

File No. 130560

Committee Item No. 3

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: 06/17/2013

Board of Supervisors Meeting

Date: \_\_\_\_\_

#### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Digest                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Budget and Legislative Analyst Report        |
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| <input type="checkbox"/>            | <input type="checkbox"/> | Youth Commission Report                      |
| <input type="checkbox"/>            | <input type="checkbox"/> | Introduction Form                            |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/> | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Budget                                 |
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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Form 126 – Ethics Commission                 |
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| <input type="checkbox"/>            | <input type="checkbox"/> | Application                                  |
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#### OTHER

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Completed by: Victor Young

Date June 13, 2013

Completed by: Victor Young

Date \_\_\_\_\_

1 [Grant Agreement - Mission Creek Senior Community - 225 Berry Street - Not to Exceed  
2 \$11,468,518]

3 **Resolution authorizing the Director of the Mayor's Office of Housing to execute a**  
4 **Local Operating Subsidy Program Grant Agreement with Mercy Housing**  
5 **California XX, LP, a California limited partnership, to provide operating subsidies**  
6 **for formerly homeless households at Mission Creek Senior Community, 225 Berry**  
7 **Street, for a 15-year period, in an amount not to exceed \$11,468,518.**

8  
9 WHEREAS, The Mayor's Office of Housing (MOH) administers a variety of  
10 housing programs that provide financing for the development of new housing and the  
11 rehabilitation of single- and multi-family housing for low- and moderate-income  
12 households in San Francisco; and

13 WHEREAS, In 2004, the City and County of San Francisco (City) published its  
14 "Ten Year Plan to End Chronic Homelessness," and established a goal of creating  
15 3,000 permanent affordable housing units for homeless households by 2016; and,

16 WHEREAS, MOH developed the Local Operating Subsidy Program (LOSP) in  
17 order to establish long-term financial support to operate and maintain permanent  
18 affordable housing for homeless households. Through the LOSP, the City subsidizes  
19 the difference between the cost of operating housing for homeless persons and all other  
20 sources of operating revenue for a given project, such as tenant rental payments,  
21 commercial space lease payments, Stewart B. McKinney Homeless Assistance Act  
22 subsidies, project-based Section 8 rent subsidies and California Mental Health Services  
23 Act operating subsidies; and

24 WHEREAS, All supportive housing projects selected for capital funding by the  
25 Citywide Affordable Housing Loan Committee (Loan Committee) pursuant to a

1 competitive Notice of Funding Availability (NOFA) or Request for Proposals (RFP)  
2 process and intended to serve homeless individuals or families are eligible to receive  
3 LOSP funds; and

4 WHEREAS, The Board of Supervisors of the City and County of San Francisco  
5 (Board of Supervisors) authorizes City funding for LOSP projects as part of the Annual  
6 Appropriation Ordinance; and

7 WHEREAS, MOH enters into grant agreements with supportive housing owners  
8 and operators for LOSP projects in consultation with the Department of Public Health  
9 (DPH) and Human Services Agency (HSA), administers LOSP contracts, reviews  
10 annual audits and prepares recommendations for annual adjustments to project funding,  
11 monitors compliance with LOSP requirements in accordance with capital funding  
12 regulatory agreements, and if necessary, takes appropriate action to enforce  
13 compliance; and

14 WHEREAS, Mercy Housing California XX, LP, a California limited partnership, is  
15 the owner and developer of the Mission Creek Senior Community (the Project), which  
16 will provide 51 studio and one-bedroom units for formerly homeless households at 225  
17 Berry Street; and

18 WHEREAS, Mercy Housing California XX, LP (Mercy), a California limited  
19 partnership, has Mercy Housing West, a California nonprofit public benefit corporation,  
20 as its managing general partner; and

21 WHEREAS, On April 19, 2013, the Loan Committee recommended approval to  
22 the Mayor of a 15-year LOSP contract for the Project in an amount not to exceed  
23 \$11,468,518; now, therefore, be it

24 RESOLVED, That the Board of Supervisors hereby authorizes the Director of  
25 MOH or his designee to execute the LOSP Grant Agreement (Agreement) for an

FILE NO.

RESOLUTION NO.

1 amount not to exceed \$11,468,518, in substantially the form on file with the Clerk of the  
2 Board in File No. 130560 and in such final form as approved by the Director  
3 of MOH and the City Attorney; and be it

4 FURTHER RESOLVED, That this Board of Supervisors authorizes MOH to  
5 proceed with actions necessary to implement the Agreement following execution, and  
6 ratifies, approves and authorizes all actions heretofore taken by any City official in  
7 connection with such Agreement; and, be it

8 FURTHER RESOLVED, That this Board of Supervisors hereby authorizes the  
9 Director of MOH or his designee to enter into any amendments or modifications to the  
10 Agreement, including without limitation, the exhibits that the Director determines, in  
11 consultation with the City Attorney, are in the best interest of the City, do not materially  
12 increase the obligations or liabilities for the City or materially diminish the benefits of the  
13 City, are necessary or advisable to effectuate the purposes and intent of this Resolution  
14 and are in compliance with all applicable laws, including the City Charter.

15  
16 RECOMMENDED:

17 

18 Olson Lee, Director  
19 Mayor's Office of Housing

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

GRANT AGREEMENT

between

CITY AND COUNTY OF SAN FRANCISCO

and

Mercy Housing XX,  
A California limited partnership

For

Mission Creek Senior Community

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THIS GRANT AGREEMENT (this "**Agreement**") is made this \_\_\_\_\_, by and between Mercy Housing California XX, 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 ("**MOH**").

**WITNESSETH:**

**WHEREAS**, in response to a Request for Qualifications issued by the former San Francisco Redevelopment Agency (the "Agency") in September of 2000 Grantee was selected to develop, own, and operate Mission Creek Senior Community (the "Project"), which opened in 2004 and is an affordable senior rental housing complex of 139 one-bedroom units (plus one-two bedroom manager's unit) for very low income seniors (62 years or older) who are at or below 50 percent of Area Median Income (AMI). The Project includes 51 units referred by the San Francisco Department of Public Health ("DPH") Direct Access to Housing Program ("DAH") and 88 units that are subsidized with Project Based Section 8 vouchers, of which 10 are Housing Opportunities for Persons With AIDS ("HOPWA") units set aside for seniors living with disabling HIV/AIDS. The Project also includes three non-residential components: 1) a City branch library; 2) approximately 4,000 sq.ft. in retail/commercial space; and 3) 7,820 sq.ft. for an adult day health center.

**WHEREAS**, since the Project opened in 2004, it has received an operating subsidy from the San Francisco Department of Public Health ("DPH").

**WHEREAS**, the City is now consolidating it's investment in operating affordable housing projects within MOH's Local Operating Subsidy Program ("**Program**")

**WHEREAS**, Grantee submitted the Application Documents (as hereinafter defined) to MOH for a grant through the **Program**; and

**WHEREAS**, On February 1, 2012, the Former Agency was dissolved pursuant to the provisions of California State Assembly Bill No. 1X 26 (Chapter 5, Statutes of 2011-12, First Extraordinary Session) ("AB 26"), codified in relevant part in California's Health and Safety Code Sections 34161 – 34168 and upheld by the California Supreme Court in California Redevelopment Assoc. v. Matosantos, No. S194861

(Dec. 29, 2011). On June 27, 2012, AB 26 was subsequently amended in part by California State Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12) ("AB 1484"). (Together, AB 26 and AB 1484 are referred to as the "Redevelopment Dissolution Law."); and

**WHEREAS**, Pursuant to the Redevelopment Dissolution Law, all of the Former Agency's assets (other than housing assets) and obligations were transferred to the Successor Agency. Some of the Former Agency's housing assets, including the Project, were transferred to the City, acting by and through the Mayor's Office of Housing ("MOH"); and

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

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

## **ARTICLE 1 DEFINITIONS**

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

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

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

"**Agreement Date**" means the date this Agreement is duly executed and delivered by Grantee and MOH.

"**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 E**, 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.

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

"**Assisted Units**" means the 51 LOSP-funded residential units out of a total of 139 residential units at the Project.

"**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.

"Controller" shall mean the Controller of City.

"DPH" means the San Francisco Department of Public Health.

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

"Effective Date" means the Initial Leasing Date.

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

"First Subsidy Payment" shall mean the Subsidy Payment for the initial Fiscal Year starting from the Effective Date.

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

"Former Agency Loan Agreements" means those certain loan agreements, dated as of December 16, 2003, between the Former Agency and Grantee including the following two loans: (1) a Tax Increment Loan in an amount not to exceed \$12,040,429 and (2) a Housing Opportunities for Persons With AIDS ("HOPWA") loan in an amount not to exceed \$1,000,000, which were assumed by MOH upon the dissolution of the Former Agency pursuant to Redevelopment Dissolution Law.

"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 MOH and all of City's commissions, departments, agencies and other subdivisions, and City's elected officials, directors, officers, employees, agents, and representatives, and their respective successors and assigns.

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

"Loan Committee" means the MOH review committee that selects Program grantees.

"LOSP Clients" means the formerly homeless individuals or households that MOH deems eligible for Program assistance pursuant to the Program criteria set forth on the attached **Exhibit B** (as such criteria may be amended from time to time by MOH) and refers to Grantee pursuant to this Agreement.

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

"Median Income" means area median income determined by HUD for the San Francisco area, adjusted solely for household size, but not high housing cost area.

"MOH" shall mean the Mayor's Office of Housing of the City and County of San Francisco.

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

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

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

**"Opinion"** means an opinion of Grantee's California legal counsel, satisfactory to MOH 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 MOH reasonably requests.

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

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

**"Project"** means the one hundred thirty nine (139) unit housing project commonly known as Mission Creek Senior Community, 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 MOH in connection with the Project (other than Grant Funds), and any funds held in the Subsidy Reserve Account.



**"Project Operating Account"** means a checking account maintained by Grantee, which shall be held in a bank or savings and loan institution acceptable to MOH 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 MOH Loan Agreement, the Senior Loan Documents or any additional state or federal affordable housing loan for the Project, provided that Grantee first obtains MOH's written consent to such additional loan.

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

**"Referral Report"** means the report prepared by Program staff for a LOSP Client, which shall be substantially in the form attached hereto as **Exhibit D**.

**"Rent"** means the aggregate annual sum charged to Tenants for rent and utilities, with utility charges limited to an allowance determined by DPH.

**"Senior Loan Documents"** means the following documents: the loan documents executed by Grantee in connection with Former Agency Loan Agreements; and the loan documents executed by Grantee in connection with the \_\_\_\_\_ loan from \_\_\_\_\_ in the amount of \$ \_\_\_\_\_.

**"Services Agreement"** means the Contract for Services dated \_\_\_\_\_, and between Tenant Services Contractor and DPH for the provision of services to LOSP Clients at the Project.

**"Shortfall"** means the Assisted Units Operating Costs (as defined in Section 5.6) for any Calendar Year during the Term exceed the Project Income obtained from the Assisted Units for such Calendar Year.

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

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

**"Tenant"** shall mean a LOSP Client who leases an Assisted Unit.

**"Tenant Services Contractor"** shall mean Mercy Services, a California non-profit public benefit corporation.

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

**"Termination Notice Date"** shall have the meaning given to in Section 4.1.

**"Transition Plan"** shall have the meaning given to in Section 2.5.

**"Vacancy Period"** shall have the meaning given to in Section 4.1.

**"9-Year Cash Flow"** means the cash flow projection described in the attached **Exhibit E**.

**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 MOH. The terms "sufficient," "necessary" or "proper" and similar terms shall mean sufficient, necessary or proper in the sole judgment of MOH. The terms "approval," "acceptable" or "satisfactory" or similar terms shall mean approved by, or acceptable

to, or satisfactory to MOH. 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 MOH expenditures. Grantee acknowledges that MOH's obligation to make Subsidy Payments under this Agreement is expressly conditioned on the (a) appropriation of sufficient funds to DPH for Subsidy Payments and transfer of such funds from DPH to MOH (or as MOH may direct such funds to be transferred directly by DPH to Grantee), which appropriation and transfer is subject to DPH's annual operating budget, or (b) appropriation of sufficient funds for Subsidy Payments to MOH's annual operating budget. If the funds appropriated for Program subsidy payments in a Fiscal Year will be insufficient to fund the total Program subsidy payments MOH intended to make in such Fiscal Year, MOH shall have the right to reduce the amount of Program subsidy payments and to select the qualifying projects subject to such reduced payments.

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

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

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

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

(b) Except as may be provided by City ordinances governing emergency conditions, City and its employees and officers are not authorized to request Grantee to perform services or to provide materials,

equipment and supplies that would result in Grantee performing services or providing materials, equipment and supplies that are beyond the scope of the services, materials, equipment and supplies specified in this Agreement unless this Agreement is amended in writing and approved as required by law to authorize the additional services, materials, equipment or supplies. City is not required to pay Grantee for services, materials, equipment or supplies provided by Grantee if they are beyond the scope of the services, materials, equipment and supplies agreed upon herein and were not approved by a written amendment to this Agreement lawfully executed by City.

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

(d) The Controller is not authorized to make payments on any agreement for which funds have not been certified as available for such purposes in the budget of DPH or MOH 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, except as otherwise set forth in Section 2.5.

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

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

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

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

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

### ARTICLE 3 TERM

The term of this Agreement (the "**Term**") shall commence on the Effective Date and shall terminate on the fifteenth (15<sup>th</sup>) anniversary of the Effective Date, unless earlier terminated in accordance with the terms herein.

### ARTICLE 4 PERFORMANCE OF GRANT OBLIGATIONS

#### 4.1 Lease of Assisted Units.

(a) City will deliver Referral Reports equal to the number of vacant LOSP Units at the Project, if any to Grantee on or before the first day immediately following the Effective Date. Commencing on the Initial Leasing Date, Grantee shall lease all of the Assisted Units to the LOSP Clients it selects from such Referral Reports. After the Initial Leasing Date, an Assisted Unit may remain vacant during any Vacancy Period applicable to such Assisted Unit.

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

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

(c) Grantee shall comply with the Tenant Selection Plan Policy set forth in the attached Exhibit H.

(d) Grantee shall comply with the Tenant Screening Criteria Policy set forth in the attached Exhibit I.

(e) Grantee shall rent each Assisted Unit to a Tenant pursuant to a separate lease agreement that complies with this Agreement. Each Tenant lease shall provide for termination of such lease and such Tenant's consent to immediate eviction if the Tenant has made any material misrepresentation in the initial income certification made by Tenant to City or in any later income certification made by Tenant to Grantee.

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

(g) Security deposits may be required of Tenants only in accordance with applicable federal regulations, state law and this Agreement. Any security deposits collected must be segregated from all other funds of the Project in an account held in trust for the benefit of the Tenants and other tenants of the Project and disbursed in accordance with California law. The balance in such security deposit account must at all times equal or exceed the aggregate of all security deposits collected plus accrued interest thereon, less any security deposits or interest thereon returned to Tenants or any other tenants of the Project.

#### **4.2 Rent Restrictions.**

(a) Rent charged to any new LOSP Tenant shall be the lower of fifty percent (50%) of a Tenant's gross monthly income, or the maximum allowed under the MOH Loan Documents, which is thirty percent (30%) of fifty percent (50%) of Median Income as of the Agreement Date.

(b) Unless prohibited under any Applicable Law, each lease for an Assisted Unit must provide for termination of the lease upon one hundred twenty (120) days' prior written notice if Grantee's annual income certification indicates that the Tenant's household income exceeds one hundred twenty percent (120%) of Median Income.

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

(d) A Tenant who is a LOSP Client at initial occupancy may not be required to vacate the Assisted Unit due to subsequent rises in such Tenant's household income, except as provided in subsection (b) above. After any such over-income Tenant vacates an Assisted Unit, the vacant Assisted Unit must be rented to an LOSP Client selected in the manner specified in Section 4.1(a).

(e) If due to increases in a LOSP Client's income, the rent charged to a LOSP Client pursuant to section (a) above equals or exceeds the pro-rated per-unit Assisted Units Operating Costs of the Project, the unit occupied by said LOSP Client shall no longer be counted as an Assisted Unit and the next available comparable unit shall be designated as an Assisted Unit and shall only be rented to a LOSP Client.

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

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

#### 4.4 [Intentionally Omitted]

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

Grantee can submit requests to change the amount of the Annual Operating Budget and corresponding Subsidy Payment for any year during the term by supplying a written proposal with the Annual Monitoring Report. Such proposals should include a variance analysis that includes a quantitative assessment of the difference between projected annual income and expenses and actual annual income and expenses, and explanations for the cause of any significant variances.

**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 MOH'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) MOH will provide written notice to Grantee if MOH 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 MOH 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 MOH's rights hereunder, MOH shall have the right to require that Grantee, at Grantee's sole cost, contract with a management agent to perform the Maintenance Duties, or to make other arrangements the City deems necessary to ensure full and timely performance of the Maintenance Duties.

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

#### 4.9 Services Agreement; Provision of Services.

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

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

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

## ARTICLE 5 USE AND DISBURSEMENT OF GRANT FUNDS

**5.1 Maximum Amount of Grant Funds; Disbursement of Subsidy Payments.** In no event shall the total amount of Grant Funds disbursed hereunder exceed Eleven Million Three Hundred Seventy Three and Seventy One Dollars (\$11,373,071 ) (the "**Grant Amount**"). Subject to Grantee's performance of its obligations under this Agreement and MOH's receipt of sufficient funds, as further set forth in Article 2, the Grant Funds shall be disbursed through Subsidy Payments.

Provided that Grantee is in compliance with all of the conditions for receipt of the First Subsidy Payment, City shall deliver the First Subsidy Payment to Grantee within ten (10) business days immediately following the Agreement Date. 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 commencement of the applicable Fiscal Year.

### **5.2 Subsidy Payment Amounts and Adjustments.**

(a) The 9-Year Cash Flow is the Parties' current expectations of Operating Costs and Shortfalls during the Term. The Parties anticipate that the amount of the First Subsidy Payment and each subsequent Subsidy Payment shall be as shown on **Exhibit A**. The First Subsidy Payment amount reflects the Shortfall for the Fiscal Year starting on the Effective Date. Notwithstanding the foregoing initial calculations of the 9-Year Cash Flow and the Subsidy Payment amounts, however, each Subsidy Payment (including the First Subsidy Payment) is subject to further adjustment pursuant to this Section and City's annual review and approval of the applicable Annual Operating Budget. The City shall reduce the subsequent Subsidy Payments by the amount of any funds held in the Subsidy Reserve Account.

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

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

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

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

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

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

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

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

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

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

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

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

**5.6 Allocation of Grant Funds and Calculation of Assisted Unit Operating Costs.** For the purposes of determining the Subsidy Payment and the Shortfall, City and Grantee have agreed that the parties shall allocate thirty six point sixty nine percent (36.69%) of the total Operating Costs to the Assisted Units ("Assisted Units Operating Costs") and sixty nine point three one percent (69.31%) of the total Operating Costs to the non-Assisted Units. Exhibit E shows this allocation of Operating Costs between the Assisted and non-Assisted Units based on projected Operating Costs for the first LOSP year of the Project's operation.]

## **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 G or as later modified by MOH during the Term.

Such Annual Monitoring Report shall include a list of the Assisted Unit 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 Assisted Unit 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 MOH, during regular business hours, accurate books and accounting records relating to the Project and the Tenants. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon MOH 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 MOH, 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 MOH, its employees and authorized representatives to inspect, audit, examine and make excerpts and transcripts from any of the foregoing. The rights of MOH pursuant to this Section shall remain in effect so long as Grantee has the obligation to maintain such files, records, books, invoices, documents, payrolls and other data under this Article 6.

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

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

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

## **ARTICLE 7 TAXES**

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

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

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

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

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

**7.3 Earned Income Credit (EIC) Forms.** Administrative Code Section 120 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 120 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 MOH 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 MOH if it becomes aware of any such fact during the term of this Agreement.

## 8.5 [Intentionally Omitted]

### 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.

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

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

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

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

(f) **New Encumbrances.** Any lien is recorded against all or any part of the Real Property or the Project without MOH's prior written consent, and the lien is not removed from title or otherwise remedied to MOH's satisfaction within thirty (30) days after Grantee's receipt of written notice from MOH 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 MOH, 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 MOH'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 MOH'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 MOH 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 MOH 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 MOH or City: Mayor's Office of Housing  
One South Van Ness, 5<sup>th</sup> Floor  
San Francisco, CA 94103  
Attn: Asset Manager  
Telephone No.: 415-701-5500  
Facsimile No.: 415-701-5501

If to Grantee: \_\_\_\_\_  
\_\_\_\_\_  
San Francisco, CA 94102  
Attention: Executive Director

With a copy to: \_\_\_\_\_  
\_\_\_\_\_  
San Francisco, CA 94103  
Attn: Vice President

With a copy to: \_\_\_\_\_  
\_\_\_\_\_  
Attention: General Counsel

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

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

**ARTICLE 16  
COMPLIANCE**

## **16.1 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](http://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 developer to include notice of the requirements of this Chapter in leases, subleases, and other occupancy contracts.

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

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

**e. Liquidated Damages.** Contractor agrees:

- (1) To be liable to the City for liquidated damages as provided in this section;
- (2) To be subject to the procedures governing enforcement of breaches of contracts based on violations of contract provisions required by this Chapter as set forth in this section;
- (3) That the contractor's commitment to comply with this Chapter is a material element of the City's consideration for this contract; that the failure of the contractor to comply with the contract provisions required by this Chapter will cause harm to the City and the public which is significant and substantial but extremely difficult to quantify; that the harm to the City includes not only the financial cost of funding public assistance programs but also the insidious but impossible to quantify harm that this community and its families suffer as a result of unemployment; and that the assessment of liquidated damages of up to \$5,000 for every notice of a new hire for an entry level position improperly withheld by the contractor from the first source hiring process, as determined by the FSHA during its first investigation of a contractor, does not exceed a fair estimate of the financial and other damages that the City suffers as a result of the contractor's failure to comply with its first source referral contractual obligations.
- (4) That the continued failure by a contractor to comply with its first source referral contractual obligations will cause further significant and substantial harm to the City and the public, and that a second assessment of liquidated damages of up to \$10,000 for each entry level position improperly withheld from the FSHA, from the time of the conclusion of the first investigation forward, does not exceed the financial and other damages that the City suffers as a result of the contractor's continued failure to comply with its first source referral contractual obligations;

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

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

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

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

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

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

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

**16.11 Prohibition on Political Activity with City Funds.** In accordance with S. F. Administrative Code Chapter 12.G, no funds appropriated by the City and County of San Francisco for this Agreement may be expended for organizing, creating, funding, participating in, supporting, or attempting to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity"). The terms of San Francisco Administrative Code Chapter 12.G are incorporated herein by this reference. Accordingly, an employee working in any position funded under this Agreement shall not engage in any Political Activity during the work hours funded hereunder, nor shall any equipment or resource funded by this Agreement be used for any Political Activity. In the event Grantee, or any staff member in association with Grantee, engages in any Political Activity, then (i) Grantee shall keep and maintain appropriate records to evidence compliance with this Section, and (ii) Grantee shall have the burden to prove that no funding from this Agreement has been used for such Political Activity. Grantee agrees to cooperate with any audit by the City or its designee in order to ensure compliance with this Section. In the event Grantee violates the provisions of this Section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement and any other agreements between Grantee



and City, (ii) prohibit Grantee from bidding on or receiving any new City contract for a period of two (2) years, and (iii) obtain reimbursement of all funds previously disbursed to Grantee under this Agreement.

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

**16.13 16. 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 MOH or City of any default or breach of this Agreement shall be implied from any failure by MOH or City to take action on account of such default if such default persists or is repeated. No express waiver by MOH 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 MOH 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 MOH 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 MOH who shall decide the true meaning and intent of the Agreement. Such decision shall be final and conclusive.

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

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

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

- Exhibit A, Projected Project Subsidy Payments
- Exhibit B, LOSP Client Selection Criteria
- Exhibit C, Real Property Legal Description
- Exhibit D, Form of Referral Report
- Exhibit E, Annual Operating Budget for Initial Operating Period and 9-Year Cash Flow
- Exhibit F, Lobbying/Debarment Certification Form
- Exhibit G, Annual Monitoring Report
- Exhibit H, Tenant Selection Plan Policy
- Exhibit I, Tenant Screening Criteria Policy

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

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

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

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

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

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

**17.12 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: \_\_\_\_\_  
Douglas Shoemaker  
Director, Mayor's Office of Housing

APPROVED AS TO FORM:

DENNIS J. HERRERA  
City Attorney

By: \_\_\_\_\_  
Heidi J. Gewertz  
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.

a California limited partnership

By: \_\_\_\_\_,  
a California limited liability company, its  
General Partner

By: \_\_\_\_\_,  
a California nonprofit public  
benefit corporation, its Sole  
Member/Manager

Name: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_,  
a California nonprofit public benefit  
corporation, its General Partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

Federal Tax ID #: \_\_\_\_\_

City Vendor Number: \_\_\_\_\_



**Exhibit A1/A2 – Project Annual Subsidy Payments**



0
7/1/2013

Exhibit A-2: LOSP Funding By Calendar Year

	n/a	7/1-12/31	TOT	Total Months
2013	\$0.00	\$234,640.00	\$234,640.00	6
	1/1-6/30	7/1-12/31	TOT	Total Months
2014	\$234,640.00	\$234,640.00	\$469,280.00	12
2015	\$275,439.43	\$275,439.43	\$550,878.87	12
2016	\$297,908.57	\$297,908.57	\$595,817.13	12
2017	\$321,854.35	\$321,854.35	\$643,708.71	12
2018	\$333,440.64	\$333,440.64	\$666,881.29	12
2019	\$350,523.47	\$350,523.47	\$701,046.95	12
2020	\$368,468.50	\$368,468.50	\$736,937.01	12
2021	\$387,309.98	\$387,309.98	\$774,619.95	12
2022	\$407,083.41	\$407,083.41	\$814,166.81	12
2023	\$427,825.62	\$427,825.62	\$855,651.25	12
2024	\$449,574.82	\$449,574.82	\$899,149.64	12
2025	\$472,370.61	\$472,370.61	\$944,741.22	12
2026	\$496,254.05	\$496,254.05	\$992,508.11	12
2027	\$521,267.74	\$521,267.74	\$1,042,535.49	12
	1/1-6/30	n/a		
2027	\$545,955.84	n/a	\$545,955.84	6
			\$11,468,518.26	180

Exhibit A-1: LOSP Disbursement Schedule By Fiscal Year

	n/a	TOT	Total Months	
n/a	\$0.00	\$0.00	0	
sent to sponsor btwn 7/1 & 9/1	7/1-12/31	1/1-6/30	TOT	Total Months
2013-14	\$234,640.00	\$234,640.00	\$469,280.00	12
	7/1-12/31	1/1-6/30		
2014-15	\$234,640.00	\$275,439.43	\$510,079.43	12
2015-16	\$275,439.43	\$297,908.57	\$573,348.00	12
2016-17	\$297,908.57	\$321,854.35	\$619,762.92	12
2017-18	\$321,854.35	\$333,440.64	\$655,295.00	12
2018-19	\$333,440.64	\$350,523.47	\$683,964.12	12
2019-20	\$350,523.47	\$368,468.50	\$718,991.98	12
2020-21	\$368,468.50	\$387,309.98	\$755,778.48	12
2021-22	\$387,309.98	\$407,083.41	\$794,393.38	12
2022-23	\$407,083.41	\$427,825.62	\$834,909.03	12
2023-24	\$427,825.62	\$449,574.82	\$877,400.45	12
2024-25	\$449,574.82	\$472,370.61	\$921,945.43	12
2025-26	\$472,370.61	\$496,254.05	\$968,624.66	12
2026-27	\$496,254.05	\$521,267.74	\$1,017,521.80	12
	7/1-12/31	1/1-6/30		
2027-28	\$521,267.74	\$545,955.84	\$1,067,223.58	12
	n/a			
n/a	n/a		n/a	0
			\$11,468,518.26	180



**Exhibit B - LOSP Client Selection Criteria**



**Exhibit C – Legal Description of Real Property**





### **Site Legal Description**

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

#### **PARCEL ONE:**

LOT 6 OF BLOCK 8708, AS SAID LOT AND BLOCK ARE SHOWN ON THAT CERTAIN MAP (HEREAFTER CALLED THE "PHASE I FINAL MAP") ENTITLED "FINAL MAP" PLANNED DEVELOPMENT MISSION BAY (N3-N3A), BEING PHASE 1 OF A PLANNED DEVELOPMENT SUBDIVISION OF ASSESSOR'S BLOCKS 8704, 8705, 8707 AND 8708 SHOWN ON THAT CERTAIN MAP ENTITLED 'MAP OF MISSION BAY' RECORDED ON JULY 19, 1999 IN BOOK Z OF MAPS AT PAGES 97-119 AND A PORTION OF BERRY STREET VACATED BY ORDINANCE 328-98, RECORDED JULY 19, 1999 AS DOCUMENT 99-G622153-00 (REEL H429 OR IMAGE 505), AND SUBSEQUENTLY CONVEYED TO CATELLUS DEVELOPMENT CORPORATION BY DEED RECORDED IN REEL H845 OR IMAGE 495, RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA, AND BEING MORE PARTICULARLY A MERGER AND RESUBDIVISION OF SAID AB 8705, LOT 1 AND A PORTION OF SAID BERRY STREET, A MERGER AND RESUBDIVISION OF SAID AB 8708, LOT 1 AND A PORTION OF BERRY STREET, AND THE BALANCE OF SAID BERRY STREET" RECORDED MARCH 15, 2001, IN BOOK Z OF MAPS, PAGES 175 TO 178, INCLUSIVE, CITY AND COUNTY OF SAN FRANCISCO RECORDS, STATE OF CALIFORNIA, AS CORRECTED BY THAT CERTAIN "CERTIFICATE OF CORRECTION" RECORDED DECEMBER 23, 2002, IN REEL I289, IMAGE 323, DOCUMENT 2002-H319807-00, IN THE OFFICE OF THE RECORDER OF SAID CITY AND COUNTY.

ASSESSOR'S PARCEL NUMBER: LOT 006, BLOCK 8708



## Exhibit D – Form of Referral Report



**Exhibit E – Annual Operating Budget for Initial Operating Period and 9-Year Cash Flow**









MOH Operating Budget - 20 Year - LUSP Only

		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>Mission Creek Senior Community</b>		9.69%	6.17%								
<b>OPERATING REVENUES</b>											
Total Operating Revenue		1,146,929	1,194,368	1,241,743	1,295,495	1,349,553	1,404,024	1,462,002	1,523,883	1,591,888	1,664,959
<b>OPERATING EXPENSES</b>											
Total Operating Expense		59,126	61,195	63,117	65,554	67,848	70,223	72,681	75,225	77,857	80,582
<b>NET OPERATING INCOME (LOSS) - before depreciation</b>		1,087,803	1,133,173	1,178,626	1,229,941	1,281,705	1,333,801	1,389,321	1,448,658	1,514,031	1,584,377
<b>DEPRECIATION</b>											
Total Depreciation		110,929	114,368	117,743	121,095	124,453	127,801	131,152	134,507	137,867	141,229
<b>NET OPERATING INCOME (LOSS) - after depreciation</b>		976,874	1,018,805	1,060,883	1,108,846	1,157,252	1,206,000	1,258,169	1,314,151	1,376,164	1,443,148
<b>FINANCING REVENUES</b>											
Total Financing Revenue		0	0	0	0	0	0	0	0	0	0
<b>FINANCING EXPENSES</b>											
Total Financing Expense		0	0	0	0	0	0	0	0	0	0
<b>NET FINANCING INCOME (LOSS)</b>		0	0	0	0	0	0	0	0	0	0
<b>OPERATING INCOME (LOSS) - before interest</b>		976,874	1,018,805	1,060,883	1,108,846	1,157,252	1,206,000	1,258,169	1,314,151	1,376,164	1,443,148
<b>INTEREST EXPENSE</b>											
Total Interest Expense		0	0	0	0	0	0	0	0	0	0
<b>OPERATING INCOME (LOSS) - after interest</b>		976,874	1,018,805	1,060,883	1,108,846	1,157,252	1,206,000	1,258,169	1,314,151	1,376,164	1,443,148
<b>DEPRECIATION</b>											
Total Depreciation		110,929	114,368	117,743	121,095	124,453	127,801	131,152	134,507	137,867	141,229
<b>OPERATING INCOME (LOSS) - before depreciation</b>		865,945	904,437	943,140	987,751	1,032,800	1,078,200	1,127,017	1,178,644	1,238,297	1,301,919
<b>DEPRECIATION</b>											
Total Depreciation		110,929	114,368	117,743	121,095	124,453	127,801	131,152	134,507	137,867	141,229
<b>OPERATING INCOME (LOSS) - after depreciation</b>		755,016	790,069	825,397	866,656	908,347	950,400	995,865	1,044,137	1,098,430	1,160,690
<b>FINANCING REVENUES</b>											
Total Financing Revenue		0	0	0	0	0	0	0	0	0	0
<b>FINANCING EXPENSES</b>											
Total Financing Expense		0	0	0	0	0	0	0	0	0	0
<b>NET FINANCING INCOME (LOSS)</b>		0	0	0	0	0	0	0	0	0	0
<b>OPERATING INCOME (LOSS) - before interest</b>		755,016	790,069	825,397	866,656	908,347	950,400	995,865	1,044,137	1,098,430	1,160,690
<b>INTEREST EXPENSE</b>											
Total Interest Expense		0	0	0	0	0	0	0	0	0	0
<b>OPERATING INCOME (LOSS) - after interest</b>		755,016	790,069	825,397	866,656	908,347	950,400	995,865	1,044,137	1,098,430	1,160,690
<b>DEPRECIATION</b>											
Total Depreciation		110,929	114,368	117,743	121,095	124,453	127,801	131,152	134,507	137,867	141,229
<b>OPERATING INCOME (LOSS) - before depreciation</b>		644,087	675,701	707,654	745,561	783,894	822,600	861,713	901,630	942,563	985,461
<b>DEPRECIATION</b>											
Total Depreciation		110,929	114,368	117,743	121,095	124,453	127,801	131,152	134,507	137,867	141,229
<b>OPERATING INCOME (LOSS) - after depreciation</b>		533,158	561,333	589,911	624,466	659,441	694,800	729,561	767,123	804,696	844,232
<b>FINANCING REVENUES</b>											
Total Financing Revenue		0	0	0	0	0	0	0	0	0	0
<b>FINANCING EXPENSES</b>											
Total Financing Expense		0	0	0	0	0	0	0	0	0	0
<b>NET FINANCING INCOME (LOSS)</b>		0	0	0	0	0	0	0	0	0	0
<b>OPERATING INCOME (LOSS) - before interest</b>		533,158	561,333	589,911	624,466	659,441	694,800	729,561	767,123	804,696	844,232
<b>INTEREST EXPENSE</b>											
Total Interest Expense		0	0	0	0	0	0	0	0	0	0
<b>OPERATING INCOME (LOSS) - after interest</b>		533,158	561,333	589,911	624,466	659,441	694,800	729,561	767,123	804,696	844,232
<b>DEPRECIATION</b>											
Total Depreciation		110,929	114,368	117,743	121,095	124,453	127,801	131,152	134,507	137,867	141,229
<b>OPERATING INCOME (LOSS) - before depreciation</b>		422,229	446,965	472,168	503,371	534,988	567,000	599,410	632,617	666,830	702,003
<b>DEPRECIATION</b>											
Total Depreciation		110,929	114,368	117,743	121,095	124,453	127,801	131,152	134,507	137,867	141,229
<b>OPERATING INCOME (LOSS) - after depreciation</b>		311,300	332,597	354,425	382,276	410,535	439,200	468,258	498,110	528,963	560,774
<b>FINANCING REVENUES</b>											
Total Financing Revenue		0	0	0	0	0	0	0	0	0	0
<b>FINANCING EXPENSES</b>											
Total Financing Expense		0	0	0	0	0	0	0	0	0	0
<b>NET FINANCING INCOME (LOSS)</b>		0	0	0	0	0	0	0	0	0	0
<b>OPERATING INCOME (LOSS) - before interest</b>		311,300	332,597	354,425	382,276	410,535	439,200	468,258	498,110	528,963	560,774
<b>INTEREST EXPENSE</b>											
Total Interest Expense		0	0	0	0	0	0	0	0	0	0
<b>OPERATING INCOME (LOSS) - after interest</b>		311,300	332,597	354,425	382,276	410,535	439,200	468,258	498,110	528,963	560,774
<b>DEPRECIATION</b>											
Total Depreciation		110,929	114,368	117,743	121,095	124,453	127,801	131,152	134,507	137,867	141,229
<b>OPERATING INCOME (LOSS) - before depreciation</b>		200,371	218,229	236,682	261,181	286,082	311,400	337,106	363,603	390,996	419,545
<b>DEPRECIATION</b>											
Total Depreciation		110,929	114,368	117,743	121,095	124,453	127,801	131,152	134,507	137,867	141,229
<b>OPERATING INCOME (LOSS) - after depreciation</b>		89,442	103,861	118,939	140,086	161,629	183,600	205,954	229,096	253,129	278,316
<b>FINANCING REVENUES</b>											
Total Financing Revenue		0	0	0	0	0	0	0	0	0	0
<b>FINANCING EXPENSES</b>											
Total Financing Expense		0	0	0	0	0	0	0	0	0	0
<b>NET FINANCING INCOME (LOSS)</b>		0	0	0	0	0	0	0	0	0	0
<b>OPERATING INCOME (LOSS) - before interest</b>		89,442	103,861	118,939	140,086	161,629	183,600	205,954	229,096	253,129	278,316
<b>INTEREST EXPENSE</b>											
Total Interest Expense		0	0	0	0	0	0	0	0	0	0
<b>OPERATING INCOME (LOSS) - after interest</b>		89,442	103,861	118,939	140,086	161,629	183,600	205,954	229,096	253,129	278,316
<b>DEPRECIATION</b>											
Total Depreciation		110,929	114,368	117,743	121,095	124,453	127,801	131,152	134,507	137,867	141,229
<b>OPERATING INCOME (LOSS) - before depreciation</b>		-21,487	1,500	1,196	1,991	2,786	3,581	4,376	5,171	5,966	6,761
<b>DEPRECIATION</b>											
Total Depreciation		110,929	114,368	117,743	121,095	124,453	127,801	131,152	134,507	137,867	141,229
<b>OPERATING INCOME (LOSS) - after depreciation</b>		-132,416	1,498	1,197	1,996	2,787	3,582	4,377	5,172	5,967	6,762
<b>FINANCING REVENUES</b>											
Total Financing Revenue		0	0	0	0	0	0	0	0	0	0
<b>FINANCING EXPENSES</b>											
Total Financing Expense		0	0	0	0	0	0	0	0	0	0
<b>NET FINANCING INCOME (LOSS)</b>		0	0	0	0	0	0	0	0	0	0
<b>OPERATING INCOME (LOSS) - before interest</b>		-132,416	1,498	1,197	1,996	2,787	3,582	4,377	5,172	5,967	6,762
<b>INTEREST EXPENSE</b>											
Total Interest Expense		0	0	0	0	0	0	0	0	0	0
<b>OPERATING INCOME (LOSS) - after interest</b>		-132,416	1,498	1,197	1,996	2,787	3,582	4,377	5,172	5,967	6,762
<b>DEPRECIATION</b>											
Total Depreciation		110,929	114,368	117,743	121,095	124,453	127,801	131,152	134,507	137,867	141,229
<b>OPERATING INCOME (LOSS) - before depreciation</b>		-243,342	1,496	1,195	1,994	2,785	3,580	4,375	5,170	5,965	6,757
<b>DEPRECIATION</b>											
Total Depreciation		110,929	114,368	117,743	121,095	124,453	127,801	131,152	134,507	137,867	141,229
<b>OPERATING INCOME (LOSS) - after depreciation</b>		-132,413	1,488	1,192	1,989	2,780	3,579	4,374	5,169	5,960	6,750
<b>FINANCING REVENUES</b>											
Total Financing Revenue		0	0	0	0	0	0	0	0	0	0
<b>FINANCING EXPENSES</b>											
Total Financing Expense		0	0	0	0	0	0	0	0	0	0
<b>NET FINANCING INCOME (LOSS)</b>		0	0	0	0	0	0	0	0	0	0
<b>OPERATING INCOME (LOSS) - before interest</b>		-132,413	1,488	1,192	1,989	2,780	3,579	4,374	5,169	5,960	6,750
<b>INTEREST EXPENSE</b>											
Total Interest Expense		0	0	0	0	0	0	0	0	0	0
<b>OPERATING INCOME (LOSS) - after interest</b>		-132,413	1,488	1,192	1,989	2,780	3,579	4,374	5,169	5,960	6,750
<b>DEPRECIATION</b>											
Total Depreciation		110,929	114,368	117,743	121,095						







**Exhibit F -- Lobbying/Debarment Certification Form**

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

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

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

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

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

[NAME OF GRANTEE]:

BY: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

**EXHIBIT G – ANNUAL MONITORING REPORT**

**EXHIBIT H**  
**Tenant Selection Plan Policy**

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

**Application Process**

- Application Materials. The housing provider's written and/or electronic application materials should:
  - outline the screening criteria that the housing provider will use;
  - provide space(s) for the applicant to explain any conviction, eviction, tenancy issues or credit concerns and present evidence that he or she will be a suitable tenant;
  - outline how an applicant may request a modification of the admission process and/or a change in admission policies or practices as a reasonable accommodation;
  - be written in language that is clear and readily understandable.
- First Interview. In accordance with the housing provider policies, each applicant with the minimum eligibility requirements for housing unit shall be offered the opportunity for an interview.
- Second Interview. Before issuing a denial, the housing provider should consider offering a second interview to resolve issues and inconsistencies, gather additional information, and assist as much as possible with a determination to admit the applicant.
- Confidentiality. All information provided will be kept confidential and be used only by the housing provider, the referring agency and the funding agency for the purpose of assisting and evaluating the applicant in the admission process.
- Delays in the Process. If delays have occurred or are likely to occur in the application and screening process or the process exceeds the housing provider's normal timeline for application and screening, the housing provider must immediately inform the referring agency and the funding agency, of the status of the application, the reason for the delay and the anticipated time it will take to complete the application process.
- Problems with the Referring Agency. If at any point the housing provider has difficulty reaching or getting a response from the applicant and referring agency, the housing provider must immediately contact the referring agency, if possible, and the funding agency, DPH or HSA.

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

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

### **Reasonable Accommodation and Modification Policy**

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

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

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

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

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

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

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

### **Notice of Denial and Appeal Process**

- The housing provider shall:
  - promptly send a written and electronic notice (to the addresses provided) to each applicant denied admission with a written and/or electronic copy to the referring agency and the funding agency. The notice should:



- list all the reasons for the rejection, including the particular conviction or convictions that led to the decision in cases where past criminal offenses were a reason for rejection;
    - explain how the applicant can request an in person appeal to contest the decision;
    - state that an applicant with a disability is entitled to request a reasonable accommodation to participate in the appeal;
    - inform the applicant that he or she is entitled to bring an advocate or attorney to the in person appeal;
    - provide referral information for local legal services and housing rights organizations;
    - describe the evidence that the applicant can present at the appeal;
  - give applicants denied admission a date within which to file the appeal, which shall be at least ten (10) business days from the date of the notice;
  - unless an extension is agreed to by the applicant and the housing provider, hold the appeal within ten (10) business days of the request for the appeal;
  - confine the subject of the appeal to the reason for denial listed in the notice;
  - give the applicant a chance to present documents and/or witnesses showing that he or she will be a suitable tenant;
  - have an impartial supervisor or manager from the housing provider, but who is not the person who made the initial decision or a subordinate of the person who made the initial decision, conduct the appeal;
  - within 5 business days of the in person appeal, provide the applicant with a written decision that states the reason for the decision and the evidence relied upon. A copy of the written decision must be sent (electronically or otherwise) to the referring agency and the funding agency.
- If the rejection is based on a criminal background check obtained from a tenant screening agency, the Fair Credit Reporting Act and the Investigative Consumer Reporting Agencies Act impose additional notice requirements.<sup>2</sup>

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<sup>2</sup> Fair Credit Reporting Act (FCRA), 15 U.S.C. § 1681 *et seq.* and Investigative Consumer Reporting Agencies Act (ICRAA), Cal. Civ. Code § 1786 *et seq.*

**EXHIBIT I**  
**Tenant Screening Criteria Policy**

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

The screening criteria and considerations outlined below encourage providers to “screen in” rather than “screen out” applicants who have a criminal record. They describe a minimum level of leniency; providers are encouraged to adopt less restrictive policies and processes whenever appropriate. For example, providers may opt not to review or consider applicant criminal records at all.

