

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

GRANT AGREEMENT

Between

CITY AND COUNTY OF SAN FRANCISCO

and

BROADWAY SANSOME ASSOCIATES, L.P.,

For

BROADWAY SANSOME APARTMENTS

255 BROADWAY, SAN FRANCISCO

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

W I T N E S S E T H:

A. Grantee has a leasehold interest in the real property located at 255 Broadway, San Francisco, California, as more particularly described in Exhibit B attached hereto (the "**Property**") under an Amended and Restated Ground Lease dated March 18, 2013 by and between Grantee and City (the "**Ground Lease**"). Pursuant to the Ground Lease, Grantee has constructed 74-units of affordable family housing plus one manager's unit and ancillary residential spaces, affordable to low-income households, commonly known as Broadway Sansome Apartments (the "**Project**").

B. On January 10, 2012, the City and County of San Francisco Municipal Transportation Agency ("SFMTA") acquired property in San Francisco, California commonly known as 933-949 Stockton Street, APN Parcel 0211, Block 001 (the "**Chinatown Property**") for the construction and operation of the Central Subway Chinatown Station (the "**Central Subway Project**"), which required the demolition of the mixed-use building currently located on the Chinatown Property. The Chinatown Property contained eighteen (18) residential units with nineteen (19) households, and fourteen (14) of those residential households (collectively, the "**Displaced Households**") were temporarily relocated from the Chinatown Property to other rental sites to accommodate the Central Subway Project.

C. Grantee and City agreed to provide units in the Project as a permanent relocation option for income-qualified Displaced Households that wish to relocate to the Project. In order to facilitate this, SFMTA agreed to provide certain rental subsidies for periods during which a Displaced Household leases a Project unit and has a certified income that is less than fifty percent (50%) of area median income, as determined by the United States Department of

Housing and Urban Development for the San Francisco area, adjusted for actual household size, but not high housing cost area (“**Adjusted Median Income**” or “AMI”).

D. The Project has been leased up, and of the fourteen Displaced Households, twelve have a certified 2015-2016 household income of less than 50% of Adjusted Median Income and have leased Project units (the “**Relocated Households**”). The twelve Relocated Households are listed on Exhibit A attached hereto.

E. Pursuant to this Agreement, City shall provide a rental subsidy to Grantee on an annual basis for any Relocated Household that has a certified household income of less than 50% of Adjusted Median Income for such year, for up to thirty lease years, as calculated pursuant to Article 5 below; provided that no annual subsidy shall exceed Thirty-Nine Thousand Seven Hundred and Forty-Four Dollars (\$39,744), which amount is the cumulative subsidy calculated for the first lease year for all Relocated Households collectively (the “**Maximum Annual Subsidy Amount**”).

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

AGREEMENT

NOW, THEREFORE, in consideration of 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:

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

“**Actual Rent Amount**” means thirty percent (30%) of a Relocated Household’s certified annual income.

"**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 Tenant**” means additional individuals identified on Exhibit A who live with a Relocated Household but were not members of the applicable Displaced Household.

"**Adjusted Median Income**" or “AMI” has the meaning set forth in Recital C above.

"**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 C, or as otherwise amended by Grantee and City.

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

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

"CFR" means the Code of Federal Regulations.

"Charter" shall mean the Charter of City.

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

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

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

“Controller” shall mean the Controller of City.

“Designated Head of Household” means the designated head of household for a Relocated Household.

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

“Displaced Household” has the meaning set forth in Recital B.

"Effective Date" means the Initial Leasing Date, which is March 15, 2015.

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

"First Subsidy Payment" shall mean the Subsidy Payment for the initial Fiscal Year starting from the Effective Date and ending on June 30th of that calendar year.

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

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

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

"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, SFMTA 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 March 15, 2015, the date when the first Relocated Unit was leased and occupied by a Relocated Household.

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

“Maximum Annual Subsidy Amount” means Thirty-Nine Thousand Seven Hundred and Forty-Four Dollars (\$39,744), as further described in Section 5.2.

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

"**MOHCD Loan Agreements**" mean that certain Amended and Restated HOME loan agreement, dated as of March 18, 2013, between MOHCD and Grantee with respect to a \$5,783,800 loan; and that certain MTA Loan Agreement dated as of March 18, 2013 between MOHCD and Grantee with respect to a \$8,000,000 loan.

"**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 Grantee 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 Agreements); (f) required deposits to the Replacement Reserve Account (as defined in the MOHCD Loan Agreements), Operating Reserve Account, and any other reserve account required under this Agreement, 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 Statement**" shall have the meaning set forth in Section 6.1.

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

"**Over-Income Household**" means a Relocated Household that has a certified household income that exceeds 50% of Adjusted Median Income.

"**Project**" means the seventy five (75) unit housing project commonly known as Broadway Sansome Apartments, 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).

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

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

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

"Relocated Household" has the meaning set forth in Recital D.

"Relocated Units" means the twelve (12) residential units at the Project leased by Relocated Households in an applicable lease year.

"Rent" means the aggregate annual sum charged to Relocated Households for rent and utilities, with utility charges (if any) limited to an allowance determined by the San Francisco Housing Authority.

"Senior Loan Documents" means the following documents: the Multifamily Housing Revenue Bond Loan Agreement in the amount of \$23,900,000 between the City, U.S. Bank National Association, as Trustee and Grantee and the state Multifamily Housing Program loan in the amount of \$7,481,477. [Identification to be completed.]

"SFMTA" means City and County of San Francisco Municipal Transportation Agency.

"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.

"Target Rent Amount" means thirty percent (30%) of fifty percent (50%) of Adjusted Median Income

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

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

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 SFMTA for Subsidy Payments and transfer of such funds from SFMTA to MOHCD (or as MOHCD may direct such funds to be transferred directly by SFMTA to Grantee), which appropriation and transfer is subject to SFMTA's annual operating budget, or (b) appropriation of sufficient funds for Subsidy Payments to MOHCD's annual operating budget. If the funds appropriated for subsidy payments in a Fiscal Year will be insufficient to fund the total subsidy payments MOHCD intended to make in such Fiscal Year, MOHCD shall have the right to reduce the amount of subsidy payments.

If MOHCD determines that Subsidy Payments for any given Fiscal Year must be reduced due to a shortfall in appropriated 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. Grantee acknowledges that SFMTA'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.

(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 SFMTA or MOHCD or by supplemental appropriation.

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

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.

