

File No. 240230

Committee Item No. 7

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

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date March 27, 2024

Board of Supervisors Meeting Date \_\_\_\_\_

#### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/> | Motion                                       |
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| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Digest                           |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/> | Youth Commission Report                      |
| <input type="checkbox"/>            | <input type="checkbox"/> | Introduction Form                            |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/> | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Subcontract Budget                           |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Form 126 – Ethics Commission                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Application                                  |
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#### OTHER (Use back side if additional space is needed)

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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>BOS Resolution No. 320-20 7/23/2020</u> |
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Completed by: Brent Jalipa Date March 21, 2024

Completed by: Brent Jalipa Date \_\_\_\_\_

1 [Grant Agreement - 1296 Shotwell Housing L.P. - Senior Operating Subsidy - Not to Exceed  
2 \$4,820,042]

3 **Resolution approving and authorizing the Mayor and the Director of the Mayor's Office**  
4 **of Housing and Community Development ("MOHCD") to execute a grant agreement**  
5 **with 1296 Shotwell Housing L.P. in the amount of \$4,820,042 for an 11 year term to**  
6 **provide operating subsidies for 100% affordable housing project housing extremely**  
7 **low-income seniors, effective upon approval of this Resolution; approving the form of**  
8 **and authorizing the execution of the grant agreement; granting general authority to**  
9 **City officials to take actions necessary to implement this Resolution, as defined herein;**  
10 **and to authorize the Director of MOHCD to enter into amendments or modifications to**  
11 **the grant agreement that do not materially increase the obligations or liabilities to the**  
12 **City and are necessary to effectuate the purposes of the grant agreement or this**  
13 **Resolution.**

14  
15 WHEREAS, The City and County of San Francisco, acting through the Mayor's Office  
16 of Housing and Community Development ("MOHCD"), administers a variety of housing  
17 programs that provide financing for the development of new affordable housing and the  
18 rehabilitation of single- and multi-family housing for low- and moderate-income households  
19 and resources for homeowners in San Francisco; and

20 WHEREAS, On July 21, 2020, through Resolution No. 320-20, the Board of  
21 Supervisors authorized and delegated authority to MOHCD to accept and expend a grant  
22 award in the amount up to \$52,308,210 under the California Department of Housing and  
23 Community Development's ("HCD") Permanent Local Housing Allocation Program ("PLHA  
24 Program"), which provides funding for counties to fund affordable multifamily housing; and  
25

1           WHEREAS, Under the PLHA Program, MOHCD is authorized to provide a permanent,  
2 project-based operating subsidy to affordable housing providers that provide housing for  
3 extremely low income households at 15% of median income or 25% of median income,  
4 including transition reserves and administrative fees; and

5           WHEREAS, On March 1, 2024, the Citywide Loan Committee consisting of MOHCD,  
6 Department of Homeless and Supportive Housing, the Office of Community Investment and  
7 Infrastructure, and the Controller's Office of Public Finance recommended approval to the  
8 Mayor of a grant in an amount not to exceed \$4,820,042 to the Grantee for a term of 11 years  
9 to subsidize 40 units at the Project housing extremely low income senior households pursuant  
10 to the terms of a Grant Agreement substantially in the form on file with the Clerk of the Board  
11 of Supervisors in File No. 240230, and in such final form as approved by the Director of  
12 MOHCD; now, therefore, be it

13           RESOLVED, That in accordance with the recommendation of the Director of MOHCD,  
14 the Board of Supervisors hereby approves the Grant Agreement substantially in the form on  
15 file, and authorizes the Mayor and the Director of MOHCD or the Director's designee to enter  
16 into additions, amendments, or other modifications to the Grant Agreement (including, without  
17 limitation, preparation and attachment of, or changes to, any of all of the exhibits and ancillary  
18 agreements) and any other documents or instruments necessary in connection therewith, that  
19 the Director determines, in consultation with the City Attorney, are in the best interest of the  
20 City, do not materially increase the obligations or liabilities for the City or materially diminish  
21 the benefits of the City, or are necessary or advisable to effectuate the purposes and intent of  
22 this Resolution and are in compliance with all applicable laws, including the City Charter; and,  
23 be it

1           FURTHER RESOLVED, That all actions authorized and directed by this Resolution and  
2 heretofore taken are hereby ratified, approved and confirmed by this Board of Supervisors;  
3 and be it

4           FURTHER RESOLVED, That within thirty (30) days of the Grant Agreement being fully  
5 executed by all parties, MOHCD shall provide each fully executed Grant Agreement to Clerk  
6 of the Board of Supervisors for inclusion into the official file.

RECOMMENDED:

/s/  
Daniel Adams, Director  
Mayor's Office of Housing and Community Development

<b>Items 7 - 10</b> <b>Files 24-0230, 24-0231, 24-0232</b> <b>and 24-0233</b>	<b>Department:</b> Mayor's Office of Housing & Community Development
<b>EXECUTIVE SUMMARY</b>	
<p style="text-align: center;"><b>Legislative Objectives</b></p> <ul style="list-style-type: none"> <li>The proposed resolutions would approve four senior operating grant agreements for four affordable housing projects: 1296 Shotwell (File 24-0230), Transbay Block 2 West (File 24-0231), 4200 Geary (File 24-0232), and 1005 Powell (File 24-0233).</li> </ul> <p style="text-align: center;"><b>Key Points</b></p> <ul style="list-style-type: none"> <li>In July 2019, the Board of Supervisors established a Senior Operating Subsidies Program Fund (File 19-0684). The purpose of the fund is to account for monies used to subsidize affordable housing units set aside for seniors so that tenant rents in those units are between 15 and 25 percent of the area median income.</li> <li>In September 2021, the Board of Supervisors approved a resolution authorizing a grant agreement with the State Housing and Community Development that provided \$52.3 million in Permanent Local Housing Allocation funding (File 21-0875).</li> </ul> <p style="text-align: center;"><b>Fiscal Impact</b></p> <ul style="list-style-type: none"> <li>The total cost for the agreements is \$37.1 million, which is funded by State Permanent Local Housing Allocation (PLHA). The Department will apply the remaining \$15.2 million PLHA funding to other senior operating subsidy grants and administer the program.</li> </ul> <p style="text-align: center;"><b>Recommendation</b></p> <ul style="list-style-type: none"> <li>Approve the proposed resolutions.</li> </ul>	

**MANDATE STATEMENT**

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

**BACKGROUND****Senior Operating Subsidies Program and Funding**

In July 2019, the Board of Supervisors established a Senior Operating Subsidies Program Fund (File 19-0684). The purpose of the fund is to account for monies used to subsidize affordable housing units set aside for seniors so that tenant rents in those units are between 15 and 25 percent of the area median income.

