

File No. 200094

Committee Item No. 10

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date February 13, 2020

Board of Supervisors Meeting

Date _____

Cmte Board

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

OTHER (Use back side if additional space is needed)

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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Planning Commission Motion</u> |
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Completed by: Linda Wong

Date February 7, 2020

Completed by: Linda Wong

Date _____

1 [Standard Agreements, Accept and Expend Grant - California Department of Housing and
2 Community Development Affordable Housing and Sustainable Communities Program - 500
3 Turk Street Project - \$20,000,000]

4 **Resolution authorizing the Mayor's Office of Housing and Community Development**
5 **(MOHCD) to execute the Standard Agreements with California Department of Housing**
6 **and Community Development (HCD) under the Affordable Housing and Sustainable**
7 **Communities Program for a total award of \$20,000,000 including \$13,700,000 disbursed**
8 **by HCD as a loan to Turk 500 Associates L.P. for a 100% affordable housing project at**
9 **500 Turk Street and \$6,300,000 to be disbursed as a grant to the City public**
10 **transportation improvements near 500 Turk Street, for the period starting on the**
11 **execution date of the Standard Agreements through June 30, 2039; authorizing MOHCD**
12 **to accept and expend a grant of \$6,300,000 for transportation, bicycle, and pedestrian**
13 **improvements, and other transit oriented programming and improvements approved by**
14 **HCD.**

15
16 WHEREAS, The State of California, the Strategic Growth Council ("SGC") and the
17 Department of Housing and Community Development ("Department") issued a Notice of
18 Funding Availability ("NOFA") dated November 1, 2018, under the Affordable Housing and
19 Sustainable Communities ("AHSC") Program established under Division 44, Part 1 of the
20 Public Resources Code commencing with Section 75200; and

21 WHEREAS, The SGC is authorized to approve funding allocations for the AHSC
22 Program, subject to the terms and conditions of the NOFA, AHSC Program Guidelines
23 adopted by SGC on October 29, 2018 ("Program Guidelines"), an application package
24 released by the Department for the AHSC Program ("Application Package"), and an AHSC
25

1 standard agreement with the State of California ("Standard Agreement"), the Department is
2 authorized to administer the approved funding allocations of the AHSC Program; and

3 WHEREAS, The AHSC Program provides grants and loans to applicants identified
4 through a competitive process for the development of projects that, per the Program
5 Guidelines, will achieve greenhouse gas reductions and benefit disadvantaged communities
6 through increased accessibility to affordable housing, employment centers and key
7 destinations via low-carbon transportation; and

8 WHEREAS, The AHSC Program requires that joint applicants for a project will be held
9 jointly and severally liable for completion of such project; and

10 WHEREAS, Turk 500 Associates L.P., a California limited partnership ("Developer"),
11 requested that the City and County of San Francisco (the "City"), acting by and through
12 Mayor's Office of Housing and Community Development (MOHCD), be a joint applicant for
13 AHSC Program funds for its project located at 500 Turk Street consisting of new construction
14 of an eight-story, mixed-use development for use as a 100% affordable housing project with
15 107 affordable dwelling units, one manager's unit, ground floor retail, residential common
16 spaces that include residential services and common usable space (the "500 Turk Project");
17 and

18 WHEREAS, The San Francisco Municipal Transportation Agency ("SFMTA") plans to
19 perform transportation, bicycle and pedestrian improvements in the vicinity of the 500 Turk
20 Project (the "SFMTA Work"); and

21 WHEREAS, On March 29, 2018, per Motion No. 20148, the Planning Commission
22 certified a Final Environmental Impact Report, pursuant to California Environmental Quality
23 Act ("CEQA") Guidelines 15183.3 and California Public Resources Code, Section 21094.5;
24 and
25

1 WHEREAS, The Board of Supervisors authorized MOHCD to apply for AHSC Program
2 funds and submit an Application Package as a joint applicant with the Developer through
3 Resolution No. 38-19; and

4 WHEREAS, SFMTA and MOHCD entered into a Memorandum of Understanding to
5 make commitments on behalf of the City for the Application Package; and

6 WHEREAS, Through an award letter dated July 8, 2019, the Department made an
7 award in the total amount of \$20,000,000 which includes \$13,700,000 to be disbursed by
8 HCD as a loan to the Developer for the 500 Turk Project, and \$6,300,000 to be disbursed as a
9 grant to the City for the SFMTA Work and other transit-oriented programming and
10 improvements approved by HCD; and

11 WHEREAS, The grant terms prohibit including indirect costs in the grant budget; and

12 WHEREAS, The Board of Supervisors authorized and approved of a long-term ground
13 lease for the property located at 500 Turk Street and a loan of up to \$32,400,000 for the 500
14 Turk Project on file with the Clerk of the Board of Supervisors in File No. 191265; now,
15 therefore, be it

16 RESOLVED, That the Board of Supervisors approves and authorizes the MOHCD to
17 enter into the Standard Agreements with the Department, substantially in the form on file with
18 the Clerk of the Board of Supervisors in File No. 200094, with terms and conditions that AHSC
19 Program funds are to be used for allowable capital asset project expenditures identified in
20 Exhibit A; and, be it

21 FURTHER RESOLVED, That the Board Supervisors authorizes the City to accept and
22 expend the grant funds disbursed under the Standard Agreement; and, be it

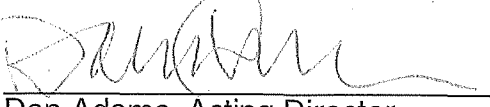
23 FURTHER RESOLVED, That the Board of Supervisors hereby waives inclusion of
24 indirect costs in the grant budget; and, be it
25

1 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
2 MOHCD (or his designee) to execute and deliver any documents in the name of the MOHCD
3 that are necessary, appropriate or advisable to accept and expend the AHSC Program funds
4 from the Department; and all amendments thereto, and complete the transactions
5 contemplated herein and to use the funds for eligible capital asset(s) in the manner presented
6 in the application as approved by the Department and in accordance with the NOFA and
7 Program Guidelines and Application Package; and, be it

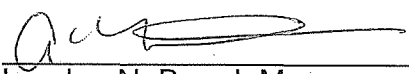
8 FURTHER RESOLVED, That all actions authorized and directed by this Resolution and
9 heretofore taken are ratified, approved and confirmed by this Board of Supervisors; and, be it

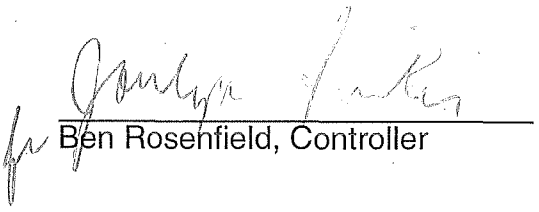
10 FURTHER RESOLVED, That within thirty (30) days of the Standard Agreements being
11 fully executed by all parties, the Director of MOHCD shall provide copies to the Clerk of the
12 Board of Supervisors for inclusion in the official file.
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1 Recommended:

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3 Dan Adams, Acting Director
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5 Approved:

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7 London N. Breed, Mayor
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10 Ben Rosenfield, Controller
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**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
ADMINISTRATION AND MANAGEMENT DIVISION****Business & Contract Services Branch**

2020 W. El Camino Avenue, Suite 130, 95833

P. O. Box 952054

Sacramento, CA 94252-2054

(916) 263-6872

www.hcd.ca.gov

JAN 15 2020



Donald S. Falk, Chief Executive Officer
Tenderloin Neighborhood Development Corporation
201 Eddy Street
San Francisco, CA 94102

Mara Blitzler, Director of Housing Development
City and County of San Francisco
1 South Van Ness Avenue
San Francisco, CA 94103

Re: Contract #19-AHSC-12711, 500 Turk Street

Dear Donald S. Falk and Mara Blitzler:

Congratulations on your Affordable Housing and Sustainable Communities (AHSC) Program loan award. Attached is an electronic copy of the AHSC Standard Agreement with Exhibits A through E:

A. Standard Agreement (STD 213 and Exhibits A through E)

STD 213 - Cover page

Exhibit A - Authority, Purpose and Scope of Work

Exhibit B - Budget Detail and Payment Provisions

Exhibit C - State of California General Terms and Conditions - GTC 04/2017

Exhibit C is now incorporated by reference; please see the STD 213 for additional information.

Exhibit D - AHSC Program Terms and Conditions

Exhibit E - Special Conditions

B. For expeditious handling of the contract, the Department offers two options for returning signed STD 213; please complete one of the following:

1. Review the entire Agreement thoroughly and, if necessary, discuss the requirements with your legal and financial advisors.
2. The person or persons authorized by the Resolution(s), must provide an **original signature, printed name, title and date, using blue ink**, on the lower left-hand section entitled "Contractor" on the STD 213 and/or on page 2 of the STD 213, if applicable.
3. **Option One:** For electronic signature processing, reply to this Standard

Agreement email notification with the attached, fully signed STD 213 page(s). All signatures must be original and in blue ink. All signers must be included in the reply email and confirm acceptance of e-signing the Agreement.