ARTICLE 3 TERM

The term of this Agreement (the "**Term**") shall commence on the Effective Date and shall terminate on _____, which date is the thirtieth (30th) anniversary of the Effective Date, unless earlier terminated in accordance with the terms herein.

ARTICLE 4 PERFORMANCE OF GRANT OBLIGATIONS

4.1 Lease of Relocated Units.

(a) Lease of Relocated Units. Grantee has leased all of the Relocated Units to the Relocated Households. If a Relocated Household terminates its lease at any time without the Relocated Household immediately leasing another unit in the Project, Grantee shall deliver written notice of such termination to City within five (5) business days of such termination and the City's obligation hereunder to subsidize the Relocated Household will terminate as of the lease termination date. Grantee shall rent each Relocated Unit to a Relocated Household pursuant to a separate lease agreement that complies with this Agreement. Each Relocated Household lease shall provide for termination of such lease and such Relocated Household's consent to immediate eviction if the Relocated Household has made any material misrepresentation in the initial income certification to Grantee or in any later income certification made by the Relocated Household to Grantee. Grantee shall designate Relocated Households in the appropriate AMI unit that most closely matches the Relocated Household income level, such that the Relocated Household will pay the highest appropriate Actual Rent Amount and the corresponding Subsidy Payments made under this Agreement will be minimized.

(b) Annual Income Certification. Grantee and City hereby acknowledge that, as of the Effective Date, Grantee has completed the initial income certification for each Relocated Household's annual household income, and has determined that each Relocated Household qualifies for the Subsidy Payment. Grantee shall obtain each Relocated Household's recertification of his/her household income on an annual basis, and in accordance with Section 5.2 below. 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.

(d) Security Deposits. Security deposits may be required of Relocated Households 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 Relocated Household 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 Relocated Households or any other tenants of the Project.

(e) Designated Head of Household; Displaced Household Information. The Designated Head of each Relocated Household is set forth in the attached Exhibit A, together with (i) the other individuals who are members of the applicable Displaced Household and who currently comprise such Relocated Household, (ii) the date each Relocated Household moved into the Project, (iii) the certified March 2015- February 2016 household income for each Relocated Household and the Additional Tenants, (iv) the rent payable by each Relocated Household from March 2015 to February 2016, and (v) the Target Rent Amount as of March of 2015.

(f) Change in Relocated Household, Designated Head of Household. If one or more of the original members of a Relocated Household moves to a different residence at the Project or elsewhere, the members of such Relocated Household shall automatically be revised to exclude the original member who moved and to include only the Designated Head of Household for such Relocated Household, the other original members of the Relocated Household who continue to reside with the Designated Head of Household, and any Additional Tenants. For example, if a Relocated Household was originally comprised of a mother, an uncle, and two sons, with the mother originally designated as the Designated Head of Household of such Relocated Household, and the two sons eventually move to a separate Project unit or elsewhere, the members comprising such Relocated Household shall be automatically revised to be the mother and the uncle. In such a scenario, the City would have no obligation to provide rental subsidies under this Agreement for the two sons, even if the two sons resided at a different unit at the Project and were determined to be an Under-Income Household. In such a scenario, if the two sons later returned to live in the Relocated Household with the mother and the uncle, they would be Additional Tenants at such Relocated Household and would not regain their status as members of the Relocated Household.

If a Designated Head of Household for a Relocated Household dies, such Relocated Household's new Designated Head of Household shall be the oldest remaining original member of such Relocated Household who resided continuously at the same Project unit as the previous Designated Head of Household until the time of his or her death. For example, if a Relocated Household was originally comprised of a mother, an adult uncle, and two minor sons, with the mother originally designated as the Designated Head of Household of such Relocated Household, and the mother dies when the uncle and two sons were still living in the same Housing Project unit as her, the uncle shall become the new Designated Head of Household for such Relocated Household on the death of the mother. If the mother of such Relocated Household dies at a time when none of the members of such Relocated Household, as listed on the attached Exhibit A, live in the same Project unit with her, the City shall have no obligation to provide any rental subsidy for any former members of such Relocated Household, even if any of

them live in separate units in the Project. The City shall not have any obligation to pay rental subsidies for any Additional Tenant who was living with the mother in her Project unit at the time of her death.

If a Designated Head of Household for a Relocated Household moves from the Relocated Unit, such Relocated Household's new Designated Head of Household shall be the oldest remaining original member of such Relocated Household who resided in the same Project unit as the previous Designated Head of Household immediately prior to his or her move and continues to reside at the Project. For example, if a Relocated Household was originally comprised of a mother, an adult uncle, and two minor sons, with the mother originally designated as the Designated Head of Household of such Relocated Household, and the mother moves from the Project when the uncle and two sons were still living in the same Project unit as the mother immediately prior to her move, the uncle shall become the new Designated Head of Household for such Relocated Household on the date the mother moves from that Project unit. If the mother of such Relocated Household moves at a time when none of the members of such Relocated Household, as listed on the attached Exhibit A, were living with her, City shall have no obligation to provide any rental subsidy for any former members of such Relocated Household, even if any of them live in separate units in the Project. The City shall not have any obligation to pay rental subsidies for any Additional Tenant who was living with the mother in her Project unit immediately prior to her move.

(g) Additional Tenants. No Additional Tenant is entitled to become a replacement Designated Head of Household. Grantee agrees that although an Additional Tenant's income shall be used to calculate the annual income of any Relocated Household, no Additional Tenant shall be deemed to be a member of a Relocated Household or entitled to any City rental subsidy pursuant to this Agreement.

4.2 Rent Restrictions.

(a) Rent Paid. Rent charged to any Relocated Household shall be the lower of: (i) the Actual Rent Amount; or (ii) the Underlying Restricted Rent.

(b) Over-Income Household Rent. Rent charged to a Relocated Household may be increased as a result of a determination that such Relocated Household is an Over-Income Household, so long as the Rent charged does not exceed the Underlying Restricted Rent. If a Relocated Household becomes an Over-Income Household at any time after the Effective Date, Grantee shall continue to rent the same Project unit to such Over-Income Household at the allowed Underlying Restricted Rent, and the portion of Rent paid by the Relocated Household that exceeds the then Target Rent Amount shall be credited against the Subsidy Payment payable by City in accordance with Section 5.2(d); provided, however, that any such subsidy portions remaining at the end of the Term shall be returned to City within thirty (30) days following the end of the Term, together with a statement detailing the calculation of such amount.