Between FY 2019-20 and FY 2023-24, the Board of Supervisors modified the Mayor's proposed budget and reallocated funding that allowed the Mayor's Office of Housing and Community Development (MOHCD) to provide senior operating subsidies. MOHCD used those funds to provide subsidies at 1296 Shotwell, subsidizing 40 of 94 units. MOHCD also funded senior operating subsidies at 735 Davis, subsidizing 13 of 53 units.<sup>1</sup>

In September 2021, the Board of Supervisors approved a resolution authorizing a grant agreement with the State Housing and Community Development that provided \$52.3 million in Permanent Local Housing Allocation funding (File 21-0875). Funds are allocated over a five-year spending plan and each year has a five-year spending deadline.

**DETAILS OF PROPOSED LEGISLATION**

The proposed resolutions would approve four senior operating grant agreements for four affordable housing projects, as shown in Exhibit 1.

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<sup>1</sup> Between FY 2019-20 and FY 2023-24, Board add-backs totaled \$9.6 million for senior housing subsidies, of which \$5,067,562 was available for spending following re-allocations in each budget cycle. The initial subsidy grant for 1296 Shotwell was \$6.6 million and had a term December 2019 – December 2023. The subsidy grant for 735 Davis is \$1,716,823 and has a term of 15 years, beginning May 2021, and did not require BOS approval, per the delegated authority in Administrative Code Chapter 120.4(a). The Shotwell grant was partially funded by Board add-backs (totaling \$3.2 million and the Davis grant was funded by another portion of MOHCD's General Fund budget. MOHCD plans to use remaining add-back funds for new SOS grants.

**Exhibit 1: Proposed Senior Operating Subsidy Agreements**

<b>Project</b>	<b>Sponsor</b>	<b>Units</b>	<b>SOS Units</b>	<b>Subsidy</b>	<b>Term (years)</b>	<b>Start Date</b>
1005 Powell (File 24-0233)	CCDC	64	35	\$6,209,204	15	July 2024
1296 Shotwell (File 24-0230)	CCDC/MEDA	94	40	\$4,820,042	11	Contract execution
4200 Geary (File 24-0232)	TNDC	98	30	\$7,795,022	15	Jan 2025
Transbay Block 2 West (File 24-0231)	CCDC	151	60	\$18,290,441	15	Oct 2025
<b>Total</b>		<b>407</b>	<b>165</b>	<b>\$37,114,709</b>		

Source: Proposed agreements and MOHCD

Notes: CCDC refers to Chinatown Community Development Corporation, MEDA refers to Mission Economic Development Agency, and TNDC refers to Tenderloin Neighborhood Community Development.

Start dates for 1005 Powell, 4200 Geary, and Transbay Block 2 West are estimated, as the contracts become effective when the first subsidized unit of each project is leased.

All units in each project are designated for seniors, however only a portion will be subsidized by the proposed grants. 4200 Geary has other subsidies for other units designated for senior veterans and formerly homeless seniors. 1296 Shotwell has other subsidies for formerly homeless senior units. Transbay Block 2 also has other subsidies for formerly homeless senior units.

**Senior Operating Subsidy Program Rules**

In 2023, MOHCD established policies to govern the Senior Operating Subsidy program, which include:

- Up to 40% of project units may be subsidized by Senior Operating Subsidies
- Subsidies reduce rents from 30% of 60% AMI to either 15% or 25% AMI
- Subsidized units must be restricted to tenants aged 62 and above
- Subsidies will have a term of 15 years, which allows project sponsors to obtain debt, if necessary
- Subsidies escalate by 4% per year

The proposed grants comply with these policies, with the following exceptions: (1) 54% of the 1005 Powell Street units are subsidized in order to maintain the financial condition of the project given the number of very low-income tenants there, and (2) the 1296 Shotwell agreement is 11 years rather than 15 years, in consideration of an initial subsidy agreement that had a term December 2019 – 2023.

Subsidy payments will be provided to projects sixty days after the contracts are executed and annually after that. To allow for the initial payments, the resolutions approving the Powell Street and Transbay Block 2 West grants are 15.5 and 15.25 years, respectively, as both projects are expected to begin to lease-up midway through the calendar year.



**FISCAL IMPACT**

The proposed agreements are funded by State Permanent Local Housing Allocation (PLHA). The agreements contain provisions that allow the City not to make subsidy payments if PLHA funding is not available and no other funds are appropriated.

PLHA state grants are provided in five-year increments. According to Mara Blitzer, MOHCD Special Projects Director, MOHCD plans to re-apply for PLHA funds once a new funding cycle is announced. As noted above, the proposed agreements total \$37.1 million. The Department will apply the remaining \$15.2 million PLHA funding to other senior operating subsidy grants and administer the program, as allowed under the State grant.

**RECOMMENDATION**

Approve the proposed resolutions.

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

**SENIOR OPERATING SUBSIDY GRANT AGREEMENT**

between

CITY AND COUNTY OF SAN FRANCISCO

and

1296 Shotwell Housing, L.P.

For

Casa Adelante  
1296 Shotwell

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THIS SENIOR OPERATING SUBSIDY GRANT AGREEMENT (this “**Agreement**”) is made this April \_\_\_, 2024, by and between 1296 Shotwell Housing, L.P., a California limited partnership (“**Grantee**”), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (“**City**”) acting by and through the Mayor’s Office of Housing and Community Development (“**MOHCD**”).

***W I T N E S S E T H:***

A. On July 21, 2020, through Resolution 320-20, the San Francisco Board of Supervisors authorized and delegated authority to MOHCD to accept and expend a grant award in the amount up to \$52,308,210 under the California Department of Housing and Community Development’s (“HCD”) Permanent Local Housing Allocation Program (“PLHA Program”), which provides funding for counties to fund affordable multifamily housing. Under the PLHA Program, MOHCD is authorized to provide a permanent, project-based operating subsidy for households at 15% of Median Income and 25% of Median Income, including transition reserves and administrative fees. The grant funds provided under the PLHA Program under this Agreement are referred to as the “Funds.”