4. **Option Two:** Print five copies of the Standard Agreement, STD 213. Do not send photocopies of the signed STD 213 page(s). All five copies must be an original, wet signature and in blue ink; do not return the Exhibits to HCD.
5. **Note:** If the resolution did not authorize a designated official to sign the STD 213 and amendments thereto, your governing body must adopt a resolution authorizing a designated official(s) to sign the STD 213 and any subsequent amendments. If the authorized designee as reflected in the resolution, the awarded NOFA amount or your entity status has changed, you are required to provide, to the Department, a new resolution consistent with the terms of the NOFA award and adopted by your Board.
6. Return the e-signed copy or the five signed copies of the STD 213; and, if applicable, the certified resolution within 30 days from the date of this letter to the following address:

**Department of Housing and Community Development
Business & Contract Services Branch
Contracts Office, Attention: Wendy Barnes
2020 West El Camino Avenue, Suite 130
Sacramento, CA 95833**
7. Maintain a complete electronic version of the contract Agreement, STD 213 and Exhibits, for your pending file. **Note:** The contract is not effective until it is signed by the Awardee's designated official and the Department.

The Department reserves the right to cancel any pending Standard Agreement in its entirety if not returned within the required 30-day period.

Please contact Terri Wright, AHSC Program Manager, NOFA Awards Section, at (916) 263-7454 or email Terri.Wright@hcd.ca.gov if you have any questions regarding the Standard Agreement or the provisions therein.

Sincerely,


Wendy Barnes
Contract Analyst

cc: Terri Wright, AHSC Program Manager, NOFA Awards Section

STANDARD AGREEMENT

STD 213 (Rev. 03/2019)

AGREEMENT NUMBER

19-AHSC-12711

PURCHASING AUTHORITY NUMBER (if applicable)

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

CONTRACTOR'S NAME

Turk 500 Associates, L.P., City and County of San Francisco, and Tenderloin Neighborhood Development Corporation

2. The term of this Agreement is:

START DATE

Upon HCD Approval

THROUGH END DATE

06/30/2039

3. The maximum amount of this Agreement is:

\$13,700,000.00

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

EXHIBITS	TITLE	PAGES
Exhibit A	Authority, Purpose and Scope of Work	5
Exhibit B	Budget Detail and Payment Provisions	1
Exhibit C*	State of California General Terms and Conditions	GTC - 04/2017
Exhibit D	AHSC Program Terms and Conditions	18
Exhibit E	Special Conditions	2
TOTAL NUMBER OF PAGES ATTACHED		26

Items shown with an asterisk (), are hereby incorporated by reference and made part of this agreement as if attached hereto.**These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>*

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

See Attached

CONTRACTOR BUSINESS ADDRESS

201 Eddy Street

CITY

San Francisco

STATE

CA

ZIP

94102

PRINTED NAME OF PERSON SIGNING**TITLE****CONTRACTOR AUTHORIZED SIGNATURE****DATE SIGNED****STATE OF CALIFORNIA****CONTRACTING AGENCY NAME**

Department of Housing and Community Development

CONTRACTING AGENCY ADDRESS

2020 W. El Camino Ave., Suite 130

CITY

Sacramento

STATE

CA

ZIP

95833

PRINTED NAME OF PERSON SIGNING

Synthia Rhinehart

TITLEContracts Manager,
Business & Contract Services Branch**CONTRACTING AGENCY AUTHORIZED SIGNATURE****DATE SIGNED**

California Department of General Services Approval (or exemption, if applicable)

Exempt per: SCM Vol. 1 4.04.A.3 (DGS memo dated 6/12/1981)

CONTRACTOR

Turk 500 Associates, L.P.,
a California limited partnership

By: Turk 500 GP LLC,
a California limited liability company,
its general partner

By: Tenderloin Neighborhood Development Corporation,
a California nonprofit public benefit corporation,
its manager

By: _____
Donald S. Falk
Chief Executive Officer

Date: _____

Address:

201 Eddy Street
San Francisco, CA 94102

Tenderloin Neighborhood Development Corporation,
a California nonprofit public benefit corporation

By: _____

Date: _____

Donald S. Falk,
Chief Executive Officer

Address:

201 Eddy Street
San Francisco, CA 94102

CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, acting by and through the Mayor's Office of
Housing and Community Development

By: _____ Date: _____

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

Address:

1 South Van Ness Avenue
San Francisco, CA 94103

EXHIBIT A

AUTHORITY, PURPOSE AND SCOPE OF WORK

1. Authority

This Standard Agreement, STD 213, (the "Agreement") is the result of the Sponsor's application (the "Application") for funding under the Affordable Housing and Sustainable Communities Program ("Program") pursuant to:

- A. Part 1 of division 44 of the Public Resources Code (commencing with Section 75200);
- B. The Round 4 Program Guidelines dated October 29, 2018 (the "Guidelines") as may be amended from time to time; and
- C. The Program's Notice of Funding Availability (the "NOFA") issued by the Department of Housing and Community Development (hereinafter the "Department" or "HCD"), dated November 1, 2018.

This Agreement is entered under the authority of, and in furtherance of the purposes of the AHSC Program.

2. Purpose

In accordance with the authority cited above, Sponsor's Application was made to HCD for financial assistance from the Program for the purpose of assisting in the development, operation and maintenance of a residential rental Affordable Housing Development on certain real property (the "Property") as identified in the Application. The Application, including all representations made therein, and the Project Report dated October 25, 2019 (the "Project Report") are hereby incorporated in this Agreement by this reference. The financial assistance from the Program shall be in the form of a permanent loan (the "Loan") to the Sponsor, or its approved affiliate (the "Borrower"), as owner of the Development evidenced by a promissory note, secured by a deed of trust and subject to a regulatory agreement between the Sponsor and the Department. The purpose of the Loan is to ensure that the Development is constructed, owned, managed, maintained and operated in accordance with the requirements of the Program, the requirements of the Guidelines, and the representations of the Application, and to ensure that certain residential units therein shall be occupied by eligible households at affordable rents as defined in the Guidelines for the full term of the Loan, regardless of sale or transfer of the Property or prepayment of the Loan. To further effect this purpose, if Borrower is an entity other than the Sponsor identified in the Application, HCD may require the Sponsor to enter into a Sponsor Operating Guaranty as a condition of closing the Loan.

By entering into this Agreement and thereby accepting the award of Program Loan funds, the Sponsor agrees to comply with applicable statutory law, the Guidelines, the NOFA, and this Agreement, and to abide by the representations contained in the Application, and in the Project Report.

EXHIBIT A

3. Definitions

Capitalized terms herein shall have the meaning of the definitions set forth in the Guidelines, and in page 2 of this Exhibit A, in addition:

- A. The "Development" refers to the residential rental Affordable Housing Development described in the Application and meeting the criteria set forth in the Project Report providing the affordable housing units, as described therein, in consideration of the AHSC Loan. The Development shall meet all criteria as set forth in the Guidelines.
- B. "Agreement" refers to this Standard Agreement.
- C. "Sponsor" refers to the entity or entities that made the Application to the Department for the Development (the "Development") and identified as "Contractor" on page 1 to this Agreement (STD 213). "Sponsor" also includes any affiliate or assignee of the Sponsor approved by the Department and undertaking all the obligations of the Sponsor hereunder (e.g., the Borrower). In the case of joint applicants, "Sponsor" shall refer to each applicant or the approved assignee of such applicant. Each joint applicant shall be jointly and severally liable for all obligations of a Sponsor as set forth herein.
- D. "TCAC" refers to the California Tax Credit Allocation Committee.
- E. Any reference to a specific "Section" or "section" of the Guidelines shall initially refer to that specific numbered section of the Guidelines adopted on and dated October 29, 2018. Notwithstanding, if and when the Strategic Growth Council ("SGC") amends any portion of the Guidelines, all references herein to any such portion of the Guidelines shall be deemed to refer to the updated version of the Guidelines, either in whole or in part, as may be applicable. To the extent that any Guidelines section or sections (Section or Sections) provision is or are amended, and thereafter receive(s) a new Guidelines section number(s), any reference herein to the old Guidelines section(s) number(s) shall be interpreted to refer instead to the Guidelines section(s) that is (or are) intended to replace the content and substance of the former Guidelines section(s).

4. Scope of Work

The Scope of Work ("Work") for this Agreement shall consist of the development and construction by or on behalf of Sponsor of the Affordable Housing Development identified in the Award Letter and described in the Application. The Affordable Housing Development is to be developed and constructed by the Sponsor, or by a developer on behalf of the Sponsor, as provided in the Application, and must meet the following criteria:

EXHIBIT A

Location of Housing Development -		500 Turk Street, San Francisco, CA 94102		
# of Bedrooms	# of Project Units	AHSC Assisted Units* (Affordable Housing Development)	Income Limit (% of AMI)	TOTAL RESTRICTED UNITS**
0	15	15	60%	15
1	9	9	60%	9
2	25	25	60%	25
3	6	6	60%	6
0	3	3	50%	3
0	3	3	40%	3
1	3	3	40%	3
2	8	8	40%	8
3	2	2	40%	2
1	6	6	30%	6
2	12	12	30%	12
3	4	4	30%	4
1	1	0	Manager	0
0, 1, 2 and 3	11	0	Market	0
Total Project Units	108	96		96

EXHIBIT A

*AHSC Assisted Units must equal at least 20 percent of the total residential units.

**Total Restricted units include all units restricted by AHSC and TCAC. The AHSC loan amount was calculated based on the number of Total Restricted Units.

Additionally, upon completion, the Affordable Housing Development must meet or exceed the applicable minimum Net Density as set forth in Section 103(a)(1)(A)(iv) of the Guidelines.

