

File No. 180533

Committee Item No. 5

Board Item No. 41

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: June 20, 2018

Board of Supervisors Meeting:

Date: June 26, 2018

Cmte Board

- | | | |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution - VERSION 2 |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Contract/Agreement |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER

- | | | |
|-------------------------------------|-------------------------------------|---|
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>LOSP Contract Evaluation - May 4, 2018</u> |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |

Prepared by: John Carroll

Date: June 15, 2018

Prepared by: John Carroll

Date: June 22, 2018

1 [Grant Agreement - The Salvation Army Turk Street, L.P. - Local Operating Subsidy Program
2 Contract - Railton Place, 242 Turk Street - Not to Exceed \$5,561,543]

3 **Resolution authorizing the Director of the Mayor's Office of Housing and**
4 **Community Development to execute a Local Operating Subsidy Program Grant**
5 **Agreement with The Salvation Army Turk Street, L.P., a California limited**
6 **partnership, to provide operating subsidies for formerly homeless adult**
7 **households at Railton Place, 242 Turk Street, for the 15-year and six months term**
8 **of July 1, 2018, through December 31, 2033, in an amount not to**
9 **exceed \$5,561,543.**

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

15 WHEREAS, In 2016, the City and County of San Francisco ("City") formed the
16 Department of Homelessness and Supportive Housing ("HSH"), with one of its goals to
17 reduce the number of chronically homeless households that numbered 2,138 per
18 the 2017 Point in Time Homeless Count; and

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

22 WHEREAS, Through the LOSP, the City subsidizes the difference between the
23 cost of operating housing for homeless persons and all other sources of operating
24 revenue for a given project, such as tenant rental payments, commercial space lease
25 payments, Continuum of Care ("CoC") Shelter Plus Care Program subsidies, project-

1 based Section 8 rent subsidies, and California Mental Health Services Act operating
2 subsidies; and

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

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

11 WHEREAS, The Salvation Army Turk Street, L.P., a California limited partnership
12 (“Developer”), is the owner and developer of Railton Place, located at 242 Turk Street
13 (“Project”), which provides 113 studios of permanent and transitional supportive housing
14 including 40 studios that were previously supported through Continuum of Care
15 subsidies and HSH funds; and

16 WHEREAS, In 2017 the Project’s Continuum of Care rental subsidies were not
17 renewed by HUD and these units are an important source of permanent supportive
18 housing for chronically homeless persons with disabilities; and

19 WHEREAS, On May 4, 2018, the Loan Committee recommended approval to the
20 Mayor of a LOSP grant award for the Project in an amount not to exceed \$5,561,543;
21 and

22 WHEREAS, MOHCD proposes to provide a LOSP grant in the amount not to
23 exceed \$5,561,543 to the Developer pursuant to a LOSP Grant Agreement
24
25

1 (“Agreement”) in substantially the form on file with the Clerk of the Board in File
2 No. 180533, and in such final form as approved by the Director of MOHCD and the City
3 Attorney; and

4 WHEREAS, In the event that an alternate rental subsidy becomes available
5 through a Project Based Voucher Notice of Funding Availability issued by the San
6 Francisco Housing Authority and the Project is eligible to apply, the MOHCD Director
7 will help facilitate that application, and if awarded, the amount of the Agreement will be
8 reduced accordingly; and

9 WHEREAS, The Agreement is for a 15.5 year term, starting July 1, 2018, and
10 ending December 31, 2033, and therefore requires Board of Supervisors authorization;
11 now, therefore, be it

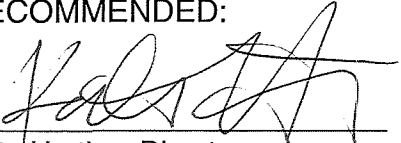
12 RESOLVED, That the Board of Supervisors hereby authorizes the Director of
13 MOHCD or her designee to execute the Agreement for an amount not to
14 exceed \$5,561,543; and, be it

15 FURTHER RESOLVED, That this Board of Supervisors authorizes MOHCD to
16 proceed with actions necessary to implement the Agreement following execution, and
17 ratifies, approves and authorizes all actions heretofore taken by any City official in
18 connection with the Agreement; and, be it

19 FURTHER RESOLVED, That this Board of Supervisors hereby authorizes the
20 Director of MOHCD or her designee to enter into any amendments or modifications to
21 the Agreement, including without limitation, the exhibits that the Director determines, in
22 consultation with the City Attorney, are in the best interest of the City, do not materially
23 increase the obligations or liabilities for the City or materially diminish the benefits of the
24 City, are necessary or advisable to effectuate the purposes and intent of this Resolution
25 and are in compliance with all applicable laws, including the City Charter; and, be it

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

4
5
6 RECOMMENDED:

7 

8 _____
9 Kate Hartley, Director
Mayor's Office of Housing and Community Development

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CITY AND COUNTY OF SAN FRANCISCO
BOARD OF SUPERVISORS
BUDGET AND LEGISLATIVE ANALYST

1390 Market Street, Suite 1150, San Francisco, CA 94102 (415) 552-9292
 FAX (415) 252-0461

June 15, 2018


TO: Government Audit and Oversight Committee
FROM: Budget and Legislative Analyst 
SUBJECT: June 20, 2018 Government Audit and Oversight Committee Meeting

TABLE OF CONTENTS

Item	File	Page
1, 2, 3, 4, 5 & 6	18-0529 Grant Agreement - Arendt House, L.P. - Local Operating Subsidy Program Contract - Zygmunt Arendt House, 850 Broderick Street - Not to Exceed \$11,787,548	
	18-0530 Grant Agreement - Parkview Terrace Partners. L.P. - Local Operating Subsidy Program Contract - Parkview Terraces, 871 Turk Street - Not to Exceed \$4,580,619	
	18-0531 Grant Agreement - 455 Fell, L.P. - Local Operating Subsidy Program Contract - 455 Fell Street - Not to Exceed \$10,077,324	
	18-0532 Grant Agreement - Mercy Housing California XIV, L.P. - Local Operating Subsidy Program Contract - 10th & Mission Family Housing, 1390 Mission Street - Not to Exceed \$9,741,171	
	18-0533 Grant Agreement - The Salvation Army Turk Street, L.P. - Local Operating Subsidy Program Contract - Railton Place, 242 Turk Street - Not to Exceed \$5,561,543	
	18-0536 Grant Agreement - Housing Services Affiliate of the Bernal Heights Neighborhood Center - Local Operating Subsidy Program Contract - Monterey Boulevard Apartments, 403 Monterey Street - Not to Exceed \$1,662,342.....	1
7	18-0380 Contract Agreement - Conduent, Inc. - Citation and Permit Processing Services - Not to Exceed \$77,200,000	13

8 18-0562 Contract Amendment - New Flyer of America Inc. - Purchase of Low Floor Diesel-Hybrid Buses - Not to Exceed \$428,654,904..... 17

9 18-0603 Contract Amendment No. 6 - HNTB-B&C JV - Central Subway Project - Not to Exceed \$34,930,020 22

10 18-0604 Contract Amendments - Central Subway Design Group - Central Subway Project - Not to Exceed \$47,900,606..... 29

11 18-0495 Professional Services Agreement - Arcadis U.S., Inc. - Construction Management Staff Augmentation Services for the Biosolids Digester Facilities Project - Not to Exceed \$42,000,000 36

12 18-0496 Memorandum of Agreement Modification - United States Department of the Interior, National Park Service - Not to Exceed \$27,004,364..... 41

13 18-0548 Contract Amendment - Tides Center - Supportive Housing Property Management Services - Department of Homelessness and Supportive Housing - Not to Exceed \$47,734,035 45

15 18-0477 Lease Amendment - 617 Mission Street - MacLean Properties LLC and Conner Children’s Trust No. 2 - Child Support Services - \$1,903,887.96 Initial Annual Rent 50

16 18-0564 Renewal Agreement - Data Center Space and Services - 3101 Gold Center Drive, Rancho Cordova, California - \$756,840 Annual Base Rent - Not to Exceed \$2,385,938.10 54

17 18-0416 Contract Agreement - Crestwood Behavioral Health - Long-Term Mental Health Services - Not to Exceed \$77,280,000..... 59

22 17-0205 Administrative Code - Citywide Project Labor Agreement for Public Work or Improvement Projects 63

<p>Items 1, 2, 3, 4, 5 and 6 Files 18-0529, 18-0530, 18-0531, 18-0532, 18-0533 and 18-0536</p>	<p>Department: Mayor's Office of Housing and Community Development (MOHCD)</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p>	
<ul style="list-style-type: none"> • The six proposed resolutions authorize MOHCD to execute six new approximately 15-year Local Operating Subsidy Program (LOSP) agreements with nonprofits providing housing to low income persons who were formerly homeless, renewing two existing 9-year agreements with two current providers, replacing three agreements with three providers that were not renewed under the federal Continuum of Care program and adding one new agreement with a new provider. 	
<p style="text-align: center;">Key Points</p>	
<ul style="list-style-type: none"> • LOSP provides operating subsidies to supportive housing operators to bridge the gap between the cost of operating housing and the amounts that the tenants can afford to pay. The six LOSP agreements would subsidize 172 supportive housing units in the Zygmundt Arendt House, Parkview Terraces, 455 Fell Street Family Housing, 10th & Mission Family Housing, Railton Place, and Monterey Boulevard Apartments. 	
<p style="text-align: center;">Fiscal Impact</p>	
<ul style="list-style-type: none"> • The total costs over the approximately 15-year term for the six projects are estimated to be \$43,410,547. The annual General Fund subsidies for these six projects are anticipated to increase from \$1,996,862 in 2019 to \$3,584,019 in 2033. The average cost of each unit's subsidy that would be provided over the approximately 15-year term of each of these agreements ranges from \$139,039 for each of the 40 units in the Railton Place project to \$415,586 for each of the 4 units at the Monterey Boulevard. 	
<p style="text-align: center;">Policy Consideration</p>	
<ul style="list-style-type: none"> • Parkview Terraces, Railton Place, and the Monterey Boulevard Apartments previously received Continuum of Care funding, but the funding for these housing units was not renewed by HUD. An alternative to HUD's Continuum of Care funding are Project Based Vouchers, funded through HUD's Section 8 program and administered by the San Francisco Housing Authority (SFHA). 	
<p style="text-align: center;">Recommendations</p>	
<ul style="list-style-type: none"> • Amend the proposed resolutions to clarify the term of each agreement. • Amend (i) File 18-0529 to state that the current agreement with Arendt House, LP will terminate on December 31, 2018; and (ii) File 18-0530 to state that the current agreement with Parkview Terrace Partners, LP is retroactive to April 1,. • Amend the proposed resolutions to (1) request the MOHCD Director to facilitate the application of the respective housing project to the next RFP for Project Based Voucher funding for which they are eligible; and (2) require the LOSP contract for the respective housing project to be amended to account the Project Based Voucher funding if awarded. • Approve the proposed resolutions as amended. 	

MANDATE STATEMENT

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

BACKGROUND

The Mayor's Office of Housing and Community Development (MOHCD), in collaboration with the Department of Homelessness and Supportive Housing (HSH)¹, currently provides operating subsidies to non-profit owners and operators of 28 supportive housing facilities, through its Local Operating Subsidy Program (LOSP). The program was started in 2004 as a part of the Mayor's ten year "San Francisco Plan to Abolish Chronic Homelessness," which had a goal of providing 3,000 new supportive housing units within 10 years to low income persons who were formerly homeless. Supportive housing provides social and other related services as well as housing to formerly homeless persons in order to improve their social outcomes and in an attempt to reduce the City's associated health, mental health, social services, criminal justice, and other related costs.

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

As shown in Table 1 below, between FY 2013-14 and FY 2017-18, the number of LOSP agreements has grown from 21 to 28, the number of subsidized units increased from 1,218 to 1,477 and the overall annual General Fund costs have decreased slightly from \$9,377,788 to \$9,284,434⁴. In FY 2017-18, MOHCD is anticipated to pay \$9,284,434 in operating subsidies to

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

² 20 percent of area median income (AMI) for one person in 2018 is \$16,600 annually according to the HUD Metro Fair Market Rent Area (HMFA)

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

⁴ According to Ms. Romero, LOSP funding has decreased in FY 2017-18 because several projects applied for Project Based Vouchers (PBV) through the San Francisco Housing Authority in 2017 which are in the process of being placed. The award of this subsidy has provided savings for the LOSP. Through this effort to date, 476 PBV units across 11 sites have been placed under federal Department of Housing and Urban Development (HUD) Housing Assistance Payments (HAP) contracts dated December 1, 2017, with a corresponding annual LOSP savings of \$4.9

28 supportive housing nonprofit providers for 1,477 units throughout the City, for an average subsidy of \$524 per unit of housing per month.

Table 1: Actual Local Operating Subsidy Program Agreements, Subsidized Units, Budget, and Subsidy per Unit – FY 2013-14 through FY 2017-18

Fiscal Year	Number of Local Operating Subsidy Program Agreements	Number of Subsidized Units of Housing	Total Annual Budgeted Amount	Average Subsidy per Unit per Year	Average Subsidy per Unit per Month
FY 2013-14	21	1,218	\$9,377,788	\$7,699	\$642
FY 2014-15	26	1,454	\$12,231,928	\$8,413	\$701
FY 2015-16	26	1,459	\$12,359,887	\$8,471	\$706
FY 2016-17	26	1,464	\$12,117,510	\$8,277	\$690
FY 2017-18	28	1,477	\$9,284,434	\$6,286	\$524

As shown in Table 2 below, MOHCD estimates that over the next five years, or by FY 2022-23, the LOSP will provide subsidies to 62 housing projects covering 2,842 units of supportive housing at an overall General Fund cost of \$25,966,320 in FY 2022-23, or an average cost of \$761 per unit per month.

Table 2: Estimated Local Operating Subsidy Program Agreements, Subsidized Units, Budget, and Subsidy per Unit – FY 2018-19 through FY 2022-23⁵

Fiscal Year	Number of Local Operating Subsidy Program Agreements	Number of Subsidized Units	Total Annual Budgeted amount	Average Subsidy per Unit per Year	Average Subsidy per Unit per Month
FY 2018-19	35	1,616	\$9,356,674	\$5,790	\$483
FY 2019-20	41	1,858	\$10,753,579	\$5,787	\$482
FY 2020-21	48	2,415	\$14,950,219	\$6,190	\$516
FY 2021-22	56	2,654	\$21,868,562	\$8,240	\$687
FY 2022-23	62	2,842	\$25,966,320	\$9,137	\$761

DETAILS OF PROPOSED LEGISLATION

The six proposed resolutions authorize MOHCD to execute six new approximately 15-year Local Operating Subsidy Program (LOSP) agreements with nonprofits providing housing to low income persons who were formerly homeless, renewing two existing 9-year agreements with two current providers, replacing three agreements with three providers that were not

million for 2017-18 and around \$7.6 million in 2018-19 (plus additional General Fund savings for some HSH General Fund-supported sites).

⁵ According to Ms. Romero, LOSP budget estimates for 2020-21 through 2022-23 are preliminary as a full budget update incorporating the annual reductions due to award of PBV subsidies needs to be finalized.

renewed under the federal Continuum of Care program and adding one new agreement with a new provider as follows:

- File 18-0529: Arendt House, LP for Zygmunt Arendt House at 850 Broderick Street for a not to exceed amount of \$11,787,548 and a term of 15 years from January 1, 2019 through December 31, 2033. The proposed new LOSP agreement replaces the current 9-year LOSP agreement with Arendt House, LP from February 2010 and through February 2019. According to Ms. Romero, MOHCD has moved LOSP funding to the Calendar Year instead of Fiscal Year to the extent possible because the tax credit reporting cycle is on the Calendar Year. Therefore, the proposed agreement is from January 1, 2019 through December 2033 and will supersede the previous LOSP agreement. The proposed legislation should be amended to terminate the existing agreement with Arendt House, LP on December 31, 2018 prior to the start of the new agreement on January 1, 2019.
- File 18-0530: A new LOSP agreement with Parkview Terrace Partners, LP for Parkview Terraces at 871 Turk Street not to exceed \$4,580,619 for a term of 15 years and nine months from April 1, 2018 through December 31, 2033. The proposed new LOSP agreement replaces a contract under the federal Continuum of Care program which was not renewed by HUD.⁶ According to Ms. Romero, given that the project lost its Continuum of Care funding in March 2018, the project needs to fill the gap in operating costs from April 2018 onwards for the project's 20 units. Therefore, MOHCD is requesting that the proposed LOSP agreement allow for reimbursements of operating expenses incurred since April 2018. Consequently, the proposed legislation should be amended for retroactive approval for the period of April 1, 2018 through December 31, 2033 for the LOSP agreement with Parkview Terrace Partners, LP.
- File 18-0531: 455 Fell, LP for 455 Fell Street Family Housing (formerly known as Parcel O), for a not to exceed amount of \$10,077,324 and a term of 15 years and eight months to commence on May 1, 2019 and end on December 31, 2034. The building is currently under construction and this is a new LOSP contract.
- File 18-0532: Mercy Housing California XIV, LP for 10th & Mission Family Housing at 1390 Mission Street for a not to exceed \$9,741,171 and a term of 15 years and six months from July 1, 2018 through December 31, 2033. The proposed new LOSP agreement replaces the current 9-year LOSP agreement with Mercy Housing California XIV, LP from July 2009 through June 2018.
- File 18-0533: The Salvation Army Turk Street, LP for Railton Place at 242 Turk Street for a not to exceed amount of \$5,561,543 and a term of 15 years and six months from July

⁶ According to MOHCD, the Chinatown Community Development Corporation's (project sponsor) renewal application for the Continuum of Care rental assistance for Parkview Terraces ranked too low in the competition last year to be funded. It was ranked 58 out of 62 projects that applied. The funding threshold was at 57. The application for Parkview received a low score because CCDC had failed to properly report income under the existing Continuum of Care contract, in addition to other reporting errors, and failed to show increases in income of the Continuum of Care-supported tenants. Continuum of Care contracts are renewed annually through the Local Homeless Coordinating Board consolidated application to HUD, and the project received annual funding from when it began in 2008 – March 2018.

1, 2018 through December 31, 2033. The proposed new LOSP agreement replaces a contract under the federal Continuum of Care program which was not renewed by HUD.⁷ According to Ms. Romero, given that the project lost its Continuum of Care funding in 2017, HSH increased its funding for operations from 23 to 40 units to cover the gap in funding from April 2017 through June 2018. HSH was already funding operations for 23 units and support services for all 40 units. This was bridge funding until another operating subsidy could be obtained. HSH still provides supportive services funding to the project.

- File 18-0536: A new LOSP agreement with Housing Services Affiliate of Bernal Heights Neighborhood Center for Monterey Boulevard Apartments at 403 Monterey Boulevard not to exceed \$1,662,342 for a term of 15 years and 6-months from July 1, 2018 through December 31, 2033. The proposed new LOSP agreement replaces a contract under the federal Continuum of Care program which was not renewed by HUD⁸. According to Ms. Romero, given that the project lost its Continuum of Care funding in December 2016, HSH assumed operating funding from January 2017 through June 2018 until the project could obtain another operating subsidy. HSH was already overseeing the project and providing supportive services funding.

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

⁷ According to MOHCD, the Continuum of Care contract was not renewed in 2017 and ended in March 2017. Continuum of Care contracts are renewed annually through the Local Homeless Coordinating Board consolidated application to HUD, and the project received annual funding from when it began in 2008 – March 2017. The Fair Market Rent (FMR) has increased since 2015, which reduces the total number of units that are funded. Citywide, San Francisco has over 60 projects with Continuum of Care subsidies which seek renewal every year, as well as new projects which seek this subsidy. Projects are scored into different tiers and over time, some contracts are lost on the lowest scoring projects. These projects used to be transitional housing developments which did not meet HUD's current priorities for permanent supportive housing models. Now that there are no transitional housing developments remaining within the Continuum of Care portfolio, PSH sites that have been in operation for many years are starting to lose their contracts. In 2017, an additional two PSH projects lost their contracts, despite being high performing projects. Consequently, MOHCD aims to backfill these subsidies to provide project continuity and maintain these units as permanent supportive housing.

⁸ According to MOHCD, the Continuum of Care contract was not renewed in December 2016. MOHCD has since recognized that projects with less than 10 units funded with Continuum of Care funding are less likely to be renewed based on the current renewal scoring (e.g., lack of economies of scale for operations and service provision), and is working to develop contingency plans and other strategies to manage and minimize the impact. As a solution for this loss in funding, MOHCD initially pursued plans to replace the lost Continuum of Care funding with Project-Based Voucher (PBV) Section 8 under a new RFP to have been issued by the San Francisco Housing Authority (SFHA). However, SFHA was not able to obtain the necessary HUD approvals needed by April 2018 to make additional PBVs available via RFP. In order to avoid the risk of the project running short on operating funding during 2018, MOHCD offered to recommend Local Operating Subsidy Program funds to fill the operating budget gap caused by the loss of the Continuum of Care subsidy.