B. The City, acting through MOHCD, provided Grantee with a loan in the amount of \$29,587,644 as construction and permanent financing for a ninety four (94) unit affordable housing project for senior households commonly known as 1296 Shotwell (the “Project”), which is located on the Real Property (defined below).

C. Grantee submitted the Application Documents (as hereinafter defined) to MOHCD for an original grant under MOHCD’s Senior Operating Subsidy Program (“SOS Program”). Grantee and City entered into a Grant Agreement dated December 20, 2019, for the Project, which had had an initial expiration of December 31, 2023, and a grant of \$6,652,480 (“Original SOS Grant”). Grantee expended \$1,832,438 of the Original SOS Grant to subsidize extremely low-income seniors at the Project. The City and Grantee have agreed to terminate the Original SOS Grant.

D. The Citywide Affordable Housing Loan Committee has reviewed Grantee's application for a grant of Funds and, in reliance on the accuracy of the statements in that application, has recommended to the Mayor that the City provide a grant in an amount not to exceed Four Million Eight Hundred Twenty Thousand Forty Two and No/100 Dollars (\$4,820,042) under the terms and conditions of this Agreement for the purpose of providing a subsidy to extremely low-income seniors. The total amount of grant funds under the Original SOS Grant and this Agreement will be up to \$6,652,480.

E. On \_\_\_\_\_, 2024, the City's Board of Supervisors and the Mayor approved this Agreement by Resolution No. \_\_\_\_\_ for the purpose of subsidizing extremely low income seniors residing at the Project.

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

## **ARTICLE 1 DEFINITIONS**

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

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

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

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

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

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

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

**“Application Documents”** shall mean collectively: (i) the grant application submitted by Grantee for a SOS 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 forty (40) residential units at the Project.

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

**“Capitalized SOS Reserve Account”** means a segregated, interest-bearing depository account owned and maintained by Grantee for the purpose of holding the Subsidy Payment.

**“CFR”** means the Code of Federal Regulations.

**“Charter”** means 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”** means the Controller of City.

**“DAS”** means the City’s Department of Disability and Aging Services.

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

**“Effective Date”** means the Agreement Date written above.

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

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

**“Funds”** shall have the meaning set forth in **Recital C**.

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

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

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

**“HCD”** shall have the meaning set forth in **Recital A**.

**“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 and the prior years four years prior to this extension agreement.

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

**“Median Income”** means median income as published annually by MOHCD for San Francisco, derived in part from the income limits determined by HUD for the San Francisco area, adjusted solely for household size, but not high housing cost area. Also known as Area Median Income, or “AMI”.

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

**“MOHCD Loan Agreement”** means that certain Amended and Restated Loan Agreement dated as of April 25, 2018, between MOHCD and Grantee with respect to a \$29,587,644 loan, as amended by that certain First Amendment to the Loan Agreement dated December 20, 2017.

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

**“Operational Rules”** means MOHCD’s Marketing, Housing Preferences and Lottery Procedures Manual dated October 19, 2020, as amended from time to time.

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

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

**“Project”** shall have the meaning set forth in **Recital B**.

**“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).

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

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

**“Senior”** means head of household that is 62 years old or older, or as defined by the requirements of funding, approved by the City for the Project.

**“Senior Loan Documents”** means the following documents: the loan documents executed by Grantee from Silicon Valley Bank, as agent for the California Municipal Finance Authority, a joint exercise of powers agency, and its successors or assigns, in the amount of \$30,247,832, relate to the City and County of San Francisco Multifamily Housing Revenue Bonds (1296 Shotwell Senior Housing), 2108 Series A.

**“SOS Clients”** means the low-income Senior individuals or households that MOHCD deems eligible for SOS.

**“SOS Program”** means the Senior Operating Subsidy Program, through which MOHCD provides operating subsidies to housing projects that provide housing for low-income Senior individuals or households.

**“SOS Program Transition Reserve Account”** shall have meaning given to it in Section 2.5

**“Services Agreement”** means the Contract for Services dated September 15, 2019, and between Tenant Services Provider and the Grantee for the provision of services to senior residents at the Project.

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

“**Tenant**” shall mean a SOS Program Client who leases an Assisted Unit.

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

“**Tenant Services Provider**” shall mean Chinatown Community Development Center, Inc., a California nonprofit 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.

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

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

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

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

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

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

**2.1 Risk of Non-Appropriation of Grant Funds.** If applicable, 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 sufficient funds for Subsidy Payments as funded by the PLHA Funds . If the funds appropriated for SOS Program subsidy payments in a given year will be insufficient to fund the total SOS Program subsidy payments MOHCD intended to make in such year, MOHCD shall have the right to reduce the amount of SOS Program subsidy payments and to select the qualifying projects subject to such reduced payments.

If MOHCD determines that Subsidy Payments for any given period must be reduced due to a shortfall in appropriated SOS 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, and any obligations of Grantee shall be null and void following such termination due to a Non-Appropriation Event, except as may be required pursuant to Section 2.5 below. Grantee

acknowledges that DAAS'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. Should the Board of Supervisor's fail to renew funding for the subsidy, MOHCD and DAAS will work with the Grantee to final alternative subsidies.

Notwithstanding the foregoing, if the Subsidy Payments will be fully funded under PLHA Funds, a Non-Appropriation Even will not be applicable to this Agreement.

**2.2 Certification of Controller; Guaranteed Maximum Costs.** Except for PLHA Funds, no funds shall be available under this Agreement until prior written authorization certified by the Controller. In addition, as set forth in Section 3.105 of the San Francisco Charter:

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

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

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

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

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

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

**2.5 SOS Program Transition Reserve Account.** All SOS subsidy payments, including the SOS Transition Reserve Payments, are conditioned on the appropriation of sufficient funds therefor and the transfer of such funds to MOHCD's annual budget. If all or a portion of the Subsidy Payments will be funded from non-PHLA funding sources, MOHCD intends to establish a reserve account, as MOHCD

deems appropriate and in its sole discretion, to fund one year of selected SOS subsidy payments in the event sufficient funds are not so appropriated or transferred (the “**SOS Program Transition Reserve Account**”). If there is a Non-Appropriation Event, City shall use SOS Program Transition Reserve Account funds to disburse such Subsidy Payments.

