

FIRST AMENDMENT TO THE
LOAN AGREEMENT

(City and County of San Francisco Affordable Housing Fund Inclusionary Affordable Housing
Program and 2015 General Obligation Bond for Affordable Housing)
(4840 Mission Street)

This First Amendment to the Loan Agreement (City and County of San Francisco Affordable Housing Fund Inclusionary Affordable Housing Program and 2015 General Obligation Bond for Affordable Housing) (“First Amendment”) is made as of _____, 2019, by and between the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, represented by the Mayor, acting through the Mayor's Office of Housing (the “City”), and **4840 MISSION HOUSING ASSOCIATES LP**, a California limited partnership (the “Borrower”).

RECITALS

A. The City previously loaned Six Million and No/100 Dollars (\$6,000,000) (the "Loan") to Borrower to finance acquisition and predevelopment due diligence for the property located at 4840 Mission Street, San Francisco, (the “Site”) on which the Borrower would construct a 114-unit multifamily rental housing development known as the “4840 Mission” (the "Project"). The Loan is evidenced by the following documents: (1) a Loan Agreement (City and County of San Francisco Affordable Housing Fund Inclusionary Affordable Housing Program and 2015 General Obligation Bond for Affordable Housing) dated May 11, 2017 (the “Agreement”); (2) a Secured Promissory Note made by Borrower in an amount of the Loan to the order of the City dated May 11, 2017 (the “Original Note”); (3) a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated and recorded on June 7, 2017 as Serial Number 2017-K460376-00 of Official Records; and (4) a Declaration of Restrictions dated and recorded on June 7, 2017 as Serial Number 2017- K460375-00 of Official Records (the “Declaration”). All initially capitalized terms used but not defined in this First Amendment have the meanings given to those terms in the Agreement.

B. Since entering into the above-referenced City Documents, the Project has been revised to include up to 137 units of affordable housing for low and very low income households (including two manager’s unit) (the “Residential Project”) and a ground floor commercial shell with a total of approximately 15,726 square feet for two (2) commercial spaces (the "Commercial Spaces").

C. In order to pay off an acquisition loan from San Francisco Housing Accelerator Fund used to purchase the Site in 2017 referenced un Recital E of the Agreement, and complete the predevelopment activities, the Borrower has requested an additional loan of [Twelve Million Five Hundred Ten Thousand and No/100 Dollars (\$12,510,000)] (the "Additional Loan"). The City has agreed to increase the Loan by the Additional Loan, subject to the terms and conditions of the Agreement and this First Amendment. The Additional Loan will be comprised of Jobs-Housing Linkage Program Affordable Housing Fund, Fee Funds, and Housing Trust Fund.

D. In addition, due to adjustments in the proposed development schedule, Borrower and City desire to amend certain provisions in the Agreement related to the new development schedule.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth in the City Documents, the City and the Borrower agree as follows:

1. Amendments to Agreement.

(a) Changes to Project. Recital C is deleted in its entirety and replaced with the following new Recital C:

C. Borrower has acquired a fee interest in the real property located at 4840 Mission Street, San Francisco, California (the “Site”), using the Loan and funding from the San Francisco Housing Accelerator Fund (“SFHAF”). Borrower desires to use the Funds to pay off the acquisition loan from SFHAF, and to pay predevelopment costs for the construction development of the Site which Borrower currently anticipates will consist of a 137-unit multifamily rental housing development, affordable to low-income households, including the construction of a commercial shell for two commercial spaces (the “Commercial Space”), and community spaces all to be known as “4840 Mission” (the “Project”). The maximum income and rent requirements for the Project and set forth in Exhibit A shall remain in effect even if the Local Operating Subsidy (defined therein) is no longer available to the Project.

(b) Funding Amount. Recital D is deleted in its entirety and replaced with the following new Recital D:

D. The City has reviewed Borrower’s application for Funds and, in reliance on the accuracy of the statements in that application, has agreed to make a loan of Funds to Borrower (the “Loan”) in the amount of [Eighteen Million Five Hundred Ten Thousand and No/100 Dollars (\$18,510,000.00)] (the “Funding Amount”) under this Agreement to fund certain costs related to the Project. The Funding Amount is comprised of (i) Fee Funds in the amount of [Fifteen Million Five Hundred Ten Thousand and No/100 Dollars (\$15,510,000)], (ii) Bond Funds in the amount of Three Million and No/100 Dollars (\$3,000,000).

(c) Payoff of SFHAF. Recital E is deleted in its entirety.

(d) Definitions. The following defined terms are added to Section 1.1:

“HOPE SF” means the nation’s first large-scale public housing transformation and community development project aimed at disrupting intergenerational poverty, reducing social isolation, and creating vibrant mixed-income communities without mass displacement of current residents. Launched in 2007, HOPE SF is a twenty-year human and real estate capital commitment, now

spanning five mayoral administrations. Unlike prior redevelopment efforts that have largely displaced existing populations, HOPE SF is committed to current public housing residents, to breaking intergenerational patterns related to the insidious impacts of trauma and poverty, and to creating economic and social opportunities for families through deep investments in education, economic mobility, health, and safety.

“HOPE SF Property” means any of the four specific HOPE SF public housing developments of Hunters View, Alice Griffith, Sunnydale Velasco, and Potrero and Potrero Annex.

(e) Funding Amount. Section 2.1 (Funding Amount) is deleted in its entirety and replaced with the following new Section 2.1:

2.1 Funding Amount. The City agrees to lend to Borrower a maximum principal amount equal to the Funding Amount in order to finance acquisition and predevelopment due diligence associated with the potential development of 137 units of affordable housing for very low- and low- income households. The Funding Amount will be disbursed according to the terms and subject to the conditions set forth in this Agreement.

(f) Use of Funds. Section 2.2 (Use of Funds) is deleted in its entirety and replaced with the following new Section 2.2:

2.2 Use of Funds. Borrower acknowledges that the City’s agreement to make the Loan is based in part on Borrower’s agreement to use the Funds solely for the purpose set forth in **Section 2.1** and agrees to use the Funds solely for that purpose in accordance with the approved Table of Sources and Uses. Notwithstanding anything to the contrary contained herein, City shall not approve expenditure of Funds for expenses incurred by Borrower prior to September 15, 2016, but City will allow reimbursements of expenditures from the Loan for costs associated with the Project and acquisition deposits beginning July 15, 2015. The City will allow reimbursement of expenditures from the Loan for costs associated with Project predevelopment activities and to pay off of the original acquisition loan to Borrower from SFHAF.

(g) Conditions to Additional Financing. Section 2.5 (Conditions to Additional Financing) is deleted in its entirety and replaced with the following new Section 2.5:

2.5 Conditions to Additional Financing. If Borrower desires to obtain additional financing for the Project, then Borrower must satisfy the following:

(a) At least ninety (90) days before submitting the final application to MOHCD for construction or permanent financing:

(i) Borrower will submit to MOHCD a financial analysis that assumes a competitive State of California Housing and Community Development (“HCD”) Multifamily Housing Program (“MHP”) application. The financial analysis must include 40 units set-aside for families relocating from HOPE SF Property supported by project-based vouchers and 20 units for homeless families supported by LOSP. Borrower’s financial analysis must accompany a design that is consistent with MHP requirements. Sponsor’s financial analysis must include a MHP self-score and tie-breaker analysis.

(ii) Borrower must provide a comprehensive schedule detailing permits, affordable housing financing, and commercial space financing, and construction start and completion, and marketing and lease-up.

(iii) Borrower must submit a comprehensive draft services plan covering the entire property and including LOSP and households voluntarily moving from HOPE SF Potrero and Potrero Annex.

(iv) Borrower must provide a thorough commercial space financing plan that includes information about Mission Neighbor Health Clinic proposed ownership structure; New Market Tax Credit funding availability; ground lease payment potential; tenant improvement costs and funding sources; fundraising needs and potential; and repayment options for MOHCD expenditures on the warm shell.

(v) If design features are changed in response to rising costs, Borrower must secure all City approvals for those changes. Borrower must work with MOHCD construction team to review the proposed design and manage impact of potential design changes and rising costs to project.

(vi) Borrower must provide explanation with supporting documents for all construction management costs.

(h) Maturity Date. Section 3.1 (Maturity Date) is deleted in its entirety and replaced with the following new Section 3.1:

3.1 Maturity Date. Borrower must repay all amounts owing under the City Documents on the date that is the later of (a) the Fifty Seventh (57th) anniversary of the date the Deed of Trust is recorded in the Recorder’s Office of San Francisco County or (b) the Fifty

Fifth (55th) anniversary of the Conversion Date (the “**Maturity Date**”).

(i) Commencement and Completion of Project. Section 5.6 (Commencement and Completion of Project) is deleted in its entirety and replaced with the following new Section 5.6:

5.6 Commencement and Completion of Project. Unless otherwise extended in writing by the City Borrower must: (a) commence demolition, rehabilitation or construction no later fourteen months after Borrower’s receipt of a tax credit reservation or bond allocation; (b) complete demolition and construction by no later than two years following commencement of construction in accordance with the plans and specifications approved by the City, as evidenced by a certificate of occupancy or equivalent certification provided by the City's Department of Building Inspection, and an architect's or engineer's certificate of completion (the "Completion Date"); and (c) achieve occupancy of Ninety-Five percent (95%) of the Units by thirty-one months following commencement of construction.

(j) Marketing and Tenant Selection Plan & Tenant Screening Criterial Requirements. Section 6.3 (Marketing and Tenant Selection Plan & Tenant Screening Criterial Requirements) is deleted in its entirety and replaced with the following new Section 6.3:

6.3 Marketing and Tenant Selection Plan & Tenant Screening Criteria and HOPE SF Resident Selection Criteria Requirements:

(a) Borrower’s Marketing and Tenant Selection Plan shall comply with the requirements of the Tenant Selection Plan Policy as set forth in the attached **Exhibit H**. The Tenant Screening Criteria and HOPE SF Selection Criteria are a component of the Marketing and Tenant Selection Plan. The Marketing and Tenant Selection Plan must be kept on file at the Project at all times.

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

(c) Borrower’s HOPE SF resident selection criteria must comply with the HOPE SF Resident Selection Criteria set forth in the attached **Exhibit J**. In the event of a conflict between **Exhibit J** and **Exhibits H and I**, **Exhibits H and I** will control with respect to any HOPE SF Unit.

(k) Waiting List. Section 6.5 (Waiting List) is deleted in its entirety and replaced with the following new Section 6.5:

6.5 Waiting List.

(a) Borrower's Marketing and Tenant Selection Plan, related to the Units without LOSP Assistance or project-based vouchers and/or not designated as public housing replacement units, must contain, at a minimum, policies and criteria that provide for the selection of tenants from a written waiting list that complies with the Marketing and Tenant Selection Plan (the "Waiting List"). The Marketing and Tenant Selection Plan may allow an applicant to refuse an available Unit for good cause without losing standing on the Waiting List but shall limit the number of refusals without cause as approved by the City. Borrower shall at all times maintain the Waiting List. Upon the vacancy of any Unit (without LOSP Assistance or project-based vouchers and/or not designated as public housing replacement units), Borrower shall first attempt to select the new Tenant for such Unit from the Waiting List, and shall only market the Unit to the general public after determining that no applicants from the Waiting List qualify for such Unit. The Waiting List must be kept on file at the Project at all times.

(b) Borrower's Marketing and HOPE SF Resident Selection Plan related to the project-based vouchers and/or Units designated as public housing replacement units must contain, at a minimum, policies and criteria that provide for the selection of tenants. The parties intend that the SFHA or its designee or successor or assignee will maintain the public housing replacement unit waitlist for the Project at all times.

(l) HUD Requirements. A new Section 6.6 (HUD Requirements) is added as follows:

6.6 HUD Requirements. Notwithstanding anything to the contrary contained in this Article 6, City acknowledges and agrees that for any Units receiving subsidy from HUD, the requirements set forth in this Section 6 shall be subject and subordinate to any HUD requirements, and in the event of any inconsistencies, the HUD requirements, as applicable shall control. The parties intend that SFHA (or its designee or successor or assignee) and project-based voucher units for which the Project expects to receive an Agreement to Enter into Housing Assistance Payment Contract ("AHAP") (and/or Housing Assistance Payment Contract ("HAP")) from which the management agent will receive referrals for lease-up. Notwithstanding the forgoing, Borrower will only be obligated to accept those tenants that meet the eligibility requirements of Borrower's project funding sources, which will be outlined in the Marketing and Tenant Selection Plan (including the Marketing and

HOPE SF Resident Selection Plan) approved by MOHCD pursuant to this Agreement.

(m) Developer Fees. Section 15.1 (Developer Fee Amount) and Section 15.2 (Payment Schedule) are deleted in their entirety and Section 15.1 is replaced with the following new Section 15.1:

15.1 Amount. Borrower or its designee(s) is entitled to receive fees from the Loan proceeds for predevelopment of the Project prior to the closing date of Borrower's construction financing for the Project in an amount not to exceed Five Hundred Fifty Thousand and No/100 Dollars (\$550,000.00) and may be entitled to receive additional fees for development the Project ("collectively, "Developer Fees"), subject to the terms and conditions set forth in the Developer Fee Agreement, as it may be amended, between the City and Borrower and in an amount consistent with MOHCD policy in effect on the closing date of Borrower's construction financing for the Project. Borrower acknowledges that Borrower has received \$160,485 of the \$550,000 in Developer Fees payable during the acquisition and predevelopment as provided in such Developer Fee Agreement.

(n) Exhibit A Schedules of Income and Rent Restrictions. Exhibit A Schedules of Income and Rent Restrictions is deleted in its entirety and replaced with the new Exhibit A, attached hereto as Attachment 1.

(o) Exhibit B-1 Table of Sources and Uses of Funds. Exhibit B-1 Table of Sources and Uses of Funds is deleted in its entirety and replaced with the new Exhibit B-1, attached hereto as Attachment 2.

(p) Exhibit B-2 Annual Operating Budget. Exhibit B-2 Annual Operating Budget is deleted in its entirety and replaced with the new Exhibit B-2, attached hereto as Attachment 3.

(q) B-3 20-Year Cash Flow Proforma. Exhibit B-3 20-Year Cash Flow Proforma is deleted in its entirety and replaced with the new Exhibit B-3, attached hereto as Attachment 4.

(r) Exhibit H Tenant Selection Plan Policy. Exhibit H Tenant Selection Plan Policy is deleted in its entirety and replaced with the new Exhibit H, attached hereto as Attachment 5.

(s) Exhibit J HOPE SF Resident Selection Criteria. The new Exhibit J HOPE SF Resident Selection Criteria is added, as attached hereto as Attachment 6.

2. Amended and Restated Promissory Note. Concurrently herewith, Borrower will execute an Amended and Restated Promissory Note in favor of the City (the "New Note"), in form and substance acceptable to the City. Accordingly, the City hereby acknowledges and agrees that the New Note will supersede and replace the Original Note, and as of the date of the New Note, the Original Note will be canceled, returned to Borrower and of no further force or effect. A copy of the New Note is attached to this Amendment as Attachment 7.

3. Representations and Warranties.

(a) All of the representations and warranties made by Borrower to the City in the Agreement and other City Documents continue to be true and complete as of the date of this First Amendment.

(b) No event has occurred and is continuing that constitutes an event of default or potential event of default under the Agreement, Note, or any other City Documents.

4. Miscellaneous.

(a) References. No reference to this First Amendment is necessary in any instrument or document at any time referring to the Agreement, the Note, or any other City Document. Any reference to such documents will be deemed a reference to such documents as amended by this First Amendment.