Table 3: Summary of Proposed LOSP Agreements

Project: Address	Target Population	Total Number of Units	LOSP Funded Units
Zygmundt Arendt House: 850 Broderick Street	Seniors	47	31
Parkview Terraces: 871 Turk Street	Seniors	101	20
455 Fell Street Family Housing: 455 Fell Street	Families	108	33
10th & Mission Family Housing: 1390 Mission Street	Families	136	44
Railton Place: 242 Turk Street	Adults	113	40
Monterey Boulevard Apartments: 403 Monterey Boulevard	Families	4	4
Total		509	172

Each of the projects and project sponsors are summarized below:

Zygmundt Arendt House (File 18-0529)

Zygmundt Arendt House was completed in 2010 as a 47 unit permanent supportive housing development for formerly homeless seniors. The property has Continuum of Care subsidies on 16 units and the remaining 31 units are covered by LOSP. The initial 9 year LOSP contract expires in February 2019, and the proposed resolution is for a new 15 year LOSP contract for the 31 LOSP units. The project sponsor is Community Housing Partnership. Supportive services are also provided by Community Housing Partnership.

Parkview Terraces (File 18-0530)

Parkview Terraces was completed in 2008 as an affordable senior development with 20 out of 101 units targeted to formerly homeless seniors, which previously had HUD's Continuum of Care subsidies that were not renewed in 2017. The 20 units are set aside to serve extremely low-income, formerly homeless seniors. The project sponsor is the Chinatown Community Development Center. Supportive services are provided by Northern California Presbyterian Homes and Services.

455 Fell Street Family Housing (File 18-0531)

455 Fell Street Family Housing is currently under construction and will provide 108 units of affordable family rental housing including 33 units serving formerly homeless families and ground floor commercial space. Mercy Housing California and the San Francisco Housing Development Corporation were selected to develop the property through a Request for Proposals (RFP) process. The building is located in the Hayes Valley neighborhood on a former Freeway Parcel, known as Parcel O. The project sponsor is Mercy Housing California. Supportive services are provided by Mercy Housing California and Episcopal Community Services.

10th & Mission Family Housing (File 18-0532)

10th & Mission Family Housing was completed in 2009 and has 136 units of affordable family housing including 44 LOSP units set aside for formerly homeless families. The initial 9-year LOSP

contract ends in June 2018 and is being renewed for a new 15 year term. The project sponsor is Mercy Housing California. Supportive services are provided by Catholic Charities.

Railton Place (File 18-0533)

Railton Place is an existing 113 unit permanent and transitional supportive housing development completed in 2008 by The Salvation Army. 40 units are permanent supportive housing for chronically homeless households including 17 units that lost their Continuum of Care federal subsidy in 2017, and 23 units that were previously funded by HSH for a total of 40 units. The project also has 15 Veteran Affairs Supportive Housing Program (VASH) units and 55 transitional housing units for veterans and adults in recovery from Salvation Army's rehabilitation programs, and Transitional Aged Youth with their own respective program structures and rental subsidies. There are also three affordable property management staff units. The project sponsor is The Salvation Army. Supportive services are also provided by The Salvation Army.

Monterey Boulevard Apartments (File 18-0536)

Monterey Boulevard Apartments is a 4-unit, permanent family supportive housing development that previously operated with the support of Continuum of Care subsidies which were not renewed by HUD. The target population is formerly homeless families referred by HSH. The project sponsor is the Housing Services Affiliate of the Bernal Heights Neighborhood Center. Supportive services are provided by HSH.

Approval of Local Operating Subsidy Program Providers

According to Ms. Romero, the six nonprofit providers were approved for LOSP subsidies as part of the evaluation by the Citywide Affordable Housing Loan Committee⁹ of applications responding to various Notice of Funding Availability (NOFA) for capital funding for acquisition and predevelopment financing for supportive housing for homeless persons, or Request for Proposals (RFP) for specific development sites.

Ms. Romero advises that the operating subsidies to be paid to the six nonprofit affordable housing owners and operators are necessary because revenue generated by the affordable housing developments, including outside grants, tax credits and tenant rents, are not sufficient to fund permanent supportive housing to low income persons who were formerly homeless. According to Ms. Romero, for FY 2018-19, three additional existing supportive housing projects were added to the LOSP portfolio due to loss of federal Continuum of Care subsidies in 2017 and 2018: Railton Place, Monterey Boulevard Apartments, and Parkview Terraces totaling 64 units. This backfill was implemented to ensure continuation of the permanent supportive housing units.

Funding for the proposed agreements are General Fund monies allocated annually in the HSH budget, which is subject to Board of Supervisors annual appropriation approval. The proposed agreements are administered by MOHCD, under work order agreements with HSH. Ms. Romero

⁹ The Citywide Affordable Housing Loan Committee is composed of the Directors and/or senior staff of the Mayor's Office of Housing and Community Development, the Office of Community Investment and Infrastructure, and the Department of Homelessness and Supportive Housing.

notes that, if any of the six proposed LOSP agreements are not approved, or if any of the General Fund appropriations are not approved in the current or future 14 fiscal years, then the individual nonprofit housing providers would not be able to provide such specified housing units for very low income formerly homeless target populations.

FISCAL IMPACT

Under the proposed LOSP agreements, the rent charged to tenants living in these subsidized units would be capped at a fixed percentage of a tenant's income (50 percent in Direct Access to Housing (DAH) subsidized units, 30 percent in all other subsidized units). According to Ms. Romero, in 2016, the average tenant's rent was \$331 per unit per month. The projected City LOSP subsidy amount for the units covered under the proposed agreements is the difference between the rent paid by individual tenants and the actual cost to operate the unit per month. The actual operating cost is the amount necessary to cover each facility's operating expenses, which includes property management and office staff, utilities, taxes, licenses, insurance, maintenance, security and required reserves. The amount of the projected subsidy is specified in each agreement, and (i) is subject to revision annually by MOHCD based on the prior years' occupancy and operating budget, and (ii) is contingent on the annual General Fund appropriation to HSH, under work orders with MOHCD, by the Board of Supervisors.

The Attachment provided by MOHCD summarizes the projected LOSP expenditures for each of the six projects, over the approximately 15-year term of each agreement. As shown in the Attachment, the City's 2019 subsidy provided per housing unit ranges from \$571 per month at the Railton Place project to \$1,893 per month at the 455 Fell Street Family Housing project. According to Ms. Romero, the significant variation in the subsidy per unit is primarily due to the number of the LOSP units per project because economies of scale allow property management and other housing staff requirements to be spread over a greater number of units. Target populations and staffing models are also additional factors.

As summarized in Table 4 below, the total costs over the approximately 15-year term for the six projects are estimated to be \$43,410,547. The annual General Fund subsidies for these six projects are anticipated to increase from \$1,996,862 in 2019 to \$3,584,019 in 2033. The average cost of each unit's subsidy that would be provided over the approximately 15-year term of each of these agreements is shown in Table 4, ranging from \$139,039 for each of the 40 units in the Railton Place project to \$415,586 for each of the 4 units at the Monterey Boulevard Apartments project.

Table 4: Projected Subsidy Expenditures under the Proposed Six Agreements

Project	Number of LOSP Units	Total LOSP Cost	Average Cost Per Unit for Agreement Term
Zygmunt Arendt House (File 18-0529)	31	\$11,787,548	\$380,243
Parkview Terraces (File 18-0530)	20	4,580,619	\$229,031
455 Fell Street Family Housing (File 18-0531)	33	10,077,324	\$305,373
10th & Mission Family Housing (File 18-0532)	44	9,741,171	\$221,390
Railton Place (File 18-0533)	40	5,561,543	\$139,039
Monterey Boulevard Apartments (File 18-0536)	4	1,662,342	\$ 415,586
TOTAL:	172	\$43,410,547	

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

POLICY CONSIDERATION

Annual Reporting

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

Loss of Continuum of Care Funding from HUD

The federal Department of Housing and Urban Development (HUD) allocates rental assistance funding to eligible housing units each year through applications to the Local Homeless Coordinating Board. Due to increases in the fair market rent in San Francisco, the total number of housing units that receive funding each year is reduced, resulting permanent supportive housing units that previously received Continuum of Care funding losing this funding in 2017 and 2018.

As noted above, Parkview Terraces, Railton Place, and the Monterey Boulevard Apartments previously received Continuum of Care funding, but the funding for these housing units was not renewed by HUD. According to Ms. Romero, housing units that did not receive renewal of the Continuum of Care funding are not eligible for future Continuum of Care funding.

Parkview Terraces Loss of Funding

While Railton Place and Monterey Boulevard Apartments did not receive Continuum of Care funding due to ineligibility of program model (Railton Place's Clean and Sober program does not conform to HUD's Housing First model) or size (Monterey Boulevard Apartments has only four units), Parkview Terrace lost funding due to inability to meet HUD's reporting requirements. According to Ms. Romero, MOHCD has worked with Chinatown Community Development Corporation (the sponsor of Parkview Terraces) to implement procedures to assure that Chinatown Community Development Corporation will continue to be eligible for Continuum of Care funding at other housing projects sponsored by Chinatown Community Development Corporation.

Project Based Vouchers

An alternative to HUD's Continuum of Care funding are Project Based Vouchers, funded through HUD's Section 8 program and administered by the San Francisco Housing Authority (SFHA). SFHA issued a Request for Proposals (RFP) in August 2017 to award Project Based Vouchers for up to 600 housing units serving the homeless; the three housing projects noted above – Parkview Terraces, Railton Place, and the Monterey Boulevard Apartments – did not apply for Project Based Vouchers in response to this RFP.

According to Ms. Romero, MOHCD and SFHA hope to expand the use of Project Based Vouchers to offset the costs of LOSP for supportive housing units for formerly homeless adults and families. SFHA is only allowed to allocate 20 percent of their Section 8 Housing Choice Vouchers to Project Based Vouchers; this allocation can be increased to 30 percent for housing units for formerly homeless adults and families that have access to supportive services. In order for SFHA to issue a new RFP for Project Based Vouchers, HUD must review and approve a "cap analysis" on how many housing units can be allocated Project Based Vouchers. HUD has not yet approved a new RFP for this purpose.

Because housing units in the six projects being recommended for new 15-year LOSP contracts could potentially be eligible to apply for Project Based Voucher funding through a new RFP process, the proposed resolutions should be amended to (1) request the Director of the Mayor's Office of Housing and Community Development to facilitate the application of the respective housing project to the next RFP for Project Based Voucher funding; and (2) require the LOSP contract for the respective housing project to be amended to account the Project Based Voucher funding if awarded.

RECOMMENDATIONS

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

File	Provider	Agreement Start Date	Agreement End Date	Term
18-0529	Zygmunt Arendt House	January 1, 2019	December 31, 2033	15 yrs
18-0530	Parkview Terraces	April 1, 2018	December 31, 2033	15 yrs, 9 mo
18-0531	455 Fell Street Family Housing	May 1, 2019	December 31, 2034	15 yrs, 8 mo
18-0532	10th & Mission Family Housing	July 1, 2018	December 31, 2033	15 yrs, 6 mo
18-0533	Railton Place	July 1, 2018	December 31, 2033	15 yrs, 6 mo
18-0536	Monterey Boulevard Apartments	July 1, 2018	December 31, 2033	15 yrs, 6 mo

2. Amend (i) File 18-0529 to state that the current agreement between MOHCD and Arendt House, LP for Zygmunt Arendt House will terminate on December 31, 2018 prior to the start of the new LOSP agreement on January 1, 2019; and (ii) File 18-0530 to state that the current agreement between MOHCD and Parkview Terrace Partners, LP for Parkview Terraces is retroactive from April 1, 2018 through December 31, 2033.
3. Amend the proposed resolutions to (1) request the Director of the Mayor’s Office of Housing and Community Development to facilitate the application of the respective housing project to the next RFP for Project Based Voucher funding for which they are eligible; and (2) require the LOSP contract for the respective housing project to be amended to account the Project Based Voucher funding if awarded.
4. Approve the proposed resolutions as amended.

Combined Exhibit A

Calendar Year	Zygmundt Arendt House			10th & Mission			455 Fell Street			Monterey Boulevard			Rialton Place			Parkview Terraces		
	Months of Contract	Projected Local Operating Subsidy Program Expenditure	Average Local Operating Subsidy Program Subsidy Per Unit Per Month	Months of Contract	Projected Local Operating Subsidy Program Expenditure	Average Local Operating Subsidy Program Subsidy Per Unit Per Month	Months of Contract	Projected Local Operating Subsidy Program Expenditure	Average Local Operating Subsidy Program Subsidy Per Unit Per Month	Months of Contract	Projected Local Operating Subsidy Program Expenditure	Average Local Operating Subsidy Program Subsidy Per Unit Per Month	Months of Contract	Projected Local Operating Subsidy Program Expenditure	Average Local Operating Subsidy Program Subsidy Per Unit Per Month	Months of Contract	Projected Local Operating Subsidy Program Expenditure	Average Local Operating Subsidy Program Subsidy Per Unit Per Month
2018	0	\$ -	\$ -	6	\$ 246,896	\$ 935	0	\$ 0	\$ -	6	\$ 36,213	\$ 1,509	6	\$ 132,042	\$ 550	9	\$ 167,817	\$ 932
2019	12	\$ 596,433	\$ 1,603	12	\$ 496,130	\$ 940	8	\$ 323,273	\$ 1,893	12	\$ 75,771	\$ 1,579	12	\$ 274,311	\$ 571	12	\$ 230,943	\$ 962
2020	12	\$ 631,091	\$ 1,696	12	\$ 513,339	\$ 972	12	\$ 499,870	\$ 1,309	12	\$ 79,313	\$ 1,652	12	\$ 284,920	\$ 594	12	\$ 239,079	\$ 996
2021	12	\$ 652,644	\$ 1,754	12	\$ 531,193	\$ 1,006	12	\$ 518,260	\$ 1,357	12	\$ 83,067	\$ 1,731	12	\$ 295,924	\$ 617	12	\$ 247,134	\$ 1,030
2022	12	\$ 674,295	\$ 1,813	12	\$ 549,715	\$ 1,041	12	\$ 537,319	\$ 1,407	12	\$ 87,047	\$ 1,813	12	\$ 307,337	\$ 640	12	\$ 254,090	\$ 1,059
2023	12	\$ 699,166	\$ 1,879	12	\$ 568,931	\$ 1,078	12	\$ 557,065	\$ 1,458	12	\$ 91,271	\$ 1,901	12	\$ 319,176	\$ 665	12	\$ 258,510	\$ 1,077
2024	12	\$ 725,925	\$ 1,951	12	\$ 588,865	\$ 1,115	12	\$ 577,524	\$ 1,512	12	\$ 95,759	\$ 1,995	12	\$ 331,454	\$ 691	12	\$ 268,412	\$ 1,118
2025	12	\$ 739,857	\$ 1,989	12	\$ 609,544	\$ 1,154	12	\$ 598,721	\$ 1,567	12	\$ 100,529	\$ 2,094	12	\$ 344,187	\$ 717	12	\$ 278,448	\$ 1,160
2026	12	\$ 769,268	\$ 2,068	12	\$ 621,742	\$ 1,178	12	\$ 620,682	\$ 1,625	12	\$ 105,605	\$ 2,200	12	\$ 357,392	\$ 745	12	\$ 292,761	\$ 1,220
2027	12	\$ 799,761	\$ 2,150	12	\$ 643,692	\$ 1,219	12	\$ 643,435	\$ 1,684	12	\$ 111,010	\$ 2,313	12	\$ 371,086	\$ 773	12	\$ 299,127	\$ 1,246
2028	12	\$ 830,875	\$ 2,234	12	\$ 666,461	\$ 1,262	12	\$ 667,007	\$ 1,746	12	\$ 116,771	\$ 2,433	12	\$ 385,285	\$ 803	12	\$ 314,509	\$ 1,310
2029	12	\$ 863,149	\$ 2,320	12	\$ 690,079	\$ 1,307	12	\$ 691,427	\$ 1,810	12	\$ 122,917	\$ 2,561	12	\$ 400,009	\$ 833	12	\$ 321,490	\$ 1,340
2030	12	\$ 897,128	\$ 2,412	12	\$ 714,577	\$ 1,353	12	\$ 716,725	\$ 1,876	12	\$ 129,479	\$ 2,697	12	\$ 415,275	\$ 865	12	\$ 333,288	\$ 1,389
2031	12	\$ 932,354	\$ 2,506	12	\$ 739,987	\$ 1,401	12	\$ 742,932	\$ 1,945	12	\$ 136,491	\$ 2,844	12	\$ 431,104	\$ 898	12	\$ 345,511	\$ 1,440
2032	12	\$ 958,872	\$ 2,604	12	\$ 766,343	\$ 1,451	12	\$ 770,081	\$ 2,016	12	\$ 141,536	\$ 2,949	12	\$ 447,514	\$ 932	12	\$ 358,182	\$ 1,492
2033	12	\$ 1,006,730	\$ 2,706	12	\$ 793,678	\$ 1,503	12	\$ 798,203	\$ 2,058	12	\$ 149,563	\$ 3,116	12	\$ 464,527	\$ 968	12	\$ 371,318	\$ 1,547
2034	0	\$ 0	\$ -	0	\$ -	\$ -	12	\$ 814,800	\$ 2,058									
TOTAL:	180	\$ 11,787,548		186	\$ 9,741,172		188	\$ 10,077,324		186	\$ 1,662,342		186	\$ 5,561,548		189	\$ 4,580,619	
# of LOSP Units	31			44			33			4			40			20		
TOTAL: \$ 43,410,548																		

Total LOSP by Fiscal Year for 6 projects

Year	Total LOSP	Total Amount
2018	5	\$ 582,968
2019	12	\$ 1,996,862
2020	12	\$ 2,247,612
2021	12	\$ 2,328,222
2022	12	\$ 2,409,803
2023	12	\$ 2,494,118
2024	12	\$ 2,587,939
2025	12	\$ 2,671,286
2026	12	\$ 2,767,450
2027	12	\$ 2,868,111
2028	12	\$ 2,980,908
2029	12	\$ 3,089,071
2030	12	\$ 3,206,472
2031	12	\$ 3,328,379
2032	12	\$ 3,452,527
2033	12	\$ 3,584,019
2034	12	\$ 814,800
Total 6 projects over contract	180	\$ 43,410,548

LOSP New or Renewal Projects coming on line in 2018-19

Project	Target Population	Service Agency	TI Units	TI Homeless Units	TI LOSP units	UNIT MIX - HOMELESS UNITS							TOTAL	
						15 Year LOSP Contract	Other Operating Subsidies	Studios	1-BR	2-BR	3-BR	4-BR		
Zygmundt Arendt House	Seniors	Community Housing Partnership	47	47	31	\$ 11,787,548	Continuum of Care	47						47
10th & Mission	Families	Catholic Charities	136	44	44	\$ 9,741,172	None		34	42		60		136
455 Fell Street	Families	Mercy Housing California and Episcopal Community Services	108	33	33	\$ 10,077,324	None	1	57	42		8		108
Monterey Blvd	Families	Dept of Homelessness	4	4	4	\$ 1,662,342	None		1	3				4
Rialton Place	Adults	The Salvation Army	113	110	40	\$ 5,561,543	THP Plus, VASH, Salvation Army		113					113
Parkview Terraces	Seniors	Northern California Presbyterian Homes and Services	101	20	20	\$ 4,580,619	None	59	42					101
TOTAL:			509	258	172	\$ 43,410,548								509

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

GRANT AGREEMENT

between

CITY AND COUNTY OF SAN FRANCISCO

and

THE SALVATION ARMY TURK STREET, L.P.

For

RAILTON PLACE

242 TURK STREET

THIS GRANT AGREEMENT (this "Agreement") is made this _____, by and between THE SALVATION ARMY TURK STREET, L.P., a California limited partnership ("Grantee"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("City") acting by and through the Mayor's Office of Housing and Community Development ("MOHCD").

WITNESSETH:

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

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

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

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

**ARTICLE 1
DEFINITIONS**

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

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

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

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

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

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

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

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

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

“Assisted Units” means forty (40) residential units at the Project.

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

“CFR” means the Code of Federal Regulations.

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

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

“Charter” shall mean the Charter of City.

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

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

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

“Controller” shall mean the Controller of City.

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

“Effective Date” means the Agreement Date.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Operating Costs” means the following costs: (a) all charges incurred in the operation of the Project for utilities, real estate taxes and assessments and premiums for insurance required under this Agreement, the City Loan Documents or the Senior Loan Documents; (b) salaries, wages and any other compensation due and payable to the employees or agents of Grantee employed in connection with the Project, including all related withholding taxes, insurance premiums, Social Security payments and other payroll taxes or payments; (c) Qualified Minimal Debt Service Payments, if any; (d) the asset management fees, partnership management fees, investor services fee and deferred developer fees described in the Annual Operating Budget or otherwise approved by MOHCD in writing; (e) all other expenses actually incurred to cover the operation of the Project to the standards required under this Agreement, including maintenance and repairs, and property management fees (to the extent such fees are permitted to be made under the MOHCD Loan Agreement); (f) required deposits to the Replacement Reserve Account (as defined in the MOHCD Loan Agreement), Operating Reserve Account, and any other reserve account required under this Agreement (excluding the Subsidy Reserve Account), the City

Loan Documents or the Senior Loan Documents; and (g) any extraordinary expenses arising from the ownership or operation of the Project approved in advance and in writing by MOHCD. "Operating Costs" shall not include any loan payments to be made under the City Loan Documents, the Senior Loan Documents or any other loan payments other than Qualified Minimal Debt Service Payments, nor any costs Grantee incurs in providing services to a Project tenant other than the services to be provided under such Project tenant's lease or otherwise approved hereunder.