If there is a Non-Appropriation Event, and City fully funds the following year’s Subsidy Payment in the amount shown on Exhibit A (whether with SOS Program Transition Reserve Account funds or otherwise), this Agreement shall remain in effect through the last day of the period for which such Subsidy Payment is made. In the event City continues to fully fund subsequent Subsidy Payments, this Agreement shall remain in effect through the last day of the period for which each such subsequent Subsidy Payment is made. Grantee shall have no further obligations under this Agreement following the last day of the period in which any such Subsidy Payment was made

City shall have no obligation to replenish or supplement the SOS Program Transition Reserve Account. City shall have the right to, at MOHCD’s discretion, use SOS Program Transition Reserve Account funds to make subsidy payments to SOS grantees other than Grantee. The SOS 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 SOS Program Transition Reserve Account. If any funds remain in the SOS 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.

### **ARTICLE 3 TERM**

The term of this Agreement (the “**Term**”) shall commence on the Effective Date and shall terminate on the eleventh (11<sup>th</sup>) anniversary of the Effective Date, unless earlier terminated in accordance with the terms herein.

### **ARTICLE 4 PERFORMANCE OF GRANT OBLIGATIONS**

#### **4.1 Lease of Assisted Units.**

(a) Commencing on the Initial Leasing Date, Grantee shall lease all of the Assisted Units to the SOS Clients it selects from Grantee’s wait list generated through the City’s lottery system.

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

(c) Grantee shall have sole discretion in selecting the SOS Clients that will be Tenants, provided that Grantee’s decision not to rent an Assisted Unit to a waiting list Client 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.

(d) Grantee shall comply with the Tenant Selection Plan set forth in the attached Exhibit I.

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



(f) Grantee shall rent each Assisted Unit to a Tenant pursuant to a separate lease agreement that complies with this Agreement. Each Tenant lease shall provide for termination of such lease and such Tenant's consent to immediate eviction if the Tenant has made any material misrepresentation in the initial income certification made by Tenant to City or in any later income certification made by Tenant to Grantee. The lease agreement for each Assisted Unit must also contain the applicable Lease Addendum. Notwithstanding the foregoing, the City has reviewed and approved Grantee's standard form of lease (attached hereto as Exhibit K) and approved Tenant Selection Plan (attached hereto as Exhibit I) for purposes of this Section 4.1(g).

(g) 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.

(h) 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) The Underlying Restricted Rent charged for all SOS Program units will be at the annual amount of 50% AMI, adjusted for household size and bedroom count, as determined annually by MOHCD.

(b) Gross Rent payments for all SOS Program Tenants shall not exceed the annual amount of thirty percent (30%) of 50% AMI, adjusted for household size and bedroom count.

(c) Grantee will offer and maintain the following Median Income limits for the SOS Program units throughout the Term:

- i. 20 units at 15% AMI, which include 7 studios and 13 one bedroom units, and
- ii. 20 units at 25% AMI, which include 7 studios and 13 one bedroom units.

(d) Notwithstanding the foregoing, Tenants deemed no longer eligible by MOHCD who remain occupants of the Project shall still be considered a SOS Program Client and the Tenant's Unit shall still constitute an Assisted Unit for purposes of compliance with the requirements of this Agreement.

(e) Grantee must provide MOHCD at least annually a report showing actual household income level and Gross Rent for each Tenant. The City acknowledges that Grantee may provide this information annually through Grantee's AMR requirements set forth under the MOHCD Loan Agreement.

**4.3 Grantee's Board of Directors.** Grantee's sole member of its general partner 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.

#### **4.4 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 and 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 sixty (60) 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.

#### **4.5 Services Agreement; Provision of Services.**

(a) Grantee hereby agrees to allow the Tenant Services Provider (and any subsequent service provider) access to the Project at all reasonable times for the provision of services to the Project’s SOS 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 DAAS determines that the Tenant Services Provider needs to be replaced, Grantee shall cooperate in good faith with MOHCD and DAAS in obtaining a new service provider for the SOS Clients in the Project. In such an event, the selection of the new service provider for the Project shall require Grantee’s prior consent, which shall not be unreasonably delayed or denied. Grantee hereby agrees and acknowledges that nothing in this Agreement gives Grantee any right to consent to the MOHCD and/or DAAS determination to terminate the Services Agreement or to replace the Tenant Services Provider.

### **ARTICLE 5**

#### **USE AND DISBURSEMENT OF GRANT FUNDS; CITY’S DOMINION AND CONTROLS**

**5.1 Maximum Amount of Grant Funds; Disbursement of Subsidy Payments.** In no event shall the total amount of Grant Funds disbursed during the Term hereunder exceed Four Million Eight Hundred Twenty Thousand Forty Two and No/100 Dollars (\$4,820,042.00)(the “**Grant Amount**”), unless appropriated by the Board of Supervisors. 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 annual Subsidy Payments as set forth in Section 5.4.

The Sponsor will submit draw requests to MOHCD per the Senior Operating Subsidy Payments and Schedule as shown in Exhibit A (based on January to December calendar year)

and must include a self-compliance certification form. The City shall deliver the Subsidy Payment for such year to Grantee within sixty (60) business days. To the extent Grantee is in compliance with all of the conditions for receipt of a Subsidy Payment, and Grantee is required to make out of pocket payments due to a MOHCD disbursement that is later than sixty-five (65) business days immediately following the anniversary of the Effective Date, then) MOHCD shall allow Grantee to reimburse itself such out of pocket expense, plus interest for such period from the Operating Reserve Account.

**5.2 Subsidy Payment Amounts and Adjustments.** The total amount of all annual Subsidy Payments are documented in Exhibit A. 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 RESERVED**

**5.4 Conditions Precedent to Payment of Subsidy Payment.** Grantee shall fully satisfy each of the following conditions prior to delivery of the 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; (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 Provider shall be in compliance with all of its obligations under the Services Agreement, and no default, or event that with notice or the passage of time or both could constitute a default, shall exist and remain uncured under the Services Agreement; provided however that disbursement of the First Subsidy Payment shall not be withheld due to an uncured default under the Services Agreement if at the time of expected disbursement, Grantee provides City with sufficient evidence that it is cooperating in good faith with City and DAAS to diligently pursue a cure of said default, which may or may not include Grantee directly providing the required services 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 Provider shall be in compliance with all of its obligations under the Services Agreement, and no default, or event that with notice or the passage of time or both could constitute a default, shall exist and remain uncured under the Services Agreement; provided however that disbursement of any Subsequent Subsidy Payment shall not be withheld due to an uncured default under the Services Agreement if at the time of expected disbursement, Grantee provides City with sufficient evidence that it is cooperating in good faith with the City and DAAS to diligently pursue a cure of said

default, which may or may not include Grantee directly providing the required services 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.