(b) No Other Amendments. Except as amended by this First Amendment, the Agreement will remain unmodified and in full force and effect.

(c) Counterparts. This First Amendment may be executed in two or more counterparts, each of which will be deemed an original, but all of which when taken together will constitute one and the same instrument.

(d) Successors and Assigns. The terms, covenants, and conditions contained in this First Amendment will bind and inure to the benefit of Borrower and the City and, except as otherwise provided herein, their personal representatives and successors and assigns.

(e) Further Instruments. The parties hereto agree to execute such further instruments and to take such further actions as may be reasonably required to carry out the intent of this First Amendment.

5. Conditions Precedent to Closing. In order for the City to authorize the close of the Additional Loan, Borrower must have delivered to the City fully executed (and for documents to be recorded, acknowledged, as the case may be) originals of the following documents, in form and substance satisfactory to the City: (i) this First Amendment (in duplicate); (ii) the New Note in substantially the form attached hereto as Attachment 5, (iii) the Authorizing Resolutions; and (iv) any other City Documents reasonably requested by the City.

Signatures Appear on Following Page

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

BORROWER:

4840 MISSION HOUSING ASSOCIATES LP,
a California limited partnership

By: 4840 Mission Housing LLC,
a California limited liability company,
its general partner

By: Northpoint Housing, Inc.,
a California nonprofit public benefit
corporation, its managing member

By: _____
Smitha Seshadri
Vice President

THE CITY:

CITY AND COUNTY OF SAN FRANCISCO, a
municipal corporation

By: _____
London N. Breed
Mayor

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

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

By: _____
Eileen Chauvet
Deputy City Attorney

Attachment 1

EXHIBIT A

Schedules of Income and Rent Restrictions

1. **Income and Rent Restrictions.** Maximum rent is 30% of maximum income level. As used in this Agreement, the term “Qualified Tenant” includes each category of Tenant included below:

Unit Size	No. of Units	Maximum Income Level
Studio	7	60% of Median Income
1 BR	50	60% of Median Income
2 BR	46	60% of Median Income
3 BR	10	60% of Median Income
3 BR	1	Manager’s Unit

The unit mix and affordability set forth in this Exhibit A are only anticipated as this time, and may change, subject to City approval, prior to construction loan closing.

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

- (i) thirty percent (30%) of the applicable maximum income level, adjusted for household size; or
- (ii) the tenant-paid portion of the contract rent as determined by the San Francisco Housing Authority for Qualified Tenants holding Section 8 vouchers or certificates.

Attachment 2

Exhibit B-1

Table of Sources and Uses
(See Attached)

Application Date: 8/15/19 # Units: 137
 Project Name: 4840 Mission # Bedrooms: 232
 Project Address: 4840 Mission Street # Beds:
 Project Sponsor: BRIDGE Housing

SOURCES	6,000,000	12,510,000	-	-	-	-	-	Total Sources	Comments
		MOHCD						18,510,000	
		Predev 2							

USES

ACQUISITION

Acquisition cost or value	3,000,000	9,000,000						12,000,000	
Legal / Closing costs / Broker's Fee	47,911							47,911	
Holding Costs	1,425,887	407,657						1,833,544	includes SFHAF interest (\$1.2M), predev loan interest (\$90K), and security/maintenance (\$843K)
Transfer Tax								0	
TOTAL ACQUISITION	4,473,798	9,407,657	0	0	0	0	0	13,881,455	

CONSTRUCTION (HARD COSTS)

Unit Construction/Rehab								0	Include FF&E
Commercial Shell Construction								0	
Demolition								0	
Environmental Remediation								0	
Onsite Improvements/Landscaping								0	
Offsite Improvements								0	
Infrastructure Improvements								0	HOPE SF/OCII costs for streets etc.
Parking								0	
GC Bond Premium/GC Insurance/GC Taxes								0	
GC Overhead & Profit								0	
CG General Conditions								0	
<i>Sub-total Construction Costs</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	
Design Contingency (remove at DD)								0	\$45MM+
Bid Contingency (remove at bid)								0	\$45MM+
Plan Check Contingency (remove/reduce during Plan Review)								0	\$45MM+
Hard Cost Construction Contingency								0	5% new construction / 15% rehab
<i>Sub-total Construction Contingencies</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	
TOTAL CONSTRUCTION COSTS	0	0	0	0	0	0	0	0	

Construction line item costs as a % of hard costs

SOFT COSTS

Architecture & Design

Architect design fees	416,989	352,180						769,169	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)		894,870						894,870	
Architect Construction Admin								0	
Reimbursables		56,250						56,250	
Additional Services	271,490							271,490	Townhouse Design (\$121,170), 175-unit
<i>Sub-total Architect Contract</i>	<i>688,479</i>	<i>1,303,300</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,991,779</i>	
Other Third Party design consultants (not included under Architect contract)	26,507	499,199						525,706	Consultants not covered under architect contract; other testing including acoustical and
Total Architecture & Design	714,986	1,802,499	0	0	0	0	0	2,517,485	

Engineering & Environmental Studies

Survey	3,155	15,000						18,155	
Geotechnical studies	3,000	50,000						53,000	
Phase I & II Reports	2,132	15,000						17,132	
CEQA / Environmental Review consultants	95,314							95,314	CEQA cost paid during previous 2 designs
NEPA / 106 Review								0	
CNA/PNA (rehab only)								0	
Other environmental consultants								0	Name consultants & contract amounts
Total Engineering & Environmental Studies	103,601	80,000	0	0	0	0	0	183,601	

Financing Costs

Construction Financing Costs									
Construction Loan Origination Fee	135,000							135,000	
Construction Loan Interest								0	
Title & Recording								0	
CDLAC & CDIAC fees								0	
Bond Issuer Fees								0	
Other Bond Cost of Issuance								0	
Other Lender Costs (specify)								0	
<i>Sub-total Const. Financing Costs</i>	<i>135,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>135,000</i>	
Permanent Financing Costs									
Permanent Loan Origination Fee								0	
Credit Enhance. & Appl. Fee								0	
Title & Recording								0	
<i>Sub-total Perm. Financing Costs</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	
Total Financing Costs	135,000	0	0	0	0	0	0	135,000	

Legal Costs

Borrower Legal fees	66,798	62,218						129,016	
Land Use / CEQA Attorney fees								0	
Tax Credit Counsel								0	
Bond Counsel								0	
Construction Lender Counsel								0	
Permanent Lender Counsel								0	
Other Legal (specify)								0	
Total Legal Costs	66,798	62,218	0	0	0	0	0	129,016	

Other Development Costs

Appraisal	8,093							8,093	
Market Study	10,394	43,171						53,565	
Insurance	2,378							2,378	
Property Taxes	289,105	200,000						489,105	
Accounting / Audit								0	
Organizational Costs		7,500						7,500	
Entitlement / Permit Fees		12,235						12,235	
Marketing / Rent-up								0	
Furnishings								0	\$2,000/unit; See MOHCD U/W Guidelines: http://sfmohcd.org/documents-reports-and-forms
PGE / Utility Fees								0	
TCAC App / Alloc / Monitor Fees		103,319						103,319	
Financial Consultant fees	13,862	38,638						52,500	
Construction Management fees / Owner's Rep	20,000	30,000						50,000	
Security during Construction								0	
Relocation								0	
Other (Community Outreach)	1,500	10,000						11,500	
Other (specify)								0	
Other (specify)								0	
Total Other Development Costs	345,332	444,863	0	0	0	0	0	790,195	

Soft Cost Contingency

Contingency (Arch, Eng, Fin, Legal & Other Dev)	0	323,248	0	0	0	0	0	323,248	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	1,365,717	2,712,828	0	0	0	0	0	4,078,545	8.6%

Total Soft Cost Contingency as % of Total Soft Costs

RESERVES

Operating Reserves								0	
Replacement Reserves								0	
Tenant Improvements Reserves								0	
Other (specify)								0	
Other (specify)								0	
Other (specify)								0	
TOTAL RESERVES	0	0	0	0	0	0	0	0	

DEVELOPER COSTS

Developer Fee - Cash-out Paid at Milestones	160,485	389,515						550,000	
Developer Fee - Cash-out At Risk								0	
Developer Fee - GP Equity (also show as source)								0	
Developer Fee - Deferred (also show as source)								0	
Development Consultant Fees								0	Need MOHCD approval for this cost, N/A for most projects
Other (specify)								0	
TOTAL DEVELOPER COSTS	160,485	389,515	0	0	0	0	0	550,000	

TOTAL DEVELOPMENT COST

Development Cost/Unit by Source	6,000,000	12,510,000	0	0	0	0	0	18,510,000	
Development Cost/Unit as % of TDC by Source	43.796	91.314	0	0	0	0	0	135.109	
	32.4%	67.6%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	

Acquisition Cost/Unit by Source

	21,898	65,693	0	0	0	0	0	87,591	
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Construction Cost (inc Const Contingency)/Unit By Source

	0	0	0	0	0	0	0	0	
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Construction Cost (inc Const Contingency)/SF

	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
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City Subsidy/Unit

	43,796
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Tax Credit Equity Pricing:

	102.00
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Construction Bond Amount:

	60,827,652
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Construction Loan Term (in months):

	30 months
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Construction Loan Interest Rate (as %):

	5.44%
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Attachment 3

Exhibit B-2

Annual Operating Budget (See Attached)

Application Date: 8/15/2019 Project Name: 4840 Mission
 Total # Units: 137 Project Address: 4840 Mission Street
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2024 Project Sponsor: BRIDGE Housing

TCAC Income Limits In Use!

INCOME	Total	Comments
Residential - Tenant Rents	2,466,756	Links from 'New Proj - Rent & Unit Mix' Worksheet
Residential - Tenant Assistance Payments (Non-LOSP)	726,696	Links from 'New Proj - Rent & Unit Mix' Worksheet
Commercial Space	0	0%
Residential Parking	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Rent Income	0	Links from 'Utilities & Other Income' Worksheet
Supportive Services Income		
Interest Income - Project Operations	0	Links from 'Utilities & Other Income' Worksheet
Laundry and Vending	15,174	Links from 'Utilities & Other Income' Worksheet
Tenant Charges	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Residential Income	0	Links from 'Utilities & Other Income' Worksheet
Other Commercial Income	0	Links from 'Commercial Op. Budget' Worksheet
Withdrawal from Capitalized Reserve (deposit to operating account)		
Gross Potential Income	3,208,626	

Vacancy Loss - Residential - Tenant Rents	(123,338)	Vacancy loss is 5% of Tenant Rents.
Vacancy Loss - Residential - Tenant Assistance Payments	(36,335)	Vacancy loss is 5% of Tenant Assistance Payments.
Vacancy Loss - Commercial	0	Links from 'Commercial Op. Budget' Worksheet
EFFECTIVE GROSS INCOME	3,048,954	PUPA: 22,255

OPERATING EXPENSES

Management		
Management Fee	97,920	1st Year to be set according to HUD schedule.
Asset Management Fee		
Sub-total Management Expenses	97,920	PUPA: 715

Salaries/Benefits		
Office Salaries	81,578	
Manager's Salary	67,840	
Health Insurance and Other Benefits	77,834	
Other Salaries/Benefits		
Administrative Rent-Free Unit		
Sub-total Salaries/Benefits	227,251	PUPA: 1,659

Administration		
Advertising and Marketing	5,000	
Office Expenses	59,391	
Office Rent		
Legal Expense - Property	3,000	
Audit Expense	11,000	
Bookkeeping/Accounting Services	16,434	
Bad Debts	5,000	
Miscellaneous		
Sub-total Administration Expenses	99,825	PUPA: 729

Utilities		
Electricity	65,280	
Water	73,440	
Gas	35,904	
Sewer	101,184	
Sub-total Utilities	275,808	PUPA: 2,013

Taxes and Licenses		
Real Estate Taxes	3,000	
Payroll Taxes	27,730	
Miscellaneous Taxes, Licenses and Permits	1,250	
Sub-total Taxes and Licenses	31,980	PUPA: 233

Insurance		
Property and Liability Insurance	150,000	
Fidelity Bond Insurance		
Worker's Compensation	24,957	
Director's & Officers' Liability Insurance		
Sub-total Insurance	174,957	PUPA: 1,277

Maintenance & Repair		
Payroll	127,878	
Supplies	20,678	
Contracts	68,582	includes exterminating, grounds, repairs, elevator, and other
Garbage and Trash Removal	57,198	
Security Payroll/Contract	118,423	
HVAC Repairs and Maintenance		
Vehicle and Maintenance Equipment Operation and Repairs	9,752	
Miscellaneous Operating and Maintenance Expenses	5,508	heating and cooling and decorating
Sub-total Maintenance & Repair Expenses	408,020	PUPA: 2,978

Supportive Services	100,912	
Commercial Expenses	0	Links from 'Commercial Op. Budget' Worksheet

TOTAL OPERATING EXPENSES 1,416,672 PUPA: 10,341

Reserves/Ground Lease Base Rent/Bond Fees		
Ground Lease Base Rent	15,000	Ground lease with MOHCD Provide additional comments here, if needed.
Bond Monitoring Fee	24,534	
Replacement Reserve Deposit	68,500	\$500 PUPA
Operating Reserve Deposit		
Other Required Reserve 1 Deposit		
Other Required Reserve 2 Deposit		
Required Reserve Deposits, Commercial	0	Links from 'Commercial Op. Budget' Worksheet
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	108,034	PUPA: 789

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	1,524,706	PUPA: 11,129	Min DSCR: 1.1
NET OPERATING INCOME (INCOME minus OP EXPENSES)	1,524,247	PUPA: 11,126	Mortgage Rate: 5.00%
			Term (Years): 35
			Supportable 1st Mortgage Pmt: 1,385,679
			Supportable 1st Mortgage Amt: \$22,880,147
			Proposed 1st Mortgage Amt: \$22,758,485

DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)		
Hard Debt - First Lender	1,322,918	Tax Exempt Loan Provide additional comments here, if needed.
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Len)	0	Provide additional comments here, if needed.
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	Provide additional comments here, if needed.
Hard Debt - Fourth Lender	0	Provide additional comments here, if needed.
Commercial Hard Debt Service	0	Links from 'Commercial Op. Budget' Worksheet
TOTAL HARD DEBT SERVICE	1,322,918	PUPA: 9,656

CASH FLOW (NOI minus DEBT SERVICE) 201,329

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)		
Partnership Management Fee (see policy for limits)	22,500	1st
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	5,000	2nd
Other Payments		
Non-amortizing Loan Pmt - Lender 1 (select lender in comments field)		Provide additional comments here, if needed.
Non-amortizing Loan Pmt - Lender 2 (select lender in comments field)		Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	58,464	Def. Develop. Fee split: 34% Provide additional comments here, if needed.
TOTAL PAYMENTS PRECEDING MOHCD	85,964	PUPA: 627

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD) 115,365

Residual Receipts Calculation		
Does Project have a MOHCD Residual Receipt Obligation?	Yes	Project has MOHCD ground lease? Yes
Will Project Defer Developer Fee?	Yes	
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:	50%	Max Deferred Developer Fee Amt (Use for data entry above. Do not link.): 86,915
% of Residual Receipts available for distribution to soft debt lenders in	50%	

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	\$52,588,800	82.47%
MOHCD/OCII - Ground Lease Value or Land Acq Cost	Acquisition Cost	\$11,175,000	17.53%
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	115,365	50% of residual receipts, multiplied by 100% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	115,365	Enter/override amount of residual receipts proposed for loan repayment.
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repymt.