**Screening Criteria**

- Housing providers shall not automatically bar applicants who have a criminal record<sup>3</sup> in recognition of the fact that past offenses do not necessarily predict future behavior, and many applicants with a criminal record are unlikely to re-offend.
- Housing providers shall not consider:
  - arrests that did not result in convictions, except for an open arrest warrant;
  - convictions that have been expunged or dismissed under Cal. Penal Code § 1203.4 or 1203.4a;<sup>4</sup>
  - juvenile adjudications.
- Housing providers shall consider:
  - the individual circumstances of each applicant; and
  - the relationship between the offense, and
    - (1) the safety and security of other tenants, staff and/or the property; and
    - (2) mitigating circumstances such as those listed below.
  - only those offenses that occurred in the prior 3 years, except in exceptional situations, which must be documented and justified, such as where the housing provider staff is aware that the applicant engaged in violent criminal activity against staff, residents or community members and/or that the applicant intentionally submitted an application with materially false information regarding criminal activity. As necessary, DPH or HSA will assess the justification for a longer look-back period and determine whether an exception is warranted. In these exceptional situations, the housing provider may consider offenses that occurred in the prior 5 years.
  - mitigating factors, including, but not limited to:

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<sup>3</sup> The policy recognizes that some housing may be subject to mandatory laws that require the exclusion of an applicant based upon certain types of criminal activity.

<sup>4</sup> The purpose of the statute is allow a petitioner to request a dismissal of the criminal accusations, a change in plea or setting aside of a verdict and to seek to have certain criminal records sealed or expunged and a release “from all penalties and disabilities resulting from the offense.”

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



**EXHIBIT G – ANNUAL MONITORING REPORT**



# MAYOR'S OFFICE OF HOUSING CITY AND COUNTY OF SAN FRANCISCO



EDWIN M. LEE  
MAYOR

OLSON LEE  
DIRECTOR

August 31, 2012

## Notice of Availability of 2012 Annual Monitoring Report Form and Reminder of Deadline

The Annual Monitoring Report (AMR) forms for Reporting Year 2012 (RY2012) are available. The forms can be downloaded from the [Asset Management page](#) of the MOH web site.

The report is due on October 31 for projects whose business year ends June 30 and on April 30 for projects whose business year ends December 31. For any projects whose business year ends on a different date than above, the report is due 4 months from the last date of the business year.

Submissions for RY2012 and any outstanding reports from prior reporting years will be accepted only in the RY2012 format.

The RY2012 AMR form has been revised somewhat from the form for RY2011. The revisions are summarized as follows.

- Worksheet 1A – There are new questions about supportive services that were available to tenants during the reporting period. Questions about when a project was last rehabilitated and will next be rehabilitated have been eliminated.
- Worksheet 1B must be completed for all transitional housing programs, shelters, residential treatment programs and group homes.
- Worksheet 2 – The information required about a project's Replacement Reserve and Operating Reserve has been simplified and the "Report of Segregated Project Account Balances" has been eliminated.
- Worksheet 3 – New columns have been added to collect the income and size of a household at the time of initial occupancy.
- Worksheet 6 – A new worksheet has been added where information about the funding of the supportive services that were available to tenants must be reported. For any projects that received bond financing and are subject to CDLAC reporting requirements, the most-recent annual reports to the service funder/s must be attached along with the other files that are submitted with the AMR.

## 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
- Checklist
- 1A. Property & Residents (revised)
- 1B. Transitional Programs Only (new)
- 2. Fiscal Activity (revised)
- 3. Occupancy & Rent Info (revised)
- 4. Narrative
- 5. Project Funding Summary
- 6. Services Funding (new)

Provide all applicable information that is requested in worksheets 1-6. Use the Instructions to help you complete each form and the Checklist to help you to determine when each worksheet is complete and to compile all submittals required for the entire AMR.

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





Use Question #9 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 MOH'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](mailto:moh.amr@sfgov.org).

II. Owner Compliance Certification and Insurance & Tax Certification Form – This is a Microsoft Word document that must be completed, signed and dated by the Executive Director or other authorized officer of the owner, scanned and emailed to MOH along with A) current property and liability insurance certificates and B) proof of paid property tax. Retain the original, signed form in your records.

III. Audited Financial Statement – Provide a financial statement for the project for Reporting Year 2012. It must be prepared by a certified public accountant in accordance with generally accepted accounting principles and applicable regulations and laws. If the project is owned by a single asset entity, provide a separate financial statement just for the project, otherwise provide a statement 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 statement.

Completed AMRs must be submitted electronically, via one email message per project to [moh.amr@sfgov.org](mailto:moh.amr@sfgov.org), or if desired, for multiple projects, via compact disc sent to Mike McLoone at MOH. 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.

#### **Available Units and Waiting List Openings**

When opening the waiting list of a project to new applicants or when seeking applicants for available units, owners and property managers must notify the Mayor's Office of Housing as part of the overall marketing that is conducted. MOH posts information about available units and wait list openings on this page of our web site. Submit copies of flyers, notices or web postings to [scott.madden@sfgov.org](mailto:scott.madden@sfgov.org). General information for people seeking affordable housing in San Francisco can also be found on our web site at this location.



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



EDWIN M. LEE  
MAYOR

OLSON LEE  
DIRECTOR

UPDATED March 27, 2013

**REMINDER OF CHANGE IN ANNUAL REPORTING REQUIREMENT FOR AFFORDABLE HOUSING  
PROJECTS FUNDED BY THE SAN FRANCISCO REDEVELOPMENT AGENCY**

This notice is to inform you about changes to the systems used to monitor the compliance of multifamily rental affordable housing projects that have received funding from the former San Francisco Redevelopment Agency ("SFRA"). We sent an alert about this previously. We are resending this to make sure that you are aware of the changes to your reporting obligations.

Effective February 1, 2012, the California legislature dissolved all Redevelopment Agencies in the state. Please see <http://www.sfredevelopment.org/> for more details.

The San Francisco Mayor's Office of Housing ("MOH") is the "successor housing agency" of the SFRA. As a result, affordable housing projects that were developed with financing from SFRA are now subject to the same reporting requirements that apply to MOH-financed projects.

MOH uses an Annual Monitoring Report ("AMR") to gather the data needed to verify compliance with project obligations. All of the information you need regarding the AMR and many other compliance-related topics can be found on the [Asset Management page](#) of the MOH web site.

*The first reports due are for any projects that were operating during the calendar year period of 1/1/2012 thru 12/31/2012 and the fiscal year period of 7/1/2012 thru 6/30/2013.*

MOH's standard guidance letter regarding the AMR process appears below. Please read further for applicable reporting deadlines, links to the report forms and more info about the electronic submission process.

MOH previously hosted an AMR training session for any organizations that see a need for formal support in their efforts to prepare and submit a complete and accurate report. MOH is prepared to host a second AMR training session:

- Thursday, April 4, 10:30am-12pm, Room 5080, 1 South Van Ness Ave, 5<sup>th</sup> Floor

Please email me to RSVP by Monday April 1<sup>st</sup> in order to reserve seat/s for the training.

If you have any questions regarding this notice or any aspect of the annual reporting process that is applicable to your City-funded affordable housing project/s, please contact me via email. *Do not reply to this email – rather, please contact me via the email below.*

Thanks,  
Garrett Smith  
Asset Manager  
[garrett.smith@sfgov.org](mailto:garrett.smith@sfgov.org)

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

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- |                                      |                                    |
|--------------------------------------|------------------------------------|
| • Instructions                       | 3. Occupancy & Rent Info (revised) |
| • Checklist                          | 4. Narrative                       |
| 1A. Property & Residents (revised)   | 5. Project Funding Summary         |
| 1B. Transitional Programs Only (new) | 6. Services Funding (new)          |
| 2. Fiscal Activity (revised)         |                                    |

Provide all applicable information that is requested in worksheets 1-6. Use the Instructions to help you complete each form and the Checklist to help you to determine when each worksheet is complete and to compile all submittals required for the entire AMR.

Use Question #9 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 MOH'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](mailto:moh.amr@sfgov.org).

II. Owner Compliance Certification and Insurance & Tax Certification Form – This is a Microsoft Word document that must be completed, signed and dated by the Executive Director or other authorized officer of the owner, scanned and emailed to MOH along with A) current property and liability insurance certificates and B) proof of paid property tax. Retain the original, signed form in your records.

III. Audited Financial Statement – Provide a financial statement for the project for Reporting Year 2012. It must be prepared by a certified public accountant in accordance with generally accepted accounting principles and applicable regulations and laws. If the project is owned by a single asset entity, provide a separate financial statement just for the project, otherwise provide a statement 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 statement.

Completed AMRs must be submitted electronically, via one email message per project to [moh.amr@sfgov.org](mailto:moh.amr@sfgov.org), or if desired, for multiple projects, via compact disc sent to Mike McLoone at MOH. 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.

#### **Available Units and Waiting List Openings**

When opening the waiting list of a project to new applicants or when seeking applicants for available units, owners and property managers must notify the Mayor's Office of Housing as part of the overall marketing that is conducted. MOH posts information about available units and wait list openings on this page of our web site. Submit copies of flyers, notices or web postings to [scott.madden@sfgov.org](mailto:scott.madden@sfgov.org). General information for people seeking affordable housing in San Francisco can also be found on our web site at this location.



Owner Compliance Certification and Insurance & Tax Certification Form  
 2012 Annual Monitoring Report  
 Mayor's Office of Housing – City & County of San Francisco

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

Complete this form, sign and date it, scan it along with the attachments required under the Insurance and Tax Certification on page 3 and email the form and the attachments with the Project Activity Report and audited financial statements to [moh.amr@sfgov.org](mailto:moh.amr@sfgov.org).

Project Street Address: \_\_\_\_\_

Reporting Period – Start Date: \_\_\_\_\_ End Date: \_\_\_\_\_

**Owner Compliance Certification**

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

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

	True	False	
1			The CCSF Mayor's Office of Housing ("MOH") has been alerted by the owner prior to any actions taken by the owner that affect the value of the property associated with this project, including but not limited to the establishment of any liens or encumbrances on the property; and, where required, the owner has obtained written authorization from MOH prior to taking any such actions.
2			The undersigned is not in default of the terms of any Agreements with CCSF for this project, nor has it been in default on any other loans, contracts or obligations on this property during the reporting period.
3			The undersigned has not been the subject of any actions relating to any other loans, contracts or obligations on this property which might have a material adverse financial impact on the property.
4			The owner has not lost or failed to renew funding for supportive services for the project during the reporting period and has made available (or caused to be made available through another party) all supportive services that are required by existing, applicable funding and regulatory agreements.
5			The owner has not lost or failed to renew funding for operating subsidy/ies for the project during the reporting period.
6			The owner has paid all taxes due for the reporting period and prior reporting periods.
7			The undersigned has marketed the units in the manner set forth in the marketing and resident selection provisions of the funding agreement/s entered into with CCSF.
8			The project has met affordability and other leasing provisions set forth in the funding agreement/s entered into with CCSF during the entire reporting period. As of the end date of the reporting period, _____ units ( <i>supply exact number</i> ) were occupied or held vacant and available for rental by low-income tenants meeting the income qualifications pursuant to the funding agreement/s entered into with CCSF.

Owner Compliance Certification and Insurance & Tax Certification Form  
 2012 Annual Monitoring Report  
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	True	False	
9			The undersigned has obtained a tenant income certification and/or third party documentation to support that certification from each tenant household occupying a unit restricted to occupancy by income-qualified tenants. All income certifications are maintained onsite with respect to each qualified tenant who resides in a unit or resided therein during the immediately preceding business year.
10			The total charges for rent and a utility allowance to each income-qualified tenant in a restricted unit do not exceed the maximum rent specified in the funding agreement/s entered into with CCSF as adjusted by the most recent HUD income and rent figures, which have been taken from the figures that are supplied by MOH on its website.
11			All withdrawals from the replacement and operating reserve accounts have been made in accordance with the MOH funding agreement/s, unless approved in writing by MOH.
12			Security deposits required of tenants of the project are in accordance with applicable laws and the funding agreement/s entered into with CCSF.
13			The undersigned has obtained and will maintain insurance policies in accordance with requirements of the funding agreement/s entered into with CCSF as may be reasonably updated from time to time, and has supplied with this AMR certificates of insurance that are current through the end of the reporting period.
14			The undersigned has maintained the units and common areas in a decent, safe and sanitary manner in accordance with all local health, building, and housing codes and in accordance with the HUD Housing Quality Standards.
15			The data submitted in Section 1A – Property & Residents of the Project Activity Report regarding any violation/s of any health, building, or housing codes is complete and accurate; all required copies of violations/citations that were not resolved by the end of the reporting periods are also included with this AMR submission.
16			The undersigned has made best efforts to: (a) keep the units in good repair and available for occupancy; and (b) keep the Project fully rented and occupied.
17			All questions in the Annual Monitoring Report submitted for this reporting period have been answered fully and truthfully; answers have been supplied for all of questions requiring detailed responses on the Project Activity Narrative Report and any related documents have been submitted as attachments.
18			The project has received additional equity proceeds in the amount of \$ _____ (supply amount) from low-income housing tax credit investors during the reporting period.
19			Accurate information has been provided in Section 2 - Fiscal Activity about any Federal Program Income earned by this project during the reporting period.
20			Any amounts charged as Asset Management Fees are reflected accurately under Income & Expenses in Section 2 - Fiscal Activity of the Project Activity Report, and all such amounts have been used exclusively toward asset management of this project. Asset Management Fees taken beyond pre-approved levels have been documented as required in response to question 7 in Section 4 - Narrative.
21			The calculation of cash flow in Section 2 - Fiscal Activity accurately reflects all expenses incurred and income earned, and the proposed distribution of any Residual Receipts would be in accordance with all relevant agreements and policies.



Owner Compliance Certification and Insurance & Tax Certification Form  
 2012 Annual Monitoring Report  
 Mayor's Office of Housing – City & County of San Francisco

**Insurance & Tax Certification**

Enter the information requested below, and attach a current copy (each) of the Liability and Property Insurance Certificates, a copy of the Property Tax Invoice and a copy of the check or checks submitted to pay the tax. SCAN the documents and send them as an attachment along with the complete AMR to MOH via e-mail to: [moh.amr@sfgov.org](mailto:moh.amr@sfgov.org).

Property Insurance		
	Property Street Address:	
	Policy Number:	
	Policy Effective Date:	
	Policy Expiration Date:	
Liability Insurance		
	Property Street Address:	
	Policy Number:	
	Policy Effective Date:	
	Policy Expiration Date:	
Property Tax		
	Tax Year:	
	Amount of Tax Paid:	
	Date Paid:	
	Amount outstanding from taxes due for Reporting Period:	
	Amount outstanding from taxes due prior to Reporting Period:	

*Important:* If there are taxes due from this reporting period or prior reporting periods, you must use Section 4 - Narrative of the Project Activity Report to explain the occurrence(s) and the ongoing or proposed remedies and expected resolution date.

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

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

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_



You **MUST** supply an answer to every question. Failing to supply an answer may cause the form to characterize your work as "Incomplete" (see Checklist).

When using the "paste" function to enter data in the AMR worksheets, you should double-click into a cell prior to pasting. This will ensure that your input is validated and prevent you from submitting forms with invalid data. Any forms with invalid data will be returned with instructions to fix and resubmit.

NOT SURE ABOUT AN ENTRY? FINDING A NEED TO DOCUMENT HOW YOU DERIVED A PARTICULAR NUMBER? Please record your notes as a response to the last question (#9) on the Narrative worksheet.

**Checklist of Annual Program Monitoring Report Forms**

CCSF – MOH – RY2012AMR -- Checklist of Annual Program Monitoring Report Forms (1 page)

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

Reporting Start Date 1/0/00  
Reporting End Date 1/0/00

	Owner Compliance Certification and Insurance & Tax Certification Form - Signed!
	Scanned Attachments: Insurance Certs & Tax Docs
	Audited Financial Statement, with all Management Letters
incomplete	Project Activity Report: 1A. Property & Residents
incomplete	Project Activity Report: 1B. Transitional Programs Only
incomplete	Project Activity Report: 2. Fiscal Activity
	Project Activity Report: 3. Occupancy & Rent Info
To Be Determined	Project Activity Report: 4. Narrative
incomplete	Project Activity Report: 5. Project Funding
To Be Determined	Project Activity Report: 6. Services Funding

The lists below and the fields in yellow above indicate whether you have supplied complete & accurate information for each worksheet. In almost all cases, an "incomplete" designation indicates that you have not answered all of the questions. If you see any "incompletes", check that worksheet for complete answers. Do not submit a form with any "incomplete" indicators. Contact MOH if you are unable to determine why a given worksheet is being characterized as "incomplete".

**WORKSHEET 1A. Property & Residents** incomplete

questions 1 thru 4	incomplete
questions 5 thru 21	incomplete
questions 22 thru 29	incomplete
questions 30 thru 40	incomplete
questions 52 thru 58	incomplete
questions 59 thru 62	incomplete
questions 76 thru 97	incomplete

**WORKSHEET 1B. Transitional Programs Only** incomplete

questions 1 thru 11	incomplete
questions 12 thru 18	incomplete
questions 19 thru 39	incomplete

**WORKSHEET 2. Fiscal Activity** incomplete

Rental Income - Housing Unit GPTR	incomplete
Vacancy Loss - Housing Units	incomplete
Operating Expenses	incomplete
Op Reserve - rows 196 thru 203	incomplete
Replacement Reserve - rows 206 thru 212	incomplete
Program Income, rows 240 thru 250	incomplete

**WORKSHEET 4. Narrative:** To Be Determined

1	OK
2	OK
3	OK
4	OK
5	OK
6	OK
7	OK

**WORKSHEET 5. Project Funding** incomplete

**WORKSHEET 6. Services Funding** To Be Determined



**CCSF – MOH – RY2012AMR – Property & Tenant Info**

<b>IDENTIFYING INFO</b>	
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")
<b>CONTACT INFO</b>	
5	Property Management Company
6	Property Manager Name
7	Property Manager Phone Number
8	Property Manager E-mail
9	Property Supervisor Name
10	Property Supervisor Phone Number
11	Property Supervisor E-mail
12	Property Owner Name
13	Property Owner Contact Person
14	Property Owner Contact Phone Number
15	Property Owner Contact E-mail
16	Asset Manager Name
17	Asset Manager Phone Number
18	Asset Manager E-mail
19	AMR Preparer's Name
20	AMR Preparer's Phone Number
21	AMR Preparer's E-mail
<b>PROPERTY INFO</b>	
<b>What is the Bedroom/Unit Mix for the Property?</b>	
22	Number of <i>Single Room Occupancy (SRO) Units</i>
23	Number of <i>Studios / (0) Zero Bedroom Units</i>
24	Number of <i>(1) One Bedroom Units</i>
25	Number of <i>(2) Two Bedroom Units</i>
26	Number of <i>(3) Three Bedroom Units</i>
27	Number of <i>(4) Four Bedroom Units</i>
28	Number of <i>(5+) Four or More Bedroom Units</i>
29	0 Number of Residential Units at Property
30	What is the date of the last Capital Needs Assessment? (m/d/yyyy)
31	What is the projected date of the next Capital Needs Assessment? (m/d/yyyy)

32		<p><b># 5</b></p> <p>How many <b>Health, Building or Housing Code Violations</b> 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 # 5 on the Narrative worksheet. (Click on # 5 at left to jump to Narrative worksheet.)</p>
33		<p>How many <b>Health, Building or Housing Code Violations</b> were open from <i>prior</i> years?</p>
34		<p>How many <b>Health, Building or Housing Code Violations</b> were cleared in the reporting year?</p>
35		<p><b># 6</b></p> <p>Are there urgent <b>Major Property Repairs</b> needed on the property in the next two years? (<b>Yes/No</b>) If there are needed major repairs you must answer Question #6 on the Narrative worksheet. (Click on # 6 at left to jump to Narrative worksheet.)</p>
36		<p><b># 6</b></p> <p>If the property has <b>Immediate Capital Needs</b> and lacks adequate funds in the Replacement Reserve (or elsewhere) to cover the costs, please supply the amount of funds needed to makeup the difference, and supply additional explanation in question #6 of the Narrative report. (Click on # 6 at left to jump to Narrative worksheet.)</p>
37		<p>As of the last day of the reporting period, how many units were fully <b>Accessible to Physically Impaired Tenants?</b></p>
38		<p>As of the last day of the reporting period, how many units were <b>Adaptable for Physically Impaired Tenants?</b></p>
39		<p>As of the last day of the reporting period, how many units were fully <b>Accessible to Visually Impaired Tenants?</b></p>
40		<p>As of the last day of the reporting period, how many units were fully <b>Accessible to Hearing Impaired Tenants?</b></p>

	<b>Resident Services:</b> 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 detailed info about the service provider using Worksheet "6. Service Summary". <b>Projects that received bond financing and remain subject to CDLAC reporting requirements have additional annual reporting duties, please read the instructions on Worksheet 6 carefully.</b>		
41		Go To W56 After School Program/s (y/n)	NEW
42		Go To W56 Licensed Day Care Service (participant fees are allowable for day care ONLY) (y/n)	NEW
43		Go To W56 Youth Program/s (y/n)	NEW
44		Go To W56 Educational Classes (e.g. basic skills, computer training, ESL) (y/n)	NEW
45		Go To W56 Health and Wellness Services/Programs (y/n)	NEW
46		Go To W56 Employment Services (y/n)	NEW
47		Go To W56 Case Management, Information and Referrals (y/n)	NEW
48		Go To W56 Benefits Assistance and Advocacy; Money Management; Financial Literacy and Counseling (y/n)	NEW
49		Go To W56 Support Groups, Social Events, Organized Tenant Activities (y/n)	NEW
50		Go To W56 Other Service #1 - Please specify in column G.	NEW
51		Go To W56 Other Service #2 - Please specify in column G.	NEW
52		NEW Is the project any of the following: Transitional Housing, Residential Treatment Program, Shelter or Transitional Group Home? If you answer 'yes', it is likely that the next 10 questions below (52 thru 62) are not relevant, so you may skip any that do not apply; instead you must complete worksheet titles "1B. Transitional Programs Only".	
53		<b>Vacancies</b> - How many vacancies occurred at the project during the reporting period?	
54		<b>Evictions</b> - How many evictions occurred during the reporting year?	
55		<b># 3</b> <b>Vacant Unit Rent-Up Time</b> - (in DAYS) State the average vacant unit rent-up time. This is the period from the time a household moves out to when the unit is rented again. If this period exceeds 30 days, you must answer Question # 3 on the Narrative worksheet. (Click on # 3 at left to jump to Narrative worksheet.)	
56		<b>Waiting List</b> - How many applicants are currently on the waiting list?	

57		When was the waiting list last updated? (m/yyyy)
58		<b>Affirmative Marketing</b> - Did you conduct any marketing of the project during the reporting period? If you conducted marketing during the reporting period, you must answer (question #4 on the Narrative worksheet. <i>(Click on #4 at left to jump to Narrative worksheet.)</i>
<b>Supportive Housing:</b> The next 4 questions seek information about projects that provide dedicated supportive social services for tenants as a means of maintaining housing stability. These supportive services go beyond simple information and referral; in most cases require a separate source of funding and are paid for out of a budget that is separate from the primary project operating budget. Please answer the following questions based on this definition of supportive housing.		
59		Is this project "Supportive Housing" per the above definition? (Choose Yes or No; if you answer 'No', leave the answers blank for the 3 other questions.)
60		How much funding was received outside of the operating budget during the reporting period for supportive services? (The amount reported here should not be included in line 35 of the Fiscal Activity worksheet.)
61		How many units in the project are designated as "supportive housing"? (required)
62		Use this cell to provide additional explanation or details related to these questions about supportive housing.



**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 contain at least one person who is a member of the populations shown in the table.*

		<b>Target Population</b>	<b>Actual Population</b>
63	Do not enter data in this cell	0	AIDS Supportive Housing
64	Do not enter data in this cell	0	Transitional Housing for Homeless
65	Do not enter data in this cell	0	Permanent Housing for Formerly Homeless
66	Do not enter data in this cell	0	Mentally Disabled
67	Do not enter data in this cell	0	Physically Disabled
68	Do not enter data in this cell	0	Senior Housing
69	Do not enter data in this cell	0	Substance Abuse
70	Do not enter data in this cell	0	Dually Diagnosed
71	Do not enter data in this cell	0	Triply Diagnosed
72	Do not enter data in this cell	0	Domestic Violence Survivor
73	Do not enter data in this cell	0	Veterans
74	Do not enter data in this cell	0	Small Household/ Single Parent Transitional
75	Do not enter data in this cell	0	Formerly Incarcerated

**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.

76		(1) <i>One Person Household</i>
77		(2) <i>Two Person Household</i>
78		(3) <i>Three Person Household</i>
79		(4) <i>Four Person Household</i>
80		(5) <i>Five Person Household</i>
81		(6) <i>Six Person Household</i>
82		(7+) <i>Seven or more Person Household</i>
83	0	<b>TOTAL HH's</b>
84	0	<b>TOTAL Residents</b>

**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 93 (cell G114) must be the same as the total shown in row 83 (cell G103). DO NOT LEAVE CELLS BLANK - ENTER ZERO INSTEAD.

85		<b>Latino or Hispanic</b>
86		<b>American Indian or Alaskan Native</b>
87		<b>Asian</b>
88		<b>Black or African American</b>
89		<b>Native Hawaiian or Other Pacific Islander</b>
90		<b>White</b>
91		<b>Other</b>
92		<b>Unknown</b>
93	0	<b>TOTAL (must match total in row 83 (cell G103))</b>
94		As of the last day of the reporting period, how many <b>Elderly Households</b> resided at the property? ( <i>An Elderly Household is one with a Head of Household at least 62 years of age.</i> )
95		As of the last day of the reporting period, how many <b>Female-Headed Households</b> 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> )
96		As of the last day of the reporting period, of the total population, how many <b>CHILDREN</b> (younger than 18 years of age) reside at the property?
97		As of the last day of the reporting period, how many units were occupied by tenants with <b>physical, visual or hearing impairment</b> ?

CCSF - MOH - RY2012AMR - Fiscal Activity

INCOME & EXPENSES					
12 Month Report Period:		Start Date:	1/0/1900	End Date:	1/0/1900
* Number of Units-->					
Description of Expense Accounts:	Account Number	Residential:	Non-Residential:	Total:	
<b>Rental Income</b>					
Housing Units - Gross Potential Tenant Rents	5120				
Rental Assistance Payments (identify sources in row below if applicable; LOSP funding should be shown here)	5121				
Source/s-->					
Commercial	5140				
sub-total Gross Rental Income:		\$0.00	\$0.00	\$0.00	
<b>Vacancy Loss - enter amounts as negative numbers!</b>					
Housing Units	5220			vacancy rate: 0.00%	
Commercial	5240			0.00%	
sub-total Vacancies:		\$0.00	\$0.00	\$0.00	
NET RENTAL INCOME:		\$0.00	\$0.00	\$0.00	
<b>Other Income</b>					
Parking Spaces	5170				
Miscellaneous Rent Income	5190				
Supportive Services Income - Do not enter supportive services income if it is tracked in a separate budget and not appropriate per MOH loan terms to be included in Residual Receipts calculation.	5300				
Supportive Services Income Source/s- identify program source(s) if applicable -->					
Interest Income - Project Operations	5400				
Laundry and Vending	5910				
Tenant Charges	5920				
Other Revenue	5990				
sub-total Other Income Received:		\$0.00	\$0.00	\$0.00	
1. TOTAL INCOME RECEIVED:		\$0.00	\$0.00	\$0.00	

INCOME & EXPENSES				
Description of Expense Accounts:	Account Number	Residential:	Non-Residential:	Total:
<b>Management</b>				
Management Fee	6320			
"Above the Line" Asset Management Fee (amount allowable may be limited, see Asset Mgt. Fee Policy)				
Administrative Rent Free Unit	6331			
sub-total Management Expense:		\$0.00	\$0.00	\$0.00
<b>Salaries/Benefits</b>				
Office Salaries	6310			
Manager's Salary	6330			
Health Insurance and Other Employee Benefits	6723			
Other Salary/Benefit Expenses				
sub-total Salary/Benefit Expense:		\$0.00	\$0.00	\$0.00
<b>Administration</b>				
Advertising and Marketing	6210			
Office Expenses	6311			
Office Rent	6312			
Legal Expense - Property	6340			
Audit Expense	6350			
Bookkeeping/Accounting Services	6351			
Bad Debts	6370			
Miscellaneous Administrative Expenses	6390			
sub-total Administrative Expense:		\$0.00	\$0.00	\$0.00
<b>Utilities</b>				
Electricity	6450			
Water	6451			
Gas	6452			
Sewer	6453			
sub-total Utilities Expense:		\$0.00	\$0.00	\$0.00
<b>Taxes and License</b>				
Real Estate Taxes	6710			
Payroll taxes	6711			
Miscellaneous Taxes, Licenses, and Permits	6790			
sub-total Taxes and License Expense:		\$0.00	\$0.00	\$0.00
<b>Insurance</b>				
Property and Liability Insurance	6720			
Fidelity Bond Insurance	6721			
Workmen's Compensation	6722			
Directors & Officers Liabilities Insurance*	6724			
sub-total Insurance Expense:		\$0.00	\$0.00	\$0.00
<b>Maintenance Repair</b>				
<b>IMPORTANT NOTE RE: TREATMENT OF NON-CAPITAL MAINTENANCE REPAIR EXPENSES ELIGIBLE FOR PAYMENT BY REPLACEMENT RESERVE: If possible, exclude those from this section. If you do include those expenses here, be sure to record the amounts in row 98 below.</b>				
Payroll	6510			
Supplies	6515			
Contracts	6520			
Garbage and Trash Removal	6525			
Security Payroll/Contract	6530			
HVAC Repairs and Maintenance	6546			
Vehicle and Maintenance Equipment Operation and Repairs	6570			
Miscellaneous Operating and Maintenance Expenses	6590			
sub-total Maintenance Repair Expense:		\$0.00	\$0.00	\$0.00
Supportive Services: do not enter supportive services expenses if tracked in separate budget and not eligible to be counted against project income for residual receipts calculation.				
6900		\$0.00	\$0.00	\$0.00
SUB-TOTAL OPERATING EXPENSES:		\$0.00	\$0.00	\$0.00

CCSF -- MOH -- RY2012AMR -- Fiscal Activity

<b>Non-Capital Maintenance Repair Expenses eligible for payment by Replacement Reserve.</b> Only enter amounts here if they were included in amounts entered for Maintenance & Repair section above. Enter as positive number.			
<b>TOTAL OPERATING EXPENSES:</b>	\$0.00	\$0.00	\$0.00

	Acct Num	Residential	Non-Residential	Total
1. TOTAL INCOME RECEIVED:		\$0.00	\$0.00	\$0.00
2. TOTAL OPERATING EXPENSES:		\$0.00	\$0.00	\$0.00
3. NET OPERATING INCOME:		\$0.00	\$0.00	\$0.00

	Lender Name / Describe Other Amt Paid	Residential	Non-Residential	Total
<b>4. Debt Service (Principal and Interest)</b>				
Lender1 - Principal Paid (provide lender name to the right)				
Interest Paid				
Other Amount (describe to the right)				
Lender2 - Principal Paid (provide lender name to the right)				
Interest Paid				
Other Amount (describe to the right)				
Lender3 - Principal Paid (provide lender name to the right)				
Interest Paid				
Other Amount (describe to the right)				
Lender4 - Principal Paid (provide lender name to the right)				
Interest Paid				
Other Amount (describe to the right)				
Lender5 - Principal Paid (provide lender name to the right)				
Interest Paid				
Other Amount (describe to the right)				
<b>Total Debt Service Payments</b>		\$0.00	\$0.00	\$0.00

<b>5. Reserve Account Activity</b>				
Replacement Reserve Required Annual Deposit	1320			\$0.00
Operating Reserve Deposits	1365			\$0.00
Operating Reserve Account Withdrawals				\$0.00
Other Required Reserve Account Deposits (Identify account in row below)	1330			\$0.00
Other Required Reserve Account Withdrawals - Identify account in next col -->	<type rsrv acct name here>			\$0.00
<b>Net Reserve Activity:</b>		\$0.00	\$0.00	\$0.00
<b>Surplus Cash (NOI minus Debt Service and Reserve Activity)</b>		\$0.00	\$0.00	\$0.00

If amount for Surplus Cash above is negative:  
 - you must provide to the right a detailed explanation of all source/s used to cover the shortfall and the amounts paid by each; AND  
 - you must NOT supply data for any of the fields for Uses of Surplus Cash below.

**REFER TO THE PROJECT'S SURPLUS CASH FLOW "WATERFALL" (IF APPLICABLE) PRIOR TO COMPLETING SECTION BELOW**

**USES OF SURPLUS CASH THAT ARE AUTHORIZED TO BE PAID PRIOR TO CALCULATION OF MOH DEBT PAYMENT (IF APPLICABLE)**

6. Operating Reserve Replenishments (Deposits made out of surplus cash to satisfy minimum balance requirements).			
7. "Below-the-line" Asset Mgt fee (prior written authorization from City/SFRA may be required, see Asset Mgt. Fee Policy).			
8. Ground Lease & related payments, if any			
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).			
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).			
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).			
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).			
11. Deferred Developer fee, if any			
12. Other payments: use question 9 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 MOH at time of funding that are also explicitly authorized by a Partnership Agreement or similar project document.	Lender Name for Debt Service payments entered below		
13a. Debt Pmt to other lender1: Principle Paid (provide lender name to right)			
13a. Debt Pmt to other lender1: Interest Paid			
13b. Debt Pmt to other lender2: Principle Paid (provide lender name to right)			
13b. Debt Pmt to other lender2: Interest Paid			
13c. Debt Pmt to other lender3 Principle Paid (provide lender name to right)			
13c. Debt Pmt to other lender3: Interest Paid			
13d. Debt Pmt to other lender4: Principle Paid (provide lender name to right)			
13d. Debt Pmt to other lender4: Interest Paid			
13e. Debt Pmt to other lender5: Principle Paid (provide lender name to right)			
13e. Debt Pmt to other lender5: Interest Paid			
<b>Total Payments preceding MOH on Surplus Cash waterfall</b>		\$0.00	\$0.00
			\$0.00

**14. RESIDUAL RECEIPTS**

	\$0.00	\$0.00	\$0.00
<b>PROPOSED USE OF RESIDUAL RECEIPTS</b>			
14a. Is This Project Obligated to make Repayments on any MOH loans out of Residual Receipts? (enter yes or no in cell to the right)			
-- Residual Receipts Obligation Calculation (if applicable) --			
14b. 1/2 of Residual Receipts (14)			
14c. \$500 per unit			
14d. Allowable Distribution (lesser of 14b & 14c)			
14e. Net Residual Receipts Amount Due (Res Rpts - Allow Distrib (14 - 14d))			

15. PROPOSED RESIDUAL RECEIPTS PAYMENT TO MOH  
 Proposed Amount:  
 It may be acceptable for the Proposed Residual Receipts Payment to MOH 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

**DO NOT SUBMIT YOUR PROPOSED RESIDUAL RECEIPT PAYMENT TO MOH WITH THIS AMR. MOH WILL REVIEW YOUR PROPOSED PAYMENT AND GENERATE AN INVOICE IF THE CALCULATION CAN BE VERIFIED AS APPROPRIATE; IF THE CALCULATION CANNOT BE VERIFIED, MOH WILL CONTACT YOU.**

Remaining Balance If MOH Payment Amount is Accepted \$0.00

**USES OF SURPLUS CASH THAT ARE AUTHORIZED TO BE PAID AFTER CALCULATION OF MOH DEBT PAYMENT (IF APPLICABLE)**

16. "Below-the-line" Asset Mgt fee (prior written authorization from City/SFRA may be required, see Asset Mgt. Fee Policy).			
17. Ground Lease & related payments, if any			
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).			
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).			
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).			
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).			
20. Deferred Developer fee, if any			
21. Other payments: use question 9 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 MOH at time of funding that are also explicitly authorized by a Partnership Agreement or similar project document.	Lender Name for Debt Service payments entered below		
22a. Debt Pmt to other lender1: Principle Paid (provide name to right)			
22a. Debt Pmt to other lenders: Interest Paid			
22b. Debt Pmt to other lender1: Principle Paid (provide name to right)			
22b. Debt Pmt to other lenders: Interest Paid			
<b>Total Payments below MOH on Surplus Cash "waterfall"</b>		\$0.00	\$0.00
			\$0.00

Proposed Owner Distributions (provide description in column C and enter amount in column F; description required if amount is greater than amount in 14d)

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.)

**Final Balance (should be zero)** \$0.00

**RESERVE ACCOUNT DETAILS**

**OPERATING RESERVE** (Do not leave blanks for any questions asking for a number, enter zero instead.)

Annual Withdrawal Amount:	
Minimum Required Balance:	
Beginning Balance:	
Ending Balance:	
Required Annual Deposit:	
Actual Annual Deposit (do not edit - taken from from page 1 account number 1365):	\$0.00
Total Operating Expenses plus debt service (don't edit cell -- calculated)	\$0.00
If the calculated percentage shown to the right (Op Reserve Account Ending Balance divided by Total Op Expenses) is less than 23.5%, you must describe how the project will remedy the shortfall in the adjacent cell.  If the calculated percentage shown to the right is greater than 26.5%, you must explain why the Op Reserve balance exceeds MOH's requirement in the adjacent cell.	0.000%

**REPLACEMENT RESERVE** (Do not leave blanks for any questions asking for a number, enter zero instead.)

Annual Withdrawal Amount:	
Minimum Required Balance:	
Beginning Balance:	
Ending Balance:	
Required Annual Deposit (do not edit - taken from from page 1 account number 1320):	\$0.00
Actual Annual Deposit	
Describe how the amount of annual deposit and the minimum required balance is determined.	

**Capital Expenditures:** provide the details below to generate the total and use the comments section at the bottom to supply explanations.

Capital Expenditures - Categories	Additional Description	Source	Amount
Building & Improvements			
Offsite Improvements			
Site Improvements			
Land Improvements			
Furniture, Fixtures & Equipment			
Other			
Notes About Capital Expenditures			Total \$0.00

**Other Replacement Reserve Eligible Expenditures:** provide details below to generate the total and use the comments section below to supply explanations.

Source	Amount
Paid out of Operating Budget, to be reimbursed by RR (from above)	\$0.00
Replacement Reserve	
Notes About Other Replacement Reserve Eligible Expenditures	
Total \$0.00	

<b>TOTAL REPLACEMENT RESERVE ELIGIBLE EXPENDITURES:</b> Total should be no less than the amount of the Replacement Reserve Withdrawal for the reporting period. You must provide an explanation below if total is less than RR withdrawal amount.	RR Withdrawal Amount-->	\$0.00	Total	\$0.00
---	-------------------------	--------	-------	--------

Notes About RR Withdrawal Amount discrepancy:

CCSF -- MOH -- RY2012AMR -- Fiscal Activity

FEDERAL PROGRAM INCOME REPORT

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:

<http://www.sf-moh.org/Modules/ShowDocument.aspx?documentid=5141>

[Overview of Federal \(HOME and CDBG\) Program Income](#)

CDBG PROGRAM INCOME

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 2010-2014 Consolidated Plan and 2012-2013 Action Plan as follows:	AMOUNT	DESCRIPTION
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):		
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):		
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):		
Amount to be deposited for use on future eligible CDBG activities that will be undertaken by June 30, 2012 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right):		
Other (provide amount in cell to the right, plus activity description and regulation citation in column furthest to the right):		
Total CDBG Program Income Calculation (see instructions for guidance on how to calculate)	\$0.00	
<p><i>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 for the use of CDBG program income received during the 2012 reporting period as depicted above.</i></p>		







**Occupancy and Rent Info**

Num Units: 0

1/0/1900

Data supplied must be from the rent roll for last month of the reporting period (entered on worksheet 1A)

Provide the data requested for the tenant population that was residing in the project at the end of the Reporting Period. For vacant units, provide data in columns B, C, N, P, Q and S only. Before using the "paste" function to enter data in the columns with Orange Highlighting, please check the drop-down menus to ensure that the data you are pasting conforms with the choices of the drop-down menu. This will help prevent you from submitting forms with invalid data. Any forms with invalid data will be returned with instructions to fix and resubmit.

**Remember, SAVE YOUR WORK!**

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Row Num	Unit No	Low Income Unit? (yes/no)	Date of Birth (mm/yyyy)	Household Annual Income (USD) (UPPER 4)	Household Size (including children)	Female Headed Household (yes/no)	Elderly Household (yes/no)	Household Size (number) as of last recertification WITHIN REPORTING PERIOD	Number of Children 18 or HR	Disability (Mobility/Other/None)	Household Annual Income as of last recertification WITHIN REPORTING PERIOD	Over Income Per MOH Funding Agreement? (yes/no)	Rental Assistance Type (Section 8, HOPEVA, SFC, Other/None)	Amount of Rental Assistance	Unit Type (Box, SRO, Studio, 1BR, 2BR, 3BR, 4BR, 5+BR)	Amount of Maximum Cross Unit (enter tag if n/a)	Amount of Tenant Paid Rent for Unit	Utility Allowance	Days of Late Fees (within the REFERENCE PERIOD 1/1/17-1/31/17)	Days of Late Fees (Not include WITHIN THE REPORTING PERIOD (mm/yyyy))	Amount of Most Recent Rent Increase WITHIN THE REPORTING PERIOD	% Change of Rent Increase (do not enter)
44																		\$0				
45																		\$0				
46																		\$0				
47																		\$0				
48																		\$0				
49																		\$0				
50																		\$0				
51																		\$0				
52																		\$0				
53																		\$0				
54																		\$0				
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76																		\$0				
77																		\$0				
78																		\$0				
79																		\$0				
80																		\$0				
81																		\$0				
82																		\$0				
83																		\$0				
84																		\$0				
85																		\$0				

### Occupancy and Rent Info

Data supplied must be from the rent roll for last month of the reporting period (entered on worksheet 1A)

Num Units: 0

0

Provide the data requested for the tenant population that was residing in the project at the end of the Reporting Period. For vacant units, provide data in columns B, C, N, P, Q and S only. Before using the "paste" function to enter data in the columns with Orange Highlighting, please check the drop-down menus to ensure that the data you are pasting conforms with the choices of the drop-down menu. This will help prevent you from submitting forms with invalid data. Any forms with invalid data will be returned with instructions to fix and resubmit.