## **ARTICLE 6 REPORTING REQUIREMENTS; AUDITS; PENALTIES FOR FALSE CLAIMS**

**6.1 Regular Reports; Operating Statements.** Grantee must file electronically with the City no later than one hundred fifty (150) days after the end of Grantee's calendar year annual report forms (the "**Annual Monitoring Report**"). The Annual Monitoring Report must be in substantially the form attached as **Exhibit H** or as later modified by MOHCD during the Term.

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

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

**6.4 Intentionally Omitted.**

**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. The City will provide Grantee 48 hours prior notice before inspecting occupied residential units so that Grantee can provide appropriate notification to tenants. Grantee must cooperate with the monitoring by the City and ensure full access to the Project and all information related to the Project as reasonably required by the City.

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

## **ARTICLE 7 TAXES**

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

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

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

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

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

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

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

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

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

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

## **ARTICLE 8 REPRESENTATIONS AND WARRANTIES**

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

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

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

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

**8.4 Conflict of Interest.** Through its execution of this Agreement, Grantee acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of the City's Campaign and Governmental Conduct Code, and Section 87100 *et seq.* and Section 1090 *et seq.* of the Government Code of the State of California, and certifies that it does not know of any facts which

constitutes a violation of said provisions and agrees that it will immediately notify MOHCD if it becomes aware of any such fact during the term of this Agreement.

## **ARTICLE 9 INDEMNIFICATION AND GENERAL LIABILITY**

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

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

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

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

## **ARTICLE 10 INSURANCE**

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

- (a) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than One Million Dollars (\$1,000,000) each accident, injury, or illness.
- (b) Commercial General Liability Insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations.
- (c) Commercial Automobile Liability Insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.
- (d) Professional liability insurance for negligent acts, errors or omission with respect to professional or technical services, if any, required in the performance of this Agreement with limits not less than One Million Dollars (\$1,000,000) each claim.

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

- (a) Name as additional insured City and its officers, agents and employees. With respect to the Commercial Automobile Insurance the City and its officers, agents and employees shall only be additional insured as to liability arising out of the use, by Grantee's employees, of automobiles, whether owned, leased, hired or borrowed, in connection with the Project.
- (b) Provide that such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to limits of liability.

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

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

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



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

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

## **ARTICLE 11 EVENTS OF DEFAULT AND REMEDIES**

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

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

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

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

(d) **Voluntary Insolvency.** Grantee (i) is generally not paying its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it or, 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, including, but not limited to the Capitalized SOS Reserve Account.

(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, which remains uncured beyond any applicable cure period specified above, 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, subject to Grantee's rights under Section 2.5.

(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 deposited into a Capitalized SOS Reserve Account and/or 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. Any surplus of such cash or cash proceeds held by City and remaining after payment in full of all of the Obligations will be paid over to Grantee or to whomsoever may be lawfully entitled to receive such surplus.

(e) Subject to the rights of any senior lenders, City may exercise with respect of the Account Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party upon default under Article 9 of the California Commercial Code (the "UCC"), to the extent the UCC applies to the affected Account Collateral.

**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 <sup>th</sup> Floor San Francisco, CA 94103 Attn: Asset Manager Telephone No.: 415-701-5500
To Grantee: 1525 Grant Ave San Francisco, CA 94133	1296 Shotwell Housing L.P.  Attn: Asset Management
With a copy to:	RJCHOF VII-1296 Shotwell L.L.C, a Florida limited liability company c/o Raymond James Tax Credit Fund, Inc. 880 Carillon Parkway St. Petersburg, FL 33716 Attn: Steve J. Kropf, President
With a copy to:	Gubb & Barshay 505 14 <sup>th</sup> Street, #450 Oakland CA 94612 Telephone No.: 415-781-660 Attention Evan Gross

**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 Intentionally Omitted**

### **16.2 Nondiscrimination; Penalties.**

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

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

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

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

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

**16.3 MacBride Principles--Northern Ireland.** Pursuant to San Francisco Administrative Code Section 12F.5, City urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. City urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing

below, the person executing this agreement on behalf of Grantee acknowledges and agrees that he or she has read and understood this Section.

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

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

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

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

**16.8 Requiring Minimum Compensation for Employees.**

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

(b) The MCO requires Grantee to pay Grantee's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and Grantee is obligated to keep informed of the then-current requirements. Any subcontract entered into by Grantee shall require the subgrantee to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is Grantee's obligation to ensure that any subgrantees of any tier under this Agreement comply with the requirements of the MCO. If any subgrantee under this Agreement fails to comply, City may pursue any of the remedies set forth in this Section against Grantee.

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

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

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

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

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

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

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

**16.9 Limitations on Contributions.** Through execution of this Agreement, Grantee acknowledges that it is familiar with Section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Grantee acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Grantee further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Grantee's board of directors; Grantee's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Grantee; any subgrantee listed in the bid or contract; and any committee that is sponsored or controlled by Grantee. Additionally, Grantee acknowledges that Grantee must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126.

#### **16.10 First Source Hiring Program.**

(a) **Incorporation of Administrative Code Provisions by Reference.** The provisions of Chapter 83 of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with, and be bound by, all of the provisions that apply to this Agreement under such Chapter, including but not limited



to the remedies provided therein. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 83.

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

(1) Set appropriate hiring and retention goals for entry level positions. The employer shall agree to achieve these hiring and retention goals, or, if unable to achieve these goals, to establish good faith efforts as to its attempts to do so, as set forth in the agreement. The agreement shall take into consideration the employer’s participation in existing job training, referral and/or brokerage programs. Within the discretion of the FSHA, subject to appropriate modifications, participation in such programs may be 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 non-duplicative, and facilitate a coordinated flow of information and referrals.

