bookmark not defined.

22.17 Consent Error! Bookmark not defined.

22.18 Counterparts Error! Bookmark not defined.

22.19	Borrower's Personnel	Error! Bookmark not defined.
22.20	Borrower's Board of Directors	Error! Bookmark not defined.
22.23	Exhibits	Error! Bookmark not defined.

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EXHIBITS

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

**AMENDED AND RESTATED
LOAN AGREEMENT**
(City and County of San Francisco
Hotel Tax Fund, HOME Program, and PASS Program)
(1303 Larkin Street)

THIS AMENDED AND RESTATED LOAN AGREEMENT ("Agreement") is entered into as of [_____], 2025, by and between the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation (the "City"), represented by the Mayor, acting by and through the Mayor's Office of Housing and Community Development ("MOHCD"), and **1303 LARKIN STREET, L.P.**, a California limited partnership ("Borrower").

RECITALS

A. The City is authorized under a HOME Investment Partnership Agreement with the United States Department of Housing and Urban Development ("HUD"), executed pursuant to Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990 (42 U.S.C. §§ 12701 *et seq.* and 24 CFR §§ 92) to distribute HOME Investment Partnership Program ("HOME") funds under this Agreement (the "HOME Funds") for the specific and special purpose of increasing the housing stock in the City for low- and very low-income persons.

B. The City is authorized under San Francisco Business and Tax Regulations Code Section 515.01(b)(3)(F) to use a portion of hotel tax funds collected by the City under this Agreement (the "Hotel Tax Funds") to assist in the construction or rehabilitation of low-income rental housing for the elderly or physically handicapped.

C. On November 3, 1992, the voters of the City and County of San Francisco approved Proposition A, which provided for the issuance of up to \$350 million in general obligation bonds to establish and fund a Seismic Safety Loan Program. On November 8, 2016, the voters of the City and County of San Francisco approved Proposition C expanding the permitted use of the bonds to finance the costs to acquire, improve, rehabilitate and convert at-risk multi-unit residential buildings to permanent affordable housing. Under Chapter 66 of the San Francisco Administrative Code and the Preservation and Seismic Safety ("PASS") Program Regulations adopted by MOHCD, the City is authorized to provide a portion of proceeds of the 2016 G.O. Bond (Series 2020C and Series 2025E) (collectively, the "PASS Bonds") under this Agreement to Borrower for the preservation of affordable housing. The proceeds of the PASS Bonds and the Fees are collectively referred to as the "PASS Funds."

D. The HOME Funds, the Hotel Tax Funds, and the PASS Funds, are collectively referred to herein as the "Funds."

E. Borrower has a leasehold interest in that certain air rights parcel located at 1303 Larkin Street, San Francisco, California (the "Site") under an Air Rights Lease by and between the United States Postal Service ("Lessor") and Borrower dated [_____], 2025 (the "Lease"). Borrower desires to use the Funds to substantially rehabilitate the existing 63-unit multifamily rental housing development (including one manager's unit), convert of [41 of the]

existing SRO units into studio and one-bedroom units, and add 5 affordable rental units to the Project for a total of 68 units on the Site (the "Improvements"), affordable to low-income households, which is known as Larkin Pine (the "Project"). This Project is participating in HUD's Restore-Rebuild program (formerly known as Faircloth-to-RAD), pursuant to which 49 of the Units will be rented to tenants holding Section 8 vouchers or certificates or an equivalent rental subsidy program as long as these subsidies are available. Of those 49 Units, 32 Units will be constructed and/or rehabilitated as mixed finance public housing units and then converted to Section 8 vouchers or certificates or an equivalent rental subsidy program pursuant to the Rental Assistance Demonstration Program authorized by the Consolidated and Further Continuing Appropriations Act of 2012 (Public Law 112-55) and the Consolidated Appropriations Act of 2014 (Public Law 113-76) and as further described in Notice PIH-2012-32 (HA), REV-1, as amended (the "RAD Program").

F. The City previously made the following loans to Larkin Pine Limited Partnership, a California limited partnership ("Original Borrower"), in connection with the Site:

1. a HOME Program loan in the total principal amount of Two Million Four Hundred Ninety Four Thousand Eight Hundred Fifty Three and No/100 Dollars (\$2,494,853.00) ("Original HOME Loan") under an amended and restated loan agreement dated as of December 21, 2023 ("Original HOME Loan Agreement");

2. a loan from the City's Hotel Tax Fund in the total principal amount of Two Million Eight Hundred Thousand and No/100 Dollars (\$2,800,000.00) ("Original Hotel Tax Loan") under a loan agreement dated as of August 24, 1993, as amended ("Original Hotel Tax Loan Agreement").

The Original HOME Loan and Original Hotel Tax Loan are hereinafter collectively referred to as the "Original City Loans." The Original HOME Loan Agreement and Original Hotel Tax Loan Agreement are hereinafter collectively referred to as the "Original City Loan Agreements."

G. Pursuant to that certain Assignment and Assumption Agreement dated [December 3, 2025]____, Original Borrower intends to assign to Borrower, and Borrower intends to assume, all of Original Borrower's rights and duties with respect to the Original City Loans (the "Assignment and Assumption"). The consent of the City is required for the Assignment and Assumption. The City has reviewed Borrower's request for the Assignment and Assumption and, in reliance on the accuracy of the information provided by Borrower, has consented to this request. In connection with such Assignment and Assumption, the City and Borrower have agreed to consolidate the principal [and \$[1,304,418] in accrued interest] associated with the Original City Loans into a single modified loan to the Borrower (the "Consolidated Loan") in a total amount equal to [Six Million Five Hundred Ninety Nine and Two Hundred Seventy One and No/100 Dollars (\$6,599,271)] (the "Consolidated Loan Amount") to be governed by the terms of this Agreement. As of the date of this Agreement, the outstanding interest associated with the Consolidated Loan is \$[1,509,761].

H. In addition, the City has reviewed Borrower's application for PASS Funds under the PASS Program, and in reliance on the accuracy of the statements in that application, has agreed to make a new aggregate total loan of PASS Funds (the "PASS Loan," and together with the Consolidated Loan, the "Loan") to Borrower in an amount up to approximately \$[11,903,000] (the "PASS Loan Amount," and together with the Consolidated Loan Amount, the "Funding Amount") for financing of the Project under this Agreement and is comprised of the following:

(1) a Series 2020C market rate loan of Funds to Borrower (the "Series C Market Rate Loan") in the amount of Six Million Seven Hundred Sixty-Two Thousand Three Hundred Thirty Six and No/100 Dollars (\$6,762,336.00);

(2) a Series 2025E market rate loan of Funds to Borrower (the "Series E Market Rate Loan") in the amount of [Four Hundred Eight-Six Thousand Two Hundred and Fifty Six and No/100 Dollars and No/100 Dollars (\$486,256.00)] (the Series C Market Rate Loan together with Series E Market Rate Loan, collectively the "Market Rate Loan");

(3) a Series 2020C below market rate loan of Funds to Borrower ("Series C BMR Loan") in the amount of Three Million Seven Hundred Thirty Thousand Nine Hundred Forty Four and No/100 Dollars (\$3,730,944.00);

(4) a Series 2025E below market rate loan of Funds to Borrower ("Series E BMR Loan") in the amount of [Two Hundred Sixty Nine Thousand Twenty Three and No/100 Dollars (\$269,023.00)] (the Series C BMR Loan together with the Series E BMR Loan, collectively the "BMR Loan");

(5) a Series 2020C deferred loan of Funds to Borrower ("Series C Deferred Loan") in the amount of Six Hundred Ten Thousand Seven Hundred Twenty and No/100 Dollars (\$610,720.00); and

(6) a Series 2025E deferred loan of Funds to Borrower ("Series E Deferred Loan") in the amount of [Forty Three Thousand Seven Hundred Twenty One and No/100 Dollars (\$43,721.00)] (the Series C Deferred Loan together with Series E Deferred Loan, collectively the "Deferred Loan").

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

I. Borrower has secured the following additional financing for the Project (as defined below):

1. a senior tax exempt construction loan to Borrower in the approximate amount of [Sixteen Million Five Hundred Fifty Thousand Four Hundred Seventy Eight and No/100 Dollars (\$16,550,478.00)] derived from a loan by [BMO Bank] to the City and County of San Francisco,

2. a Housing Assistance Payment (“HAP”) contract and budget authority with SFHA in the amounts sufficient to provide operating subsidy to total fifteen (15) units including) Seven (7) studio units and Eight (8) one-bedroom units; and total Thirty-two (32) RAD PBV units including Twenty-two (22) studio units and Ten (10) one-bedroom units.

3. a construction and permanent loan from the State of California Department of Housing and Community Development (“HCD”) Loan Portfolio Restructuring Program in the total principal amount of approximately [Three Million Four Hundred Seventy Three Thousand Seven Hundred Four and 00/100 Dollars (\$3,542,242.00)];

4. a sponsor loan from Chinatown Community Development Center, Inc., a nonprofit public benefit corporation (“CCDC”) in the amount of One Million and No/100 Dollars (\$1,000,000.00);

5. an equity contribution from Borrower in the approximate amount of [Twelve Million Nine Hundred Six Thousand One Hundred Seventy and No/100 Dollars (\$13,143,931)]; and

6. federal and/or state low income housing tax credits reserved or allocated to the Project by the California Tax Credit Allocation Committee (“TCAC”).

J. On [_____], 2025, the City’s Board of Supervisors and the Mayor approved this Agreement by Resolution No. [_____] for the purpose of developing the Project.

K. On the Agreement Date, this Agreement will amend, restate, supersede and replace the Original City Loan Agreements. Concurrently herewith, Borrower will also (i) execute an amended and restated promissory notes in favor of the City to supersede and replace the promissory notes evidencing the Original City Loans, as well as new promissory notes to evidence the PASS Loan, (ii) execute and record deeds of trust to secure such promissory notes, and (iii) execute and record an amended and restated declaration of restrictions. In addition, CCDC will execute a developer fee agreement with the City. As of the Agreement Date, the City will cancel and return the promissory notes evidencing the Original City Loans and reconvey the deeds of trusts securing the promissory notes evidencing the Original City Loans.

AGREEMENT

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

ARTICLE 1 DEFINITIONS.

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

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

"Agreement" means this Loan Agreement.

"Agreement Date" means the date first written above.

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

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

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

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

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

"BMR Loan" has the meaning set forth in **Recital H**.

"BMR Loan Amount" has the same meaning set forth in **Recital H**.

"BMR Note" means the promissory notes executed by Borrower in favor of the City in the original principal amount of the BMR Loan Amount, in form and substance acceptable to the City.

"Borrower" means 1303 Larkin Street, L.P., a California limited partnership whose whose General Partner is 1303 Larkin Street LLC, a California limited liability company whose sole member and manager is Chinatown Community Development Center, Inc., a California nonprofit public benefit corporation, and its authorized successors and assigns.

"CFR" means the Code of Federal Regulations.

"Charter Documents" means: (a) in the case of a corporation, its articles of incorporation and bylaws; (b) in the case of a partnership, its partnership agreement and any certificate or statement of partnership; and (c) in the case of a limited liability company, its operating agreement and any LLC certificate or statement. The Charter Documents must be delivered to the City in their original form and as amended from time to time and be accompanied by a certificate of good standing for Borrower issued by the California Secretary of State and, if Borrower is organized under the laws of a state other than California, a certificate of good

standing issued by the Secretary of State of the state of organization, issued no more than ninety (90) days before the Agreement Date.

"CHDO" means a Community Housing Development Organization, as defined in 24 CFR § 92.2.

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

"City Documents" means this Agreement, the Note, the Deed of Trust, the Declaration of Restrictions, the Developer Fee Agreement, and any other documents executed or, delivered in connection with this Agreement.

"City Project" has the meaning set forth in **Exhibit E, Section 13(c)**.

"CNA" means a 20-year capital needs assessment or analysis of replacement reserve requirements, as further described under the CNA Policy.

"CNA Policy" means MOHCD's Policy For Capital Needs Assessments dated November 5, 2013, as it may be amended from time to time.

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

"Compliance Term" has the meaning set forth in **Section 3.2**.

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

"Consolidated Loan" has the meaning set forth in **Recital G**.

"Consolidated Loan Amount" has the meaning set forth in **Recital G**.

"Consolidated Loan Maturity Date" has the meaning set forth in **Section 3.1(a)**.

"Consolidated Note" means an amended and restated promissory notes executed by Borrower in favor of the City in the original principal amount of the Consolidated Loan Amount, in form and substance acceptable to the City.

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

"Contracting Manual" means the Contracting Manual (2006 Amendment) for Federally Funded Construction Projects Financed by the Mayor's Office of Housing, issued by MOHCD

on November 18, 2002, as amended on May 22, 2007, as the same may be further amended from time to time.

“Conversion Date” means the date on which construction financing for the Project is converted into permanent financing, if applicable.

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

"Deed of Trust" means collectively the PASS Deed of Trust and the Consolidated Deed of Trust.

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

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

“Deferred Note” means the promissory notes executed by Borrower in favor of the City in the original principal amount of the Deferred Loan Amount, in form and substance acceptable to the City.

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

"Developer" means Chinatown Community Development Center, Inc., a California nonprofit public benefit corporation, and its authorized successors and assigns.

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

“Developer Fee Policy” means the MOHCD Policy on Development Fees for Tax Credit Projects dated October 16, 2020, as amended from time to time, attached hereto as **Exhibit J**.

"Development Expenses" means all costs incurred by Borrower and approved by the City in connection with the development of the Project, including: (a) hard and soft development costs; (b) deposits into required capitalized reserve accounts; (c) costs of converting Project financing, including bonds, into permanent financing; (d) the expense of a cost audit; and (e) allowed Developer Fees.

"Development Proceeds" means the sum of: (a) funds contributed or to be contributed to Borrower by Borrower's limited partner as capital contributions, equity or for any other purpose under Borrower's limited partnership agreement; and (b) the proceeds of all other financing for the Project.

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

"Distributions" has the meaning set forth in **Section 13.1**.

"Early Retention Release Contractors" means contractors who will receive retention payments upon satisfaction of requirements set forth in **Section 4.7**.

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

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

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

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

"Excess Proceeds" means Development Proceeds remaining after payment of Development Expenses. For the purposes of determining Excess Proceeds, no allowed Project Expenses may be included in Development Expenses.

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

"Federal Funding" means funding provided by the federal government for capital improvements, operations or other direct financial assistance of the Project.

"Funding Amount" has the meaning set forth in **Recital C**.

"Funds" has the meaning set forth in **Recital A**.

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

"General Partner" means 1303 Larkin Street LLC, a California limited liability company.

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

"HAP" has the meaning set forth in **Recital I**.

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

"Hold Harmless Policy" means the Hold Harmless Policy for MOHCD's Income Limits & Maximum Rents dated May 3, 2019, as amended from time to time, attached hereto as **Exhibit K**.

"HOME" has the meaning set forth in **Recital A**.

"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.

"Improvements" has the meaning set forth in **Recital E**.

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

"Income Restrictions" means the maximum household income limits for Qualified Tenants, as set forth in **Exhibit A**.

"Indemnification Payment" has the meaning set forth in **Section 17.4**.

"Indemnatee" means, individually or collectively, (i) City, including MOHCD and all commissions, departments, agencies and other subdivisions of City; (ii) City's elected officials,

directors, officers, employees, agents, successors and assigns; and (iii) all persons or entities acting on behalf of any of the foregoing.

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

"Lease" has the meaning set forth in **Recital E**.

"Lessor" has the meaning specified in **Recital E**.

"Life of the Project" means the period of time in which the Project continues to operate as a multi-family apartment project substantially similar to its current condition in terms of square footage and number of units, and in the event the Project is substantially damaged or destroyed by fire, the elements, an act of any public authority or other casualty, and is subsequently replaced by a multi-family residential project substantially similar to its current condition in terms of square footage and number of units, the life of such replacement project will be deemed to be a continuation of the life of the Project.

"Limited Partner" means MCC Housing, LLC, a California limited liability company, and its permitted successors and assigns.

"Loan" has the meaning set forth in **Recital H**.

"Loss" or "Losses" includes any and all loss, liability, damage, obligation, penalty, claim, action, suits, judgment, fee, cost, expense or charge and reasonable attorneys' fees and costs, including those incurred in an investigation or a proceeding in court or by mediation or arbitration, on appeal or in the enforcement of the City's rights or in defense of any action in a bankruptcy proceeding.

"Market Rate Loan" has the same meaning set forth in **Recital H**.

"Market Rate Loan Amount" has the meaning set forth in **Recital H**.

"Market Rate Note" means the promissory notes executed by Borrower in favor of the City in the original principal amount of the Market Rate Loan Amount, in form and substance acceptable to the City.

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

"Maturity Date" means the Consolidated Loan Maturity Date and/or the PASS Loan Maturity Date, as applicable.

"Median Income" means median income as published annually by MOHCD for the City and County of San Francisco, derived in part from the income limits and area median income

determined by HUD for the San Francisco area, adjusted solely for household size, but not high housing cost area, also referred to as “Unadjusted Median Income.”

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

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

“Notes” means, collectively, the Consolidated Note, the Deferred Note, the BMR Note, and the Market Rate Note.

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

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

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

“Original City Loans” has the meaning set forth in **Recital F**.

“Original City Loan Agreements” has the meaning set forth in **Recital F**.

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

“PASS Loan” has the meaning set forth in **Recital H**.

“PASS Loan Amount” has the meaning set forth in **Recital H**.

“PASS Loan Maturity Date” has the meaning set forth in **Section 3.1(b)**.

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

“PASS Program Regulations” means the Preservation and Seismic Safety Program (PASS) Regulations published by MOHCD.

"Payment Date" means the first May 1st following the Completion Date and each succeeding June 30th until the Maturity Date.

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

"Preferences and Lottery Manual" means MOHCD's Housing Preferences and Lottery Procedures Manual dated March 31, 2017, as amended from time to time.

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

"Project" means the development described in **Recital E**. If indicated by the context, "Project" means the Site and the improvements developed on the Site.

"Project Expenses" means the following costs, which may be paid from Project Income in the following order of priority to the extent of available Project Income: (a) all charges incurred in the operation of the Project for utilities, real estate taxes and assessments and premiums for insurance required under this Agreement or by other lenders providing secured financing for the Project; (b) salaries, wages and any other compensation due and payable to the employees or agents of Borrower employed in connection with the Project, including all related withholding taxes, insurance premiums, Social Security payments and other payroll taxes or payments; (c) required payments of interest and principal or annual service fees, if any, on any junior or senior financing secured by the Site and used to finance the Project that has been approved by the City; (d) annual monitoring fees and all other expenses actually incurred to cover operating costs of the Project, including maintenance and repairs and the fee of any managing agent as indicated in the Annual Operating Budget; (e) required deposits to the Replacement Reserve Account, Operating Reserve Account and any other reserve account required under this Agreement, the Partnership Agreement or the loan documents evidencing the junior or senior financing secured by the Site and used to finance the Project that has been approved by the City; (f) the approved bond issuer fees, fiscal agent fees, and annual asset management fees indicated in the Annual Operating Budget and approved by the City; and (g) any extraordinary expenses approved in advance by the City (other than expenses paid from any reserve account); (h) Supportive Services and (i) annual payments under the Lease. Project Fees are not Project Expenses.

"Project Fees" means annual partnership management fees in the amount of \$[40,887] (plus whatever increase is shown in the Annual Operating Budget and approved by the City) approved by the City.

"Project Income" means all income and receipts in any form received by Borrower from the operation of the Project, including, but not limited to, the following: (a) rents, fees, charges, and deposits (other than tenant's refundable security deposits); (b) Section 8 or other rental subsidy payments received for the Project, supportive services funding (if applicable); (c) price index adjustments and any other rental adjustments to leases or rental agreements; (d) proceeds

from vending and laundry room machines; (e) the proceeds of business interruption or similar insurance; (f) any accrued interest disbursed from any reserve account required under this Agreement for a purpose other than that for which the reserve account was established; (g) reimbursements and other charges paid to Borrower in connection with the Project; and (h) other consideration actually received from the operation of the Project, including non-residential uses of the Site. Project Income does not include interest accruing on any portion of the Funding Amount or tenant's refundable security deposits.

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

"Qualified Tenant" means a Tenant household earning no more than the maximum permissible annual income level allowed under this Agreement as set forth in **Exhibit A**. The term "Qualified Tenant" includes each category of Tenant designated in **Exhibit A**.

"Rent" means the aggregate annual sum charged to Tenants for rent and utilities in compliance with **Article 7**, with utility charges to Qualified Tenants limited to an allowance determined by the SFHA.

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

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

"Residual Receipts Policy" means the Mayor's Office of Housing and Community Development Residual Receipts Policy effective May 16, 2025, as amended from time to time, attached hereto as **Exhibit P**.

"Retention" has the meaning set forth in **Section 4.7**.

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

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

"Senior Lien" has the meaning set forth in **Section 22.1**.

"SFHA" means the San Francisco Housing Authority.

"Site" means the real property described in **Recital E** of this Agreement.

"Supportive Services" means office hours, information & referral, health & wellness activities & educational workshops, cultural events/celebrations, support group, community building activities, nursing services, case management, and referral services. This will be funded

with the services budget of \$60,000 in the first year of operation post-rehab to pay for 0.3 FTE Resident Services Coordinator, 0.2 FTE Resident Services Supervisor, and additional social service activities held by third-party organizations, see also **Section 3.9**.

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

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

"TCAC" means the California Tax Credit Allocation Committee.

"Tenant" means any residential household in the Project, whether or not a Qualified Tenant.

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

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

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

"Unit" means a residential rental unit within the Project.

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

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

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

(b) Headings are for convenience only and do not define or limit any terms. References to a specific City Document or other document or exhibit mean the document,

together with all exhibits and schedules, as supplemented, modified, amended or extended from time to time in accordance with this Agreement. References to Articles, Sections and Exhibits refer to this Agreement unless otherwise stated.

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

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

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

ARTICLE 2 FUNDING.

2.1 Funding Amount. The City agrees to lend to Borrower a maximum principal amount equal to the Funding Amount in order to consolidate the Original City Loans and finance the substantial rehabilitation of the existing 63-unit multifamily rental housing development (including one manager's unit), conversion of 41 existing SRO units into studio and one-bedroom units, and the addition of 5 affordable rental units to the Project for a total of 68 units on the Site affordable to low-income households. The undisbursed portion of the Funding Amount (including the PASS Loan Amount and [\$251,299.76] of the Consolidated Loan Amount) will be disbursed according to the terms and subject to the conditions set forth in this Agreement.

2.2 Use of Funds. Borrower acknowledges that the City's agreement to make the Loan is based in part on Borrower's agreement to use the Funds solely for the purpose set forth in **Section 2.1** and agrees to use the Funds solely for that purpose in accordance with the approved Table of Sources and Uses. Notwithstanding anything to the contrary contained herein, City will not approve expenditure of Funds for expenses incurred by Borrower prior to the Agreement Date. Notwithstanding the foregoing, City will not approve any expenditure of Funds for expenses incurred by Borrower earlier than sixty (60) days prior to the City's declaration of its official intent to reimburse such expenses with proceeds of the 2016 G.O. Bond (Series 202C and Series 2025E).

2.3 Accounts; Interest. Each Account to be maintained by Borrower under this Agreement must be held in a bank or savings and loan institution acceptable to the City as a

segregated account that is insured by the Federal Deposit Insurance Corporation or other comparable federal insurance program. With the exception of tenant security deposit trust accounts, any interest earned on funds in any Account must be used for the benefit of the Project.

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

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

1. Borrower must provide MOHCD with detailed monthly updates via the MOH Monthly Project Update during predevelopment and construction, including on:
 1. Community outreach completed, and
 2. Outcomes achieved related to racial equity goals
2. Borrower must provide operating and development budgets that meet MOHCD Underwriting Guidelines.
3. Borrower must work with MOHCD and SFHA to provide initial draft marketing plan within 12 months of anticipated TCO. The marketing plan must include strategies to improve communication between the Asset Managers, Project Managers, and the Compliance/Lease-up Teams. These teams need to collaborate effectively to understand and address the challenges the lease-up team faces. This collaboration should include creating a realistic lease-up timeline and developing an incentives menu that the lease-up team can use for handling more difficult units. CCDC must further assign adequate staffing for the marketing process to ensure a smooth lease-up process.
4. Borrower must provide quarterly updated responses to any letters requesting corrective action.
5. Post Closing reporting must be submitted during construction.
6. As of the Agreement Date, Borrower has applied for AHP funds from the San Francisco Federal Home Loan Bank for the Project. Borrower will continue to apply for AHP funds for the Project until they are received or the project reaches the Completion Date. If Borrower is awarded AHP funds, Borrower will deliver to the City a copy of the AHP funding award notice no later than ten (10) days of receiving written notice. If AHP funds are awarded prior to completion of the rehabilitation of the Project, Borrower will use the awarded AHP funds to expand the rehabilitation scope of the Project in compliance with all applicable laws, including but not limited to full recladding of the exterior or additional unit

improvements, which expanded scope will be subject to City review and approval.

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

3.1 Maturity Date.

- a) Consolidated Loan. For the Consolidated Loan, Borrower must repay all amounts owing under the Consolidated Note on the date that is the later of (a) the Fifty Seventh (57th) anniversary of the date the Consolidated Deed of Trust is recorded in the Recorder's Office of San Francisco County or (b) the Fifty Fifth (55th) anniversary of the Conversion Date (the "Consolidated Loan Maturity Date").
- b) PASS Loans. For the PASS Loans, (i) Borrower must repay all amounts owing under the Market Rate Note on the date that is the earlier of (a) the forty-fourth (44th) anniversary of the first full month following the date the PASS Deed of Trust is recorded in the Official Records or (b) the fortieth (40th) anniversary of the Conversion Date (the "Market Rate Loan Maturity Date"); (ii) Borrower must repay all amounts owing under the BMR Note on the date that is the earlier of (a) the forty-fourth (44th) anniversary of the first full month following the date the PASS Deed of Trust is recorded in the Official Records or (b) the fortieth (40th) anniversary of the Conversion Date (the "BMR Loan Maturity Date"); and (iii) Borrower must repay all amounts owing under the Deferred Note on the date that is the earlier of (a) the forty-fourth (44th) anniversary of the first full month following the date the PASS Deed of Trust is recorded in the Official Records or (b) the fortieth (40th) anniversary of the Conversion Date (the "Deferred Loan Maturity Date" and together with the Market Rate Loan Maturity Date and the BMR Loan Maturity Date, the "PASS Loan Maturity Date").

3.2 Compliance Term; Declaration of Restrictions. Borrower must comply with all provisions of the City Documents relating to the use of the Site and the Project as set forth in the Declaration of Restrictions to be recorded in the Official Records, for the period commencing on the date the Deed of Trust is recorded in the Official Records and continue for the Life of the Project (the "Compliance Term"), even if the Loan is repaid or otherwise satisfied or the Deed of Trust is reconveyed before the end of the Compliance Term.

3.3 Interest.

- a) Consolidated Loan. The Consolidated Loan will bear interest rates as follows:

- i. The outstanding principal balance of the Hotel Tax Funds portion of the Consolidated Loan will bear simple interest at a rate of [0]% per annum, as provided in the corresponding promissory note.
 - ii. The outstanding principal balance of the HOME Funds portion of the Consolidated Loan will bear simple interest at a rate of [at the long-term applicable federal rate as of the Agreement Date] ([__%])), as provided in the corresponding promissory note.
- (b) PASS Loans. The PASS Loans will bear interest rates as follows:
- i. The outstanding principal balance of the Series E Market Rate Loan will bear interest at a rate of 6.61023% per annum and the Series C Market Rate Loan will bear interest at a rate of 3.87289% per annum, both compounding monthly, as provided in the Series E Market Rate Note and Series C Market Rate Note.
 - ii. The outstanding principal balance of the Series E BMR Loan will bear interest at a rate of 1.87008% per annum and the Series C BMR Loan will bear interest at a rate of 0.95763% per annum, both compounding monthly, as provided in the Series A BMR Note and the Series C BMR Note.
 - iii. The outstanding principal balance of the Series E Deferred Loan will bear interest at a rate of 1.87008% per annum and the Series C Deferred Loan will bear interest at a rate of 0.95763% per annum, compounding monthly, as provided in the Series A Deferred Note and the Series C Deferred Note.

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

3.5 Repayment of Principal and Interest. Except as set forth in Section 3.7 below, the outstanding principal balance of the Loan, together with all accrued and unpaid interest, if any, will be due and payable on the Maturity Date according to the terms set forth in full in the Note. Except as set forth in the Note, no prepayment of the Loan will be permitted without the prior written consent of the City in its sole and absolute discretion.

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

3.7 Notification and Repayment of Excess Proceeds. Borrower must notify the City in writing within thirty (30) days after the later of the date on which Borrower receives its Form 8609 from the California Tax Credit Allocation Committee or the date on which Borrower receives Excess Proceeds from its limited partner or other financing sources. To the extent permitted by HCD (if applicable), Borrower must repay all Excess Proceeds to the City no later than sixty (60) days after receipt of such notification, unless the City has elected to waive such payment. The City must use such Excess Proceeds to reduce the balance of the Loan.

3.8 Failure to Provide Budgeted Supportive Services.

If Borrower fails to provide Supportive Services in the amount shown in the approved 20-Year Cash Flow Proforma, Borrower shall provide notice to the City within 10 business days of the date the Supportive Services were terminated, which notice shall include, at a minimum, a proposed plan to restore the Supportive Services within a reasonable period of time. If at the time such notice is provided, Borrower is unable to propose a feasible plan for restoring the Supportive Service, Borrower shall include in the notice a detailed explanation as to the cause of the termination of Supportive Services and the reasons why it would not be feasible to restore the Supportive Services within a reasonable period of time.

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

ARTICLE 4 CLOSING; DISBURSEMENTS.

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

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

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

(a) Borrower must have delivered to the City fully executed (and for documents to be recorded, acknowledged) originals of the following documents, in form and substance satisfactory to the City: (i) the Note; (ii) this Agreement (in triplicate); (iii) the Deed of Trust; (iv) the Declaration of Restrictions; (v) the Opinion; (vi) the Authorizing Resolutions; (vii) the Developer Fee Agreement (with CCDC); (viii) subordination, nondisturbance and attornment agreements from each commercial tenant in possession, or holding any right of possession, of any portion of the Site; and (ix) any other City Documents reasonably requested by the City.

(b) Borrower must have delivered to the City: (i) Borrower's Charter Documents; (ii) a comprehensive maintenance and operating plan for the Project duly approved by Borrower's governing body that includes, but is not limited to, plans for emergencies and emergency maintenance, vacant unit turnover, preventive maintenance and inspection schedule, and marketing and resident selection; (iii) a CNA that has been duly approved by Borrower's governing body; and (iv) any supporting documentation relating to its CHDO status as reasonably requested by the City.

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

(d) Borrower must have delivered to the City satisfactory evidence that Borrower has obtained commitments for any additional financing that may be required for the Project, in amounts and from lenders or investors satisfactory to the City in its sole discretion.

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

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

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

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

(i) The City must have reviewed and approved the Lease.

(j) Borrower must have submitted into escrow for disbursement to the City the following PASS Program costs and fees associated with the PASS Loan:

(i) Borrower will pay the City an origination fee equal to the greater \$15,000 or 1.25% of the total PASS Loan funds disbursed ("Origination Fee").

(ii) Borrower will pay MOHCD a fee equal to \$15,000 for the City Attorney expenses.

(iii) Borrower will pay the initial installment of the compliance monitoring fee of \$2,500 ("Compliance Fee"), to cover the first year of monitoring under this Agreement. Thereafter, the compliance monitoring fee for the coming year, which is due on the anniversary of the Agreement Date, is \$2,500. For Projects subject to City-imposed affordability restrictions, the fee is payable annually in advance for the duration of the Compliance Term. For Projects not subject to such restrictions, the fee is payable annually in advance through Loan maturity or prepayment.

(iv) Borrower will pay the first installment of the loan servicing fee of \$2,500 annually for the loans in advance, which covers the first year of servicing. Thereafter, the loan servicing fee for the coming year is due on the anniversary of the Agreement Date through Loan maturity or prepayment.

The Origination Fee and Compliance Fee will be increased proportionately in the event of an increase in the PASS Loan, but shall not be decreased in the event of a reduction in the PASS Loan.

4.4 Disbursement of Funds. Following satisfaction of the conditions in **Section 4.3**, the City will authorize the Escrow Agent to disburse Funds as provided in the City's escrow instructions.

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

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

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

(c) With respect to any Expenditure Request that covers rehabilitation or construction costs, Borrower must have certified to the City that the Project complies with the labor standards set forth in **Exhibit E, Section 1**, if applicable.

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

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

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

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

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

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

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

(e) The Loan must be in balance.

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

(i) Debt service coverage ratio (“DSC”) of at least 1.15x, or such lower ratio as otherwise determined by MOHCD (but in no event lower than 1.10x), based upon a 30 day operating statement for the Project prepared on an accrual basis

(ii) Budgets must assume no more than 2.0% annual growth in operating income and no less than 3.0% annual growth in operating expenses.

(iii) Residential Vacancy Loss assumption of 5%

(iv) Tenant Assistance Vacancy Loss assumption of 5%

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

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

(a) Early Retention Release. After [each phase of the rehabilitation or construction of the Project is complete as determined by the City, Borrower may submit a written request to the City to release the Retention for the completed phase or work from the prior phase for the Project (after phase 3 is complete, phase 2 retention will be released)], provided that the following prerequisites have been met: (i) all work required to be performed by all parties for whom the City agrees to release the Retention (the “Early Retention Release Contractors”) has been completed in conformance with the terms of the applicable contract documents, the plans

and specifications approved by the City and all applicable Laws; (ii) the applicable Early Retention Release Contractors have filed unconditional lien waivers satisfactory to the City; (iii) no liens or stop notices have been filed against the Project and no claims are pending; (iv) the City determines that the contingency is in balance and adequate to complete the Project; (v) the Project is on schedule, and (vi) Expenditure Requests will not exceed 95% of the approved budgeted costs on a line item basis.

(b) Retention Release After Project Completion. Borrower may request disbursement of the remaining percentage amount of the Retention only upon the satisfaction of each of the following conditions, unless otherwise approved in writing by the City:

(i) completion of rehabilitation or construction of the Project in accordance with the plans and specifications approved by the City, as evidenced by a certificate of occupancy or equivalent certification provided by the City's Department of Building Inspection, and an architect's or engineer's certificate of completion; (ii) timely recordation of a notice of completion; and (iii) either expiration of the lien period and the absence of any unreleased mechanics' liens or stop notices or recordation of the lien releases of all contractors, subcontractors and suppliers who provided labor or materials for the Project.

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

ARTICLE 5 DEMOLITION, REHABILITATION OR CONSTRUCTION.

5.1 Selection Requirements. In the selection of all contractors and professional consultants for the Project, Borrower must comply with the City's procurement requirements and procedures as described in the Contracting Manual and with the requirements of the Small Business Enterprise Program ("SBE Program") as set forth in the SBE Manual according to the procedures established by the City's Contract Monitoring Division.

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

5.3 Change Orders. Borrower may not approve or permit any change orders to the plans and specifications approved by the City without the City's prior written consent. Borrower must provide adequate and complete justification for analysis of any change order request to the City. The City will provide any questions, comments or requests for additional information to Borrower within five (5) business days of receipt of a change order request. City will review and approve or disapprove of a change order request within ten (10) business days of a complete submission by Borrower. In the event the City fails to approve or disapprove the change order request within such ten (10) business day period, the change order shall be deemed approved. Borrower acknowledges that the City's approval of any change order will not constitute an agreement to amend the Table of Sources and Uses or to provide additional Funds for the Project, unless the City agrees in its sole discretion to amend the Table of Sources and Uses or provide additional Funds for that purpose.

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

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

5.6 Commencement and Completion of Project. Unless otherwise extended in writing by the City, Borrower must: (a) commence rehabilitation by a date no later than [December 14, 2025]; (b) complete rehabilitation by a date no later than [June 1, 2027], in accordance with the plans and specifications approved by the City, as evidenced by a certificate of occupancy or equivalent certification provided by the City's Department of Building Inspection, and an architect's or engineer's certificate of completion (the "Completion Date"); and (c) achieve

occupancy of Ninety Five percent (95%) of the Units by a date no later than [September 1, 2027].

5.7 Rehabilitation/Construction Standards. All rehabilitation or construction must be performed in a first class manner, substantially in accordance with final plans and specifications approved by the City and in accordance with all applicable codes. All newly constructed Units must meet the requirements of the Model Energy Code most recently published by the Council of American Building Officials. All Units must meet the accessibility requirements under 24 CFR part 8, implementing Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) and the design and construction requirements under 24 CFR § 100.205, implementing the Fair Housing Act (42 U.S.C. §§ 3601-3619).

ARTICLE 6 MARKETING.

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

6.2 Affirmative Marketing and Tenant Selection Plan Requirements. Borrower's Marketing and Tenant Selection Plan must address how Borrower intends to market vacant Units and any opportunity for placement on the Waiting List, as defined in 6.5. The Marketing and Tenant Selection Plan shall include as many of the following elements as are appropriate to the Project, as determined by the City:

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

(b) A plan that satisfies the requirement to give preference in occupying units in accordance with the Preferences and Lottery Manual and the Preferences Ordinance. Notwithstanding the foregoing, in the event of a conflict between these provisions and the provisions of Section 42 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated therewith, the provisions of such Section 42 (and the applicable regulations) shall control.

(c) Advertising in local neighborhood newspapers, community-oriented radio stations, on the internet and in other media that are likely to reach low-income households. All advertising must display the Equal Housing Opportunity logo.

(d) Notices to neighborhood-based, nonprofit housing corporations and other low-income housing advocacy organizations that maintain waiting lists or make referrals for below-market-rate housing.

(e) Notices to SFHA.