**Remember, SAVE YOUR WORK!**

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Row Num	Unit No	Low Income Unit (years)	Date of Birth (mm/yyyy)	Household Annual Income as of last reporting period (\$/yr)	Household Size (persons)	Female Headed household (years)	Eligible household (years)	Household Size (number as of last recertification) WITHIN REPORTING PERIOD	Number of Children under Age 18 in HH	Disability (Mobility / Other / None)	Household Annual Income as of last recertification WITHIN REPORTING PERIOD	Over Income Per MOH Funding Agency (years)	Rental Assistance Type (Section 8 / HUD / Other / None)	Amount of Rental Assistance	Unit Type (See 3BR, 2BR, 3BR, 4BR, 5+BR)	Amount of Monthly Rent for Unit (enter zero if n/a)	Amount Tenant Pays Rent for Unit	Utility Allowance	Percentage of Units WITHIN THE REPORTING PERIOD	Days Of Month Rent Increase WITHIN THE REPORTING PERIOD (m/yyyy)	Amount of Month Rent Increase WITHIN REPORTING PERIOD	Year of last increase (do not enter)
87																		\$0				
88																		\$0				
89																		\$0				
90																		\$0				
91																		\$0				
92																		\$0				
93																		\$0				
94																		\$0				
95																		\$0				
96																		\$0				
97																		\$0				
98																		\$0				
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102																		\$0				
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121																		\$0				
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125																		\$0				
126																		\$0				
127																		\$0				
128																		\$0				
129																		\$0				

**Occupancy and Rent Info**

Num Units: 0

1/0/1900

Data supplied must be from the rent roll for last month of the reporting period (entered on worksheet 1A)

Provide the data requested for the tenant population that was residing in the project at the end of the Reporting Period. For vacant units, provide data in columns B, C, N, P, Q and S only. Before using the "paste" function to enter data in the columns with Orange Highlighting, please check the drop-down menus to ensure that the data you are pasting conforms with the choices of the drop-down menu. This will help prevent you from submitting forms with invalid data. Any forms with invalid data will be returned with instructions to fix and resubmit.

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A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	
Row Num	Unit No	Low income Unit? (yes/no)	Date of last recertification (m/d/yyyy)	Household Annual Income AT RENTAL OCCUPANCY	Household Size (including all persons)	Female-headed household (yes/no)	Elderly household (yes/no)	Household Size (including all persons) WITHIN REPORTING PERIOD	Number of Children under age 18 WITHIN REPORTING PERIOD	Disability (Mobility, Other, None)	Household Annual Income as of last recertification WITHIN REPORTING PERIOD	Over income Per KIOH Funding Agreement? (yes/no)	Rental Assistance Type (Section 8 / HCP / VA SFC / Other / None)	Amount of Rental Assistance	Unit Type (Bldg, SFC, 2BR / 3BR, 4BR / 5+BR)	Amount of Maximum Gross Rent Allowed for Unit (enter zero if na)	Amount Tenant Paid Rent for Unit	Utility Allowance	Reporting Period (m/d/yyyy)	Date of Next Recertification WITHIN THE REPORTING PERIOD (m/d/yyyy)	Rent Increase WITHIN THE REPORTING PERIOD	Amount of Total Increase WITHIN THE REPORTING PERIOD	Page # (of 3) (please indicate if multiple worksheets do not enter)
130																		\$0					
131																		\$0					
132																		\$0					
133																		\$0					
134																		\$0					
135																		\$0					
136																		\$0					
137																		\$0					
138																		\$0					
139																		\$0					
140																		\$0					
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142																		\$0					
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162																		\$0					
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164																		\$0					
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167																		\$0					
168																		\$0					
169																		\$0					
170																		\$0					
171																		\$0					
172																		\$0					

**Occupancy and Rent Info**

Num Units: 0

1/0/1900

Data supplied must be from the rent roll for last month of the reporting period (entered on worksheet 1A)

Provide the data requested for the tenant population that was residing in the project at the end of the Reporting Period. For vacant units, provide data in columns B, C, N, O and S only. Before using the "paste" function to enter data in the columns with Orange Highlighting, please check the drop-down menus to ensure that the data you are pasting conforms with the choices of the drop-down menu. This will help prevent you from submitting forms with invalid data. Any forms with invalid data will be returned with instructions to fix and resubmit.

**Remember, SAVE YOUR WORK!**

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	
Row Num	Unit No	Low Income (yes/no)	Date of Birth (mm/yyyy)	Household Annual At-Risk Income (dollars)	Household Size (number) as of last reporting period	Female Headed Household (yes/no)	Elderly Household (yes/no)	Household Size (number) as of last reporting period	Number of Children under Age 18 in HH	Disability (Mobility/Other/None)	Household Annual Income (within reporting period)	Over Income for MOH Agreement (yes/no)	Rental Assistance Type (Section 8 (COPVA), S/C, Other/None)	Amount of Rental Assistance	Unit Type (Bld, SFO, Studio, 1BR, 2BR, 3BR, 4BR, 5+BR)	Amount of Statutory Rent Allowed for Unit (enter zero if none)	Amount Tenant Paid Rent for Unit	Unit Allowance	Amount of Most Recent Rent Increase (within reporting period)	Date of Most Recent Rent Increase (within reporting period)	Amount of Most Recent Rent Increase (within reporting period)	% of P.H.U. (Less Unsubsidized rent area)	
173																		\$0					
174																		\$0					
175																		\$0					
176																		\$0					
177																		\$0					
178																		\$0					
179																		\$0					
180																		\$0					
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182																		\$0					
183																		\$0					
184																		\$0					
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212																		\$0					
213																		\$0					
214																		\$0					
215																		\$0					

**Occupancy and Rent Info**

0

Num Units:

1/0/1900

Data supplied must be from the rent roll for last month of the reporting period (entered on worksheet 1A)

Provide the data requested for the tenant population that was residing in the project at the end of the Reporting Period. For vacant units, provide data in columns B, C, N, P, O and S only. Before using the "paste" function to enter data in the columns with Orange Highlighting, please check the drop-down menus to ensure that the data you are pasting conforms with the choices of the drop-down menu. This will help prevent you from submitting forms with invalid data. Any forms with invalid data will be returned with instructions to fix and resubmit.

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A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V		
Row Num	Unit No	Low Income Unit? (yes/no)	Date of Birth (mm/dd/yyyy)	Household Annual Income AT RENTAL CALCULATION	Household Size AT RENTAL CALCULATION (Share of)	Female Household Head (yes/no)	Elderly Household (yes/no)	Household Size (number) as of Reporting Period	Number of Children under Age 18 in HH	Disability/Mobility/Other (None)	Household Annual Income as of last month WITHIN REPORTING PERIOD	Over Income For MOH Agreement? (yes/no)	Rental Assistance Type (Section 8, STC, Other/None)	Amount of Rental Assistance	Unit Type (e.g. SRO, 2BR, 3BR, 4BR, 5+BR)	Amount of Minimum Gross Rent (per unit per year)	Amount Tenant Pays for Unit	Utility Advances	Year of Last Rent Increase (mm/yyyy)	Date of Last Rent Increase (mm/yyyy)	Amount of Last Rent Increase (mm/yyyy)	Amount of Most Recent Rent Increase WITHIN THE REPORTING PERIOD	
216																		\$0					
217																		\$0					
218																		\$0					
219																		\$0					
220																		\$0					
221																		\$0					
222																		\$0					
223																		\$0					
224																		\$0					
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253																		\$0					
254																		\$0					
255																		\$0					
256																		\$0					
257																		\$0					
258																		\$0					



**Occupancy and Rent Info**

Project Address: \_\_\_\_\_ 1/0/1900 Num Units: 0

Data supplied must be from the rent roll for last month of the reporting period (entered on worksheet 1A)

Provide the data requested for the tenant population that was residing in the project at the end of the Reporting Period. For vacant units, provide data in columns B, C, N, P, Q and S only. Before using the "paste" function to enter data in the columns with Orange highlighting, please check the drop-down menus to ensure that the data you are pasting conforms with the choices of the drop-down menu. This will help prevent you from submitting forms with invalid data. Any forms with invalid data will be returned with instructions to fix and resubmit.

**Remember, SAVE YOUR WORK!**

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Row Num	Unit No.	Low Income Unit? (yes/no)	Date of Initial Occupancy (mm/yyyy)	Household Annual Income AT THE END OF OCCUPANCY	Household Size AT INITIAL OCCUPANCY (number)	Female Headed Household (yes/no)	Elderly Household (yes/no)	Household Size (number) as of reporting period WITHIN REPORTING PERIOD	Number of Children under Age 18 in HH	Disability (Adelty / Other / None)	Household Annual Income (excluding) WITHIN REPORTING PERIOD	Over Income Excluding Agreement? (yes/no)	Rental Assistance Type (Specify A-H/PMVA/S+C/ Other / None)	Amount of Rental Assistance	Unit Type (See / SRO / Shelter / BR / 2BR / 3BR / 4BR / 5+BR)	Amount of Maximum Gross Rent Allowed for Unit (enter zero if n/a)	Amount Tenant Paid Rent for Unit	Unit Allowance	DATE OF LAST REPORTING PERIOD (mm/yyyy)	Date Of Most Recent Rent Increase WITHIN THE REPORTING PERIOD (mm/yyyy)	Amount of Most Recent Rent Increase WITHIN REPORTING PERIOD	% of Rent Increase (do not enter)
302																		\$0				
303																		\$0				
304																		\$0				
305																		\$0				
306																		\$0				
307																		\$0				
308																		\$0				
309																		\$0				
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343																		\$0				



**Occupancy and Rent Info**

1/01/1900 Num Units: 0

Data supplied must be from the rent roll for last month of the reporting period (entered on worksheet 1A)

Provide the data requested for the tenant population that was residing in the project at the end of the Reporting Period. For vacant units, provide data in columns B, C, N, P, Q and S only. Before using the "paste" function to enter data in the columns with Orange highlighting, please check the drop-down menus to ensure that the data you are pasting conforms with the choices of the drop-down menu. This will help prevent you from submitting forms with invalid data. Any forms with invalid data will be returned with instructions to fix and resubmit.

**Remember, SAVE YOUR WORK!**

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W		
Row Num	Unit No	Low Income Unit? (yes/no)	Date of Final Good Move (MM/DD/YYYY)	Household Annual Income AT INITIAL OCCUPANCY (Source?)	Household Size AT INITIAL OCCUPANCY (Source?)	Family Headed Household (yes/no)	Elderly Household (yes/no)	Household Size as of last recertification WITHIN REPORTING PERIOD	Number of Children under 18 in HH	Disability/ Mobility/ Other? (None)	Household Annual Income as of last recertification WITHIN REPORTING PERIOD	Over Income Per MOH Funding Agreement? (yes/no)	Rent Assistance Type (Section 8 - HOP-VIA, 5+0 Other - None)	Amount of Rental Assistance	Unit Type (Bldg, SRO, Studio, IRT, 4BR-5BR)	Amount of Maximum Gross Rent Allowed for Unit (per sq ft)	Amount Tenant Paid Rent for Unit	Utility Allowance	CHRA? (Yes/No)	Date of Next Rent Increase WITHIN THE REPORTING PERIOD (MM/DD/YYYY)	Amount of Next Rent Increase WITHIN THE REPORTING PERIOD	Amount of Most Recent Rent Increase WITHIN THE REPORTING PERIOD	Note - If you include calculate, do not enter!	
345																		\$0						
346																		\$0						
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348																		\$0						
349																		\$0						
351																		\$0						
352																		\$0						
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385																		\$0						
386																		\$0						
387																		\$0						

### Occupancy and Rent Info

Num Units: 0

1/0/1900

Data supplied must be from the rent roll for last month of the reporting period (entered on worksheet 1A)

Provide the data requested for the tenant population that was residing in the project at the end of the Reporting Period. For vacant units, provide data in columns B, C, N, P, Q and S only. Before using the "paste" function to enter data in the columns with Change Highlighting, please check the drop-down menus to ensure that the data you are pasting conforms with the choices of the drop-down menu. This will help prevent you from submitting forms with invalid data. Any forms with invalid data will be returned with instructions to fix and resubmit.

**Remember, SAVE YOUR WORK!**

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W		
Row Num	Unit No	Low Income Unit? (years)	Date of RENTAL OCCUPANCY (m/yyyy)	Household Annual Income (m/yyyy)	Household Size AT THE TIME OF OCCUPANCY (number)	Female Headed Household (years)	Elderly Household (years)	Household Size (number) as of last recertification WITHIN REPORTING PERIOD	Number of Children Under Age 18 in HR	Disability/Mobility/Other (None)	Household Annual Income as of last recertification WITHIN REPORTING PERIOD	Over Income Per MOH Funding Agreement? (years)	Rental Assistance Type (Section 8, HCP-V.A, S.C., Other/None)	Amount of Rental Assistance	Unit Type (B=0, S=0, Subsidy/IBR, ZBR/3BR/4BR/5+BR)	Amount of Maximum Gross Rent Allowed for Unit (enter zero if N/A)	Amount Tenant Paid Rent for Unit	Utility Allowance	Current Month's Rent Increase WITHIN REPORTING PERIOD (m/yyyy)	Date of Most Recent Rent Increase WITHIN THE REPORTING PERIOD (m/yyyy)	Amount of Most Recent Rent Increase WITHIN REPORTING PERIOD	Amount of Most Recent Rent Increase WITHIN REPORTING PERIOD	% of Rent Increase Calculated (do not enter)	
385																		\$0						
389																		\$0						
390																		\$0						
391																		\$0						
392																		\$0						
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**Narrative**

Project Street Address:

Reporting Period - Start Date: 1/0/1900

Reporting Period - End Date: 1/0/1900

*MOH 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. MOH 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.*

**Negative Cash Flow**

1. Does the project show a **NEGATIVE CASH FLOW** on the MOH Income Expense section of the Fiscal Activity Report? If so, 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.

**Vacancy Rate ----->**

2. Does the project show a **VACANCY RATE GREATER THAN 15%** as shown ABOVE from the Income Expense section of the Fiscal Activity Report? If so, 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.



**Vacant Unit Rent-Up Time**

0

3. Does the project show an AVERAGE VACANT UNIT RENT-UP TIME GREATER THAN 30 days for question 78 on the **Property & Tenant Info** worksheet. If so, 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.

**Affirmative Marketing**

0

4. 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.

**Code Violatons**

5. 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. \*\***

**Major Repairs**

6. 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.

[Empty rectangular box for text entry]



**Asset Management Fee**

7. Has the project incurred Asset Management Fee expenses beyond the base amount of \$3000 allowed under the current Asset Management Fee Policy? If so, this amount should be reflected on item number 8 on page 1 of in the Income & Expense section of the Fiscal Activity Report, the use must be consistent with the finding agreement and/or the Asset Management Fee Policy, and you must provide the following information below:

- a. A detailed description of how the exact amount of the asset management fee was calculated; and
- b. A description of the specific staff expenses covered by the Asset Management Fee amounts, including managers that supervise the asset management work.

**Property Taxes**

8. Is the project delinquent in payment of any taxes due for the reporting period or any prior reporting periods? If so, you must supply the following:

- a. A description of the plan to pay the delinquent taxes, including specific timelines, and;
- b. A description of any solutions that have been identified to prevent future tax payment delinquencies, and the plans to implement those solutions, including specific timelines.

**Notes RE: Data Entry**

9. 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 & 20. Also use this space to record info about steps taken in response to discovery that tenant is over income per MOH funding agreement (see question 10b on Occupancy & Rent Info worksheet).

Remember, **SAVE YOUR WORK!**









**EXHIBIT H**  
**Tenant Selection Plan Policy**

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

**Application Process**

- **Application Materials.** The housing provider's written and/or electronic application materials should:
  - outline the screening criteria that the housing provider will use;
  - provide space(s) for the applicant to explain any conviction, eviction, tenancy issues or credit concerns and present evidence that he or she will be a suitable tenant;
  - outline how an applicant may request a modification of the admission process and/or a change in admission policies or practices as a reasonable accommodation;
  - be written in language that is clear and readily understandable.
- **First Interview.** In accordance with the housing provider policies, each applicant with the minimum eligibility requirements for housing unit shall be offered the opportunity for an interview.
- **Second Interview.** Before issuing a denial, the housing provider should consider offering a second interview to resolve issues and inconsistencies, gather additional information, and assist as much as possible with a determination to admit the applicant.
- **Confidentiality.** All information provided will be kept confidential and be used only by the housing provider, the referring agency and the funding agency for the purpose of assisting and evaluating the applicant in the admission process.
- **Delays in the Process.** If delays have occurred or are likely to occur in the application and screening process or the process exceeds the housing provider's normal timeline for application and screening, the housing provider must immediately inform the referring agency and the funding agency, of the status of the application, the reason for the delay and the anticipated time it will take to complete the application process.
- **Problems with the Referring Agency.** If at any point the housing provider has difficulty reaching or getting a response from the applicant and referring agency, the housing provider must immediately contact the referring agency, if possible, and the funding agency, DPH or HSA.
- **Limited English Proficiency Policy.** Throughout the application process, the housing provider must comply with the language access requirements for applicants with limited English proficiency.

**Reasonable Accommodation and Modification Policy**

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

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

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

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

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

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

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

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

### **Notice of Denial and Appeal Process**

- The housing provider shall:
  - promptly send a written and electronic notice (to the addresses provided) to each applicant denied admission with a written and/or electronic copy to the referring agency and the funding agency. The notice should:
    - list all the reasons for the rejection, including the particular conviction or convictions that led to the decision in cases where past criminal offenses were a reason for rejection;
    - explain how the applicant can request an in person appeal to contest the decision;
    - state that an applicant with a disability is entitled to request a reasonable accommodation to participate in the appeal;
    - inform the applicant that he or she is entitled to bring an advocate or attorney to the in person appeal;
    - provide referral information for local legal services and housing rights organizations;
    - describe the evidence that the applicant can present at the appeal;
  - give applicants denied admission a date within which to file the appeal, which shall be at least ten (10) business days from the date of the notice;



- unless an extension is agreed to by the applicant and the housing provider, hold the appeal within ten (10) business days of the request for the appeal;
  - confine the subject of the appeal to the reason for denial listed in the notice;
  - give the applicant a chance to present documents and/or witnesses showing that he or she will be a suitable tenant;
  - have an impartial supervisor or manager from the housing provider, but who is not the person who made the initial decision or a subordinate of the person who made the initial decision, conduct the appeal;
  - within 5 business days of the in person appeal, provide the applicant with a written decision that states the reason for the decision and the evidence relied upon. A copy of the written decision must be sent (electronically or otherwise) to the referring agency and the funding agency.
- If the rejection is based on a criminal background check obtained from a tenant screening agency, the Fair Credit Reporting Act and the Investigative Consumer Reporting Agencies Act impose additional notice requirements.<sup>2</sup>

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<sup>2</sup> Fair Credit Reporting Act (FCRA), 15 U.S.C. § 1681 *et seq.* and Investigative Consumer Reporting Agencies Act (ICRAA), Cal. Civ. Code § 1786 *et seq.*



**EXHIBIT I**  
**Tenant Screening Criteria Policy**

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

The screening criteria and considerations outlined below encourage providers to “screen in” rather than “screen out” applicants who have a criminal record. They describe a minimum level of leniency; providers are encouraged to adopt less restrictive policies and processes whenever appropriate. For example, providers may opt not to review or consider applicant criminal records at all.

**Screening Criteria**

- Housing providers shall not automatically bar applicants who have a criminal record<sup>3</sup> in recognition of the fact that past offenses do not necessarily predict future behavior, and many applicants with a criminal record are unlikely to re-offend.
- Housing providers shall not consider:
  - arrests that did not result in convictions, except for an open arrest warrant;
  - convictions that have been expunged or dismissed under Cal. Penal Code § 1203.4 or 1203.4a;<sup>4</sup>
  - juvenile adjudications.
- Housing providers shall consider:
  - the individual circumstances of each applicant; and
  - the relationship between the offense, and
    - (1) the safety and security of other tenants, staff and/or the property; and
    - (2) mitigating circumstances such as those listed below.
  - only those offenses that occurred in the prior 3 years, except in exceptional situations, which must be documented and justified, such as where the housing provider staff is aware that the applicant engaged in violent criminal activity against staff, residents or community members and/or that the applicant intentionally submitted an application with materially false information regarding criminal activity. As necessary, DPH or HSA will assess the justification for a longer look-back period and determine whether an exception is warranted. In these exceptional situations, the housing provider may consider offenses that occurred in the prior 5 years.
  - mitigating factors, including, but not limited to:
    - (1) the seriousness of the offense;
    - (2) the age and/or circumstances of the applicant at the time of the offense;
    - (3) evidence of rehabilitation, such as employment, participation in a job training program, continuing education, participation in a drug or alcohol treatment program, or letters of support from a parole or probation officer, employer, teacher, social worker, medical professional, or community leader;

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<sup>3</sup> The policy recognizes that some housing may be subject to mandatory laws that require the exclusion of an applicant based upon certain types of criminal activity.

<sup>4</sup> The purpose of the statute is allow a petitioner to request a dismissal of the criminal accusations, a change in plea or setting aside of a verdict and to seek to have certain criminal records sealed or expunged and a release “from all penalties and disabilities resulting from the offense.”

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

OFFICE OF THE MAYOR  
SAN FRANCISCO



130960

EDWIN M. LEE

MAYOR

MAY 31 PM 12:55

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO

TO: Angela Calvillo, Clerk of the Board of Supervisors  
FROM: *ra* Mayor Edwin M. Lee *JE*  
RE: Local Operating Subsidy Program Contract – Mission Creek Senior  
Community – 225 Berry Street - Not to Exceed \$11,468,518  
DATE: May 31, 2013

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Attached for introduction to the Board of Supervisors is the resolution authorizing the Director of the Mayor's Office of Housing to execute a Local Operating Subsidy Program Grant Agreement with Mercy Housing California XX, LP, a California limited partnership, to provide operating subsidies for formerly homeless households at Mission Creek Senior Community, 225 Berry Street, for a fifteen-year period, in an amount not to exceed \$11,468,518.

I request that this item be calendared in Budget and Finance Committee.

Should you have any questions, please contact Jason Elliott (415) 554-5105.



**FORM SFEC-126:  
NOTIFICATION OF CONTRACT APPROVAL**  
(S.F. Campaign and Governmental Conduct Code § 1.126)

<b>City Elective Officer Information</b> (Please print clearly.)	
Name of City elective officer(s): <b>Edwin M. Lee</b>	City elective office(s) held: <b>Mayor</b>

<b>Contractor Information</b> (Please print clearly.)	
Name of contractor: <b>Mercy Housing California XX, LP</b> , a California limited partnership, with <b>Mercy Housing West</b> , a California nonprofit public benefit corporation, its managing General Partner	
Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary  Please see attachment.	
Contractor address: Care of Mercy Housing California, 1360 Mission Street, 3 <sup>rd</sup> Floor, San Francisco, CA 94103	
Date that contract was approved:	Amount of contract: Up to \$11,468,518 (the " <b>Grant Amount</b> ") for 15 year term.
Describe the nature of the contract that was approved: Local Operating Subsidy Program (LOSP) Contract in the amount of up to \$11,468,518 (the " <b>Grant Amount</b> ") for a 15 year term.	
Comments:	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves \_\_\_\_\_

Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

\_\_\_\_\_  
Print Name of Board

<b>Filer Information</b> (Please print clearly.)	
Name of filer: Nicole Wheaton, Policy Analyst, Office of the Mayor	Contact telephone number: ( 415 ) 554-7940
Address: City Hall, Room 294	E-mail: Nicole.wheaton@sfgov.org

\_\_\_\_\_  
Signature of City Elective Officer (if submitted by City elective officer)

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

\_\_\_\_\_  
Date Signed

San Francisco Ethics Commission  
25 Van Ness Avenue, Suite 220  
San Francisco, CA 94102  
Phone: (415) 252-3100  
Fax: (415) 252-3112  
Email: ethics.commission@sfgov.org  
Web: www.sfgov.org/ethics



For SFEC use

**FORM SFEC-126:**  
**NOTIFICATION OF CONTRACT APPROVAL**  
(S.F. Campaign and Governmental Conduct Code § 1.126)

**a. Instructions:**

Each City elective officer who approves a contract that has a value of \$50,000 or more in a fiscal year must file this form with the Ethics Commission within five business days of approval. This filing requirement applies if the contract is approved by:

- the City elective officer,
- any board on which the City elective officer serves, or
- the board of any state agency on which an appointee of the City elective officer serves, as described in (d) below.

**b. Who files this notice?**

The City elective officer who approved the contract, whose board approved the contract, or who has an appointee on the board of a state agency that approved the contract, must file this form. However, the City elective officer is not required to file this form if the clerk or secretary of the board on which the officer or appointee serves has filed this form on behalf of the board.

**c. Who is a City elective officer?**

A City Elective Officer is any of the following: Mayor, member of the Board of Supervisors, City Attorney, District Attorney, Treasurer, Sheriff, Assessor, Public Defender, member of the Board of Education of the San Francisco Unified School District, or member of the Governing Board of the San Francisco Community College District.

**d. What is a "board of a state agency" that is covered by this filing requirement?**

For the purposes of this report, the board of a state agency on which an appointee of a City elective officer serves is limited to the following agencies: Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority, and Local Workforce Investment Board.

**e. Is this form required for all contracts?**

No. This form is required if the contract has a total anticipated or actual value of \$50,000 or more, or a combination or series of such contracts, amendments or modifications approved by the same City elective officer or board has a value of \$50,000 or more in a fiscal year.

**f. What happens after this form is filed?**

For a period of six months after the contract is approved, neither the City elective officer nor any political committee that he or she controls may solicit or accept a campaign contribution from the following persons or entities: the party whose contract was approved; the party's board of directors; the party's chairperson, chief executive officer, chief financial officer, or chief operating officer; any person with an ownership interest of more than 20 percent in the party; any subcontractor listed in the bid or contract; or any political committee sponsored or controlled by the contracting party. Nor may any of these persons make a campaign contribution to the City elective officer, a candidate for the office held by such officer, or a political committee controlled by such officer or candidate.



**Contractor Information:**

*(1) members of the contractor's board of directors;*

**Board of Directors**

Sr. Susan McCarthy  
Val Agostino (Ch)  
Jane Graf (VCh)  
Doug Shoemaker

**Officers**

**President**

*J. Graf*

**Vice President**

*V. Agostino*

*S. Daves*

*B. Gualco*

*E. Holder*

*L. Murphy*

*B. Phillips*

D. Shoemaker

S. Spears

**VP/Treas**

V. Dodd

**Secretary**

A. Bayley

**Asst Secretary**

J. Rosenblum

*(2) the contractor's chief executive officer, chief financial officer and chief operating officer;*

Sr. Lillian Murphy, CEO  
Steve Sparks, CFO  
Chris Burchardt, COO



**Citywide Affordable Housing Loan Committee**  
San Francisco Mayor's Office of Housing  
Department of Human Services  
Department of Public Health

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

*Prepared By: Elizabeth Colomello*

*Date prepared: April 1, 2013*

*Loan Committee Date: April 19, 2013*

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*Sponsor Name:* Mercy Housing California XX, a California Limited Partnership

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*Project Name:* Mission Creek Senior Community

*Project Address (w. cross street):* 225 Berry Street

*Number of Units/Beds (specify):* 51 LOSP Units (senior only)  
10 HOPWA Units (senior only)  
139 Units Total (senior only)

*Local Operating Subsidy Funds Requested:* \$ 469,280 for FY 2013-14 (12 mos)  
\$ 11,468,518 (15 years)

*Amount of Funds Recommended:* \$ 469,280 for FY 2013-14 (12 mos)  
\$ 11,468,518 (15 years)

## 1. SUMMARY

Mercy Housing XX (Mercy) is requesting \$469,280 to fund operations for 51 units at Mission Creek Senior Community (MCSC or the Project) from July 1, 2013 through June 30, 2014. The Department of Public Health previously subsidized these 51 units under a Direct Access to Housing (DAH) operating subsidy agreement. However, it was determined that a more efficient and streamlined process for supporting the units is through the LOSP program. The units to be covered under this new LOSP agreement will continue to house DAH eligible persons.

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The project is a seven-story affordable senior rental housing complex of 139 one-bedroom units (plus one-two bedroom manager's unit) for very low income seniors (62 years or older) who are at or below 50 percent of Area Median Income (AMI) which opened in 2004. In addition to the DAH units there 88 units that are subsidized with Project Based Section 8 vouchers, of which 10 are HOPWA units set aside for seniors living with disabling HIV/AIDS. The Project also includes three non-residential

components: 1) a City branch library; 2) approximately 4,000 sq.ft. in retail/commercial space; and 3) 7,820 sq.ft. for an adult day health center.

Staff recommends approval of the LOSP request.

## 2. PROJECT OPERATIONS

### 2.1. Annual Operating Budget

Please see the attached annualized budget for this initial year.

Tenant Rents – LOSP Units: The standard for DAH LOSP units is for tenants to pay 50% of income for rent. However, at MCSC DAH tenants are paying \$377 per month per the existing agreement with DPH. *In consultation with Mercy and DPH staff proposes to shift the rent structure to the 50% standard for new tenants only (upon newly signed leases).*

Local Operating Subsidy Assistance Payment: *Please note that the attached operating budget shows the LOSP amount at half of the requested first year amount because it reflects a calendar year, and DAH is paying the operating subsidy directly from January to June 2013. The request is for fiscal year 2013/2014.*

\$469,280 (\$9,202 / PUPA) is the total annualized operating subsidy amount, part of which will be paid by DPH directly in 2013, thereafter the annual amount will be paid by MOH from LOSP funds. The subsidy is sized to be consistent with the existing DAH subsidy for the first 2 years, after that it increases based on expenses and income. Typically, conventional debt payments are disallowed under LOSP. However, because debt payments were an allowable expense under the prior DAH subsidy arrangement, MCSC includes a debt service payment (described below) with a portion attributed to the LOSP units.

Operating Expenses - LOSP Units: Annual operating expenses excluding reserves and debt service are \$11,097/PUPA). Annual debt service payment (traditional mortgage) for the Project is \$707,436 (\$5089/PUPA). The total amount attributed to the LOSP units is \$259,563.

The grand total of all expenses, reserves and debt payments is \$2,380,441 (\$17,125/PUPA). The operating costs, without debt service are \$11,097/PUPA, which is within the range of previously funded LOSP projects. With debt service the per unit operating costs are high, however, as described above, they were agreed to by City, former Redevelopment Agency, and DPH staff when the Project was initially underwritten.

The staffing plan for the whole building includes 9.2 FTE, not including supportive services staff.

Position	FTE on Operations	Time Basis
Community Operations Manager	1	Full-time
Assistant Manager	1	Full-time
Desk Clerks	4.2	24 hour coverage
Janitor	2	Full-time
Maintenance	1	1 Full-time
<b>TOTAL</b>	<b>9.2</b>	

Supportive Services: The operating budget includes 2 FTEs who provide supportive services and an activities program to residents and related expenses. The 2 positions are a Resident Services Coordinator and an Activities Director/Volunteer and Space Coordinator. The Resident Services Coordinator provides case management and services coordination to residents. The Activity Director/Volunteer and Space Coordinator coordinates programs and events to celebrate, educate, and support. These 2 positions are allocated proportionately to the LOSP/DAH units.

A portion of a Resident Services Coordinator II is funded separately by DPH. This position works closely with North and South of Market Adult Day Health Center (NMS-ADHC), the other services provider on site and operator of the on-site Adult Day Health Center (see Section 3 below for more information), to provide case management and coordinate assistance to residents. DPH also provides funding separately to the Adult Day Health Center to provide services to the housing residents as well as the greater community.

Replacement Reserve Deposits: Replacement reserve deposits of \$403 unit / year is higher than MOH's underwriting guidelines, but required by the state's Housing and Community Development (HCD) under the Multifamily Housing Program (MHP).

Partnership Management Fees: A partnership management fee consistent with MOH Underwriting Guidelines at the time the Project was funded is included in the budget and represents the prorated share attributed to the LOSP units.

2.2. 20-Year Cash Flow. The attached 20-year cash flow projection includes the 15-year period (7/2013 -7/2027) for this request. The projection was made using MOH/SFRA's standard underwriting guidelines.

- Tenant rent income trends at 2% per year for the LOSP units and 2.5% for the non-LOSP units, in compliance with MOH Underwriting Guidelines.
- Section 8 income trends at 1% per year, which is conservative. Section 8 income. The current contract includes rents that are comparable to HUD's Fair Market Rents (FMR) for San Francisco, if they drop below the FMR, Mercy will request increases to their Section 8 allocation so that the rent levels remain comparable to the FMR standard.

- For the first year vacancy rates reflect existing project vacancy rates. Vacancy rates from year 2-5 for the LOSP units trend from 4%-10%. Vacancy rates from year 2-5 for the non-LOSP units trend from 2%-5%. Thereafter they are compliant with standard MOH underwriting guidelines at 5% for non-LOSP units and 10% for LOSP units, which complies with MOH underwriting guidelines.
- Operating expenses trend at 3.5% per year, per MOH Underwriting Guidelines.
- Projected City operating subsidy will remain the same for the first 2 years of operation, and thereafter will increase or decrease consistent with LOSP policy.
- Between years 1 and 8, the LOSP units operating costs are subsidized by other Project Income. However, due in large part to the conservative trending estimates for Section 8 income and the large debt service payment for the project, the attached cash flow shows the LOSP units subsidizing the non-LOSP units in years 9 through 20. If Mercy receives higher than an average 1% per year increase to the Section 8 income or they are able to refinance their debt resulting in lower annual debt service payments, the LOSP cross subsidy of non-LOSP units will likely be eliminated or dramatically reduced.

### **3. TARGET POPULATION AND SERVICES**

The building consists of all senior residents (over 62); some with special needs who require supportive services associated with their housing in order to live independently. This senior population includes: disabled, chronically ill including HIV and mental illness chronic substance abusers, individuals exiting from institutional settings and other groups with unique housing needs determined by HCD as part of the MHP program. Seniors living at MCSC have a range of service needs that change as they "age in place" and may fluctuate as they experience acute episodes of illness and/or frailty.

The LOSP subsidy will provide an operating subsidy for the residents of the 51 units at MCSC that are referred by the DAH program. When referred, these seniors are disabled, homeless or at risk of becoming homeless.

A total of 88 units are reserved for very low-income seniors as defined by HUD through the Section 8 Program and are referred from the existing Housing Authority waiting lists. Of these units, 10 units will be made available to elders living with HIV/AIDS. With the approval of SFHA and in compliance with HUD regulations, Mercy does the outreach and marketing for these units, due to the lack of appropriate referrals on the existing Section 8 wait list. The service needs of these residents mirrors the residents of similar Mercy Housing buildings accepting Section 8 referrals.

Mercy Services Corporation (Mercy), MHC's property management affiliate, and North and South of Market Adult Day Health Center (NMS-ADHC) are the lead service agencies for Mission Creek Senior Community. Both agencies have extensive experience serving

elders and are currently service partners at Presentation Senior Community – a day health and housing project, similar to the proposed MCSC, which opened in San Francisco in early 2001. Mercy provides property management and resident services support; NSM-ADHC operates the on-site Adult Day Health Center and provides other expertise related to services for building residents. Two of three Mercy supportive services staff are funded through the operating budget, including, proportionately, the DAH subsidy.

NSM-ADHC generates their own funding to provide services to the residents and is the core service provider for frail elders at MCSC. Residents from MCSC as well as seniors from other housing in the community who need day health services attend the adult day health center (ADHC) a minimum of four hours per day from two to five days per week. The ADHC serves a total of 80 to 100 individuals, with an average daily attendance of up to 50 reflecting a mix of building and community residents. The ADHC services include skilled nursing, occupational and physical therapy, and personal care. Chronic conditions and illnesses that NSM-ADHC commonly manage include stroke, dementia of all kinds, incontinence, lung and heart diseases, cancer, diabetes, crippling arthritis, neurological disorders, et cetera. Every ADHC client has a personal plan of care developed by a multi-disciplinary team and authorized by a physician. NSM-ADHC is regulated by the State of California Department of Health Services and Department of Aging, and Medi-Cal pays much of the cost for eligible participants. NSM-ADHC also has extensive experience providing services to individuals with mental health, substance abuse, and other behavioral issues, and is prepared to offer services to difficult clients as long as they are not disruptive in group settings.

In addition to those residents served in the ADHC, NSM-ADHC lends its expertise and work cooperatively with Mercy staff to ensure that residents not served in the building's ADHC program are appropriately referred for services consistent with their needs. This team approach helps maintain a continuum of care for all residents at MCSC. Team meetings are held on a regular basis to facilitate communication and resident service planning between Mercy and NSM-ADHC.

#### **4. RECOMMENDED CONDITIONS**

- Mercy will continue to ensure that all allowable Project Based Section 8 increases are taken to maximize subsidy income to the Project.
- Mercy will continue to ensure that commercial income to the Project is consistent with market rents.
- Mercy will investigate the possibility of refinancing the existing long term debt on the Project to reduce the Project's operating expenses.

#### **5. LOAN COMMITTEE MODIFICATIONS**

**6. LOAN COMMITTEE RECOMMENDATION**

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

APPROVE.     DISAPPROVE.     TAKE NO ACTION.



Olson M. Lee, Director  
Mayor's Office of Housing

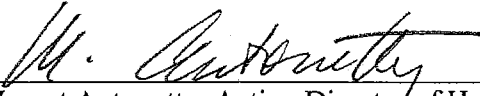
Date: 4/19/13



Joyce Crum, Director of Housing and Homeless Programs  
Department of Human Services

Date: 4/19/13

APPROVE.     DISAPPROVE.     TAKE NO ACTION.



Margot Antonetty, Acting Director of Housing and Urban Health  
Department of Public Health

Date: 4/19/13

- Attachments:
- Operating Budget – 1<sup>st</sup> Year
  - Cash Flow Projection – Detailed
  - Cash Flow Projection – LOSP Summary
  - Operating Cost Comparison
  - Exhibit A1 A2 of LOSP Contract



## ATTACHMENT A

### LOSP PROGRAM DESCRIPTION

The requested funds would be delivered to the sponsor through a grant agreement with a term of up to 15 years, and, with the exception of the current fiscal year, will be subject to annual appropriations by the Board of Supervisors. Funds for the 2013-2014 fiscal year will be included in DPH's budget in the amount of up to \$469,280, and will be work-ordered to MOH for administration. The total amount of funds requested is based on MCSC's current operating budget and 15-year cash flow projection using MOH/SFRA's standard underwriting guidelines.

Actual subsidy payment for the next fiscal year would be based on the attached annual operating budget and cash flow. Subsidy payments for the remaining years of the contract would be based on subsequent operating budgets to be approved annually by the City. These budgets would be informed by actual financial performance of the project, per annual audits, and would include reasonable costs based on the specific needs of this building and reflect prudent property management practices and supportive housing industry standards. The subsidy payments for a given year will be equal to the projected shortfall (difference between income and expenses/reserve deposits/fees) as shown in the approved operating budget for that year. The City will make one subsidy payment to the sponsor per year at the beginning of each fiscal year.

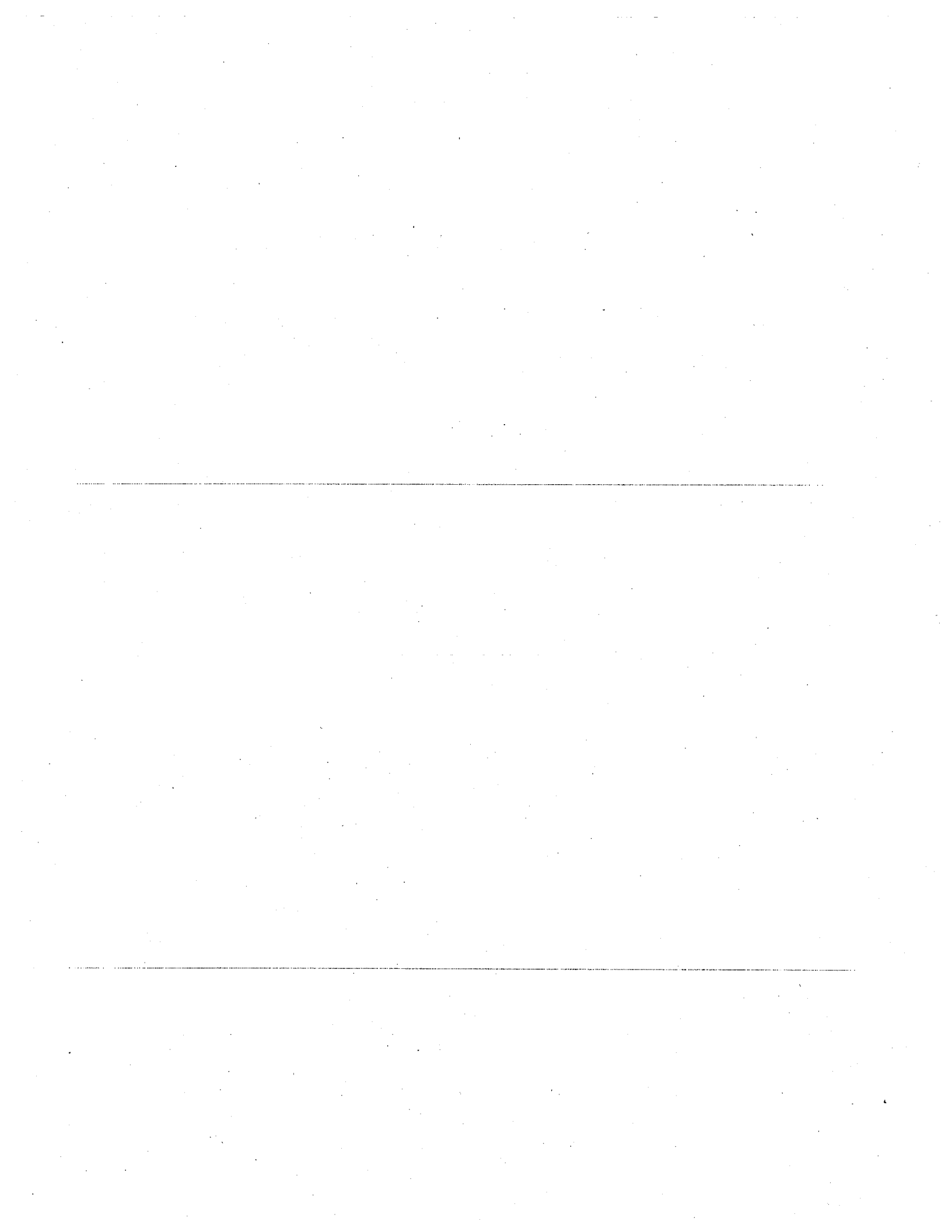
If the subsidy payments made to a sponsor in any given fiscal year exceed the projected shortfall, then the sponsor must deposit the excess subsidy amount into a Local Operating Subsidy reserve specifically set up to accommodate any over-payments received from the operating subsidy. If the shortfall exceeds the subsidy payments, then the sponsor may withdraw funds from the project's operating reserve to cover project operating expenses not covered by the subsidy payments.

Currently, the LOSP program requires sponsors to submit to the City, within 4 months of the end of each year, or by April of each year, an audited financial statement showing the actual project income, expenses and shortfall for the prior year. If the statement shows that the actual shortfall was lower than the projected shortfall in the approved annual operating budget, then the subsidy payments for the subsequent year will be reduced by the difference between the actual and the projected shortfall. If the statement shows that the actual shortfall was higher than the projected shortfall such that the sponsor had to withdraw funds from the operating reserve, then the subsidy payments for the following year will be increased to allow for the additional costs and also to replenish the reserve if increased expenses are approved by MOH.