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE 0

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)		
Owner Distributions/Incentive Management Fee	0	
Other Distributions/Uses	0	
Final Balance (should be zero)	0	

Attachment 4

Exhibit B-3

20 Year Cashflow Proforma (See Attached)

MOHCD Proforma - 20 Year Cash Flow Summary

		Total # Units: 137																			
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	
INCOME		% annual increase	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	
Residential - Tenant Rents	2.5%	2,466,756	2,528,425	2,591,636	2,656,426	2,722,837	2,790,908	2,860,681	2,932,198	3,005,503	3,080,640	3,157,656	3,236,598	3,317,513	3,400,450	3,485,462	3,572,598	3,661,913	3,753,461	3,847,297	
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	726,696	837,884	858,831	880,302	902,310	924,867	947,989	971,689	995,981	1,020,880	1,046,402	1,072,563	1,099,377	1,126,861	1,155,033	183,908	1,213,506	1,243,844	1,274,940	
Commercial Space	2.5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gross Potential Income			3,208,626	3,381,862	3,466,409	3,553,069	3,641,896	3,732,943	3,826,267	3,921,924	4,019,972	4,120,471	4,223,482	4,329,070	4,437,297	4,548,229	4,661,935	3,778,483	4,897,945	5,020,394	5,145,904
Vacancy Loss - Residential - Tenant Rents	n/a	(123,338)	(126,421)	(129,582)	(132,821)	(136,142)	(139,545)	(143,034)	(146,610)	(150,275)	(154,032)	(157,883)	(161,830)	(165,876)	(170,023)	(174,273)	(178,630)	(183,096)	(187,673)	(192,365)	
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	(36,335)	(41,894)	(42,942)	(44,015)	(45,116)	(46,243)	(47,399)	(48,584)	(49,799)	(51,044)	(52,320)	(53,628)	(54,969)	(56,343)	(57,752)	(9,195)	(60,675)	(62,192)	(63,747)	
Vacancy Loss - Commercial	n/a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME			3,048,954	3,213,547	3,293,886	3,376,233	3,460,639	3,547,154	3,635,834	3,726,730	3,819,898	3,915,395	4,013,279	4,113,612	4,216,453	4,321,864	4,429,911	3,590,658	4,654,174	4,770,529	4,889,792
OPERATING EXPENSES																					
Management	3.5%	97,920	101,347	104,894	108,566	112,365	116,298	120,369	124,582	128,942	133,455	138,126	142,960	147,964	153,143	158,503	164,050	169,792	175,735	181,885	
Salaries/Benefits	3.5%	227,251	235,205	243,437	251,958	260,776	269,903	279,350	289,127	299,247	309,720	320,560	331,780	343,392	355,411	367,850	380,725	394,051	407,842	422,117	
Administration	3.5%	99,825	103,319	106,935	110,678	114,551	118,561	122,710	127,005	131,450	136,051	140,813	145,741	150,842	156,122	161,586	167,242	173,095	179,153	185,424	
Utilities	3.5%	275,808	285,461	295,452	305,793	316,496	327,573	339,038	350,905	363,186	375,898	389,054	402,671	416,765	431,352	446,449	462,075	478,247	494,986	512,310	
Taxes and Licenses	3.5%	31,980	33,099	34,257	35,456	36,697	37,982	39,311	40,687	42,111	43,585	45,110	46,689	48,323	50,015	51,765	53,577	55,452	57,393	59,402	
Insurance	3.5%	174,957	181,080	187,418	193,978	200,767	207,794	215,066	222,594	230,384	238,448	246,794	255,431	264,371	273,624	283,201	293,113	303,372	313,990	324,980	
Maintenance & Repair	3.5%	408,020	422,300	437,081	452,379	468,212	484,599	501,560	519,115	537,284	556,089	575,552	595,696	616,546	638,125	660,459	683,575	707,500	732,263	757,892	
Supportive Services	3.5%	100,912	104,444	108,099	111,883	115,799	119,852	124,047	128,388	132,882	137,533	142,346	147,328	152,485	157,822	163,346	169,063	174,980	181,104	187,443	
Commercial Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES			1,416,672	1,466,256	1,517,575	1,570,690	1,625,664	1,682,562	1,741,452	1,802,403	1,865,487	1,930,779	1,998,356	2,068,298	2,140,689	2,215,613	2,293,159	2,373,420	2,456,490	2,542,467	2,631,453
RESERVES/GROUND LEASE BASE RENT/BOND FEES																					
Ground Lease Base Rent		15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Bond Monitoring Fee		24,534	24,534	24,534	24,534	24,534	24,534	24,534	24,534	24,534	24,534	24,534	24,534	24,534	24,534	24,534	24,534	24,534	24,534	24,534	24,534
Replacement Reserve Deposit		68,500	68,500	68,500	68,500	68,500	68,500	68,500	68,500	68,500	68,500	68,500	68,500	68,500	68,500	68,500	68,500	68,500	68,500	68,500	68,500
Operating Reserve Deposit		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Required Reserve 1 Deposit		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Required Reserve 2 Deposit		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Required Reserve Deposits/Commercial		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-total Reserves/Ground Lease Base Rent/Bond Fees			108,034	108,034	108,034	108,034	108,034	108,034	108,034	108,034	108,034	108,034	108,034	108,034	108,034	108,034	108,034	108,034	108,034	108,034	108,034
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)			1,524,706	1,574,290	1,625,609	1,678,724	1,733,698	1,790,596	1,849,486	1,910,437	1,973,521	2,038,813	2,106,390	2,176,332	2,248,723	2,323,647	2,401,193	2,481,454	2,564,524	2,650,501	2,739,487
NET OPERATING INCOME (INCOME minus OP EXPENSES)			1,524,247	1,639,257	1,668,277	1,697,509	1,726,941	1,756,558	1,786,348	1,816,293	1,846,377	1,876,582	1,906,889	1,937,280	1,967,730	1,998,216	2,028,717	1,109,203	2,089,650	2,120,028	2,150,305
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)																					
Hard Debt - First Lender		1,322,918	1,322,918	1,322,918	1,322,918	1,322,918	1,322,918	1,322,918	1,322,918	1,322,918	1,322,918	1,322,918	1,322,918	1,322,918	1,322,918	1,322,918	1,322,918	1,322,918	1,322,918	1,322,918	1,322,918
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			1,322,918	1,322,918	1,322,918	1,322,918	1,322,918	1,322,918	1,322,918	1,322,918	1,322,918	1,322,918	1,322,918	1,322,918	1,322,918	1,322,918	1,322,918	1,322,918	1,322,918	1,322,918	1,322,918
CASH FLOW (NOI minus DEBT SERVICE)			201,329	316,339	345,359	374,591	404,023	433,640	463,430	493,375	523,459	553,664	583,971	614,362	644,812	675,298	705,799	(213,715)	766,732	797,110	827,387
USES OF CASH FLOW BELOW (This row also shows DSCR.)																					
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL																					
Deferred Developer Fee (Enter amt <= Max Fee from row 131)		58,464	118,769	122,926	127,228	131,228	136,290	141,060	145,997	151,107	156,396	161,870	167,535	173,399	179,466	-	-	-	-	-	-
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)	3.5%	22,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	3.5%	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD			85,964	118,769	122,926	127,228	131,228	136,290	141,060	145,997	151,107	156,396	161,870	167,535	173,399	179,466	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)			115,365	197,570	222,433	247,363	272,795	297,350	322,370	347,378	372,352	397,268	422,101	446,827	471,413	495,832	705,799	(213,715)	766,732	797,110	827,387
Does Project have a MOHCD Residual Receipt Obligation?		Yes																			
Will Project Defer Developer Fee?		Yes																			
1st Residual Receipts Split - Lender/Deferred Developer Fee		50% / 50%																			
MOHCD RESIDUAL RECEIPTS DEBT SERVICE																					
MOHCD Residual Receipts Amount Due	100.00%	115,365	197,570	222,433	247,363	272,795	297,350	322,370	347,378	372,352	397,268	422,101	446,827	471,413	495,832	705,799	-	511,155	531,407	551,591	-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proposed MOHCD Residual Receipts Amount																					

4840 Mission

Total # Units: 137

		Year 20 2043
INCOME	% annual increase	Total
Residential - Tenant Rents	2.5%	3,943,480
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	1,306,813
Commercial Space	2.5%	-
Other Income		-
Gross Potential Income		5,274,551
Vacancy Loss - Residential - Tenant Rents	n/a	(197,174)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	(65,341)
Vacancy Loss - Commercial	n/a	-
EFFECTIVE GROSS INCOME		5,012,036
OPERATING EXPENSES		
Management	3.5%	188,251
Salaries/Benefits	3.5%	436,891
Administration	3.5%	191,914
Utilities	3.5%	530,241
Taxes and Licenses	3.5%	61,481
Insurance	3.5%	336,354
Maintenance & Repair	3.5%	784,418
Supportive Services	3.5%	194,003
Commercial Expenses		-
TOTAL OPERATING EXPENSES		2,723,554
PUPA (w/o Reserves/GL Base Rent/Bond Fees)		
Reserves/Ground Lease Base Rent/Bond Fees		
Ground Lease Base Rent		15,000
Bond Monitoring Fee		24,534
Replacement Reserve Deposit		68,500
Operating Reserve Deposit		0
Other Required Reserve 1 Deposit		0
Other Required Reserve 2 Deposit		0
Required Reserve Deposits/Commercial		0
Sub-total Reserves/Ground Lease Base Rent/Bond Fees		108,034
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)		2,831,588
NET OPERATING INCOME (INCOME minus OP EXPENSES)		2,180,448
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)		
Hard Debt - First Lender		1,322,918
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		1,322,918
CASH FLOW (NOI minus DEBT SERVICE)		857,530
USES OF CASH FLOW BELOW (This row also shows DSCR.)	DSCR:	1.65
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL		
Deferred Developer Fee (Enter amt <= Max Fee from row 131)		-
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	-
Partnership Management Fee (see policy for limits)	3.5%	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)		-
Other Payments		-
Non-amortizing Loan Pmnt - Lender 1		-
Non-amortizing Loan Pmnt - Lender 2		-
TOTAL PAYMENTS PRECEDING MOHCD		-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)		857,530
Does Project have a MOHCD Residual Receipt Obligation?	Yes	
Will Project Defer Developer Fee?	Yes	
1st Residual Receipts Split - Lender/Deferred Developer Fee	50% / 50%	
MOHCD RESIDUAL RECEIPTS DEBT SERVICE	Dist. Soft Debt Loans	
MOHCD Residual Receipts Amount Due	100.00%	571,687
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		-
Proposed MOHCD Residual Receipts Amount to Replacement Reserve		-
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE		285,843
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
HCD Residual Receipts Amount Due	0.00%	-
Lender 4 Residual Receipts Due	0.00%	-
Lender 5 Residual Receipts Due	0.00%	-
Total Non-MOHCD Residual Receipts Debt Service		-
REMAINDER (Should be zero unless there are distributions below)		285,843
Owner Distributions/Incentive Management Fee		285,843
Other Distributions/Uses		-
Final Balance (should be zero)		-
RR Running Balance		1,370,000
OR Running Balance		-
Other Required Reserve 1 Running Balance		-
Other Required Reserve 2 Running Balance		-
DEFERRED DEVELOPER FEE - RUNNING BALANCE		
Developer Fee Starting Balance		453
Deferred Developer Fee Earned in Year		-
Developer Fee Remaining Balance		453

Attachment 5

EXHIBIT H

Tenant Selection Plan Policy

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

Application Process

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

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

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

Reasonable Accommodation and Modification Policy

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

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

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

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

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

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

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

Notice of Denial and Appeal Process

- The housing provider shall:
 - Hold a comparable unit for the household during the entire appeal process.
 - promptly send a written and electronic notice (to the addresses provided) to each applicant denied admission with a written and/or electronic copy to the referring agency and the funding agency. The notice should:

- list all the reasons for the rejection, including the particular conviction or convictions that led to the decision in cases where past criminal offenses were a reason for rejection;
 - explain how the applicant can request an in person appeal to contest the decision;
 - state that an applicant with a disability is entitled to request a reasonable accommodation to participate in the appeal;
 - inform the applicant that he or she is entitled to bring an advocate or attorney to the in person appeal;
 - provide referral information for local legal services and housing rights organizations;
 - describe the evidence that the applicant can present at the appeal;
 - give applicants denied admission a date within which to file the appeal, which shall be at least five (5) 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 five (5) 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 five (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.

Attachment 6

Exhibit J

HOPE SF Resident Selection Criteria

**HOPE SF
RESIDENT SELECTION CRITERIA
Public Housing Replacement Units**

[Before completing this document, please make sure you have the most current version. Management Agent may receive current version of this document from the MOHCD Project Manager or OCII Development Specialist for the property. You may delete this prompt when submitting form to MOHCD/OCII Staff. However, please submit this document with the redline showing. Do not accept the proposed changes. Staff reviewing the document want to see the changes made when completing this document.]

I. INTRODUCTION

This Resident Selection Plan (the “Plan”) outlines the procedures for selecting residents for the Tax Credit and Project Based Voucher units by **[NAME OF PROPERTY MANAGEMENT AGENT]** (“Management”) for **[NAME OF DEVELOPMENT]** located at **[ADDRESS OF PROPERTY]**, a development associated with HOPE SF. HOPE SF is a mayoral initiative that began in 2003 to transform four public housing developments: Hunters View, Alice Griffith, Potrero, Sunnydale Velasco (the “HOPE SF properties”). “HOPE SF property” refers to a specific HOPE SF development.

The procedures in this Plan are to be followed after (1) the lottery and lease-up process conducted by either the Office of Investment & Infrastructure (“OCII”) or Mayor’s Office of Housing and Community Development (“MOHCD”) for tax credit units, and (2) receipt of the San Francisco Housing Authority (“SFHA”) referral for initial or re-lease of public based voucher units.

II. GENERAL PRINCIPLES

[NAME OF PROPERTY MANAGEMENT AGENT]’s and **[NAME OF DEVELOPER]**’s agree that the goal of this Plan is to ensure that all applicants are screened using consistently applied, fair criteria, to provide a desirable, well-maintained and affordable place to live for an economically, racially, and ethnically integrated resident population, while complying with the provisions of any federal, state, or local law prohibiting discrimination in housing on the basis of race, religion, sex, color, family status, disability status, national origin, marital status, ancestry, gender identity or sexual orientation, source of income, or HIV/AIDS status.

We also agree that **[NAME OF PROPERTY MANAGEMENT AGENT]** and **[NAME OF DEVELOPER]** will “screen in” rather than “screen out” applicants who have a criminal record as per San Francisco Police Code Article 49, Sections 4901-4920, or the Fair Chance Ordinance.

Finally, we acknowledge that Management is subject to the Violence Against Women Reauthorization Act of 2013 (VAWA). Guidelines for the adherence to VAWA are attached hereto as Exhibit D.

III. LIMITED ENGLISH PROFICIENCY (LEP)

Reasonable steps will be taken to ensure that persons with Limited English Proficiency (LEP) have meaningful access and an equal opportunity to participate in Management’s services, activities, programs and other benefits. Interpreters, translators and other aids needed to comply with this policy shall be provided free of charge to the person being served, and residents and their families will be informed of the availability of such assistance. Language assistance will be provided through use of a contracted

telephonic interpretation service, competent bilingual staff, staff interpreters, or formal arrangements with local organizations providing interpretation or translation services or technology.