(f) Notices to MOHCD

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

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

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

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

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

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

6.5 Waiting List. Borrower's Marketing and Tenant Selection Plan must contain, at a minimum, policies and criteria that provide for the selection of tenants from a written waiting list that complies with the Marketing and Tenant Selection Plan (the "Waiting List"). The Marketing and Tenant Selection Plan may allow an applicant to refuse an available Unit for good cause without losing standing on the Waiting List but shall limit the number of refusals without cause as approved by the City. Borrower shall at all times maintain the Waiting List. Upon the vacancy of any Unit, Borrower shall first attempt to select the new Tenant for such Unit from the Waiting List, and shall only market the Unit to the general public after determining that no applicants from the Waiting List qualify for such Unit. The Waiting List must be kept on file at the Project at all times.

ARTICLE 7 AFFORDABILITY AND OTHER LEASING RESTRICTIONS.

7.1 Term of Leasing Restrictions. Borrower acknowledges and agrees that the covenants and other leasing restrictions set forth in this Article will remain in full force and effect (a) for the Compliance Term and survive the prior repayment or other satisfaction of the Loan, termination of this Agreement or reconveyance of the Deed of Trust; (b) for any Unit that has been subject to a regulatory agreement with TCAC, for a period ending three (3) years after the date of any transfer of the Project by foreclosure or deed-in-lieu of foreclosure; and (c) with respect to any Unit occupied by a Qualified Tenant at expiration of either the Compliance Term or the 3-year period referred to in **Subsection (b)** above, until the Qualified Tenant voluntarily vacates his/her Unit or is evicted lawfully for just cause. The requirements to comply with the provisions of Internal Revenue Code Section 42, including Section 42(h)(6)(E)(ii), are hereby acknowledged.

7.2 Borrower's Covenant.

(a) Borrower covenants to rent all Units (except one Unit reserved for the manager of the Project) at all times to households certified as Qualified Tenants at initial occupancy, as set forth in **Exhibit A**. Borrower further covenants that no HOME funds will be allocated to the construction or rehabilitation of the manager's Unit. If the Project contains 5 or more units, at least 20% must be reserved for very low-income Tenants, as defined under the HOME program regulations. In addition, 49 of the Units must be rented at all times to tenants holding Section 8 vouchers or certificates or an equivalent rental subsidy program as long as these subsidies are available. Of those 49 Units, 32 Units will be constructed and/or rehabilitated as mixed finance public housing units and then converted to Section 8 vouchers or certificates or an equivalent rental subsidy program pursuant to the RAD Program.

(b) A Tenant who is a Qualified Tenant at initial occupancy may not be required to vacate the Unit due to subsequent rises in household income, except as provided in **Section 7.3**. After the over-income Tenant vacates the Unit, the vacant Unit must be rented only to Qualified Tenants as provided in this **Article 7**.

7.3 Rent Restrictions.

(a) Rent charged to each Qualified Tenant may not exceed the amounts set forth in **Exhibit A**, *provided that* Rents may be adjusted annually, subject to the limitations below.

(b) Subject to the Hold Harmless Policy, rents for all Units may be increased once annually up to the maximum monthly rent by unit type as published by MOHCD.

(c) With the City's prior written approval, Rent increases for Units exceeding the amounts permitted under **Section 7.3(b)** may be permitted once annually in order to recover increases in approved Project Expenses, provided that: (i) in no event may single or aggregate increases exceed ten percent (10%) per year unless such an increase is contemplated in a City-approved temporary relocation plan or is necessary due to the expiration of Section 8 or other

rental subsidies; and (ii) Rents for each Unit may in no event exceed the maximum Rent permitted under **Section 7.3(a)**. City approval for such Rent increases that are necessary to meet all approved Project Expenses shall not be unreasonably withheld.

(d) For any Qualified Tenant participating in a Rent or operating subsidy program where the Rent charged is calculated as a percentage of household income, adjustments to Rent charged may be made according to the rules of the relevant subsidy program. There is no limit on the increase/decrease in Rent charged under this provision, as long as it does not exceed the maximum Rent permitted under **Section 7.3(a)**. There is no limit on the number of Rent adjustments that can be made in a year under this provision.

(e) For any Qualified Tenant that becomes ineligible to continue participating in a rent or operating subsidy program, there is no limit on the increase in Rent charged as long as it does not exceed the maximum Rent permitted under **Section 7.3(a)**.

(f) Unless prohibited under any applicable Laws, including without limitation Section 42 of the Internal Revenue Code of 1986, as amended, if the household income of a Qualified Tenant exceeds the maximum permissible income during occupancy of a Unit, then, upon no less than thirty (30) days' prior written notice to the Tenant or as otherwise required under the Tenant's lease or occupancy agreement, Borrower may adjust the charges for Rent for the previously Qualified Tenant to be equal to thirty percent (30%) of the Tenant's adjusted household income. Rents charged under this provision may exceed the Maximum Rent permitted under **Section 7.3(a)**.

7.4 Certification.

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

(b) Each Qualified Tenant in the Project must recertify his/her household income to Borrower one time in the year after the first year of tenancy in accordance with tax credit requirements. Each Qualified Tenant in the Project must also recertify his/her household income to Borrower one time in every 6th year of the project's affordability period using the full recertification method required by the HOME program. Interim recertifications are also required annually but may be done using the abbreviated annual income recertification method which requires Tenants to submit income certification forms but does not require verification of income or assets.

(c) Income certifications with respect to each Qualified Tenant who resides in a Unit or resided therein during the immediately preceding calendar year must be maintained on

file at Borrower's principal office, and Borrower must file or cause to be filed copies thereof with the City promptly upon request by the City.

7.5 Form of Lease. The form of lease for Tenants must provide for termination of the lease and consent to immediate eviction for failure to qualify as a Qualified Tenant if the Tenant has made any material misrepresentation in the initial income certification. The form of lease must also comply with 24 CFR § 92.253.

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

7.7 Security Deposits. Security deposits may be required of Tenants only in accordance with applicable 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 disbursed in accordance with California law. The balance in the trust Account must at all times equal or exceed the aggregate of all security deposits collected plus accrued interest thereon, less any security deposits returned to Tenants.

7.8 Other Requirements. Borrower must meet the fair lease and tenant participation program requirements under 24 CFR § 92.303.

ARTICLE 8 MAINTENANCE AND MANAGEMENT OF THE PROJECT.

8.1 Borrower's Responsibilities.

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

8.2 Contracting With Management Agent.

(a) Borrower may contract or permit contracting with a management agent for the performance of the services or duties required in **Section 8.1(a)**, subject to the City's prior written approval of both the management agent and, at the City's discretion, the management contract between Borrower and the management agent, *provided, however*, that the arrangement will not relieve Borrower of responsibility for performance of those duties. Any management contract must contain a provision allowing Borrower to terminate the contract without penalty upon no more than thirty (30) days' notice. As of the Agreement Date, the City has approved Chinatown Community Development Center, Inc. as Borrower's management agent, subject to approval of the management contract.

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

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

ARTICLE 9 GOVERNMENTAL APPROVALS AND REQUIREMENTS.

9.1 Approvals. Borrower covenants that it has obtained or will obtain in a timely manner and comply with all federal, state and local governmental approvals required by Law to be obtained for the Project. Subject to **Section 17.2**, this Section does not prohibit Borrower from contesting any interpretation or application of Laws in good faith and by appropriate proceedings.

9.2 Borrower Compliance. Borrower must comply, and where applicable, require its contractors to comply, with all applicable Laws governing the use of Funds for the construction, rehabilitation and/or operation of the Project, including those set forth in **Exhibit E** and **Exhibit L**. Borrower acknowledges that its failure to comply with any of these requirements will constitute an Event of Default under this Agreement. Subject to **Section 17.2**, this Section does not prohibit Borrower from contesting any interpretation or application of Laws in good faith and by appropriate proceedings.

9.3 Additional Federal Requirements. The following provisions shall apply as long as Federal Funds are used to finance the Project:

(a) Compliance With Laws Borrower agrees to abide by all applicable Laws, including HUD regulations, pertaining to this Agreement and to any contracts pertaining to the Project. In the event HUD formally amends, waives or repeals any HUD administrative regulation previously applicable to Borrower's performance under this Agreement, MOHCD expressly reserves the right, upon giving notice to HUD and Borrower, to require Borrower's performance as though the regulation were not amended, waived or repealed, subject only to written and binding objection by HUD. Borrower further acknowledges that the City may impose more stringent requirements with regard to affordability restrictions than those required by HUD and agrees to comply with the City's requirements as set forth in this Agreement.

(b) Drug-Free Workplace Borrower acknowledges that under the Federal Drug-Free Workplace Act of 1988 (41 U.S.C. §§ 701 *et seq.*), the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited on its premises. Borrower agrees that any violation of this prohibition by Borrower, its employees, agents or assigns will be deemed an Event of Default under this Agreement.

(c) Restrictions on Lobbying Activities

(i) This Agreement is subject to 31 U.S.C. Section 1352, which provides in part that, with specified exceptions, no appropriated funds may be expended by the recipient of a federal contract, grant, loan or cooperative agreement to pay 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 any of the following covered federal actions: 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.

(ii) If the Funding Amount exceeds \$100,000, Borrower must file with MOHCD at the beginning of the Compliance Term and promptly after the occurrence of any change in the facts certified or disclosed:

(A) a certification substantially the same as that attached hereto as **Exhibit F**, and otherwise, in form and content satisfactory to the City and to HUD, that Borrower, its employees, officers and agents have not made, and will not make, any payment prohibited by **Subsection (i)** above; and

(B) a disclosure form, Federal Standard Form-LLL, "Disclosure of Lobbying Activities," if Borrower, its employees, officers or agents have made or agreed to make any payment using funds from a source other than the Funds that would be prohibited under **Subsection (i)** above if payment were made with Funds. The City will file the disclosure form with HUD and retain the certification for the City's records as required by Law.

(d) Debarment or Suspension Borrower must certify in form and content substantially the same as that attached hereto as **Exhibit F** that neither it nor any of its principals is listed by the General Services Administration as debarred, suspended, ineligible or voluntarily excluded from receiving the Funds on the Agreement Date. In addition, Borrower 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 in addition to obtaining the certification of each contractor or subcontractor whose bid is accepted.

(e) Single Audit. If Borrower cumulatively expends \$750,000.00 or more in Federal Funds during Borrower's fiscal year, Borrower must conduct a single audit or program-specific audit by an independent auditor in accordance with OMB Uniform Guidance requirements in 2 CFR part 200 subpart F (§200.500 *et seq.*), as it may be amended from time to time ("Single Audit"). Borrower must submit a copy of the Single Audit report to MOHCD within nine (9) months after the end of Borrower's fiscal year or thirty (30) days after receiving the Single Audit report from the auditor.

(f) Other HUD Requirements The following federal requirements are applicable to all activities funded under this Agreement:

(i) the requirements of the "Uniform Administrative Requirements, Cost Principles, and Audit Requirements For Federal Awards," 2 CFR part 200, relating to allowable costs chargeable to the Funds and contractual requirements for nonprofit organizations, as applicable; and

(ii) the provisions of 24 CFR part 92, "HOME Investment Partnership Program," and incorporated sections of 2 CFR part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements For Federal Awards;" and

(iii) all requirements applicable to CHDOs, as described at 24 CFR part 92, specifically subpart G, "Community Housing and Development Organizations," and the definition of CHDO at 24 CFR Section 92.2, and as described in HUD-CPD Notice 97-11, "Guidance on Community Housing Development Organizations under the HOME Program."

ARTICLE 10 PROJECT MONITORING, REPORTS, BOOKS AND RECORDS.

10.1 Generally.

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

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

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

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

10.3 Annual Reporting.

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

(b) If the source of Funds is Federal Funding, Borrower must also provide an annual accounting of program income, as defined in applicable federal regulations.

10.4 Capital Needs Assessment. In accordance with the CNA Policy, Borrower must deliver to MOHCD an updated CNA every five (5) years after the Completion Date for approval.

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

(a) within ninety (180) days after the Completion Date, a draft cost certification (or other similar project audit HOME Program performed by an independent certified public accountant identifying the sources and uses of all Project funds including the Funds;

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

(c) within ninety (90) days after seventy-five percent (75%) occupancy, and one hundred percent (100%) occupancy, respectively, a report on the lease-up of the Units including number of leases by race, ethnicity and single-headed household by gender, to the extent available, location of previous residence, and also indicating the Units by income category; and

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

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

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

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

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

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

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

10.8 Access to the Project and Other Project Books and Records. In addition to Borrower's obligations under **Sections 2.4, 10.1, 10.2, 10.3, 10.4, 10.5, 10.6** and **10.7** and any other obligations to provide reports or maintain records in any City Document, Borrower agrees that duly authorized representatives of the City will have: (a) access to the Project throughout the Compliance Term to monitor the progress of work on the Project and compliance by Borrower with the terms of this Agreement; and (b) access to and the right to inspect, copy, audit and examine all books, records and other documents Borrower is required to keep at all reasonable times, following reasonable notice, for the retention period required under **Section 10.9**.

10.9 Records Retention. Borrower must retain all records required for the periods required under applicable Laws, including 24 CFR Section 92.508.

ARTICLE 11 USE OF INCOME FROM OPERATIONS.

11.1 Project Operating Account.

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

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

ARTICLE 12 REQUIRED RESERVES.

12.1 Replacement Reserve Account.

(a) Commencing no later than Conversion , or any other date the City designates in writing, Borrower must establish or cause to be established a segregated interest-bearing replacement reserve depository account (the "Replacement Reserve Account"). On or before the 15th day of each month following establishment of the Replacement Reserve Account, Borrower must make monthly deposits from Project Income into the Replacement Reserve Account in the amount necessary to meet the requirements of this Section. The City may review the adequacy of deposits to the Replacement Reserve Account periodically and require adjustments as it deems necessary. All reserves held by any lenders or equity providers with respect to the Project will be credited toward the applicable City reserve requirement hereunder on a dollar for dollar basis.

(b) Borrower must make an initial deposit into the Replacement Reserve Account in an amount equal to \$1,000 per Unit. Thereafter, monthly deposits must equal the higher of (i) the amount needed under Borrower's approved CNA, or (ii) 1/12th of the following amount: \$34,000.

Borrower may request adjustments every five (5) years based on its most recently approved CNA. If the Project is unable to make a required replacement reserve deposit due to unavailable cash flow, the Borrower must submit a plan for review and approval to MOHCD that addresses the cash flow shortfall.

(c) Borrower may withdraw funds from the Replacement Reserve Account solely to fund capital improvements for the Project, such as replacing or repairing structural elements, furniture, fixtures or equipment of the Project that are reasonably required to preserve the Project. Borrower may not withdraw funds (including any accrued interest) from the

Replacement Reserve Account for any other purpose without the City's prior written approval., which approval will not be unreasonably withheld, conditioned or delayed.

12.2 Operating Reserve Account.

(a) Commencing no later than Conversion , or any other date the City designates in writing, Borrower must establish or cause to be established a segregated interest-bearing operating reserve depository account (the "Operating Reserve Account") by depositing funds in an amount equal to twenty-five percent (25%) of the approved budget for Project Expenses for the first full year of operation of the Project. The City may review the adequacy of deposits to the Operating Reserve Account periodically and require adjustments as it deems necessary.

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

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

ARTICLE 13 DISTRIBUTIONS.

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

13.2 Conditions to Distributions. The 20-Year Cash Flow Proforma attached hereto as Exhibit B-2 includes projections of annual Distributions. Exhibit B-2 is not intended to impose limits on the amounts to be annually distributed. Distributions for a particular fiscal year may be made only following: (a) City approval of the Annual Monitoring Report submitted for that year; (b) the City's determination that Borrower is not in default under this Agreement or any other agreement entered into with the City and County of San Francisco or the City for the Project; and (c) the City's determination that the amount of the proposed Distribution satisfies the conditions of this Agreement. The City will be deemed to have approved Borrower's written request for approval of a proposed Distribution unless the City delivers its disapproval or request for more information to Borrower within thirty (30) business days after the City's receipt of the request for approval.

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

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

13.4 Borrower's Use of Residual Receipts for Development. To the extent that making a Distribution is not inconsistent with any other financing agreement for the Project, and subject to the limitations in this Article, with the City's prior written approval Borrower may retain a portion of Residual Receipts in lieu of using them to repay the Loan in an amount consistent with the Residual Receipts Policy attached hereto as **Exhibit P**. Borrower acknowledges that the City may withhold its consent to a Distribution in any year in which Residual Receipts are insufficient to meet Borrower's payment obligations under the Note. Residual Receipts will be allocated to repay the Loan in the following order: first, to repayment of the HOME Funds portion of the Consolidated Loan then, to repayment of the Hotel Tax Funds portion of the Consolidated Loan.

ARTICLE 14 SYNDICATION PROCEEDS.

14.1 Distribution and Use. If Borrower is a limited partnership or limited liability company, and unless otherwise approved by the City in writing, Borrower must allocate, distribute and pay or cause to be allocated, distributed and paid all net syndication proceeds and all loan and grant funds as specified in the Table. Borrower must notify the City of the receipt and disposition of any net syndication proceeds received by Borrower during the term of this Agreement.

ARTICLE 15 DEVELOPER FEES.

15.1 Amount. The City has approved the payment of development fees from the Loan to the Developer in an amount not to exceed [Three Million Five Hundred Seventy Six Thousand Seven Hundred Twenty and No/100 Dollars (\$3,576,720.00)] for developing the Project (“Developer Fees”), subject to the Developer Fee Policy and the terms and conditions set forth in full in the Developer Fee Agreement between the City and Developer.

15.2 Fee Payment Schedule. Developer will receive payment of the Developer Fees pursuant to Section 2(b) of the Developer Fee Agreement.

ARTICLE 16 TRANSFERS.

16.1 Permitted Transfers/Consent. Borrower may not cause or permit any voluntary transfer, assignment or encumbrance of its interest in the Site or Project or of any ownership interests in Borrower, or lease or permit a sublease on all or any part of the Project, other than: (a) leases, subleases or occupancy agreements to occupants of Units 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 or is the manager of a limited liability company that is the sole general partner or manager of that entity; (d) transfers of the general partnership 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; (f) 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 where such agreement has been previously approved in writing by the City; or (g) to remove or replace the General Partner in accordance with the terms of the Partnership Agreement, a transfer of any general partnership interest to a new general partner approved in advance by the City. Any other transfer, assignment, encumbrance or lease without the City's prior written consent will be voidable and, at the City's election, constitute an Event of Default under this Agreement. The City's consent to any specific assignment, encumbrance, lease or other transfer will not constitute its consent to any subsequent transfer or a waiver of any of the City's rights under this Agreement.

ARTICLE 17 INSURANCE AND BONDS; INDEMNITY.

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

17.2 Borrower's Indemnity Obligations. Borrower must indemnify, protect, defend and hold harmless each of the Indemnitees from and against any and all Losses arising out of: (a) any default by Borrower in the observance or performance of any of Borrower's obligations under the City Documents (including those covenants set forth in **Article 18** below); (b) any failure of any representation by Borrower to be correct in all respects when made; (c) injury or death to persons or damage to property or other loss occurring on or in connection with the Site or the Project, whether caused by the negligence or any other act or omission of Borrower or any other person or by negligent, faulty, inadequate or defective design, building, construction, rehabilitation or maintenance or any other condition or otherwise; (d) any claim of any surety in connection with any bond relating to the construction or rehabilitation of any improvements or offsite improvements; (e) any claim, demand or cause of action, or any action or other proceeding, whether meritorious or not, brought or asserted against any Indemnitee that relates to or arises out of the City Documents, the Loan, the Site or the Project or any transaction contemplated by, or the relationship between Borrower and the City or any action or inaction by the City under, the City Documents; (f) the occurrence, until the expiration of the Compliance Term, of any Environmental Activity or any failure of Borrower or any other person to comply with all applicable Environmental Laws relating to the Project or the Site; (g) the occurrence, after the Compliance Term, of any Environmental Activity resulting directly or indirectly from any Environmental Activity occurring before the expiration of the Compliance Term; (h) any liability of any nature arising from Borrower's contest of or relating to the application of any Law, including any contest permitted under **Sections 9.1, 9.2 and 18.2**; or (i) any claim, demand or cause of action, or any investigation, inquiry, order, hearing, action or other proceeding by or before any Governmental Agency, whether meritorious or not, that directly or indirectly relates to, arises from or is based on the occurrence or allegation of any of the matters described in clauses (a) through (h) above, *provided that* no Indemnitee will be entitled to indemnification under this Section for matters caused solely by its own gross negligence or willful misconduct.

17.3 Duty to Defend. Borrower acknowledges and agrees that its obligation to defend the Indemnitees under **Section 17.2**: (a) is an immediate obligation, independent of its other obligations hereunder; (b) applies to any Loss which actually or potentially falls within the scope of **Section 17.2**, regardless of whether the allegations asserted in connection with such Loss are or may be groundless, false or fraudulent; and (c) arises at the time the Loss is tendered to Borrower by the Indemnitee and continues at all times thereafter. In the event any action or proceeding is brought against an Indemnitee by reason of a claim arising out of any Loss for which Borrower has indemnified the Indemnitees, upon written notice, Borrower must answer and otherwise defend the action or proceeding using counsel approved in writing by the Indemnitee at Borrower's sole expense. Each Indemnitee will have the right, exercised in its sole discretion, but without being required to do so, to defend, adjust, settle or compromise any claim,

obligation, debt, demand, suit or judgment against the Indemnatee in connection with the matters covered by this Agreement. The Indemnatee must give Borrower prompt notice of any Loss and Borrower has the right to defend, settle and compromise any such Loss; provided, however, that the Indemnatee has the right to retain its own counsel at the expense of Borrower if representation of such Indemnatee by the counsel retained by Borrower would be inappropriate due to conflicts of interest between such Indemnatee and Borrower. An Indemnatee's failure to notify Borrower promptly of any Loss does not relieve Borrower of any liability to such Indemnity under **Section 17.2**, unless such failure materially impairs Borrower's ability to defend such Loss. Borrower must seek the Indemnified Party's prior written consent to settle or compromise any Loss if Borrower contends that such Indemnatee shares in liability with respect thereto.

17.4 No Limitation. Borrower's obligations under **Section 17.2** are not limited by the insurance requirements under this Agreement.

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

ARTICLE 18 HAZARDOUS SUBSTANCES.

18.1 Borrower's Representations. Borrower represents and warrants to the City that, to the best of Borrower's actual knowledge, without independent investigation or inquiry as of the Agreement Date, the following statements are true and correct except as disclosed in the Phase 1 Environmental Site Assessment conducted by Langan CA, Inc. dated February 26, 2025 or otherwise in writing: (a) the Site is not in violation of any Environmental Laws; (b) the Site is not now, nor has it been, used for the manufacture, use, storage, discharge, deposit, transportation or disposal of any Hazardous Substances, except in limited quantities customarily used in residences and offices and in compliance with Environmental Laws; (c) the Site does not consist of any landfill or contain any underground storage tanks; (d) the improvements on the Site do not consist of any asbestos-containing materials or building materials that contain any other Hazardous Substances; (e) no release of any Hazardous Substances in the improvements on the Site has occurred or in, on, under or about the Site; and (f) the Site is not subject to any claim by any Governmental Agency or third party related to any Environmental Activity or any inquiry by any Governmental Agency (including the California Department of Toxic Substances Control and the Regional Water Quality Control Board) with respect to the presence of Hazardous Substances in the improvements on the Site or in, on, under or about the Site, or the migration of Hazardous Substances from or to other real property.

18.2 Covenant. Unless the City otherwise consents in writing, at all times from and after the date of this Agreement, at its sole expense, Borrower must: (a) comply with all applicable Environmental Laws relating to the Site and the Project, and not engage in or otherwise permit the occurrence of any Environmental Activity in violation of any applicable Environmental Laws or that is not customary and incidental to the intended use of the Site, *provided that* nothing contained in this Section will prevent Borrower from contesting, in good faith and by appropriate proceedings, any interpretation or application of Environmental Laws;

and (b) deliver to the City notice of the discovery by Borrower of any event rendering any representation contained in this Section incorrect in any respect promptly following Borrower's discovery.

18.3 Survival. Borrower and City agree that this Article 18 is intended as City's written request for information (and Borrower's response) concerning the environmental condition of the Site as security as required by California Code of Civil Procedure § 726.5; and each provision in this Article (together with any indemnity applicable to a breach of any such provision) with respect to the environmental condition of the Site as security is intended by City and Borrower to be an "environmental provision" for purposes of California Code of Civil Procedure § 736, and as such it is expressly understood that Borrower's duty to indemnify City hereunder shall survive: (a) any judicial or non-judicial foreclosure under the Deed of Trust, or transfer of the Property in lieu thereof, (b) the release and reconveyance or cancellation of the Deed of Trust; and (c) the satisfaction of all of Borrower's obligation under the City Documents.

ARTICLE 19 DEFAULT.

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

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

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

(c) Borrower fails to perform or observe any other term, covenant or agreement contained in any City Document, and the failure continues for thirty (30) days after Borrower's receipt of written notice from the City to cure the default, or, if the default cannot be cured within a 30-day period, Borrower will have sixty (60) days to cure the default, or any longer period of time deemed necessary by the City, *provided that* Borrower commences to cure the default within the 30-day period and diligently pursues the cure to completion; or

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

(e) All or a substantial or material portion of the improvements on the Site is damaged or destroyed by fire or other casualty, and the City has determined upon restoration or

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

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

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

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

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

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

(k) Borrower is subject to an order for relief by the bankruptcy court, or is unable or admits in writing its inability to pay its debts as they mature or makes an assignment for the benefit of creditors; or Borrower applies for or consents to the appointment of any receiver, trustee or similar official for Borrower or for all or any part of its property (or an appointment is made without its consent and the appointment continues undischarged and unstayed for sixty (60) days); or Borrower institutes or consents to any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, custodianship, conservatorship, liquidation, rehabilitation or similar proceeding relating to Borrower or to all or any part of its property under the laws of any jurisdiction (or a proceeding is instituted without its consent and continues undismissed and unstayed for more than sixty (60) days); or any judgment, writ, warrant of attachment or execution or similar process is issued or levied against the Site, the improvements or any other property of Borrower and is not released, vacated or fully bonded within sixty (60) days after its issue or levy; or

(l) Any material adverse change occurs in the financial condition or operations of Borrower, such as a loss of services funding or rental subsidies, that has a material adverse impact on the Project; provided that, if the Borrower provides an alternate funding source to cover a loss of funding or rental subsidy that is reasonably satisfactory to the City, a material adverse impact shall not be deemed to have occurred; or

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

(n) Before a certificate of occupancy or equivalent certification is issued for the Project, Borrower ceases rehabilitation or construction of the Project for a period of twenty five (25) consecutive calendar days, and the cessation is not excused under **Section 19.3**; or

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

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

Notwithstanding the foregoing, if an Event of Default occurs, or an event occurs that, with notice or the passage of time, or both, could constitute an Event of Default, the City shall give Limited Partner the same written notice given to the Borrower as required in this Agreement, and the Limited Partner will have the right, but not the obligation, to cure any Event of Default on behalf of Borrower, and the City will accept or reject such cure on the same terms as if rendered by Borrower within the time periods provided to Borrower herein.

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

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

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

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

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

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

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

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

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

19.4 City's Recourse. The City's recourse against Borrower following an Event of Default is limited as set forth more specifically in the Notes.

ARTICLE 20 REPRESENTATIONS AND WARRANTIES.

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

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

Borrower, or any contract, agreement, judgment, order, decree or other instrument binding upon or affecting Borrower.

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

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

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

(e) None of Borrower, Borrower's principals or Borrower's general contractor has been suspended or debarred by the Department of Industrial Relations or any Governmental Agency, nor has Borrower, any of its principals or its general contractor been suspended, disciplined or prohibited from contracting with any Governmental Agency. Further, Borrower certifies that neither it nor any of its principals is listed by the General Services Administration as debarred, suspended, ineligible or voluntarily excluded from receiving the Funds on the Agreement Date. In addition, Borrower 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 in addition to obtaining the certification of each contractor or subcontractor whose bid is accepted.

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

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

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

ARTICLE 21 NOTICES.

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

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

To Borrower: 1303 Larkin Street, L.P.
c/o Chinatown Community Development Center, Inc.
615 Grant Avenue, 4th Floor
San Francisco, CA 94108
Attn: Executive Director

With a copy to: MCC Housing LLC

c/o Merritt Community Capital Corporation
1901 Harrison Street, Suite 1650
Oakland, California 94612
Attention: President & CEO

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

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

21.3 Notice to Limited Partner. The City agrees to deliver a copy of any notice of default to the Limited Partner at the address set forth above at the same time and in the same manner as notice is delivered to Borrower. The City's failure to deliver notice under this Section will not affect or impair the City's right to enforce its rights at law or in equity arising by reason of an Event of Default.

ARTICLE 22 GENERAL PROVISIONS.

22.1 Subordination. The Deed of Trust may be subordinated to other financing secured by and used for development of the Project (in each case, a "Senior Lien"), but only if MOHCD determines in its sole discretion that subordination is necessary to secure adequate acquisition, construction, rehabilitation and/or permanent financing to ensure the viability of the Project. Following review and approval by MOHCD and approval as to form by the City Attorney's Office, the Director of MOHCD or his/her successor or designee will be authorized to execute any approved subordination agreement without the necessity of any further action or approval. The Declaration of Restrictions will not be subordinated to any financing secured by and used for the Project.

22.2 No Third Party Beneficiaries. Nothing contained in this Agreement, nor any act of the City, may be interpreted or construed as creating the relationship of third party

beneficiary, limited or general partnership, joint venture, employer and employee, or principal and agent between the City and Borrower or Borrower's agents, employees or contractors.

22.3 No Claims by Third Parties. Nothing contained in this Agreement creates or justifies any claim against the City by any person or entity with respect to the purchase of materials, supplies or equipment, or the furnishing or the performance of any work or services with respect to the Project. Borrower must include this requirement as a provision in any contracts for the development of the Project.

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

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

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

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

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

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

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

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

22.12 Attorneys' Fees. If any legal action is commenced to enforce any of the terms of this Agreement or rights arising from any party's actions in connection with this Agreement, the prevailing party will have the right to recover its reasonable attorneys' fees (including allocated fees of the City Attorney's Office) and costs of suit from the other party, whether incurred in a judicial, arbitration, mediation or bankruptcy proceeding or on appeal. For the purposes of this Agreement, reasonable fees of attorneys in the City Attorney's office will be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter of law for which the City Attorney's services were rendered, who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the City Attorney's Office. An award of attorneys' fees and costs will bear interest at the default rate under the Note from the date of the award until paid.

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

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

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

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

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

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

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

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

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

EXHIBITS

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

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

THE CITY:

CITY AND COUNTY OF SAN
FRANCISCO, a municipal corporation

By: _____
Daniel Lurie
Mayor

By: _____
Daniel Adams
Director, Mayor's Office of Housing
and Community Development

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: _____
Jessica Alfaro-Cassella
Deputy City Attorney

BORROWER:

1303 LARKIN STREET, L.P.,
a California limited partnership

By: 1303 Larkin Street LLC,
a California limited liability company,
its general partner

By: Chinatown Community Development
Center, Inc.,
a California nonprofit public benefit
corporation,
its sole member/manager

By: _____
Malcolm Yeung,
Executive Director

EXHIBIT A
Schedules of Income and Rent Restrictions

1. **Income and Rent Restrictions.** Maximum rent is 30% of maximum income level. The income restrictions must comply with Median Income, as determined by MOHCD, but will not exceed the Maximum HUD Income Level. As used in this Agreement, the term “Qualified Tenant” includes each category of Tenant included below:

Unit Size	No. of Units	Maximum Income Level
SRO	20	60% of Median Income
Studio	29	60% of Median Income
One-Bedroom	18	60% of Median Income
One-Bedroom	1	Manager’s Unit

Number of Units	Home Rent Category	Maximum Rent
12	High HOME Rents	Maximum Rent is the Lesser of: 1) Fair market rent for existing housing for comparable units in the area, as established by HUD; or 2) 30% of 65% of median income, as established by HUD and published annually.
3	Low HOME Rents (must be at least 20% of all units on projects with 5 or more HOME-assisted units)	Maximum Rent is the Lesser of: 1) the Low HOME rent, as established by HUD and published annually; or, 2) Borrower’s choice of either: 30% of 50% of median income, as established by HUD and published annually; or 30% of actual adjusted income

Borrower further covenants that no HOME funds will be allocated to the construction or rehabilitation of a manager’s Unit. If the Project contains 5 or more units, at least 20% must be reserved for very low-income Tenants, as defined under the HOME program regulations.

In addition, 49 of the Units must be rented at all times to tenants holding Section 8 vouchers or certificates or an equivalent rental subsidy program as long as these subsidies are available. Of those 49 Units, 32 Units will be constructed and/or rehabilitated as mixed finance public housing units and then converted to Section 8 vouchers or certificates or an equivalent rental subsidy program pursuant to the RAD Program.

2. Rent and Utilities. The total amount for rent and utilities (with the maximum allowance for utilities determined by the San Francisco Housing Authority) charged to a Qualified Tenant may not exceed the greater of:

(i) thirty percent (30%) of the applicable maximum income level, adjusted for household size; or

(ii) the tenant paid portion of the contract rent as determined by the San Francisco Housing Authority for Qualified Tenants holding Section 8 vouchers or certificates.

Rents may be increased as permitted pursuant to Section 7.3 of the Agreement.

EXHIBIT B-1
Table of Sources and Uses of Funds

EXHIBIT B-2
Annual Operating Budget

EXHIBIT B-3

20-Year Cash Flow Proforma

[This Proforma must include the same line items as the Annual Operating Budget shown in Exhibit B-2.]

EXHIBIT C
Tenant Income Certification Form

[To be attached.]

EXHIBIT D
First Source Hiring Requirements and Numerical Goals

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

1. Section 3 Requirements.

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

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

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

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

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

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

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

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

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

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

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

EXHIBIT E
Governmental Requirements

1. **Prevailing Wages and Working Conditions.** Any undefined, initially-capitalized term used in this Section shall have the meaning given to such term in San Francisco Administrative Code Section 6.1. Every contract for the rehabilitation or construction of housing assisted with Funds must contain a provision requiring: (1) payment of not less than the wages prevailing in the locality, as preterminted by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. §§ 276a-276a-5 (collectively, “Prevailing Wage Requirements”). The Prevailing Wage Requirements of this Section apply to all laborers and mechanics employed in the development of the Project, including portions other than the assisted Units. Borrower agrees to cooperate with the City in any action or proceeding against a Contractor or Subcontractor that fails to comply with the Prevailing Wage Requirements. If applicable, Borrower must include, and require its Contractors and Subcontractors (regardless of tier) to include, the Prevailing Wage Requirements and the agreement to cooperate in City enforcement actions in any Construction Contract with specific reference to San Francisco Administrative Code Chapter 6.

2. **Environmental Review.** The Project must meet the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. § 4321), related authorities listed at 24 CFR Section 51.100 and parts 50 and 58 and the California Environmental Quality Act (Cal. Pub. Res. Code §§ 2100 *et seq.*) and implementing regulations.

3. **Conflict of Interest.**

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

(b) Borrower represents that it is familiar with the provisions of 24 CFR § 84.42, Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of the San Francisco Campaign and Governmental Conduct Code, and Sections 1090 through

1097 and 87100 *et seq.* of the California Government Code, all of which relate to prohibited conflicts of interest in connection with government contracts. Borrower certifies that it knows of no facts that constitute a violation of any of these provisions and agrees to notify the City immediately if Borrower at any time obtains knowledge of facts constituting a violation.

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

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

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

6. Relocation. Borrower must meet any applicable requirements of the California Relocation Assistance Act (Cal. Gov. Code §§ 7260 *et seq.*) and implementing regulations in Title 25, Chapter 6 of the California Administrative Code in addition to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. §§ 4601 *et seq.*) and implementing regulations at 49 CFR part 24, the requirements of 24 CFR § 92.353 (Displacement, relocation, and acquisition) and similar Laws.

7. Low-Income Hiring Requirements. The use of Funds triggers compliance with certain hiring requirements imposed by the City's First Source Hiring Ordinance (S.F. Admin. Code Chapter 83), as incorporated into MOHCD's Section 3 Plan. To ensure compliance with those requirements, Borrower must include the provisions attached as **Exhibit D** in its contract with the general contractor for the Project. Borrower will be responsible to the City for ensuring compliance with the requirements listed on **Exhibit D**.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13. Sunshine Ordinance.

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

(b) By executing this Agreement, Borrower agrees to comply with the provisions of Chapter 12L of the San Francisco Administrative Code to the extent applicable. By executing this Agreement, Borrower agrees to open its meetings and records to the public in the manner set forth in Sections 12L.4 and 12L.5 of the San Francisco Administrative Code. Borrower further agrees to make good faith efforts to promote community membership on its Board of Directors in the manner set forth in Section 12L.6 of the Administrative Code. Borrower acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Agreement. Borrower further acknowledges that such material breach of the Agreement shall be grounds for the City to terminate and/or not renew the Agreement, partially or in its entirety.

(c) In accordance with the Citizen's Right to Know Act of 1998 (S. F. Admin. Code Chapter 79), no officer, department, board or commission of the City may approve a City Project, as defined in Chapter 79, unless a sign has been posted on the applicable property at least fifteen (15) days before approval. A City Project is a project that involves new construction, a change in use or a significant expansion of an existing use where the City funding for the project is \$50,000 or more. If the Loan will be used for a City Project, this Agreement will not become effective until fifteen (15) days

following the posting of the requisite sign, or, in the alternative, thirty (30) days following the delivery of written notices to residents and owners within 300 feet of the Site, and the City will have the right to nullify or revoke this Agreement without cost or liability of any sort whatsoever at any time before that date. If Borrower believes that this Agreement relates to a City Project and that the requisite sign has not been posted, Borrower must notify the City so that the City may determine the applicability of Chapter 79, and, if necessary, post the requisite sign.

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

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

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

(a) Borrower shall remove all graffiti from any real property owned or leased by Borrower in the City and County of San Francisco within forty eight (48) hours of the earlier of Borrower's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This section is not intended to require a Borrower to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of

the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.).