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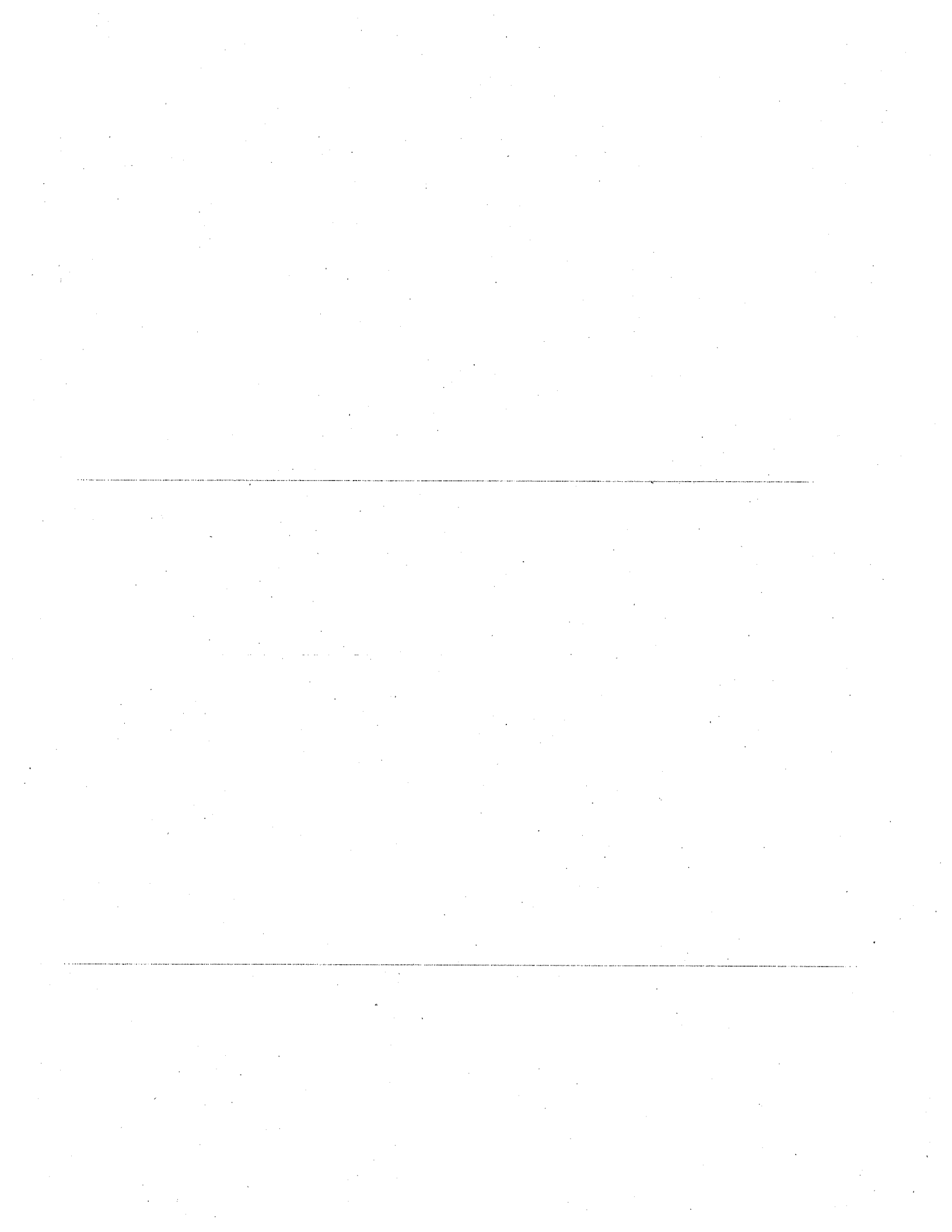
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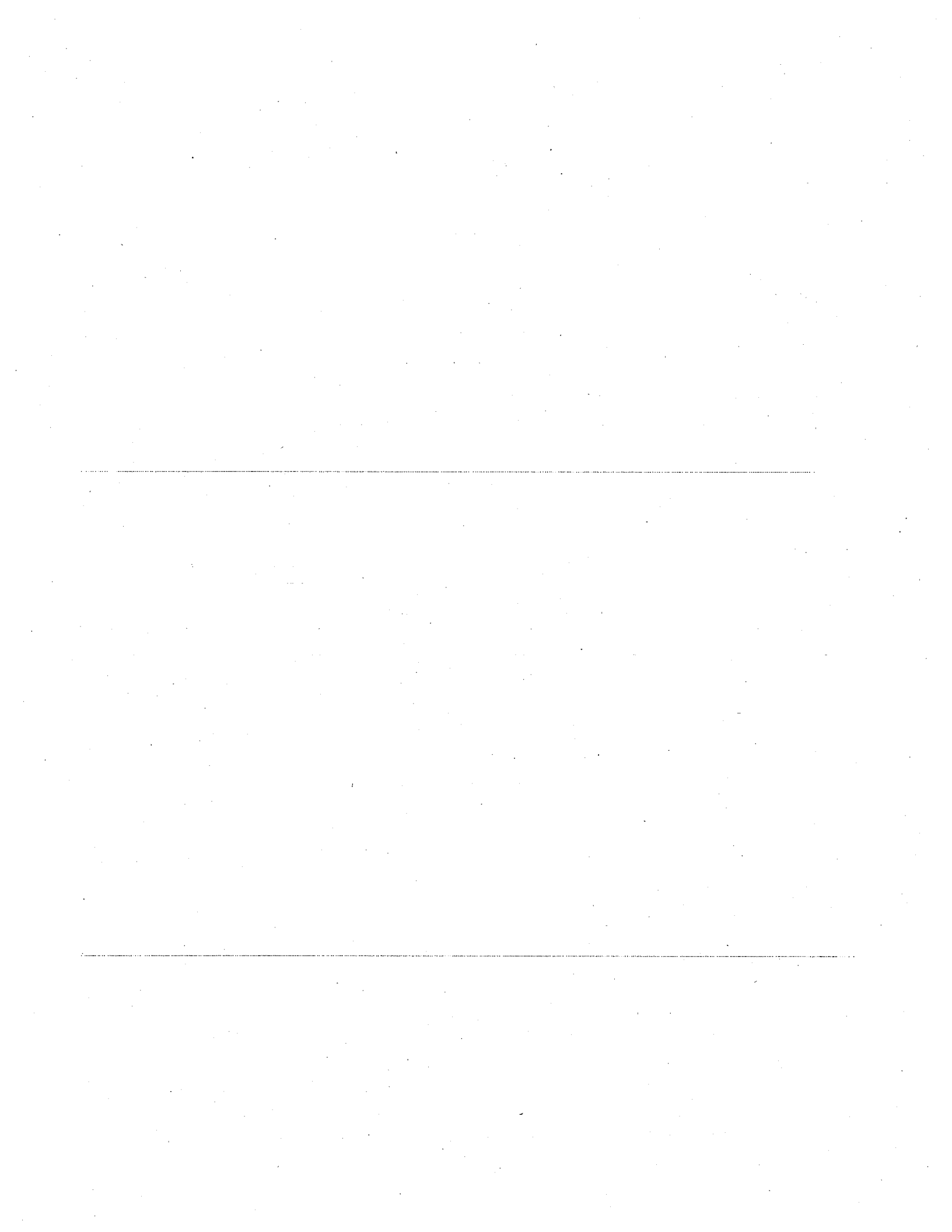


MCH Operating Budget - 2016 Year Details

Business Unit	Fiscal Year	Account	Year 1 (first full year of operations) 2013					Year 2 2014					Year 3 2015				
			Revenue	Expenses	Net Income	Operating	Non-Operating	Revenue	Expenses	Net Income	Operating	Non-Operating	Revenue	Expenses	Net Income	Operating	Non-Operating
<b>Mission Creek Senior Center</b>																	
Administrative	00	01-0000	246,274	243,824	2,450	246,274	243,824	2,450	246,274	243,824	2,450	246,274	243,824	2,450	246,274	243,824	2,450
Programs	00	02-0000	1,341,401	1,341,401	0	1,341,401	1,341,401	0	1,341,401	1,341,401	0	1,341,401	1,341,401	0	1,341,401	1,341,401	0
Capital	00	03-0000	193,540	193,540	0	193,540	193,540	0	193,540	193,540	0	193,540	193,540	0	193,540	193,540	0
Other	00	04-0000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>			<b>1,781,215</b>	<b>1,781,215</b>	<b>2,450</b>	<b>1,781,215</b>	<b>1,781,215</b>	<b>2,450</b>	<b>1,781,215</b>	<b>1,781,215</b>	<b>2,450</b>	<b>1,781,215</b>	<b>1,781,215</b>	<b>2,450</b>	<b>1,781,215</b>	<b>1,781,215</b>	<b>2,450</b>
<b>OPERATING EXPENSES</b>																	
Administrative	00	01-0000	246,274	243,824	2,450	246,274	243,824	2,450	246,274	243,824	2,450	246,274	243,824	2,450	246,274	243,824	2,450
Programs	00	02-0000	1,341,401	1,341,401	0	1,341,401	1,341,401	0	1,341,401	1,341,401	0	1,341,401	1,341,401	0	1,341,401	1,341,401	0
Capital	00	03-0000	193,540	193,540	0	193,540	193,540	0	193,540	193,540	0	193,540	193,540	0	193,540	193,540	0
Other	00	04-0000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>			<b>1,781,215</b>	<b>1,781,215</b>	<b>2,450</b>	<b>1,781,215</b>	<b>1,781,215</b>	<b>2,450</b>	<b>1,781,215</b>	<b>1,781,215</b>	<b>2,450</b>	<b>1,781,215</b>	<b>1,781,215</b>	<b>2,450</b>	<b>1,781,215</b>	<b>1,781,215</b>	<b>2,450</b>
<b>NET OPERATING INCOME</b>																	
Administrative	00	01-0000	2,450	2,450	0	2,450	2,450	0	2,450	2,450	0	2,450	2,450	0	2,450	2,450	0
Programs	00	02-0000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital	00	03-0000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	00	04-0000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>			<b>2,450</b>	<b>2,450</b>	<b>0</b>	<b>2,450</b>	<b>2,450</b>	<b>0</b>	<b>2,450</b>	<b>2,450</b>	<b>0</b>	<b>2,450</b>	<b>2,450</b>	<b>0</b>	<b>2,450</b>	<b>2,450</b>	<b>0</b>



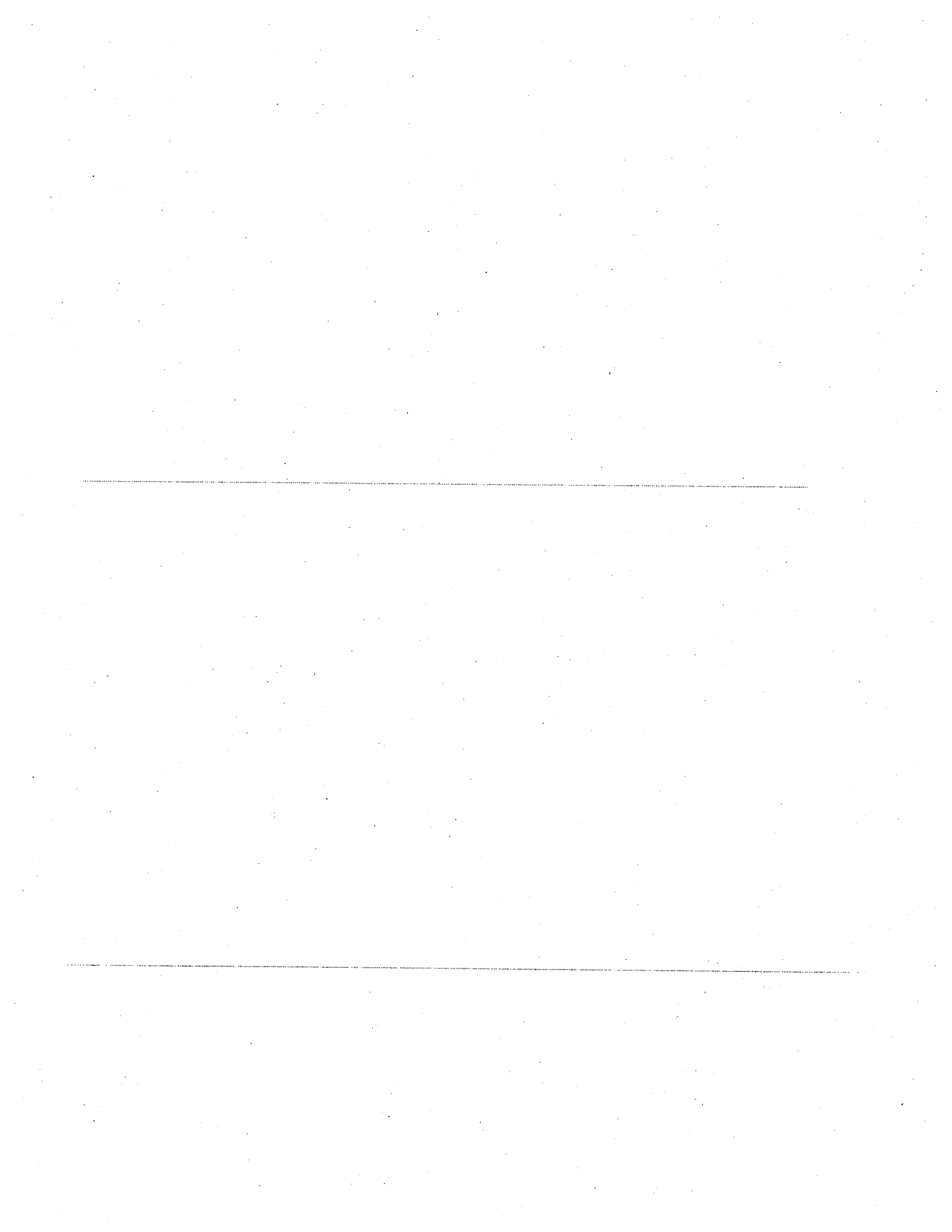




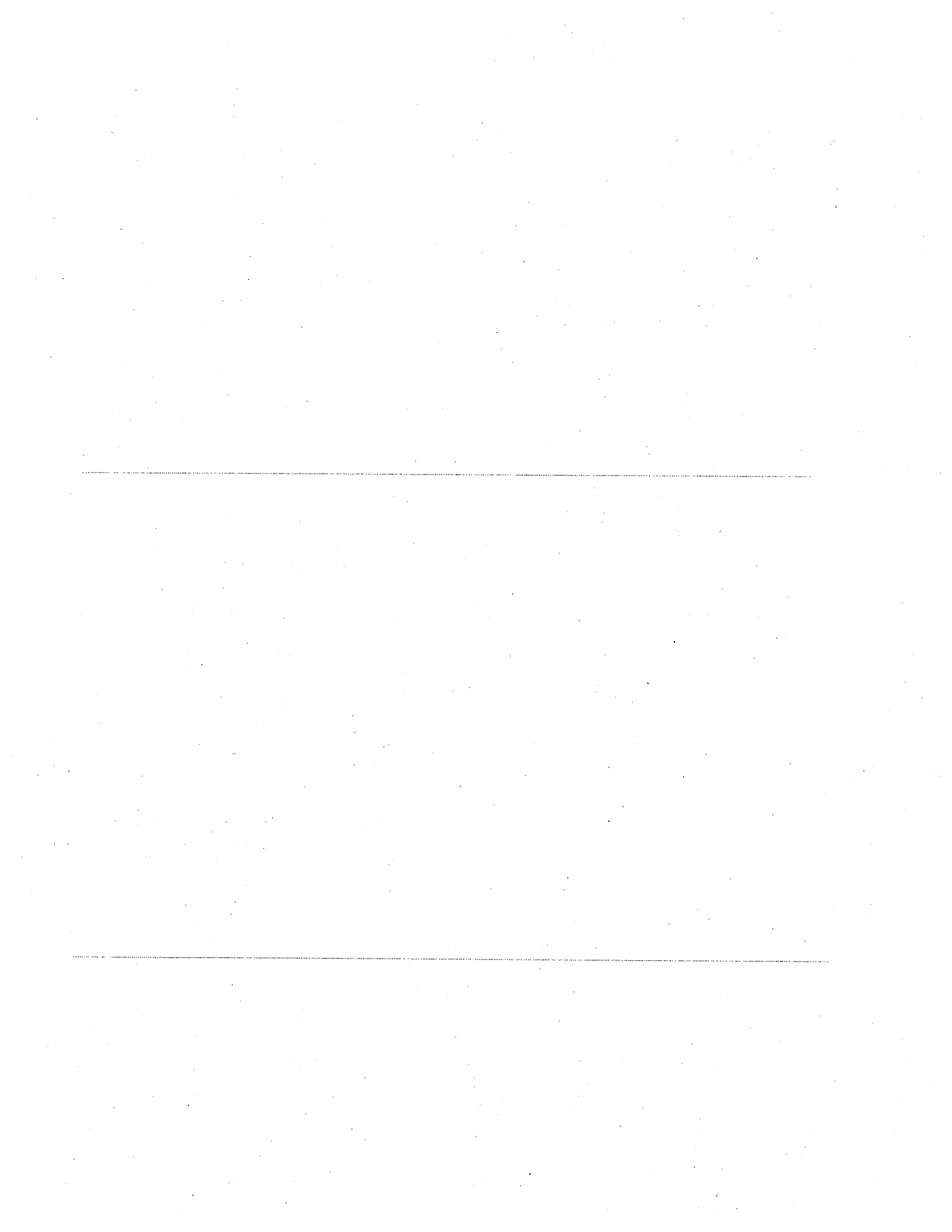


MGM Operating Budget - 20 Year Detail

Fiscal Year	Funding Source	Funding Type	Year 7 2019			Year 8 2020			Year 9 2021		
			Amount	% of Total	Change	Amount	% of Total	Change	Amount	% of Total	Change
<b>MISSION CREEK SENIOR COMMUNITY</b>											
2019	51	88	1,782,000	100.0%	-	1,782,000	100.0%	-	1,782,000	100.0%	-
<b>OPERATING EXPENSES</b>											
<b>Management</b>											
Management	00	00	31,322	1.76%	187,678	10.53%	156,356	8.78%	145,343	8.16%	114,013
Management	00	00	11,327	0.63%	180,400	10.18%	169,073	9.49%	150,412	8.44%	112,667
<b>Administrative</b>											
Administrative	00	00	76,422	4.29%	137,278	7.71%	126,283	7.09%	124,931	7.01%	121,346
Administrative	00	00	24,000	1.35%	116,400	6.53%	112,283	6.30%	110,479	6.20%	108,322
<b>Subtotal Operating Expenses</b>											
Operating Expenses	00	00	112,991	6.34%	198,146	11.11%	182,639	10.26%	170,766	9.57%	136,685
<b>Capital Expenditures</b>											
Capital Expenditures	00	00	1,669,009	93.66%	1,583,854	88.89%	1,600,361	90.74%	1,611,234	91.84%	1,548,315
<b>Total Operating Expenses</b>											
Operating Expenses	00	00	1,782,000	100.0%	1,782,000	100.0%	1,782,000	100.0%	1,782,000	100.0%	1,782,000
<b>Revenue</b>											
Revenue	00	00	1,782,000	100.0%	1,782,000	100.0%	1,782,000	100.0%	1,782,000	100.0%	1,782,000
<b>Net Operating Income</b>											
Net Operating Income	00	00	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0
<b>Capital Expenditures</b>											
Capital Expenditures	00	00	1,669,009	93.66%	1,583,854	88.89%	1,600,361	90.74%	1,611,234	91.84%	1,548,315
<b>Total Capital Expenditures</b>											
Capital Expenditures	00	00	1,669,009	93.66%	1,583,854	88.89%	1,600,361	90.74%	1,611,234	91.84%	1,548,315
<b>Net Operating Income</b>											
Net Operating Income	00	00	112,991	6.34%	198,146	11.11%	182,639	10.26%	170,766	9.57%	136,685
<b>Total Operating Income</b>											
Operating Income	00	00	112,991	6.34%	198,146	11.11%	182,639	10.26%	170,766	9.57%	136,685
<b>Operating Expenses</b>											
Operating Expenses	00	00	1,669,009	93.66%	1,583,854	88.89%	1,600,361	90.74%	1,611,234	91.84%	1,548,315
<b>Net Operating Income</b>											
Net Operating Income	00	00	112,991	6.34%	198,146	11.11%	182,639	10.26%	170,766	9.57%	136,685
<b>Total Operating Income</b>											
Operating Income	00	00	112,991	6.34%	198,146	11.11%	182,639	10.26%	170,766	9.57%	136,685

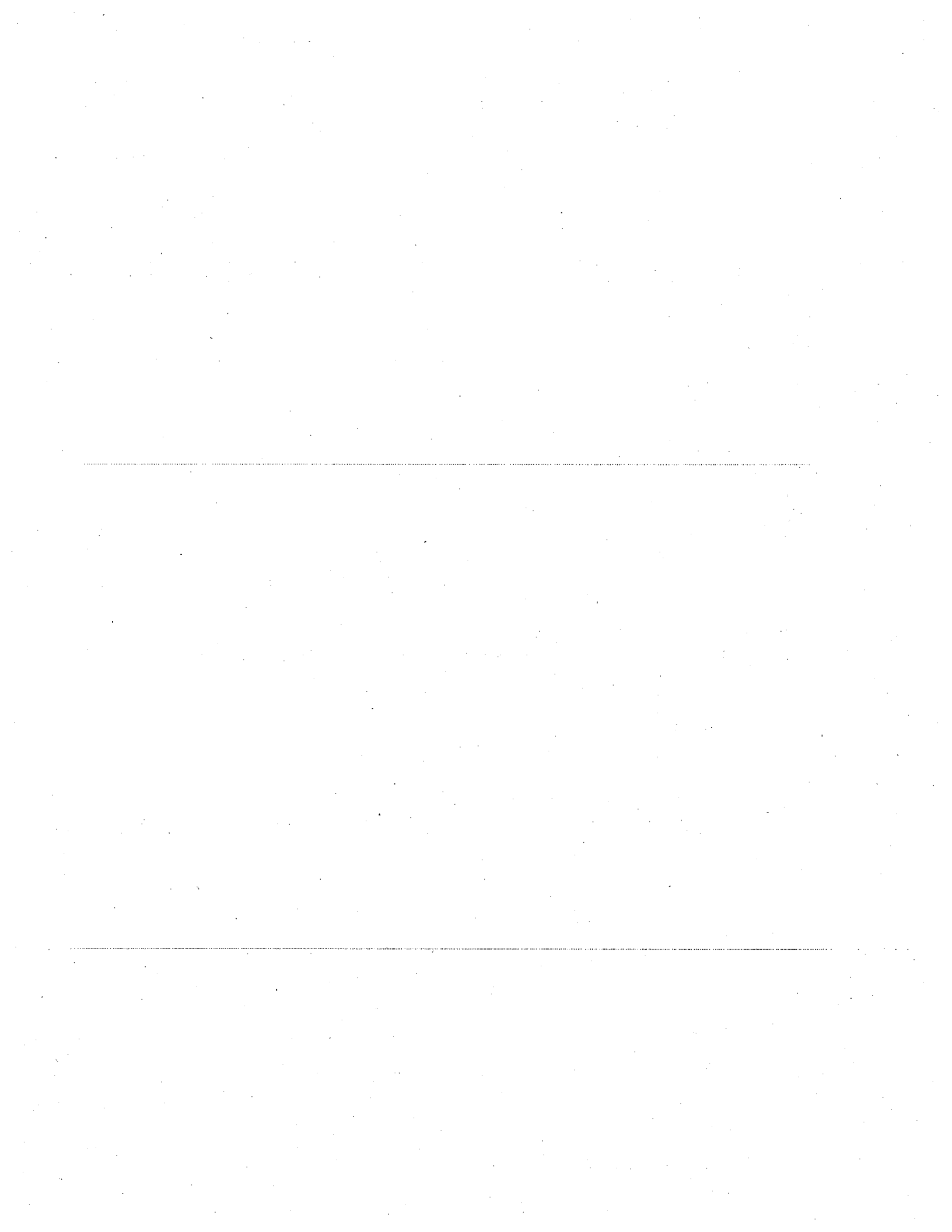






MCH Operating Budget - 20 Year Details

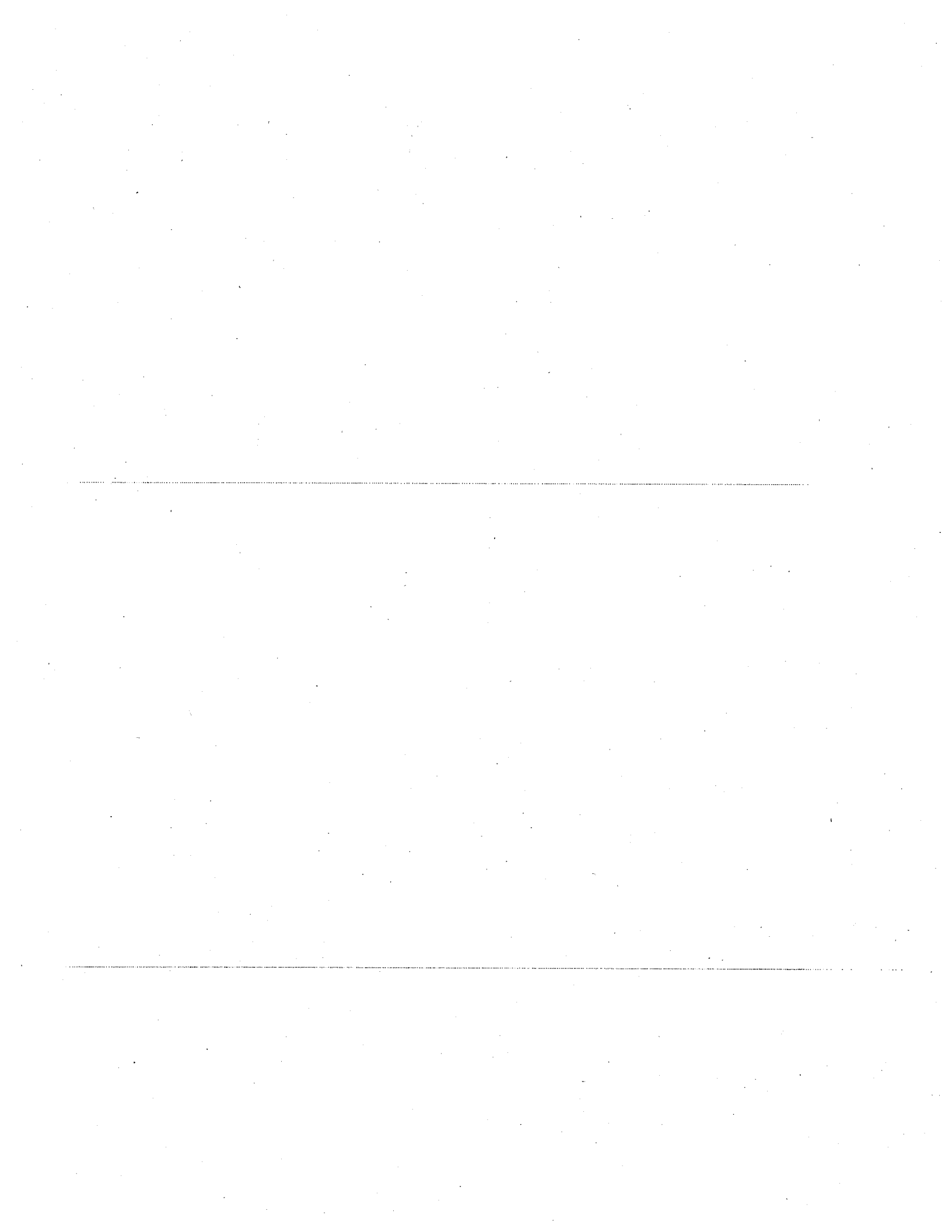
Fiscal Year	Fiscal Year	Fiscal Year	Year 13 2025			Year 14 2026			Year 15 2027		
			Fiscal Year			Fiscal Year			Fiscal Year		
			Revenue	Expenses	Net	Revenue	Expenses	Net	Revenue	Expenses	Net
2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027
<b>OPERATING EXPENSES</b>											
<b>Administrative Expenses</b>											
<b>Capital Expenses</b>											
<b>Personnel Expenses</b>											
<b>Utilities</b>											
<b>Travel</b>											
<b>Printing</b>											
<b>Telephone</b>											
<b>Postage</b>											
<b>Supplies</b>											
<b>Repairs &amp; Maintenance</b>											
<b>Insurance</b>											
<b>Professional Fees</b>											
<b>Interest</b>											
<b>Depreciation</b>											
<b>Amortization</b>											
<b>Other</b>											
<b>NET OPERATING EXPENSES</b>											
<b>NET OPERATING REVENUE</b>											
<b>NET OPERATING DEFICIT/SURPLUS</b>											
<b>FINANCING</b>											
<b>Capital Financing</b>											
<b>Operating Financing</b>											
<b>Other Financing</b>											
<b>NET FINANCING</b>											
<b>NET OPERATING ASSETS</b>											
<b>NET OPERATING LIABILITIES</b>											
<b>NET OPERATING EQUITY</b>											
<b>NET OPERATING DEFICIT/SURPLUS</b>											



MCH Operating Budget - 20 Year Details

Funds			Fiscal Year										Total			
FUND	ACCOUNT	PROGRAM	2016		2017		2018		2019		2020		2021		Total	
			Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
<b>MHS/Grassroots/Community</b>																
Total Available			1,994,024	1,672,034	3,316,920	3,232,212	3,443,288	1,462,892	2,874,866	3,100,808	231,277	3,530,546	1,366,169	3,166,352	187,474	4,577,436
<b>DEPARTMENT EXPENSES</b>																
Management			78,224	127,100	191,992	20,960	33,132	72,091	124,010	103,001	21,688	212,742	112,221	120,790	246,025	227,477
Administration			6,224	131,169	191,992	30,860	33,132	72,091	124,010	103,001	21,688	212,742	112,221	120,790	246,025	227,477
Operations			1,910,000	1,513,865	3,024,036	3,280,392	3,377,024	1,388,711	2,726,846	2,996,807	207,909	3,105,062	1,141,727	2,924,772	114,424	4,122,482
<b>Other Available</b>																
Total Available			1,994,024	1,672,034	3,316,920	3,232,212	3,443,288	1,462,892	2,874,866	3,100,808	231,277	3,530,546	1,366,169	3,166,352	187,474	4,577,436
<b>REVENUES</b>																
Management			1,418,824	1,421,431	3,216,920	22,212	3,443,288	1,462,892	2,874,866	3,100,808	231,277	3,530,546	1,366,169	3,166,352	187,474	4,577,436
Administration			6,224	131,169	191,992	30,860	33,132	72,091	124,010	103,001	21,688	212,742	112,221	120,790	246,025	227,477
Operations			1,910,000	1,513,865	3,024,036	3,280,392	3,377,024	1,388,711	2,726,846	2,996,807	207,909	3,105,062	1,141,727	2,924,772	114,424	4,122,482
<b>EXPENSES</b>																
Management			78,224	127,100	191,992	20,960	33,132	72,091	124,010	103,001	21,688	212,742	112,221	120,790	246,025	227,477
Administration			6,224	131,169	191,992	30,860	33,132	72,091	124,010	103,001	21,688	212,742	112,221	120,790	246,025	227,477
Operations			1,910,000	1,513,865	3,024,036	3,280,392	3,377,024	1,388,711	2,726,846	2,996,807	207,909	3,105,062	1,141,727	2,924,772	114,424	4,122,482
<b>RESERVE</b>																
Total Available			1,994,024	1,672,034	3,316,920	3,232,212	3,443,288	1,462,892	2,874,866	3,100,808	231,277	3,530,546	1,366,169	3,166,352	187,474	4,577,436
Total Available			1,994,024	1,672,034	3,316,920	3,232,212	3,443,288	1,462,892	2,874,866	3,100,808	231,277	3,530,546	1,366,169	3,166,352	187,474	4,577,436

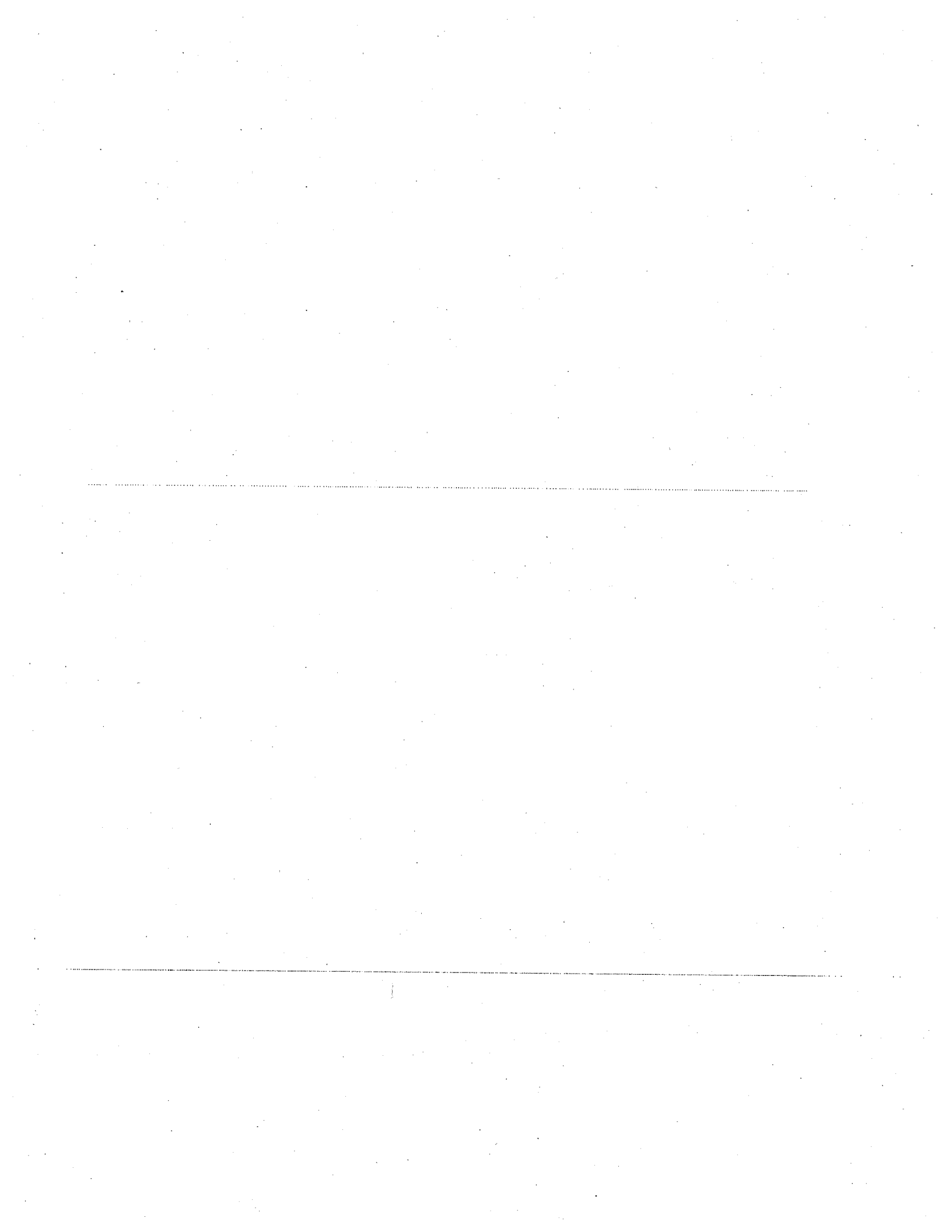
Fund	Account	Program	2016		2017		2018		2019		2020		2021		Total	
			Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
101	101.000	101.000.000	1,994,024	1,672,034	3,316,920	3,232,212	3,443,288	1,462,892	2,874,866	3,100,808	231,277	3,530,546	1,366,169	3,166,352	187,474	4,577,436
			1,994,024	1,672,034	3,316,920	3,232,212	3,443,288	1,462,892	2,874,866	3,100,808	231,277	3,530,546	1,366,169	3,166,352	187,474	4,577,436



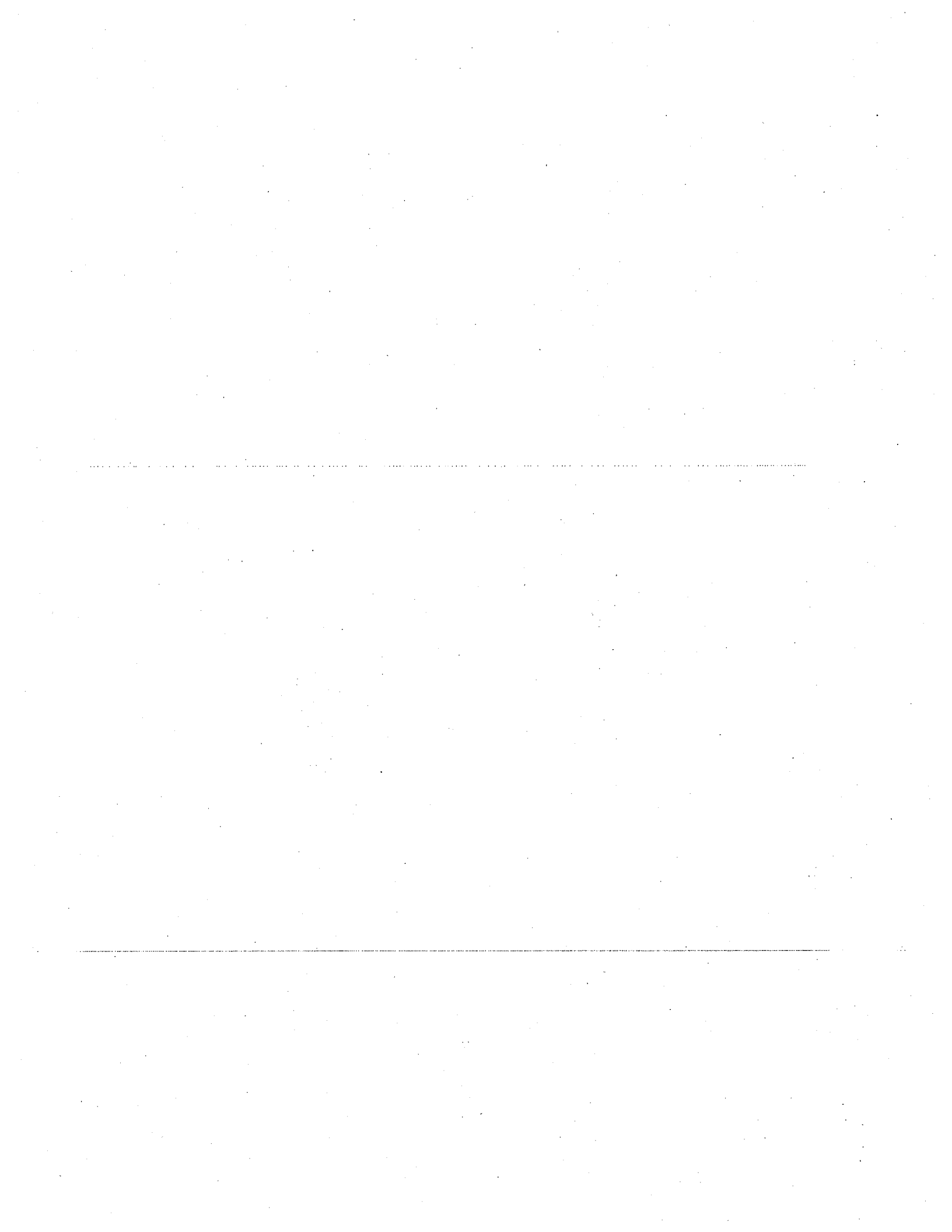


MOH Operating Budget - 20 Year Details

R. Affordability Index			Year 19 2011				Year 20 2012			
Line	Year	Index	Fundamental	Financial	Operational	Total	Fundamental	Financial	Operational	Total
<b>MISSION CHECKSUM COMMITMENTS</b>										
<b>FINANCIAL</b>			2011	2012	2013	2014	2015	2016	2017	2018
Operating Expenses	\$1	100.0%	2,249,066	2,247,000	2,248,877	2,249,000	2,249,000	2,249,000	2,249,000	2,249,000
Capital Expenditures	\$1	100.0%								
Depreciation	\$1	100.0%	1,249,000	1,249,000	1,249,000	1,249,000	1,249,000	1,249,000	1,249,000	1,249,000
Operating Income	\$1	100.0%	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Operating Loss	\$1	100.0%	(1,249,000)	(1,249,000)	(1,249,000)	(1,249,000)	(1,249,000)	(1,249,000)	(1,249,000)	(1,249,000)
Operating Profit	\$1	100.0%	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<b>Non-Operating Expenses</b>	\$1	100.0%	2,249,066	2,247,000	2,248,877	2,249,000	2,249,000	2,249,000	2,249,000	2,249,000
Interest Expense	\$1	100.0%	1,249,000	1,249,000	1,249,000	1,249,000	1,249,000	1,249,000	1,249,000	1,249,000
Other Income	\$1	100.0%	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Operating Profit	\$1	100.0%	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<b>Non-Operating Income</b>	\$1	100.0%	2,249,066	2,247,000	2,248,877	2,249,000	2,249,000	2,249,000	2,249,000	2,249,000
Interest Expense	\$1	100.0%	1,249,000	1,249,000	1,249,000	1,249,000	1,249,000	1,249,000	1,249,000	1,249,000
Other Income	\$1	100.0%	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Operating Profit	\$1	100.0%	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<b>Operating Profit</b>	\$1	100.0%	2,249,066	2,247,000	2,248,877	2,249,000	2,249,000	2,249,000	2,249,000	2,249,000
<b>Operating Loss</b>	\$1	100.0%	2,249,066	2,247,000	2,248,877	2,249,000	2,249,000	2,249,000	2,249,000	2,249,000
<b>Operating Profit</b>	\$1	100.0%	2,249,066	2,247,000	2,248,877	2,249,000	2,249,000	2,249,000	2,249,000	2,249,000







MOH Operating Budget - 20 Year - LOSP Only

Table with 12 columns for years 2023-2032 and rows for revenue categories like Property Tax, Sales Tax, and State Potential Income.

EFFECTIVE GROSS INCOME

Summary row for effective gross income showing values from 1,746,939 to 1,634,939.

OPERATING EXPENSES

Main body of the budget table listing operating expenses such as Management Fee, Salaries/Benefits, Administrative Expenses, and Supportive Services.

NET OPERATING INCOME (NON-DEBT) minus OPERATING EXPENSES

Summary row for net operating income showing values from 322,053 to 575,239.

DEBT SERVICE (hard debt - amortized basis)

Table listing debt service items like Interest Expense, Debt Service Reserve, and Total Debt Service.

TOTAL DEBT SERVICE

Summary row for total debt service showing values from 377,661 to 377,661.

RESERVES

Table listing reserve items like Contingency Reserve, Debt Service Reserve, and Total Reserves.

TOTAL RESERVES

Summary row for total reserves showing values from 24,112 to 24,112.

CASH FLOW (NON-DEBT SERVICE minus RESERVES)

Summary row for cash flow showing values from 312,092 to 273,957.

USES OF CASH FLOW

Table detailing uses of cash flow including operating expenses, debt service, and other cash requirements.

RESIDUAL RESERVE

Summary row for residual reserve showing values from 42,661 to 256,693.

FINAL 20-YEAR BUDGET SUMMARY

Summary row for final budget showing values from 41,261 to 256,693.

FINAL 20-YEAR BUDGET SUMMARY

Summary row for final budget showing values from 41,261 to 256,693.

