

[Local Operating Subsidy Program Contract - Broadway Sansome Associates, LP - 255 Broadway Street - Not to Exceed \$4,570,219]

Resolution authorizing the Director of the Mayor's Office of Housing and Community Development to execute a Local Operating Subsidy Program Grant Agreement with Broadway Sansome Associates, LP, a California limited partnership, to provide operating subsidies for formerly homeless households at 255 Broadway Street, for a fifteen-year period, in an amount not to exceed \$4,570,219.

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

WHEREAS, In 2004, the City and County of San Francisco (City) published its "Ten Year Plan to End Chronic Homelessness," and established a goal of creating 3,000 permanent affordable housing units for homeless households by 2014; and,

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

WHEREAS, All supportive housing projects selected for capital funding by the

1 Citywide Affordable Housing Loan Committee (Loan Committee) are eligible to receive
2 LOSP funds; and,

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

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

11 WHEREAS, Broadway Sansome Associates, LP, a California limited partnership
12 (the Developer), is the owner and developer of the Broadway Sansome Apartments located
13 at 255 Broadway Street (Project), which will provide 74 new units for low income
14 households, including a combined total of 36 studios, one-bedroom, and two-bedroom
15 units for formerly homeless households; and,

16 WHEREAS, On March 21, 2014, the Loan Committee recommended approval to the
17 Mayor of a LOSP grant award for the Project in an amount not to exceed \$4,570,219, which
18 would be used to subsidize the operating costs for 36 of the Project units that are
19 specifically designated for formerly homeless households; and,

20 WHEREAS, MOHCD proposes to provide a LOSP grant in the amount not to exceed
21 \$4,570,219 to the Developer pursuant to a LOSP Grant Agreement (the Agreement) in
22 substantially the form on file with the Clerk of the Board in File No. _____ and in
23 such final form as approved by the Director of MOHCD and the City Attorney; and

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1 WHEREAS, the Agreement is for a 15 year term, and therefore requires Board of
2 Supervisors authorization; and

3 WHEREAS, the Developer has applied for funding through the San Francisco
4 Local Homeless Coordinating Board Continuum of Care application for McKinney
5 Shelter Plus Care rental subsidies for a portion of units, which, if awarded, would reduce
6 the amount of the LOSP Contract by a corresponding amount; now, therefore, be it

7 RESOLVED, That the Board of Supervisors hereby authorizes the Director of
8 MOHCD or his designee to execute the Agreement for an amount not to exceed
9 \$4,570,219; and be it

10 FURTHER RESOLVED, That this Board of Supervisors authorizes MOHCD to
11 proceed with actions necessary to implement the Agreement following execution, and
12 ratifies, approves and authorizes all actions heretofore taken by any City official in
13 connection with such Agreement; and, be it

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

21
22 RECOMMENDED:

23 

24 Olson Lee, Director
25 Mayor's Office of Housing and Community Development

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

GRANT AGREEMENT

between

CITY AND COUNTY OF SAN FRANCISCO

and

BROADWAY SANSOME ASSOCIATES, L.P.,

For

BROADWAY SANSOME APARTMENTS

255 BROADWAY, SAN FRANCISCO

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

WITNESSETH:

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

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

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

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

**ARTICLE 1
DEFINITIONS**

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

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

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

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

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

"Annual Operating Budget" means the operating budget for the Project approved by City attached hereto as **Exhibit 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 36 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.

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

"Controller" shall mean the Controller of City.

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

"Director" means MOHCD'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.

"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.

"HSA" shall mean the City's Human Services Agency.

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

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

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

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

"LOSP Clients" means the formerly homeless individuals or households that MOHCD 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 MOHCD) 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.

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

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

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

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

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

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

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

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

"Project" means the seventy five (75) unit housing project commonly known as Broadway Sansome Apartments, which is located on the Real Property.

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

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

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

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

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

"Shortfall" means the amount, if any, by which 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 MOHCD to Grantee pursuant to the terms of this Agreement, which shall be made in the manner and in the amount specified in Article 5 below.

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

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

"Tenant Services Contractor" shall mean Chinatown Community Development Center, a California non-profit public benefit corporation.

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

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

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

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

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

"15-Year Cash Flow" means the cash flow projection described in the attached **Exhibit 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 MOHCD. The terms "sufficient," "necessary" or "proper" and similar terms shall mean sufficient, necessary or proper in the sole judgment of MOHCD. The terms "approval," "acceptable" or "satisfactory" or similar terms shall mean approved by, or acceptable to, or satisfactory to MOHCD. The terms "include," "included" or "including" and similar terms shall be deemed to be followed by the words "without limitation". The use of the term "subcontractor," "successor" or "assign" herein refers only to a subcontractor ("subgrantee"), successor or assign expressly permitted under Article 13.

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

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

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

payments MOHCD intended to make in such Fiscal Year, MOHCD shall have the right to reduce the amount of Program subsidy payments and to select the qualifying projects subject to such reduced payments.

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 3 TERM

The term of this Agreement (the "**Term**") shall commence on the Effective Date and shall terminate on the fifteenth (15th) 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) Commencing on the Initial Leasing Date, Grantee shall lease all of the Assisted Units to the LOSP Clients it selects from Referral Reports supplied by the City.

If an Assisted Unit lease terminates at any time, Grantee shall deliver written notice of such termination to City within five (5) business days of such termination (the "**Termination Notice Date**"). City shall accordingly deliver 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". After the Initial Leasing Date, an Assisted Unit may remain vacant during any Vacancy Period applicable to such Assisted Unit. If City fails to timely deliver the required 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 MOHCD promptly upon MOHCD'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 Tenant shall be the lower of thirty percent (30%) of a Tenant's gross monthly income, or the maximum rent allowed under the MOHCD Loan Agreement.

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

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

4.3 Operating Reserve Account; Subsidy Reserve Account. Grantee shall comply with all of its requirements for the Operating Reserve Account under the MOHCD Loan Agreement. In addition, if the Subsidy Payment made to Grantee for a 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. MOHCD's prior written consent shall not be required before Grantee can spend funds on Operating Costs that differ in amount from the amounts in the Annual Operating Budget.

Grantee can submit requests to change the amount of the Annual Operating Budget and corresponding Subsidy Payment for any year during the term by supplying a written proposal 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 MOHCD's prior written approval of both the management agent and the management contract, provided, however, that the arrangement will not relieve Grantee of responsibility for performance of those duties. A management contract must contain a provision allowing Grantee to terminate the contract without penalty upon no more than thirty (30) days' notice.

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

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

4.9 Services Agreement; Provision of Services.

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

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

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

(d) Grantee shall use good faith best efforts to deliver to MOHCD, at least 6 months prior to the Initial Leasing Date, a more comprehensive services plan and budget and to revisit property management staffing assumptions including front desk coverage and all other positions related to managing the building.

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 Four Million Five Hundred Seventy Thousand Two Hundred Nineteen Dollars (\$4,570,219) (the "**Grant Amount**"). Subject to Grantee's performance of its obligations under this Agreement and MOHCD's receipt of sufficient funds, as further set forth in Article 2, the Grant Funds shall be disbursed through Subsidy Payments.

Provided that Grantee is in compliance with all of the conditions for receipt of the First Subsidy Payment, City shall deliver the First Subsidy Payment to Grantee within ten (10) business days

immediately following the Effective 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 15-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 15-Year Cash Flow and the Subsidy Payment amounts, however, each Subsidy Payment (including the First Subsidy Payment) is subject to further adjustment pursuant to this Section and City's annual review and approval of the applicable Annual Operating Budget. The City shall reduce the subsequent Subsidy Payments by the amount of any funds held in the Subsidy Reserve Account.

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

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

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

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

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

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

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

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

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

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

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

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

5.6 Allocation of Grant Funds and Calculation of Assisted Unit Operating Costs. For the purposes of determining the Subsidy Payment and the Shortfall, City and Grantee have agreed that the parties shall allocate forty nine percent (49%) of the total Operating Costs to the Assisted Units ("Assisted Units Operating Costs") and fifty one percent (51%) 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 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 MOHCD during the Term.

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

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

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

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

firm as accurately presenting the financial position of Grantee, including any management letters supplied by the auditors.

6.5 Books and Records. Grantee shall establish and maintain accurate files and records of all aspects of Operating Expenses and Project Income and the matters funded in whole or in part with Grant Funds during the term of this Agreement. Without limiting the scope of the foregoing, Grantee shall establish and maintain accurate financial books and accounting records relating to Operating Costs incurred and paid and Grant Funds received and expended under this Agreement, together with all invoices, documents, payrolls, time records and other data related to the matters covered by this Agreement, whether funded in whole or in part with Grant Funds. Grantee shall maintain all of the files, records, books, invoices, documents, payrolls and other data required to be maintained under this Section in a readily accessible location and condition for a period of not less than five (5) years after final payment under this Agreement or until any final audit has been fully completed, whichever is later. Grantee agrees to maintain and make available to MOHCD, during regular business hours, accurate books and accounting records relating to the Project and the Tenants. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon MOHCD by this Section. All financial reports must be prepared and maintained in accordance with GAAP as in effect at the time of performance.

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

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

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

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

ARTICLE 7

TAXES

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

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

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

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

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

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

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

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

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

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

ARTICLE 8 REPRESENTATIONS AND WARRANTIES

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 11 EVENTS OF DEFAULT AND REMEDIES

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

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

(b) **Improper Use of Grant Funds; Failure to Perform Other Covenants and Obligations.** Grantee uses Grant Funds for any purpose other than for the payment of Operating Costs [OR: 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 Chinatown Community Development Center (or an affiliate thereof) is the Tenant Services Contractor.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) **Return of Grant Funds.** City may demand the immediate return of any previously disbursed Grant Funds that have been claimed or expended by Grantee in breach of the terms of this

Agreement, together with interest thereon from the date of disbursement at the maximum rate permitted under applicable law.

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

ARTICLE 12 DISCLOSURE OF INFORMATION AND DOCUMENTS

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

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

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

ARTICLE 13 ASSIGNMENTS AND SUBCONTRACTING

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

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

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

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

ARTICLE 14 INDEPENDENT CONTRACTOR STATUS

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

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

14.3 Consequences of Recharacterization.

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

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

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

ARTICLE 15 NOTICES AND OTHER COMMUNICATIONS

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

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

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

With a copy to: _____

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. 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.

➔ The requirements of Chapter 83 apply to: (a) entry level positions for work performed by a contractor in the City; (b) entry level positions for work performed on the contract in Alameda, San Francisco or San Mateo counties; (c) entry level positions for work performed on the contract on property owned by the City; and (d) entry level positions for work done under a permit authorization on a development project in the City. If the contract amount is more than \$50,000, then you must call the First Source Hiring Administrator (401-4960) to review whether Chapter 83 will apply to the contract. If it does, then insert §16.10. If the First Source Hiring Administrator grants a waiver, then §16.10 should read "Left blank by agreement of the parties."

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

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

16.18 Slavery Era Disclosure.

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

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

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

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

ARTICLE 17 MISCELLANEOUS

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

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

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

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

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

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

- Exhibit A, Projected Project Subsidy Payments
- Exhibit B, 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 15-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.	Article 7	Taxes
Section 6.5	Books and Records.	Article 9	Indemnification and
Section 6.6	Inspection and Audit.		General Liability
Section 6.7	Submitting False Claims; Monetary Penalties	Section 10.4	Required Post-Expiration Coverage.
Section 6.8	Ownership of Results.		

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 Dispute Resolution Procedure. Intentionally omitted.

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

[REMAINDER OF PAGE INTENTIONALLY BLANK]

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

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
Edwin M. Lee
Mayor

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

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

By: _____
Deputy City Attorney

GRANTEE:

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

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

**Broadway Sansome Associates,
L.P.** _____,
a California limited partnership

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

By: _____
Name: Norman Fong
Its: Executive Director

Federal Tax ID #: _____

City Vendor Number: _____

Exhibit A1/A2 – Project Annual Subsidy Payments

Exhibit B - LOSP Client Selection Criteria

Exhibit C – Legal Description of Real Property

Exhibit D – Form of Referral Report

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

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

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agreement date

EXHIBIT H
Tenant Selection Plan Policy

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

Application Process

- **Application Materials.** 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.

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

- **Limited English Proficiency Policy.** Throughout the application process, the housing provider must comply with 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:

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agreement date

- 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.²

² 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 record³ 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;⁴
 - 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:

³ 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.

⁴ 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 J – INTENTIONALLY OMITTED

EXHIBIT K – INTENTIONALLY OMITTED

EXHIBIT L

OPERATIONAL RULES FOR RESIDENTIAL CERTIFICATE OF PREFERENCE (COP) HOLDER AND ELLIS ACT HOUSING PREFERENCE (EAHP) PRIORITY

The Borrower hereby agrees that first preference in occupying units designated for Low Income Households (Low Income Units) will be given to persons displaced from their homes by redevelopment activities who have been issued a Residential Certificate of Preference (COP) and who meet all qualifications for the unit.

The Borrower further agrees that second preference in occupying units designated for Low Income Households will be given to persons displaced from their homes by an Ellis Act Eviction who have been issued an Ellis Act Housing Preference Program (EAHP) Certificate and who meet all qualifications for the unit.

For new residential developments going through the initial lease-up process, the EAHP priority shall apply to twenty percent (20%) of the Low Income Units. Thus, if the number of units available exceeds the number of qualified applicants who hold a COP or other preference as dictated by specific loan documents or marketing plan, the next priority will go to EAHP certificate holders for up to 20% of the total Low Income Units. The EAHP priority does not apply at initial lease-up or sale to buildings having four (4) or fewer Low Income Housing Units. However, the EAHP priority does apply to these same units upon re-rental.

Low Income Units with other occupancy priorities required by law, contract, or program rules may apply the COP and EAHP after other preferences, with COP holders being granted priority above EAHP certificate holders. Preferences required by a former Redevelopment Project Area Plan are not pre-empted by the COP Program or the Ellis Act Housing Preference Program. Preferences required by the LOSP, Direct Access to Housing Program, Housing First Program, or other government program are not pre-empted by the Ellis Act Housing Preference Program.

Marketing Plan

The Borrower agrees to supply Mayor's Office of Housing and Community Development (The City) with a complete and updated marketing plan at least six months prior to construction completion. This information shall not be changed without providing The City with fourteen (14) calendar days' written notice.

Outreach to Certificate Holders

The City shall furnish the following:

- Written and/or printed notices to COP and EAHP certificate holders advising them that units will soon be available. COP mailings are at the cost of the Borrower.
- Assistance to qualified tenants in filing COP and EAHP applications or referral to an appropriate housing counseling organization

The Borrower agrees to:

- During the application period, conduct at least one general informational meeting for all persons interested in applying for occupancy in the development, at which the Borrower shall review application procedures.
- Specifically for COP and EAHP certificate holders, make support services staff available to provide assistance throughout the application process, as it may be needed, with the goal of maximizing COP/EAHP participation to the extent possible. The Borrower shall ensure that COP/EAHP holders are aware that such assistance is available.

Application

A. The Borrower agrees to ask the following questions on all applications for occupancy:

1. "Have you been displaced from your home or residence by the San Francisco Redevelopment Agency?"
2. "Do you have an Ellis Act Housing Preference Certificate?"

The address from which displacement occurred shall be requested, but not required, if the applicant answers affirmatively to either question.

Pre-Lottery Application Status Reports

The Borrower agrees to supply The City with the names, addresses, and certificate numbers (when available) of applicants who indicate they are eligible for COP or EAHP priority status. A status report with this information will be provided, at a minimum, every seven (7) calendar days from the initial date applications are accepted. The City will, in turn, verify within fourteen (14) calendar days which such applicants are qualified as COP or EAHP certificate holders.

If material supplied in any application by a COP or EAHP holder indicates ineligibility on its face because of the Borrower's rules and regulations, such applicant will be notified in writing within seven (7) calendar days, with a copy to The City. The status report to The City shall reflect that the application has been closed and shall indicate the reason for rejection.

After the application period has closed, and prior to lottery proceedings, a non-prioritized list of all interested applicants will be provided to The City. The list shall include applicant names, addresses, and whether the applicant holds a COP or an EAHP certificate.

Lottery

Borrowers shall ensure that all COP holders receive first priority for occupancy and EAHP certificate holders receive second priority for occupancy in 20% of units, except in cases where approved and documented occupancy priorities preempt the COP and EAHP preferences. EAHP certificate holders who are not offered a unit in the 20% set aside shall have equal chance at any remaining units as other qualified applicants.

The Borrower shall hold a public lottery to select renters. Applicants who submit a complete application by the application deadline receive a numbered lottery ticket whose twin ticket is entered into the lottery. Upon pre-approval from The City, lotteries may also be conducted using names of applicants. Lotteries are held in a public, accessible location. Applicants are invited to attend lotteries, but attendance is not mandatory.

To conduct the lottery, The City and/or the Borrower shall pull application tickets from a vessel and order and record the lottery results in rank order by application ticket number. When using names, Borrower shall pre-enter all applicant names onto individual name cards. All EAHP certificate holders should have two name cards. Names shall be pulled from a vessel in rank order. There should be separate lotteries held for each preference. First, COP holders will be drawn and ranked, followed by EAHP applicants, followed by applicants from the general population. The EAHP certificate holder's second card will be included in the general lottery. Electronic lotteries are not allowed.

The Borrower should use a large computer or projector screen or hand printed flip chart sheets to display all numbers/names drawn and the sequenced lottery number assigned for each preference lottery and the general lottery. This can be done by listing all applicants in separate columns under each preference category.

The Borrower should record each name card/number ticket assigned a lottery number onto a computer master list as well as a hand printed paper list for double checking. Results will remain projected on a screen or posted flip chart paper throughout the lottery drawing process for the public to view and record results.

The Borrower shall record the order of lottery numbers/names drawn and produce a final lottery list for each preference and for the general lottery. Once the lottery preferences have been confirmed and applied, applicants shall be notified of their position in the lottery.

Post-Lottery Status Report

Within seven (7) business days of any lottery the Borrower shall supply The City with the lottery results including the rank order of each applicant and a record of COP and EAHP certificate holders.

Thereafter, at least every seven (7) calendar days following any lottery or upon initiating lease-up, the Borrower shall supply The City with a "status report" listing names, addresses, and certificate numbers (when available) of COP and EAHP certificate holders indicating the status of each application as of that date until all Low Income Units are leased. If ineligibility is determined, the applicant will be notified in writing within one week after such determination is made, with a copy to The City. These applicants will also appear on the status report.

Response Deadline

Applicants who have been accepted and notified in writing by the Borrower shall have at least ten (10) calendar days thereafter to enter into a lease agreement. If the applicant fails to affirmatively respond, the application may be closed, making that unit available to the next

eligible tenant. Written notice shall be provided to applicants whose applications are closed after 10 days due to a lack of response. Rejection of the unit by a COP or EAHP certificate holder and closed applications must be shown on the status report to The City.

Final Documentation

Within fourteen (14) calendar days after execution of a lease, the Borrower shall supply The City with a copy of the following for all COP and EAHP tenants:

- signed copy of lease
- copy of complete application
- a demographic report on all COP and EAHP applicants

Re-rental of Low Income Units

Upon re-rental of any Low Income Unit or when re-opening the project waitlist to new applicants, the Borrower shall notify The City in advance of any vacancy or waitlist opportunity. In no event shall The City be notified fewer than thirty (30) days before the date of re-occupancy for a vacant unit. In no event shall The City be notified fewer than thirty (30) days before a closed waitlist is re-opened for new applications. Violation of the thirty (30) day notification requirement may delay re-occupancy.

Appeals, response deadline, application forms, and final documentation requirements listed above shall apply to all re-rentals.

Waitlists

Borrowers filling unit vacancies off a waitlist must accept applications from approved COP and EAHP certificate holders at any time, regardless of whether the waitlist is closed to other applicants. If a COP or EAHP certificate holder is found eligible for a Low Income Unit in the building, they shall be placed at the top of the waitlist.