(c) Annual Rent Report. Grantee must provide MOHCD a report showing actual household income level and Rent for each Relocated Household by April 15th of each year in accordance with Section 5.2(b).

4.3 [Intentionally Omitted]

4.4 [Intentionally Omitted]

4.5 Annual Operating Budget. The Annual Operating Budget attached hereto as **Exhibit C** sets forth Grantee's anticipated Operating Costs and Project Income 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.

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.



**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 under this Agreement exceed One Million One Hundred Ninety Two Thousand Three Hundred Thirty Two Dollars (\$1,192,320.00) (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 Amount shall be disbursed through Subsidy Payments.

Provided that Grantee is in compliance with all of the conditions for receipt of the First Subsidy Payment, City shall deliver the First Subsidy Payment to Grantee within ten (10) business days immediately following complete execution of this Agreement. For every subsequent Fiscal Year during the Term, provided that Grantee is in compliance with all of the conditions for receipt of a Subsidy Payment, City shall deliver the Subsidy Payment for such Fiscal Year to Grantee within fifteen (15) business days immediately following the City's approval of the annual budget and commencement of the applicable Fiscal Year.

5.2 Subsidy Payment Amounts and Adjustments.

(a) First Lease Year. As of the Effective Date, Grantee has completed income certifications for each Relocated Household and, using that information, determined the difference between the Target Rent Amount and the Actual Rent Amount for each Relocated Household for the initial Lease Year. Accordingly, \$39,744 shall be the Maximum Annual Subsidy Payment under this Agreement. The First Subsidy Payment during the lease period between March 15, 2015-June 30, 2015 shall be \$13,248 which is the difference between the Actual Rent Amount and the Target Rent Amount payable by each Relocated Household from March 2015 to June 30, 2015. This amount reflects the Maximum Annual Subsidy Payment, prorated for the remainder of the Fiscal Year starting on the Effective Date. Each subsequent Subsidy Payment shall be adjusted pursuant to Sections 5.2(b), (c) and (d) below, but in any event, no Subsidy Payment shall exceed the Maximum Annual Subsidy Amount.

(b) Subsequent Lease Years. Grantee shall perform an annual income recertification for each Relocated Household on or before each anniversary of the commencement date of such Relocated Household's lease. By April 15th of each year, Grantee shall deliver a statement to MOHCD and SFMTA that lists each Relocated Household, all members of the original Relocated Household residing in the unit, and any Additional Tenants, the recertified income of such Relocated Household at such time (including whether or not such Relocated Household has become an Over-Income Household), the Target Rent Amount at the time of the statement, the Actual Rent Amount to be paid by such Relocated Household for the ensuing year, and the difference between the Target Rent Amount and the Actual Rent Amount payable by such Relocated Household, together with a copy of the fully executed lease for the Relocated Household listed in the statement. The Subsidy Payment for the following Fiscal Year shall be the new total combined amount of the difference between the Target Rent Amount and the Actual Rent Amount for all Relocated Households, not to exceed the Maximum Subsidy Amount.

(c) Termination of Relocated Household Lease. If during any Fiscal Year, any Relocated Household does not lease a Project unit for the entire twelve (12) month subsidy period, the Subsidy Payment paid by City for such Relocated Household shall be accordingly prorated, and the remaining portion of such subsidy shall be used to offset the Subsidy Payment payable by City for the following Fiscal Year; provided, however, that any such subsidy portions remaining at the end of the Term shall be returned to City within thirty (30) days following the end of the Term, together with a statement detailing the calculation of such amount.

(d) Over-Income Household Credit. If a Relocated Household becomes an Over-Income Household at any time after the Effective Date, the portion of any monthly rental rate paid by an Relocated Household that exceeds the Target Rent Amount shall be credited against all subsequent annual Subsidy Payments; provided, however, that any such subsidy portions remaining at the end of the Term shall be returned to City within thirty (30) days following the end of the Term, together with a statement detailing the calculation of such amount.

(e) Subsidy Payments Not to Exceed Grant Amount. 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 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) 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) 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.

ARTICLE 6 REPORTING REQUIREMENTS; AUDITS; PENALTIES FOR FALSE CLAIMS

6.1 Regular Reports; Operating Statements.

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

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

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

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

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

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

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

ARTICLE 7 TAXES

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

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

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

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

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

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

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

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

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

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

ARTICLE 8 REPRESENTATIONS AND WARRANTIES

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

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

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

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

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

ARTICLE 9 INDEMNIFICATION AND GENERAL LIABILITY

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

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

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

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

ARTICLE 10 INSURANCE

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 11 EVENTS OF DEFAULT AND REMEDIES

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

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

(b) **Improper Use of Grant Funds; Failure to Perform Other Covenants and Obligations.** Grantee uses Grant Funds for any purpose other than for the payment of Operating

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 12 DISCLOSURE OF INFORMATION AND DOCUMENTS

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

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

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

ARTICLE 13 ASSIGNMENTS AND SUBCONTRACTING

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

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

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

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

ARTICLE 14 INDEPENDENT CONTRACTOR STATUS

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

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

14.3 Consequences of Recharacterization.

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

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

(c) A determination of employment status pursuant to either subsection (a) or (b) of this Section 14.3 shall be solely for the purposes of the particular tax in question, and for all

other purposes of this Agreement, Grantee shall not be considered an employee of City. Notwithstanding the foregoing, if any court, arbitrator, or administrative authority determine that Grantee is an employee for any other purpose, Grantee agrees to a reduction in City's financial liability hereunder such that the aggregate amount of Grant Funds under this Agreement does not exceed what would have been the amount of such Grant Funds had the court, arbitrator, or administrative authority had not determined that Grantee was an employee.

ARTICLE 15 NOTICES AND OTHER COMMUNICATIONS

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

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

If to Grantee: Broadway Sansome Associates, L.P.
1525 Grant Avenue
San Francisco, CA 94133
Attention: Executive Director

With a copy to: Silicon Valley Bank
555 Mission Street San Francisco, CA 94105
Attn: Vice President

With a copy to: Raymond James
880 Carillon Parkway
St. Petersburg, FL 33716
Attention: General Counsel

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

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

ARTICLE 16 COMPLIANCE

16.1 Left blank by agreement of the Parties.

16.2 Nondiscrimination; Penalties.

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

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

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

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

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

16.3 MacBride Principles--Northern Ireland. Pursuant to San Francisco Administrative Code Section 12F.5, City urges companies doing business in Northern Ireland to move towards

resolving employment inequities, and encourages such companies to abide by the MacBride Principles. City urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Grantee acknowledges and agrees that he or she has read and understood this Section.