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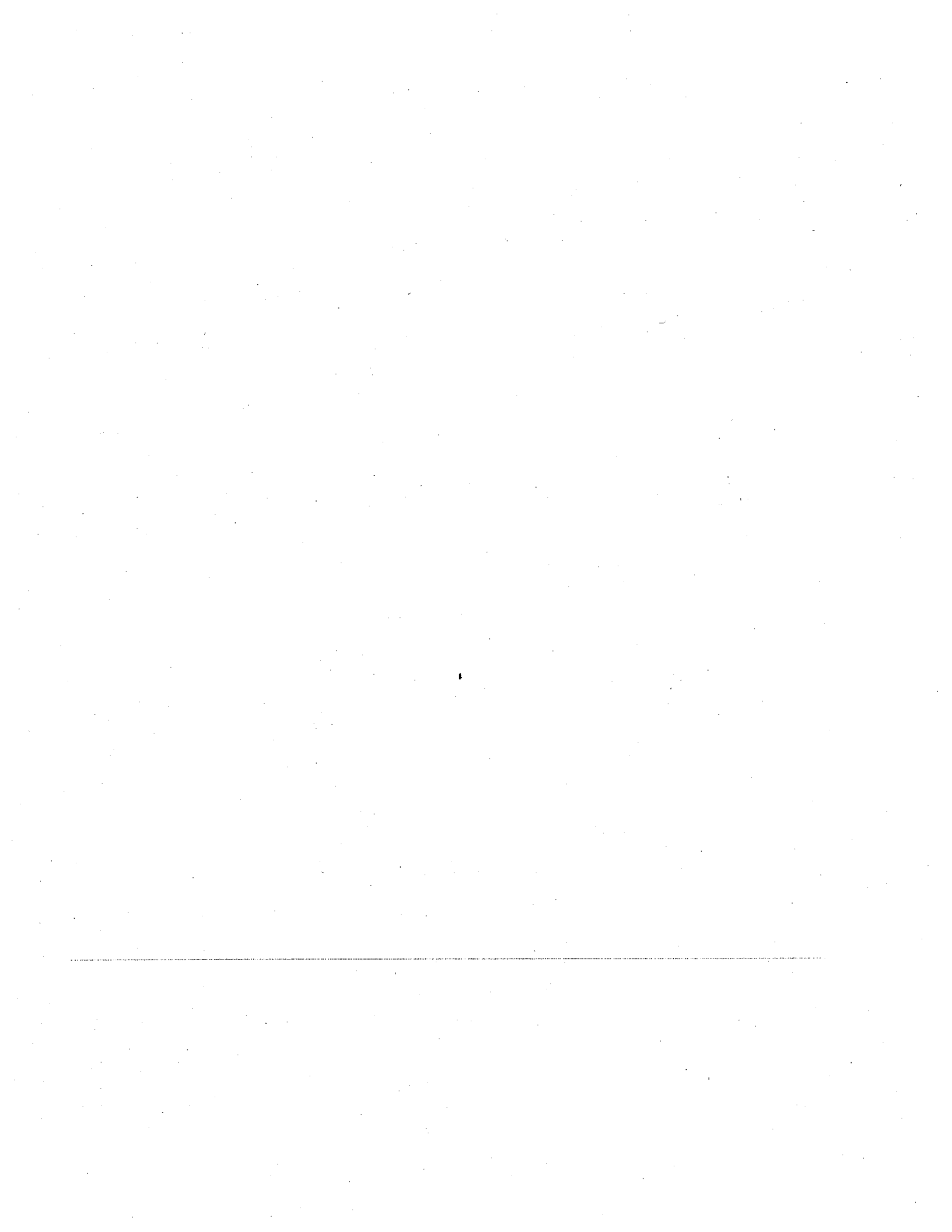
FINAL 20-YEAR BUDGET SUMMARY

Summary row for final budget showing values from 41,261 to 256,693.



OPERATING COMPARABLES FOR LOCAL OPERATING SUBSIDY PROJECTS - February 2013

INCOME	Approved 149 Mason Street 56 studio units DPH funded		Approved 990 Polk 110 units - 81 studios & 29 1br DPH funded 50 units		Approved Kelly Cullen Community 112 efficiency units DPH funded		Approved Richardson Apartments 120 units 108 OSP, 12 MHSA DPH funded		Approved Rene Cazenave Apartments 120 units (108 OSP, 12 1 br) DPH funded		For Approval Mission Creek Senior Community 139 units 51 OSP DPH funded		Average (excluding MC Senior Community)
	Annual Total	Per Unit	Annual Total	Per Unit	Annual Total	Per Unit	Annual Total	Per Unit	Annual Total	Per Unit	Annual Total	Per Unit	Per Unit
Tenant Rent	223,954	3,999	259,060	5,181	751,680	4,370	557,280	4,644	540,000	4,500	541,080	3,893	4,549
Non OSP Subsidy	0	0	0	0	102,901	598	70,000	583	0	0	1,074,181	7,728	295
Commercial Income	18,828	336	0	0	17,400	101	67,200	560	85,554	713	195,248	1,405	249
Other Income	4,239	76	0	0	3,237	19	0	0	21,194	177	131,796	948	24
Vacancy	-18,632	-333	0	0	-5,4516	-117	-103,991	-867	-96,812	-807	-31,144	-224	-379
LOSP Subsidy	428,469	7,473	413,665	8,273	984,158	5,722	780,544	6,505	910,290	7,585	469,280	9,202	6,993
Total Income	646,858	11,551	672,726	13,455	1,804,880	10,493	1,371,033	11,425	1,460,185	12,168	2,380,441	17,125	11,731
EXPENSES													
Property Management Fee	47,640	851	59,211	1,184	149,808	871	107,179	893	109,517	912	126,751	912	950
Asset Management Fee	16,750	299	9,888	198	16,670	97	0	0	17,820	149	0	0	148
Salaries/Benefits	208,083	3,716	163,704	3,274	474,545	2,759	319,730	2,664	330,922	2,758	314,820	2,265	3,103
Administration	81,775	1,459	51,104	1,022	133,712	894	114,573	955	118,581	988	94,957	683	1,082
Utilities	105,966	1,892	106,969	2,139	235,663	1,370	180,133	1,501	186,438	1,554	139,532	1,004	1,716
Taxes & Licenses	26,906	480	20,281	405	88,958	517	66,238	552	71,067	592	59,993	432	489
Insurance	32,638	583	44,954	897	118,151	687	103,985	867	108,614	905	112,851	812	758
Maintenance & Repair	93,142	1,663	156,981	2,740	442,041	2,570	341,069	2,842	375,513	3,129	484,158	3,463	2,464
Supportive Services	0	0	39,595	772	0	0	0	0	0	0	209,450	1,507	193
Total Operating Expenses before Debt & Reserves	612,850	10,344	631,588	12,632	1,679,498	9,765	1,232,907	10,274	1,318,482	10,987	1,542,512	11,097	10,904
Replacement Reserve Deposits	34,008	607	29,440	589	87,697	510	70,800	590	72,703	606	65,717	473	574
Operating Reserve Deposits	0	0	0	0	15,525	90	0	0	0	0	0	0	23
Debt Service	0	0	0	0	7,140	42	39,740	331	46,200	385	737,044	5,302	93
Partnership & Investor Svc. Fee	0	0	11,698	234	15,000	87	27,594	230	22,800	190	25,168	181	138
Deferred Developer Fee	0	0	0	0	0	0	0	0	0	0	0	0	0
Ground Rent	0	0	0	0	0	0	0	0	0	0	20,000	144	0
Total Operating Incl. Debt and Reserves	646,858	11,551	672,726	13,455	1,804,880	10,493	1,371,033	11,425	1,460,185	12,168	2,380,441	17,197	11,731
Date source	2011 Actuals		2011 Actuals		2012 Budget Projections		2013 Budget Projections Based on 2012 Actuals		2013 Budget Projections		This Review		





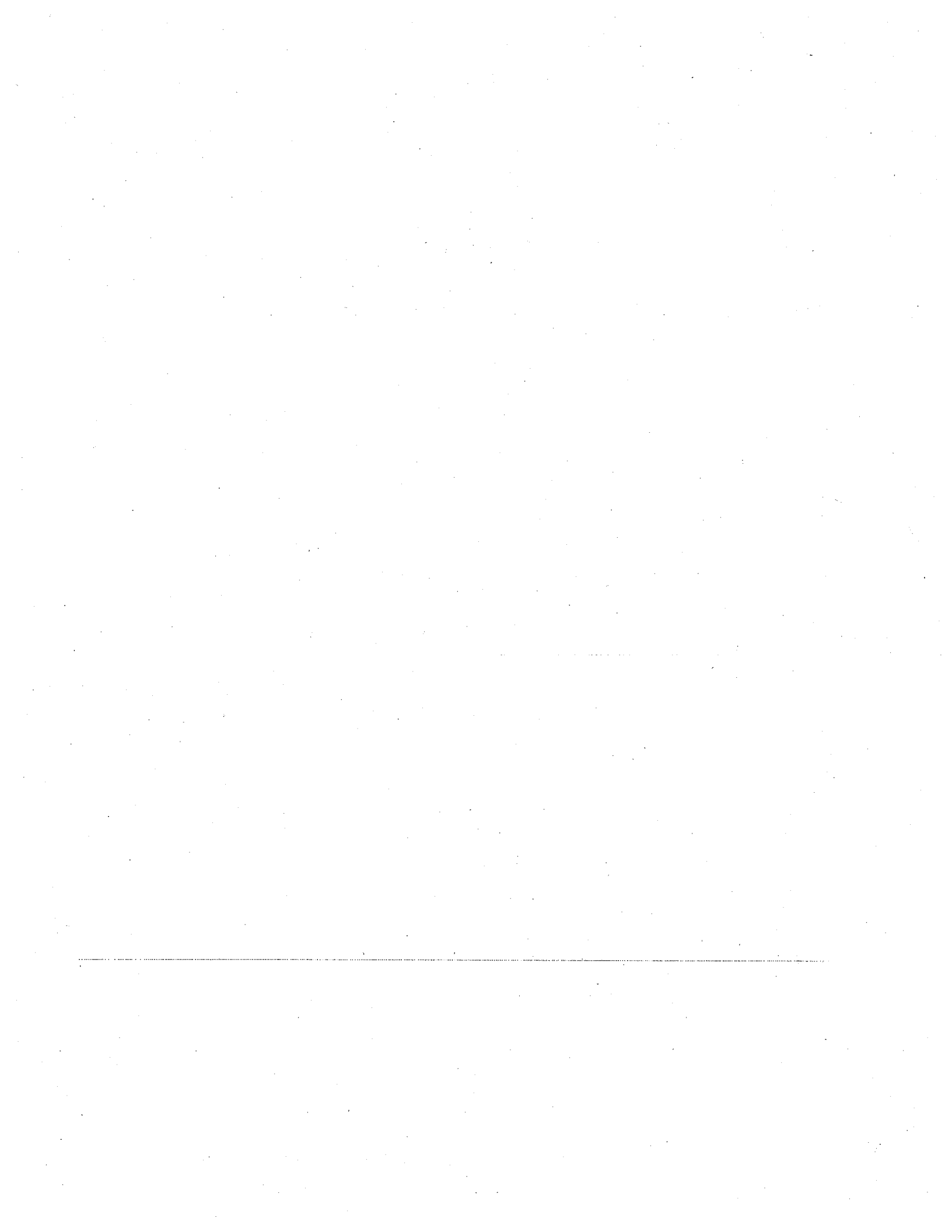
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7/1/2013

Exhibit A-2: LOSP Funding By Calendar Year

	n/a	7/1-12/31	TOT	Total Months
2013	\$0.00	\$234,640.00	\$234,640.00	6
	1/1-6/30	7/1-12/31	TOT	Total Months
2014	\$234,640.00	\$234,640.00	\$469,280.00	12
2015	\$275,439.43	\$275,439.43	\$550,878.87	12
2016	\$297,908.57	\$297,908.57	\$595,817.13	12
2017	\$321,854.35	\$321,854.35	\$643,708.71	12
2018	\$333,440.64	\$333,440.64	\$666,881.29	12
2019	\$350,523.47	\$350,523.47	\$701,046.95	12
2020	\$368,468.50	\$368,468.50	\$736,937.01	12
2021	\$387,309.98	\$387,309.98	\$774,619.95	12
2022	\$407,083.41	\$407,083.41	\$814,166.81	12
2023	\$427,825.62	\$427,825.62	\$855,651.25	12
2024	\$449,574.82	\$449,574.82	\$899,149.64	12
2025	\$472,370.61	\$472,370.61	\$944,741.22	12
2026	\$496,254.05	\$496,254.05	\$992,508.11	12
2027	\$521,267.74	\$521,267.74	\$1,042,535.49	12
	1/1-6/30	n/a		
2027	\$545,955.84	n/a	\$11,468,518.26	6
				180

Exhibit A-1: LOSP Disbursement Schedule By Fiscal Year

	n/a	TOT	Total Months
n/a	\$0.00	\$0.00	0
sent to sponsor btwn 7/1 & 9/1	7/1-12/31	1/1-6/30	TOT
2013-14	\$234,640.00	\$234,640.00	\$469,280.00
2014-15	\$234,640.00	\$275,439.43	\$510,079.43
2015-16	\$275,439.43	\$297,908.57	\$573,348.00
2016-17	\$297,908.57	\$321,854.35	\$619,762.92
2017-18	\$321,854.35	\$333,440.64	\$655,295.00
2018-19	\$333,440.64	\$350,523.47	\$683,964.12
2019-20	\$350,523.47	\$368,468.50	\$718,991.98
2020-21	\$368,468.50	\$387,309.98	\$755,778.48
2021-22	\$387,309.98	\$407,083.41	\$794,393.38
2022-23	\$407,083.41	\$427,825.62	\$834,909.03
2023-24	\$427,825.62	\$449,574.82	\$877,400.45
2024-25	\$449,574.82	\$472,370.61	\$921,945.43
2025-26	\$472,370.61	\$496,254.05	\$968,624.66
2026-27	\$496,254.05	\$521,267.74	\$1,017,521.80
	7/1-12/31	1/1-6/30	
2027-28	\$521,267.74	\$545,955.84	\$1,067,223.58
	n/a		
n/a	n/a		n/a
			\$11,468,518.26
			180



# THE SAN FRANCISCO PLAN TO ABOLISH CHRONIC HOMELESSNESS



# Contents

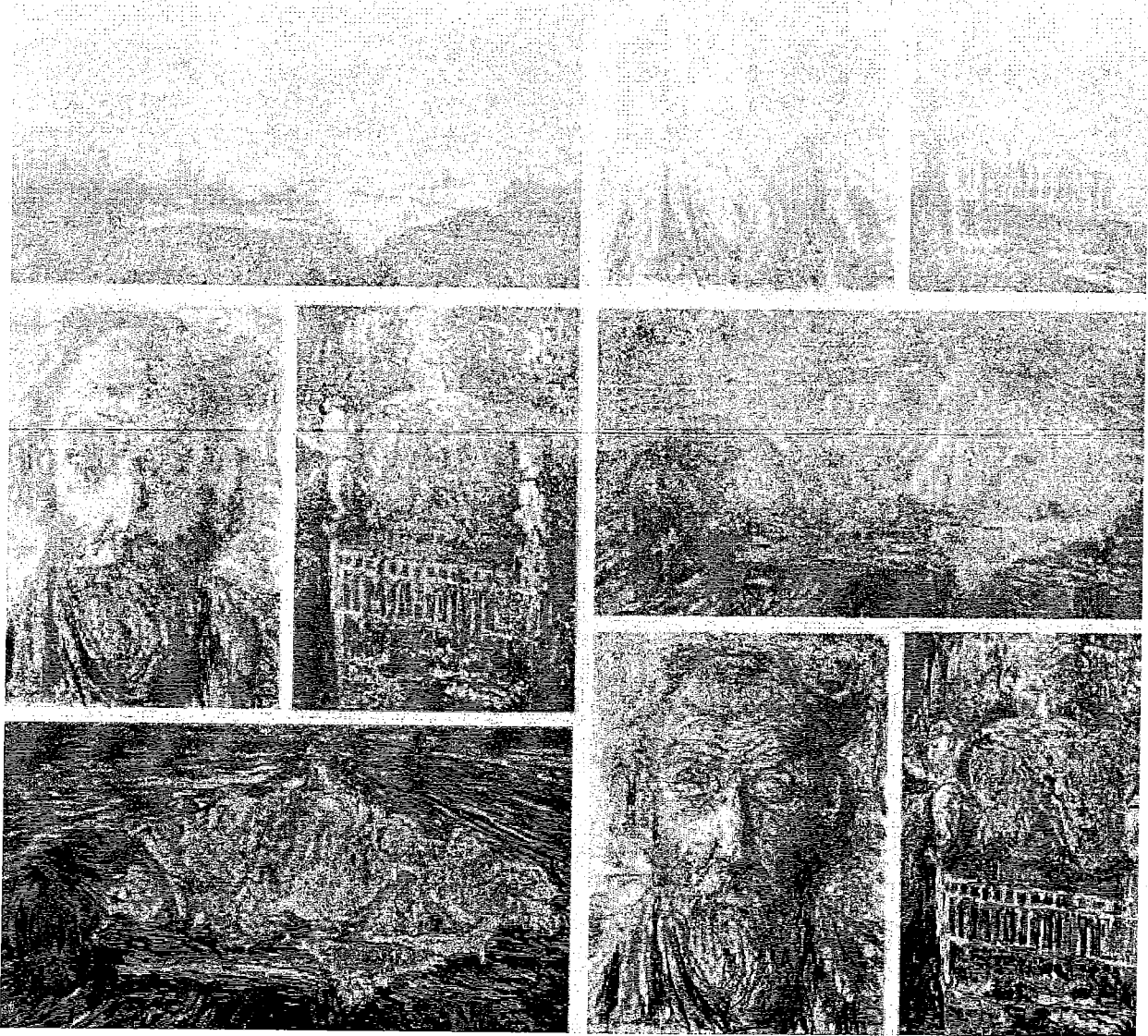
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1. Letter to the Mayor .....	02
2. San Francisco Ten Year Planning Council .....	03
3. "Changing Direction" - Executive Summary .....	06
4. Continuum of Care System .....	15
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# THE SAN FRANCISCO PLAN TO ABOLISH CHRONIC HOMELESSNESS



# The San Francisco Plan To Abolish Chronic Homelessness



# Contents

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Dear Mayor Newsom,

On behalf of the members of the Ten Year Council, I submit this report entitled "San Francisco's Ten Year Plan" to end chronic homelessness.

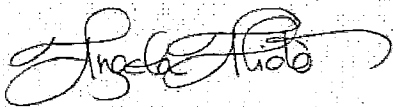
The last five months have been an incredible education for all of us. We have the most incredible City, bar none, and yet, as you know, we have one of the worse homeless crisis in the nation. We have some of the most incredible human beings who give so unselfishly of themselves to help the poor and yet we remain unable to take the poor off of the streets and into housing. We have the most lauded and successful plans in the nation and yet again, we lead the nation in people without homes. These are stark realities, and this Ten Year Planning Council faced them head on. The plan we present to you is a no non-sense plan, "lets house people now" plan, that I firmly believe is the key that will unlock the door to the homes our people so desperately need.

The focus of the plan is permanent supportive housing for the 3000 or so chronically homeless, out of the 15,000 general homeless populations. When you effect the 3000 chronically homeless, indeed, you dramatically effect the general homeless population. The plan is a redirection of our resources, our attitudes and our strengths. Never easy, I know. But this Council of amazing people has given the City a plan that is courageous and necessary to end this disgrace. Now we need to implement it. The completion of the Plan is merely the beginning of the work.

For the first time in the twenty years that I have been in public life, I feel the united excitement, the electric energy, the profound intelligence, and the strong will to end chronic homelessness in our great City. I credit a lot of that to you, Mr. Mayor, for having the courage to make homelessness a priority in your administration. On behalf of the Council and me, we thank you!

It's time to roll our sleeves up, and get to work on what will be one of the most rewarding accomplishments of anyone's life. I certainly look forward to this particular "victory party!".

Sincerely,

A handwritten signature in cursive script, appearing to read "Angela Alioto".

Angela Alioto  
Chairwoman of the Ten Year Planning Council



# San Francisco Ten Year Planning Council



# San Francisco Ten Year Planning Council

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## Angela Alioto, Esq. Chair

Reginald Smith, Project Director

Tim Guzzetta, Project Assistant

Mayor Gavin Newsom took the oath of office on January 8, 2004. One of the first acts of his new administration was his appointment of former Board of Supervisors President Angela Alioto to Chair a committee to write a plan to end homelessness in San Francisco in ten years.

Chair Angela Alioto recruited a diverse, non-partisan working group for appointment by Mayor Newsom to the Ten Year Planning Council.

The Council wishes to thank Philip F. Mangano, the Executive Director of the United States Interagency Council on Homelessness. As the founding Executive Director of the Massachusetts Housing and Shelter Alliance and as the formulator of the front door/back door paradigm of advocacy response that has been adopted by the National Alliance to end Homelessness, Mr. Mangano has been at the forefront of innovation regarding chronic homelessness. His insightful theories and unbridled enthusiasm for ending homelessness has been inspiring, and we in city of Saint Francis, thank you.

## Finance Committee

**Mike DeNunzio\*\*** - S.F. Commission on Aging and Adult Services

Chair, S.F. Republican County Central Committee

**Fred J. Martin, Jr.\*** - Bank of America, Retired

**John Hutar** - Nikko Hotel, S.F. Hotel Council

**Pamela Berman** - Small Business Owner

**Cassandra Benjamin** - Charles & Helen Schwab Foundation

**Gayle Orr-Smith** - San Francisco Police Commission

**Leon Winston** - Local Homeless Coordinating Board, Swords to Plowshares

## Prevention and Discharge Planning Committee

**Dr. Suzanne Giraud\*\*** - California Pacific Medical Center (CPMC)

**Ed Jew\*** - San Francisco Coalition for Fair Rate Increases

**Brian Cahill** - Catholic Charities

**Dr. Richard Kunin** - Society for Orthomolecular Health Medicine

**Ann Marks** - San Francisco Progressives

**Carol Lamont** - The San Francisco Foundation

## Mainstream Health and Employment Committee

**Mary Ruth Gross\*\*** - SEIU Local 250 Health Care Workers

**Steve Fields\*** - Progress Foundation

**Anne Kronenberg** - S.F. Local Homeless Coordinating Board,

Deputy Director Department of Public Health

**Ruth Dewson** - Mrs. Dewson's Hats, Small Business

**Arthur M. Jackson** - CEO, Jackson Personnel

**John Hanley** - San Francisco Firefighters, Local 798

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**Outreach, Assessment and Behavioral Health Committee**

**Honorable Chris Daly\*\*** - Supervisor, City and County of San Francisco  
**Father John Hardin, OFM\*** - St. Anthony's Foundation  
**Dr. Robert Okin** - San Francisco Department of Public Health  
**Chris Cunnie** - Walden House  
**David Heller** - Geary Street Merchants Association  
**George Wesolek** - Archdiocese of San Francisco  
**Liam Shy** - San Francisco Youth Commission  
**Mel Beetle** - Senior Advocate, Homeless

**Permanent Supportive Housing Committee**

**Ramon Romero\*\*** - San Francisco Redevelopment Commission President  
**Lauren Hall\*** - Corporation for Supportive Housing  
**Paul Boden** - S.F. Coalition on Homelessness  
**Bobby Jones** - Wealth Management Group  
**Daryl Higashi** - Permanent Supportive Housing Finance Director  
**Francis Rigney, M.D.** - Chief of Staff, CPMC, Retired  
**Chip Conley** - Joie de Vivre Hotels  
**Bok Pon** - Cathay House # 384, American Legion

\*\* Denotes Committee Chair; \* Denotes Committee Vice-Chair

The Ten Year Planning Council, and committees of the Council, met eighty-five (85) times, beginning on March 19, 2004 and ending on June 30, 2004, when the Plan was presented to Mayor Gavin Newsom. Public hearings were held at San Francisco City Hall on May 26 and May 27, 2004.

More than 785 individuals representing over 400 organizations participated in one or more of these eighty-five meetings, and provided valuable contributions of information, funding, meeting space, and time toward the creation of this report.

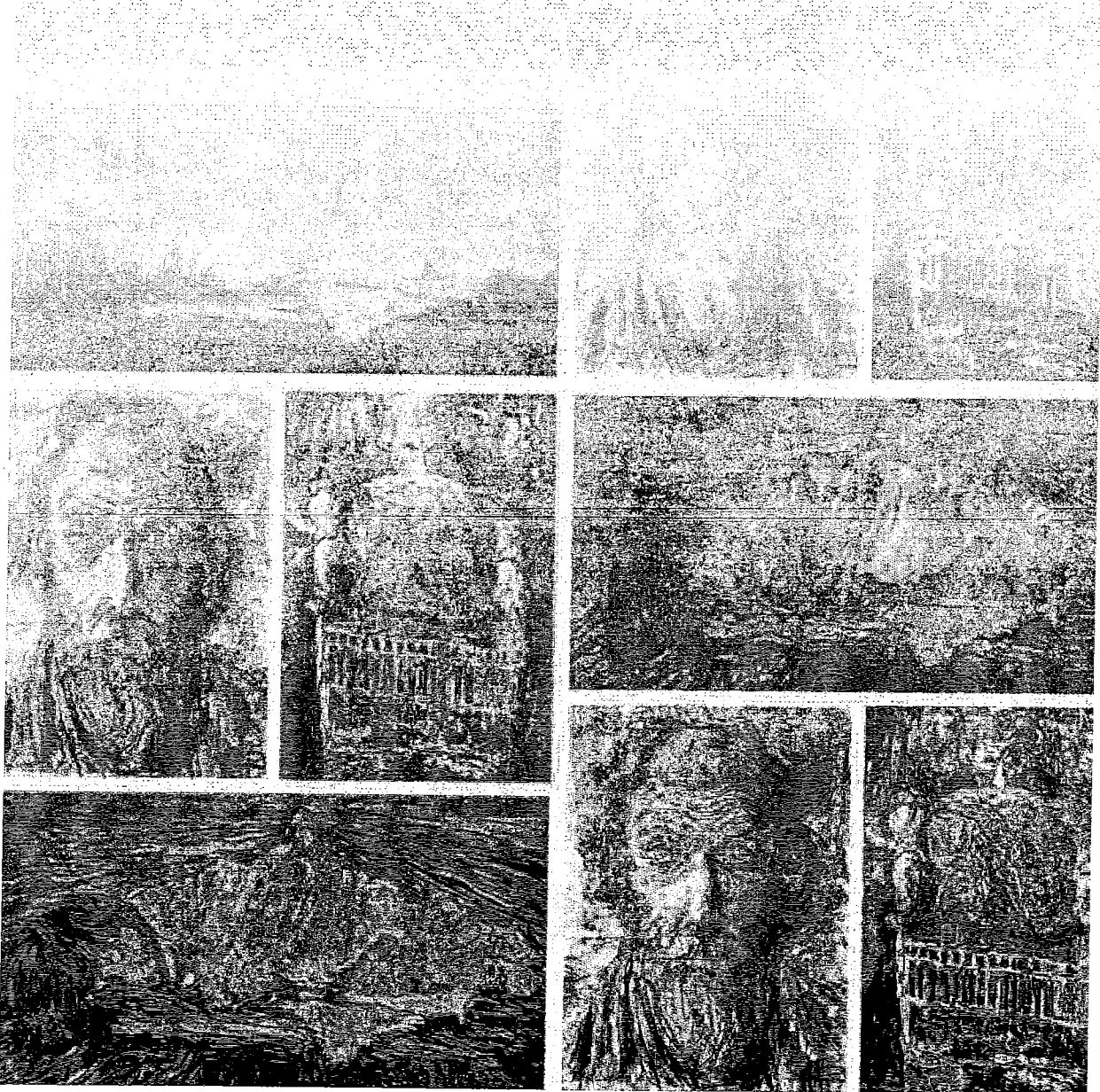
The San Francisco Foundation provided fiscal sponsorship of the Council's work, and contributed accounting services to facilitate payment of expenses.

As of the printing of this report, generous contributions to support the work of the Council had been received from: The San Francisco Hotel Council, Pacific Gas & Electric Corporation, the Gap Inc., Plumbers and Pipefitters Union Local 38, the Levi Straus Foundation, the McKesson Corp, Charles Schwab Corporation, the San Francisco Foundation, the San Francisco Restaurant Association, JP Morgan Chase, the Bank of America, Providian Financial Corporation and Mr. Larry Nibbi.

A writing committee, lead by Barbara Meskunas, met for several weeks to organize the committee recommendations. The writing committee included council members Mike DeNunzio, Fred Martin, Ann Marks, Paul Boden, Dr. Francis Rigney and Chair Angela Alioto. A special word of thanks to Laruen Hall of the Corporation for Supportive Housing for her contribution to the final document.

The Council offers its sincere gratitude to our donors, who share our compassion and commitment to ending the crisis of chronic homelessness in San Francisco.

# **“Changing Direction” Executive Summary**



## "Changing Direction" - Executive Summary

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The "Housing First" model is a radical departure from the Continuum model in use for almost two decades in San Francisco.

San Francisco is Everyone's Favorite City. But San Francisco also has the dubious distinction of being the homeless capital of the United States.

There are estimated 15,000 people who are homeless in the city and county of San Francisco and 3,000 of them meet the definition of chronically homeless. New York, a city many times our size, has 2,700. This plan is directed at the 3000 chronically homeless.

It is a crisis that must be addressed immediately. We need change now.

San Francisco spends approximately \$200 million annually on homeless direct and related services, yet the numbers of homeless continue to rise alarmingly.

San Franciscans consistently identify homelessness as the number one problem in San Francisco. San Francisco voters have repeatedly sent a clear and overwhelming message to City Hall that they want change, and are willing to try any and all new approaches that look promising and do not perpetuate the status quo.

Mayor Gavin Newsom began his administration with the appointment of the Ten Year Council to End Chronic Homelessness in San Francisco. He asked former President of the Board of Supervisors Angela Alioto, to Chair the council and steer its agenda.

Our mandate is clear.

Our task begins with the admission that the city's focus to date -- based on *Continuum of Care* strategies, i.e. separating the provision of services from the provision of housing -- has not worked, as evidenced by the highest per capita number of homeless people in the United States.

We must have the courage to set aside our failed policies and change direction.

We must have the courage to say that we will no longer tolerate, as the compassionate City of St. Francis, human beings living in abject misery and sleeping in our streets.

### **The "Chronically Homeless"**

The U.S. Department of Housing and Urban Development defines a "chronically homeless person" as "an unaccompanied disabled individual who has been sleeping in one or more places not meant for human habitation or in one or more emergency homeless shelters for over one year or who has had four or more periods of homelessness over three years."

An estimated 20% of San Francisco's homeless population meets the definition of "chronically homeless," yet these 3,000 individuals, including families, consume 63% of our annual homeless budget, comprising both City, State, and Federal funding.

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The Ten Year Council targeted the 3,000 chronically homeless with this Ten Year Plan to the exclusion of other homeless populations because the chronically homeless are the most in need, they consume the lion's share of dedicated resources and, if their needs are met, the city will save money. The money we save can then be redirected to the remaining general homeless population.

Our focus is the 3,000 individuals who are the most visible reminders of our failure to find solutions. We do not imply hereby that the needs of the other 12,000 should be neglected, but rather, that the resulting efficiencies of our targeted effort would result in more assistance for the general homeless population.

Permanent supportive housing has been proven to be the most effective and efficient way to take the chronically homeless off the streets. San Francisco has its own successful versions of permanent supportive housing, one of which, Direct Access to Housing, is regarded as a national "best practice."

We must build upon our successes and phase out programs that do not work.

Statistics show that the care of one chronically homeless person using Emergency Room services, and/or incarceration, cost San Francisco an average of \$61,000 each year. On the other hand, permanent supportive housing, including treatment and care, would cost \$16,000 a year. The \$16,000 in permanent supportive housing would *house* the person, as opposed to the \$61,000 in care and services that leaves the person living on the streets.

Logic and compassion dictate that moving our 3,000 chronically homeless into permanent supportive housing would be cost effective, saving the taxpayers millions of dollars each year. Doing so would also provide the chronically homeless with their best opportunity to break the cycle of homelessness that controls their lives.

### **Permanent Supportive Housing**

The recommended goal of the Ten Year Council is a simple one: create 3,000 units of new permanent supportive housing designed to accommodate the chronically homeless. The "Housing First" model is a radical departure from the Continuum model in use for almost two decades in San Francisco. Under the Continuum model, homeless individuals try to find space in a shelter. The next step is often transitional housing before eventual placement in permanent housing. The goal has been to stabilize the individual with a variety of services *before* permanent housing placement.

The "Housing First" model emphasizes immediate placement of the individual in permanent supportive housing, and then provides the services, on site, necessary to stabilize the individual and keep them housed.

This model has been endorsed by the Federal U.S. Interagency Council on Homelessness (USICH), the National Alliance to End Homelessness (NAEH), and by most other cities that have already written their Ten Year Plans.

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San Francisco's Direct Access to Housing program has been honored nationally as a model of permanent supportive housing. Established in 1998, the San Francisco Department of Public Health's Direct Access to Housing (DAH) program provides permanent housing with on-site supportive services for approximately 400 formerly homeless adults, most of who have concurrent mental health, substance abuse, and chronic medical conditions. The DPH's reason for starting this program: "Without access to a stable residential environment, the trajectory for chronically homeless individuals is invariably up the 'acuity ladder' causing further damage and isolation to the individual and driving health care costs through the roof."

DAH has 360 units of permanent supportive housing in five single room occupancy (SRO) hotels and 33 units in a licensed residential care facility. The units have private baths and shared cooking facilities; three meals daily are prepared for the residents. DPH acquires the building through "master leasing," which has the added benefit of renovating buildings in troubled neighborhoods.

All six DAH sites have between three and five on-site case managers as well as a site director. Case managers assist residents to access and maintain health benefits, provide substance use, mental health, life skills and family counseling, assist in accessing medical and behavioral health (mental illness and substance abuse) treatment, assist with accessing food and clothes, and interface with property management in preventing evictions.

All six sites have access to a roving behavioral health team, which can place residents off-site in mental health or substance abuse programs when appropriate. All sites have access to medical care.

DAH residents are recruited into the program if they are high users of the public health system and have on-going substance abuse, mental illness and/or medical problems. Over two-thirds of the chronically homeless in the DAH program have remained housed since the program began in 1998, an astonishing success given the dismal recidivism rate of other programs.

Another successful local model is the Community Housing Partnership (CHP), which owns and operates housing for formerly homeless individuals and families. On Treasure Island, CHP provides us with a supportive model for replication.

It is the goal of the Ten Year Council to replicate the successes of Direct Access to Housing, Community Housing Partnership, and other successful permanent supportive housing national models, for the 3,000 chronically homeless individuals living on our streets and in our doorways.

Our model will be carefully refined to target the chronically homeless, (enhanced with a number of excellent suggestions from the Ten Year Council's research), and the money will be found to pay for additional master leasing and new housing production sufficient to meet San Francisco's goal.

### **Phasing Down Shelters and Transitional Housing**

Our City shelters and most transitional housing programs will be phased out as new permanent supportive housing units are brought on line.

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In most cases, there is no exit from our shelter system. Available shelter space is insufficient, but the system itself is more problematic than its lack of funding for capacity expansion. New York City spent \$4.6 billion dollars over ten years to expand its shelter system only to find that the shelter system is a dead end street. New York is now dramatically shifting its financial priorities to prevention and housing, and so should we.

Transitional housing programs are of limited duration, providing only a temporary respite from the condition of chronic homelessness, after which the individual usually returns to the streets.

We recommend preparing a plan to phase out traditional shelters within four to six years. We propose to replace the shelters with 24-hour crisis clinics, and sobering centers similar to the McMillan Stabilization Pilot Project. McMillan has saved the city considerable money by diverting intoxicants from emergency rooms. According to the McMillan Stabilization Center May 2004 report, 69% of the chronic homeless population is "either heavy alcohol or drug users." The average age of a homeless person who dies on the streets of San Francisco is 41 years, and 70% of them die intoxicated. San Francisco General's emergency room sees an average of 74 inebriates every two days. A recent study in Seattle calculated that only 123 public inebriates cost the city \$12.3 million in one year; our costs are similar if not worse.

We can use the emergency room cost savings from operating more sobering centers to fund staffing of the crisis clinics.

We propose phasing out most transitional housing programs, and reinvesting those resources in creative and proven models that will place the chronically homeless in permanent housing with appropriate treatment services. Many of the facilities currently in use for transitional housing programs also could easily be reconfigured and adapted to the preferred permanent supportive housing model.

Jails are San Francisco's most widely used version of supportive housing, and shelters are our best example of permanent non-supportive housing. Neither of them is serving its intended purpose.

### New Service Delivery Model - Treatment Innovations

We must move personnel and funding away from homeless services that are not linked to housing.

The Corporation for Supportive Housing recommends in a 12/03 report:

'To make supportive housing work for people who really have been homeless for the long term will require far greater coordination among programs. For example, there should be a focused effort to ensure that long-term homeless people who enter the hospital emergency room are discharged as quickly as possible to housing, or community-based treatment as appropriate, and prepare them for supportive housing placement. Treatment programs should be closely linked to housing placement with housing placement set as an outcome measure, and housing slots made available as long-term homeless people exit treatment. Permanent housing outcomes should also be set as a goal for all pro-



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grams serving homeless people including hospitals and jails. Freestanding service programs targeting homeless people should be assessed for their connection and value in relation to housing outreach, placement and retention."

San Francisco currently has over 1000 homeless service programs (according to USF Institute for Nonprofit Organization Management). Yet recent research consistently finds that services are maximized when received in a permanent housing setting. We are wasting money if we ignore these findings.

The treatment model currently in use by the DAH program will be enhanced to include valuable contributions made by Ten Year Council members and participants.

### **Nutrient Support**

The Ten Year Council was fortunate to have the participation of noted orthomolecular psychiatrist Richard Kunin M.D., who has had 35 years of experience working with homeless and quasi-homeless patients. His research concludes, "almost all are well served by sensible use of nutrient support." Further, "This is especially important with alcoholic and drug addicted patients. In fact, almost all homeless people are at high risk of malnutrition. Supplementation and dietary support and encouragement will help some to regain their mental and emotional functions and increase their chances for some sort of goal-directed activity. Some will recover entirely. How many? No one knows. Therefore a pilot project is strongly indicated."

The permanent supportive housing environment would provide an opportunity for such a pilot project, which could significantly contribute to the decrease of recidivism.

### **Prevention and Intervention Innovations**

We know that approximately 90% of our 3,000 chronically homeless individuals rotate through the jail system on a weekly or monthly basis. At any given time, approximately 40% of the jail population is homeless people.

Our jails are overcrowded because a homeless person cannot qualify for early release.

Jails have become permanent supportive housing for San Francisco's chronically homeless.

If case managers can be assigned to prisoners before release, and if permanent supportive housing slots can be assigned immediately upon release, we could cut the chronic homeless number dramatically.

If we can apply the same intervention model to San Francisco General Hospital releases we will have, for the most part, solved our problem.

We recommend expanding the use of designated rent receivers, to discourage evictions from permanent supportive housing for non-payment of rent.

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We recommend requiring that city-funded housing providers first notify a designated city agency before initiating eviction proceedings for non-payment of rent by or behavior difficulties of the chronically homeless. We recommend the creation of a new Housing Court (Eviction Court) to arbitrate and decide eviction matters.

Every effort must be made to reunite the chronically homeless with their families, wherever they might be located. Isolation only exacerbates the loneliness and despair of drug or alcohol addiction, and the life threatening challenges of living of the streets.

### **Coordination of City Resources**

Seven City departments directly spend our homeless money: Department of Public Health; Department of Human Services; Mayor's Office of Community Development; Department on the Status of Women; Department of Children, Youth and Their Families; Mayor's Office of Housing; and the San Francisco Redevelopment Agency.

The San Francisco Housing Authority must expand its role as a working partner and asset contributor. In other cities local Housing Authorities have worked in partnership with non-profit housing providers to set-aside units for behavioral health treatment and other programs targeting the homeless. Authority eligibility lists and placement priorities should be redesigned to reflect the goal of the Ten Year Plan.

The creation of a master intake database must be a priority. City departments must have current and accurate placement data available 24 hours a day.

The Mayor's continued dedication to ending chronic homelessness will insure the interdepartmental coordination and cooperation necessary for successful implementation of this Ten Year Plan to End Chronic Homelessness in San Francisco.

### **Redirection of Homeless Dollars**

New ideas are as important as new funding, but we must proceed with crafting a solution in any event, *new funding or not*.

This strategy will require a dramatic reprioritization of how our homeless, health and housing dollars are spent.

If chronic homelessness is recognized as the crisis it is, then eradicating chronic homelessness must take precedence over traditionally funded housing and service programs until our goal is met.

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Toward that end:

- The Consolidated Plan should be updated to emphasize production of permanent supportive housing;
- The City's inclusionary zoning requirements should be amended to provide incentives for market-rate developers to build permanent supportive housing; competition could substantially lower our production costs;
- The SF Redevelopment Agency should amend its project area planning to produce permanent supportive housing with tax increment monies already earmarked for affordable housing;
- MOH, SFRA and the SF Housing Authority should include permanent supportive housing in all proposals for new affordable housing, and should identify opportunities where empty apartments could be converted for such use.

Of course, any and all new resources will be sought for new funding to help us to achieve our goal as quickly as possible.

Finally, we believe there will be a meaningful role for philanthropy in this effort, once public confidence in our ability to do the job properly has been restored. The SF Foundation recommends joining with the Bay Area Foundation Advisory Group to End Homelessness to champion a high profile campaign to increase philanthropic contributions from the community, local foundations, businesses, and residents to join together to "end this plague on people and our community." We agree.

### Employment Opportunities

We recognize the importance of employment and training in ending chronic homelessness. We recommend changes to the mainstream employment service system that will specifically address the needs of the chronically homeless. Thus we recommend the following:

**Examine** the potential to increase the employment and training of homeless individuals in the construction or rehabilitation and operation of supportive housing sites.

**Examine** current programs such as Section 3 Plus Program to ensure that federally funded projects are adhering to the practice of hiring low-income individuals.

**Determine** strategy to increase the community's ability to train homeless individuals to increase their ability to access employment.

This strategy can be implemented immediately by DHS and MOH/MOCD. Cost would be determined by the findings. Existing employment and education programs may be able to increase their ability to provide training and employment services pending funding.

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### Ten Year Plan Oversight

We recommend that the Mayor appoint a seven-member Planning & Implementation Council who will be accountable for the results, timelines, and public reporting requirements of the Ten Year Plan.

These seven individuals will be results-oriented, and have no financial or political investment in the outcomes of implementing the Plan.

The Council should have the authority, acting on behalf of the Mayor and his office, to recommend programmatic and operational changes to department heads to keep the goals and objectives of the Plan on track.

### Conclusion

This Ten Year Plan is a bold admission that the City of St. Francis can do a better job taking care of its own.

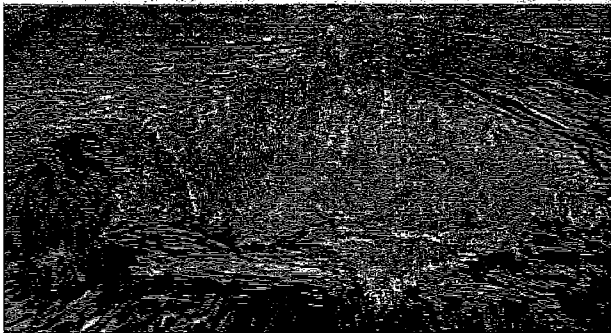
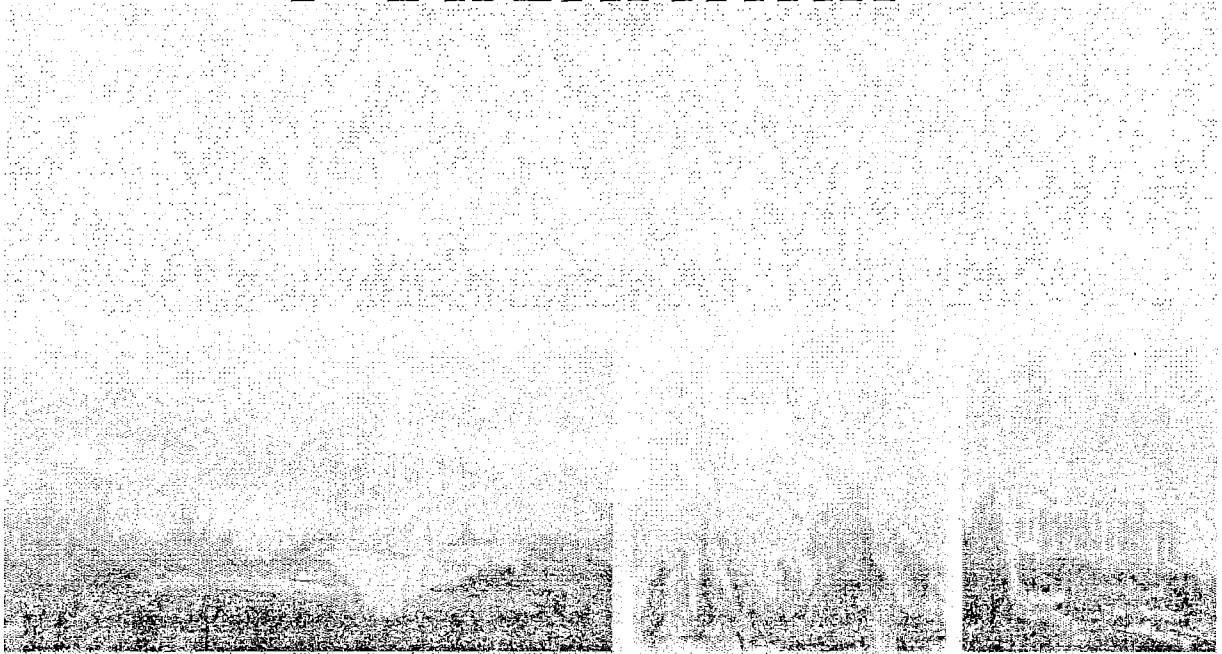
Never have so many diverging interests, of all political parties, sat down at the same table to chart a new course, working together to solve a crisis that has beset our beautiful city for decades.