Further, the Sponsor shall take such actions, pay such expenses and do all things necessary to complete the Affordable Housing Development as identified in the Award Letter and described in the Application, and in the Project Report in accordance with the schedule for completion set forth therein and within the terms and conditions of this Agreement. All written materials or alterations submitted as addenda to the original Application and which are approved in writing by a Division of Financial Assistance Operations Manager or higher Departmental official, as appropriate, are hereby incorporated as part of the Agreement. The Department reserves the right to review and approve all Work to be performed by the Sponsor in relation to this Agreement. Any proposed revision of the Work must be submitted in writing for review and approval by the Department. Any approval shall not be presumed unless such approval is made by the State Department in writing.

5. Evidence of Point Generating Activities

Based on the points awarded to its Application, Sponsor assures the Department of the existence or planned aspects of all point generating activities as detailed in the Project Report. At the request of the Department, Sponsor shall provide further and additional evidence sufficient to demonstrate the existence and/or completion of the items for which the Sponsor's Application received points. Failure to provide such evidence to the reasonable satisfaction of the Department may result in a reevaluation of the Application and the reduction or cancellation of the award, require repayments of any disbursed Program funds, and result in the disencumbrance of Program funds awarded.

6. Performance Milestones

Sponsor shall ensure the completion of the Performance Milestones set forth in the Project Report, by the designated dates. Sponsor may apply to the Department for an extension of these timelines based on good cause shown and best efforts and assurances from the Sponsor for timely completion of the remaining Milestones.

7. HCD Coordinator

The coordinator of this Agreement for HCD is the Loan Closing AHSC Program Manager for the Affordable Housing and Sustainable Communities, Division of Financial Assistance. Any notice, report, or other communication required by this Agreement shall be mailed by first class mail to the AHSC Program Manager at the following address:

Affordable Housing and Sustainable Communities (AHSC) Program
Round IV - Loan
NOFA Date: 11/01/2018
Approved Date: 10/18/2019
Prep. Date: 12/05/2019

EXHIBIT A

Loan Closing, AHSC Program Manager
Department of Housing and Community Development
Division of Financial Assistance – Loan Closing Section
P.O. Box 952054
Sacramento, California 94252-2054

8. Sponsor Contract Coordinator

The Sponsor's Coordinator for this Agreement is listed below. Unless otherwise informed, any notice, report, or other communication required by this Agreement shall be mailed by first class to the contact at the following address:

Sponsor:	Tenderloin Neighborhood Development Corp
Authorized Representative Name:	Donald Falk
Authorized Representative Title:	CEO
Address:	201 Eddy Street, San Francisco, CA 94102
Phone No.:	(415) 358-3927
Email Address:	dfalk@tndc.org

EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Terms of Loan

- A. **Principal Amount.** The principal amount of the Loan shall be the lesser of (i) the principal amount as stated in the Application, or (ii) the amount later approved by the Department as consistent with the requirements of the Guidelines, which incorporate section 7307 of the Multifamily Housing Program Regulations by reference.
- B. **Interest and Payment.** The Loan shall bear interest at the rate and be payable as provided in section 104 of the Guidelines, which incorporates section 7308 of the Multifamily Housing Program Regulations by reference, and under the terms of the Department's promissory note to be executed at loan closing. The Loan may not be prepaid without the prior written consent of the Department.

2. Invoicing and Payment

- A. **All Loan proceeds shall be disbursed through an independent escrow/title company. The Department shall prepare and submit instructions to the escrow holder, detailing the requirements for the release of Loan proceeds to the Borrower.**
- B. The Loan shall be released through escrow upon the Sponsor's, or its assignee's, submittal of the Request for Funds form and the satisfaction of the terms of the Award Letter and this Agreement. HCD reserves the right to retain 10 percent of the approved loan proceeds pending receipt and acceptance of the cost audit and any remaining loan closing checklist items.

3. Payees

- A. The authorized Payee(s) record information is required for payment(s) to be made. Payee(s) is/are as specified below (NOTE: if more than one payee, the dollar amount to be received by payee, must be listed):

<u>Payee Name:</u>	<u>Activity:</u>	<u>Award Amount:</u>
Turk 500 Associates, L.P.	AHD	\$13,700,000

EXHIBIT D

AHSC PROGRAM TERMS AND CONDITIONS

1. Effective Date, Commencement of Work and Completion Dates

This Agreement is effective upon approval by all parties and the Department, which is evidenced by the date signed by the Department on page one, Standard Agreement, STD. 213 (the "Effective Date"). The Sponsor agrees that the construction of the Development has not commenced as of the deadline for submittal of applications set forth in the Notice of Funding Availability. The Sponsor agrees that the Work shall be completed as specified in this Agreement, as set forth in the Project Report, incorporated herein by reference, and subject to the Agreement expiration date specified on page 1, number 2, of this Agreement (STD 213), and in Paragraph 3 below, unless a written request for an extension is submitted and written approval by the Department is provided within 90 days prior to the expiration date of the Agreement. Any extension to the expiration date shall require an amendment to this Agreement executed by all parties.

2. Termination

The Department may terminate this Agreement at any time for cause by giving at least 14 days' notice in writing to the Sponsor. The Department shall have cause if the Sponsor violates any of the General Terms and Conditions, or Special Conditions, of this Agreement. Examples of cause for termination include but are not limited to:

- A. Failure of the Loan to close on or before the Loan closing deadline as stated under Paragraph 3, "Timing", in these General Terms and Conditions.
- B. Failure of the Sponsor to satisfy in a timely manner each of the conditions set forth in these General Terms and Conditions, Special Conditions set forth in Exhibit E of this Agreement, and the Award Letter.
- C. Determination by the Department that: (a) any material fact or representation made or furnished to the Department by the Sponsor in connection with the Application, or the Award Letter shall have been untrue or misleading at the time that such fact or representation was made known to the Department, or subsequently becomes untrue, or (b) the Sponsor shall have concealed any material fact from the Department related to the Application or the Development.
- D. Filing a petition by Sponsor, or any affiliate or general partner of Sponsor, for relief under the Bankruptcy Code; the filing of any pleading or an answer by Sponsor, or any general partner of Sponsor, in any involuntary proceeding under the Bankruptcy Code; a general assignment by Sponsor, or any affiliate or general partner of Sponsor, for the benefit of creditors; or the filing of an application for the appointment of a receiver, trustee, custodian or liquidator of Sponsor or any of its property, or any affiliate or general partner of Sponsor or any of its property.

EXHIBIT D

- E. Failure of Sponsor, or any general partner of Sponsor, to effect a full dismissal of any involuntary petition under the Bankruptcy Code that is filed against Sponsor, or any general partner of Sponsor, or that in any way restrains or limits Sponsor, or any general partner of Sponsor, or the Department regarding the AHSC Loan or the Development, prior to the earlier of the entry of any court order granting relief sought in such involuntary petition, or 30 days after the date of filing of such involuntary petition.
- F. Attachment, levy, execution, or other judicial seizure of any portion of the Development, or any substantial portion of the other assets of Sponsor, or any general partner of Sponsor, that is not released, expunged, bonded, discharged, or dismissed within 30 days after the attachment, levy, execution, or seizure.
- G. Pendency of any proceeding challenging the legal existence or authority of Sponsor, or any general partner of Sponsor, or any proceeding challenging the legality of the Development.
- H. Failure of Sponsor to close the Department approved construction financing on or before the date indicated under Paragraph 3, "Timing", in these General Terms and Conditions. Any reference in this Agreement to "construction" shall include rehabilitation construction, if applicable.

3. Timing

- A. The Sponsor shall close the construction financing approved by the Department and commence construction of the Development in accordance with the development schedule set forth in the Project Report. Upon the Department's request, the Sponsor shall promptly provide evidence of recorded deeds of trust for all construction financing, payment of all construction lender fees, issuance of building permits (a grading permit does not suffice to meet this requirement) and notice to proceed delivered to the contractor. If no construction lender is involved, and the project is receiving low-income housing tax credits, evidence must be submitted that the equity partner has been admitted to the ownership entity, and that an initial disbursement of funds has occurred.
- B. Pursuant to section 111 of the Guidelines, construction of the Affordable Housing Development must commence within two years of the Program award and must be completed within five years of the Program award date.
- C. The Sponsor shall satisfy all conditions required to close the AHSC Loan on or before **December 31, 2024**. In order to ensure this disbursement happens, the Sponsor must provide the Department with a certificate of occupancy (or an equivalent form of occupancy certification or approval) for the Project by no later than **July 30, 2024**. If the AHSC Loan does not ultimately close by **December 31, 2024**, the AHSC funds will be disencumbered from the Project.
- D. This Agreement shall expire on **June 30, 2039**, the date specified on page 1, number 2, of this Agreement (STD 213).

EXHIBIT D

4. Disputes

Applicable law, including the Department's and the AHSC Program's statutes, rules, regulations, and Guidelines shall apply and be enforced in the event of any conflict that becomes apparent to the Department at any time, notwithstanding the Department's preliminary prior review of Project documentation at the time of construction loan closing.

5. Consent

The parties agree that wherever the consent or approval of the Department or the Sponsor is required under this Agreement, such consent or approval will not be unreasonably withheld or delayed, unless the same is specified as being in that party's sole discretion or other words of similar import.

