

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

GRANT AGREEMENT

between

CITY AND COUNTY OF SAN FRANCISCO

and

Octavia RSU Associates, L.P.

For
78 HAIGHT STREET

Located at 78 Haight Street and 120 Octavia Street

THIS GRANT AGREEMENT (this “**Agreement**”) is made this October 1, 2025, by and between **Octavia RSU Associates, L.P.**, a California limited partnership (“**Grantee**”), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (“**City**”) acting by and through the Mayor’s Office of Housing and Community Development (“**MOHCD**”).

W I T N E S S E T H:

A. On November 19, 2019, through Resolution 511-19, the San Francisco Board of Supervisors authorized and delegated authority to the Mayor’s Office of Housing and Community Development to accept and expend the county competitive allocation award in the amount up to \$36,501,108 under the California Department of Housing and Community Development’s No Place Like Home Program (“**NPLH**”) which provides funding for counties to develop multifamily housing specifically for persons with serious mental illness who are homeless, chronically homeless, or at-risk of chronic homelessness to households earning up to thirty percent (30%) of the area median income as determined by the No Place Like Home regulations adjusted for household size. The City is authorized by Resolution 511-19 to provide the NPLH funds (the “**NPLH Funds**”) to Borrower for the development and construction of affordable permanent supportive housing, and provide supportive services for such permanent supportive housing.

B. The San Francisco Board of Supervisors appropriates funds by ordinance from the City’s General Fund on an annual basis to MOHCD’s Local Operating Subsidy Program (“**Program**”) to subsidize operating deficits of affordable permanent supportive housing for formerly homeless households or those at risk of homelessness who are extremely low income. The MOHCD is authorized by the annual appropriations ordinance to provide funds under this Agreement (the “**General Funds**”) to Borrower for operating deficits related to the Project.

C. MOHCD issued a Request for Proposals (“**RFP**”) on June 19, 2017, to solicit qualified affordable housing developers for the development of new affordable housing for Transition Age Youth (“**TAY**”) on City-owned property located at 78 Haight Street, in San Francisco. In response to the RFP, MOHCD selected a development team of Tenderloin Neighborhood Development Corporation (“**TNDC**”) as the lead developer and Larkin Street Youth Services (“**LSYS**”) as the TAY service provider to develop and construct an affordable housing project with half of the units targeted as permanent supportive housing for TAY and lease the Land for the purpose of such new affordable housing. TNDC formed the Grantee for the purpose of undertaking the activities described in the RFP.

D. Grantee developed and constructed that certain Sixty Four (64) unit affordable permanent supportive housing project, including thirty two (32) units targeted to TAY, of which fifteen (15) units are targeted to tenants who qualify as a Homeless Household under the NPLH criteria (the “**Project**”), which is on real property located at 78 Haight Street and 120 Octavia Street, San Francisco, California, Assessor’s Block 0853, Lots 065 and 066 (the “**Real Property**”), under that certain Ground Lease dated April 7, 2022, between City and Grantee (“**Ground Lease**”). The intent of the Project is to provide high quality, safe, and affordable permanent supportive housing to NPLH-Eligible Households (as defined herein) and to offer the NPLH Eligible Households supportive services that will enable them to maintain their housing, improve their health and quality of life, and meet their personal goals.

E. Grantee submitted the Application Documents (as hereinafter defined) to MOHCD for construction and permanent financing of the Project as well as a grant of Program General Funds and NPLH Funds to support operations of the thirty two (32) TAY units, including (15) residential units for Homeless Households under NPLH Criteria. City desires to provide such a grant on the terms and conditions set forth herein for the purpose of housing formerly homeless households eligible under the Program criteria at the Project.

F. the City’s Board of Supervisors authorized execution of this Agreement on _____, _____ pursuant to Resolution No. _____.

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

ARTICLE 1 DEFINITIONS

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

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

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

“Annual Bifurcated Audit” means an independent annual audit prepared by a certified public accountant in accordance with current audit requirements for NPLH published on HCD’s website which distinguishes between the actual annual income and expenses for the NPLH NPLH Assisted Units and the other Project units in order to determine, among other things, the amount of any operating deficit specifically attributable to the NPLH Assisted Units.

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

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

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

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

“Approved Shortfall” means the amount that is approved by MOHCD, if any, by which the Assisted Units Operating Costs (as defined in Section 5.6) for any Business Year during the Term exceed the Project Income attributable to the Assisted Units for such Business Year.

“Assisted Units” means thirty two (32) residential units at the Project, inclusive of the NPLH Assisted Units.

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

“CFR” means the Code of Federal Regulations.

“Certificate of Preference” means the form establishing a priority for LOSP Client selection, as further described in the Manual.

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

“Charter” means the Charter of City.

“Charter Documents” means a certified certificate of status and (a) if Grantee is a corporation, its bylaws, and a certified copy of its articles of incorporation; (b) if Grantee is limited partnership, its partnership agreement, a certified copy of its certificate of partnership, and the organizational documents of its general partner; and (c) if Grantee is a limited liability company, its operating agreement, a certified copy of its certificate of limited liability company, and the organizational documents of its manager.

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

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

“Controller” shall mean the Controller of City.

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

“DPH” means the San Francisco Department of Public Health, and any successor agency or department.

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

“First Subsidy Payment” means the Subsidy Payment for the initial period starting from the LOSP Funding Start Date.

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

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

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

“HCD” means the California Department of Housing and Community Development.

“HSH” means the San Francisco Department of Homelessness and Supportive Housing, and any successor agency or department.

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

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

“Loan Committee” means the Citywide Affordable Housing Loan Committee that recommends to the Mayor Program grants associated with affordable housing developments financed by the City.

“LOSP Clients” means the formerly homeless individuals or households or at risk homelessness, including TAY and NPLH Eligible Households, that HSH deems eligible for Program assistance pursuant to the Program criteria set forth on the attached **Exhibit C** (as such criteria may be amended from time to time by MOHCD) as administered by Grantee pursuant to this Agreement, the Manual, the NPLH Program, and the Services Agreement.

“LOSP Funding Start Date” means the date shown as the LOSP Funding Start Date set forth in the attached **Exhibit A**.

“LOSP Funding End Date” means the date shown as the LOSP Funding End Date set forth in the attached **Exhibit A**.

“LOSP Payment” means a payment made by MOHCD of Program General Funds to Grantee pursuant to the terms of this Agreement, which shall be made in the manner and in the amount specified in Article 5 below.

“Maintenance Duties” shall have the meaning set forth in Section 4.6(a).

“Manual” means the Local Operating Subsidy Program (LOSP) Policies and Procedures Manual revised August 2, 2024, as may be amended from time to time, published jointly by MOHCD and HSH.

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

“MOHCD Declaration of Restrictions” means that certain Declaration of Restrictions and Affordable Housing Covenants dated April 7, 2022, executed by Grantee for the benefit of the City, and recorded as a lien on the Project on April 8, 2022, in the Official Records of the City and County of San Francisco as Document No. 20220360071.

“MOHCD Loan Agreement” means that certain Amended and Restated Loan Agreement, dated as of April 1, 2022, between MOHCD and Grantee with respect to a \$35,306,233 loan, as amended by that certain First Amendment to Amended and Restated Loan agreement dated May 9, 2024.

“NPLH” the No Place Like Home Program funding with requirements summarized in **Exhibit H**.

“NPLH Assisted Units” means fifteen (15) residential housing units at the Project that are subject to the rent, occupancy and other restrictions specified in the NPLH Guidelines and the MOHCD Loan Agreement as a result of the financing assistance provided under the NPLH Program, and the MOHCD Declaration of Restrictions.

“NPLH Capitalized Operative Subsidy Reserve Account” or **“NPLH COSR”** means an interest bearing account held by MOHCD to partially cover Operating Costs attributable to NPLH Assisted Units pursuant to the requirements of Section 209 of the NPLH Guidelines, and the terms of the MOHCD Loan Documents. Funds shall be set aside no later than the Agreement Date in a reserve for the purpose of supplementing Project Income for the payment of approved Operating Expenses associated with NPLH Assisted Units that will receive NPLH COSR disbursements.

“NPLH Eligible Household” (or “Homeless Household under NPLH Criteria” under the MOHCD Loan Agreement) means specialized homeless targeting to meet the requirements of

the NPLH Funds for forty (15) NPLH Assisted Units. Occupancy of all NPLH Assisted Units shall be restricted to households with at least one member who qualifies as a member of the target population pursuant to the NPLH requirements. The NPLH target population includes adults or older adults with a serious mental disorder who are homeless, chronically homeless, or at-risk of chronic homelessness. This includes persons with co-occurring mental and physical disabilities or co-occurring mental and substance use disorders as defined under the California Welfare and Institutions Code Sections 5600.3(a) and 5600.3(b).

“NPLH Funds” shall have the meaning set forth in Recital A.

“NPLH Payment” means a payment of NPLH Funds from the NPLH COSR to Grantee pursuant to the terms of this Agreement, which shall be made in the manner and in the amount set forth in Article 5 below.

“ONE System” means HSH’s Online Navigation and Entry System for receiving and processing Referrals by Grantee.

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

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

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

“Opinion” means an opinion of Grantee’s California legal counsel, satisfactory to MOHCD, that Grantee is a duly formed, validly existing limited partnership in good standing under the laws of the State of California, has the power and authority to enter into this Agreement and will be bound by its terms when executed and delivered, that Grantee’s general

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

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

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

“Project” shall have the meaning set forth in Recital D.

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

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

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

“Qualified Minimal Debt Service Payment” means a minimal debt service payment that Grantee must make under the MOHCD Loan Agreement, the Senior Loan Documents or any additional affordable housing loan for the Project, provided that Grantee first obtains MOHCD's written consent to such additional loan, including any proposed repayments to be made to such additional loan.

“Real Property” shall have the meaning set forth in Recital D.

“Referral” means HSH documentation of eligibility of LOSP client being referred for permanent supportive housing at the Project through the HSH Coordinated Entry system.

“Senior Loan Documents” means the following documents: the loan documents executed by Grantee in connection with the construction loan from Silicon Valley Bank, a division of First-Citizens Bank & Trust Company, in the amount of \$18,351,285, which will be fully repaid at conversion to permanent financing.

“Services Agreement” means the Contract for Services dated [____], and between Tenant Services Contractor and HSH for the provision of services to LOSP Clients at the Project.

“Subsequent Leasing Date” shall have the meaning given to it in Section 4.1.

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

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

“TAY” means Transition Age Youth, a person aged 18 to 24 years old or a person aged 25-27 years old who used homelessness response system services in San Francisco between the ages of 18 and 24 years old or an unaccompanied person under 18 who has been legally emancipated.

“Tenant” means a LOSP Client who leases an Assisted Unit.

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

“Tenant Services Contractor” means Larkin Street Youth Services, a California non-profit public benefit corporation.

“Term” shall have the meaning set forth in Section 3.

“Termination Notice Date” shall have the meaning set forth in Section 4.1.

“Transition Plan” shall have the meaning set forth in Section 2.5.

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

“Vacancy Period” shall have the meaning set forth in Section 4.1.

“20-Year Cash Flow” means the cash flow projection described in the attached **Exhibit B**.

1.2 Additional Terms. The terms “as directed,” “as required” or “as permitted” and similar terms shall refer to the direction, requirement, or permission of MOHCD. The terms “sufficient,” “necessary” or “proper” and similar terms shall mean sufficient, necessary or proper in the sole judgment of MOHCD. The terms “approval,” “acceptable” or “satisfactory” or similar terms shall mean approved by, or acceptable to, or satisfactory to MOHCD. The terms “include,” “included” or “including” and similar terms shall be deemed to be followed by the words “without limitation”. The use of the term “subcontractor,” “successor” or “assign” herein

refers only to a subcontractor (“subgrantee”), successor or assign expressly permitted under Article 13.

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

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

2.1 Risk of Non-Appropriation of Grant Funds.

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

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

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

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

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

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

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

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

2.3 Automatic Termination for Nonappropriation or Nontransfer of Funds. This Agreement shall automatically terminate, without penalty, liability or expense of any kind to City, at the end of the period of the City's Business Year that a Non-Appropriation Event occurs, except as otherwise set forth in Section 2.5 and Section 2.6.

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

2.5 Program Transition Reserve Account.

(a) All LOSP subsidy payments, including the Subsidy Payments, are conditioned on the appropriation of sufficient funds therefor and the transfer of such funds to MOHCD's annual

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

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

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

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

2.6 NPLH Funds. For the avoidance of any doubt, this Article 2 shall not apply to the NPLH COSR or MOHCD obligations to make an NPLH Payment under this Agreement.

ARTICLE 3 TERM

The term of this Agreement (the “**Term**”) shall commence on the LOSP Funding Start Date and shall terminate on the twentieth (20th) anniversary of the LOSP Funding Start Date.

ARTICLE 4 PERFORMANCE OF GRANT OBLIGATIONS

4.1 Lease of Assisted Units.

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

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

(c) Preference in occupying all Assisted Units shall be first to Certificate of Preference Holders in accordance with the **Manual**; provided that such applicants satisfy all other applicable eligibility requirements as a LOSP Client.

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

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

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

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

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

(i) Security deposits may be required of Tenants only in accordance with applicable federal regulations, state law and this Agreement. Any security deposits collected must be

segregated from all other funds of the Project in an account held in trust for the benefit of the Tenants and other tenants of the Project and disbursed in accordance with California law. The balance in such security deposit account must at all times equal or exceed the aggregate of all security deposits collected plus accrued interest thereon, less any security deposits or interest thereon returned to Tenants or any other tenants of the Project.

4.2 Rent Restrictions.

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

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

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

4.3 Operating Reserve Account; Subsidy Reserve Account.

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

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

4.4 Annual Operating Budget.

(a) The Annual Operating Budget attached hereto as **Exhibit B** sets forth Grantee's anticipated Operating Costs, Project Income and Projected Shortfall for the Term of the Agreement. Grantee shall pay Operating Costs in conformity with the approved Annual Operating Budget. MOHCD's prior written consent shall not be required before Grantee can

spend funds on Operating Costs that differ in amount from the amounts in the Annual Operating Budget.

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

(c) Any travel expenses incurred by Grantee shall be reasonable and must comply with the following:

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

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

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

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

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

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

4.5 Grantee's Board of Directors. Grantee's manager, if Grantee is a limited liability company, or Grantee's general partner or the sole member of the limited liability company general partner, if Grantee is a limited partnership, shall at all times be governed by a legally constituted and fiscally responsible board of directors. Such board of directors shall meet

regularly and maintain appropriate membership, as established in such entity's bylaws and other governing documents and shall adhere to applicable provisions of federal, state and local laws governing nonprofit corporations. Such entity's board of directors shall exercise such oversight responsibility with regard to this Agreement as is necessary to ensure full and prompt performance by Grantee of its obligations under this Agreement.

4.6 Maintenance and Management of Project.

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

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

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

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

4.7 Services Agreement; Provision of Services.

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

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

(c) In the event that the Services Agreement is terminated for any reason, or that MOHCD and/or HSH determines that the Tenant Services Contractor needs to be replaced,

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

ARTICLE 5

USE AND DISBURSEMENT OF GRANT FUNDS AND NPLH FUNDS

5.1 Maximum Amount of Grant Funds; Disbursement of Subsidy Payments; Maximum Amount of NPLH Funds.

5.1.1 Maximum Amount of Grant Funds; Disbursement of Subsidy Payments.

(a) In no event shall the total amount of Grant Funds disbursed hereunder exceed Fifteen Million Three Hundred Sixty Nine Thousand Three Hundred Sixty One and No/100 Dollars (\$15,369,361.00) (the "**Grant Amount**"), consisting of up to \$10,589,361 in Program General Funds and \$4,780,000 of NPLH Funds. Subject to Grantee's performance of its obligations under this Agreement and MOHCD's receipt of sufficient Program General Funds, as further set forth in Article 2, the Grant Funds shall be disbursed through Subsidy Payments.

(b) Provided that Grantee is in compliance with all of the conditions for receipt of the First Subsidy Payment, City shall deliver the First Subsidy Payment to Grantee within one hundred twenty (120) business days immediately following the LOSP Funding Start Date. For every subsequent year during the Term, provided that Grantee is in compliance with all of the conditions for receipt of a Subsidy Payment, City shall deliver the Subsidy Payment for such year to Grantee on or before January 31 following the Agreement Date, provided that Grantee has submitted current certificate of insurance and complied with the conditions to disbursement under this Agreement.

5.1.2 NPLH Funds.

(a) In no event shall the total amount of NPLH Funds, plus accrued interest in the NPLH COSR, exceed Four Million Seven Hundred Eighty Thousand and No/100 Dollars (\$4,780,000.00) (the "**NPLH Amount**"). Subject to Grantee's performance of its obligations under this Agreement and compliance with the NPLH requirements under the MOHCD Loan Agreement and the MOU, MOHCD shall disburse the NPLH Funds through NPLH Payments to Grantee concurrently with the LOSP Funds disbursement.

(b) Grantee acknowledges and agrees that it has no ownership interest in the NPLH COSR. The NPLH COSR is for the benefit of the NPLH Eligible Tenants of the NPLH Assisted Units, and Borrower shall have no right or claim to NPLH COSR proceeds or NPLH Payments.

5.2 Subsidy Payment Amounts, NPLH Payment Amounts, and Adjustments.

5.2.1 Subsidy Payment Amounts and Adjustments.

(a) The Annual Operating Budget is the Parties' current expectations of Operating Costs and Projected Shortfalls during the Term. The Parties anticipate that the amount of the First Subsidy Payment and each subsequent Subsidy Payment shall be as shown on **Exhibit A**. The First Subsidy Payment amount reflects the Projected Shortfall for the period starting on the LOSP Funding Start Date. Notwithstanding the foregoing initial calculations of the Annual Operating Budget and the Subsidy Payment amounts, however, each Subsidy Payment (including the First Subsidy Payment) is subject to further adjustment pursuant to this Section and City's annual review and approval of the applicable Annual Operating Budget and/or the Annual Monitoring Report. The City may reduce the subsequent NPLH Payments by the amount of any funds held in the Subsidy Reserve Account attributable to the NPLH Payments supporting NPLH Assisted Units.

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

5.2.2 NPLH Payments and Adjustments.

(a) The amount of an NPLH Payment shall be based on the costs of the operations for the NPLH Assisted Units and the difference between (i) the Project Income attributable to the NPLH Assisted Units and (ii) the vacancies and annual Operating Expenses of the NPLH Assisted Units pursuant to the MOHCD Loan Agreement and as determined MOHCD; provided, however, the NPLH Payment amount shall not exceed five percent (5%) of the NPLH Amount each Business Year, except as permitted under the NPLH Regulations. The total amount of NPLH Payments shall not exceed the NPLH Amount available in the NPLH COSR.

(b) The calculation of the initial disbursement of Subsidy Payments from the NPLH COSR (Year 1 and Year 2 disbursements, prior to receipt of any Annual Bifurcated Audit) includes the anticipated Projected Shortfall attributable to the NPLH Assisted Units based on Subsidy Payment schedule in Exhibit A. Thereafter, disbursement of any NPLH Payments from the NPLH COSR are subject to Grantee submitting an AMR and an Annual Bifurcated Audit to MOHCD for review and approval.

(c) The NPLH Payments will be reconciled with actual costs of the NPLH Assisted Units at the Project's Fiscal Year-end based on the results of the Annual Bifurcated Audit. If, after review of the Project's Annual Bifurcated Audit, MOHCD finds that the Operating Costs for the NPLH Assisted Units did not need as much from the NPLH COSR as it received for that year, MOHCD may:

1. Provide less in NPLH Payments in a subsequent year to make up the difference between the amount DPH and/or HSH received and the actual amount of the Supportive Services for the NPLH Assisted Units in the prior year; or

2. Require Grantee to return to MOHCD the amount provided that was in excess of the amount of the Operating Costs for the NPLH Assisted Units, and any such amount returned shall be deposited to a NPLH COSR; or

3. Recalculate the remaining amount of NPLH COSR funds available over the remaining years until the twentieth (20th) year and inform Grantee of the available NPLH Payment amount from the NPLH COSR per year, with the intent of keeping the NPLH COSR available for a full twenty (20) years.

(d) If, after review of the Project's first five years of Annual Bifurcated Audits, the MOHCD finds that the Project has used more than twenty-five percent (25%) of the total amount of the NPLH COSR funds, MOHCD reserves the right, at its sole discretion, to impose annual limits for disbursement of the remaining NPLH COSR funds. Such limits shall be determined by dividing the remaining NPLH COSR funds by the years remaining until the twentieth (20th) year.

1. The MOHCD reserves the right, at its sole discretion, to implement the same NPLH COSR review process at years ten (10) and fifteen (15) to determine if disbursements of NPLH COSR may be greater than five percent (5%) per year, or greater than the limits imposed at the previous fifth (5th) year NPLH COSR review in order to determine if different limits on NPLH COSR disbursements shall be imposed for the remaining years until the twentieth (20th) year.

2. If there are funds remaining (or will be remaining) in the NPLH COSR after the twentieth (20th) year, MOHCD the right, at its sole discretion, to implement a similar process for determining the amounts available for allocation and disbursement.

5.3 Use of Grant Funds and NPLH Funds.

(a) Grantee shall use the Program General Funds and the NPLH funds only for Assisted Units Operating Costs and for no other purpose. Grantee shall only use funds from the NPLH COSER for the Operating Costs attributable to NPLH Assisted Units and for no other purpose. Grantee shall expend the Grant Funds in accordance with the Annual Operating Budget.

(b) Notwithstanding anything to the contrary contained herein, funds from the NPLH COSR shall NOT be use for any of the following:

1. Costs associated with any non-NPLH Assisted Units.
2. Costs associated with any NPLH Assisted Units for which the Grantee did not apply for and receive an award of NPLH Funds or set forth under the MOHCD Loan Agreement.
3. Any loan payments including but not limited to, any balloon payments and any residual receipts payments.
4. Ground lease payments.
5. Grantee distributions under the MOHCD Loan Agreement or Grantee's limited partnership agreement.
6. Deposits to reserves beyond those required by MOHCD as described in the Loan Documents, including reserves required by other Project financing sources.

7. Supportive services costs not permitted as part of the Project's Operating Budget.
8. Vacancy loss exceeding ninety (90) days for a tenant who has left the NPLH Assisted Unit. This amount shall not exceed eighty percent (80%) of the approved Rent for the NPLH Assisted Unit. If the NPLH Assisted Unit is receiving rental assistance, the requirements of the rental subsidy source shall apply.
9. Asset management fees or partnership management fees not paid in accordance with the requirements of the MOHCD Loan Agreement and this Agreement.
10. Deferred developer fees not paid in accordance with the requirements of the MOHCD Loan Agreement and this Agreement.
11. Any costs for or in connection with a limited partner buyout, substitution, or assignment of ownership interest, neither during an operating (fiscal) year nor at any potential restructure or syndication transaction.
12. Other costs not approved by MOHCD or permitted under the NPLH Regulations.

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

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

(b) Grantee must have delivered its Charter Documents to the City and evidence of compliance with the Registry of Charities and Fundraisers administered by the California Attorney General. All certified documents to be provided pursuant to this Section shall be certified by the California Secretary of State no earlier than two (2) months prior to the Agreement Date. The Charter Documents shall be delivered to the City in their original form, as amended if applicable.

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

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

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

(f) Grantee must have delivered to MOHCD a copy of the certificate of occupancy or equivalent certification provided by the City's Department of Building Inspection for the Project.