(5) Establish guidelines for employer good faith efforts to comply with the first source hiring requirements of this Chapter. The FSHA will work with City departments to develop employer good faith effort requirements appropriate to the types of contracts and property contracts handled by each department. Employers shall appoint a liaison for dealing with the development and implementation of the employer’s agreement. In the event that the FSHA finds that the employer under a City contract or

property contract has taken actions primarily for the purpose of circumventing the requirements of this Chapter, that employer shall be subject to the sanctions set forth in Section 83.10 of this Chapter.

(6) Set the term of the requirements.

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

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

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

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

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

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

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

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

(3) That the contractor's commitment to comply with this Chapter is a material element of the City's consideration for this contract; that the failure of the contractor to comply with the contract provisions required by this Chapter will cause harm to the City and the public which is significant and substantial but extremely difficult to quantify; that the harm to the City includes not only the financial cost of funding public assistance programs but also the insidious but impossible to quantify harm that this community and its families suffer as a result of unemployment; and that the assessment of liquidated damages of up to \$5,000 for every notice of a new hire for an entry level position improperly withheld by the contractor from the first source hiring process, as determined by the FSHA during its first investigation of a contractor, does not exceed a fair estimate of the financial and other damages that the City suffers as a result of the contractor's failure to comply with its first source referral contractual obligations.

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

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

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

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

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

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

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

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

**16.11 Prohibition on Political Activity with City Funds.** In accordance with S. F. Administrative Code Chapter 12.G, no funds appropriated by the City and County of San Francisco for this Agreement may be expended for organizing, creating, funding, participating in, supporting, or attempting to influence any political campaign for a candidate or for a ballot measure (collectively, “**Political Activity**”). The terms of San Francisco Administrative Code Chapter 12.G are incorporated herein by this reference. Accordingly, an employee working in any position funded under this Agreement shall not engage in any Political Activity during the work hours funded hereunder, nor shall any equipment or resource funded by this Agreement be used for any Political Activity. In the event Grantee, or any staff member in association with Grantee, engages in any Political Activity, then (i) Grantee shall keep and maintain appropriate records to evidence compliance with this Section, and (ii) Grantee shall have the burden to prove that no funding from this Agreement has been used for such Political Activity. Grantee agrees to cooperate with any audit by the City or its designee in order to ensure compliance with this Section. In the event Grantee violates the provisions of this Section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement and any other agreements between Grantee and City, (ii) prohibit Grantee from bidding on or receiving any new City contract for a period of two (2) years, and (iii) obtain reimbursement of all funds previously disbursed to Grantee under this Agreement.

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

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

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

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

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

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

**16.14 Protection of Private Information.** Grantee agrees to comply fully with and be bound by all of the provisions of Chapter 12M of the San Francisco Administrative Code (“Protection of Private Information”), including the remedies provided. The provisions of Chapter 12M are incorporated herein by reference and made a part of this Agreement as though fully set forth. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12M. Consistent with the requirements of Chapter 12M, Grantee agrees to all of the following:

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

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

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

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

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

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

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

Grantee shall remove all graffiti from any real property owned or leased by Grantee in the City and County of San Francisco within forty eight (48) hours of the earlier of Grantee's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This Section is not intended to require a Grantee to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 *et seq.*) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. Sections 101 *et seq.*).

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

**16.17 Food Service Waste Reduction Requirements.** Grantee agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Grantee agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Grantee agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made.

Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Grantee's failure to comply with this provision.

#### **16.18 Slavery Era Disclosure.**

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

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

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

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

### **ARTICLE 17 MISCELLANEOUS**

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

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

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

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

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

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

- Exhibit A: MOHCD SOS Budget – 15 Year Payment Schedule
- Exhibit B: Annual Operating Budget for Initial Operating Period and Cash Flow
- Exhibit C: Self-compliance Certification Form
- Exhibit D: Real Property Legal Description
- Exhibit E: Intentionally Omitted
- Exhibit F: Intentionally Omitted
- Exhibit G: Lobbying/Debarment Certification Form
- Exhibit H: Annual Monitoring Report
- Exhibit I: Tenant Selection Plan
- Exhibit J: Intentionally Omitted
- Exhibit L: Tenant Residential Lease

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

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

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

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

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

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

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

**[REMAINDER OF PAGE INTENTIONALLY BLANK]**



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

**CITY:**

CITY AND COUNTY OF SAN FRANCISCO,  
a municipal corporation

By: \_\_\_\_\_  
London N. Breed  
Mayor

By: \_\_\_\_\_  
Danial Adams  
Director,  
Mayor's Office of Housing and  
Community Development

APPROVED AS TO FORM:

DAVID CHIU  
City Attorney

By: \_\_\_\_\_  
Keith Nagayama  
Deputy City Attorney

**GRANTEE:**

1296 Shotwell Housing, L.P.,  
a California Limited Partnership

By: Chinatown Community Development Center,  
Inc., a California nonprofit public benefit  
corporation,  
Its: Sole member/manager

By: \_\_\_\_\_

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

By: MEDA 1296 Shotwell LLC, a California  
limited liability company,  
Its: Sole member/manager

By: \_\_\_\_\_

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

Federal Tax ID #:

City Vendor Number:

**Exhibit A – MOHCD SOS Subsidy Budget and 15 Year Payment Schedule**

**Exhibit B –Annual Operating Budget for Initial Operating Period and Cash Flow Budget**

## **Exhibit C – Self-compliance Certification Form**

## **Exhibit D – Legal Description of Real Property**

## **Exhibit E – Intentionally Omitted**

**Exhibit F – Intentionally Omitted**

## Exhibit G -- 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.

1296 Shotwell Housing, L.P.,  
a California Limited Partnership

By: Chinatown Community Development Center, Inc., a California nonprofit public benefit corporation,

Its: Sole member/manager

By: \_\_\_\_\_

By: \_\_\_\_\_

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

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

By: MEDA 1296 Shotwell LLC, a California limited liability company,

Its: Sole member/manager

By: \_\_\_\_\_

By: \_\_\_\_\_

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

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



## **EXHIBIT H – ANNUAL MONITORING REPORT**

**EXHIBIT I**  
**Tenant Selection Plan Policy**

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

**Application Process**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**EXHIBIT J**

Intentionally Omitted

**EXHIBIT K**

Approved Form of Tenant Lease

1 [Apply for Grant - California Department of Housing and Community Development -  
2 Permanent Local Housing Allocation Program - \$52,308,210]