PRE-CONSTRUCTION LOAN REQUIREMENTS

Unless otherwise approved in writing by the Department, the following conditions require compliance prior to the close of the construction loan(s) for the Development (construction loan includes a rehabilitation loan):

6. Site Control

The Sponsor shall have Site Control of the real property on which the Development is located, as required by the Guidelines. Such control shall not be contingent on the approval of any other party. The status and nature of the Sponsor's title and interest in the property shall be subject to the Department's approval. Site Control may be evidenced by one of the following:

- A. Fee title;
- B. A leasehold interest on the project property with provisions that enable the lessee to make improvements on and encumber the property provided that the terms and conditions of any proposed lease shall permit compliance, prior to loan closing, with all Program requirements;
- C. An enforceable option to purchase or lease which shall extend through the anticipated date of the Program award as specified in the NOFA;
- D. An executed disposition and development agreement right of way, or irrevocable offer of dedication to a Public Agency;
- E. An executed encroachment permit for construction of improvements or facilities within the public right of way or on public land;

EXHIBIT D

- F. An executed agreement with a public agency that gives the Sponsor exclusive rights to negotiate with that agency for acquisition of the site, provided that the major terms of the acquisition have been agreed to by both parties; or
- G. A land sales contract or other enforceable agreement for the acquisition of the property.
- H. Other forms of site control that give the Department assurance (equivalent to A-G above) that the applicant or developer will be able to complete the Project and all housing designated in the application in a timely manner and in accordance with all the requirements of the Program.

If the Sponsor's interest in the property is a leasehold, the lease must provide adequate security for the Loan and comply with the requirements of the Uniform Multifamily Regulations ("UMR"), Section 8316. The Sponsor shall provide a copy of the ground lease for the Department's approval and review of its compliance with UMR Section 8316. The lessor and lessee will be required to sign the Department's standard form Lease Rider and Estoppel Agreement, unless the lessor agrees to sign the Loan documents as required by the Department and encumber all its interest in the Development. Where the lessee and the lessor are affiliated or related private parties, both the lessee and the lessor must execute the Loan documents so as to encumber both the leasehold and fee interests in the Development.

7. Title Report

The Sponsor shall provide a current title report for the real property on which the Development is located. If the Sponsor's interest in the property is leasehold, then the Sponsor shall provide a current title report for the leasehold interest and the fee interest.

8. Site Inspection

The Department reserves the right, upon reasonable notice, to inspect the Development site and any structures or other improvements thereon to determine whether the Development site meets the requirements of the Program Guidelines and the criteria set forth in the Project Report. If the Department reasonably determines that the site is not acceptable for the proposed Development in accordance with the Guidelines, the Department reserves the right to rescind the award and the Loan.

9. Adaptability and Accessibility

The Sponsor and the Development shall comply with all applicable federal, state and local laws regarding adaptability and accessibility in the design, construction and rehabilitation of residential projects for persons with disabilities.

EXHIBIT D

10. Physical Needs Assessment

If the Development involves rehabilitation of existing units, the Sponsor shall provide a post-rehabilitation physical needs assessment acceptable to the Department, in accordance with instructions provided by the Department.

11. Reserve Study

Upon request by the Department, Sponsor shall provide an independent, third-party replacement reserve study acceptable to the Department.

12. Development Budget

Unless otherwise approved in writing by the Department, prior to the close of any construction financing, the Sponsor shall provide to the Department for its review and approval, a copy of the construction lender(s)' approved development budget.

13. Reasonable Development Costs

Sponsor shall provide to the Department evidence that total development costs are reasonable and necessary for the proposed improvements. To verify cost reasonableness, the Department may require qualified third party verification of costs, evidence of the competitive bidding of major trades and real estate appraisals. Where the Development is a component of a larger development, the Sponsor shall submit to the Department for its approval, a development cost sharing breakdown for the entire development which covers all development costs for each of the individual components of the entire development and includes a discrete development budget for the Development consistent with the budget in the Application and Project Report. Eligible costs for Developments are limited to costs as specified in 25 CCR Section 7304 (a) & (b).

14. Sponsor Control of Development

Sponsor shall provide evidence satisfactory to the Department that the Sponsor identified in the Application and who demonstrated the requisite experience, pursuant to Section 106 (a)(12) of the Guidelines, in the application process, has and will retain full control over the development, construction, ownership and management of the Development through control of the Sponsor entity by the Sponsor either directly as Borrower, or as a managing general partner of Borrower, or as the member/manager of the general partner of the Borrower, if Borrower is a partnership. The same control requirement applies to any Borrower organized as a limited liability company. The failure to demonstrate the requisite control of the Sponsor entity by the Sponsor may result in significant delay in the processing, or potentially the cancellation, of the Loan. The Sponsor which demonstrated the requisite experience of owning and developing affordable rental housing, shall execute the Department's Sponsor Operating Guaranty to ensure that the Sponsor has the resources and experience to develop, own and manage the Development. The organizational structure of the Borrower, including the control and ownership by the Sponsor or Sponsors, and

EXHIBIT D

any changes thereto, must be reviewed and approved by the Department and must comply with all Program requirements.

15. Relocation Plan

If there is or will be any residential or commercial displacement directly or indirectly caused by the Development, the Sponsor shall provide a relocation plan conforming to the requirements of state law and the regulations adopted by the Department in California Code of Regulations, Title 25, Section 6000 et seq. The Development budget shall contain sufficient funds to pay all costs of relocation benefits and assistance as set forth in the relocation plan accepted by the Department. Should a relocation plan not be required, Sponsor must provide documentation for Department approval that there are no relocation requirements.

16. Architect Contract

The Sponsor shall enter into a contract with an architect to provide professional services for the Development. The contract shall require an architect to supervise the construction work, conduct periodic site visits, prepare periodic inspection reports, verify the validity of the construction contractor's payment requests, prepare or review change orders, and, upon completion of construction, provide the certification described in paragraph 31 of these General Conditions.

17. Appraisals

If the property for the Development is being purchased, the Sponsor shall provide an appraisal acceptable to the Department of the as-is value of the property, prepared by a qualified, licensed appraiser.

18. Non-Department Financing

The Sponsor shall qualify for and obtain the financial assistance, loans and grants described in the Application for both the construction and permanent periods. Final terms and conditions of the non-Department financing must substantially conform to the terms and conditions of the Sponsor's Loan Application. The terms and conditions of all financing shall be subject to the Department's review and approval.

19. Senior Loan Terms and Disclosures

The terms of loans in a lien position senior to the Loan must comply with all the underwriting standards of UMR Sections 8310 and 8315.

No subordination may limit the Department's remedies and must comply with UMR Section 8315.

Balloon payments are not allowed on senior debt, except as provided in UMR section 8310. Senior loans are prohibited from including call option language in the terms of the loan other than is reasonable in case of default, nor may Sponsor be required to remarket Bonds prior to expiration of the senior loan. Financial instruments on senior loans (including but not limited to

EXHIBIT D

swaps, collars, and interest rate hedges) must extend for the full term of the senior loan and cannot be required to be renewed or extended prior to the end of the full term.

Sponsors must obtain an interest rate cap on any interest rate that is not fixed for the full term of the senior loan. The interest rate at the cap must not jeopardize project feasibility. Interest rate resets, renewals, extensions of letters of credit, or other senior loan provisions, must not require the Sponsor to re-qualify.

All payments, lender fees, bond fees, issuer fees, trustee fees, letter of credit fees, swaps fees, hedge fees, enhancement fees, credit facility and liquidity fees, and other fees, charges and costs, in addition to principal and interest payments, must be fully disclosed to the Department in the loan closing transaction summary and in the operating budget.

The Department's lien shall not be subordinated to the liens of a lender affiliated with an entity that has an ownership interest in the Project unless a covenant, regulatory agreement, or similar instrument is recorded senior to the lender's documents that includes the provisions of UMR Section 8310(f).

20. Environmental Conditions

The Sponsor shall provide a Phase I Environmental Site Assessment ("ESA") for the Development, in conformance with ASTM Standard Practice E 1527, evaluating whether the Development is affected by any recognized environmental conditions. In the event the Phase I ESA indicates evidence of recognized environmental conditions and the Sponsor desires to proceed with the Development, the Sponsor shall provide the Department with a Phase II report and such further reports as required by the Department in form acceptable to the Department. Any remediation work to be performed shall be subject to Department approval. The Sponsor shall also provide an asbestos assessment and a lead-based paint report for the Department's approval if the Development involves rehabilitation or demolition of existing improvements.

21. Article XXXIV

All Projects shall comply with Article XXXIV, section 1 of the California Constitution ("Article XXXIV"), as clarified by the Public Housing Election Implementation Law (Health & Safety Code, §§ 37000 – 37002). Prior to construction loan closing, the Sponsor shall submit documentation which shows, to the Department's satisfaction, that the Project complies with or is exempt from Article XXXIV.

CONSTRUCTION PHASE REQUIREMENTS

22. Construction Phase Information

If requested by the Department, the Sponsor shall provide the Department information during the construction period including but not limited to all change orders and modifications to the construction documents, all inspection reports prepared by the Development architect and other consultants, and information relative to Development income, expenses, occupancy, relocation

EXHIBIT D

benefits and expenses, contracts, operations and conditions of the Development. Upon written notice to Sponsor, Department may require its advance written approval of all future change orders and modifications. Deviations from the plans and specifications which have the effect of reducing the quality, life or utility of a specified item or system must receive the prior written approval of the Department. Should change orders be submitted to the Department for its approval, they shall be deemed accepted if not rejected in writing within 10 business days of receipt by the Department. Sponsor shall not authorize or approve any change orders rejected by the Department.