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

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

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

"**Opinion**" means an opinion of Grantee's California legal counsel, satisfactory to MOHCD, that Grantee is a duly formed, validly existing limited partnership in good standing under the laws of the State of California, has the power and authority to enter into this Agreement and will be bound by its terms when executed and delivered, that Grantee's general partner is a duly formed, validly existing nonprofit corporation in good standing under the laws of the State of California, which has established and maintains valid nonprofit status under Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended, and all rules and regulations promulgated thereunder or is a duly formed, validly existing limited liability company whose sole member is nonprofit corporation in good standing under the laws of the State of California, which has established and maintains valid nonprofit status under Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended, and all rules and regulations promulgated thereunder and has the power and authority to act as Grantee's general partner, and that addresses any other matters MOHCD reasonably requests.

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

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

"**Project**" means the one hundred thirteen (113) unit housing project commonly known as Railton Place, which is located on the Real Property.

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

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

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

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

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

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

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

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

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

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

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

“Tenant Services Contractor” shall mean The Salvation Army, a California non-profit public benefit corporation].

“Term” shall have the meaning given to in Section 3.

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

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

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

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

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

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

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

ARTICLE 2

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

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

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

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

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

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

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

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

and certification of the Controller when the lawful approval and certification by the Controller has not been obtained.

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

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

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

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

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

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

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

ARTICLE 3 TERM

The term of this Agreement (the "Term") shall commence on the Effective Date and shall terminate on December 31, 2033, unless earlier terminated in accordance with the terms herein.

ARTICLE 4 PERFORMANCE OF GRANT OBLIGATIONS

4.1 Lease of Assisted Units.

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

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

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

(c) Intentionally Omitted

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

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

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

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

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

(i) Security deposits may be required of Tenants only in accordance with applicable federal regulations, state law and this Agreement. Any security deposits collected must be segregated from all other funds of the Project in an account held in trust for the benefit of the Tenants and other tenants of the Project and disbursed in accordance with California law. The balance in such security deposit account

must at all times equal or exceed the aggregate of all security deposits collected plus accrued interest thereon, less any security deposits or interest thereon returned to Tenants or any other tenants of the Project.

4.2 Rent Restrictions.

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

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

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

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

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

4.4 [Intentionally Omitted]

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

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

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

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

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

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

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

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

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

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

4.7 [Intentionally Omitted]

4.8 Maintenance and Management of Project.

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

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

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

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

4.9 Services Agreement; Provision of Services.

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

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

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

ARTICLE 5 USE AND DISBURSEMENT OF GRANT FUNDS

5.1 Maximum Amount of Grant Funds; Disbursement of Subsidy Payments. In no event shall the total amount of Grant Funds disbursed hereunder exceed Five Million Five Hundred Sixty One Thousand Five Hundred Forty Three Dollars (\$5,561,543) (the "Grant Amount"). Subject to Grantee's performance of its obligations under this Agreement and MOHCD's receipt of sufficient funds, as further set forth in Article 2, the Grant Funds shall be disbursed through Subsidy Payments.

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

5.2 Subsidy Payment Amounts and Adjustments.

(a) The 15-Year Cash Flow is the Parties' current expectations of Operating Costs and Projected Shortfalls during the Term. The Parties anticipate that the amount of the First Subsidy Payment and each subsequent Subsidy Payment shall be as shown on **Exhibit A**. The First Subsidy Payment amount reflects the Projected Shortfall for the period starting on the Effective Date. Notwithstanding the foregoing initial calculations of the 15-Year Cash Flow and the Subsidy Payment amounts, however, each

Subsidy Payment (including the First Subsidy Payment) is subject to further adjustment pursuant to this Section and City's annual review and approval of the applicable Annual Operating Budget. The City shall reduce the subsequent Subsidy Payments by the amount of any funds held in the Subsidy Reserve Account.

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

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

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

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

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

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

(d) Tenant Services Contractor shall be in compliance with all of its obligations under the Services Agreement.

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

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

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

(b) Tenant Services Contractor shall be in compliance with all of its obligations under the Services Agreement.

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

5.6 Allocation of Grant Funds and Calculation of Assisted Unit Operating Costs. For the purposes of determining the Subsidy Payment and the Projected Shortfall, City and Grantee have agreed that the parties shall allocate thirty five percent (35%) of the total Operating Costs to the Assisted Units ("Assisted Units Operating Costs") and sixty five percent (65%) of the total Operating Costs to the non-Assisted Units. For most budget line items, LOSP units are assigned a prorated share of the total project operating cost. There are some line items where alternative portions of the line item may be proposed. Exhibit B depicts the allocation of Operating Costs between the Assisted and non-Assisted Units,

including and budget line items for which alternative portions have been allocated to the Assisted/non-Assisted units.

ARTICLE 6 REPORTING REQUIREMENTS; AUDITS; PENALTIES FOR FALSE CLAIMS

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

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

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

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

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

6.5 Books and Records. Grantee shall establish and maintain accurate files and records of all aspects of Operating Expenses and Project Income and the matters funded in whole or in part with Grant Funds during the term of this Agreement. Without limiting the scope of the foregoing, Grantee shall establish and maintain accurate financial books and accounting records relating to Operating Costs incurred and paid and Grant Funds received and expended under this Agreement, together with all invoices, documents, payrolls, time records and other data related to the matters covered by this Agreement, whether funded in whole or in part with Grant Funds. Grantee shall maintain all of the files, records, books, invoices, documents, payrolls and other data required to be maintained under this Section in a

readily accessible location and condition for a period of not less than five (5) years after final payment under this Agreement or until any final audit has been fully completed, whichever is later. Grantee agrees to maintain and make available to MOHCD, during regular business hours, accurate books and accounting records relating to the Project and the Tenants. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon MOHCD by this Section. All financial reports must be prepared and maintained in accordance with GAAP as in effect at the time of performance.

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

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

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

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

ARTICLE 7 TAXES

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

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

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

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

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

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

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

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

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

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

ARTICLE 8 REPRESENTATIONS AND WARRANTIES

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

8.1 Organization; Authorization. Grantee shall be a limited partnership, and Grantee's general partner, or the general partner's sole member of the general partner (if general partner is a limited liability company), is a nonprofit corporation, duly organized and validly existing and in good standing under the laws of the jurisdiction in which it was formed, and which has established and maintains valid nonprofit status under Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended, and all rules and regulations promulgated thereunder. Grantee has duly authorized by all necessary action the

execution, delivery and performance of this Agreement. Grantee has duly executed and delivered this Agreement and this Agreement constitutes a legal, valid and binding obligation of Grantee, enforceable against Grantee in accordance with the terms hereof.

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

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

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

ARTICLE 9 INDEMNIFICATION AND GENERAL LIABILITY

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

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

settle or compromise any Loss if Grantee contends that such Indemnified Party shares in liability with respect thereto.

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

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

ARTICLE 10 INSURANCE

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 11 EVENTS OF DEFAULT AND REMEDIES

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

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

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

(c) **Default under City Loan Documents, Senior Loan Documents or Services Agreement.** Grantee defaults under any City Loan Document or any of the Senior Loan Documents (after expiration of any grace period expressly stated in any such agreement), or Tenant Services Contractor defaults under the Services Agreement (after expiration of any grace period expressly stated therein); provided however that a default by Tenant Services Contractor under the Services Agreement shall only be a default under this Agreement so long as The Salvation Army (or an affiliate thereof) is the Tenant Services Contractor.

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

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

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

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

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

(i) **Assignment.** Without MOHCD's prior written consent, Grantee assigns or attempts to assign any rights or interest under this Agreement or encumber its interests hereunder, whether voluntarily or involuntarily, or voluntarily or involuntarily assigns or attempts to sell, lease, assign, encumber or otherwise transfer all or any portion of the ownership interests in Grantee or of its right, title or interest in the Project or the Real Property, other than: (a) leases, subleases or occupancy agreements to occupants of Units and/or Commercial Space in the Project; or (b) security interests for the benefit of lenders securing loans for the Project as approved by the City on terms and in amounts as approved by City in its reasonable discretion (c) transfers from Borrower to a limited partnership or limited liability company formed for the tax credit syndication of the Project, where Borrower or an affiliated nonprofit public benefit corporation is the sole general partner or manager of that entity; (d) transfers of the general partner's or manager's interest in Borrower to a nonprofit public benefit corporation approved in advance by the City; (e) transfers of any limited partnership or membership interest in Borrower to an investor pursuant to the tax credit syndication of the Project or any subsequent transfer of a limited partnership

interest in Borrower by an investor limited partner in Borrower, or any direct or indirect transfer of a limited partnership interest or membership interest in any investor limited partner in Borrower; (f) any transfer permitted under the City Documents; or (g) the grant or exercise of an option agreement between Borrower and Borrower's general partner or manager or any of its affiliates in connection with the tax credit syndication of the Project. Any other transfer, assignment, encumbrance or lease without the City's prior written consent will be voidable and, at the City's election, constitute an Event of Default under this Agreement. The City's consent to any specific assignment, encumbrance, lease or other transfer will not constitute its consent to any subsequent transfer or a waiver of any of the City's rights under this Agreement.

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

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

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

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

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

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

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

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

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

ARTICLE 12 DISCLOSURE OF INFORMATION AND DOCUMENTS

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

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

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

ARTICLE 13 ASSIGNMENTS AND SUBCONTRACTING

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

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

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

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

ARTICLE 14 INDEPENDENT CONTRACTOR STATUS

14.1 Nature of Agreement. Grantee shall be deemed at all times to be an independent contractor and is solely responsible for the manner in which Grantee uses the Grant Funds. Grantee shall at all times remain solely liable for the acts and omissions of Grantee, its officers and directors, employees and

agents. Nothing in this Agreement shall be construed as creating a partnership, joint venture, employment or agency relationship between City and Grantee.

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

14.3 Consequences of Recharacterization.

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

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

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

**ARTICLE 15
NOTICES AND OTHER COMMUNICATIONS**

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

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

If to Grantee:	The Salvation Army Turk Street, L.P. 242 Turk Street San Francisco, CA 94102 Attention: Executive Director
----------------	---

With a copy to:

Attention: General Counsel

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

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

ARTICLE 16 COMPLIANCE

16.1 Reserved.

16.2 Nondiscrimination; Penalties.

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

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

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

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

(e) **Incorporation of Administrative Code Provisions by Reference.** The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by

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

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

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

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

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

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

16.8 Requiring Minimum Compensation for Employees.

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

b. The MCO requires Grantee to pay Grantee's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and Grantee is obligated to keep informed of the then-current requirements. Any subcontract entered into by Grantee shall require the subgrantee to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as

those set forth in this Section. It is Grantee's obligation to ensure that any subgrantees of any tier under this Agreement comply with the requirements of the MCO. If any subgrantee under this Agreement fails to comply, City may pursue any of the remedies set forth in this Section against Grantee.

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

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

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

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

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

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

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

16.9 Limitations on Contributions. Through execution of this Agreement, Grantee acknowledges that it is familiar with Section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3)

a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Grantee acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Grantee further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Grantee's board of directors; Grantee's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Grantee; any subgrantee listed in the bid or contract; and any committee that is sponsored or controlled by Grantee. Additionally, Grantee acknowledges that Grantee must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126.

16.10 First Source Hiring Program.

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

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

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

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

(3) Set appropriate requirements for providing notification of available entry level positions to the San Francisco Workforce Development System so that the System may train and refer an adequate pool of qualified economically disadvantaged individuals to participating employers.

Notification should include such information as employment needs by occupational title, skills, and/or experience required, the hours required, wage scale and duration of employment, identification of entry level and training positions, identification of English language proficiency requirements, or absence thereof, and the projected schedule and procedures for hiring for each occupation. Employers should provide both long-term job need projections and notice before initiating the interviewing and hiring process. These notification requirements will take into consideration any need to protect the employer's proprietary information.

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

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

(6) Set the term of the requirements.

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

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

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

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

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

e. Liquidated Damages. Contractor agrees:

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

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

(3) That the contractor's commitment to comply with this Chapter is a material element of the City's consideration for this contract; that the failure of the contractor to comply with the contract provisions required by this Chapter will cause harm to the City and the public which is significant and substantial but extremely difficult to quantify; that the harm to the City includes not only the financial cost of funding public assistance programs but also the insidious but impossible to quantify harm that this community and its families suffer as a result of unemployment; and that the assessment of liquidated

damages of up to \$5,000 for every notice of a new hire for an entry level position improperly withheld by the contractor from the first source hiring process, as determined by the FSHA during its first investigation of a contractor, does not exceed a fair estimate of the financial and other damages that the City suffers as a result of the contractor's failure to comply with its first source referral contractual obligations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16.14 Protection of Private Information. Grantee agrees to comply fully with and be bound by all of the provisions of Chapter 12M of the San Francisco Administrative Code ("Protection of Private Information"), including the remedies provided. The provisions of Chapter 12M are incorporated herein by reference and made a part of this Agreement as though fully set forth. Capitalized terms used in this

Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12M. Consistent with the requirements of Chapter 12M, Grantee agrees to all of the following:

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

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

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

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

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

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

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

Grantee shall remove all graffiti from any real property owned or leased by Grantee in the City and County of San Francisco within forty eight (48) hours of the earlier of Grantee's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This Section is not intended to require a Grantee to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure,

marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 *et seq.*) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. Sections 101 *et seq.*).

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

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

16.18 Slavery Era Disclosure.

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

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

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

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

**ARTICLE 17
MISCELLANEOUS**

17.1 No Waiver. No waiver by MOHCD or City of any default or breach of this Agreement shall be implied from any failure by MOHCD or City to take action on account of such default if such default

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

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

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

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

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

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

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

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

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

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

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

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

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

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

[REMAINDER OF PAGE INTENTIONALLY BLANK]

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

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
Mark Farrell
Mayor

By: _____
Kate Hartley
Director, Mayor's Office of Housing and
Community Development

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

By: _____
Deputy City Attorney

GRANTEE:

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

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

The Salvation Army Turk Street, L.P.,
a California limited partnership

By: THE SALVATION ARMY TURK
STREET, INC _____,
a California nonprofit public
benefit corporation, its Sole
Member/Manager

Name: _____

Its: _____

Federal Tax ID #: _____

City Vendor Number: _____

Exhibit A – Projected Project Subsidy Payments

A-1

agreement date

MOHCD Proforma - Exhibit A

LOSP FUNDING SCHEDULE	
Project Address:	Railton Place
Project Start Date:	7/1/2018

Exhibit A

Calendar Year	Full Year Funding Amount	# Months to Fund	Total Disbursement for Calendar Year	Estimated Disbursement Date	FY Budgeted (for Disbursement)
CY-1 2018	\$264,085	6	\$132,042	6/1/2018	FY2018/19
CY-2 2019	\$274,311	12	\$274,311	1/1/2019	FY2018/19
CY-3 2020	\$284,920	12	\$284,920	1/1/2020	FY2019/20
CY-4 2021	\$295,924	12	\$295,924	1/1/2021	FY2020/21
CY-5 2022	\$307,337	12	\$307,337	1/1/2022	FY2021/22
CY-6 2023	\$319,176	12	\$319,176	1/1/2023	FY2022/23
CY-7 2024	\$331,454	12	\$331,454	1/1/2024	FY2023/24
CY-8 2025	\$344,187	12	\$344,187	1/1/2025	FY2024/25
CY-9 2026	\$357,392	12	\$357,392	1/1/2026	FY2025/26
CY-10 2027	\$371,086	12	\$371,086	1/1/2027	FY2026/27
CY-11 2028	\$385,285	12	\$385,285	1/1/2028	FY2027/28
CY-12 2029	\$400,009	12	\$400,009	1/1/2029	FY2028/29
CY-13 2030	\$415,275	12	\$415,275	1/1/2030	FY2029/30
CY-14 2031	\$431,104	12	\$431,104	1/1/2031	FY2030/31
CY-15 2032	\$447,514	12	\$447,514	1/1/2032	FY2031/32
CY-16 2033	\$464,528	12	\$464,528	1/1/2033	FY2032/33
Total Contract Amount:			\$5,561,543		

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

B-1

agreement date

Exhibit C – Legal Description of Real Property

C-1

agreement date

Application Date:	01/28/2018	FORM 200P	Project Name:	ROSAE PLACE
Total Budget:	112	(Child Lines) (Line)	Project Address:	542 Tenth St
First Year of Operation through date accounting for (Year 1 & 1st year in 12 months of operations)	2018	MSDCS	Project Sponsor:	
MSDCS	MSDCS	MSDCS	Comments	Comments
Administrative	18,200	22,775		
Construction	0	0		
Equipment	0	0		
Financial	0	0		
General	0	0		
Information Technology	0	0		
Legal	0	0		
Marketing	0	0		
Medical	0	0		
Personnel	0	0		
Professional Services	0	0		
Real Estate	0	0		
Travel	0	0		
Utilities	0	0		
Wages	0	0		
Other	0	0		
TOTAL BUDGET	18,200	22,775		
TOTAL BUDGET	112	136,130		

OPERATING EXPENSES				
Administrative	74,417	88,212	13,795	Project has not been budgeted by 100% by 1/1/18
Construction	0	0	0	
Equipment	0	0	0	
Financial	0	0	0	
General	0	0	0	
Information Technology	0	0	0	
Legal	0	0	0	
Marketing	0	0	0	
Medical	0	0	0	
Personnel	0	0	0	
Professional Services	0	0	0	
Real Estate	0	0	0	
Travel	0	0	0	
Utilities	0	0	0	
Wages	0	0	0	
Other	0	0	0	
TOTAL OPERATING EXPENSES	74,417	88,212	13,795	
Revenue				
Administrative	0	0	0	
Construction	0	0	0	
Equipment	0	0	0	
Financial	0	0	0	
General	0	0	0	
Information Technology	0	0	0	
Legal	0	0	0	
Marketing	0	0	0	
Medical	0	0	0	
Personnel	0	0	0	
Professional Services	0	0	0	
Real Estate	0	0	0	
Travel	0	0	0	
Utilities	0	0	0	
Wages	0	0	0	
Other	0	0	0	
TOTAL REVENUE	0	0	0	
Net Operating Income				
Administrative	74,417	88,212	13,795	
Construction	0	0	0	
Equipment	0	0	0	
Financial	0	0	0	
General	0	0	0	
Information Technology	0	0	0	
Legal	0	0	0	
Marketing	0	0	0	
Medical	0	0	0	
Personnel	0	0	0	
Professional Services	0	0	0	
Real Estate	0	0	0	
Travel	0	0	0	
Utilities	0	0	0	
Wages	0	0	0	
Other	0	0	0	
TOTAL NET OPERATING INCOME	74,417	88,212	13,795	

DEBT SERVICE				
Administrative	0	0	0	
Construction	0	0	0	
Equipment	0	0	0	
Financial	0	0	0	
General	0	0	0	
Information Technology	0	0	0	
Legal	0	0	0	
Marketing	0	0	0	
Medical	0	0	0	
Personnel	0	0	0	
Professional Services	0	0	0	
Real Estate	0	0	0	
Travel	0	0	0	
Utilities	0	0	0	
Wages	0	0	0	
Other	0	0	0	
TOTAL DEBT SERVICE	0	0	0	
Net Operating Income after Debt Service				
Administrative	74,417	88,212	13,795	
Construction	0	0	0	
Equipment	0	0	0	
Financial	0	0	0	
General	0	0	0	
Information Technology	0	0	0	
Legal	0	0	0	
Marketing	0	0	0	
Medical	0	0	0	
Personnel	0	0	0	
Professional Services	0	0	0	
Real Estate	0	0	0	
Travel	0	0	0	
Utilities	0	0	0	
Wages	0	0	0	
Other	0	0	0	
TOTAL NET OPERATING INCOME AFTER DEBT SERVICE	74,417	88,212	13,795	

RESOURCES				
Administrative	0	0	0	
Construction	0	0	0	
Equipment	0	0	0	
Financial	0	0	0	
General	0	0	0	
Information Technology	0	0	0	
Legal	0	0	0	
Marketing	0	0	0	
Medical	0	0	0	
Personnel	0	0	0	
Professional Services	0	0	0	
Real Estate	0	0	0	
Travel	0	0	0	
Utilities	0	0	0	
Wages	0	0	0	
Other	0	0	0	
TOTAL RESOURCES	0	0	0	
Net Operating Income after Resources				
Administrative	74,417	88,212	13,795	
Construction	0	0	0	
Equipment	0	0	0	
Financial	0	0	0	
General	0	0	0	
Information Technology	0	0	0	
Legal	0	0	0	
Marketing	0	0	0	
Medical	0	0	0	
Personnel	0	0	0	
Professional Services	0	0	0	
Real Estate	0	0	0	
Travel	0	0	0	
Utilities	0	0	0	
Wages	0	0	0	
Other	0	0	0	
TOTAL NET OPERATING INCOME AFTER RESOURCES	74,417	88,212	13,795	

RESOURCES RECEIVED				
Administrative	0	0	0	
Construction	0	0	0	
Equipment	0	0	0	
Financial	0	0	0	
General	0	0	0	
Information Technology	0	0	0	
Legal	0	0	0	
Marketing	0	0	0	
Medical	0	0	0	
Personnel	0	0	0	
Professional Services	0	0	0	
Real Estate	0	0	0	
Travel	0	0	0	
Utilities	0	0	0	
Wages	0	0	0	
Other	0	0	0	
TOTAL RESOURCES RECEIVED	0	0	0	
Net Operating Income after Resources Received				
Administrative	74,417	88,212	13,795	
Construction	0	0	0	
Equipment	0	0	0	
Financial	0	0	0	
General	0	0	0	
Information Technology	0	0	0	
Legal	0	0	0	
Marketing	0	0	0	
Medical	0	0	0	
Personnel	0	0	0	
Professional Services	0	0	0	
Real Estate	0	0	0	
Travel	0	0	0	
Utilities	0	0	0	
Wages	0	0	0	
Other	0	0	0	
TOTAL NET OPERATING INCOME AFTER RESOURCES RECEIVED	74,417	88,212	13,795	

Balance Sheet

Table with columns for Year 1, Year 2, Year 3, Year 4, Year 5, Year 6, Year 7, Year 8. Rows include Revenue, Operating Expenses, and Net Operating Income.