IV. DEFINITIONS

The following definitions apply to all properties related to HOPE SF:

A. An Entirely Full Time Student Household (“ESH”) is not eligible to receive housing assistance by the IRS Section 42 Tax Credit/Low Income Housing Tax Credit (“LIHTC”) program, as administered by the California Tax Credit Allocation Committee (“CTCAC”).

1. Further, IRS Section 42 Tax Credit/ LIHTC program defines a full-time student as:
 - a. Anyone who has attended or plans to attend school full time for five (5) months of this calendar year. This does not have to be consecutive. Example 1: If an applicant attends school full time from January 20th through May 13th, this is considered five months. If they attend one day in any month, that counts as a full month. Example 2: If an applicant attended full time one day in January, one day in February, one day in April, one in June and one in July, you are considered a full-time student until January 1st of the following year.
 - b. Full time enrollment status is determined by the enrollment definitions of the school being attended.

[NAME OF PROPERTY MANAGEMENT AGENT] agrees to comply with the most current ESH definition by IRS Section 42 Tax Credit/ LIHTC program, as administered by the CTCAC.

2. Management may accept an ESH household if one or more of the criteria below are met. If the criteria below change, the most current criteria as defined by IRS Section 42 Tax Credit/LIHTC program, as administered by the California Tax Credit Allocation Committee, will apply.
 - a. At least one student receives assistance under Title IV of the Social Security Act (Temporary Assistance to Needy Families or TANF, formerly AFDC);
 - b. At least one student is enrolled in a job training program receiving assistance under the Job Training Partnership Act or under other similar Federal, State or local laws, as defined by HUD 4350.3 REV-2;
 - c. The household consists of a single parent with their minor children and such parent and the children are not dependents of another individual;
 - d. At least one student is married and files a joint tax return or is eligible to file a joint tax return.
 - e. At least one household member is between the ages of 18 to 24 and was previously (not currently) under the care and placement responsibility of the State Agency responsible for administering a plan under Part B or Part E of

Title IV of the Social Security Act (Foster Care).

- B. HOPE SF Developer** is the development entity of the specific HOPE SF Property. The HOPE SF Developers are the John Stewart Company for Hunters View, McCormick Barron Salazar for Alice Griffith, BRIDGE Housing Development for Potrero, and Mercy Housing California and Related California for Sunnydale Velasco.
- C. Project Based Voucher Units (“PBV”)** means all PBV housing units receiving rental assistance under Section(o)(13) of the U.S. Housing Act of 1937. Regulations are described in 24 CFR Part 983.
- D. Public Housing Replacement Units (“PHR”)** are units that: (1) have been newly constructed with LIHTC’s; (2) are subsidized with PBV’s, and; (3) are in like-new condition that is less than 5 years old from date of Temporary Certificate of Occupancy (“TCO”) and are intended to serve as replacement units for HOPE SF residents exercising their Right to Revitalized Unit. These units will be regulated per Tax Credit compliance regulations as well as HUD guidelines and the current SFHA Housing Choice Voucher Program Administrative Plan (“Admin Plan”). PHR units may be located at HOPE SF Properties or at a limited number of designated off-site locations.

After 5 years, a PHR unit *may* still be considered new if SFHA and OCII or MOHCD collectively approve an extension. *PBV units will be considered **Expired PHR** units for the purpose of re-leasing of units after 5 years of TCO date (or whenever SFHA and OCII or MOHCD deem the unit no longer new), or all HOPE SF residents at the HOPE SF property who are eligible to exercise their Right to Revitalized Unit have done so.*

HOPE SF residents have a preference to occupy PHR units at HOPE SF Properties or at a limited number of designated off-site locations and fall into one of the follow three PHR applicant categories:

1. **On-Site Applicants** are HOPE SF residents exercising their Right to Revitalized Unit at new affordable units located at same the HOPE SF property from which they acquired their Right to Return.
2. **Off-Site Applicants** are HOPE SF residents exercising their Right to Revitalized Unit at new affordable housing units located at a property other than the HOPE SF property, but operated by the same HOPE SF Developer, the same HOPE SF Developer’s general partner entity, or the same HOPE SF Developer in partnership with another developer as the HOPE SF property from which the HOPE SF residents acquired their Right to Return.
3. **Cross-Site Applicants** are HOPE SF residents exercising their Right to Revitalized Unit at new affordable housing units located at a property operated by a different developer than the developer operating the HOPE SF property from which the HOPE SF residents acquired their Right to Return.

On-Site Applicants whose income exceeds the LIHTC income limit will be designated **PHR No TC Unit**. **PHR No TC Unit** is an unrestricted public housing replacement unit.

E. Rental Assistance Demonstration (“RAD Units”) means housing units receiving rental assistance under HUD PIH -2012-32 Notice and all subsequent updates. RAD Units are a form of PBV units, but not all PBV units are RAD. [NAME OF DEVELOPMENT] is anticipated to receive [STATE NUMBER OF RAD UNITS] **RAD Units**. In this document, “**Non-RAD PBV Units**” refers to PBV that are not administered under HUD PIH-2012-32 Notice. [NAME OF DEVELOPMENT] is anticipated to receive [STATE NUMBER OF Non-RAD PBV UNITS] **Non-RAD PBV Units**. [NAME OF DEVELOPMENT] has a total of [STATE TOTAL OF RAD AND Non-RAD PBV UNITS] **PBV units** and this number equals the total of PHR units at [NAME OF DEVELOPMENT].

F. Right to Return means the right of: (1) public housing households to a Revitalized Unit referred to in this document as a PHR unit; (2) public housing households right to return to an On-site PHR unit after all on-site residents have exercised their Right to Revitalized Unit; (3) any member of a public housing households to receive a preference in a tax credit unit as long as the household provides proof of residents at existing or former HOPE SF property, pursuant to Chapter 39 of the San Francisco Administrative Code, as amended (Board of Supervisors’ File #120812). Relocation rights for families who are residents of the HOPE SF developments and relocating to PHR units are outlined in the relocation plan for their specific HOPE SF property. All HOPE SF residents must be in good standing in order to move into the Revitalized Units. To be in good standing, requires that the SFHA did not file a Summons and Complaint against any member of the household, and that no member of the household has been evicted (SFHA Board of Commissioners Resolution #5390). Notwithstanding the above, a household is still considered eligible to move if the family has an active Unlawful Detainer action against them, and they are in a repayment agreement and current on the repayment agreement.

G. Non-PBV Tax Credit (“Non-PBV TC”) Units are restricted by the IRS Section 42 Tax Credit/LIHTC program, but are not subsidized with a PBV. Non-PBV TC Units are available to qualified members of the general public. Non-PBV TC Units are also considered “lottery units.” [NAME OF PROPERTY MANAGEMENT AGENT] has submitted to MOHCD Below Market Rate staff and the MOHCD Project Manager and/or OCII Development Specialist a Marketing Plan and Tenant Selection Plan for [NAME OF DEVELOPMENT] that covers the “lottery units” and adheres to the current version of the MOHCD Housing Preference and Lottery Procedures Manual. (The current version of the MOHCD Housing Preference and Lottery Procedures Manual is on MOHCD’s website at <https://sfmochd.org>.)

A resident may have a “tenant based” and/or “portable” voucher in **Non-PBV TC Units**. [NAME OF DEVELOPMENT] has a total of [STATE TOTAL OF Non-PBV TC UNITS] **Non-PBV TC Units** without project based vouchers.

V. PREFERENCES

Preferences are not permitted if the preference in any way negates affirmative marketing efforts or fair housing obligations. The following preferences apply:

A. Regulatory Preferences for Project Based Voucher Units – The preferences listed below will be given to eligible applicants on the SFHA specific HOPE SF [NAME OF HOPE SF

DEVELOPMENT] Waitlist: [The following should include all preferences stated in the loan evaluation first and loan agreement. The following should also be consistent with all of the site-based preferences for this development that are listed in the current version of the SFHA Housing Choice Voucher (HCV) Administrative Plan, typically found in Chapter 4.]

- 1.
- 2.

Note for HOPE SF properties: In SFHA’s HCV Administrative Plan, “Families with a Right-to-Return” are On-Site Applicants in this documents. “HOPE SF Construction” are Cross-Site Applicants from other HOPE SF properties in this document. When a HOPE SF property nears its final development phases, it is possible that there will be no more On- or Cross- Site Applicants for the PHR units. When and if this happens, SFHA will begin to refer applicants from the HCV Administrative Plan preferences listed after “Families with a Right-to-Return” and “HOPE SF Construction.” When SFHA sends referrals for Non-HOPE SF properties, the referrals will be marked “Waitlist”, and these households are to be processed following the Cross-Site processing described in this document.

Note for properties accepting Off- and Cross- Site Applicants: In SFHA’s HCV Administrative Plan, “Families with a Right-to-Return of [Name of HOPE SF property]” are On-Site and Off-Site Applicants in this documents. However, at new affordable housing units located at a property other than the HOPE SF property, but operated by the same HOPE SF Developer “Families with a Right-to-Return of [Name of HOPE SF property]” are *only* considered Off-Site Applicants. “HOPE SF Construction” are Cross-Site Applicants for [NAME OF DEVELOPMENT]. When [NAME OF DEVELOPMENT] has processed all of the Off- and Cross- Site referrals and the designated PHR units at [NAME OF DEVELOPMENT] cannot or will not be filled by Off- and/or Cross- Site Applicants, SFHA will begin to refer applicants from the HCV Administrative Plan preferences listed after “Families with a Right-to-Return of [Name of HOPE SF property]” and “HOPE SF Construction,” if applicable. When SFHA sends referrals from Non-HOPE SF properties, the referrals will be marked “Waitlist”, and these households are to be processed following the Cross-Site processing described in this document.

B. OCII/MOHCD Preferences for Tax Credit Units – Please see [NAME OF DEVELOPMENT]’s Marketing Plan pages [List Appropriate Pages] for the preferences applied to the Non-PBV TC Units.

Please see [NAME OF DEVELOPMENT]’s Marketing Plan pages [List Appropriate Pages] for Management’s process of *when household wanting to occupy a Non-PBV TC Unit is denied*.

VI. ONSITE TRANSFERS

The following actions are always given priority for current households, if applicable.

1. A unit transfer based on the need for an accessible unit.
2. A unit transfer because of household size.
3. A unit transfer of a non-disabled individual living in a wheelchair accessible unit to accommodate an applicant on the Non-PBV TC Unit waiting list in need of a wheelchair accessible unit. (A lease addendum will be entered into with non-disabled resident living in a wheelchair accessible unit.)
4. A unit transfer based on the need of an emergency temporary relocation. (If a unit becomes uninhabitable due to a catastrophe, the resident family will be given any open unit for temporary living quarters until their own unit is repaired.)

Onsite transfers in PHR units have the same standards as above and must comply with the guidelines in the Admin Plan. Refer to the Admin Plan for additional referral information for off-site PBV units.

VII. APPLICATION PROCESS

Applicants for PHR units for [NAME OF DEVELOPMENT]’s initial lease up will be considered “[DEVELOPER/MANAGEMENT STATE WHETHER THIS DEVELOPMENT WILL FOLLOW On-site, Off-site, or Cross-Site Applicant]”.

If at initial lease up, [DEVELOPER/MANAGEMENT, IN THE FOLLOWING SENTENCE DELETE THE APPLICANT TYPE THAT DOES NOT APPLY TO THIS CURRENT PROPERTY LEASE UP] On-, Off-, and Cross- Site applicants residents will not fill all PHR units, SFHA will refer households from the [NAME OF HOPE SF PROPERTY OR OFF-SITE DEVELOPMENT WAITLIST IN THE SFHA ADMIN PLAN] Waitlist in accordance to the preference chart in the SFHA’s current Administrative Plan. Referrals sent from the SFHA waitlist that are also HOPE SF Construction, which by definition in this document means Cross-Site, will be identified on the SFHA referral letter by the HOPE SF property at their current location. Referrals sent from the waitlist that are not applicants from HOPE SF properties will be identified on the SFHA referral letter as “Waitlist” and will be considered “Waitlist Applicants” in this document. All Waitlist Applicants will follow the applicant screening process for PHR Units as outlined below. [NAME OF PROPERTY MANAGEMENT AGENT] has assumed that [STATE ASSUMED NUMBER OF PHR UNITS THAT MAY BE FILLED BY SFHA WAITLIST APPLICANTS THAT WILL NOT BE ON-, OFF-, OR CROSS- SITE APPLICANTS] units may be filled by Waitlist Applicants.

A. PRIORITY PROCESSING ORDER.

1. **PHR** [DEVELOPER/MANAGEMENT CHOSE THE PROCESS THAT APPLIES TO YOUR DEVELOPMENT & DELETE THE ONE THAT DOES NOT APPLY]
 - a. *On-Site Applicants*, SFHA has held a processing lottery at each of the HOPE SF properties to establish the processing order of the residents for on-site relocation to PHR units. This will determine the processing order for referrals to Management and unit selection at Revitalized Unit.

- b. *Off-Site and/or Cross-Site Applicants*, SFHA will conduct a survey to determine who is interested in an off-site and/or cross-site move. Households who have expressed an interest will be contacted (up to two times/household) by SFHA to determine interest in moving to off- or cross- site location. If the household is interested the household will be referred to the off-site or cross-site Developer after SFHA’s initial intake processing has occurred. As these households are exercising their Right to Revitalized Unit, the households maintains their priority on the HOPE SF [NAME OF HOPE SF DEVELOPMENT] Waitlist. These households may submit documents to SFHA at the household’s earliest convenience. However, SFHA will continue to process and refer potential applicants to the Developer on a first-completed basis. Units may be offered in the processing order that the SFHA referral is sent to the Developer. Please note for Revitalized Units at HOPE SF sites, On-Site Applicants will have priority over the Cross-Site Applicants.

[DEVELOPER/MANAGEMENT, IN THE FOLLOWING SENTENCE DELETE THE PROCESS THAT DOES NOT APPLY TO THIS CURRENT PROPERTY LEASE UP] On-, Off-, and Cross- Site applicant households will be referred by the SFHA Waitlist Management Department. Management will contact the applicants a minimum of two times and will use all modes of communication available (phone, email, regular mail, etc.) by [DEVELOPER/MANAGEMENT STATE THE FORM OF CONTACT YOU WILL MAKE TO APPLICANTS] in processing order. If the first applicants in processing order referred by SFHA do not respond and submit Management’s required tax credit documentation within 5 business days, Management will contact the next set of applicants in processing order referred by SFHA.

2. **PHR No TC Units and Expired PHR**, after the initial lease-up, units will be offered according to the ascending order of priorities as defined in SFHA’s current Administrative Plan and above as described in V.A - Preferences above.
3. **Non-PBV TC Units** -- Please see [NAME OF DEVELOPMENT]’s San Francisco Housing Portal – DAHLIA project posting and the MOHCD Housing Preference and Lottery Procedures Manual for information on where applications will be provided, website address, and discussion about number of times Developer/Management will contact initial lease-up application and the number of days an initial lease-up applicant has to respond to Management’s request.

B. PROGRAM INCOME AND ELIGIBILITY REQUIREMENTS –

Applicants who apply to any unit at [NAME OF DEVELOPMENT] must meet income and eligibility tests for the unit type first, before any further screening steps are taken regarding selection criteria. The program income and eligibility tests include:

1. Management has received a completed application form, or pre-application form, and all accompanying consent forms for release of information signed.