No more than seven (7) calendar days following the date that any new applications are accepted for a waitlist, the Borrower shall supply The City with a status report listing names, addresses and certificate numbers (when available) of COP and EAHP certificate holders indicating the status of each application as of that date and the reason for any rejections.

The City will, in turn, verify within seven (7) calendar days which such applicants are qualified as COP or EAHP certificate holders.

On an annual basis and each time a new waitlist is established, The City shall be provided with a complete list of all applicant names, rank on the waitlist, and whether they hold a COP or EAHP certificate upon finalization of the waitlist.

Lotteries

Borrowers that fill unit vacancies using a lottery process must adhere to the procedures pertaining to lotteries and status reports for new and vacant buildings.

Other Re-rental Processes

Borrowers that fill unit vacancies using some other process than an established waitlist or a lottery, such as those who use a first-come first-served method, must consult The City prior to beginning the lease up process. This will ensure a fair, transparent process that adheres to the required COP and EAHP priorities.

Exhibit A1/A2 – Project Annual Subsidy Payments

255 Broadway
2/1/2015

Exhibit A-2: LOSP Funding By Calendar Year

	2/1-6/30	7/1-12/31	TOT	Total Months
2015	\$98,423.38	\$118,108.06	\$216,531.43	11
	1/1-6/30	7/1-12/31	TOT	Total Months
2016	\$122,316.82	\$122,316.82	\$244,633.65	12
2017	\$127,016.50	\$127,016.50	\$254,033.01	12
2018	\$131,887.87	\$131,887.87	\$263,775.74	12
2019	\$137,065.40	\$137,065.40	\$274,130.81	12
2020	\$138,829.25	\$138,829.25	\$277,658.50	12
2021	\$144,253.25	\$144,253.25	\$288,506.50	12
2022	\$150,044.59	\$150,044.59	\$300,089.18	12
2023	\$155,699.28	\$155,699.28	\$311,398.56	12
2024	\$161,735.01	\$161,735.01	\$323,470.03	12
2025	\$167,989.15	\$167,989.15	\$335,978.30	12
2026	\$174,220.04	\$174,220.04	\$348,440.07	12
2027	\$180,458.37	\$180,458.37	\$360,916.73	12
2028	\$180,879.71	\$180,879.71	\$361,759.42	12
2029	\$188,142.23	\$188,142.23	\$376,284.47	12
	1/1-1/31	n/a		
2029	\$32,612.80	n/a	\$32,612.80	1
			\$4,570,219.19	180

Exhibit A-1: LOSP Disbursement Schedule By Fiscal Year

		2/1-6/30	TOT	Total Months
2014-15		\$98,423.38	\$98,423.38	5
sent to sponsor btwn 7/1 & 9/1	7/1-12/31	1/1-6/30	TOT	Total Months
2015-16	\$118,108.06	\$122,316.82	\$240,424.88	12
	7/1-12/31	1/1-6/30		
2016-17	\$122,316.82	\$127,016.50	\$249,333.33	12
2017-18	\$127,016.50	\$131,887.87	\$258,904.37	12
2018-19	\$131,887.87	\$137,065.40	\$268,953.27	12
2019-20	\$137,065.40	\$138,829.25	\$275,894.65	12
2020-21	\$138,829.25	\$144,253.25	\$283,082.50	12
2021-22	\$144,253.25	\$150,044.59	\$294,297.84	12
2022-23	\$150,044.59	\$155,699.28	\$305,743.87	12
2023-24	\$155,699.28	\$161,735.01	\$317,434.29	12
2024-25	\$161,735.01	\$167,989.15	\$329,724.16	12
2025-26	\$167,989.15	\$174,220.04	\$342,209.19	12
2026-27	\$174,220.04	\$180,458.37	\$354,678.40	12
2027-28	\$180,458.37	\$180,879.71	\$361,338.08	12
2028-29	\$180,879.71	\$188,142.23	\$369,021.94	12
	7/1-12/31	1/1-1/31		
2029-30	\$188,142.23	\$32,612.80	\$220,755.04	7
	n/a			
n/a	n/a		n/a	0
			\$4,570,219.19	180

Exhibit B - LOSP Client Selection Criteria

**BROADWAY SANSOME
RESIDENT SELECTION POLICY**

Final Draft



Chinatown Community
Development Center
華埠中心

Section 504 Equal Access Statement

Resident Selection Policy

For mobility impaired persons -- this document is kept in the office at each property that is managed by Chinatown Community Development. This document may be examined during the business hours at each property. You must phone to make arrangements to examine this document. Please call 415-984-1450 and TTD/TTY users may dial 415-984-9910.

For vision impaired persons -- This property will provide a staff person to assist a vision impaired person in reviewing this document. Assistance may include: describing the contents of the document, reading the document or sections of the document, or providing such other assistance as may be needed to permit the contents of the document to be communicated to the person with vision impairments.

For the hearing impaired -- This property will provide assistance to hearing impaired persons in reviewing this document. Assistance may include provision of a qualified interpreter at a time convenient to both the Property and the individual with handicaps. Please call the TTY number 1-415-984-9910 for our number and to schedule an appointment.

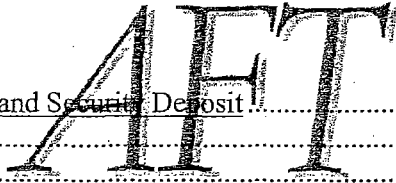
Assistance to insure equal access to this document will be provided in a confidential manner and setting. The individual with disabilities is responsible for providing his/her own transportation to and from the location where this document is kept.

If an individual with disabilities is involved, all hearings or meetings required by this document will be conducted at an accessible location with appropriate assistance provided.

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I. Fair Housing and Equal Opportunity requirements, Statements of Non-Discrimination

It is the policy of Chinatown Community Development Center, (CCDC) the Developer, and Chinatown Community Development Center, (CCDC) the Management Company for the property, to comply fully with Title VI of the Civil Rights Act of 1964, Title VIII and Section 3 of the Civil Rights Act of 1968 (As amended by the Community Development Act of 1974), Executive Order 11063, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and any legislation protecting the individual rights of residents, applicants or Staff which may subsequently be enacted.

CCDC does not discriminate based on race, color, religion, sex, national origin, age, familial status, handicap, ancestry, medical condition, physical handicap, veteran status, sexual orientation, AIDS, AIDS related condition (ARC), mental disability, or any other arbitrary basis in the leasing, rental, or other disposition of housing or related facilities, (including land), included in any Development or Developments under its jurisdiction or in the use or occupancy thereof.

CCDC shall not on account of race, color, sex, religion, age, handicap, disability or national origin:

- A. Deny to any applicant the opportunity to apply for housing, nor deny to any eligible applicant the opportunity to rent suitable housing.
- B. Provide housing that is different than that provided others;
- C. Subject a person to segregation or disparate treatment;
- D. Restrict a person's access to any benefit enjoyed by others in connection with the housing program;
- E. Treat a person differently in determining eligibility or other requirements for admission;
- F. Deny a person access to the same level of services, or
- G. Deny a person the opportunity to participate in a Planning or advisory group, which is an integral part of the housing program.

CCDC shall not automatically deny admission to a particular group or category of otherwise eligible applicant. Each applicant will be treated on an individual basis in the normal processing routine.

CCDC will seek to identify and eliminate situations or procedures that create a barrier to equal housing opportunity for all. In accordance with Equal Access Statement, CCDC will make reasonable accommodation for individuals with handicaps or disabilities (applicants or residents). Such accommodations may include changes in the method of administering policies, procedures, or services.

In addition, CCDC may perform structural modifications to housing and non-housing facilities on sites where such modifications would be necessary to afford full access to the housing program for qualified individuals with handicaps. In reaching a reasonable accommodation with, or performing structural modifications for, otherwise qualified individuals with handicaps, CCDC is not required to:

- A. Make structural alterations that require the removal or altering of a load-bearing structural member;



- B. Provide an elevator in the housing property solely for the purpose of locating accessible apartments above ~~or below the grade level;~~
- C. Provide supportive services that are not already part of its housing programs;
- D. Take any action that would result in a fundamental alteration in the nature of the program or service;
- E. Take any action that would result in an undue financial and administrative burden on CCDC, including structural impracticality as defined in the Uniform Federal Accessibility Standards.

II. Privacy Policy and Drug Free Policy

It is the policy of the Property to guard the privacy of individuals conferred by the Federal Privacy Act of 1974, and to ensure the protection of such individuals' records maintained by CCDC. Therefore, neither CCDC nor its agents or staff shall disclose any personal information contained in its records to any person or agency unless the individual about whom information is requested shall give written consent to such disclosure.

This privacy policy in no way limits the ability of the Staff of this property (hereafter referred to as "Staff") to collect such information as it may need to determine eligibility, compute rent, or determine an applicant's suitability for tenancy.

Consistent with the intent of Section 504 of the Rehabilitation Act of 1973, any information obtained on handicap or disability will be treated in a confidential manner.

CCDC is committed to maintaining a safe and productive environment for all its residents, employees, guests and visitors. The illegal or irresponsible use of controlled substances, prescription drugs, and the use of illegal drugs or inhalants can impair performance and jeopardize the safety of all.

The Staff will strictly enforce an anti-drug policy that prohibits the following by residents, guests, and any other visitor to the property:

- A. The manufacture, sale, distribution, illegal use or possession (without a prescription) of a controlled substance with the intent to manufacture, sell, distribute, or illegally use such substance, at any time in the room, on the property, or near the premises;
- B. The engagement in any act intended to facilitate criminal activity, including drug-related criminal activity in the apartment, on the property, or near the premises;
- C. The permission given for the apartments, or the property, to be used for or to facilitate criminal activity, including drug-related activity, regardless of whether the individual undertaking the activities is the resident, is strictly forbidden.

In accordance with the Lease signed and executed between each resident and this property, a single violation of this policy will constitute a material violation of the Lease and will be grounds for termination.

III. Affirmative Fair Housing Marketing – Pursuant to applicable program regulations, all publications, outreach flyers and media advertisement shall display the Equal Housing Opportunity logo or the words "Equal Housing Opportunity" and provide accessibility

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information concerning location of services, activities, and facilities. Broadway Sansome affirmatively markets to groups least likely to apply for the housing. Broadway Sansome Affirmative fair Housing Marketing Plan will be made available to the public.

IV. Marketing and Advertisement – Advertising/Announcement content will indicate where and when people can pick up applications for the waiting list and will provide as much information as feasible regarding the documents necessary to submit an application

Notices will be sent to non-profit organizations/low income housing advocacies and other agencies (San Francisco Housing Authority and Mayor's Office of Housing, e.g.) serving low-income households. Announcements/flyers will be posted at the central office and other buildings managed by CCDC. For the initial Rent Up, ad will also appear in newspapers/publications. Because of cost factors, ads will not appear in local newspapers after initial marketing efforts.

Broadway Sansome will not advertise in languages that its on-site employees are unable to speak or understand. A language access resource list will be provided upon request.

V. Qualifying for Admission

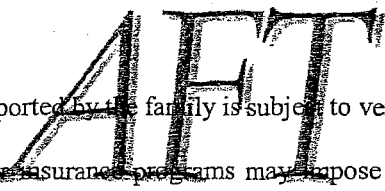
Specific qualifications for a property are included in ATTACHMENT A of this Policy.

Being eligible, however, is not entitlement to housing. In addition, every applicant must meet the Resident Selection Criteria outlined in this Policy. This criterion is used to demonstrate the applicant's suitability as a resident using verified information on past behavior to document the applicant's ability, either alone or with assistance, to comply with essential Lease provisions and any other rules governing tenancy.

The applicant household will be judged on past habits and practices related to tenancy and not on any attribute or behavior which may be imputed to a particular group or category of persons of which an applicant may be a member.

In addition to being eligible, only the following applicants will be admitted:

- A. One or more persons living together, including Live-in Aides, and members temporarily absent, may be considered a part of the household group if they are living or will live regularly with the household.
- B. The family's annual income must not exceed program income limits.
- C. Applicants must disclose valid social security numbers for all family members.
- D. All adults in each applicant family must sign an Authorization for Release of Information prior to receiving assistance and annually thereafter.
- E. The unit for which the family is applying must be the family's primary residence.
- F. An applicant must agree to pay the rent required by the program.



- G. All information reported by the family is subject to verification.
- H. Various subsidy or insurance programs may impose additional occupancy restrictions. (Please refer to ATTACHMENT A for type of Program at a specific property.)
- I. Whose household will meet or exceed the other Resident Selection Criteria set forth in this Policy.

VI. Occupancy Standards

The applicant's household composition must be appropriate for the apartment in the property in accordance with the following occupancy guidelines:

<u>APARTMENT SIZE</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>
Studio	1	2
1-Bedroom	1	3
2-Bedroom	2	5
3-Bedroom	3	7

- A. When determining the size of the apartment for which the household qualifies, Staff must include the following individuals who are not living in the unit:
 - 1. Children temporarily absent due to placement in a foster home;
 - 2. Children in joint custody arrangements who are present in the household 50% or more of the time. *If disputed, determine which parent claimed the children as dependents for purposes of filing federal income tax return*;
 - 3. Children who are away at school but who live with the family during school recesses;
 - 4. Unborn children of pregnant women (as self-certified by the woman);
 - 5. Children who are in the process of being adopted;
 - 6. Temporarily absent family members who are still considered family members
 - 7. Family members in the hospital or rehabilitation facility for periods of limited or fixed duration are considered a family member. These persons are temporarily absent; and
 - 8. Persons permanently confined to a hospital or nursing home. The family decides if such persons are included when determining family size for income limits. (Please note, the owner will need to include the income received by the confined person in calculating family income).
- B. Apartments with special design features are reserved for those persons who have disabilities and their disability is of a nature that they require these features.
- C. In the event that an apartment with special design features is vacant and an applicant requiring the special design features is not available to rent the apartment, another applicant may be housed in the accessible apartment after signing a statement that s/he will transfer to a non-accessible apartment when one is available and move at his/her own expense.



VII. Application Intake and Processing

It is the policy of CCDC to accept and process applications in accordance with applicable Handbooks and Regulations.

Admission Preferences

Priority will be first given to 14 displaced households due to construction and operation of the Central Subway Chinatown Station (the Central Subway Project). These households will not be included in the lottery process. All 14 displaced households will be subject to the income and resident qualification set forth in this policy.

SFHSA Local Operating Subsidy Program- LOSP Units

Second preference will be given to LOSP applicants. LOSP (*Local Operating Subsidy Program*) is a program designated to serve homeless families referred through systems established by the HSA (Human Service Agency) of San Francisco. See Attachment B for more information.

SFHSA- LOSP Eligibility Criteria

- 1) Household consists of at least one adult (18 and over) and one minor child with documentation of familial status or guardianship, or homeless pregnant woman.
- 2) Household income does not exceed 50 percent of area median income (AMI).
- 3) Household meets the City's homeless definition (see below)

The term "HOMELESS" includes individuals or families who lack a fixed, regular, and adequate nighttime residence and who have a primary nighttime residence in one or more of the following categories:

Shelter - Anyone staying in a mission or homeless or domestic violence shelter, i.e., a supervised public or private facility that provides temporary living accommodations.

Anyone displaced from housing due to a disaster situation.

Street - Anyone staying outdoors; for example, street, sidewalk, doorway, park, freeway underpass.

Vehicle - Anyone staying in a car, van, bus, truck, RV, or similar vehicle.

Make-Shift - Anyone staying in an enclosure or structure that is not authorized or fit for human habitation by building or housing codes, including abandoned buildings ("squats") or sub-standard apartments and dwellings.

Doubled-Up - Anyone staying with friends and/or extended family members (excluding parents and children), because they are otherwise unable to obtain housing, **or**, any family with children staying in a Single Room Occupancy (SRO) hotel room - whether or not they have tenancy rights, **or**, anyone staying in temporary housing for less than 6 months, and the accommodations provided the person is substandard or inadequate, for example, garage, small room, overly crowded space.

Transitional - Anyone staying in a Single Room Occupancy (SRO) hotel room without tenancy rights, **or**, anyone formerly homeless (formerly in one of the above categories) who is now incarcerated, hospitalized, or living in a treatment program, half-way house, transitional housing, **or**,

Anyone formerly homeless (formerly in one of the above categories) who has obtained supportive housing or permanent housing for less than 30 days.

UNLESS the household is a current tenant at another LOSP unit in the SFHSA portfolio being presented by HSA for referral necessitated by: CCDC approved reasonable accommodation, over/under occupancy, or other HSA-approved change. In these cases the original Certification of Homelessness submitted at initial placement will be accepted. All referrals must meet all other program requirements for the property and the unit placement.

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HSA defines "other HSA-Approved Change" as a move/transfer from one unit/building to another based on an issue, such as a life safety or critical location move, to be determined by HSA on a case-by-case examination that includes input from the proposed new site's property management.

EAHP (Ellis Act Housing Preference) Certificate Holders

Third preference will be given to EAHP Certificate Holders. Per MOHCD regulations, EAHP certification holders are to be given priority to apply to twenty percent (20%) of the affordable housing units during initial lease up. EAHP holders must meet all qualifications stated in this resident selection criteria.

Outreach to EAHP Certificate Holders

City of San Francisco shall furnish the following:

- 1) Written and/or printed notices to EAHP certificate holders advising them that units will soon be available.
- 2) Assistance to qualified tenants in filing EAHP applications (when possible) or referral to appropriate housing counseling organization.

Lottery Procedures

Specific outreach and lottery procedures in the approved marketing plan for the development will ensure a transparent and fair process.

Applicants who submit a complete application by the application deadline will receive a numbered lottery ticket whose twin ticket shall be entered into the lottery. EAHP certificate holders will receive one numbered lottery ticket that will be entered into both the EAHP lottery and the general lottery. Incomplete applications will be denied and will not be entered into either lottery. Applicants shall be invited to attend lotteries, but attendance is not mandatory.

To conduct the lottery, Chinatown CDC shall pull application tickets from a vessel and order and record the lottery results in rank order by application ticket number. There will be two separate lotteries held. First, EAHP applications will be drawn and ranked, followed by general applicants. After the EAHP lottery is conducted and recorded all EAHP applicant lottery tickets will be combined with the general lottery. After the lottery, the final lottery lists shall be produced by Chinatown CDC and approved by MOHCD. Chinatown CDC staff will notify applicants of their position in the lottery.

Initial Rent Up of a Property Using a Lottery Process

Applications will be made available at 1525 Grant Avenue, San Francisco, CA 94133 and to our list of community based organizations (final locations are to be determined) or through Chinatown Community Development Center's website. Applications must be sent to:

Chinatown Community Development Center
Attn: Property Management Department
P.O. Box XXXXX (TBD)
San Francisco, CA 94133

Applications must be received by the deadline. Any applications received after the deadline will be denied. All applications will be date stamped upon receipt. Preferences will be given to tenants who have been displaced from other units in the City by rehabilitation or construction work during ongoing lease-ups of units as long as long as they are qualified applicants. Applicants will be required to indicate on

their application if they believe ~~they qualify~~ for a preference,

Every application must be ~~completed and signed~~ by the head-of-household and/or co-head and other adult members. All other members of the household will be listed on the application form. All applicants with complete applications will have their names pre-entered into a lottery process.

Processing Applications When a Waiting List is Open

- A. All applications are available at specific distribution sites. Failure to respond to inquiries regarding an application may result in withdrawal of an application from further processing. Management may make exceptions to the procedures described herein to take into account ~~circumstances beyond the applicant's control, for example, medical emergencies.~~
- B. Written applications must be accepted from anyone who wishes to apply. Subsequent review may eliminate some applications from households that do not qualify and they will be so informed.
- C. Applications must be returned to the location specified in the application packet. When an application is received at a property, it will be date and time stamped and the name added to the bottom of the Waiting List.
- D. Every application must be completed and signed by the head-of-household and/or co-head and other adult members. All other members of the household will be listed on the application form. Staff will assist any applicants who might have trouble completing the application form. This assistance might take the form of answering questions about the application, helping applicants who might have literacy, vision or language problems and, in general, making it possible for interested parties to apply for assisted housing.
- E. All applications will be prescreened to determine if the household income meets the minimum and maximum income limits of the financial program and the size of the household is within the minimum and maximum occupancy standards of the property to which the household is applying. If the applicant is not eligible, he/she will be notified in writing that s/he is not eligible for further processing.