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

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

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

(c) Grantee must have delivered evidence that: (1) Grantee is in good standing and authorized to do business in California, and (2) Grantee is in compliance with the California Registry of Charities and Fundraisers administered by the California Attorney General.

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

5.6 Allocation of Grant Funds and Calculation of Assisted Unit Operating Costs. For the purposes of determining the Subsidy Payment and the Projected Shortfall, City and Grantee have agreed that the parties shall allocate fifty percent (50%) of the total Operating Costs to the Assisted Units (“**Assisted Units Operating Costs**”) and 50 percent (50%) of the total Operating Costs to the non-Assisted Units. For most budget line items, LOSP units are assigned a prorated share of the total project operating cost. There are some line items where alternative portions of the line item may be proposed. **Exhibit B** depicts the allocation of Operating Costs between the Assisted and non-Assisted Units, including and budget line items for which alternative portions have been allocated to the Assisted/non-Assisted units.

ARTICLE 6 REPORTING REQUIREMENTS; AUDITS; PENALTIES FOR FALSE CLAIMS

6.1 Annual Monitoring Reports; Operating Statements.

(a) By no later than one hundred fifty (150) days after the end of Grantee’s Business Year (fiscal year under the MOHCD Loan Agreement), Grantee shall file electronically with MOHCD annual report forms (the “**Annual Monitoring Report**”) that includes, but is not limited to, the following: (i) audited financial statements including any management letters; (ii) an income and expense statement for the Project covering the applicable reporting period “Operating Statement”; (iii) a statement of balances, deposits and withdrawals from all

Accounts; and (iv) evidence of required insurance. The Annual Monitoring Report must be in substantially the form attached as **Exhibit G** or as later modified by MOHCD during the Term.

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

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

6.3 Notification of Defaults or Changes in Circumstances.

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

(b) Grantee shall 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.

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

6.5 Books and Records. Grantee shall establish and maintain accurate files and records of all aspects of Operating Expenses and Project Income and the matters funded in whole or in part with Grant Funds during the term of this Agreement. Without limiting the scope of the foregoing, Grantee shall establish and maintain accurate financial books and accounting records relating to Operating Costs incurred and paid and Grant Funds received and expended under this Agreement, together with all invoices, documents, payrolls, time records and other data related to the matters covered by this Agreement, whether funded in whole or in part with Grant Funds. Grantee shall maintain all of the files, records, books, invoices, documents, payrolls and other data required to be maintained under this Section in a readily accessible location and condition for a period of not less than five (5) years after final payment under this Agreement or until any final audit has been fully completed, whichever is later. Grantee agrees to maintain and make available to MOHCD, during regular business hours, accurate books and accounting records

relating to the Project and the Tenants. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon MOHCD by this Section. All financial reports must be prepared and maintained in accordance with GAAP as in effect at the time of performance.

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

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

ARTICLE 7 TAXES

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

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

(a) Grantee, on behalf of itself and any subgrantees, successors and assigns, recognizes and understands that this Agreement may create a possessory interest subject to property taxation

and Grantee, and any subgrantee, successor or assign, may be subject to the payment of such taxes.

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

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

7.3 Earned Income Credit (EIC) Forms. San Francisco Labor and Employment Code Article 161 requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found.

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

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

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

(d) Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in San Francisco Labor and Employment Code Article 161.

ARTICLE 8 REPRESENTATIONS AND WARRANTIES

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

8.1 Organization; Authorization.

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

(b) Grantee represents that it is in good standing with the California Attorney General's Registry of Charities and Fundraisers and will remain in good standing during the term of this Agreement. Grantee represents that Grantee's general partner, or the general partner's sole member of the general partner (if general partner is a limited liability company) is in good standing with the California Attorney General's Registry of Charities and Fundraisers and will remain in good standing during the term of this Agreement. Grantee shall immediately notify City of any change in its eligibility to perform under the Agreement. Upon City's request, Grantee shall provide documentation demonstrating its compliance with applicable legal requirements. If applicable, Grantee is responsible for ensuring any subcontractors are also in compliance with the California Attorney General's Registry of Charities and Fundraisers for the duration of the Agreement. Any failure by Grantee or its subcontractors to remain in good standing with applicable requirements shall be a material breach of this Agreement.

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

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

8.4 No Legal Actions. No action, suit or proceeding is pending or threatened that might affect Grantee or the Project adversely in any material respect. Grantee has not received any written notices of default under any agreement to which it is a party.

8.5 Conflict of Interest. By executing this Agreement, Grantee certifies that it does not know of any fact which constitutes a violation of Section 15.103 of the City's Charter; Article III, Chapter 2 of City's Campaign and Governmental Conduct Code; Title 9, Chapter 7 of the California Government Code (Section 87100 et seq.); or Title 1, Division 4, Chapter 1, Article 4 of the California Government Code (Section 1090 et seq.), and further agrees promptly to notify City if it becomes aware of any such fact during the term of this Agreement.

ARTICLE 9 INDEMNIFICATION AND GENERAL LIABILITY

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

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

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

9.4 LIMITATION ON LIABILITY OF CITY. CITY'S OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE AGGREGATE AMOUNT OF GRANT FUNDS ACTUALLY DISBURSED HEREUNDER. NOTWITHSTANDING ANY OTHER PROVISION CONTAINED IN THIS AGREEMENT, THE APPLICATION DOCUMENTS OR ANY OTHER DOCUMENT OR COMMUNICATION RELATING TO THIS AGREEMENT,

IN NO EVENT SHALL CITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, THE GRANT FUNDS OR ANY ACTIVITIES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

ARTICLE 10 INSURANCE

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

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

(b) Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence and \$2,000,000 general aggregate for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations.

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

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

Notwithstanding the foregoing, Grantee shall comply with the highest amounts and coverages under the MOHCD Loan Agreement or the Senior Loan Documents.

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

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

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

10.3 Additional Requirements for All Policies. Grantee shall provide no less than thirty (30) days' advance written notice to City of cancellation of policy for any reason, nonrenewal or reduction in coverage and specific notice mailed to City's address for notices pursuant to Article 15.

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

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

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

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

ARTICLE 11 EVENTS OF DEFAULT AND REMEDIES

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

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

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

on which such performance or observance is due, and (ii) in the case of other defaults under this Section 11.1(b), in no event shall such cure period extend beyond ninety (90) days after the date on which such performance or observance is due.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 12

DISCLOSURE OF INFORMATION AND DOCUMENTS

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

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

12.3 Financial Projections. Pursuant to San Francisco Administrative Code Section 67.32, Grantee has on or before the date hereof provided to City financial projections, including profit

and loss figures, for the Project. The Grantee acknowledges and agrees that the financial projections and audited financial statements required under this Agreement shall be public records subject to disclosure upon request.

ARTICLE 13 ASSIGNMENTS AND SUBCONTRACTING

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

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

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

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

ARTICLE 14 INDEPENDENT CONTRACTOR STATUS

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

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

14.3 Consequences of Recharacterization.

(a) Should City, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Grantee is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer

portions of the tax due (and offsetting any credits for amounts already paid by Grantee which can be applied against this liability). City shall subsequently forward such amounts to the relevant taxing authority.

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

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

ARTICLE 15

NOTICES AND OTHER COMMUNICATIONS

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

If to MOHCD or City:	Mayor's Office of Housing and Community Development One South Van Ness, 5 th Floor San Francisco, CA 94103 Attn: Asset Manager Project: 78 Haight Telephone No.: 415-701-5500 Facsimile No.: 415-701-5501
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If to Grantee:	Octavia RSU Associates, L.P. c/o Tenderloin Neighborhood Development Corporation 201 Eddy Street San Francisco, CA 94102 Attn: Chief Executive Officer
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With a copy to:	_____ _____ Attention: General Counsel
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15.2 Effective Date. All communications sent in accordance with Section 15.1 shall become effective on the date of receipt. Such date of receipt shall be determined by: (a) if mailed, the return receipt, completed by the U.S. postal service; (b) if sent by hand delivery, a receipt executed by a duly authorized agent of the party to whom the notice was sent; (c) if sent by facsimile, the date of telephonic confirmation of receipt by a duly authorized agent of the party to whom the notice was sent or, if such confirmation is not reasonably practicable, the date indicated in the facsimile machine transmission report of the party giving such notice; or (d) if sent by nationally-recognized overnight delivery service, the next business day following deposit therewith, provided that next business-day delivery is requested.

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

ARTICLE 16 COMPLIANCE

16.1 Reserved.

16.2 Nondiscrimination; Penalties.

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

(b) **Subcontracts.** Grantee shall incorporate by reference in all subcontracts the provisions of San Francisco Labor and Employment Code Article 131, Section 131.2(a), (c)-(k), and Section 132.3 shall require all subgrantees to comply with such provisions. Grantee's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

(c) **Non-Discrimination in Benefits.** Grantee does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco or where the work is being performed for the City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in San Francisco Labor and Employment Code Article 131, Section 131.2(b).

(d) **Condition to Contract.** As a condition to this Agreement, Grantee shall execute the “City’s Declaration: Nondiscrimination in Contracts and Benefits form) with supporting documentation and secure the approval of the form by the San Francisco Contract Monitoring Division (CMD).

(e) **Incorporation of Administrative Code Provisions by Reference.** The provisions of San Francisco Labor and Employment Code Article 131 and Article 132 are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Grantee shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters of the Administrative Code, including the remedies provided in such Chapters. Without limiting the foregoing, Grantee understands that pursuant to Article 131, Section 131.2(h) of the San Francisco Labor and Employment Code, a penalty of Fifty Dollars (\$50) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Grantee and/or deducted from any payments due Grantee.

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

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

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

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

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

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

16.8 Requiring Minimum Compensation for Employees. Labor and Employment Code Article 111 applies to this Agreement. Grantee shall pay covered employees no less than the minimum compensation required by San Francisco Labor and Employment Code Article 111, including a minimum hourly gross compensation, compensated time off, and uncompensated time off. Grantee is subject to the enforcement and penalty provisions in Article 111. Information about and the text of Article 111 is available on the web at <http://sfgov.org/olse/mco>. Grantee is required to comply with all of the applicable provisions of Article 111, irrespective of the listing of obligations in this Section. By signing and executing this Agreement, Grantee certifies that it complies with Article 111.

16.9 Notification of Prohibitions on Contributions. By executing this Agreement, Grantee acknowledges its obligations under section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with, or is seeking a contract with, any department of the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, for a grant, loan or loan guarantee, or for a development agreement, from making any campaign contribution to (i) a City elected official if the contract must be approved by that official, a board on which that official serves, or the board of a state agency on which an appointee of that official serves, (ii) a candidate for that City elective office, or (iii) a committee controlled by such elected official or a candidate for that office, at any time from the submission of a proposal for the contract until the later of either the termination of negotiations for such contract or twelve months after the date the City approves the contract. The prohibition on contributions applies to each prospective party to the contract; each member of Grantee's board of directors; Grantee's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 10 % in Grantee; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Grantee. Grantee certifies that it has informed each such person of the limitation on contributions imposed by Section 1.126 by the time it submitted a proposal for the grant, and has provided the names of the persons required to be informed to the City department with whom it is contracting.

16.10 First Source Hiring Program.

The provisions of Chapter 83 of the San Francisco Administrative Code (First Source Hiring Program) are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Grantee shall comply with all of the provisions of the First Source Hiring Program under such Chapter that apply to this Agreement, and Grantee is subject to the enforcement and penalty provisions in Chapter 83.

16.11 Prohibition on Political Activity with City Funds. In accordance with S. F. Administrative Code Chapter 12.G, no funds appropriated by the City and County of San Francisco for this Agreement may be expended for organizing, creating, funding, participating in, supporting, or attempting to influence any political campaign for a candidate or for a ballot measure (collectively, "**Political Activity**"). The terms of San Francisco Administrative Code Chapter 12.G are incorporated herein by this reference. Accordingly, an employee working in any position funded under this Agreement shall not engage in any Political Activity during the work hours funded hereunder, nor shall any equipment or resource funded by this Agreement be

used for any Political Activity. In the event Grantee, or any staff member in association with Grantee, engages in any Political Activity, then (i) Grantee shall keep and maintain appropriate records to evidence compliance with this Section, and (ii) Grantee shall have the burden to prove that no funding from this Agreement has been used for such Political Activity. Grantee agrees to cooperate with any audit by the City or its designee in order to ensure compliance with this Section. In the event Grantee violates the provisions of this Section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement and any other agreements between Grantee and City, (ii) prohibit Grantee from bidding on or receiving any new City contract for a period of two (2) years, and (iii) obtain reimbursement of all funds previously disbursed to Grantee under this Agreement.

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

16.13 Distribution of Beverages and Water.

(a) Sugar-Sweetened Beverage Prohibition. Grantee agrees that it shall not sell, provide, or otherwise distribute Sugar-Sweetened Beverages, as defined by San Francisco Administrative Code Chapter 101, as part of its performance of this Agreement.

(b) Packaged Water Prohibition. Grantee agrees that it shall not sell, provide, or otherwise distribute Packaged Water, as defined by San Francisco Environment Code Chapter 24, as part of its performance of this Agreement. .

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

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

- (1) The disclosure is authorized by this Agreement;
 - (2) The Grantee received advance written approval from the Contracting Department to disclose the information; or
 - (3) The disclosure is expressly required by a judicial order.
- (b) Any disclosure or use of Private Information authorized by this Agreement shall be in accordance with any conditions or restrictions stated in this Agreement. Any disclosure or use of Private Information authorized by a Contracting Department shall be in accordance with any conditions or restrictions stated in the approval.
- (c) “**Private Information**” shall mean any information that: (1) could be used to identify an individual, including without limitation, name, address, social security number, medical information, financial information, date and location of birth, and names of relatives; or (2) the law forbids any person from disclosing.
- (d) Any failure of Grantee to comply with Chapter 12M shall be a material breach of this Agreement. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate this Agreement, debar Grantee, or bring a false claim action against Grantee.

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

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

Grantee shall remove all graffiti from any real property owned or leased by Grantee in the City and County of San Francisco within forty eight (48) hours of the earlier of Grantee’s (a)

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

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

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

16.18 Consideration of Criminal History in Hiring and Employment Decisions.

(a) Grantee agrees to comply fully with and be bound by all of the provisions of Article 142, “City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions,” of the San Francisco Labor and Employment Code (“Article 142”), including the remedies provided, and implementing regulations, as may be amended from time to time. The provisions of Article 142 are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of Article 142 is available on the web at <http://sfgov.org/olse/fco>. Grantee is required to comply with all of the applicable provisions of Article 142, 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 Article 142.

(b) The requirements of Article 142 shall only apply to a Grantee’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, and shall apply when the physical location of the employment or prospective employment of an individual is wholly or substantially within the City of San

Francisco. Article 142 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.

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

ARTICLE 17 MISCELLANEOUS

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

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

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

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

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

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

Exhibit A, Projected Project Subsidy Payments

Exhibit B, Annual Operating Budget for Initial Operating Period and 20-Year Cash Flow

Exhibit C, LOSP Client Selection Criteria

Exhibit D, Tenant Selection Plan Policy – LOSP
Exhibit E, Tenant Screening Criteria Policy – LOSP
Exhibit F, Lobbying/Debarment Certification Form
Exhibit G, Annual Monitoring Report
Exhibit H, No Place Like Home Funding Requirements

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

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

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

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

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

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

[REMAINDER OF PAGE INTENTIONALLY BLANK]

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

CITY:

CITY AND COUNTY OF SAN
FRANCISCO,
a municipal corporation

By: _____
Daniel Lurie
Mayor

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

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: _____
Keith Nagayama
Deputy City Attorney

GRANTEE:

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

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

Octavia RSU Associates, L.P.,
a California limited partnership

By: Octavia RSU GP LLC,
a California limited liability company,
its general partner

By: Tenderloin Neighborhood
Development Corporation,
a California nonprofit public benefit
corporation,
its manager

By: _____
Jennifer Dolin
Chief Executive Officer

Federal Tax ID #: _____

City Vendor Number: _____

Exhibit A – Projected Project Subsidy Payments

SUBSIDY FUNDING SCHEDULE

Project Address: 78 Haight Street

LOSP Funding

Start Date: 10/1/2025

Exhibit A

Calendar Year	# Months to Fund	LOSP Total Disbursement for Calendar Year	NPLH COSR Total Disbursement for Calendar Year	TOTAL Subsidy Payment	Estimated Disbursement Date
CY-1 2025	3	\$ 139,741	\$ 126,391	\$ 266,132	1/15/2026
CY-2 2026	12	\$ 536,661	\$ 173,709	\$ 710,370	1/15/2026
CY-3 2027	12	\$ 556,148	\$ 180,134	\$ 736,282	1/1/2027
CY-4 2028	12	\$ 576,331	\$ 186,790	\$ 763,121	1/1/2028
CY-5 2029	12	\$ 597,235	\$ 193,684	\$ 790,919	1/1/2029
CY-6 2030	12	\$ 618,886	\$ 200,826	\$ 819,712	1/1/2030
CY-7 2031	12	\$ 641,310	\$ 208,223	\$ 849,533	1/1/2031
CY-8 2032	12	\$ 664,534	\$ 215,885	\$ 880,419	1/1/2032
CY-9 2033	12	\$ 688,585	\$ 223,822	\$ 912,407	1/1/2033
CY-10 2034	12	\$ 713,494	\$ 232,042	\$ 945,536	1/1/2034
CY-11 2035	12	\$ 739,290	\$ 240,556	\$ 979,846	1/1/2035
CY-12 2036	12	\$ 766,007	\$ 249,374	\$ 1,015,381	1/1/2036
CY-13 2037	12	\$ 793,674	\$ 258,507	\$ 1,052,181	1/1/2037
CY-14 2038	12	\$ 822,325	\$ 267,966	\$ 1,090,291	1/1/2038
CY-15 2039	12	\$ 851,995	\$ 277,763	\$ 1,129,758	1/1/2039
CY-16 2040	12	\$ 883,145	\$ 287,485	\$ 1,170,630	1/1/2040
CY-17 2041	12	\$ -	\$ 297,547	\$ 297,547	1/1/2041
CY-18 2042	12	\$ -	\$ 307,961	\$ 307,961	1/1/2042
CY-19 2043	12	\$ -	\$ 318,739	\$ 318,739	1/1/2043
CY-20 2044	12	\$ -	\$ 332,596	\$ 332,596	1/1/2044
TOTAL CONTRACT AMT:		\$ 10,589,361	\$ 4,780,000	\$ 15,369,361	

SUBSIDY FUNDING END DATE:

12/31/2044

Exhibit B - Annual Operating Budget for Initial Operating Period and 20-Year Cash Flow

Application Date:	8/18/2025	LOSP Units	Non-LOSP Units
Total # Units:	64	32	32
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations):	2025	LOSP/non-LOSP Allocation	
		50%	50%

Project Name:	78 Haight Street
Project Address:	78 Haight Street Tenderloin Neighborhood Development Corporation
Project Sponsor:	
TCAC Income Limits In Use!	

Correct errors noted in Col N!

INCOME	LOSP	non-LOSP	Total	Comments
Residential - Tenant Rents	79,800	623,700	703,500	Links from 'New Proj - Rent & Unit Mix' Worksheet
Residential - Tenant Assistance Payments (SOS Payments)		0	0	Comments
Residential - Tenant Assistance Payments (Other Non-LOSP)	0	0	0	Links from 'New Proj - Rent & Unit Mix' Worksheet
Residential - LOSP Tenant Assistance Payments	558,963		558,963	
Commercial Space			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Residential Parking	0	0	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Rent Income	0	0	0	Links from 'Utilities & Other Income' Worksheet
Supportive Services Income	0	0		
Interest Income - Project Operations	0	0	0	Links from 'Utilities & Other Income' Worksheet
Laundry and Vending	4,343	4,343	8,686	Links from 'Utilities & Other Income' Worksheet
Tenant Charges		0	0	
Miscellaneous Residential Income	0	0	0	Links from 'Utilities & Other Income' Worksheet
Other Commercial Income			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Withdrawal from Capitalized Reserve (deposit to operating account)	126,391	146,900	273,291	TNDC COSR 1 for non-LOSP, NPLH COSR for LOSP
Gross Potential Income	769,497	774,943	1,544,440	Vacancy Formulas use percentages entered in cells G25-26; can be overridden, use negative #s!
Vacancy Loss - Residential - Tenant Rents	(3,990)	(31,185)	(35,175)	5% Vacancy loss is 5% of Tenant Rents.
Vacancy Loss - Residential - Tenant Assistance Payments	0	0	0	5% #DIV/0!
Vacancy Loss - Commercial			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
EFFECTIVE GROSS INCOME	765,507	743,758	1,509,265	PUPA: 23,582

OPERATING EXPENSES

Management				
Management Fee	31,459	31,459	62,918	1st Year to be set according to HUD schedule.
Asset Management Fee	13,005	13,005	26,009	
Sub-total Management Expenses	44,464	44,464	88,927	PUPA: 1,389
Salaries/Benefits				
Office Salaries	149,124	57,068	206,192	Links from 'Staffing' Worksheet
Manager's Salary	49,650	49,650	99,300	Links from 'Staffing' Worksheet
Health Insurance and Other Benefits	39,516	39,516	79,031	Health and other employee benefits, 403(b) plan
Other Salaries/Benefits	20,895	20,895	41,790	Payroll service charges, payroll taxes
Administrative Rent-Free Unit	0	0		
Sub-total Salaries/Benefits	259,185	167,128	426,313	PUPA: 6,661
Administration				
Advertising and Marketing	284	284	567	
Office Expenses	24,619	24,619	49,237	supplies, equipment, equipment lease or rental, printing, computers/software, tele/comm,
Office Rent	0	0		
Legal Expense - Property	7,000	7,000	14,000	
Audit Expense	5,967	5,967	11,933	
Bookkeeping/Accounting Services	7,661	7,661	15,322	
Bad Debts	13,547	13,547	27,093	
Miscellaneous	2,706	2,706	5,411	programming expense
Sub-total Administration Expenses	61,782	61,782	123,563	PUPA: 1,931
Utilities				
Electricity	18,246	18,246	36,492	
Water	24,928	24,928	49,856	include sewer
Gas	0	0		
Sewer	0	0		
Sub-total Utilities	43,174	43,174	86,348	PUPA: 1,349
Taxes and Licenses				
Real Estate Taxes	2,313	2,313	4,626	
Payroll Taxes	0	0		
Miscellaneous Taxes, Licenses and Permits	1,221	1,221	2,442	
Sub-total Taxes and Licenses	3,534	3,534	7,068	PUPA: 110
Insurance				
Property and Liability Insurance	144,056	144,056	288,112	
Fidelity Bond Insurance	0	0		
Worker's Compensation	13,947	13,947	27,893	workers comp, health and other employee benefits, 403b plan, payroll service charges
Director's & Officers' Liability Insurance	0	0		
Sub-total Insurance	158,003	158,003	316,005	PUPA: 4,938
Maintenance & Repair				
Payroll	73,280	73,280	146,560	Links from 'Staffing' Worksheet
Supplies	15,123	15,123	30,246	repairs
Contracts	0	0		included in miscellaneous
Garbage and Trash Removal	32,118	32,118	64,236	
Security Payroll/Contract	0	0	0	Links from 'Staffing' Worksheet
HVAC Repairs and Maintenance	2,747	2,747	5,493	
Vehicle and Maintenance Equipment Operation and Repairs	11,997	11,997	23,994	elevator maintenance + grounds
Miscellaneous Operating and Maintenance Expenses	21,963	21,963	43,925	fire, life safety, exterminating, and other misc. Maintenance expenses
Sub-total Maintenance & Repair Expenses	157,227	157,227	314,454	PUPA: 4,913
Supportive Services	0	49,277	49,277	Links from 'Staffing' Worksheet
Commercial Expenses			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%

TOTAL OPERATING EXPENSES	727,367	684,588	1,411,955	PUPA: 22,062
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Reserves/Ground Lease Base Rent/Bond Fees				
Ground Lease Base Rent	7,500	7,500	15,000	Ground lease with MOHCD Provide additional comments here, if needed.
Bond Monitoring Fee	0	0		
Replacement Reserve Deposit	16,000	16,000	32,000	
Operating Reserve Deposit	0	0		
Other Required Reserve 1 Deposit	0	0		
Other Required Reserve 2 Deposit	0	0		
Required Reserve Deposit/s, Commercial			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	23,500	23,500	47,000	PUPA: 734

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond	750,867	708,088	1,458,955	PUPA: 22,796	Min DSCR: 1.15
					Mortgage Rate: 5.00%
					Term (Years): 30
					Supportable 1st Mortgage Pmt: 43,748
NET OPERATING INCOME (INCOME minus OP EXPENSES)	14,640	35,670	50,310	PUPA: 786	Supportable 1st Mortgage Amt: \$679,122
					Proposed 1st Mortgage Amt: \$30,525,994

DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)				
Hard Debt - First Lender	0	0	0	Provide additional comments here, if needed.

Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Le	0	0	0		Provide additional comments here, if needed.
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	0	0		Provide additional comments here, if needed.
Hard Debt - Fourth Lender	0	0	0		Provide additional comments here, if needed.
Commercial Hard Debt Service			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
TOTAL HARD DEBT SERVICE	0	0	0	PUPA: 0	

CASH FLOW (NOI minus DEBT SERVICE)	14,640	35,670	50,310
Commercial Only Cash Flow			0
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)	0	0	
AVAILABLE CASH FLOW	14,640	35,670	50,310

USES OF CASH FLOW BELOW (This row also shows DSCR.)

USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL

"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	0	0		
Partnership Management Fee (see policy for limits)	12,140	12,140	24,280	1st
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	2,500	2,500	5,000	2nd
Other Payments	0	0		
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	0	0		Provide additional comments here, if needed.
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)	0	0		Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	0	0		Def. Develop. Fee split: 0% Provide additional comments here, if needed.
TOTAL PAYMENTS PRECEDING MOHCD	14,640	14,640	29,280	PUPA: 458

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS)	0	21,030	21,030
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Residual Receipts Calculation			
Does Project have a MOHCD Residual Receipt Obligation?	Yes	Project has MOHCD ground lease?	Yes
Will Project Defer Developer Fee?	No		
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:	33%		
% of Residual Receipts available for distribution to soft debt lenders in `	67%		

Soft Debt Lenders with Residual Receipts Obligations	(Select lender name/program from drop down)	Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OCII - Soft Debt Loans	All MOHCD/OCII Loans payable from res. rects	\$30,525,994	99.51%
MOHCD/OCII - Ground Lease Value or Land Acq Cost	Ground Lease Value	\$150,000	0.49%
HCD (soft debt loan) - Lender 3			0.00%
Other Soft Debt Lender - Lender 4			0.00%
Other Soft Debt Lender - Lender 5			0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE				
MOHCD Residual Receipts Amount Due		14,020	14,020	67% of residual receipts, multiplied by 100% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment		14,020	14,020	Enter/override amount of residual receipts proposed for loan repayment.
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		0	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repymt.
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS			7,010	

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE				
HCD Residual Receipts Amount Due		0		
Lender 4 Residual Receipts Due		0		
Lender 5 Residual Receipts Due		0		
Total Non-MOHCD Residual Receipts Debt Service			0	

REMAINDER (Should be zero unless there are distributions below)			7,010	
Owner Distributions/Incentive Management Fee		7,010	100% of Borrower share of 33% of residual receipts	
Other Distributions/Uses		0		
Final Balance (should be zero)			0	

78 Haight Street

TCAC Income Limits In Use!

Total # Units:				LOSP Units		Non-LOSP Units					Year 1 2025			Year 2 2026			Year 3 2027		
64				32		32		50.00%											
				% annual inc	% annual increase	Comments (related to annual inc assumptions)			LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total		
INCOME				1.0%	2.5%														
Residential - Tenant Rents				1.0%	2.5%				79,800	623,700	703,500	80,598	639,293	719,891	81,404	655,275	736,679		
Residential - SOS Payments					4.0%				-	-	-	-	-	-	-	-	-		
Residential - Tenant Assistance Payments (Other Non-LOSP)				n/a					-	-	-	-	-	-	-	-	-		
Residential - LOSP Tenant Assistance Payments				n/a	n/a				558,963		558,963	536,661		536,661	556,148		556,148		
Commercial Space				n/a	2.5%	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%					-			-			-		
Residential Parking				2.5%	2.5%				-	-	-	-	-	-	-	-	-		
Miscellaneous Rent Income				2.5%	2.5%				-	-	-	-	-	-	-	-	-		
Supportive Services Income				2.5%	2.5%				-	-	-	-	-	-	-	-	-		
Interest Income - Project Operations				2.5%	2.5%				-	-	-	-	-	-	-	-	-		
Laundry and Vending				2.5%	2.5%				4,343	4,343	8,686	4,452	4,452	8,903	4,563	4,563	9,126		
Tenant Charges				2.5%	2.5%				-	-	-			-			-		
Miscellaneous Residential Income				2.5%	2.5%				-	-	-	-	-	-	-	-	-		
Other Commercial Income				n/a	2.5%	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%					-			-			-		
Withdrawal from Capitalized Reserve (deposit to operating account)				n/a	n/a	TNDC COSR to Non-LOSP, NPLH COSR to LOSP Vacancy formulas use %ages from wage cells G25-26; can be overridden - use negative #s!			126,391	146,900	273,291	173,709	157,600	331,309	180,134	168,800	348,934		
Gross Potential Income									769,497	774,943	1,544,440	795,420	801,344	1,596,764	822,249	828,638	1,650,887		
Vacancy Loss - Residential - Tenant Rents				n/a	n/a	Commercial Op Budget, see notes there. If not using default formulas, replace this note & explain vacancy assumptions.			(3,990)	(31,185)	(35,175)	(4,030)	(31,965)	(35,995)	(4,070)	(32,764)	(36,834)		
Vacancy Loss - Residential - Tenant Assistance Payments				n/a	n/a				-	-	-	-	-	-	-	-	-		
Vacancy Loss - Commercial				n/a	n/a				-	-	-	-	-	-	-	-	-		
EFFECTIVE GROSS INCOME									765,507	743,758	1,509,265	791,390	769,379	1,560,769	818,179	795,874	1,614,053		
OPERATING EXPENSES																			
Management																			
Management Fee				3.5%	3.5%	1st Year to be set according to HUD schedule.			31,459	31,459	62,918	32,560	32,560	65,120	33,700	33,700	67,399		
Asset Management Fee				3.5%	3.5%	per MOHCD policy			13,005	13,005	26,009	13,460	13,460	26,919	13,931	13,931	27,861		
Sub-total Management Expenses									44,464	44,464	88,927	46,020	46,020	92,039	47,630	47,630	95,261		
Salaries/Benefits																			
Office Salaries				3.5%	3.5%				149,124	57,068	206,192	154,344	59,065	213,409	159,746	61,132	220,878		
Manager's Salary				3.5%	3.5%				49,650	49,650	99,300	51,388	51,388	102,776	53,186	53,186	106,373		
Health Insurance and Other Benefits				3.5%	3.5%				39,516	39,516	79,031	40,899	40,899	81,797	42,330	42,330	84,660		
Other Salaries/Benefits				3.5%	3.5%				20,895	20,895	41,790	21,626	21,626	43,253	22,383	22,383	44,766		
Administrative Rent-Free Unit				3.5%	3.5%				-	-	-	-	-	-	-	-	-		
Sub-total Salaries/Benefits									259,185	167,128	426,313	268,256	172,978	441,234	277,645	179,032	456,677		
Administration																			
Advertising and Marketing				3.5%	3.5%				284	284	567	293	293	587	304	304	607		
Office Expenses				3.5%	3.5%				24,619	24,619	49,237	25,480	25,480	50,960	26,372	26,372	52,744		
Office Rent				3.5%	3.5%														
Legal Expense - Property				3.5%	3.5%				7,000	7,000	14,000	7,245	7,245	14,490	7,499	7,499	14,997		
Audit Expense				3.5%	3.5%				5,967	5,967	11,933	6,175	6,175	12,351	6,391	6,391	12,783		
Bookkeeping/Accounting Services				3.5%	3.5%				7,661	7,661	15,322	7,929	7,929	15,858	8,207	8,207	16,413		
Bad Debts				3.5%	3.5%				13,547	13,547	27,093	14,021	14,021	28,041	14,511	14,511	29,023		
Miscellaneous				3.5%	3.5%				2,706	2,706	5,411	2,800	2,800	5,600	2,898	2,898	5,796		
Sub-total Administration Expenses									61,782	61,782	123,563	63,944	63,944	127,888	66,182	66,182	132,364		
Utilities																			
Electricity				3.5%	3.5%				18,246	18,246	36,492	18,885	18,885	37,769	19,546	19,546	39,091		
Water				3.5%	3.5%				24,928	24,928	49,856	25,800	25,800	51,601	26,703	26,703	53,407		
Gas				3.5%	3.5%				-	-	-	-	-	-	-	-	-		
Sewer				3.5%	3.5%				-	-	-	-	-	-	-	-	-		
Sub-total Utilities									43,174	43,174	86,348	44,685	44,685	89,370	46,249	46,249	92,498		
Taxes and Licenses																			
Real Estate Taxes				3.5%	3.5%				2,313	2,313	4,626	2,394	2,394	4,788	2,478	2,478	4,955		
Payroll Taxes				3.5%	3.5%				-	-	-	-	-	-	-	-	-		
Miscellaneous Taxes, Licenses and Permits				3.5%	3.5%				1,221	1,221	2,442	1,264	1,264	2,527	1,308	1,308	2,616		
Sub-total Taxes and Licenses									3,534	3,534	7,068	3,658	3,658	7,315	3,786	3,786	7,571		
Insurance																			
Property and Liability Insurance				3.5%	3.5%				144,056	144,056	288,112	149,098	149,098	298,196	154,316	154,316	308,633		
Fidelity Bond Insurance				3.5%	3.5%				-	-	-	-	-	-	-	-	-		
Worker's Compensation				3.5%	3.5%				13,947	13,947	27,893	14,435	14,435	28,869	14,940	14,940	29,880		
Director's & Officers' Liability Insurance				3.5%	3.5%				-	-	-	-	-	-	-	-	-		
Sub-total Insurance									158,003	158,003	316,005	163,533	163,533	327,065	169,256	169,256	338,512		
Maintenance & Repair																			
Payroll				3.5%	3.5%				73,280	73,280	146,560	75,845	75,845	151,690	78,499	78,499	156,999		
Supplies				3.5%	3.5%				15,123	15,123	30,246	15,652	15,652	31,305	16,200	16,200	32,400		
Contracts				3.5%	3.5%				-	-	-	-	-	-	-	-	-		
Garbage and Trash Removal				3.5%	3.5%				32,118	32,118	64,236	33,242	33,242	66,484	34,406	34,406	68,811		
Security Payroll/Contract				3.5%	3.5%				-	-	-	-	-	-	-	-	-		
HVAC Repairs and Maintenance				3.5%	3.5%				2,747	2,747	5,493	2,843	2,843	5,685	2,942	2,942	5,884		
Vehicle and Maintenance Equipment Operation and Repairs				3.5%	3.5%				11,997	11,997	23,994	12,417	12,417	24,834	12,851	12,851	25,703		
Miscellaneous Operating and Maintenance Expenses				3.5%	3.5%				21,963	21,963	43,925	22,731	22,731	45,462	23,527	23,527	47,054		
Sub-total Maintenance & Repair Expenses									157,227	157,227	314,454	162,730	162,730	325,460	168,425	168,425	336,851		
Supportive Services				3.5%	3.5%				-	49,277	49,277	-	51,002	51,002	-	52,787	52,787		
Commercial Expenses																			
TOTAL OPERATING EXPENSES									727,367	684,588	1,411,955	752,825	708,548	1,461,373	779,174	733,348	1,512,521		
PUPA (w/o Reserves/GL Base Rent/Bond Fees)																			
Reserves/Ground Lease Base Rent/Bond Fees																			
Ground Lease Base Rent									7,500	7,500	15,000	7,500	7,500	15,000	7,500	7,500	15,000		
Bond Monitoring Fee									-	-	-	-	-	-	-	-	-		
Replacement Reserve Deposit									16,000	16,000	32,000	16,000	16,000	32,000	16,000	16,000	32,000		
Operating Reserve Deposit									-	-	-	-	-	-	-	-	-		
Other Required Reserve 1 Deposit									-	-	-	-	-	-	-	-	-		
Other Required Reserve 2 Deposit									-	-	-	-	-	-	-	-	-		
Required Reserve Deposits, Commercial									-	-	-	-	-	-	-	-	-		
Sub-total Reserves/Ground Lease Base Rent/Bond Fees									23,500	23,500	47,000	23,500	23,500	47,000	23,500	23,500	47,000		
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)									750,867	708,088	1,458,955	776,325	732,048	1,508,373	802,674	756,848	1,559,521		
PUPA (w/ Reserves/GL Base Rent/Bond Fees)																			
NET OPERATING INCOME (INCOME minus OP EXPENSES)									14,640	35,670	50,310	15,065	37,331	52,396	15,505	39,026	54,531		
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)																			
Hard Debt - First Lender									-	-	-	-	-	-	-	-	-		
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)									-	-	-	-	-	-	-	-	-		
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)									-	-	-	-	-	-	-	-	-		
Hard Debt - Fourth Lender									-	-	-	-	-	-	-	-	-		
Commercial Hard Debt Service									-	-	-	-	-	-	-	-	-		
TOTAL HARD DEBT SERVICE																			
CASH FLOW (NOI minus DEBT SERVICE)									14,640	35,670	50,310	15,065	37,331	52,396	15,505	39,026	54,531		
Commercial Only Cash Flow																			
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)									-	-	-	-	-	-	-	-	-		
AVAILABLE CASH FLOW									14,640	35,670	50,310	15,065	37,331	52,396	15,505	39,026	54,531		
USES OF CASH FLOW BELOW (This row also shows DSCR.)																			
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL																			
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)				3.5%	3.5%	per MOHCD policy			-	-	-	-	-	-	-	-	-		
Partnership Management Fee (see policy for limits)				3.5%	3.5%	per MOHCD policy			12,140	12,140	24,280	12,565	12,565	25,130	13,005	13,005	26,009		
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)					0.0%	per MOHCD policy no annual increase			2,500	2,500	5,000	2,500	2,500	5,000	2,500	2,500	5,000		
Other Payments									-	-	-	-	-	-	-	-	-		
Non-amortizing Loan Pmnt - Lender 1									-	-	-	-	-	-	-	-	-		
Non-amortizing Loan Pmnt - Lender 2									-	-	-	-	-	-	-	-	-		
Deferred Developer Fee (Enter amt <= Max Fee from row 131)									-	-	-	-	-	-	-	-	-		
TOTAL PAYMENTS PRECEDING MOHCD									14,640	14,640	29,280	15,065	15,065	30,130	15,505	15,505	31,009		
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)									-	21,030	21,030	0	22,266	22,266	0	23,522	23,522		
Does Project have a MOHCD Residual Receipt Obligation?				Yes															
Will Project Defer Developer Fee?				No															
Residual Receipts split for all years. - Lender/Owner				67% / 33%															
MOHCD RESIDUAL RECEIPTS DEBT SERVICE																			
MOHCD Residual Receipts Amount Due																			
Proposed MOHCD Residual Receipts Amount to Loan Repayment																			
Proposed MOHCD Residual Receipts																			

78 Haight Street

Total # Units:				LOSP Units	Non-LOSP Units	Year 4 2028			Year 5 2029			Year 6 2030			
				64	32	32									
				50.00%	50.00%	50.00%									
	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total			
INCOME															
Residential - Tenant Rents	1.0%	2.5%		82,218	671,657	753,875	83,040	688,448	771,488	83,871	705,659	789,530			
Residential - SOS Payments		4.0%		-	-	-	-	-	-	-	-	-			
Residential - Tenant Assistance Payments (Other Non-LOSP)	n/a			-	-	-	-	-	-	-	-	-			
Residential - LOSP Tenant Assistance Payments	n/a	n/a		576,331		576,331	597,235		597,235	618,886		618,886			
Commercial Space	n/a	2.5%	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%			-			-			-			
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-			
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-			
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-			
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-			
Laundry and Vending	2.5%	2.5%		4,677	4,677	9,354	4,794	4,794	9,588	4,914	4,914	9,828			
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-			
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-			
Other Commercial Income	n/a	2.5%	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%			-			-			-			
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	TNDC COSR to Non-LOSP, NPLH COSR to LOSP vacancy formulas use %ages from wab cells G25-26; can be overridden - use negative #s!	186,790	180,600	367,390	193,684	192,999	386,683	200,826	205,900	406,726			
Gross Potential Income				850,016	856,934	1,706,949	878,754	886,241	1,764,995	908,496	916,473	1,824,969			
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Linked from 1st Year Op Budget &/or Commercial Op Budget, see notes there. If not using default formulas, replace this note & explain vacancy assumptions.	(4,111)	(33,583)	(37,694)	(4,152)	(34,422)	(38,574)	(4,194)	(35,283)	(39,476)			
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-			
Vacancy Loss - Commercial	n/a	n/a		-	-	-	-	-	-	-	-	-			
EFFECTIVE GROSS INCOME				845,905	823,351	1,669,256	874,602	851,819	1,726,420	904,303	881,190	1,785,493			
OPERATING EXPENSES															
Management															
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	34,879	34,879	69,758	36,100	36,100	72,200	37,363	37,363	74,727			
Asset Management Fee	3.5%	3.5%	per MOHCD policy	14,418	14,418	28,837	14,923	14,923	29,846	15,445	15,445	30,891			
Sub-total Management Expenses				49,297	49,297	98,595	51,023	51,023	102,046	52,809	52,809	105,617			
Salaries/Benefits															
Office Salaries	3.5%	3.5%		165,337	63,272	228,609	171,123	65,487	236,610	177,113	67,779	244,891			
Manager's Salary	3.5%	3.5%		55,048	55,048	110,096	56,975	56,975	113,949	58,969	58,969	117,937			
Health Insurance and Other Benefits	3.5%	3.5%		43,812	43,812	87,623	45,345	45,345	90,690	46,932	46,932	93,864			
Other Salaries/Benefits	3.5%	3.5%		23,167	23,167	46,333	23,977	23,977	47,955	24,817	24,817	49,633			
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-			
Sub-total Salaries/Benefits				287,363	185,298	472,661	297,420	191,784	489,204	307,830	198,496	506,326			
Administration															
Advertising and Marketing	3.5%	3.5%		314	314	629	325	325	651	337	337	673			
Office Expenses	3.5%	3.5%		27,295	27,295	54,590	28,250	28,250	56,501	29,239	29,239	58,478			
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-			
Legal Expense - Property	3.5%	3.5%		7,761	7,761	15,522	8,033	8,033	16,065	8,314	8,314	16,628			
Audit Expense	3.5%	3.5%		6,615	6,615	13,230	6,847	6,847	13,693	7,086	7,086	14,173			
Bookkeeping/Accounting Services	3.5%	3.5%		8,494	8,494	16,988	8,791	8,791	17,582	9,099	9,099	18,198			
Bad Debts	3.5%	3.5%		15,019	15,019	30,038	15,545	15,545	31,090	16,089	16,089	32,178			
Miscellaneous	3.5%	3.5%		3,000	3,000	5,999	3,105	3,105	6,209	3,213	3,213	6,427			
Sub-total Administration Expenses				68,498	68,498	136,997	70,896	70,896	141,791	73,377	73,377	146,754			
Utilities															
Electricity	3.5%	3.5%		20,230	20,230	40,459	20,938	20,938	41,875	21,671	21,671	43,341			
Water	3.5%	3.5%		27,638	27,638	55,276	28,605	28,605	57,211	29,607	29,607	59,213			
Gas	3.5%	3.5%		-	-	-	-	-	-	-	-	-			
Sewer	3.5%	3.5%		-	-	-	-	-	-	-	-	-			
Sub-total Utilities				47,868	47,868	95,736	49,543	49,543	99,086	51,277	51,277	102,554			
Taxes and Licenses															
Real Estate Taxes	3.5%	3.5%		2,564	2,564	5,129	2,654	2,654	5,308	2,747	2,747	5,494			
Payroll Taxes	3.5%	3.5%		-	-	-	-	-	-	-	-	-			
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		1,354	1,354	2,707	1,401	1,401	2,802	1,450	1,450	2,900			
Sub-total Taxes and Licenses				3,918	3,918	7,836	4,055	4,055	8,111	4,197	4,197	8,395			
Insurance															
Property and Liability Insurance	3.5%	3.5%		159,717	159,717	319,435	165,308	165,308	330,615	171,093	171,093	342,187			
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-			
Worker's Compensation	3.5%	3.5%		15,463	15,463	30,925	16,004	16,004	32,008	16,564	16,564	33,128			
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-			
Sub-total Insurance				175,180	175,180	350,360	181,312	181,312	362,623	187,657	187,657	375,315			
Maintenance & Repair															
Payroll	3.5%	3.5%		81,247	81,247	162,494	84,090	84,090	168,181	87,034	87,034	174,067			
Supplies	3.5%	3.5%		16,767	16,767	33,534	17,354	17,354	34,708	17,961	17,961	35,923			
Contracts	3.5%	3.5%		-	-	-	-	-	-	-	-	-			
Garbage and Trash Removal	3.5%	3.5%		35,610	35,610	71,220	36,856	36,856	73,712	38,146	38,146	76,292			
Security Payroll/Contract	3.5%	3.5%		-	-	-	-	-	-	-	-	-			
HVAC Repairs and Maintenance	3.5%	3.5%		3,045	3,045	6,090	3,152	3,152	6,303	3,262	3,262	6,524			
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		13,301	13,301	26,603	13,767	13,767	27,534	14,249	14,249	28,497			
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		24,350	24,350	48,700	25,202	25,202	50,405	26,085	26,085	52,169			
Sub-total Maintenance & Repair Expenses				174,320	174,320	348,641	180,422	180,422	360,843	186,736	186,736	373,473			
Supportive Services	3.5%	3.5%		-	54,634	54,634	-	56,546	56,546	-	58,526	58,526			
Commercial Expenses			from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%			-			-			-			
TOTAL OPERATING EXPENSES				806,445	759,015	1,									