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

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

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

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

16.8 Requiring Minimum Compensation for Employees.

a. Grantee agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at www.sfgov.org/olse/mco. 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 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 Grantee 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, List of Relocated Households
- Exhibit B, Real Property Legal Description
- Exhibit C, Annual Operating Budget
- Exhibit D, Lobbying/Debarment Certification Form
- Exhibit E, Annual Monitoring Report

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.
Article 17 Miscellaneous

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

17.12 Dispute Resolution Procedure. Intentionally omitted.

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: _____
Edwin M. Lee
Mayor

By: _____
Olson Lee
Director, Mayor's Office of Housing
and Community Development

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

By: _____
Deputy City Attorney

GRANTEE:

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

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

Broadway Sansome Associates, L.P.

a California limited partnership

By: CHINATOWN COMMUNITY DEVELOPMENT CENTER,
a California nonprofit public benefit corporation, its General Partner

By: _____
Name: Norman Fong
Its: Executive Director

Federal Tax ID #: _____

City Vendor Number: _____

EXHIBIT A
List of Relocated Households – Heads of Household

Unit #	First Name	Last Name	Bedroom Size	AMI	Move In Date	HH # at Move-in	Current HH#	Move in Income
202	Ding Hua	Tong	1	30%	3/19/2015	2	2	\$23,412.04
203	Yan Ying	Huang	1	30%	3/17/2015	1	1	\$10,673.40
207	Zhuo Sheng	Guan	3	50%	3/18/2015	5	5	\$45,648.60
305	Jin Sen	Kuang	1	30%	3/18/2015	2	2	\$17,954.40
307	Wei Zhong	Li	3	50%	3/17/2015	7	7	\$33,094.96
309	Jun Yu	Tan	2	50%	3/9/2015	3	3	\$36,165.88
407	Shi Sen	Zhu	3	30%	3/9/2015	4	4	\$11,124.15
411	Bing Yuan	Mo	1	30%	3/17/2015	2	2	\$18,207.65
415	Yong Hui	Mei	2	30%	3/13/2015	2	2	\$13,663.92
507	Wei Zhang	Situ	3	30%	3/13/2015	4	4	\$27,325.71
615	Rong Guang	Guan	2	50%	3/6/2015	3	3	\$33,454.67
715	Eileen	Lee	2	50%	3/18/2015	4	4	\$27,611.17

EXHIBIT B
Real Property Legal Description

EXHIBIT C
Annual Operating Budget

EXHIBIT D

Lobbying/Debarment Certification Form

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

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

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

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

[NAME OF BORROWER]:

BY: _____

NAME: _____

TITLE: _____

DATE: _____

EXHIBIT E
Annual Monitoring Report

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



Edwin M. Lee
Mayor

Olson Lee
Director

February 16, 2016

Notice of Availability of 2015 Annual Monitoring Report Form
(including new audit requirements and deadline)

Announcement of Serious Incident Protocol

The Annual Monitoring Report (AMR) forms for Reporting Year 2015 (RY2015) are available. The forms can 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 March 16 from 9 a.m. to 12 noon. See below for more information.

New Audit Requirement and Deadline: To provide sufficient time for sponsors to complete AMRs in accordance with the City's "New Audit Requirements for MOHCD-Funded Projects," the report is now due 5 months after the end of a project's business year. (Previously, it was due 4 months after.) For projects whose business year ended December 31, 2015, the report will be due on May 31, 2016. For projects not owned by a single-asset entity and whose financial activity is accounted for and audited with the parent corporation's finances, sponsors may request up to a one-month extension of the deadline to allow for additional time to complete consolidated audited financial statements in accordance with the new audit requirements.

Submissions for RY2015 and any outstanding reports from prior reporting years will be accepted only in the RY2015 format.

Completion and Submission Instructions

The AMR consists of the following 3 parts:

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

- | | |
|------------------------------------|------------------------------------------------------|
| Instructions | 4. Narrative (new item for misc. exps. >\$10K) |
| 1A. Property & Residents (revised) | 5. Project Financing |
| 1B. Transitional Programs | 6. Services Funding (enhanced) |
| 1C. Eviction Data | 7. Supplementary Information Required by MOHCD (new) |
| 2. Fiscal Activity (revised) | Completeness Tracker (previously "Checklist") |
| 3. Occupancy & Rent Info | |

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 and to compile all submittals required for the entire AMR.

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 the Project Activity Report without MOHCD's prior approval is not allowed. Do not overwrite any validations for any of the cells, alter any formulas or add or delete any rows or columns. If you need to revise the form in order to successfully complete the report, submit a request to moh.amr@sfgov.org.

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 current certificates of liability insurance and property insurance.*

III. Audited Financial Statements – Provide financial statements for the project for Reporting Year 2015. 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 "New 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.

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.

Updates to the Reporting Form

The RY2015 AMR form has been revised from the form for RY2014, as follows:

- Formatting and Content – The formatting in key parts of the report has been improved, and redundant and unnecessary content has been eliminated.
- The Checklist has been revised, renamed "Completeness Tracker" and is now the final sheet in the workbook.
- Worksheet 1A – The number of categories under "Target/Actual Populations" has been reduced.
- Worksheet 2 – A new line item titled "Capital Maintenance Repairs/Improvements" has been added to the expense section to account for capital costs that were paid out of the operating account and may be reimbursed by the Replacement Reserve. The "Reserve Account Details" section has been revised to improve functionality. The section for cash flow "waterfall" (distribution of Surplus Cash) has been simplified and now requires the user to enter the distribution priority as well as the amount of any Residual Receipts loan payment that is due to MOHCD, which previously was auto-calculated.
- Worksheet 6 – Has been enhanced so that supportive services that are selected on Worksheet 1A are auto-filled into Worksheet 6
- Worksheet 4 – New section added where reporters must provide the details of miscellaneous administrative and maintenance expenditures that exceed \$10,000
- Worksheet 7 – This new worksheet has been added in connection with the City's "New Audit Requirements for MOHCD-Funded Projects." Most fields on this sheet are auto-filled with data that is entered on Worksheet 2. Printouts of this sheet may be used to produce the "Supplementary Information Required by MOHCD" that must now be included in the project's audited financial statements. If the auditor elects to use this sheet for this purpose, some data entry on the sheet is required in the yellow-highlighted cells.