3 **Resolution authorizing the Mayor's Office of Housing and Community Development, on**  
4 **behalf of the City and County of San Francisco, to execute a grant application, as**  
5 **defined herein, under the California Department of Housing and Community**  
6 **Development's Permanent Local Housing Allocation Program for funding in the amount**  
7 **of \$52,308,210.**

8  
9 WHEREAS, The Department of Housing and Community Development is authorized to  
10 provide up to \$197 million under the SB 2 Permanent Local Housing Allocation Program  
11 Formula Component from the Building Homes and Jobs Trust Fund for assistance to Cities and  
12 Counties (as described in the Health and Safety Code section 50470 et seq. (Chapter 364,  
13 Statutes of 2017 (SB 2)); and

14 WHEREAS, The State of California (the State), Department of Housing and Community  
15 Development (Department) issued a Notice of Funding Availability (NOFA) dated February  
16 26<sup>th</sup>, 2020 under the Permanent Local Housing Allocation (PLHA) Program; and

17 WHEREAS, The Applicant, the Mayor's Office of Housing and Community  
18 Development (MOHCD), is an eligible Local government applying to the program to  
19 administer one or more eligible activities, or a Local or Regional Housing Trust Fund to whom  
20 an eligible Local government delegated its PLHA formula allocation; and

21 WHEREAS, The Department may approve funding allocations for the PLHA Program,  
22 subject to the terms and conditions of the Guidelines, NOFA, Program requirements, the  
23 Standard Agreement and other contracts between the Department and PLHA grant recipients;  
24 now, therefore, be it  
25

1           RESOLVED, If Applicant receives a grant of PLHA funds from the Department  
2 pursuant to the above referenced PLHA NOFA, it represents and certifies that it will use all  
3 such funds in a manner consistent and in compliance with all applicable state and federal  
4 statutes, rules, regulations, and laws, including, without limitation, all rules and laws regarding  
5 the PLHA Program, as well as any and all contracts Applicant may have with the Department;  
6 and, be it

7           FURTHER RESOLVED, That MOHCD is hereby authorized and directed to receive a  
8 PLHA grant, in an amount not to exceed the five year estimate of the PLHA formula  
9 allocations, as stated in Appendix C of the current NOFA, \$52,308,210, in accordance with all  
10 applicable rules and laws; and, be it

11          FURTHER RESOLVED, Applicant hereby agrees to use the PLHA funds for eligible  
12 activities as approved by the Department and in accordance with all Program requirements,  
13 Guidelines, other rules and laws, as well as in a manner consistent and in compliance with the  
14 Standard Agreement and other contracts between the Applicant and the Department; and, be  
15 it

16          FURTHER RESOLVED, Applicant certifies that it was delegated by the City and  
17 County of San Francisco to submit an application on its behalf and administer the PLHA grant  
18 award for the formula allocation of PLHA funds, pursuant to Guidelines Section 300(c) and  
19 300(d), and the legally binding agreement between the recipient of the PLHA funds and the  
20 Applicant is submitted with the PLHA application; and, be it

21          FURTHER RESOLVED, Applicant certifies that it has or will subgrant some or all of its  
22 PLHA funds to another entity or entities. Pursuant to Guidelines Section 302(c)(3), "entity"  
23 means a housing developer or program operator, but does not mean an administering Local  
24 government to whom a Local government may delegate its PLHA allocation; and, be it



1           FURTHER RESOLVED, Applicant certifies that its selection process of these  
2 subgrantees was or will be accessible to the public and avoided or shall avoid any conflicts of  
3 interest; and, be it

4           FURTHER RESOLVED, Pursuant to Applicant's certification in this Resolution, the  
5 PLHA funds will be expended only for eligible activities and consistent with all program  
6 requirements; and, be it

7           FURTHER RESOLVED, Applicant shall be subject to the terms and conditions as  
8 specified in the Standard Agreement, the PLHA Program Guidelines and any other applicable  
9 SB 2 Guidelines published by the Department; and, be it

10          FURTHER RESOLVED, That the Board of Supervisors acknowledges that if the  
11 Application is successful, the City, through MOHCD, shall seek Board of Supervisors approval  
12 of the Standard Agreement; and, be it

13          FURTHER RESOLVED, MOHCD Director or his designee is authorized to execute the  
14 PLHA Program Application and any subsequent amendments or modifications thereto, as well  
15 as any other documents that are related to the Program or the PLHA grant awarded to  
16 Applicant, as the Department may deem appropriate.

1 Recommended:

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/s/ Eric D. Shaw

3 Eric D. Shaw, Director

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**City and County of San Francisco**  
**Tails**  
**Resolution**

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

**File Number:** 200704

**Date Passed:** July 21, 2020

Resolution authorizing the Mayor's Office of Housing and Community Development, on behalf of the City and County of San Francisco, to execute a grant application, as defined herein, under the California Department of Housing and Community Development's Permanent Local Housing Allocation Program for funding in the amount of \$52,308,210.

July 15, 2020 Budget and Finance Committee - RECOMMENDED

July 21, 2020 Board of Supervisors - ADOPTED

Ayes: 11 - Fewer, Haney, Mandelman, Mar, Peskin, Preston, Ronen, Safai, Stefani, Walton and Yee

File No. 200704

I hereby certify that the foregoing  
Resolution was ADOPTED on 7/21/2020 by  
the Board of Supervisors of the City and  
County of San Francisco.

Angela Calvillo  
Clerk of the Board

London N. Breed  
Mayor

7.23.20

Date Approved



## San Francisco Ethics Commission

25 Van Ness Avenue, Suite 220, San Francisco, CA 94102

Phone: 415.252.3100 . Fax: 415.252.3112

[ethics.commission@sfgov.org](mailto:ethics.commission@sfgov.org) . [www.sfethics.org](http://www.sfethics.org)

Received On:

File #: 240230

Bid/RFP #:

### Notification of Contract Approval

SFEC Form 126(f)4

(S.F. Campaign and Governmental Conduct Code § 1.126(f)4)

A Public Document

Each City elective officer who approves a contract that has a total anticipated or actual value of \$100,000 or more must file this form with the Ethics Commission within five business days of approval by: (a) the City elective officer, (b) any board on which the City elective officer serves, or (c) the board of any state agency on which an appointee of the City elective officer serves. For more information, see: <https://sfethics.org/compliance/city-officers/contract-approval-city-officers>