23. Inspection

The Department and any authorized representative of the Department shall have the right, during construction and thereafter, to enter upon and inspect the construction of the Development. Such right to inspect shall include, but shall not be limited to, the right to inspect all work done, all materials and equipment used or to be used, and all books and records, including payroll records, maintained in connection with the construction work. Such right of inspection shall be exercised in a reasonable manner. The Department shall have no affirmative duty to inspect the Development and shall incur no liability for failing to do so. Once having undertaken any inspection, neither the Department, nor any representative of the Department shall incur any liability for failing to make any such inspection properly, or for failing to complete any such inspection. The fact that such inspection may or may not have occurred shall not relieve the Sponsor, the contractor, the construction lender, the architect, the structural engineer, the locality or anyone else of any obligation to inspect the Development.

24. Updated Information

Sponsor shall provide the Department updated documentation for any change in the information previously provided relating to the Loan, including updated sources and uses and income information. All changes shall be subject to Department approval. However, if the Development is changed in any way as to make it ineligible under Section 103(a)(1) and 106 of the Guidelines, then the Loan commitment will be cancelled and all Loan funds awarded to the Sponsor shall be disencumbered.

25. Evidence of Existence of Application Selection Criteria

Upon request, Sponsor shall provide to the Department evidence of the existence of the amenities, services, improvements, features and characteristics of the Development which were included in the Application and as set forth in the Project Report and awarded points under Section 107 of the Guidelines in the Department's rating of the Application.

26. Signage

Sponsor shall place signs on the construction site for the Work stating that the Department and SGC are providing financing through the AHSC Program in an appropriate location(s), typeface and size containing the following message:

EXHIBIT D

500 TURK STREET, TOD PARTNERSHIP

**THIS PROJECT HAS BEEN MADE POSSIBLE
BY FINANCING FROM**

**CALIFORNIA CLIMATE INVESTMENTS
(funded through the GREENHOUSE GAS REDUCTION FUND)
AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM
THROUGH THE
STRATEGIC GROWTH COUNCIL AND
THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**

The sign shall be maintained in a prominent location visible and legible to the public through construction completion. If the job sign includes the acknowledgment and/or logo of one or more other public lenders, the acknowledgment and logos required by this Paragraph 26 shall also be displayed in a similar size and layout. Copies of the Department, SGC, and California Climate Investments ("CCI") logos can be obtained by contacting the AHSC Program Manager.

Upon installation of the sign, the Sponsor shall submit a digital photograph thereof to the Department to verify compliance with these signage requirements.

27. Photographs

The Sponsor will provide the Department, upon request, with copies of any photographs that may be taken of the Development by or on behalf of the Sponsor or the Development's architect. The Sponsor will provide an acceptable written consent and release agreement authorizing use of said photographs, all at no expense to the Department.

COMPLETION OF CONSTRUCTION

28. Relocation Plan Implementation Report

The Sponsor shall provide a report, in a form acceptable to the Department, summarizing the actions taken and identifying all Sponsors of relocation assistance and benefits, and the amounts paid, and benefits provided, to or on behalf of each Sponsor.

29. Architect Certification

Where required by the Department, the Sponsor shall cause the Development architect(s) or other appropriate professional to certify to the Department, in form acceptable to the Department, that all construction is completed in accordance with the "as-built" plans and specifications and in compliance with all applicable federal, state and local laws relating to disabled accessibility.

EXHIBIT D

30. Cost Certification

At the request of the Department, the Sponsor shall submit a Development cost certification audited by an independent certified public accountant in accordance with the requirements of the Department and TCAC, if applicable. The Sponsor (and the developer or builder if there is an identity of interest with the Sponsor) shall keep and maintain records of all construction costs not representing work done under the construction contract and to make such records available for review by the Department.

31. Recorded Notice of Completion

The Sponsor shall provide to the Department a certified copy of any Notice of Completion for the Development recorded in the county in which the Development is located.

PROGRAM LOAN CLOSING REQUIREMENTS

The Department shall not be obligated to close or fund the Loan unless the Sponsor has complied with and satisfied all the terms and conditions of the Guidelines, the NOFA, this Agreement, representations made in the Application and the criteria set forth in the Project Report, all in a manner satisfactory to the Department in its sole discretion, on or before the earlier of the Loan closing, the Loan closing deadline or such earlier time, all as indicated herein.

32. Development Construction

The Development shall be constructed in compliance with the plans and specifications, subject to any change order(s) accepted by the Department where such acceptance is required.

33. Title Insurance

The Sponsor shall provide an updated title report and an ALTA As-Built Survey acceptable to the Department. The Sponsor shall provide a pro forma ALTA lender's policy of title insurance if requested by Department. The Sponsor shall ensure the issuance to the Department of an ALTA lender's policy of title insurance. The condition of title, insurer, liability amount, form of policy and endorsements shall be subject to the approval of the Department. Such endorsements shall include, but not be limited to a CLTA endorsement 100, and may include, but shall not be limited to, CLTA endorsements 105, 110.9 and 116 (modified for apartments). The policy shall insure that the Sponsor holds good and marketable fee simple title (or leasehold, if approved by Department) and that the Department holds a fee mortgage (or leasehold) lien on the Development, free and clear of all encumbrances, encroachments, other interests and exceptions to title other than as shall have been previously approved in writing by the Department. The Department's Deed of Trust and Regulatory Agreement and the other loans indicated under "Permanent Funding" in the Application shall have the lien priority as indicated in the Application.

EXHIBIT D

34. Sponsor's Status

The Sponsor shall provide the Department with copies of all organizational documents, including but not limited to, partnership agreements, operating agreements, corporate documents, and related documents and agreements, as required by the Department. As of the date of the Loan closing, the Sponsor and Borrower shall be a duly organized and validly existing limited or general partnership, corporation, limited liability company, nonprofit public benefit corporation, or other valid legal entity under California law. The Sponsor or Sponsor-controlled Borrower has and shall have the authority to enter into the Loan and related loan documents.

35. Prevailing Wage Compliance

Where applicable, prevailing wage rates shall be paid with respect to the construction work, as the term is defined in the Standard Agreement, performed in connection with the Development. Prior to closing the Loan, a certificate signed by the general contractor(s) and the Sponsor is required, certifying that prevailing wages have been, or will be, paid in conformance with Labor Code Section 1720 et seq., and that labor records shall be maintained and made available to any enforcement agency upon request.

36. Insurance

The Sponsor shall obtain and maintain for the term of the Loan hazard and liability insurance for the Development in accordance with the Department's requirements, including flood insurance if applicable. The Department shall be named as a loss payee or an additional insured on all such policies. Such policies also shall provide for notice to the Department in the event of any lapse of coverage and in the event of any claim thereunder. The Sponsor shall provide evidence satisfactory to the Department of compliance with these insurance requirements.

37. Program Loan Documents

The Sponsor shall enter into this Standard Agreement with the Department, which shall govern the encumbrance by the Department of the funds to be used to fund the Loan. In addition, the Sponsor shall enter into a Regulatory Agreement with the Department, governing certain matters related to the use, operation and occupancy of the Development, including, but not limited to, the imposition of certain low income occupancy requirements, regulation of rents on the low income units, audits and other financial controls and reserve requirements, management oversight by the Department, compliance with federal and state laws, and other Department requirements. In addition to the Regulatory Agreement, the Loan shall be evidenced by a Promissory Note and secured by a Deed of Trust. The Regulatory Agreement shall be recorded prior to the Department's Deed of Trust. The Sponsor shall execute and enter into additional agreements and documents, as the Department may deem reasonable and necessary to meet the AHSC requirements and the terms and conditions of this Agreement. The Sponsor and any affiliate of the Sponsor which demonstrated the requisite experience of owning and developing affordable rental housing, must execute the Department's Sponsor Operating Guaranty to ensure that the Sponsor has the resources and experience to develop, own and manage the Development.

EXHIBIT D

38. Restrictions on Transfer and Change of Ownership

The Sponsor shall not, without the prior written approval of the Department: a) sell, transfer, convey, encumber, hypothecate or pledge any of the Development or the Development property, or any portion or interest in either of them; b) discharge or replace any general or managing partner if Sponsor is a partnership, or amend, modify or add to its partnership agreement except that the Sponsor may sell or transfer limited partnership interests without the Department's approval; c) if Sponsor is a limited liability company: change the manager(s), amend, modify or add to its operating agreement or management structure; d) wind up, liquidate or dissolve its affairs or enter into any transaction of merger or consolidation; or e) change the organizational structure of the Sponsor.

39. Rental Subsidy Contract

The Sponsor shall provide the Department with complete copies of all contracts and amendments thereto, regarding rental subsidies to be provided to tenants residing in the Development.

40. Substitution of Rent or Social Service Subsidy

Sponsor may substitute a source of funding equivalent to the original rent or social service subsidy. The amount, terms and conditions of the new source of funding must provide an equivalent or greater level of subsidy to the project, acceptable to the Department.

41. Final Certificate of Occupancy

The Sponsor shall provide a final certificate of occupancy (or an equivalent form of occupancy certification or approval) issued by the local agency having jurisdiction over such certificates.

42. Environmental Conditions Remedial Work

All remedial work on recognized environmental conditions shall be completed prior to Loan closing. The Sponsor shall provide the Department with an environmental update/operations and maintenance plan if remedial work was required with evidence of lead-based paint and/or asbestos-containing materials remediation if applicable.