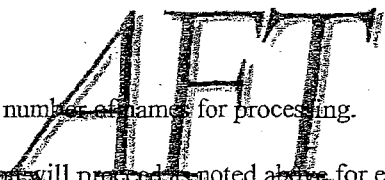
SFHSA-LOSP Waitlist

Thirty-six (36) units at Broadway Sansome Apartments will receive Local Operating Subsidy (LOSP) funds, and tenants will be referred through SFHSA. SFHSA waitlist **will not** be a wait list maintained on-site. SFHSA does not maintain a waitlist for housing opportunities. Rather, when a unit becomes available, Broadway Sansome will request a referral from SFHSA and SFHSA will provide referrals in accordance with its Homeless Family Referral Process. The referral process is included as an appendix to this Resident Selection Criteria. At Broadway Sansome Apartments, 18 units will be referred through the standard SFHSA Access Point process, and 18 units will be referred solely through two access points serving families in Single Room Occupancy buildings: 1) the SRO Families Collaborative, 2) and Mission Families in SROs.

When vacancies occur, Management staff will contact the SFHSA Placement Coordinator to obtain current applicant references from a SFHSA Access Point Agency.

Generally, use of waiting lists is as follows:

- When a vacancy occurs, HSA will contact the appropriate agency for that vacant unit's designation.



- The agency will forward a number of names for processing.
- The eligibility determination will proceed as noted above for each agency.
- The Waiting List is periodically updated by each agency. Chinatown CDC does not and will not have access to this process.
- Prospective tenants may contact the appropriate agency to determine their place on their waiting list. Chinatown CDC does not and will not have access to this information, but will have contact information available relative to those agencies.
- ~~Following initial rent up of the property, the SFHSA referral process will adhere to SFHSA approved procedures as outlined in the attached document.~~

Interviews and Verification Process

When applicants' names approach the top of a Waiting List, they will be contacted for an interview and a written notice is sent. If a household does not respond in ten calendar days, the interview will be scheduled with the next households on the waiting list. If a household replies to the notification and is not interested, the application will retain its position on the waiting list; an applicant may turn down an interview appointment one time for a vacant unit before his/her name is removed from the waiting list. If management does not receive a reply within five working days of the second offer to be interviewed, the applicant will be notified in writing of his/her removal from the waiting list. Interviews shall be conducted in accordance with requirements set forth by applicable regulatory agencies.

After an applicant's name has been placed on the Waiting List, s/he may tell Staff of any special requirements his/her household may have for delaying the final processing should his/her name becomes the first name on the List. In other words, if a household has just signed a one year lease elsewhere, the household cannot respond to a move in request from CCDC until the one year lease term has been completed. This type of comment must be written in the Comment Section on the Waiting List in order for them not to be called and for the household to maintain its place on the List.

The following items will be received to determine eligibility and suitability for admission to this property.

- A. Eligibility information
- B. Annual Income information
- C. Assets and Asset Income information
- D. Social Security Numbers of all household members
- E. Birth Certificates for all children under 18 years old

All adult household members must be present at the interview or the application cannot continue to be processed.

Priority for Accessible or Adaptable Apartments

Apartments with special design features are reserved for those persons who have disabilities and their disability is of a nature that they require these features will have first priority. Broadway Sansome has units reserved for the visual and hearing impaired which include but are not limited to: strobe lights connected to the doorbells and accessible units which include but not limited to: larger bathrooms, adjustable kitchens, etc.

NOTE: Current residents in good standing requiring accessible/adaptable apartments shall be given priority over applicants requiring the same type of apartment. Where no such applicants or current

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residents are at hand, management reserves the right to hold such apartments available while outreach efforts are in process to obtain applicants with the need for such apartments. Where non-handicapped persons are moved into apartments designed to meet special needs, they shall do so only after signing a Lease addendum agreeing to move to an apartment with no design features should an applicant or current resident require an accessible apartment of the type currently occupied by the non-handicapped person. The required move would be at the resident's own expense.

VIII. Waiting List Management

It is the policy of CCDC to administer its Waiting Lists as required by all of the handbooks and regulations of the regulatory agencies involved in the financing of this property. All applicants will be contacted at least once per year to indicate his/her continued interest in remaining on the List. Staff will mail a letter to each applicant requesting this information and asking if there has been a change in household composition, income, assets, social security numbers, etc. If the letter is not returned by the stated deadline date in the letter and/or the applicant does not phone the office to indicate his/hers continued interest to remain on the Waiting List, the applicant's name will be crossed out/canceled on the Waiting List noting that the applicant did not respond by the deadline date stated in the letter. Applicants are responsible for notifying Staff when they have a change of address and phone number and when he/she does call a property, Staff must make a notation on the Waiting List in the Comment Section of the changes.

Waiting Lists

There will be one Waiting List listing the applicants in the order that applications were received or listed at the time of initial rent up, indicating when an applicant requires the special design features of an accessible apartment, the size of the apartment required, the income as stated on the application, and the income level of the apartment requested.

Should an applicant become eligible for another size apartment while on the Waiting List, this will be noted on the List. If an applicant's household size increases and there are no appropriate size apartments at this property, the applicant will be notified in writing of this.

Transfer Waiting Lists

The property will maintain a separate In House Transfer Waiting List. A current resident who wants to transfer may be placed on the Transfer Waiting List under the following conditions:

- A. A current household may request an apartment wherein only part of the household will move to the new apartment and remaining members will continue to reside in the original apartment. This is **not** considered a transfer but rather that a new household is being created. In this case, the new household will not have priority over outside applicants and his/her application will be processed according to this Policy and the new household must meet all eligibility criteria when the Waiting List is open.
- B. The household size changes so that the current apartment size is no longer appropriate and the household is overcrowded or under housed and an apartment transfer is required.
- C. An apartment transfer is needed for medical reasons and this has been verified by a medical practitioner and approved by the 504 Coordinator.
- D. The household develops a need for an apartment with special design features.
- E. If a resident requests a transfer for any reason than these listed, the Resident Manager will discuss the request with his/her Property Supervisor.

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When an apartment becomes available, in most cases, the first household on the Transfer Waiting List will be offered the appropriate size and/or type of apartment. The resident on the Transfer Waiting List may refuse one apartment offered and remain on the List. If the resident refuses a second apartment offered, his/her name will be placed at the bottom of the Transfer Waiting List and the apartment will be offered to the next resident eligible for the size and/or type of apartment becoming available.

When a household is over-occupying or under-occupying an apartment and needs to be moved, these households will have priority over other households listed on the Transfer List due to regulatory requirements. In addition, because moving households from one apartment to another can create a loss of revenue for the property, the Property Supervisor may determine that it is in the best interest of the property for an apartment to be offered to the next applicant on the (external) Waiting List. Staff also may deny a household from moving to another apartment because the household is not in good standing with the property in which it lives, i.e., non-payment of rent, bad housekeeping habits, disturbing neighbors, etc.

Maintaining the Waiting List

The Property Supervisor at CCDC will provide the Waiting List to each property and **no other Waiting List will be used**. In order to satisfy regulatory agencies that the List has not been manipulated over the years to admit one applicant over another, old Waiting Lists must be kept on file.

Opening and Closing the Waiting List

In order to maintain a sufficient number of applicant names on the Waiting Lists, Staff may, at its discretion, restrict application taking, suspend application taking, and close waiting lists. Staff will also update the waiting list at least once per year by removing the names of those who are no longer interested in or no longer qualify for housing.

Decisions about closing the waiting list will be based on the number of applicants on the Waiting Lists and the ability to house an applicant in an apartment within a reasonable period of time. Closing the waiting lists, restricting intake, or opening the waiting lists will be done in accordance with the following:

- A. The Property Supervisor will decide when to close the Waiting List based on the number of applicants on the List. This is determined when the list of applicants is 10 times the number of vacancies in the past 6 months.
- B. A notice of the closing of any Waiting List will be prominently posted in the office that states the Waiting List (specifying for which type of apartment) is closed and which is open.
- C. When a Waiting List is to be re-opened, the procedures in the Affirmative Housing Fair Marketing Plan will be followed.

Canceling Applications on a Waiting List

Whenever a name is crossed out/canceled on the Waiting List, the applicant is notified in writing of this occurrence. Staff will not cross out/cancel an applicant's name on a Waiting List unless:

- A. An applicant requests in writing that his/her name be crossed out/canceled; or
- B. An applicant was clearly advised of the requirement to inform Staff of his/her continued interest in housing by a particular time and failed to do so; or
- C. Staff made a reasonable effort to contact the applicant to determine if there is continued interest in housing but has been unsuccessful; or
- D. Staff has notified the applicant with a Waiting List cancellation letter sent by regular mail of its

intention to cross out/cancel the applicant's name because the applicant no longer qualifies for assisted housing or Staff has had no response from the applicant (applicant is given 14 days to respond); or

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- E. An applicant has been offered two apartments and each has been refused. A letter is sent to the applicant telling him/her that his/her name is being removed/crossed out, that the applicant may reapply, if the Waiting List is open, and s/he loses his/her place on the Waiting List and the old application is retired.

IX. Verification Requirements

In order to minimize the time involved in moving a resident out, making the apartment ready for the next resident, and allowing for the amount of time required for the verification requirements, there should be at least three applicants pre-screened for each size of apartment.

Staff shall obtain verifications in compliance with requirements set forth in the HUD Occupancy Handbook 4350.3 and Tax Credit Manual. Staff will review the verifications and other screening information when they are received to determine if the household meets the preliminary eligibility criteria.

Types of Verifications Required

All information relative to the following items must be verified as described in these procedures:

- A. Eligibility for admission, such as:
 - 1. Income
 - 2. Assets and asset income
 - 3. Household composition
- B. In Compliance with the Resident Selection Criteria, such as:
 - 1. Documented ability and willingness to abide by Lease requirements;
 - 2. Previous history of tenancy, rent paying, caring for a home and household members;
 - 3. Criminal activity, eviction history and registered sex offender record of all adult household members.

All the above information must be documented and appropriate verification forms or letters placed in the applicant's file.

Period for Verification

Only verified income information that is less than 120 days old may be used for certification or re-certification. All verifications shall be date stamped upon receipt in the office. The 120-day period begins from the date of receipt by the management agent, and not the date it was filled out by the sender. Verified information not subject to change (such as a person's date of birth) need not be re-verified.

Information obtained which is subject to change and for which verifications are more than 120 days old, must be re-verified.

Forms of Verification

Documentation employed as part of the verification process may include:

- A. Checklists completed as part of the interview process and signed by the applicant;
- B. Verification forms completed and signed by Third Parties or any Clarification Records documenting third-party telephone calls must be in the file;
- C. Documents provided by the household such as:



1. Benefit verification letters
 2. Pay stubs from employer
 3. Gift/Support
 4. Income tax returns
 5. W-2 forms
- D. Documentation of interviews with the household;
- E. Letters;
- F. Clarification Records of telephone conversations with reliable sources;
- G. Photocopies of check stubs and checking/savings account statements.

If third party verifications are not available, Staff will request other documents, i.e., benefit letters, income tax returns, etc. If these documents are not available or Staff has questions regarding them, Staff will call the income source and fill out a Clarification Record to document the conversation. Each file will be documented to show that Staff attempted to obtain third party written documentation before relying on some less acceptable forms of information. **At initial move in, all tenant files must contain 3rd party verification for all wage earners in the form of a Verification of Employment (VOE) along with 3 months of consecutive pay stubs.** Staff will pursue credible documentation until it is obtained or the applicant is rejected for failing to produce it. The Compliance Manager will be the final judge of the credibility of any verification submitted by an applicant or the Director of Property Management if the Compliance Manager is not available.

Attempted Fraud

Any information provided by the applicant on the application proves to be untrue when verified may be used to disqualify the applicant for admission on the basis of attempted fraud. Staff considers false information about the following to be grounds for rejecting an applicant:

- A. Income, assets, household composition
- B. Social Security Numbers
- C. Allowances
- D. Previous resident history or criminal history

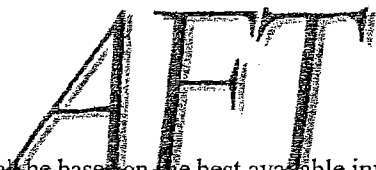
Unwitting errors that do not secure an advantage with regard to program eligibility or rent will not be used as a basis to reject applicants.

Sources of Information

Sources of information to be checked may include, but are not limited to:

- A. The applicant by means of interviews;
- B. Present and former landlords or housing providers;
- C. Present and former employers;
- D. Credit checks and landlord record services, i.e., evictions;
- E. Criminal background checks and registered sex offender reports;
- F. Household social workers, parole officers, court records, drug treatment centers, clinics, physicians, clergy;
- G. If no landlord verification(s) is available, the applicant must either provide six-month rent receipts or letter of references from professional people that are able to speak to his/her capability to follow the terms of the Lease and House Rules.

Verifying Annual Income



- A. Annual Income shall be based on the best available information, considering the past year's income, current income rate and effective date; and shall include anticipated changes in annual income for each income recipient in the household.
- B. The income of sporadic or seasonal workers will be estimated on the basis of the best information available and reasonable judgement, considering earning ability and work history.
- C. When an applicant reports zero income, Staff will request the members of the household to sign Public Assistance and Unemployment Verifications to verify that the household does not receive income from these sources. Please note, the owner will verify by asking the household member's two years worth of tax returns. Members of the household will also sign a Zero Income Form certifying that s/he does not receive income from any source. If the verification forms are returned indicating that an applicant does receive income, Staff will contact the Compliance Manager to and deny the application for attempted fraud.
- D. Overtime income will be computed in accordance with verification obtained on the Employment Verification Form from the employer unless the applicant is able to provide other reliable or accurate information.

X. Determination of Applicant Eligibility

Based on the eligibility and programmatic requirements for each property, Staff will determine if the applicant is eligible to proceed to the next step.

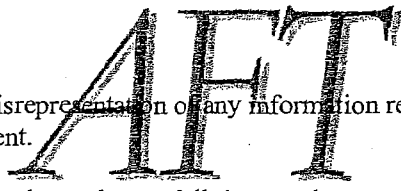
XI. Determination of Applicant Qualification

The Applicant Screening Policy

All applicants for housing will be screened according to the criteria set forth in this Resident Selection Policy, as follows:

- A. Past performance in meeting financial obligations, especially rent paying; if an applicant receives monthly income less than the amount equal to **two times the rent** of the apartment s/he is interested in renting, the Compliance Manager will approve the applicant if the applicant can provide evidence of the following:
 - 1. that s/he has paid a similar proportionate share of his/her income for rent on time in the past consecutive 12 months and was able to fulfill the lease requirements; or
 - 2. If the applicant has a Section 8 voucher or will be receiving other subsidy assistance at the property at which s/he is applying.
- B. A record of disturbance of neighbors, destruction of property, or living or housekeeping habits at prior residences which may adversely affect the health, safety or welfare of other residents, or cause damage to the apartment or development;
- C. If any adult member of the household is a registered sex offender or is involved in criminal activity which would adversely affect the health, safety or welfare of other residents;
- D. A record of eviction in the past 3 years from housing or termination from a residential program;
- E. An applicant's ability and willingness to comply with the terms of the Lease;

- F. An applicant's misrepresentation of any information related to eligibility, background, household composition or rent.
- G. All household members who are full-time students.



General Principles of Screening

Staff will be the final judge of what constitutes adequate and credible documentation. If Staff has doubts about the veracity or reliability of information received, they should pursue alternative methods until they are satisfied that the documentation is the best available.

How an Applicant's History will be Checked

Current and prior landlords will be contacted to determine the following:

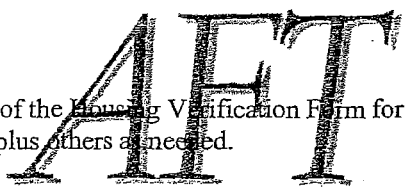
- A. Rent paying history, disturbance of neighbors, destruction of property, or living or housekeeping habits that would pose a threat to other residents. This will be checked first by contacting the current landlord and all landlords from the previous three years. The Housing Verification Form will be used to gather information about past performance meeting rental obligations. If Staff has questions about information received, they must contact the landlord by phone in order to verify that documentation is reliable and credible. If Staff receives any negative information from a former landlord, the application will be rejected.
- B. A former resident of CCDC (otherwise eligible) who applies still owing a balance of uncollected rent, miscellaneous charges, or any lease violation may not be considered for occupancy. S/he may pay the money due and continue to be considered for occupancy. In this case, Staff makes no distinction between an outstanding balance carried as a current receivable and an outstanding balance that has been written off as a collection loss. Otherwise eligible families who apply for housing with outstanding balances owed to any property managed by CCDC must pay any balance owed within 120 days of filing an application prior to being placed on the Waiting List. Failure to pay within the allotted time will result in the application being rejected.
- C. Staff will hire a contractor to run a social search, eviction history, criminal background check and registered sex offender report on all adult applicants and it will check court records for evidence of evictions or judgments against the applicant. The purpose of these checks is to obtain information on the applicant's past history of meeting financial obligations and future ability to make timely rent payments and to determine if the applicant has a criminal history which makes him/her unacceptable to live at Broadway Sansome.
1. A Credit History containing the following information will render the application unacceptable:
- a) Unlawful detainers;
 - b) Unpaid balance owed to prior landlord;
 - c) Staff will double check the Credit History with the landlord references and application to be sure that the applicant reported all of the address where s/he has lived and any other information that should be the same. If the information is not the same, Staff will ask the applicant about the discrepancies. If there is no acceptable explanation and it is clear that the applicant falsified information on the application, the applicant will be rejected / crossed out from the Waiting List and a letter will be sent to the applicant.
 - d) No outstanding collection on utilities.

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- e) Bankruptcies in the past 12 months or pending
 - 2. A household member involved in drug-related criminal activity will not be admitted.
 - 3. A household member convicted of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing will not be admitted under any circumstances.
 - 4. A household member currently engaged in use of a drug or if the owner has reasonable cause to believe that a household member's illegal use of a drug or pattern of illegal use may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents will not be admitted.
 - 5. A household member who is subject to lifetime registration requirement under a State sex offender registration program will not be admitted under any circumstances. Staff will check the names of all adults applying for housing through the sex offender registry in each state where each adult has lived.
 - 6. A household member's abuse or pattern of abuse of alcohol interferes with the health, safety, or peaceful enjoyment of the premises by other residents will not be admitted.
 - 7. A household member who has been involved in the following:
 - a) Drug related criminal activity or violent criminal activity will not be admitted;
 - b) Other criminal activity that would threaten the health safety or right to peaceful enjoyment of the premises by other residents, owner, any employee, contractor, subcontractor or agent or owner who is involved in the housing operations will not be.
- B. An applicant's misrepresentation of any information related to eligibility, background, household composition or rent.
- 1. If, during the course of processing an application, it becomes evident that an applicant has falsified or otherwise misrepresented any facts about his/her current situation, history, or behavior in a manner that would affect eligibility, applicant selection criteria qualification, allowances or rent, the application shall be rejected for attempted fraud.
 - 2. This provision shall not be applied to minor mistakes in fact that produce no benefit to the applicant.
- C. Certain key questions relating to the applicant's eligibility and resident history will be asked as a part of the application form such as the Social Security numbers of all household members and the name, address and telephone numbers of either current and former landlords or the housing provider with whom they are currently living. Failure to provide this information will result in cessation of application processing. Staff will assist applicants, as needed, in understanding the application process and completing the forms.