#### 1. FILING INFORMATION

<b>TYPE OF FILING</b>	<b>DATE OF ORIGINAL FILING (for amendment only)</b>
original	
<b>AMENDMENT DESCRIPTION – Explain reason for amendment</b>	

#### 2. CITY ELECTIVE OFFICE OR BOARD

<b>OFFICE OR BOARD</b>	<b>NAME OF CITY ELECTIVE OFFICER</b>
Board of Supervisors	Members

#### 3. FILER'S CONTACT

<b>NAME OF FILER'S CONTACT</b>	<b>TELEPHONE NUMBER</b>
Angela Calvillo	415-554-5184
<b>FULL DEPARTMENT NAME</b>	<b>EMAIL</b>
office of the clerk of the Board	Board.of.Supervisors@sfgov.org

#### 4. CONTRACTING DEPARTMENT CONTACT

<b>NAME OF DEPARTMENTAL CONTACT</b>	<b>DEPARTMENT CONTACT TELEPHONE NUMBER</b>
Sara Amara1	628-652-5808
<b>FULL DEPARTMENT NAME</b>	<b>DEPARTMENT CONTACT EMAIL</b>
MYR Mayors Office of Com Dev	sara.amara1@sfgov.org

5. CONTRACTOR	
<b>NAME OF CONTRACTOR</b> 1296 Shotwell Housing, L.P	<b>TELEPHONE NUMBER</b> 415-517-9843
<b>STREET ADDRESS (including City, State and Zip Code)</b> 1525 Grant Ave San Francisco, CA 94133	<b>EMAIL</b>

6. CONTRACT		
<b>DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)</b>	<b>ORIGINAL BID/RFP NUMBER</b>	<b>FILE NUMBER (If applicable)</b> 240230
<b>DESCRIPTION OF AMOUNT OF CONTRACT</b> 4,820,042		
<b>NATURE OF THE CONTRACT (Please describe)</b> Extension of SOS contract for 11 years to support 40 low income seniors for \$4.8M		

7. COMMENTS
The LP is made up of Chinatown Community Development Center, Inc., a California nonprofit public benefit corporation, and MEDA 1296 Shotwell LLC, a California limited liability company,

8. CONTRACT APPROVAL	
This contract was approved by:	
<input type="checkbox"/>	THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM
<input checked="" type="checkbox"/>	A BOARD ON WHICH THE CITY ELECTIVE OFFICER(S) SERVES Board of Supervisors
<input type="checkbox"/>	THE BOARD OF A STATE AGENCY ON WHICH AN APPOINTEE OF THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM SITS

**9. AFFILIATES AND SUBCONTRACTORS**

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
1	Brookter	Eric	Board of Directors
2	Chang	Eric	Board of Directors
3	Chan	Tommy	Board of Directors
4	Cheng	Claudine	Board of Directors
5	Chin	Gregory	Board of Directors
6	Cordero	Terrance	Board of Directors
7	Chin	Jane	Board of Directors
8	Fagler	James	Board of Directors
9	Hilton	Irene	Board of Directors
10	Hollins	Guy	Board of Directors
11	Huie	Jeanette	Board of Directors
12	Lee	Olson	Board of Directors
13	Lim	Aaron	Board of Directors
14	Lin	Barbara	Board of Directors
15	Louie	Michael	Board of Directors
16	Ortiz	Kevin	Board of Directors
17	Poe	Irma	Board of Directors
18	Quock	Lindsey	Board of Directors
19	Rosenquest	Nils	Board of Directors

**9. AFFILIATES AND SUBCONTRACTORS**

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
20	Saini	Ramneek	Board of Directors
21	Wong Chie	Rosa	Board of Directors
22	Zoubi	Fady	Board of Directors
23	Garcia	Teresa	Board of Directors
24	Yaquian-Illescas	Rafeal	Board of Directors
25	Herbert	Jabari	Board of Directors
26	Jones	Whitney	Board of Directors
27	Stein	Kevin	Board of Directors
28	Duron	Ysabel	Board of Directors
29	Cabera	Ed	Board of Directors
30	Chavarin	Marco	Board of Directors
31	Patino	Rebecca	Board of Directors
32	Marquez	Carina	Board of Directors
33	Gary King Vasquez	Teddy	Board of Directors
34	Martinez	Carolina	Board of Directors
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**9. AFFILIATES AND SUBCONTRACTORS**

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
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☐ Check this box if you need to include additional names. Please submit a separate form with complete information. Select "Supplemental" for filing type.

**10. VERIFICATION**

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information I have provided here is true and complete.

**I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.**

**SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK**

**DATE SIGNED**

BOS Clerk of the Board



**From:** [Trejo, Sara \(MYR\)](#)  
**To:** [BOS Legislation, \(BOS\)](#)  
**Cc:** [Paulino, Tom \(MYR\)](#); [Nickolopoulos, Sheila \(MYR\)](#); [Amaral, Sara \(MYR\)](#); [Angulo, Sunny \(BOS\)](#)  
**Subject:** Mayor -- Resolution -- 1296 Shotwell Grant Agreement  
**Date:** Tuesday, March 12, 2024 2:35:58 PM  
**Attachments:** [01 - 1296Shotwell SOS Grant Amgt RESO.docx](#)  
[02 - RE SOS Contract approval - Resolutions.pdf](#)  
[03 - PLHA Resolution 320-20.pdf](#)  
[04 - 1296 Shotwell SOS Grant Agmt extension 2024.0305FINALdocx.docx](#)  
[05 - 1296 Shotwell SOS Grant Agmt extension 2024.0307.pdf](#)  
[06 - 1296Shotwell Draft 126.pdf](#)

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Hello Clerks,

Attached is a Resolution approving and authorizing the Mayor and the Director of the Mayor's Office of Housing and Community Development ("MOHCD") to execute a grant agreement with 1296 Shotwell Housing L.P. in the amount of \$4,820,042 for an 11 year term to provide operating subsidies for 100% affordable housing project housing extremely low-income seniors; approving the form of and authorizing the execution of the grant agreement; granting general authority to City officials to take actions necessary to implement this Resolution, as defined herein.

Please note, President Peskin is a cosponsor of this item.

Best regards,

**Sara Trejo**

Legislative Aide

Office of the Mayor

City and County of San Francisco

415.554.6141 | [sara.trejo@sfgov.org](mailto:sara.trejo@sfgov.org)