43. Reserve Accounts

The Sponsor shall establish and maintain reserve accounts as required by the Department and as further described in the Regulatory Agreement. All withdrawals shall require prior written approval from the Department, as provided in the Regulatory Agreement.

44. Operating Reserve Account

The Sponsor shall fund an operating reserve account in accordance with Section 8308 of the UMRs and subject to the requirements thereof. The specific amount of the Operating Reserve Account shall be set forth in the Regulatory Agreement.

EXHIBIT D

45. Replacement Reserve Account

The Sponsor shall establish a replacement reserve account in accordance with Section 8309 of the UMRs. The replacement reserve account shall be funded by monthly deposits from operating income or a combination of operating income and development sources as indicated in the Regulatory Agreement. The amount of the monthly deposits may be adjusted, as determined by the Department, in its sole discretion, based on reserve studies performed by an independent third party at the Sponsor's expense as requested by the Department or as based on other reliable indicators of future reserve needs.

46. Capitalized Reserve Accounts

If Program funds are used to fund a reserve account, the Department shall disburse such funds in a manner to ensure the proper funding of the reserve. The proceeds of the Loan may be used to capitalize only operating and replacement reserve accounts and amounts required by UMRs Sections 8308 and 8309. Proceeds of the Loan may not be used to capitalize rental subsidy reserves, except as authorized in accordance with Section 103 of the Guidelines, or any reserves established to pay recurring operating costs, including, but not limited, to the required 0.42 percent annual payment on the Loan.

47. CalHFA and HUD Funded Projects

Projects subject to the HUD Section 811 and 202 programs or receiving a permanent loan from CalHFA shall not be subject to Program reserve requirements during the time such projects are regulated by HUD or CalHFA and the Sponsor complies with the applicable CalHFA or HUD reserve requirements.

48. Property Management Documents

The Sponsor shall obtain the MHP Operations Manual, which sets forth the obligations and requirements for the use, operation and occupancy of the Development, including but not limited to the Department's approval of the following (in the format provided or approved by the Department): a) a proposal for management agent with management agent's qualifications attached; b) a management contract; c) a management plan; d) an operating budget; e) a residential tenant lease; f) long-term cash flow projection reports; and g) audits. Prior to close of the Loan, the Sponsor shall obtain the Department's review and approval of the above-mentioned items a) through f) and any additional property management documents required by the Department.

49. Affirmative Fair Housing Marketing Plan and Fair Housing Compliance

Sponsor shall develop and implement an affirmative fair housing marketing plan satisfactory to the Department. Appropriate aspects of the initial plan shall be incorporated into the ongoing management plan to ensure positive outreach and informational efforts to those who are least likely to know about and apply for assisted units in the Development. Sponsor is encouraged to

EXHIBIT D

refer to HUD's guidelines for Affirmative Fair Housing Marketing Plans. Sponsor shall comply with all state and federal fair housing laws. At the request of the Department, Sponsor will submit documentation acceptable to the Department demonstrating that the proposed tenant selection criteria in the tenant selection plan do not violate any applicable state or federal fair housing laws.

50. Identification of Elderly and Veteran Units

If applicable, Sponsor must submit a report that specifically identifies the number of units rented to the elderly. The report must also specifically identify the number of units rented to military veterans.

51. TCAC and Other Regulatory Agreements

The Sponsor shall provide the Department with a copy of the TCAC Regulatory Agreement if the Development budget includes tax credits and any other regulatory agreements pertaining to the Development.

52. Property Tax Exemption

Unless expressly waived in writing by the Department, Sponsor shall provide evidence of eligibility for property tax exemption for the Development and a copy of the tax exemption application to the local tax assessor(s).

53. Compliance with State and Federal Laws, Rules, Guidelines and Regulations

The Sponsor agrees to comply with all State and Federal laws, rules and regulations that pertain to construction, health and safety, labor, fair employment practices, equal opportunity, and all other matters applicable to the Development, the Sponsor, its Contractors or Subcontractors, and any loan activity.

54. Change of Conditions

The Department reserves the right to re-underwrite the Development based on new information or funding sources. Particular attention will be paid to the continued feasibility of the Development and the maintenance of the security position of the Loan. If the new information demonstrates a reduction or elimination of financing gap being addressed by the Loan, the Department will reduce the amount of the Loan Request stated in the Application and the amount of the award accordingly. If the Department has underwritten the Loan using CalHFA or HUD requirements and the Development subsequently does not utilize the CalHFA or HUD financing, the Loan will be re-underwritten by the Department using Program requirements. In the event the Department determines the Development is no longer financially feasible, the award and any Loan commitment issued by the Department may be revoked.

EXHIBIT D

55. Investor Commitments

If the Development will be receiving an allocation of tax credits from TCAC, the Sponsor shall provide the Department with a copy of all tax credit investor commitments, including referenced financial projections and any amendments.

56. Restricted Units

All units designated in the Application approved by the Department as restricted units that are not also assisted units, shall be restricted on a long-term basis by a public agency at the income and rent levels shown in the Application. Similarly, all units designated in the Application as restricted units and that are not also assisted units, shall be restricted on a long-term basis by a public agency to the designated target population.

57. Asset Management Fees

Asset management, partnership management, and similar fees shall be in compliance with UMR Section 8314(a)(1)(B).

58. Reduction of AHSC Loan Amount

Notwithstanding any development agreement, in the event that development costs are less than predicted in the development budget, the Department shall reduce its Loan for the amount of the cost savings prorated with other residual receipt lenders.

59. Sponsor Representations

- A. Sponsor represents and warrants that as of the date of this Agreement, the Sponsor is a duly organized and validly existing entity under California law and the person signing this Agreement on behalf of Sponsor has the authority to act on behalf of and bind the Sponsor in accordance with the terms of this Agreement.
- B. Sponsor represents and warrants that as of the date of the Loan closing, the Sponsor may be a duly organized and validly existing limited partnership under California law and that such limited partnership will have the authority to enter into the Loan and related loan documents.
- C. Sponsor further represents and warrants that as of the date of the Loan closing, the person(s) executing the Loan documents will have full authority to act on behalf of and bind the Sponsor in accordance with the terms of those documents.

60. Survival of Obligations

The obligations of the Sponsor as set forth in this Agreement shall survive the Loan closing, and the Sponsor shall continue to cooperate with the Department and perform acts and provide documents as provided herein.

EXHIBIT D

61. Litigation

If any provision of this Agreement, or an underlying obligation, is held invalid by a court of competent jurisdiction, such invalidity, at the sole discretion of the Department, shall not affect any other provisions of this Agreement and the remainder of this Agreement shall remain in full force and effect. Therefore, the provisions of this Agreement are, and shall be, deemed severable. The Sponsor shall notify the Department immediately of any claim or action undertaken by or against it which affects or may affect this Agreement or the Department, and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement and the interests of the Department.

62. Obligations of Sponsor with Respect to Certain Third Party Relationships

The Sponsor shall remain fully obligated under the provisions of this Agreement notwithstanding its designation of any third party or parties for the undertaking of all or any part of the Development with respect to which assistance is being provided under this Agreement. The Sponsor shall comply with all lawful requirements of the Department necessary to ensure the completion, occupancy and use of the Development in accordance with this Agreement.

63. Waivers

No waiver of any breach of this Agreement shall be held to be a waiver of any prior or subsequent breach. The failure of the Department to enforce at any time the provisions of this Agreement or to require at any time performance by the Sponsor of these provisions shall in no way be construed to be a waiver of such provisions nor to affect the validity of this Agreement or the right of the Department to enforce these provisions.

64. Audit/Retention and Inspection

- A. The Department, its representatives or employees, or its delegatee shall have the right to review, obtain, and copy all records pertaining to performance of the Agreement. Sponsor shall provide the Department or its delegatee with any relevant information requested and shall permit the Department or its delegatee access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material. Sponsor further agrees to maintain such records for a minimum period of four years after final payment under the Agreement, unless a longer period of records retention is stipulated.
- B. At any time during the term of this Agreement, the Department may perform or cause to be performed a financial audit of any and all phases of the Development. At the Department's request, the Sponsor shall provide, at its own expense, a financial audit prepared by a certified public accountant.

EXHIBIT D

- C. The audit shall be performed by a qualified State, Department, local or independent auditor. The Agreement for audit shall include a clause which permits access by the Department to the independent auditor's working papers.
- D. If there are audit findings, the Sponsor shall submit a detailed response to the Department for each audit finding. The Department will review the response and, if it agrees with the response, the audit process ends and the Department will notify the Sponsor in writing. If the Department is not in agreement, the Sponsor will be contacted in writing and will be informed as to the corrective actions required to cure any audit deficiencies. This action could include the repayment of disallowed costs or other remediation.
- E. If so directed by the Department upon termination of this Agreement, the Sponsor shall cause all records, accounts, documentation and all other materials relevant to this Agreement to be delivered to the Department as depository.

65. Reporting Requirements

Upon Department's request, the Sponsor shall provide to the Department any and all necessary data that it is legally and factually able to provide that is required to be reported pursuant to the most recently adopted Funding Guidelines for California Climate Investments by the California Air Resources Board.