2. Applicants for **Non-PBV TC Units and PHR** units must meet the income requirements of Section 42 of the Internal Revenue Code outlined in the Restrictive covenants and MOHCD area median income (“MOHCD AMI”). **[If desired, include specific income restrictions here.]** The Agent will seek third-party verification and second-party documentation in conformance with the IRS code’s Restrictive Covenants, as administered by the CTCAC.
3. On-site Applicants may be over income and exceed the 24 C.F.R Part 5 and/or MOHCD AMI. However, when the On-Site Applicant moves out, the next household to occupy the unit will meet the most restrictive of the 24 C.F.R. Part 5 or MOHCD AMI, and the PBV associated with that unit will be available.
4. All definitions relating to income are based on 24 C.F.R. Part 5 and MOHCD AMI, as published annually by MOHCD, except otherwise noted.
5. All applicants for the **PHR or Expired PHR** units must meet the eligibility requirements outlined in the SFHA’s current Administrative Plan.
6. The Tax Credit student rule applies to the **Non-PBV TC Units**, and the HUD and LIHTC full-time student rules apply to the **PHR** units.
7. For **PHR** units, a previous eviction could preclude a household from consideration if the loss of rental subsidy is due to Housing Authority rule violations.

C. UNIT TYPES & RESTRICTIONS - The income restrictions below are for **[NAME OF DEVELOPMENT]** and are posted in the Leasing Office.

[DEVELOPER/PROPERTY MANAGEMENT, COMPLETE CHART BELOW. YOU MAY CREATE/INSERT NEW LINE TO KEEP UNIT TYPES, TAX CREDIT AND/OR PHR, WITH LIKE AMI’S TOGETHER]

Unit Type	# of Non-PBV TC Units	# of PHR RAD PBV Units	# of PHR Non-RAD PBV Units	# of PHR No TC Units	Maximum % AMI per LIHTC	Maximum % AMI per 24 CFR Part 5	Target % AMI for unit and funding type
1 BR	#	#	#	#	%	%	%
2 BR	#	#	#	#	%	%	%
3 BR	#	#	#	#	%	%	%
4 BR	#	#	#	#	%	%	%
5 BR	#	#	#	#	%	%	%

TOTAL	#	#	#	#			
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[DEVELOPER/PROPERTY MANAGEMENT, PLEASE EXPAND OR COLLAPSE CHART TO MATCH YOUR UNIT TYPES AND INCOMES]

D. UNIT SIZE/OCCUPANCY STANDARDS – Upon initial occupancy, no more than two persons will be assigned to a bedroom, plus one adult. Children under six years of age do not count toward the occupancy minimum. Maximum household size cannot exceed San Francisco Department of Building Inspection occupancy standards with regard to square footage per occupant. **(If there is State of California Housing and Community Development funding in the project, then occupancy standards may be different and Developer/Manager should state the most restrictive occupancy standard below.)** Households will be accommodated in accordance with the following occupancy standards:

[DEVELOPER/MANAGEMENT, MOHCD/HOPE SF HAS LISTED THE HUD OCCUPANCY STANDARDS IN THE CHART BELOW. PLEASE MODIFY THIS CHART TO INCLUDE THE OCCUPANCY STANDARD WITH THE HIGHEST MINIMUM FROM FOR THIS DEVELOPMENT.]

	<u>Minimum</u>	<u>Maximum</u>
1. Studio	1	2
One Bedroom	1	3
Two Bedroom	2	5
Three Bedroom	3	7
Four Bedroom	4	9
Five Bedroom	5	11

The above listed Occupancy Chart above adheres to the occupancy standards set by [DEVELOPER/MANAGEMENT, NAME THE REGULATORY AGENCY OCCUPANCY STANDARD YOUR PROPERTY MANAGEMENT DEPARTMENT WILL FOLLOW FOR THIS DEVELOPMENT.]

2. The head of household must be 18 years of age or older, or an emancipated minor.
3. A Live-In Aide is allowed to live in the apartment due to a reasonable accommodation. They may be allowed a separate bedroom.
4. * Children 6 years and under do not count toward minimum occupancy standard.
5. For PBV units, the occupancy standard of SFHA will apply per the current Administrative Plan. If there is a conflict between SFHA occupancy standards and another regulatory agency’s occupancy standards, the regulatory agency with the highest minimum occupancy for this development will prevail.

** Developer/Management makes sure this language is consistent with what was negotiated in the marketing plan with your OCII and/or MOHCD Project Manager and MOHCD Below Market Rate Staff.*

E. WAITING LISTS

Two waiting lists will be maintained.

1. Non-PBV TC Units

Please see [NAME OF DEVELOPMENT]'s Housing Preferences and Lottery Procedures Manual for a description of the **Non-PBV TC Units** waiting list process that includes a discussion about maintaining the lottery waitlist, filling vacancies in a Non-PBV TC Units, creating a waitlist for residents who need to transfer to a different Non-PBV TC Units and process for filling vacancies in accessible Non-PBV TC Units. The Non-PBV TC Units will be Waiting List A.

Please note that the HOPE SF Resident Selection Criteria is one part of the entire Marketing Plan for this development. The Marketing Plan for this development includes the Marketing and Tenant Selection Plan for Initial Rental Units that covers the Non-PBV TC Units, the current version of the MOHCD Housing Preference and Lottery Procedures Manual, and this HOPE SF Resident Selection Criteria. The MOHCD Housing Preference and Lottery Procedures Manual is available on the MOHCD website at <https://sfmochd.org>.

2. PHR

Waiting List B will be maintained for the PHR units by SFHA. Waiting List B will be maintained according to family size, type of unit for applicant households, total household income, and status in relation to preferences. Waiting List B will be used for units which have been set aside for persons on the HOPE SF [NAME OF HOPE SF DEVELOPMENT] Waitlist. After on-site residents have exercised their Right to Revitalized Units, households will be selected from site-based waiting list(s) based on waitlist position as shown in the preference list in the current SFHA Admin Plan.

a. Vacancy in a PHR Units after Initial Lease Up

1. When a unit becomes available, Management completes SFHA's Applicant Referral Request form. Once completed, Management emails scanned copies to the SFHA's Waitlist Management Department Program Manager and SFHA's Leased Housing Department/RAD Program Manager.
2. The Program Managers from SFHA's Waitlist Management Department and Lease Housing Department/RAD work together to refer a potential resident in the order of the preference from SFHA's waitlist for [NAME OF PROPERTY], as listed in the SFHA Admin Plan.

VIII. APPLICANT SCREENING

For a quick reference of all the information in Section VIII – Applicant Screening, please see Exhibit A.

A. Processing Priority (applies to all Non-PBV TC Units and PHR units)

1. Units designed specifically for individuals with a physical impairment:

- a. For this development, "physical impairment" is defined as mobility impairment which necessitates the features in a mobility unit. Features in a mobility unit include, but are not limited to, required wheel-chair turning space in unit, arm reach requirements to appliances, lowered cabinets, roll-in showers. For all units designed specifically with mobility features, priority will be given to those applicants needing such modifications. .

[NAME OF PROPERTY MANAGEMENT AGENT] will follow the process for mobility impairment units that is written in the current version of the MOHCD Housing Preferred and Lottery Procedures Manual.

2. Units designed for individuals with a hearing or vision impairment:
 - a. For all units designed specifically with hearing and/or vision features, priority will be given to those applicants and households where a member is in need of such modifications.

B. Initial Interview – All household members must be present at the initial interview (applies to all Non-PBV TC Units and PHR units).

At the scheduled interview, all eligibility factors will be explained to the applicants, with particular emphasis on the Applicant Screening Requirements. During the interview, the staff person will do the following:

1. Clarify any information provided by the applicant;
2. Income qualification verification, including self-employment: soliciting third-party verification from all sources in order to determine annual household income (the maximum income levels apply to the LIHTC and PBV programs), and all assets, including bank accounts;
3. Make copies of photo identification, i.e. Driver's License or state I.D. card, passport, travel visa, I-94s or employment cards for adults 18 years of age and older, and birth certificates for children under the age of 18 years of age;
4. Make copies of photo identification, i.e. Driver's License or state I.D. card, passport, travel visa, I-94s or employment cards for adults 18 years of age and older, and birth certificates for children under the age of 18 years of age;
5. Answer any questions the applicant may have
6. Provide Fair Chance Ordinance ("FCO") language.

C. Income Qualification/Gross Rent as Percentage of Gross Income

1. Non-PBV TC Units
 - a. To protect [NAME OF DEVELOPMENT] from rent loss and rent delinquency, residents are eligible for the "lottery units" if their income is two times the net rent.
 - b. All income must be verified by Management.

- c. For determining gross rent as percentage of gross income, gross rent shall be calculated using tenant rent plus utility allowance. If there is no utility allowance, tenant rent shall be considered gross rent.
- d. Income qualification adheres to the the current version of the MOHCD Housing Preference and Lottery Procedures Manual and is consistent with the Marketing Plan and Tenant Selection Plan for [NAME OF DEVELOPMENT] that covers the “lottery units.” Please see section [LIST SECTION IN THE THE MARKETING & TENANT SELECTION PLAN COVERING INCOME QUALIFICATION] of the Marketing Plan and Tenant Selection Plan for [NAME OF DEVELOPMENT].

2. PHR

a. *On-Site Applicants:*

- i. SFHA staff will calculate the tenant paid portion for the priority household. The tenant paid portion will be listed on the SFHA referral and the amount shown on the referral will be the Total Tenant Payment (TTP). Given the requirements of certain funding sources, PHR units may have differing underlying rent restrictions based on AMI. In such cases, Management will match applicant income to the AMI level appropriate for each unit

Management will calculate area median income (AMI) for purposes of HOPE SF income reporting that is submitted to the MOHCD Project Manager/OCII Community Development Specialist for [NAME OF DEVELOPMENT] during initial lease-up. On the reporting form, Management must indicate if AMI’s are based on MOHCD or CTCAC AMI’s.

- ii. If an On-site Applicant is over income, the new affordable development must accept the On-site Applicant. The over-income unit will remain a PHR unit, but it will no longer be classified a tax credit unit if the income of the resident exceeds the current maximum of California Tax Credit Allocation Committees maximum income for tax credit eligible unit. Such instances will be reviewed on a phase-by-phase basis.
- iii. If an On-site Applicant household is also an ESH, the new affordable development must accept the On-site Applicant. The ESH will remain in a PHR unit, but it will no longer be classified a tax credit unit as it is out of compliance with the IRS Section 42 Tax Credit/ LIHTC program. Such instances will be reviewed on a phase-by-phase basis.

b. *Off-site/Cross-Site Applicants*

- i. SFHA staff will calculate the tenant paid portion for the priority household. The tenant paid portion will be listed on the SFHA referral and the amount shown on the referral will be the Total Tenant Payment (TTP). Management will calculate area median income (AMI) for

purposes of HOPE SF income reporting that is submitted weekly to the MOHCD Project Manager/OCII Community Development Specialist for [NAME OF DEVELOPMENT] during lease-up. Also, if [NAME OF DEVELOPMENT] has multiple AMI levels, including those for PHR units, Management will do its best to categorize the current AMI level per the affordable financing program for the unit.

- ii. As the owner of Right to Revitalized Units accepting Off-Site and/or Cross-Site Applicants did not anticipate, during its financial feasibility analysis, accepting any over-income Off-Site or Cross-Site Applicants, over-income Off-Site and/or Cross-Site Applicants will not be accepted or referred to [NAME OF DEVELOPMENT].
- iii. As the owner of Right to Revitalized Units accepting Off-Site and/or Cross-Site Applicants did not anticipate, during its financial feasibility analysis, accepting any ESHs, ESHs will not be accepted or referred to [NAME OF DEVELOPMENT].

3. Expired PHR

Expired PHR units will follow the same process identified above for Cross-Site Applicants. As the PHR units are expired, the owner of [NAME OF DEVELOPMENT] will not be required to accept any over-income SFHA referred residents. Over-income SFHA referred households may have a negative long term financial impact to [NAME OF DEVELOPMENT].

D. References

1. Non-PBV TC Units: Please see [NAME OF DEVELOPMENT]'s San Francisco Housing Portal – DAHLIA project posting pages for a description of Managements process and/or policy for receiving rental history references for the tax credit units.
2. PHR
 - a. *On-site Applicants*: Management will not take rental references for Onsite Applicants
 - b. *Off-site Applicants*: Management will not take rental references for Offsite Applicants
 - c. *Cross-Site Applicants*: Management will take rental references for Cross-Site Applicants. [MANAGEMENT STATE PROCESS & INCLUDE IN DESCRIPTION THE TIME PERIOD IN WHICH RENTAL HISTORIES WILL BE CONSIDERED.]
3. Expired PHR: Expired PHR units will follow the same process identified above under References - PHR Units: Cross-Site Applicants.

E. Credit and Unlawful Detainer (“UD”) Checks

1. Non-PBV TC Units

- a. Management will request credit histories on each adult member of each applicant household and will request written documentation from the applicant's current landlord and former landlords for the past two (2) years. Documented lease violations with regard to non-payment or late rent payment, disturbance of neighbors, destruction of property that would pose a threat to other residents will inform the leasing agent about past performance meeting rental obligations. If Management receives any negative information from a former landlord with documented proof of a lease, code or house rules violation(s) within the last 2 years, the application may be rejected.
- b. Applicants who have failed to pay amounts due or failed to reach a satisfactory agreement to pay those amounts will also be considered ineligible. Mitigating circumstances (i.e., late fee/charges disputes) will be considered.
- c. Management will initiate an eviction history and credit report. An unlawful detainer shall go back no further than three (3) years. The applicant shall be notified of such action in advance.
- d. Except in a criminal background check, if there is a finding of any kind except that would negatively impact an application, the applicant will be notified in writing. The applicant will have 5 business days to appeal to Management for reconsideration. A comparable unit will be held while the applicant is going through the appeals process.
- e. If there is a finding during the criminal background, in accordance with Article 49 of the San Francisco Police Code, an applicant will have 14 calendar days to appeal and a comparable unit will be held for 14 calendar days.

2. PHR

- a. *On-site Applicants*: credit checks are not to be conducted for On-Site Applicants.
- b. *Off-site Applicants*: credit checks are not to be conducted for Off-Site Applicants.
- c. *Cross-Site Applicants*: Management [[will/will not](#)] conduct credit and unlawful detainer checks on Cross-Site Applicants. Management's process will [[DEVELOPER/MANAGER SELECT THE TRUE STATEMENT "follow the process described above under VIII.E. Credit and Unlawful Detainer Checks – Non-PBV TC Units." OR "be as described below". \(MANAGEMENT TO DESCRIBE PROCESS\).](#)]
 - i. If there is a finding of any kind which would negatively impact an application, the applicant will be notified in writing. With the written notification, [[NAME OF PROPERTY MANAGEMENT AGENT](#)] will

include the HOPE SF “Encouragement” letter provided in Exhibit C.

Developer/Property Manager, please note that your MOHCD Project Manager and/or OCII Development Specialist will provide you with the most recent “Encouragement Letter” in Word. Please make sure to request it from your MOHCD Project Manager or OCII Development Specialist if you did not receive it with the Word version of this document.

3. Expired PHR: [MANAGEMENT STATE WHICH CREDIT AND UD CHECK PROCESS IT WILL FOLLOW FOR EXPIRED PHR UNITS.]

Please note: At Sunnydale and Potrero and due to the size of the relocation efforts and timing of new construction, it is possible that On-Site Applicants may move into Expired PHR units. If or when this occurs, On-Site Applicants in Expired PHR units at the HOPE SF property must be processed as On-Site Applicants in new PHR units and must follow the process in Section VIII.E.2.a above.