AMR Training – March 16, 9am-12noon

To facilitate completion of the AMR by project sponsors, MOHCD will conduct a training on March 16 from 9 a.m. to 12 noon in our office at 1 South Van Ness Avenue, 5th Floor, Room 5080. We strongly encourage the primary staff person responsible for completion of the report to attend. 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

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. 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](#).

**Annual Monitoring Report - Property & Residents - Reporting Year 2015 -
Mayor's Office of Housing & Community Development**

#	IDENTIFYING INFO
1	Reporting Period Start Date (m/d/yyyy)
2	Reporting Period End Date (m/d/yyyy)
3	Property Name
4	Property Full Street Address (e.g. "123 Main Street")
CONTACT INFO	
5	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 INFO

What is the Unit Mix for the Property? Please include any manager's units in this tally. For Transitional Housing, Residential Treatment Program, Shelter or Transitional Group Homes, please skip Questions 25-32, and continue with Question 33. Please also complete the worksheet titled "1B. Transitional Programs Only."

	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.
25	Single Room Occupancy (SRO) Units		1		You MUST provide Min AND Max Occupancy Standards for any Unit Types where Number of Units entered is >0; data entry is required for any cells in Cols J & K that are blank and have no shading.
26	Studio Units		1		
27	One-Bedroom (1BR) Units		1		
28	Two-Bedroom (2BR) Units				
29	Three-Bedroom (3BR) Units				
30	Four-Bedroom (4BR) Units				
31	Five- or More (5+BR) Bedroom Units				
32	TOTAL # Units---->	0			
33		What is the date of the last Capital Needs Assessment? (m/d/yyyy)			
34		What is the projected date of the next Capital Needs Assessment? (m/d/yyyy)			
35	# 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.)			
36		How many Health, Building or Housing Code Violations were open from <i>prior</i> years?			
37		How many Health, Building or Housing Code Violations were cleared in the reporting year?			
38	# 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.)			

39		<p># 3</p> <p>If the property has Immediate Capital Needs and lacks adequate funds in the Replacement Reserve (or elsewhere) to cover the costs, please supply the amount of funds needed to make up the difference, and supply additional explanation in question #3 of the Narrative report. (Click on # 3 at left to jump to Narrative worksheet.)</p>
40		<p>As of the last day of the reporting period, how many units were fully Accessible to Physically Impaired Tenants?</p>
41		<p>As of the last day of the reporting period, how many units were Adaptable for Physically Impaired Tenants?</p>
42		<p>As of the last day of the reporting period, how many units were fully Accessible to Visually Impaired Tenants?</p>
43		<p>As of the last day of the reporting period, how many units were fully Accessible to Hearing Impaired Tenants?</p>
<p>Resident Services: AN ANSWER IS REQUIRED FOR questions 44-54. 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 Funding."</p>		
44		<p>After School Program/s (y/n)</p>
45		<p>Licensed Day Care Service (<i>participant fees are allowable for day care ONLY</i>) (y/n)</p>
46		<p>Youth Program/s (y/n)</p>
47		<p>Educational Classes (e.g. basic skills, computer training, ESL) (y/n)</p>
48		<p>Health and Wellness Services/Programs (y/n)</p>
49		<p>Employment Services (y/n)</p>
50		<p>Case Management, Information and Referrals (y/n)</p>
51		<p>Benefits Assistance and Advocacy; Money Management; Financial Literacy and Counseling (y/n)</p>
52		<p>Support Groups, Social Events, Organized Tenant Activities (y/n)</p>
53		<p>Other Service #1 - Please specify in column G.</p>

54		<p>Go To W56</p> <p>Other Service #2 - Please specify in column G.</p>
55		<p>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 the next 6 questions below (56 thru 61). Instead, you must complete worksheet "1B. Transitional Programs Only."</p>
56		<p>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 vacan units that are included on worksheet 3.)</p>
57	0	<p>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.)</p>
58		<p># 4 Vacant Unit Rent-Up Time - (<i>in DAYS</i>) 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. (<i>Click on # 4 at left to jump to Narrative worksheet.</i>)</p>
59		<p>Waiting List - How many applicants are currently on the waiting list?</p>
60		<p>When was the waiting list last updated? (m/yyyy)</p>
61		<p># 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. (<i>Click on #5 at left to jump to Narrative worksheet.</i>)</p>

POPULATION SERVED

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

Under Target Population, enter the number of units at the project that, as a requirement of a specific funding source (e.g. 202, HOPWA, McKinney), are targeted to and set aside for the target populations shown in the table. Under Actual Population, enter the number of households at the project that, 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")

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

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

Head of Household Race/Ethnicity: As of the last day of the reporting period, enter the numbers of Heads of Households of the following listed ethnicities. The total in row 89 (cell G111) must be the same as the total shown in row 79 (cell G100). DO NOT LEAVE CELLS BLANK - ENTER ZERO INSTEAD.

81		Latino or Hispanic
82		American Indian or Alaskan Native
83		Asian
84		Black or African American
85		Native Hawaiian or Other Pacific Islander
86		White
87		Other
88		Unknown
89	0	TOTAL - must match Total Households above
90		As of the last day of the reporting period, how many Elderly Households resided at the property? (<i>An Elderly Household is one with a Head of Household at least 62 years of age.</i>)
91		As of the last day of the reporting period, how many Female-Headed Households resided at the property? (<i>A Female-headed Household is one with a woman as the head of household - either alone or with one or more children.</i>)
92		As of the last day of the reporting period, of the total population, how many CHILDREN (younger than 18 years of age) reside at the property?
93		As of the last day of the reporting period, how many units were occupied by tenants with physical, visual or hearing impairment ?

Remember, **SAVE YOUR WORK!**

Annual Monitoring Report - Transitional Programs - Reporting Year 2015 - Mayor's Office of Housing & Community Development

Project Address:

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

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

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

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

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

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

Length of Stay: For the 0 households that LEFT the program during the operating year, how many were in the project for the following lengths of time? (Total in cell H27 should match total of cells H13 + I13. 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 H52 should match total of cells H13 + I13. 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	
	Permanent Housing Subtotal	
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 2015 - 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

You MUST answer every question (i.e., enter zero if applicable).

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

1. Number of households who lived in the project during the ENTIRE reporting period. Be sure to include all new 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.)