Operating Expenses table with columns for Year 1-8 and rows for various expense categories like Salaries, Rent, etc.

Subtotal Operating Expenses table with columns for Year 1-8 and rows for different expense sub-categories.

Operating Expenses table with columns for Year 1-8 and rows for various expense categories.

Operating Expenses table with columns for Year 1-8 and rows for various expense categories.

Operating Expenses table with columns for Year 1-8 and rows for various expense categories.

Operating Expenses table with columns for Year 1-8 and rows for various expense categories.

Operating Expenses table with columns for Year 1-8 and rows for various expense categories.

Operating Expenses table with columns for Year 1-8 and rows for various expense categories.

Operating Expenses table with columns for Year 1-8 and rows for various expense categories.

Operating Expenses table with columns for Year 1-8 and rows for various expense categories.

Operating Expenses table with columns for Year 1-8 and rows for various expense categories.

Operating Expenses table with columns for Year 1-8 and rows for various expense categories.

Operating Expenses table with columns for Year 1-8 and rows for various expense categories.

Operating Expenses table with columns for Year 1-8 and rows for various expense categories.

Operating Expenses table with columns for Year 1-8 and rows for various expense categories.

Operating Expenses table with columns for Year 1-8 and rows for various expense categories.

Operating Expenses table with columns for Year 1-8 and rows for various expense categories.

Operating Expenses table with columns for Year 1-8 and rows for various expense categories.

Operating Expenses table with columns for Year 1-8 and rows for various expense categories.

Operating Expenses table with columns for Year 1-8 and rows for various expense categories.

Operating Expenses table with columns for Year 1-8 and rows for various expense categories.

Operating Expenses table with columns for Year 1-8 and rows for various expense categories.

Operating Expenses table with columns for Year 1-8 and rows for various expense categories.

Operating Expenses table with columns for Year 1-8 and rows for various expense categories.

REVENUE PLAN

Table with columns for Year 1, Year 2, Year 3, Year 4, Year 5, Year 6, Year 7, Year 8, Year 9, Year 10. Rows include various revenue sources like Property Taxes, Sales Taxes, and Intergovernmental Revenue.

TOTAL OPERATING EXPENSES

Summary table for Total Operating Expenses across 10 years, showing a total of 366,062 for Year 1 and 1,154,201 for Year 10.

NET OPERATING INCOME (LOSS) BEFORE DEPRECIATION

Summary table for Net Operating Income (Loss) Before Depreciation across 10 years.

DEPRECIATION AND AMORTIZATION

Summary table for Depreciation and Amortization across 10 years.

TOTAL PAYMENTS PROCEEDED MDWD

Summary table for Total Payments Proceeded MDWD across 10 years.

REVENUE RECEIPTS (CASH FLOW) FROM PAYMENTS PROCEEDED MDWD

Summary table for Revenue Receipts (Cash Flow) from Payments Proceeded MDWD across 10 years.

NON-MDWD RECEIPTS (RESERVED) DEBT SERVICE

Summary table for Non-MDWD Receipts (Reserved) Debt Service across 10 years.

REPAYMENTS (MINIMUM) TO BE MADE UNDER THE DEBT SERVICE CONTRACT

Summary table for Repayments (Minimum) to be Made Under the Debt Service Contract across 10 years.

OPERATING RESERVE - BARRING BALANCE

Summary table for Operating Reserve - Barring Balance across 10 years.

OTHER REQUIRED RESERVE - BARRING BALANCE

Summary table for Other Required Reserve - Barring Balance across 10 years.

OTHER RESERVE - BARRING BALANCE

Summary table for Other Reserve - Barring Balance across 10 years.

RANGE PRICE

Table with columns: Year 1, Year 2, Year 3, Year 4, Year 5, Year 6. Rows include: Revenue, Operating Expenses, Depreciation, etc.

Table with columns: Year 1, Year 2, Year 3, Year 4, Year 5, Year 6. Rows include: Management, Administration, Maintenance & Repair, etc.

TOTAL OPERATING EXPENSES

Table with columns: Year 1, Year 2, Year 3, Year 4, Year 5, Year 6. Rows include: Reserve/Contingency, etc.

NET OPERATING INCOME (BEFORE TAX)

Table with columns: Year 1, Year 2, Year 3, Year 4, Year 5, Year 6. Rows include: Cash Flow, etc.

Table with columns: Year 1, Year 2, Year 3, Year 4, Year 5, Year 6. Rows include: Cash Flow, etc.

Table with columns: Year 1, Year 2, Year 3, Year 4, Year 5, Year 6. Rows include: Cash Flow, etc.

Table with columns: Year 1, Year 2, Year 3, Year 4, Year 5, Year 6. Rows include: Cash Flow, etc.

Table with columns: Year 1, Year 2, Year 3, Year 4, Year 5, Year 6. Rows include: Cash Flow, etc.

Table with columns: Year 1, Year 2, Year 3, Year 4, Year 5, Year 6. Rows include: Cash Flow, etc.

Table with columns: Year 1, Year 2, Year 3, Year 4, Year 5, Year 6. Rows include: Cash Flow, etc.

Table with columns: Year 1, Year 2, Year 3, Year 4, Year 5, Year 6. Rows include: Cash Flow, etc.

Riskier Places

Table with columns: Year 10 2027, Year 11 2028, Year 12 2029. Rows include various revenue categories like General Fund, Special Assessments, etc.

OPERATING EXPENSES

Table with columns: Year 10 2027, Year 11 2028, Year 12 2029. Rows include Management, Support Services, Information Systems, etc.

TOTAL OPERATING EXPENSES

Table with columns: Year 10 2027, Year 11 2028, Year 12 2029. Rows include PUPA and Reserves/Retaind Fees.

NET OPERATING INCOME (MCHD minus OPEX)

Table with columns: Year 10 2027, Year 11 2028, Year 12 2029. Rows include Debt Service, Other Income, etc.

DEBT SERVICE (MCHD minus NET OPERATING INCOME)

Table with columns: Year 10 2027, Year 11 2028, Year 12 2029. Rows include Debt Service, Other Income, etc.

AVAILABLE CASH FLOW

Table with columns: Year 10 2027, Year 11 2028, Year 12 2029. Rows include Available Cash Flow, Debt Service, etc.

RESOURCES AVAILABLE TO SERVICE DEBT

Table with columns: Year 10 2027, Year 11 2028, Year 12 2029. Rows include MCHD Residual Receipts, etc.

RESOURCES AVAILABLE TO SERVICE DEBT

Table with columns: Year 10 2027, Year 11 2028, Year 12 2029. Rows include MCHD Residual Receipts, etc.

RESOURCES AVAILABLE TO SERVICE DEBT

Table with columns: Year 10 2027, Year 11 2028, Year 12 2029. Rows include MCHD Residual Receipts, etc.

RESOURCES AVAILABLE TO SERVICE DEBT

Table with columns: Year 10 2027, Year 11 2028, Year 12 2029. Rows include MCHD Residual Receipts, etc.

Station Price

Table 8: Utility: CDP Level

Table with columns: Account, % approved, % annual, % increase, Comments, Year 12, Year 13, Year 14. Includes rows for various utility services like water, sewer, and gas.

Table with columns: Account, % approved, % annual, % increase, Comments, Year 12, Year 13, Year 14. Includes rows for operating expenses like management, administration, and maintenance.

Table with columns: Account, % approved, % annual, % increase, Comments, Year 12, Year 13, Year 14. Includes rows for administrative expenses like salaries, benefits, and travel.

Table with columns: Account, % approved, % annual, % increase, Comments, Year 12, Year 13, Year 14. Includes rows for equipment and supplies like computers, printers, and office supplies.

Table with columns: Account, % approved, % annual, % increase, Comments, Year 12, Year 13, Year 14. Includes rows for maintenance and repair expenses like painting, plumbing, and electrical.

Table with columns: Account, % approved, % annual, % increase, Comments, Year 12, Year 13, Year 14. Includes rows for miscellaneous expenses like postage, printing, and advertising.

Table with columns: Account, % approved, % annual, % increase, Comments, Year 12, Year 13, Year 14. Includes rows for total operating expenses and net operating income.

Table with columns: Account, % approved, % annual, % increase, Comments, Year 12, Year 13, Year 14. Includes rows for cash flow and miscellaneous income.

Table with columns: Account, % approved, % annual, % increase, Comments, Year 12, Year 13, Year 14. Includes rows for miscellaneous income and total miscellaneous income.

Table with columns: Account, % approved, % annual, % increase, Comments, Year 12, Year 13, Year 14. Includes rows for miscellaneous income and total miscellaneous income.

Table with columns: Account, % approved, % annual, % increase, Comments, Year 12, Year 13, Year 14. Includes rows for miscellaneous income and total miscellaneous income.

RAILROAD FLOW

Account	1993	1994	1995	Year 16 2004			Year 17 2005			Year 18 2006		
				EDSP	Non-EDSP	Total	EDSP	Non-EDSP	Total	EDSP	Non-EDSP	Total
OPERATING EXPENSES												
Administrative Expenses	1.0%	1.0%	1.0%	11,760	17,111	121,283	17,111	20,788	171,427	17,111	21,200	171,711
Subsidiary Management Expenses	1.0%	1.0%	1.0%	11,760	17,111	121,283	17,111	20,788	171,427	17,111	21,200	171,711
Operating Expenses	1.0%	1.0%	1.0%	11,760	17,111	121,283	17,111	20,788	171,427	17,111	21,200	171,711
DEBT SERVICE												
Interest	1.0%	1.0%	1.0%	11,760	17,111	121,283	17,111	20,788	171,427	17,111	21,200	171,711
Principal	1.0%	1.0%	1.0%	11,760	17,111	121,283	17,111	20,788	171,427	17,111	21,200	171,711
TOTAL OPERATING EXPENSES												
Operating Expenses	1.0%	1.0%	1.0%	11,760	17,111	121,283	17,111	20,788	171,427	17,111	21,200	171,711
Debt Service	1.0%	1.0%	1.0%	11,760	17,111	121,283	17,111	20,788	171,427	17,111	21,200	171,711
TOTAL CASH FLOW												
Operating Cash Flow	1.0%	1.0%	1.0%	11,760	17,111	121,283	17,111	20,788	171,427	17,111	21,200	171,711
Debt Service	1.0%	1.0%	1.0%	11,760	17,111	121,283	17,111	20,788	171,427	17,111	21,200	171,711
NET CASH FLOW												
Operating Cash Flow	1.0%	1.0%	1.0%	11,760	17,111	121,283	17,111	20,788	171,427	17,111	21,200	171,711
Debt Service	1.0%	1.0%	1.0%	11,760	17,111	121,283	17,111	20,788	171,427	17,111	21,200	171,711
RESERVE BALANCES												
Operating Reserve	1.0%	1.0%	1.0%	11,760	17,111	121,283	17,111	20,788	171,427	17,111	21,200	171,711
Debt Service Reserve	1.0%	1.0%	1.0%	11,760	17,111	121,283	17,111	20,788	171,427	17,111	21,200	171,711

Worksheet: P1

ACCOUNT	Type of Expense / LUMP SUM	FUND	% of Total	% of Fund	Comments	FUND 10		FUND 21	
						Amount	% of Total	Amount	% of Total
Administrative Expenses					100,000	100%	100,000	100%	
Professional Fees					50,000	50%	50,000	50%	
Travel					20,000	20%	20,000	20%	
Printing					10,000	10%	10,000	10%	
Telephone					10,000	10%	10,000	10%	
Utilities					10,000	10%	10,000	10%	
Supplies					10,000	10%	10,000	10%	
Insurance					10,000	10%	10,000	10%	
Depreciation					10,000	10%	10,000	10%	
Interest					10,000	10%	10,000	10%	
Income Taxes					10,000	10%	10,000	10%	
Capital Expenditures					10,000	10%	10,000	10%	
Reserve for Contingencies					10,000	10%	10,000	10%	
Other					10,000	10%	10,000	10%	
TOTAL OPERATING EXPENSES					1,000,000	100%	1,000,000	100%	
Reserve for Contingencies					100,000	10%	100,000	10%	
Capital Expenditures					100,000	10%	100,000	10%	
Income Taxes					100,000	10%	100,000	10%	
Interest					100,000	10%	100,000	10%	
Depreciation					100,000	10%	100,000	10%	
Utilities					100,000	10%	100,000	10%	
Telephone					100,000	10%	100,000	10%	
Printing					100,000	10%	100,000	10%	
Travel					100,000	10%	100,000	10%	
Professional Fees					100,000	10%	100,000	10%	
Administrative Expenses					100,000	10%	100,000	10%	
TOTAL OPERATING EXPENSES (net of Reserves, Contingencies, Debt Retirement Fund)					800,000	80%	800,000	80%	
Reserve for Contingencies					100,000	10%	100,000	10%	
Capital Expenditures					100,000	10%	100,000	10%	
Income Taxes					100,000	10%	100,000	10%	
Interest					100,000	10%	100,000	10%	
Depreciation					100,000	10%	100,000	10%	
Utilities					100,000	10%	100,000	10%	
Telephone					100,000	10%	100,000	10%	
Printing					100,000	10%	100,000	10%	
Travel					100,000	10%	100,000	10%	
Professional Fees					100,000	10%	100,000	10%	
Administrative Expenses					100,000	10%	100,000	10%	
TOTAL OPERATING EXPENSES (net of Reserves, Contingencies, Debt Retirement Fund)					800,000	80%	800,000	80%	
Reserve for Contingencies					100,000	10%	100,000	10%	
Capital Expenditures					100,000	10%	100,000	10%	
Income Taxes					100,000	10%	100,000	10%	
Interest					100,000	10%	100,000	10%	
Depreciation					100,000	10%	100,000	10%	
Utilities					100,000	10%	100,000	10%	
Telephone					100,000	10%	100,000	10%	
Printing					100,000	10%	100,000	10%	
Travel					100,000	10%	100,000	10%	
Professional Fees					100,000	10%	100,000	10%	
Administrative Expenses					100,000	10%	100,000	10%	
TOTAL OPERATING EXPENSES (net of Reserves, Contingencies, Debt Retirement Fund)					800,000	80%	800,000	80%	
Reserve for Contingencies					100,000	10%	100,000	10%	
Capital Expenditures					100,000	10%	100,000	10%	
Income Taxes					100,000	10%	100,000	10%	
Interest					100,000	10%	100,000	10%	
Depreciation					100,000	10%	100,000	10%	
Utilities					100,000	10%	100,000	10%	
Telephone					100,000	10%	100,000	10%	
Printing					100,000	10%	100,000	10%	
Travel					100,000	10%	100,000	10%	
Professional Fees					100,000	10%	100,000	10%	
Administrative Expenses					100,000	10%	100,000	10%	
TOTAL OPERATING EXPENSES (net of Reserves, Contingencies, Debt Retirement Fund)					800,000	80%	800,000	80%	

Refillion Place

Item	MOHCO	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
MOHCO							
Reimbursed - Transit fares	1.0%	18,242	407,658	488,664	478,811	438,971	519,547
Reimbursed - Transit Assistance Payments (Non-LOSP)	1.0%	319,244	319,244	319,244	319,244	319,244	319,244
Reimbursed - Transit Assistance Payments	7%	261,056	384,056	384,056	384,056	384,056	384,056
Grant Income	7%	313,813	418,244	418,244	418,244	418,244	418,244
MOHCO Total		784,355	1,538,202	1,610,208	1,538,202	1,538,202	1,610,208
Operating Expenses							
MOHCO Total							
Net Operating Income							
Debt Service							
Capital Expenditures							
Other							
MOHCO Total							
Net Cash Flow							

Year	2018	2019	2020	2021	2022	2023
MOHCO	784,355	1,538,202	1,610,208	1,538,202	1,538,202	1,610,208
Operating Expenses						
MOHCO Total						
Net Operating Income						
Debt Service						
Capital Expenditures						
Other						
MOHCO Total						
Net Cash Flow						

Year	2018	2019	2020	2021	2022	2023
MOHCO	784,355	1,538,202	1,610,208	1,538,202	1,538,202	1,610,208
Operating Expenses						
MOHCO Total						
Net Operating Income						
Debt Service						
Capital Expenditures						
Other						
MOHCO Total						
Net Cash Flow						

Year	2018	2019	2020	2021	2022	2023
MOHCO	784,355	1,538,202	1,610,208	1,538,202	1,538,202	1,610,208
Operating Expenses						
MOHCO Total						
Net Operating Income						
Debt Service						
Capital Expenditures						
Other						
MOHCO Total						
Net Cash Flow						

Railton Place

MONCO Products - 20 Year Cash Flow Summary	Year 12		Year 13		Year 14		Year 15		Year 16		Year 17	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total # Units:	113											
MONCO Products - 20 Year Cash Flow Summary												
Revenue	1,143,884	1,131,433	1,118,114	1,104,814	1,091,514	1,078,214	1,064,914	1,051,614	1,038,314	1,025,014	1,011,714	998,414
Operating Expenses	(35,076)	(35,076)	(35,076)	(35,076)	(35,076)	(35,076)	(35,076)	(35,076)	(35,076)	(35,076)	(35,076)	(35,076)
Operating Income	1,108,808	1,096,357	1,083,038	1,069,738	1,056,438	1,043,138	1,029,838	1,016,538	1,003,238	989,938	976,638	963,338
Capital Expenditures	(1,143,884)	(1,143,884)	(1,143,884)	(1,143,884)	(1,143,884)	(1,143,884)	(1,143,884)	(1,143,884)	(1,143,884)	(1,143,884)	(1,143,884)	(1,143,884)
Depreciation	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076
Amortization	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076
Interest	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076
Income Taxes	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076
Non-cash Expenses	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076
Change in Working Capital	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076
Change in Debt	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076
Change in Equity	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076
Change in Cash	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076
Change in Cash	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076	35,076

MONCO Products - 20 Year Cash Flow Summary	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17
OPERATING EXPENSES						
Administrative	35,076	35,076	35,076	35,076	35,076	35,076
Depreciation	35,076	35,076	35,076	35,076	35,076	35,076
Amortization	35,076	35,076	35,076	35,076	35,076	35,076
Interest	35,076	35,076	35,076	35,076	35,076	35,076
Income Taxes	35,076	35,076	35,076	35,076	35,076	35,076
Non-cash Expenses	35,076	35,076	35,076	35,076	35,076	35,076
Change in Working Capital	35,076	35,076	35,076	35,076	35,076	35,076
Change in Debt	35,076	35,076	35,076	35,076	35,076	35,076
Change in Equity	35,076	35,076	35,076	35,076	35,076	35,076
Change in Cash	35,076	35,076	35,076	35,076	35,076	35,076
Change in Cash	35,076	35,076	35,076	35,076	35,076	35,076

MONCO Products - 20 Year Cash Flow Summary	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17
OPERATING EXPENSES						
Administrative	35,076	35,076	35,076	35,076	35,076	35,076
Depreciation	35,076	35,076	35,076	35,076	35,076	35,076
Amortization	35,076	35,076	35,076	35,076	35,076	35,076
Interest	35,076	35,076	35,076	35,076	35,076	35,076
Income Taxes	35,076	35,076	35,076	35,076	35,076	35,076
Non-cash Expenses	35,076	35,076	35,076	35,076	35,076	35,076
Change in Working Capital	35,076	35,076	35,076	35,076	35,076	35,076
Change in Debt	35,076	35,076	35,076	35,076	35,076	35,076
Change in Equity	35,076	35,076	35,076	35,076	35,076	35,076
Change in Cash	35,076	35,076	35,076	35,076	35,076	35,076
Change in Cash	35,076	35,076	35,076	35,076	35,076	35,076

MONCO Products - 20 Year Cash Flow Summary	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17
OPERATING EXPENSES						
Administrative	35,076	35,076	35,076	35,076	35,076	35,076
Depreciation	35,076	35,076	35,076	35,076	35,076	35,076
Amortization	35,076	35,076	35,076	35,076	35,076	35,076
Interest	35,076	35,076	35,076	35,076	35,076	35,076
Income Taxes	35,076	35,076	35,076	35,076	35,076	35,076
Non-cash Expenses	35,076	35,076	35,076	35,076	35,076	35,076
Change in Working Capital	35,076	35,076	35,076	35,076	35,076	35,076
Change in Debt	35,076	35,076	35,076	35,076	35,076	35,076
Change in Equity	35,076	35,076	35,076	35,076	35,076	35,076
Change in Cash	35,076	35,076	35,076	35,076	35,076	35,076
Change in Cash	35,076	35,076	35,076	35,076	35,076	35,076