78 Haight Street

Total # Units:				Year 7 2031			Year 8 2032			Year 9 2033		
64												

78 Haight Street

Total # Units:				LOSP Units	Non-LOSP Units				Year 10 2034			Year 11 2035			Year 12 2036			
64				32	32													
				50.00%	50.00%													
				% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)			LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	
INCOME																		
Residential - Tenant Rents				1.0%	2.5%				87,276	778,916	866,192	88,149	798,389	886,538	89,030	818,348	907,379	
Residential - SOS Payments					4.0%				-	-	-	-	-	-	-	-	-	
Residential - Tenant Assistance Payments (Other Non-LOSP)				n/a					-	-	-	-	-	-	-	-	-	
Residential - LOSP Tenant Assistance Payments				n/a	n/a				713,494		713,494	739,291		739,291	766,007		766,007	
Commercial Space				n/a	2.5%	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%			-	-	-	-	-	-	-	-	-	
Residential Parking				2.5%	2.5%				-	-	-	-	-	-	-	-	-	
Miscellaneous Rent Income				2.5%	2.5%				-	-	-	-	-	-	-	-	-	
Supportive Services Income				2.5%	2.5%				-	-	-	-	-	-	-	-	-	
Interest Income - Project Operations				2.5%	2.5%				-	-	-	-	-	-	-	-	-	
Laundry and Vending				2.5%	2.5%				5,424	5,424	10,848	5,559	5,559	11,119	5,698	5,698	11,397	
Tenant Charges				2.5%	2.5%				-	-	-	-	-	-	-	-	-	
Miscellaneous Residential Income				2.5%	2.5%				-	-	-	-	-	-	-	-	-	
Other Commercial Income				n/a	2.5%	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%			-	-	-	-	-	-	-	-	-	
Withdrawal from Capitalized Reserve (deposit to operating account)				n/a	n/a	TNDC COSR to Non-LOSP, NPLH COSR to LOSP			232,042	264,400	496,442	240,556	280,800	521,356	249,374	297,900	547,274	
Gross Potential Income						vacancy formulas use %ages from wab cells G25-26, can be overridden - use negative #s!			1,038,236	1,048,740	2,086,976	1,073,555	1,084,748	2,158,304	1,110,110	1,121,947	2,232,057	
Vacancy Loss - Residential - Tenant Rents				n/a	n/a	Linked from 1st Year Op Budget &/or Commercial Op Budget, see notes there. If not using default formulas, replace this note & explain vacancy assumptions.			(4,364)	(38,946)	(43,310)	(4,407)	(39,919)	(44,327)	(4,452)	(40,917)	(45,369)	
Vacancy Loss - Residential - Tenant Assistance Payments				n/a	n/a				-	-	-	-	-	-	-	-	-	
Vacancy Loss - Commercial				n/a	n/a				-	-	-	-	-	-	-	-	-	
EFFECTIVE GROSS INCOME																		
1,033,872 1,009,794 2,043,666 1,069,148 1,044,829 2,113,977 1,105,658 1,081,029 2,186,688																		
OPERATING EXPENSES																		
Management																		
Management Fee				3.5%	3.5%	1st Year to be set according to HUD schedule.			42,875	42,875	85,751	44,376	44,376	88,752	45,929	45,929	91,858	
Asset Management Fee				3.5%	3.5%	per MOHCD policy			17,724	17,724	35,448	18,344	18,344	36,688	18,986	18,986	37,972	
Sub-total Management Expenses									60,599	60,599	121,198	62,720	62,720	125,440	64,915	64,915	129,831	
Salaries/Benefits																		
Office Salaries				3.5%	3.5%				203,241	77,777	281,019	210,354	80,500	290,854	217,717	83,317	301,034	
Manager's Salary				3.5%	3.5%				67,668	67,668	135,336	70,036	70,036	140,072	72,487	72,487	144,975	
Health Insurance and Other Benefits				3.5%	3.5%				53,856	53,856	107,711	55,741	55,741	111,481	57,691	57,691	115,383	
Other Salaries/Benefits				3.5%	3.5%				28,478	28,478	56,955	29,474	29,474	58,949	30,506	30,506	61,012	
Administrative Rent-Free Unit				3.5%	3.5%				-	-	-	-	-	-	-	-	-	
Sub-total Salaries/Benefits									353,242	227,779	581,021	365,606	235,751	601,357	378,402	244,002	622,404	
Administration																		
Advertising and Marketing				3.5%	3.5%				386	386	773	400	400	800	414	414	828	
Office Expenses				3.5%	3.5%				33,552	33,552	67,105	34,727	34,727	69,454	35,942	35,942	71,885	
Office Rent				3.5%	3.5%				-	-	-	-	-	-	-	-	-	
Legal Expense - Property				3.5%	3.5%				9,540	9,540	19,081	9,874	9,874	19,748	10,220	10,220	20,440	
Audit Expense				3.5%	3.5%				8,132	8,132	16,263	8,416	8,416	16,833	8,711	8,711	17,422	
Bookkeeping/Accounting Services				3.5%	3.5%				10,441	10,441	20,882	10,807	10,807	21,613	11,185	11,185	22,370	
Bad Debts				3.5%	3.5%				18,462	18,462	36,925	19,109	19,109	38,217	19,777	19,777	39,555	
Miscellaneous				3.5%	3.5%				3,687	3,687	7,375	3,816	3,816	7,633	3,950	3,950	7,900	
Sub-total Administration Expenses									84,202	84,202	168,404	87,149	87,149	174,298	90,199	90,199	180,398	
Utilities																		
Electricity				3.5%	3.5%				24,867	24,867	49,735	25,738	25,738	51,476	26,639	26,639	53,277	
Water				3.5%	3.5%				33,974	33,974	67,949	35,163	35,163	70,327	36,394	36,394	72,788	
Gas				3.5%	3.5%				-	-	-	-	-	-	-	-	-	
Sewer				3.5%	3.5%				-	-	-	-	-	-	-	-	-	
Sub-total Utilities									58,842	58,842	117,683	60,901	60,901	121,802	63,033	63,033	126,065	
Taxes and Licenses																		
Real Estate Taxes				3.5%	3.5%				3,152	3,152	6,305	3,263	3,263	6,525	3,377	3,377	6,754	
Payroll Taxes				3.5%	3.5%				-	-	-	-	-	-	-	-	-	
Miscellaneous Taxes, Licenses and Permits				3.5%	3.5%				1,664	1,664	3,328	1,722	1,722	3,445	1,783	1,783	3,565	
Sub-total Taxes and Licenses									4,816	4,816	9,633	4,985	4,985	9,970	5,160	5,160	10,319	
Insurance																		
Property and Liability Insurance				3.5%	3.5%				196,334	196,334	392,667	203,205	203,205	406,410	210,317	210,317	420,635	
Fidelity Bond Insurance				3.5%	3.5%				-	-	-	-	-	-	-	-	-	
Worker's Compensation				3.5%	3.5%				19,008	19,008	38,015	19,673	19,673	39,346	20,361	20,361	40,723	
Director's & Officers' Liability Insurance				3.5%	3.5%				-	-	-	-	-	-	-	-	-	
Sub-total Insurance									215,341	215,341	430,682	222,878	222,878	445,756	230,679	230,679	461,358	
Maintenance & Repair																		
Payroll				3.5%	3.5%				99,873	99,873	199,746	103,369	103,369	206,737	106,987	106,987	213,973	
Supplies				3.5%	3.5%				20,611	20,611	41,222	21,332	21,332	42,665	22,079	22,079	44,158	
Contracts				3.5%	3.5%				-	-	-	-	-	-	-	-	-	
Garbage and Trash Removal				3.5%	3.5%				43,774	43,774	87,547	45,306	45,306	90,611	46,891	46,891	93,783	
Security Payroll/Contract				3.5%	3.5%				-	-	-	-	-	-	-	-	-	
HVAC Repairs and Maintenance				3.5%	3.5%				3,743	3,743	7,486	3,874	3,874	7,748	4,010	4,010	8,020	
Vehicle and Maintenance Equipment Operation and Repairs				3.5%	3.5%				16,351	16,351	32,701	16,923	16,923	33,846	17,515	17,515	35,031	
Miscellaneous Operating and Maintenance Expenses				3.5%	3.5%				29,933	29,933	59,865	30,980	30,980	61,961	32,065	32,065	64,129	
Sub-total Maintenance & Repair Expenses									214,284	214,284	428,569	221,784	221,784	443,568	229,547	229,547	459,093	
Supportive Services				3.5%	3.5%				-	67,159	67,159	-	69,510	69,510	-	71,943	71,943	
Commercial Expenses						from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%			-	-	-	-	-	-	-	-	-	
TOTAL OPERATING EXPENSES																		
991,327 933,023 1,924,350 1,026,023 965,679 1,991,702 1,061,934 999,477 2,061,412																		
PUPA (w/o Reserves/GL Base Rent/Bond Fees)																		
Reserves/Ground Lease Base Rent/Bond Fees																		
Ground Lease Base Rent									7,500	7,500	15,000	7,500	7,500	15,000	7,500	7,500	15,000	
Bond Monitoring Fee									-	-	-	-	-	-	-	-	-	
Replacement Reserve Deposit									16,000	16,000	32,000	16,000	16,000	32,000	16,000	16,000	32,000	
Operating Reserve Deposit									-	-	-	-	-	-	-	-	-	
Other Required Reserve 1 Deposit									-	-	-	-	-	-	-	-	-	
Other Required Reserve 2 Deposit									-	-	-	-	-	-	-	-	-	
Required Reserve Deposit/s, Commercial						from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%			-	-	-	-	-	-	-	-	-	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees									23,500	23,500	47,000	23,500	23,500	47,000	23,500	23,500	47,000	
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)																		
1,014,827 956,523 1,971,350 1,049,523 989,179 2,038,702 1,085,434 1,022,977 2,108,412																		
PUPA (w/ Reserves/GL Base Rent/Bond Fees)																		
NET OPERATING INCOME (INCOME minus OP EXPENSES)																		
19,046 53,271 72,317 19,625 55,650 75,275 20,224 58,052 78,276																		
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)																		
Hard Debt - First Lender						Enter comments re: annual increase, etc.			-	-	-	-	-	-	-	-	-	
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)						Enter comments re: annual increase, etc.			-	-	-	-	-	-	-	-	-	
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)						Enter comments re: annual increase, etc.			-	-	-	-	-	-	-	-	-	
Hard Debt - Fourth Lender						Enter comments re: annual increase, etc.			-	-	-	-	-	-	-	-	-	
Commercial Hard Debt Service						from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%			-	-	-	-	-	-	-	-	-	
TOTAL HARD DEBT SERVICE																		
19,046 53,271 72,317 19,625 55,650 75,275 20,224 58,052 78,276																		
CASH FLOW (NOI minus DEBT SERVICE)																		
Commercial Only Cash Flow									-	-	-	-	-	-	-	-	-	
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)									-	-	-	-	-	-	-	-	-	
AVAILABLE CASH FLOW																		
19,046 53,271 72,317 19,625 55,650 75,275 20,224 58,052 78,276																		
USES OF CASH FLOW BELOW (This row also shows DSCR.)																		
DSCR:																		
Below-the-line Asset Mgt fee (uncommon in new projects, see policy)				3.5%	3.5%	per MOHCD policy			-	-	-	-	-	-	-	-	-	
Partnership Management Fee (see policy for limits)				3.5%	3.5%	per MOHCD policy			16,546	16,546	33,091	17,125	17,125	34,249	17,724	17,724	35,448	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)				0.0%	0.0%	per MOHCD policy no annual increase			2,500	2,500	5,000	2,500	2,500	5,000	2,500	2,500	5,000	
Other Payments									-	-	-	-	-	-	-	-	-	
Non-amortizing Loan Pmnt - Lender 1						Enter comments re: annual increase, etc.			-	-	-	-	-	-	-	-	-	
Non-amortizing Loan Pmnt - Lender 2						Enter comments re: annual increase, etc.			-	-	-	-	-	-	-	-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)									-	-	-	-	-	-	-	-	-	
TOTAL PAYMENTS PRECEDING MOHCD																		
19,046 19,046 38,091 19,625 19,625 39,249 20,224 20,224 40,448																		
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)																		
0 34,225 34,225 0 36,025 36,025 (0) 37,828 37,828																		
Does Project have a MOHCD Residual Receipt Obligation?																		
Will Project Defer Developer Fee?																		
Residual Receipts split for all years. - Lender/Owner																		
Yes No 67% / 33%																		
MOHCD RESIDUAL RECEIPTS DEBT SERVICE																		
MOHCD Residual Receipts Amount Due						Dist. Soft Debt Loans												
Proposed MOHCD Residual Receipts Amount to Loan Repayment						100.00%												

78 Haight Street

Total # Units:					Year 13 2037			Year 14 2038			Year 15 2039		

78 Haight Street

	Total # Units: 64	LOSP Units 32 50.00%	Non-LOSP Units 32 50.00%	Comments (related to annual inc assumptions)	Year 19 2043			Year 20 2044		
					LOSP	non- LOSP	Total	LOSP	non- LOSP	Total
INCOME		% annual inc LOSP	% annual increase							
Residential - Tenant Rents		1.0%	2.5%		95,453	972,759	1,068,212	96,407	997,078	1,093,485
Residential - SOS Payments			4.0%		-	-	-	-	-	-
Residential - Tenant Assistance Payments (Other Non-LOSP)		n/a			-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments		n/a	n/a		983,434		983,434	1,016,578		1,016,578
Commercial Space		n/a	2.5%	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%			-			-
Residential Parking		2.5%	2.5%		-	-	-	-	-	-
Miscellaneous Rent Income		2.5%	2.5%		-	-	-	-	-	-
Supportive Services Income		2.5%	2.5%		-	-	-	-	-	-
Interest Income - Project Operations		2.5%	2.5%		-	-	-	-	-	-
Laundry and Vending		2.5%	2.5%		6,774	6,774	13,547	6,943	6,943	13,886
Tenant Charges		2.5%	2.5%		-	-	-	-	-	-
Miscellaneous Residential Income		2.5%	2.5%		-	-	-	-	-	-
Other Commercial Income		n/a	2.5%				-			-
Withdrawal from Capitalized Reserve (deposit to operating account)		n/a	n/a		318,739	410,701	729,440	332,596	-	332,596
Gross Potential Income				vacancy formulas use %ages from wab cells G25-26; can be overridden - use negative #s!	1,404,399	1,390,234	2,794,633	1,452,524	1,004,021	2,456,545
Vacancy Loss - Residential - Tenant Rents		n/a	n/a	Linked from 1st Year Op Budget &/or Commercial Op Budget, see notes there. If not using default formulas, replace this note & explain vacancy assumptions.	(4,773)	(48,638)	(53,411)	(4,820)	(49,854)	(54,674)
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a		-	-	-	-	-	-
Vacancy Loss - Commercial		n/a	n/a		-	-	-	-	-	-
EFFECTIVE GROSS INCOME					1,399,627	1,341,596	2,741,223	1,447,704	954,167	2,401,871
OPERATING EXPENSES										
Management										
Management Fee		3.5%	3.5%	1st Year to be set according to HUD schedule.	58,435	58,435	116,870	60,480	60,480	120,960
Asset Management Fee		3.5%	3.5%	per MOHCD policy	24,156	24,156	48,311	25,001	25,001	50,002
Sub-total Management Expenses					82,590	82,590	165,181	85,481	85,481	170,962
Salaries/Benefits										
Office Salaries		3.5%	3.5%		276,997	106,003	382,999	286,692	109,713	396,404
Manager's Salary		3.5%	3.5%		92,224	92,224	184,449	95,452	95,452	190,904
Health Insurance and Other Benefits		3.5%	3.5%		73,400	73,400	146,799	75,969	75,969	151,937
Other Salaries/Benefits		3.5%	3.5%		38,812	38,812	77,624	40,171	40,171	80,341
Administrative Rent-Free Unit		3.5%	3.5%		-	-	-	-	-	-
Sub-total Salaries/Benefits					481,433	310,439	791,872	498,283	321,304	819,587
Administration										
Advertising and Marketing		3.5%	3.5%		527	527	1,053	545	545	1,090
Office Expenses		3.5%	3.5%		45,729	45,729	91,457	47,329	47,329	94,658
Office Rent		3.5%	3.5%		-	-	-	-	-	-
Legal Expense - Property		3.5%	3.5%		13,002	13,002	26,005	13,458	13,458	26,915
Audit Expense		3.5%	3.5%		11,083	11,083	22,165	11,471	11,471	22,941
Bookkeeping/Accounting Services		3.5%	3.5%		14,230	14,230	28,460	14,728	14,728	29,457
Bad Debts		3.5%	3.5%		25,162	25,162	50,325	26,043	26,043	52,086
Miscellaneous		3.5%	3.5%		5,025	5,025	10,051	5,201	5,201	10,403
Sub-total Administration Expenses					114,758	114,758	229,517	118,775	118,775	237,550
Utilities										
Electricity		3.5%	3.5%		33,892	33,892	67,783	35,078	35,078	70,156
Water		3.5%	3.5%		46,303	46,303	92,607	47,924	47,924	95,848
Gas		3.5%	3.5%		-	-	-	-	-	-
Sewer		3.5%	3.5%		-	-	-	-	-	-
Sub-total Utilities					80,195	80,195	160,390	83,002	83,002	166,004
Taxes and Licenses										
Real Estate Taxes		3.5%	3.5%		4,296	4,296	8,593	4,447	4,447	8,893
Payroll Taxes		3.5%	3.5%		-	-	-	-	-	-
Miscellaneous Taxes, Licenses and Permits		3.5%	3.5%		2,268	2,268	4,536	2,347	2,347	4,695
Sub-total Taxes and Licenses					6,564	6,564	13,129	6,794	6,794	13,588
Insurance										
Property and Liability Insurance		3.5%	3.5%		267,582	267,582	535,165	276,948	276,948	553,896
Fidelity Bond Insurance		3.5%	3.5%		-	-	-	-	-	-
Worker's Compensation		3.5%	3.5%		25,905	25,905	51,811	26,812	26,812	53,624
Director's & Officers' Liability Insurance		3.5%	3.5%		-	-	-	-	-	-
Sub-total Insurance					293,488	293,488	586,976	303,760	303,760	607,520
Maintenance & Repair										
Payroll		3.5%	3.5%		136,117	136,117	272,234	140,881	140,881	281,762
Supplies		3.5%	3.5%		28,091	28,091	56,182	29,074	29,074	58,148
Contracts		3.5%	3.5%		-	-	-	-	-	-
Garbage and Trash Removal		3.5%	3.5%		59,659	59,659	119,318	61,747	61,747	123,494
Security Payroll/Contract		3.5%	3.5%		-	-	-	-	-	-
HVAC Repairs and Maintenance		3.5%	3.5%		5,102	5,102	10,203	5,280	5,280	10,560
Vehicle and Maintenance Equipment Operation and Repairs		3.5%	3.5%		22,284	22,284	44,569	23,064	23,064	46,128
Miscellaneous Operating and Maintenance Expenses		3.5%	3.5%		40,795	40,795	81,590	42,223	42,223	84,446
Sub-total Maintenance & Repair Expenses					292,047	292,047	584,095	302,269	302,269	604,538
Supportive Services		3.5%	3.5%		-	91,531	91,531	-	94,735	94,735
Commercial Expenses				from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%			-			-
TOTAL OPERATING EXPENSES					1,351,077	1,271,614	2,622,691	1,398,364	1,316,121	2,714,485
PUPA (w/o Reserves/GL Base Rent/Bond Fees)										
Reserves/Ground Lease Base Rent/Bond Fees										
Ground Lease Base Rent					7,500	7,500	15,000	7,500	7,500	15,000
Bond Monitoring Fee					-	-	-	-	-	-
Replacement Reserve Deposit					16,000	16,000	32,000	16,000	16,000	32,000
Operating Reserve Deposit					-	-	-	-	-	-
Other Required Reserve 1 Deposit					-	-	-	-	-	-
Other Required Reserve 2 Deposit					-	-	-	-	-	-
Required Reserve Deposit/s, Commercial				from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees					23,500	23,500	47,000	23,500	23,500	47,000
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)					1,374,577	1,295,114	2,669,691	1,421,864	1,339,621	2,761,485
PUPA (w/ Reserves/GL Base Rent/Bond Fees)										
NET OPERATING INCOME (INCOME minus OP EXPENSES)					25,050	46,481	71,531	25,839	(385,454)	(359,614)
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)										
Hard Debt - First Lender				Enter comments re: annual increase, etc.	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)				Enter comments re: annual increase, etc.	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)				Enter comments re: annual increase, etc.	-	-	-	-	-	-
Hard Debt - Fourth Lender				Enter comments re: annual increase, etc.	-	-	-	-	-	-
Commercial Hard Debt Service				from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%			-			-
TOTAL HARD DEBT SERVICE					-	-	-	-	-	-
CASH FLOW (NOI minus DEBT SERVICE)					25,050	46,481	71,531	25,839	(385,454)	(359,614)
Commercial Only Cash Flow							-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)					-	-	-	-	-	-
AVAILABLE CASH FLOW					25,050	46,481	71,531	25,839	(385,454)	(359,614)
USES OF CASH FLOW BELOW (This row also shows DSCR.)										
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL										
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)		3.5%	3.5%	per MOHCD policy	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)		3.5%	3.5%	per MOHCD policy	22,550	22,550	45,100	23,339	23,339	46,678
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			0.0%	per MOHCD policy no annual increase	2,500	2,500	5,000	2,500	2,500	5,000
Other Payments					-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1				Enter comments re: annual increase, etc.	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 2				Enter comments re: annual increase, etc.	-	-	-	-	-	-
Deferred Developer Fee (Enter amt <= Max Fee from row 131)					-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD					25,050	25,050	50,100	25,839	25,839	51,678
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)					0	21,432	21,432	(0)	(411,293)	(411,293)
Does Project have a MOHCD Residual Receipt Obligation?			Yes							
Will Project Defer Developer Fee?			No							
Residual Receipts split for all years. - Lender/Owner			67% / 33%							
MOHCD RESIDUAL RECEIPTS DEBT SERVICE										
MOHCD Residual Receipts Amount Due										
Proposed MOHCD Residual Receipts Amount to Loan Repayment							14,288			-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease							14,288			-
BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE							-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE										
HCD Residual Receipts Amount Due										
Lender 4 Residual Receipts Due										
Lender 5 Residual Receipts Due										
Total Non-MOHCD Residual Receipts Debt Service										
REMAINDER (Should be zero unless there are distributions below)							7,144			-
Owner Distributions/Incentive Management Fee							7,144			-
Other Distributions/Uses										
Final Balance (should be zero)							-			-
REPLACEMENT RESERVE - RUNNING BALANCE										
Replacement Reserve Starting Balance							576,000			608,000
Replacement Reserve Deposits							32,000			32,000
Replacement Reserve Withdrawals (ideally tied to CNA)							-			-
Replacement Reserve Interest										
RR Running Balance							608,000			640,000
OPERATING RESERVE - RUNNING BALANCE										
Operating Reserve Starting Balance							723,053			723,053
Operating Reserve Deposits							-			-
Operating Reserve Withdrawals										
Operating Reserve Interest										
OR Running Balance							723,053			723,053
OR Balance as a % of Prior Yr Op Exps + Debt Service							28.0%			27.1%
TNDC COSR - RUNNING BALANCE										
TNDC COSR Starting Balance							410,701			-
TNDC COSR Deposits							-			-
TNDC COSR Withdrawals							410,701			-
TNDC COSR Interest										
TNDC COSR Running Balance							-			-
NPLH COSR - RUNNING BALANCE										
NPLH COSR Starting Balance							651,335			332,596
NPLH COSR Deposits							-			-
NPLH COSR Withdrawals							318,739			332,596
NPLH COSR Interest										
NPLH COSR Running Balance							332,596			(0)

Exhibit C – LOSP Client Selection Criteria



Exhibit B - Eligibility for Housing Units

78 Haight, 78 Haight Street, San Francisco, CA 94102

During regular building operations, TNDC will take applications for housing units from the Property Waitlist when the property has vacant units or is expecting vacancies soon.