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

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

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

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

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

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

(d) Borrower or Subcontractor shall not inquire about, require disclosure of, or if such information is received base an Adverse Action on an applicant's or potential applicant for employment, or employee's: (1) Arrest not leading to a Conviction, unless the Arrest is undergoing an active pending criminal investigation or trial that has not yet

been resolved; (2) participation in or completion of a diversion or a deferral of judgment program; (3) a Conviction that has been judicially dismissed, expunged, voided, invalidated, or otherwise rendered inoperative; (4) a Conviction or any other adjudication in the juvenile justice system; (5) a Conviction that is more than seven years old, from the date of sentencing; or (6) information pertaining to an offense other than a felony or misdemeanor, such as an infraction.

(e) Borrower or Subcontractor shall not inquire about or require applicants, potential applicants for employment, or employees to disclose on any employment application the facts or details of any conviction history, unresolved arrest, or any matter identified in subsection 16.16(d), above. Borrower or Subcontractor shall not require such disclosure or make such inquiry until either after the first live interview with the person, or after a conditional offer of employment.

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

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

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

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

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

EXHIBIT F
Lobbying/Debarment Certification Form

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

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

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

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

[signature follows]

1303 Larkin Street, L.P.,
a California limited partnership

By: 1303 Larkin Street LLC,
a California limited liability company,
its general partner

By: Chinatown Community Development Center, Inc.,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Malcolm Yeung,
Executive Director

EXHIBIT G
Form of Annual Monitoring Report

[To be attached]

EXHIBIT H

Tenant Selection Plan Policy

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

Application Process

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

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

housing provider must immediately contact the referring agency, if possible, and the funding agency, DPH or HSA.

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

Reasonable Accommodation and Modification Policy

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

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

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

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

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

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

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

Notice of Denial and Appeal Process

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

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

EXHIBIT I

Tenant Screening Criteria Policy

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

Screening Criteria

- Housing providers shall not automatically bar applicants who have a criminal record² in recognition of the fact that past offenses do not necessarily predict future behavior, and many applicants with a criminal record are unlikely to re-offend.
- Housing providers shall not consider:
 - arrests that did not result in convictions, except for an open arrest warrant;
 - convictions that have been expunged or dismissed under Cal. Penal Code § 1203.4 or 1203.4a;³
 - juvenile adjudications.
- Housing providers shall consider:
 - the individual circumstances of each applicant; and
 - the relationship between the offense, and
 - (1) the safety and security of other tenants, staff and/or the property; and
 - (2) mitigating circumstances such as those listed below.
 - only those offenses that occurred in the prior 7 years, except in exceptional situations, which must be documented and justified, such as where the housing provider staff is aware that the applicant engaged in violent criminal activity against staff, residents or community members and/or that the applicant intentionally submitted an application with materially false information regarding criminal activity.
 - mitigating factors, including, but not limited to:
 - (1) the seriousness of the offense;
 - (2) the age and/or circumstances of the applicant at the time of the offense;
 - (3) evidence of rehabilitation, such as employment, participation in a job training program, continuing education, participation in a drug or alcohol treatment program, or letters of support from a parole or probation officer, employer, teacher, social worker, medical professional, or community leader;

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

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

- (4) if the offense is related to acts of domestic violence committed against the applicant;
- (5) if the offense was related to a person's disability.

EXHIBIT J

Developer Fee Policy

[To be attached]

EXHIBIT K

Hold Harmless Policy

[To be attached]

EXHIBIT L
Insurance Requirements

Subject to approval by the City's Risk Manager of the insurers and policy forms, Borrower must obtain and maintain, or caused to be maintained, the insurance and bonds as set forth below from the date of this Agreement or other applicable date set forth below throughout the Compliance Term at no expense to the City:

1. **Liability Insurance.** Borrower must obtain and maintain, or cause its contractors, subcontractors, property managers and/or agents, as appropriate for each, to obtain and maintain, insurance and bonds as follows:

(a) to the extent Borrower or its contractors and subcontractors have "employees" as defined in the California Labor Code, workers' compensation insurance with employer's liability limits not less than One Million Dollars (\$1,000,000) each accident, injury or illness;

(b) commercial general liability insurance, with limits no less than Two Million Dollars (\$2,000,000) combined single limit per occurrence and Four Million Dollars (\$4,000,000) annual aggregate limit for bodily injury and property damage, including coverage for contractual liability; personal injury; fire damage legal liability; advertisers' liability; owners' and contractors' protective liability; products and completed operations; broad form property damage; and explosion, collapse and underground (XCU) coverage during any period in which Borrower is conducting any activity on, alteration or improvement to the Site with risk of explosions, collapse, or underground hazards;

(c) business automobile liability insurance, with limits not less than One Million Dollars (\$1,000,000) each occurrence, combined single limit for bodily injury and property damage, including owned, hired and non-owned auto coverage, as applicable;

(d) professional liability insurance of no less than Two Million Dollars (\$2,000,000) per claim and Four Million Dollars (\$4,000,000) annual aggregate limit covering all negligent acts, errors and omissions of Borrower's architects, engineers and surveyors. If the professional liability insurance provided by the architects, engineers, or surveyors is "Claims made" coverage, Borrower shall assure that these minimum limits are maintained for no less than three (3) years beyond completion of the constructions or remodeling. Any deductible over Fifty Thousand Dollars (\$50,000) each claim must be reviewed by Risk Management; and

(e) a crime policy or fidelity bond covering Borrower's officers and employees against dishonesty with respect to the Funds of no less than Seventy Five Thousand Dollars (\$75,000) each loss, with any deductible not to exceed Five Thousand Dollars (\$5,000) each loss, including the City as additional obligee or loss payee;

(f) as applicable, pollution liability and/or asbestos pollution liability covering the work being performed with a limit no less than Two Million Dollars (\$2,000,000) per claim or occurrence and Two Million Dollars (\$2,000,000) annual aggregate per policy. This

coverage shall be endorsed to include Non-Owned Disposal Site coverage. This policy may be provided by the Borrower's contractor, provided that the policy must be "claims made" coverage and Borrower must require Borrower's contractor to maintain these minimum limits for no less than three (3) years beyond completion of the construction or remodeling.

2. Property Insurance. Borrower must maintain, or cause its contractors and property managers, as appropriate for each, to maintain, insurance and bonds as follows:

(a) Prior to construction:

(i) Property insurance, excluding earthquake and flood, in the amount no less than One Hundred Percent (100%) of the replacement value of all improvements prior to commencement of construction and City property in the care, custody and control of the Borrower or its contractor, including coverage in transit and storage off-site; the cost of debris removal and demolition as may be made reasonably necessary by such perils, resulting damage and any applicable law, ordinance or regulation; start up, testing and machinery breakdown including electrical arcing; and with a deductible not to exceed Ten Thousand Dollars (\$10,000) each loss, including the City and all subcontractors as loss payees.

(b) During the course of construction:

(i) Builder's risk insurance, special form coverage, excluding earthquake and flood, for one hundred percent (100%) of the replacement value of all completed improvements and City property in the care, custody and control of the Borrower or its contractor, including coverage in transit and storage off-site; the cost of debris removal and demolition as may be made reasonably necessary by such covered perils, resulting damage and any applicable law, ordinance or regulation; start up, testing and machinery breakdown including electrical arcing, copy of the applicable endorsement to the Builder's Risk policy, if the Builder's Risk policy is issued on a declared-project basis; and with a deductible not to exceed Ten Thousand Dollars (\$10,000) each loss, including the City and all subcontractors as loss payees.

(ii) Performance and payment bonds of contractors, each in the amount of One Hundred Percent (100%) of contract amounts, naming the City and Borrower as dual obligees or other completion security approved by the City in its sole discretion.

(c) Upon completion of construction:

(i) Property insurance, excluding earthquake and flood, in the amount no less than One Hundred Percent (100%) of the replacement value of all completed improvements and City property in the care, custody and control of the Borrower or its contractor. For rehabilitation/construction projects that are unoccupied by residential or commercial tenants, Tenant must obtain Property Insurance by the date that the project receives a Certificate of Substantial Completion.

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

machinery and equipment with a deductible not to exceed Ten Thousand Dollars (\$10,000) each loss, including the City as loss payee.

The following notice is provided in accordance with the provisions of California Civil Code Section 2955.5: Under California law, no lender shall require a borrower, as a condition of receiving or maintaining a loan secured by real property, to provide hazard insurance coverage against risks to the improvements on that real property in an amount exceeding the replacement value of the improvements on the property.

3. General Requirements.

(a) General and automobile liability policies of Borrower, contractors, commercial tenants and property managers must include the City, including its Boards, commissions, officers, agents and employees, as an additional insured by endorsement acceptable to the City.

(b) All policies required by this Agreement must be endorsed to provide no less than thirty (30) days' written notice to the City before cancellation or intended non-renewal is effective. The endorsement must provide the City with the same rights as the named insured in the event of cancellation or intended non-renewal.

(c) With respect to any property insurance, Borrower hereby waives all rights of subrogation against the City to the extent of any loss covered by Borrower's insurance, except to the extent subrogation would affect the scope or validity of insurance.

(d) Approval of Borrower's insurance by the City will not relieve or decrease the liability of Borrower under this Agreement.

(e) Any and all insurance policies called for herein must contain a clause providing that the City and its officers, agents and employees will not be liable for any required premium.

(f) The City reserves the right to require an increase in insurance coverage in the event the City determines that conditions show cause for an increase, unless Borrower demonstrates to the City's satisfaction that the increased coverage is commercially unreasonable and unavailable to Borrower.

(g) All liability policies must provide that the insurance is primary to any other insurance available to the additional insureds with respect to claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought and that an act of omission of one of the named insureds that would void or otherwise reduce coverage will not void or reduce coverage as to any other insured, but the inclusion of more than one insured will not operate to increase the insurer's limit of liability.

(h) Any policy in a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs are included in the general annual aggregate limit must be in amounts that are double the occurrence or claims limits specified above.

(i) All claims based on acts, omissions, injury or damage occurring or arising in whole or in part during the policy period must be covered. If any required insurance is provided under a claims-made policy, coverage must be maintained continuously for a period ending no less than three (3) years after recordation of a notice of completion for builder's risk or the Compliance Term for general liability and property insurance.

(j) Borrower must provide the City with copies of endorsements for each required insurance policy and make each policy available for inspection and copying promptly upon request.

[May be revised to incorporate mitigations for lead paint as noted in the Phase I]

Exhibit M
Intentionally Omitted

EXHIBIT N
Intentionally Omitted.

EXHIBIT O
Intentionally Omitted.

EXHIBIT P
Residual Receipts Policy

Attached.

EXHIBIT Q
PASS Debt Service Coverage Certification

Attached.

DEVELOPER FEE AGREEMENT
(1303 Larkin Street)

THIS DEVELOPER FEE AGREEMENT ("Agreement") is dated for reference purposes only as of _____, 2025, by and between the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, represented by the Mayor, acting by and through the Mayor's Office of Housing and Community Development (the "City"), and **CHINATOWN COMMUNITY DEVELOPMENT CENTER, INC.**, a California nonprofit public benefit corporation (the "Developer").

RECITALS

A. **1303 LARKIN STREET, L.P.**, a California limited partnership ("Borrower"), has acquired or is about to acquire a leasehold interest in real property located at 1303 Larkin Street, San Francisco, CA 94109, San Francisco (the "Land"), on which Borrower intends to substantially rehabilitate the existing 63-unit multifamily rental housing development (including one manager's unit), convert 41 existing SRO units into studio and one-bedroom units, and add 5 affordable rental units to the Project for a total of 68 units on the Site, affordable to low-income households (the "Project").

B. The City is providing financing for a portion of the rehabilitation costs of the Project, including financing to cover construction cost overruns and related soft costs (the "Loan"). The City's financing is or will be evidenced by, among other documents, an Amended and Restated Loan Agreement dated as of the date of this Agreement (the "Loan Agreement"). Definitions and rules of interpretation set forth in the Loan Agreement apply to this Agreement.

C. Under an agreement with Borrower, Developer will perform services for the development of the Project, for which Developer will receive developer fees for the Project in the allowed amounts set forth in MOHCD's Developer Fee Policy dated October 16, 2020, as it may be amended from time to time and incorporated herein by this reference ("Developer Fee Policy").

D. As a condition to the City's financing for the Project, Developer has agreed with the City to restrict the use of developer fees in accordance with this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the City's agreement to provide financing for the Project, the parties agree as follows:

1. Definitions. Capitalized terms not defined in this Agreement will have the same meanings as set forth in the Loan Agreement.

2. Amount and Payment Schedule.

(a) Developer will be entitled to receive a maximum of [Three Million Six Hundred Twenty One Thousand Nine Hundred Seventy Three and no/100 Dollars (\$3,621,973)] (the “Developer Fees”) for the services it shall render for the development and completion of the Project, subject to the terms and conditions of this Agreement and the Developer Fee Policy.

(b) Developer will receive payment of the Developer Fee as specified below:

Total Developer Fee:	\$ 3,621,973	
Project Management Fee Paid to Date:	\$0	
Amount of Remaining Project Management Fee:	\$1,000,000	
Amount of Fee at Risk (the "At Risk Fee"):	\$1,000,000	
Amount of Fee Deferred (the "Deferred Fee"):	\$1,621,973	
Milestones for Disbursement of that portion of Developer Fee remaining and payable for Project Management	Amount Paid at Milestone	Percentage
Construction close	\$700,000	70%
Construction Completion	\$200,000	20%
Project close-out	\$100,000	10%
Milestones for Disbursement of that portion of Developer Fee defined as At Risk Fee		
100% lease up and draft cost certification	\$200,000	20%
Permanent conversion	\$500,000	50%
Project close-out	\$300,000	30%

(c) One Million and no/100 dollars (\$1,000,000) of the Developer Fee (the “At-Risk Fee”) will be available to cover any development costs that exceed the Project’s budget (“Cost Overruns”), including any contingency, that have been approved by the City. Developer will receive the amount of the At-Risk Fee that remains after payment of such Cost Overruns.

(d) Provided that Cost Overruns do not exceed the At-Risk Fee, [One Million Six Hundred Twenty One Thousand Nine Hundred Seventy Three and no/100 dollars (\$1,621,973)] of the Developer Fee (the "Deferred Fee") will be paid to Developer on each Payment Date from the distribution of up to fifty percent (50%) of Residual Receipts over a fifteen (15) year operating period commencing on the Conversion Date until the earlier of: (i) the date the Deferred Fee has been fully paid, or (ii) the fifteenth (15th) anniversary of the Conversion Date. If Cost Overruns exceed the At-Risk Fee, and the Borrower requests additional capital funds from the City, the Deferred Fee will be reduced by the amount of the capital funds for Cost Overruns approved by the City, but not more than the amount of the Deferred Fee.

2. Eligible Uses of Developer Fee. Developer agrees to limit the use of Developer Fee to pay only for activities related to affordable housing as follows:

(a) Developer's organizational capacity building and maintenance programs; working capital; housing development production and related programs; physical improvements to existing housing owned or sponsored by Developer; increasing housing operations and asset management activities; improving tenant improvements or commercial space in existing housing owned or sponsored by Developer; funding community facilities associated with existing housing owned or sponsored by Developer providing supplemental tenant rental assistance for existing housing owned or sponsored by Developer; or programs supporting the welfare of residents residing in existing housing owned or sponsored by Developer; and

(b) predevelopment, preconstruction and construction costs, including reasonable administrative expenses, of future affordable housing development sponsored by Developer in San Francisco.

3. Disallowed Developer Fees. Developer will pay to the City or, with the City's prior written consent, use for the Project the amount equal to the portion of the Developer Fee, if any, used in violation of this Agreement within three (3) years of the date of final disbursement.

4. Reporting Requirement. Upon written request from the City, Developer will provide the City with an annual report no later than 120 days after the end of Developer's fiscal year providing specific detail as to the use of any portion of the Developer Fees that was paid during the reporting period.

5. Term. This Agreement will terminate after the City has approved Developer's accounting of its use of Developer Fees.

6. Public Disclosure.

(a) Developer understands and agrees that under the City's Sunshine Ordinance (S.F. Admin. Code, Chapter 67) and the State Public Records Law (Cal. Gov. Code §§ 6250 *et seq.*), this Agreement and any and all records, information and materials submitted to the City hereunder are public records subject to public disclosure. Developer hereby authorizes the City to disclose any records, information and materials submitted to the City in connection with this Agreement. Further, Developer specifically agrees to conduct any meeting of its governing board that addresses any matter relating to the Project or to Developer's performance under this Agreement as a passive meeting.

(b) By executing this Agreement, Developer agrees to comply with the provisions of Chapter 12L of the San Francisco Administrative Code. Developer agrees to open its meetings and records to the public in the manner set forth in Sections 12L.4 and 12L.5 of the San Francisco Administrative Code. Developer 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. Developer acknowledges that its failure to comply with any of the provisions of this Section will constitute an event of default under this Agreement.

7. Amendment. This Agreement may not be amended except by an instrument in writing signed by the parties.

8. Controlling Document. In the event of any inconsistency between this Agreement and the terms of any financing from the City with respect to the Project, this Agreement will control.

[signatures follow]

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

"DEVELOPER"

By: Chinatown Community Development
Center, Inc.,
a California nonprofit public benefit
corporation,
its sole member/manager

By: _____
Malcolm Yeung,
Executive Director

"CITY"

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

By: _____
Daniel Adams, Director
Mayor's Office of Housing and
Community Development

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: _____
Jessica Alfaro-Cassella
Deputy City Attorney

Free Recording Requested Pursuant to
Government Code Section 27383 and 27388.1

When recorded, mail to:
Mayor's Office of Housing and Community Development
of the City and County of San Francisco
1 South Van Ness Avenue, 5th Floor
San Francisco, California 94103
Attn: Housing Loan Administrator
Block/Lot: 0645-037

-----Space Above This Line for Recorder's Use-----

**LEASEHOLD DEED OF TRUST, ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FIXTURE FILING**

(Property Address: 1303 Larkin Street, San Francisco, CA 94109)
(Hotel Tax Fund and HOME Program)

THIS LEASEHOLD DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING (“Deed of Trust”) is made as of _____, 2025, by **1303 LARKIN STREET, L.P.**, a California limited partnership (“Trustor”), whose address is 615 Grant Avenue, 4th Floor San Francisco, CA 94108 to **OLD REPUBLIC TITLE COMPANY**, a California corporation (“Trustee”), whose address is 275 Battery Street, Suite 750, San Francisco, California, 94111, for the benefit of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, represented by the Mayor, acting through the Mayor's Office of Housing and Community Development (“Beneficiary”). This Deed of Trust is executed pursuant to an Amended and Restated Loan Agreement by and between Trustor and Beneficiary dated on or about the date of this Deed of Trust, as it may be amended from time to time (the “Agreement”), the provisions of which are incorporated herein by reference. Definitions and rules of interpretation set forth in the Agreement apply to this Deed of Trust.

1. Grant in Trust. For valuable consideration, Trustor hereby grants, transfers and assigns to Trustee, in trust, with power of sale, for the benefit of Beneficiary, all right, title and interest Trustor now has or may have in the future in the following (all or any part of the following, or any interest in all or any part of it, as the context requires, the “Property”):

(a) the leasehold interest in that real property situated in the City and County of San Francisco, State of California, described in **Exhibit A** attached hereto and incorporated herein by reference (the “Land”), on which Trustor intends to substantially rehabilitate the existing 63-unit multifamily rental housing development (including one manager’s unit), convert 41 existing SRO units into studio and one-bedroom units, and add 5

affordable rental units to the Project for a total of 68 units on the Site, affordable to low-income households (the "Project"); and

(b) all buildings, structures and other improvements now or in the future located or to be constructed on the Land (the "Improvements"); and

(c) all existing and future leases, subleases, tenancies, subtenancies, licenses, occupancy agreements and concessions, and any guarantees thereof ("Leases") relating to the use and enjoyment of all or any part of the Land and Improvements, and any and all guaranties and other agreements relating to or made in connection with any of the Leases; and

(d) all of Trustor's interest in and under that certain Air Rights Lease dated as of [_____], 2025, by and between the United States Postal Service, as lessor, and Trustor, as lessee, including any options of any nature whatsoever, and any future interest of Trustor in fee title to the Land; and

(e) except for personal property and removable fixtures installed by tenants or subtenants, all goods, materials, supplies, chattels, furniture, fixtures, equipment and machinery now or later to be attached to, placed in or on, or used in connection with the use, enjoyment, occupancy or operation of all or any part of the Land and Improvements, whether stored on the Land or elsewhere, including all pumping plants, engines, pipes, ditches and flumes, and also all gas, electric, cooking, heating, cooling, air conditioning, lighting, refrigeration and plumbing fixtures and equipment, all of which will be considered to the fullest extent of the law to be real property for purposes of this Deed of Trust; and

(f) all building materials, equipment, work in process or other personal property of any kind, whether stored on the Land or elsewhere, that have been or later will be acquired for the purpose of being delivered to, incorporated into or installed in or about the Land or Improvements; and

(g) all Loan funds, whether disbursed or not, and all funds now or in the future on deposit in the Replacement Reserve Account, the Operating Reserve Account and any other account required or authorized for the Project; and

(h) all proceeds, including proceeds of all present and future fire, hazard or casualty insurance policies and all condemnation awards or payments now or later to be made by any public body or decree by any court of competent jurisdiction for any taking or in connection with any condemnation or eminent domain proceeding, and all causes of action and their proceeds for any damage or injury to the Land, Improvements or the other property described above or any part of them, or breach of warranty in connection with the construction of the Improvements; and

(i) all books and records pertaining to any and all of the property described above, including records relating to tenants under any Leases, the qualifications of any tenants and any certificates, vouchers and other documents in any way related thereto and records relating to the application and allocation of any federal, state or local tax credits or benefits; and

(j) all rents, revenues, issues, royalties, proceeds, profits, income, reimbursements, royalties, receipts and similar items, including prepaid rent and security deposits, in whatever form (including, but not limited to, cash, checks, money orders, credit card receipts or other instruments for the payment of money) paid or payable in connection with the Property ("Rents"), from the Land and the Improvements, subject to: (i) Trustor's right to collect and retain the same as they become due and payable; and (ii) Beneficiary's rights under **Section 3 below**; and

(k) all intangible personal property and rights relating to the Property or its operation or used in connection with it, including, without limitation, permits, licenses, plans, specifications, construction contracts, subcontracts, bids, soils reports, engineering reports, land planning maps, drawings, construction contracts, notes, drafts, documents, engineering and architectural drawings, deposits for utility services, installations, refunds due Trustor, trade names, trademarks, and service marks; and

(l) all proceeds of, interest accrued on, additions and accretions to, substitutions and replacements for, and changes in any of the property described above.

2. Obligations Secured. This Deed of Trust is given for the purpose of securing the following (collectively, the "Secured Obligations"):

(a) performance of all present and future obligations of Trustor set forth in the Agreement, specifically compliance with certain restrictions on the use of the Property recited in that certain Amended and Restated Declaration of Restrictions executed by Trustor, dated as of the date of and being recorded concurrently with this Deed of Trust, as it may be amended from time to time, and the amended and restated promissory notes dated on or about the date of this Deed of Trust, made by Trustor to the order of Beneficiary, as may be amended from time to time (collectively, the "Consolidated Note") and performance of each agreement incorporated by reference, contained therein, or entered into in connection with the Agreement;

(b) payment of the indebtedness evidenced by the Agreement and the Consolidated Note in the total original principal amount of [Six Million Five Hundred Ninety Nine Thousand Two Hundred Seventy One and No/100 Dollars (\$6,599,271)], with interest, according to the terms of the Agreement and the Consolidated Note; and

(c) payment of any additional sums Trustor may borrow or receive from Beneficiary, when evidenced by another note (or any other instrument) reciting that payment is secured by this Deed of Trust.

3. Assignment of Rents.

(a) Assignment as Additional Security. Subject to the rights of senior lenders, Trustor hereby irrevocably grants, transfers, and assigns to Beneficiary all of its right, title, and interest in and to the Rents as additional security for the Secured Obligations. Subject to the provisions of subsection 3(d) below, Beneficiary hereby confers upon Trustor a license ("License") to collect and retain the Rents as they become due and payable, so long as no Event of Default exists and is continuing. If an Event of Default has occurred and is continuing, Beneficiary shall have the right, which it may choose to exercise in its sole discretion, to terminate this License without notice to or demand upon Trustor, and without regard to the adequacy of Beneficiary's security under this Deed of Trust.

(b) Collection and Application of Rents. Subject to the License granted to Trustor under subsection 3(a) above, Beneficiary has the right, power, and authority to collect any and all Rents. Subject to the License granted to Trustor under subsection 3(a) above, Trustor hereby appoints Beneficiary its attorney-in-fact to perform any and all of the following acts, if and at the times when Beneficiary in its sole discretion may so choose:

1. Demand, receive, and enforce payment of any and all Rents; or
2. Give receipts, releases, and satisfactions for any and all Rents; or
3. Sue either in the name of Trustor or in the name of Beneficiary for any and all Rents.

Beneficiary's right to the Rents does not depend on whether or not Beneficiary takes possession of the Property. In Beneficiary's sole discretion, it may choose to collect Rents either with or without taking possession of the Property. Beneficiary shall apply all Rents collected by it in the manner provided under this Deed of Trust. If an Event of Default occurs while Beneficiary is in possession of all or part of the Property and is collecting and applying Rents as permitted under this Deed of Trust, Beneficiary, Trustee and any receiver shall nevertheless be entitled to exercise and invoke every right and remedy afforded any of them under this Deed of Trust and at law or in equity, including the right to exercise the power of sale granted hereunder.

(c) Beneficiary Not Responsible. Under no circumstances shall Beneficiary have any duty to produce Rents from the Property. Regardless of whether or not Beneficiary, in person or by agent, takes actual possession of the Real Property and Improvements, Beneficiary is not and shall not be deemed to be:

1. A "mortgagee in possession" for any purpose; or
2. Responsible for performing any of the obligations of the lessor under any lease; or
3. Responsible for any waste committed by lessees or any other parties, any dangerous or defective condition of the Property, or any

negligence in the management, upkeep, repair, or control of the Property; or

4. Liable in any manner for the Property or the use, occupancy, enjoyment or operation of all or any part of it.

(d) Election by Beneficiary. Upon the occurrence and during the continuance of an Event of Default, Beneficiary, at its option, may exercise its rights under this Section or otherwise provided under applicable law (including, but not limited to, under Section 2938 of the California Civil Code).

4. Trustor's Covenants. To protect the security of this Deed of Trust, Trustor agrees as follows:

(a) to perform the Secured Obligations in accordance with their respective terms;

(b) to keep the Land and the Improvements in good condition and repair, normal wear and tear and acts of God excepted; not to remove or demolish any Improvements without Beneficiary's prior written consent; to complete or restore promptly and in good and workmanlike manner any Improvement constructed, damaged or destroyed on the Land; to pay when due all claims for labor performed and materials furnished therefor, subject to Trustor's right to contest any claim in good faith; to comply with all laws affecting the Project, subject to Trustor's right to contest any claim in good faith; not to commit or permit waste with respect to the Land or the Improvements; not to commit, suffer or permit any act upon the Land or the Improvements in violation of law, including Environmental Laws; and to do all other acts made reasonably necessary by the character or use of the Land and the Improvements;

(c) to provide, maintain and deliver to Beneficiary property and liability insurance as required under the Agreement and apply any insurance proceeds as provided below;

(d) to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and reasonable attorneys' fees and costs incurred in any such action or proceeding in which Beneficiary or Trustee may appear and in any suit brought by Beneficiary to foreclose this Deed of Trust following an Event of Default;

(e) to pay in accordance with the Agreement, but in each case prior to delinquency: (i) all taxes and assessments affecting the Property, including assessments on appurtenant water stock; and (ii) all encumbrances, charges and liens, with interest, on the Property or any part thereof that appear to be prior or superior hereto;

(f) should Trustor fail to make any payment or to do any act as herein provided (subject to the notice and cure provisions included in this Deed of Trust), then,

without: (i) obligation to do so; (ii) notice to or demand upon Trustor; or (iii) releasing Trustor from any obligation hereof, Beneficiary or Trustee may: (A) make or do the same in any manner and to the extent as it deems necessary to protect the security hereof; (B) appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; (C) pay, purchase, contest or compromise any encumbrance, charge or lien that in its judgment appears to be prior or superior hereto; and (D) in exercising these powers, pay necessary expenses, employ counsel and pay reasonable attorneys' fees and costs, and Trustor consents to Beneficiary's and/or Trustee's entry upon the Land and Improvements for any purpose set forth in this Subsection, including Beneficiary's exercise of its rights under California Code of Civil Procedure Section 564(c); and

(g) to reimburse within five (5) days of demand all sums expended by Beneficiary or Trustee pursuant to this Deed of Trust, with interest at an annual rate of interest equal to the lesser of: (i) ten percent (10%); or (ii) the maximum lawful rate from date of expenditure to the date of payment.

5. Security Agreement and Fixture Filing.

(a) Grant of Security Interest. Without limiting any of the other provisions of this Deed of Trust, to secure the payment, performance and observance of the Secured Obligations, Trustor, as debtor (referred to in this Section 5 as "Debtor"), expressly grants to Beneficiary, as secured party (referred to in this Section 5 as "Secured Party"), a continuing security interest in all the Property (including now and hereafter existing) to the full extent that any portion of the Property may be subject to the Uniform Commercial Code. For purposes of this Section 5, "Collateral" means the personal property (tangible or intangible) and fixtures included in the Property.

(b) Debtor's Covenants, Representations, and Warranties.

(i) Debtor covenants and agrees with Secured Party that:

(1) In addition to any other remedies granted in this Deed of Trust to Secured Party or Trustee (including specifically, but not limited to, the right to proceed against the Property in accordance with the rights and remedies in respect of the Property that is real property under the Uniform Commercial Code), Secured Party may, if an Event of Defaults occurs and is continuing, proceed under the Uniform Commercial Code as to all or any part of the Collateral, and shall have and may exercise with respect to the Collateral all the rights, remedies, and powers of a secured party under the Uniform Commercial Code.

(2) Without limiting the foregoing, Secured Party shall have the right upon any public sale or sales, and, to the extent permitted by law, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in Debtor. Debtor further agrees to allow Secured Party to use or occupy the Property, without charge, for the purpose of effecting any of Secured Party's remedies in respect of the Collateral.

(3) To the extent permitted by applicable law, Debtor waives all claims, damages, and demands against Secured Party arising out of the repossession, retention, or sale of the Collateral, except for claims, damages, and demands due to the active gross negligence or willful misconduct of Secured Party in dealing with such Collateral. Trustor agrees that Secured Party need not give more than five (5) days' notice of the time and place of any public sale or of the time at which a private sale will take place and that such notice is reasonable notification of such matters. Secured Party may disclaim any warranties that might arise in connection with the sale, lease, license, or other disposition of the Collateral and have no obligation to provide any warranties at such time. Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(4) To the extent permitted by law, Debtor hereby specifically waives all rights of redemption, stay, or appraisal which it has or may have under any law now existing or hereafter enacted.

(ii) Debtor hereby authorizes Secured Party to file financing and continuation statements with respect to the Collateral as Secured Party may reasonably require.

(iii) Debtor hereby represents and warrants that, except in connection with a senior loan and the HCD loan, no financing statement is on file in any public office except as authorized by Secured Party. Debtor will at its own cost and expense, upon demand, furnish to Secured Party such further information and will execute and deliver to Secured Party financing statements and other documents in form reasonably satisfactory to Secured Party and will do all such acts that Secured Party may at any time or from time to time reasonably require to establish and maintain a perfected security interest in the Collateral as security for the Secured Obligations, subject only to liens or encumbrances approved by or benefiting Secured Party. Debtor will pay the actual expense of filing or recording such financing statements or other documents, and this instrument, as and where reasonably required by Secured Party.

(iv) To the extent permitted by applicable law, the security interest created hereby is specifically intended to cover all rents, royalties, issues and profits, and all inventory accounts, accounts receivable and other revenues of the Property.

(c) Fixture Filing. Certain of the Collateral is or will become "fixtures" (as that term is defined in the Uniform Commercial Code). This Deed of Trust, upon being filed for record in the real estate records of San Francisco County, shall operate also as a financing statement and fixture filing upon such of the Collateral that is or may become fixtures under the Uniform Commercial Code. Debtor's name and type and jurisdiction of entity are set forth in the introductory paragraph hereof. Debtor's address is set forth above. Debtor's EIN Number is [_____]. Secured Party's name and mailing address are set above.

6. Insurance and Condemnation Proceeds.

(a) Subject to the rights of senior lenders, Trustor hereby assigns to Beneficiary any award of damages arising from the condemnation of all or any part of the Property for public use and any insurance proceeds arising from injury to all or any part of the Property or the Project.

(b) Any condemnation award or insurance proceeds received by Trustor must be paid to Beneficiary or, if Beneficiary has consented to subordinate the lien of this Deed of Trust to the lien of another lender for the Project, according to the provisions in the senior lender's loan documents.

(c) If a condemnation award or insurance proceeds are paid to Beneficiary, Beneficiary will release or authorize the release of funds to Trustor, provided that the funds will be used for the reconstruction of the Project in accordance with: (i) projections demonstrating that reconstruction is economically feasible; and (ii) Trustor's construction budget, each of which must be satisfactory to Beneficiary in its reasonable discretion. In all other cases, Beneficiary may choose in its discretion to apply funds to Trustor's obligations under the Consolidated Note and the Agreement or to any senior obligations, in accordance with the respective priorities of the approved lienholders as their interests may appear of record, with the remaining funds, if any, released to Trustor.

(d) Trustor agrees that Beneficiary's application or release of funds pursuant to this Section will not cure or waive any default or Notice of Default (as defined below) or invalidate any act by Beneficiary performed following a default pursuant to any City Document unless the default has been cured by the application or release of funds.

7. Further Agreements. Trustor further acknowledges and agrees as follows:

(a) Beneficiary does not waive its right either to require prompt payment when due of all other sums secured by this Deed of Trust or to declare Trustor in default for failure to pay timely by accepting payment of any sum secured hereby after its due date.

(b) Trustee may reconvey any part of the Property at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Consolidated Note for endorsement without affecting the liability of any entity or person for payment of the indebtedness secured hereby.

(c) Upon: (i) written request of Beneficiary stating that all obligations secured hereby have been paid or performed; (ii) Beneficiary's surrender of this Deed of Trust and the Consolidated Note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose; and (iii) payment of its fees, if any, Trustee shall reconvey the Property then held hereunder without covenant or warranty.

(d) Any voluntary or involuntary conveyance, sale, encumbrance, pledge or other transfer of all or any interest in the Property or in Trustor, including a security interest, in violation of the Agreement will constitute an Event of Default (as defined below) giving Beneficiary the right to exercise its remedies at law or in equity.

(e) For the purposes of this Deed of Trust, Beneficiary from time to time may substitute a successor or successors to Trustee named herein or acting hereunder by instrument in writing executed by Beneficiary and duly acknowledged and recorded in the office of the recorder of San Francisco County, which instrument shall be conclusive proof of proper substitution of a successor trustee or trustees. Without conveyance from Trustee, any successor or substitute trustee will succeed to all title, estate, rights, powers, and duties of Trustee. The instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the recording information for this Deed of Trust and the name and address of the new Trustee.

(f) This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns, provided that this subsection does not constitute Beneficiary's consent to any transfer in violation of this Deed of Trust. The term Beneficiary shall mean the holder of the Consolidated Note, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or the neuter, and the singular number includes the plural.

(g) Trustee accepts this Trust when this duly executed and acknowledged Deed of Trust is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

8. Beneficiary's Rights Following Default. Upon any default by Trustor in performance of the Secured Obligations following expiration of any applicable notice and cure periods ("Event of Default"):

(a) Trustor's license to collect and retain Rents will terminate automatically.

(b) Trustor consents to Beneficiary's entry upon and taking possession of the Property or any part thereof, at any time after the occurrence of an Event of Default without notice, either in person, by agent or by a receiver to be appointed by a court without regard to the adequacy of any security for the indebtedness hereby secured to sue for or otherwise collect and apply Rents, less costs and expenses of operation and collection, including those of the Property, in its own name or in the name of Trustor. Beneficiary's collection and application of Rents shall not cure or waive any Event of Default or Notice of Default or invalidate any act done pursuant to any notice.

(c) Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold the Property ("Notice of Default"), and:

i. Trustee shall cause the Notice of Default to be filed for record. Beneficiary also shall deposit with Trustee this Deed of Trust, the Consolidated Note and all documents evidencing expenditures secured hereby.

ii. After the lapse of time then required by law following the recordation of a Notice of Default, and notice of sale ("Notice of Sale") having been given as then required by law, Trustee without demand on Trustor may sell the Property at the time and place fixed in the Notice of Sale either as a whole or in separate parcels in any order at public auction to the highest bidder for cash in lawful money of the United States payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at the time and place of sale and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to any purchaser a trustee's deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the trustee's deed of any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary, may purchase at the sale.

iii. After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: (A) all sums expended under the terms of this Deed of Trust not then repaid, with accrued interest at the highest rate allowed by law in effect at the date hereof; (B) all other sums then secured hereby; and (C) the remainder, if any, to the person or persons legally entitled thereto.

Notwithstanding anything to the contrary contained herein, the Limited Partner (as defined in the Agreement), will have the right, but not the obligation, to cure any Event of Default prior to Beneficiary exercising its foregoing remedies, and Beneficiary will accept or reject such cure on the same terms as if rendered by Trustor.

9. Notice of Default to Trustor. The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to it at its address set forth above or any succeeding address given by notice in accordance with the Agreement.

Remainder of Page Intentionally Left Blank; Signatures Appear On Following Page

“TRUSTOR”:

1303 Larkin Street, L.P.,
a California limited partnership

By: 1303 Larkin Street LLC,
a California limited liability company,
its general partner

By: Chinatown Community Development Center, Inc.,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Malcolm Yeung,
Executive Director

[ALL SIGNATURES MUST BE NOTARIZED.]