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 Samartan Tenancy Ends
11	Habitual Late Payment of Rent
12	Illegal 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	0 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.)

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 Samartan Tenancy Ends
31	Habitual Late Payment of Rent
32	Illegal 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	0 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.)

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 Samartan 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	0 Total number of households evicted (total also used to answer question #54 on Worksheet 1A)

Annual Monitoring Report - Fiscal Activity - Reporting Year 2015 - Mayor's Office of Housing & Community Development						
13	12 Month Report Period		Start Date	10/1/200	End Date	10/1/200
14	INCOME & EXPENSES					
15	Number of Units-->		Account	Residential	Non-Residential	Total
16	Description of Income Accounts		Number			
17						
18						
19						
20	Rental Income					
21	Housing Units - Gross Potential Tenant Rents		5120			
22	Rental Assistance Payments (Identify ALL sources in row below if applicable - including LOSP funding)		5121			
23	Commercial Unit Rents		5140			
24	sub-total Gross Rental Income			\$0.00	\$0.00	\$0.00
25	Vacancy Loss - enter amounts as negative numbers!					vacancy rate
26						
27	Housing Units		5240			0.00%
28	Commercial		5240			0.00%
29	sub-total Vacancies			\$0.00	\$0.00	\$0.00
30	NET RENTAL INCOME			\$0.00	\$0.00	\$0.00
31						
32	Other Income					
33	Storage and Parking Spaces		5170			
34	Miscellaneous Rent Income		5190			
35	Supportive Services Income - Do not enter supportive services income if it is tracked in a separate budget and not appropriate per MCHDC plan terms to be included in Resident Receipts calculation		5300			
36	Interest Income - Project Operators		5400			
37	Laundry and Janing		5910			
38	Tenant Charges		5920			
39	Other Revenue		5190			
40	sub-total Other Income Received			\$0.00	\$0.00	\$0.00
41	TOTAL INCOME RECEIVED			\$0.00	\$0.00	\$0.00
42						
43						
44						
45						
46	INCOME & EXPENSES					
47	Description of Expense Accounts		Account Number	Residential	Non-Residential	Total
48	Management					
49	Management Fee		6020			
50	*Above the Line Asset Management Fee - amount allowable may be limited - see Asset Mgt Fee Policy					
51	sub-total Management Expense			\$0.00	\$0.00	\$0.00
52	Salaries/Benefits					
53	Office Salaries		6310			
54	Manager's Salary		6330			
55	Employee Benefits (Health Insurance & Disability Insurance)		6722			
56	Employee Benefits (Retirement & Other Salary Benefits Expenses)		6231			
57	Administrative Rent Free Unit					
58	sub-total Salary/Benefit Expense			\$0.00	\$0.00	\$0.00
59	Administration					
60	Advertising and Marketing		6210			
61	Office Expenses		6311			
62	Office Rent		6312			
63	Legal Expense - Property		6340			
64	Audit Expense		6250			
65	Bookkeeping/Accounting Services		6351			
66	Bad Debts		6270			
67	Miscellaneous Operating Expenses (Identify all items in 67000)		6390			
68	sub-total Administrative Expense			\$0.00	\$0.00	\$0.00
69	Utilities					
70	Electricity		6450			
71	Water		6451			
72	Gas		6452			
73	Sewer		6453			
74	sub-total Utilities Expense			\$0.00	\$0.00	\$0.00
75	Taxes and Licenses					
76	Real Estate Taxes		6710			
77	Payroll Taxes		6711			
78	Miscellaneous Taxes, Licenses and Permits		6730			
79	sub-total Taxes and License Expense			\$0.00	\$0.00	\$0.00
80	Insurance					
81	Property and Liability Insurance		6720			
82	Fidelity Bond Insurance		6721			
83	Workers Compensation		6722			
84	Directors & Officers Liability Insurance		6724			
85	sub-total Insurance Expense			\$0.00	\$0.00	\$0.00
86	Maintenance and Repairs					
87	IMPORTANT NOTE: TREATMENT OF CAPITAL AND NON-CAPITAL MAINTENANCE REPAIR EXPENSES ELIGIBLE FOR PAYMENT BY REPLACEMENT RESERVE: If possible, exclude items from this section. If you do include these expenses here, be sure to record the amounts in rows 101 and 217-222 below.					
88	Payroll		6510			
89	Supplies		6515			
90	Contracts		6520			
91	Garbage and Trash Removal		6525			
92	Security Payroll Contract		6530			
93	HVAC Repairs and Maintenance		6540			
94	Vehicle and Maintenance Equipment Operation and Repairs		6570			
95	Miscellaneous Operating and Maintenance Expenses (Identify all items in 65000)		6530			
96	sub-total Maintenance Repair Expense			\$0.00	\$0.00	\$0.00
97	Supportive Services - do not enter supportive services expenses if tracked in separate budget and not eligible to be counted against project income for resident receipt calculation		6900			
98	SUB-TOTAL OPERATING EXPENSES			\$0.00	\$0.00	\$0.00
99						
100	Capital Maintenance Repair Expenses eligible for payment by Replacement Reserve if capital costs were entered in amounts for Maintenance & Repairs section above and eligible for payment by the Replacement Reserve - please enter details in Replacement Reserve-Eligible Expenditures below. Details provided below will be added to cell D100			\$0.00		
101	Non-Capital Maintenance Repair Expenses eligible for payment by Replacement Reserve - Only enter amounts here if they were included in amounts entered for Maintenance & Repairs section above and will be reimbursed by Replacement Reserve. Enter as positive number					
102	TOTAL OPERATING EXPENSES			\$0.00	\$0.00	\$0.00
103						
104						
105	Acct Num			Residential	Non-Residential	Total
106	1. TOTAL INCOME RECEIVED			\$0.00	\$0.00	\$0.00
107	2. TOTAL OPERATING EXPENSES			\$0.00	\$0.00	\$0.00
108	3. NET OPERATING INCOME			\$0.00	\$0.00	\$0.00