Obtaining Applicant Releases

When applicants are initially interviewed, all adult household members will be required to execute the following releases, at a minimum:



- A. At least 2 copies of the Housing Verification Form for the current and former landlords from the past three years, plus others as needed.
- B. By signing the application, the applicant is authorizing Staff to obtain these reports.

Explaining the Screening Process

Applicants should be told what Resident Selection Criteria of the property are, as described in the Resident Selection Policy, and what aspects of their background will be checked. Some applicants might voluntarily withdraw their applications when they understand the screening process, which is their prerogative.

Processing the Screening Verification Forms

Once the appropriate verification form releases have been executed, Staff will mail out the forms.

- A. If the landlord verifications are not returned within a week or two, Staff will attempt to contact the landlords or housing providers by telephone to encourage their cooperation. In circumstances exist at a property where there are a number of vacant apartments, it is acceptable for Staff to call the landlord sooner than waiting a week or more.
- B. When telephone verification is used, Staff will ask the questions from the appropriate verification form, will write the name of the individual interviewed, the date of the call, the exact responses to the questions, and sign the form.

Recommendation of Admission or Rejection

The following list of factors will **not** be considered in making a decision to reject an application:

- A. Race
- B. Color
- C. Creed
- D. Religion
- E. Sex
- F. National origin
- G. Age
- H. Familial status
- I. Handicap
- J. Ancestry
- K. Medical condition
- L. Physical handicap
- M. Veteran status
- N. Sexual orientation
- O. AIDS
- P. AIDS related condition (ARC)
- Q. Mental disability
- R. Any other arbitrary status

Determination of Admission

If an applicant is clearly eligible, then the applicant may be offered an appropriate sized available apartment. If the income is higher than the required limit, the applicant will be rejected and removed from the waiting list and the apartment must be offered to the next eligible applicant.

Determination of Rejection

If the applicant is ineligible, rejection shall be authorized. The Staff performing the review will consider

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first whether the applicant is known to have a disability or handicap. If so, Staff will communicate this fact to the Property Supervisor who will contact the applicant and set up an interview to determine whether mitigating circumstances or reasonable accommodations would make it possible to house the applicant.

If the applicant is not known to have a disability or handicap, Staff will reject the application.

Applicants with Disabilities or Handicaps

It is illegal to reject an applicant because s/he has a handicap or disability, or for reasons that could be overcome by a reasonable accommodation of the applicant's disability or handicap by CCDC. If, even with reasonable accommodation, applicants with disabilities or handicaps cannot meet these resident selection criteria, it is permissible to reject them. Proper notice will be provided with an explanation of denial.

There are three possible stages of processing the applications of persons with disabilities or handicaps.

Stage 1: Eligibility Review

- A. The first stage of processing is the determination of program eligibility. At this point it is necessary to document that the applicant meets the income criteria, and the applicant meets the apartment size standards of this Resident Selection Policy for the apartment available and disability, if applicable.
- B. If an applicant has been determined to have a disability or handicap with a mobility impairment requiring the special features of the apartment when one is available, no further reference should be made to that fact unless the application reaches the third stage of processing.

Stage 2: Applying the Resident Selection Criteria

The second stage of processing is applying the Resident Selection Criteria contained in this procedure. Neither mitigating circumstances nor reasonable accommodations will be an issue for any applicant who passes the Criteria. Thus an applicant who happens to have a disability or handicap with a mobility impairment requiring the special features of the apartment, was able to demonstrate a history of meeting financial obligations, caring for a rental apartment, avoiding disturbing neighbors and destroying property, eschewing criminal behavior, and, ability to comply with the Lease for this property, would be recommended for admission with no further reference to or consideration of any disability or handicap.

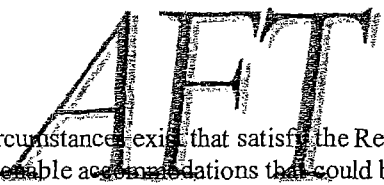
Stage 3: Seeking Mitigating Circumstances or Reasonable Accommodation

- A. The third stage of processing would only come into play if an applicant could not meet one or more of the Resident Selection Criteria. At this point, applicants with disabilities or handicaps are entitled to considerations to accommodate their special needs in addition to those afforded to all other applicants.
- B. Staff will hold a second interview with any applicant known to have a disability or handicap who cannot meet one or more of the Resident Screening Criteria. The purpose of this interview is to determine whether it is possible to admit the applicant through consideration of mitigating circumstances or by applying reasonable accommodation.
- C. Mitigating circumstances would be facts (that can be verified) that would overcome or outweigh information already gathered in the resident screening process. For example, if an applicant's previous history of disturbing neighbors was very poor, but his recent behavior was much

improved, Staff could consider this a mitigating circumstance. Staff must document the improvement if the file contained only data about the former problems.

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- D. Mitigating circumstances shall be verified. For this verification to qualify the applicant for admission, the verifier must corroborate the reason given by the applicant for past unsuitable behavior, and indicate that the prospect for Lease compliance in the future is good, because the reason for their unacceptable behavior is either no longer in effect or otherwise controlled.
- E. Non-handicapped applicants shall likewise be extended consideration of mitigating circumstances before having their applications finally rejected. They shall be advised of the right to such consideration in the Rejection Notice, and given an opportunity to verify any mitigating circumstances pertaining to their rental histories.
- F. If the evidence of mitigating circumstances presented by the applicant relates to a change in medical condition or course of treatment, Staff shall have the right to refer such information to persons qualified to evaluate the evidence and verify the mitigating circumstance.
- G. Where applicants claim that prior unsuitable behavior resulted from alcoholism or drug addiction and that they are not currently engaging in alcohol abuse or use of illegal drugs, acceptable verification of mitigating circumstances would have to establish that:
1. There is no verified current abuse of alcohol or illegal drugs. **For illegal drugs, use shall constitute abuse.** Current abuse shall be defined as verified use more recent than 180 days prior to the date on the application.
 2. During the period for which the applicant has claimed no current use, the applicant's behavior in the previously unsuitable area must have shown improvement. Unimproved behavior shall be taken to construe that - either the applicant's unsuitable behavior was not caused by alcohol or drug abuse, or the applicant is still engaging in alcohol or drug abuse. In any case, a lack of improvement in a previously unsuitable area shall result in a rejected application in this category.
 3. Staff shall also have the right to request further information reasonably needed to verify the mitigating circumstance, even if such information is of a medically confidential nature. If the applicant refuses to provide or give access to such further information, Staff will give no further consideration to the mitigating circumstance.
- H. Staff must keep in mind that an applicant with a handicap or disability who may, for example, be unable to care for a current apartment alone, may still qualify as able to comply with the Lease if he/she can demonstrate that assistance with caring for the apartment has been secured.
- Such assistance could be in the form of a Live-in Aide, or it could be a friend, household member, chore service or employee of the applicant. It is not the province of Staff to make judgments about the best way to provide assistance, but simply to determine whether the assistance will enable the applicant to meet the screening criteria.
- A Live-in Aide, friend or household member will be required to sign a document indicating that he/she is not a member of the household and will vacate the apartment when the resident moves-out of his/her apartment.
- I. If some form of assistance is needed to enable an applicant to comply fully with the terms of the Lease, Staff should obtain verifications that such assistance is available to the applicant. Need for and efficacy of a proposed reasonable accommodation shall be verified. No reasonable accommodation shall be offered prior to receipt of positive verification.



- J. If no mitigating circumstances exist that satisfy the Resident Selection criteria for CCDC, Staff must consider reasonable accommodations that could be made to eliminate barriers to housing the applicant. Reasonable accommodations may take the form of adjustment of policies, practices, and services, where such adjustment offers an acceptable prospect of Lease compliance in a previously unsuitable area of behavior.
- K. Where necessary and justified by verified circumstances, management may perform structural modifications to housing or non-housing facilities. Such structural modifications may occur in support of mitigating circumstances, reasonable accommodation, or entirely on their own merit. Structural modifications shall be performed only after having determined that the applicant is a qualified individual with handicaps (passes screening and is eligible).
- L. Accommodations, to be considered reasonable, must not cause undue financial and administrative burdens or an alteration in the fundamental nature of the assisted housing program at this property. If a service is necessary for compliance with the Lease, this property cannot be required to provide it to an applicant with a disability or handicap if it is not provided to other residents. But Staff must consider admitting that applicant if he or she can document that the service will be provided by others at no cost to this property.
- M. Any applicant with a disability or handicap who cannot meet the applicant screening criteria, taking into account possible mitigating circumstances, reasonable accommodations by this property, or services needed for Lease compliance verified to be provided to the applicant by others, must be rejected.

XII. Rejection of Ineligible or Unqualified Applicants

Staff complies with applicant rejection requirements set forth in the property's applicable regulatory guidelines, as described below.

Rejecting Applicants

- A. Applicants may be rejected if:
 - 1. They are ineligible for the housing program, or
 - 2. They do not meet the CCDC Resident Selection criteria contained in this Policy, or
 - 3. Others
- B. Applicants may be denied particular apartments and placed on a Waiting List if the household characteristics are not appropriate for the type of apartment available at that time.

EXAMPLE: only an apartment equipped with special design features needed for a particular disability or handicap is available and the following is true:

- 1. The applicant household does not include an individual requiring the special design features of the apartment, **and**
- 2. There are either residents in the property or applicants on the Waiting List who desire such an apartment and who have a member of the household requiring the features of the apartment; **or**

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- 3. The household size is not appropriate for the apartment sizes that are available.
- C. If Staff does not place an applicant's name on the Waiting List when processing the application for admission, Staff must notify the applicant in writing of the rejection immediately and explain in the notice:
 - 1. The reason(s) for the rejection.
 - 2. That the applicant has 14 consecutive days to respond in writing and/or to request a meeting to discuss the rejection with the Property Supervisor. Applicants can present documents/evidence in response to the reason for rejection.
 - 3. That if the applicant is an individual with handicaps, the applicant may request Staff to make reasonable accommodations in nonessential policies or practices to enable the applicant equal opportunity.
 - 4. That if the applicant appeals the rejection, Supervisory staff must give the applicant a written final decision within 5 working days of the response or meeting.
 - 5. That the applicant is entitled to bring an advocate or attorney to the in-person appeal. Referral information for local legal services can be obtained by dialing (415) 982-1300

Staff must keep the following materials on file for at least 3 years:

- 1. Application
- 2. Initial rejection notice
- 3. Any applicant reply
- 4. The final response
- 5. All interview and verified information on which Staff based the rejection

XIII. Acceptance and Move-In of Eligible and Qualified Applicants

Determination of Rent and Security Deposit

- A. The Staff using the applicable programmatic formula for the property determines the amount of the rent.
- B. The amount of the security deposit is equal to one month's total rent payment. If the applicant cannot pay the security deposit and the rent in one payment, the Manager may accept the amount of the security deposit in three equal payments as long as one-third of the deposit is made at move-in and all rent and security deposit amounts are paid on time and paid in full by the third month after move-in.

Offering an apartment

When an apartment becomes available for occupancy, it will be offered to the applicant at the top of the Waiting List for that apartment type. If the applicant cannot be contacted within five working days, the offer will be canceled and the apartment will be offered to the next applicant on the Waiting List.

In that event, the applicant decides to withdraw his/her interest in the unit, the applicant will not lose his/her standing on the waiting list. If the applicant is offered a unit the second time and declines, the applicant will be notified of his/her removal from the waiting list.

At Lease Signing

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- A. The applicant will show proof from the utility company that the utilities will be turned on in the applicant's name.
 - B. All household members 18 years of age or older or emancipated minors will sign the Lease and related documents;
 - C. The applicant and Staff will inspect the apartment and both will sign the move-in inspection form;
 - D. The applicant will pay the security deposit as stated in Determination of Rent and Security Deposit Paragraph B above, and payment of the security deposit and first month's rent must be made in the form of a cashier's check or money order;
-
- E. The applicant will be given a copy of the Lease, the move-in inspection form, House Rules and other documents, and the receipt for the security deposit and first month's rent.

At Move-In

Keys to the apartment will be issued to the household and an orientation will be held which will include a summary of the Lease requirements, house rules, introductions to the staff, building walk-through, and any other information needed to assure that the new resident will be comfortable and welcomed to his/her new residence.

ATTACHMENT A



Qualifying for Admission

Based on the property’s regulatory agreements, ineligible applicants may not be admitted into the housing program. In order to be eligible, an applicant household must meet four tests:

- A. The head-of-household must be **18** years or older or a minor under the age of 18 who has been emancipated to act on his/her own behalf, including the ability to execute a contract or lease;
- B. The household must have an Annual Income at or below program income limits, which are:

**2014 Approved Maximum Income Limits for San Francisco County
Based on Family Size**

AMI	1	2	3	4	5	6	7
20%	\$13,600	\$15,550	\$17,500	\$19,400	\$20,950	\$22,550	\$24,100
30%	\$20,400	\$23,300	\$26,200	\$29,150	\$31,450	\$33,800	\$36,100
50%	\$34,000	\$38,850	\$43,700	\$48,550	\$52,450	\$56,350	\$60,200

- C. The household must meet minimum and maximum occupancy requirements:

<u>APARTMENT SIZE</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>
Studio	1	2
1 bedroom	1	3
2 bedroom	2	5
3 bedroom	3	7

- D. The household must meet the criteria set forth in this Resident Selection Policy
- E. Must meet minimum income requirement as stated in this policy.
- F. Must meet full-time student rule per TCAC guidelines.

(Based on the current schedule of Income Limits published annually by the San Francisco Mayor’s Office of Housing and Community Development)

ATTACHMENT B



Local Operating Subsidy Program Homeless Families Referral Process

- A. Housing development requests a referral from SFHSA.

- B. SFHSA notifies Access Point of housing opportunities and Access Point conducts screening process of clients, which includes an evaluation of household needs and independent housing readiness. **At Broadway Sansome, 18 units will be referred through the standard SFHSA Access Point process, and 18 units will be referred solely through two access points serving families in Single Room Occupancy buildings: 1) the SRO Families Collaborative, 2) and Mission Families in SROs.**

- C. Access Point submits to SFHSA appropriate number of referrals based on results of screening and consideration of unit size and household composition.
 - INITIAL RENT UP: SFHSA contacts *each Access Point* to submit the appropriate number of referrals.
 - ONGOING RENT UP: SFHSA contacts the *next Access Point* to submit an appropriate referral(s).

- 4. The Access Point should submit eligible referral(s) within the timeframe specified by SFHSA or SFHSA reserves the right to contact the next referral agency to submit a referral. Each referral must include the following:
 - Completed application and supporting documentation
 - Applicant Evaluation
 - Homeless certification on agency's letterhead and any applicable supporting documentation
 - Consent allowing exchange of information between SFHSA, referring agency, property management firm and housing development

- 5. SFHSA will review the application to ensure completeness and eligibility, and after review, will submit the referral to the housing development if the application is deemed eligible and complete. If items are missing from the application, SFHSA will contact the Access Point to submit the required items before the application will be submitted to the housing development.

- 6. Housing development will receive a completed referral, and will proceed with their intake process which includes the following:
 - The property management team will conduct their regular application process which includes conducting an orientation and interview appointment; completion of the rental application; and conducting a credit, eviction, and criminal history check. The property management team will either accept or deny the application for housing and inform SFHSA.
 - If application is accepted, Property Manager will determine the unit assignment based on unit availability, household composition and selection criteria and send an approval letter to the applicant. The Property Manager will coordinate the move-in, income certification and lease signing.
 - If application is denied, the Property Manager will send a denial letter to the applicant. Applicant has the right to appeal the denial and begin a formal grievance process.

AFT

7. Copies of acceptance or denial letters will be sent to SFHSA. SFHSA will notify referral agency and follow up accordingly. Referral agencies have a responsibility to the applicant whether the applicant has been approved or denied for housing.

- **REFERRAL AGENCY RESPONSIBILITY IF APPLICANT IS ACCEPTED:** Assist applicant in securing move in costs for security deposits which are typically equal to one month's rent plus the utility allowance. Assist applicant in securing household furnishing, relocation and costs associated with relocation. Provide support as needed in navigating the rent-up process, which includes understanding the terms of the lease.
- **REFERRAL AGENCY RESPONSIBILITY IF APPLICANT IS DENIED:** Assist denied client with understanding reasons for denial. Assist applicant with preparing an appeal and beginning the formal grievance process. Assist client with alternate housing or accommodations. Be prepared to provide SFHSA with a new referral.

Exhibit C – Legal Description of Real Property

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

Leasehold estate as created by that certain Amended and Restated Ground Lease dated April 17, 2013, made by and between The City and County of San Francisco, a municipal corporation, as lessor, and Broadway Sansome Associates, L.P., a California limited partnership, as lessee, for the term of 70 years and upon the terms and conditions contained in said lease and subject to provisions contained in the lease which limit the right of possession, a Memorandum of Ground Lease thereof recorded April 17, 2013, in Official Records under Recorder's Serial Number 2013-J637809, in and to the following:

PARCEL ONE

COMMENCING at the point of intersection of the southerly line of Broadway and the westerly line of Battery Street; running thence southerly and along said line of Battery Street 70 feet; thence at a right angle westerly 137 feet 6 inches; thence at a right angle northerly 70 feet to the southerly line of Broadway; thence at a right angle easterly along said line of Broadway 137 feet 6 inches to the point of commencement.

EXCEPTING THEREFROM that portion of said land described in the Director's Deed from the State of California to Spencer Mastick et al recorded April 17, 1956 in Book 6827 Page 67, Official Records of the City and County of San Francisco.

Being a portion of Assessor's Block No.165.

PARCEL TWO

COMMENCING at the intersection of the southerly line of Broadway with the line common to the properties, now or formerly, of Spencer Mastick et al and of D.F. DeBernardi and Co., a corporation, said intersection being distant S. $80^{\circ}54'41''$ W., 137.57 feet from the westerly line of Battery Street; thence along said line of Broadway, S. $80^{\circ}54'41''$ W., 20.00 feet to a line common to the properties, now or formerly, of Spencer Mastick et al and of Charles Morosin et ux; thence along said common property line S. $9^{\circ}05'19''$ E., 70.00 feet; thence N. $80^{\circ}54'41''$ E., 20.00 feet to the aforesaid common property line of Spencer Mastick et al and of D.F. DeBernardi and Co.; thence along last said common property line N. $9^{\circ}05'19''$ W., 70.00 feet to the point of commencement.

Being a portion of Assessor's Block No.165.

PARCEL THREE

COMMENCING at a point on the easterly line of Sansome Street distant thereon 50 feet southerly from the southerly line of Broadway; running thence southerly along said line of Sansome Street 20 feet to the northerly line of Stevens Alley; thence at a right angle easterly along said line of Stevens Alley 50 feet; thence at a right angle northerly 20 feet; thence at a right angle westerly 50 feet to the point of commencement.

Being a portion of Assessor's Block No.165.

PARCEL FOUR

COMMENCING at a point on the southerly line of Broadway distant thereon 49 feet easterly from the easterly line of Sansome Street; running thence easterly along said line of Broadway 21 feet to the westerly line of Stevens Alley; thence at a right angle southerly along said line of Stevens Alley 70 feet to the northerly line of Stevens Alley; thence at a right angle westerly along said northerly line of Stevens Alley 20 feet; thence at a right angle northerly 20 feet; thence at a right angle westerly 1 foot; thence at a right angle northerly 50 feet to the point of commencement.

Being a portion of Assessor's Block No.165.

PARCEL FIVE

COMMENCING at the point of intersection of the southerly line of Broadway with the easterly line of Sansome Street; running thence easterly and along said southerly line of Broadway 49 feet; thence at a right angle southerly 50 feet; thence at a right angle westerly 49 feet to the easterly line of Sansome Street; thence at a right angle northerly along said line of Sansome Street 50 feet, to the southerly line of Broadway and the point of commencement.

Being a portion of Assessor's Block No.165.