EXHIBIT A
Legal Description of the Land

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

A Leasehold interest as created by that certain lease dated _____, 2025, by and between United States Postal Service, an independent establishment of the executive branch of the Government of the United States, as Lessor, and 1303 Larkin Street, L.P., a California limited partnership, as Lessee, upon the terms and provisions contained in said lease, evidenced by that certain Memorandum of Air Rights Lease dated _____, recording concurrently herewith, in and to the following:

PARCEL A:

Parcel II as delineated on that certain map entitled, "Parcel Map of Polk Gulch Senior Housing, showing the subdivision of airspace, being a portion of Western Addition Block No. 15, also being a resubdivision of Lot 4, Assessor's Block No. 645, San Francisco, California", which map was filed for record in the office of the Recorder of the City and County of San Francisco, State of California, on September 2nd, 1992, in Book 41 of Parcel Maps, at Pages 66 to 68, inclusive.

PARCEL B:

Easements for structural support, access, utility and encroachment purposes all as contained in "Easement Agreement" and subject to the terms, provisions, conditions and restrictions contained therein by and between United States Postal Service and Larkin Pine Limited Partnership recorded August 27, 1993 in Book F952, Page 213, of Official Records, and as amended by First Amendment to Easement Agreement dated _____, recording concurrently herewith.

APN: 0645-037

Street Address: 1303 Larkin Street, San Francisco, CA 94109

EXHIBIT B
HUD Rider

EXHIBIT A

Free Recording Requested Pursuant to
Government Code Section 27383 and 27388.1

When recorded, mail to:
Mayor's Office of Housing and Community Development
of the City and County of San Francisco
1 South Van Ness Avenue, 5th Floor
San Francisco, California 94103
Attn: Housing Loan Administrator
Block/Lot: 0645-037

-----Space Above This Line for Recorder's Use-----

**LEASEHOLD DEED OF TRUST, ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FIXTURE FILING**

(Property Address: 1303 Larkin Street, San Francisco, CA 94109)
(PASS Program)

THIS LEASEHOLD DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING (“Deed of Trust”) is made as of _____, 2025, by **1303 LARKIN STREET, L.P.**, a California limited partnership (“Trustor”), whose address is 615 Grant Avenue, 4th Floor San Francisco, CA 94108 to **OLD REPUBLIC TITLE COMPANY**, a California corporation (“Trustee”), whose address is 275 Battery Street, Suite 750, San Francisco, California, 94111, for the benefit of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, represented by the Mayor, acting through the Mayor's Office of Housing and Community Development (“Beneficiary”). This Deed of Trust is executed pursuant to an Amended and Restated Loan Agreement by and between Trustor and Beneficiary dated on or about the date of this Deed of Trust, as it may be amended from time to time (the “Agreement”), the provisions of which are incorporated herein by reference. Definitions and rules of interpretation set forth in the Agreement apply to this Deed of Trust.

1. Grant in Trust. For valuable consideration, Trustor hereby grants, transfers and assigns to Trustee, in trust, with power of sale, for the benefit of Beneficiary, all right, title and interest Trustor now has or may have in the future in the following (all or any part of the following, or any interest in all or any part of it, as the context requires, the “Property”):

(a) the leasehold interest in that real property situated in the City and County of San Francisco, State of California, described in **Exhibit A** attached hereto and incorporated herein by reference (the “Land”), on which Trustor intends to substantially rehabilitate the existing 63-unit multifamily rental housing development (including one manager’s unit), convert 41 existing SRO units into studio and one-bedroom units, and add 5 affordable rental units to the Project for a total of 68 units on the Site, affordable to low-income households (the “Project”); and

(b) all buildings, structures and other improvements now or in the future located or to be constructed on the Land (the "Improvements"); and

(c) all existing and future leases, subleases, tenancies, subtenancies, licenses, occupancy agreements and concessions, and any guarantees thereof ("Leases") relating to the use and enjoyment of all or any part of the Land and Improvements, and any and all guaranties and other agreements relating to or made in connection with any of the Leases; and

(d) all of Trustor's interest in and under that certain Air Rights Lease dated as of [_____], 2025, by and between the United States Postal Service, as lessor, and Trustor, as lessee, including any options of any nature whatsoever, and any future interest of Trustor in fee title to the Land; and

(e) except for personal property and removable fixtures installed by tenants or subtenants, all goods, materials, supplies, chattels, furniture, fixtures, equipment and machinery now or later to be attached to, placed in or on, or used in connection with the use, enjoyment, occupancy or operation of all or any part of the Land and Improvements, whether stored on the Land or elsewhere, including all pumping plants, engines, pipes, ditches and flumes, and also all gas, electric, cooking, heating, cooling, air conditioning, lighting, refrigeration and plumbing fixtures and equipment, all of which will be considered to the fullest extent of the law to be real property for purposes of this Deed of Trust; and

(f) all building materials, equipment, work in process or other personal property of any kind, whether stored on the Land or elsewhere, that have been or later will be acquired for the purpose of being delivered to, incorporated into or installed in or about the Land or Improvements; and

(g) all Loan funds, whether disbursed or not, and all funds now or in the future on deposit in the Replacement Reserve Account, the Operating Reserve Account and any other account required or authorized for the Project; and

(h) all proceeds, including proceeds of all present and future fire, hazard or casualty insurance policies and all condemnation awards or payments now or later to be made by any public body or decree by any court of competent jurisdiction for any taking or in connection with any condemnation or eminent domain proceeding, and all causes of action and their proceeds for any damage or injury to the Land, Improvements or the other property described above or any part of them, or breach of warranty in connection with the construction of the Improvements; and

(i) all books and records pertaining to any and all of the property described above, including records relating to tenants under any Leases, the qualifications of any tenants and any certificates, vouchers and other documents in any way related thereto and records

relating to the application and allocation of any federal, state or local tax credits or benefits; and

(j) all rents, revenues, issues, royalties, proceeds, profits, income, reimbursements, royalties, receipts and similar items, including prepaid rent and security deposits, in whatever form (including, but not limited to, cash, checks, money orders, credit card receipts or other instruments for the payment of money) paid or payable in connection with the Property ("Rents"), from the Land and the Improvements, subject to: (i) Trustor's right to collect and retain the same as they become due and payable; and (ii) Beneficiary's rights under **Section 3 below**; and

(k) all intangible personal property and rights relating to the Property or its operation or used in connection with it, including, without limitation, permits, licenses, plans, specifications, construction contracts, subcontracts, bids, soils reports, engineering reports, land planning maps, drawings, construction contracts, notes, drafts, documents, engineering and architectural drawings, deposits for utility services, installations, refunds due Trustor, trade names, trademarks, and service marks; and

(l) all proceeds of, interest accrued on, additions and accretions to, substitutions and replacements for, and changes in any of the property described above.

2. Obligations Secured. This Deed of Trust is given for the purpose of securing the following (collectively, the "Secured Obligations"):

(a) performance of all present and future obligations of Trustor set forth in the Agreement, specifically compliance with certain restrictions on the use of the Property recited in that certain Amended and Restated Declaration of Restrictions executed by Trustor, dated as of the date of and being recorded concurrently with this Deed of Trust, as it may be amended from time to time, and the promissory notes dated on or about the date of this Deed of Trust, made by Trustor to the order of Beneficiary (collectively and as may be amended from time to time, the "Note") and performance of each agreement incorporated by reference, contained therein, or entered into in connection with the Agreement;

(b) payment of the indebtedness evidenced by the Agreement and the Note in the total original principal amount of [Eleven Million Nine Hundred Three Thousand and No/100 Dollars (\$11,903,00)], with interest, according to the terms of the Agreement and the Note; and

(c) payment of any additional sums Trustor may borrow or receive from Beneficiary, when evidenced by another note (or any other instrument) reciting that payment is secured by this Deed of Trust.

3. Assignment of Rents.

(a) Assignment as Additional Security. Subject to the rights of senior lenders, Trustor hereby irrevocably grants, transfers, and assigns to Beneficiary all of its right, title, and interest in and to the Rents as additional security for the Secured Obligations. Subject to the provisions of subsection 3(d) below, Beneficiary hereby confers upon Trustor a license ("License") to collect and retain the Rents as they become due and payable, so long as no Event of Default exists and is continuing. If an Event of Default has occurred and is continuing, Beneficiary shall have the right, which it may choose to exercise in its sole discretion, to terminate this License without notice to or demand upon Trustor, and without regard to the adequacy of Beneficiary's security under this Deed of Trust.

(b) Collection and Application of Rents. Subject to the License granted to Trustor under subsection 3(a) above, Beneficiary has the right, power, and authority to collect any and all Rents. Subject to the License granted to Trustor under subsection 3(a) above, Trustor hereby appoints Beneficiary its attorney-in-fact to perform any and all of the following acts, if and at the times when Beneficiary in its sole discretion may so choose:

1. Demand, receive, and enforce payment of any and all Rents; or
2. Give receipts, releases, and satisfactions for any and all Rents; or
3. Sue either in the name of Trustor or in the name of Beneficiary for any and all Rents.

Beneficiary's right to the Rents does not depend on whether or not Beneficiary takes possession of the Property. In Beneficiary's sole discretion, it may choose to collect Rents either with or without taking possession of the Property. Beneficiary shall apply all Rents collected by it in the manner provided under this Deed of Trust. If an Event of Default occurs while Beneficiary is in possession of all or part of the Property and is collecting and applying Rents as permitted under this Deed of Trust, Beneficiary, Trustee and any receiver shall nevertheless be entitled to exercise and invoke every right and remedy afforded any of them under this Deed of Trust and at law or in equity, including the right to exercise the power of sale granted hereunder.

(c) Beneficiary Not Responsible. Under no circumstances shall Beneficiary have any duty to produce Rents from the Property. Regardless of whether or not Beneficiary, in person or by agent, takes actual possession of the Real Property and Improvements, Beneficiary is not and shall not be deemed to be:

1. A "mortgagee in possession" for any purpose; or
2. Responsible for performing any of the obligations of the lessor under any lease; or
3. Responsible for any waste committed by lessees or any other parties, any dangerous or defective condition of the Property, or any negligence in the management, upkeep, repair, or control of the Property; or
4. Liable in any manner for the Property or the use, occupancy, enjoyment or operation of all or any part of it.

(d) Election by Beneficiary. Upon the occurrence and during the continuance of an Event of Default, Beneficiary, at its option, may exercise its rights under this Section or otherwise provided under applicable law (including, but not limited to, under Section 2938 of the California Civil Code).

4. Trustor's Covenants. To protect the security of this Deed of Trust, Trustor agrees as follows:

(a) to perform the Secured Obligations in accordance with their respective terms;

(b) to keep the Land and the Improvements in good condition and repair, normal wear and tear and acts of God excepted; not to remove or demolish any Improvements without Beneficiary's prior written consent; to complete or restore promptly and in good and workmanlike manner any Improvement constructed, damaged or destroyed on the Land; to pay when due all claims for labor performed and materials furnished therefor, subject to Trustor's right to contest any claim in good faith; to comply with all laws affecting the Project, subject to Trustor's right to contest any claim in good faith; not to commit or permit waste with respect to the Land or the Improvements; not to commit, suffer or permit any act upon the Land or the Improvements in violation of law, including Environmental Laws; and to do all other acts made reasonably necessary by the character or use of the Land and the Improvements;

(c) to provide, maintain and deliver to Beneficiary property and liability insurance as required under the Agreement and apply any insurance proceeds as provided below;

(d) to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and reasonable attorneys' fees and costs incurred in any such action or proceeding in which Beneficiary or Trustee may appear and in any suit brought by Beneficiary to foreclose this Deed of Trust following an Event of Default;

(e) to pay in accordance with the Agreement, but in each case prior to delinquency: (i) all taxes and assessments affecting the Property, including assessments on appurtenant water stock; and (ii) all encumbrances, charges and liens, with interest, on the Property or any part thereof that appear to be prior or superior hereto;

(f) should Trustor fail to make any payment or to do any act as herein provided (subject to the notice and cure provisions included in this Deed of Trust), then, without: (i) obligation to do so; (ii) notice to or demand upon Trustor; or (iii) releasing Trustor from any obligation hereof, Beneficiary or Trustee may: (A) make or do the same in any manner and to the extent as it deems necessary to protect the security hereof; (B) appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; (C) pay, purchase, contest or compromise any

encumbrance, charge or lien that in its judgment appears to be prior or superior hereto; and (D) in exercising these powers, pay necessary expenses, employ counsel and pay reasonable attorneys' fees and costs, and Trustor consents to Beneficiary's and/or Trustee's entry upon the Land and Improvements for any purpose set forth in this Subsection, including Beneficiary's exercise of its rights under California Code of Civil Procedure Section 564(c); and

(g) to reimburse within five (5) days of demand all sums expended by Beneficiary or Trustee pursuant to this Deed of Trust, with interest at an annual rate of interest equal to the lesser of: (i) ten percent (10%); or (ii) the maximum lawful rate from date of expenditure to the date of payment.

5. Security Agreement and Fixture Filing.

(a) Grant of Security Interest. Without limiting any of the other provisions of this Deed of Trust, to secure the payment, performance and observance of the Secured Obligations, Trustor, as debtor (referred to in this Section 5 as "Debtor"), expressly grants to Beneficiary, as secured party (referred to in this Section 5 as "Secured Party"), a continuing security interest in all the Property (including now and hereafter existing) to the full extent that any portion of the Property may be subject to the Uniform Commercial Code. For purposes of this Section 5, "Collateral" means the personal property (tangible or intangible) and fixtures included in the Property.

(b) Debtor's Covenants, Representations, and Warranties.

(i) Debtor covenants and agrees with Secured Party that:

(1) In addition to any other remedies granted in this Deed of Trust to Secured Party or Trustee (including specifically, but not limited to, the right to proceed against the Property in accordance with the rights and remedies in respect of the Property that is real property under the Uniform Commercial Code), Secured Party may, if an Event of Defaults occurs and is continuing, proceed under the Uniform Commercial Code as to all or any part of the Collateral, and shall have and may exercise with respect to the Collateral all the rights, remedies, and powers of a secured party under the Uniform Commercial Code.

(2) Without limiting the foregoing, Secured Party shall have the right upon any public sale or sales, and, to the extent permitted by law, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in Debtor. Debtor further agrees to allow Secured Party to use or occupy the Property, without charge, for the purpose of effecting any of Secured Party's remedies in respect of the Collateral.

(3) To the extent permitted by applicable law, Debtor waives all claims, damages, and demands against Secured Party arising out of the repossession, retention, or sale of the Collateral, except for claims, damages, and demands due to the active gross negligence or willful misconduct of Secured Party in dealing with such Collateral. Trustor agrees that Secured Party need not give more than five (5) days' notice of the time and place of any public sale or of the time at which a private sale will take place and that such notice is reasonable notification of such matters. Secured Party may disclaim any

warranties that might arise in connection with the sale, lease, license, or other disposition of the Collateral and have no obligation to provide any warranties at such time. Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(4) To the extent permitted by law, Debtor hereby specifically waives all rights of redemption, stay, or appraisal which it has or may have under any law now existing or hereafter enacted.

(ii) Debtor hereby authorizes Secured Party to file financing and continuation statements with respect to the Collateral as Secured Party may reasonably require.

(iii) Debtor hereby represents and warrants that, except in connection with a senior loan and the HCD loan, no financing statement is on file in any public office except as authorized by Secured Party. Debtor will at its own cost and expense, upon demand, furnish to Secured Party such further information and will execute and deliver to Secured Party financing statements and other documents in form reasonably satisfactory to Secured Party and will do all such acts that Secured Party may at any time or from time to time reasonably require to establish and maintain a perfected security interest in the Collateral as security for the Secured Obligations, subject only to liens or encumbrances approved by or benefiting Secured Party. Debtor will pay the actual expense of filing or recording such financing statements or other documents, and this instrument, as and where reasonably required by Secured Party.

(iv) To the extent permitted by applicable law, the security interest created hereby is specifically intended to cover all rents, royalties, issues and profits, and all inventory accounts, accounts receivable and other revenues of the Property.

(c) Fixture Filing. Certain of the Collateral is or will become "fixtures" (as that term is defined in the Uniform Commercial Code). This Deed of Trust, upon being filed for record in the real estate records of San Francisco County, shall operate also as a financing statement and fixture filing upon such of the Collateral that is or may become fixtures under the Uniform Commercial Code. Debtor's name and type and jurisdiction of entity are set forth in the introductory paragraph hereof. Debtor's address is set forth above. Debtor's EIN Number is [_____]. Secured Party's name and mailing address are set above.

6. Insurance and Condemnation Proceeds.

(a) Subject to the rights of senior lenders, Trustor hereby assigns to Beneficiary any award of damages arising from the condemnation of all or any part of the Property for public use and any insurance proceeds arising from injury to all or any part of the Property or the Project.

(b) Any condemnation award or insurance proceeds received by Trustor must be paid to Beneficiary or, if Beneficiary has consented to subordinate the lien of this Deed of Trust to the lien of another lender for the Project, according to the provisions in the senior lender's loan documents.

(c) If a condemnation award or insurance proceeds are paid to Beneficiary, Beneficiary will release or authorize the release of funds to Trustor, provided that the funds will be used for the reconstruction of the Project in accordance with: (i) projections demonstrating that reconstruction is economically feasible; and (ii) Trustor's construction budget, each of which must be satisfactory to Beneficiary in its reasonable discretion. In all other cases, Beneficiary may choose in its discretion to apply funds to Trustor's obligations under the Note and the Agreement or to any senior obligations, in accordance with the respective priorities of the approved lienholders as their interests may appear of record, with the remaining funds, if any, released to Trustor.

(d) Trustor agrees that Beneficiary's application or release of funds pursuant to this Section will not cure or waive any default or Notice of Default (as defined below) or invalidate any act by Beneficiary performed following a default pursuant to any City Document unless the default has been cured by the application or release of funds.

7. Further Agreements. Trustor further acknowledges and agrees as follows:

(a) Beneficiary does not waive its right either to require prompt payment when due of all other sums secured by this Deed of Trust or to declare Trustor in default for failure to pay timely by accepting payment of any sum secured hereby after its due date.

(b) Trustee may reconvey any part of the Property at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Note for endorsement without affecting the liability of any entity or person for payment of the indebtedness secured hereby.

(c) Upon: (i) written request of Beneficiary stating that all obligations secured hereby have been paid or performed; (ii) Beneficiary's surrender of this Deed of Trust and the Note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose; and (iii) payment of its fees, if any, Trustee shall reconvey the Property then held hereunder without covenant or warranty.

(d) Any voluntary or involuntary conveyance, sale, encumbrance, pledge or other transfer of all or any interest in the Property or in Trustor, including a security interest, in violation of the Agreement will constitute an Event of Default (as defined below) giving Beneficiary the right to exercise its remedies at law or in equity.

(e) For the purposes of this Deed of Trust, Beneficiary from time to time may substitute a successor or successors to Trustee named herein or acting hereunder by

instrument in writing executed by Beneficiary and duly acknowledged and recorded in the office of the recorder of San Francisco County, which instrument shall be conclusive proof of proper substitution of a successor trustee or trustees. Without conveyance from Trustee, any successor or substitute trustee will succeed to all title, estate, rights, powers, and duties of Trustee. The instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the recording information for this Deed of Trust and the name and address of the new Trustee.

(f) This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns, provided that this subsection does not constitute Beneficiary's consent to any transfer in violation of this Deed of Trust. The term Beneficiary shall mean the holder of the Note, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or the neuter, and the singular number includes the plural.

(g) Trustee accepts this Trust when this duly executed and acknowledged Deed of Trust is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

8. Beneficiary's Rights Following Default. Upon any default by Trustor in performance of the Secured Obligations following expiration of any applicable notice and cure periods ("Event of Default"):

(a) Trustor's license to collect and retain Rents will terminate automatically.

(b) Trustor consents to Beneficiary's entry upon and taking possession of the Property or any part thereof, at any time after the occurrence of an Event of Default without notice, either in person, by agent or by a receiver to be appointed by a court without regard to the adequacy of any security for the indebtedness hereby secured to sue for or otherwise collect and apply Rents, less costs and expenses of operation and collection, including those of the Property, in its own name or in the name of Trustor. Beneficiary's collection and application of Rents shall not cure or waive any Event of Default or Notice of Default or invalidate any act done pursuant to any notice.

(c) Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold the Property ("Notice of Default"), and:

i. Trustee shall cause the Notice of Default to be filed for record. Beneficiary also shall deposit with Trustee this Deed of Trust, the Note and all documents evidencing expenditures secured hereby.

ii. After the lapse of time then required by law following the recordation of a Notice of Default, and notice of sale ("Notice of Sale") having been given as then required by law, Trustee without demand on Trustor may sell the Property at the time and place fixed in the Notice of Sale either as a whole or in separate parcels in any order at public auction to the highest bidder for cash in lawful money of the United States payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at the time and place of sale and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to any purchaser a trustee's deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the trustee's deed of any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary, may purchase at the sale.

iii. After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: (A) all sums expended under the terms of this Deed of Trust not then repaid, with accrued interest at the highest rate allowed by law in effect at the date hereof; (B) all other sums then secured hereby; and (C) the remainder, if any, to the person or persons legally entitled thereto.

Notwithstanding anything to the contrary contained herein, the Limited Partner (as defined in the Agreement), will have the right, but not the obligation, to cure any Event of Default prior to Beneficiary exercising its foregoing remedies, and Beneficiary will accept or reject such cure on the same terms as if rendered by Trustor.

9. Notice of Default to Trustor. The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to it at its address set forth above or any succeeding address given by notice in accordance with the Agreement.

Remainder of Page Intentionally Left Blank; Signatures Appear On Following Page

“TRUSTOR”:

1303 Larkin Street, L.P.,
a California limited partnership

By: 1303 Larkin Street LLC,
a California limited liability company,
its general partner

By: Chinatown Community Development Center, Inc.,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Malcolm Yeung,
Executive Director

[ALL SIGNATURES MUST BE NOTARIZED.]

EXHIBIT A
Legal Description of the Land

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

A Leasehold interest as created by that certain lease dated _____, 2025, by and between United States Postal Service, an independent establishment of the executive branch of the Government of the United States, as Lessor, and 1303 Larkin Street, L.P., a California limited partnership, as Lessee, upon the terms and provisions contained in said lease, evidenced by that certain Memorandum of Air Rights Lease dated _____, recording concurrently herewith, in and to the following:

PARCEL A:

Parcel II as delineated on that certain map entitled, "Parcel Map of Polk Gulch Senior Housing, showing the subdivision of airspace, being a portion of Western Addition Block No. 15, also being a resubdivision of Lot 4, Assessor's Block No. 645, San Francisco, California", which map was filed for record in the office of the Recorder of the City and County of San Francisco, State of California, on September 2nd, 1992, in Book 41 of Parcel Maps, at Pages 66 to 68, inclusive.

PARCEL B:

Easements for structural support, access, utility and encroachment purposes all as contained in "Easement Agreement" and subject to the terms, provisions, conditions and restrictions contained therein by and between United States Postal Service and Larkin Pine Limited Partnership recorded August 27, 1993 in Book F952, Page 213, of Official Records, and as amended by First Amendment to Easement Agreement dated _____, recording concurrently herewith.

APN: 0645-037

Street Address: 1303 Larkin Street, San Francisco, CA 94109

EXHIBIT B
HUD Rider

EXHIBIT A

**AMENDED AND RESTATED
SECURED PROMISSORY NOTE
(HOME Program)**

Principal Amount: \$2,538,120

San Francisco, CA

Date: [____], 2025

FOR VALUE RECEIVED, the undersigned, **1303 LARKIN STREET, L.P.**, a California limited partnership ("Maker"), hereby promises to pay to the order of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, or holder (as the case may be, "Holder"), the principal sum of Two Million Five Hundred Thirty Eight Thousand One Hundred Twenty and No/100 Dollars (\$2,538,120.00) (the "Funding Amount"), or so much of the Funding Amount as may be disbursed from time to time pursuant to the Agreement described in **Section 1** below, together with interest thereon, as provided in this Note.

1. Agreement. The City previously loaned funds from the City's HOME Program in the total principal amount of Two Million Four Hundred Ninety Four Thousand Eight Hundred Fifty Three and No/100 Dollars (\$2,494,853.00) ("Original HOME Loan") under an amended and restated loan agreement dated as of December 21, 2023 for the Project. This Amended and Restated Secured Promissory Note ("Note") amends, restates, and replaces in its entirety the promissory note associated with the Original HOME Loan. This Note is given under the terms of an Amended and Restated Loan Agreement by and between Maker and Holder (the "Agreement") dated as of the date set forth above, which Agreement is incorporated herein by reference. Maker's obligations under this Note and the Agreement are secured by that certain Leasehold Deed Of Trust, Assignment Of Rents, Security Agreement And Fixture Filing ("Deed of Trust") dated as of the date of this Note, made by Maker for the benefit of Holder. Definitions and rules of interpretation set forth in the Agreement apply to this Note. In the event of any inconsistency between the Agreement and this Note, this Note will control. Upon execution of this Note, the promissory note associated with the Original HOME Loan will be cancelled and returned to Maker.

The Original HOME Loan was provided to the Original Borrower with the intent that (i) One Million One Hundred Ninety-Six Thousand Two Hundred Forty-Two and No/100 Dollars (\$1,196,242.00) of the Original HOME Loan Funding Amount would be used by the Original Borrower to make immediate capital repairs of the improvements located on the Property (the "Capital Improvement Portion") and (ii) One Million Two Hundred Ninety Eight Thousand Six Hundred Eleven and No/100 Dollars (\$1,298,611.00) would be used to provide a sub-loan to Maker, an affiliate of Borrower, for predevelopment costs for the Project (the "Predevelopment Portion"). The accrued interest on the Capital Improvement Portion [(\$43,267)] is part of the principal balance of this Loan and will therefore accrue interest as set forth in Section 2, below. The accrued interest on the Predevelopment Portion is not part of the principal balance of this Loan and will not accrue interest but will be required to be repaid as part of this Loan (the amount of accrued interest is set forth in Section 2, below).

2. Interest. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of [the long-term applicable federal rate as of the Agreement Date] ([4.73%]) per annum from the date of the close of escrow through the date of full payment of all amounts owing under the City Documents. Interest will be compounded annually. Interest will be calculated on the basis of actual days elapsed and a 360-day year, which will result in higher interest charges than if a 365-day year were used. As of the date of this Note, the outstanding interest on the Principal Portion of the Original HOME Loan is \$[20,846].

3. Default Interest Rate. Upon the occurrence of an Event of Default under any City Document, interest will be deemed to have accrued on the outstanding principal balance of the Loan at a compounded annual rate equal to the lesser of: (a) ten percent (10%); or (b) the maximum lawful rate of interest, commencing on the date of the Event of Default through the earlier of: (x) the date on which the Event of Default is cured; or (y) the date on which all amounts due under the City Documents are paid to Holder. Maker acknowledges and agrees that the default interest that must be paid in the event of an Event of Default pursuant to this Section represents a reasonable sum considering all the circumstances existing on the date of this Note and represents a fair and reasonable estimate of the costs that will be sustained by Holder if Maker defaults. Maker further agrees that proof of actual damages would be costly and inconvenient and that default interest will be paid without prejudice to Holder's right to collect any other amounts to be paid or to exercise any of its other rights or remedies under any City Document.

4. Repayment of Funding Amount.

4.1 Subject to Section 13.4 of the Agreement, Maker will make annual payments of principal and interest (each, a "Payment") in an amount equal to the Residual Receipts, if any, attributable to the prior calendar year, beginning on the first June 30th after the end of the calendar year of the Completion Date, and continuing each June 30th thereafter up to and including the Maturity Date, as defined below (each, a "Payment Date"). All Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; (b) accrued and unpaid interest; and (c) reduction of the principal balance of the Loan. The unpaid principal balance of the Loan, together with all accrued and unpaid interest and unpaid costs and fees incurred, will be due and payable on the date that is the later of (a) the (57th) anniversary of the date the Deed of Trust is recorded in the Recorder's Office of San Francisco County or (b) the 55th anniversary of the Conversion Date (the "Maturity Date"). Any Payment Date, including any Excess Proceeds Payment Date, and the Maturity Date, that falls on a weekend or holiday will be deemed to fall on the next succeeding business day.

4.2 Subject to Section 13.4 of the Agreement, Maker will make payments of principal and interest (each, an "Excess Proceeds Payment") in an amount equal to the Excess Proceeds, if any, on the date that is thirty (30) days after the later of the date on which Maker receives its Form 8609 from the California Tax Credit Allocation Committee or the date on which Maker receives Excess Proceeds from its limited partner or other financing sources (the "Excess Proceeds Payment Date"). All Excess Proceeds Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; (b) accrued and unpaid interest; and (c) reduction of the principal balance of the Loan.

5. Security. Maker's obligations under this Note are secured by the Deed of Trust.

6. Terms of Payment.

6.1 All Payments must be made in currency of the United States of America then lawful for payment of public and private debts.

6.2 All Payments must be made payable to Holder and mailed or delivered in person to Holder's office at One South Van Ness Avenue, 5th Floor, San Francisco, CA 94103, or to any other place Holder from time to time designates.

6.3 In no event will Maker be obligated under the terms of this Note to pay interest exceeding the lawful rate. Accordingly, if the payment of any sum by Maker pursuant to the terms of this Note would result in the payment of interest exceeding the amount that Holder may charge legally under applicable state and/or federal law, the amount by which the payment exceeds the amount payable at the lawful interest rate will be deducted automatically from the principal balance owing under this Note.

6.4 Maker waives the right to designate how Payments will be applied pursuant to California Civil Code Sections 1479 and 2822. Holder will have the right in its sole discretion to determine the order and method of application of Payments to obligations under this Note.

6.5 Except as otherwise set forth herein or in the Agreement, no prepayment of this Note will be permitted without Holder's prior written consent.

7. Default.

7.1 Any of the following will constitute an Event of Default under this Note:

(a) Maker fails to make any Payment required under this Note within ten (10) days of the date it is due; or

(b) the occurrence of any other Event of Default under the Agreement or other instrument securing the obligations of Maker under this Note or under any other agreement between Maker and Holder with respect to the Project.

7.2 Upon the occurrence of any Event of Default, without notice to or demand upon Maker, which are expressly waived by Maker (except for notices or demands otherwise required by applicable laws to the extent not effectively waived by Maker and any notices or demands specified in the City Documents), Holder may exercise all rights and remedies available under this Note, the Agreement or otherwise available to Holder at law or in equity. Maker acknowledges and agrees that Holder's remedies include the right to accelerate the Maturity Date by declaring the outstanding principal balance of the Loan, together with all accrued and unpaid interest and unpaid fees and costs incurred, due and payable immediately, in which case, the Maturity Date will be superseded and replaced by the date established by Holder.

7.3 Subject to this Section, Holder will not seek or obtain judgment against Maker for the payment of any amounts due under this Note following a judicial or nonjudicial foreclosure of the Deed of Trust, and Holder's sole recourse against Maker for any default under this Note will be limited to the collateral for the Loan, *provided, however*, that this Section will be deemed void and of no effect if Maker challenges Holder's right to foreclose following an Event of Default in any legal proceeding on the grounds that the City Documents are not valid and enforceable under California law. This provision does not limit in any way Holder's right to recover sums arising under any obligation of Maker to indemnify Holder of sums incurred by Holder as a result of Maker's fraud, willful misrepresentation, misapplication of funds (including Loan Funds and Rents (as defined in the Deed of Trust)), waste or negligent or intentional damage to the collateral for the Loan.

Notwithstanding the foregoing, the Limited Partner (as defined in the Agreement) will have the right, but not the obligation, to cure any Event of Default prior to Holder exercising any of its applicable remedies, and Holder will accept or reject such cure on the same terms as if rendered by Maker.

8. Waivers.

8.1 Maker expressly agrees that the term of this Note or the date of any payment due hereunder may be extended from time to time with Holder's consent, and that Holder may accept further security or release any security for this Note, all without in any way affecting the liability of Maker.

8.2 No extension of time for any Payment made by agreement by Holder with any person now or hereafter liable for the payment of this Note will operate to release, discharge, modify, change or affect the original liability of Maker under this Note, either in whole or in part.

8.3 The obligations of Maker under this Note are absolute, and Maker waives any and all rights to offset, deduct or withhold any Payments or charges due under this Note for any reason whatsoever.

9. Miscellaneous Provisions.

9.1 All notices to Holder or Maker must be given in the manner and at the addresses set forth in the Agreement, or to the addresses Holder and/or Maker hereafter designate in accordance with the Agreement.

9.2 In the event of any legal proceedings arising from the enforcement of or a default under this Note or in any bankruptcy proceeding of Maker, the non-prevailing party promises to pay all reasonable costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the proceeding, as provided in the Agreement.

9.3 This Note may be amended only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

9.4 This Note is governed by and must be construed in accordance with the laws of the State of California, without regard to the choice of law rules of the State.

9.5 Time is of the essence in the performance of any obligations hereunder.

[signature follows]

"MAKER":

1303 Larkin Street, L.P.,
a California limited partnership

By: 1303 Larkin Street LLC,
a California limited liability company,
its general partner

By: Chinatown Community Development Center, Inc.,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Malcolm Yeung,
Executive Director

**AMENDED AND RESTATED
SECURED PROMISSORY NOTE
(Hotel Tax Fund)**

Principal Amount: \$4,061,151

San Francisco, CA

Date: [_____], 2025

FOR VALUE RECEIVED, the undersigned, **1303 LARKIN STREET, L.P.**, a California limited partnership ("Maker"), hereby promises to pay to the order of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, or holder (as the case may be, "Holder"), the principal sum of Four Million Sixty One Thousand One Hundred Fifty One and No/100 Dollars (\$4,061,151.00) (the "Funding Amount"), or so much of the Funding Amount as may be disbursed from time to time pursuant to the Agreement described in **Section 1** below, together with interest thereon, as provided in this Note.

1. Agreement.

The City previously loaned funds from the City's Hotel Tax Fund in the total principal amount of Two Million Eight Hundred Thousand and No/100 Dollars (\$2,800,000.00) ("Original Hotel Tax Loan") under a loan agreement dated as of August 24, 1993, as amended, for the Project. This Amended and Restated Secured Promissory Note ("Note") amends, restates, and replaces in its entirety the promissory note associated with the Original Hotel Tax Loan. This Note is given under the terms of an Amended and Restated Loan Agreement by and between Maker and Holder (the "Agreement") dated as of the date set forth above, which Agreement is incorporated herein by reference. Maker's obligations under this Note and the Agreement are secured by that certain Leasehold Deed Of Trust, Assignment Of Rents, Security Agreement And Fixture Filing ("Deed of Trust") dated as of the date of this Note, made by Maker for the benefit of Holder. Definitions and rules of interpretation set forth in the Agreement apply to this Note. In the event of any inconsistency between the Agreement and this Note, this Note will control. Upon execution of this Note, the promissory note associated with the Original Hotel Tax Loan will be cancelled and returned to Maker.

2. Interest. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of [Zero percent (0%)] per annum, simple interest, from the date of the close of escrow] through the date of full payment of all amounts owing under the City Documents. Interest will be calculated on the basis of actual days elapsed and a 360-day year, which will result in higher interest charges than if a 365-day year were used. As of the date of this Note, the outstanding interest is \$[1,488,915].

3. Default Interest Rate. Upon the occurrence of an Event of Default under any City Document, interest will be deemed to have accrued on the outstanding principal balance of the Loan at a compounded annual rate equal to the lesser of: (a) ten percent (10%); or (b) the maximum lawful rate of interest, commencing on the date of the Event of Default through the earlier of: (x) the date on which the Event of Default is cured; or (y) the date on which all amounts due under the City Documents are paid to Holder. Maker acknowledges and agrees that the default interest that must be paid in the event of an Event of Default pursuant to this Section represents a reasonable sum considering all the circumstances existing on the date of this Note and represents a fair and reasonable estimate of the costs that will be sustained by Holder if Maker defaults. Maker further agrees that proof of actual damages would be costly and inconvenient and that default interest will be paid without prejudice to Holder's right to collect any other amounts to be paid or to exercise any of its other rights or remedies under any City Document.

4. Repayment of Funding Amount.

4.1 Subject to Section 13.4 of the Agreement, Maker will make annual payments of principal and interest (each, a "Payment") in an amount equal to the Residual Receipts, if any, attributable to the prior calendar year, beginning on the first June 30th after the end of the calendar year of the Completion Date, and continuing each June 30th thereafter up to and including the Maturity Date, as defined below (each, a "Payment Date"). All Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; (b) accrued and unpaid interest; and (c) reduction of the principal balance of the Loan. The unpaid principal balance of the Loan, together with all accrued and unpaid interest and unpaid costs and fees incurred, will be due and payable on the date that is the later of (a) the (57th) anniversary of the date the Deed of Trust is recorded in the Recorder's Office of San Francisco County or (b) the 55th anniversary of the Conversion Date (the "Maturity Date"). Any Payment Date, including any Excess Proceeds Payment Date and the Maturity Date, that falls on a weekend or holiday will be deemed to fall on the next succeeding business day.

4.2 Subject to Section 13.4 of the Agreement, Maker will make payments of principal and interest (each, an "Excess Proceeds Payment") in an amount equal to the Excess Proceeds, if any, on the date that is thirty (30) days after the later of the date on which Maker receives its Form 8609 from the California Tax Credit Allocation Committee or the date on which Maker receives Excess Proceeds from its limited partner or other financing sources (the "Excess Proceeds Payment Date"). All Excess Proceeds Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; (b) accrued and unpaid interest; and (c) reduction of the principal balance of the Loan.

5. Security. Maker's obligations under this Note are secured by the Deed of Trust.

6. Terms of Payment.

6.1 All Payments must be made in currency of the United States of America then lawful for payment of public and private debts.

6.2 All Payments must be made payable to Holder and mailed or delivered in person to Holder's office at One South Van Ness Avenue, 5th Floor, San Francisco, CA 94103, or to any other place Holder from time to time designates.