Despite the best intentions of those who have tried to solve the problem before us, and despite the hundreds of millions of dollars we have spent seeking a solution for the homelessness pervading every corner of San Francisco, the answer has alluded us. Until now.

This Ten Year Plan recommends a number of profound departures from the status quo.

The goal of this Ten Year Plan is not to manage homelessness, but to effectively *end* chronic homelessness in San Francisco in ten years.

# California



# Continuum of Care System

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## San Francisco's Current Homeless Assistance Delivery Model

San Francisco has had large numbers of homeless people on its streets for almost two decades. Past administrations have attempted to deal with the problem with a number of variations on the same theme, i.e. providing a vast array of services and housing options, the number and quality to be determined by available funding.

The federal McKinney-Vento Act of 1987 officially recognized that there is "no single, simple solution to the crisis of homelessness." San Francisco opened its city-operated shelters shortly thereafter, and continued to grow a system of services to assist shelter occupants that is both vast and diverse.

Following is the Service Activity Chart contained in San Francisco's 2003 McKinney Application. It is an amazing list.

### Fundamental Components in CoC System -- Service Activity

#### Component: Prevention

Homeless prevention is an essential element of San Francisco's continuum of care, where early intervention includes eviction prevention, grants for security deposits to move individuals into permanent housing, in-home support services, legal services and money management. The San Francisco *Chronicle's* annual Season of Sharing campaign is a major contributor to the eviction prevention program. The City has aggressively pursued other resources as well. The Department of Human Services (DHS) contributes General Fund moneys and leverages over \$1 million in non-local funds for eviction prevention services, providing over 1,300 interventions annually. Likewise, the Mayor's Office of Community Development (MOCD) and Mayor's Office of Housing (MOH) provide funding for anti-eviction programs. Since 1995, the funding pool has grown from \$410,000 to over \$1.3 million through private donations, government grants, CDBG and HOME funds, and other resources. DHS also manages an eviction prevention program for CalWORKs (TANF) families in public housing.

Services in place: (Please arrange by category (e.g., rental/mortgage assistance), being sure to identify the service provider.) The Family Eviction Prevention Collaborative (FEPCO; Catholic Charities is lead agency, others are the Eviction Defense Collaborative, St. Peter's Housing Clinic, and the Volunteer Legal Services Program of the Bar Association of San Francisco) provides direct back rent assistance, tenant education, case management and legal services. Additional funding goes to the Eviction Defense Collaborative to help defend tenants who are served with an eviction notice. As part of that program, RADCo (rental assistance disbursement component) disburses funds for back rent. The San Francisco Housing Authority-a partner in the Family Eviction Prevention Collaborative-focuses on families in Housing Authority units who are at risk of eviction for nonpayment of rent. This fund can pay back rent and provide ongoing case management to help families continue to be able to pay rent and keep their housing. The Homeless Advocacy Project provides legal representation to prevent evictions as well as landlord-tenant counseling.

The Department of Human Services' Division of Family and Children's Services works in concert with CalWORKs and the Division of Housing and Homelessness to support family stability to prevent homelessness for families. They provide mental health and substance abuse services and they can help providing funding for first and last month's rent and move-in costs. Their current caseload (as of May 2nd) was 3,024 children, all linked to court cases.

Services planned: \$200,000 of the City's State Tobacco Tax Initiative funds (Prop 10), which target families who have children younger than five, are directed toward existing programs for additional move-in and eviction prevention grants.

We have recently created a formal group of all the programs that receive Department of Human Services funds to provide direct rental assistance; this Direct Rental Assistance Work Group meets to discuss various issues that impact on the program's effectiveness, e.g., strategies, leveraging additional funds.

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## Fundamental Components in CoC System -- Service Activity (continued)

**How persons access/receive assistance:** Season of Sharing Program: Access to eviction prevention services is through approximately 80 community agencies, including Homeless Resource Centers, which are trained to take applications from eligible clients who are at risk of eviction or need to move from temporary to permanent housing. Applications are reviewed biweekly at the Department of Human Services, which coordinates the program, and then submitted to a review board. If approved, a check is issued directly to the landlord on behalf of the client.

The Family Eviction Prevention Collaborative (FEPCO) has 15 agencies that can do intakes and forward the information to FEPCO. RADCo gets referrals from agencies that make up the Eviction Defense Collaborative, as well as from a number of other service agencies, including tenant rights groups (e.g., Bay Area Legal Aid, Asian Law Caucus, Tenderloin Housing Clinic, San Francisco Tenants Union), and even from landlords seeking assistance with tenants who are behind in their rent.

### Component: Outreach

**Outreach in place:** (1) Please describe the outreach activities for homeless persons who are living on the streets in your CoC area and how they are connected to services and housing. (2) Describe the outreach activities that occur for other homeless persons.

**Outreach activities to people living on the streets** are carried out by outreach teams from the Department of Public Health and by the San Francisco Community Clinic Consortium (part of Healthcare for the Homeless), both of which go to where the people are on the streets, as well as at scheduled clinics in shelters and other places where formerly homeless people live. In addition to outreach workers, outreach teams include physicians, nurses, and medical assistants. The San Francisco Community Clinic Consortium now offers monthly veterinary services to the pets of homeless people on the streets, finding this an important service as well as a way to establish rapport with people who may not seek help for themselves. Caduceus Outreach Services conducts outreach to severely mentally ill persons who are unable or unwilling to utilize institutional treatment services.

**Veterans:** The Veterans Administration operates a Comprehensive Homeless Center, which provides outreach, assessment, and treatment services. Outreach is conducted twice weekly at A Man's Place (shelter) and at detox centers. Outreach also occurs through Outreach Health Fairs. The VA goes to Treasure Island, where veterans reside in several transitional housing programs. Swords to Plowshares, which has been serving homeless veterans since 1974, conducts outreach in shelters, hospitals, jails and drop-in centers. Swords is part of the City's Emergency Response Teams to fires in SROs so that displaced veterans can access housing and health care. The VA's Health Care for Homeless Veterans has been working more closely with Swords to Plowshares on collaborative outreach efforts in the two San Francisco jail facilities; both work closely with public defenders and alternative sentencing programs, as well as treatment programs. This year the VA started outreach to the Tom Waddell Clinic where they go twice a month. Both the VA and Swords outreach to chronically homeless veterans.

**Seriously mentally ill persons** on the streets come into the system of care through the MOST team (Mobile Outreach, Support and Treatment) of the Department of Public Health. Caduceus Outreach Services offers additional outreach to seriously mentally ill persons, working with them on the streets, providing case management and care, for the purpose of helping them move into the system of care. Both of these efforts target chronically homeless people.

**Substance users/abusers** come into the system of care through the Mobile Assistance Patrol's (MAP) First Response Team. This is the entity that is called when someone wishes to report someone on the street who needs assistance/intervention. The First Response Team is in communication with the MOST team (above), so coordination takes place at the time of the initial intervention to ensure the most appropriate response. MAP is operated by Community Awareness and Treatment Services under contract with the Department of Public Health. The Department of Human Services collaborates with the MAP First Response Team and the MOST Team in efforts to provide street-based, client-driven case management services. These efforts link homeless single adults to community services such as addiction treatment (including medical detox referral, methadone programs and social model treatment programs), to benefit and entitlement programs (including county cash aid, Food Stamps, SSI advocacy, etc.), to emergency shelter services and stabilization units in local SROs and to supportive housing programs.

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## **Fundamental Components in CoC System -- Service Activity (continued)**

**Persons with HIV/AIDS:** Primary care outreach is through the Tom Waddell Health Clinic at its clinic site or through any of its other 29 sites in shelters, SRO hotels, and other homeless-specific sites. Tom Waddell Clinic conducts street outreach and care four half-days a week and HIV outreach and care three mornings a week. This outreach targets chronically homeless people.

**Domestic violence:** Outreach to victims of domestic violence is generally through the domestic violence (DV) shelters or the Police Department's DV Response Unit, which hands out resource cards when it goes out on DV calls. The San Francisco Domestic Violence Consortium conducts training with shelter, hospital and clinics staff, informing them of screening protocols and providing them with the resource cards. The Department on the Status of Women requires its subcontractors to report regularly on how and where they conduct outreach, as well as the numbers who are reached in each instance. California state law requires all hospitals to have a domestic violence protocol that includes screening and providing information on resources. Hospitals have recently begun giving out the resource cards as well.

**Youth:** Outreach to youth is carried out by a number of youth-serving agencies, generally neighborhood-based. There are two homeless youth drop-in centers and many more mainstream youth centers where homeless youth also come. These mainstream centers often make referrals to Larkin Street Youth Services, which serves as a triage point for shelter and housing resources. There is a program of peer-based outreach to youth of color, and there has been an expansion of service options for youth ages 18 and older. These outreach efforts include chronically homeless youth and those at risk for chronic homelessness.

**Outreach planned:** San Francisco seeks to continue to achieve greater coordination, collaboration and effectiveness in our outreach activities to bring more people on the streets into care settings and toward residential safety and security and ongoing case management. HIV and hepatitis health education, as well as case management, are areas designated for further attention.

**Veterans:** The VA and Swords to Plowshares plan to continue to seek areas for further collaboration and coordination; one such future effort is in identification and treatment for veterans on the VA's Hep C project (hepatitis C). Swords will be doing more aggressive outreach to veterans to move them into Shelter Plus Care housing.

**Seriously mentally ill persons and substance users/abusers:** The Department of Public Health's MOST (Mobile Outreach Support and Treatment) and Tom Waddell Health Center's HOPE (Homeless Outreach Projects) workers work in partnership with the Department of Human Services' Homeless Services Team and MAP First Response to address the complex needs of individuals living on the streets who have multiple diagnoses. The pilot for a standard interagency referral form designed by this collaboration is now electronically implemented in San Francisco's HMIS, called C.H.A.N.G.E.S. (Coordinated Homeless Assessment of Needs and Guidance through Effective Services, see project #2). Using this electronic, centrally organized method, these teams will avoid duplication of services, and the efficacy of assisting individuals will constantly improve. The Department of Human Services Homeless Services Team is presently involved in providing social work services to homeless individuals currently enrolling in the HMIS who need assistance in transitioning to this type of service coordination and delivery.

**Persons with HIV/AIDS:** San Francisco's Health Department continually seeks out new funding to augment and enhance services, and they are currently working in a new collaborative to capture Title III funds for primary health care. Other mechanisms for augmenting and enhancing services include efforts to work smarter, and the Department of Public Health is seeking a planning grant to increase collaboration and coordination for HIV/AIDS services. The Department is continually assessing needs and activity at the different outreach sites to ensure that services are adequate and appropriate.

**Domestic violence:** The Department on the Status of Women is currently engaged in a six-month strategic planning process; they are looking into consolidating the various DV hot lines into one city-wide line, and they are working on outreach to populations not currently being reached.



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## Fundamental Components in CoC System -- Service Activity (continued)

**Youth:** Efforts will continue toward removing barriers for youth to access substance abuse and mental health treatment services. The United Way has provided \$100,000 in seed funding for a Foster Care Initiative in concert with local public and nonprofit agencies focusing initially on housing.

### Component: Supportive Services

**Services in place:** The Gaps Analysis Chart compiled in 2002 shows an inventory of 3,420 supportive services slots available for homeless families and 20,564 for individuals, not including health care services. These include job training, case management, substance abuse treatment, mental health care, housing placement, life skills training, advocacy and legal services, money management, and child care. Nearly all the services are provided through contracts with nonprofit agencies. The City spends over \$104 million annually for homeless-related housing and services (\$18.7 million for capital projects and nearly \$73 million for direct services), with \$53.7 million coming from the City's General Fund. Relatively new state mental health funds, which the City has obtained in two competitive grant cycles, have allowed us to provide intensive case management, including housing services, to homeless severely mentally ill people who have not connected with the system. The City obtained funds in 2001 to provide services for 120 new cases, as well as a new 34-bed long-term licensed care facility that will be fully accessible to homeless persons with medical, physical and psychiatric disabilities who need this level of care. The expanded outreach teams work to move people from the streets into appropriate care situations, although they are constituted to be able to provide services to people on the streets who may not yet be ready to move into housing or a shelter situation. The Department of Public Health's Housing and Urban Health unit, which master leases SRO hotels, has added 139 units in the last year, bringing the total of that program to nearly 400 units. This Housing unit has taken over management of the HIV/AIDS Housing Wait List. Activities focus particularly on services for injection drug users through its Post-exposure Prevention project and the Action Point Adherence Project, a storefront, community based program to assist HIV infected persons to adhere to regimens associated with antiretroviral therapy. Case management services are available throughout the continuum in San Francisco. The Inventory developed for the Gaps Chart showed 36 agencies providing case management services for up to 1,132 families and 54 agencies able to provide up to 4,812 individuals with case management at any one time. Additional case management is available at mainstream programs that homeless clients may utilize, e.g., San Francisco AIDS Foundation, Family Service Agency, as well as with the City's own case management staff for CalWORKs (TANF) and the County Adult Assistance Program (CAAP, which is part of San Francisco's general assistance program).

**Life Skills training** is accessed through employment and vocational programs, as well as through many of the housing and services providers. The Inventory reports 18 family service providers able to offer up to 377 slots at a time for Life Skills; for individuals, 49 agencies/programs offer up to 4,182 slots at any one time.

**Alcohol and drug abuse treatment** is available through 13 agencies/programs for families and 30 that serve individuals, offering 232 and 2,278 slots for families and individuals respectively. Counseling and support groups are included in individual service plans in emergency, transitional and permanent housing programs, which either offer residential treatment or can make coordinated referrals to treatment. Treatment is also available for veterans through the Veterans Administration Medical Center, and AA/NA programs are available all over San Francisco, including on Treasure Island.

**Mental health treatment:** Mental health care is available at 13 sites for families (180 slots) and 26 sites for individuals (1,699 slots). As with substance abuse treatment, homeless people can access mental health services on site in shelters, transitional and permanent housing programs, or through referrals to the various outpatient programs in the city. A number of the programs have psychotherapists on staff.

**AIDS-related care and other primary care services** are available through 13 City health centers, four youth-focused health centers, one senior-focused health center, two family-focused health centers, two women-focused health centers, and one Native American health center. Tom Waddell Clinic, the main Healthcare for the Homeless provider, outstations medical clinicians and social workers regularly at 29 homeless program sites (at 49 scheduled times during the week), including shelters, hotels, Treasure Island, and with the Day Labor Program; two of the sites are specifically for targeting HIV-positive persons. In addition, Tom Waddell Clinic conducts street outreach and primary care four half-days a week and HIV outreach and care three mornings a week.

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### Fundamental Components in CoC System -- Service Activity (continued)

**Education:** Throughout San Francisco's continuum of care, educational services are made available to clients in the programs. Education services include GED classes, literacy classes, resume writing, grammar assistance, and links to City College and the San Francisco Unified School District's adult education programs. Both City College and the School District have staff assigned to homeless students. Some of the shelters and transitional housing programs offer educational services as well.

**Employment assistance:** According to the 2002 inventory of homeless services, there are 13 job training programs that serve homeless families and 37 for individuals, with a capacity of 174 and 1,885 slots at any one time. The City partners with City College, the State Employment Development Department and its One Stop Centers, the Workforce Investment Board, Goodwill Industries and others to provide a range of employment training programs and services for homeless adults along the continuum of care. In addition, the city, in partnership with HUD, funds the Supportive Housing Employment Collaborative (SHEC), which provides direct employment assistance on site in ten permanent supportive housing buildings. HUD McKinney funds also help support the Homeless Employment Collaborative, the San Francisco Training Project, and HomeWORC, all projects up for renewal in this application. Access to these services is through most of the programs that provide supportive services to homeless people.

**Child care services** for homeless families are available through Tenderloin Childcare Center, Holy Family Day Home, and Catholic Charities Child Care Voucher Program (the last two are part of this application) for families who meet eligibility criteria. Access is through the San Francisco Children's Council, which coordinates all child care programs in the City, including all the child care associated with CalWORKs/TANF.

**Transportation:** The Mobile Assistance Patrol (MAP) provides 24-hour transportation to outreach teams and as part of the coordinated referral system during the evening hours for taking people to shelters where there are beds available. MAP also operates a Monday-Friday family transportation system from Connecting Point to shelters and from shelters to destination points. All the City-funded programs provide fast passes, tokens, and cab vouchers. On Treasure Island, which is accessible only by bus or car, the transitional housing programs all have vans for transporting their residents, to augment the public bus service, which runs every half-hour.

**Services planned:** Greater attention is being given to training staff in both content and service delivery methods to ensure that services are appropriate and effective. The Department of Public Health is in the process of merging substance abuse, mental health and primary care services. This will have the effect of increasing significantly the number of access points for these services in the near future.

**How homeless persons access/receive assistance:** Except for primary health care services, which are provided in clinics and on the street, most services are provided by nonprofit agencies. Most providers focus on a particular kind of service, a particular population, and/or a particular neighborhood. Service providers make referrals for services that they do not offer. For families, the network of family services opens up once they register with Connecting Point, the Homeless Family Resource Center. Individuals tend to enter the services system through outreach teams, the shelter system, or through agencies that focus on particular subpopulations (e.g., veterans, ex-offenders, persons with HIV/AIDS). The Treatment Access Program (substance abuse treatment) operates multiple access points for treatment on demand, at detox centers, two drop-in centers, and shelters. Additionally, they are now in the courts and at the Hall of Justice as a result of State Proposition 36 which opens up treatment alternatives for drug-related crimes. This is an expansion over last year, and the number of access points will continue to expand as the Department of Public Health further integrates substance abuse, mental health and primary care services (see above under Services planned).

Through outreach, engagement and assessment, homeless individuals are linked to services. But only a lucky few are linked to housing, the only thing that will truly end their homelessness.

San Francisco has an extensive network of shelters and transitional housing. The McKinney narrative explains:

"For San Francisco, 'emergency shelter' is temporary housing (generally up to six months) that provides homeless people with a place to stay where they will be safe and assisted in obtaining the services that will help them to exit homelessness. 'Transitional housing,' on the other hand, is temporary housing (generally up to 24 months) that has a full array of services, again, designed to assist people to exit homelessness. Some shelters operate more like transitional housing, with mandatory case management in a service-enriched environment. Due to insufficient permanent housing options, people sometimes stay in the emergency shelter and transitional housing programs longer than the six-month and 24-month periods; for this reason our shelter system is working to strengthen its ability to provide supportive services, either directly or through collaborative arrangements. Transitional housing programs, as compared with shelters, tend to focus more on education and vocational activities and generally target specific populations, as the program of services is tailored to that specific group, e.g., families, veterans, women who have been abused, women with mental illness, ex-offenders."

In 2003 there were 1,910 emergency shelter beds for homeless individuals and 528 beds for families with children; 1,467 transitional housing slots for individuals and 184 for families with children; and 389 permanent supportive housing beds for homeless individuals, 74 for families with children. Given that San Francisco's homeless population numbers approximately 15,000, it is no wonder that most have no alternative but to sleep on our streets, in our doorways, and in our neighborhood parks.

The 3,000 chronically homeless, the focus of the Ten Year Plan, are more likely to be found on the streets, jails, mental health wards and emergency rooms, than in shelters or transitional housing.

Permanent supportive housing, housing which provides services designed to support populations with special needs, is cited as a primary strategy to end chronic homelessness in the McKinney Application list of goals:

Goal: End Chronic Homelessness ("What" are you trying to accomplish)	Action Steps ("How" are you to go about accomplishing it)	Responsible Person/Organization ("Who" is responsible for accomplishing it)	Target Dates (mo/yr. will be accomplished)
<b>Goal 1:</b> Permanent housing – Acquire, build or lease 345 units of permanent affordable housing for special populations.	The Departments of Human Services and Public Health are continuing to expand their master lease programs (200 units added in 2002-3); 88 additional units have been proposed through a recent initiative of the Interagency Council on Homelessness. In addition, with MOH and SFRA, 664 new units in 10 sites have been added to the supply of permanent supportive housing.	Mayor's Office of Housing (MOH), Redevelopment Agency (SFRA), Department of Human Services (DHS), Department of Public Health (DPH)	2004-06

Goal: End Chronic Homelessness ("What" are you trying to accomplish)	Action Steps ("How" are you to go about accomplishing it)	Responsible Person/Organization ("Who" is responsible for accomplishing it)	Target Dates (mo/yr. will be accomplished)
<b>Goal 2:</b> Prevention – Improve discharge planning	The Department of Public Health created a discharge planning committee consisting of professionals in the area of substance abuse, mental health, primary care and homelessness. The group is staffed by a highly qualified social worker who is also the Chair of the SRO Task Force, and she holds a Masters in Public Health. This committee reviews every discharge from the hospital to determine the best placement. Every attempt is made to place an individual at the appropriate level of aftercare. If a person is homeless, rooms subleased in SRO hotels may be used as aftercare units. If a person has a substance abuse or mental health diagnosis, staff attempts to connect the individual with the appropriate program prior to discharge. Though much progress has been made in the last year, additional efforts need to continue. Some of the challenges include a limited amount of SRO housing stock.	DHS, DPH, Sheriff's Department	6-30-04
<b>Goal 3:</b> Housing – Increase units in Direct Access to Housing program	Develop at least 100 Direct Access to Housing units each year.	DPH	Ongoing, on track
<b>Goal 4:</b> Emergency shelters – Ensure access for people with special needs	Accommodations are in place for working people, disabled people, and those with pets. Next Door homeless shelter has respite beds for seniors. Over the course of the next year, DHS will focus efforts on increasing linkages for seniors and mentally ill persons.	DPH	6-30-04, ongoing
<b>Goal 5:</b> Integrated services – Increase capacity and improve access to substance abuse services	Link detox beds to residential treatment. Sobering Center on track to be opened in Summer 2003. The Sobering Center will provide links to long-term detox and then to housing.	DPH	6-30-04
<b>Goal 6:</b> Integrated services – Increase capacity and improve access to methadone treatment	Advocate for change in state law to allow for 26-week methadone detox. In process. Budget cuts have not side-railed this goal; while some substance abuse services have been cut, methadone services are being increased. Pilot project utilizing private physicians and a mobile methadone van.	DPH	6-30-04
<b>Goal 7:</b> Integrated services – support all Treatment on Demand recommendations	Implement social model detox services. DPH has supported annual Treatment on Demand recommendations, which are the basis of substance abuse planning.	DPH	6-30-04, ongoing
<b>Goal 8:</b> Integrated services – expand capacity to provide Medi-Cal and SSI advocacy	Add additional capacity to serve 100 clients	DPH	6-30-04, ongoing

Unfortunately, the city's goal of creating 100 more units of Direct Access to Housing units each year means that it will be thirty years before we reach our goal of taking 3,000 chronically homeless from our streets.

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## Oversight and Successes

San Francisco's Continuum of Care Plan is overseen by the Local Homeless Coordinating Board, the lead entity for San Francisco's Continuum of Care planning and implementation process. "This 34-member board includes 11 seats appointed by the Board of Supervisors and 15 seats appointed by the Mayor; eight of the Mayor's seats are assigned to heads of the main city departments involved with issues of homelessness. Among the Board of Supervisors' and Mayor's appointees, there are designated seats to represent targeted populations and needs (e.g., youth, veterans, domestic violence, substance use, mental health, shelter services, neighborhood seats, education, foundations, labor, large and small business, legal). The Local Board has four standing committees that meet monthly: Steering (serves as the executive committee of the Board, can take action on behalf of the Board, hears committee reports, sets the agenda for Board meetings, serves as membership committee), Policy, Funding (coordinates the McKinney application) and Oversight (monitors CoC plan implementation)."

The McKinney narrative cautions that "according to the most recent street count, San Francisco has experienced a 76% increase in the number of homeless people overall since 2000; the homeless street population has increased by 123% during that time and the shelter population by 28%."

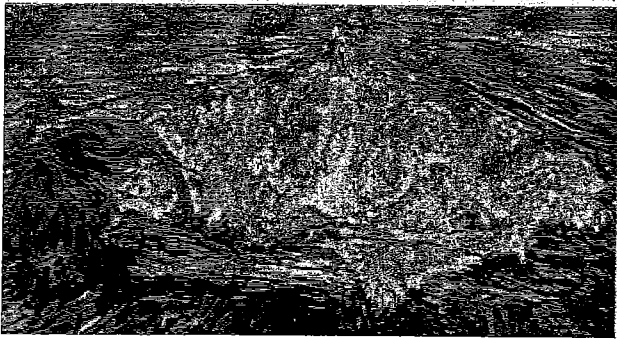
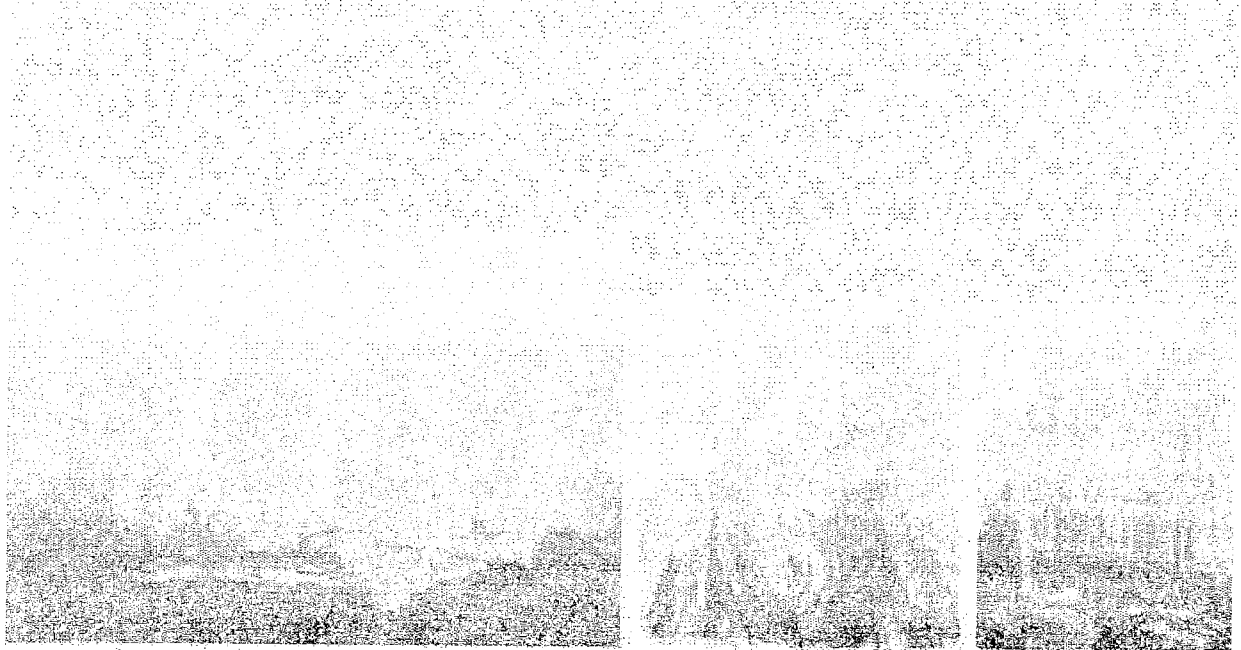
In response, in "the past year, our community has continued to expand permanent housing opportunities for chronically homeless individuals. The Department of Public Health's Direct Access to Housing program focuses on developing and operating service-enriched permanent housing for chronically homeless people with special needs. This program was begun in 1998 and has expanded by approximately 100 units per year, now housing nearly 400 individuals (another 88 have been proposed through a recent initiative of the Interagency Council on Homelessness). The Department of Human Services expanded its Master Lease Program, which provides permanent supportive housing for individuals, from 844 units to 938 units. Both programs utilize the mechanism of master leasing blocks of rooms, sometimes entire SRO hotels, and provide services ranging from on-site primary care to mental health and substance abuse services.

"In the past year, San Francisco has created 300 new slots in its Modified Payment Program. In this program, the formerly homeless person's benefits check goes directly to the program, which ensures that the person's rent is paid; remaining funds are provided to the client according to the contract that has been agreed upon between the client and the program. Finally, 50 new Shelter Plus Care units were brought on line at the Ambassador Hotel; all persons referred to this program will be formerly homeless with at least one special need relating to mental health, substance abuse and/or HIV/AIDS. Other supportive housing added during the year (864 units at 13 sites in all) also is open, but not necessarily restricted to chronically homeless persons."

Innovations in discharge planning from hospitals and jails are important and effective components of the Continuum of Care Plan, as are youth emancipating out of foster care. Preventive placement in both cases is limited by the limited stock of SRO housing.

San Francisco's Continuum of Care Plan is as good as any and better than most. Many of our programs are lauded as national examples. But it is clear that the priorities and focus of the Continuum of Care Plan is not the direction we need to take if we are to end chronic homelessness in San Francisco within ten years.

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# Permanent Supportive Housing

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## The Primary Strategy for Ending Chronic Homelessness

The San Francisco Ten Year Planning Council to End Chronic Homelessness in San Francisco recommends shifting considerable homeless and housing resources from the existing shelter and transitional housing system of service delivery to the acquisition, production, and operation of permanent supportive housing.

In addition to maintaining funding levels for approximately 3,000 existing units, the recommended goal is to create 3000 new units of permanent supportive housing for chronically homeless adults and families by 2010.

Throughout the nation and here in San Francisco, the model of housing with on-site supportive services has proven to be most effective in housing persons who have been homeless and struggling with mental illness, substance abuse, and other issues. It is clearly more humane and cost effective to provide someone a decent supportive housing unit rather than to allow them to remain on the street, and/or ricochet through a high cost setting such as the jail system or hospital emergency rooms. Such institutions offer incarceration or treatment, but are no more than expensive revolving doors leading back to the streets.

San Francisco's system of homeless services delivery can maximize usefulness and success rates by adaptation to the new model.

The chronically homeless are the most in need of specialized services that can best be offered in a permanent supportive housing setting. The Federal Government definition is:

- Unaccompanied individuals in their early forties
- Homeless over one year, or multiple times
- Disabled by mental illness, addiction, or physical illness
- Frequently hospitalized, incarcerated, and unemployed

The chronically homeless comprise only 20% of San Francisco's homeless population, yet consume 63% of our homeless dollars.

Housing is only one piece of the permanent supportive housing solution. Supportive housing works when other systems fail because chronic homeless prevention and discharge planning innovations are in place to stop the chronically homeless from being discharged to the streets in the first place. Supportive housing works because of the carefully selected supportive services delivered to residents on site, linkages to physical and behavioral health services in the community, and the confidence that comes from no longer being threatened and isolated from living on the streets.

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## **Prevention and Discharge Planning**

### **Closing the Front Door to Chronic Homelessness**

The Ten Year Council developed a set of principles to guide its recommendations for prevention and discharge planning:

#### **Housing First**

People must be stably housed before they can effectively deal with the other issues in their lives.

#### **No Exit to Nowhere**

No one should be discharged from programs, hospitals, prisons, or other systems to the streets.

#### **No Wrong Door**

No matter how people enter the system, they should not be prevented from getting the housing and services they need.

#### **Continuity of Care**

There should be no gaps in services; toward that end, clients should retain the same primary case manager over time.

#### **Responsibility for Removal means Responsibility for Placement**

If the state removes a child from their home and puts them into the foster care system, then the state is responsible for getting that young person stably housed before it takes away their services.

#### **Integration of Services**

Housing, mental health, substance abuse, and SSI advocacy services must be integrated through the Dept. of Human Services, Dept. of Public Health, and Dept. of Children, Youth and Families.

## **Discharge Planning**

**No one should be discharged from programs, hospitals, prisons, or other systems to the streets.**

*Data: The largest Mental Health facility in San Francisco is the Jail.*

*90% of the street population cycles in and out of county jail.*

*40% of inmates at any given moment are homeless.*

*16-20% of emergency room patients are homeless*

*Almost all patients placed in protective custody and brought to the hospital for psychiatric evaluation are homeless*

*San Francisco's homeless veteran population is estimated to number 3,000 individuals.*



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## **Penal System Discharge**

The San Francisco Sheriff's Office describes the population going in and out of the county jail as the chronically homeless population, with 90% of the street population cycling in and out of county jail. The largest Mental Health facility in San Francisco is the Jail. In the past ten years, the mental health contacts in San Francisco jails have increased by 56% and the number of unduplicated prisoners requiring mental health treatment has increased by 77%. In 1998, 11% of inmates had a major mental illness diagnosis, and 43% of inmates required some mental health treatment.

There were 23,000 total bookings last year, indicating that potentially thousands of homeless persons passed through the jail system. About 40% of inmates at any given moment are homeless. Homeless persons cycle in and out of jail quickly; therefore it is reasonable to think that more than 40% of discharges are homeless persons. If the City and County of San Francisco is to perform outreach to the chronically homeless population, it needs to look no further than the gates of 850 Bryant, the County Jail.

Moreover, there are tremendous cost savings to housing chronically homeless in supportive housing rather than prison. Incarceration in jail costs over \$20,000 a year, and inmates lose their SSI benefits while incarcerated. If a prisoner were to maintain SSI funding by staying out of jail, that would be \$790 per month (\$9480 per year) coming into the City from Federal and State sources.

The cost of crimes committed must also be considered. Studies show that homeless people who receive services are less likely to recommit crimes, another cost saving to society. The Sheriff's Department anecdotally describes the offenses that homeless persons commit as intimately related to their being homeless, i.e. quality of life crimes. However, despite the cost efficiency of providing stable supportive housing for chronically homeless persons who cycle through the jail system, it is clear that these savings will not be directly reaped. For example, the \$34,000 annually saved by not incarcerating will remain in the Jail's budget, not cut and transferred immediately to the City's Supportive Housing budget.

The Ten Year Council recommends that San Francisco:

### **Create supportive housing options that are available to chronically homeless persons with criminal records.**

We should create 100 units of supportive housing dedicated to homeless ex-offenders through a program similar to the Direct Access to Housing Program, with a focus on chronically homeless with special need. The program should be designed in consultation with criminal justice service providers as to whether this should be a scattered site housing program, co-op apartments, single site SRO hotel, etc., and must be designed to ensure that service provision is linked to existing criminal justice case management and outreach programs to decrease duplication.

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A percentage of the new units created to address chronic homelessness should be set-aside for individuals with multiple diagnoses who are barred from other affordable and/or supportive housing programs due to their conviction records.

The City should encourage the Housing Authority and supportive housing sites to assist prospective tenants with navigating the appeal process for those excluded due to criminal backgrounds.

This design of this program should begin immediately, and should be budgeted as part of the city's plan for more permanent supportive housing units.

**Prepare for discharge by identifying chronically homeless inmates, and available housing for them, prior to release.**

The Sheriff's department should determine during the triage process for all bookings whether incoming inmates are chronically homeless, and whether they have mental disabilities or substance abuse disorders that contribute to their homelessness, and then begin to work on a treatment plan and an appropriate exit strategy to housing.

Preparation for release of prisoners identified to have a mental health diagnosis should include an effective discharge plan with mental health services in place; assistance to initiate or restart SSI benefits; and an assessment of job readiness, with appropriate interventions and referrals for post-release vocational services.

Local programs that have served or continue to serve the ex-offender population should be evaluated for effectiveness and applicability, e.g. the Supportive Living Program - Center on Juvenile and Criminal Justice; that part of the Bay Area Support Network serving state parolees with a history of substance abuse; the Sober Living social rehabilitation model, which offers 16 beds and a maximum two-year stay; the Mentally Ill Offender Program; Acute Diversion Units.

These policies and procedures should begin immediately. Two additional Criminal Justice Case Managers would aid this process, at an estimated cost of \$200,000 for salaries and benefits.

**Initiate SSI advocacy and application/reinstatement for all inmates identified with mental health issues prior to release.**

**Link jail services directly to housing and homeless services.**

Criminal justice case managers should be designated as a referral source for new supportive housing sites. Criminal justice case managers should be required to conduct outreach in the jail when housing waitlists are opened. This policy change would cost nothing and could begin immediately.

San Francisco should encourage all city-assisted housing providers to adopt tenant selection criteria with a way around the automatic bar against those with a previous criminal record.

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## **Medical and Psychiatric Discharge**

Sixteen to twenty percent of all emergency room patients are homeless.

Almost all patients placed in protective custody and brought to the hospital for psychiatric evaluation 5150's are homeless.

Current protective custody standards are inadequate and they are inconsistently applied. Only a third of the people brought to psychiatric emergency services are placed in treatment. Often homeless serious mentally ill people are released to the street without treatment only to be picked up later that day or soon thereafter, and 5150ed again.

There is also a real need to find ways to prevent people from losing their homes due to the symptoms caused by mental illness. Twenty-five percent of the homeless have been hospitalized for psychiatric disorders; often mental illness is accompanied by substance abuse.

Homelessness is in many ways a symptom of the failure of our mental health service delivery system. This is in part a result of our incomplete understanding - both medically and socially - of mental illness. As our understanding of mental illness more fully develops with additional research on genetics, brain physiology and the body's chemical functions, we will most likely find that the distinctions now made between mental and physical illness are arbitrary, and that substance abuse will be identified as a symptom of a mental or physical disability. Current inadequacies in the mental health system include its failure to adequately identify those at risk for mental illness; to protect those unable to care for themselves due to their mental disability; to accurately diagnose the specific psychiatric disorder within a short timeframe; to provide treatment and medication that is accepted without uncomfortable or harmful side effects; and to provide appropriate treatment and supportive services tailored to each individual's needs.

While we wait for science and public understanding to catch up to the needs of those suffering with mental disabilities, there are actions that can be taken to improve the interventions and services made available to stabilize those unable to care for or support themselves:

**Medical and psychiatric discharge is an ideal and natural point at which to access the chronically homeless population.** We also know that it is prohibitively expensive to house homeless persons in medical and psychiatric emergency services, but that to discharge a person to the street will exacerbate the problems and likely cause re-admission to emergency services.

Supportive housing for chronically homeless persons saves money by reducing hospitalization costs. A 1999 San Francisco study by the Corporation for Supportive Housing of over 200 formerly homeless and low income people who lived in supportive housing for at least one year compared their usage of emergency room and hospital inpatient care one year prior to entering the housing, and one year post entry. The study found a 57% decrease in emergency room visits and a 58% drop in the number of hospital inpatient days.

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The Ten Year Planning Council recommends that San Francisco:

**Expand housing options for mentally ill.**

We should provide housing with intensive case management to help those with mental illness become and remain stable in housing. Some with mental illness need daily, not weekly, visits by case manager. Some need outreach by an RN to ensure medications are properly taken. Others need cleaning service, or other accommodations, to overcome the specific symptoms of their disability to enable them to maintain their housing.

This change can be immediately integrated into planning for the city's new supportive housing. Additional case management costs should be included in the supportive housing budget. Additional visiting RN costs are estimated as follows: if approximately 1000 (out of 3000 total) clients need medication, and an RN can make 50 client medication visits per day, then 28 FTE RNs will be required. Housekeeping costs (for weekly visits) can be estimated and projected based on similar costs in the Supportive Housing budget.

Separate housing placements should be arranged, when appropriate and in a manner that does not violate fair housing laws, for adults aged 18-23, and those 59 and over, because these groups tend to have different needs. This procedural change can be implemented immediately at no additional direct cost.

The Dept. of Human Services should take steps to expand the availability of board and care, residential treatment options, and other cooperative supportive housing, costs for which are reimbursable through Medi-Cal and SSI. There is no direct cost and the procedures can be put in place immediately.

As an interim measure, we should attempt to increase residential care or respite beds to help homeless people recover from medical issues, including episodes of mental illness, before returning to shelters. Ideally, these people should be placed in respite care until permanent housing is found. This procedure could begin immediately, but should be phased out as supportive housing becomes available. Costs are variable, depending on scope.

**Keep mentally ill from losing homes due to symptoms**

**Improve interventions when patients brought to psychiatric emergency services for protective custody and treatment**

Upon admittance for medical and mental health services, patients should be evaluated as to need and potential eligibility for SSI and medical benefits, and be connected to SSI Advocacy Services prior to discharge. Doctors should be required to prioritize providing SSI documentation. This procedure could begin immediately.

The Dept. of Public Health and Dept. of Human Services will meet to restructure their procedures to achieve coordinated case management across multiple services. Clients need to have one case manager that remains the same over time, or a seamless transition to another appropriate case manager. This procedure could be phased in within a year and has no direct costs.

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Standards and training should be developed for to doctors, hospital personnel and the judges who make the decisions to retain patients in psychiatric emergency services for protective custody and appropriate medical intervention. There appears to be an inconsistent response among those currently making these decisions, and it is unclear whether it is because those entrusted with these decisions use different standards, or because they first consider the capacity of the hospital before considering the protective needs of the patient. Patients brought to the hospital in custody should be assessed to determine whether they are endangering themselves by not having treatment for severe mental illness. Those deemed endangered and unable to protect themselves should be held for protection and treatment, with appropriate safeguards. This procedure could begin the draft process immediately; there are no direct costs for implementation.

The 5150 protective custody rules should be amended to make it easier to retain patients, and for longer periods. The current system clearly does not work on the behalf of the disabled unable to care for themselves. In order to increase the success of medical intervention and to stabilize those with mental illness, protective custody with appropriate treatment can be an important process to break the cycle of harm, and repeat hospitalizations and homelessness. For those on the street who are mentally ill, harm may come both from an "immediate" threat, (which is the focus of the current standard), but may also come from long-term exposure to degrading conditions and untreated illness. Too often the current process is set to intervene to protect only those who are immediately, at that moment, a threat to themselves or others. The process does not consider the ongoing harm that these disorders have on people and their life expectancy. Better protective custody in a supportive medical setting with appropriate treatment should be society's response in these very difficult cases, with discharge to appropriate residential treatment or supportive housing.

We should also enforce the 5170 (substance abuse) provision for the same reasons, in order to retain chronically homeless clients in a safe setting until a connection with treatment and housing has occurred.

Finally, The Ten Year Council recommends actively supporting the Mental Health Services Act, which will be on the November 2004 ballot in California. This is an opportunity to provide a comprehensive approach to solving instability and homelessness resulting from our inadequate mental health system. The initiative would: expand mental health care programs for children and adults; provide much more than mental health counseling and care, using an "integrated services" model to provide a range of services, including outreach, medical care, short and long-term housing, prescription drugs, vocational training, and self-help and social rehabilitation; and offer services to persons and families without insurance, or for whom insurance coverage of mental health care has been exhausted.

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### Foster Care Discharge

Foster Care Discharge is a homelessness prevention strategy. A 1994 study indicated that 39% of chronically homeless adults in Minnesota were in foster or institutional care as children.

The State of California, which is responsible for removing children from their families, must also be held responsible for discharging these children to positive outcomes. In the next few years there will be a huge spike in the number of foster youth emancipating from the system, due to the large number of babies who were put into foster care at birth in the 1980's. According to DHS statistics, over the next seven years 774 youth will age out of the foster care system, at a rate of between 100 and 175 youth a year.

The Ten Year Council recommends that a direct linkage be established between youth services and homeless services in order to better prepare for, and deliver services to, these emancipated youths toward the end of preventing chronic homelessness.

San Francisco should establish 150 new housing slots for former foster and homeless youth. This housing should be multileveled housing with a range of options including: scattered site housing, transitional/permanent housing, independent congregate living, and 100 units of permanent supportive housing.