66. Cross-Default Provision

- A. This award was based on the total points awarded Sponsor's Application during a highly competitive process. That application proposed an integrated combination of some or all of the following Project components: Affordable Housing Development (AHD); Housing-Related Infrastructure (HRI); Sustainable Transportation Infrastructure (STI); Transportation-Related Amenities (TRA); and Programs (PGM). The Application's point score was based, in part, on the Project's total projected reduction of greenhouse gas (GHG) emissions. The Project components (AHD, HRI, STI, TRA, and PGM) that were proposed in the Application and approved by the Department must be completed in order to achieve this projected reduction of GHG emissions.
- B. By executing this Agreement, Sponsor acknowledges and agrees that if the HRI, STI, TRA, or PGM component, as applicable, is not timely completed pursuant to Program requirements, then Sponsor will no longer qualify for the Loan award. In the event the Loan has not yet been disbursed, the Loan award will be disencumbered. In the event the Loan has been disbursed, the Department will avail itself of any and all remedies available to it as set forth in the Loan documents in order to recapture the amount of the Loan disbursement, subject to the limitations set forth in subparagraph C. below.
- C. The Department and Sponsor further acknowledge that the Loan funds provided pursuant to this Agreement constitute a non-recourse loan (NR-Loan) secured against the AHD real property as required by the Program (and as may be required in order to comply with tax credit requirements). Any proceeds from the foreclosure of the NR-Loan may only be used

EXHIBIT D

to satisfy financial obligations owed under the NR-Loan's promissory note; additionally, a foreclosure may also be appropriate and necessary to remedy a substantial breach under the associated regulatory agreement. The Department hereby represents and warrants that, in the absence of the foregoing, the Department shall not foreclose upon the NR-Loan to obtain proceeds to satisfy any liability related to or arising out of the failure of the timely completion of the HRI, STI, TRA, or PGM components, as applicable.

- D. The Department recognizes that the Sponsor may enter into a separate side agreement to address each individual Sponsor entity's responsibilities with respect to each other and with regard to the Loan and Program Grant funds; provided, however, in no event shall any such agreement alter or amend the respective obligations of the Sponsors to the Department under the applicable Loan Documents or Program Grant Documents. (Section 105(a)(3)(A) of the Guidelines).

EXHIBIT E

SPECIAL CONDITIONS

The following Special Conditions are applicable to this Standard Agreement.

1. Exhibit A, Paragraph 3A –Definition of Sponsor: This provision is amended to add the following:

Turk 500 Associates, L.P. ("LP") is an affiliate of Tenderloin Neighborhood Development Corporation ("Corp"). TNDC is the manager of Turk 500 GP LLC, the managing general partner of LP. Corp and the City and County of San Francisco ("City") were awarded the AHSC Loan funds pursuant to the Award Letter, dated July 8, 2019. The Department acknowledges that the LP will be considered the ultimate borrower of the AHSC Loan funds and as such will execute the AHSC Loan Documents. For the purposes of this Standard Agreement, LP, City, and Corp will be collectively referred to herein as "Sponsor." As such, the LP, City, and Corp shall be jointly and severally liable for all the obligations of a Sponsor as set forth herein. Performance satisfactory to the Department by the LP, City, or the Corp of any duties and obligations under this Standard Agreement, or under any other agreements as required by the Department, will be deemed as performance by the Sponsor.

2. Exhibit D, Paragraph 21 – Article XXXIV. This provision is amended to include the following:

Currently, the Article XXXIV documentation for 500 Turk Street is not legally sufficient. This Development, located in the City and County of San Francisco (City), features 108 units of affordable rental housing, including one manager's unit, on one site. Prior to permanent loan closing, the City must submit an Article XXXIV allocation letter which affirmatively allocates 108 units of Article XXXIV authority to this Development. The letter must indicate: (1) the name and date of the ballot measure which provides the voter authority under Article XXXIV; (2) the number of units approved by the ballot measure; (3) the City's affirmative allocation of 108 units of that authority to this Development; and (4) the number of units remaining to the City after this allocation. The letter must be on official City letterhead, and it must be signed by a government official with authority. Sponsor shall provide a copy of such letter to the Department prior to construction loan closing.

3. Amended & Restated LPA. Prior to permanent loan closing: (i) the Sponsor shall provide all drafts of the proposed amended and restated agreement of limited partnership for the LP (the "LPA") to the Department for its review, which LPA shall comply with the AHSC Program's statutes, regulations and Guidelines, including without limitation the requirements of UMR Section 8313.2; and (ii) the LPA shall have been fully executed by all of the constituent partners of the LP.
4. Ground Lease. Prior to permanent loan closing, the Sponsor shall provide all drafts of the proposed Ground Lease by and between the City and the LP (the "Ground Lease") to the Department for its review, which Ground Lease shall comply with the AHSC Program's statutes, regulations and Guidelines, including without limitation the requirements of UMR Section 8316.

EXHIBIT E

5. Commercial Space. All income generated by Sponsor from commercial space shall be considered operating income, as defined by UMR Section 8301, subdivision (I). Prior to permanent loan closing, the Sponsor shall provide drafts of any leases or rental agreements for commercial space (the "Commercial Master Lease(s)") to the Department for its review, which Commercial Master Lease(s) shall comply with the AHSC Program's statutes, regulations and Guidelines, including without limitation the requirements of UMR Section 8301, subdivision (I).
6. Other Departmental Funding. In the event the Development is or has been awarded any other Departmental grant or loan funding in addition to the AHSC Loan and AHSC grant contemplated by the Award Letter (each such funding, including the AHSC Loan and AHSC grant referenced in the Award Letter, being a "Departmental Funding"), then each Departmental Funding will be cross-defaulted to the other Departmental Fundings so that:
 - (i) the compliance by the obligated party(ies) under the Department's documentation relating to one Departmental Funding shall be a condition precedent to the funding and disbursement of the funds to be provided under all of the other Departmental Fundings; and
 - (ii) a default under one Departmental Funding shall constitute a default under all of the other Departmental Fundings.

The loan and grant documentation for each Departmental Funding shall reflect the cross-defaulted nature of all such fundings.

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
ADMINISTRATION AND MANAGEMENT DIVISION****Business & Contract Services Branch**

2020 W. El Camino Avenue, Suite 130, 95833

P. O. Box 952054

Sacramento, CA 94252-2054

(916) 263-6872

www.hcd.ca.gov

JAN 15 2020

Donald S. Falk, Chief Executive Officer
Tenderloin Neighborhood Development Corporation
201 Eddy Street
San Francisco, CA 94102

Mara Blitzer, Director of Housing Development
City and County of San Francisco
1 South Van Ness Avenue
San Francisco, CA 94103

Re: Contract #19-AHSC-12755, 500 Turk Street

Dear Donald S. Falk and Mara Blitzer:

Congratulations on your Affordable Housing and Sustainable Communities (AHSC) Program grant award. Attached is an electronic copy of the AHSC Standard Agreement with Exhibits A through E:

A. Standard Agreement (STD 213 and Exhibits A through E)

STD 213 - Cover page

Exhibit A - Authority, Purpose and Scope of Work

Exhibit B - Budget Detail and Payment Provisions

Exhibit C - State of California General Terms and Conditions - GTC 04/2017

Exhibit C is now incorporated by reference; please see the STD 213 for additional information.

Exhibit D - AHSC Program Terms and Conditions

Exhibit E - Special Conditions

B. For expeditious handling of the contract, the Department offers two options for returning signed STD 213; please complete one of the following:

1. Review the entire Agreement thoroughly and, if necessary, discuss the requirements with your legal and financial advisors.
2. The person or persons authorized by the Resolution(s), must provide an **original signature, printed name, title and date, using blue ink**, on the lower left-hand section entitled "Contractor" on the STD 213 and/or on page 2 of the STD 213, if applicable.


3. **Option One:** For electronic signature processing, reply to this Standard Agreement email notification with the attached, fully signed STD 213 page(s). All signatures must be original and in blue ink. All signers must be included in the reply email and confirm acceptance of e-signing the Agreement.
4. **Option Two:** Print five copies of the Standard Agreement, STD 213. Do not send photocopies of the signed STD 213 page(s). All five copies must be an original, wet signature and in blue ink; do not return the Exhibits to HCD.
5. **Note:** If the resolution did not authorize a designated official to sign the STD 213 and amendments thereto, your governing body must adopt a resolution authorizing a designated official(s) to sign the STD 213 and any subsequent amendments. If the authorized designee as reflected in the resolution, the awarded NOFA amount or your entity status has changed, you are required to provide, to the Department, a new resolution consistent with the terms of the NOFA award and adopted by your Board.
6. Return the e-signed copy or the five signed copies of the STD 213; and, if applicable, the certified resolution within 30 days from the date of this letter to the following address:

**Department of Housing and Community Development
Business & Contract Services Branch
Contracts Office, Attention: Wendy Barnes
2020 West El Camino Avenue, Suite 130
Sacramento, CA 95833**
7. Maintain a complete electronic version of the contract Agreement, STD 213 and Exhibits, for your pending file. **Note:** The contract is not effective until it is signed by the Awardee's designated official and the Department.

The Department reserves the right to cancel any pending Standard Agreement in its entirety if not returned within the required 30-day period.

Please contact Terri Wright, AHSC Program Manager, NOFA Awards Section, at (916) 263-7454 or email Terri.Wright@hcd.ca.gov if you have any questions regarding the Standard Agreement or the provisions therein.