6.3 In no event will Maker be obligated under the terms of this Note to pay interest exceeding the lawful rate. Accordingly, if the payment of any sum by Maker pursuant to the terms of this Note would result in the payment of interest exceeding the amount that Holder may charge legally under applicable state and/or federal law, the amount by which the payment exceeds the amount payable at the lawful interest rate will be deducted automatically from the principal balance owing under this Note.

6.4 Maker waives the right to designate how Payments will be applied pursuant to California Civil Code Sections 1479 and 2822. Holder will have the right in its sole discretion to determine the order and method of application of Payments to obligations under this Note.

6.5 Except as otherwise set forth herein or in the Agreement, no prepayment of this Note will be permitted without Holder's prior written consent.

7. Default.

7.1 Any of the following will constitute an Event of Default under this Note:

(a) Maker fails to make any Payment required under this Note within ten (10) days of the date it is due; or

(b) the occurrence of any other Event of Default under the Agreement or other instrument securing the obligations of Maker under this Note or under any other agreement between Maker and Holder with respect to the Project.

7.2 Upon the occurrence of any Event of Default, without notice to or demand upon Maker, which are expressly waived by Maker (except for notices or demands otherwise required by applicable laws to the extent not effectively waived by Maker and any notices or demands specified in the City Documents), Holder may exercise all rights and remedies available under this Note, the Agreement or otherwise available to Holder at law or in equity. Maker acknowledges and agrees that Holder's remedies include the right to accelerate the Maturity Date by declaring the outstanding principal balance of the Loan, together with all accrued and unpaid interest and unpaid fees and costs incurred, due and payable immediately, in which case, the Maturity Date will be superseded and replaced by the date established by Holder.

7.3 Subject to this Section, Holder will not seek or obtain judgment against Maker for the payment of any amounts due under this Note following a judicial or nonjudicial foreclosure of the Deed of Trust, and Holder's sole recourse against Maker for any default under this Note will be limited to the collateral for the Loan, *provided, however*, that this Section will be deemed void and of no effect if Maker challenges Holder's right to foreclose following an Event of Default in any legal proceeding on the grounds that the City Documents are not valid and enforceable under California law. This provision does not limit in any way Holder's right to recover sums arising under any obligation of Maker to indemnify Holder of sums incurred by Holder as a result of Maker's fraud, willful misrepresentation, misapplication of funds (including Loan Funds and Rents (as defined in the Deed of Trust)), waste or negligent or intentional damage to the collateral for the Loan.

Notwithstanding the foregoing, the Limited Partner (as defined in the Agreement) will have the right, but not the obligation, to cure any Event of Default prior to Holder exercising any of its applicable remedies, and Holder will accept or reject such cure on the same terms as if rendered by Maker.

8. Waivers.

8.1 Maker expressly agrees that the term of this Note or the date of any payment due hereunder may be extended from time to time with Holder's consent, and that Holder may accept further security or release any security for this Note, all without in any way affecting the liability of Maker.

8.2 No extension of time for any Payment made by agreement by Holder with any person now or hereafter liable for the payment of this Note will operate to release, discharge, modify, change or affect the original liability of Maker under this Note, either in whole or in part.

8.3 The obligations of Maker under this Note are absolute, and Maker waives any and all rights to offset, deduct or withhold any Payments or charges due under this Note for any reason whatsoever.

9. Miscellaneous Provisions.

9.1 All notices to Holder or Maker must be given in the manner and at the addresses set forth in the Agreement, or to the addresses Holder and/or Maker hereafter designate in accordance with the Agreement.

9.2 In the event of any legal proceedings arising from the enforcement of or a default under this Note or in any bankruptcy proceeding of Maker, the non-prevailing party promises to pay all reasonable costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the proceeding, as provided in the Agreement.

9.3 This Note may be amended only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

9.4 This Note is governed by and must be construed in accordance with the laws of the State of California, without regard to the choice of law rules of the State.

9.5 Time is of the essence in the performance of any obligations hereunder.

[signature follows]

"MAKER":

1303 Larkin Street, L.P.,
a California limited partnership

By: 1303 Larkin Street LLC,
a California limited liability company,
its general partner

By: Chinatown Community Development Center, Inc.,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Malcolm Yeung,
Executive Director

SECURED PROMISSORY NOTE

(PASS – Series 2020C Below Market Rate Loan)

Principal Amount: \$3,730,944

San Francisco, CA

Date: [____], 2025

FOR VALUE RECEIVED, the undersigned, **1303 LARKIN STREET, L.P.**, a California limited partnership (“Maker”), hereby promises to pay to the order of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, or holder (as the case may be, “Holder”), the principal sum of Three Million Seven Hundred Thirty Thousand Nine Hundred Forty Four and No/100 Dollars (\$3,730,944.00) (the “Funding Amount”), or so much of the Funding Amount as may be disbursed from time to time pursuant to the Agreement described in **Section 1** below, together with interest thereon, as provided in this Note.

1. Agreement. This Secured Promissory Note (“Note”) is given under the terms of an Amended and Restated Loan Agreement by and between Maker and Holder (the “Agreement”) dated on or about the date set forth above, which Agreement is incorporated herein by reference. Maker's obligations under this Note and the Agreement are secured by that certain Leasehold Deed Of Trust, Assignment Of Rents, Security Agreement And Fixture Filing (“Deed of Trust”) dated as of the date of this Note, made by Maker for the benefit of Holder. Definitions and rules of interpretation set forth in the Agreement apply to this Note. In the event of any inconsistency between the Agreement and this Note, this Note will control.

2. Interest. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of 0.95763% per annum, from the date of the close of escrow through the date of full payment of all amounts owing under the City Documents. Interest will be compounded monthly and computed on the basis of actual days elapsed and a 360-day year consisting of 12 months of 30 days each, which will result in higher interest charges than if a 365-day year were used.

3. Default Interest Rate. Upon the occurrence of an Event of Default under any City Document, interest will be deemed to have accrued on the outstanding principal balance of the Funding Amount at a compounded annual rate equal to the lesser of: (a) ten percent (10%); or (b) the maximum lawful rate of interest, commencing on the date of the Event of Default through the earlier of: (x) the date on which the Event of Default is cured; or (y) the date on which all amounts due under the City Documents are paid to Holder. Maker acknowledges and agrees that the default interest that must be paid in the event of an Event of Default pursuant to this Section represents a reasonable sum considering all the circumstances existing on the date of this Note and represents a fair and reasonable estimate of the costs that will be sustained by Holder if Maker defaults. Maker further agrees that proof of actual damages would be costly and inconvenient and that default interest will be paid without prejudice to Holder's right to collect any other amounts to be paid or to exercise any of its other rights or remedies under any City Document.

4. Repayment of Funding Amount.

4.1 Interest Only Payment Period. Commencing on the First Payment Date and continuing until the earlier of (i) the fourth (4th) anniversary of the First Payment Date or (ii) the first day of the first full month following the Conversion Date, Maker must make payments of accrued and unpaid interest under this Note in monthly installments of Two Thousand Nine Hundred Seventy Seven and No/100 Dollars (\$2,977) (each, an “**Interest Payment**”). All Interest Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; and (b) accrued and unpaid interest.

4.2 Principal and Interest Payment Period. Commencing on the earlier of (i) the fourth (4th) anniversary of the First Payment Date or (ii) the first full month following the Conversion Date, Maker must make payments of principal and interest in monthly installments (each, a “**Full Payment**,” and together with Interest Payment, collectively “**Payments**”) equal to the amount specified by the amortization schedule attached as **Exhibit A**. All Full Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; (b) accrued and unpaid interest; and (c) reduction of the principal balance of the Funding Amount. The unpaid principal balance of the Funding Amount, together with accrued and unpaid interest and unpaid fees and costs incurred, will be due and payable on the date that is the earlier of (a) the forty-fourth (44th) anniversary of the date that is the first day of the first full month following the date the Deed of Trust is recorded in the Official Records or (b) the fortieth (40th) anniversary of the Conversion Date (the “**Maturity Date**”). Any Payment Date, including the Maturity Date, that falls on a weekend or holiday will be deemed to fall on the next succeeding business day.

5. Security. Maker's obligations under this Note are secured by the Deed of Trust.

6. Terms of Payment.

6.1 All Payments must be made in currency of the United States of America then lawful for payment of public and private debts.

6.2 All Payments must be made payable to Holder and mailed or delivered in person to Holder's office at One South Van Ness Avenue, 5th Floor, San Francisco, CA 94103, or to any other place Holder from time to time designates.

6.3 In no event will Maker be obligated under the terms of this Note to pay interest exceeding the lawful rate. Accordingly, if the payment of any sum by Maker pursuant to the terms of this Note would result in the payment of interest exceeding the amount that Holder may charge legally under applicable state and/or federal law, the amount by which the payment exceeds the amount payable at the lawful interest rate will be deducted automatically from the principal balance owing under this Note.

6.4 Maker waives the right to designate how Payments will be applied pursuant to California Civil Code Sections 1479 and 2822. Holder will have the right in its sole discretion to determine the order and method of application of Payments to obligations under this Note.

6.5 Except as otherwise set forth herein or in the Agreement, no prepayment of this Note will be permitted without Holder's prior written consent.

7. Default.

7.1 Any of the following will constitute an Event of Default under this Note:

(a) Maker fails to make any Payment required under this Note within ten (10) days of the date it is due; or

(b) the occurrence of any other Event of Default under the Agreement or other instrument securing the obligations of Maker under this Note or under any other agreement between Maker and Holder with respect to the Project.

7.2 Upon the occurrence of any Event of Default, without notice to or demand upon Maker, which are expressly waived by Maker (except for notices or demands otherwise required by applicable laws to the extent not effectively waived by Maker and any notices or demands specified in the City Documents), Holder may exercise all rights and remedies available under this Note, the Agreement or otherwise available to Holder at law or in equity. Maker acknowledges and agrees that Holder's remedies include the right to accelerate the Maturity Date

by declaring the outstanding principal balance of the Funding Amount, together with all accrued and unpaid interest and unpaid fees and costs incurred, due and payable immediately, in which case, the Maturity Date will be superseded and replaced by the date established by Holder.

7.3 Subject to this Section, Holder will not seek or obtain judgment against Maker for the payment of any amounts due under this Note following a judicial or nonjudicial foreclosure of the Deed of Trust, and Holder's sole recourse against Maker for any default under this Note will be limited to the collateral for the Loan, *provided, however*, that this Section will be deemed void and of no effect if Maker challenges Holder's right to foreclose following an Event of Default in any legal proceeding on the grounds that the City Documents are not valid and enforceable under California law. This provision does not limit in any way Holder's right to recover sums arising under any obligation of Maker to indemnify Holder of sums incurred by Holder as a result of Maker's fraud, willful misrepresentation, misapplication of funds (including Loan Funds and Rents (as defined in the Deed of Trust)), waste or negligent or intentional damage to the collateral for the Loan.

Notwithstanding the foregoing, the Limited Partner (as defined in the Agreement) will have the right, but not the obligation, to cure any Event of Default prior to Holder exercising any of its applicable remedies, and Holder will accept or reject such cure on the same terms as if rendered by Maker.

8. Waivers.

8.1 Maker expressly agrees that the term of this Note or the date of any payment due hereunder may be extended from time to time with Holder's consent, and that Holder may accept further security or release any security for this Note, all without in any way affecting the liability of Maker.

8.2 No extension of time for any Payment made by agreement by Holder with any person now or hereafter liable for the payment of this Note will operate to release, discharge, modify, change or affect the original liability of Maker under this Note, either in whole or in part.

8.3 The obligations of Maker under this Note are absolute, and Maker waives any and all rights to offset, deduct or withhold any Payments or charges due under this Note for any reason whatsoever.

9. Miscellaneous Provisions.

9.1 All notices to Holder or Maker must be given in the manner and at the addresses set forth in the Agreement, or to the addresses Holder and/or Maker hereafter designate in accordance with the Agreement.

9.2 In the event of any legal proceedings arising from the enforcement of or a default under this Note or in any bankruptcy proceeding of Maker, the non-prevailing party promises to pay all reasonable costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the proceeding, as provided in the Agreement.

9.3 This Note may be amended only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

9.4 This Note is governed by and must be construed in accordance with the laws of the State of California, without regard to the choice of law rules of the State.

9.5 Time is of the essence in the performance of any obligations hereunder.

[signature follows]

“MAKER”:

1303 Larkin Street, L.P.,
a California limited partnership

By: 1303 Larkin Street LLC,
a California limited liability company,
its general partner

By: Chinatown Community Development Center, Inc.,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Malcolm Yeung,
Executive Director

Exhibit A
Amortization Schedule

SECURED PROMISSORY NOTE

(PASS – Series 2020C Deferred Loan)

Principal Amount: \$610,720

San Francisco, CA

Date: [____], 2025

FOR VALUE RECEIVED, the undersigned, **1303 LARKIN STREET, L.P.**, a California limited partnership (“Maker”), hereby promises to pay to the order of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, or holder (as the case may be, “Holder”), the principal sum of Six Hundred Ten Thousand Seven Hundred Twenty and No/100 Dollars (\$610,720.00) (the “Funding Amount”), or so much of the Funding Amount as may be disbursed from time to time pursuant to the Agreement described in **Section 1** below, together with interest thereon, as provided in this Note.

1. Agreement. This Secured Promissory Note (“Note”) is given under the terms of an Amended and Restated Loan Agreement by and between Maker and Holder (the “Agreement”) dated on or about the date set forth above, which Agreement is incorporated herein by reference. Maker's obligations under this Note and the Agreement are secured by that certain Leasehold Deed Of Trust, Assignment Of Rents, Security Agreement And Fixture Filing (“Deed of Trust”) dated as of the date of this Note, made by Maker for the benefit of Holder. Definitions and rules of interpretation set forth in the Agreement apply to this Note. In the event of any inconsistency between the Agreement and this Note, this Note will control.

2. Interest. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of 0.95763% per annum, from the date of the close of escrow through the date of full payment of all amounts owing under the City Documents. Interest will be compounded monthly and computed on the basis of actual days elapsed and a 360-day year consisting of 12 months of 30 days each, which will result in higher interest charges than if a 365-day year were used.

3. Default Interest Rate. Upon the occurrence of an Event of Default under any City Document, interest will be deemed to have accrued on the outstanding principal balance of the Funding Amount at a compounded annual rate equal to the lesser of: (a) ten percent (10%); or (b) the maximum lawful rate of interest, commencing on the date of the Event of Default through the earlier of: (x) the date on which the Event of Default is cured; or (y) the date on which all amounts due under the City Documents are paid to Holder. Maker acknowledges and agrees that the default interest that must be paid in the event of an Event of Default pursuant to this Section represents a reasonable sum considering all the circumstances existing on the date of this Note and represents a fair and reasonable estimate of the costs that will be sustained by Holder if Maker defaults. Maker further agrees that proof of actual damages would be costly and inconvenient and that default interest will be paid without prejudice to Holder's right to collect any other amounts to be paid or to exercise any of its other rights or remedies under any City Document.

4. Repayment of Funding Amount. Provided that no uncured Event of Default exists under any City Document, the entire principal balance of the Funding Amount, together with all accrued and unpaid interest and other unpaid fees and costs incurred (all together, the “Payment”), will be due and payable on the date that is the earlier of (a) the forty-fourth (44th) anniversary of the first full month following the date the Deed of Trust is recorded in the Official Records or (b) the fortieth (40th) anniversary of the Conversion Date (the “Maturity Date”). If the Maturity Date falls on a weekend or holiday, it will be deemed to fall on the next succeeding

business day. The Payment will be applied to the following in the following order: (a) costs and fees incurred and unpaid; (b) accrued and unpaid interest; and (c) reduction of the principal balance of the Funding Amount.

5. Security. Maker's obligations under this Note are secured by the Deed of Trust.

6. Terms of Payment.

6.1 All Payments must be made in currency of the United States of America then lawful for payment of public and private debts.

6.2 All Payments must be made payable to Holder and mailed or delivered in person to Holder's office at One South Van Ness Avenue, 5th Floor, San Francisco, CA 94103, or to any other place Holder from time to time designates.

6.3 In no event will Maker be obligated under the terms of this Note to pay interest exceeding the lawful rate. Accordingly, if the payment of any sum by Maker pursuant to the terms of this Note would result in the payment of interest exceeding the amount that Holder may charge legally under applicable state and/or federal law, the amount by which the payment exceeds the amount payable at the lawful interest rate will be deducted automatically from the principal balance owing under this Note.

6.4 Maker waives the right to designate how Payments will be applied pursuant to California Civil Code Sections 1479 and 2822. Holder will have the right in its sole discretion to determine the order and method of application of Payments to obligations under this Note.

6.5 Except as otherwise set forth herein or in the Agreement, no prepayment of this Note will be permitted without Holder's prior written consent.

7. Default.

7.1 Any of the following will constitute an Event of Default under this Note:

(a) Maker fails to make any Payment required under this Note within ten (10) days of the date it is due; or

(b) the occurrence of any other Event of Default under the Agreement or other instrument securing the obligations of Maker under this Note or under any other agreement between Maker and Holder with respect to the Project.

7.2 Upon the occurrence of any Event of Default, without notice to or demand upon Maker, which are expressly waived by Maker (except for notices or demands otherwise required by applicable laws to the extent not effectively waived by Maker and any notices or demands specified in the City Documents), Holder may exercise all rights and remedies available under this Note, the Agreement or otherwise available to Holder at law or in equity. Maker acknowledges and agrees that Holder's remedies include the right to accelerate the Maturity Date by declaring the outstanding principal balance of the Funding Amount, together with all accrued and unpaid interest and unpaid fees and costs incurred, due and payable immediately, in which case, the Maturity Date will be superseded and replaced by the date established by Holder.

7.3 Subject to this Section, Holder will not seek or obtain judgment against Maker for the payment of any amounts due under this Note following a judicial or nonjudicial foreclosure of the Deed of Trust, and Holder's sole recourse against Maker for any default under this Note will be limited to the collateral for the Loan, *provided, however*, that this Section will be deemed void and of no effect if Maker challenges Holder's right to foreclose following an Event of Default in any legal proceeding on the grounds that the City Documents are not valid and enforceable under California law. This provision does not limit in any way Holder's right to

recover sums arising under any obligation of Maker to indemnify Holder of sums incurred by Holder as a result of Maker's fraud, willful misrepresentation, misapplication of funds (including Loan Funds and Rents (as defined in the Deed of Trust)), waste or negligent or intentional damage to the collateral for the Loan.

Notwithstanding the foregoing, the Limited Partner (as defined in the Agreement) will have the right, but not the obligation, to cure any Event of Default prior to Holder exercising any of its applicable remedies, and Holder will accept or reject such cure on the same terms as if rendered by Maker.

8. Waivers.

8.1 Maker expressly agrees that the term of this Note or the date of any payment due hereunder may be extended from time to time with Holder's consent, and that Holder may accept further security or release any security for this Note, all without in any way affecting the liability of Maker.

8.2 No extension of time for any Payment made by agreement by Holder with any person now or hereafter liable for the payment of this Note will operate to release, discharge, modify, change or affect the original liability of Maker under this Note, either in whole or in part.

8.3 The obligations of Maker under this Note are absolute, and Maker waives any and all rights to offset, deduct or withhold any Payments or charges due under this Note for any reason whatsoever.

9. Miscellaneous Provisions.

9.1 All notices to Holder or Maker must be given in the manner and at the addresses set forth in the Agreement, or to the addresses Holder and/or Maker hereafter designate in accordance with the Agreement.

9.2 In the event of any legal proceedings arising from the enforcement of or a default under this Note or in any bankruptcy proceeding of Maker, the non-prevailing party promises to pay all reasonable costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the proceeding, as provided in the Agreement.

9.3 This Note may be amended only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

9.4 This Note is governed by and must be construed in accordance with the laws of the State of California, without regard to the choice of law rules of the State.

9.5 Time is of the essence in the performance of any obligations hereunder.

[signature follows]

“MAKER”:

1303 Larkin Street, L.P.,
a California limited partnership

By: 1303 Larkin Street LLC,
a California limited liability company,
its general partner

By: Chinatown Community Development Center, Inc.,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Malcolm Yeung,
Executive Director

SECURED PROMISSORY NOTE
(PASS – Series 2020C Market Rate Loan)

Principal Amount: \$6,762,336

San Francisco, CA

Date: [____], 2025

FOR VALUE RECEIVED, the undersigned, **1303 LARKIN STREET, L.P.**, a California limited partnership (“Maker”), hereby promises to pay to the order of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, or holder (as the case may be, “Holder”), the principal sum of Six Million Seven Hundred Sixty-Two Thousand Three Hundred Thirty Six and No/100 Dollars (\$6,762,336.00) (the “Funding Amount”), or so much of the Funding Amount as may be disbursed from time to time pursuant to the Agreement described in **Section 1** below, together with interest thereon, as provided in this Note.

1. **Agreement.** This Secured Promissory Note (“Note”) is given under the terms of an Amended and Restated Loan Agreement by and between Maker and Holder (the “Agreement”) dated on or about the date set forth above, which Agreement is incorporated herein by reference. Maker's obligations under this Note and the Agreement are secured by that certain Leasehold Deed Of Trust, Assignment Of Rents, Security Agreement And Fixture Filing (“Deed of Trust”) dated as of the date of this Note, made by Maker for the benefit of Holder. Definitions and rules of interpretation set forth in the Agreement apply to this Note. In the event of any inconsistency between the Agreement and this Note, this Note will control.

2. **Interest.** Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of 3.87289% per annum, from the date of the close of escrow through the date of full payment of all amounts owing under the City Documents. Interest will be compounded monthly and computed on the basis of actual days elapsed and a 360-day year consisting of 12 months of 30 days each, which will result in higher interest charges than if a 365-day year were used.

3. **Default Interest Rate.** Upon the occurrence of an Event of Default under any City Document, interest will be deemed to have accrued on the outstanding principal balance of the Funding Amount at a compounded annual rate equal to the lesser of: (a) ten percent (10%); or (b) the maximum lawful rate of interest, commencing on the date of the Event of Default through the earlier of: (x) the date on which the Event of Default is cured; or (y) the date on which all amounts due under the City Documents are paid to Holder. Maker acknowledges and agrees that the default interest that must be paid in the event of an Event of Default pursuant to this Section represents a reasonable sum considering all the circumstances existing on the date of this Note and represents a fair and reasonable estimate of the costs that will be sustained by Holder if Maker defaults. Maker further agrees that proof of actual damages would be costly and inconvenient and that default interest will be paid without prejudice to Holder's right to collect any other amounts to be paid or to exercise any of its other rights or remedies under any City Document.

4. **Repayment of Funding Amount.**

4.1 **Interest Only Payment Period.** Commencing on the First Payment Date and continuing until the earlier of (i) the fourth (4th) anniversary of the First Payment Date or (ii) the first day of the first full month following the Conversion Date, Maker must make payments of accrued and unpaid interest under this Note in monthly installments of Twenty One Thousand Eight Hundred Twenty Five and No/100 Dollars (\$21,825) (each, an “**Interest Payment**”). All Interest Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; and (b) accrued and unpaid interest.

4.2 Principal and Interest Payment Period. Commencing on the earlier of (i) the fourth (4th) anniversary of the First Payment Date or (ii) the first full month following the Conversion Date, Maker must make payments of principal and interest in monthly installments (each, a “**Full Payment**,” and together with Interest Payment, collectively “**Payments**”) equal to the amount specified by the amortization schedule attached as **Exhibit A**. All Full Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; (b) accrued and unpaid interest; and (c) reduction of the principal balance of the Funding Amount. The unpaid principal balance of the Funding Amount, together with accrued and unpaid interest and unpaid fees and costs incurred, will be due and payable on the date that is the earlier of (a) the forty-fourth (44th) anniversary of the date that is the first day of the first full month following the date the Deed of Trust is recorded in the Official Records or (b) the fortieth (40th) anniversary of the Conversion Date (the “**Maturity Date**”). Any Payment Date, including the Maturity Date, that falls on a weekend or holiday will be deemed to fall on the next succeeding business day.

5. Security. Maker's obligations under this Note are secured by the Deed of Trust.

6. Terms of Payment.

6.1 All Payments must be made in currency of the United States of America then lawful for payment of public and private debts.

6.2 All Payments must be made payable to Holder and mailed or delivered in person to Holder's office at One South Van Ness Avenue, 5th Floor, San Francisco, CA 94103, or to any other place Holder from time to time designates.

6.3 In no event will Maker be obligated under the terms of this Note to pay interest exceeding the lawful rate. Accordingly, if the payment of any sum by Maker pursuant to the terms of this Note would result in the payment of interest exceeding the amount that Holder may charge legally under applicable state and/or federal law, the amount by which the payment exceeds the amount payable at the lawful interest rate will be deducted automatically from the principal balance owing under this Note.

6.4 Maker waives the right to designate how Payments will be applied pursuant to California Civil Code Sections 1479 and 2822. Holder will have the right in its sole discretion to determine the order and method of application of Payments to obligations under this Note.

6.5 Except as otherwise set forth herein or in the Agreement, no prepayment of this Note will be permitted without Holder's prior written consent.

7. Default.

7.1 Any of the following will constitute an Event of Default under this Note:

(a) Maker fails to make any Payment required under this Note within ten (10) days of the date it is due; or

(b) the occurrence of any other Event of Default under the Agreement or other instrument securing the obligations of Maker under this Note or under any other agreement between Maker and Holder with respect to the Project.

7.2 Upon the occurrence of any Event of Default, without notice to or demand upon Maker, which are expressly waived by Maker (except for notices or demands otherwise required by applicable laws to the extent not effectively waived by Maker and any notices or demands specified in the City Documents), Holder may exercise all rights and remedies available under this Note, the Agreement or otherwise available to Holder at law or in equity. Maker acknowledges and agrees that Holder's remedies include the right to accelerate the Maturity Date by declaring the outstanding principal balance of the Funding Amount, together with all accrued

and unpaid interest and unpaid fees and costs incurred, due and payable immediately, in which case, the Maturity Date will be superseded and replaced by the date established by Holder.

7.3 Subject to this Section, Holder will not seek or obtain judgment against Maker for the payment of any amounts due under this Note following a judicial or nonjudicial foreclosure of the Deed of Trust, and Holder's sole recourse against Maker for any default under this Note will be limited to the collateral for the Loan, *provided, however*, that this Section will be deemed void and of no effect if Maker challenges Holder's right to foreclose following an Event of Default in any legal proceeding on the grounds that the City Documents are not valid and enforceable under California law. This provision does not limit in any way Holder's right to recover sums arising under any obligation of Maker to indemnify Holder of sums incurred by Holder as a result of Maker's fraud, willful misrepresentation, misapplication of funds (including Loan Funds and Rents (as defined in the Deed of Trust)), waste or negligent or intentional damage to the collateral for the Loan.

Notwithstanding the foregoing, the Limited Partner (as defined in the Agreement) will have the right, but not the obligation, to cure any Event of Default prior to Holder exercising any of its applicable remedies, and Holder will accept or reject such cure on the same terms as if rendered by Maker.

8. Waivers.

8.1 Maker expressly agrees that the term of this Note or the date of any payment due hereunder may be extended from time to time with Holder's consent, and that Holder may accept further security or release any security for this Note, all without in any way affecting the liability of Maker.

8.2 No extension of time for any Payment made by agreement by Holder with any person now or hereafter liable for the payment of this Note will operate to release, discharge, modify, change or affect the original liability of Maker under this Note, either in whole or in part.

8.3 The obligations of Maker under this Note are absolute, and Maker waives any and all rights to offset, deduct or withhold any Payments or charges due under this Note for any reason whatsoever.

9. Miscellaneous Provisions.

9.1 All notices to Holder or Maker must be given in the manner and at the addresses set forth in the Agreement, or to the addresses Holder and/or Maker hereafter designate in accordance with the Agreement.

9.2 In the event of any legal proceedings arising from the enforcement of or a default under this Note or in any bankruptcy proceeding of Maker, the non-prevailing party promises to pay all reasonable costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the proceeding, as provided in the Agreement.

9.3 This Note may be amended only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

9.4 This Note is governed by and must be construed in accordance with the laws of the State of California, without regard to the choice of law rules of the State.

9.5 Time is of the essence in the performance of any obligations hereunder.

[signature follows]

“MAKER”:

1303 Larkin Street, L.P.,
a California limited partnership

By: 1303 Larkin Street LLC,
a California limited liability company,
its general partner

By: Chinatown Community Development Center, Inc.,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Malcolm Yeung,
Executive Director

Exhibit A
Amortization Schedule

SECURED PROMISSORY NOTE
(PASS – Series 2025E Below Market Rate Loan)

Principal Amount: \$269,023

San Francisco, CA

Date: [____], 2025

FOR VALUE RECEIVED, the undersigned, **1303 LARKIN STREET, L.P.**, a California limited partnership (“Maker”), hereby promises to pay to the order of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, or holder (as the case may be, “Holder”), the principal sum of [Two Hundred Sixty Nine Thousand Twenty Three and No/100 Dollars (\$269,023.00)] (the “Funding Amount”), or so much of the Funding Amount as may be disbursed from time to time pursuant to the Agreement described in **Section 1** below, together with interest thereon, as provided in this Note.

1. Agreement. This Secured Promissory Note (“Note”) is given under the terms of an Amended and Restated Loan Agreement by and between Maker and Holder (the “Agreement”) dated on or about the date set forth above, which Agreement is incorporated herein by reference. Maker's obligations under this Note and the Agreement are secured by that certain Leasehold Deed Of Trust, Assignment Of Rents, Security Agreement And Fixture Filing (“Deed of Trust”) dated as of the date of this Note, made by Maker for the benefit of Holder. Definitions and rules of interpretation set forth in the Agreement apply to this Note. In the event of any inconsistency between the Agreement and this Note, this Note will control.

2. Interest. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of 1.87008% per annum, from the date of the close of escrow through the date of full payment of all amounts owing under the City Documents. Interest will be compounded monthly and computed on the basis of actual days elapsed and a 360-day year consisting of 12 months of 30 days each, which will result in higher interest charges than if a 365-day year were used.

3. Default Interest Rate. Upon the occurrence of an Event of Default under any City Document, interest will be deemed to have accrued on the outstanding principal balance of the Funding Amount at a compounded annual rate equal to the lesser of: (a) ten percent (10%); or (b) the maximum lawful rate of interest, commencing on the date of the Event of Default through the earlier of: (x) the date on which the Event of Default is cured; or (y) the date on which all amounts due under the City Documents are paid to Holder. Maker acknowledges and agrees that the default interest that must be paid in the event of an Event of Default pursuant to this Section represents a reasonable sum considering all the circumstances existing on the date of this Note and represents a fair and reasonable estimate of the costs that will be sustained by Holder if Maker defaults. Maker further agrees that proof of actual damages would be costly and inconvenient and that default interest will be paid without prejudice to Holder's right to collect any other amounts to be paid or to exercise any of its other rights or remedies under any City Document.

4. Repayment of Funding Amount.

4.1 Interest Only Payment Period. Commencing on the First Payment Date and continuing until the earlier of (i) the fourth (4th) anniversary of the First Payment Date or (ii) the first day of the first full month following the Conversion Date, Maker must make payments of accrued and unpaid interest under this Note in monthly installments of [Four Hundred Nineteen and No/100 Dollars (\$419)] (each, an “Interest Payment”). All Interest Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; and (b) accrued and unpaid interest.

4.2 Principal and Interest Payment Period. Commencing on the earlier of (i) the fourth (4th) anniversary of the First Payment Date or (ii) the first full month following the Conversion Date, Maker must make payments of principal and interest in monthly installments (each, a “**Full Payment**,” and together with Interest Payment, collectively “**Payments**”) equal to the amount specified by the amortization schedule attached as **Exhibit A**. All Full Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; (b) accrued and unpaid interest; and (c) reduction of the principal balance of the Funding Amount. The unpaid principal balance of the Funding Amount, together with accrued and unpaid interest and unpaid fees and costs incurred, will be due and payable on the date that is the earlier of (a) the forty-fourth (44th) anniversary of the date that is the first day of the first full month following the date the Deed of Trust is recorded in the Official Records or (b) the fortieth (40th) anniversary of the Conversion Date (the “**Maturity Date**”). Any Payment Date, including the Maturity Date, that falls on a weekend or holiday will be deemed to fall on the next succeeding business day.

5. Security. Maker's obligations under this Note are secured by the Deed of Trust.

6. Terms of Payment.

6.1 All Payments must be made in currency of the United States of America then lawful for payment of public and private debts.

6.2 All Payments must be made payable to Holder and mailed or delivered in person to Holder's office at One South Van Ness Avenue, 5th Floor, San Francisco, CA 94103, or to any other place Holder from time to time designates.

6.3 In no event will Maker be obligated under the terms of this Note to pay interest exceeding the lawful rate. Accordingly, if the payment of any sum by Maker pursuant to the terms of this Note would result in the payment of interest exceeding the amount that Holder may charge legally under applicable state and/or federal law, the amount by which the payment exceeds the amount payable at the lawful interest rate will be deducted automatically from the principal balance owing under this Note.

6.4 Maker waives the right to designate how Payments will be applied pursuant to California Civil Code Sections 1479 and 2822. Holder will have the right in its sole discretion to determine the order and method of application of Payments to obligations under this Note.

6.5 Except as otherwise set forth herein or in the Agreement, no prepayment of this Note will be permitted without Holder's prior written consent.

7. Default.

7.1 Any of the following will constitute an Event of Default under this Note:

(a) Maker fails to make any Payment required under this Note within ten (10) days of the date it is due; or

(b) the occurrence of any other Event of Default under the Agreement or other instrument securing the obligations of Maker under this Note or under any other agreement between Maker and Holder with respect to the Project.

7.2 Upon the occurrence of any Event of Default, without notice to or demand upon Maker, which are expressly waived by Maker (except for notices or demands otherwise required by applicable laws to the extent not effectively waived by Maker and any notices or demands specified in the City Documents), Holder may exercise all rights and remedies available under this Note, the Agreement or otherwise available to Holder at law or in equity. Maker acknowledges and agrees that Holder's remedies include the right to accelerate the Maturity Date by declaring the outstanding principal balance of the Funding Amount, together with all accrued

and unpaid interest and unpaid fees and costs incurred, due and payable immediately, in which case, the Maturity Date will be superseded and replaced by the date established by Holder.

7.3 Subject to this Section, Holder will not seek or obtain judgment against Maker for the payment of any amounts due under this Note following a judicial or nonjudicial foreclosure of the Deed of Trust, and Holder's sole recourse against Maker for any default under this Note will be limited to the collateral for the Loan, *provided, however*, that this Section will be deemed void and of no effect if Maker challenges Holder's right to foreclose following an Event of Default in any legal proceeding on the grounds that the City Documents are not valid and enforceable under California law. This provision does not limit in any way Holder's right to recover sums arising under any obligation of Maker to indemnify Holder of sums incurred by Holder as a result of Maker's fraud, willful misrepresentation, misapplication of funds (including Loan Funds and Rents (as defined in the Deed of Trust)), waste or negligent or intentional damage to the collateral for the Loan.

Notwithstanding the foregoing, the Limited Partner (as defined in the Agreement) will have the right, but not the obligation, to cure any Event of Default prior to Holder exercising any of its applicable remedies, and Holder will accept or reject such cure on the same terms as if rendered by Maker.

8. Waivers.

8.1 Maker expressly agrees that the term of this Note or the date of any payment due hereunder may be extended from time to time with Holder's consent, and that Holder may accept further security or release any security for this Note, all without in any way affecting the liability of Maker.

8.2 No extension of time for any Payment made by agreement by Holder with any person now or hereafter liable for the payment of this Note will operate to release, discharge, modify, change or affect the original liability of Maker under this Note, either in whole or in part.

8.3 The obligations of Maker under this Note are absolute, and Maker waives any and all rights to offset, deduct or withhold any Payments or charges due under this Note for any reason whatsoever.

9. Miscellaneous Provisions.

9.1 All notices to Holder or Maker must be given in the manner and at the addresses set forth in the Agreement, or to the addresses Holder and/or Maker hereafter designate in accordance with the Agreement.

9.2 In the event of any legal proceedings arising from the enforcement of or a default under this Note or in any bankruptcy proceeding of Maker, the non-prevailing party promises to pay all reasonable costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the proceeding, as provided in the Agreement.

9.3 This Note may be amended only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

9.4 This Note is governed by and must be construed in accordance with the laws of the State of California, without regard to the choice of law rules of the State.

9.5 Time is of the essence in the performance of any obligations hereunder.

[signature follows]

“MAKER”:

1303 Larkin Street, L.P.,
a California limited partnership

By: 1303 Larkin Street LLC,
a California limited liability company,
its general partner

By: Chinatown Community Development Center, Inc.,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Malcolm Yeung,
Executive Director

Exhibit A
Amortization Schedule

SECURED PROMISSORY NOTE

(PASS – Series 2025E Deferred Loan)

Principal Amount: \$43,721

San Francisco, CA

Date: [____], 2025

FOR VALUE RECEIVED, the undersigned, **1303 LARKIN STREET, L.P.**, a California limited partnership (“Maker”), hereby promises to pay to the order of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, or holder (as the case may be, “Holder”), the principal sum of Forty Three Thousand Seven Hundred Twenty One and No/100 Dollars (\$43,721.00) (the “Funding Amount”), or so much of the Funding Amount as may be disbursed from time to time pursuant to the Agreement described in **Section 1** below, together with interest thereon, as provided in this Note.

1. Agreement. This Secured Promissory Note (“Note”) is given under the terms of an Amended and Restated Loan Agreement by and between Maker and Holder (the “Agreement”) dated on or about the date set forth above, which Agreement is incorporated herein by reference. Maker's obligations under this Note and the Agreement are secured by that certain Leasehold Deed Of Trust, Assignment Of Rents, Security Agreement And Fixture Filing (“Deed of Trust”) dated as of the date of this Note, made by Maker for the benefit of Holder. Definitions and rules of interpretation set forth in the Agreement apply to this Note. In the event of any inconsistency between the Agreement and this Note, this Note will control.