F. Criminal Background Checks

1. Non-PBV TC Units: Management will conduct criminal background checks on all applicants to Non-PBV TC Units.
2. PHR
 - a. On-site Applicants: [NAME OF MANAGEMENT COMPANY] will *not* conduct criminal background checks on On-Site Applicants who meet the definition of “good standing” with SFHA and are referred for the new development.
 - b. Off-site Applicants: [NAME OF MANAGEMENT COMPANY] will *not* conduct criminal background checks on Off-Site Applicants who have met the definition of “good standing” with SFHA and are referred for [NAME OF DEVELOPMENT].
 - c. Cross-Site Applicants: Management [will/will not] conduct criminal background checks on Cross-Site Applicants.
3. Expired PHR: Management will conduct criminal background checks for all applicants.
4. All criminal background checks MUST be conducted in accordance with the Fair Chance Ordinance (FCO) Article 49 San Francisco Police Code–Protections for People with Prior Arrests or Conviction Records. [FULL NAME OF PROPERTY MANAGEMENT AGENT STAFF] has no authority over the applications received from households interested in [NAME OF DEVELOPMENT]. [FULL NAME OF PROPERTY MANAGEMENT AGENT STAFF] is *not* involved in the collection of households’ application or documents submitted with the application or review, approval or denial of applications for this project. [FULL NAME OF PROPERTY

MANAGEMENT AGENT STAFF] will obtain the criminal record upon approval of the applicants' eligibility in all areas other than criminal background. Each criminal background report request and response will be time and date stamped via email or via hand stamped to ensure review was completed after the provisional approval of the application.

Under the Fair Chance Ordinance, the applicant has the right to the following:

1. All other qualifications for affordable housing will be decided BEFORE Management knows anything about prior arrest or conviction records. Management may run a criminal history report at the same time as a rental or credit history but will not look at it prior to determining the applicant is qualified.
2. Management will not ask the applicant about a prior record for any household member through a rental application form or in an interview.
3. The applicant will be provided with a copy of Fair Chance Ordinance notice before Management runs the background report.
4. The following six “off-limits” categories will not be requested or considered on the criminal records check of any household member:
 - arrests that did not result in conviction
 - participation in a diversion or deferral judgment program
 - expunged, judicially dismissed, invalidated or otherwise inoperative convictions
 - juvenile record
 - a conviction more than 7 years old
 - an infraction
5. Each record will be assessed individually, in which only the “directly-related” convictions and unresolved arrests in the record are considered. In considering whether a conviction / unresolved arrest is directly-related, Management shall look at whether the conduct has a direct and specific negative bearing on the safety of persons or property, and given the nature of the housing, whether the housing offers the opportunity for the same/similar offense to occur, whether circumstances leading to the conduct will recur in [NAME OF DEVELOPMENT] and whether supportive services, when available, might reduce the likelihood of a recurrence.
6. The applicant will be provided with a copy of the background report and told which conviction or unresolved arrest is the basis for the potential denial. The applicant will have 14 days to respond orally or in writing to request reversal of the denial. The applicant can respond by:

- Pointing out any inaccuracies in the report;
 - Providing evidence of rehabilitation. Evidence of rehabilitation include satisfying parole/probation, receiving education/training, participating in alcohol or drug treatment programs, letters of recommendation, age at the time of conviction, and/or;
 - Explaining any mitigating factors about the circumstances of the conviction. (Mitigating factors include physical or emotional abuse, coercion, untreated abuse/mental illness that led to the conviction).
7. The applicant has a right to call the Human Rights Commission to understand their rights or file a complaint (within 60 days of violation) without any negative action or retaliation taken against the applicant by [NAME OF PROPERTY MANAGEMENT AGENT]. For more information, contact the Human Rights Commission at (415) 252-2500 or email hrc.info@sfgov.org.

G. Fees

Fees for processing income, credit, unlawful detainer and criminal checks will not be charged, except as indicated below:

1. Non-PBV TC Units: A fee of [MANAGEMENT STATE THE DOLLAR AMOUNT OF THE UD, CREDIT, AND CRIMINAL CHECK. IF A FEE IS CHANGED IT CANNOT EXCEED \$25.00. IF NO FEE IS CHARGED, PLEASE SHOW AS "\$0.00"] per adult applicant 18 years or older is required at the time of the initial interview for the unlawful detainer, credit and criminal checks. Applicants will be reviewed for criminal background in accordance with Article 49 of the San Francisco Police Code, the Fair Chance Ordinance. The fee must be paid by Money Order
2. PHR
 - a. On-site Applicants: Not applicable.
 - b. Off-site Applicants: Not applicable
 - c. Cross-Site Applicants: Management [will/will not] collect a fee for the credit, unlawful detainer, and criminal checks. [IF MANAGEMENT WILL TAKE A FEE. MANAGEMENT STATE THE AMOUNT OF THE FEE AND WHEN CROSS-SITE APPLICANTS MUST PAY FEE.]
3. Expired PHR: [MANAGEMENT STATE WHICH FEE PROCESS IT WILL FOLLOW FOR EXPIRED PHR UNITS.]

IX. FINAL ELIGIBILITY DETERMINATION

A. Notification of Eligibility: Upon completion of eligibility determination, eligible applicants will be notified in writing of their status and given an approximate date when they can expect to receive an offer of a unit. The basis of the final eligibility will be as follows:

1. Non-PBV TC Units

- a. After the applicant's initial eligibility has been determined with regard to household annual income, rental history, and credit history, Management will make a final eligibility determination after reviewing the criminal report on each adult applicant.
- b. Once final eligibility is determined, the staff will ask applicants to select their first, second and third choice of unit according to household size and income. When leasing up, units are assigned in lottery rank order. Once a household passes income, rental and credit checks, Management assigns and holds the applicant's first, second, or third choice whichever is available.
- c. A comparable unit will be held while the applicant is going through the appeals process.

2. PHR

a. *On- and Off- site Applicants:*

- i. Management will make a final eligibility determination after receiving the referral from SFHA, conducting initial interview, and completing the income qualification and determining unit size for household configuration. (Unit size based on household configuration is on SFHA referral letter.)
- ii. Once final eligibility is determined, Management will proceed to execute lease documents and assign the next unit available for which the household has been deemed eligible.
- iii. [NAME OF MANAGEMENT COMPANY] will offer units to On- and Off-Site Applicants in referral order, the order in which the referrals were sent by SFHA's Waitlist Department.

b. *Cross-Site Applicants:*

- i. Management will make a final eligibility determination after receiving the referral from SFHA, conducting initial interview, completing the income qualification, determining unit size for household configuration, and completing rent reference, credit, UD, and criminal background checks. . (Unit size based on household configuration is on SFHA referral letter.) Off-Site Applicants will be notified in writing of their status and given an approximate date when they can expect to receive an offer of a unit
- ii. Once final eligibility is determined, the Management will proceed to execute lease documents and assign the next unit available for which the household has been deemed eligible.
- iii. [NAME OF MANAGEMENT COMPANY] will offer units to Cross-Site Applicants in referral order, the order in which the referrals were sent by SFHA's Waitlist Department.

3. Expired PHR: [MANAGEMENT STATE WHICH FINAL ELIGIBILITY

DETERMINATION PROCESS IT WILL FOLLOW FOR EXPIRED PHR UNITS.]

B. Notification of Ineligibility. If an applicant is deemed ineligible. The applicant will be notified in writing of his/her ineligibility. The ineligibility letter will include: (i) the reason for the denial, (ii) notification that the applicant has a right to an informal review, (iii) the process for an informal review. A summary of acceptable grounds for denial can be found in Exhibit B. Management will include in the ineligible letter a copy of Encouragement Letter found in Exhibit C for Off-Site or Cross-Site applicants that have been determined ineligible.

X. APPEALS OF DENIALS

For all Non-PBV TC Units, Management will report all Non-PBV TC Units applicant denials and appeals to MOHCD Below Market Rate on a weekly basis through the lease up.

For all PHR Units, Management will report all PHR Units applicant denials and appeals to SFHA's Waitlist Management Department's Program Manager II, MOHCD Project Manager or OCII Development Specialist of the HOPE SF property, MOHCD Project Manager of [NAME OF DEVELOPMENT], and the HOPE SF property's service and/or relocation and readiness provider on a weekly basis through the lease up.

Non-PBV TC Units applicants, Off- and Cross- Site Applicants determined ineligible for admission by Management may appeal through an informal review of the determination. Non-PBV TC Units applicants, Off- and Cross- Site Applicants must make the request within [MANAGEMENT COMPANY LIST NUMBER OF DAYS FOR APPEAL] calendar days of the date of [NAME OF MANAGEMENT COMPANY's] notice of ineligibility and/or denial letter. Within [MANAGEMENT COMPANY LIST NUMBER OF DAYS TO SCHEDULE AND REVIEW APPEAL] calendar days of receiving the request, Management must schedule the review and notify the applicant of the place, date and time of informal interview.

Informal reviews will be conducted by an impartial review officer who had no involvement in the ineligibility determination. The review officer will be selected by [NAME OF MANAGEMENT COMPANY]. [NAME OF MANAGEMENT COMPANY] has selected [MANAGEMENT COMPANY PROVIDE THE TITLE AND/OR POSITION OF THE PERSON SELECTING THE IMPARTIAL REVIEW OFFICER] to be the impartial review officer. [MANAGEMENT COMPANY PROVIDE THE TITLE AND/OR POSITION OF THE PERSON SELECTING THE IMPARTIAL REVIEW OFFICER] may be contacted by phone at [MANAGEMENT COMPANY PROVIDE THE PHONE NUMBER OF THE IMPARTIAL REVIEW OFFICER] and by email at [MANAGEMENT COMPANY PROVIDE THE EMAIL OF THE IMPARTIAL REVIEW OFFICER], and has an office located at [MANAGEMENT COMPANY PROVIDE THE FULL ADDRESS OF THE IMPARTIAL REVIEW OFFICER'S OFFICE]. The applicant may bring to the review any documentation or evidence he/she wishes and the applicant's evidence along with the data compiled by Management will be considered by the review officer.

The review officer will make a determination based upon the merits of the evidence presented by Management and applicant. Within [MANAGEMENT COMPANY LIST NUMBER OF DAYS REVIEWER HAS TO MAIL APPEAL] days of the date of the review, the review officer will mail a written decision to the applicant and place a copy of the decision in the

applicant's file.

XI. OCCUPANCY PROTECTION FOR HUD-ASSISTED HOUSEHOLDS IN NON-PBV TC UNITS, PHR, AND EXPIRED PHR

A. Management must complete the current version of the *Tenancy Addendum Section 8 Project-based Voucher Program (form HUD 52530.c)* for any and all residents at [NAME OF DEVELOPMENT] with a Housing Choice Voucher (HCV). HCV units include RAD Units, Non-RAD PBV Units, and “tenant based” and/or “portable” HCV for residents residing in Non-PBV TC Units. Management sends the fully completed and executed HUD 52530.c to the SFHA RAD Program Manager, Leased Housing Department.

1. Non-PBV TC Units: *HUD-Assisted households in Non-PBV TC Units applies to households with a HCV that are commonly called “tenant based” and/or “portable.”* In this case, [NAME OF MANAGEMENT COMPANY] has no authority to terminate the “tenant based” and/or “portable” HCV of tenants. Owners may only terminate tenancy in limited circumstances as prescribed in the *Housing Assistance Payment Contract (HAP Contract) Section 8 Tenant-Based Assistance Housing Choice Voucher Program (form HUD-52641)* and by the terms of the lease and must follow HUD and state/local procedures. Terminations for reasons other than those permitted by HUD are prohibited. The lease agreement details the grounds for termination of tenancy, which does include failure to meet LIHTC requirements, including LIHTC-specific income and student eligibility rules.
 - a. SFHA requires that a household pay 30% of their adjusted household income. If at the annual or interim recertification SFHA determines that 30% of the household’s adjusted gross income is equal to or higher than the contract rent, SFHA will give household 180 days before removing the household from the HCV program. If during the 180 day period there have been no changes to the household’s income, SFHA will send the household a letter indicating that the household will be removed from the HCV program. *There is nothing in SFHA’s letter that states the households must vacant or leave the unit.*
2. PHR & Expired PHR [NAME OF MANAGEMENT COMPANY] has no authority to terminate the RAD and/or Non-RAD PBV rental subsidy of the residents. Owners may only terminate tenancy in limited circumstances as prescribed in the *Tenancy Addendum Section 8 Project-based Voucher Program (form HUD 52530.c)* and by the terms of the lease and must follow HUD and state/local procedures. Terminations for reasons other than those permitted by HUD are prohibited. The lease agreement details the grounds for termination of tenancy which does include failure to meet LIHTC requirements, including LIHTC-specific income and student eligibility rules.
 - a. RAD Units: SFHA requires that households pay 30% of their adjusted household income even if it exceeds the contract rent. If at the annual or interim recertification

SFHA determines that 30% of the households' adjusted gross income is equal to or above the contract rent, the households in the PHR RAD Unit is allowed to remain in the unit, as referenced in SFHA's current Housing Choice Voucher Program Administrative Plan and as regulated in the HUD PIH -2012-32 Notice and all subsequent updates. SFHA will not pay subsidy on the unit when the households are able to pay the full contract rent. Households retain all other rights under the lease, including the right to occupy the unit. This provision is only utilized for residents living in the HOPE SF property prior to conversion, and those who will return to the HOPE SF property after conversion. All other residents fall under XI.A.1.a.

- b. Non- RAD PBV Units: Please see XI.A.1.a above, as these units process will be similar to households with a "tenant based" and/or "portable" in Non-PBV TC Units.

EXHIBIT A

Screening Criteria Summary

Screening Criteria	Non-PBV TC Units	PHR On-Site	PHR No TC Units (Allowed only at HOPE SF Properties)	PHR Off-Site	PHR Cross-Site	Expired PHR
Annual household income	Yes; Use the maximum per MOHCD or TCAC limits for the specific development	Yes, for CTCAC purposes only. Resident <u>cannot</u> be denied due to income. Use the maximum per MOHCD or TCAC limits for the specific development. Maximum income is at or below HUD 50% AMI.	Yes, for CTCAC purposes only. Resident <u>cannot</u> be denied due to income; Use the maximum per MOHCD or TCAC limits for the specific development. Maximum income is at or below HUD 50% AMI. Income of Initial Household in unit may exceed the MOHCD, TCAC, or HUD limits. At or below HUD 50% AMI	Yes; Use the maximum per MOHCD or TCAC limits for the specific development. Maximum income is at or below HUD 50% AMI. Households may <u>not</u> exceed the MOHCD or TCAC limits.	Yes; Use the maximum per MOHCD or TCAC limits for the specific development. Maximum income is at or below HUD 50% AMI. Households may <u>not</u> exceed the MOHCD or TCAC limits.	Yes; The lower of TCAC limit for the unit or 50% HUD AMI.
Entirely Full Time Student Household Status	Yes, by Developer; follows Section 42, as administered by CTCAC.	Yes, by Developer; follows Section 42, as administered by CTCAC.	Yes, by Developer; follows Section 42, as administered by CTCAC. If ESH, may be assigned to PHR No TC Unit.	Yes, by Developer; follows Section 42, as administered by CTCAC.	Yes, by Developer; follows Section 42, as administered by CTCAC.	Yes, by Developer; follows Section 42, as administered by CTCAC.
Household occupancy standard	Highest minimum and maximum occupancy limits of development funders (See Occupancy chart In Section VII.D.1)	Highest minimum and maximum occupancy limits of development funders (See Occupancy chart In Section VII.D.1)	Highest minimum and maximum occupancy limits of development funders (See Occupancy chart In Section VII.D.1)	Highest minimum and maximum occupancy limits of development funders (See Occupancy chart In Section VII.D.1)	Highest minimum and maximum occupancy limits of development funders (See Occupancy chart In Section VII.D.1)	Highest minimum and maximum occupancy limits of development funders (See Occupancy chart In Section VII.D.1)
Rental history	Yes; by Developer as stated in the Marketing Plan, Section VIII.D.1 of this document, and restated in Exhibit B.	No screening per Right to Return Ordinance	No screening per Right to Return Ordinance	No screening per Right to Return Ordinance	Yes; by Developer as stated in Section VIII.D.2 and restated in Exhibit B of this document.	Yes; by Developer as stated in Section VIII.D.3 and restated in Exhibit B of this document.