Million Price

Description	Units	2010		2015		2020		2025		2030	
		Units	Price	Units	Price	Units	Price	Units	Price	Units	Price
REVENUE											
Operating - Lease Income	110	35.00%	63.00%								
Operating - Lease Maintenance Payments (MO-COSP)		1.0%	2.5%								
Operating - TO SP - Rental Administrative Payments		0%	1.0%								
Operating - Other		0%	2.5%								
OPERATING REVENUE											
Operating - Lease Income											
Operating - Lease Maintenance Payments (MO-COSP)											
Operating - TO SP - Rental Administrative Payments											
Operating - Other											
OPERATING EXPENSES											
Operating - Lease Maintenance											
Operating - Lease Income											
Operating - Lease Maintenance Payments (MO-COSP)											
Operating - TO SP - Rental Administrative Payments											
Operating - Other											
OPERATING INCOME											
Operating - Lease Income											
Operating - Lease Maintenance Payments (MO-COSP)											
Operating - TO SP - Rental Administrative Payments											
Operating - Other											

Description	Units	2010		2015		2020		2025		2030	
		Units	Price	Units	Price	Units	Price	Units	Price	Units	Price
TOTAL OPERATING INCOME											
Operating - Lease Income											
Operating - Lease Maintenance Payments (MO-COSP)											
Operating - TO SP - Rental Administrative Payments											
Operating - Other											
OPERATING EXPENSES											
Operating - Lease Maintenance											
Operating - Lease Income											
Operating - Lease Maintenance Payments (MO-COSP)											
Operating - TO SP - Rental Administrative Payments											
Operating - Other											
OPERATING INCOME											
Operating - Lease Income											
Operating - Lease Maintenance Payments (MO-COSP)											
Operating - TO SP - Rental Administrative Payments											
Operating - Other											

Description	Units	2010		2015		2020		2025		2030	
		Units	Price	Units	Price	Units	Price	Units	Price	Units	Price
TOTAL OPERATING INCOME											
Operating - Lease Income											
Operating - Lease Maintenance Payments (MO-COSP)											
Operating - TO SP - Rental Administrative Payments											
Operating - Other											
OPERATING EXPENSES											
Operating - Lease Maintenance											
Operating - Lease Income											
Operating - Lease Maintenance Payments (MO-COSP)											
Operating - TO SP - Rental Administrative Payments											
Operating - Other											
OPERATING INCOME											
Operating - Lease Income											
Operating - Lease Maintenance Payments (MO-COSP)											
Operating - TO SP - Rental Administrative Payments											
Operating - Other											

Description	Units	2010		2015		2020		2025		2030	
		Units	Price	Units	Price	Units	Price	Units	Price	Units	Price
TOTAL OPERATING INCOME											
Operating - Lease Income											
Operating - Lease Maintenance Payments (MO-COSP)											
Operating - TO SP - Rental Administrative Payments											
Operating - Other											
OPERATING EXPENSES											
Operating - Lease Maintenance											
Operating - Lease Income											
Operating - Lease Maintenance Payments (MO-COSP)											
Operating - TO SP - Rental Administrative Payments											
Operating - Other											
OPERATING INCOME											
Operating - Lease Income											
Operating - Lease Maintenance Payments (MO-COSP)											
Operating - TO SP - Rental Administrative Payments											
Operating - Other											

Exhibit D - LOSP Client Selection Criteria

D-1

agreement date

Exhibit F -- Lobbying/Debarment Certification Form

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

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

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

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

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

The Salvation Army Turk Street, L.P. :

BY: _____

NAME: _____

TITLE: _____

DATE: _____

F

agreement date

EXHIBIT G – ANNUAL MONITORING REPORT

G

agreement date

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



Mark Farrell
Mayor

Kate Hartley
Director

March 19, 2018

Notice of Availability of 2017 Annual Monitoring Report Form
(plus reminders of Serious Incident Protocol and marketing procedure)

MOHCD is pleased to announce the availability of the Annual Monitoring Report (AMR) forms for Reporting Year 2017 (RY2017). The forms are now available to be downloaded from the [Asset Management page](#) of the MOHCD web site. A training on how to complete the AMR will be held at MOHCD on April 12, 2018 from 9:30 a.m.-12:15 p.m. See below for more information.

Deadline: For projects whose business year ended December 31, 2017, the report will be due on May 31, 2018 for the period 1/1/17-12/31/17. For any projects whose 2017 business year ended or will end on different dates than those above, the report will be due 5 months from the last date of that business year.)

Submissions for RY2017 and any outstanding reports from prior reporting years will be accepted only in the RY2017 format.

Completion and Submission Instructions

The Annual Monitoring Report consists of the following four parts:

I. AMR_RY2017 – project name.xlsx – This is a Microsoft Excel spreadsheet that is comprised of the following worksheets:

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

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

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

Submit this report as an Excel file only; do not convert it to pdf or another file type. Changing the format of AMR_RY2017.xlsx without MOHCD's prior approval is not allowed. Do not

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

overwrite any validations for any of the cells, alter any formulas or add or delete any rows or columns. If you need to revise the form in order to successfully complete the report, submit a request to moh.amr@sfgov.org.

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

III. Audited Financial Statements – Provide financial statements for the project for Reporting Year 2017. They must be prepared by a certified public accountant in accordance with generally accepted accounting principles, applicable regulations and laws and with the City's "Audit Requirements for MOHCD-Funded Projects" a copy of which is attached and posted on MOHCD's Asset Management web page. If the project is owned by a single asset entity, provide separate financial statements just for the project, otherwise provide audited statements for the parent corporation. Also include copies of any Management Letters and special notes from the auditor that pertain to the property and the financial statements.

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

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

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

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

- name of head-of-household
- contact information
- date of application,
- number of people in the household,
- stated household income and
- desired unit size.

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

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

AMR Training – April 12, 9:30 a.m.-12:15 p.m.

To facilitate completion of the AMR by project sponsors, MOHCD will conduct a training on from 9:30 a.m. to 12:15 p.m. on Thursday, 4/12, in our office at 1 South Van Ness Avenue, 5th Floor, Room 5080. We strongly encourage the primary staff person who is responsible for completion of the report to

attend and to bring a Wi-Fi enabled lap top computer. Space is limited. Please RSVP to Ricky Lam at ricky.lam@sfgov.org or 415-701-5542.

Serious Incident Protocol

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

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

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

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

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

Marketing of Available Units and Waiting List Openings

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

Asset Management and Compliance Monitoring Team

Mayor's Office of Housing and Community Development

1 South Van Ness Avenue, 5th Floor

San Francisco, CA 94103

<http://sf-mohcd.org/>

P. 415-701-5500

F. 415-701-5501

Annual Monitoring Report - Instructions - Reporting Year 2017 - Mayor's Office of Housing & Community Development

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

Updated 1/25/2018

1A. Property & Residents

Please follow the instructions provided on the worksheet.

1B. Transitional Programs Only

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

1C. Eviction Data

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

2. Fiscal Activity

Income and Expenses

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

INSTRUCTIONS:

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

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

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

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

Income

Rental Income

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

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

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

Vacancy Loss

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

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

Other Income

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

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

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

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

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

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

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

Expenses

Management

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

Salaries/Benefits

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

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

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

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

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

Administration

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

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

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

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

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

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

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

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

Utilities

6450 Electricity

6451 Water

6452 Gas

6453 Sewer

Taxes and Licenses

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

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

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

Insurance

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

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

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

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

Maintenance and Repairs

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

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

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

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

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

6545 HVAC Repairs and Maintenance. This account records the cost of repairing and maintaining heating or air conditioning equipment owned by the project. Agents should capitalize repairs of significant amounts which extend the useful life of the equipment.

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

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

Supportive Services

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

Reserve Account Activity

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

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

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

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

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

3A. Occupancy & Rent Info

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

COLUMN DESCRIPTION

- C. **Row Number.** Do not enter data in this column.
- D. **Unit No.** Enter the unit number (or bed number for transitional or group housing) for each unit/bed in the property.
- E. **Unit Type.** Use the drop down menu to select the unit type (also shown below):
 - Bed = (measurement for Group homes or transitional housing)
 - "SRO" = Single Room Occupancy unit
 - "Studio" = Studio unit
 - "1BR" = 1 Bedroom unit
 - "2BR" = 2 Bedroom unit
 - "3BR" = 3 Bedroom unit
 - "4BR" = 4 Bedroom unit
 - "5+BR" = 5 or more Bedroom unit
- F. **Date of Initial Occupancy.** Enter the date when the tenant occupied their *first unit in the project*. For tenants who have transferred to another unit in the project, this date will be different than the date when they moved into their current unit.
- G. **Household Annual Income at Initial Occupancy.** Enter the tenant's annual household income from the initial income certification that was done before they moved into their *first unit in the project*. For tenants who have transferred to another unit in the project, this amount will be different than the amount from the certification that was done when they moved into their current unit.
- H. **Household Size at Initial Occupancy.** Enter the number of people that was in the tenant's household when they occupied their first unit in the project. For tenants who have transferred to another unit in the project, this number may be different than it was when they moved into their current unit.
- I. **Date of Most Recent Income Recertification.** Enter date of most recent income recertification. Leave blank for vacant units.
- J. **Household Annual Income as of Most Recent Recertification within reporting period.** Enter annual income of the household from the most recent recertification. OK to leave blank ONLY if ALL funders do not require annual income recertifications.
- K. **Household Size as of Most Recent Recertification within reporting period.** Enter the number of occupants in the unit from the most recent recertification within the reporting period.
- L. **Minimum Occupancy for Unit Type.** The data here is automatically entered from items 25-31 on Worksheet #1A.
- M. **Maximum Occupancy for Unit Type.** The data here is automatically entered from items 25-31 on Worksheet #1A.
- N. **Overhoused or Overcrowded?** The data here is automatically generated based on entries in column K and on items 26-32 on Worksheet #1A.

Overhoused or Overcrowded - Narrative A household is "Overhoused" if there are fewer people residing in the unit than the minimum occupancy. "Overcrowded" means that there are more people residing in the unit than the maximum occupancy. If the data in column N indicates that the household is overhoused or overcrowded, please describe any extenuating circumstances that justify the overhoused/overcrowded status and summarize efforts that you have made to transfer the tenant to a unit that is appropriate for the size of the household, if applicable.
- O. **Rental Assistance.** From the drop-down menu, select one code only to indicate the type of assistance, if any, being provided to the tenant (low-income units only). Select "None" if no rental assistance comes with the unit or none is provided to the tenant.
 - "Section 8 - Project Based" = The unit comes with Section 8 subsidy that will remain with the unit after the tenant moves out.
 - "Section 8 - Tenant Voucher" = Tenant is receiving assistance through the Section 8 Certificate or Voucher programs.
 - "PRAC - 202" = The unit receives a subsidy through a Project Rental Assistance Contract from HUD's 202 program.

- "PRAC - 811" = The unit receives a subsidy through a Project Rental Assistance Contract from HUD's 811 program.
- "S+C" = Tenant is receiving tenant-based assistance, or the unit has project-based assistance, from the Shelter Plus Care program.
- "HOPWA" = Tenant is receiving tenant-based assistance, or the unit comes with project-based rental assistance, from the Housing Opportunities for People With AIDS program.
- "VASH" = Tenant is receiving tenant-based assistance, or the unit comes with project-based rental assistance, from the Veterans Administration Supportive Housing program.
- "LOSP" = The unit receives a subsidy through the City's Local Operating Subsidy Program.
- "DAH (DPH)" = The unit receives a subsidy through the City's Direct Access to Housing Program of DPH.
- "HSA Master Lease" = The unit receives a subsidy through the City's Master Lease Program of the Human Services Agency.
- "HOME TBA" = Tenant receives assistance from a HOME-funded rental assistance program.
- "Rent Supplement" = Tenant receives a supplemental rent payment from an outside agency.
- "Other" = Tenant is receiving, or unit comes with, rental assistance through another Federal, State or local program.

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

3B. Demographic

The two ethnic categories are defined below:

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

The 10 racial categories are defined below:

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

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

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

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

Sex At Birth. Provide info for the Head of Household. The 5 possible answers for Sex at Birth are:

- Female
- Male
- Decline to Answer
- Not Stated
- Question Not Asked

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

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

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

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

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

3C. Summary of Reported Household Demographics

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

4. Narrative

Please follow the instructions provided on the worksheet.

5. Project Financing

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

6. Services Funding

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

7. Supplementary Audit Information - Required by MOHCD

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

Completeness Tracker

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

Links to Relevant Policies

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

MOHCD Forms Page at SFMOHCD.ORG

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

Program Income Overview

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

MOHCD Residual Receipt Policy

<http://sfmohcd.org/sites/default/files/Documents/CURRENTResidualRecPolicy%202018.pdf>

MOHCD Insurance Requirements Policy

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

MOHCD Operating Fees Policy

<http://sfmohcd.org/sites/default/files/Documents/CURRENT%20OperatingFeesPolicy%202018.pdf>

**Annual Monitoring Report - Property & Residents - Reporting Year 2017 -
Mayor's Office of Housing & Community Development**

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

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

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

Resident Services: AN ANSWER IS REQUIRED FOR questions 51-61. Indicate below any services that were available to the residents free of charge, on site or at another designated location within 1/4 mile of the project. You must also provide additional information about each of the marked services below on Worksheet "6.Services"		
51		Go To WS6 After School Program/s (y/n)
52		Go To WS6 Licensed Day Care Service (participant fees are allowable for day care ONLY) (y/n)
53		Go To WS6 Youth Program/s (y/n)
54		Go To WS6 Educational Classes (e.g. basic skills, computer training, ESL) (y/n)
55		Go To WS6 Health and Wellness Services/Programs (y/n)
56		Go To WS6 Employment Services (y/n)
57		Go To WS6 Case Management, Information and Referrals (y/n)
58		Go To WS6 Benefits Assistance and Advocacy; Money Management; Financial Literacy and Counseling (y/n)
59		Go To WS6 Support Groups, Social Events, Organized Tenant Activities (y/n)
60		Go To WS6 Other Service #1 - Please specify in column G.
61		Go To WS6 Other Service #2 - Please specify in column G.

POPULATION SERVED

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

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

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

Remember, SAVE YOUR WORK!

Annual Monitoring Report - Transitional Programs - Reporting Year 2017 - Mayor's Office of Housing & Community Development

Project Address:

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

	A Num Singles Not in Families	B Num Families	C1 Num Adults in Families	C2 Num Children in Families	D Num of Beds
1					
2	0				

Total Households (Singles and Families) That Can Be Served

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

	A Num Singles Not in Families	B Num Families	C1 Num Adults in Families	C2 Num Children in Families	D Num of Beds
3					
4					
5	0				
6					
7	0	0	0	0	
8	0				
9	← Capacity Utilization Rate (by Household as of last Day of Operating Year)				

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

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

Length of Stay: For the 0 households that LEFT the program during the operating year, how many were in the project for the following lengths of time? (Total in cell H26 should match total of cells H14 + I14. All blanks in this section must be filled with a number of "0" or greater in order for the worksheet to be complete.)

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

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

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

Annual Monitoring Report - Eviction Data - Reporting Year 2017 - Mayor's Office of Housing & Community Development

Project Address:

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

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

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

Number of households in the project who received Notices of Eviction during the reporting period for each of the following reasons:

(If more than one reason applies to a household, report only the primary reason.) You MUST answer every question (i.e., enter zero if applicable).

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

Number of unlawful detainer actions filed in court by the owner against tenants in the project during the reporting period for each of the following reasons:

(If more than one reason applies to a household, report only the primary reason.) You MUST answer every question (i.e., enter zero if applicable).

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

Number of households evicted from the project during the reporting period for the each of the following reasons:

(If more than one reason applies to a household, report only the primary reason.) You MUST answer every question (i.e., enter zero if applicable).

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

Annual Reporting Period - Fiscal Year 2017 - Project 6: Procurement & Contract Management	
10/1/2016	9/30/2017

Annual Monitoring Report - Fiscal Agency - Reporting Year 2017 - Mayor's Office of Housing & Community Development									
Line Item	Description	Fiscal Year Budget	Fiscal Year Actual	Total	Budgetary Resources		Total	Total	Total
					YCP	Other YCP			
100	State Capital Budget for 2017								
101	Interest Paid								
102	Other Interest (Interest to be repaid)								
103	Interest Paid								
104	Other Interest (Interest to be repaid)								
105	Interest Paid								
106	Other Interest (Interest to be repaid)								
107	Interest Paid								
108	Other Interest (Interest to be repaid)								
109	Interest Paid								
110	Other Interest (Interest to be repaid)								
111	Interest Paid								
112	Other Interest (Interest to be repaid)								
113	Interest Paid								
114	Other Interest (Interest to be repaid)								
115	Interest Paid								
116	Other Interest (Interest to be repaid)								
117	Interest Paid								
118	Other Interest (Interest to be repaid)								
119	Interest Paid								
120	Other Interest (Interest to be repaid)								
121	Interest Paid								
122	Other Interest (Interest to be repaid)								
123	Interest Paid								
124	Other Interest (Interest to be repaid)								
125	Interest Paid								
126	Other Interest (Interest to be repaid)								
127	Interest Paid								
128	Other Interest (Interest to be repaid)								
129	Interest Paid								
130	Other Interest (Interest to be repaid)								
131	Interest Paid								
132	Other Interest (Interest to be repaid)								
133	Interest Paid								
134	Other Interest (Interest to be repaid)								
135	Interest Paid								
136	Other Interest (Interest to be repaid)								
137	Interest Paid								
138	Other Interest (Interest to be repaid)								
139	Interest Paid								
140	Other Interest (Interest to be repaid)								
141	Interest Paid								
142	Other Interest (Interest to be repaid)								
143	Interest Paid								
144	Other Interest (Interest to be repaid)								
145	Interest Paid								
146	Other Interest (Interest to be repaid)								
147	Interest Paid								
148	Other Interest (Interest to be repaid)								
149	Interest Paid								
150	Other Interest (Interest to be repaid)								
151	Interest Paid								
152	Other Interest (Interest to be repaid)								
153	Interest Paid								
154	Other Interest (Interest to be repaid)								
155	Interest Paid								
156	Other Interest (Interest to be repaid)								
157	Interest Paid								
158	Other Interest (Interest to be repaid)								
159	Interest Paid								
160	Other Interest (Interest to be repaid)								
161	Interest Paid								
162	Other Interest (Interest to be repaid)								
163	Interest Paid								
164	Other Interest (Interest to be repaid)								
165	Interest Paid								
166	Other Interest (Interest to be repaid)								
167	Interest Paid								
168	Other Interest (Interest to be repaid)								
169	Interest Paid								
170	Other Interest (Interest to be repaid)								
171	Interest Paid								
172	Other Interest (Interest to be repaid)								
173	Interest Paid								
174	Other Interest (Interest to be repaid)								
175	Interest Paid								
176	Other Interest (Interest to be repaid)								
177	Interest Paid								
178	Other Interest (Interest to be repaid)								
179	Interest Paid								
180	Other Interest (Interest to be repaid)								
181	Interest Paid								
182	Other Interest (Interest to be repaid)								
183	Interest Paid								
184	Other Interest (Interest to be repaid)								
185	Interest Paid								
186	Other Interest (Interest to be repaid)								
187	Interest Paid								
188	Other Interest (Interest to be repaid)								
189	Interest Paid								
190	Other Interest (Interest to be repaid)								
191	Interest Paid								
192	Other Interest (Interest to be repaid)								
193	Interest Paid								
194	Other Interest (Interest to be repaid)								
195	Interest Paid								
196	Other Interest (Interest to be repaid)								
197	Interest Paid								
198	Other Interest (Interest to be repaid)								
199	Interest Paid								
200	Other Interest (Interest to be repaid)								

Annual Monitoring Report - Fiscal Activity - Reporting Year 2017 - Mayor's Office of Housing & Community Development

OPERATING RESERVE (See page 23-24 for and determine amount to be reported under Operating Reserve)

11.1	Operating Reserve Balance:		
11.2	Actual Annual Depreciation (see page 1 account number 1212)		
11.3	Interest Earned		
11.4	Annual (Increase/Decrease) Amount (enter as positive number)		
11.5	Ending Balance (enter as positive number)		
11.6	Required Annual Depreciation:		
11.7	Total Operating Reserve plus other reserves (omit line 11.6 - non-cash)		

Enter the percentage shown to the right of the Operating Reserve balance (calculated as Total Cap Expenditures in line 23.2.1.b. you must attach how the amount was derived) the amount in the adjacent cell.

Enter the percentage shown to the right of the Operating Reserve balance (calculated as Total Cap Expenditures in line 23.2.1.b. you must attach how the amount was derived) the amount in the adjacent cell.

REPLACEMENT RESERVE (See page 25 for and determine amount to be reported under Replacement Reserve)

12.1	Replacement Reserve Balance:		
12.2	Operating Reserve:		
12.3	Actual Annual Depreciation:		
12.4	Interest Earned		
12.5	Annual (Increase/Decrease) Amount (enter as positive number)		
12.6	Ending Balance (enter as positive number)		
12.7	Required Annual Depreciation (see page 1 account number 1212)		

Describe how the amount of annual report and the percentage reported balance is determined.