2. Interest. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of 1.87008% per annum, from the date of the close of escrow through the date of full payment of all amounts owing under the City Documents. Interest will be compounded monthly and computed on the basis of actual days elapsed and a 360-day year consisting of 12 months of 30 days each, which will result in higher interest charges than if a 365-day year were used.

3. Default Interest Rate. Upon the occurrence of an Event of Default under any City Document, interest will be deemed to have accrued on the outstanding principal balance of the Funding Amount at a compounded annual rate equal to the lesser of: (a) ten percent (10%); or (b) the maximum lawful rate of interest, commencing on the date of the Event of Default through the earlier of: (x) the date on which the Event of Default is cured; or (y) the date on which all amounts due under the City Documents are paid to Holder. Maker acknowledges and agrees that the default interest that must be paid in the event of an Event of Default pursuant to this Section represents a reasonable sum considering all the circumstances existing on the date of this Note and represents a fair and reasonable estimate of the costs that will be sustained by Holder if Maker defaults. Maker further agrees that proof of actual damages would be costly and inconvenient and that default interest will be paid without prejudice to Holder's right to collect any other amounts to be paid or to exercise any of its other rights or remedies under any City Document.

4. Repayment of Funding Amount. Provided that no uncured Event of Default exists under any City Document, the entire principal balance of the Funding Amount, together with all accrued and unpaid interest and other unpaid fees and costs incurred (all together, the “Payment”), will be due and payable on the date that is the earlier of (a) the forty-fourth (44th) anniversary of the first full month following the date the Deed of Trust is recorded in the Official Records or (b) the fortieth (40th) anniversary of the Conversion Date (the “Maturity Date”). If the Maturity Date falls on a weekend or holiday, it will be deemed to fall

on the next succeeding business day. The Payment will be applied to the following in the following order: (a) costs and fees incurred and unpaid; (b) accrued and unpaid interest; and (c) reduction of the principal balance of the Funding Amount.

5. Security. Maker's obligations under this Note are secured by the Deed of Trust.

6. Terms of Payment.

6.1 All Payments must be made in currency of the United States of America then lawful for payment of public and private debts.

6.2 All Payments must be made payable to Holder and mailed or delivered in person to Holder's office at One South Van Ness Avenue, 5th Floor, San Francisco, CA 94103, or to any other place Holder from time to time designates.

6.3 In no event will Maker be obligated under the terms of this Note to pay interest exceeding the lawful rate. Accordingly, if the payment of any sum by Maker pursuant to the terms of this Note would result in the payment of interest exceeding the amount that Holder may charge legally under applicable state and/or federal law, the amount by which the payment exceeds the amount payable at the lawful interest rate will be deducted automatically from the principal balance owing under this Note.

6.4 Maker waives the right to designate how Payments will be applied pursuant to California Civil Code Sections 1479 and 2822. Holder will have the right in its sole discretion to determine the order and method of application of Payments to obligations under this Note.

6.5 Except as otherwise set forth herein or in the Agreement, no prepayment of this Note will be permitted without Holder's prior written consent.

7. Default.

7.1 Any of the following will constitute an Event of Default under this Note:

(a) Maker fails to make any Payment required under this Note within ten (10) days of the date it is due; or

(b) the occurrence of any other Event of Default under the Agreement or other instrument securing the obligations of Maker under this Note or under any other agreement between Maker and Holder with respect to the Project.

7.2 Upon the occurrence of any Event of Default, without notice to or demand upon Maker, which are expressly waived by Maker (except for notices or demands otherwise required by applicable laws to the extent not effectively waived by Maker and any notices or demands specified in the City Documents), Holder may exercise all rights and remedies available under this Note, the Agreement or otherwise available to Holder at law or in equity. Maker acknowledges and agrees that Holder's remedies include the right to accelerate the Maturity Date by declaring the outstanding principal balance of the Funding Amount, together with all accrued and unpaid interest and unpaid fees and costs incurred, due and payable immediately, in which case, the Maturity Date will be superseded and replaced by the date established by Holder.

7.3 Subject to this Section, Holder will not seek or obtain judgment against Maker for the payment of any amounts due under this Note following a judicial or nonjudicial foreclosure of the Deed of Trust, and Holder's sole recourse against Maker for any default under this Note will be limited to the collateral for the Loan, *provided, however*, that this Section will be deemed void and of no effect if Maker challenges Holder's right to foreclose following an Event of Default in any legal proceeding on the grounds that the City Documents are not valid and enforceable under California law. This provision does not limit in any way Holder's right to recover sums arising under any obligation of Maker to indemnify Holder of sums incurred by Holder as a result of Maker's fraud, willful misrepresentation, misapplication of funds (including

Loan Funds and Rents (as defined in the Deed of Trust)), waste or negligent or intentional damage to the collateral for the Loan.

Notwithstanding the foregoing, the Limited Partner (as defined in the Agreement) will have the right, but not the obligation, to cure any Event of Default prior to Holder exercising any of its applicable remedies, and Holder will accept or reject such cure on the same terms as if rendered by Maker.

8. Waivers.

8.1 Maker expressly agrees that the term of this Note or the date of any payment due hereunder may be extended from time to time with Holder's consent, and that Holder may accept further security or release any security for this Note, all without in any way affecting the liability of Maker.

8.2 No extension of time for any Payment made by agreement by Holder with any person now or hereafter liable for the payment of this Note will operate to release, discharge, modify, change or affect the original liability of Maker under this Note, either in whole or in part.

8.3 The obligations of Maker under this Note are absolute, and Maker waives any and all rights to offset, deduct or withhold any Payments or charges due under this Note for any reason whatsoever.

9. Miscellaneous Provisions.

9.1 All notices to Holder or Maker must be given in the manner and at the addresses set forth in the Agreement, or to the addresses Holder and/or Maker hereafter designate in accordance with the Agreement.

9.2 In the event of any legal proceedings arising from the enforcement of or a default under this Note or in any bankruptcy proceeding of Maker, the non-prevailing party promises to pay all reasonable costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the proceeding, as provided in the Agreement.

9.3 This Note may be amended only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

9.4 This Note is governed by and must be construed in accordance with the laws of the State of California, without regard to the choice of law rules of the State.

9.5 Time is of the essence in the performance of any obligations hereunder.

[signature follows]

“MAKER”:

1303 Larkin Street, L.P.,
a California limited partnership

By: 1303 Larkin Street LLC,
a California limited liability company,
its general partner

By: Chinatown Community Development Center, Inc.,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Malcolm Yeung,
Executive Director

SECURED PROMISSORY NOTE
(PASS – Series 2025E Market Rate Loan)

Principal Amount: [\$486,256]

San Francisco, CA

Date: [____], 2025

FOR VALUE RECEIVED, the undersigned, **1303 LARKIN STREET, L.P.**, a California limited partnership (“Maker”), hereby promises to pay to the order of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, or holder (as the case may be, “Holder”), the principal sum of [Four Hundred Eight-Six Thousand Two Hundred and Fifty Six and No/100 Dollars and No/100 Dollars (\$486,256.00)] (the “Funding Amount”), or so much of the Funding Amount as may be disbursed from time to time pursuant to the Agreement described in **Section 1** below, together with interest thereon, as provided in this Note.

1. Agreement. This Secured Promissory Note (“Note”) is given under the terms of an Amended and Restated Loan Agreement by and between Maker and Holder (the “Agreement”) dated on or about the date set forth above, which Agreement is incorporated herein by reference. Maker's obligations under this Note and the Agreement are secured by that certain Leasehold Deed Of Trust, Assignment Of Rents, Security Agreement And Fixture Filing (“Deed of Trust”) dated as of the date of this Note, made by Maker for the benefit of Holder. Definitions and rules of interpretation set forth in the Agreement apply to this Note. In the event of any inconsistency between the Agreement and this Note, this Note will control.

2. Interest. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of 6.61023% per annum, from the date of the close of escrow through the date of full payment of all amounts owing under the City Documents. Interest will be compounded monthly and computed on the basis of actual days elapsed and a 360-day year consisting of 12 months of 30 days each, which will result in higher interest charges than if a 365-day year were used.

3. Default Interest Rate. Upon the occurrence of an Event of Default under any City Document, interest will be deemed to have accrued on the outstanding principal balance of the Funding Amount at a compounded annual rate equal to the lesser of: (a) ten percent (10%); or (b) the maximum lawful rate of interest, commencing on the date of the Event of Default through the earlier of: (x) the date on which the Event of Default is cured; or (y) the date on which all amounts due under the City Documents are paid to Holder. Maker acknowledges and agrees that the default interest that must be paid in the event of an Event of Default pursuant to this Section represents a reasonable sum considering all the circumstances existing on the date of this Note and represents a fair and reasonable estimate of the costs that will be sustained by Holder if Maker defaults. Maker further agrees that proof of actual damages would be costly and inconvenient and that default interest will be paid without prejudice to Holder's right to collect any other amounts to be paid or to exercise any of its other rights or remedies under any City Document.

4. Repayment of Funding Amount.

4.1 Interest Only Payment Period. Commencing on the First Payment Date and continuing until the earlier of (i) the fourth (4th) anniversary of the First Payment Date or (ii) the first day of the first full month following the Conversion Date, Maker must make payments of accrued and unpaid interest under this Note in monthly installments of Two Thousand Six Hundred Seventy Nine and No/100 Dollars (\$2,679) (each, an “**Interest Payment**”). All Interest Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; and (b) accrued and unpaid interest.

4.2 Principal and Interest Payment Period. Commencing on the earlier of (i) the fourth (4th) anniversary of the First Payment Date or (ii) the first full month following the Conversion Date, Maker must make payments of principal and interest in monthly installments (each, a “**Full Payment**,” and together with Interest Payment, collectively “**Payments**”) equal to the amount specified by the amortization schedule attached as **Exhibit A**. All Full Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; (b) accrued and unpaid interest; and (c) reduction of the principal balance of the Funding Amount. The unpaid principal balance of the Funding Amount, together with accrued and unpaid interest and unpaid fees and costs incurred, will be due and payable on the date that is the earlier of (a) the forty-fourth (44th) anniversary of the date that is the first day of the first full month following the date the Deed of Trust is recorded in the Official Records or (b) the fortieth (40th) anniversary of the Conversion Date (the “**Maturity Date**”). Any Payment Date, including the Maturity Date, that falls on a weekend or holiday will be deemed to fall on the next succeeding business day.

5. Security. Maker's obligations under this Note are secured by the Deed of Trust.

6. Terms of Payment.

6.1 All Payments must be made in currency of the United States of America then lawful for payment of public and private debts.

6.2 All Payments must be made payable to Holder and mailed or delivered in person to Holder's office at One South Van Ness Avenue, 5th Floor, San Francisco, CA 94103, or to any other place Holder from time to time designates.

6.3 In no event will Maker be obligated under the terms of this Note to pay interest exceeding the lawful rate. Accordingly, if the payment of any sum by Maker pursuant to the terms of this Note would result in the payment of interest exceeding the amount that Holder may charge legally under applicable state and/or federal law, the amount by which the payment exceeds the amount payable at the lawful interest rate will be deducted automatically from the principal balance owing under this Note.

6.4 Maker waives the right to designate how Payments will be applied pursuant to California Civil Code Sections 1479 and 2822. Holder will have the right in its sole discretion to determine the order and method of application of Payments to obligations under this Note.

6.5 Except as otherwise set forth herein or in the Agreement, no prepayment of this Note will be permitted without Holder's prior written consent.

7. Default.

7.1 Any of the following will constitute an Event of Default under this Note:

(a) Maker fails to make any Payment required under this Note within ten (10) days of the date it is due; or

(b) the occurrence of any other Event of Default under the Agreement or other instrument securing the obligations of Maker under this Note or under any other agreement between Maker and Holder with respect to the Project.

7.2 Upon the occurrence of any Event of Default, without notice to or demand upon Maker, which are expressly waived by Maker (except for notices or demands otherwise required by applicable laws to the extent not effectively waived by Maker and any notices or demands specified in the City Documents), Holder may exercise all rights and remedies available under this Note, the Agreement or otherwise available to Holder at law or in equity. Maker acknowledges and agrees that Holder's remedies include the right to accelerate the Maturity Date by declaring the outstanding principal balance of the Funding Amount, together with all accrued

and unpaid interest and unpaid fees and costs incurred, due and payable immediately, in which case, the Maturity Date will be superseded and replaced by the date established by Holder.

7.3 Subject to this Section, Holder will not seek or obtain judgment against Maker for the payment of any amounts due under this Note following a judicial or nonjudicial foreclosure of the Deed of Trust, and Holder's sole recourse against Maker for any default under this Note will be limited to the collateral for the Loan, *provided, however*, that this Section will be deemed void and of no effect if Maker challenges Holder's right to foreclose following an Event of Default in any legal proceeding on the grounds that the City Documents are not valid and enforceable under California law. This provision does not limit in any way Holder's right to recover sums arising under any obligation of Maker to indemnify Holder of sums incurred by Holder as a result of Maker's fraud, willful misrepresentation, misapplication of funds (including Loan Funds and Rents (as defined in the Deed of Trust)), waste or negligent or intentional damage to the collateral for the Loan.

Notwithstanding the foregoing, the Limited Partner (as defined in the Agreement) will have the right, but not the obligation, to cure any Event of Default prior to Holder exercising any of its applicable remedies, and Holder will accept or reject such cure on the same terms as if rendered by Maker.

8. Waivers.

8.1 Maker expressly agrees that the term of this Note or the date of any payment due hereunder may be extended from time to time with Holder's consent, and that Holder may accept further security or release any security for this Note, all without in any way affecting the liability of Maker.

8.2 No extension of time for any Payment made by agreement by Holder with any person now or hereafter liable for the payment of this Note will operate to release, discharge, modify, change or affect the original liability of Maker under this Note, either in whole or in part.

8.3 The obligations of Maker under this Note are absolute, and Maker waives any and all rights to offset, deduct or withhold any Payments or charges due under this Note for any reason whatsoever.

9. Miscellaneous Provisions.

9.1 All notices to Holder or Maker must be given in the manner and at the addresses set forth in the Agreement, or to the addresses Holder and/or Maker hereafter designate in accordance with the Agreement.

9.2 In the event of any legal proceedings arising from the enforcement of or a default under this Note or in any bankruptcy proceeding of Maker, the non-prevailing party promises to pay all reasonable costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the proceeding, as provided in the Agreement.

9.3 This Note may be amended only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

9.4 This Note is governed by and must be construed in accordance with the laws of the State of California, without regard to the choice of law rules of the State.

9.5 Time is of the essence in the performance of any obligations hereunder.

[signature follows]

“MAKER”:

1303 Larkin Street, L.P.,
a California limited partnership

By: 1303 Larkin Street LLC,
a California limited liability company,
its general partner

By: Chinatown Community Development Center, Inc.,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Malcolm Yeung,
Executive Director

Exhibit A
Amortization Schedule

Free Recording Requested Pursuant to
Government Code Section 27383 and 27388.1

Recording requested by and
when recorded mail to:

City and County of San Francisco
Mayor's Office of Housing
and Community Development
1 South Van Ness Avenue, 5th Floor
San Francisco, California 94103
Attn: Housing Loan Administrator
APN#: 0645-037

-----Space Above This Line for Recorder's Use-----

**[AMENDED AND RESTATED]
DECLARATION OF RESTRICTIONS AND
AFFORDABLE HOUSING COVENANTS
1303 Larkin Street, San Francisco, CA**

THIS [AMENDED AND RESTATED] DECLARATION OF RESTRICTIONS AND AFFORDABLE HOUSING COVENANTS (this "Declaration") is made as of _____, 2025, by **1303 LARKIN STREET, L.P.**, a California limited partnership, in favor of the **CITY AND COUNTY OF SAN FRANCISCO**, represented by the Mayor, acting by and through the Mayor's Office of Housing and Community Development (the "City").

RECITALS

A. The City is making a loan (the "Loan") to Borrower of PASS Program, Hotel Tax Fund, and HOME Program funds to finance costs associated with the development of the leasehold interest in the real property described in Exhibit A attached hereto and incorporated herein by reference (the "Property") as low-income affordable housing (the "Project"). The Loan is evidenced by, among other documents, an Amended and Restated Loan Agreement between the City and Borrower dated on or about the date of this Declaration, as it may be amended from time to time (the "Agreement"). The Agreement is incorporated by reference in this Declaration as though fully set forth in this Declaration. [This Declaration amends and restates the Declaration of Restrictions between the City and [_____] dated as of [_____] and recorded in the Official Records of the City and County of San Francisco ("Official Records") on [_____] as Document No. [_____.] Definitions and rules of interpretation set forth in the Agreement apply to this Declaration.

B. Pursuant to the Agreement, Borrower has agreed to comply with certain affordability covenants and other use and occupancy restrictions set forth in the Agreement (collectively, the "Regulatory Obligations"), commencing on the date the Deed of Trust is recorded in the Official Records of San Francisco County, and continuing for the Life of the Project (the "Compliance Term"), even if the Loan is repaid or otherwise satisfied or the Deed of Trust is reconveyed.

AGREEMENT

Now, therefore, in consideration of the City providing the Loan in accordance with the City Documents, Borrower agrees as follows:

1. Borrower will comply with the Regulatory Obligations and this Declaration through the expiration of the Compliance Term, regardless of any reconveyance of the Deed of Trust. Specifically, Borrower agrees as follows, subject to additional terms as set forth in the Agreement:

1.1 With the exception of one Unit reserved for the manager of the Project, Units in the Project will at all times be rented only to tenants who qualify as Qualified Tenants at initial occupancy as follows. The income restrictions must comply with Median Income, as determined by MOHCD, but will not exceed the Maximum HUD Income Level. Specifically:

Unit Size	No. of Units	Maximum Income Level
SRO	20	60% of Median Income
Studio	29	60% of Median Income
One-Bedroom	18	60% of Median Income
One-Bedroom	1	Manager's Unit

Number of Units	Home Rent Category	Maximum Rent
12	High HOME Rents	Maximum Rent is the Lesser of: 1) Fair market rent for existing housing for comparable units in the area, as established by HUD; or 2) 30% of 65% of median income, as established by HUD and published annually.
3	Low HOME Rents (must be at least 20% of all units on projects with 5 or more HOME-assisted units)	Maximum Rent is the Lesser of: 1) the Low HOME rent, as established by HUD and published annually; or, 2) Borrower's choice of either: 30% of 50% of median income, as established by HUD and published annually; or 30% of actual adjusted income

Borrower further covenants that no HOME funds will be allocated to the construction or rehabilitation of a manager's Unit. If the Project contains 5 or more units, at least 20% must be reserved for very low-income Tenants, as defined under the HOME program regulations.

In addition, 49 of the Units must be rented at all times to tenants holding Section 8 vouchers or certificates or an equivalent rental subsidy program as long as these subsidies are available. Of those 49 Units, 32 Units will be constructed and/or rehabilitated as mixed finance public housing units and then converted to Section 8 vouchers or certificates or an equivalent rental subsidy program pursuant to the RAD Program.

1.2 The total amount for rent and utilities (with the maximum allowance for utilities determined by the San Francisco Housing Authority) charged to a Qualified Tenant may not exceed:

(i) thirty percent (30%) of the applicable maximum income level, adjusted for household size; or

(ii) the tenant paid portion of the contract rent as determined by the San Francisco Housing Authority for Qualified Tenants holding Section 8 vouchers or certificates.

1.3 For the avoidance of any doubt, notwithstanding any repayment of the Loan or otherwise satisfied or if the Deed of Trust is reconveyed, Borrower will comply with the applicable terms of the Agreement as if fully set forth herein, including, without limitation, Article 6 (Marketing), Article 7 (Affordability and Other Leasing

Restrictions), Article 8 (Maintenance and Management of the Project), Article 9 (Governmental Approvals and Requirements), Article 10 (Project Monitoring, Reports, Books and Records), Article 11 (Use of Income From Operations), Article 12 (Required Reserves), Article 16 (Transfers), Article 17 (Insurance and Bonds; Indemnity), Article 18 (Hazardous Substances), and Article 19 (Default).

2. Borrower hereby subjects the Property to the covenants, reservations and restrictions set forth in this Declaration and the Agreement. This Declaration and the Regulatory Obligations constitute covenants running with the land, including the leasehold interest and bind successors and assigns of Borrower and any non-borrower owner and lessee of the Property and will pass to and be binding upon Borrower's successors in title to the Property. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any portion thereof will conclusively be held to have been executed, delivered and accepted subject to the covenants, reservations and restrictions in this Declaration, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments.

3. If Borrower fails to (i) comply with the Regulatory Obligations and this Declaration to the City's satisfaction, in its sole discretion, and (ii) cure such default as set forth in **Section 19.1(c)** of the Agreement, the City will have the right to pursue any available remedy at equity or in law, including as set forth in **Section 19.2** of the Agreement, to enforce this Declaration. During the Compliance Term, the City may rely on the Deed of Trust and/or this Declaration, in the City's discretion, to enforce any of the City's rights under the City Documents. Borrower will pay the City's reasonable costs in connection with the City's enforcement of the terms of this Declaration and Regulatory Obligations, including, without limitation, the City's attorneys' fees and costs.

[SIGNATURES ON THE NEXT PAGE]

City and Borrower have executed this Declaration as of the date first written above.

CITY:

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

By: _____
Daniel Adams, Director

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: _____
Jessica Alfaro-Cassella
Deputy City Attorney

BORROWER:

1303 Larkin Street, L.P.,
a California limited partnership

By: 1303 Larkin Street LLC,
a California limited liability company,
its general partner

By: Chinatown Community Development
Center, Inc.,
a California nonprofit public benefit
corporation,
its sole member/manager

By: _____
Malcolm Yeung,
Executive Director

[ALL SIGNATURES MUST BE NOTARIZED]

EXHIBIT A

Legal Description of the Property

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

A Leasehold interest as created by that certain lease dated _____, 2025, by and between United States Postal Service, an independent establishment of the executive branch of the Government of the United States, as Lessor, and 1303 Larkin Street, L.P., a California limited partnership, as Lessee, upon the terms and provisions contained in said lease, evidenced by that certain Memorandum of Air Rights Lease dated _____, recording concurrently herewith, in and to the following:

PARCEL A:

Parcel II as delineated on that certain map entitled, "Parcel Map of Polk Gulch Senior Housing, showing the subdivision of airspace, being a portion of Western Addition Block No. 15, also being a resubdivision of Lot 4, Assessor's Block No. 645, San Francisco, California", which map was filed for record in the office of the Recorder of the City and County of San Francisco, State of California, on September 2nd, 1992, in Book 41 of Parcel Maps, at Pages 66 to 68, inclusive.

PARCEL B:

Easements for structural support, access, utility and encroachment purposes all as contained in "Easement Agreement" and subject to the terms, provisions, conditions and restrictions contained therein by and between United States Postal Service and Larkin Pine Limited Partnership recorded August 27, 1993 in Book F952, Page 213, of Official Records, and as amended by First Amendment to Easement Agreement dated _____, recording concurrently herewith.

Street Address: 1303 Larkin Street, San Francisco, CA 94109

EXHIBIT B
HUD Rider



1303 LARKIN STREET

BUDGET AND FINANCE
COMMITTEE

OCTOBER 22, 2025

MAYOR'S OFFICE OF HOUSING AND
COMMUNITY DEVELOPMENT

I 303 LARKIN STREET

Budget and Finance Committee – October 22, 2025

1

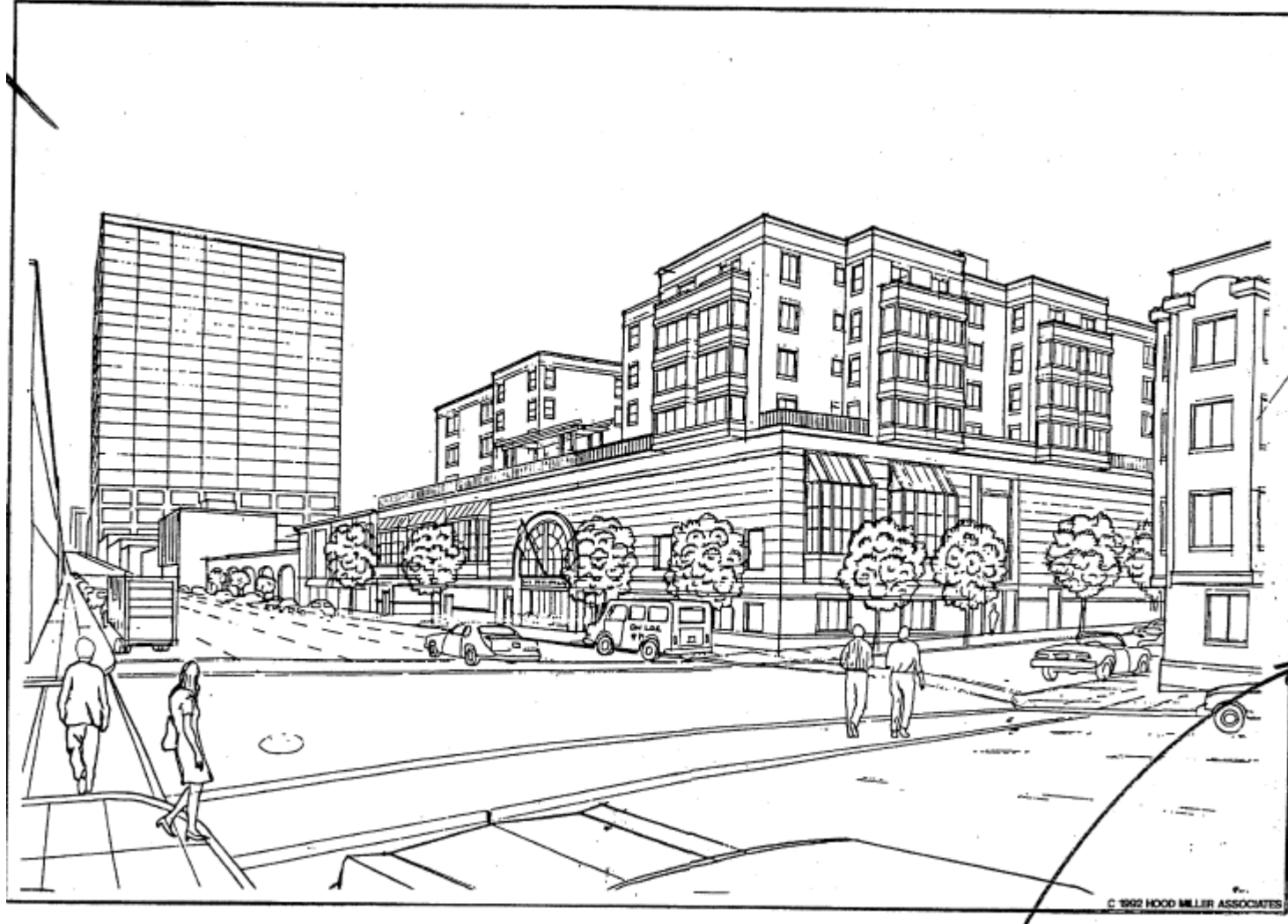
File #251007

Resolution authorizing execution and delivery of tax-exempt and taxable bond funds of up to \$19,000,000

2

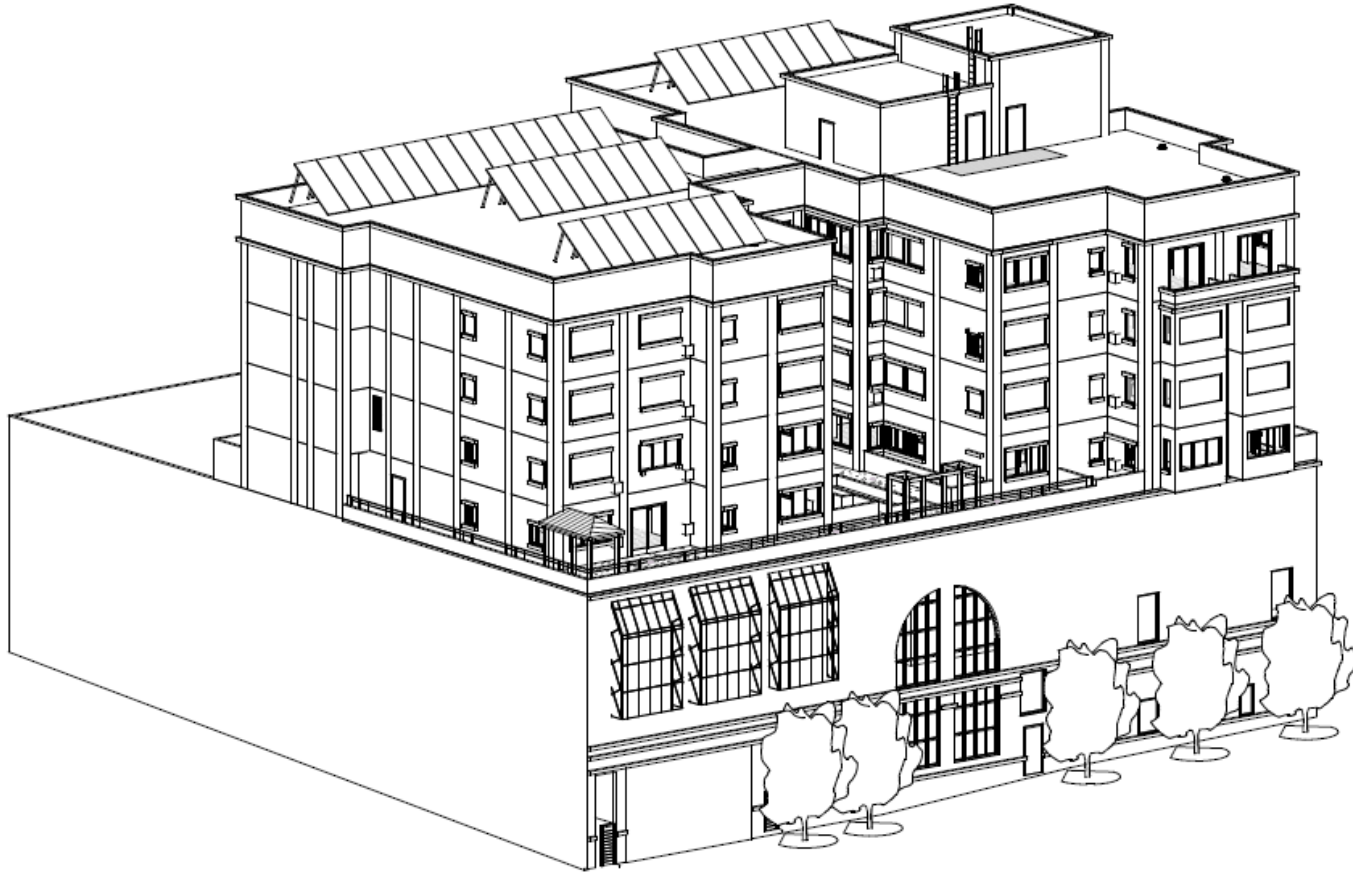
File #251008

Resolution approving MOHCD loan agreement up to \$18,502,27 including reconfiguration of existing funds and a PASS perm loan with no new subsidy funds



1303 LARKIN STREET

- 100% affordable housing serving seniors
- Development Sponsor is Chinatown Community Development Center
- Currently 63 units, which will add 5 units for a final total of 68 units
- 48 units will have Project Based Section 8 contract
- All units restricted at 60 AMI MOHCD but serving much lower income households, average AMI is 17%



REHAB SCOPE

- Adding 5 units
- Also converting 43 existing SROs to studio or 1-bedroom with kitchen and bathroom remodel
- Converting property to all electric
- Replacing exterior and windows to ensure waterproofing
- Upgrading plumbing and mechanical systems

FINANCING

- Total Costs: \$39.5M
 - MOHCD: \$18.5M
 - \$11.9M PASS mortgage
 - \$6.6M recast of existing debt
 - HCD Existing Loan: \$3.5M
 - Tax Credit Equity: \$13.1M
 - CCDC Sponsor Loan: \$1M

TIMELINE

- Construction to begin December 2025
- Construction finish March 2027
- Lease up Complete May 2027



William Wilcox, *Bond Program Manager*
Mayor's Office of Housing and Community Development

Thank you!



NOTICE OF FUNDING AVAILABILITY

Existing Nonprofit Owned Rental Housing Capital Repairs

Issue Date: February 17, 2023
Application Due Date: April 28, 2023

*Issued by the Mayor's Office of Housing and Community Development
of the City and County of San Francisco (City)*

Available Funds: up to **\$20,000,000** for capital improvements and repairs in existing affordable housing units serving low-income households, including homeless households

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I. INTRODUCTION

In order to promote the ongoing viability of permanently affordable housing for residents of San Francisco, including families, homeless households, veterans, and seniors—communities that have traditionally been underserved by affordable housing—the Mayor's Office of Housing and Community Development (MOHCD) announces the availability of funds for emergency repairs or capital improvements in existing affordable housing units serving low-income households, including homeless households. Eligible improvements must be identified in a Capital Needs Assessment (CNA) in the past five years.

The approved FY22-23 City Budget includes \$10 million for renovating existing MOHCD-subsidized affordable housing. MOHCD is adding \$10 million in other sources, including Community Development Block Grant (CDBG) funds from the US Department of Housing and Urban Development (HUD). This \$20 million total in funding to support building renovations will be the first funding opportunity of its kind in over six years.

MOHCD's portfolio of affordable properties include some of the oldest buildings in the City, stretching back to the 1880s. Indeed, MOHCD has been funding the acquisition of aging buildings since the 1980s. Many of these buildings were substantially rehabbed at the time they were acquired and converted to affordable housing.

Most of the 400+ affordable housing properties that have received funding from MOHCD and its predecessor City agencies are required to provide regular updates to MOHCD on their property capital improvement needs. Approximately one-third have provided recent Capital Needs Assessments (CNAs) to the City for review and monitoring. These reports identify urgent, immediate- and short-term capital replacement and repair needs with a collective cost of nearly \$61 million. The average funding needed to fully cover the hard construction costs of making these repairs is \$538,000 per property. Thirteen (13) properties report a need for more than \$500k in repairs; and sixteen (16) properties report the need for more than \$1 million in major repairs or rehabilitation. Recent surveys by the Department of Homelessness and Supportive Housing (HSH) substantiate similarly significant needs in nonprofit and privately owned buildings providing housing to homeless households.

This Notice of Funding Availability (NOFA) is intended to help qualified applicants address unmet needs for emergency repairs or capital improvements identified in a CNA conducted within the past five years (since January 2018), by providing long-term residual receipts loans to supplement other resources that may be available for this purpose.

Emergency repairs address items that present an immediate threat to the health, safety, and/or quality of life of the tenants. Capital improvements address items that are needed to maintain the habitability, improve its functionality, suitability to target population, or to protect, expand or deepen affordability.

Applicants whose needs are particularly urgent, have the fewest alternate sources of financing, and are ready to move forward with their improvements by the end of 2023 will be prioritized as will those properties that can demonstrate that they will not need further MOHCD capital in the next five (5) years.

MOHCD will select proposals that demonstrate an ability to achieve these outcomes:

- **Preserve** the quality of affordable housing by completing urgent capital repairs related to life safety, accessibility, or structural integrity, for which City funding creates project feasibility
- Complete the scope of work within **three years** from award date
- Incorporate additional MOHCD priorities in the renovation scope of work, such as integrated pest management (**IPM**) and **electrification** of building systems
- Align with the implementation of **City policies** on anti-displacement, racially inclusive communities, and creating stable housing for vulnerable populations
- Create opportunities for **Emerging Developers**¹ (smaller organizations) in primary development roles, as members of the development team, or as key members of selected development teams
- Select partners that are able to work with MOHCD to deploy city resources, tools and expertise **to rehabilitate developments that are responsive to populations disproportionately impacted by systemic racism.**

Eligible properties are limited to existing nonprofit-owned housing previously funded by MOHCD (including both limited partnerships with a nonprofit managing general partner and direct 501c(3) ownership) that have not been significantly recapitalized (more than \$75,000 per unit) in the last 15 years. MOHCD anticipates making 10-20 awards. Loans will range between a minimum of \$1 million and a maximum of \$4 million, and per unit funding from MOHCD should not exceed \$100,000.

Applicants (including sole applicants or co-General Partners) are limited to two applications each, with an exception for a third application for \$500,000 for small properties (25 units or fewer). MOHCD encourages Applicants to bundle several capital projects together under one application to minimize administrative burdens.

Funds issued under this NOFA will be available in late Fall 2023, per schedule below. MOHCD reserves the right to select any number of projects they determine appropriate, given available resources and in order to fulfill the express goals of the NOFA to preserve the City's investment in its affordable housing portfolio and make significant improvements to quality of life for San Francisco's affordable housing residents.

¹ Emerging Developer means a nonprofit organization, including a Tribal Entity, that has rehabilitated at least one (1) but not more than three (3) Projects that are equivalent to the Proposed Project in size, scale, amenity, and target population.

Note that with regard to the minimum requirements under this NOFA, the City will determine experience by evaluating the experience of the entity itself, the experience of senior staff within the organization, the applicant's proposed entity (in a joint venture or by contract) that meets the experience requirements.

II. IMPORTANT DATES AND SUBMISSION PROCESS

A. IMPORTANT DATES

NOFA Issued	FEBRUARY 17, 2023
Pre-submission conference via Zoom or MS Teams	MARCH 1, 2023
Deadline for questions and requests for additional information	APRIL 7, 2023
Proposal Submissions Due	APRIL 28, 2023
Notification to Project teams who met submission requirements	MAY 19, 2023
Project team interviews, if necessary	EARLY JUNE 2023
Announcement of selection of projects	JUNE 2023
Deadline for Objections	MID-JULY 2023
Loan Committee	ROLLING 2023
Execute Funding Agreements	ROLLING 2023

B. PRE-SUBMISSION MEETING

MOHCD will hold a pre-submission conference via Microsoft Teams on **March 1, at 2:00 p.m.** The purpose of the meeting is to ensure that interested applicants understand the minimum qualifications requirements and the selection process.