PARCEL SIX

COMMENCING at a point on the southerly line of Broadway distant thereon 77 feet 6 inches easterly from the easterly line of Sansome Street; running thence easterly and along said line of Broadway 40 feet; thence at a right angle southerly 70 feet; thence at a right angle westerly 20 feet; thence at a right angle northerly 1 foot 3 inches; thence at a right angle westerly 20 feet to the easterly line of Stevens Alley; thence at a right angle northerly along said line of Stevens Alley 68 feet 9 inches to the point of commencement.

Being a portion of Assessor's Block No.165.

PARCEL SEVEN

Beginning at the point of intersection of the southerly line of Broadway (82.50 feet wide) with the westerly line of Stevens Alley (7.50 feet wide) as said Stevens Alley existed prior to the vacation thereof by Resolution No. 392-61 adopted June 19, 1961, by the Board of Supervisors of the City and County of San Francisco, State of California; thence southerly along said line of Stevens Alley 70 feet to the northerly line of said Stevens Alley; thence at a right angle easterly 7.50 feet to the easterly line of said Stevens Alley; thence at a right angle northerly along said easterly line of Stevens Alley 70 feet to said southerly line of Broadway; thence at a right angle westerly, along said line of Broadway 7.50 feet to the point of beginning.

Being a portion of Assessor's Block No. 165.

PARCEL EIGHT

Beginning at a point on the southerly line of Broadway (82.50 feet wide), distant thereon 157.50 feet westerly from the westerly line of Battery Street (69.03 feet wide); thence westerly along said line of Broadway 0.52 feet to a point distant thereon 117.50 feet easterly from the easterly line of Sansome Street (68.79 feet wide); thence southerly at a right angle to said line of Broadway 70 feet; thence at a right angle easterly 0.52 feet to a point perpendicularly distant 157.50 feet westerly from said westerly line of Battery Street; thence northerly at a right angle to said southerly line of Broadway 70 feet to the point of beginning.

Being a portion of Assessor's Block No. 165.

Assessor's Lot: 021; Block: 0165

Exhibit D – Form of Referral Report

D-1

agreement date

City and County of San Francisco



Edwin M. Lee, Mayor

Human Services Agency

Department of Human Services
Department of Aging and Adult Services

Trent Rhorer, Executive Director

Client NAME: _____

SS#: _____
Required

Date of Birth: _____
Applicant must be 18 -24 years old at time of referral.

Access Point/Referring Agency: _____

Referring Person: _____

Referring Person Phone: _____ Email: _____

BROADWAY SANSOME FAMILY APARTMENTS

Access Point Referral CHECK LIST

Referral applications MUST INCLUDE the following completed forms and copies:

- APPLICATION TO RENT Form (2 pages)
- Universal Consent To Release/Obtain Information with HSA & Referral Source (1 page)
- Certification of Homelessness (on agency letterhead – signed)
- Certification of Eligibility (on agency letterhead – signed)
- Income Verification / Proof of Income (Pay statement; Benefits statement)
- Consent for Release of Criminal Records, Credit Check and Eviction History (1 page)
- Copies of Identification (i.e. Government Issued Photo Identification; Social Security Card)

Email completed application to Housing@sfgov.org or FAX to 415-355-2412

Application must come from Referral Access Point.
Applications cannot be accepted directly from the applicant.

Exhibit E—Annual Operating Budget for Initial Operating Period and 15-Year Cash Flow

MOH Operating Budget - Year 1

Application Date:	LOSP	non-LOSP	Affordable Units	Project Name:	Brookway Terrace Apartments
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations):	49%	51%		Project Address:	255 Broadway
	Residential Units:			Project Sponsor:	Chatham Community Development Center
	LOSP	non-LOSP	Residential		Totals
INCOME					
Rentals - Tenant Rent	129,600	47,336	546,936		546,936
Rentals - Tenant Payments (Private and Non-Private)	0	0	0		0
Rentals - 150% Low Income (LI) Units	216,276	0	216,276		216,276
Other Income	0	0	0		0
Parking	0	0	0		0
Maintenance and Repair	0	0	0		0
Capital Expenditures	0	0	0		0
Other Income - Project Operations	0	0	0		0
Landlord and Vendor	1,306	1,143	6,250		6,750
Other Income	0	0	0		0
Miscellaneous Income	0	0	0		0
Gross Potential Income	348,124	48,479	789,912		789,912
Property Taxes (based on 3% cap rate at budgeted number of residential units) as indicated on C.A.D. 11	6,480	20,867	27,347		27,347
Property Taxes (based on 3% cap rate at budgeted number of residential units) as indicated on C.A.D. 11	0	0	0		0
EFFECTIVE GROSS INCOME	341,644	27,612	762,565	0	762,555 PUPY: \$10045
OPERATING EXPENSES					
Management					
Management Fee	23,814	26,206	48,000		48,000
Real Estate Commission	8,722	9,078	17,800		17,800
Sub-total Management Expenses	32,536	35,284	66,400	0	66,400 PUPY: \$867
Salaries/Benefits					
Management	10,750	11,220	22,000		22,000
Maintenance	24,500	23,500	50,000		50,000
High Income (LI) Units (LI) Units	0	0	0		0
Other Salaries/Benefits	10,750	11,220	22,000		22,000
Management Fee (over 150% LI)	0	0	0		0
Sub-total Salaries/Benefits	46,060	47,960	94,000	0	94,000 PUPY: \$1170
Administration					
Advertising and Marketing	400	310	1,500		1,800
Office Expenses	6,500	6,800	13,400		13,400
Office Rent	0	0	0		0
Local Telephone	3,100	3,115	6,200		6,200
Local Telephone (over 150% LI)	12,000	12,000	24,000		24,000
Postage and Printing	0	0	0		0
Bad Debt	0	0	0		0
Miscellaneous	1,420	1,380	3,000		3,480
Sub-total Administration Expenses	21,740	24,710	48,450	0	48,450 PUPY: \$655
Utilities					
Electricity	12,300	12,300	24,600		24,600
Gas	25,873	24,842	48,724		48,724
Water	22,000	22,000	44,000		44,000
Other	0	0	0		0
Sub-total Utilities	58,173	59,142	118,999	0	118,999 PUPY: \$1608
Taxes and Licenses					
Real Estate Taxes	1,947	1,075	4,075		4,075
Other Taxes	31,660	33,660	64,000		64,000
Miscellaneous Taxes, Licenses and Permits	0	0	0		0
Sub-total Taxes and Licenses	33,607	34,735	68,075	0	68,075 PUPY: \$920
Insurance					
Property and Liability Insurance	38,624	40,201	78,825		78,825
Medical Malpractice	0	0	0		0
Professional Liability Insurance	0	0	0		0
Liability Insurance (e.g. 150% LI)	0	0	0		0
Sub-total Insurance	38,624	40,201	78,825	0	78,825 PUPY: \$1055
Maintenance & Repair					
Paint	0	0	0		0
Salaries	0	0	0		0
Contractors	14,700	13,800	30,000		30,000
Contracting and Labor	7,800	8,100	16,000		16,000
Materials	0	0	0		0
PM - Repairs and Maintenance	0	0	0		0
Medical and Administrative Expenses (Operation and Repair)	0	0	0		0
Miscellaneous (e.g. 150% LI)	14,700	13,800	27,000		27,000
Sub-total Maintenance & Repair Expenses	37,000	35,700	73,000	0	73,000 PUPY: \$987
TOTAL OPERATING EXPENSES	292,927	304,883	597,810	0	597,810 PUPY: \$8079
NET OPERATING INCOME (Revenue minus Operating Expenses)	69,717	35,029	164,745	0	164,745
DEBT SERVICE (Interest and Principal)					
General Fund	7,340	7,340	14,680		14,680
First Lien (over 150% LI)	15,492	16,623	31,427		31,427
Second Lien (over 150% LI)	1,420	1,550	3,000		3,000
Third Lien (over 150% LI)	0	0	0		0
Fourth Lien (over 150% LI)	0	0	0		0
Fifth Lien (over 150% LI)	0	0	0		0
TOTAL DEBT SERVICE	24,252	25,513	49,427	0	49,427 PUPY: \$668
RESERVES					
Reserve for Depreciation	22,050	22,050	44,000		44,000
Reserve for Replacement	0	0	0		0
Other Required Reserve Deposits	0	0	0		0
TOTAL RESERVES	22,050	22,050	44,000	0	44,000 PUPY: \$608
CASH FLOW (Net Operating Income minus Debt Service)	45,465	9,516	115,318	0	115,318
Available Cash Flow	23,450	46,873	70,323		70,323
USES OF CASH FLOW (This row may show DISCR if applicable)					
Account Management Fee	0	0	0		0
Real Estate Commission	8,722	9,078	17,800		17,800
Local Telephone	1,900	2,000	4,000		4,000
Contractor	8,828	8,415	16,500		16,500
Other	0	0	0		0

MOH Operating Budget - Year 1

Alternative LOSP Split	LOSP	non-LOSP	Approved By: Health
Headquarters Human Resource Operations	100.00%	0.00%	

Projected LOSP Split	LOSP	non-LOSP	Only acceptable if LOSP-specific expenses are being tracked at unit level in the project's accounting system.
Human Resources			Tracked at unit level in the project's accounting system.

Alternative LOSP Split	LOSP	non-LOSP	Approved By: Health
State Statistics			
Minnesota Nurses			
Florida Breast Care and Child Health			
State of Florida Hospitals			
Washington State Health Care			

Projected LOSP Split	LOSP	non-LOSP	Only acceptable if LOSP-specific expenses are being tracked at unit level in the project's accounting system.
FL Breast Cancer Programs	99.00%	1.00%	Tracked at unit level in the project's accounting system.

Projected LOSP Split	LOSP	non-LOSP	Only acceptable if LOSP-specific expenses are being tracked at unit level in the project's accounting system.
FL Health			

Projected LOSP Split	LOSP	non-LOSP	Only acceptable if LOSP-specific expenses are being tracked at unit level in the project's accounting system.
Washington	99.00%	1.00%	Tracked at unit level in the project's accounting system.

Alternative LOSP Split	LOSP	non-LOSP	Approved By: Health
Washington State Health Care			

Alternative LOSP Split	LOSP	non-LOSP	Approved By: Health
Washington State Health Care			

Projected LOSP Split	LOSP	non-LOSP	Only acceptable if LOSP-specific expenses are being tracked at unit level in the project's accounting system.
Statistics			
Washington State Health Care			

Alternative LOSP Split (allow)	LOSP	non-LOSP	Approved By: Health
Washington State Health Care			

Alternative LOSP Split	LOSP	non-LOSP	Approved By: Health
Washington State Health Care			

Alternative LOSP Split	LOSP	non-LOSP	Approved By: Health
FL Breast Cancer Programs			
Washington State Health Care			
FL Breast Cancer Programs			

Alternative LOSP Split	LOSP	non-LOSP	Approved By: Health
FL Breast Cancer Programs			

Alternative LOSP Split	LOSP	non-LOSP	Approved By: Health
FL Breast Cancer Programs			

Alternative LOSP Split	LOSP	non-LOSP	Approved By: Health
FL Breast Cancer Programs			

Non-Operating Fund - Other Fund code			
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Operating LOSP Yr1	LOSP	non-LOSP	Approved FY-level
Operating LOSP Yr2			

Operating LOSP Yr1	LOSP	non-LOSP	Approved FY-level
Operating LOSP Yr2			
Operating LOSP Yr3			
Operating LOSP Yr4			
Operating LOSP Yr5			

# Affordable Units	LOSP	MOH/LOSP	Comments	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20		
				2025	2026	2027	2028	2029	2030	2031	2032	2033	2034		
50	30	38													
Broadway Sanoona Apartments				49,096	51,096										
ESTIMATE				% annual increase	% annual increase	Comments									
Residential - Lease Pools				1.0%	2.5%	Base above shows 2.5% starting for LOSP Units									
Residential - Comm. Leases (Lease Pools) - 100% Occupancy				0%	0%										
Residential - 100% Occup. and other Expenses				0%	0%										
Commercial - Leases				0%	2.5%										
Parking				0%	3.5%										
Miscellaneous Paid Income				0%	2.5%										
Private and Services Income				0%	2.5%										
Residential - 100% Occup. and other Expenses				0%	2.5%										
Lease and Service				0%	2.5%										
Private Income				0%	2.5%										
Miscellaneous Income				0%	2.5%										
Total of Residential				0%	0%	Year 16 - 2030 - 2.5% annual increase									
Total of Commercial				0%	0%	Year 16 - 2030 - 2.5% annual increase									
EFFECTIVE GROSS INCOME						478,213	490,141	504,109	506,341	522,441	494,139	551,119	570,867	589,115	608,063

Management	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	
Management Fee	13,392	26,784	35,081	37,344	38,748	40,572	41,793	42,718	44,348	45,783	
Cost Management Expense	12,493	24,986	33,311	35,344	36,778	38,612	39,833	40,854	42,484	43,919	
Net Management Fee	899	11,798	11,770	2,000	1,970	1,960	1,960	1,964	1,864	1,864	
Subtotal Management Expense											
Office Salaries	15,206	16,238	16,209	16,859	17,410	16,535	16,662	16,347	16,024	16,733	
Travel Expenses	14,560	15,790	15,011	15,817	15,858	15,000	15,000	14,900	14,900	14,900	
Local Insurance and Other Expenses	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Other Salaries and Wages	15,206	15,738	16,109	16,859	17,410	16,535	16,662	16,347	16,024	16,733	
Residential - 100% Occup. and other Expenses	64,972	67,246	69,800	70,816	72,537	70,716	70,843	62,643	63,564	66,550	
Subtotal Salaries/Expenses											
Utilities and Materials	691	723	740	746	791	733	858	470	910	912	
Repairs and Maintenance	9,292	9,622	9,950	10,307	10,608	10,122	11,428	11,638	12,244	12,610	
Printing Fees	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Local Insurance - Property	4,493	4,650	4,813	4,981	5,150	4,991	5,322	5,716	5,916	6,173	
Local Insurance - Liability	16,550	17,357	18,148	18,715	19,174	18,492	19,912	20,912	21,590	22,400	
Local Insurance - Automobile	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Local Insurance - Other	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Local Insurance - Total	16,550	17,357	18,148	18,715	19,174	18,492	19,912	20,912	21,590	22,400	
Miscellaneous	1,470	1,470	1,470	1,470	1,470	1,470	1,470	1,470	1,470	1,470	
Subtotal Administration Expenses	32,485	33,984	35,322	36,349	37,519	35,849	40,667	41,618	42,817	44,263	
Depreciation	17,487	16,990	16,232	16,308	16,068	16,068	16,449	16,344	16,066	16,012	
Amortization	13,678	13,856	14,026	14,196	14,366	14,366	14,366	14,366	14,366	14,366	
Other	11,043	11,213	11,383	11,553	11,723	11,723	11,723	11,723	11,723	11,723	
Subtotal Depreciation and Amortization	42,208	42,059	41,641	42,157	42,157	42,157	42,541	42,459	42,157	42,101	
Utilities and Services	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Telephone Expense	2,017	2,072	2,072	2,127	2,182	2,182	2,182	2,182	2,182	2,182	
Travel Expense	4,626	4,785	4,944	5,103	5,262	5,262	5,262	5,262	5,262	5,262	
Other Expenses - Utilities and Services	47,565	48,200	48,836	49,472	50,108	50,108	50,108	50,108	50,108	50,108	
Subtotal Utilities and Services	54,208	55,057	55,812	56,697	57,572	57,572	57,572	57,572	57,572	57,572	
Insurance	56,483	58,100	59,717	60,407	62,124	59,317	60,934	60,318	57,744	57,293	
Health Insurance Expense	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Life Insurance Expense	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Property and Casualty Insurance	56,483	58,100	59,717	60,407	62,124	59,317	60,934	60,318	57,744	57,293	
Subtotal Insurance	56,483	58,100	59,717	60,407	62,124	59,317	60,934	60,318	57,744	57,293	
Professional & Repair	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Contractor	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Construction - Total	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Construction - Leasehold	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Construction - Other	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Construction - Total	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Professional - Total	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Professional - Leasehold	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Professional - Other	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Professional - Total	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Professional - Leasehold	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Professional - Other	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Professional - Total	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Subtotal Professional & Repair Expenses	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
TOTAL OPERATING EXPENSES	412,399	426,958	441,881	457,296	473,210	448,948	506,612	522,341	542,848	561,796	

NET OPERATING INCOME (INCOME minus OP EXPENSES)	65,814	63,183	62,228	49,045	49,231	47,501	47,527	48,527	48,271	46,267
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DEBT SERVICE (Total Debt) (Fixed Rate)	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Interest Expense	7,350	7,350	7,350	7,350	7,350	7,350	7,350	7,350	7,350	7,350
Principal Repayment	15,897	15,897	15,897	15,897	15,897	15,897	15,897	15,897	15,897	15,897
TOTAL DEBT SERVICE	23,247	23,247	23,247	23,247	23,247	23,247	23,247	23,247	23,247	23,247

RESERVE	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Reserve - General Fund	22,050	22,050	22,050	22,050	22,050	22,050	22,050	22,050	22,050	22,050
Reserve - Capital Projects	0	0	0	0	0	0	0	0	0	0
Reserve - Contingency	0	0	0	0	0	0	0	0	0	0
TOTAL RESERVE	22,050	22,050	22,050	22,050	22,050	22,050	22,050	22,050	22,050	22,050

CASH FLOW (Cash minus DEBT SERVICE minus RESERVE)	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Cash Flow	17,567	16,886	15,981	25,798	25,984	24,254	24,280	25,279	25,024	23,017
AVAILABLE CASH FLOW	17,567	16,886	15,981	25,798	25,984	24,254	24,280	25,279	25,024	23,017

NET CASH FLOW (Available Cash minus Debt Service minus Reserve)	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Net Cash Flow	0	0	0	0	0	0	0	0	0	0
NET CASH FLOW	0	0	0	0	0	0	0	0	0	0

REMAINING BALANCE	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Remaining Balance	17,567	16,886	15,981	25,798	25,984	24,254	24,280	25,279	25,024	23,017
REMAINING BALANCE	17,567	16,886	15,981	25,798	25,984	24,254	24,280	25,279	25,024	23,017

REMAINDER (Should be zero unless there are distributions below)	(12,721)	(12,680)	(13,470)	(17,345)	(17,345)	(16,815)	(16,815)	(16,271)	(16,271)	(17,819)
------------------------------------------------------------------------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------

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

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



Edwin M. Lee
Mayor

Olson Lee
Director

August 30, 2013

Notice of Availability of 2013 Annual Monitoring Report Form and Reminder of Deadline

The Annual Monitoring Report (AMR) forms for Reporting Year 2013 (RY2013) are available. The forms can be downloaded from the [Asset Management page](#) of the MOHCD 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 RY2013 and any outstanding reports from prior reporting years will be accepted only in the RY2013 format.

The RY2013 AMR form was revised from the form for RY2012, but in only a few areas, most notably:

- Worksheet 1A – four questions were eliminated.
- Worksheet 2 – two rows were added to display sub-totals

Some projects funded by the former San Francisco Redevelopment Agency may be submitting the AMR for the first time. In recognition of this, MOH is prepared to host an AMR training session. Personnel from any projects that are subject to the AMR reporting requirement are welcome to attend:

➤ Wednesday, September 18, 10:30am-12pm, Room 5080, 1 South Van Ness Ave, 5th Floor

To reserve seat/s for the training, please email Ricky.Lam@sfgov.org by Tuesday September 9th.

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

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

to supply the required explanation will render your submission incomplete.

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

II. Owner Compliance Certification 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 MOHCD 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 2013. 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, or if desired, for multiple projects, via compact disc sent to Mike McLoone at MOHCD. If the documents that comprise the report are too large to attach to a single email, compress the files into a zip file and attach it to the email.