	B	C	D	E	F	
13	Annual Monitoring Report - Fiscal Activity - Reporting Year 2015 - Mayor's Office of Housing & Community Development					
108			Name of Lessor or Lender / Describe Other Amt Paid	Residential	Non-Residential	
109					Total	
110	Ground Lease Base Rent & Debt Service (Principal and Interest)					
111	Ground Lease - Base Rent - provide Lessor name to the right.					
112	Lender1 - Principal Paid - provide lender name to the right					
113	Interest Paid					
114	Other Amount (describe to the right)					
115	Lender2 - Principal Paid - provide lender name to the right					
116	Interest Paid					
117	Other Amount (describe to the right)					
118	Lender3 - Principal Paid - provide lender name to the right					
119	Interest Paid					
120	Other Amount (describe to the right)					
121	Lender4 - Principal Paid - provide lender name to the right					
122	Interest Paid					
123	Other Amount (describe to the right)					
124	Total Ground Lease Base Rent + Debt Service Payments			\$0.00	\$0.00	\$0.00
125	Reserve Account Activity					
126	Replacement Reserve Required Annual Deposit			1320		\$0.00
127	Operating Reserve Deposits			1365		\$0.00
128	Operating Reserve Account Withdrawals					\$0.00
129	Other Required Reserve Account Deposits (Identify account number e.g. 1330)			Type of account here		\$0.00
130	Other Required Reserve Account Withdrawals (Identify account number e.g. 1330)			Type of account here		\$0.00
131	Net Reserve Activity			\$0.00	\$0.00	\$0.00
132	Surplus Cash Detail (MOHD minus Debt Service and Reserve Activity)					
133				\$0.00	\$0.00	\$0.00
134	If amount for Surplus Cash above is negative, you must provide a detailed explanation to question #7 on the Narrative worksheet - you must NOT supply data for any of the fields for Uses of Surplus Cash below					
135	Surplus Cash, Total					\$0.00
136	REFER TO THE PROJECT'S SURPLUS CASH FLOW "WATERFALL" (IF APPLICABLE) PRIOR TO COMPLETING SECTION BELOW					
137	USES OF SURPLUS CASH THAT ARE AUTHORIZED TO BE PAID PRIOR TO CALCULATION OF MOHCD DEBT PAYMENT (IF APPLICABLE)					
138	138 Operating Reserve Replenishments - Deposits made out of surplus cash to satisfy minimum balance requirements					
139	7. "Below-the-line" Asset Mgt fee - prior written authorization from City SFRA may be required - see Asset Mgt Fee Policy.					
140	140 Ground Lease & related payments, if any					
141	9a Partnership Management fee due from this reporting period, if any - tax credit projects only, not allowed if project is beyond 15-year compliance period.					
142	9b Partnership Management fee accrued but unpaid from PRIOR reporting periods, if any - tax credit projects only, per City policy, not allowed if project is beyond 15-year compliance period.					
143	10a Investor Services Fee (aka LP Asset Management Fee) due from this reporting period, if any - tax credit projects only, per City policy, not allowed if project is beyond 15-year compliance period.					
144	10b Investor Services Fee (aka LP Asset Management Fee) accrued but unpaid from PRIOR reporting periods, if any - tax credit projects only, per City policy, not allowed if project is beyond 15-year compliance period.					
145	145 Deferred Developer fee, if any					
146	12 Other payments - see question #7 on the Narrative worksheet #4, to provide details about any fees or other payments included here. Failure to provide details will result in disallowance of this expense. You may only include payments that were approved by MOHCD at time of funding that are also explicitly authorized by a Partnership Agreement of similar project document.					
147	147a Debt Pmt to other lender1 - Principal Paid - note lender name to right			Lender Name for Debt Service payments entered below		
148	147a. Debt Pmt to other lender1 - Interest Paid					
149	147b. Debt Pmt to other lender2 - Principal Paid - note lender name to right					
150	149. Debt Pmt to other lender2 - Interest Paid					
151	151. Debt Pmt to other lender3 - Principal Paid - note lender name to right					
152	151. Debt Pmt to other lender3 - Interest Paid					
153	153. Debt Pmt to other lender4 - Principal Paid - note lender name to right					
154	153. Debt Pmt to other lender4 - Interest Paid					
155	155. Total Payments preceding MOHCD on Surplus Cash waterfall					\$0.00
156	14 RESIDUAL RECEIPTS					
157	PROPOSED USE OF RESIDUAL RECEIPTS					
158	14a Is This Project Obligated to make Repayments on any MOHCD loans out of Residual Receipts? (enter yes or no in cell to the right)					
159	- Residual Receipts Obligation Calculation, if applicable -					
160	14b % of Residual Receipts (14)					
161	14c \$500 per unit					
162	14d Allowable Distribution - lesser of 14b & 14c					
163	14e Net Residual Receipts Amount Due - 14c - 14d					
164	15 PROPOSED RESIDUAL RECEIPTS PAYMENT TO MOHCD					
165	Proposed Amount					
166	It may be acceptable for the Proposed Residual Receipts Payment to MOHCD noted on line 15 to be less than the amount calculated for line 14e. You must supply a detailed explanation in the cell to the right if 15 is not equal to 14e.					
167	DO NOT SUBMIT YOUR PROPOSED RESIDUAL RECEIPT PAYMENT TO MOHCD WITH THIS AMR. MOHCD WILL REVIEW YOUR PROPOSED PAYMENT AND GENERATE AN INVOICE IF THE CALCULATION CAN BE VERIFIED AS APPROPRIATE. IF THE CALCULATION CANNOT BE VERIFIED, MOHCD WILL CONTACT YOU.					
168	Remaining Balance if MOHCD Payment Amount is Accepted					
169						\$0.00