Microsoft Teams meeting

Join on your computer, mobile app or room device

[Click here to join the meeting](#)

Meeting ID: 293 336 121 491

Passcode: fG2d7M

[Download Teams](#) | [Join on the web](#)

Questions raised at the conference may be answered verbally at that time. If any substantive new information is provided in response to questions raised at the pre-submission conference, MOHCD will issue a written addendum to the NOFA (in the form of a Question and Answers document) with this information to all parties that have registered for the NOFA. No questions or requests for interpretation will be accepted after April 7, 2023. Attendance at the pre-submission conference is highly recommended but not mandatory.

C. REGISTRATION FOR NOFA REQUIRED

To receive MOHCD's responses to requests for additional information and to questions about this NOFA, and to submit a proposal, all interested parties must submit a completed NOFA Registration Form (<https://forms.office.com/g/dyenqpGUAc>) by April 7, 2022. All addenda, responses, and instructions for electronic submission will be distributed to all registered parties. MOHCD reserves the sole right to determine the timing and content of the response, if any, to all questions and requests for additional information. Questions and information requests should be submitted to the contact person identified in Section IIE below.

D. QUESTIONS AND REQUESTS FOR INFORMATION

All questions and requests for additional information regarding this NOFA must be submitted by e-mail to mohcdHFOpps@sfgov.org. Questions received after the April 7 deadline may not be answered. All addenda, responses, and additional information will be distributed to all parties who have registered in accordance with Section IIC.

E. CONTACT PERSON, SUBMISSION DEADLINE AND PLACE

All communications about this NOFA should be directed to Mara Blitzer, Director of Special Projects at MOHCD, at mohcdHFOpps@sfgov.org.

Respondents to this NOFA must submit one (1) electronic copy of each of their proposals to MOHCD no later than 4:00 PM, April 28, 2023. **Proposals are to be delivered by email at mohcdHFOpps@sfgov.org by providing a DropBox link. Respondents who submit registration forms will be advised of any information necessary for the electronic submittal process.**

F. FINAL REVIEW AND COMMITMENT OF FUNDS

Selected applications will be scheduled for review and funding commitment by the Citywide Affordable Housing Loan Committee. All commitments recommended by the Loan Committee are subject to final approval by the Mayor. Commitments may be conditional; actual closings and disbursements of funds may be contingent on applicants' achievement of certain development benchmarks or performance goals.

The City reserves the right to commit funds to a successful applicant in an amount that differs from the originally requested amount. The City also reserves the right to award an aggregate amount that exceeds the amount identified as available under this NOFA if necessary to fully fund a selected project.

III. PROJECT EXPECTATIONS

A. THRESHOLD ELIGIBILITY REQUIREMENTS

1. The affordable housing property seeking funds must have the following characteristics.
 - a) It must be located in the City and County of San Francisco.
 - b) It must be owned and operated by a 501(c)(3) nonprofit public benefit corporation or a limited partnership or limited liability company whose managing general partner is a 501(c)(3) nonprofit public benefit corporation that is in compliance with the California Attorney General's Charitable Trust Registry.
 - c) It must have been previously funded by MOHCD, the Office of Community Investment and Infrastructure (OCII), or the San Francisco Redevelopment Agency (RDA), and not in default under MOHCD's agreements, including but not limited to loan agreements and/or regulatory agreements.
 - d) It must not have undergone a major recapitalization (greater than \$75,000 per unit) in the previous 15 years.
2. The work to be performed must:
 - a) Address conditions that threaten the health and/or safety of a building's occupants, such as mold, water intrusion, lead and pest remediation, damaged or inadequate fire/life-safety systems or ADA-compliance.
 - b) Replace building components or systems that contribute to a building's inefficient use of energy or whose condition requires unreasonable and excessive maintenance and repair expenditures.
3. The need for urgent, immediate or short-term improvements must be documented.
 - a) It must be identified in a CNA as an immediate or short-term need for capital investment. Short-term improvements are defined as improvements that must be completed within 12 to 24 months.
 - b) In addition to a CNA, respondents may provide evidence of need in the form of notices of violation, failed inspection reports, and/or third party technical reports on major systems, such as roofing, elevators or HVAC.

B. ALIGNMENT WITH CITY RACIAL EQUITY GOALS

The City is required to affirmatively further fair housing as established by the State of California and the US Department of Housing and Urban Development.

Pursuant to San Francisco Administrative Code Chapter 47, MOHCD has adopted explicit policies in its Certificate of Preference (COP), and Displaced Tenant programs, which provide historically displaced and vulnerable populations who reside within the community preference in obtaining access to quality affordable housing. In an effort to redress past and present inequities, the selection process for this NOFA will favor applicants who have direct experience working with COP holders, or populations who share characteristics with the COP population.

Proposals should address the following racial and social equity goals:

- Maximize the number of priority placements (COP holders, etc.)
- Maximize (meet or exceed) the City's requirements for promotion of SBE/LBE organizations with contracts and local hiring with construction labor
- Create opportunities for growth of Emerging Developers (smaller organizations) in development role or member of development team.
- Provide initial draft marketing plans within 6 months of anticipated completion of scope of work/re-rental of vacant units, if applicable, outlining the affirmative steps applicants will take to market each housing property to the City's preference program participants including Certificate of Preference (COP) Holders and Displaced Tenants, as well as how the marketing is consistent with the Mayor's Racial Equity statement and promotion of positive outcomes for African American San Franciscans. (Note: not applicable for units that take referrals from Coordinated Entry or the San Francisco Housing Authority.)
- Submit responses to requests for demographic data regarding the Boards of Directors of the applicant organization and of the staff of the Respondents that are selected. This data will not be evaluated or scored.

Note: upon entry into loan agreement with MOHCD, applicants must agree to use DAHLIA and current marketing requirements. Please see Section E below.

C. ALIGNMENT WITH MOHCD DEPARTMENT GOALS

1. Applicants should align their proposals with MOHCD's Theories of Change in the 2020-2024 Consolidated Plan at [this link](#). MOHCD is addressing the City's priority needs through five interconnected, multidisciplinary objectives that cross program areas and leverage strategies both internally and across multiple city departments. These five objectives are:
 - Objective 1: Families and individuals are stably housed
 - Objective 2: Families and individuals are resilient and economically self-sufficient
 - Objective 3: Communities have healthy physical, social, and business infrastructure
 - Objective 4: Communities at risk of displacement are stabilized
 - Objective 5: The City works to eliminate the causes of racial disparities

MOHCD has also identified five target populations based on the findings from the Consolidated Plan community engagement process. These are:

- Households experiencing a legacy of exclusion
- Households destabilized by system trauma
- Households with barriers to access to opportunities
- Extremely and very low-income households
- Households at risk of displacement.

D. ELIGIBLE USES OF FUNDS

Funds awarded through this NOFA may be used to pay the following residential construction costs.

- Construction contract payments for capital repair/rehabilitation work. Note that CNA estimates of construction costs are not sufficient documentation of funding need. Bids from relevant contractors or estimates from third party technical experts are recommended at time of NOFA response and required prior to Loan Committee approval. Estimates must assume use of applicable prevailing wage standards.
- Architectural and engineering expenses.
- Temporary tenant relocation expenses if necessary.
- Construction period insurance, permit fees and other costs associated with the rehabilitation work.
- Other necessary soft costs associated with the rehabilitation work.
- Legal and transactional costs associated with closing MOHCD funding.
- Applicant's project management and construction management expenses limited to no more than 15% of construction or repair hard costs.
- Capitalized replacement reserves if necessary to ensure the adequacy of such reserves to meet anticipated capital improvement needs.
- Completion of an updated CNA that anticipates future capital improvement needs for at least 15 years, and associated reserve analysis.
- Commercial construction costs only eligible to the extent that repairs are required to maintain habitability of the entire building. Commercial tenant improvements are not eligible for funding under this NOFA.

E. SUMMARY OF FUNDING TERMS

Funds are anticipated to be provided as loans. Loans will be interest bearing where financially feasible and may be deferred or require repayment depending on the circumstances.

Current MOHCD standard loan terms include the following terms that will be incorporated into funding agreements that result from this NOFA.

- Income Limits

MOHCD seeks to work with applicants to insure and deepen long-term affordability at each housing property. Upon completion of the rehabilitation work pursuant to this NOFA, all units shall be reoccupied at turnover by or held vacant for households earning no more than 60% Area Median Income (AMI) for San Francisco, adjusted for family size but not high cost area (often referred to as "unadjusted"), as published by MOHCD, and maximum rents may not exceed 30% of 60% AMI for San Francisco, as established by MOHCD and available on the MOHCD website. MOHCD will consider an exception to this requirement for units that are currently restricted at 80% AMI. Units occupied by households whose incomes exceed 80% of AMI at the time funds are awarded under this NOFA may continue to be occupied by those households. However, upon vacancy of these units, they must be occupied by households earning no more than 60% AMI as published by MOHCD.

- Affordability Term

Furthermore, upon completion of any rehabilitation pursuant to this NOFA, affordability

restrictions associated with prior City financing notwithstanding, the minimum term of affordability required for all units in the building will be for the life of the project, but no less than 75 years from the date of recordation of the new deed of trust.

Updated affordability requirements will be codified in a revised City Declaration of Restrictions that will be recorded on title.

- Capital Needs Assessment
Sites must prepare and an updated Capital Needs Assessment (CNA) every five (5) years for MOHCD approval, in accordance with the CNA policy as it is amended from time to time.
- Replacement Reserve Account
Sites must make annual deposits into a Replacement Reserve Account, in accordance with the 20-year replacement reserve analysis contained within the most recently approved CNA.
- Marketing
Before advertising the availability of units for lease in a housing property or the opening of the waiting list, NOFA fund recipients will complete a marketing plan for MOHCD approval. Once the marketing plan is approved, MOHCD will post information about the available units or opening of the wait list on DAHLIA—the City's online application portal for affordable housing. Housing preferences may apply.
- Annual Monitoring
Sites will be monitored from time to time to assure compliance with loan terms. NOFA fund recipients will file an Annual Monitoring Report that includes but is not limited to: tenant occupancy information, audited financial statements, tenant demographics, eviction information.
- Other MOHCD Policies
Sites that may not be subject, under existing loan agreements, to current MOHCD policies, such as the Operating Fees Policy, Residual Receipts Policy, and Hold Harmless Policy, will be subject to current policies.

F. AWARD LIMITATIONS

Requests for funding are limited to \$4 million per application, with a minimum request of \$1 million (see exception below) and not to exceed \$100,000 per unit.

Applicants are limited to two applications each, with an exception for a third application for minimum of \$250,000 and maximum of \$500,000 for small properties (less than 25 units).

To the extent practical, MOHCD encourages applicants to bundle several rehabilitation projects together under one application to minimize administrative burdens. Bundled applications must be owned by the same nonprofit or general partner entity and are expected to share one operating reserve and one replacement reserve upon entry into the new loan agreement.

IV. SELECTION PROCESS, MINIMUM CAPACITY AND EXPERIENCE REQUIREMENTS, MINIMUM APPLICATION REQUIREMENTS, SELECTION CRITERIA AND SCORING, AND SUBMITTAL REQUIREMENTS OVERVIEW

A. SELECTION PROCESS

MOHCD staff will review all submittals for completeness and satisfaction of minimum experience and capacity requirements (see Section D, Submittal Requirements Section below). If a submittal does not meet minimum experience and capacity requirements, the respondent may submit an appeal to MOHCD staff on technical grounds only.

A Selection Panel appointed by the Director of MOHCD will include persons with expertise in such areas as development, affordable housing finance, affordable housing construction management, community development, commercial space development, property and asset management, housing access/marketing, and/or housing and services for homeless households.

The Selection Panel will determine the final ranking of all responses and present this ranking to the Director. The Selection Panel's scoring of each proposal will be done by consensus and will be final.

The Director will then select Proposals(s) for this funding pool and advise the Mayor of these selections. MOHCD and the selected applicants will enter into loan agreements with milestones established in accordance with the terms of this NOFA. If MOHCD staff cannot enter into a loan agreement with a selected applicant that is in the best interest of the City, the MOHCD Director may terminate negotiations in his sole discretion. If the MOHCD Director terminates negotiations with a selected applicant, the MOHCD Director reserves the right, in his sole discretion, to (1) negotiate with the next highest ranked Respondent, or (2) reject any and all other proposals, in whole or in part, prior to award, and (3) may re-advertise the NOFA for the full or partial funding amount under such terms the MOHCD Director deems to be in the City's best interest. MOHCD reserves the right to appoint additional parties to the selected applicant should it be determined that the team lacks representation necessary to achieve the NOFA's goals.

B. MINIMUM PROPOSAL REQUIREMENTS.

1. Proposals must demonstrate financial feasibility and include a Financing Plan, including a detailed Sources and Uses Budget, that utilizes the most current version of the Mayor's Office of Housing and Community Development's Underwriting Guidelines, available on the MOHCD website (see <https://sfmohcd.org/housing-development-forms-documents>).
2. Proposals must demonstrate—through provision of specific examples of inputs used for estimating, including prevailing wages—that the project's total budget, as well as its specific line items, is comparable to recent and similar projects, to industry standards, and is compliant with funding source regulations, MOHCD policy, and most recent underwriting guidelines. Cost per unit, per square foot (land area and building space), per

bed or bedroom will be examined relative to total cost, City subsidy, and construction cost.

3. Proposals must provide a construction cost estimate that reflects current construction costs, including prevailing wages, and show escalation assumptions as a separate line item.
4. Proposals must include an operating budget that includes all expenses necessary to properly operate and maintain the building.
5. Proposals that include any tenant displacement/relocation (including any relocation of commercial uses) must include a full relocation plan and budget.
6. Proposals must include a community engagement plan that demonstrates the capacity to generate necessary resident and neighborhood support for the proposed scope of work. Include any evidence of support expressed to date for the project, as well as plans for community engagement with residents and neighbors going forward.
7. As applicable, Proposals must include a description of how any commercial vacancies will be addressed.
8. Proposals must include demographic data regarding the Boards of Directors of member organizations of the applicants' teams and staff.

C. SELECTION CRITERIA AND SCORING

All applications that meet the above Threshold Eligibility Requirements (see Section III.A) and Minimum Proposal Requirements will be scored and ranked according to the following selection criteria.

	Category	Points
A.	ALIGNMENT WITH CITY GOALS	10
i.	Demonstrates experience working with or placing COP holders or populations who share characteristics with COP populations. Demonstrates how Applicant has previously promoted and plans to promote under the proposed scope of work, SBE/LBE organizations with contracts and local hiring.	5

ii.	Describes how development aligns with MOHCD's 2020-2024 Consolidated Plan by addressing one (1) or more of the identified objectives. Describes how the site serves one (1) or more of the identified five (5) target populations.	5
B. URGENCY		25
i.	Demonstrates need for urgent repairs through CNA, Notice of Violation (NOVs), Field Inspection report, and/or Third Party technical report. (Max points for scope that includes NOVs). Documentation of work orders for repairs and/or requests for ADA accommodations are encouraged.	15
ii.	Extent to which applicant has capacity to enter into a loan agreement with MOHCD by end of 2023. Extent to which applicant can complete full scope of work within 3 years (by Spring 2026).	10
C. NEED		35
i.	Extent to which average occupant income is less than 40% AMI. (Sliding scale of points, more points for lowest AMI)	10
ii.	Extent to which Replacement Reserves (available as of 12/31/2022) are less than \$5k/unit and insufficient to meet immediate and short-term capital improvement needs as recommended in a CNA. (Sliding scale, most points for least reserves)	5
iii.	Number of years since major recapitalization. (Sliding scale, most points for most time elapsed.)	5
iv.	Property applied for funding under the 2016 ENP NOFA and was not funded, nor has secured other funding or addressed the need identified in the 2016 NOFA response.	5
v.	Demonstrates need to meet City code/requirements for seismic safety, fire safety, and ADA compliance, for example.	5

vi.	Property is not competitive for any of these funding sources: LIHTC 9% (competitive pools) LIHTC 4%/Tax Exempt Bonds MOHCD Cash Out Waiver For tax credits, provide self-score and/or narrative regarding analysis of competitiveness.	5
D. COST AND BUDGET		25
	Appropriateness of Scope relative to documented needs (most points for connection made between proposed scope and materials submitted to receive Urgency points under B. above, which includes a CNA)	5
	Scope meets funding minimum of \$1M and maximum of \$4M, or \$100k/unit, whichever is lower. Projects with 25 or fewer units meet funding minimum of \$250K and maximum of \$500k.	5
	Number of years of project financial feasibility/independence gained from the proposed improvement, including capitalization of replacement reserve (.5 points for each year beyond 5 years, up to 5 points max) Demonstrates that property will not need additional MOHCD capital for at least five (5) years.	5
	Extent to which proposal accounts for necessary communication with residents and neighbors related to the scope of work, and any temporary relocation required, including appropriate budget and communications plan.	5
	Extent to which proposal includes admin costs that will cover staff/consultant(s) fees to insure project completion.	5

E. OPERATIONS		20
	Extent to which applicant has history of compliance with terms of previous financing agreements (subtract .5 point for every site that is out of compliance for income, rent or rent increase compliance issues, or for which an AMR has not been submitted on time in the past 12 months.)	10
	Extent to which rents are currently maximized for tenants who are not rent-burdened (most points for maximized rents.)	5
	Extent to which proposed scope demonstrates cultural competency and includes project partners that will deploy city resources that are responsive to populations disproportionately impacted by systemic racism.	5
F. BONUS POINTS		5
	Emerging Developers are included in the applicant team.	1
	Integrated Pest Management – site study was completed prior to application submission and recommendations from the IPM report must be adopted into the final scope of work.	2
	Electrification – Scope of work achieves full electrification and incorporates climate resilience measures, documents vulnerability to climate change, such as overheating in the building, exposure to unfiltered outdoor air, and vulnerable resident populations, resident benefits, in the form of projected reduction in energy bills or quality of life improvements, such as air conditioning or outdoor air filtration, and demonstrated leverage with rebate programs.	2
TOTAL POSSIBLE POINTS		120

Proposals must score at least 70 points in order to proceed through the selection process.

D. SUBMITTAL REQUIREMENTS OVERVIEW

Applicants to this NOFA must submit one (1) electronic copy of each of their proposals to MOHCD no later than 4:00 PM, April 7, 2023. **Proposals are to be delivered by email at mohcdHFOpps@sfgov.org by providing a DropBox link.**

The application package will include:

- Narrative description of the proposed scope of work, in the applicant's own form; 5 pages maximum
- Required Attachments (these do not count towards the 5 pages maximum):
 1. Form B - Submittal Checklist: Check all items that are included in the submission package.
 2. Form D - Applicant Description, and supporting documents (see below for complete list)
 3. Form G - Projected staffing workload form
 4. Form H - Disclosures Form
 5. Form I – CDLAC Self Score Worksheet
 6. Evidence of Authority (corporate resolution)
 7. MOHCD Proforma Application
 8. Project Schedule (applicant's own form)
 9. Capital Needs Assessment
- Additional attachments, which should include any of the following that are relevant to the proposed scope and describe the extent to which the proposal aligns with the selection and scoring criteria.
 1. Copy of Loan Agreement with MOHCD
 2. Work order log, Notices of Violation, etc, to document need for repairs
 3. Bank Statement as of 12/31/22 showing Capital Reserve Account Balance
 4. IPM site study, if applicable

Description of MOHCD Forms provided:

Form B – Submittal Checklist: Check boxes of all items that will be submitted.

Form D - Applicant Description: Document the name of each organization, names of the organization's Director (or equivalent position) and primary contact persons, and phone numbers and email addresses for each of the following:

- Lead Applicant and Co-Applicant (if applicable)
- Consultant (if applicable)
- Owner(s)
- Property Manager(s)
- Service Provider(s)

For each Lead Applicant and/or Co-Applicant, submit a current copy of the following documents:

- a. **Certificate of Good Standing** from the California Secretary of State
- b. **Certification of 501(c)(3) status** (for nonprofit corporations) from the Internal Revenue Service.
- c. Latest two (2) years of either signed federal income tax returns (including schedules or attachments, if any); or audited financial statements (with management letters, if any).
- d. Proposed Owner's **organizational chart**.
- e. Description of Key Staff Experience – Provide written narrative of **no more than one page** (in Times New Roman font, 12 font size, and 1-inch margins) to document the experience and capacity of key staff, their workloads, and the organizational structure for supporting staff.
- f. Proposed Owner's recent Real Estate Owned (REO) schedule, documenting the number of projects and average number of units/project currently in Owner's asset management portfolio.
- g. Proposed Owner's current asset management staffing, noting job titles, FTEs, and status of each position (filled/vacant).

Form G – Projected Staffing Workload Form: Document the work assignments (existing or contemplated) associated with each staff person expected to work on the Project for Developer

Form H – Disclosures Form: Submit a completed and signed copy of **Form H – Disclosures**, which requires any respondent to this NOFA to disclose defaults, lawsuits, legal proceedings, bankruptcy filings or financial interests affiliated with MOHCD staff or Citywide Affordable Housing Loan Committee members. The individual who signs the form must be authorized to enter into legal agreements on behalf of the applicant.

Form I – CDLAC Self Score Worksheet: Fill out this form for each site to document ineligibility for CDLAC funding.

MOHCD Proforma Application: Request latest version from MOHCD.

Evidence of Authority: Provide a certified corporate resolution of the applicant or, in the case of a partnership, the applicant's general partner, expressly authorizing the applicant to provide a response to this NOFA and, if selected by the City, to enter into negotiations with the City for the acquisition of the site.

Note Regarding Submittals: Applicants may amend their response prior to the submission deadline. However, after the submission deadline, corrections are only allowed if immaterial and at the sole discretion of MOHCD.

V. TERMS AND CONDITIONS OF NOFA

A. APPLICANT RESPONSIBILITIES

The selected applicant will be responsible for all aspects of rehabilitation of the property, including but not limited to the following:

- If the proposed Project/Development has any vacancies, marketing the development to intended target audiences consistent with the goals of this NOFA, most notably outreach to Black communities historically excluded from quality housing or displaced from their neighborhoods.
- Conducting all appropriate due diligence, investigating and determining conditions of the site and the suitability of the site for the proposed scope of work.
- Securing all required permits and approvals, including but not limited to any necessary permits or approvals from the City's Planning Department and Department of Building Inspection, and from Federal and State agencies associated with environmental and historic preservation reviews (including Certificates of Appropriateness) as applicable.
- Obtaining adequate financing for all aspects of the proposed scope of work.
- Designing and rehabilitating the property in a manner that produces a high- quality, enduring living environment.
- Owning, managing, and operating the property in a manner that ensures its long-term financial viability and the ongoing satisfaction of residents.
- Complying with the requirements of any financing for the Development, including but not limited to:
 - a. Equal Employment Opportunities – The Selected applicant will be required to comply with local and federal procurement requirements, including the provision of equal employment opportunities for disadvantaged business consultants, architects, contractors, and other potential members of the project team. To ensure that equal opportunity plans are consistent with City and Federal procurement requirements, applicants should meet with MOHCD and San Francisco Contract Monitoring Division (CMD) staff prior to hiring their team to develop a plan for such compliance. Although the City's Contract Monitoring Division (CMD) does not require prior approval or monitoring of procedures for selecting the architect for purposes of responding to this NOFA, the architect's Small Business Enterprise (SBE) status will be counted toward the overall procurement goals which will be set at a later date.
 - b. Environmental Review - Depending on conditions at the property, the proposed rehabilitation may be subject to review under the California Environmental Quality Act (CEQA), the National Environmental Policy Act (NEPA), the National Historic Preservation Act (NHPA) and specifically the Section 106 historical resources preservation review. Department of City Planning design review may also be required.
 - c. Accessibility Requirements - Development sponsors will be responsible for meeting all applicable accessibility standards related to publicly funded multifamily housing under Section 504 of the Rehabilitation Act of 1973, the Architectural Barriers Act, the Americans with Disabilities Act, and certain statutes and regulations of the City and County of San Francisco.
 - d. Prevailing Wages – This rehabilitation will be subject to applicable local, state or federal requirements with regard to labor standards. Applicants should take prevailing wage requirements and labor standards into account when seeking estimates for contracted

work, especially the cost of construction, and other work to which the requirements apply, and when preparing budgets.

- e. Employment and Training – The Selected Applicant will be required to work with the CityBuild initiative of the Office of Economic and Workforce Development to comply with local and federal requirements regarding the provision of employment opportunities for local and low-income residents and small businesses during both the development and operation of the Development, including complying with the City’s First Source Hiring requirements.
- f. Sustainable Design – The Mayor’s Office of Housing and Community Development seeks to maximize the overall sustainability of financed projects. The selected development team will be required to pursue any funding that may become available to help pay for the cost of planning and implementing green building components.
- g. Minimum Insurance Requirements – see Appendix A – Minimum Insurance Requirements.

B. ERRORS AND OMISSIONS IN NOFA

Applicants are responsible for reviewing all portions of this NOFA. Applicants are to promptly notify MOHCD, in writing, if the respondent discovers any ambiguity, discrepancy, omission, or other error in the NOFA. Any such notification should be directed to MOHCD promptly after discovery, but in no event later than five (5) working days prior to the date for receipt of proposals. Modifications and clarifications will be made by addenda as provided below.

C. ADDENDA TO NOFA

MOHCD may modify the NOFA, prior to the application due date, by issuing written addenda. Addenda will be sent via email to the last known address of each person or organization listed with MOHCD as having received a copy of the NOFA for proposal purposes. MOHCD will make reasonable efforts to notify Applicants in a timely manner of modifications to the NOFA. Notwithstanding this provision, the applicant shall be responsible for ensuring that its proposal reflects any and all addenda issued by MOHCD prior to the proposal due date regardless of when the proposal is submitted.

D. OBJECTIONS

- 1. NOFA Terms. If any interested party objects to any provision or legal requirement in this NOFA, such party must provide written notice to MOHCD at mohcdMFOpps@sfgov.org setting forth with specificity the grounds for the objection no later than seven (7) calendar days of the date for submitting qualifications (See Section III(A)). Failure to object in the manner and within the time set forth in this paragraph will constitute a complete and irrevocable waiver of any objection to this NOFA.
- 2. Notice of Non-Responsiveness. An applicant may object to a determination that its submission of qualifications is non-responsive to this NOFA by delivering written notice to MOHCD setting forth with specificity the grounds for the objection no later than seven (7) calendar days after the date of the written notice to Respondent of MOHCD’s

determination of non-responsiveness. Failure to object in the manner and within the time set forth in this paragraph will constitute a complete and irrevocable waiver of any objection.

3. Selection of Applications for Exclusive Negotiations. An applicant may object to a selected proposal and MOHCD Director's authorization to proceed with exclusive negotiations with such applicant by delivering written notice to MOHCD setting forth with specificity the grounds for the objection by no later than seven (7) calendar days after the selected applicant has been announced and made public by MOHCD. If a Respondent files a timely objection, the MOHCD Director will review such objection and respond in a timely manner, and MOHCD's authorization to enter into exclusive negotiations with the selected applicant will not be binding until the MOHCD Director denies the objection. Failure to object in the manner and within the time set forth in this paragraph will constitute a complete and irrevocable waiver of any objection.
4. Delivery of Objections. Applicants must submit objections in writing, addressed to the person identified in this NOFA, and delivered to the MOHCD via email at mohcdMFOpps@sfgov.org by the dates specified above in order to be considered. Written objections must be transmitted by email and that will provide written confirmation of the date MOHCD received the objections. If a written objection is delivered by US mail, the Respondent bears the risk of non-delivery by the deadlines specified above.

E. CLAIMS AGAINST MOHCD

No applicant will obtain by its response to this NOFA, and separately by its response waives, any claim against MOHCD by reason of any or all of the following: any aspect of this NOFA, any part of the selection process, any informalities or defects in the selection process, the rejection of any or all proposals, the acceptance of any proposal, entering into exclusive negotiations, conditioning exclusive negotiations, terminating exclusive negotiations, approval or disapproval of plans or drawings, entering into any transaction documents, the failure to enter into a lease or lease disposition and development agreement, any statements, representations, acts, or omissions of MOHCD, the exercise of any discretion set forth in or concerning any of the above, and any other matters arising out of all or any of the above.

F. SUNSHINE ORDINANCE

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

G. RESERVATIONS OF RIGHTS BY THE CITY

1. The issuance of this NOFA and the selection of proposals for funding pursuant to this NOFA are in no way a limitation of the discretion of any City board, commission, department, employee or official with respect to any review or approval required in connection with the proposed development. The City's selection of proposals is in no way deemed to be the final approval of any proposal proposed by an applicant.
2. The information in this NOFA is provided solely for the convenience of applicants.
3. The City expressly reserves the right at any time to do waive or correct any defect or technical error in any response or procedure, as part of the NOFA or any subsequent negotiation process; reject any or all responses, without indicating the reasons for such rejection; cancel this NOFA at any time prior to award and reissue NOFA for the full or partial funding amount; modify or suspend any and all aspects of the selection procedure, the scope of the proposed development or the required responses, or the processes indicated in this NOFA; request that applicants clarify, supplement or modify the information submitted; extend deadlines for accepting responses, or request amendments to responses after expiration of deadlines; negotiate with any, all or none of the applicants to this NOFA; make selections based directly on the proposals, or negotiate further with one or more of the applicants; during negotiation, expand or contract the scope of the proposed development, or otherwise alter the development concept in order to respond to new information, community or environmental issues; if at any time prior to the execution of binding agreements with the selected Applicant, MOHCD, in its sole discretion, determines that the selected applicant will be unable to proceed with a timely and feasible Development in accordance with this NOFA or will not serve in the City's best interest, MOHCD may terminate negotiations with any selected applicant and begin negotiations with the next highest ranked applicant; MOHCD may require substitution of members of the applicant team; or determine that no scope of work will be pursued.
3. The issuance of this NOFA does not obligate the City to pay any costs incurred by any applicant, including but not limited to costs incurred in connection with the preparation or presentation of responses or negotiations with the City. Applicants responding to this NOFA do so at their own expense.
4. The issuance of this NOFA is only an invitation to submit qualifications and does not constitute an agreement by the City that a loan agreement will actually be entered into by the City. This NOFA does not in any way limit the discretion of any City board, commission, employee or official with respect to any review or approval of any aspect of a proposal.
5. The City reserves the right to disqualify any applicants to this NOFA based on any real or apparent conflict of interest that is disclosed by the responses submitted or on the basis of other information available to the City. The City may exercise this right in its sole discretion.

VI. LIST OF ATTACHMENTS/FORMS

Attachment A: Minimum Insurance Requirements

Form B: NOFA Submittal Checklist

Form C: NOFA Registration Form

Form D: Applicant Description Form

Form G: Projected Staffing Workload Form

Form H: Disclosures Form

Form I: CDLAC Self Score Worksheet

MOHCD Proforma Application



PLANNING APPROVAL LETTER

Date: February 28, 2025
Planning Record No. 2024-011036PRJ
Project Address: 1303 LARKIN ST
Zoning: NCD (POLK STREET NEIGHBORHOOD COMMERCIAL) Zoning District
Family and Senior Housing Special Use District
80-A Height and Bulk District
Block/Lot: 0645 / 037
Project Sponsor: Sharon Christen
sharon.christen@chinatowncdc.org 4158757468

Staff Contact: Lauren Bihl
Lauren.Bihl@sfgov.org 628-652-7498

Project Description

This project proposes to renovate a 100% affordable senior housing facility and add five new units. The project would retain and renovate the existing 63 units with new windows, finishes, and fixtures. A kitchen would be added to 41 existing group housing units resulting in 22 studios and 19 one-bedroom dwelling units. The project would also construct two new group housing units, two new studios, and one new one-bedroom, resulting in a total of 68 supportive senior housing units. The scope of work would include replacing all existing windows, doors, interior finishes, as well as upgrades to the existing third floor outdoor space.

Project Approval

The Department has determined that the project complies with the objective standards of the Planning Code and has concluded its design review of the project. On February 28, 2025, the Project was determined to be exempt from the California Environmental Quality Act, ("CEQA") as a Class 1 under CEQA Guidelines Section 15301 as described in the determination associated with 2024-011036PRJ.

Approval Action for Purposes of CEQA Appeal Timelines: Issuance of this Planning Approval Letter constitutes the approval action and is considered the Entitlement of Use, for the project for purposes of CEQA, pursuant to San Francisco Administrative Code section 31.04 (h).

CEQA Appeal Rights under Chapter 31 of the San Francisco Administrative Code

Typically, an appeal must be filed within 30 calendar days of the approval action identified above for purposes of CEQA appeal timelines for a project that has received an exemption (including a general plan evaluation) or negative declaration pursuant to CEQA. For information on filing an appeal under Chapter 31, contact the Clerk of the Board of Supervisors at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102, or call 415.554.5184. If the Department has deemed a project to be exempt from further environmental review, an exemption determination has been prepared and can be obtained at <https://sfplanninggis.org/pim> under the project's record number. Under CEQA, only issues that have previously been raised at a project hearing (including an appeal hearing) or in written correspondence to a City board, commission or department may be brought up by a litigant in a later court challenge.

Priority Policies and General Plan Findings

Planning Code Section 101.1(b) establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the project complies with said policies and relevant findings within the General Plan.

Expiration

This Planning Approval is valid for three years, the Project Sponsor must submit for a building permit by February 28, 2028.

[Closeout Reminder to Planner: Update Accela tabs, upload all final versions of PAL and materials to m:files as PAL class, copy CPC.Closeout@sfgov.org upon issuing PAL to Project Sponsor(s), Draft/send NSR including stock language for recordation instructions (ask to send recorded NSR to Planner and copy CPC.Closeout@sfgov.org. Closeout PRJ record and associated child records with PAL approval date.] See PAL SOP for more information.

CC:

Larkin Pine Limited Partnership, a California limited partnership, sharon.christen@chinatowncdc.org
CPC.Closeout@sfgov.org



CEQA Exemption Determination

PROPERTY INFORMATION/PROJECT DESCRIPTION

Project Address		Block/Lot(s)
1303 LARKIN ST		0645037
Case No.		Permit No.
2024-011036PRJ		
☒ Addition/ Alteration	☐ Demolition (requires HRE for Category B Building)	☐ New Construction
Project description for Planning Department approval. The project proposes significant rehab of Larkin Pine Senior Housing and to add 5 group housing units to the development (which will be built within existing underutilized common area spaces). The rehab of the building will include adding a two burner cooktop and refrigerator to approximately 44 units to allow those units to have a full warming kitchen.		

EXEMPTION TYPE

The project has been determined to be exempt under the California Environmental Quality Act (CEQA).	
☒	Class 1 - Existing Facilities. (CEQA Guidelines section 15301) Interior and exterior alterations; additions under 10,000 sq. ft.
☐	Class 3 - New Construction. (CEQA Guidelines section 15303) Up to three new single-family residences or six dwelling units in one building; commercial/office structures; utility extensions; change of use under 10,000 sq. ft. if principally permitted or with a CU.
☐	Class 32 - In-Fill Development. (CEQA Guidelines section 15332) New Construction of seven or more units or additions greater than 10,000 sq. ft. and meets the conditions described below: (a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations. (b) The proposed development occurs within city limits on a project site of no more than 5 acres substantially surrounded by urban uses. (c) The project site has no value as habitat for endangered rare or threatened species. (d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality. (e) The site can be adequately served by all required utilities and public services.
☐	Other _____
☐	Common Sense Exemption (CEQA Guidelines section 15061(b)(3)). It can be seen with certainty that there is no possibility of a significant effect on the environment.

ENVIRONMENTAL SCREENING ASSESSMENT

Comments:

Planner Signature: Lauren Bihl

PROPERTY STATUS - HISTORIC RESOURCE

PROPERTY IS ONE OF THE FOLLOWING:

☐	Category A: Known Historical Resource.
☒	Category B: Potential Historical Resource (over 45 years of age).
☐	Category C: Not a Historical Resource or Not Age Eligible (under 45 years of age).

PROPOSED WORK CHECKLIST

Check all that apply to the project.

☐	Change of use and new construction. Tenant improvements not included.
☒	Regular maintenance or repair to correct or repair deterioration, decay, or damage to building.
☐	Window replacement that meets the Department's <i>Window Replacement Standards</i> .
☐	Garage work. A new opening that meets the <i>Guidelines for Adding Garages and Curb Cuts</i> , or replacement of a garage door in an existing opening that meets the Residential Design Guidelines.
☐	Deck, terrace construction, or fences not visible from any immediately adjacent public right-of-way.
☐	Mechanical equipment installation that is not visible from any immediately adjacent public right-of-way.
☐	Dormer installation that meets the requirements for exemption from public notification under <i>Zoning Administrator Bulletin No. 3: Dormer Windows</i> .
☐	Addition(s) not visible from any immediately adjacent public right-of-way for 150 feet in each direction; or does not extend vertically beyond the floor level of the top story of the structure, or does not cause the removal of architectural significant roofing features.
☐	Façade or storefront alterations that do not remove, alter, or obscure character -defining features.
☐	Restoration based upon documented evidence of a building's historic condition , such as historic photographs, plans, physical evidence, or similar buildings.
Note: Project Planner must check box below before proceeding.	
☐	Project is not listed.
☒	Project involves scope of work listed above.

ADVANCED HISTORICAL REVIEW

Check all that apply to the project.