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 and Community Development as part of the overall marketing that is conducted. MOHCD 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. 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
2013 Annual Monitoring Report
 San Francisco Mayor's Office of Housing and Community Development

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

Complete this form, sign and date it, scan it along with 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.

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 MOHCD for this project and any other project.

	True	False	
1			The CCSF Mayor's Office of Housing and Community Development ("MOHCD") has been alerted by the owner prior to any actions taken by the owner that affect the value of the property associated with this project, including but not limited to the establishment of any liens or encumbrances on the property; and, where required, the owner has obtained written authorization from MOHCD prior to taking any such actions.
2			The undersigned is not in default of the terms of any Agreements with CCSF for this project, nor has it been in default on any other loans, contracts or obligations on this property during the reporting period.
3			The undersigned has not been the subject of any actions relating to any other loans, contracts or obligations on this property which might have a material adverse financial impact on the property.
4			The owner has not lost or failed to renew funding for supportive services for the project during the reporting period and has made available (or caused to be made available through another party) all supportive services that are required by existing, applicable funding and regulatory agreements.
5			The owner has not lost or failed to renew funding for operating subsidy/ies for the project during the reporting period.
6			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 (supply exact number) 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
2013 Annual Monitoring Report
 San Francisco Mayor's Office of Housing and Community Development

	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 MOHCD on its website.
11			All withdrawals from the replacement and operating reserve accounts have been made in accordance with the MOHCD funding agreement/s, unless approved in writing by MOHCD.
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
 2013 Annual Monitoring Report
 San Francisco Mayor's Office of Housing and Community Development

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 MOHCD via e-mail to: moh.amr@sfgov.org.

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

Property & Tenant Info

CCSF -- MOH -- RY2012AMR -- Instructions - Race/Ethnicity

Total Head of Household Race/Ethnicity. *From Section 1 - Property & Tenant Info, lines 62-69.*

Enter the number of households in the following **ETHNIC** categories:

Hispanic or Latino. A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race. The term "Spanish origin" can be used in addition to "Hispanic" or "Latino."

Enter the number of households in the following **RACIAL** categories:

American Indian or Alaska Native. A person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment.

Asian. A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.

Black or African American. A person having origins in any of the black racial groups of Africa. Terms such as "Haitian" or "Negro" can be used in addition to "Black" or "African American."

Native Hawaiian or Other Pacific Islander. A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.

White. A person having origins in any of the original peoples of Europe, the Middle East or North Africa.

Fiscal Activity

CCSF - MOH -- RY2012AMR - Instructions - Fiscal Activity

Income and Expenses

The purpose of the Income and Expenses form is to track actual income received and expenses paid over the reporting period.

INSTRUCTIONS:

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

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

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

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

5120 Housing Units Gross Potential Tenant Rents. This account records gross rent received less tenant assistance payments for all residential units. Offsetting debits to this account are Account 6331, Manager rent free unit.

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

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

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

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

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

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

5300 Supportive Services Revenue. Accounts in this series are used primarily by group home projects or other projects restricted to a special needs population (e.g., group home for mentally disabled or senior apartments). These accounts record revenues received (other than rents) for services provided to tenants (e.g., meal services, housekeeping, etc.). Supportive service-related expenses are charged to accounts in the 6900 series. List all revenues received, with a separate line for each source.

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

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

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

5990 Other Revenue. This account records project revenue not otherwise described in the above revenue accounts. If necessary, agents should subdivide the account into specific revenue accounts numbered 5992 through 5999.

1320 Replacement Reserve Deposits. This account records amount of deposits made to a segregated replacement reserve bank account during the report period.

Replacement Reserve Account Withdrawals

Capital Expenditures: enter in this row the total amount of capital expenditures for the reporting period. This amount should only include depreciable expenditures. These amounts should NOT include any operating expenses reported in the expense section of the report. Do NOT include expenses that were paid using outside sources - all expenses listed here should have been paid for using project income or reserve withdrawals.

1365 Operating Reserve Deposits. This account records amount of deposits made to a segregated operating reserve bank account during the report period.

Operating Reserve Account Withdrawals

1330 Other Reserve Accounts - Deposits. This account records amount of deposits made to segregated reserve bank accounts not identified above during the report period. You should provide the name of the account in cell E64.

Other Reserve Accounts - Withdrawals. You should provide the name of the account in cell E64.

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

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

6310 Office Salaries. This account records salaries paid to office employees whether the employees work on site or not. Front-line responsibilities include for example, taking applications, verifying income and processing maintenance requests. The account does not include salaries paid to occupancy, maintenance and regional supervisors who carry out the agent's responsibility for overseeing or supervising project operations and personnel. These salaries are paid from the management fee. This account also does not include the project's share of payroll taxes (Account 6711) or other employee benefits (Account 6723) paid by the project.

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

6723 Health Insurance and Other Employee Benefits. This account records the cost of any health insurance and other employee benefits paid and charged to the project.

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

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

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

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

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

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

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

6390 Miscellaneous Administrative Expenses. This account records administrative expenses not otherwise classified in the 6300 Series. If necessary, agents should subdivide the account into specific accounts numbered 6391 through 6399.

6450 Utilities: Electricity

6451 Utilities: Water

6452 Utilities: Gas

6453 Utilities: Sewer

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

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

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

6720 Property Hazard and Liability Insurance. This account records the cost of project property and hazard liability insurance.

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

6722 Workmen's Compensation. This account records the cost of workmen's compensation insurance for project employees.

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

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

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

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

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

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

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

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

6590 Miscellaneous Operating and Maintenance Expenses. This account records the cost of maintenance and repairs not otherwise classified in the 6400 and 6500 account Series. If necessary, agents should subdivide the account into specific accounts numbered 6591 through 6599.

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

Occupancy and Rent Info

CCSF – MOH – RY2012AMR – Instructions - Occupancy & Rent Info

Accurate and complete household and tenancy data must be submitted on the Occupancy & Rent Info worksheet as evidence that the project complies with the income eligibility and rent affordability restrictions of MOH's funding agreements. Enter the data described below into the chart in Section 3 - Occupancy & Rent Info for the tenant population that occupied the project as of the end of the reporting period. For vacant units and manager's units, you must supply data in columns D, E, P, R, S and U. All other columns should be left blank.

COLUMN DESCRIPTION

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

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

E. **Low Income Unit.** You must answer "Yes" for each unit occupied by a low-income person or household and "No" for units not occupied by a low-income person or household. Low Income Units are units rented or set aside for Low Income Households. "Low-Income" from the U.S. Housing Act of 1937 (the Act). The Act is enforced and implemented by the Department of Housing and Urban Development (HUD). HUD defines "low-income families [households]" as families whose income does not exceed 80 percent of the median family income for the area, (Area Median Income - AMI) as adjusted for family size. "Very low-income families" as families who do not exceed 50% of the median household income for the area, adjusted for family size. The maximum incomes for the property are governed by the property's Loan/Regulatory Agreements with MOH and possibly other project funders. The owner must ensure that they comply with all loan requirements.

F. **Date of Initial Occupancy.** Enter the date (mm/dd/yyyy) of occupancy of the person/household that occupied the unit/bed on the last day of the reporting period.

G. **Household Annual Income AT INITIAL OCCUPANCY.** Enter annual income of the household from the most recent certification/recertification. OK to leave blank ONLY if ALL funders do not require ANY income certifications.

H. **Household Size at Initial Occupancy:** Enter the number of tenants in the household at the time of initial occupancy.

I. **Female-headed Household.** For each residential unit, enter "Yes" if the head of household is a woman that is either alone or with one or more children. Enter "No" if the head of the household is not a woman.

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

K. **Household Size as of last recertification within reporting period.** Enter the number of occupants in the unit (low-income units only) as of the end of the reporting period.

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

M. **Disability (Mobility/Other/None).** If the unit is occupied by a mobility impaired tenant, select "Mobility" from the drop-down menu. If the unit is occupied by a tenant with an other physical disability, select "Other" from the drop-down menu. Select "None" if the unit is not occupied by a mobility impaired or other physically disabled tenant.

N. **Household Annual Income as of last recertification within reporting period.** Enter annual income of the household from the most recent certification/recertification. OK to leave blank ONLY if ALL funders do not require annual income recertifications.

O. **Over Income:** if the tenant is "over income" per the definition of MOH's underlying funding agreement, select "Yes" and go to #9 Narrative worksheet to describe steps taken.

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

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

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

"PRAC - 202/811" = The unit receives a subsidy through a Project Rental Assistance Contract from HUD's 202 or 811 programs.

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

"HOPWA" = Tenant is receiving tenant-based assistance, or the unit comes with project-based rental assistance, from the Housing Opportunities for People With AIDS program.

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

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

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

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

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

Q. **Amount of Rental Assistance.** Enter the dollar amount of assistance that the household/tenant receives.

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

Bed = (measurement for Group homes or transitional housing)

"SRC" = Single Room Occupancy unit

"Studio" = Studio unit

"1BR" = 1 Bedroom unit

"2BR" = 2 Bedroom unit

"3BR" = 3 Bedroom unit

"4BR" = 4 Bedroom unit

"5+" = 5 or more Bedroom unit

S. **Amount of Maximum Gross Rent Allowed for Unit.** Enter the maximum rent for the unit that is allowed by the most restrictive funder of the project.

T. **Amount of Tenant Paid Rent for Unit.** Enter only the amount of rent that the tenant pays. Do not include any rental assistance paid on behalf of the tenant by another party.

U. **Utility Allowance:** If the tenant pays for utilities, enter the Utility Allowance allowed for the unit.

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

W. **Date of Most Recent Rent Increase.** ONLY FOR UNITS THAT DO NOT HAVE RENTAL ASSISTANCE OR SUBSIDY. Enter date of most recent rent increase for unit.

X. **Amount of Most Recent Rent Increase.** ONLY FOR UNITS THAT DO NOT HAVE RENTAL ASSISTANCE OR SUBSIDY. Enter amount of most recent rent increase for unit.

Y. **Percentage of Most Recent Rent Increase.** THIS IS A SELF-CALCULATING CELL - ENTER NO DATA HERE.

Project Financing

Supply the info requested about all current financing of the project. Lenders should be listed in lien order, i.e., with the most-senior lender in the first lien position, the most-junior lender in last lien position. If the project was funded by tax credits, don't forget to supply the end date for the initial tax credit compliance period (typically 15 years).

Services Funding

For each service that is provided based on your answers to questions 42-52 on Worksheet 1A, you must supply additional info about each service provider on Worksheet 6. Services Funding.

Links to Relevant Policies

Double click on the following web links to access the policy documents posted at SFGOV for your reference. The web

MOH Forms Page at SFGOV.ORG

<http://www.sf-moh.org/index.aspx?page=25>

Program Income Overview

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

MOH Residual Receipt Policy

<http://www.sf-moh.org/Modules/ShowDocument.aspx?documentid=4949>

Residual Receipt Waiver Request Form

<http://www.sf-moh.org/Modules/ShowDocument.aspx?documentid=2788>

MOH Insurance Requirements Policy

<http://www.sf-moh.org/Modules/ShowDocument.aspx?documentid=5140>

Asset Management Fee Policy

<http://www.sf-moh.org/Modules/ShowDocument.aspx?documentid=4950>

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.

Annual Monitoring Report - Reporting Year 2013
Mayor's Office of Housing & Community Development

REPORT CHECKLIST

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 MOHCD 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 41 thru 51	incomplete
questions 52 thru 58	incomplete
questions 59 thru 93	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 189 thru 206	incomplete
Replacement Reserve - rows 208 thru 215	incomplete
Program Income, rows 245 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
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WORKSHEET 6: Services Funding	To Be Determined
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Annual Monitoring Report - Property & Residents - Reporting Year 2013 Mayor's Office of Housing & Community Development		
#	IDENTIFYING INFO	
1		Reporting Period Start Date (m/d/yyyy)
2		Reporting Period End Date (m/d/yyyy)
3		Property Name
4		Property Full Street Address (e.g. "123 Main Street")
CONTACT INFO		
5		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
PROPERTY INFO		
What is the Bedroom/Unit Mix for the Property?		
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># 5</p> <p>How many Health, Building or Housing Code Violations were issued against the property in the reporting year? (If there were no violations enter "0"). If the property was cited for code violations in the reporting year or has open, unresolved violations from prior years as indicated below, you must answer Question # 5 on the Narrative worksheet. (Click on # 5 at left to jump to Narrative worksheet.)</p>
33		<p>How many Health, Building or Housing Code Violations were open from prior years?</p>
34		<p>How many Health, Building or Housing Code Violations were cleared in the reporting year?</p>
35		<p># 6</p> <p>Are there urgent Major Property Repairs needed on the property in the next two years? (Yes/No) If there are needed major repairs you must answer Question #6 on the Narrative worksheet. (Click on # 6 at left to jump to Narrative worksheet.)</p>
36		<p># 6</p> <p>If the property has Immediate Capital Needs and lacks adequate funds in the Replacement Reserve (or elsewhere) to cover the costs, please supply the amount of funds needed to 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 Accessible to Physically Impaired Tenants?</p>
38		<p>As of the last day of the reporting period, how many units were Adaptable for Physically Impaired Tenants?</p>
39		<p>As of the last day of the reporting period, how many units were fully Accessible to Visually Impaired Tenants?</p>
40		<p>As of the last day of the reporting period, how many units were fully Accessible to Hearing Impaired Tenants?</p>

Item	Resident Services: ANSWER REQD FOR q's 41-49. 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". 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.
41	After School Program/s (y/n) <small>Go To W56</small>
42	Licensed Day Care Service (participant fees are allowable for day care ONLY) (y/n) <small>Go To W56</small>
43	Youth Program/s (y/n) <small>Go To W56</small>
44	Educational Classes (e.g. basic skills, computer training, ESL) (y/n) <small>Go To W56</small>
45	Health and Wellness Services/Programs (y/n) <small>Go To W56</small>
46	Employment Services (y/n) <small>Go To W56</small>
47	Case Management, Information and Referrals (y/n) <small>Go To W56</small>
48	Benefits Assistance and Advocacy; Money Management; Financial Literacy and Counseling (y/n) <small>Go To W56</small>
49	Support Groups, Social Events, Organized Tenant Activities (y/n) <small>Go To W56</small>
50	Other Service #1 - Please specify in column G. <small>Go To W56</small>
51	Other Service #2 - Please specify in column G. <small>Go To W56</small>
52	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 titled "1B: Transitional Programs Only".
53	Vacancies - How many vacancies occurred at the project during the reporting period? (Please be sure that the data supplied on worksheet 3 does not show more vacancies than what is reported here.)
54	Evictions - How many evictions occurred during the reporting year?

55		<p>Vacant Unit Rent-Up Time - (in DAYS) State the average vacant unit rent-up time. This is the period from the time a household moves out to when the unit is rented again. If this period exceeds 30 days, you must answer Question # 3 on the Narrative worksheet. <i>(Click on # 3 at left to jump to Narrative worksheet.)</i></p>
56		<p>Waiting List - How many applicants are currently on the waiting list?</p>
57		<p>When was the waiting list last updated? (m/yyyy)</p>
58		<p>Affirmative Marketing - Did you conduct any marketing of the project during the reporting period? If you conducted marketing during the reporting period, you must answer Question #4 on the Narrative worksheet. <i>(Click on #4 at left to jump to Narrative worksheet.)</i></p>

POPULATION SERVED					
Target / Actual Populations: As of the last day of the reporting period, what are the Actual and Target Populations (expressed as Number of Households) for the Project?					
Under Target Population, enter the number of units at the project that, as a requirement of a specific funding source (e.g. 202, HOPWA, McKinney), are targeted to and set aside for the target populations shown in the table. Under Actual Population, enter the number of households at the project that contain at least one person who is a member of the populations shown in the table.					
		Target Population		Actual Population	
59	Do not enter data in this cell	0	AIDS Supportive Housing	0	AIDS Supportive Housing
60	Do not enter data in this cell	0	Transitional Housing for Homeless	0	Transitional Housing for Homeless
61	Do not enter data in this cell	0	Permanent Housing for Formerly Homeless	0	Permanent Housing for Formerly Homeless
62	Do not enter data in this cell	0	Mentally Disabled	0	Mentally Disabled
63	Do not enter data in this cell	0	Physically Disabled	0	Physically Disabled
64	Do not enter data in this cell	0	Senior Housing	0	Senior Housing
65	Do not enter data in this cell	0	Substance Abuse	0	Substance Abuse
66	Do not enter data in this cell	0	Dually Diagnosed	0	Dually Diagnosed
67	Do not enter data in this cell	0	Triply Diagnosed	0	Triply Diagnosed
68	Do not enter data in this cell	0	Domestic Violence Survivor	0	Domestic Violence Survivor
69	Do not enter data in this cell	0	Veterans	0	Veterans
70	Do not enter data in this cell	0	Small Household/ Single Parent Transitional	0	Small Household/ Single Parent Transitional
71	Do not enter data in this cell	0	Formerly Incarcerated	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.

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

Head of Household Race/Ethnicity - As of the last day of the reporting period, enter the numbers of Heads of Households of the following listed ethnicities. The total in row 89 (cell G109) must be the same as the total shown in row 79 (cell G98). DO NOT LEAVE CELLS BLANK - ENTER ZERO INSTEAD.

81		Latino or Hispanic
82		American Indian or Alaskan Native
83		Asian
84		Black or African American
85		Native Hawaiian or Other Pacific Islander
86		White
87		Other
88		Unknown
89	0	TOTAL - must match total in row 79 (cell G98)

90		As of the last day of the reporting period, how many Elderly Households resided at the property? (An <i>Elderly Household</i> is one with a Head of Household at least 62 years of age.)
91		As of the last day of the reporting period, how many Female-Headed Households resided at the property? (A <i>Female-headed Household</i> is one with a woman as the head of household - either alone or with one or more children.)
92		As of the last day of the reporting period, of the total population, how many CHILDREN (younger than 18 years of age) reside at the property?
93		As of the last day of the reporting period, how many units were occupied by tenants with physical, visual or hearing impairment ?

Annual Monitoring Report - Transitional Programs - Reporting Year 2013 - Mayor's Office of Housing & Community Development

Project Address:

Project Capacity: What is the target capacity of this project?

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

Persons Served During Operating Year

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

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

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

Length of Stay: For the 0 households that LEFT the program during the operating year, how many were in the project for the following lengths of time? (Total in cell H26 should match total of cells H12 * (H12.)

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

Destination: For the 0 households reported to have LEFT the program during the operating year, how many left for the following destinations? (Total in cell H51 should match total of cells H12 & H12.)