This housing stock should come online rapidly to respond to the spike in the number of youth who will be exiting the foster care system in the next four years, and subside after the spike has ended. To begin, 60% of this housing should be allocated to former foster care youth, with the remaining allocated to homeless youth. Mechanisms should be put in place to determine at the end of the year if the allocations should change. For example, if less foster youth need housing the allocation could change to 50% for the next year. First year operating and services costs for 50 units are estimated to be \$1.2 million. The budget for subsequent years is \$840,000, assuming 25 units each year until the goal of 150 units is met. Total cost for the recommendation is \$4.56 million total over five years.

### Homeless Veterans

San Francisco's homeless veteran population is estimated to number 3,000 individuals. An estimated 10% to 12% (300 to 360 individuals) of these are chronically homeless. San Francisco currently has only 100 veteran-specific Supportive Housing units.

There are insufficient referral destinations within the VA system and elsewhere for homeless veterans being discharged from acute care at the VA Medical Center. Veterans have difficulty accessing local Substance Abuse and Mental Health facilities due to the perception that they can get these needs met through the VA.

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Studies of veterans receiving medical care at V.A. facilities have shown that a large percentage has co-occurring mental health issues, and has never received treatment for them. Rather, the V.A. has reduced its spending for mental health and addiction services by 8% over the past seven years, and by 25% when adjusted for inflation, and has not counteracted these cuts with complementary increases in community care.

The Ten Year Council recommends:

**Identify veterans at all homeless service and mainstream health providers in order to connect them to veteran specific services. There should be no "wrong door."**

Increase the VA's domiciliary capacity in San Francisco should be increased to allow stable housing and care while longer term housing assistance and or placement is identified and obtained. The VA has responsibility for this item, it should be instituted immediately, and there is no direct cost to the city..

**Housing options must be increased for veterans.**

San Francisco must increase the number of veteran-specific permanent supportive housing units. This priority should commence immediately. Costs for property conversion and supportive services should be included in the Permanent Supportive Housing budget.

**Integration of Mental Health and Substance Abuse Treatment**

Epidemiological studies suggest that two-thirds of chronically homeless adults meet criteria for substance dependence and approximately 25% meet criteria for chronic mental illness. These studies as noted also noted a substantial overlap between these two disorders. 77% of those with chronic mental illness were also chronic substance abusers and 55% -69% of substance abusers also suffer from mental illness. The net result is that the majority of the chronically homeless suffers from mental illness and substance abuse, and has a "dual diagnosis".

Currently, two distinct systems of care exist, the mental health treatment system and substance abuse treatment system. These systems of care often work in contradictory manners. This leaves patients suffering from a dual diagnosis to maneuver their way through two complex and disconnected systems of care.

Dr. Barbara Havassy's research argues that more African Americans enter the system through drug rehab and more Caucasians enter through mental health. Those who enter through mental health are more able to access services than those who enter through drug rehab; however, these people have the same co-morbid diagnosis.

There must be a wholesale rethinking of how services for people suffering from mental illness and substance abuse are organized and delivered. That is, there should be one system of care. All clinical sites in this "new" mental health/substance abuse treatment system should be competent to address a patient's mental health and substance abuse problems simultaneously.

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This type of clinical organization is referred to as a "no wrong door" system. This new organization should be able to provide comprehensive and integrated bio-behavioral substance abuse and mental health treatment services to homeless individuals suffering from a dual diagnosis. This system would include, but not be limited to a long term, staged approach to treatment with assertive outreach and case management, motivational interventions and individual and group cognitive behavioral treatment integrated with state of the art medication treatment.

These newly designed services would only be effective if the chronically homeless adult with a dual diagnosis is living in an environment of supportive housing. The supportive housing environment should be staffed with case managers proficient in the intricacies of dual diagnosis treatment.

The Ten Year Council recommends reorganizing the current mental health and substance abuse treatment systems into one service. This needs to more than just a "paper" reorganization, it needs to begin immediately, and should cost nothing to implement.

This new system should be staffed with professional treatment providers that are fully competent in mental health and substance abuse. Staff whose only professional preparation is their own recovery from mental illness, substance abuse or being previously homeless will not be allowed to work in this new system without receiving adequate training in the fields of substance abuse and mental health. The most professionally trained staff should be assigned to the front end of the system. There are no costs associated with this recommendation, which should begin immediately.

Adequate detoxification services must be made available. These services should necessarily be medically supervised and address all substances including opiates. The current system of social model detoxification is often a detriment to patient engagement, as well as placing the patient at risk for serious medical complications. This change should result in no direct costs to the city and could be phased in over two years with new requirements for city-funded detox service providers.

Individuals with chronic mental illness and substance abuse are over represented among the chronically homeless. Their treatment should also be "chronic" in nature. That is, treatment services should not be time limited. Time limits should be removed over time as permanent supportive housing comes on line. There is no additional cost, other than a decreased capacity to serve the same absolute number of clients, as chronic clients are served for longer periods of time.

Treatment services should be designed in a step-wise fashion. That is, the most intensive treatment services should be offered at intake and tapered over time as dictated by the patient's progress. This recommendation has no associated cost.

The advantages of the clinical model and the peer model should be converged so as to achieve the highest benefits with cultural competency. Re-organization efforts must pay attention to the racial dynamics of the current system: African Americans are more likely to enter substance abuse programs and Caucasians are more likely to access the mental health system. While the cause of this split has not been identified, planners must make sure to put in mechanisms of cultural competency so that people are not inadvertently blocked from the system. This procedure can commence immediately at no additional cost.



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## Prevention

### Closing the Front Door to Homelessness

*Data: 50% of homeless women and children are fleeing domestic violence  
40% of homeless individuals in the US are school dropouts;  
55% are either dropouts or had less than 7 years of formal education.  
30-70% of homeless persons in San Francisco have a disability  
5% of homeless persons with severe mental health problems are successful  
in obtaining SSI on their own*

According to the Annual Eviction Report compiled by the San Francisco Rent Board in April 2004, evictions in the City have gone down since 2000 (from 2641 in 2000 to 1643 in 2003, almost 62% decrease). This number reflects in part the successful intervention of eviction prevention programs, because only 117 of the 1643 evictions reported were because of non-payment of rent. In 2003, eviction prevention programs served well over 1200 families, each of those potential evictions prevented.

Evictions average \$2000, including court costs, sheriff's services, and then additional costs to the community when families have to access the already overwhelmed shelter system. Eviction prevention services are very cost-effective. The average amount of back rent paid on behalf of families is \$808 in the current fiscal year to date (FY2004-2005). Of the almost \$800,000 rental assistance disbursed to date, 43% was paid by the families themselves. Eviction prevention programs, through intervention with the eviction and mediation with the landlord, stay the eviction and assist families in maintaining their housing.

As is true in many social services, it is more cost effective to fund prevention and early intervention programs than it is to serve members of our communities after the fact. Therefore, it is important to maintain this trend of decreasing evictions in the City by continuing to support eviction prevention programs.

The Ten Year Council recommends that San Francisco:

#### Expand eviction prevention funding.

The success of the eviction prevention programs Citywide demonstrate the ability of intervention to prevent a family from being evicted, thus preventing the need to access the overwhelmed shelter system. Funding opportunities should be developed with private foundations, corporations, as well as state, federal, local governments to fund the direct financial assistance, educational, legal and case management activities provided by eviction prevention programs.

It costs nothing to maintain eviction prevention programs; a \$95,000 increase in funding available for emergency rental assistance/eviction prevention is calculated as follows: \$808 (average amount of back rent paid on behalf of families) x 117 (number of evictions due to non-payment of rent last year) = \$95,000. The number will be adjusted downward each year as the number of evictions in the previous year decreases.

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More funding opportunities for rental assistance/eviction prevention services to serve more families should be developed. Funding opportunities should be sought with private foundations, corporations, and state, federal and local governments to fund the direct financial assistance, educational, legal and case management activities provided by eviction prevention programs.

**Improve outreach and linkages to eviction prevention services.**

A Central Intake Point should be designed and implemented. This is a complex area, as a family or individual can easily get lost in the system. But a system that is centralized can help families and individuals navigate and access all available resources in the City. Various community based and City agencies should be brought together to strategize and explore the possibilities of creating a centralized intake system for anyone seeking eviction preventions services. Such a system may avoid duplication of services, and minimize a client's need for registration and intake requirements at different agencies. Any system created must protect clients' confidentiality. Such a system can be planned in the first year and implemented in following years, with costs to be determined.

We must design a system to solicit broader community responses. In the absence of adequate funding, when a family or individual is on the verge of eviction, a broader response from the community would be welcomed. Perhaps each Supervisor in each District could establish his/her own priorities, advocate for programs, and encourage religious communities to house or advocate for housing. Schools could act as information points, cultural and social centers to advocate and seek housing opportunities. The strategy would be to encourage community capacity building, and a unified integral response to eviction prevention in the community. We could begin designing this system immediately and it would cost nothing.

The eligibility requirements for emergency assistance must be changed to allow for repeat usage. Families that are seeking repeat assistance are ineligible; thus, a program component needs to be created to address the reasons why. Catholic Charities' CYO programs report that 82 of its 547 families, or 15%, are seeking repeat assistance. Catholic Charities was able to assist the families from other sources but the issues surrounding why a family finds themselves in a repeat situation needs to be addressed. This recommendation should be implemented in the first year and is cost neutral.

San Francisco should investigate implementation of a New York Housing (Eviction) Court model, which could be integrated, at no additional cost, into our overall planning process for prevention innovations.

**Preventing Behavior-Related Evictions**

Many tenants are evicted because of allegations about their behavior - including strange or threatening behavior - and hoarding of materials or poor housekeeping. Often, these problems arise because of the tenants' disabilities, especially mental health disabilities. Intervention by legal and social service professionals working together can often alleviate the problem and preserve the tenants' housing.

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While most landlords who evict tenants in the City do so with the assistance of legal counsel, the vast majority of tenants who are defendants in these lawsuits are unrepresented. This often means that tenants who have valid legal defenses summarily lose their housing, or situations that could be resolved to the mutual benefit of landlord and tenant instead result in housing loss by the tenant. Provision of competent legal assistance to tenants is a very effective way to prevent homelessness.

Currently, many housing providers, even of housing purportedly intended for individuals who are disabled or homeless, have regulations that prevent actual homeless persons from qualifying for the housing. For example, these housing providers refuse to accept individuals who have one or more evictions on their record. This makes no sense, since nearly every homeless person has become homeless in the first place by the mechanism of eviction.

Similarly, these housing providers do not have adequate safeguards in place to assist individuals in retaining their housing. Individuals, particularly those with mental health disabilities who have been living outdoors, need assistance and support in adjusting to living indoors. If problems develop, procedures by which that help can be provided, either internally or from the outside, must be in place. Too often, individuals who have waited several years to obtain subsidized housing are unable to keep it, evicted because of issues related to their disabilities or their adjustment needs. This housing then becomes simply a revolving door, failing to actually remedy the problem by providing long-term stable housing to those who need it most.

The Ten Year Council recommends that San Francisco should:

**Increase affordable housing options with support for people with mental health/behavioral problems so as to avoid behavioral issues.**

**Provide mediation and legal assistance to prevent evictions.**

Increase the availability of eviction prevention assistance, both legal assistance and rental assistance payments, to both families and individuals. We must expand funding of projects that provide pro per assistance and representation, especially holistic legal assistance that includes a social service component to help resolve issues underlying the eviction threat. The policy could be implemented immediately. The projected annual additional cost is \$2,000,000.

We should fund groups that provide education and advocacy to tenants who are having difficulty keeping their housing, or who might be at risk of developing difficulties, and groups that provide trainings to housing providers and their staff about tenants rights and responsibilities, applicable disability laws, and working effectively with disabled and/or formerly homeless clients. The projected cost per year for 50 such training workshops would be \$15,000 and could start immediately.

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The Tenant Selection Criteria of supportive housing programs must be more flexible in providing housing opportunities to individuals who are disabled and homeless. There must be effective and consistent rules in place to allow homeless people and families to obtain and retain housing. All housing developments that receive any subsidy by or through the City and County should be encouraged to adhere to a specific set of tenant selection criteria developed by the City. The criteria would include, but not be limited to, the following components:

- Applicants that can demonstrate they have a good rent payment record for six months or more, demonstrate their ability to pay. Meeting this rent payment standard should overcome poor credit history, and rent to-income ratios that would otherwise exclude them from occupancy.
- No tenant should be automatically excluded because they have one or more evictions on their record. Consideration must be given to circumstances, and accommodations made for those losing housing as a result of their disability.
- A prospective tenant who has a previous history of eviction will automatically be given the opportunity to provide an explanation and documentation addressing the issue(s) involved in the previous eviction(s).
- Other standards must be found to eliminate a bar against those with a previous criminal record or a poor landlord reference.

This policy change could be instituted as soon as it is written, and would carry no direct costs.

### **Domestic Violence**

Fifty percent (50%) of homeless women and children are fleeing domestic violence. Another twenty percent says that domestic violence was the immediate trigger to homelessness.

Domestic violence shelters turn away four out of five people asking for assistance.

The Ten Year Council concludes that transitional housing is necessary for homeless domestic violence victims before permanent housing because of the unique needs of this population.

As general shelters are phased out, some of the existing shelters in the system could be converted into domestic violence shelters or transitional living situations, with special support systems designed for emotionally vulnerable women and their children. Planning would be a part of the phasing out of shelters at no additional cost.

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Two legislative and policy changes are recommended:

1. Expand criteria for Eviction Prevention money to include instances where the batterer has left the home, but was the primary source of rent and/or had his name on lease.
2. Change Housing Authority Policy as needed to expedite relocation of people.

### **SSI Advocacy**

It is estimated that 30-70% of homeless persons in San Francisco have a disability - physical, mental or both. A 1999 federal study indicated that about 40% of homeless people may be eligible for SSI (Supplemental Security Income, or Social Security Disability Insurance for those who have a sufficient work history), yet only 11% were receiving SSI. In our experience, many homeless persons in San Francisco should qualify for federal disability benefits. This is true even for those who have a co-occurring substance abuse or alcohol addiction.

Despite the fact that many persons who are homeless and disabled should qualify for SSI, it is very difficult for such individuals to obtain the benefits without assistance. This is especially true for people who are not stably housed, and who suffer from mental disabilities. According to one study, only 5% of homeless persons with severe mental health problems are successful in obtaining SSI on their own.

SSI benefits amounts for the totally disabled are inadequate to support life in San Francisco and increase the City's cost to provide housing and services. The maximum SSI benefits provided through the Social Security Administration of \$564 are the same nationwide and are not currently adjusted for high cost areas. The state augments SSI benefits in California by \$226, but it too does not make adjustments for high cost areas. It is cruel and unrealistic to expect someone who is totally disabled, which is what it takes for non-elderly persons to qualify for SSI, to live on \$790 monthly in San Francisco where this amount will barely cover the cost to rent the cheapest of rooms leaving nothing for other basic necessities, and it is well below HUD's 2004 fair market rent of \$1,084 for a studio apartment in the city. We will not be able to solve the panhandling problem in San Francisco even if we get more of the disabled off the street unless the Social Security Administration provides benefits that will support people's basic necessities.

The benefits of moving disabled homeless persons on to SSI are many:

- The level of benefits, while inadequate, exceeds any other public benefit available for the disabled (with the exception of certain service-connected veterans benefits), with the current rate at \$790/month.
- Recipients automatically qualify for MediCal coverage, providing the opportunity for ongoing medical, mental health, and dental care, and substance abuse treatment.

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The potential savings to the City and County of San Francisco by moving homeless persons on to federal income and medical benefits are huge. For example, in the past five years, HAP has moved more than 750 persons on to SSI. This represented an infusion of new federal dollars into San Francisco of over \$20,000,000 in cash payments alone. Reimbursement to the City from MediCal is harder to calculate specifically, but might very well exceed that.)

The value of effective assistance: with effective advocacy, the rate of SSI approvals for persons who are homeless and have severe mental health disabilities is much higher than the 5% success rate experienced by individuals who attempt to secure benefits on their own. At the Homeless Advocacy Project, the approval rate for clients who are assisted by our project is currently 89%.

**The Benefit:**

Assuming that 2500 persons could be moved onto SSI, what are the benefits to the individuals and to the City and County?

**Federal/state SSI cash benefits**

Monthly (assuming \$800/month benefit - some will get more, some slightly less, depending upon whether they have access to cooking facilities): \$2,000,000. This represents an annual infusion of \$24,000,000 into the San Francisco economy.

**Medi-Cal Reimbursements:**

Medi-Cal coverage is automatic for all SSI recipients. While the cost of medical care and the amount of MediCal reimbursement varies greatly by individual, some DPH estimates have put the costs for the most frequent uninsured users of City/County healthcare at as high as \$50,000 per person. Assuming even a very modest estimate of Medi-Cal reimbursement of \$2000 per person, MediCal reimbursement for 2500 individuals per year would total \$5,000,000.

**Savings in County Assistance:**

While not all homeless disabled persons receive County Adult Assistance, even if 1000 of the 2500 do, that would represent a savings to the City and County of \$5,400,000 per year in cash benefits.

**Other Benefits:**

Receipt of SSI and MediCal benefits also provides other benefits to both the individuals and the City/County that are less easily quantified but are nevertheless important.

A regular source of income and access to payment for medical/mental health care is an important component of a strategy to stabilize individuals and move them into more permanent housing. This benefits the individuals, and the City, which has an interest in moving people off the street, to make the City and its neighborhoods cleaner and more attractive to residents and tourists.

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Federal cash benefits are most often infused into low-income neighborhoods, benefiting local businesses and helping to support the economy in depressed areas of the City.

The bottom line - For a cost of approximately \$3 million per year, 2,500 disabled homeless individuals can be moved on to Supplemental Security Income and Medi-Cal. This will bring an infusion of at least \$30 million in federal and state dollars to San Francisco, and save the City and County over \$5 million in County Assistance payments. The City and County comes out over \$30 million dollars ahead!

### What is effective advocacy?

From years of experience, we have found that the most effective approach includes the following components:

- Assistance from the earliest stages of the SSI application process.
- Assistance by trained advocates who are familiar with the applicable laws and regulations.
- A specific and detailed approach to advocacy.
- The involvement of treating sources who can verify the applicant's disabilities, or the involvement of trained mental health and medical professionals who can provide consultative examinations to support the applications when no treating source is available.
- A supportive and accessible agency and staff, where clients feel comfortable and are more likely to return and follow through.
- The involvement of social services professionals who assist the applicant with other issues that are barriers to stability (such as housing and treatment), thereby helping to keep clients involved in the process, and better preparing them for a successful transition to stability when benefits are received.
- The use of well-trained and well-supervised volunteers can leverage resources.

The Homeless Advocacy Project (HAP) provides full-representation SSI advocacy to between 250 and 300 clients per year, focusing almost exclusively on individuals who are both homeless and have mental health disabilities. HAP's SSI advocacy component is currently funded through a combination of government grants, including HUD McKinney -Vento funding through the Department of Human Services and the Department of Public Health contracts described below; private foundation funding; and in-kind services provided by the Bar Association of San Francisco.

HAP/DPH projects: The Homeless Advocacy Project (HAP) has a long-standing relationship with the Department of Public Health to provide SSI Advocacy. They currently have two joint SSI projects with the Dept. of Public Health:

Disability Evaluation Assistance Program (DEAP) - DEAP provides SSI advocacy for clients through four in-house case managers. Medical staff, including two psychologists, primary care providers and a psychiatrist, have on-site office hours to help connect clients with medical care as well as help to document SSI claims. HAP provides training and technical legal advice regarding SSI issues to DEAP staff. HAP staff also provide SSI advocacy directly to over 100 clients per year through this project, and DEAP staff assist HAP in gathering local medical records and connecting our clients with psychological evaluations.

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SSA "HOPE" project - recently funded by the Social Security Administration, the Homeless Advocacy Project will be the primary subcontractor with the Department of Public Health to provide SSI advocacy to the most difficult population of chronically homeless and mentally ill individuals.

The Healthcare Access Collaborative -a joint project between the Homeless Advocacy Project and Haight Ashbury Free Clinics, Inc. (HAFCI). HAP provides SSI advocacy (and handles certain other legal issues), and HAFCI provides a part-time psychologist placed in the HAP office who does consultative examinations and some treatment, as well as facilitates access to other HAFCI programs. The project was originally generously funded by the California Endowment. That funding has now ended, and the project continues in a scaled-back fashion with support from the California Wellness Foundation.

The Ten Year Council recommends that San Francisco fund SSI Advocacy in an immediate, large scale, and effective manner. SSI advocacy can be an incredibly effective way to help stabilize disabled homeless persons, providing both a source of income and healthcare. It is a particularly effective approach because it more than pays for itself by reducing the costs to the City and County, while at the same time bringing an infusion of federal dollars. Current resources for effective SSI advocacy are inadequate.

The city must increase funding for SSI advocacy to move 2,500 people onto the SSI roles. Because successful models exist, most notably the Homeless Advocacy Project, expanded SSI advocacy could be put into place fairly quickly.

A successful model requires at least three components:

1. Advocates to work with the clients, fill out the forms, assemble the evidence and provide representation to clients with the Social Security Administration (SSA), trained and supervised by legal experts.
2. Psychologists (or psychiatrists) to provide consultative examinations in support of the claims, who are familiar with applicable regulations, and have sufficient time to prepare adequate reports.
3. A method to gather applicable past medical records, from both local and other providers (often out-of-state.)

Estimates of the number of homeless persons who are severely disabled so as to potentially qualify for SSI vary widely. Even assuming that only 30% of the lowest estimate of homeless persons (8500) are potential SSI recipients, the number of homeless persons in need of SSI advocacy in San Francisco would be approximately 2500.

The ideal level of service to truly move approximately 2500 homeless disabled persons on to SSI would require approximately 50 full-time SSI advocates, located in, or regularly traveling to, a number of sites throughout the City, including existing medical and mental health clinics, homeless shelters, San Francisco General Hospital the jail, the County Adult Assistance Office, the offices of community based organizations, and doing some street outreach. The advocates would require training and ongoing technical assistance from legal experts who are completely familiar with the applicable



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laws and regulations and the most effective advocacy approaches. Existing medical records would need to be gathered for all of the clients. Some clients would likely already be in existing treatment, while others would require consultative examinations. In either case, a provider would need to have the time to document the clients' disabilities. The estimates also assume only salary and benefit costs, or hourly rates for medical and mental health providers. It is assumed that the advocates would be able to make use of existing facilities.

There will be a systematic connection of SSI Advocacy, housing, and services for homeless persons. SSI advocacy and outreach, supportive housing, and discharge planning from all mainstream services will be integrated for efficiency.

Training for all staff providers will be improved and coordinated, with services interfacing with homeless persons, and those who are at risk for homelessness, to improve cross-referrals to services, housing and SSI advocacy. Need for payee services will be identified in clinical evaluations conducted for SSI application; payee services will be offered to ensure SSI benefits are used to cover basic necessities.

**The total cost to implement this plan:**

- 50 full-time advocates (salary and benefits): \$2,000,000
- 3 full-time Attorney Experts/Supervisors (salary and benefits): \$187,500
- 3 full-time medical records technicians (salary and benefits): \$112,500
- Psychologist/provider time for consultative exams or to prepare reports for 2500 clients (assumes 1500 need consultative examinations - 5 to 10 hours per client, depending upon the amount of testing needed - and 1000 need reports on ongoing treatment - 1 hour per client to write reports: \$612,500
- An undertaking of this magnitude would require some administrative support, some supplies, and the time of some kind of project director, at an additional cost of approximately \$54,125.

Total projected cost: \$2,966,625. (Compared to \$10 million that will be generated.)

**Other potential costs/requirements:**

Some non-invasive way by which clients could be tracked or notified when they access services, so that their SSI advocate can reach them if needed.

Ability by providers of consultative exams to make referrals to treatment.

**Two legislative and policy changes are recommended:**

1. To address the underlying structural problem, the federal government must provide incomes for those deemed unable to support themselves as a result of their disabilities that will cover the cost of basic necessities in San Francisco and other high cost areas
2. The State of California must provide cost of living adjustments in the benefit augmentation amounts it provides to those on SSI to help those with disabilities remain stable.

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## Family Reunification

Research indicates that the vast majority of chronically homeless individuals in San Francisco are from San Francisco. There are others, however, who come to San Francisco from other parts of the country. Reuniting homeless individuals with their family networks in other parts of the country can be the most effective tool to help the transition out of homelessness.

This is not to say that the city should seek to "ship off" homeless individuals with one-way bus tickets out of the county. However, when individuals genuinely want to reunite with their family, the City should support individuals with bus fair.

The Ten Year Council recommends that the city expand out-of-region reunification resources to all persons experiencing homelessness, as well as "at risk" persons who wish to be reunified with verified family social support systems. Increase city service provider skill in assessing and facilitating family reunification.

Provide chronically homeless individuals with the opportunity and the means to return home to their family or support network, by contracting with a service provider who will (a) establish the validity of homeless clients' connections to out-of-town family or other support, (b) provide counseling support and mediation for the connection between the client and their family, and (c) provide one-time transportation assistance, e.g. bus tickets, to reunite clients with their family. Examine the work of "Travelers Aid of Metropolitan Atlanta" and identify organizations in San Francisco that could offer similar supportive systems. Design and implement program offering support services.

Research can begin immediately. The program could begin operation upon selection of a provider and contracting, in approximately six months to one year. The program budget is estimated at \$275,000.

The City should direct all appropriate city funded programs to participate in professional training in assessing reunification needs, facilitating placements and accessing reunification financial assistance. There would be professional training costs, amount to be determined.

## Behavior Health, Assessment and Outreach

### **Encouraging and Enabling Chronically Homeless People to Access and Maintain Themselves in Permanent Supportive Housing**

*Data: 40-50% of the chronically homeless population has serious mental illnesses.*

*40% have substance abuse or dual diagnosis disorders.*

*50% of patients who are admitted to psychiatric units are homeless on admission.*

*20% of the 1800 people released from jail each year have no place to live when they leave, no treatment available to them, and no source of financial support.*

*There are 16,000 opiate users and only 3,300 methadone maintenance slots.*

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Despite these barriers, the goal of The Ten Year Council is to encourage and enable chronically homeless people to access and maintain themselves in permanent supported housing. Toward that end, every chronically homeless person must be offered a long-term case manager unless otherwise determined. The case manager is the key to the client's success in obtaining and maintaining himself/herself in supported housing and in all other services.

Many chronically homeless people are already involved in services: mental health programs, jails, psychiatric units, detoxification programs, methadone maintenance programs, residential treatment programs, foster care programs and so on. These people do not need outreach, they need "inreach," i.e. they need a case manager who establishes a trusting, respectful relationship with them in the context of the services they are receiving and before they are released or discharged from these services. The case manager is the person who is responsible for helping them get access to supported housing, for sticking with them through their inevitable ups and downs, for helping them negotiate the city, state, and federal systems, and for serving as their single point of responsibility.

There are other chronically homeless people who are not connected to any service system. It is this subgroup that needs outreach. Through the gradual process of developing a trusting, respectful relationship with them, the outreach staff will be able to help them with their self-identified short term needs and ultimately connect them with a case manager who will then assist them in obtaining access to supported permanent housing and other services. For many chronically homeless people, being treated with respect is the precondition to developing trust and being willing to access services.

### **There is No Realistic Assessment of Necessary Services**

There is no realistic assessment of services needed to fulfill the goals of the Ten Year Plan. This includes the required number of transitory and permanent housing units, of case managers, residential treatment centers, medically assisted detox units, and other substance abuse services, and the range of services needed by the chronically homeless elderly, families and youth, etc. Because of current limitations in the amount of resources available, the city necessarily prioritizes delivery of these services to those in the greatest need.

The present estimate of the number of opiate users in the city is 16,000. The current number of methadone maintenance slots is 2,600. The gap can and should be addressed either with additional opportunities to be treated with methadone or buprenorphine in specialized, self-contained opiate treatment programs, or alternatively in the primary health care system through the Office Based Opiate Treatment initiative.

The number of medically detox beds in the city is 40. The need exceeds this by multiples.

There are only a very limited number of assertive intensive case management programs in the city. In the last 31 days, the new outreach team has identified 400 unduplicated chronically homeless on the streets. Assuming, as most experts do, that these clients need case managers at a 1/12 staff to client ratio, the number of additional case managers needed for just this very limited population would be 33.

The city must annually, publicly, and accurately identify the gaps in services that are crucial to the implementation of the Ten Year Plan.

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### **There is No Centralized Information System**

There is currently no centralized information system relating to individual clients or to services, agencies, housing, etc. It is impossible for the city to effectively and efficiently identify and track all of the clients touching the service system, what they want, what they need, and what they've tried that has been successful and not successful. This client-specific information is crucial for a tailored, individually oriented service system that is attempting to significantly reduce chronic homelessness.

Similarly, there is no systematic method of coordinating the myriad services that exist in both the public and private systems. The need for this is obvious on its face. Clients will continue to have a totally fragmented experience with the service system if this problem is not solved. Some get less service than they need, some more. Others will get the wrong kind, and many will be subject to duplication of services. It needs to be stressed that although "duplication of services" has become a common criticism of the service system, a much more crucial problem is the absence of services for most clients. It is important that the notion of duplication not be used as a rationalization for stopping the financing and development of new or expanded services.

Finally, this information is needed to increase the efficiency and effectiveness of existing and new services. Currently, staff in all programs spends a great deal of time searching for available treatment or housing "slots." This practice is both inefficient and frustrating for the client and staff.

A centralized, computerized information system for both individual clients and coordination of services is critical to the success of any plan to reduce chronic homelessness. Unfortunately, a computerized system tends to take months and sometimes years in development. Many cities and states have had the experience of laboriously developing these systems only to discover that they are obsolete by the time they are completed. During the development interval, the city must develop a written, admittedly less efficient, mechanism. The need for client and service information is too vital to wait.

### **Staffing Problems**

Staff who work with the chronically homeless population, as outreach workers, case managers, treatment personnel, residential counselors, peer counselors, and so on, require very special personal characteristics, experience and training. Many chronically homeless people have major problems in relationships. Many have been neglected and abused from childhood and carry this legacy into their current relationships; many others have been plagued by mental illness and substance abuse for most of their lives. Even the best trained staff can gradually burn out from the overwhelming tasks of helping people with such intense and complicated needs, from dealing with constant frustrations from clients and the service system, and from witnessing the chronic and pervasive trauma in their clients' lives.

Peer counselors are a critical component of the staffing of all services since they will have a prima facie credibility with certain homeless people and may inspire hope for people who have lost all hope that they could change their lives.

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The staff and peer counselor recruitment and selection process must be changed to ensure that staff and peer counselors with the necessary skills, experience and training will be hired and retained, and that those for whom the work is not suitable be terminated. A significant percentage of staff must have clinical degrees or they will be unable to deal with the complexities of this population.

Chronically homeless people have multiple, complex psychosocial, biological and financial problems that interfere with their mental and physical health and prevent them from maintaining themselves in supported housing. We must hire and retain specialists capable of performing careful assessments of the multiple needs of people who are chronically homeless.

Good staff will make or break the effort to end chronic homelessness. The quality of the relationship between staff and clients is the foundation on which the client develops trust, consideration of the staff's recommendations, willingness to view the service system in a new way, inspiration to face challenges that he or she is anxious about, enhanced self-respect and self-confidence, reexamination of the impact of current life choices and behavior, and development of hope for the future.

#### **There is an Absence of Inreach to Chronically Homeless Populations in Programs or Institutions**

Many people remain chronically homeless, despite the fact that they are or were engaged in specific programs or institutions. They want housing, but become or remain homeless because of the symptoms of their physical, mental or substance abuse disorders, lack of supported housing opportunities, the narrow focus of their programs, and/or a lack of staff who can help them negotiate the complex and inadequate array of services in the city. These chronically homeless people are already involved in the service system and do not need outreach. What they need is "inreach," i.e. assignment to case managers who can place them in supported housing. Examples of such people are: people with serious mental illness who are in treatment programs; people with debilitating health problems who frequent the city's emergency rooms and clinics; people in methadone maintenance or other substance abuse programs; patients who are discharged from PES or psychiatric inpatient units into shelters or other forms of transient housing; people being released from jail; kids who are aging out of the youth service systems; people who are being detoxed in various programs; people "graduating" from various substance abuse and mental health residential treatment programs.

These people primarily need "inreach," not outreach, and should be assigned a long term intensive case manager to engage them at the site of their programs, hospital units, jails, foster homes, etc. This engagement must occur before the point of discharge from the institutions in which they are living, confined or being treated.

The clinical supportive relationship inherent in case management is the key to encouraging mentally ill people to take their medications regularly, persuading people who abuse substances to accept treatment, helping dysfunctional people with the problems of everyday living, helping people with difficult behaviors to find and maintain housing, including negotiating with hotel or housing managers to avert evictions, connecting people with a variety of services, and helping them obtain financial entitlements.

Case management staff ensures continuity of care across all parts of the system. Case management is the crucial "support" mechanism in "supported" housing.

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Intensive case managers should not be linked to a particular service or facility; clients lose the long-term benefits of the relationship when traversing one service to another. Moreover, when case managers are linked to particular treatment services, the importance of the relationship with the case manager sometimes serves as a disincentive for the client to make progress, for to do so would essentially end the relationship. Another advantage of not linking intensive case managers to particular services is that it prevents duplication of services and fragmented experiences for clients.

### **There is a Critical Lack of Dual Diagnosis Programs**

Many clinical programs have historically viewed the chronically homeless through a narrow lens, treating them according to their own particular specialties and ignoring the other profound psychosocial and medical needs of their clients. A particularly egregious example of this is programs that treat either substance abuse or mental illness, but not both. The result is that people get fragmented care and are bounced among service providers until their frustration causes them to give up on the entire treatment enterprise.

The City must plan for and provide multiple diagnosis program slots adequate to meet demand.

### **There are Not Enough Treatment Slots**

Chronically homeless people want mental health or substance abuse services but are required to wait weeks or months before receiving treatment. Even in certain clinics that have drop-in appointments, clients may be asked to return several times before staff finally begins to concretely help them. People must wait even longer to see a psychiatrist, even though they may have only a ten-day supply of medication following hospitalization. Many deteriorate while waiting for their medications to be refilled.

There is a dearth of available staff and psychiatrists. In addition to having concrete clinical consequences, these delays lead to frustration and distrust and increase the resistance of chronically homeless people to accepting housing and treatment.

In a system that is overburdened, there is a temptation to deal with the demands of new clients by displacing other clients. Sometimes the practice is clinically justified, but more often it simply transforms a stable population into an unstable one.

There are 16,000 opiate users in San Francisco and only 2,600 methadone maintenance slots. Many of the people who can't get methadone are chronically homeless because they spend all of their cash on drugs. If opiate treatment were more widely available, many more people could support themselves in housing.

San Francisco must make mental health and substance abuse treatment available on demand, when the client wants treatment. This is often the difference between whether a patient survives in housing or not.

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When a client is seen by a clinician, the assessment must be done expeditiously, and treatment provided quickly with clear attention to the person's tangible problems. Each appointment could be the one and only opportunity that the treatment system has to engage the individual, and it should not be squandered by delays and irrelevant treatment approaches.

The availability of behavioral health services to the chronically homeless population must not be accomplished by pushing other vulnerable people out the back door. There must be an absolute prohibition against displacing one homeless population with another, whether in treatment facilities or housing.

Every opiate user who rests methadone maintenance or treatment with buprenorphine should have access to such treatment on demand. The Office Based Opiate Treatment program must be expanded so that people who are opiate users can be treated in the mainstream health care system, e.g. primary health care clinics.

### **There is No Plan for Jail Release of the Mentally Ill and Substance Abusers**

Many people released from jail are mentally ill. Others have a history of substance abuse. They are often released without any means of financial support, no housing, no linkage to mental health or substance abuse treatment, and no case management.

A specialized case management team must be provided for mentally ill people who are being released from jail. The case manager should engage these people before their release, secure SSI funding (which would be effective upon their release), design a treatment regimen with them, and arrange for immediate supported housing.

A pilot program of this nature has been funded by the State of California, entitled The Forensic Case Management Project, and is operated jointly by the Department of Psychiatry and Jail Psychiatric Services. It has proven very successful in reducing the rate of re-arrests of mentally ill people by 37%, in reducing the rate of homelessness from 35% to 5%, and in placing 80% of the patients released from jail on SSI. Unfortunately, state funding is expected to end in June and the program will have to be curtailed unless the City picks up the funding, which it must plan to do.

People in jail whose opiate addiction was the direct or indirect cause of their arrests, and who were chronically homeless as a result, must have the opportunity to receive methadone maintenance in jail, and continue it when they are released to supported housing.

### **We Must Develop a System for Diverting Repeat Offenders into Treatment**

Some chronically homeless people who are arrested repeatedly are very difficult to engage into treatment.

These individuals should be presented with the choice of going to jail or having their sentences suspended if they are willing to engage in treatment. Currently the Mental Health Court and Substance Abuse Court administer such a program, but they must be expanded to include immediate access to housing and treatment.

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### **There is a Lack of Residential Treatment and Care Facilities**

Many chronically homeless people cannot succeed in supported housing with only outpatient treatment. They will fail over and over again in housing because of their substance abuse problem or mental illness unless residential treatment programs are available to help them make the transition to permanent housing. There is currently a real dearth of these programs. Additionally, residential care (Board and Care) facilities, representing a dwindling but important resource for many mentally ill people who need around the clock supervision, have decreased by 50% over the last decade.

The city must invest in more residential treatment and care programs, with supported housing available when people exit from the programs.

### **There is a Lack of Crisis Intervention Resources**

Certain mentally ill people who have been chronically homeless, but are then housed, have a variety of crises, often resulting from their failure to take their medications without which they begin to deteriorate, have psychotic symptoms, etc. These crises can be very disruptive for other residents and can result in a police escort to PES, the need for a psychiatric inpatient admission or jail, or may lead to an eviction. A crisis center may be able to handle the crisis if it happens to be open and adequately staffed, but the crisis is better handled on site, in the place where the person lives. In this way the entire living situation can be assessed, not simply the individual.

Expand the Crisis Resolution Team that is operated by the Department of Psychiatry to help formerly chronically homeless people when they have psychiatric crises in their homes.

As our system of shelters is phased out, some of these shelters could be converted to 24-hour crisis centers.

### **The Mentally Ill Chronically Homeless are Particularly Vulnerable**

A large portion of the chronically homeless population has severe mental illnesses and is a particularly vulnerable subgroup. Chronic homelessness is both one of the causes and one of the effects of their illnesses. Concomitant substance abuse, inability to work, poverty, and social stigma add to the burdens of the mentally ill homeless population. Street life itself, with its physical and emotional stress and traumas, aggravates the symptoms of mental illness. Many people either can't or won't take their medications because of the emotional or physical side effects of the medications, or because needing to take the medications reminds them of how ill they are. Even those who try to take their meds have extreme difficulty doing so while living on the street; they lose them, have them stolen, or lose track of when to take them. Without medication, a large number of mentally ill people decompensate and require hospitalization, or behave in ways that result in arrests and jail terms.

The mentally ill among the chronically homeless population must be treated as a particularly vulnerable group when designing housing, treatment, and intervention programs.

Every mentally ill chronically homeless person must be provided with a case manager and supported housing. For those in hospitals and jails, assignment must occur before they are discharged or released.



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A range of residential settings with varying degrees of supervision must be available. Access to psychiatrists and other clinicians must be efficient and flexible; service providers must be skilled in the treatment of both substance abuse and mental illness.

The city should pilot and carefully evaluate the implementation of Laura's Law, which provides involuntary outpatient treatment to a particularly vulnerable group of mentally ill people.

Families of mentally ill people should be provided with concrete help so that they can continue to provide care for their relatives and reduce the likelihood that they'll end up chronically homeless.

### **The Chronically Homeless Elderly Have Special Needs**

The number of elderly among the chronically homeless is often minimized. This flies in the face of some epidemiologic data demonstrating that the homeless population is aging. The result of the failure to recognize this is that the city may fail to sufficiently plan for the specialized services that elderly people need: specialized medical care, wheel chairs, prostheses, transportation, specialized diets, help with blindness, deafness, diabetes, hypertension, and other infirmities that are more common in the later stages of life.

The elderly need to be viewed as a vulnerable and often overlooked group. Their numbers should be separately identified, and specific plans developed to address their needs.

### **Permanent Supportive Housing**

#### **The Best Model for Providing Housing and Support Services to the Chronically Homeless Population**

San Francisco currently operates over 3,000 units of supportive housing in a variety of models. As we increase our investment in supportive housing, we must draw upon our expertise, while fostering innovations that are responsive to the needs of the chronically homeless. Research and evaluation has demonstrated the successes in supportive housing for housing retention and improved outcomes for residents. These strategies and programs can be built upon and replicated as we increase our commitment.

Increasing the stock of supportive housing will take an increased public investment of resources at the local, state and federal level, as well as an investment by the private sector. These resources are needed to pay for the initial capital costs, ongoing operating expenses and support services. At the same time, we must examine our current housing funding priorities as they relate to our new mandate, and determine whether we can contract our housing dollars more efficiently and effectively.

Priority planning and funding for supportive housing programs are divided across several city departments. In addition, several entities or working groups exist that impact supportive housing development. San Francisco should adopt a consistent policy for supportive housing development that ensures adequate oversight, community participation and budgetary commitments to achieve the goal of 3000 units by 2010. Within this effort, the City should assess the appropriate balance of master leased for-profit owned housing vs. non-profit owned, as well as the range of models to be supported.

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The City of San Francisco has made a significant investment in supportive and affordable housing. Through this investment, we have learned how our own system can be flawed in its attempts to meet the overall goal of providing housing. The City must carefully examine the current processes related to access into supportive housing, and the processes related to keeping people housed. To eliminate these obstacles, the City must determine the most expedient manner for marketing and renting units, determining eligibility, targeting and access points, managing waitlists and assessing how to minimize evictions from supportive housing. This effort will include an examination of how organizations individually conduct these processes, the role of the San Francisco Housing Authority, and the standards that the City uses to guide these processes.

### **Maintaining the Investment**

Once the supportive housing has been created, adequate oversight must occur to ensure that the support service provision and property management is of high quality and responsive to the needs of the tenants as well as the funders. This effort will include a review of current service provision, outcome measurements, service utilization, asset and property management processes, tenant satisfaction evaluations and compliance with housing quality standards.

### **Overcoming Opposition and Addressing Public Concerns**

San Franciscans have identified addressing homelessness as a high priority. However, as solutions are presented, many communities are reluctant to endorse a particular supportive housing project in their neighborhood. In addition, some neighborhoods have hosted a high concentration of supportive housing and can play a role in ensuring that the site is an asset to the community. Key to this effort is the assurance that prioritizing supportive housing will be done in the City's overall planning efforts such as the Better Neighborhoods Plan and Consolidated Plan. This effort will include a public education campaign to promote permanent supportive housing as a solution to chronic homelessness

### **Protecting our Assets, Sustainability and Preservation**

Maintenance of the existing inventory of supportive and affordable housing is threatened by actual or proposed cuts at the local, state, and federal levels. In order to prevent the loss of stability of individuals and families residing in these units, we must prioritize the preservation of the funding levels that sustain the current housing resources.

### **GOAL: Create an additional 3000 supportive housing units or beds for the chronically homeless by year 2010**

Supportive Housing can be brought on line with a variety of methods: new construction, rehabilitation, master leasing, set asides in affordable housing and purchased or rented scattered site housing. Resources are primarily dedicated to higher density supportive housing that is non-profit owned and operated or master leased from private for-profit landlords. Master leasing represents a shorter-term strategy to secure sites quickly to ramp up the pipeline, while new development is a long-term strategy to increase the overall stock of permanently affordable supportive housing. Master leasing

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requires minimal upfront public costs but requires ongoing lease payments to maintain the affordability of the housing. Non-profit owned housing requires an initial investment of capital and can take 3-5 years to bring the units on line. In the Direct Access to Housing Program, the Department of Public Health master leases sites, and tenants are selected directly from access points in systems that care for the chronically homeless. In non-profit owned housing, sites draw from wait lists that target the chronically homeless such as Shelter Plus Care to fill units.