Unlawful Detainer	Yes; by Developer as stated in the Marketing Plan, Section VIII.E.1 of this document, and restated in Exhibit B.	SFHA to determine if households is in eviction proceedings. Developer may <u>not</u> screen per Right to Return to Revitalized Unit Ordinance.	SFHA to determine if households is in eviction proceedings. Developer may <u>not</u> screen per Right to Return to Revitalized Unit Ordinance	SFHA to determine if households is in eviction proceedings. Developer may <u>not</u> screen per Right to Return to Revitalized Unit Ordinance.	Yes; by Developer as stated in Section VIII.E.2 and restated in Exhibit B of this document.	Yes; by Developer as stated in Section VIII.E.3 and restated in Exhibit B of this document.
Credit	Yes; by Developer as stated in the Marketing Plan, Section VIII.E.1 of this document, and restated in Exhibit B.	No screening per Right to Return Ordinance	No screening per Right to Return Ordinance	No screening per Right to Return Ordinance	Yes; by Developer as stated in Section VIII.E.2 and restated in Exhibit B of this document.	Yes; by Developer as stated in Section VIII.E.3 and restated in Exhibit B of this document.
Criminal background	Yes; by Developer as stated in the Marketing Plan, Section VIII.F.1 of this document, and restated in Exhibit B.	No screening per Right to Return Ordinance	No screening per Right to Return Ordinance	No screening per Right to Return Ordinance	Yes; by Developer as stated in Section VIII.F.2 and restated in Exhibit B of this document.	Yes; by Developer as stated in Section VIII.F.3 and restated in Exhibit B of this document.

EXHIBIT B
Permissible Denial Categories

1. Non-PBV TC Units: Applicants in unsubsidized tax credit units may be denied for the reasons listed in the Marketing Plan and Tenant Selection Plan for [NAME OF DEVELOPMENT]. Please see sections [List all sections that contain information regarding denying potential residents.]
 - 1) Annual Income, Occupancy Standard, Entirely Fully Time Student Household Status, Regulatory Programs other than SFHA and MOHCD.
 - Non-PBV TC Applicants annual income (including assets) is not within the established restrictions for the property.
 - Non-PBV TC Applicants household size does not meet minimum or exceeds maximum occupancy standard for [NAME OF DEVELOPMENT] as provided in Section IIV.D of this document.
 - Non-PBV TC Applicants household does not meet all program regulated eligibility requirements, including Entirely Fully Time Student Household for [NAME OF DEVELOPMENT].
 - 2) Rental History
 - [MANAGEMENT LIST ANY OTHER REASONS A NON-PBV TC APPLICANT WILL BE DENIED BASED ON RENTAL HISTORY.]
 - 2) Credit & Unlawful Detainers
 - [MANAGEMENT LIST ANY OTHER REASONS A NON-PBV TC APPLICANT WILL BE DENIED BASED CREDIT & UNLAWFUL DETAINERS.]
 - 3) Criminal Background Check

All items for denial below must be in compliance with the Fair Chance Ordinance.

 - [MANAGEMENT LIST ANY OTHER REASONS A NON-PBV TC APPLICANT WILL BE DENIED BASED ON THE CRIMINAL BACKGROUND CHECK.]
 - 4) Personal History

HOPE SF, MOHCD, and OCII recognize that personal history checks are required by CTCAC, especially when the applicant

household has no rental history.

- [MANAGEMENT LIST ANY OTHER REASONS A NON-PBV TC APPLICANT WILL BE DENIED BASED ON PERSONAL HISTORY CHECK.]

5) Other

- Non-PBV TC Applicants and all household members not showing up for interview with [NAME OF MANAGEMENT COMPANY] for [NAME OF DEVELOPMENT]. Exceptions will be granted for hospitalization, medical reasons, emergency, etc., (or some other time acceptable to Management) prior to completion of Initial Certification.
- Non-PBV TC Applicants not providing completed and signed applications, release of information, and application fee (if required).
- Non-PBV TC Applicants not providing landlord references covering the last three years of residency.
- Non-PBV TC Applicants not providing appropriate proof of all income sources and assets.
- Non-PBV TC Applicants not providing any other documents required to determine eligibility.
- Intentional falsification of any information on the application by Non-PBV TC Applicants.
- Other good cause: including, but not limited to, failure to meet any of the selection criteria in this document.
- Non-PBV TC Applicant declines an apartment offer after eligibility is determined by [NAME OF MANAGEMENT COMPANY]. Non-PBV TC Applicant's decline of an apartment is considered to be a withdrawal of the rental application for [NAME OF DEVELOPMENT] by the Non-PBV TC Applicant. [NAME OF MANAGEMENT COMPANY] will contact Non-PBV TC Applicant a minimum of two (2) times and will use all modes of communication available (phone, email, regular mail, etc.) by [DEVELOPER/MANAGEMENT STATE THE FORM OF CONTACT YOU WILL MAKE TO APPLICANTS]. Management will take into consideration cases of reasonable accommodation or other mitigating circumstances.
- Failure to update application for Waiting List A within specified times when notified no less than two times.

- [MANAGEMENT LIST ANY OTHER REASONS A NON-PBV TC APPLICANT WILL BE DENIED.]

2. PHR:

- a. On-site Applicants: Only On-site Applicants that are in good standing, per the Right to Return ordinance, will be referred to [NAME OF MANAGEMENT COMPANY] for [NAME OF DEVELOPMENT] by SFHA. On-site Applicants referred to [NAME OF MANAGEMENT COMPANY] are assumed to be in good standing and may not be denied placement into a PHR unit.

- b. Off-site Applicants: Only Off-site Applicants that are in good standing, per the Right to Return ordinance, will be referred to [NAME OF MANAGEMENT COMPANY] for [NAME OF DEVELOPMENT] by SFHA. Off-site Applicants referred to [NAME OF MANAGEMENT COMPANY] for [NAME OF DEVELOPMENT] are assumed to be in good standing. [NAME OF MANAGEMENT COMPANY] may deny Off-site Applicants if one of the the three following occurs: *[Property Management Agents, please note that the prompts below are permanent requirements and may not be changed without permission from your MOHCD Project Manager or OCII Development Specialist. If you must change the language below or your process is different, please show your proposed request using Word redline function and state the reason for your proposed change. In addition, the denial letter must clearly state the reason for denial, and it must state the time period a resident has to appeal the denial. The denial letter must be provided to the MOHCD Project Manager or OCII Development Specialist for review and approval along with this document. Any and all denial letters sent to a HOPE SF Off-Site Applicant must include the completed HOPE SF “Encouragement Letter.” Please make sure to request the current version of the “Encouragement Letter” from your MOHCD Project Manager or OCII Development Specialist.]*
 - 1) Eligibility income exceeding the maximum allowed;
 - 2) Family composition not appropriate for available bedroom sizes at [NAME OF DEVELOPMENT];
 - 3) Intentional falsification of any information on the application;
 - 4) All members of household are full-time students and do not meet any of the criteria outlined in the Entirely Full-Time Student Household, as defined in this document.
 - 5) Failure to present all members of the family at the full family interview, except for hospitalization, medical reasons, emergency, etc.,

(or some other time acceptable to management) prior to completion of Initial Certification;

- 6) Declines an apartment offer after being contacted three (3) times;
- c. Cross-site Applicants: Only Cross-site Applicants that are in good standing, per the Right to Return ordinance, will be referred to [NAME OF MANAGEMENT COMPANY] for [NAME OF DEVELOPMENT] by SFHA. Cross-site Applicants referred to [NAME OF MANAGEMENT COMPANY] for [NAME OF DEVELOPMENT] are assumed to be in good standing. [NAME OF MANAGEMENT COMPANY] may deny Cross-site Applicants for any of the following: *[Property Management Agents, please note that the prompts below are permanent requirements and may not be changed without permission from your MOHCD Project Manager or OCII Development Specialist. If you must change the language below or your process is different, please show your proposed request using Word redline function and state the reason for your proposed change. In addition, the denial letter must clearly state the reason for denial, and it must state the time period a resident has to appeal the denial. The denial letter must be provided to the MOHCD Project Manager or OCII Development Specialist for review and approval along with this document. Any and all denial letters sent to a HOPE SF Cross-Site Applicant must include the completed HOPE SF “Encouragement Letter.” Please make sure to request the current version of the “Encouragement Letter” from your MOHCD Project Manager or OCII Development Specialist.]*
- 1) Annual Income, Occupancy Standard, Entirely Fully Time Student Household Status, Regulatory Programs other than SFHA and MOHCD.
 - Cross-site Applicants annual income (including assets) is not within the established restrictions for the property.
 - Cross-site Applicants household size does not meet minimum or exceeds maximum occupancy standard for [NAME OF DEVELOPMENT] as provided in Section IIV.D of this document.
 - Cross-site Applicants household does not meet all program regulated eligibility requirements, including Entirely Fully Time Student Household for [NAME OF DEVELOPMENT].
 - 2) Rental History
 - May not have a judgement against the the Cross-site Applicants head-of-household(s) obtained by the current or previous landlord within the last two (2) years. No fault events will not count against Cross-site Applicants.

- Cross-site Applicants may not have an unmet obligation owed to a previous landlord within the last two (2) years.
- Cross-site Applicants who have not made timely payments ninety (90) days prior to the date of processing may be denied. Cross-site Applicants who have three (3) or more unpaid late payments twelve (12) months prior to the application processing date for [NAME OF DEVELOPMENT] may be denied. Cross-site Applicants who have late fees paid off in any period of time prior to the application processing date for [NAME OF DEVELOPMENT] may not be denied.
- [MANAGEMENT LIST ANY OTHER REASONS A CROSS-SITE APPLICANT WILL BE DENIED BASED ON RENTAL HISTORY IF NOT CAPTURED IN ABOVE BULLETS.]

3) Credit & Unlawful Detainers

- Total unmet credit problems, including governmental tax liens, within the last three (3) years, must not be in excess of \$2,500.
- Cross-Site Applicants may not have bankruptcy discharged within the last three (3) years.
- Cross-Site Applicants may not have seven (7) or more unmet credit problems of any value within the last three (3) years.

4) Criminal Background Check

All items for denial below must be in compliance with the Fair Chance Ordinance.

- Any adult, age 18 or over, Cross-Site Applicant who is subject to any states sex offender lifetime registration requirement.
- Felony conviction.
- An established documented pattern of criminal activity.
- The documented manufacturing, selling or possession of any drugs or illegal substances, or documented established pattern of manufacturing, selling or possession of any drugs or illegal substances.
- Documented incidences of physical violence to person or property, violent criminal activity, sexual abuse, illegal weapons possession, any form of assault, breaking and entering, burglary or drug related criminal activity, or any

act that would threaten the health, safety or right to peaceful enjoyment by other residents, or employees and contractors who work with the community.

5) Personal History

HOPE SF, MOHCD, and OCII recognize that personal history checks are required by CTCAC, especially when the applicant household has no rental history. As Cross-Site Applicants will have a rental history of 12 months within the last three years or longer at a HOPE SF property, personal history checks are NOT allowed as a reason for denial in a PHR unit.

6) Other

- Cross-Site Applicants and all household members not showing up for interview with [NAME OF MANAGEMENT COMPANY] for [NAME OF DEVELOPMENT]. Exceptions will be granted for hospitalization, medical reasons, emergency, etc., (or some other time acceptable to Management) prior to completion of Initial Certification.
- Cross-Site Applicants not providing completed and signed applications, release of information, and application fee (if required).
- Cross-Site Applicants not providing landlord references covering the last three years of residency.
- Cross-Site Applicants not providing appropriate proof of all income sources and assets.
- Cross-Site Applicants not providing any other documents required to determine eligibility.
- Intentional falsification of any information on the application by Cross-Site Applicants.
- Other good cause: including, but not limited to, failure to meet any of the selection criteria in this document.
- Cross-Site Applicant declines an apartment offer after eligibility is determined by [NAME OF MANAGEMENT COMPANY]. Cross-Site Applicant's decline of an apartment is considered to be a withdrawal of the rental application for [NAME OF DEVELOPMENT] by the Cross-Site Applicant. [NAME OF MANAGEMENT COMPANY] will contact Cross-Site Applicant a minimum of two (2) times and will use all modes of communication available (phone, email, regular mail, etc.) by [DEVELOPER/MANAGEMENT STATE THE FORM OF

CONTACT YOU WILL MAKE TO APPLICANTS].

Management will take into consideration cases of reasonable accommodation or other mitigating circumstances.

- [MANAGEMENT LIST ANY OTHER REASONS A CROSS-SITE APPLICANT WILL BE DENIED.]

Consideration may be given for extenuating/mitigating circumstances where any of the denial items above would be required as a reasonable accommodation when determining the acceptability of tenancy. Cross-Site Applicants with disabilities have the right to request reasonable accommodations to participate in the informal hearing process for [NAME OF DEVELOPMENT].

3. Expired PHR: [MANAGEMENT STATES WHICH DENIAL PROCESS IT WILL FOLLOW FOR EXPIRED PHR UNITS.]

For PHR units, it is the Off-Site, Cross-Site, and PBV/TC (including expired PHR) Applicant's responsibility to provide SFHA with current household configuration and total household income information.

EXHIBIT C
Encouragement Letter

Encouragement letter follows this cover

EXHIBIT D
Violence Against Women Reauthorization Act of 2013 (VAWA)

- A. **Protections.** VAWA protections apply to individuals and families applying for or residing in housing governed by the project-based Section 8 program, various HUD programs, and other affordable housing programs. The law protects victims or survivors of domestic violence, dating violence, sexual assault, or stalking, as well as their immediate family members generally, from being evicted or being denied housing assistance on the basis that the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault or stalking if the applicant or tenant otherwise qualifies for admission, assistance, participation or occupancy. VAWA also provides that an incident of actual or threatened domestic violence, dating violence, sexual assault, or stalking, does not qualify as a serious or repeated violation of the lease nor does it constitute good cause for terminating the assistance, tenancy, or occupancy rights of the victim or survivor. Furthermore, criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking is not grounds for terminating the victim’s or survivor’s tenancy. If permitted by applicable law, including, but not limited to Article 49 of the San Francisco Police Code “Procedures for Considering Arrests or Convictions and Related Information in Employment and Housing Decisions” commonly referred to as the Fair Chance Ordinance (“FCO”), [NAME OF PROPERTY MANAGEMENT AGENT] (“Management”) may bifurcate (divide a lease as a matter of law) in order to evict, remove, or terminate the assistance of the offender while allowing the victim or survivor, who is a tenant or lawful occupant, to remain in the unit, with [Property Management Agent to state the position of the staff that will grant approval] approval.