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

Annual Monitoring Report - Fiscal Activity - Reporting Year 2013 - Mayor's Office of Housing & Community Development

INCOME & EXPENSES		12 Month Report Period:	Start Date:	10/1/12	End Date:	10/1/13
		Number of Units	Account Number	Residential	Non-Residential	Total
Description of Expense Accounts						
Rental Income						
Housing Units - Gross Potential Tenant Rents		5120				
Rental Assistance Payments (Identify sources in row below if applicable; LOSP funding should be shown here)		5121				
Sources ->						
Commercial		5140				
sub-total Gross Rental Income:				\$0.00	\$0.00	\$0.00
Vacancy Loss - enter amounts as negative number(s)						
Housing Units		5220				0.00%
Commercial		5240				0.00%
sub-total Vacancies:				\$0.00	\$0.00	\$0.00
NET RENTAL INCOME:				\$0.00	\$0.00	\$0.00
Other Income						
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.						
Supportive Services Income Source(s) - identify program source(s) if applicable ->		5300				
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		Account Number	Residential	Non-Residential	Total
Description of Expense Accounts					
Management					
Management Fee		6320			
Above the Line Asset Management Fee (amount allowable may be limited, see Asset Mgt. Fee Policy)					
sub-total Management Expense:			\$0.00	\$0.00	\$0.00
Salaries/Benefits					
Office Salaries		6310			
Manager's Salary		6330			
Health Insurance and Other Employee Benefits		6723			
Other Salary/Benefit Expenses					
Administrative Rent Free Unit		6331			
sub-total Salary/Benefit Expense:			\$0.00	\$0.00	\$0.00
Administration					
Advertising and Marketing		6210			
Office Expenses		6311			
Office Rent		6312			
Legal Expense - Property		6340			
Audit Expense		6350			
Bookkeeping/Accounting Services		6351			
Real Estate		6370			
Miscellaneous Administrative Expenses		6390			
sub-total Administrative Expense:			\$0.00	\$0.00	\$0.00
Utilities					
Electricity		6450			
Water		6451			
Gas		6452			
Sewer		6453			
sub-total Utilities Expense:			\$0.00	\$0.00	\$0.00
Taxes and License					
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
Insurance					
Property and Liability Insurance		6720			
Fidelity Bond Insurance		6721			
Workers' Compensation		6722			
Director's & Officers' Liabilities Insurance*		6724			
sub-total Insurance Expense:			\$0.00	\$0.00	\$0.00
Maintenance/Repair					
REPORT NOTE: REPAIRMENT OF NON-CAPITAL MAINTENANCE REPAIR EXPENSE ELIGIBLE FOR PAYMENT BY REPLACEMENT RESERVE IF PROPERTY INCLUDES RESERVE FROM WHICH EXPENSE IS PAID. THESE EXPENSES SHOULD BE TRACKED SEPARATELY IN THE REPAIR EXPENSES SECTION OF THE REPORT.					
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.					
SUB-TOTAL OPERATING EXPENSES:			\$0.00	\$0.00	\$0.00
Non-Capital Maintenance/Repair Expenses eligible for payment by Replacement Reserve. Only enter amounts here if they were included in amounts entered for Maintenance & Repair section above. Enter as positive number.					
TOTAL OPERATING EXPENSES:			\$0.00	\$0.00	\$0.00

	Acc'l 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

Annual Monitoring Report - Fiscal Activity - Reporting Year 2013 - Mayor's Office of Housing & Community Development

	Lender Name / Describe Other Amount Paid			
4. Debt Service (Principal and Interest)				
Lender 1 - Principal Paid (provide lender name to the right)				
Interest Paid				
Other Amount (describe to the right)				
Lender 2 - Principal Paid (provide lender name to the right)				
Interest Paid				
Other Amount (describe to the right)				
Lender 3 - Principal Paid (provide lender name to the right)				
Interest Paid				
Other Amount (describe to the right)				
Lender 4 - Principal Paid (provide lender name to the right)				
Interest Paid				
Other Amount (describe to the right)				
Lender 5 - Principal Paid (provide lender name to the right)				
Interest Paid				
Other Amount (describe to the right)				
Total Debt Service Payments		\$0.00	\$0.00	\$0.00
5. Reserve Account Activity				
Noninterest Reserve Deposits/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)	<type rev acct name here>			\$0.00
Other Required Reserve Account Withdrawals - identify account in next col ->	<type rev acct name here>			\$0.00
Net Reserve Activity:		\$0.00	\$0.00	\$0.00
Surplus Cash, Detail (NO: mixes Debt Service and Reserve Activity)		\$0.00	\$0.00	\$0.00
If amount for Surplus Cash above is negative, you must provide a detailed explanation to question #1 on the Narrative worksheet. You must NOT supply data for any of the fields for lines of Surplus Cash below.		Go to wsd Narrative question #1		
Surplus Cash, Total:				\$0.00
NEVER TO THE PROJECT'S SURPLUS CASH FLOW "WATERFALL" (RE APPLICABLE FROM TO COMPLETING SECTION BELOW)				
LINE OF SURPLUS CASH THAT ARE AUTHORIZED TO BE PAID PRIOR TO RECEIPT OF MOHCD 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 (see question 8 on the Narrative (worksheet 6)) to provide details about any fees or other payments included here. Failure to provide details will result in disallowance of the expense. You may only include payments that were approved by MOHCD at time of funding that are also explicitly authorized by a Partnership Agreement or similar project document.				
13a. Debt Pmt to other lenders: Principal Paid (note lender name to right)				
13a. Debt Pmt to other lenders: Interest Paid				
13b. Debt Pmt to other lenders: Principal Paid (note lender name to right)				
13b. Debt Pmt to other lenders: Interest Paid				
13c. Debt Pmt to other lenders: Principal Paid (note lender name to right)				
13c. Debt Pmt to other lenders: Interest Paid				
13d. Debt Pmt to other lenders: Principal Paid (note lender name to right)				
13d. Debt Pmt to other lenders: Interest Paid				
13e. Debt Pmt to other lenders: Principal Paid (note lender name to right)				
13e. Debt Pmt to other lenders: Interest Paid				
13f. Debt Pmt to other lenders: Principal Paid (note lender name to right)				
13f. Debt Pmt to other lenders: Interest Paid				
13g. Debt Pmt to other lenders: Principal Paid (note lender name to right)				
13g. Debt Pmt to other lenders: Interest Paid				
13h. Debt Pmt to other lenders: Principal Paid (note lender name to right)				
13h. Debt Pmt to other lenders: Interest Paid				
13i. Debt Pmt to other lenders: Principal Paid (note lender name to right)				
13i. Debt Pmt to other lenders: Interest Paid				
13j. Debt Pmt to other lenders: Principal Paid (note lender name to right)				
13j. Debt Pmt to other lenders: Interest Paid				
13k. Debt Pmt to other lenders: Principal Paid (note lender name to right)				
13k. Debt Pmt to other lenders: Interest Paid				
13l. Debt Pmt to other lenders: Principal Paid (note lender name to right)				
13l. Debt Pmt to other lenders: Interest Paid				
13m. Debt Pmt to other lenders: Principal Paid (note lender name to right)				
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13ac. Debt Pmt to other lenders: Principal Paid (note lender name to right)				
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13ad. Debt Pmt to other lenders: Principal Paid (note lender name to right)				
13ad. Debt Pmt to other lenders: Interest Paid				
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13ay. Debt Pmt to other lenders: Principal Paid (note lender name to right)				
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13bk. Debt Pmt to other lenders: Interest Paid				
13bl. Debt Pmt to other lenders: Principal Paid (note lender name to right)				
13bl. Debt Pmt to other lenders: Interest Paid				
13bl. Total Payments exceeding MOHCD on Surplus Cash waterfall				
14. RESIDUAL RECEIPTS				
PROPOSED USE OF RESIDUAL RECEIPTS				
14a. Is This Project Obligated to make Repayments on any MOHCD loans out of Residual Receipts? (enter Yes or No in cell to the right)				
Residual Receipts Obligation Calculation (if applicable)				
14b. % of Residual Receipts (14)				
14c. \$500 per unit				
14d. Allowable Distribution (lessor of 14b & 14c)				
14e. Net Residual Receipts Amount Due (14 - 14d)				
15. PROPOSED RESIDUAL RECEIPTS PAYMENT TO MOHCD				
Proposed Amount:				
It may be acceptable for the Proposed Residual Receipts Payment to MOHCD noted on line 15 to be less than the amount calculated for line 14e. You must supply a detailed explanation in the cell to the right if 15 is not equal to 14e.				
DO NOT SUBMIT YOUR PROPOSED RESIDUAL RECEIPT PAYMENT TO MOHCD WITH THIS AFR. MOHCD WILL REVIEW YOUR PROPOSED PAYMENT AND GENERATE AN INVOICE IF THE CALCULATION CAN BE VERIFIED AS APPROPRIATE. IF THE CALCULATION CANNOT BE VERIFIED, MOHCD WILL CONTACT YOU.				
Remaining Balance if MOHCD Payment Amount is Accepted				
\$0.00				

Annual Monitoring Report - Fiscal Activity - Reporting Year 2013 - Mayor's Office of Housing & Community Development

USES OF SURPLUS CASH THAT ARE AUTHORIZED TO BE PAID AFTER CALCULATION OF MONTHLY DEBT PAYMENT (IF APPLICABLE)	
16. Below-the-line Asset Mgt fee (per written authorization from City/SPRA 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 8 on the Narrative (worksheet #4) to provide details about any fees or other payments included here. Failure to provide details will result in disallowance of expense. You may only include payments that were approved by MOHCD at time of funding that are also explicitly authorized by a Partnership Agreement or similar project document.	Provide name of Debtor/Service payee or other fee
22a. Debt Pmt to other lender: Principal Paid (note lender name to right)	
22b. Debt Pmt to other lender: Interest Paid	
22c. Debt Pmt to other lender: Interest Paid	
Total Payments below MOHCD on Surplus Cash -waterfall	\$0.00
Subtotal of Remaining Balance	\$0.00
Proposed Owner Distributions (provide description in column C and enter amount in column F; 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

OPERATING RESERVE (do not edit - blank for any questions asking for a number, unless otherwise noted)	
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 Expense) is less than 23.5%, you must describe how the project will remedy the shortfall in the adjacent cell.	
If the calculated percentage shown to the right is greater than 26.5%, you must explain why the Op Reserve balance exceeds MOHCD's requirement in the adjacent cell.	0.000%

REPLACEMENT RESERVE (do not edit - blank for any questions asking for a number, unless otherwise noted)	
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 terminology section below to supply explanations	
Capital Expenditures Category	Amount
Building & Improvements	
Office Improvements	
Site Improvements	
Land Improvements	
Furniture, Fixtures & Equipment	
Other	
Total	\$0.00

Other Replacement Reserve Eligible Expenditures: provide details below to generate the total and use the terminology section below to supply explanations	
Source	Amount
Paid out of Operating Budget to be reimbursed by RR (from above)	\$0.00
Replacement Reserve	
Total	\$0.00

TOTAL REPLACEMENT RESERVE ELIGIBLE EXPENDITURES: 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 Emergency:				

Annual Monitoring Report - Fiscal Activity - Reporting Year 2013 - Mayor's Office of Housing & Community Development

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 570.201-205 and consistent with the City's 2010-2014 Consolidated Plan and 2013-2014 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, 2013 (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	

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 2013 reporting period as depicted above.

Annual Monitoring Report - Occupancy & Rent Info - Reporting Year 2013 - Mayor's Office of Housing & Community Development

Project Address: _____ Data supplied must be from the rent roll for last month of the reporting period (entered on worksheet 1A) 1/0/1900 Num Units: 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 and manager's units, provide data in columns D, E, P, R, S and U 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!

Row Num	Unit No.	Low Income Unit? (yes/no)	Date of INITIAL OCCUPANCY (m/d/yyyy)	Household Annual Income AT INITIAL OCCUPANCY	Household Size AT INITIAL OCCUPANCY (persons)	Female Headed Household (yes/no)	Elderly Household (yes/no)	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 For MOHCD Funding Agreement? (yes/blank)	Rental Assistance Type (Section 8 / HOPWA / 51C / Other / None)	Amount of Rental Assistance	Unit Type (Studio / 1BR / 2BR / 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	Date Of Most Recent Income Recertification WITHIN THE REPORTING PERIOD (m/d/yyyy)	Date Of Most Recent Rent Increase WITHIN THE REPORTING PERIOD (m/d/yyyy)	Amount of Most Recent Rent Increase WITHIN THE REPORTING PERIOD	Stage of Rent Increase (calculated, do not enter)
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2992

Annual Monitoring Report - Occupancy & Rent Info - Reporting Year 2013 - Mayor's Office of Housing & Community Development

Project Address: _____ Data supplied must be from the rent roll for last month of the reporting period (entered on worksheet 1A) 1/0/1900 Num Units: 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 and manager's units, provide data in columns D, E, P, R, S and U 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!

Row Num	Unit No.	Low Income Unit? (yes/no)	Date of INITIAL OCCUPANCY (MM/YYYY)	Household Annual Income AT INITIAL OCCUPANCY	Household Size AT INITIAL OCCUPANCY (number)	Female Headed Household (yes/no)	Elderly Household (yes/no)	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 For MHCD Funding Agreement? (yes/blank)	Rental Assistance Type (Section 8 / HOPWA / S+C / Other / None)	Amount of Rental Assistance	Unit Type (Bed / BRD / Studio / 1BR / 2BR / 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	Date Of Most Recent Increase IN Rent WITHIN THE REPORTING PERIOD (MM/YYYY)	Date Of Most Recent Rent Increase WITHIN THE REPORTING PERIOD (MM/YYYY)	Amount of Most Recent Rent Increase WITHIN THE REPORTING PERIOD	%age of Rent Increase (calculated, do not enter)
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2993

Narrative

Project Street Address:

Reporting Period - Start Date: 1/0/1900

Reporting Period - End Date: 1/0/1900

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

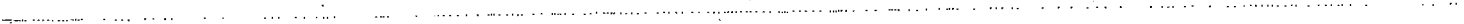
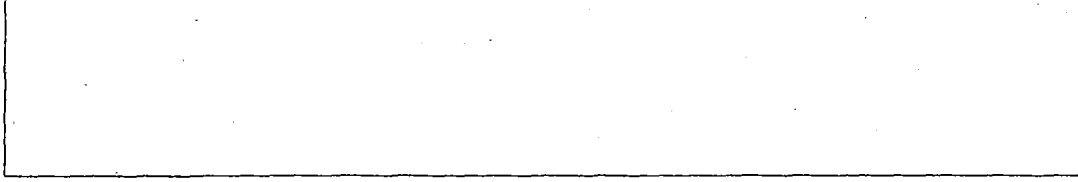
Negative Cash Flow

1. Does the project show a NEGATIVE CASH FLOW on the MOHCD 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 ----->

0.00%

2. If the project show a VACANCY RATE GREATER THAN 15% as shown ABOVE from the Income Expense section of the Fiscal Activity Report, 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. If the project showd an AVERAGE VACANT UNIT RENT-UP TIME GREATER THAN 30 days for question 78 on the **Property & Tenant Info** worksheet, 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 describing major repair or replacement needs]

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.

Explanations & Comments

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 MOHCD funding agreement (see question 10b on Occupancy & Rent Info worksheet).

Remember, **SAVE YOUR WORK!**

Annual Monitoring Report - Project Financing - Reporting Year 2013 - Mayor's Office of Housing & Community Development

Tax Credit Initial Compliance Period End Date: _____

Current Project Financing

In the space below, list all current outstanding loans and grants that are secured by the project. List each obligation in the order of lien position, from highest to lowest.

Lien Order	Lender (and Loan Program If applicable)	Loan Amount	Interest Rate	Maturity Date	Repayment Terms	Monthly Debt Service Payment	Outstanding Principal Balance As Of End of Last Reporting Period	Accrued Interest As Of End of Last Reporting Period
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3002

EXHIBIT H
Tenant Selection Plan Policy

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

Application Process

- **Application Materials.** 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.

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

- **Limited English Proficiency Policy.** Throughout the application process, the housing provider must comply with 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:

H

agreement date

- 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.²

² 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 record³ 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;⁴
 - 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:

³ 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.

⁴ 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 J – INTENTIONALLY OMITTED

EXHIBIT K – INTENTIONALLY OMITTED

EXHIBIT L

OPERATIONAL RULES FOR RESIDENTIAL CERTIFICATE OF PREFERENCE (COP) HOLDER AND ELLIS ACT HOUSING PREFERENCE (EAHP) PRIORITY

The Borrower hereby agrees that first preference in occupying units designated for Low Income Households (Low Income Units) will be given to persons displaced from their homes by redevelopment activities who have been issued a Residential Certificate of Preference (COP) and who meet all qualifications for the unit.

The Borrower further agrees that second preference in occupying units designated for Low Income Households will be given to persons displaced from their homes by an Ellis Act Eviction who have been issued an Ellis Act Housing Preference Program (EAHP) Certificate and who meet all qualifications for the unit.

For new residential developments going through the initial lease-up process, the EAHP priority shall apply to twenty percent (20%) of the Low Income Units. Thus, if the number of units available exceeds the number of qualified applicants who hold a COP or other preference as dictated by specific loan documents or marketing plan, the next priority will go to EAHP certificate holders for up to 20% of the total Low Income Units. The EAHP priority does not apply at initial lease-up or sale to buildings having four (4) or fewer Low Income Housing Units. However, the EAHP priority does apply to these same units upon re-rental.

Low Income Units with other occupancy priorities required by law, contract, or program rules may apply the COP and EAHP after other preferences, with COP holders being granted priority above EAHP certificate holders. Preferences required by a former Redevelopment Project Area Plan are not pre-empted by the COP Program or the Ellis Act Housing Preference Program. Preferences required by the LOSP, Direct Access to Housing Program, Housing First Program, or other government program are not pre-empted by the Ellis Act Housing Preference Program.

Marketing Plan

The Borrower agrees to supply Mayor's Office of Housing and Community Development (The City) with a complete and updated marketing plan at least six months prior to construction completion. This information shall not be changed without providing The City with fourteen (14) calendar days' written notice.

Outreach to Certificate Holders

The City shall furnish the following:

- Written and/or printed notices to COP and EAHP certificate holders advising them that units will soon be available. COP mailings are at the cost of the Borrower.
- Assistance to qualified tenants in filing COP and EAHP applications or referral to an appropriate housing counseling organization

The Borrower agrees to:

- During the application period, conduct at least one general informational meeting for all persons interested in applying for occupancy in the development, at which the Borrower shall review application procedures.

- Specifically for COP and EAHP certificate holders, make support services staff available to provide assistance throughout the application process, as it may be needed, with the goal of maximizing COP/EAHP participation to the extent possible. The Borrower shall ensure that COP/EAHP holders are aware that such assistance is available.

Application

A. The Borrower agrees to ask the following questions on all applications for occupancy:

1. "Have you been displaced from your home or residence by the San Francisco Redevelopment Agency?"
2. "Do you have an Ellis Act Housing Preference Certificate?"

The address from which displacement occurred shall be requested, but not required, if the applicant answers affirmatively to either question.

Pre-Lottery Application Status Reports

The Borrower agrees to supply The City with the names, addresses, and certificate numbers (when available) of applicants who indicate they are eligible for COP or EAHP priority status. A status report with this information will be provided, at a minimum, every seven (7) calendar days from the initial date applications are accepted. The City will, in turn, verify within fourteen (14) calendar days which such applicants are qualified as COP or EAHP certificate holders.

If material supplied in any application by a COP or EAHP holder indicates ineligibility on its face because of the Borrower's rules and regulations, such applicant will be notified in writing within seven (7) calendar days, with a copy to The City. The status report to The City shall reflect that the application has been closed and shall indicate the reason for rejection.

After the application period has closed, and prior to lottery proceedings, a non-prioritized list of all interested applicants will be provided to The City. The list shall include applicant names, addresses, and whether the applicant holds a COP or an EAHP certificate.

Lottery

Borrowers shall ensure that all COP holders receive first priority for occupancy and EAHP certificate holders receive second priority for occupancy in 20% of units, except in cases where approved and documented occupancy priorities preempt the COP and EAHP preferences. EAHP certificate holders who are not offered a unit in the 20% set aside shall have equal chance at any remaining units as other qualified applicants.

The Borrower shall hold a public lottery to select renters. Applicants who submit a complete application by the application deadline receive a numbered lottery ticket whose twin ticket is entered into the lottery. Upon pre-approval from The City, lotteries may also be conducted using names of applicants. Lotteries are held in a public, accessible location. Applicants are invited to attend lotteries, but attendance is not mandatory.

To conduct the lottery, The City and/or the Borrower shall pull application tickets from a vessel and order and record the lottery results in rank order by application ticket number. When using names, Borrower shall pre-enter all applicant names onto individual name cards. All EAHP certificate holders should have two name cards. Names shall be pulled from a vessel in rank order. There should be separate lotteries held for each preference. First, COP holders will be drawn and ranked, followed by EAHP applicants, followed by applicants from the general population. The EAHP certificate holder's second card will be included in the general lottery. Electronic lotteries are not allowed.

The Borrower should use a large computer or projector screen or hand printed flip chart sheets to display all numbers/names drawn and the sequenced lottery number assigned for each preference lottery and the general lottery. This can be done by listing all applicants in separate columns under each preference category.