REPLACEMENT RESERVE EXPENDITURES (Provide details below about the Capital and Non-Capital Expenditures that are Replacement Reserve-eligible)

Line	Replacement Reserve-eligible Expenditures	Capital Expenditures	Non-Capital Expenditures	Total
13.1	Building & Improvements			\$0.00
13.2	Other Improvements			\$0.00
13.3	Other Improvements			\$0.00
13.4	Other Improvements			\$0.00
13.5	Other			\$0.00
13.6	Total			\$0.00

REPLACEMENT RESERVE EXPENDITURES: Provide details below about the Capital and Non-Capital Expenditures that are Replacement Reserve-eligible

Capital Expenditures and Improvements: Enter number assets and improvement costs associated with the reporting year. For each category in lines 13.1-13.6, show that you are reporting on an asset or improvement in each reporting category in line 23.2.1.b. The reporting amount is used to fund the asset and is used to fund the replacement reserve during the reporting year. Show the report and asset "Replacement Reserve". If the reporting amount is used to fund the asset, you will be reported by the replacement reserve during the reporting year. Show the report and asset "Replacement Reserve". Use the below table to supply a description of the asset report and improvement costs.

Line	Capital Expenditures and Improvements - Description	Capital Expenditures and Improvements Amounts		
		Replacement Reserve	Operating Reserve	Total Amount
14.1	Building & Improvements			\$0.00
14.2	Other Improvements			\$0.00
14.3	Other Improvements			\$0.00
14.4	Other Improvements			\$0.00
14.5	Other			\$0.00
14.6	Total	\$0.00	\$0.00	\$0.00

REPLACEMENT RESERVE EXPENDITURES: Provide details below about the Capital and Non-Capital Expenditures that are Replacement Reserve-eligible

Non-Capital Expenditures: Enter number assets and improvement costs associated with the reporting year. For each category in lines 13.1-13.6, show that you are reporting on an asset or improvement in each reporting category in line 23.2.1.b. The reporting amount is used to fund the asset and is used to fund the replacement reserve during the reporting year. Show the report and asset "Replacement Reserve". If the reporting amount is used to fund the asset, you will be reported by the replacement reserve during the reporting year. Show the report and asset "Replacement Reserve". Use the below table to supply a description of the asset report and improvement costs.

Line	Non-Capital Expenditures - Description	Non-Capital Expenditures Amounts		
		Replacement Reserve	Operating Reserve	Total Amount
15.1	Building & Improvements			\$0.00
15.2	Other Improvements			\$0.00
15.3	Other Improvements			\$0.00
15.4	Other Improvements			\$0.00
15.5	Other			\$0.00
15.6	Total	\$0.00	\$0.00	\$0.00

TOTAL REPLACEMENT RESERVE ELIGIBLE EXPENDITURES (See page 12 for and determine amount to be reported under Replacement Reserve)

16.1	Total Replacement Reserve-eligible Expenditures (see page 12 for and determine amount to be reported under Replacement Reserve)			
16.2	Capital Expenditures and Improvements	\$0.00	\$0.00	\$0.00
16.3	Non-Capital Expenditures	\$0.00	\$0.00	\$0.00
16.4	Total	\$0.00	\$0.00	\$0.00

Annual Monitoring Report - Fiscal Activity - Reporting Year 2017 - Mayor's Office of Housing & Community Development			
21	21.1	21.1.1	21.1.1.1
21	21.2	21.2.1	21.2.1.1
21	21.3	21.3.1	21.3.1.1
21	21.4	21.4.1	21.4.1.1
21	21.5	21.5.1	21.5.1.1
21	21.6	21.6.1	21.6.1.1
21	21.7	21.7.1	21.7.1.1
21	21.8	21.8.1	21.8.1.1
21	21.9	21.9.1	21.9.1.1
21	21.10	21.10.1	21.10.1.1
21	21.11	21.11.1	21.11.1.1
21	21.12	21.12.1	21.12.1.1
21	21.13	21.13.1	21.13.1.1
21	21.14	21.14.1	21.14.1.1
21	21.15	21.15.1	21.15.1.1
21	21.16	21.16.1	21.16.1.1
21	21.17	21.17.1	21.17.1.1
21	21.18	21.18.1	21.18.1.1
21	21.19	21.19.1	21.19.1.1
21	21.20	21.20.1	21.20.1.1
21	21.21	21.21.1	21.21.1.1
21	21.22	21.22.1	21.22.1.1
21	21.23	21.23.1	21.23.1.1
21	21.24	21.24.1	21.24.1.1
21	21.25	21.25.1	21.25.1.1
21	21.26	21.26.1	21.26.1.1
21	21.27	21.27.1	21.27.1.1
21	21.28	21.28.1	21.28.1.1
21	21.29	21.29.1	21.29.1.1
21	21.30	21.30.1	21.30.1.1
21	21.31	21.31.1	21.31.1.1
21	21.32	21.32.1	21.32.1.1
21	21.33	21.33.1	21.33.1.1
21	21.34	21.34.1	21.34.1.1
21	21.35	21.35.1	21.35.1.1
21	21.36	21.36.1	21.36.1.1
21	21.37	21.37.1	21.37.1.1
21	21.38	21.38.1	21.38.1.1
21	21.39	21.39.1	21.39.1.1
21	21.40	21.40.1	21.40.1.1
21	21.41	21.41.1	21.41.1.1
21	21.42	21.42.1	21.42.1.1
21	21.43	21.43.1	21.43.1.1
21	21.44	21.44.1	21.44.1.1
21	21.45	21.45.1	21.45.1.1
21	21.46	21.46.1	21.46.1.1
21	21.47	21.47.1	21.47.1.1
21	21.48	21.48.1	21.48.1.1
21	21.49	21.49.1	21.49.1.1
21	21.50	21.50.1	21.50.1.1
21	21.51	21.51.1	21.51.1.1
21	21.52	21.52.1	21.52.1.1
21	21.53	21.53.1	21.53.1.1
21	21.54	21.54.1	21.54.1.1
21	21.55	21.55.1	21.55.1.1
21	21.56	21.56.1	21.56.1.1
21	21.57	21.57.1	21.57.1.1
21	21.58	21.58.1	21.58.1.1
21	21.59	21.59.1	21.59.1.1
21	21.60	21.60.1	21.60.1.1
21	21.61	21.61.1	21.61.1.1
21	21.62	21.62.1	21.62.1.1
21	21.63	21.63.1	21.63.1.1
21	21.64	21.64.1	21.64.1.1
21	21.65	21.65.1	21.65.1.1
21	21.66	21.66.1	21.66.1.1
21	21.67	21.67.1	21.67.1.1
21	21.68	21.68.1	21.68.1.1
21	21.69	21.69.1	21.69.1.1
21	21.70	21.70.1	21.70.1.1
21	21.71	21.71.1	21.71.1.1
21	21.72	21.72.1	21.72.1.1
21	21.73	21.73.1	21.73.1.1
21	21.74	21.74.1	21.74.1.1
21	21.75	21.75.1	21.75.1.1
21	21.76	21.76.1	21.76.1.1
21	21.77	21.77.1	21.77.1.1
21	21.78	21.78.1	21.78.1.1
21	21.79	21.79.1	21.79.1.1
21	21.80	21.80.1	21.80.1.1
21	21.81	21.81.1	21.81.1.1
21	21.82	21.82.1	21.82.1.1
21	21.83	21.83.1	21.83.1.1
21	21.84	21.84.1	21.84.1.1
21	21.85	21.85.1	21.85.1.1
21	21.86	21.86.1	21.86.1.1
21	21.87	21.87.1	21.87.1.1
21	21.88	21.88.1	21.88.1.1
21	21.89	21.89.1	21.89.1.1
21	21.90	21.90.1	21.90.1.1
21	21.91	21.91.1	21.91.1.1
21	21.92	21.92.1	21.92.1.1
21	21.93	21.93.1	21.93.1.1
21	21.94	21.94.1	21.94.1.1
21	21.95	21.95.1	21.95.1.1
21	21.96	21.96.1	21.96.1.1
21	21.97	21.97.1	21.97.1.1
21	21.98	21.98.1	21.98.1.1
21	21.99	21.99.1	21.99.1.1
21	21.100	21.100.1	21.100.1.1

Annual Monitoring Report - Occupancy & Rent Info - Reporting Year 2017 - Mayor's Office of Housing & Community Development

Project Address: _____ Date supplied on this worksheet must be from the rent roll of the last month of the reporting period that was entered on worksheet 1A: 1/31/2018 # Units: 0

- Provide the data requested for the tenant population that was residing in the project at the end of the Reporting Period.
- Identify manager's unit with the unit number, follow by "Mgr". For example, if the manager occupies Unit 501, in column D, enter "501 - Mgr". For vacant units and manager's units, provide data in columns D, E, P, R and T only.
- For tenants who moved in during the reporting period, the data entered in columns F, G & H (at initial occupancy) should be the same as the data entered in columns I, J & K (within reporting period), respectively.
- For tenants who have transferred units within the project, report the initial occupancy data (occupancy date, income, household size) for the first unit that the tenant occupied in the project, i.e. when they first moved in to the building.
- Before using the "Paste" function to enter data in columns E and P (Orange Highlighting in Column Header), please check the drop-down menus to ensure that the data you are pasting conforms with the choices of the drop-down menu. This will help prevent you from submitting forms with invalid data. Any forms with invalid data will be returned with instructions to fix and resubmit.

Row #	Unit #	Unit Type (See 15001 Code 15011 OR 15101)	Date of INITIAL OCCUPANCY	Household Actual Phase of INITIAL OCCUPANCY	Household Size All INITIAL OCCUPANCY	Date of Most Recent Income Adjustment WITHIN REPORTING PERIOD	Household Annual Income or Last Six-Month Average Annual Income	Household Size Within Reporting Period	No. Children Age 6 and Under (A)	No. Children Age 7-17 (B)	Is the Household Displaced? (C)	Displaced? (Continued - If placed displacement resulted in the above unit vacancies, is displaced in column D and (C) is not chosen for reporting. Complete any reporting information and justify the displacement/displacement status information using notes in column P to use of appropriate unit?	Rental Assistance Type (Select "Other" if none)	Amount of Assistance	Amount of Rent Allowed for Unit (to the \$7.00)	Amount of Rent Paid for the Unit	Utility Allowance (Enter 00 if all utilities are included)	Household Income (to 3000) Income in the Reporting Period	Household Size Within Reporting Period	Household Income (to 3000) Income in the Reporting Period	Household Size Within Reporting Period		
1																							
2																							
3																							
4																							
5																							
6																							
7																							
8																							
9																							
10																							
11																							
12																							
13																							
14																							
15																							
16																							
17																							
18																							
19																							
20																							
21																							
22																							
23																							
24																							
25																							
26																							
27																							
28																							
29																							
30																							
31																							
32																							
33																							
34																							
35																							
36																							
37																							
38																							
39																							
40																							
41																							
42																							
43																							
44																							
45																							
46																							
47																							
48																							

**Annual Monitoring Report - Demographic Information - Reporting Year 2017 -
Mayor's Office of Housing & Community Development**

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

Provide the data requested for the tenant population that was residing in the project at the end of the Reporting Period.
 * Select one Ethnicity category for the head of household. If unknown, manager's or vacant unit, select "Not Reported".
 * Select one Race category for the head of household. If unknown, manager's or vacant unit, select "Not Reported".
 * For legacy race and ethnicity data that reports race and ethnicity as a single field, an additional category of "Not Reported" should be used to categorize a head of household's race if it is listed as Latino/Hispanic. In these cases, the person's ethnicity would be listed as Latino/Hispanic and his/her race would be listed as "Not Reported".
 * Select one Gender, one Sex and one Sexual Orientation/Identity category for the head of household. If unknown, manager's or vacant unit, select "Question Not Asked". See the instructions worksheet for a link to additional info about the City ordinance that requires collection of this data beginning in 2017.

Row Num	Unit No.	Unit Type (Bed / Studio / BR / ZBR / 4BR / S-BR)	Household Size (number) as of last Recertification WETRIR REPORTING PERIOD	Ethnicity (select from drop down menu)	Race (select from drop down menu)	Gender (select from drop down menu) for Occupancies AFTER 6/30/2017	Sex at Birth (select from drop down menu) for Occupancies AFTER 6/30/2017	Sexual Orientation / Sexual Identity (select from drop down menu) for Occupancies AFTER 6/30/2017	Elderly House hold (y/n)	Number of Children under Age 18 in Unit	Disability (select one)
1											
2											
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											
13											
14											
15											
16											
17											
18											
19											
20											
21											
22											
23											
24											
25											
26											
27											
28											
29											
30											
31											
32											
33											
34											
35											
36											
37											
38											
39											

**Annual Monitoring Report - Summary of Reported Household Demographics - Reporting Year 2017 -
Mayor's Office of Housing & Community Development**

Project Address: _____ **Last Day of Reporting Period** 1/0/1900 **# Units:** 0

Household Size

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

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

Other Household Demographics

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

Head of Household Race/Ethnicity

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

Gender

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

Sex At Birth

	# Reported Head of HH	% of Total
Female	0	
Male	0	
Decline to Answer	0	
Not Stated	0	
Question Not Asked	0	
Total Head of Households	0	

Sexual Orientation / Sexual Identity

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

Target and Actual Population Served

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

**Annual Monitoring Report - Narrative - Reporting Year 2017 -
Mayor's Office of Housing & Community Development**

Project Street Address:

Reporting Period - Start Date: 1/0/1900

Reporting Period - End Date: 1/0/1900

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

1. Explanations & Comments

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

2. Code Violations

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

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

(add additional rows as needed)

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

Violation or Citation #	Date Cleared	Issued By	Description of Remedy

(add additional rows as needed)

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

3. Major Repairs

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

4. Vacant Unit Rent-Up Time

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

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

5. Affirmative Marketing

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

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

6. Vacancy Rate ----->

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

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

7. Miscellaneous Expenses: Administrative/Operating & Maintenance

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

Misc. Admin Expenses

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

Misc. Operating & Maintenance Expenses

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

8. Negative Cash Flow

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

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

Annual Monitoring Report - Project Financing - Reporting Year 2017 - Mayor's Office of Housing & Community Development

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

Project Address: _____

Current Project Financing

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

Annual Monitoring Report- Services Funding - Reporting Year 2017 - Mayor's Office of Housing & Community Development

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

<i>Project Address:</i>							
Current Services Funding							
Service Type	Service Provider Name	Street Address where Service is Provided	Name of Provider of this Service	Grant Amount	Grant Start Date	Grant End Date	

Project Street Address:

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

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

Project Street Address:

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

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

Project Street Address:

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

	Total	LOSP	Non-LOSP
Maintenance and Repairs			
6510 Payroll	\$0	\$0	\$0
6515 Supplies	0	0	0
6520 Contracts	0	0	0
6525 Garbage and Trash Removal	0	0	0
6530 Security Payroll/Contract	0	0	0
6546 HVAC Repairs and Maintenance	0	0	0
6570 Vehicle and Maintenance Equipment Operation and Repairs	0	0	0
6590 Miscellaneous Operating and Maintenance Expenses	0	0	0
Total Maintenance and Repairs Expenses:	\$0	\$0	\$0
6900 Supportive Services	\$0	\$0	\$0
Capital and Non-Capital Expenditures to be Reimbursed from Replacement Reserve	\$0	\$0	\$0
Total Operating Expenses:	\$0	\$0	\$0
Financial Expenses			
<i>Enter amounts in yellow highlighted cells. Leave no cells blank. Enter "0" if applicable.</i>			
6820 Interest on Mortgage (or Bonds) Payable			\$0
6825 Interest on Other Mortgages			0
6830 Interest on Notes Payable (Long Term)			0
6840 Interest on Notes Payable (Short Term)			0
6850 Mortgage Insurance Premium/Service Charge			0
6890 Miscellaneous Financial Expenses			0
Total Financial Expenses:	\$0	\$0	\$0
6000 Total Cost of Operations before Depreciation:	\$0	\$0	\$0
5060 Operating Profit (Loss):	\$0	\$0	\$0
Depreciation & Amortization Expenses			
<i>Enter amounts in yellow highlighted cells. Leave no cells blank. Enter "0" if applicable.</i>			
6600 Depreciation Expense			\$0
6510 Amortization Expense			0
Operating Profit (Loss) after Depreciation & Amortization:	\$0	\$0	\$0
Net Entity Expenses			
<i>the right.</i>			
7190			\$0
7190			0
7190			0
7190			0
7190			0
7190			0
7190			0
7190			0
7190			0
7190			0
Total Net Entity Expenses:	\$0	\$0	\$0
3250 Change in Total Net Assets from Operations (Net Loss)	\$0	\$0	\$0
<i>Amount computed in cell E139 should match audited financial statement.</i>			

Project Street Address:

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

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

Distribution of Surplus Cash Ahead of Residual Receipts Payments

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

	Total	LOSP	Non-LOSP
Total Cash Available for Residual Receipts Distribution:	\$0	\$0	\$0

Distribution of Residual Receipts

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

	Total	LOSP	Non-LOSP
Total Residual Receipts Distributions to Lenders:	\$0	\$0	\$0
Proposed Owner Distribution	\$0		\$0
Proposed Other Distribution/Uses	0	\$0	
Total Residual Receipts Distributions to Lenders and Owners:	\$0	\$0	\$0

Project Street Address:

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

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

**Annual Monitoring Report - Completeness Tracker - Reporting Year 2017 -
Msysor's Office of Housing & Community Development**

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

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

Submission Instructions:

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

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

Worksheet 1A. Property & Residents	INCOMPLETE
Questions 1 thru 4	incomplete
Questions 5 thru 24	incomplete
Questions 25 thru 33	incomplete
Questions 40 thru 50	incomplete
Questions 51 thru 61	incomplete
Worksheet 1B. Transitional Programs	To Be Determined
Questions 1 thru 11	To Be Determined
Questions 12 thru 16	To Be Determined
Questions 18 thru 30	To Be Determined
Worksheet 1C. Eviction Data	To Be Determined
Question 1	To Be Determined
Questions 2 thru 21	To Be Determined
Questions 22 thru 41	To Be Determined
Questions 42 thru 61	To Be Determined
Worksheet 2. Fiscal Activity	INCOMPLETE
Rental Income - Housing Unit G/P/R	incomplete
Vacancy Loss - Housing Units	incomplete
Operating Expenses	incomplete
Output Cost/Residual Receipts (Rows 140 - 171)	incomplete
Operating Reserve (Rows 177 - 185)	incomplete
Replacement Reserve (Rows 188 - 196)	incomplete
Change in Non-Fiscal Assets (Rows 198 - 201)	incomplete
Replacement Reserve Expense Expenses (Rows 202 - 224)	incomplete
Program Income (Rows 230 - 243)	incomplete
Worksheet 3A. Occupancy & Rent Info	INCOMPLETE
Does number of units entered on Worksheet 3 match total units entered on Worksheet 1A or the total households that can be served in Worksheet 1B?	To Be Determined
For each row with a Unit Number, was data entered in cells for Subsidy Type and Utility Allowance?	To Be Determined
Narrative Provided for All rows indicating Overhoused or Overcrowded?	To Be Determined
Worksheet 3B. Demographic Information	To Be Determined
Is Ethnicity and Race selected for each household?	To Be Determined
Is Gender, Sex at Birth, and Sexual Orientation/Identity selected for each household?	To Be Determined
Worksheet 4. Narrative	To Be Determined
2	To Be Determined
3	To Be Determined
4	To Be Determined
5	To Be Determined
6	To Be Determined
7	To Be Determined
8	To Be Determined
Worksheet 5. Project Financing	INCOMPLETE
Worksheet 6. Services Funding	To Be Determined
Worksheet 7. Supplementary Information Required by MOHCD	Worksheet incomplete if user AMR is pending. Schedule provided for Audited Financial Statements. Please complete the required data entry.

EXHIBIT H
Tenant Selection Plan Policy - LOSP

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

Application Process

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

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

H

agreement date

- **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.

H

agreement date

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

H

agreement date

EXHIBIT I
Tenant Screening Criteria Policy – LOSP

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

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

Screening Criteria

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

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

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

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

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

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

Prepared By: Anne Romero and Jackie Tsou

Loan Committee Date: May 4, 2018

Sponsor Name: The Salvation Army, a California Corporation
Project Name: Railton Place
Project Address (w. cross street): 242 Turk Street (between Leavenworth and Jones)
Number of Units/Beds (specify): 110 supportive housing units with proposed 40 LOSP units plus 3 resident manager affordable units
Up to \$264,085 First Year budget
Up to \$5,561,543 through 15.5 years

1. SUMMARY AND BACKGROUND

This request for LOSP funds is to support Railton Place, an existing 113 unit permanent and transitional supportive housing development completed in 2008 by The Salvation Army. Forty units are permanent supportive housing (PSH) for chronically homeless households that were supported by the Continuum of Care Shelter Plus Care program (17 units) through March 2017, and HSH's Housing First program (23 units). The proposed LOSP funds would offset the loss of 17 units of Continuum of Care subsidies as their contract was not renewed by HUD, as well as 23 units previously funded by HSH for a total of 40 units. The project also has 15 VASH units and 55 transitional housing units for Veterans, Adults in Recovery from Salvation Army's rehabilitation programs, and Transitional Aged Youth with their own respective program structures and rental subsidies. There are also three affordable staff units.

Railton Place was developed in 2008 by The Salvation Army as a tax exempt bond and 4% tax credit project with no City capital subsidy. Financing included tax credit investment by Enterprise Community Investment, Inc., Bank of America, Silicon Valley Bank, California Dept. of Housing and Community Development MHP (HCD - MHP), and Federal Home Loan Bank Affordable Housing Program (AHP). Operating supports include the U.S. Department of Veterans Affairs and HUD Continuum of Care (CoC).