VAWA ensures that victims are not denied housing and housing assistance solely because the person is a victim of a VAWA crime or incident; however, being a victim of a VAWA crime or incident is not reason to change the eligibility or applicant screening requirements set forth in the Resident Selection Criteria, unless such requirements interfere with protections provided under VAWA.

For example: Management may waive the requirement to review landlord history if the victim has provided necessary documentation to certify their status as a victim and if contacting a previous landlord would put the applicant’s location at risk of exposure to the accused perpetrator.

- B. **Definitions.** The following definitions are provided as assistance in understanding and implementing VAWA protections. The definitions for domestic violence, dating violence, sexual assault, or stalking and affiliated individual have been incorporated into the United States Housing Act.

- **Domestic Violence** includes felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, or intimate partner of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with

or has cohabitated with the victim as a spouse or intimate partner, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.

- **Dating Violence** means violence committed by a person: (A) who is or has been in a social relationship of a romantic or intimate nature with the victim, and (B) where the existence of such a relationship shall be determined based on a consideration of the following factors: (i) the length of the relationship; (ii) the type of relationship; and (iii) the frequency of interaction between the persons involved in the relationship.
- **Sexual Assault** means any nonconsensual sexual act proscribed by Federal, tribal or State law, including when the victim lacks capacity to consent.
- **Stalking** means engaging in a course of conduct directed at a specific person that would cause a reasonable person to (1) fear for the person's individual safety or the safety of others, or (2) suffer substantial emotional distress.
- **Affiliated Individual** means, with respect to a person: (a) a spouse, parent, brother, sister, or child of that person, or an individual to whom that person stands in the place of a parent to a child (for example, the affiliated person is a child in the care, custody, or control of that individual); or (b) any individual, tenant, or lawful occupant living in the household of that person.
- **Bifurcate** means to divide a lease as a matter of law, subject to the permissibility of such process under the requirements of the applicable program and State or local law, such that certain tenants or lawful occupants can be evicted or removed while the remaining household members can continue to reside in the unit under the same lease requirements or as may be revised depending upon the eligibility for continued occupancy of the remaining tenants and lawful occupants.

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

1. An applicant's or program participant's status as a victim or survivor of domestic violence, dating violence, sexual assault, or stalking is not a basis for denial of rental assistance or for denial of admission, if the applicant otherwise qualifies for assistance or admission.
2. An incident or incidents of actual or threatened domestic violence, dating violence, sexual assault, or stalking will not be construed as serious or repeated violations of the lease or other "good cause" for terminating the assistance, tenancy, or occupancy rights of a victim or survivor of abuse.

3. Criminal activity directly related to domestic violence, dating violence, sexual assault, or stalking, engaged in by a member of a tenant's household or any guest or other person under the tenant's control, shall not be cause for termination of assistance, tenancy, or occupancy rights of the victim or survivor of the criminal acts.
4. Assistance may be terminated or a lease "bifurcated" in order to remove an offending household member from the home. Whether or not the individual is a signatory to the lease and lawful tenant, if he/she engages in physical violence against family members or others, he/she stands to be evicted, removed, or have his/her occupancy rights terminated. This action is taken while allowing the victim or survivor, who is a tenant or a lawful occupant, to remain. Decisions to bifurcate a lease or evict a tenant under VAWA will be made consistent with the requirements of the FCO, including, but not limited to, Sections 4907(f) and (g).
5. The provisions protecting victims or survivors of domestic violence, dating violence, sexual assault, or stalking engaged in by a member of the household, may not be construed to limit Management, when notified, from honoring various court orders issued to either protect the victim or survivor or address the distribution of property in case a family breaks up.
6. The authority to evict or terminate assistance is not limited with respect to a victim or survivor that commits unrelated criminal activity. Furthermore, if Management can show an actual and imminent threat to other tenants or those employed at or providing service to the property if an unlawful tenant's residency is not terminated, then evicting a victim or survivor is an option, VAWA notwithstanding. Ultimately, Management may not subject victims or survivors to more demanding standards than other tenants.
7. VAWA protections shall not supersede any provision of any federal, state, or local law that provides greater protection for victims or survivors of domestic violence, dating violence, sexual assault, or stalking. The laws offering greater protection are applied in instances of domestic violence, dating violence, sexual assault, or stalking.

D. **Confidentiality**. The Notice of Occupancy Rights under VAWA provides notice to the resident/applicant of the confidentiality of information about a person seeking to exercise VAWA protections and the limits thereof. The identity of the victim and all information provided to Management relating to the incident(s) of abuse covered under VAWA will be retained in confidence. Information will not be entered into any shared database nor provided to a related entity, except to the extent that the disclosure is:

1. Requested or consented to by the victim in writing; or
2. Required for use in an eviction proceeding or termination of assistance; or
3. Otherwise required by applicable law.

Management will retain all documentation relating to an individual's domestic violence,

dating violence, sexual assault and/or stalking in a separate file that is kept in a separate secure location from other applicant or resident files.

- E. **Certification.** Management response to an incident of actual or threatened domestic violence, dating violence, sexual assault, or stalking that could potentially have an impact on a tenant's participation in the housing program may request in writing that an individual complete, sign, and submit within 14 business days of the request, the HUD-approved VAWA certification form.

Alternatively, in lieu of the certification form or in addition to it, Management may accept a) a federal, state, tribal, territorial, or local police record or court record or b) documentation signed and attested to by a professional (employee, agent or volunteer of a victim service provider, an attorney, medical personnel, etc.) from whom the victim or survivor has sought assistance in addressing domestic violence, dating violence, sexual assault, or stalking or the effects of the abuse. The signatory attests under penalty of perjury (28 U.S.C. § 1746) to his/her belief that the incident in question represents bona fide abuse, and the victim or survivor of domestic violence, dating violence, sexual assault, or stalking has signed or attested to the documentation. Such information may not be sufficient to bifurcate a lease or evict a household member under the FCO and Management will comply with all applicable laws when making decisions to terminate a tenancy or take other action against a household member under VAWA.

The victim is not required to name his/her accused perpetrator if doing so would result in imminent threat or if the victim does not know the name of his/her accused perpetrator.

- F. **Tenants' Rights and Responsibilities.** Tenants and family members of tenants who are victims or survivors of domestic violence, dating violence, sexual assault, or stalking are protected by VAWA from being evicted or from housing assistance being terminated because of the acts of violence against them.

If requested, tenants are required to submit to Management, a completed Certification of Domestic Violence, Dating Violence or Stalking, Form HUD-91066 (*currently, a new Certification form is in use until HUD notification*), or other supporting documentation as described in E., above, within 14 business days of Management's request, or any extension of that date provided by the Management. If the certification or other supporting documentation is not provided within the specified timeframe, the landlord may begin eviction proceedings.

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

It is possible for someone lawfully occupying the unit, who is also a victim or survivor, to be evicted or removed from the home. If the victim or survivor commits separate criminal activity, a landlord may evict them for engaging in crime. Furthermore, if a victim or survivor poses "an actual and imminent threat to other tenants or those employed at or

providing service to the property,” they could be evicted, despite VAWA. Of paramount consideration within VAWA is that the landlord may not hold the victim or survivor to a more demanding standard than other tenants.

Victims are encouraged to seek police/legal protection from their accused perpetrator. In some cases, Management may file a restraining order against the accused perpetrator to prevent the accused perpetrator from entering the property.

Attachment 7

AMENDED AND RESTATED NOTE

AMENDED AND RESTATED SECURED PROMISSORY NOTE
(Affordable Housing Fund Inclusionary Affordable Housing Program and
2015 General Obligation Bond for Affordable Housing)

San Francisco, CA

Principal Amount: \$18,510,000

Date: _____, 2019

FOR VALUE RECEIVED, the undersigned, **4840 MISSION HOUSING ASSOCIATES LP**, a California Limited Partnership ("Maker"), hereby promises to pay to the order of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, or holder (as the case may be, "Holder"), the principal sum of Eighteen Million Five Hundred Ten Thousand and No/100 Dollars (\$18,510,000) (the "Funding Amount"), or so much of the Funding Amount as may be disbursed from time to time pursuant to the Agreement described in **Section 1** below, as provided in this Note.

This Amended and Restated Promissory Note ("Note") replaces in its entirety that promissory note executed by Maker for the benefit of Holder dated May 11, 2017, in the principal amount of Six Million Dollars (\$6,000,000), (the "Original Note"). Upon execution of this Note by Maker, the Original Note will be cancelled and returned to Maker.

1. Agreement. This Note is given under the terms of that certain Loan Agreement (City and County of San Francisco Affordable Housing Fund Inclusionary Affordable Housing Program and 2015 General Obligation Bond for Affordable Housing) dated March 11, 2017, by and between Maker and Holder, as amended by the First Amendment to Loan Agreement dated as of the date set forth above (collectively, the "Agreement"), which Agreement is incorporated herein by reference. Definitions and rules of interpretation set forth in the Agreement apply to this Note. In the event of any inconsistency between the Agreement and this Note, this Note will control.

2. Interest. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of three percent (3%) per annum, simple interest, from the date of the close of escrow through the date of full payment of all amounts owing under the City Documents. Interest will be calculated on the basis of actual days elapsed and a 360-day year, which will result in higher interest charges than if a 365-day year were used.

3. Default Interest Rate. Upon the occurrence of an Event of Default under any City Document, interest will be deemed to have accrued on the outstanding principal balance of the Loan at a compounded annual rate equal to the lesser of: (a) ten percent (10%); or (b) the maximum lawful rate of interest, commencing on the date the Funding Amount is disbursed through the earlier of: (x) the date on which the Event of Default is cured; or (y) the date on which all amounts due under the City Documents are paid to Holder. Maker acknowledges and agrees that the default interest that must be paid in the event of an Event of Default pursuant to this Section represents a reasonable sum considering all the circumstances existing on the date of this Note and represents a fair and reasonable estimate of the costs that will be sustained by Holder if Maker defaults. Maker further agrees that proof of actual damages would be costly and inconvenient and that default interest will be paid without prejudice to Holder's right to collect any other amounts to be paid or to exercise any of its other rights or remedies under any City Document.

4. Repayment of Funding Amount. Subject to Section 13.4 of the Agreement, Maker must make annual payments of principal and interest (each, a "Payment") in an amount equal to the Residual Receipts, if any, attributable to the prior calendar year, beginning on the

first June 30th after the end of the calendar year of the Completion Date, and continuing each June 30th thereafter up to and including the Maturity Date, as defined below (each, a "Payment Date"). All Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; (b) accrued and unpaid interest; and (c) reduction of the principal balance of the Loan. The entire principal balance of the Loan, together with all accrued and unpaid default interest (if any) and other unpaid fees and costs incurred (all together, the "Payment"), will be due and payable on the date that is the later of (a) the Fifty-Seventh (57th) anniversary of the date the Deed of Trust is recorded in the Recorder's Office of San Francisco County or (b) the fifty-fifth (55th) anniversary of the Conversion Date (the "Maturity Date"). If the Maturity Date falls on a weekend or holiday, it will be deemed to fall on the next succeeding business day.

5. Security. Maker's obligations under this Note are secured by the Deed of Trust.

6. Terms of Payment.

6.1 All Payments must be made in currency of the United States of America then lawful for payment of public and private debts.

6.2 All Payments must be made payable to Holder and mailed or delivered in person to Holder's office at One South Van Ness Avenue, 5th Floor, San Francisco, CA 94103, or to any other place Holder from time to time designates.

6.3 In no event will Maker be obligated under the terms of this Note to pay interest exceeding the lawful rate. Accordingly, if the payment of any sum by Maker pursuant to the terms of this Note would result in the payment of interest exceeding the amount that Holder may charge legally under applicable state and/or federal law, the amount by which the payment exceeds the amount payable at the lawful interest rate will be deducted automatically from the principal balance owing under this Note.

6.4 Maker waives the right to designate how Payments will be applied pursuant to California Civil Code Sections 1479 and 2822. Holder will have the right in its sole discretion to determine the order and method of application of Payments to obligations under this Note.

6.5 Subject to this Section, Holder will not seek or obtain judgment against Maker for the payment of any amounts due under this Note following a judicial or nonjudicial foreclosure of the Deed of Trust, and Holder's sole recourse against Maker for any default under this Note will be limited to the collateral for the Loan, *provided, however*, that this Section will be deemed void and of no effect if Maker challenges Holder's right to foreclose following an Event of Default in any legal proceeding on the grounds that the City Documents are not valid and enforceable under California law. This provision does not limit in any way Holder's right to recover sums arising under any obligation of Maker to indemnify Holder of sums incurred by Holder as a result of Maker's fraud, willful misrepresentation, misapplication of funds (including Loan Funds and Rents (as defined in the Deed of Trust)), waste or negligent or intentional damage to the collateral for the Loan.

6.6 Except as otherwise set forth herein or in the Agreement, no prepayment of this Note shall be permitted without Holder's prior written consent.

7. Default.

7.1 Any of the following will constitute an Event of Default under this Note:

(a) Maker fails to make any Payment required under this Note within ten (10) days of the date it is due; or

(b) the occurrence of any other Event of Default under the Agreement or other instrument securing the obligations of Maker under this Note or under any other agreement between Maker and Holder with respect to the Project.

7.2 Upon the occurrence of any Event of Default, without notice to or demand upon Maker, which are expressly waived by Maker (except for notices or demands otherwise required by applicable laws to the extent not effectively waived by Maker and any notices or demands specified in the City Documents), Holder may exercise all rights and remedies available under this Note, the Agreement or otherwise available to Holder at law or in equity. Maker acknowledges and agrees that Holder's remedies include the right to accelerate the Maturity Date by declaring the outstanding principal balance of the Loan, together with all accrued and unpaid interest and unpaid fees and costs incurred, due and payable immediately, in which case, the Maturity Date will be superseded and replaced by the date established by Holder.

8. Waivers.

8.1 Maker expressly agrees that the term of this Note or the date of any payment due hereunder may be extended from time to time with Holder's consent, and that Holder may accept further security or release any security for this Note, all without in any way affecting the liability of Maker.

8.2 No extension of time for any Payment made by agreement by Holder with any person now or hereafter liable for the payment of this Note will operate to release, discharge, modify, change or affect the original liability of Maker under this Note, either in whole or in part.

8.3 The obligations of Maker under this Note are absolute, and Maker waives any and all rights to offset, deduct, or withhold any Payments or charges due under this Note for any reason whatsoever.

9. Miscellaneous Provisions.

9.1 All notices to Holder or Maker must be given in the manner and at the addresses set forth in the Agreement, or to the addresses Holder and/or Maker hereafter designate in accordance with the Agreement.

9.2 In the event of any legal proceedings arising from the enforcement of or a default under this Note or in any bankruptcy proceeding of Maker, the non-prevailing party promises to pay all reasonable costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the proceeding, as provided in the Agreement.

9.3 This Note may be amended only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification, or discharge is sought.

9.4 This Note is governed by and must be construed in accordance with the laws of the State of California, without regard to the choice of law rules of the State.

9.5 Time is of the essence in the performance of any obligations hereunder.

"MAKER"

4840 MISSION HOUSING ASSOCIATES LP,
a California limited partnership

By 4840 Mission Housing LLC,
a California limited liability company,
its general partner

By: Northpoint Housing, Inc.,
a California nonprofit public benefit corporation,
its managing member

By: _____
Smitha Seshadri
Vice President