Applicants must meet all project requirements to be eligible. All applicants must pass a resident selection screening and have their income and assets third-party certified to move into any unit.

The project will include 32 units for transitional aged youth (TAY), which will receive referrals from the Department of Homelessness and Supportive Housing (DHS) through the Coordinated Entry System.

LOSP Program Eligibility

The Department of Homelessness and Supportive Housing (HSH) provides permanent supportive housing with onsite social services for both individuals and families at various sites throughout San Francisco. Eligibility may include applicants to be homeless at the time of intake, and have a certifiable disability related to mental health, substance (ab)use and/or disabling HIV/AIDS. All referrals are solicited directly from HSH through the Coordinated Entry system. For more information, access <https://hsh.sfgov.org/services/the-homelessness-response-system/coordinated-entry/>

The purpose of this Program is to provide Property Management and Support Services to the served population. The goals of these services are to increase housing stability of tenants within the Homelessness Response System (HRS).

TNDC will receive referrals from HSH via the Coordinated Entry Process.

Applicant households must meet the following requirements:

- A household must meet the HSH Homeless Definition under TAY / Youth category
- Applicants must provide homelessness verification, including a current certification of homelessness.
- Applicant incomes must be at or below 30% of the MOHCD Area Median Income as provided annually by the San Francisco Mayor's Office of Housing.

Applicant households referred into program units that are regulated under No Place Like Home (NPLH) must meet the following requirements:

- Adults with serious mental illness, or children with severe emotional disorders and their families and persons who require or are at risk of requiring acute psychiatric inpatient care, residential treatment, or outpatient crisis intervention because of a mental disorder with symptoms of psychosis, suicidality or violence and who are homeless, chronically homeless, or at risk of chronic homelessness.
- At risk of chronic homelessness includes persons who are at high risk of long-term or intermittent homelessness, including persons with mental illness exiting institutionalized settings with a history of homelessness prior to institutionalization, and transition age youth experiencing homelessness or with significant barriers to housing stability.



Exhibit B - Eligibility for Housing Units

HOUSING CHOICE VOUCHERS (HCV)

Housing Choice Vouchers- Under the tenant-based housing choice voucher program, the PHA issues an eligible family a voucher and the family select a unit of its choice. If the family moves out of the unit, the contract with the owner ends and the family can move with continued assistance to another unit.

Exhibit D

Tenant Selection Plan Policy - LOSP

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

Application Process

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

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

housing provider must immediately contact the referring agency, if possible, and the funding agency, HSH.

- **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 E

Tenant Screening Criteria Policy – LOSP

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

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

Screening Criteria

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

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.”

exceptional situations, the housing provider may consider offenses that occurred in the prior 5 years.

- 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;
 - (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 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.

Octavia RSU Associates, L.P.,
a California limited partnership

By: Octavia RSU GP LLC,
a California limited liability company,
its general partner

By: Tenderloin Neighborhood Development Corporation,
a California nonprofit public benefit corporation,
its manager

By: _____
Jennifer Dolin
Chief Executive Officer

EXHIBIT G – ANNUAL MONITORING REPORT

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



London N. Breed
Mayor

Eric D. Shaw
Director

October 21, 2020

Notice of Availability of 2020 Annual Monitoring Report Form
(plus reminders of Marketing Procedure and Serious Incident Protocol)

The Mayor's Office of Housing and Community Development (MOHCD) is pleased to announce the availability of the Annual Monitoring Report (AMR) forms for Reporting Year 2020 (RY2020). The forms are now available to be downloaded from the [Asset Management page](#) of the MOHCD web site. In addition, training videos on how to complete the AMR are available. See below for more information.

IMPORTANT INFORMATION RELATED TO COVID-19

MOHCD recognizes the impact that the COVID-19 crisis is having on the organizations that we support, especially those providing essential services. It is vitally important to take measures to protect your staff, residents and clients from contracting and spreading COVID-19. We urge all affordable housing owners and managers to follow the guidelines, recommendations and orders from the U.S. [Centers for Disease Control](#), the [State of California](#) and the San Francisco [Department of Public Health](#). MOHCD is also taking action to address the needs of the projects under our purview:

- MOHCD [published a memo](#) clarifying MOHCD's current Operating Reserves requirements.
- MOHCD extended the 2020 AMR due date by one month (see below for detailed info) for projects whose business year ran from 7/1/2019 to 6/30/2020.

MOHCD is allowing project sponsors to retain a larger share of 2020 surplus cash/residual receipts than is allowed under their financing agreements with MOHCD. For more information, read the notice regarding the [COVID-19 Allowance](#). This opportunity is limited to projects whose business year ran from 7/1/2019 to 6/30/2020. The COVID-19 Allowance may not be available to some projects that are subject to MOHCD financing, regulatory or ground lease agreements that include limits on distributions of surplus cash/residual receipts. To benefit from the Allowance, owners of such projects will have to request amendments to those agreements that would remove such limits. For more information, read the ["Notice Regarding Option to Remove Caps on Distributions of Residual Receipts."](#)

If this crisis is preventing you from responding thoroughly and quickly to any request from MOHCD, please do whatever you can to let us know of your limitations and to propose alternatives. Thank you for everything that you are doing on behalf of the people your organization serves and for all of the people of San Francisco.

Deadline: For projects whose business year ended June 30, 2020, the report will be due on January 8, 2021, for the period 7/1/2019-6/30/2020, unless noted otherwise in a project-specific notice sent by MOHCD. For any projects whose 2020 business year ended or will end on different dates than those above, the report will be due 5 months from the last date of that business year.

Completion and Submission Instructions

The Annual Monitoring Report consists of the following four parts:

I. AMR_RY2020 – project name.xlsx – This is a Microsoft Excel spreadsheet that is comprised of the following worksheets:

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

Provide all applicable information that is requested in worksheets 1-7. Use the Instructions to help you complete each form and the Completeness Tracker to help you to determine when each worksheet is complete.

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

Submit this report as an Excel file only; do not convert it to pdf or another file type. Changing the format of AMR_RY2020.xlsx without MOHCD's prior approval is not allowed. Do not overwrite any validations for any of the cells, alter any formulas or add or delete any rows or columns. If you need to revise the form in order to successfully complete the report, submit a request to moh.amr@sfgov.org.

II. Owner Compliance Certification Form and Documentation of Insurance

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

III. Audited Financial Statements

Provide financial statements for the project for Reporting Year 2020. They must be prepared by a certified public accountant in accordance with generally accepted accounting principles, applicable regulations and laws and with the City's "[Audit Requirements for MOHCD-Funded Projects](#)" a copy of which is posted on [MOHCD's Asset Management web page](#). If the project is owned by a single asset entity, provide separate financial statements just for the project, otherwise provide audited statements for the parent corporation. Also include copies of any Management Letters and special notes from the auditor that pertain to the property and the financial statements.

MOHCD's audit requirements call for the preparation of a supplemental section to the financial statements that includes the following:

- schedule of operating revenues
- schedule of operating expenses
- computation of cash flow/surplus cash
- summary of project reserve activity

The supplemental section may be prepared by using worksheet #7 of the AMR or a form generated by the accounting system of the project owner or the auditor.

IMPORTANT: Audited financial statements are a required submittal of the Annual Monitoring Report. Do not submit the AMR until the audit has been finalized. AMRs that are submitted without an audit or with a draft audit will not be accepted.

IV. Waiting List

Submit a copy of the project's waiting list that is current as of the date of submittal. The waiting list must include the following information for each person or household who has applied to live at the project and is still waiting to be considered for an available unit:

- name of head-of-household
- contact information
- date of application
- number of people in the household

- stated household income
- desired unit size

This requirement is not applicable to transitional housing projects, residential treatment programs, shelters, group homes or permanent supportive housing for homeless people that is leased through a closed referral system.

Completed AMRs must be submitted electronically, via *one email message per project* to moh.amr@sfgov.org. If the documents that comprise the report are too large to attach to a single email, compress the files into a zip file and attach it to the email.

AMR Training – On-Demand Videos

To facilitate completion of the AMR by project sponsors, MOHCD has created training videos that provide step-by-step instructions on how to complete the Excel reporting form and how to submit the report overall. There are ten video modules that vary in length from two to 30 minutes and may be viewed on-demand from the [Asset Management page](#) of the MOHCD web site. We strongly encourage all persons who are involved in preparing the AMR to watch the videos. If you experience any technical difficulties with accessing and viewing the videos, please contact Ricky Lam at ricky.lam@sfgov.org or 415-701-5542.

Marketing Procedure for Available Units and Waiting List Openings

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

Serious Incident Protocol

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

MOHCD requests that owners of projects financed by this office notify us in writing if a serious incident occurs at their properties and meets one or more of the following parameters:

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

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

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

Asset Management Team

MOHCD 1 South Van Ness Avenue, 5th Floor San Francisco, CA 94103

<http://sfmohcd.org> P. 415-701-5500 F. 415-701-5501

**Owner Compliance Certification and Insurance & Tax Certification Form
2020 Annual Monitoring Report
San Francisco Mayor's Office of Housing and Community Development**

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

Complete this form, sign and date it, scan it along with current liability and property insurance certificates into a single PDF file, then email the file along with AMR_RY2020 – project name.xlsx, audited financial statements, and current waiting list to moh.amr@sfgov.org.

Project Name: _____

Project Street Address: _____

Reporting Period – Start Date: _____ End Date: _____

Owner Compliance Certification

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

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

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

Owner Compliance Certification and Insurance & Tax Certification Form
2020 Annual Monitoring Report
San Francisco Mayor's Office of Housing and Community Development

	True	False	
9			The project has met affordability and other leasing provisions set forth in the funding agreement/s entered into with CCSF during the entire reporting period. As of the end date of the reporting period, _____ units (<i>supply exact number</i>) were occupied or held vacant and available for rental by low-income tenants meeting the income qualifications pursuant to the funding agreement/s entered into with CCSF.
10			The undersigned has obtained a tenant income certification and/or third party documentation to support that certification from each tenant household occupying a unit restricted to occupancy by income-qualified tenants. All income certifications are maintained onsite with respect to each qualified tenant who resides in a unit or resided therein during the immediately preceding business year.
11			The total charges for rent and a utility allowance to each income-qualified tenant in a restricted unit do not exceed the maximum rent specified in the funding agreement/s entered into with CCSF as adjusted by the most recent HUD income and rent figures, which have been taken from the figures that are supplied by MOHCD on its website.
12			All withdrawals from the replacement and operating reserve accounts have been made in accordance with the MOHCD funding agreement/s, unless approved in writing by MOHCD.
13			Security deposits required of tenants of the project are in accordance with applicable laws and the funding agreement/s entered into with CCSF.
14			The undersigned has obtained and will maintain insurance policies in accordance with requirements of the funding agreement/s entered into with CCSF as may be reasonably updated from time to time, and has supplied with this AMR certificates of insurance that are current through the end of the reporting period.
15			The undersigned has maintained the units and common areas in a decent, safe and sanitary manner in accordance with all local health, building, and housing codes and in accordance with the HUD Housing Quality Standards.
16			The data submitted in Section 1A – Property & Residents of the Annual Monitoring Report regarding any violation/s of any health, building, or housing codes is complete and accurate; all required copies of violations/citations that were not resolved by the end of the reporting periods are also included with this AMR submission.
17			The undersigned has made best efforts to: (a) keep the units in good repair and available for occupancy; (b) keep the Project fully rented and occupied; and (c) maximize rental revenue at the Project by increasing tenant rents, and if applicable, contract rents and commercial rents, the maximum amount permitted under all current regulatory agreements, contracts, regulations and leases, without causing undue rent burden on residential tenants.
18			All questions in the Annual Monitoring Report submitted for this reporting period have been answered fully and truthfully; answers have been supplied for all of questions requiring detailed responses on the Annual Monitoring Narrative Worksheet and any related documents have been submitted as attachments.
19			The project has received additional equity proceeds in the amount of \$_____ (<i>supply amount</i>) from low-income housing tax credit investors during the reporting period.
20			Accurate information has been provided in Worksheet 2 - Fiscal Activity about any Federal Program Income earned by this project during the reporting period.
21			Any amounts charged as Asset Management Fees are reflected accurately under Income & Expenses in Worksheet 2 - Fiscal Activity of the Annual Monitoring Report, and all such amounts have been used exclusively toward asset management of this

**Owner Compliance Certification and Insurance & Tax Certification Form
2020 Annual Monitoring Report
San Francisco Mayor's Office of Housing and Community Development**

	True	False	
			project. Asset Management Fees taken beyond pre-approved levels have been documented as required in response to question 7 in Section 4 - Narrative.
22			The calculation of cash flow in Worksheet 2 - Fiscal Activity accurately reflects all expenses incurred and income earned, and the proposed distribution of any Residual Receipts would be in accordance with all relevant agreements and policies.
23			The Waiting List that has been submitted with the 2020 Annual Monitoring Report is an accurate and correct record as of the last day of the reporting period of the households who have applied to live at the Project, including the name of the head-of-household (or a suitable alternative), date of application, number of people in the household, stated household income and desired unit size.

Property and Liability Insurance

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

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

Tax Certification

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

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

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

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

Signature: _____ Date: _____

Name: _____ Title: _____

Annual Monitoring Report - Instructions - Reporting Year 2020 - Mayor's Office of Housing & Community Development

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

Updated 12/21/2020

1A. Property & Residents

Please follow the instructions provided on the worksheet.

1B. Transitional Programs Only

Use this worksheet to report the activity only of a transitional housing program, including program capacity, number of people served, length of stay and destination upon exit. Please follow the instructions provided on the worksheet.

1C. Eviction Data

MOHCD is required to collect this data by San Francisco Administrative Code Sections 20.500-20.508. Please follow the instructions provided on the worksheet.

2. Fiscal Activity

Income and Expenses

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

INSTRUCTIONS:

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

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

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

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

Income

Rental Income

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

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

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

Vacancy Loss

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

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

Other Income

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

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

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

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

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

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

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

Expenses **Management**

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

Salaries/Benefits

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

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

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

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

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

Administration

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

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

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

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

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

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

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

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

Utilities

6450 Electricity

6451 Water

6452 Gas

6453 Sewer

Taxes and Licenses

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

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

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

Insurance

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

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

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

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

Maintenance and Repairs

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

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

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

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

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

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

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

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

Supportive Services

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

Reserve Account Activity

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

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

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

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

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

3A. Occupancy & Rent Info

Accurate and complete household and tenancy data must be submitted on the Occupancy & Rent Info worksheet as evidence that the project complies with the income eligibility and rent affordability restrictions of MOHCD's funding agreements. Enter the data described below into the chart in Section 3A - Occupancy & Rent Info for the tenant population that occupied the project as of the end of the reporting period.

- **NEW:** for each VACANT unit, in column D, enter the unit number, follow by "- Vac". For example, if Unit 201 was vacant, in column D, enter "201 - Vac."
- Identify manager's unit with the unit number, follow by "- Mgr". For example, if the manager occupies Unit 501, in column D, enter "501 - Mgr."
- For vacant units and manager's units, you must supply data in columns D, E, P, R and T. All other columns should be left blank.

COLUMN	DESCRIPTION
--------	-------------

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

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

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

Bed = (measurement for Group homes or transitional housing)

"SRO" = Single Room Occupancy unit

"Studio" = Studio unit

"1BR" = 1 Bedroom unit

"2BR" = 2 Bedroom unit
"3BR" = 3 Bedroom unit
"4BR" = 4 Bedroom unit
"5+BR" = 5 or more Bedroom unit

F. **Is the Unit Fully-Accessible or Adaptable?** Use the drop down menu to indicate which

"Accessible - Mobility" = The unit is fully-accessible for persons with mobility impairment.

"Accessible - Communication" = The unit is fully-accessible for persons with visual and hearing impairment.

"Mobility & Communication" = The unit is fully-accessible for persons with mobility, visual and hearing impairment.

"Adaptable" = The unit was designed to be accessible, but some accessibility features may have been omitted or concealed.

"Not Accessible or Adaptable" = Not Accessible or Adaptable.

G. **Date of Initial Occupancy.** Enter the date when the tenant occupied their *first unit in the project*. For tenants who have transferred to another unit in the project, this date will be different than the date when they moved into their current unit.

H. **Household Annual Income at Initial Occupancy.** Enter the tenant's annual household income from the initial income certification that was done before they moved into their *first unit in the project*. For tenants who have transferred to another unit in the project, this amount will be different than the amount from the certification that was done when they moved into their current unit.

I. **Household Size at Initial Occupancy.** Enter the number of people that was in the tenant's household when they occupied their first unit in the project. For tenants who have transferred to another unit in the project, this number may be different than it was when they moved into their current unit.

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

K. **Household Annual Income as of Most Recent Recertification within reporting period.** Enter annual income of the household from the most recent recertification. OK to leave blank ONLY if ALL funders do not require annual income recertifications.

L. **Household Size as of Most Recent Recertification within reporting period.** Enter the number of occupants in the unit from the most recent recertification within the reporting period.

M. **Minimum Occupancy for Unit Type.** The data here is automatically entered from items 25-31 on Worksheet #1A.

N. **Maximum Occupancy for Unit Type.** The data here is automatically entered from items 25-31 on Worksheet #1A.

O. **Overhoused or Overcrowded?** The data here is automatically generated based on entries in column K and on items 26-32 on Worksheet #1A.

P. **Overhoused or Overcrowded - Narrative** A household is "Overhoused" if there are fewer people residing in the unit than the minimum occupancy. "Overcrowded" means that there are more people residing in the unit than the maximum occupancy. If the data in column N indicates that the household is overhoused or overcrowded, please describe any extenuating circumstances that justify the overhoused/overcrowded status and summarize efforts that you have made to transfer the tenant to a unit that is appropriate for the size of the household, if applicable.

Q. **Is this Unit a HOPWA set-aside unit? (yes/no).** "HOPWA set-aside" units are required when HOPWA capital funding is used to acquire, construct or rehab a project.

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

"RAD - PBV" = As a result of a RAD (Rental Assistance Demonstration) conversion, the project unit comes with a RAD Project-Based Section 8 subsidy that will remain with the unit after the tenant moves out.

"TPV" = As a result of a RAD (Rental Assistance Demonstration) conversion, the project unit comes with a HUD Tenant Protection Voucher subsidy to help prevent displacement and/or stabilize the property.

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

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

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

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

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

"HOPWA" = The unit is a HOPWA-designated unit under the project funding from the Housing Opportunities for People With AIDS program. While HOPWA is not a source of tenant-based assistance, if the tenant is receiving any other form of subsidy, please report on the amount of Rental Assistance on this worksheet and note the source of the Rental Assistance in the Narrative section of the AMR.

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

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

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

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

"MHSA" = The unit receives a subsidy under CA HCD's Mental Health Services Act.

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

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

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

- S. **Amount of Rental Assistance.** Enter the dollar amount of rental assistance that is paid on behalf of the household/tenant.
- T. **Amount of Maximum Gross Rent Allowed for Unit.** Enter the maximum rent for the unit that is allowed by the most restrictive funder of the project.
- U. **Amount of Tenant Paid Rent for Unit.** Enter only the amount of rent that the tenant pays. Do not include any rental assistance paid on behalf of the tenant by another party.
- V. **Utility Allowance.** If the tenant pays for utilities, enter the Utility Allowance allowed for the unit. Enter zero (0) if the Utilities are paid by the project.
- W. **Household Rent Burden.** THIS IS A SELF-CALCULATING CELL - ENTER NO DATA HERE. If the rent burden is 100% or greater, it is likely that the amount of tenant paid rent and/or the amount of HH income is incorrect, please review the data for accuracy. Typically, rent burdens should be 60% or less. If a unit has a rent subsidy, the typical requirement is for tenants to pay 30% of income toward rent.
- X. **Date of Most Recent Rent Increase within the Reporting Period.** ONLY FOR UNITS THAT DO NOT HAVE RENTAL ASSISTANCE OR SUBSIDY. Enter date of most recent rent increase for unit.
- Y. **Amount of Most Recent Rent Increase within the Reporting Period.** ONLY FOR UNITS THAT DO NOT HAVE RENTAL ASSISTANCE OR SUBSIDY. Enter amount of most recent rent increase for unit.
- Z. **Percentage of Most Recent Rent Increase.** THIS IS A SELF-CALCULATING CELL - ENTER NO DATA HERE.

3B. Demographic

Gender and Sexual Orientation: on June 30, 2017, MOHCD published and distributed a Notice regarding new requirements to collect this demographic data. Click this cell to review the [Notice](#) if you have any questions about this.

Gender. Provide info for the Head of Household. The 8 possible answers for Gender are:

- Female
- Male
- Genderqueer/Gender Non-binary
- Trans Female
- Trans Male
- Not listed
- Declined/Not Stated
- Question Not Asked

Sexual Orientation. Provide info for the Head of Household. The 7 possible answers for Sexual Orientation are:

- Bisexual
- Gay /Lesbian/Same-Gender Loving
- Questioning /Unsure
- Straight/Heterosexual
- Not listed
- Decline to Answer
- Not Stated

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

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

Disability. If any members of the household have any of the listed disabilities, select the disability from the drop-down menu. Select "None" if the unit is not occupied by any tenants with a listed disability.

3C. Summary of Reported Household Demographics

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

4. Narrative

Please follow the instructions provided on the worksheet.