	B	C	D	E	F
13	Annual Monitoring Report - Fiscal Activity - Reporting Year 2015 - Mayor's Office of Housing & Community Development				
14	USES OF SURPLUS CASH THAT ARE AUTHORIZED TO BE PAID AFTER CALCULATION OF MOHCD DEBT PAYMENT (IF APPLICABLE)				
171	16. "Below-the-line" Asset Mgt fee (prior written authorization from City SFRA may be required - see Asset Mgt Fee Policy)				
172	17. Ground Lease & related payments, if any				
173	18a. Partnership Management fee due from this reporting period, if any (tax credit projects only - per City policy - not allowed if project is beyond 15-year compliance period)				
174	18b. Partnership Management fee accrued but unpaid from PRIOR reporting periods, if any (tax credit projects only - not allowed if project is beyond 15-year compliance period)				
175	19a. Investor Services Fee (aka LP Asset Management Fee) due from this reporting period, if any (tax credit projects only - not allowed if project is beyond 15-year compliance period)				
176	19b. Investor Services Fee (aka LP Asset Management Fee) accrued but unpaid from PRIOR reporting periods, if any (tax credit projects only - per City policy - not allowed if project is beyond 15-year compliance period)				
177	20. Deferred Developer fee, if any				
178	21. Other payments - use question #1 on the Narrative Worksheet #4 to provide details about any fees or other payments included here. Failure to provide details will result in disallowance of expense. You may only include payments that were approved by MOHCD at time of funding that are also explicitly authorized by a Partnership Agreement or similar project document				
180	22a. Debt Pmt to other lender6: Principal Paid (note lender name to right)				
181	22a. Debt Pmt to other lender6: Interest Paid				
182	22b. Debt Pmt to other lender7: Principal Paid (note lender name to right)				
183	22b. Debt Pmt to other lender7: Interest Paid				
184	Total Payments below MOHCD on Surplus Cash "waterfall"				
185	\$0.00				
186	Subtotal of Remaining Balance				
187	\$0.00				
188	Proposed Owner Distributions (provide description in column C and enter amount in column F - description required if amount is greater than amount in 14a)				
189	Proposed Other Distributions (uses - provide description in column C and enter amount in column F - if you had a Calendar Year LOSP surplus - please acknowledge that and note exact amount)				
190	Final Balance: should be ZERO except when Surplus Cash (cell F135) is negative				
191	\$0.00				
192					
193					
194	RESERVE ACCOUNT DETAILS				
195	OPERATING RESERVE (Do not leave blanks for any questions asking for a number, enter zero instead)				
196	Minimum Required Balance:				
197	Beginning Balance:				
198	Actual Annual Deposit (do not edit - taken from page 1 account number 1365):				
199	\$0.00				
200	Annual Withdrawal Amount:				
201	Ending Balance:				
202	Required Annual Deposit:				
203	Total Operating Expenses plus debt service (do not edit cell - calculated):				
204	\$0.00				
205	If the calculated percentage shown to the right (Op Reserve Account Ending Balance divided by Total Op Expenses) is less than 23.5% you must describe how the project will remedy the shortfall in the adjacent cell				
206	If the calculated percentage shown to the right is greater than 26.5% you must explain why the Op Reserve balance exceeds MOHCD's requirement in the adjacent cell				
207	0.000%				
208	REPLACEMENT RESERVE (Do not leave blanks for any questions asking for a number, enter zero instead)				
209	Minimum Required Balance:				
210	Beginning Balance:				
211	Actual Annual Deposit:				
212	Annual Withdrawal Amount:				
213	Ending Balance:				
214	Required Annual Deposit (do not edit - taken from page 1 account number 1320):				
215	\$0.00				
216	Describe how the amount of annual deposit and the minimum required balance is determined				
217					
218					
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221					
222					
223	Total				
224	\$0.00				
225	Replacement Reserve-Eligible Expenditures; provide details below about the Capital and non-Capital Expenditures that are Replacement Reserve-eligible				
226	Capital Expenditures; enter details to generate the total, use the comments section to supply explanations				
227	Capital Expenditures - Categories				
228	Additional Description				
229	Source (required?)				
230	Amount				
231	Building & improvements				
232	Office improvements				
233	Site improvements				
234	Land improvements				
235	Furniture, fixtures & equipment				
236	Other				
237	Total				
238	\$0.00				
239	Notes About Capital Expenditures				
240					
241	Non-Capital Replacement Reserve Eligible Expenditures (i.e., labor costs); enter details to generate the total, use comments section below to supply explanations.				
242	Source				
243	Amount				
244	Excess of Operating Budget to be reimbursed by RR (shows the amount entered in row 21 above)				
245	\$0.00				
246	Excess from Replacement Reserve				
247	Total				
248	\$0.00				
249	Explanation of Non-Capital Replacement Reserve Eligible Expenditures				
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13	Annual Monitoring Report - Fiscal Activity - Reporting Year 2015 - Mayor's Office of Housing & Community Development				
234					
235	FEDERAL PROGRAM INCOME REPORT				
236					
237	This section must be completed if the project received any CDBG funding, even if the amount of CDBG program income during the reporting period was zero. For more information, use the following link or copy this web address for manual navigation:				
238					
239	http://www.moh.org/Modules/ShowDocument.aspx?DocumentId=5141				
240	Overview of Federal (HOME and CDBG) Program Income				
241					
242	CDBG PROGRAM INCOME				
243	Proposed amounts to be used to fund eligible CDBG activities as described in the Federal CDBG Program Regulations at 24 CFR 570.201-206 and consistent with the City's 2015-2019 Consolidated Plan, 2015-16 Action Plans as follows				
		AMOUNT	DESCRIPTION		
243	Amount to be used for CDBG eligible activity#1 (provide amount in cell to the right and activity description and regulation citation in column furthest to the right)				
244	Amount to be used for CDBG eligible activity#2 (provide amount in cell to the right and activity description and regulation citation in column furthest to the right)				
245	Amount to be used for CDBG eligible activity#3 (provide amount in cell to the right and activity description and regulation citation in column furthest to the right)				
246	Amount to be deposited for use on future eligible CDBG activities that will be undertaken by June 30, 2015 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right)				
247	Other (provide amount in cell to the right, plus activity description and regulation citation in column furthest to the right)				
248	Total CDBG Program Income Calculation (see instructions for guidance on how to calculate)			\$0.00	
249	To ensure the eligible use of CDBG Program Income, the recipient of federal CDBG funding hereby requests approval by the Mayor's Office of Housing and Community Development for the use of CDBG program income received during the 2015 reporting period as depicted above.				
250					

**Annual Monitoring Report - Narrative - Reporting Year 2015 -
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 WS #2, Fiscal Activity, items 12 & 21.

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

0

If the project had an average VACANT UNIT RENT-UP TIME greater than 30 days for question 55 on worksheet "1A. Property & 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

0

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 ----->

0.00%

If the project had a VACANCY RATE greater than 15%, as may be shown above from the Income Expense section of worksheet "2. Fiscal Activity," 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 operating & maintenance expenses greater than \$10,000 each, you must provide a detailed itemization of these individual expenses below. Total expenses must equal the total amount reported on the Fiscal Activity worksheet.

Misc. Admin Expenses

Expense Description	Amount	HUD Acct #	Notes
Total:	0.00		

Misc. Operating & Maintenance Expenses

Expense Description	Amount	HUD Acct #	Notes
Total:	0.00		

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 Activity," 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.