The residential component is located at 242 Turk Street, adjacent to the Ray & Joan Kroc Corps Community Center (located at 240 Turk Street) which features a gym, basketball

court, dance studio, computer room, a senior meals and activities center, a series of meeting rooms and classrooms and a traditional worship center. This Kroc Center was the first of 27 such facilities to open across the country since 2004, when the estate of Joan Kroc, widow of McDonald's founder Ray Kroc, donated \$1.5 billion to The Salvation Army for the centers. The \$30 million Kroc Center and separately financed \$26.7 million Railton Place is the Salvation Army's largest project in San Francisco. Hill, Devine & Gong was the financial and development consultant on the project and the John Stewart Company is the property manager. The Salvation Army is the primary service provider at the site.

Railton Place is part of an 8 story building. The residential units are located on Floors 3-8 and encompass 73,287 square feet of the 135,771 square foot building. Each studio apartment is approximately 248 square feet and offers a private bathroom and kitchen and is fully furnished. The residential amenities include property management and service office spaces, a computer lab, two group rooms, laundry facilities, and an elevated outdoor courtyard shared with the Kroc Center.

Loss of Continuum of Care Subsidies

In 2017, Railton Place, along with one other PSH project, did not receive a renewal of its Shelter Plus Care contract through the Continuum of Care (CoC) annual competition process. Each year HUD releases a NOFA for these funds based on annual appropriations and these grants are renewable each year based on the CoC competition. Generally there is an increase in funding every year; for example, last year San Francisco went from approximately \$31 million to \$41 million annual budget. The Fair Market Rent (FMR) has increased dramatically since 2015, which is an enormous financial boost for project operations, yet at the same time, it reduces the total number of units that are covered.

Citywide, San Francisco has over 60 projects with CoC subsidies which seek renewal every year, as well as new projects which seek this important subsidy. Projects are scored into different tiers and over time, some contracts are lost on the lowest scoring projects. These projects used to be transitional housing developments which did not meet HUD's current priorities for permanent supportive housing models. Now that there are no transitional housing developments remaining within the CoC portfolio, PSH sites that have been in operation for many years are starting to lose their contracts. In 2017, an additional two PSH projects lost their contracts, despite being high performing projects. The City needs to backfill these subsidies to provide project continuity and maintain these units as permanent supportive housing.

2. PROJECT OPERATIONS

2.1. Unit Mix

Housing Program	Studios	Proposed LOSP Units
Former S+C - PSH	17	17
HSH Housing First - PSH	23	23

Veterans – PSH - Project based VASH Program	15	0
Veterans – transitional – Veteran Grant Per-Diem	31	0
TAY – transitional – THP Plus	15	0
Salvation Army recovery units from residential chemical dependency treatment program – transitional	9	0
Staff units – affordable	3	0
TOTAL	113	40

2.2. Target Population and Referrals

The former CoC units serve a chronically homeless population that is disabled. The existing 23 Housing First units that HSH funds serve formerly homeless adults who, without this type of housing, would be homeless, including those with disabilities. Referrals for the 40 units will be provided by HSH’s Coordinated Entry System. LOSP subsidy is proposed to only cover the 40 units that were funded by CoC and HSH Housing First Program. In addition, the building serves the target populations below:

VASH: 15 units are designated for veterans who are participants in the Veteran Project Based VASH Program as permanent housing. Program staff partner with VA social workers to ensure resident needs are met.

VA-GPD Program: 31 of the units are designated for veterans who are all participants in The Salvation Army’s Veteran Grant Per-Diem. This program is transitional housing up to 24 months and referrals are made by the Veterans Administration.

TAY: 15 of the units are designated to aged out foster youth through the Transitional Housing Plus Program (THP Plus), which is City and State funded. This program is transitional with services and it allows each resident to stay for 24 months with the possibility of a one year education extension.

Residential Transitional Housing for people in recovery: 9 of the units have been designated for individuals who have graduated from one of the Salvation Army’s residential chemical dependency treatment programs. Although this is also an 18-24 month transitional housing program, these residents are more independent and have infrequent contact with support services.

Coordinated Entry and ONE System

While for several years CoC referrals went through Coordinated Entry, HSH is expanding Coordinated Entry to become the single access and assessment process for access to all supportive housing supported by the City. San Francisco is implementing ONE (Online Navigation and Entry), a real-time data entry system for tracking vacancies in, referrals to, placements in, and exits from permanent supportive housing. When permanent supportive housing units are available for a referral and placement, CES will be used to identify a candidate for screening through a standardized assessment in the ONE system.

2.3. Annual Operating Budget

Please see the attached annualized budget for the initial year including for all units which shows total operating expenses of \$971,102 or \$8,594 PUPA. The LOSP only funds the gap in operating cost on the 40 PSH units funded last year by HSH assuming a prorated operating cost. MOHCD staff underwrote the budget utilizing the approved HCD operating budget for 2018 with adjustments as highlighted by John Stewart Company and The Salvation Army.

2.3.1 Income

Tenant Rents: Tenant rents on the 40 units are assumed at \$163 / month based on the HCD budget and 30% of income rent payment standard. This contrasts with assumed rent of \$465 / month on the other 70 units.

Income – Local Operating Subsidy: LOSP is assumed at \$264,085 in Year 1, or \$6,602 / unit / year, sized to fill the gap between rental income and prorated operating expenses for the 40 units. (If approved, the actual Year 1 amount would be \$132,042 to cover the July – December 2018 period.)

2.3.2 Operating Expenses:

Operating expense on the development are based on the operating budget submitted to HCD and approved. The budget is prorated between LOSP and non-LOSP on a pro rata basis. Compared to other supportive housing buildings of this size, the operating budget is very efficient and reflects a unique structure given the number of transitional housing programs supporting the non-LOSP units. While the LOSP units are fully funded, the remaining 73 units of perm and transitional housing have budget shortfalls, primarily related to a high vacancy rate.

It is important to note that The Salvation Army committed to its investor that it would cover operating losses up to a \$425,000 cumulative amount before tapping into the operating reserve, of which \$175,000 is still available. This reserve will support project operating deficits through CY 2020; thereafter, the project would need to draw on its operating reserve which is currently fully funded.

Staffing.

Position	FTE	Notes
Property Manager	2	Property Manager and Assistant Property Manager
Maintenance Worker	1	With additional support per hour from the Kroc Community Center on an as needed basis
Desk Clerk and Security staffing	4.75	This is split with the Kroc Community Center for more efficient staffing.
TOTAL	7.75	1:15 staff to resident ratio

Management Fees. The management fee is budgeted at \$71,190, or \$52 / PUPM, which is below the HUD management fee standard.

Asset Management Fee. Asset Management fee is not budgeted and traditionally has not been taken, while it is an allowed expense.

Salaries and Benefits. Salaries and benefits are budgeted at \$150,202, including an administrative rent free unit, and is very lean for a building of this size.

Administration. Admin costs are budgeted at \$80,434.

Utilities: Utilities are budgeted at \$220,860 and cover common area electricity and gas, as well as residential water, sewage, waste management and cable service. Residents pay their own gas and electric service.

Taxes: Taxes are budgeted at \$16,786, including payroll taxes.

Insurance: Insurance is budgeted at \$46,780.

Maintenance and Repair: Maintenance and repair is budgeted at \$353,452, and includes nearly \$220,000 for Security Payroll. Railton Place shares desk clerk and security staff with the Kroc Center which shares a common entry, which costs less than 24/7 desk clerk coverage dedicated only to the housing.

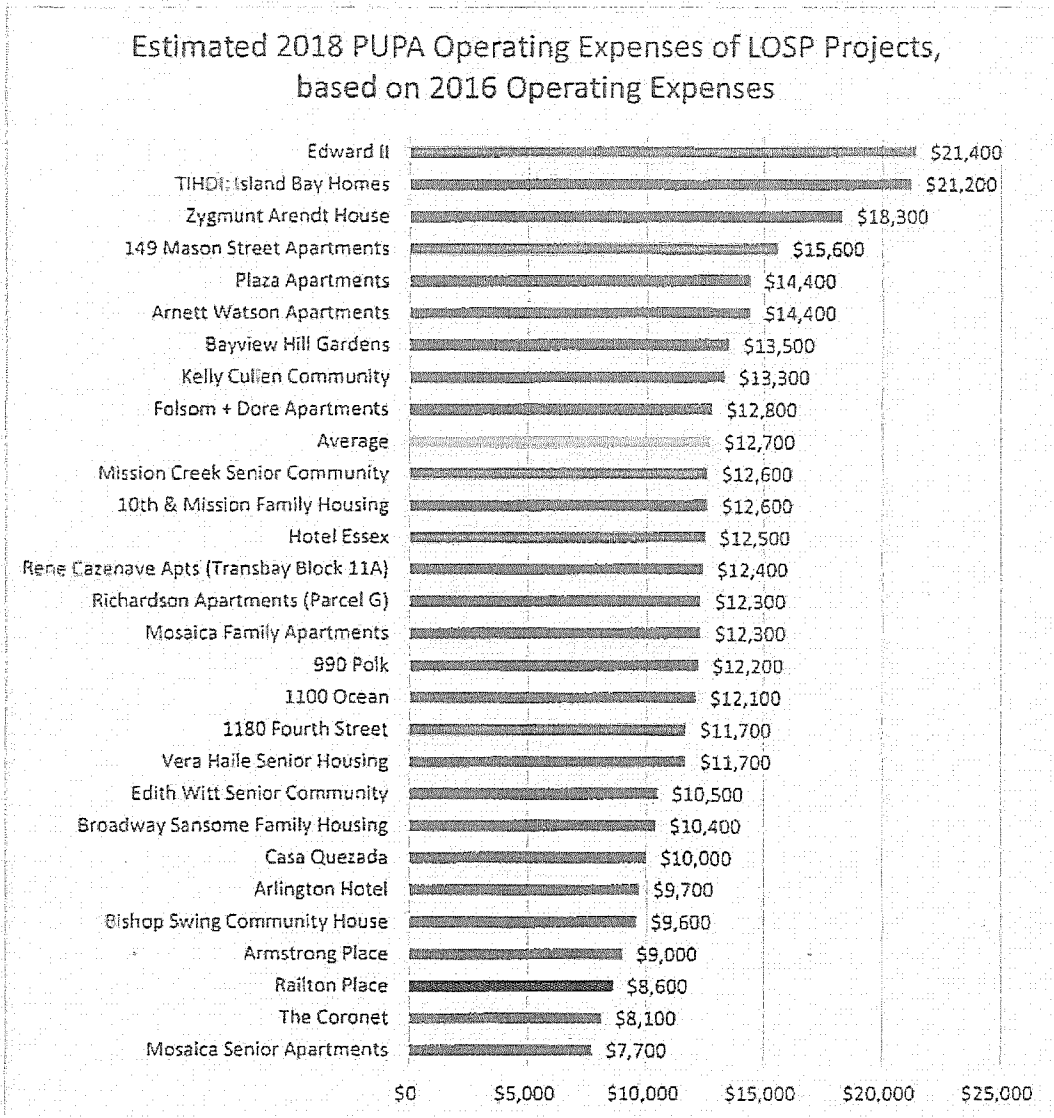
Replacement Reserve Deposits: Replacement Reserve deposits are budgeted at \$60,468 / year, or \$535/unit. This project has MHP financing which typically requires \$600 / unit, yet HCD has approved this budget.

Debt Service. Debt services is \$28,619 / year, which is the MHP minimum annual debt service payment sized at .42% of principal outstanding.

Partnership Management and Investor Services Fees. Under the terms of the HCD regulatory agreement and Partnership Agreement, the project is allowed up to \$12,000 in Partnership Administration Fee and Investor Services Fee. However, no partnership management or investor services fees are budgeted, and given operating shortfalls, would not be paid if they were.

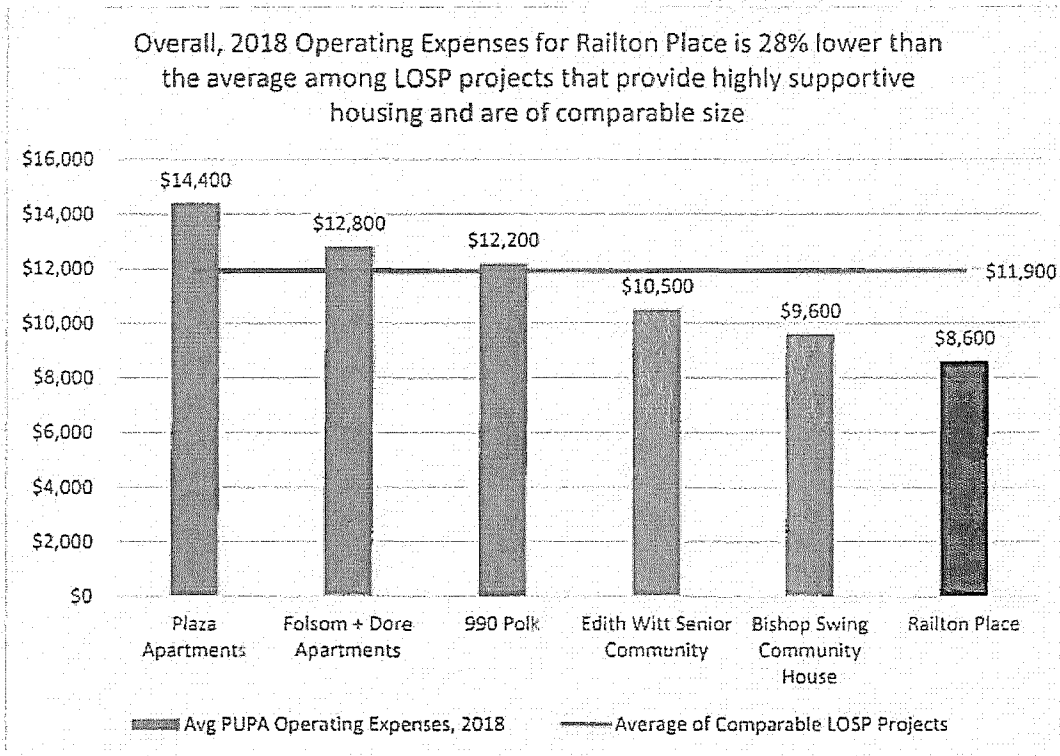
2.3.3. Operating Cost Comparisons

Railton Place proposed LOSP costs compare very favorably to the wider LOSP Portfolio at \$6,602 / unit / year. This low per unit LOSP cost is due to a lean operating budget for the entire building and the lack of some typical expenses in affordable housing such as asset management fee, partnership management fee, robust staffing costs, etc. This amount is also less than HSH funded last year to backfill the CoC, yet reflects the LOSP budgeting model using a prorated split of operating costs.

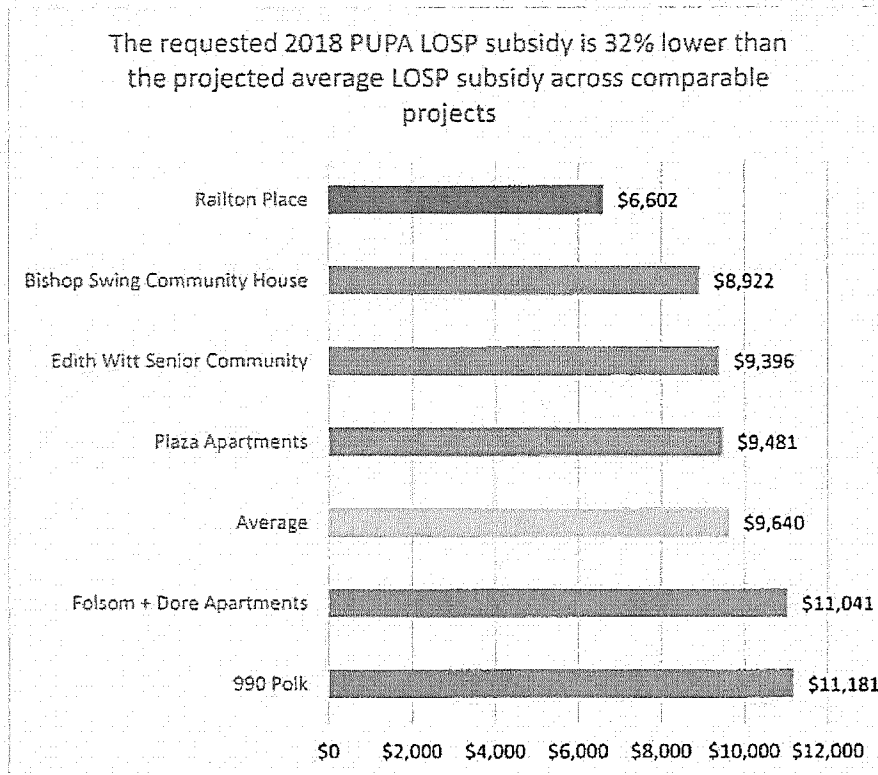


Comparison to similar projects:

Compared with other LOSP projects of comparable size, the per unit operating expenses, before reserves and debt service, and excluding support services is nearly approximately 28% lower than the average.



Due to the low operating costs, the per unit LOSP subsidy requested is 32% lower than comparable projects in the LOSP portfolio.



2.4. 20-Year Cash Flow. The attached 20 Year Cash Flow Projection shows

- LOSP tenant rents assumed to inflate 1%/yr, non-LOSP tenant rents assumed to inflate 2.5%/yr.
- Non-LOSP subsidies are assumed to inflate at a modest 1%/yr.
- Vacancy assumptions are 5% on the proposed LOSP tenant rent, and 22% of the remaining 73 units' rental income. This high vacancy rate on the non-LOSP units reflects actual vacancies, held mainly in the THP Plus units (currently 30% vacant), VA-GPD (currently 29% vacant). The building cannot sustain this high vacancy rate for the long term.
- All expenses inflate 3.5% annually.
- Non-LOSP units show deficits each year which are made up by The Salvation Army subsidizing shortfalls up to \$425,000 prior to utilizing the operating reserve account. This reserve will carry the building through Year 3 (2020), before it needs to draw on the operating reserve. The building is currently in its 10th year of the partnership and will be restructured in 2023 at the end of its 15 year tax credit compliance period.
- As of December 2017, the balance of the replacement reserve was \$786,776.
- As of December 2017, the balance of the operating reserve was \$720,853.

3. SUPPORT SERVICES EVALUATION

3.1. Services Narrative

The Salvation Army is the primary provider of supportive services to Railton Place tenants across all of the programs. The Salvation Army has the goal of providing a comprehensive supportive service program appropriate to each target population; engage participation, and coordinate referrals and services with other community agencies; develop, negotiate and maintain relationships with other public and private agencies and organizations for the purpose of meeting the service needs and interests of Railton Place residents; recruit, hire and train qualified personnel to staff Railton Place housing programs; utilize community volunteers and other resources to enhance program quality and promote cost-effectiveness; provide services on site at Railton Place and through linkages with other providers; comply with the requirements of funding sources; monitor and evaluate program quality and implement improvements as appropriate.

All residents have access to case management services, substance abuse and mental health counseling, education and employment readiness, and basic life skills training. The program is strengths based, with the intention of meeting participants where they are at. Through a team case management methodology, The Salvation Army Case Manager works in collaboration with on-site Life Skills Coordinator, Substance Abuse Specialist, Program Director and additional service providers, as needed. Through case management, outreach events and activities, the service program helps participants to set goals, increase their self-determination, and ultimately acquire the tools they need to meet the challenges of independent living.

Case Management: While not mandatory, each participant is assigned a Case Manager who will be their point of contact for Support Services.

Life Skills Training: The Life Skills Coordinator (LSC) in collaboration with other Railton Place staff offers classes and workshops in financial literacy (banking, paying rent and household bills), housekeeping, nutrition (meal planning and preparation) as well as other life skill areas participant may be interested in. The LSC is available to meet individually or in a group setting to help participants with job search, resume writing, computer literacy etc.

Mental Health and/or Substance Abuse Services: Weekly, individual and group counseling are provided by an in-house, full time Clinical and Chemical Dependency Specialist. The Specialist provides clinical supervision to the program, conducts assessments and referrals when more intensive and/or specialized mental health or substance abuse treatment is indicated. The Clinical and Chemical Dependency Specialist facilitates small group counseling sessions on behavioral health issues relevant to the participants population (chemical dependency, smoking, HIV/AIDS, STDs, anger management and violence, etc.) for the purposes of education, peer support and skills development. All attempts will be made to link participants with identified mental health needs to resources in the community.

Nutrition, Shopping and Cooking Classes: The Salvation Army Permanent Supportive Housing Program provides monthly group workshops and individualized curriculum that cover such household management areas as menu planning, food shopping and food storage, and preparing and cooking nutritious meals. Education about making healthy choices when dining out is incorporated. Participants have opportunities to work with Life Skills Coordinator in the planning and delivery of a monthly Railton Place Community Dinner. Participants can learn to meal plan, shop, cook and serve for this standing monthly dinner.

Other Activities: Includes recreation, wellness activities and educational services through The Salvation Army Kroc Center (described below); house meetings; community events including on and off-site social/recreational activities and cultural experiences facilitated by staff.

Access to Kroc Center: The Salvation Army Permanent Supportive Housing Program is co-located with The Salvation Army Ray and Joan Kroc Corps Community Center, a comprehensive 62,484 square-foot multi-component center to occupy the basement, first, second floors of the eight-story building, as well as portions of the third and fourth floors. As residents, participants receive membership as long as the participants are in compliance with the program. The Kroc Center provides a safe place where participants can exercise, use computers, attend dance classes, play basketball, participate in sports leagues, express their creativity through arts and crafts, organize peer groups and plan social and cultural activities that will improve health and wellness and promote socialization.