5. Project Financing

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

6. Services Funding

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

7. Supplementary Audit Information - Required by MOHCD

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

Completeness Tracker

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

Links to Relevant Policies

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

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

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

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

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

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

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

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

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

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

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

**Annual Monitoring Report - Property & Residents - Reporting Year 2020 -
Mayor's Office of Housing & Community Development**

#	IDENTIFYING INFO				
1	Reporting Period Start Date (m/d/yyyy)				
2	Reporting Period End Date (m/d/yyyy)				
3	Property Name (select from drop down)				
4	Property Full Street Address (e.g. "123 Main Street")				
CONTACT INFO					
5	Sponsor Executive Director Name				
6	Phone Number				
7	E-mail				
8	Property Management Company				
9	Property Manager Name				
10	Phone Number				
11	E-mail				
12	Property Supervisor Name				
13	Phone Number				
14	E-mail				
15	Property Owner Name				
16	Property Owner Contact Person				
17	Phone Number				
18	E-mail				
19	Asset Manager Name				
20	Phone Number				
21	E-mail				
22	AMR Preparer's Name				
23	Phone Number				
24	E-mail				
PROPERTY/MARKETING INFO					
25	Is the project any of the following: Transitional Housing, Residential Treatment Program, Shelter or Transitional Group Home? (select "yes" or "no" from the drop-down menu to the left.) <i>If you answer "yes", skip questions 26 through 39 below, and continue with question 40. Also, you must complete worksheet "1B.TransitionalProg."</i>				
What is the Unit Mix for the Property? Please include any manager's units in this tally.					
	Unit Types	Number Of Units	Occupancy Standard: Minimum HH Size for this Unit Type*	Occupancy Standard: Maximum HH Size for this Unit Type*	*Occupancy Standards should be described in project's Approved Tenant Selection and Marketing Plan. If not defined there, supply the standards used organization-wide.
26	Single Room Occupancy (SRO) Units		1		
27	Studio Units		1		
28	One-Bedroom (1BR) Units		1		
29	Two-Bedroom (2BR) Units				
30	Three-Bedroom (3BR) Units				
31	Four-Bedroom (4BR) Units				
32	Five- or More (5+BR) Bedroom Units				
33	TOTAL # Units---->	0			

34		Vacancies - How many vacancies occurred at the project during the reporting period? (Be sure that the number you report here is not less than the number of vacant units that are included on worksheet 3.)
35	0	Evictions - How many evictions occurred during the reporting year? (This data in this field is automatically calculated from the data that is entered on worksheet 1C. You must complete worksheet 1C, unless the project is transitional housing, a residential treatment program, a shelter or a transitional group home.)
36		Vacant Unit Rent-Up Time - (in DAYS) State the average vacant unit rent-up time. This is the period from the time a household moves out to when the unit is rented again. # 4 Please EXCLUDE any units that are being held vacant to support rehabilitation or other temporary relocation needs. If this period exceeds 30 days, you must answer Question # 4 on the Narrative worksheet. (Click on # 4 at left to jump to Narrative worksheet.)
37		Waiting List - How many applicants are currently on the waiting list? (Please also submit a copy of the waiting list, see AMR submission instructions.)
38		When was the waiting list last updated? (m/yyyy)
39		Affirmative Marketing - Did you conduct any marketing of the project during the reporting period? If you conducted marketing during the reporting period, you must answer Question #5 on the Narrative worksheet. (Click on #5 at left to jump to Narrative worksheet.) # 5
40		What is the date of the last Capital Needs Assessment? (m/d/yyyy)
41		What is the projected date of the next Capital Needs Assessment? (m/d/yyyy)
42		How many Health, Building or Housing Code Violations were issued against the property in the reporting year? (If there were no violations enter "0"). If the property was cited for code violations in the reporting year or has open, unresolved violations from prior years as indicated below, you must answer Question #2 on the Narrative worksheet. (Click on #2 at left to jump to Narrative worksheet.) # 2
43		# 2 How many Health, Building or Housing Code Violations were open from prior years?
44		How many Health, Building or Housing Code Violations were cleared in the reporting year?
45		Are there urgent Major Property Repairs needed on the property in the next two years? (Yes/No) If there are needed major repairs you must answer Question #3 on the Narrative worksheet. (Click on #3 at left to jump to Narrative worksheet.) # 3

46		<p>If the property has Immediate Capital Needs and lacks adequate funds in the Replacement Reserve (or elsewhere) to cover the costs, please supply the amount of funds needed to make up the difference, and supply additional explanation in question #3 of the Narrative report. (Click on # 3 at left to jump to Narrative worksheet.)</p>																				
<p>Resident Services: AN ANSWER IS REQUIRED FOR questions 51-61. Indicate below any services that were available to the residents free of charge, on site or at another designated location within 1/4 mile of the project. You must also provide additional information about each of the marked services below on Worksheet "6.Services"</p>																						
47		<p>Go To WS6 After School Program/s (y/n)</p>																				
48		<p>Go To WS6 Licensed Day Care Service (<i>participant fees are allowable for day care ONLY</i>) (y/n)</p>																				
49		<p>Go To WS6 Youth Program/s (y/n)</p>																				
50		<p>Go To WS6 Educational Classes (e.g. basic skills, computer training, ESL) (y/n)</p>																				
51		<p>Go To WS6 Health and Wellness Services/Programs (y/n)</p>																				
52		<p>Go To WS6 Employment Services (y/n)</p>																				
53		<p>Go To WS6 Case Management, Information and Referrals (y/n)</p>																				
54		<p>Go To WS6 Benefits Assistance and Advocacy; Money Management; Financial Literacy and Counseling (y/n)</p>																				
55		<p>Go To WS6 Support Groups, Social Events, Organized Tenant Activities (y/n)</p>																				
56		<p>Go To WS6 Other Service #1 - Please specify in column G.</p>																				
57		<p>Go To WS6 Other Service #2 - Please specify in column G.</p>																				
<p>POPULATION SERVED</p>																						
<p>Target / Actual Populations: As of the last day of the reporting period, what are the Actual and Target Populations (expressed as Number of Households) for the Project?</p>																						
<p><i>Under Target Population, enter the number of units at the project that, as a requirement of a specific funding source (e.g. 202, HOPWA, McKinney), are targeted to and set aside for the target populations shown in the table. Under Actual Population, enter the number of households at the project that, as of the end of the reporting period, contained at least one person who is a member of the populations shown in the table.</i></p>																						
		<table border="1"> <thead> <tr> <th colspan="2">Target Population</th> <th colspan="2">Actual Population</th> </tr> </thead> <tbody> <tr> <td>58</td> <td>0</td> <td>Families</td> <td>0</td> </tr> <tr> <td>59</td> <td>0</td> <td>Persons with HIV/AIDS</td> <td>0</td> </tr> <tr> <td>60</td> <td>0</td> <td>Housing for Homeless</td> <td>0</td> </tr> <tr> <td>61</td> <td>0</td> <td>Mentally or Physically Disabled</td> <td>0</td> </tr> </tbody> </table>	Target Population		Actual Population		58	0	Families	0	59	0	Persons with HIV/AIDS	0	60	0	Housing for Homeless	0	61	0	Mentally or Physically Disabled	0
Target Population		Actual Population																				
58	0	Families	0																			
59	0	Persons with HIV/AIDS	0																			
60	0	Housing for Homeless	0																			
61	0	Mentally or Physically Disabled	0																			

62		0	Senior Housing	0	Senior Housing
63		0	Substance Abuse	0	Substance Abuse
64		0	Domestic Violence Survivor	0	Domestic Violence Survivor
65		0	Veterans	0	Veterans
66		0	Formerly Incarcerated	0	Formerly Incarcerated
67		0	Transition-Aged Youth ("TAY")	0	Transition-Aged Youth ("TAY")

Remember, **SAVE YOUR WORK!**

Annual Monitoring Report - Transitional Programs - Reporting Year 2020 - Mayor's Office of Housing & Community Development

Project Address:

Project Capacity: What is the target capacity of this project? (All blanks in this section must be filled with a number of "0" or greater in order for the worksheet to be complete.)

	A. Num Singles Not in Families	B. Num Families	C1. Num Adults in Families	C2. Num Children in Families	D. Num of Beds
1					
2	0				Total Households (Singles and Families) That Can Be Served

Persons Served During Operating Year (All blanks in this section must be filled with a number of "0" or greater in order for the worksheet to be complete.)

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

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

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

Length of Stay: For the 0 households that LEFT the program during the operating year, how many were in the project for the following lengths of time? (Total in cell H28 should match total of cells H14 + I14. All blanks in this section must be filled with a number of "0" or greater in order for the worksheet to be complete.)

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

Destination: For the 0 households reported to have LEFT the program during the operating year, how many left for the following destinations? (Total in cell H53 should match total of cells H14 + I14. All blanks in this section must be filled with a number of "0" or greater in order for the worksheet to be complete.)

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

Annual Monitoring Report - Eviction Data - Reporting Year 2020 - Mayor's Office of Housing & Community Development

Project Address:

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

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

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

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

Ethnicity and Race data for households that received Notices of Eviction during the reporting period:

		enter # below	enter # below
2	Breach of Lease Agreement	Indigenous - American Indian/Native American	Black - African
3	Capital Improvement	Indigenous from Mexico, the Caribbean, Central America or South America	Black - African American
4	Condo Conversion	Other Indigenous	Black - Caribbean, Central American, South American or Mexican
5	Demolition	Asian - Chinese	Other Black
6	Denial of Access to Unit	Asian - Filipino	North African
7	Development Agreement	Asian - Japanese	West Asian
8	Ellis Act Withdrawal	Asian - Korean	Other Middle Eastern or North African
9	Failure to Sign Lease Renewal	Asian - Mongolian	Pacific Islander - Chamorro
10	Good Samaritan Tenancy Ends	Asian - Central Asian	Pacific Islander - Native Hawaiian
11	Habitual Late Payment of Rent	Asian - South Asian	Pacific Islander - Samoan
12	Illegal Use of Unit	Asian - Southeast Asian	Other Pacific Islander
13	Lead Remediation	Other Asian	White - European
14	Non-payment of Rent	Latino - Caribbean	Other White
15	Nuisance	Latino - Central American	Not Reported
16	Other	Latino - Mexican	0 Total (must match Total number in E29)
17	Owner Move In	Latino - South American	
18	Roommate Living in Same Unit	Other Latino	Gender data for households that received Notices of Eviction during the reporting period:
19	Substantial Rehabilitation	Sexual Orientation data for households that received Notices of Eviction during the reporting period:	Female
20	Unapproved Subtenant	Bisexual	Male
21	0 Total number of households who received Notices of Eviction	Gay/Lesbian/Same-Gender Loving	Genderqueer/Gender Non-Binary
		Questioning/Unsure	Trans Female
		Straight/Heterosexual	Trans Male
		Not Listed	Not Listed
		Declined / Not Stated	Declined / Not Stated
		0 Total (must match Total number in E29)	0 Total (must match Total number in E29)

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

Ethnicity and Race data for households for which Unlawful Detainers were filed during the reporting period:

		enter # below	enter # below
22	Breach of Lease Agreement	Indigenous - American Indian/Native American	Black - African
23	Capital Improvement	Indigenous from Mexico, the Caribbean, Central America or South America	Black - African American
24	Condo Conversion	Other Indigenous	Black - Caribbean, Central American, South American or Mexican
25	Demolition	Asian - Chinese	Other Black
26	Denial of Access to Unit	Asian - Filipino	North African
27	Development Agreement	Asian - Japanese	West Asian
28	Ellis Act Withdrawal	Asian - Korean	Other Middle Eastern or North African
29	Failure to Sign Lease Renewal	Asian - Mongolian	Pacific Islander - Chamorro
30	Good Samaritan Tenancy Ends	Asian - Central Asian	Pacific Islander - Native Hawaiian
31	Habitual Late Payment of Rent	Asian - South Asian	Pacific Islander - Samoan
32	Illegal Use of Unit	Asian - Southeast Asian	Other Pacific Islander
33	Lead Remediation	Other Asian	White - European
34	Non-payment of Rent	Latino - Caribbean	Other White
35	Nuisance	Latino - Central American	Not Reported
36	Other	Latino - Mexican	0 Total (must match Total number in E56)
37	Owner Move In	Latino - South American	
38	Roommate Living in Same Unit	Other Latino	Gender data for households for which Unlawful Detainers were filed during the report period:
39	Substantial Rehabilitation	Sexual Orientation data for households for which Unlawful Detainers were filed during the report period:	Female
40	Unapproved Subtenant	Bisexual	Male
41	0 Total number of unlawful detainer actions filed	Gay/Lesbian/Same-Gender Loving	Genderqueer/Gender Non-Binary
		Questioning/Unsure	Trans Female
		Straight/Heterosexual	Trans Male
		Not Listed	Not Listed
		Declined / Not Stated	Declined / Not Stated
		0 Total (must match Total number in E56)	0 Total (must match Total number in E56)

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

Ethnicity and Race data for households that were Evicted during the reporting period:

		enter # below	enter # below
42	Breach of Lease Agreement	Indigenous - American Indian/Native American	Black - African
43	Capital Improvement	Indigenous from Mexico, the Caribbean, Central America or South America	Black - African American
44	Condo Conversion	Other Indigenous	Black - Caribbean, Central American, South American or Mexican
45	Demolition	Asian - Chinese	Other Black
46	Denial of Access to Unit	Asian - Filipino	North African
47	Development Agreement	Asian - Japanese	West Asian
48	Ellis Act Withdrawal	Asian - Korean	Other Middle Eastern or North African
49	Failure to Sign Lease Renewal	Asian - Mongolian	Pacific Islander - Chamorro
50	Good Samaritan Tenancy Ends	Asian - Central Asian	Pacific Islander - Native Hawaiian
51	Habitual Late Payment of Rent	Asian - South Asian	Pacific Islander - Samoan
52	Illegal Use of Unit	Asian - Southeast Asian	Other Pacific Islander
53	Lead Remediation	Other Asian	White - European
54	Non-payment of Rent	Latino - Caribbean	Other White
55	Nuisance	Latino - Central American	Not Reported
56	Other	Latino - Mexican	0 Total (must match Total number in E83)
57	Owner Move In	Latino - South American	
58	Roommate Living in Same Unit	Other Latino	Gender data for households that were Evicted during the reporting period:
59	Substantial Rehabilitation	Sexual Orientation data for households that were Evicted during the reporting period:	Female
60	Unapproved Subtenant	Bisexual	Male
61	0 Total number of households evicted (flows to question #35 on Worksheet 1A)	Gay/Lesbian/Same-Gender Loving	Genderqueer/Gender Non-Binary
		Questioning/Unsure	Trans Female
		Straight/Heterosexual	Trans Male
		Not Listed	Not Listed
		Declined / Not Stated	Declined / Not Stated
		0 Total (must match Total number in E83)	0 Total (must match Total number in E83)

	B	D	F	H	J
15	Annual Monitoring Report - Fiscal Activity - Reporting Year 2020 - Mayor's Office of Housing & Community Development				
16	INCOME & EXPENSES				
17	12 Month Report Period	Start Date:	1/0/1900	End Date:	1/0/1900
18	Number of Units-->	0			
19		Account			
20	Description of Income Accounts	Number	Residential	Non-Residential	Total
21					
22	Rental Income				
23	Housing Units - Gross Potential Tenant Rents	5120			
24	Rental Assistance Payments (identify ALL sources in row below if applicable, including LOSP funding)	5121			
25	Source/s---->				
26	Commercial Unit Rents	5140			
27	sub-total Gross Rental Income:		\$0.00	\$0.00	\$0.00
28	Vacancy Loss - enter amounts as negative numbers!				vacancy rate
29	Housing Units	5220		Must click & explain if Residential Vac Rate is > 15%	
30	Commercial	5240			0.00%
31	sub-total Vacancies:		\$0.00	\$0.00	\$0.00
32					
33	NET RENTAL INCOME:		\$0.00	\$0.00	\$0.00
34					
35	Other Income				
36	Garage and Parking Spaces	5170			
37	Miscellaneous Rent Income	5190			
38	Supportive Services Income - Do not enter supportive services income if it is tracked in a separate budget and not appropriate per MOHCD loan terms to be included in Residual Receipts calculation.	5300			
39	Supportive Services Income Source/s- identify program source(s) if applicable -->				
40	Interest Income - Project Operations (From Operating Account Only)	5400			
41	Laundry and Vending	5910			
42	Tenant Charges	5920			
43	Other Revenue	5990			
44	sub-total Other Income Received:		\$0.00	\$0.00	\$0.00
45					
46	TOTAL INCOME RECEIVED:		\$0.00	\$0.00	\$0.00
47					
48	INCOME & EXPENSES				
49		Account Number	Residential	Non-Residential	Total
50	Description of Expense Accounts				
51	Management				
52	Management Fee	6320			
53	"Above the Line" Asset Management Fee (amount allowable may be limited, see Asset Mgt. Fee Policy)				
54	sub-total Management Expense:		\$0.00	\$0.00	\$0.00
55	Salaries/Benefits				
56	Office Salaries	6310			
57	Manager's Salary	6330			
58	Employee Benefits: Health Insurance & Disability Insurance	6723			
59	Employee Benefits: Retirement & Other Salary/Benefit Expenses				
60	Administrative Rent Free Unit	6331			
61	sub-total Salary/Benefit Expense:		\$0.00	\$0.00	\$0.00
62	Administration				
63	Advertising and Marketing	6210			
64	Office Expenses	6311			
65	Office Rent	6312			
66	Legal Expense - Property	6340			
67	Audit Expense	6350			
68	Bookkeeping/Accounting Services	6351			
69	Bad Debts	6370			
70	Miscellaneous Administrative Expenses (must click & explain if >\$10k)	6390			
71	sub-total Administrative Expense:		\$0.00	\$0.00	\$0.00
72	Utilities				
73	Electricity	6450			
74	Water	6451			
75	Gas	6452			

	B	D	F	H	J
15	Annual Monitoring Report - Fiscal Activity - Reporting Year 2020 - Mayor's Office of Housing & Community Development				
76	Sewer	6453			
77	sub-total Utilities Expense:		\$0.00	\$0.00	\$0.00
78	Taxes and Licenses				
79	Real Estate Taxes	6710			
80	Payroll taxes	6711			
81	Miscellaneous Taxes, Licenses, and Permits	6719			
82	sub-total Taxes and License Expense:		\$0.00	\$0.00	\$0.00
83	Insurance				
84	Property and Liability Insurance	6720			
85	Fidelity Bond Insurance	6721			
86	Workers' Compensation	6722			
87	Directors & Officers Liabilities Insurance	6724			
88	sub-total Insurance Expense:		\$0.00	\$0.00	\$0.00
89	Maintenance and Repairs				
90	IMPORTANT NOTE RE: TREATMENT OF CAPITAL AND NON-CAPITAL MAINTENANCE REPAIR EXPENSES ELIGIBLE FOR PAYMENT BY REPLACEMENT RESERVE: If possible, exclude those from this section. If you do include those expenses here, be sure to record the amounts in rows 103 (non-capital) and 210:215 below (capital).				
91	Payroll	6510			
92	Supplies	6515			
93	Contracts	6520			
94	Garbage and Trash Removal	6525			
95	Security Payroll/Contract	6530			
96	HVAC Repairs and Maintenance	6546			
97	Vehicle and Maintenance Equipment Operation and Repairs	6570			
98	Miscellaneous Operating and Maintenance Expenses (must click & explain if >\$10k)	6590			
99	sub-total Maintenance Repair Expense:		\$0.00	\$0.00	\$0.00
100	Supportive Services: do not enter supportive services expenses if tracked in separate budget and not eligible to be counted against project income for residual receipts calculation.	6930			
101	SUB-TOTAL OPERATING EXPENSES:		\$0.00	\$0.00	\$0.00
102	Capital Maintenance Repairs/Improvements eligible for payment by Replacement Reserve. If capital costs were entered in amounts for Maintenance & Repairs section above and are eligible for payment by the Replacement Reserve, please enter details in Replacement Reserve-Eligible Expenditures below, beginning from row 207. Amounts provided in F210:215 will be linked to cell F102 and netted out from operating expenses.		\$0.00		
103	Non-Capital Maintenance Repair Expenses eligible for payment by Replacement Reserve. Only enter amounts here if they were included in amounts entered for Maintenance & Repairs section above and will be reimbursed by Replacement Reserve. Amount will be netted out from operating expenses. Enter as positive number.				
104	TOTAL OPERATING EXPENSES:		\$0.00	\$0.00	\$0.00
105					
106	Ground Lease Base Rent/Bond Fees/Reserves	Name of Lessor/ Bond Monitoring Agency/ Reserve Account			
107	Ground Lease - Base Rent (provide Lessor name to the right)				\$0.00
108	Bond Monitoring Fee				\$0.00
109	Replacement Reserve Required Annual Deposit (Source is Operating Account.) Enter as positive number.	1320			\$0.00
110	Operating Reserve Deposits (Source is Operating Account.) Enter as positive number.	1365			\$0.00
111	Operating Reserve Account Withdrawals (For deposits to Operating Account.) Enter as positive number.				\$0.00
112	Other Required Reserve Account Deposits (Source is Operating Account. Enter as positive number. Identify reserve account in next col) (1330)				\$0.00
113	Other Required Reserve Account Withdrawals (For deposit to Operating account. Enter as positive number. Identify account in next col ---->				\$0.00
114	Sub-total Ground Lease Base Rent/Bond Fees/Reserves		\$0.00	\$0.00	\$0.00
115					
116	TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)		\$0.00	\$0.00	\$0.00
117		Acct Num	Residential	Non-Residential	Total
118	1. TOTAL INCOME RECEIVED:		\$0.00	\$0.00	\$0.00
119	2. TOTAL OPERATING EXPENSES:		\$0.00	\$0.00	\$0.00
120	3. NET OPERATING INCOME:		\$0.00	\$0.00	\$0.00
121					
122	4. Debt Service (Principal and Interest)	Name of Lender / Describe Other Amt Paid	Residential	Non-Residential	Total
123	Lender1 - Principal Paid (provide lender name to the right)				
124	Interest Paid				
125	Other Amount (describe to the right)				
126	Lender2 - Principal Paid (provide lender name to the right)				
127	Interest Paid				
128	Other Amount (describe to the right)				
129	Lender3 - Principal Paid (provide lender name to the right)				

	B	D	F	H	J
15	Annual Monitoring Report - Fiscal Activity - Reporting Year 2020 - Mayor's Office of Housing & Community Development				
130	Interest Paid				
131	Other Amount (describe to the right)				
132	Lender4 - Principal Paid (provide lender name to the right)				
133	Interest Paid				
134	Other Amount (describe to the right)				
135	Total Debt Service Payments		\$0.00	\$0.00	\$0.00
136					
137	Surplus Cash, Detail (NOI minus Debt Service and Reserve Activity)		\$0.00	\$0.00	\$0.00
138					
139	If amount for Surplus Cash above is negative: - you must provide a detailed explanation to question #8 on the Narrative worksheet - you must NOT supply data for any of the fields for Uses of Surplus Cash below		Go to ws4 Narrative question #8		
140	Surplus Cash, Total----->				\$0.00
141	Distribution of Surplus Cash/Residual Receipts - (Response Required.) In the space below, please provide a detailed narrative summary of allowable distributions of Surplus Cash that accurately reflects the requirements under all MOHCD agreements as well as the requirements of other funders and any other agreements that govern. Please include the calculation methodology, applicable annual increases, etc. For proposed distribution amounts entered in column J, rows 143-165, select the distribution priority for each of the uses of cash flow/surplus cash in column H. If distribution of surplus cash is not allowed under MOHCD agreements or other funder agreements, enter N/A in the box below.				
142					
143	USES OF SURPLUS CASH THAT ARE AUTHORIZED TO BE PAID PRIOR TO CALCULATION OF RESIDUAL RECEIPTS PAYMENTS (IF APPLICABLE)			Distribution Priority (select below)	Leave cells below blank if Surplus Cash is <= \$0.
144	5. Operating Reserve Replenishments (Deposits made out of surplus cash to satisfy minimum balance requirements).				
145	6. "Below-the-line" Asset Mgt fee (prior written authorization from City/SFRA may be required, see Asset Mgt. Fee Policy).				
146	7a. Partnership Management fee due from this reporting period, if any (tax credit projects only; not allowed if project is beyond 15-year compliance period).				
147	7b. Partnership Management fee accrued but unpaid from PRIOR reporting periods, if any (tax credit projects only; per City policy, typically must be paid out of owner distribution, entries usually not allowed here).				
148	8a. Investor Services Fee (aka LP Asset Management Fee) due from this reporting period, if any (tax credit projects only; per City policy, not allowed if project is beyond 15-year compliance period).				
149	8b. Investor Services Fee (aka LP Asset Management Fee) accrued but unpaid from PRIOR reporting periods, if any (tax credit projects only; per City policy, typically must be paid out of owner distribution, entries usually not allowed here)).				
150	9. Deferred Developer fee, if any				
151	10. Other payments: use question #1 on the Narrative (worksheet #4) to provide details about any fees or other payments, including ground lease residual rent payments for a non-MOHCD/OCII ground lease. Failure to provide details will result in disallowance of this expense. You may only include payments that were approved by MOHCD at time of funding that are also explicitly authorized by a Partnership Agreement or similar project document.	Go to ws4 Narrative question #1			
152	11ai. Debt Pmt to other lender1: Principal Paid (note lender name to right)				
153	11aii. Debt Pmt to other lender1: Interest Paid				
154	11bi. Debt Pmt to other lender2: Principal Paid (note lender name to right)				
155	11bii. Debt Pmt to other lender2: Interest Paid				
156	Total Payments preceding Residual Receipts Calculation:				\$0.00
157					
158	12. RESIDUAL RECEIPTS				\$0.00
159				Distribution Priority (select below)	Leave cells below blank if Surplus Cash is <= \$0.
160	12a. MOHCD Residual Receipts Due for Loan Repayment				
161	12b. MOHCD Residual Receipts Due for Ground Lease Residual Rent Payment				
162	12c. Subtotal Residual Receipts Payments to MOHCD				\$0.00
163	12d. Residual Receipts Debt Pmt to other lender3 (note lender name to right)				