The Borrower should record each name card/number ticket assigned a lottery number onto a computer master list as well as a hand printed paper list for double checking. Results will remain projected on a screen or posted flip chart paper throughout the lottery drawing process for the public to view and record results.

The Borrower shall record the order of lottery numbers/names drawn and produce a final lottery list for each preference and for the general lottery. Once the lottery preferences have been confirmed and applied, applicants shall be notified of their position in the lottery.

Post-Lottery Status Report

Within seven (7) business days of any lottery the Borrower shall supply The City with the lottery results including the rank order of each applicant and a record of COP and EAHP certificate holders.

Thereafter, at least every seven (7) calendar days following any lottery or upon initiating lease-up, the Borrower shall supply The City with a "status report" listing names, addresses, and certificate numbers (when available) of COP and EAHP certificate holders indicating the status of each application as of that date until all Low Income Units are leased. If ineligibility is determined, the applicant will be notified in writing within one week after such determination is made, with a copy to The City. These applicants will also appear on the status report.

Response Deadline

Applicants who have been accepted and notified in writing by the Borrower shall have at least ten (10) calendar days thereafter to enter into a lease agreement. If the applicant fails to affirmatively respond, the application may be closed, making that unit available to the next eligible tenant. Written notice shall be provided to applicants whose applications are closed after 10 days due to a lack of response. Rejection of the unit by a COP or EAHP certificate holder and closed applications must be shown on the status report to The City.

Final Documentation

Within fourteen (14) calendar days after execution of a lease, the Borrower shall supply The City with a copy of the following for all COP and EAHP tenants:

- signed copy of lease
- copy of complete application
- a demographic report on all COP and EAHP applicants

Re-rental of Low Income Units

Upon re-rental of any Low Income Unit or when re-opening the project waitlist to new applicants, the Borrower shall notify The City in advance of any vacancy or waitlist opportunity. In no event shall The City be notified fewer than thirty (30) days before the date of re-occupancy for a vacant unit. In no event shall The City be notified fewer than thirty (30) days before a closed waitlist is re-opened for new applications. Violation of the thirty (30) day notification requirement may delay re-occupancy.

Appeals, response deadline, application forms, and final documentation requirements listed above shall apply to all re-rentals.

Waitlists

Borrowers filling unit vacancies off a waitlist must accept applications from approved COP and EAHP certificate holders at any time, regardless of whether the waitlist is closed to other applicants. If a COP or EAHP certificate holder is found eligible for a Low Income Unit in the building, they shall be placed at the top of the waitlist.

No more than seven (7) calendar days following the date that any new applications are accepted for a waitlist, the Borrower shall supply The City with a status report listing names, addresses and certificate numbers (when available) of COP and EAHP certificate holders indicating the status of each application as of that date and the reason for any rejections.

The City will, in turn, verify within seven (7) calendar days which such applicants are qualified as COP or EAHP certificate holders.

On an annual basis and each time a new waitlist is established, The City shall be provided with a complete list of all applicant names, rank on the waitlist, and whether they hold a COP or EAHP certificate upon finalization of the waitlist.

Lotteries

Borrowers that fill unit vacancies using a lottery process must adhere to the procedures pertaining to lotteries and status reports for new and vacant buildings.

Other Re-rental Processes

Borrowers that fill unit vacancies using some other process than an established waitlist or a lottery, such as those who use a first-come first-served method, must consult The City prior to beginning the lease up process. This will ensure a fair, transparent process that adheres to the required COP and EAHP priorities.

Citywide Affordable Housing Loan Committee

San Francisco Mayor's Office of Housing and Community Development

Department of Human Services

Department of Public Health

Office of Community Investment & Infrastructure

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

Prepared By: Joan McNamara

Date prepared: March 4, 2014

Loan Committee Date: March 21, 2014

Sponsor Name: Broadway Sansome Associates, L.P.
Project Name: Broadway Sansome Apartments
Project Address (w. cross street): 255 Broadway Street
Number of Units/Beds (specify): 75 units including 36 units for homeless families and 1 manager unit

Local Operating Subsidy Funds Requested: Up to \$216,531 full year one budget
Up to \$4,570,219 - 15 years

Local Operating Subsidy Funds Recommended:
Up to \$216,531 full year one budget
Up to \$4,570,219 - 15 years

1. SUMMARY

Broadway Sansome Associates, L.P., with Chinatown Community Development Center (CCDC) as the sponsors, requests up to \$216,531 for first full year in General Funds through the Local Operating Subsidy Program (LOSP) to subsidize housing operations at Broadway Sansome Apartments under a 15 year contract. The 75 unit residential development currently under construction will open in January 2015 and will serve 36 homeless families referred by the Human Services Agency (HSA). The units will be a mix of studios, 1-BR, 2-BR and 3-BR units to provide supportive housing to a range of families. CCDC has also submitted an application for McKinney Shelter Plus Care rent subsidies for 4 units; if awarded in Spring 2014, the LOSP request will automatically be reduced proportionately. HSA will fund a portion of the services that will be provided by Chinatown Community Development Center.

The new building will have 74 family units and one manager's unit with 2 ground floor retail spaces, a central courtyard and garden, roof decks, and on-site service space. The projected operating costs for the project are within the low range for permanent supportive family housing at \$8,079 per unit per year. The LOSP request itself, is \$6,015

per unit per year, within the range of recent projects, assuming an average tenant income of 13 - 15% AMI.

CCDC initially agreed to house 18 homeless families at the site. However, last year CCDC along with the Families in SRO's Collaborative advocated for an additional 18 homeless families bringing the total number of homeless households served at the site to 36. Nine (9) of these homeless units will be filled exclusively from Families in SRO's Collaborative.

Staff recommends approval of this request.

2. PROJECT OPERATIONS

2.1. Unit Mix

Unit Type	#	Unit HH Composition	Homeless Units
Studios	10	Singles, couples	10
1-BR	36	Families and 1 manager unit	17
2-BR	24	Families	9
3-BR	5	Families	----
Total:	75		36

2.2. Annual Operating Budget

Please see the attached annualized budget for the initial year. Construction is estimated to be complete in December 2014; start-up and screening activities will commence in Fall 2014, funded by the \$10,000 Marketing & Lease Up line item in the development budget. Full operations and lease up are anticipated to begin on January 1, 2015.

2.1.1 Income

Tenant Rents: Tenant rent projections for the LOSP households assume households will be below 15% Area Median Income (AMI). Tenants will be required to pay 30% of their income for rent, expected to average \$300 per month, excluding the utility allowance. Based on a recently funded HSA LOSP family project, Bayview Hill Gardens, this projected tenant rent is comparable given Broadway Sansome Apartments will have some of the same eligibility requirements. Tenant-paid rents are projected to provide \$129,600 in the first full year of operations. This tenant-paid rent projection assumes that families will have income from Calworks, SSI, and earned income.

Income – Other Subsidy: If successful in the McKinney Shelter Plus Care application, operations for (4) 1-BR units will be covered by Shelter Plus Care subsidies under a 1 year contract which is anticipated to be renewed on an ongoing basis, provided the sponsor continues to effectively operate the building. The McKinney subsidy would layer on an eligibility criterion of a significant disabling condition, such as mental illness, in addition to homelessness for those 4 units. The Shelter Plus Care subsidy would offset

the cost of operations for some of the LOSP units since it is a richer subsidy at \$18,612 per unit per year compared to the LOSP subsidy of \$6,015 per unit per year. The LOSP subsidy is structured to fill the gap in income needed to cover basic operations of the building.

Income – Other: Miscellaneous income from laundry and vending are initially budgeted at \$6,750 per year, and will escalate at a rate of 2.5%.

Income – Local Operating Subsidy:

LOSP subsidy for 36 units (49% of total 74 units), \$216,531 (\$6,015/ PUPA and \$501 / PUPM) is shown in the annualized Year One budget. LOSP is based on pro-rata share of expenses and the subsidy is sized to fund a break-even budget, including operating expenses, replacement reserve deposits, Asset Management Fee, and MHP mandatory interest payment for all 36 homeless housing units.

2.1.2 Operating Expenses: Year One annual operating expenses, before debt service and reserves (and all other below the line expenses), is \$597,810 which equates to \$8,079 PUPA. These operating expenses are low compared to other recent family LOSP projects. However, a significant difference is Broadway Sansome Apartments will not have 24-hour desk coverage, which helps in lowering costs. Total operating costs, including debt and reserves and all other expenses, is \$737,089 which equates to \$9,828 PUPA.

CCDC is basing the projected operating expenses on current operating costs at Broadway Family Apartments, another family development, which is located within a block of this development.

Staffing: The staffing plan and salary amounts are based on Broadway Family Apartments, another CCDC family building in operation for 7 years. However, the key difference is Broadway Sansome will serve homeless families whereas Broadway Family is a building comprised of low income family households only. Given this distinction, ~~staff is recommending that CCDC work with the City to review if the proposed staffing plan shown below is appropriate.~~

<u>Position</u>	<u>FTE</u>	<u>Notes</u>
Resident Manager	1	\$50,840
Assistant Resident Manager	.5	\$22,000 Provide support to the Property Manager with program compliance, reporting requirements, coordination between service providers and property management
Maintenance Worker II	1	\$30,000
Janitor	.6	\$30,420
TOTAL	3.1	Property management staff only

Management Fees: The Sponsor will collect \$55 per unit per month in property management fees. This amount is just slightly above the base rate of \$52/unit/month per HUD Regional Office Memo dated July 2011.

Asset Management Fee: An asset management fee in the amount of \$17,800 is requested above the line as permitted by the MOHCD Asset Management Fee policy, and is permitted at this amount for 2015.

Salaries and Benefits: Salaries and benefits are budgeted at \$94,000, covering the Resident Manager and Assistant Resident Manager.

Administration: Administration line items are budgeted at \$48,450, and cover typical functions such as legal, screening, office supplies and equipment, computers and telephones. These are reasonable, based on recent comparables.

Utilities: Utilities are budgeted at \$118,999. While the building is individually metered for electricity, the line item covers electricity, water, gas for the common areas and building wide boilers for domestic hot water and heating. It also includes sewer. The sponsor has calculated per unit costs based on Broadway Family Apartments.

Taxes: The line item covers a small amount for local real estate assessments at \$4,075 and \$64,000 for payroll taxes related to staff.

Insurance: Insurance is budgeted at \$78,825 for Property & Liability, Workers Comp and Crime Insurance, and is based on an estimate. This amount is low as compared to other family properties.

Maintenance and Repair: This line item in the amount of \$73,061 includes payroll for one full time janitorial staff and one full time maintenance worker; contracts for grounds, exterminating, fire alarm and elevator; garbage and trash removal; and HVAC repairs and maintenance; and is reasonable.

Debt Service: HCD MHP Supportive capital funding requires a mandatory annual interest payment of .42% resulting in annual payment of \$31,422 per year.

Replacement Reserve Deposits: Replacement reserve deposits are shown at \$600 per unit per year in compliance with HCD requirements.

Operating Reserve Deposits: The project is obligated to maintain an operating reserve account equivalent to 25% of expenses and debt and reserves, assuming expenses increase by 3.5%. This reserve was capitalized in the development budget.

Deferred Developer Fee: CCDC is due \$82,500 in deferred developer fee. This fee will be paid out over 5 years @ \$16,500/year.

Partnership Management and Investor Services Fees: \$17,820 is budgeted for partnership management and \$4,000 for investor services fees below the line, which increases at a rate of 3% as permitted by MOH's asset management policy.

2.3. 20-Year Cash Flow: The attached 20 Year Cash Flow Projection shows the estimated amount of annual subsidy that will be needed for the 15 year grant period. The projection was made using MOHCD's standard underwriting guidelines. Actual payments will be based on approved annual operating budgets and not on this projection.

- tenant rent income trends at 1% per year, which is below MOHCD Underwriting Guidelines of 2.5%, based on actual average increases in SSI

income over the past eight years. Other miscellaneous income trends at 2% in keeping with MOHCD guidelines. 5% vacancy loss is assumed on the tenant rent income, which complies with MOHCD underwriting guidelines for a LOSP funded project.

- operating expenses trend at 3.5% per year, per MOHCD Underwriting Guidelines, with exceptions as described above.
- projected City operating subsidy increases at approximately 3.5% per year. Projected McKinney Shelter + Care subsidy, if awarded, trends at 2.5%.

3. TARGET POPULATION AND PROGRAM STRUCTURE

Broadway Sansome Apartments is a family development that will include a formerly homeless population. A number of the homeless families may have special needs, such as mental illness, substance abuse issues, physical disabilities, and domestic violence issues. If awarded Shelter Plus Care subsidies, the four covered units will be offered to dually diagnosed homeless households who meet the McKinney eligibility criteria (four 1-BRs).

HSA will identify housing applicants through referrals made by homeless service providers, the Access Point Agencies (APA), on a rotating basis. At initial lease up, each APA will identify a referral that fits the specific eligibility requirements for the project from its current case load until the building is fully leased up. Upon vacancy, each referral source will provide one applicant on a rotating basis from their population being served.

These APAs include family homeless and domestic violence shelters, transitional housing programs and other community based organizations that work with the target population. Eligible clients of APA who have a former SFRA Certificate of Preference will receive preference for a housing referral. Twenty seven (27) of the total homeless units will rotate through all the family APAs. The remaining 9 homeless units will get referrals exclusively from the Families in SRO's Collaborative.

4. SERVICES

- A. Narrative. Chinatown Community Development Center commits to providing supportive services to Broadway Sansome Apartment residents, in the form of on-site educational, health and wellness and skill-building classes coordinated by an on-site resident services coordinator. A minimum of 84 class hours will be scheduled throughout the year and will depend on the interests and needs of the resident population. In other CCDC buildings services included:
- a. A variety of wellness classes and workshops in partnership with On Lok Lifeways and the San Francisco State University and Samuel Merritt University Schools of Nursing;
 - b. Money management in partnership with SF EARN; and

- c. Energy and water conservation, composting, recycling in partnership with the SF Department of Environment

These services are provided in-kind and are valued at approximately \$15,000/year.

The service program will have 1.5 FTE on site staff, and an additional .45 FTE off site supervisorial staff. CCDC will provide the Services Coordinator position and supervisorial staff.

Staff Position	Agency	FTE	Group Served
Intensive Case Manager	CCDC	1.0	All
Resident Services Coordinator	CCDC	.5	All

- B. Services Budget. Support services at Broadway Sansome will be funded through a contract between Chinatown Community Development Center and the Human Services Agency, to be finalized by Summer 2014.

5. RECOMMENDED CONDITIONS

- 1. Six (6) months prior to start of lease up process, CCDC to work with City to develop a more comprehensive services plan and budget and to revisit property management staffing assumptions including front desk coverage and all other positions related to managing the building.

6. LOAN COMMITTEE MODIFICATIONS

7. LOAN COMMITTEE RECOMMENDATION

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

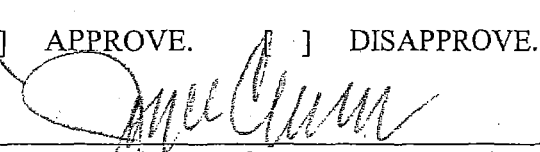
APPROVE. DISAPPROVE. TAKE NO ACTION.



Olson Lee, Director
Mayor's Office of Housing

Date: 3/21/14

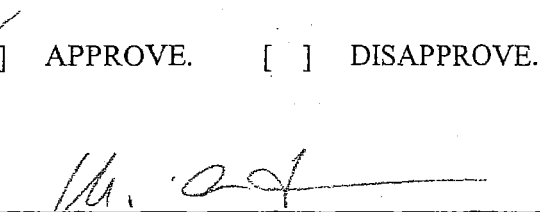
APPROVE. DISAPPROVE. TAKE NO ACTION.



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

Date: 3/21/14

APPROVE. DISAPPROVE. TAKE NO ACTION.



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

Date: 3/21/14

~~Attachments: LOSP Program Description~~

- Operating Budget - 1st Year
- Cash Flow Projection
- Exhibit A1 A2 Full LOSP
- Operating Cost Comparison

LOAN COMMITTEE RECOMMENDATION

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

APPROVE. DISAPPROVE. TAKE NO ACTION.

Olson Lee, Director
Mayor's Office of Housing

Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

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

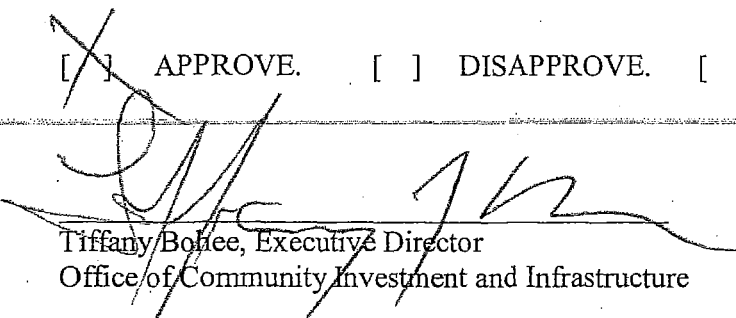
Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

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

Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.



Tiffany Bohce, Executive Director
Office of Community Investment and Infrastructure

Date: 3-21-14

Attach: Development Budget
20 Year Operating Proforma

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 2014-2015 fiscal year will be included in HSA's budget in the amount of up to \$ _____, and will be work-ordered to MOHCD for administration. The total amount of funds requested is based on Broadway Sansome Apartment's current operating budget and 15-year cash flow projection using MOHCD 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 MOHCD.

OFFICE OF THE MAYOR
SAN FRANCISCO



EDWIN M. LEE
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: *per* Mayor Edwin M. Lee *EL*
RE: Local Operating Subsidy Program Contract – 255 Broadway Street – Not
to Exceed \$4,570,219
DATE: June 3, 2014

Attached for introduction to the Board of Supervisors is the resolution authorizing the Director of the Mayor's Office of Housing and Community Development to execute a Local Operating Subsidy Program Grant Agreement with Broadway Sansome Associates, LP, a California limited partnership, to provide operating subsidies for formerly homeless households at 255 Broadway Street, for a fifteen-year period, in an amount not to exceed \$4,570,219.

I request that this item be calendared in Government Audit and Oversight Committee.

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

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
JUN 3 3:54 PM '14
AK

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

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors
Contractor Information <i>(Please print clearly.)</i>	
Name of contractor: BROADWAY SANSOME ASSOCIATES, L.P.	
<i>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.</i>	
SEE ATTACHED for Board of Directors	
Norman Fong – Executive Director, Anna Yee – Deputy Director Karen Gansen – Chief Financial Officer	
Contractor address: 1525 GRANT AVENUE SAN FRANCISCO, CA 94103	
Date that contract was approved: <i>(By the SF Board of Supervisors)</i>	Amount of contract: \$4,570,219
Describe the nature of the contract that was approved: Funds will be used to support building operations for 36 formerly homeless households.	
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: San Francisco Board of Supervisors
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

Filer Information <i>(Please print clearly.)</i>	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@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

Board of Directors

Vivian Fei Tsen - Chair

Managing Partner, Tsen Development Group

Jian Guang Ji

Retired

Diana Pang

Care Navigator, Shanti

Ben Golvin - Vice Chair

Principal, Equity Community Builders

Margaret Jung

Partner, Goldfarb and Lipman LLP

Irma Poe

Senior Program Manager, Corporation of Support Housing

Patsy Chan - Secretary

Office Assistant/Transaction Coordinator, Comax Realty, Inc

Jimmy Kwan

Vice President of Affluent Sales, Wells Fargo Bank

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Principal, Rosenquest & Associates

Gregory Chin -Treasurer

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Phil Chin

Principal, GreenFuels Inc

Tommy Lim

Optometrist, Berryessa Optometry

Amy Chung

Managing Member and Legal Counsel, Chung Investment, LLC

Ben Ng

Program Coordinator, Tenderloin Housing Clinic