Beyond the ownership structure and the leasing procedures, both models of supportive housing are very similar. Typical on site services include case management, life skills education, money management services, benefits advocacy, employment and education services, health, mental health and substance use services, and tenant leadership/community building activities. For family housing, a range of services for children and youth are provided which can include on site child-care, after school programs and child focused health and education services. Acceptance of services is voluntary. Tenants are expected to adhere to the terms of their individual leases and house rules. With the commitment to serving the chronically homeless in a "housing first" model, these tenancy standards are geared to accommodate for tenants who struggle with substance use and mental health issues while also maintaining a safe community. Support services, property management staff and tenants work together to ensure that the shared goal of maintaining stable housing is achieved.

In order to reach our ambitious goal of doubling our supportive housing inventory, San Francisco is utilizing both approaches. Dedicated local capital resources must be designated in order to create 1500 permanent supportive housing units/beds for individuals and families earning less than 20% of Area Median Income by 2010. The Mayor's Office of Housing and San Francisco Redevelopment Agency will administer the program. Supportive policies must be reflected in Consolidated Plan, Housing Element, Better Neighborhoods, and Redevelopment Plans. Total capital costs are estimated at \$339,000,000.

Local sources of funding for affordable housing development, (a portion of which can be prioritized to meet the unit production goal) are the Mayor's Office of Housing (HOME and CDBG), SF Redevelopment Agency Tax Increment Funds, and the Hotel Tax.

Acquire 1500 units in privately owned sites by 2007 through the Direct Access to Housing Program, SRO Housing Program or similar service enriched master lease program. Pending capital funding and availability, begin to purchase sites that have been master leased by 2010.

The annual cost to master lease 1500 units is \$23,892,000, or an average of \$16,000 per unit per year, administered by the Department of Public Health, Department of Human Services, and Mayor's Office of Housing. Sources of funding are the City's General Fund, and HUD McKinney funds.

To purchase master leased sites over time, the capital costs for acquisition will vary. The cost to acquire the 1,500 master leased units will range from \$37.5 million to \$67.5 million.

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Set aside 75 units for the chronically homeless of the total number of supportive housing units currently in the development pipeline.

The cost would vary depending on current affordability levels and service funding dedicated to the project. The Mayor's Office of Housing could access DPH and HUD McKinney Shelter Plus Care Program funding.

Current projects in the pipeline may not have funding sources that allow for targeting of chronically homeless. This may raise the need to review compliance with fair housing laws.

Implement a demonstration project targeting 100 chronically homeless adults with criminal justice records that inhibit access to supportive housing. Examine the potential of creating access into the Direct Access to Housing Program through forensic case management programs. Utilize success of demonstration project to impact policies, which prohibit people with criminal justice histories from securing housing.

Implementation of the program should coincide with expansion of the Master Lease Program, and would be managed by DPH and the Sheriff's Department. Costs would be similar to expansion of master lease program. Depending on the model and service needs, anticipated cost would be \$1,000,000-\$1,500,000 per year. This cost would be offset by savings to the criminal justice system, as well as utilization of existing case management programs that work within the criminal justice system.

Examine the potential to increase the employment and training of homeless individuals in the construction or rehabilitation and operation of supportive housing sites. Examine current programs such as Section 3 Plus Program to ensure that federally funded projects are adhering to the practice of hiring low-income individuals. Determine strategy to increase the community's ability to train homeless individuals to increase their ability to access employment.

This strategy can be implemented immediately by DHS and MOH/MOCD. Cost would be determined by the findings. Existing employment and education programs may be able to increase their ability to provide training and employment services pending funding.

**GOAL: Increase coordination and streamline efforts of city departments or committees responsible for the coordination of supportive housing funding, acquisition, leasing, development and monitoring.**

The selection, review and approval process of supportive housing projects should be assigned to one entity, or a coordinated group of city departments overseeing capital, operating and services funding in conjunction with the Local Homeless Coordinating Board. Ensure that Mayor's Homeless Cabinet, or other City governing body mandates coordination of discharges from Transitional Housing programs, Criminal Justice system, Health care facilities and Foster Care with housing opportunities. This change can be implemented by the Mayor.

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Reconstitute the Local Homeless Coordinating Board to incorporate the addition of state and federal representatives, adequate staffing (positions detailed out from the 2002 Controllers report: increase current one staff person to three full time including a policy and data analyst, grant writer and administrative assistant) and streamlined participation. Review original enabling legislation, 2002 Controller's report and current make up to determine appropriate seats and process. Ensure that at a minimum, one supportive housing development organization is represented and one tenant of supportive housing is represented on the committee to reflect the prioritization of permanent supportive housing.

Reorganization process should begin by the Mayor and Board of Supervisors once the 2004 McKinney application is submitted. Reorganization of the Board is cost neutral. Increases in staffing can be drawn from DHS or DPH, or the redirecting of existing staff.

Form a time limited working group to evaluate the current site selection process, and determine strategy to decrease timeline, maximize length of lease or options for purchase, minimize displacement and increase ability to competitively negotiate for master leased and purchased sites. Working group recommendations should also include review and documentation of current vacant or underutilized housing sites from SRO inventory report (Department of Building Inspections). Design a program for the City to market the housing program to private owners. Include in the task force a non-profit developer, SRO Collaborative representative, master lease housing provider, City Attorney's Code Enforcement Task Force, legal and private real estate experts.

The Working Group can be constituted by September 1, 2004 with a report completed by year-end. The Mayor's Office of Housing will coordinate the effort. Recommendations are cost neutral; engaging private sector experts may require payment of consulting fees.

**GOAL: Develop Capacity Building Program to promote the development of high quality supportive housing.**

**Engage philanthropy, City Departments and technical assistance providers to craft a flexible grant funding program tied to the development of supportive housing units.**

The program should begin in conjunction with the availability of capital funding through MOH. Competitive grants should be offered from \$25-50,000 depending on need of organization. Funding will be sought from private and corporate philanthropy and MOH.

**Increase training opportunities for faith based groups, community based supportive housing providers and tenants. Explore partnerships with educational institutions to offer classes on services and management in supportive housing.**

DHS and DPH could begin this program immediately with assessment, with expansion of training as the budget allows. Additional training may be provided through existing sources. A cost of expansion to educational institutions needs to be explored.

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**Outreach to faith based organization to assess feasibility of partnerships with non-profit organizations to increase their role in the development supportive housing.** Develop workshops to ensure that the targeted organizations are successful in accessing funds for which they are eligible.

Timeline: The program will be administered through MOH and the SFRA in partnership with HUD, timed in conjunction with availability of capital funding through MOH.

Costs will vary depending on training needs.

**GOAL: Eliminate unnecessary tenant selection criteria that impede the access of chronically homeless individuals and families into supportive housing.**

We must examine the current barriers to existing supportive and affordable housing and determine strategies to alleviate. Ensure that evaluation includes assessment of credit, eviction history, and conviction barriers, as well as systemic issues such as wait lists, multiple certifications and access points. Establish a coordinated system for referring to supportive housing sites and marketing vacancies.

This goal can be accomplished by 2007 by DHS, DPH, and SFHA, and is cost neutral.

**GOAL: Maintain high quality and cost effective supportive housing that is responsive to the needs of the residents.**

**Engage providers in assessment of the effectiveness of current performance outcomes and data collection methods.** Assess if current measurements reflect stated goals of formerly homeless residents in housing and satisfy funding requirements. Ensure that ongoing asset management monitoring is conducted for capital funded sites. Perform independent audit of resident satisfaction to ensure that desired services are being provided.

Goal can be accomplished by 2007 by DHS, DPH, and MOH. Analysis is cost neutral. An Independent audit of satisfaction may be available through existing evaluations funded by philanthropy.

**Institute eviction protocols in supportive housing to ensure that interventions such as case conferences are held prior to eviction proceedings.** Determine and adhere to the best practices for providing reasonable accommodations. Incorporate effective protocols into contracting language. Goal can be accomplished by 2007 by the City Attorney's Office, and Mayor's Office of Disability.

Determine measurement of appropriate service needs with input from residents of supportive housing and providers. Ensure that appropriate services are made available such as health, education, employment and legal services. For sites serving families, ensure that a full range of services for children and youth are provided. Accomplished by DHS and DPH by 2007.

Strengthen and employ collaborative service models that maximize expertise and are cost effective. Utilize existing non-housing based programs to provide services in coordination with supportive housing providers to minimize duplication of services and stabilize recently housed individuals and families. DHS and DPH will implement.

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**GOAL: Increase efforts to engage the public in supporting solutions to chronic homelessness.**

Strengthen community education campaign by developing consistent strategy and message on supportive housing as a solution to homelessness.

Increase effort for 2004 in support of housing bond with on-going media campaign to update the community on the successes of increased investment. The initial investment would be \$250,000, funded by private and corporate philanthropy, accountable to Mayor and Board of Supervisors.

Strengthen commitment to include supportive housing development in citywide planning processes including updates to the Consolidated Plan, Housing Element and the Planning Departments Better Neighborhoods process.

Implementation is concurrent with updates or adoption of plans, is cost neutral, accountable to MOH,

**GOAL: Increase local, state and federal resources to sustain and increase San Francisco's investment in permanent supportive housing.**

Actively support local, state and federal policies that increase resources for funding permanent supportive housing. Oppose proposed budget cuts to existing programs that are used to fund supportive housing.

**LOCAL:**

Support housing bonds for capital development. Such local sources would ensure that capital funds at the state and federal level could be leveraged to increase our total available resources.

Ensure that a proportion of the additional Tax Increment available to the Redevelopment Agency is dedicated to supportive housing development.

**STATE:**

Support ballot initiatives that fund mental health services.

Support all initiatives and legislation for affordable housing funding.

Support statewide efforts to increase funding from mainstream systems such as resources for youth aging out of foster care, Medi-Cal, and persons exiting the criminal justice system.

**FEDERAL:**

Support current Housing Choice Voucher Program (formerly Section 8) funding levels.

Support National Housing Trust Fund as a permanent revenue source for affordable housing development.

Support Samaritan Initiative to increase investment in supportive housing from Dept of Housing and Urban Development (HUD), Dept of Veterans Affairs and Dept of Health and Human Services.

Support Eliminating Long Term Homelessness Services Act (ELHSA) or similar increases in HHS budget for services for chronically homeless.

Support efforts to increase resources for the chronically homeless from the Department of Veteran's Affairs and Department of Labor.

National Trust: Encourage local leaders to work with federal representatives to re-engage in discussions with community groups on affordable housing.

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The Mayor, Board of Supervisors, San Francisco Redevelopment Agency and Local Homeless Coordinating Board should work together to immediately begin implementing this goal. The strategy is cost neutral; on-going policy analysis may require increased staffing for entities such as the LHCB.

Create a working group to identify potential dedicated local revenue sources to cover the current and anticipated funding gaps for services and operating costs in supportive housing. Ensure that this local source utilizes private and public contributions. In order to alleviate the burden on the City's General Fund, these funds may be either redirected from a current use or as part of a revenue enhancement measure. In addition, services costs can be offset by other sources such as the ability to bill Medi-Cal for eligible residents.

The Working Group will meet from 9/1/2004 to January 1, 2005, making its recommendations at that time.

The Working Group will comprise representatives designated by the Mayor, Board of Supervisors and private/corporate Philanthropy.

The cost for supportive services and operations range from \$10-\$18,000 per unit per year. The higher end of the cost reflects incorporating a lease payment in the case of privately owned master leased sites and/or an enhanced service package. The current need can be calculated depending on the pace of development over the next five years. The annual total for this cost assuming 1500 of the units are leased and 1500 non-profit owned is approximately \$38,000,000 per year.

Funding sources for this effort could come from the General Fund, and private and corporate philanthropy could capitalize a fund for initial start up.

**GOAL: Provide the linkage from the 3,000 chronically homeless to the estimated 15,000 total homeless population.**

Chronically homeless people frequently have difficulty finding and keeping jobs, and are frequently unable to utilize existing employment and training services, which are often restricted to providing very basic services for a limited amount of time and do not allow for a customized approach that is frequently needed by chronically homeless individuals.

### **Replicate Hope House Model**

The Department of Human Services, in partnership with the Private Industry Council, recently obtained funding from the Department of Labor and HUD for a multi-year Bayview community-based project to provide housing and employment services to the chronically homeless.

Subcontracts will be established with community based organizations and consultants to provide the housing, employment and other supportive services for the individuals to be housed and served through Hope House.

The population to be served will be identified in the neighborhood where Hope House will be located. Other recruitment will take place through jail and hospital discharge workers



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Hope House will house and serve 70 individuals who have experienced chronic homelessness prior to coming into the program (perhaps as many as 90 will be housed over the three years of project funding).

Over half will be between the ages of 46-65, and 30% 36-45; nearly 80% will be African American and 80% male; 16% will be veterans of the U.S. military; 80% will have a history of substance abuse; 75% will have a criminal record.

Hope House will create a culture of work within the housing - sometimes referred to as "vocationalizing" the housing. Residents will be able to perform paid work within the housing and the resource center associated with the project.

The progress of Hope House should be carefully followed and analyzed, and other models replicated, adapted to the specifics of similarly unique communities

Analyze inclusion of sheltered and supported employment opportunities as one of the services provided in permanent supportive housing.

Policy changes would be adopted by department directors and could be implemented within the year.

#### Funding the New Strategy A Business Plan to End Chronic Homelessness

#### **Potential Cost Savings:**

Preventing and ending chronic homelessness will ultimately save the government millions of dollars especially in very expensive systems like the criminal justice and health care systems. It may take several decades to fully realize these savings, however.

In the mid-term (next six to ten years), some funds will be able to be saved and shifted into permanent housing solutions, as shelter beds can be reduced when enough chronically homeless individuals are moved from the emergency system to permanent supportive housing. Potentially, the shelter system could be reduced by 33% six years from now, resulting in over \$6 million annually that might be able to be re-programmed toward operating and supportive service costs in permanent supportive housing programs.

Cost savings will not occur, however, in the very short-term horizon, as two systems will need to be operating - the existing homeless services system as well as the new housing first/permanent supportive housing system. Substantial numbers of chronically homeless people will need to be placed in housing and new folks will need to be prevented from entering the system in order to achieve real economies of scale and allow for the reduction in shelter, emergency room, etc. staff and services.

#### **Fund an advocacy position:**

Almost all of the committee recommendations include advocacy work around obtaining new and increased State and Federal resources. We recommended that the City hire an advocate specifically to work on increasing housing/homelessness funding from new government sources. This is a best

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practice borrowed from the Los Angeles Homeless Services Authority. This position would cost approximately \$150,000 annually for salary, benefits, travel, and other operating costs and would more than pay for itself in terms of generating increased revenue for the City.

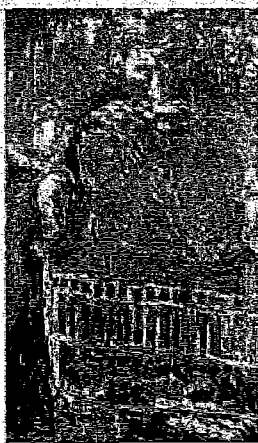
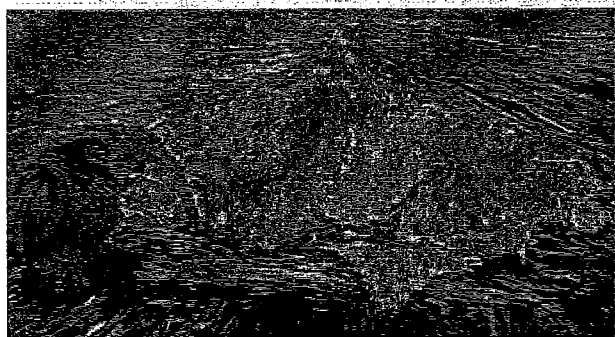
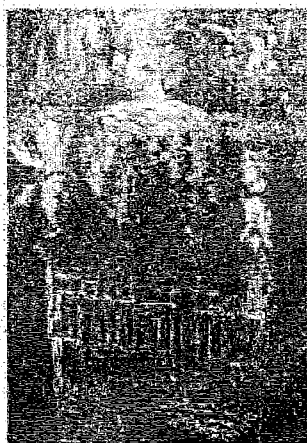
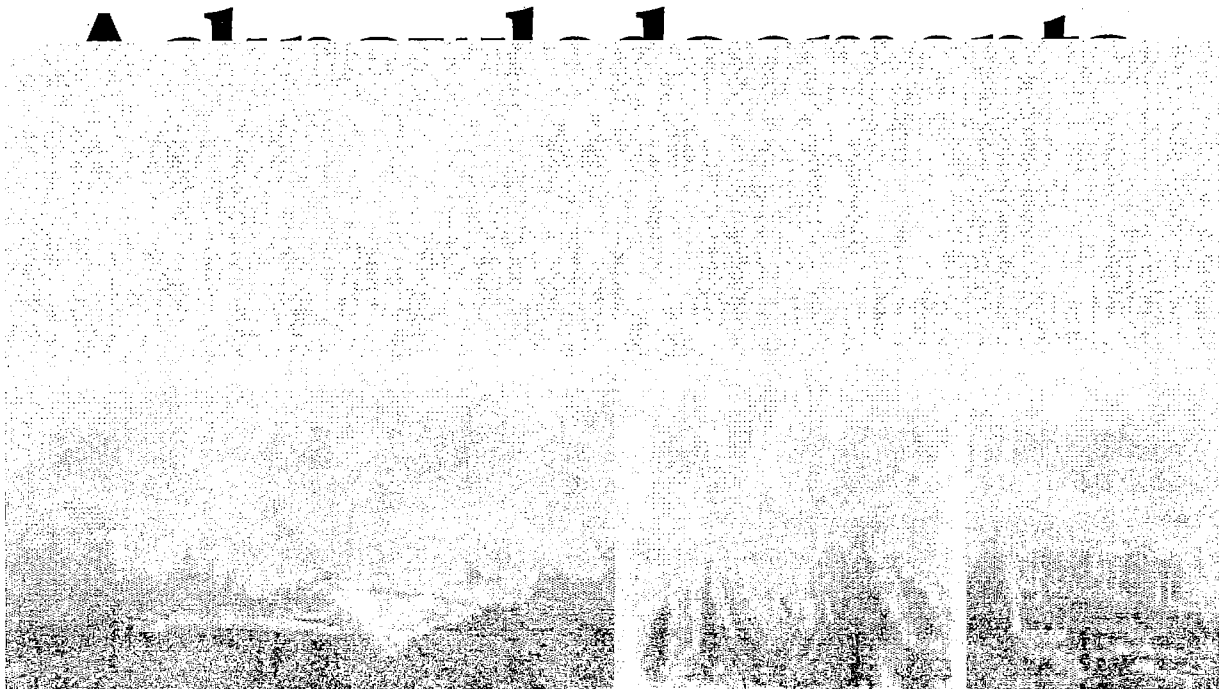
**Advocacy recommendations:**

Specific issues for the aforementioned position to work on with 10 year Council Members, elected officials, city staff, nonprofit advocates and others include:

- Supporting the National Housing Trust Fund Campaign which is organized by the National Low-Income Housing Coalition and when enacted will result in billions of dollars of new federal funds for affordable housing.
- Advocating for the preservation and expansion of the Federal Housing Choice Voucher program (Section 8) which is key to providing operating subsidies for permanent supportive housing programs and preventing very low-income households from becoming homeless in the first place.
- Supporting the Permanent Source Campaign which is organized by Housing California in order to secure ongoing, permanent revenue for California's State Housing Trust Fund to be used for affordable and supportive housing.
- Supporting the State Mental Health Services Initiative which could generate over \$50 million per year for San Francisco for mental health services.
- Advocating for funding to be restored and increased to the State Supported Housing Initiative Act (SHIA) which funds services in permanent supported housing programs.
- Supporting the passage of a local Affordable Housing Bond which will include \$85 million for capital costs of permanent supportive housing.
- Increasing ongoing dedicated revenue to SF's Housing Trust Fund, which currently receives \$5 million per year in hotel taxes and a variable amount from Redevelopment Agency Tax Increment fees. Commercial linkage fees could be increased and other new taxes could be explored with a goal of generating an additional \$10 million per year in funding for the Trust Fund.

Fund a fund development and coordination position for homeless issues:

Currently the City utilizes staff from various departments and a wide range of consultants to access existing government and philanthropic dollars. Having a resource coordination office, as recommended in Newsom's campaign policy position papers, with dedicated staff to coordinate fund development activities could increase the amount of funding that the City is able to obtain from other sources. Finding and understanding government revenue streams, developing relationships with foundations and the business sector, and writing successful grant proposals are all time intensive activities that require a fair amount of knowledge and expertise. As with the advocacy position, spending approximately \$150,000 on this position and its related costs, could potentially yield millions of dollars in new revenue for the City.



## Acknowledgements

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### **Prevention and Discharge Planning Committee Contributors:**

Special thanks to Sam Cobbs, Larkin Street Youth Services  
Penny Mitchell, S.F. General Hospital, Social Work  
Rebecca Chekouras, Homeless Advocacy Project, (HAP)  
Director of Foundation & Corporate Relations  
Katie Danielson, HAP, Supervising Attorney, Bar Association  
Teresa Friend, HAP, Attorney for the Homeless Assistance Project  
Liz Grey, Director of Community Based Health Services  
Barbara Havassy Ph.D., UCSF  
Kate Durham, In Reach  
Rosalinda Del Moral, Coordinator, Homeless Education Program, San Francisco Unified  
School District  
Frankie J. Holtz-Davis, M.S.W./C.D.V.C. III, Supervisor, Emergency Response/ Family  
Preservation, City & County of San Francisco  
Christopher Martinez, Homeless Prevention Program, Catholic Charities  
Robert Gitin, Co-founder and Director, At The Crossroads  
Lt. Larry Minasian, SFPD  
Dr. Pablo Stewart  
Jeanie Kortum, Home Away from Homelessness  
Salvador Menjivar, Hamilton Family Center

### **Permanent Supportive Housing Committee Contributors:**

Doug Shoemaker, Policy Director, Non Profit Housing Association (NPH)  
Jeff Kositsky , Executive Director, Community Housing Partnership (CHP)  
Ken Reggio, Executive Director, Episcopal Community Services (ECS)  
Kevin Sharps, Director of Housing, Episcopal Community Services (ECS)  
Kerry Abbott, Deputy Director, Tenderloin Housing Clinic  
Ali Riker, Center on Juvenile and Criminal Justice  
San Francisco Homeless Service Providers Network (SFHSPN)  
Kate Durham, Consultant, Family Supportive Housing Network  
Jim Thompson & David Baker, Tenderloin Residents  
Dept. of Human Services SRO Housing Program Case Study  
Dept. of Public Health Direct Access to Housing (DAH) Case Study  
Joel Lipski, Mayor's Office of Housing  
Olson Lee, SF Redevelopment Agency  
Pam Sims, SF Redevelopment Agency  
Chris Harris, SF Redevelopment Agency  
Elizabeth Colomello, S.F. Redevelopment Agency  
Conard House Case Study  
Swords to Plowshares Case Study  
CHP New Development Survey and Focus Group Results, Dated June 30, 2003  
Legislative Analysts Report Section 8/HOPWA waitlist procedures 12/19/2003

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### **Mainstream Health and Employment Committee Contributors**

Alan Myer, San Francisco  
Dr. Barbara Wismer, S.F. Department of Public Health  
Dr. Barry Zevin, S.F. Department of Public Health  
Dr. Daniel Wlodarczyk  
Dianne Valentine, S.F. Homeless Coalition  
Elizabeth Hewson, Community Housing Partnership  
Jackie Jenks, Hospitality House  
Jonathan Vernick, Baker Places  
Laura Ware, Supportive Housing Employment Collaborative  
Lisa Stringer, Episcopal Community Services  
Robert Cabaj, M.D., San Francisco Health Department  
Gwen Hammer, University of California, San Francisco  
Russell Berman, San Francisco Department of Public Health  
Suzanne Korey, City College of San Francisco  
Terrence M. Plagman  
Vickie Johnson, Tenderloin Self help Center  
Marie Libeson, Episcopal Community Services  
Alfred Kielwasser, Episcopal Community Services  
Marc Trotz, San Francisco Health Department  
Outreach, Assessment and Behavioral Health  
Barbara Garcia, San Francisco Health Department  
James Buick, Department of Human Services  
Dariush Kayhan, Department of Human Services  
Joanne Wilie, LCSW, UCSF  
Kathleen Connolley, LCSW, UCSF  
Kathy O'Brian, LCSW, UCSF  
Sarah Proter, Larkin Street Youth Center  
Vernon Robinson, Homeless  
Dr. Kim Norman, UCSF  
Lolita Kintanar, Episcopal Community Services  
Sarah Porter, Larkin Street Youth Services  
Sem Kosoy, Department of Human Services  
Steve Fields, Progress Foundation

### **Public Finance Sub-Committee Contributors**

Daryl Higashi, Mayor's Office of Housing  
David Grennell, Office of Supervisor Matt Gonzalez  
Debra Newlin, Office of the San Francisco Budget Analyst  
Mark Tipton, San Francisco Controller's Office  
Edwardo Cabrera, Interagency Council on Homelessness, Regional Director  
Joel Lipskey, Mayor's Office of Housing  
Michael Burke, JPS Securities

---

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Supervisor Sophie Maxwell, City Of San Francisco  
Edmund G. "Jerry" Brown, Jr., Mayor of Oakland  
Albert S. Boro, Mayor of San Rafael  
Rob Schroder, Mayor City of Martinez  
Shelia Young, Mayor of San Leandro  
Kamala Harris, San Francisco District Attorney  
Heather Hiles, Member, San Francisco Board of Education  
Florence Fang, Asian Week  
Heather Fong, San Francisco Police Chief  
Chief Joanne Hayes-White, San Francisco Fire Department  
Mindy Pengel, Deputy Police Chief, SFDA  
Jeff Adachi, Public Defender  
Roberta Rosenthal, Veterans Administration  
AnitaYoskowitz, Veterans Administration  
Anne Wilson, CEO, United Way of the Bay Area  
Peter Dougherty, Homeless Veterans Program, Veteran Affairs  
Kevin Fagan, San Francisco Chronicle  
Michael Burke, Esq.  
Franz Fuetsch, Sheriff's Department  
Leanna Dawydiak  
Michelle Ashley, NBC11  
Florence Fang  
Lance Evans  
Dr. Margot Kushel, San Francisco Health Department  
Dr. Josh Bamberger, San Francisco Health Department  
Kristie Fairchild, Executive Director, North Beach Citizens  
H. Brown, Columnist  
Edna McKinley, City of Martinez  
Pat Roberts  
John Gressman, President & CEO, SF Community Clinic Consortium  
Eleanor Jacobs, VP/Development & Community Outreach, SF Community Clinic Consortium  
Walter Johnson, Secretary-Treasurer, SF Labor Council  
Larry Mazzola, Business Manager, Plumbers Union Local 38  
Stan Warren, Secretary-Treasurer, SF Building Trades Council  
Eduardo Cabrero, U.S. Dept. of Housing and Urban Development  
Joyce Newstat, Mayor Newsom's Policy Advisor  
Shirley Howard Johnson, Johnson Consulting

---

Duane DeWitt, UC Berkeley  
Pedro Brito, Program Manager, Swords to Plowshares  
Lynne Winslow & Neil Figurelli, Winslow and Co.  
Cheryl Raines, KCBS Radio  
Arthur Castro, Philamerican Press  
Cheryl & Steve Brodie, Brodie & Brodie Photographers  
Tom Cantrell, Program Manager, Lutheran Social Services of No. California  
Candy Chan, Programming Manager, KMTP 32  
Fiona Chan, Senior Reporter, Ming Pao, Inc.  
Kelly Cullen OFM, Executive Director, Tenderloin Neighborhood Development  
Nicole Derse, Youth Empowerment Coordinator, SF Youth Commission  
Hank Donat, SF Independent  
Julie Esmiol, The Rx Advantage  
Edward G. Evans, Mayor's Disability Council  
Officer Joel Fay, Psy.D, San Rafael Police Dept.  
Mitch Fine, General Manager, Armstrong  
Cathy Garza, Advisor to Mayor Newsom  
Mary Ellen Geist, KGO 810AM  
Penni Gladstone, Staff Photographer, SF Chronicle  
Roger Gordon, Executive Director, Urban Solutions  
Rod Gould, City Manager, City of San Rafael  
Izabella Gribasnowski, VP, Russart  
Julian Guthrie, SF Chronicle  
Carol Harvey, Writer & Artist  
Lt. Al Henry, SFPD  
James M. Illig, Director of Government Relations, Project Open Hand  
Joel Richardson  
Rohan Lane, Media/Security Systems, SF City Hall  
Pius Lee, Chair, California State World Trade Commission  
Dave Levenson, President, Solutions in Health and Technology  
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Marco Sassone  
Tim Hefferson  
The Orb, Church of the Advent of Christ the King  
MacDonald Architects  
Michael Hansen, Custodial Services, SF City Hall  
Richard L. Word, Chief of Police, City of Oakland  
Dennis G. MacKenzie, M.A., Round the Diamond  
Kenneth J. Reggio, ACSW, Executive Director, Episcopal Community Services of SF  
Linzie L. Coleman, Director of Shelters, Episcopal Community Services of SF  
Lee Mackey, Client Services Manager, Dolores Street  
Sal Roselli, SEIU Local 250  
Jenna Rubin, Pohl, McNabola, Berg & Co.  
Scott J. Campbell, MD

---

Gino Lazzara, CHA, General Manager, Holiday Inn  
Fr. John Hardin, OFM Executive Director, St. Anthony's Foundation  
S. Marshall Isaacs, MD, FACEP, SF Fire Dept.  
Stephen Trull, Paralegal  
Thor Kaslofsky, Development Manager, New York  
Salvador Menjivar, Executive Director, Hamilton Family Center  
Lt. Lawrence Minasian, Tenderloin Police Station  
Charlene Padovani Mitchell, Judge of the Superior Court of CA  
Susan Mizner, Esq., Director, Mayor's Office on Disability  
Mirissa Neff, Staff Photographer, Bay Guardian  
Evan Prosser, Pastor, Temple United Methodist Church  
Rev. Gregory Richardson, Consultant, Black Pride Enterprise  
Steven B. Sachs, Director, Community Planning and Development Division, U.S. Dept.  
of Housing and Urban Development  
Len Saputo, MD, Medical Director, Health Medicine Institute  
Glenn Ortiz-Schuldt, Acting EMS Chief, SF Fire Dept.  
Jeffrey W. Shaw Sr., Community Development Advisor  
Mervyn I. Silberberg, President, San Franciscans for Neighborhood Enterprise  
Dana Smirin, Strategic Director, Natural World Museum  
Jorge A. Solis, RN, South of Market Mental Health Services  
Kenneth Stein, Program Administrator, Mayor's Office on Disability  
Pablo Stewart, MD, Chief of Psychiatry, Haight Ashbury Free Clinics  
Kym Valadez, Swords to Plowshares  
David J. Villa-lobos, District 6 Community Rep., Mayor's Office  
Sharon Williams, Case Manager, United Council of Human Services  
Jeanne Zarka, Director, Special Needs Program  
Barry Zevin, Medical Director, Homeless Programs, Tom Waddell Health Center  
Peter A. Bagatelos, Esq., Bagatelos Law Firm  
Sherry Williams, Executive Director, Treasure Island Homeless Development Initiative  
John Fa, Associate Director of Development, Presidio Trust  
Paul Osmundson, Director of Real Estate, Presidio Trust  
Edwin Wilkerson, Employment Development Department  
Michael Glandon, Physicians Outreach  
David Grenell, Aide to Supervisor Matt Gonzales  
Katherine Burke, Office of Supervisor Chris Daly  
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---

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**Represented Agencies, Companies and Community Service Organizations**

Anthony Principi, U.S. Secretary Of Veteran Affairs  
Philip F. Mangano, U.S. Executive Director of Interagency On Homelessness  
Nan Roman, National Alliance to End Homelessness  
Consul General Schortino, Italian Consulate  
Steven B. Sachs, U.S. Department of Housing and Urban Development  
Jason Coughenour, U.S. Department of Housing and Urban Development  
Eduardo Cabrero, U.S. Department of Housing and Urban Development  
The Chinese Six Companies  
Cathay Post No. 384, Department Of California  
Commander Bok Pon  
Mayor Robert Schroder, City of Martinez  
Edna McKinley, City of Martinez  
June Catalano, City Of Martinez  
Mayor Al Boro, City of San Rafael  
Pat Roberts, City of San Rafael  
Officer Joel Fay, Psy.D, City of San Rafael, Police Department  
Rod Gould, City Of San Rafael  
Mayor Sheila Young, City of San Leandro  
Mayor Jerry Brown, City of Oakland  
Chief Richard L. Word, City of Oakland, Police Department  
Terry Dugan, League Of California Cities  
Mrs. Florence Fang  
John Galen, Examiner  
Marco Sassone, world renowned painter  
Emilia Ianeva, Marco Sassone's Administrative Assistant  
Cheryl Raines, KCBS Radio

---

Kevin Fagan, Chronicle  
Candy Chan, KMTP 32, World Channel Inc.  
Arthur Castro, Philamerican Press  
Fiona Chan, Ming Pao (San Francisco) Inc.  
Cheryl And Steve Brodie, Brodie & Brodie Photographers  
Michelle Ashley, NBC 11  
Hank Donat, www.misterSF.com  
Mary Ellen Geist, KGO Newstalk Radio AM 810  
Carol Harvey, writer-artist  
Mirissa Neff, Bay Guardian  
Jim Pimental, San Francisco Examiner  
Chuck Ferris, photographer  
Janice Green, San Francisco Chronicle  
Robin Ray, KPFA Radio  
Phil Matier, Chronicle  
Chloe Drew, Congresswoman Barbara Lee's Office  
Kelly Madden, San Francisco Fire Department  
S. Marshall Isaacs, MD, FACEP, San Francisco Fire Department  
Glenn Ortiz-Schuldt, Acting EMS Chief, San Francisco, Fire Department  
Tim Hefferson, retired, San Francisco Fire Department  
Chief Heather Fong, San Francisco Police Department  
Lieutenant Lawrence V. Minasian, San Francisco Police Department  
Lieutenant Al Henry, San Francisco Police Department  
Lieutenant Tim Foley, San Francisco Police Department  
Sergeant Robert Swall, San Francisco Police Department  
Officer Lisa Maron, San Francisco Police Department  
Officer Ellina Teper, San Francisco Police Department  
Judge Charlene Padovani Mitchell, Superior Court Of CA  
Peter A. Bagatelos, Bagatelos Law Firm  
Susan Mizner, Esq., San Francisco Mayor's Office On Disability  
Edward G. Evans, San Francisco Mayor's Disability Council  
Kenneth Stein, San Francisco Mayor's Office On Disability  
Nicole Derse, San Francisco Youth Commission  
Cathy Garza, Advisor to Mayor Gavin Newsom  
Joyce Newstat, Advisor To Mayor Gavin Newsom  
Steve Kawa, Chief of Staff to Mayor Gavin Newsom  
Jennifer Petrucione, Assistant to Chief of Staff  
Myisha Hervey, Mayor Gavin Newsom's scheduler  
Jane Chew, DPH, San Francisco  
Steve Arcelona, DHS, San Francisco  
Trent Rohrer, DHS, San Francisco  
Marc Trotz, DHS, San Francisco  
Dariush Kayhan, DHS, San Francisco  
Jeanne Zarka, DHS, San Francisco  
Rohan Lane, San Francisco City Hall

---

Michael R. Hanson, San Francisco City Hall  
David J. Villa-lobos, Community Representative to the Mayor's Office, Tenderloin  
Larry Mazzola, Local 38 Plumber's Union  
Sal Roselli, Local 250, Service Workers Union  
Angelo Quaranta, Commissioner Contractors State License Board, State of California  
Michael Burke, attorney at law  
Sherry Williams, Treasure Island Homeless Development Initiative  
Elaine Molinari, Treasure Island Homeless Development Initiative  
Robert Begley, Hotel Council  
Michael Blecker, Swords To Plowshares  
Kym Valadez, Sword To Plowshares  
Pedro Brito, Swords To Plowshares  
John McCutchen, Esq., Intern  
Kyri McClellan, Compass Community Services  
Barbara Chionsini, West Of Twin Peaks Neighborhood Association  
Lynne Winslow, Winslow & Company  
Neil Figurelli, Winslow & Company  
Kelly Cullen, OFM, Tenderloin Neighborhood Development  
Irene Elizabeth O'Connell, McGuire Real Estate  
Mimi Sylbert, Delancey Street  
Shirley Lamar, Delancey Street  
Reverend Greg Richardson, Black Pride Enterprise  
Pastor Evan Prosser, The Homeless Church, San Francisco  
Reverend Schuyler Rhodes, Temple United Methodist Church  
Father Ephraim, St. Anthony's Foundation  
Reverend Bob Wade, Shelter Minister Homeless Outreach  
Kristie Fairchild, North Beach Citizens  
John Gressman, San Francisco Community Clinic Consortium  
Eleanor Jacobs, San Francisco Community Clinic Consortium  
Tom Cantrell, Lutheran Social Services of Northern California  
Sam Kowarski, Free Print Shop  
Abby Porth, Jewish Community Relations Council  
Jenna Rubin, Pohl, McNabola, Berg & Company  
Gino Lazzara, San Francisco Civic Center Holiday Inn  
Shirley Howard-Johnson, Howard Johnson Consulting  
Emily M. Newman, Chrysalis  
Abby Lehrman, Mission Neighborhood Health Center  
Arthur Bruzzone, volunteer  
Bonnie-Jean Dougherty, volunteer  
Ann Arnold, volunteer  
Matthew Chew, Intern  
Jennifer Kern, Intern  
Ricki Rafner, KBHK TV  
Pamela Pitt, Esq.

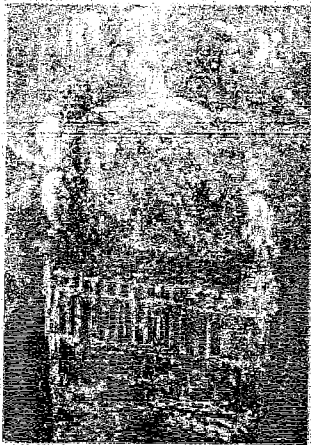
Joel Richardson, paralegal  
Steven Trull, paralegal  
Joshua D. Boxer, esq.  
Melanie Blum  
Gary LaFayette  
Eleanor Jacobs  
Keith Savage  
Craig Pavlich  
Heather Hiles  
Dan Kalb  
Lawrence Herve  
Andrew Hayes  
Michael Bailey  
Angie Leonino  
Meg Loomis  
Leanna Dawydiak  
Mary Ann Gatti  
Giovanna Rovetti  
Ave Montague  
Seamus Murphy  
Becky McKee  
Pia Hinckle  
Carol North  
Jeffrey Skaggs  
Harold Moose  
John Garibaldi  
H. Brown, volunteer  
Chris Corsglia  
Bruce Livingston  
Catherine Bigelow  
Mark Fontana  
Larry Yee  
Art Torres  
Laura Wellman  
Stan Stevenson  
Andrew Hayes  
Craig Pavlich  
Jeff Quiros  
Frank Brewer  
David Montero  
Robert Oakes  
Angelina Matarozzi  
Quintin & Charlotte Maecke  
Duane De Witt, UC Berkeley  
Scott J. Campbell, MD, Kaiser Permanente

Barbara Brown, MD  
Len Saputo, MD, Health Medicine Institute  
Jorge A. Solis, RN, South Of Market Mental Health Services  
Barry Zevin, MD, Tom Waddell Health Center  
Pablo Stewart, MD, Haight Ashbury Free Clinics  
Jay Bogey, Haight Asbury Clinic  
Sharon Williams, Bayview Hunters Point Multi-Service Drop-In Center  
Jeane Zarka, Special Needs Programs, San Francisco  
Mel Maxwell, San Francisco POA  
Julie Esmiol, The Rx Advantage  
Laurel Hafre, Hastings Law School  
Susan Luinetti, Community Impact  
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James M. Illig, Project Open Hand  
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Roger Mills, Bayview Organization  
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Lee Mackey, Dolores Street Community Services  
Paul Mohan, Larkin Street Youth Services  
Donald Macdonald, Macdonald Architects  
Dennis G. MacKenzie, MA, Round the Diamond  
Kenneth J. Reggio, ACSW, Episcopal Community Services Of San Francisco  
Linzie L. Coleman, Episcopal Community Services Of San Francisco  
Salvador Menjivar, Hamilton Family Center  
Mervyn I. Silberberg, San Franciscans for Neighborhood Enterprise  
Dana Smirin, Natural World Museum  
Karen Gruneiser, Home Base  
Marty Fleetwood, Home Base  
Dee Dee Brantly, San Francisco Foundation  
Brad Sink, San Francisco Foundation  
David Barlow, San Francisco Foundation  
Hidelita L. Sarmiento, San Francisco Foundation  
John Fa, Presidio Trust  
Paul Osmundson, Presidio Trust  
Hillary Gittleman, Presidio Trust  
Roger Gordon, Urban Solutions  
Jonathan Werle, Urban Solutions  
Jennifer Idits, Chandler Properties  
Denise McCarthy, Telegraph Hill Neighborhood Association  
Jeffrey W. Shaw Sr., Community Development Advisor  
Dan Wilkins, Legacy Films  
Chip Skovick, Leadership SF  
Bank of America  
Catholic Charities Youth Council  
City and County of San Francisco Commission on Aging  
City College of San Francisco  
Coalition on Homelessness  
Community Behavioral Services  
Community Health Network  
Community Housing Partnership  
Conard House, Inc.  
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Geary Street Merchants Association  
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Hamilton Family Center  
Harvard University  
Homeless church

Homeless Coalition  
Hospitality House  
Housing and Urban Development  
Housing and Urban Health  
Larkin Street Youth  
Local 250 SEIU  
Local Homeless Coordinating Board  
Mayors Office on Housing  
Media Wise  
Mission Resource center  
Pacific Bell  
Physicians Organizing Committee  
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San Francisco Department of Community Development  
San Francisco Department of Housing  
San Francisco Department of Human Services  
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Sunset Health Clinic  
Sutter Health Organization  
Swords to Ploughshare  
Tenderloin Housing Clinic  
Tom Waddell Health Center  
Transitional Youth Services  
UC Berkeley  
University California of San Francisco  
Walden House  
Wealth Management

1 2 3





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## Subject

access point (referral source)  
assessment  
Acute Diversion Unit  
affordable housing  
affordable housing gap  
at-risk person  
available cash  
behavioral health services  
business scholarship  
capitol development costs  
court accountable case management &  
Crime control IV:  
Criminal justice system  
debt  
debt cash flow  
debt equity financing  
default  
Department of Human Services (DHS)  
Dept. of Pub. Health Clinic  
development  
direct access to housing  
discharge planning  
distaster  
domestic abuse  
drop-in center  
Emergency Front-End Services  
emergency shelter  
employment  
equity  
eviction prevention  
finance  
formal vocational training  
free food agencies  
grant  
gross effective income  
harm reduction  
Health Department (DPH)  
homelessness  
homelessness policies  
intermediaries  
loan  
Local Homeless Coordinating Board  
locked sub-acute facility

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mainstream health  
marginal housing I  
mobile assistance patrol  
mobile crisis services  
medical - psychological care eligibility  
medical -psychological services  
medical -necessity  
net cost per unit  
net operating income  
on the job training  
Outreach services  
permanent supportive housing  
(physicians) private practitioner network  
pre development  
prevention  
public finance  
quality of life citation  
rent  
rent roll  
residential treatment facility  
San Francisco General Hospital  
scattered site housing  
self-sufficiency  
serious mental illness  
serious physical illness  
single room occupancy  
single-site housing  
site control  
San Francisco Redevelopment Agency (SFRA)  
specific quality care  
statutes for homelessness  
street person  
subsidy  
substance abuse  
suicide prevention  
supportive services  
support services cost  
temporary homelessness  
transitional housing  
transitional services  
unsafe practices  
Youth Commission  
Youth services