	B	D	F	H	J		
15	Annual Monitoring Report - Fiscal Activity - Reporting Year 2020 - Mayor's Office of Housing & Community Development						
164	12e. Residual Receipts Debt Pmt to other lender4 (note lender name to right)						
165	12f. Residual Receipts Debt Pmt to other lender5 (note lender name to right)						
166	Total Residual Receipts Payments:				\$0.00		
167	DO NOT SUBMIT YOUR PROPOSED RESIDUAL RECEIPT PAYMENT TO MOHCD WITH THIS AMR. MOHCD WILL REVIEW YOUR PROPOSED PAYMENT AND GENERATE AN INVOICE IF THE CALCULATION CAN BE VERIFIED AS APPROPRIATE; IF THE CALCULATION CANNOT BE VERIFIED, MOHCD WILL CONTACT YOU.						
168	Remaining Balance				\$0.00		
170							
171	Proposed Owner Distributions (provide description in column D and enter amount in column J. If an amount is entered, a description is required.)						
172	Proposed Other Distributions/Uses (provide description in column D and enter amount in column J. If an amount is entered, a description is required. If you had a Calendar Year LOSP surplus, please acknowledge that and note exact amount.)						
173							
174	Final Balance: should be ZERO except when Surplus Cash (cell J140) is negative				\$0.00		
175							
176	RESERVE ACCOUNT DETAILS						
177							
178	OPERATING RESERVE (Do not leave blanks for any questions asking for a number, enter zero instead.)						
179	Minimum Required Balance:						
180	Beginning Balance:						
181	Actual Annual Deposit from Operating Budget in Current Reporting Period (not editable, data entered in cash flow above, account number 1365):	\$0.00					
182	Additional Deposit (use ONLY to record deposits from the Op Budget attributable to a prior reporting period, or deposits made from an external source)						
183	Interest Earned:						
184	Annual Withdrawal Amount (enter as negative number):						
185	Ending Balance (don't edit cell -- calculated):	\$0.00					
186	Required Annual Deposit:						
187	Total Operating Expenses plus debt service (don't edit cell -- calculated)	\$0.00					
188	If the calculated percentage shown to the right (Op Reserve Account Ending Balance divided by Total Op Expenses) is less than 23.5%, you must describe how the project will remedy the shortfall in the adjacent cell. If the calculated percentage shown to the right is greater than 26.5%, you must explain why the Op Reserve balance exceeds MOHCD's requirement in the adjacent cell.	0.000%					
189							
190	REPLACEMENT RESERVE (Do not leave blanks for any questions asking for a number, enter zero instead.)						
191	Minimum Required Balance:						
192	Beginning Balance:						
193	Actual Annual Deposit:						
194	Interest Earned:						
195	Annual Withdrawal Amount (enter as negative number):						
196	Ending Balance (don't edit cell -- calculated):	\$0.00					
197	Required Annual Deposit (do not edit - taken from page 1 account number 1320):	\$0.00					
198	Describe how the amount of annual deposit and the minimum required balance is determined.						
199							
200	CHANGES TO REAL ESTATE ASSETS						
201	Enter Beginning and Ending Balances in each of the categories listed below. Changes in asset categories will auto calculate.	Balance, 1/00/1900	Changes	Balance, 1/00/1900			
202	Building & Improvements		\$0.00				
203	Offsite Improvements		\$0.00				
204	Site Improvements		\$0.00				
205	Land Improvements		\$0.00				
206	Furniture, Fixtures & Equipment		\$0.00				
207	Other		\$0.00				
208	Replacement Reserve-Eligible Expenditures: Provide details below about the Capital and non-Capital Expenditures that are Replacement Reserve-eligible.						

	B	D	F	H	J
15	Annual Monitoring Report - Fiscal Activity - Reporting Year 2020 - Mayor's Office of Housing & Community Development				
209	Capital Repairs and Improvements: Enter capital repairs and improvement costs associated with the reporting year. For each category in rows 201-207 above that shows a positive change, an entry is required in each corresponding category in rows 212-217. If the operating account is used initially to fund the repair, and is later reimbursed by the replacement reserve during the reporting year, show the repair cost under "Replacement Reserve". If the operating account is used to fund the repair and was not reimbursed by the replacement reserve during the reporting year, show the repair cost under "Operating Account." Use the section below to supply a description of the capital repairs and improvements made.				
210	Capital Repairs and Improvements Funded By:				
211	Capital Repairs and Improvements - Categories	Replacement Reserve	Operating Account	Other Source	Total Amount
212	Building & Improvements				\$0.00
213	Offsite Improvements				\$0.00
214	Site Improvements				\$0.00
215	Land Improvements				\$0.00
216	Furniture, Fixtures & Equipment				\$0.00
217	Other				\$0.00
218	Total	\$0.00	\$0.00	\$0.00	\$0.00
219	Description of Capital Repairs and Improvements				
220					
221	Non-Capital Replacement Reserve Eligible Expenditures (i.e., labor costs): Enter the amounts used to fund non-capital replacement reserve eligible expenditures. Use section below to supply explanations.				
222	Source				Amount
223	Paid out of Operating Budget, to be reimbursed by RR (shows the amount entered in row 103 above)				\$0.00
224	Paid Directly from Replacement Reserve				
225	Other Source				
226	Explanation of Non-Capital Replacement Reserve Eligible Expenditures	Total			\$0.00
227					
228	TOTAL REPLACEMENT RESERVE ELIGIBLE EXPENDITURES: the Replacement Reserve Withdrawal for the reporting period should not exceed the Total RR-eligible Expenditures. You must provide more details above or an explanation below if the RR withdrawal amount exceeds the Total RR-Eligible Expenditures.	RR Withdrawal Amount-->	\$0.00	Total RR-Eligible Expenditures-->	\$0.00
229	Notes About RR Withdrawal Amount in excess of Total RR-eligible Expenditures:				
230					
231					
232	FEDERAL PROGRAM INCOME REPORT				
233	This section must be completed if the project received any CDBG funding, even if the amount of CDBG program income during the reporting period was zero. For more information, use the following link or copy this web address for manual navigation:				
234					
235	http://www.sf-moh.org/Modules/ShowDocument.aspx?documentid=5141				
236	Overview of Federal (HOME and CDBG) Program Income				
237					
238	CDBG PROGRAM INCOME				
239	Proposed amounts to be used to fund eligible CDBG activities as described in the Federal CDBG Program Regulations at 24 CFR 570.201-206 and consistent with the City's 2020-2024 Consolidated Plan, 2020-2021 Action Plans as follows:	AMOUNT	DESCRIPTION		
240	Amount to be used for CDBG eligible activity#1 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right):				
241	Amount to be used for CDBG eligible activity#2 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right):				
242	Amount to be used for CDBG eligible activity#3 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right):				
243	Amount to be deposited for use on future eligible CDBG activities that will be undertaken by June 30, 2019 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right):				
244	Other (provide amount in cell to the right, plus activity description and regulation citation in column furthest to the right):				
245	Total CDBG Program Income Calculation (see instructions for guidance on how to calculate)				
246	To ensure the eligible use of CDBG Program Income, the recipient of federal CDBG funding hereby requests approval by the Mayor's Office of Housing and Community Development for the use of CDBG program income received during the 2020 reporting period as depicted above.				

Project Address:		Data supplied on this worksheet must be from the rent roll of the last month of the reporting period that was entered on worksheet 1A.	1/0/1900	# Units:	0
------------------	--	--	----------	----------	---

- Provide the data requested for the tenant population that was residing in the project at the end of the Reporting Period.
- **NEW:** for each VACANT unit, in column D, enter the unit number, follow by "- Vac". For example, if Unit 201 was vacant, in column D, enter "201 - Vac".
- Identify manager's unit with the unit number, follow by "- Mgr". For example, if the manager occupies Unit 501, in column D, enter "501 - Mgr."
- For vacant units and manager's units, provide data in columns **D, E, F, Q and R** only.
- For occupied units, provide data in columns D-L, Q-R, T-V. Data may also be required in Cols O, S, X & Y, enter data if any of the cells in those columns are unshaded in the row.
- For tenants who moved in during the reporting period, the data entered in columns G, H & I (at initial occupancy) is likely to be the same as the data entered in columns J, K & L (within reporting period), respectively.
- For tenants who have transferred units within the project, report the initial occupancy data (occupancy date, income, household size) for the first unit that the tenant occupied in the project, i.e. when they first moved in to the building.
- Before using the "paste" function to enter data for **Unit Type**, **Is the Unit Accessible** and **Rental Assistance Type**, please check the drop-down-menus to ensure that the data you are pasting **conforms with the choices of the drop-down menu**. This will help prevent you from submitting forms with invalid data. Any forms with invalid data will be returned with instructions to fix and resubmit.

[illegible]

**Annual Monitoring Report - Demographic Information - Reporting Year 2020 -
Mayor's Office of Housing & Community Development**

Project Address:		1/0/1900	# Units:	0
-------------------------	--	-----------------	-----------------	----------

- | | |
|--|---|
| | <ul style="list-style-type: none"> • Provide the data requested below for the tenant population that was residing in the project <i>at the end of the Reporting Period</i>. • Select one Gender and one Sexual Orientation category for the head of household. • Indicate whether or not any one member of the household is 62 years of age or older. • Enter the number of children under the age of 18 for whom the unit is their primary place of residence. • If one or more members of the household is/are disabled, indicate the nature of the primary disability of one of those members. • If unknown, manager's or vacant unit, select "Question Not Asked". • See the Instructions worksheet for a link to additional info about the City ordinance that requires collection of this data beginning in 2017. |
|--|---|

[illegible]

**Annual Monitoring Report - Summary of Reported Household Demographics - Reporting Year 2020 -
Mayor's Office of Housing & Community Development**

Project Address:	Last Day of Reporting Period	1/0/1900	# Units:	0
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Household Size

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

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

Gender

	# Reported Head of HH	% of Total
Female	0	
Male	0	
Genderqueer/Gender Non-binary	0	
Trans Female	0	
Trans Male	0	
Not listed	0	
Declined/Not Stated	0	
Question Not Asked	0	
Total Head of Households	0	

Sexual Orientation

	# Reported Head of HH	% of Total
Bisexual	0	
Gay /Lesbian/Same-Gender Loving	0	
Questioning /Unsure	0	
Straight/Heterosexual	0	
Not listed	0	
Decline to Answer	0	
Not Stated	0	
Question Not Asked	0	
Total Head of Households	0	

Other Household Demographics

	# Reported
Elderly Households	0
Households with Children Under 18	0
Number of Children Under 18	0
Households with Tenant with Physical Disability	0
Households with Tenant with Visual Disability	0
Households with Tenant with Hearing Disability	0
Households with Tenant with Mental/Devt Disability	0
Households with Tenant with Other Disability	0
Households with Tenant with More than One Disability	0
Households with Tenant with No Disability	0

Target and Actual Population Served

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

<p align="center">Annual Monitoring Report - Narrative - Reporting Year 2020 - Mayor's Office of Housing & Community Development</p>

Project Street Address:

Reporting Period - Start Date: 1/0/1900

Reporting Period - End Date: 1/0/1900

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

1. Explanations & Comments

Use this space to record notes about any peculiarities in the data entry process. For example, if you entered a formula instead of a single number for a field, make a note here re: for which question on which worksheet that was done, and describe the formula & underlying numbers. Also use this field to describe in detail any amounts entered for "Other payments" on the worksheet "2.Fiscal," item 10.

[illegible]

2. Code Violations

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

[illegible]

(add additional rows as needed)

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

Violation or Citation #	Date Cleared	Issued By	Description of Remedy

(add additional rows as needed)

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

3. Major Repairs

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

--

4. Vacant Unit Rent-Up Time

--

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

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

--

5. Affirmative Marketing

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

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

6. Vacancy Rate -----

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

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

7. Miscellaneous Expenses: Administrative/Operating & Maintenance

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

Misc. Admin Expenses

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

Misc. Operating & Maintenance Expenses

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

8. Negative Cash Flow

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

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

--

Annual Monitoring Report - Project Financing - Reporting Year 2020 - Mayor's Office of Housing & Community Development

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

Project Address:

Current Project Financing

Lien Order	Lender (and Loan Program if applicable)	Loan Amount	Interest Rate	Maturity Date	Repayment Terms	Monthly Debt Service Payment	Outstanding Principal Balance As Of End of Reporting Period	Accrued Interest As Of End of Prior Reporting Period
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								

Annual Monitoring Report - Services Funding - Reporting Year 2020 - Mayor's Office of Housing & Community Development

Completion of this page is required based on your answers to questions 51 thru 61 on worksheet 1A.Prop&Residents. Supply one row of data for each service that is being provided. (If more than one service is being provided by the same Provider under the same grant, please repeat the data for each service provided.)

Project Address: _____

Current Services Funding

[illegible]

Project Street Address:

Schedule of Operating Revenues
For the Year Ended January 0, 1900

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

Project Street Address:

Schedule of Operating Expenses
For the Year Ended January 0, 1900

Management	Total
6320 Management Fee	\$0
"Above the Line" Asset Management Fee	\$0
Total Management Expenses:	\$0
 Salaries/Benefits	
6310 Office Salaries	\$0
6330 Manager's Salary	\$0
6723 Employee Benefits: Health Insurance & Disability Insurance	\$0
Employee Benefits: Retirement & Other Salary/Benefit Expenses	\$0

6331 Administrative Rent Free Unit	\$0
Total Salary/Benefit Expenses:	\$0

Administration

6210 Advertising and Marketing	\$0
6311 Office Expenses	\$0
6312 Office Rent	\$0
6340 Legal Expense - Property	\$0
6350 Audit Expense	\$0
6351 Bookkeeping/Accounting Services	\$0
6370 Bad Debts	\$0
6390 Miscellaneous Administrative Expenses	\$0
Total Administrative Expenses:	\$0

Utilities

6450 Electricity	\$0
6451 Water	\$0
6452 Gas	\$0
6453 Sewer	\$0
Total Utilities Expenses:	\$0

Taxes and Licenses

6710 Real Estate Taxes	\$0
6711 Payroll taxes	\$0
6790 Miscellaneous Taxes, Licenses, and Permits	\$0
Total Taxes and Licenses Expenses:	\$0

Insurance

6720 Property and Liability Insurance	\$0
6721 Fidelity Bond Insurance	\$0
6722 Workers' Compensation	\$0
6724 Directors & Officers Liabilities Insurance	\$0
Total Insurance Expenses:	\$0

Project Street Address:

Schedule of Operating Expenses For the Year Ended January 0, 1900

Maintenance and Repairs	Total
6510 Payroll	\$0
6515 Supplies	\$0
6520 Contracts	\$0
6525 Garbage and Trash Removal	\$0
6530 Security Payroll/Contract	\$0
6546 HVAC Repairs and Maintenance	\$0
6570 Vehicle and Maintenance Equipment Operation and Repairs	\$0
6590 Miscellaneous Operating and Maintenance Expenses	\$0
Total Maintenance and Repairs Expenses:	\$0

6900 Supportive Services \$0

Capital and Non-Capital Expenditures to be
Reimbursed from Replacement Reserve \$0

Total Operating Expenses: \$0

Financial Expenses

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

6820 Interest on Mortgage (or Bonds) Payable	
6825 Interest on Other Mortgages	
6830 Interest on Notes Payable (Long Term)	
6840 Interest on Notes Payable (Short Term)	
6850 Mortgage Insurance Premium/Service Charge	
6890 Miscellaneous Financial Expenses	
Total Financial Expenses:	<u>\$0</u>

6000 **Total Cost of Operations before Depreciation:** \$0

5060 **Operating Profit (Loss):** \$0

Depreciation & Amortization Expenses

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

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

Net Entity Expenses

the right.

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

3250 **Change in Total Net Assets from Operations (Net Loss)** \$0

Amount computed in cell E139 should match audited financial statement.

Project Street Address:

**Computation of Operating Cash Flow/Surplus Cash
For the Year Ended January 0, 1900**

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

Distribution of Surplus Cash Ahead of Residual Receipts Payments

*Select the Distribution Priority number from Worksheet 2. Fiscal Activity for payments to be paid
ahead of residual receipts payments.*

Total

Total Cash Available for Residual Receipts Distribution: \$0

Distribution of Residual Receipts

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

Total

Total Residual Receipts Distributions to Lenders: \$0

Proposed Owner Distribution \$0

Proposed Other Distribution/Uses \$0

Total Residual Receipts Distributions to Lenders and Owners: \$0

Project Street Address:

**Summary of Replacement Reserve and Operating Reserve Activity
For the Year Ended January 0, 1900**

	Replacement Reserve	Operating Reserve
Balance, January 0, 1900	\$0	\$0
Actual Annual Deposit	\$0	\$0
Interest Earned	\$0	\$0
Withdrawals	\$0	\$0
Balance, January 0, 1900	\$0	\$0

**Annual Monitoring Report - Completeness Tracker - Reporting Year 2020 -
Mayor's Office of Housing & Community Development**

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

Reporting Start Date:

1/0/00

Project Address:

Reporting End Date:

1/0/00

Submission Instructions:

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

The waiting list must include the following information for each person or household who has applied to live at the project and is still waiting to be considered for an available unit: name of head-of-household, contact information, date of application, number of people in the household, stated household income and desired unit size. Prior to submittal, the waiting list must be redacted to exclude any private information that should not be shared publicly, for example, Social Security numbers, ID numbers from other forms of identification, information related to disabilities or other health conditions. Please confer with legal counsel and let MOHCD know if you have any questions prior to submitting a copy of the project's waitlist. This requirement is not applicable to transitional housing projects, residential treatment programs, shelters, group homes or permanent supportive housing for homeless people that is leased through a closed referral system.

Worksheet 1A. Property & Residents	INCOMPLETE	
Questions 1 thru 4		Incomplete
Questions 5 thru 24		Incomplete
Questions 25 thru 39		Incomplete
Questions 40 thru 46		Incomplete
Questions 51 thru 57		Incomplete
Worksheet 1B. Transitional Programs	To Be Determined	
Questions 1 thru 11		To Be Determined
Questions 12 thru 18		To Be Determined
Questions 19 thru 39		To Be Determined
Worksheet 1C. Eviction Data	To Be Determined	
Question 1		To Be Determined
Questions 2 thru 21		To Be Determined
Questions 22 thru 41		To Be Determined
Questions 42 thru 61		To Be Determined
Worksheet 2. Fiscal Activity	INCOMPLETE	
Rental Income - Housing Unit GPTR		Incomplete
Vacancy Loss - Housing Units		Incomplete
Operating Expenses		Incomplete
Surplus Cash/Residual Receipts (Rows 140 - 174)		Incomplete
Operating Reserve (Rows 177 - 187)		Incomplete
Replacement Reserve (Rows 189 - 197)		Incomplete
Changes to Real Estate Assets (Rows 202 - 207)		Incomplete
Replacement Reserve Eligible Expenditures (Rows 210 - 229)		Incomplete
Program Income (Rows 240 - 245)		OK
Worksheet 3A. Occupancy & Rent Info	INCOMPLETE	
Does number of units entered on Worksheet 3A match total units entered on Worksheet 1A or the total households that can be served in Worksheet 1B?		To Be Determined
For each row for which a Unit Number is supplied, was data entered in all of the required cells?		To Be Determined
Narrative Provided for All rows indicating Overhoused or Overcrowded?		To Be Determined
Worksheet 3B. Demographic Information	To Be Determined	
Is Gender and Sexual Orientation/Identity selected for each household?		To Be Determined
Worksheet 4. Narrative	To Be Determined	
2		To Be Determined
3		To Be Determined
4		To Be Determined
5		To Be Determined
6		To Be Determined
7		To Be Determined
8		To Be Determined
Worksheet 5. Project Financing	INCOMPLETE	
Worksheet 6. Services Funding	To Be Determined	

EXHIBIT H – NO PLACE LIKE HOME FUNDING REQUIREMENTS

EXHIBIT H

KEY REQUIREMENTS OF NO PLACE LIKE HOME PROGRAM

For supportive housing funded by the State of California's No Place Like Home Program, MOHCD has developed this addendum to summarize key requirements of the NPLH Program. Sponsors of NPLH- funded supportive housing must comply with all relevant requirements of the NPLH Program Guidelines. The full program guidelines are available at the State of California Housing and Community Development Department's [No Place Like Home](#) website.

The goal of MOHCD's NPLH Program is to facilitate acquisition, design, construction, rehabilitation, and preservation of affordable multifamily rental housing for persons with a serious mental illness who are homeless, chronically homeless, or at-risk of chronic homelessness. Qualifying multifamily structures must collectively contain five or more units and shall consist of scattered site housing and multifamily affordable developments. Shared housing is not an eligible development under MOHCD's guidelines.

Please disregard provisions of the HCD NPLH Program Guidelines in Article III, related to the transition reserve requirements, as these are superseded by MOHCD's own guidelines found in the LOSP Policies and Procedures.

Eligible Uses of Funds. MOHCD will evaluate each qualified multifamily project for suitability for NPLH funding. Awarding NPLH funding is conditional on acceptance or eligibility for available state funding. The total amount of funds to be awarded to NPLH-assisted units shall not exceed the costs associated with assisted units. To determine these costs, the cost allocation rules from the State of California's Multifamily Housing Program Regulations (25 California Code of Regulations, Section 7304(c)) that govern eligible uses of funds shall apply.

<https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/supernofa/2025-mhp-guidelines.pdf.pdf>

Selection Criteria. MOHCD will evaluate the site's eligibility for NPLH funding utilizing the following criteria identified in the HCD NPLH Guidelines (section 301(a) 4-8 and 13-14), including, but not limited to:

- Suitability of each location for the NPLH residents, including proximity to transportation, services, and other amenities in a manner that ensures integration of the NPLH residents in the community;

- The Project site must be free from severe adverse environmental conditions, such as the presence of toxic waste that is economically infeasible to remove and that cannot be mitigated.
- All units must be on a permanent foundation and must meet all applicable State and local requirements pertaining to rental housing, including but not limited to, requirements for minimum square footage, and requirements related to maintaining the property in a safe and sanitary condition.
- Readiness to proceed to construction;
- Capital, operating subsidy, and supportive services leverage;
- Compliance with applicable state and federal relocation laws including California Government Code Section 7260 et seq., and 25 CCR Section 6000 et seq.; and
- Compliance with Article XXXIV Section 1 of the California Constitution, as clarified by Public Housing Election Implementation Law (H&S Code Section 37000 et seq.).