☐	Reclassification of property status. (<i>Attach HRER Part I relevant analysis; requires Principal Preservation Planner approval</i>) ☐ Reclassify to Category A ☐ Reclassify to Category C ☐ Lacks Historic Integrity ☐ Lacks Historic Significance
☐	Project involves a known historical resource (CEQA Category A)
☐	Project does not substantially impact character-defining features of a historic resource (see Comments)
☐	Project is compatible, yet differentiated, with a historic resource.
☐	Project consistent with the Secretary of the Interior Standards for the Treatment of Historic Properties
Note: If ANY box above is checked, a Preservation Planner MUST sign below.	
☐	Project can proceed with EXEMPTION REVIEW. The project has been reviewed by the Preservation Planner and can proceed with exemption review.
Comments by Preservation Planner:	
Preservation Planner Signature:	

EXEMPTION DETERMINATION

☒	No further environmental review is required. The project is exempt under CEQA. There are no unusual circumstances that would result in a reasonable possibility of a significant effect.	
	Project Approval Action: Building Permit	Signature: Lauren Bihl 02/28/2025
	If discretionary review before the planning commission is requested, the discretionary review hearing is the approval action for the project.	
Supporting documents are available for review on the San Francisco Property Information Map, which can be accessed at https://sfplanninggis.org/pim/. Individual files can be viewed by clicking on the Planning Applications link, clicking the "More Details" link under the project's environmental record number (ENV) and then clicking on the "Related Documents" link. Once signed and dated, this document constitutes an exemption pursuant to CEQA Guidelines and chapter 31 of the San Francisco Administrative Code. Per chapter 31, an appeal of an exemption determination to the Board of Supervisors shall be filed within 30 days after the approval action occurs at a noticed public hearing, or within 30 days after posting on the planning department's website (https://sfplanning.org/resource/ceqa-exemptions) a written decision or written notice of the approval action, if the approval is not made at a noticed public hearing.		

President, District 8
BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689

Tel. No. 554-6968
Fax No. 554-5163
TDD/TTY No. 544-5227

RAFAEL MANDELMAN

PRESIDENTIAL ACTION

Date: 10/21/25

To: Angela Calvillo, Clerk of the Board of Supervisors

Madam Clerk,

Pursuant to Board Rules, I am hereby:

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

File No. _____

(Primary Sponsor)

Title. _____

☐ Transferring (Board Rule No 3.3)

File No. _____

(Primary Sponsor)

Title. _____

From: _____

Committee

To: _____

Committee

☒ Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor: Chen

Replacing Supervisor: _____

For: 10/22/25

(Date)

Budget & Finance

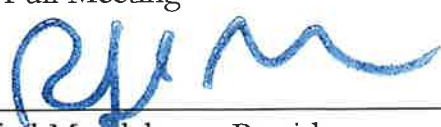
(Committee)

Meeting

Start Time: _____

End Time: _____

Temporary Assignment: ☐ Partial ☒ Full Meeting



Rafael Mandelman, President
Board of Supervisors

OFFICE OF THE MAYOR
SAN FRANCISCO



DANIEL LURIE
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Adam Thongsavat, Liaison to the Board of Supervisors
RE: Loan Agreement - 1303 Larkin Street, L.P. - 1303 Larkin Street - Not to Exceed \$18,502,271 -
100% Affordable Housing
DATE: October 7, 2025

Resolution 1) approving and authorizing the Director of the Mayor's Office of Housing and Community Development ("MOHCD") to execute documents relating to a loan with 1303 Larkin Street, L.P., a California limited partnership, for an aggregate loan amount not to exceed \$18,502,271 to finance the acquisition, rehabilitation, and permanent financing of a 100% affordable, 68-unit multifamily rental housing development for low-income households located at 1303 Larkin Street (the "Project"); 2) adopting findings that the Project and proposed transactions are consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; 3) affirming the Planning Department's determination under the California Environmental Quality Act; and 4) authorizing the Director of MOHCD or their designee to execute the loan documents for the Project and make certain modifications to such loan documents, as defined herein, and take certain actions in furtherance of this Resolution, as defined herein.

Should you have any questions, please contact Adam Thongsavat at adam.thongsavat@sfgov.org



San Francisco Ethics Commission

25 Van Ness Avenue, Suite 220, San Francisco, CA 94102

Phone: 415.252.3100 . Fax: 415.252.3112

ethics.commission@sfgov.org . www.sfethics.org

Received On:

File #: 251008

Bid/RFP #:

Notification of Contract Approval

SFEC Form 126(f)4

(S.F. Campaign and Governmental Conduct Code § 1.126(f)4)

A Public Document

Each City elective officer who approves a contract that has a total anticipated or actual value of \$100,000 or more must file this form with the Ethics Commission within five business days of approval by: (a) the City elective officer, (b) any board on which the City elective officer serves, or (c) the board of any state agency on which an appointee of the City elective officer serves. For more information, see: <https://sfethics.org/compliance/city-officers/contract-approval-city-officers>

1. FILING INFORMATION

TYPE OF FILING	DATE OF ORIGINAL FILING (for amendment only)
Original	
AMENDMENT DESCRIPTION – Explain reason for amendment	

2. CITY ELECTIVE OFFICE OR BOARD

OFFICE OR BOARD	NAME OF CITY ELECTIVE OFFICER
Board of Supervisors	Members

3. FILER'S CONTACT

NAME OF FILER'S CONTACT	TELEPHONE NUMBER
Legislative Clerks Division	415-554-5184
FULL DEPARTMENT NAME	EMAIL
Office of the Clerk of the Board	Board.of.Supervisors@sfgov.org

4. CONTRACTING DEPARTMENT CONTACT

NAME OF DEPARTMENTAL CONTACT	DEPARTMENT CONTACT TELEPHONE NUMBER
William Wilcox	6286525829
FULL DEPARTMENT NAME	DEPARTMENT CONTACT EMAIL
MYR MOHCD	william.wilcox@sfgov.org

5. CONTRACTOR	
NAME OF CONTRACTOR 1303 LARKIN STREET, L.P.	TELEPHONE NUMBER (415)875-7460
STREET ADDRESS (including City, State and Zip Code) 615 Grant Avenue, 4th Floor San Francisco, CA 94108	EMAIL yun-ni.tsai@chinatowncdc.org

6. CONTRACT		
DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S) 	ORIGINAL BID/RFP NUMBER 	FILE NUMBER (If applicable) 251008
DESCRIPTION OF AMOUNT OF CONTRACT 18,502,271		
NATURE OF THE CONTRACT (Please describe) Loans to finance the acquisition, rehabilitation, and permanent financing of a 100% affordable, 68-unit multifamily rental housing development for low-income households located at 1303 Larkin Street (the "Project"); 2) adopting findings that the Project and proposed transactions are consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; 3) affirming the Planning Department's determination under the California Environmental Quality Act; and 4) authorizing the Director of MOHCD or their designee to execute the loan documents for the Project and make certain modifications to such loan documents, as defined herein, and take certain actions in furtherance of this Resolution, as defined herein.		

7. COMMENTS

8. CONTRACT APPROVAL	
This contract was approved by:	
☐	THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM
☒	A BOARD ON WHICH THE CITY ELECTIVE OFFICER(S) SERVES Board of Supervisors
☐	THE BOARD OF A STATE AGENCY ON WHICH AN APPOINTEE OF THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM SITS

9. AFFILIATES AND SUBCONTRACTORS

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

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
1	Yeung	Malcolm	CEO
2	Louie	Cindy	CFO
3	Jones	Whitney	COO
4	Chin	Jane	Board of Directors
5	Lin	Barbara	Board of Directors
6	Zoubi	Fady	Board of Directors
7	Chan	Tommy	Board of Directors
8	Chang	Eric	Board of Directors
9	Cheng	Claudine	Board of Directors
10	Chin	Gregory	Board of Directors
11	Fagler	Jim	Board of Directors
12	Falk	Donald	Board of Directors
13	Hilton	Irene	Board of Directors
14	Hollins	Guy	Board of Directors
15	Huie	Cynthia	Board of Directors
16	Huie	Jeanette	Board of Directors
17	Louie	Michael	Board of Directors
18	Moon	John	Board of Directors
19	Qiu	Anton	Board of Directors

9. AFFILIATES AND SUBCONTRACTORS

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

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
20	Shortes	Maggie	Board of Directors
21	Wong-Chie Truong	Rosa	Board of Directors
22	Yee	Dennis	Board of Directors
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			

9. AFFILIATES AND SUBCONTRACTORS

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#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
39			
40			
41			
42			
43			
44			
45			
46			
47			
48			
49			
50			

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

10. VERIFICATION

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

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

SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK

DATE SIGNED

BOS Clerk of the Board

From: [Darmali, Dexter \(MYR\)](#)
To: [BOS Legislation, \(BOS\)](#); [Somera, Alisa \(BOS\)](#)
Cc: [Thongsavat, Adam \(MYR\)](#); [RUSSI, BRAD \(CAT\)](#); [Geithman, Kyra \(MYR\)](#); [Nickolopoulos, Sheila \(MYR\)](#)
Subject: MDL Intro 10.7.25 | Loan Agreement - 1303 Larkin Street, L.P. - 1303 Larkin Street - Not to Exceed \$18,502,271 - 100% Affordable Housing
Date: Tuesday, October 7, 2025 10:33:21 AM
Attachments: [01 Leg Ver 1.docx](#)
[01 Leg Ver 1.pdf](#)
[01A MOHCD Director Approval.pdf](#)
[02 Loan Agreement.docx](#)
[03 Developer Fee Agreement.docx](#)
[04A Deed of Trust - HOME & Hotel Tax.docx](#)
[04B Deed of Trust - PASS.docx](#)
[05A Promissory Note - HOME.docx](#)
[05B Promissory Note - Hotel Tax.docx](#)
[05C Promissory Note - PASS 2020C BMR.docx](#)
[05D Promissory Note - PASS 2020C Deferred.docx](#)
[05E Promissory Note - PASS 2020C Market Rate.docx](#)
[05F Promissory Note - PASS 2025E BMR.docx](#)
[05G Promissory Note - PASS 2025E Deferred.docx](#)
[05H Promissory Note - PASS 2025E Market Rate.docx](#)
[06 Planning Approval Letter.pdf](#)
[07 CEQA Exemption Determination.pdf](#)
[08 Form 126.pdf](#)
[MDL Cover Letter 1303 Larkin Loan Agreement.docx](#)

Dear Clerks:

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 - a. HOME & Hotel Tax
 - b. PASS

5. Promissory Notes
 - a. HOME
 - b. Hotel Tax
 - c. PASS 2020C BMR
 - d. PASS 2020C Deferred
 - e. PASS 2020C Market Rate
 - f. PASS 2025E BMR
 - g. PASS 2025E Deferred
 - h. PASS 2025E Market Rate
6. Planning Approval Letter
7. CEQA Exemption Determination
8. Form 126
9. MDL Cover Letter

Please let me know if you have any questions.

Thank you,

Dexter Darmali *(he/him/his)*
Legislative & Ethics Secretary
Office of Mayor Daniel Lurie
dexter.darmali@sfgov.org

Geithman, Kyra (MYR)

From: Adams, Dan (MYR)
Sent: Monday, October 6, 2025 9:47 AM
To: Geithman, Kyra (MYR)
Cc: Nickolopoulos, Sheila (MYR); Wilcox, William (MYR)
Subject: Re: Resolutions for intro 10/7

Approved. Thank you.

Daniel Adams

Director

Mayor's Office of Housing and Community Development

City and County of San Francisco

From: Geithman, Kyra (MYR) <kyra.geithman@sfgov.org>
Sent: Monday, October 6, 2025 9:43 AM
To: Adams, Dan (MYR) <Dan.Adams@sfgov.org>
Cc: Nickolopoulos, Sheila (MYR) <sheila.nickolopoulos@sfgov.org>; Wilcox, William (MYR) <william.wilcox@sfgov.org>
Subject: RE: Resolutions for intro 10/7

Hi again! Following up a third time. We have until 2PM tomorrow. Thanks!

--

Kyra Geithman
Policy & Program Manager
San Francisco Mayor's Office of Housing and Community Development
Pronouns: she/they

From: Geithman, Kyra (MYR) <kyra.geithman@sfgov.org>
Sent: Friday, October 3, 2025 2:00 PM
To: Adams, Dan (MYR) <Dan.Adams@sfgov.org>
Cc: Nickolopoulos, Sheila (MYR) <sheila.nickolopoulos@sfgov.org>; Wilcox, William (MYR) <william.wilcox@sfgov.org>
Subject: Re: Resolutions for intro 10/7

Hello -- re-upping the below request. Happy Friday!

- K

From: Geithman, Kyra (MYR) <kyra.geithman@sfgov.org>
Sent: Thursday, October 2, 2025 16:22
To: Adams, Dan (MYR) <Dan.Adams@sfgov.org>
Cc: Nickolopoulos, Sheila (MYR) <sheila.nickolopoulos@sfgov.org>; Wilcox, William (MYR) <william.wilcox@sfgov.org>
Subject: FW: Resolutions for intro 10/7

Good afternoon, Dan! Could you provide email confirmation of your approval for your signature on the amended & restated loan agreement resolution for Larkin Pine (attached here for your reference)?

- K

--

Kyra Geithman
Policy & Program Manager
San Francisco Mayor's Office of Housing and Community Development
Pronouns: she/they

From: Wilcox, William (MYR) <william.wilcox@sfgov.org>
Sent: Thursday, October 2, 2025 4:13 PM
To: Nickolopoulos, Sheila (MYR) <sheila.nickolopoulos@sfgov.org>
Cc: Geithman, Kyra (MYR) <kyra.geithman@sfgov.org>
Subject: RE: Resolutions for intro 10/7

Hi Sheila,

See attached here the documents for 1303 Larkin Street:

- Bond Documents
 - Issuance Resolution (01871313)
 - Funding Loan Agreement
 - Project Loan Agreement
 - Regulatory Agreement
 - TEFRA Documents
 - TEFRA Notice
 - TEFRA Certification
 - TEFRA Notice Proof of Publication
 - TEFRA Hearing Meeting Minutes
 - Public Disclosure Report
 - SFEC 126f for Bonds
- Loan Documents
 - Resolution
 - Amended and Restated Loan Agreement
 - Developer Fee Agreement
 - Amended and Restated Deed of Trust (HOME, Hotel Tax)
 - Deed of Trust PASS
 - Amended and Restated Promissory Note (HOME)
 - Amended and Restated Promissory Note (Hotel Tax)

- PASS Promissory Note (2020C BMR)
- PASS Promissory Note (2020C Market Rate)
- PASS Promissory Note (2020C Deferred)
- PASS Promissory Note (2025E BMR)
- PASS Promissory Note (2025E Market Rate)
- PASS Promissory Note (2025E Deferred)
- Planning Approval Letter for General Plan Referral (PAL GPR 1303 Larkin)
- CEQA Checklist 1303 Larkin
- SFEC 126f for Loans

Let me know if you need anything else. I think I already sent you the eval for the BLA but it would be good to check in with them because there's some nuance around the HOME Loan amount.

Best,

William

William Wilcox (he/him/his)

Tax-Exempt Bond Program Manager

Mayor's Office of Housing and Community Development

1 South Van Ness, 5th Floor

San Francisco, CA 94103

william.wilcox@sfgov.org

From: Nickolopoulos, Sheila (MYR) <sheila.nickolopoulos@sfgov.org>

Sent: Thursday, October 2, 2025 3:26 PM

To: Fukutome-Lopez, Amanda (MYR) <amanda.fukutome-lope@sfgov.org>; Wilcox, William (MYR) <william.wilcox@sfgov.org>; Strong, Andrew (MYR) <Andrew.Strong@sfgov.org>; Baca, Robert (MYR) <robert.baca@sfgov.org>; Collins, Jenny (MYR) <Jennifer.M.Collins@sfgov.org>

Cc: Geithman, Kyra (MYR) <kyra.geithman@sfgov.org>

Subject: Resolutions for intro 10/7

I have these five projects on my list to introduce on Tuesday. The full packets need to be send to the Mayor's Office COB today. Can you give me a status update if I haven't already talked to you about it?

1. Infill Infrastructure Grant (IIG) Accept & Expend (Robert)
2. 2970 16th Street Bond (Jenny)
3. MEDA bundle (Amanda)
4. Larkin Pine (William)
5. Balboa Reservoir Building A AHSC A&E (Andrew)

Sheila Nickolopoulos

Director of Policy and Legislative Affairs

Mayor's Office of Housing and Community Development

1 South Van Ness Avenue, Fifth Floor

San Francisco, CA 94103

I'm in the office Monday-Thursday and work remotely on Friday.

From: [Wilcox, William \(MYR\)](#)
To: [Nickolopoulos, Sheila \(MYR\)](#); [Darmali, Dexter \(MYR\)](#); [BOS Legislation, \(BOS\)](#); [Somera, Alisa \(BOS\)](#); [Geithman, Kyra \(MYR\)](#)
Cc: [Thongsavat, Adam \(MYR\)](#); [RUSSI, BRAD \(CAT\)](#)
Subject: RE: MDL Intro 10.7.25 | Loan Agreement - 1303 Larkin Street, L.P. - 1303 Larkin Street - Not to Exceed \$18,502,271 - 100% Affordable Housing
Date: Wednesday, October 8, 2025 2:38:40 PM
Attachments: [LP CITY Amended and Restated Declaration of Restrictions.docx](#)
[2023 ENP NOFA FINAL for Posting.pdf](#)

Hi,

Here is the Declaration of Restrictions and the ENP NOFA.

Best,

William

William Wilcox (he/him/his)
Tax-Exempt Bond Program Manager
Mayor's Office of Housing and Community Development
1 South Van Ness, 5th Floor
San Francisco, CA 94103
william.wilcox@sfgov.org

From: Nickolopoulos, Sheila (MYR) <sheila.nickolopoulos@sfgov.org>
Sent: Wednesday, October 8, 2025 2:29 PM
To: Darmali, Dexter (MYR) <dexter.darmali@sfgov.org>; BOS Legislation, (BOS) <bos.legislation@sfgov.org>; Somera, Alisa (BOS) <alisa.somera@sfgov.org>; Geithman, Kyra (MYR) <kyra.geithman@sfgov.org>; Wilcox, William (MYR) <william.wilcox@sfgov.org>
Cc: Thongsavat, Adam (MYR) <adam.thongsavat@sfgov.org>; RUSSI, BRAD (CAT) <Brad.Russi@sfcityatty.org>
Subject: RE: MDL Intro 10.7.25 | Loan Agreement - 1303 Larkin Street, L.P. - 1303 Larkin Street - Not to Exceed \$18,502,271 - 100% Affordable Housing

[@Wilcox, William \(MYR\)](#), can you please send the NOFA and Amended and Restated Declarations of Restrictions to the Clerk?

Thank you,
Sheila

Sheila Nickolopoulos
Director of Policy and Legislative Affairs

Mayor's Office of Housing and Community Development

1 South Van Ness Avenue, Fifth Floor
San Francisco, CA 94103

I'm in the office Monday-Thursday and work remotely on Friday.

From: Darmali, Dexter (MYR) <dexter.darmali@sfgov.org>

Sent: Wednesday, October 8, 2025 12:00 PM

To: BOS Legislation, (BOS) <bos.legislation@sfgov.org>; Somera, Alisa (BOS) <alisa.somera@sfgov.org>; Geithman, Kyra (MYR) <kyra.geithman@sfgov.org>; Nickolopoulos, Sheila (MYR) <sheila.nickolopoulos@sfgov.org>

Cc: Thongsavat, Adam (MYR) <adam.thongsavat@sfgov.org>; RUSSI, BRAD (CAT) <Brad.Russi@sfcityatty.org>

Subject: RE: MDL Intro 10.7.25 | Loan Agreement - 1303 Larkin Street, L.P. - 1303 Larkin Street - Not to Exceed \$18,502,271 - 100% Affordable Housing

Thanks, Arthur. The clerical edits are approved.

[@Geithman, Kyra \(MYR\)](#) [@Nickolopoulos, Sheila \(MYR\)](#) can you please provide the additional information?

Dexter Darmali (*he/him/his*)

Legislative & Ethics Secretary

Office of Mayor Daniel Lurie

dexter.darmali@sfgov.org

From: BOS Legislation, (BOS) <bos.legislation@sfgov.org>

Sent: Wednesday, October 8, 2025 11:09 AM

To: Darmali, Dexter (MYR) <dexter.darmali@sfgov.org>; BOS Legislation, (BOS) <bos.legislation@sfgov.org>; Somera, Alisa (BOS) <alisa.somera@sfgov.org>

Cc: Thongsavat, Adam (MYR) <adam.thongsavat@sfgov.org>; RUSSI, BRAD (CAT) <Brad.Russi@sfcityatty.org>; Geithman, Kyra (MYR) <kyra.geithman@sfgov.org>; Nickolopoulos, Sheila (MYR) <sheila.nickolopoulos@sfgov.org>

Subject: RE: MDL Intro 10.7.25 | Loan Agreement - 1303 Larkin Street, L.P. - 1303 Larkin Street - Not to Exceed \$18,502,271 - 100% Affordable Housing

Hello,

Please see attached proof for clerical edits made to the legislation. Kindly confirm if these corrections are acceptable.

Also, please provide the following to complete the subject introduction:

- NOFA
- Amended and Restated Declarations of Restrictions

Regards,

Arthur Khoo

Office of the Clerk of the Board
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
(415) 554-4447 | (415) 554-5163
arthur.khoo@sfgov.org | www.sfbos.org

***Disclosures:** Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors website or in other public documents that members of the public may inspect or copy.*

From: Darmali, Dexter (MYR) <dexter.darmali@sfgov.org>

Sent: Tuesday, October 7, 2025 10:33 AM

To: BOS Legislation, (BOS) <bos.legislation@sfgov.org>; Somera, Alisa (BOS) <alisa.somera@sfgov.org>

Cc: Thongsavat, Adam (MYR) <adam.thongsavat@sfgov.org>; RUSSI, BRAD (CAT) <Brad.Russi@sfcityattty.org>; Geithman, Kyra (MYR) <kyra.geithman@sfgov.org>; Nickolopoulos, Sheila (MYR) <sheila.nickolopoulos@sfgov.org>

Subject: MDL Intro 10.7.25 | Loan Agreement - 1303 Larkin Street, L.P. - 1303 Larkin Street - Not to Exceed \$18,502,271 - 100% Affordable Housing

Dear Clerks:

Attached for introduction is Resolution 1) approving and authorizing the Director of the Mayor's Office of Housing and Community Development ("MOHCD") to execute documents relating to a loan with 1303 Larkin Street, L.P., a California limited partnership, for an aggregate loan amount not to exceed \$18,502,271 to finance the acquisition, rehabilitation, and permanent financing of a 100% affordable, 68-unit multifamily rental housing development for low-income households located at 1303 Larkin Street (the "Project"); 2) adopting findings that the Project and proposed transactions are consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; 3) affirming the Planning Department's determination under the California Environmental Quality Act; and 4) authorizing the Director of

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 - h. PASS 2025E Market Rate
6. Planning Approval Letter
7. CEQA Exemption Determination
8. Form 126
9. MDL Cover Letter

Please let me know if you have any questions.

Thank you,

Dexter Darmali *(he/him/his)*

Legislative & Ethics Secretary

Office of Mayor Daniel Lurie

dexter.darmali@sfgov.org

From: [Bell, Tita \(BOS\)](#)
To: [Thongsavat, Adam \(MYR\)](#); [Darmali, Dexter \(MYR\)](#); [BOS Legislation, \(BOS\)](#); [Somera, Alisa \(BOS\)](#)
Cc: [RUSSI, BRAD \(CAT\)](#); [Geithman, Kyra \(MYR\)](#); [Nickolopoulos, Sheila \(MYR\)](#)
Subject: RE: MDL Intro 10.7.25 | Loan Agreement - 1303 Larkin Street, L.P. - 1303 Larkin Street - Not to Exceed \$18,502,271 - 100% Affordable Housing
Date: Tuesday, October 7, 2025 4:05:22 PM

Confirming Supervisor Sauter's co-sponsorship. Thank you.

Tita Bell

Chief of Staff
Office of Supervisor Danny Sauter
415-554-7450

From: Thongsavat, Adam (MYR) <adam.thongsavat@sfgov.org>
Sent: Tuesday, October 7, 2025 2:18 PM
To: Darmali, Dexter (MYR) <dexter.darmali@sfgov.org>; BOS Legislation, (BOS) <bos.legislation@sfgov.org>; Somera, Alisa (BOS) <alisa.somera@sfgov.org>; Bell, Tita (BOS) <tita.bell@sfgov.org>
Cc: RUSSI, BRAD (CAT) <Brad.Russi@sfcityatty.org>; Geithman, Kyra (MYR) <kyra.geithman@sfgov.org>; Nickolopoulos, Sheila (MYR) <sheila.nickolopoulos@sfgov.org>
Subject: Re: MDL Intro 10.7.25 | Loan Agreement - 1303 Larkin Street, L.P. - 1303 Larkin Street - Not to Exceed \$18,502,271 - 100% Affordable Housing

Hi Team,

Supervisor Sauter would like to be added as a cosponsor — adding [@Bell, Tita \(BOS\)](#) for confirmation.

Adam

Adam Thongsavat
Liaison to the Board of Supervisors
Office of Mayor Daniel Lurie

From: Darmali, Dexter (MYR) <dexter.darmali@sfgov.org>
Sent: Tuesday, October 7, 2025 10:33 AM
To: BOS Legislation, (BOS) <bos.legislation@sfgov.org>; Somera, Alisa (BOS) <alisa.somera@sfgov.org>
Cc: Thongsavat, Adam (MYR) <adam.thongsavat@sfgov.org>; RUSSI, BRAD (CAT) <Brad.Russi@sfcityatty.org>; Geithman, Kyra (MYR) <kyra.geithman@sfgov.org>; Nickolopoulos, Sheila (MYR) <sheila.nickolopoulos@sfgov.org>
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 - a. HOME & Hotel Tax
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5. Promissory Notes
 - a. HOME
 - b. Hotel Tax
 - c. PASS 2020C BMR
 - d. PASS 2020C Deferred
 - e. PASS 2020C Market Rate
 - f. PASS 2025E BMR
 - g. PASS 2025E Deferred
 - h. PASS 2025E Market Rate
6. Planning Approval Letter
7. CEQA Exemption Determination
8. Form 126
9. MDL Cover Letter

Please let me know if you have any questions.

Thank you,

Dexter Darmali *(he/him/his)*

Legislative & Ethics Secretary

Office of Mayor Daniel Lurie

dexter.darmali@sfgov.org

From: [Darmali, Dexter \(MYR\)](#)
To: [BOS Legislation, \(BOS\)](#); [Somera, Alisa \(BOS\)](#); [Geithman, Kyra \(MYR\)](#); [Nickolopoulos, Sheila \(MYR\)](#)
Cc: [Thongsavat, Adam \(MYR\)](#); [RUSSI, BRAD \(CAT\)](#)
Subject: RE: MDL Intro 10.7.25 | Loan Agreement - 1303 Larkin Street, L.P. - 1303 Larkin Street - Not to Exceed \$18,502,271 - 100% Affordable Housing
Date: Wednesday, October 8, 2025 11:59:47 AM

Thanks, Arthur. The clerical edits are approved.

[@Geithman, Kyra \(MYR\)](#) [@Nickolopoulos, Sheila \(MYR\)](#) can you please provide the additional information?

Dexter Darmali (*he/him/his*)

Legislative & Ethics Secretary

Office of Mayor Daniel Lurie

dexter.darmali@sfgov.org

From: BOS Legislation, (BOS) <bos.legislation@sfgov.org>
Sent: Wednesday, October 8, 2025 11:09 AM
To: Darmali, Dexter (MYR) <dexter.darmali@sfgov.org>; BOS Legislation, (BOS) <bos.legislation@sfgov.org>; Somera, Alisa (BOS) <alisa.somera@sfgov.org>
Cc: Thongsavat, Adam (MYR) <adam.thongsavat@sfgov.org>; RUSSI, BRAD (CAT) <Brad.Russi@sfcityatty.org>; Geithman, Kyra (MYR) <kyra.geithman@sfgov.org>; Nickolopoulos, Sheila (MYR) <sheila.nickolopoulos@sfgov.org>
Subject: RE: MDL Intro 10.7.25 | Loan Agreement - 1303 Larkin Street, L.P. - 1303 Larkin Street - Not to Exceed \$18,502,271 - 100% Affordable Housing

Hello,

Please see attached proof for clerical edits made to the legislation. Kindly confirm if these corrections are acceptable.

Also, please provide the following to complete the subject introduction:

- NOFA
- Amended and Restated Declarations of Restrictions

Regards,

Arthur Khoo

Office of the Clerk of the Board

San Francisco Board of Supervisors

1 Dr. Carlton B. Goodlett Place, Room 244

San Francisco, CA 94102

(415) 554-4447 | (415) 554-5163
arthur.khoo@sfgov.org | www.sfbos.org

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From: Darmali, Dexter (MYR) <dexter.darmali@sfgov.org>
Sent: Tuesday, October 7, 2025 10:33 AM
To: BOS Legislation, (BOS) <bos.legislation@sfgov.org>; Somera, Alisa (BOS) <alisa.somera@sfgov.org>
Cc: Thongsavat, Adam (MYR) <adam.thongsavat@sfgov.org>; RUSSI, BRAD (CAT) <Brad.Russi@sfcityatty.org>; Geithman, Kyra (MYR) <kyra.geithman@sfgov.org>; Nickolopoulos, Sheila (MYR) <sheila.nickolopoulos@sfgov.org>
Subject: MDL Intro 10.7.25 | Loan Agreement - 1303 Larkin Street, L.P. - 1303 Larkin Street - Not to Exceed \$18,502,271 - 100% Affordable Housing

Dear Clerks:

Attached for introduction is Resolution 1) approving and authorizing the Director of the Mayor's Office of Housing and Community Development ("MOHCD") to execute documents relating to a loan with 1303 Larkin Street, L.P., a California limited partnership, for an aggregate loan amount not to exceed \$18,502,271 to finance the acquisition, rehabilitation, and permanent financing of a 100% affordable, 68-unit multifamily rental housing development for low-income households located at 1303 Larkin Street (the "Project"); 2) adopting findings that the Project and proposed transactions are consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; 3) affirming the Planning Department's determination under the California Environmental Quality Act; and 4) authorizing the Director of MOHCD or their designee to execute the loan documents for the Project and make certain modifications to such loan documents, as defined herein, and take certain actions in furtherance of this Resolution, as defined herein.

Supporting Documents:

1. Draft Legislation (Word and PDF)
 - 01A. MOHCD Director approval

2. Loan Agreement
3. Developer Agreement
4. Deeds of Trust
 - a. HOME & Hotel Tax
 - b. PASS
5. Promissory Notes
 - a. HOME
 - b. Hotel Tax
 - c. PASS 2020C BMR
 - d. PASS 2020C Deferred
 - e. PASS 2020C Market Rate
 - f. PASS 2025E BMR
 - g. PASS 2025E Deferred
 - h. PASS 2025E Market Rate
6. Planning Approval Letter
7. CEQA Exemption Determination
8. Form 126
9. MDL Cover Letter

Please let me know if you have any questions.

Thank you,

Dexter Darmali *(he/him/his)*

Legislative & Ethics Secretary

Office of Mayor Daniel Lurie

dexter.darmali@sfgov.org

FILE NO. 251008

RESOLUTION NO.

[Loan Agreement - 1303 Larkin Street, L.P. - 1303 Larkin Street - 100% Affordable Housing - Not to Exceed \$18,502,271]

Deleted: - 100% Affordable Housing

Resolution approving and authorizing the Director of the Mayor's Office of Housing and Community Development ("MOHCD") to execute documents relating to a loan with 1303 Larkin Street, L.P., a California limited partnership, for an aggregate loan amount not to exceed \$18,502,271 to finance the acquisition, rehabilitation, and permanent financing of a 100% affordable, 68-unit multifamily rental housing development for low-income households located at 1303 Larkin Street (the "Project"); adopting findings that the Project and proposed transactions are consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; affirming the Planning Department's determination under the California Environmental Quality Act; authorizing the Director of MOHCD or their designee to execute the loan documents for the Project and make certain modifications to such loan documents, as defined herein, and take certain actions in furtherance of this Resolution, as defined herein.

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Deleted: 2)

Deleted: 3)

Deleted: and 4)

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

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

WHEREAS, MOHCD enters into loan agreements with affordable housing developers and operators; administers loan agreements; reviews annual audits and monitoring reports;

1 monitors compliance with affordable housing requirements in accordance with capital funding
2 regulatory agreements; and if necessary, takes appropriate action to enforce compliance; and

3 WHEREAS, Among its programs, MOHCD administers the Preservation and Seismic
4 Safety Program ("PASS Program") under Administrative Code, Chapter 66, which plays a
5 critical role in advancing the City's anti-eviction and preservation strategies by providing low-
6 cost and long-term financing for the acquisition, rehabilitation, and preservation of multi-family
7 housing as well as seismic retrofits not currently available on the conventional loan market;
8 and

9 WHEREAS, MOHCD issued a Notice of Funding Availability for Existing Nonprofit
10 Owned Rental Housing Capital Repairs ("NOFA") on February 17, 2023, to solicit qualified
11 affordable housing developers for capital improvements and repairs in existing affordable
12 housing units serving low-income households, including homeless households; in response to
13 the NOFA, MOHCD selected Chinatown Community Development Center, a California
14 nonprofit public benefit corporation ("CCDC"), to rehabilitate the existing affordable housing
15 development at 1303 Larkin Street; in response, CCDC formed 1303 Larkin Street L.P., a
16 California limited partnership ("Borrower"), for the purpose of undertaking the activities
17 described in the NOFA; and

18 WHEREAS, Borrower seeks to acquire and rehabilitate the 100% affordable,
19 multifamily residential rental development located at 1303 Larkin Street, which will include the
20 substantial rehabilitation of the existing 63-unit multifamily rental housing development
21 (including one manager's unit), conversion of 41 of the existing SRO units into studio and one-
22 bedroom units, and addition of 5 affordable rental units to the Project for a total of 68 rental
23 units for low-income households (the "Project"); and

24 WHEREAS, The Project requires extensive rehabilitation consisting of replacement of
25 major building systems including the exterior and electrical systems; and

1 WHEREAS, The City previously provided loans in the total principal amount of
2 \$5,294,853 ("Original Loans") to Larkin Pine Limited Partnership, a California limited
3 partnership ("Original Borrower"), which is an affiliate of CCDC. Original Borrower intends to
4 assign to Borrower, and Borrower intends to assume, all of Original Borrower's rights and
5 duties with respect to the Original Loans for the purpose of rehabilitation and permanent
6 financing of the Project; and
7 WHEREAS, The Borrower has requested, and MOHCD desires to consent to, the
8 consolidation of the Original Loans for the Project, including rolling some of the accrued
9 interest into the principal amount of the Original Loans; and
10 WHEREAS, The Borrower has requested, and MOHCD desires to loan, up to
11 \$11,903,000 in additional funds pursuant to the NOFA and the PASS Program for the Project
12 ("PASS Loan"); and
13 WHEREAS, On May 16, 2025, the Citywide Affordable Housing Loan Committee,
14 consisting of representatives of MOHCD, the Department of Homelessness and Supportive
15 Housing, the Office of Community Investment and Infrastructure, and the Controller's Office of
16 Public Finance recommended approval to the Mayor of the acquisition, rehabilitation, and
17 permanent financing loan for the Project in a total amount not to exceed \$18,502,271.
18 WHEREAS, The form of loan documents (collectively, the "Loan Documents")
19 evidencing and securing the loan for the Project are on file with the Clerk of the Board in File
20 No. _____, and include: Amended and Restated Declarations of Restrictions; an
21 Amended and Restated Loan Agreement; one or more promissory notes; and one or more
22 leasehold deeds of trust; and
23 WHEREAS, the Amended and Restated Declarations of Restrictions will restrict the
24 Project as affordable housing to low-income households with annual maximum rent and
25

1 income established by MOHCD for as long as the Project or any modification of the Project
2 remains in existence; and

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

5 WHEREAS, The Amended and Restated Loan Agreement would be entered into under
6 the following material terms: (i) a minimum term of 57 years from the date of recordation of the
7 deed of trust for the Original Loans and 44 years from the date of recordation of the deed of
8 trust for the PASS Loan; (ii) simple interest at a rate of 0% and simple interest at a rate of at
9 least three percent, but no more than the long-term applicable federal rate as of the
10 Agreement Date for the Original Loans, as provided in the corresponding promissory notes,
11 and compounding interest at rates of 6.61023%, 3.87289%, 1.87008%, and 0.95763% for the
12 PASS Loan, as provided in the corresponding promissory notes; (iii) annual repayment of the
13 Original Loans through residual receipts from the Project and hard debt service payments for
14 the PASS Loan; (iv) the Project shall be restricted for the life of the Project as affordable
15 housing to low-income households with annual maximum rent and income established by
16 MOHCD; (v) the loan shall be secured by one or more deeds of trust recorded against the
17 Borrower's leasehold interest in the Project; and

18 WHEREAS, The Planning Department, by letter dated February 28, 2025 ("Planning
19 Letter"), has determined that the proposed Project is exempt from the California
20 Environmental Quality Act, ("CEQA") as a Class 1 under CEQA Guidelines, Section 15301
21 and is consistent, on balance, with the General Plan, and the eight priority policies of Planning
22 Code, Section 101.1, which Planning Letter is on file with the Clerk of the Board of
23 Supervisors in File No. _____, and incorporated herein by this reference; now, therefore,
24 be it

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

5 FURTHER RESOLVED, That the Board of Supervisors hereby approves the Loan
6 Documents, and authorizes the Mayor and the Director of MOHCD or the Director's designee
7 to negotiate and enter into agreements based upon and substantially in the form of the Loan
8 Documents for the Project (including, without limitation, modifications of the Loan Documents,
9 and preparation and attachment of, or changes to, any of the exhibits and ancillary
10 agreements) and any other documents or instruments necessary in connection therewith, that
11 the Director of MOHCD determines, in consultation with the City Attorney, are in the best
12 interest of the City, do not materially increase the obligations or liabilities for the City or
13 materially diminish the benefits of the City, or are necessary or advisable to effectuate the
14 purposes and intent of this Resolution and are in compliance with all applicable laws,
15 including the City Charter; and, be it

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

22 FURTHER RESOLVED, That all actions authorized and directed by this Resolution and
23 heretofore taken are hereby ratified, approved and confirmed by this Board of Supervisors;
24 and be it
25

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

4

5

6 RECOMMENDED:

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8 /s/
9 Daniel Adams, Director
10 Mayor's Office of Housing and Community Development

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