Resident Feedback: In the third quarter of each year, program staff hand out survey to all participants to obtain feedback from participants regarding the program. Results will be compiled and reported to HSA.

3.2. Services Budget – HSH has entered into a separate clinical services contract with The Salvation Army for \$206,242 / year for service provision. This contract funds the following staff positions for the 40 units:

0.23 FTE Program Director
0.68 FTE Case Worker
0.69 FTE Case Worker
0.50 FTE Case Worker/Substance Abuse

2.1 FTE with client: staff ratio of 19:1.

4. CONCLUSION

The proposed operating budget and LOSP request is very reasonable to continue the permanent supportive housing model for 40 units. Per HSH, The Salvation Army's performance of support services at the Railton Place has been satisfactory. This underwriting of the total operating budget has revealed that the 73 permanent and

transitional housing units have significant operating losses due primarily to high vacancy rates.

5. RECOMMENDED CONDITIONS

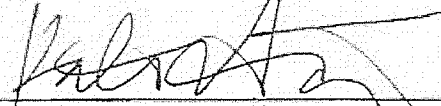
1. The Salvation Army should reach out to the funders of the TAY THP Plus program and Veterans Grant Per Diem program to see how they can restructure these programs to ensure high occupancy and adequate subsidy payments. The Salvation Army needs to also ensure adequate referrals to the transitional housing recovery units.
2. The Salvation Army will provide Annual Monitoring Reports (AMRs) to MOHCD to report on operating costs starting in 2019, and will include an update on revenue and vacancy rates among the diverse programs.

6. LOAN COMMITTEE MODIFICATIONS

LOAN COMMITTEE RECOMMENDATION

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


APPROVE. DISAPPROVE. TAKE NO ACTION.



Kate Hartley, Director
Mayor's Office of Housing and Community Development

Date: 5/4/18

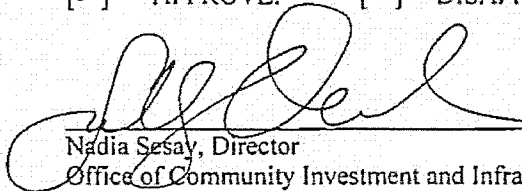
APPROVE. DISAPPROVE. TAKE NO ACTION.



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

Date: 5-4-18

APPROVE. DISAPPROVE. TAKE NO ACTION.

for 

Nadia Sesay, Director
Office of Community Investment and Infrastructure

Date: 5-4-18

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

Attachment A: LOSP Program Description

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

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

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

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

Attachment B: 1st Year Operating Budget

Application Date: 6/1/2018 (M/F Year) Line: Project Name: Station Phone:
Total of this Pt: 118 (M/F Year) Project Address: 1417 Task St
Print List of Operations Items Assuming the Total is a Full year (12 months of operations): 3076 100% Oper. Assumptions (M/F Year)

Income Statement Table with columns: Description, 100% Oper. Assumptions (M/F Year), Total, Comments. Rows include Revenue (Total: 219,224), Expenses (Total: 219,224), and Net Operating Income (Total: 0).

OPERATING EXPENSES

Operating Expenses Table with columns: Description, 100% Oper. Assumptions (M/F Year), Total, Comments. Rows include Salary/Benefits, Administrative, and Other Operating Expenses.

EXPENSES

Expenses Table with columns: Description, 100% Oper. Assumptions (M/F Year), Total, Comments. Rows include Payroll, Franchise Fee, and Other Expenses.

TOTAL OPERATING EXPENSES

TOTAL OPERATING EXPENSES: 219,224 (M/F Year), 219,224 (Total), PUPA: 2,214

NET OPERATING INCOME (LOSS) FROM OPERATIONS: 0 (M/F Year), 0 (Total), PUPA: 0

DEBT SERVICE/RETIREMENT PAYMENTS (Term and Variable)

Debt Service Table with columns: Description, 100% Oper. Assumptions (M/F Year), Total, Comments. Rows include Debt Service and Retirement Payments.

CASH FLOW (M/F Year) DEBT SERVICE

Cash Flow Table with columns: Description, 100% Oper. Assumptions (M/F Year), Total, Comments. Rows include Cash Flow from Operations and Debt Service.

TOTAL RECEIPTS (PROCEEDS) MONTH

Total Receipts Table with columns: Description, 100% Oper. Assumptions (M/F Year), Total, Comments. Rows include Receipts from Operations and Debt Service.

NON-MONETARY RECEIPTS (DEBT SERVICE)

Non-Monetary Receipts Table with columns: Description, 100% Oper. Assumptions (M/F Year), Total, Comments. Rows include Non-Monetary Receipts and Debt Service.

ASSUMED BALANCE AFTER MONTH RECEIPTS (DEBT SERVICE)

Assumed Balance Table with columns: Description, 100% Oper. Assumptions (M/F Year), Total, Comments. Rows include Assumed Balance and Debt Service.

NON-MONETARY RECEIPTS (DEBT SERVICE)

Non-Monetary Receipts Table with columns: Description, 100% Oper. Assumptions (M/F Year), Total, Comments. Rows include Non-Monetary Receipts and Debt Service.

REMARKS: (Should be same as above item)
Assumed Balance (Total)
Non-Monetary Receipts (Total)
Total Balance (Total)

Application Date: 07/15/2010
Total of Lines: 112
First Year of Depreciation (months and beginning of the year): 12/01/09
Last Year of Depreciation (months and beginning of the year): 12/31/10

Table with columns: Description, Amount, Code, Rate, and Amount. Includes rows for Depreciation, Amortization, and Section 179 Expense.

Table with columns: Description, Amount, Code, Rate, and Amount. Includes sections for OPERATING EXPENSES, ADVERTISING, and SUBORDINATE EXPENSES.

Table with columns: Description, Amount, Code, Rate, and Amount. Includes sections for TOTAL OPERATING EXPENSES and NET OPERATING INCOME.

Table with columns: Description, Amount, Code, Rate, and Amount. Includes sections for DEBT SERVICE, CASH FLOW, and TOTAL PATIENT'S PROCEEDING RECEIPT.

Table with columns: Description, Amount, Code, Rate, and Amount. Includes sections for RESIDUAL RECEIPTS, MONICED RECEIPTS, and RESIDUAL RECEIPTS AFTER MONICED RECEIPTS.

Table with columns: Description, Amount, Code, Rate, and Amount. Includes sections for MONICED RECEIPTS, RESIDUAL RECEIPTS AFTER MONICED RECEIPTS, and RESIDUAL RECEIPTS.

Attachment C: 20-year Operating Proforma

Radfinn Place

Table with 7 columns: Year 1 (2018), Year 2 (2019), Year 3 (2020), Year 4 (2021), Year 5 (2022), Year 6 (2023). Rows include Revenue (Total, LOSP, non-LOSP), Operating Expenses (Personnel, Materials, etc.), Total Operating Expenses, and Effective Gross Income.

Table with 7 columns: Year 1 (2018), Year 2 (2019), Year 3 (2020), Year 4 (2021), Year 5 (2022), Year 6 (2023). Rows include Total Operating Expenses, Total Operating Expenses (Net of Cash Flow), Cash Flow (Risk minus Debt Service), and Users of Cash Flow Below (Operating, Reserve, etc.).

Table with 7 columns: Year 1 (2018), Year 2 (2019), Year 3 (2020), Year 4 (2021), Year 5 (2022), Year 6 (2023). Rows include Residual Receipts, Residual Receipts (Cash Flow minus Payments), Residual Receipts (Net of Debt Service), Residual Receipts (Net of Debt Service and Other), Residual Receipts (Net of Debt Service, Other, and Reserve), Residual Receipts (Net of Debt Service, Other, Reserve, and Other), Residual Receipts (Net of Debt Service, Other, Reserve, Other, and Reserve), Residual Receipts (Net of Debt Service, Other, Reserve, Other, Reserve, and Other).

RailRou Place

Item Description	MOHCD	Year 7 2014		Year 8 2015		Year 9 2016		Year 10 2017		Year 11 2018	
		LOSP	non-LOSP	LOSP	non-LOSP	LOSP	non-LOSP	LOSP	non-LOSP	LOSP	non-LOSP
MOHCD PROBLEMS											
Income	113	17,000	3,000	17,000	3,000	17,000	3,000	17,000	3,000	17,000	3,000
Operating Expenses		(10,000)	(1,000)	(10,000)	(1,000)	(10,000)	(1,000)	(10,000)	(1,000)	(10,000)	(1,000)
Net Income		7,000	2,000	7,000	2,000	7,000	2,000	7,000	2,000	7,000	2,000
Operating Expenses		(10,000)	(1,000)	(10,000)	(1,000)	(10,000)	(1,000)	(10,000)	(1,000)	(10,000)	(1,000)
Net Income		7,000	2,000	7,000	2,000	7,000	2,000	7,000	2,000	7,000	2,000

Item Description	MOHCD	Year 7 2014	Year 8 2015	Year 9 2016	Year 10 2017	Year 11 2018
OPERATING EXPENSES						
Administrative	3.5%	17,000	3,000	17,000	3,000	17,000
Construction	3.5%	17,000	3,000	17,000	3,000	17,000
Interest	3.5%	17,000	3,000	17,000	3,000	17,000
Insurance	3.5%	17,000	3,000	17,000	3,000	17,000
Utilities	3.5%	17,000	3,000	17,000	3,000	17,000
Professional Fees	3.5%	17,000	3,000	17,000	3,000	17,000
Depreciation	3.5%	17,000	3,000	17,000	3,000	17,000
Other	3.5%	17,000	3,000	17,000	3,000	17,000

Item Description	MOHCD	Year 7 2014	Year 8 2015	Year 9 2016	Year 10 2017	Year 11 2018
TOTAL OPERATING EXPENSES						
Administrative	3.5%	17,000	3,000	17,000	3,000	17,000
Construction	3.5%	17,000	3,000	17,000	3,000	17,000
Interest	3.5%	17,000	3,000	17,000	3,000	17,000
Insurance	3.5%	17,000	3,000	17,000	3,000	17,000
Utilities	3.5%	17,000	3,000	17,000	3,000	17,000
Professional Fees	3.5%	17,000	3,000	17,000	3,000	17,000
Depreciation	3.5%	17,000	3,000	17,000	3,000	17,000
Other	3.5%	17,000	3,000	17,000	3,000	17,000

Item Description	MOHCD	Year 7 2014	Year 8 2015	Year 9 2016	Year 10 2017	Year 11 2018
TOTAL OPERATING INCOME (LOSS) net of EXPENSES						
Administrative	3.5%	7,000	2,000	7,000	2,000	7,000
Construction	3.5%	7,000	2,000	7,000	2,000	7,000
Interest	3.5%	7,000	2,000	7,000	2,000	7,000
Insurance	3.5%	7,000	2,000	7,000	2,000	7,000
Utilities	3.5%	7,000	2,000	7,000	2,000	7,000
Professional Fees	3.5%	7,000	2,000	7,000	2,000	7,000
Depreciation	3.5%	7,000	2,000	7,000	2,000	7,000
Other	3.5%	7,000	2,000	7,000	2,000	7,000

Item Description	MOHCD	Year 7 2014	Year 8 2015	Year 9 2016	Year 10 2017	Year 11 2018
TOTAL DEBT SERVICE						
Interest	3.5%	17,000	3,000	17,000	3,000	17,000
Principal	3.5%	17,000	3,000	17,000	3,000	17,000
Other	3.5%	17,000	3,000	17,000	3,000	17,000

Item Description	MOHCD	Year 7 2014	Year 8 2015	Year 9 2016	Year 10 2017	Year 11 2018
TOTAL DEBT SERVICE						
Interest	3.5%	17,000	3,000	17,000	3,000	17,000
Principal	3.5%	17,000	3,000	17,000	3,000	17,000
Other	3.5%	17,000	3,000	17,000	3,000	17,000

Item Description	MOHCD	Year 7 2014	Year 8 2015	Year 9 2016	Year 10 2017	Year 11 2018
ANNUAL RECEIPTS (CASH FLOW) minus PAYMENTS RECEIVING MOHCD						
Operating Income		7,000	2,000	7,000	2,000	7,000
Debt Service		(17,000)	(3,000)	(17,000)	(3,000)	(17,000)
Net Cash Flow		(10,000)	(5,000)	(10,000)	(5,000)	(10,000)

Item Description	MOHCD	Year 7 2014	Year 8 2015	Year 9 2016	Year 10 2017	Year 11 2018
ANNUAL RECEIPTS (CASH FLOW) minus PAYMENTS RECEIVING MOHCD						
Operating Income		7,000	2,000	7,000	2,000	7,000
Debt Service		(17,000)	(3,000)	(17,000)	(3,000)	(17,000)
Net Cash Flow		(10,000)	(5,000)	(10,000)	(5,000)	(10,000)

Item Description	MOHCD	Year 7 2014	Year 8 2015	Year 9 2016	Year 10 2017	Year 11 2018
ANNUAL RECEIPTS (CASH FLOW) minus PAYMENTS RECEIVING MOHCD						
Operating Income		7,000	2,000	7,000	2,000	7,000
Debt Service		(17,000)	(3,000)	(17,000)	(3,000)	(17,000)
Net Cash Flow		(10,000)	(5,000)	(10,000)	(5,000)	(10,000)

Item Description	MOHCD	Year 7 2014	Year 8 2015	Year 9 2016	Year 10 2017	Year 11 2018
ANNUAL RECEIPTS (CASH FLOW) minus PAYMENTS RECEIVING MOHCD						
Operating Income		7,000	2,000	7,000	2,000	7,000
Debt Service		(17,000)	(3,000)	(17,000)	(3,000)	(17,000)
Net Cash Flow		(10,000)	(5,000)	(10,000)	(5,000)	(10,000)

Relioco Place

Account	Year 12		Year 13		Year 14		Year 15		Year 16		Year 17	
	LOSP	%	LOSP	%	LOSP	%	LOSP	%	LOSP	%	LOSP	%
PROCEEDS												
Initial Loan	35,000	85.00%	35,000	85.00%	35,000	85.00%	35,000	85.00%	35,000	85.00%	35,000	85.00%
Interest Income	1,000	2.50%	1,000	2.50%	1,000	2.50%	1,000	2.50%	1,000	2.50%	1,000	2.50%
Residual Income	1,000	2.50%	1,000	2.50%	1,000	2.50%	1,000	2.50%	1,000	2.50%	1,000	2.50%
EXPENSES												
Operating Expenses	1,000	2.50%	1,000	2.50%	1,000	2.50%	1,000	2.50%	1,000	2.50%	1,000	2.50%
Interest Expense	1,000	2.50%	1,000	2.50%	1,000	2.50%	1,000	2.50%	1,000	2.50%	1,000	2.50%
Depreciation	1,000	2.50%	1,000	2.50%	1,000	2.50%	1,000	2.50%	1,000	2.50%	1,000	2.50%
Net Operating Income	1,000	2.50%	1,000	2.50%	1,000	2.50%	1,000	2.50%	1,000	2.50%	1,000	2.50%
NET OPERATING INCOME												
Net Operating Income	1,000	2.50%	1,000	2.50%	1,000	2.50%	1,000	2.50%	1,000	2.50%	1,000	2.50%
Capital Expenditures	1,000	2.50%	1,000	2.50%	1,000	2.50%	1,000	2.50%	1,000	2.50%	1,000	2.50%
Working Capital Changes	1,000	2.50%	1,000	2.50%	1,000	2.50%	1,000	2.50%	1,000	2.50%	1,000	2.50%
CASH FLOW												
Net Operating Income	1,000	2.50%	1,000	2.50%	1,000	2.50%	1,000	2.50%	1,000	2.50%	1,000	2.50%
Capital Expenditures	(1,000)	(2.50%)	(1,000)	(2.50%)	(1,000)	(2.50%)	(1,000)	(2.50%)	(1,000)	(2.50%)	(1,000)	(2.50%)
Working Capital Changes	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
CASH FLOW FROM OPERATIONS												
Cash Flow from Operations	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
FINANCING												
Initial Loan	35,000	85.00%	35,000	85.00%	35,000	85.00%	35,000	85.00%	35,000	85.00%	35,000	85.00%
Debt Repayment	(1,000)	(2.50%)	(1,000)	(2.50%)	(1,000)	(2.50%)	(1,000)	(2.50%)	(1,000)	(2.50%)	(1,000)	(2.50%)
TOTAL CASH FLOW												
Total Cash Flow	34,000	82.50%	34,000	82.50%	34,000	82.50%	34,000	82.50%	34,000	82.50%	34,000	82.50%
BALANCE SHEET												
Initial Investment	35,000	85.00%	35,000	85.00%	35,000	85.00%	35,000	85.00%	35,000	85.00%	35,000	85.00%
Accumulated Depreciation	(1,000)	(2.50%)	(1,000)	(2.50%)	(1,000)	(2.50%)	(1,000)	(2.50%)	(1,000)	(2.50%)	(1,000)	(2.50%)
Net Book Value	34,000	82.50%	34,000	82.50%	34,000	82.50%	34,000	82.50%	34,000	82.50%	34,000	82.50%

Account	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17
OPERATING EXPENSES						
Operating Expenses	1,000	1,000	1,000	1,000	1,000	1,000
Interest Expense	1,000	1,000	1,000	1,000	1,000	1,000
Depreciation	1,000	1,000	1,000	1,000	1,000	1,000
NET OPERATING INCOME						
Net Operating Income	1,000	1,000	1,000	1,000	1,000	1,000
CASH FLOW						
Cash Flow from Operations	0	0	0	0	0	0
FINANCING						
Initial Loan	35,000	35,000	35,000	35,000	35,000	35,000
Debt Repayment	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
TOTAL CASH FLOW						
Total Cash Flow	34,000	34,000	34,000	34,000	34,000	34,000
BALANCE SHEET						
Initial Investment	35,000	35,000	35,000	35,000	35,000	35,000
Accumulated Depreciation	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Net Book Value	34,000	34,000	34,000	34,000	34,000	34,000

REMAINING BALANCE AFTER MONTHS NEGOTIATED RECEIPT SCHEDULE

REMAINING RECEIPTS (PRECEDING MONTH)

REMAINING RECEIPTS (CURRENT MONTH)

REMAINING RECEIPTS (FUTURE MONTHS)

REMAINING RECEIPTS (TOTAL)

REMAINING RECEIPTS (NET)

REMAINING RECEIPTS (GROSS)

REMAINING RECEIPTS (NET OF TAX)

REMAINING RECEIPTS (NET OF INFLATION)

REMAINING RECEIPTS (NET OF ALL)

Attachment D: LOSP Funding Schedule A

MOHCD Proforma - Exhibit A

LOSP FUNDING SCHEDULE	
Project Address:	Railton Place
Project Start Date:	7/1/2018

Exhibit A

Calendar Year	Full Year Funding Amount	# Months to Fund	Total Disbursement for Calendar Year	Estimated Disbursement Date	FY Budgeted (for Disbursement)
CY-1 2018	\$264,085	6	\$132,042	6/1/2018	FY2018/19
CY-2 2019	\$274,311	12	\$274,311	1/1/2019	FY2018/19
CY-3 2020	\$284,920	12	\$284,920	1/1/2020	FY2019/20
CY-4 2021	\$295,924	12	\$295,924	1/1/2021	FY2020/21
CY-5 2022	\$307,337	12	\$307,337	1/1/2022	FY2021/22
CY-6 2023	\$319,176	12	\$319,176	1/1/2023	FY2022/23
CY-7 2024	\$331,454	12	\$331,454	1/1/2024	FY2023/24
CY-8 2025	\$344,187	12	\$344,187	1/1/2025	FY2024/25
CY-9 2026	\$357,392	12	\$357,392	1/1/2026	FY2025/26
CY-10 2027	\$371,086	12	\$371,086	1/1/2027	FY2026/27
CY-11 2028	\$385,285	12	\$385,285	1/1/2028	FY2027/28
CY-12 2029	\$400,009	12	\$400,009	1/1/2029	FY2028/29
CY-13 2030	\$415,275	12	\$415,275	1/1/2030	FY2029/30
CY-14 2031	\$431,104	12	\$431,104	1/1/2031	FY2030/31
CY-15 2032	\$447,514	12	\$447,514	1/1/2032	FY2031/32
CY-16 2033	\$464,528	12	\$464,528	1/1/2033	FY2032/33
Total Contract Amount:			\$5,561,543		

Introduction Form

By a Member of the Board of Supervisors or Mayor

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2018 MAY 15 11:4:32
Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor [] inquiries"
- 5. City Attorney Request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No. []
- 9. Reactivate File No. []
- 10. Question(s) submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.

Sponsor(s):

Kim

Subject:

[Grant Agreement – The Salvation Army Turk Street, L.P. - Local Operating Subsidy Program Contract – Railton Place, 242 Turk Street - Not to Exceed \$5,561,543]

The text is listed:

Resolution authorizing the Director of the Mayor’s Office of Housing and Community Development to execute a Local Operating Subsidy Program Grant Agreement with The Salvation Army Turk Street, L.P., a California limited partnership, to provide operating subsidies for formerly homeless adult households at Railton Place, 242 Turk Street, for a term of 15 years and six months to commence following Board approval, in an amount not to exceed \$5,561,543.

Signature of Sponsoring Supervisor: [Signature]

For Clerk's Use Only