Experience. MOHCD will evaluate the experience of the project team including the development sponsor, property manager, and lead service provider to ensure that the following minimum experience requirements are met:

- (1) Development and ownership of at least two affordable rental housing projects in the last ten years, with at least one of those projects containing at least one unit housing a tenant who qualifies as a member of the NPLH target population
- (2) Property management operation of at least two affordable rental housing projects in the last ten years, with at least one of those projects containing at least one unit housing a tenant who qualifies as a member of the NPLH target population
- (3) Lead services provider, which may be the City, shall have three or more years of experience serving persons who qualify as members of the NPLH target population. If this experience does not include experience serving persons in supportive housing, it must include experience helping persons address barriers to housing stability or providing other support services related to housing retention (from Section 202 (e) that details Project Threshold Requirements)

Integration. Proposed projects must demonstrate integration of the NPLH target population with the general public. In order to demonstrate compliance with this requirement, following conditions must be met:

- (1) Assisted units must be integrated with other units in the project and not separated onto separate floors or areas in the building
- (2) To promote integration of the target population with other project tenants, in projects of greater than 20 units, MOHCD will fund no more than 49 percent of the project's total units as NPLH assisted units. This limitation shall not be interpreted to preclude occupancy of any project units by persons with disabilities, or restrictions by other funding sources, including but not limited to CTCAC, that result in more than 49 percent of the total project units being restricted to persons with disabilities
- (3) Sponsors must certify that they will facilitate or provide regular community building activities and architectural design features that promote tenant interaction, as feasible depending on the scope of the construction or rehabilitation activity
- (4) The service plan and property management plan submitted with the funding application must document policies that promote participation by tenants in community activities, and impose no restrictions on guests that are not otherwise required by other project funding sources or would not be common in other unsubsidized rental housing in the community. (from Section 202 (g))

A. Uses and Terms of NPLH Program Assistance (from Section 302 of NPLH Program Guidelines)

MOHCD will allocate NPLH funds to finance capital costs of supportive housing development including but not limited to acquisition, design, construction, rehabilitation, or preservation of affordable multifamily rental housing. (from Section 302 (a))

MOHCD will, on a project by project basis, allocate NPLH funds to capitalize operating subsidy reserves (COSR) for assisted units (from Section 302 (b)), subject to the limitations specified in Section 305. The COSR shall be sized to cover anticipated operating deficits attributable to the NPLH assisted units for a minimum of 20 years, structured as a grant as evidenced by a grant agreement secured by a Deed of Trust against the project, as required by Section 310 of the NPLH Guidelines and can be used in conjunction with LOSP. The total amount of a project COSR will be determined based upon the individual project underwriting performed by MOHCD in accordance with Section 305. MOHCD shall hold

each project COSR in a segregated interest bearing account for the benefit of the project's assisted units for as long as funds remain in the COSR, but for not less than 20 years.

NPLH funds may be provided as predevelopment, construction, or post-construction permanent financing. If funding is used as predevelopment or construction financing, NPLH funding must convert to post construction permanent financing. (from Section 302 (d))

NPLH allocations to multifamily rental housing of five or more units for capital costs shall be provided in the form of a deferred payment loan that shall have an initial affordability period of 55 years or longer commencing on the date of recordation of the NPLH regulatory agreement. (Section 302 (e)) The loan may bear a zero percent interest rate. Any interest payment, loan repayments, or other return of funds must be returned to the State Department of Housing and Community Development pursuant to Welfare and Institutions Code Section 5849.4 (b) that governs the NPLH Program. (from Section 302 (e))

https://leginfo.ca.gov/faces/codes_displaySection.xhtml?lawCode=WIC§ionNum=5849.4 (included as reference only)

Capital program funds shall be secured by the project's real property and improvements, and subject only to liens, encumbrances and other matters of record approved by MOHCD. (from Section 302 (f))

MOHCD may charge reasonable and customary annual monitoring fees to be used in conjunction with administration funds for compliance monitoring required under Section 311 of the NPLH Program Guidelines during the applicable period of affordability set forth in Section 302, paragraph (e). These fees must be based upon the average actual cost of performing the monitoring of the assisted units.

The basis for determining the amount of the fee must be documented and the fee must be included in the costs of the project as part of the project underwriting analysis. (from Section 302 (g)). Currently, MOHCD has opted not to charge a separate NPLH monitoring fee. Any changes to this policy would be made to these Guidelines.

NPLH funds not committed to projects within 24 months of award by the State Department of Housing and Community Development shall be returned to the State, and such funds shall be made available for award to applicants as part of the State's Competitive Allocations. Evidence of committed funds may include award letters, commitment letters, or other written agreements evidencing a commitment of funds. (from Section 302 (h))

B. Occupancy, Income and Rent Limit Requirements (from Section 303 of NPLH Program Guidelines)

Occupancy of all NPLH assisted units shall be restricted to households with at least one member who qualifies as a member of the target population. (from Section 303 (a)) The NPLH target population includes adults or older adults with a serious mental disorder or children or adolescents with serious emotional disturbance who are homeless, chronically homeless, or at-risk of chronic homelessness. This includes persons with co-occurring mental and physical disabilities or co-occurring mental and substance use disorders. (from the State's Welfare and Institutions Code Section 5600.3 (a) and (b) that governs the Mental Health Services Act Program and the target population for the MHSA Program)

http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=5600.3.&lawCode=WIC

Total household income at the time of move-in shall not exceed 30 percent AMI limit as published by the State Department of Housing and Community Development. (from Section 303 (a))

Income determination shall be made in accordance with the requirements in the State of California's Multifamily Housing Program Regulations that govern the calculation of gross income and net income for eligible households for assisted units (25 California Code of Regulations, Section 6914 and 25 CCR, Section 6916) (from Section 303 (b))

For assisted units, if at the time of recertification, a tenant household's income exceeds the 30 percent AMI level and this increase is based solely on the current SSI/SSP payment rate or cost of living adjustment, the household rent shall not exceed 30 percent of household income. These units shall continue to be designated as assisted units. (from Section 303 (c))

For assisted units, if at the time of recertification, a tenant household's income exceeds the 30 percent AMI level and this increase is based on factors other than or in addition to the current SSI/SSP payment rate or cost of living adjustment, to the extent a rent increase for the household is permitted by statutes and regulations governing the project's other financing sources, the sponsor:

- (1) Shall redesignate the tenant's unit as a unit at the higher income level, provided that there are non- assisted units restricted at the higher income level. These units shall not be designated as NPLH assisted units.
- (2) Shall increase the tenant's rent to the level applicable to units at the higher income level; and

- (3) Shall designate the next available comparable non-assisted unit as an assisted unit by the income level originally applicable to the household unit the unit mix required by the program regulatory agreement is achieved.
- (4) If all of the project units are assisted units, that project can continue with the over-income unit until such time as the over-income household(s) no longer reside in the project.
- (5) A unit shall be deemed comparable if it has the same number of bedrooms and reasonably similar square footage as the original unit. (from Section 303 (d))

For assisted units, if at the time of recertification, a tenant household's income exceeds the income limit designated for the household's unit, but does not exceed the limit for a higher income level applicable to new NPH tenants, the sponsor may increase the household's rent to an amount not exceeding the closest rent limit applicable to the household's income level at the time of recertification. (from Section 303 (e))

Projects shall maintain documentation of tenant eligibility consistent in all of the following ways, as applicable:

- (1) Documentation of an adult or older adult with a serious mental disorder or a child or adolescent with a serious emotional disturbance, as provided by a qualified mental health worker in

accordance with the requirements of WIC Section 5600.3 (from the State's Welfare and Institutions Code Section 5600.3 that governs the Mental Health Services Act Program and the target population for the MHSA Program)

- (2) Documentation of a person's status as homeless or chronically homeless as defined in Section 101 of the NPLH Program Guidelines and established through the local coordinated entry system or at-risk of chronic homelessness as defined in Section 101 of the NPLH Program Guidelines and established through the local coordinated entry system or other procedures for determining qualification
- (3) In no event shall a person be required to be a client of the City of San Francisco's behavioral health department or a recipient of mental health or other services in order to qualify for or remain in an assisted unit (from Section 303 (f))

These occupancy, income and rent limit requirements shall apply for the full term of the NPLH program loan (from Section 303 (g)).

c. Underwriting Standards and Other Requirements (from Section 304 of NPLH Program Guidelines)

All assisted units shall have rents restricted to 30 percent AMI (as defined by HCD) or below as specified in the project regulatory agreement with MOHCD, except as otherwise permitted in the above Occupancy, Income and Rent Limit Requirements (detailed in Section 303 (c) of NPLH Program Guidelines) (from 304 (a)).

Rent levels shall be expressed in five percent increments as a percentage of SMI (from 304 (b)).

Before committing funds to project, MOHCD must evaluate the project in accordance with underwriting standards it has chosen to use for this program. These standards must consider at a minimum, such things as: reasonableness of projected construction and operating expenses, income and expense escalators, vacancy rate assumptions, debt coverage ratio, operating reserves, replacement reserves, budgeted construction contingency, limits on development costs, developer fees, asset management and partnership fees, and use of operating cash flow (from 304 (c)).

The maximum amount of assistance per assisted unit shall take into account the number of bedrooms per unit or other measures of unit size, as well as the level of affordability provided per unit, with more affordable units being provided more subsidy (from Section 304 (d)).

The total amount of program assistance to a project shall not exceed the eligible costs associated with assisted units in accordance with a methodology that allocates costs among the assisted and non-assisted units in reasonable proportion to their anticipated share of costs (from Section 304 (e)). The total amount of NPLH funds per site will be determined at the sole determination of MOHCD, subject to funding availability and HCD limitations on State funds stacking, and in no case higher than the gap between the cost to build and the other available subsidies.

California Labor Code Section 1720 et seq. requires payment of prevailing wages for certain developments paid for in whole or in part from any public funding source, and exempts other developments from this requirement. All funds provided under this program are public funds within the meaning of these Labor Code sections. Program funding for a portion of a project shall not necessarily, in and of itself, be considered public funding of the entire project. MOHCD shall be responsible for determining on a case-by-case basis, the extent of the applicability of state prevailing wage law to each individual project. (from Section 304 (f)).

[http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=LAB§ionNum=1720.](http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=LAB§ionNum=1720)

Projects of five or more units must meet the accessibility requirements specified in the California Tax Credit Allocation Committee regulations, as may be amended and renumbered from time to time, including those of Section 10325(f)(7)(K) and, for senior projects, those of Section 10325(g)(2)(B) and (C), or a higher standard if required by MOHCD. Exemption requests, as provided for in the CTCAC regulations, must be approved by MOHCD. Projects must also provide a preference for accessible units to persons with disabilities requiring the features of the accessible units in accordance with Section 10337(b)(2) of the CTCAC regulations, or a higher standard if required by MOHCD. All projects must also ensure that any other applicable federal, state, and local accessibility requirements are met. (from Section 304 (g)).

<https://www.treasurer.ca.gov/ctcac/programreg/2018/20180516/clean.pdf> (CCR governing CTCAC regulations)

Projects shall have a transition reserve (further described in the LOSP Policies and Procedures) in an amount established by the MOHCD in the event that any project-based rental assistance is not renewed and the project cannot secure other rental or operating subsidies to continue without immediately raising rents on the assisted units.

- (1) If rent increases on the assisted units are necessary after exhausting all transition reserve funds such increases shall only be permitted to the minimum extent required for financial feasibility, as determined by MOHCD. In addition, rents on assisted units shall not, in any event, be increased to an amount in excess of 30 percent of 50 percent of AMI (as defined by HCD), adjusted by number of bedrooms.
- (2) MOHCD shall notify the State Department of Housing and Community Development at least 12 months in advance of any rent increase on the assisted units due to exhaustion of the transition reserve.
- (3) If rent increases on the assisted units are necessary due to loss of rental or operating assistance, if it is determined that NPLH tenants will need to move after exhausting all transition reserve funds, a transition plan shall be implemented to identify other permanent housing options that may be more affordable to NPLH tenants who cannot afford the increased rent, and to assist those persons in accessing other available housing. Funds from the transition reserve may be used for these expenses. (from Section 304 (h))

D. Operating Budget Requirements

MOHCD shall review annually proposed annual operating budgets of funded projects to ensure that budget line items, including any proposed rent increases, are reasonable and necessary in light of costs for comparable permanent supportive housing projects and prior year budgets (from Section 306).

E. Supportive Services Requirements

Each application selected for funding must include a project-specific supportive services plan developed by the county in partnership with the project sponsor, supportive service providers, and the property manager. (from Section 203 (a))

The property management staff and service providers must make participation in supportive services by NPLH tenants voluntary. Access to or continued occupancy in housing cannot be conditioned on participation in services or on sobriety. The supportive services plan must describe the services to be made available to NPLH tenants in a manner that is voluntary, flexible and individualized, so NPLH tenants may continue to engage with supportive services providers, even as the intensity of services needed may change. Adaptability in the level of services should support tenant engagement and housing retention. (from Section 203 (b))

The following supportive services shall be made available to NPLH tenants based on tenant need. Available mental health services shall be provided directly by the County or through a subcontracted lead service provider. The City or the City's lead service provider for the Project shall coordinate the provision of or referral to services needed by individual tenants, including but not limited to substance use treatment services, for a minimum of 20 years. Except as otherwise noted below, the following required services can be provided onsite at the project or offsite at another location easily accessible to tenants:

- (1) Case management;
- (2) Peer support activities;
- (3) Mental health care, such as assessment, crisis counseling, individual and group therapy, and peer support groups;
- (4) Substance use services, such as treatment, relapse prevention, and peer support groups;
- (5) Support in linking to physical health care, including access to routine and preventive health and dental care, medication management, and wellness services;

- (6) Benefits counseling and advocacy, including assistance in accessing SSI/SSP, enrolling in Medi-Cal; and
- (7) Basic housing retention skills (such as Unit maintenance and upkeep, cooking, laundry, and money management). (from Section 203 (c))

The following additional information shall be provided in the supportive services plan:

- (8) Description of the Target Population to be served, and identification of any additional subpopulation target or occupancy preference for the NPLH Project that the Applicant wishes to undertake beyond what is permitted under the Target Population requirements. Any additional subpopulation targeting or occupancy preference for NPLH Project must be approved by the Department prior to construction loan closing and must be consistent with federal and state fair housing requirements;
- (9) Description of tenant outreach, engagement and retention strategies to be used;
- (10) Description of each service to be offered, how frequently each service will be offered or provided depending on the nature of the service, who is anticipated to be providing the services and the location and general hours of availability of the services;
- (11) For services provided off-site, the plan must describe what public or private transportation options will be available to NPLH tenants in order to provide them reasonable access to these services. Reasonable access is access that does not require walking more than ½ mile.
- (12) Description of how the supportive services are culturally and linguistically competent for persons of different races, ethnicities, sexual orientations, gender identities, and gender expressions. This includes explaining how services will be provided to NPLH tenants who do not speak English, or have other communication barriers, including sensory disabilities, and how communication among the services providers, the property manager and these tenants will be facilitated;
- (13) Estimated itemized budget, and sources of funding for services;
- (14) Description of how the supportive services staff and property management staff will work together to prevent evictions, to adopt and ensure compliance with harm reduction principles, and to facilitate the implementation of reasonable accommodation policies from rent-up to ongoing operations of the Project;
- (15) General service provider and property manager communication protocols;

(16) Description of how the physical design of the Project fosters tenant engagement, onsite supportive services provision, safety and security, and sustainability of furnishings, equipment, and fixtures; and

(17) Other information needed by the Department to evaluate the supportive services to be offered consistent with the Program. (from Section 203 (e))

Copies of draft written agreements or memoranda of understanding (MOUs) must be provided which identify the roles and responsibilities of the City, the project owner, other service providers, and the property manager. Specific organizations do not need to be identified unless those organizations are used to satisfy the experience requirements required to submit an application under NPLH Project Threshold Requirements. The draft written agreements or MOUs must be materially consistent with the information set forth in the supportive services plan. (from Section 203 (f))

MOHCD may request that any necessary updates to the supportive services plan or related documents, including fully executed written agreements between the City, service providers, the Project owner, and the property manager, be provided prior to the beginning of the initial rent-up period or prior to permanent loan closing. (from Section 203 (g))

F. Tenant Selection, Rental Agreements and Grievance Procedure Requirements

Chronically homeless and homeless persons shall be referred to NPLH assisted units through the local coordinated entry system (from Section 307 (a)).

If San Francisco's coordinated entry system cannot refer persons at-risk of chronic homelessness, the City will first prioritize chronically homeless and homeless persons through the local coordinated entry system. Then, San Francisco will develop an alternate system to prioritize those with the greatest need who are at-risk of chronic homelessness for NPLH assisted units. (from Section 307 (b))

Projects utilizing MOHCD's Noncompetitive Allocation of NPLH funding shall first prioritize homeless individuals with a serious mental illness and then individuals at-risk of chronic homelessness with a serious mental illness. (from Section 307 (c))

MOHCD shall have reasonable standards for project rental agreements, property management plans, and tenant grievance procedures to ensure compliance with the State's Housing First requirements (from the State's Welfare and Institutions Code Section 8255(b) that detail the core components of Housing First), and compliance with basic tenant protections established under federal, state and local law. (from Section 307 (d))

https://leginfo.ca.gov/faces/codes_displayText.xhtml?lawCode=WIC&division=8.&title=&par_t=&chapter=6.5.&article=

Tenants shall be accepted regardless of sobriety, participation in services or treatment, history of incarceration, credit, or history of eviction in accordance with practices permitted pursuant to the State's Welfare and Institutions Code Section 8255 that details core components of Housing First, or other federal or state project funding sources. (from Section 307 (e))

G. Reporting Requirements

MOHCD and project owners shall comply with the reporting requirements listed in the NPLH Program Guidelines Section 214, except for subsections (a) and (b). (from Section 309 (a)) In the event of any conflicting reporting requirements, HCD NPLH Guidelines will prevail. These are listed below for reference:

- On an annual basis, the City shall submit the data elements listed below for each of its NPLH Assisted Units. The City shall work with each Project's property manager and lead service provider to gather the data. The data may be, but is not required to be, gathered from the local Homeless Management Information System (HMIS).
- The data shall be submitted in electronic format on a form provided by the Department of Housing and Community Development. The City, the property manager and the lead service provider shall work together to resolve any data quality concerns to the best of their ability prior to submission of the data to the Department.
- The data below shall be submitted to the Department no later than September 30 of each year for the previous State fiscal year of activity (July 1-June 30) and shall include all the following information for each Project:

Elements for reporting include:

- (1) Project location, services, and amenities;
- (2) Number of NPLH Assisted Units, total Units assisted by other government programs, and total non-Assisted Units;
- (3) Project occupancy restrictions;
- (4) Number of individuals and households served;
- (5) Homeless status, veteran status as requested in item (12) below, and mental health status. No information on specific mental health diagnoses will be collected; and
- (6) Average Project vacancy rate during the reporting period (12-month average).

For NPLH Units Only:

- (1) Average vacancy rate of NPLH Assisted Units during the reporting period (12-month average);
- (2) Head of Household gender, race, ethnicity, age;
- (3) Income levels of NPLH tenants as a percentage of AMI, (i.e., 10 percent of AMI, 15 percent of AMI, 20 percent of AMI, etc.);
- (4) The percentage of NPLH tenants who have lived in the building less than 12 months, 12 to 24 months, and longer than 24 months;
- (5) The number of tenants who moved into a NPLH Assisted Unit during the reporting period who, prior to Project entry, were (A) Chronically Homeless, (B) Homeless, or (C) At-Risk of Chronic Homelessness, as defined under Section 101 of these Guidelines;
- (6) The number of tenants who served on active duty in the armed forces of the United States (for tenants over age 18);
- (7) The number of tenants who continue to have a Serious Mental Disorder or the number who are Seriously Emotionally Disturbed Children or Adolescents, as defined in Welfare and Institutions Code Section 5600.3;
- (8) Of those who moved in during the reporting period, the number of tenants who were referred from:
 - A. CES and/or;
 - B. The City behavioral health department or a service provider acting on its behalf;
 - C. A State Department of Developmental Services regional center, or
 - D. Another reported source.
- (9) Of those who moved in during the reporting period, the length of time prior to moving in that they reported they were:
 - A. On the streets (including a vehicle or other place not meant for human habitation), or
 - B. In an emergency shelter, safe haven, or transitional or interim housing.

(10) Of those who moved in during the reporting period, and to the extent the information was available prior to referral to the Project, the number of tenants who had:

A. A physical, mental, or emotional impairment, including an impairment caused by alcohol or drug abuse, post-traumatic stress disorder, or brain injury that:

- (i) Is expected to be long-continuing or of indefinite duration;
- (ii) Substantially impedes the individual's ability to live independently; and
- (iii) Could be improved by the provision of more suitable housing conditions.

B. A developmental disability, as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15002); or

C. The disease of acquired immunodeficiency syndrome (AIDS) or any condition arising from human immunodeficiency virus (HIV).

(11) For tenants who exited NPLH Assisted Units during the reporting period:

A. The number of tenants who exited during the reporting period to:

- (i) other permanent housing,
- (ii) the street, emergency shelter, transitional housing, or safe haven, or
- (iii) an institutional destination, and the specific institutional destination, if known (including, but not limited to hospitalization or psychiatric hospitalization, residential substance use treatment facility, skilled nursing facility, jail or prison).

(12) The number of tenants who died during the reporting period.

(13) For tenants who leased or remained in NPLH Assisted Units during the reporting period:

A. Changes in employment income during the reporting period;

B. Changes in non-employment cash income during the reporting period; and

C. Changes in total cash income during the reporting period.

- Notwithstanding the above requirements, the Department of Housing and Community Development may modify the data collected over time to conform to changes in the specific data metrics required by HUD through CES, or required by another state or federal agency
- If readily available, counties may also provide aggregate data on: (1) emergency room visits for NPLH tenants before and after move-in; (2) average number of hospital and psychiatric facility admissions and in-patient days before and after move-in; and (3) number of arrests and returns to jail or prison before and after move-in
- Data collected annually will be compiled by the Department of Housing and Community Development and made available on the Department's website
- Where there is a difference between these guidelines and the Department of Housing and Community Development's current reporting requirements, the provisions of these guidelines shall prevail

For each project completed by June 30th of the reporting year, MOHCD shall submit to the State Department of Housing and Community Development a project completion report, no later than September 30th of that year, with evidence acceptable to the State that the project is complete, and that all assisted units in the project are occupied by persons meeting the occupancy, income, rent, and tenant eligibility requirements for the assisted units. This information shall be provided on forms made available by the State. (from Section 309 (b))

The State may extend the deadline for submission of a project completion report, if a project was completed less than 150 days prior to the deadline for submission of the report under the NPLH Program Guidelines Section 213 (e) in order to enable the project to submit occupancy information based on an initial rent-up period not to exceed 120 days. (from Section 309 (c))

H. **Monitoring Requirements**

MOHCD is responsible for ensuring that NPLH funds are used in accordance with all program requirements and Alternative Process County Program agreements (between the State Department of Housing and Community Development and MOHCD). MOHCD must take appropriate action when performance problems arise. The performance and compliance of each project must be reviewed as set forth in NPLH Program Guidelines

Section 311 (b). (paragraph below) MOHCD must have and follow written procedures, and systems, including a system for assessing risk of activities and projects and a system for monitoring projects, to ensure developers, property managers, and service providers are meeting all program requirements. (from Section 311 (a))

To ensure that funded projects are completed, projects are able to meet long-term affordability, and project are meeting other program requirements as set forth in the NPLH Program Guidelines and relevant statutes, MOHCD must meet the following minimum requirements for project monitoring:

- (1) On-site physical inspections of all projects as needed during construction, at project completion, and at least once every three years during the term of the loan;
- (2) Annual review of project operating budgets, audits, or other certified financial statements.
- (3) Annual review of supportive services plans and outcome measures to ensure that the supportive services being offered are the most appropriate and effective for existing NPLH tenants and the NPLH tenants proposed to be served in the NPLH regulatory agreement (from Section 311(b))