Sincerely,


Wendy Barnes
Contract Analyst

cc: Terri Wright, AHSC Program Manager, NOFA Awards Section

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL
SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 03/2019)

AGREEMENT NUMBER

19-AHSC-12755

PURCHASING AUTHORITY NUMBER (if applicable)

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

CONTRACTOR'S NAME

Tenderloin Neighborhood Development Corporation, and City and County of San Francisco

2. The term of this Agreement is:

START DATE

Upon HCD Approval

THROUGH END DATE

06/30/2039

3. The maximum amount of this Agreement is:

\$6,300,000.00

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

EXHIBITS	TITLE	PAGES
Exhibit A	Authority, Purpose and Scope of Work	9
Exhibit B	Budget Detail and Payment Provisions	7
Exhibit C*	State of California General Terms and Conditions	GTC - 04/2017
Exhibit D	AHSC Program Terms and Conditions	14
Exhibit E	Special Conditions	1
TOTAL NUMBER OF PAGES ATTACHED		31

Items shown with an asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.

These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

See Attached

CONTRACTOR BUSINESS ADDRESS

See Attached

CITY

See Attached

STATE

See Attached

ZIP

See Attached

PRINTED NAME OF PERSON SIGNING

See Attached

TITLE

See Attached

CONTRACTOR AUTHORIZED SIGNATURE

See Attached

DATE SIGNED

See Attached

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME

Department of Housing and Community Development

CONTRACTING AGENCY ADDRESS

2020 W. El Camino Ave., Suite 130

CITY

Sacramento

STATE

CA

ZIP

95833

PRINTED NAME OF PERSON SIGNING

Synthia Rhinehart

TITLE

Contracts Manager,
Business & Contract Services Branch

CONTRACTING AGENCY AUTHORIZED SIGNATURE

DATE SIGNED

California Department of General Services Approval (or exemption, if applicable)

Exempt per: SCM Vol. 1 4.04.A.3 (DGS memo dated 6/12/1981)

CONTRACTOR

Tenderloin Neighborhood Development Corporation,
a California nonprofit public benefit corporation

By: _____ Date: _____

Donald S. Falk,
Chief Executive Officer

Address:
201 Eddy Street
San Francisco, CA 94102

CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, acting by and through the Mayor's Office of
Housing and Community Development

By: _____ Date: _____

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

Address:
1 South Van Ness Avenue
San Francisco, CA 94103

EXHIBIT A

AUTHORITY, PURPOSE AND SCOPE OF WORK

1. Authority & Purpose

This Standard Agreement, STD 213, (hereinafter "Agreement") is the result of the Recipient's application ("Application") for funding under the Affordable Housing and Sustainable Communities ("AHSC") Program ("Program") pursuant to:

- A. Part 1 of Division 44 of the Public Resources Code (commencing with Section 75200);
- B. The Program Guidelines dated October 29, 2018 ("Guidelines"), issued by the State of California, Strategic Growth Council ("SGC") and as may be amended from time to time; and
- C. The Program's Notice of Funding Availability ("NOFA") issued by the Department Housing and Community Development ("Department" or "HCD"), is dated November 1, 2018.

The Application, and the Project Report dated October 25, 2019 (the "Project Report") including all representations made therein, are hereby incorporated in this Agreement by this reference.

The Guidelines and the NOFA are available on the Program Web site at:

http://sgc.ca.gov/programs/ahsc/docs/20190221-AHSC_17-18_Guidelines-Updated.pdf

By entering into this Agreement and thereby accepting the award of Program grant funds ("Grant"), the Recipient agrees to comply with applicable statutory law, Guidelines, the NOFA, and this Agreement, to abide by the representations made in the Application, and the terms and conditions of the Disbursement Agreement, which is more particularly described in Exhibit B, attached hereto.

2. Definitions

Capitalized terms herein shall have the meaning of the definitions set forth in the Guidelines, and page 1 of this Exhibit A, in addition:

"Affordable Housing Development" refers to the residential rental Affordable Housing Development described in the Application providing the affordable housing units, as described therein, in consideration of that portion of the Grant. The Affordable Housing Development shall meet all the criteria for an eligible project as set forth Section 103(a)(1) of the Guidelines.

"Recipient" refers to the entity or entities submitting an application or to a related entity approved by the Department entering into this Agreement and identified as "Contractor" on page 1 to this Agreement (STD 213). In the case of joint applicants, "Recipient" shall also refer to each applicant

EXHIBIT A

or the Department-approved assignee of such applicant. Each joint applicant shall be jointly and severally liable for all obligations of a Recipient as set forth herein.

Any reference to a specific "Section" or "section" of the Guidelines shall initially refer to that specific numbered section of the Guidelines adopted on and dated October 29, 2018. Notwithstanding, if and when the Department amends any portion of the Guidelines, all references herein to any such portion of the Guidelines shall be deemed to refer to the updated version of the Guidelines, either in whole or in part, as may be applicable. To the extent that any Guidelines section or sections (Section or Sections) provision is or are amended, and thereafter receive(s) a new Guidelines section number(s), any reference herein to the old Guidelines section(s) number(s) shall be interpreted to refer instead to the Guidelines section(s) that is (or are) intended to replace the content and substance of the former Guidelines section(s).

3. Scope of Work

The Scope of Work ("Work") for this Agreement shall consist of one or more of the following categories, by or on behalf of the Recipient, within the Program Project Area as detailed in this Exhibit A and the Project Report:

Included ("x")	Grant Award Categories
	Housing-Related Infrastructure (HRI)
x	Program Costs (PGM)
x	Sustainable Transportation Infrastructure (STI)
x	Transportation-Related Amenities (TRA)

The Department, the Recipient and other parties as required by the Department shall enter into a Disbursement Agreement governing among other things the disbursement of Program funds as more particularly described in Exhibit B hereto.

At the request of the Department, Recipient shall provide further and additional evidence sufficient to demonstrate the existence and/or completion of the items listed in the Project Report for which the Recipient's Application received points. Failure to provide such evidence to the reasonable satisfaction of the Department may result in a reevaluation of the Application and the reductions or cancellation of the amount of the grant award, require repayments of any disbursed Program funds and the disencumbrance of Program funds awarded.

A. **HRI**

The Scope of Work for this Agreement for Housing-Related Infrastructure ("HRI Work") shall consist of the following:

N/A

EXHIBIT A

The Affordable Housing Development and housing as designated in the Application that is supported by the HRI Work, and which is to be developed and constructed by the Recipient, or other developer, contains the following unit mix.

Location of Housing Development -		500 Turk Street, San Francisco, CA 94102		
# of Bedrooms	# of Project Units	AHSC Assisted Units* (Affordable Housing Development)	Income Limit (% of AMI)	TOTAL RESTRICTED UNITS**
0	15	15	60%	15
1	9	9	60%	9
2	25	25	60%	25
3	6	6	60%	6
0	3	3	50%	3
0	3	3	40%	3
1	3	3	40%	3
2	8	8	40%	8
3	2	2	40%	2
1	6	6	30%	6
2	12	12	30%	12
3	4	4	30%	4
1	1	0	Manager	0
0, 1, 2 and 3	11	0	Market	0
Total Project Units	108	96		96

*AHSC Assisted Units must equal at least 20 percent of the total residential units.

**Total Restricted units include all units restricted by AHSC and the Tax Credit Allocation Committee (TCAC). The Grant amount was calculated based on the number of Total Restricted Units.

EXHIBIT A

The HRI Work is necessary for the development of the Affordable Housing Development. The Recipient is responsible for and shall ensure the completion of the HRI Work and the completion and occupancy of the Housing Development in accordance with the criteria set forth above and in the Project Report. The Department reserves the right to review and approve all HRI Work to be performed by the Recipient, or contracted by the Recipient, in relation to this Agreement. Any revision to the HRI Work shall be submitted in writing for review and approval by the Department and shall require an amendment to this Agreement.

B. Program Costs

The Scope of Work for this Agreement for Program (PGM) Costs ("PGM Work"), shall consist of the following:

Funding for Safe Passage Program - 4 "Corner Captains" to the Turk & Larkin Streets intersection and provide safety trainings to the community; and purchase of monthly Muni passes for unlimited rides from SFMTA and distribute to each restricted unit for up to 3 years.

The Recipient is responsible for and shall ensure the completion of the PGM Work associated with the Program Costs in accordance with the criteria set forth above and in the Project Report. The Department reserves the right to review and approve all PGM Work to be performed by the Recipient, or contracted by the Recipient, in relation to this Agreement. Any revision to the PGM Work shall be submitted in writing for review and approval by the Department and shall require an amendment to this Agreement.

C. Sustainable Transportation Infrastructure

The Scope of Work for this Agreement for Sustainable Transportation Infrastructure ("STI Work") shall consist of the following:

Installation of transit-only lanes, sidewalk bulbs and other pedestrian safety improvements along Geary and O'Farrell Streets between Market Street and Van Ness Avenue; removing one lane of vehicle travel in each direction, sidewalk widening, pedestrian bulb-outs, new traffic signals, improved crosswalks, landscaping, and pedestrian-scale lighting along 6th Street between Market and Brannan Streets; installation of dedicated bicycle facilities in both directions, crosswalk improvements, such as raised crosswalks and sidewalk bulbs and transit boarding islands along 5th Street between Mission and Townsend Streets.

The Recipient is responsible for and shall ensure the completion of the STI Work in accordance with Program requirements, the Application, and the criteria set forth in the Project Report. The Department reserves the right to review and approve all STI Work to be performed by the Recipient in relation to this Agreement. Any revision to the STI Work

EXHIBIT A

shall be submitted in writing for review and approval by the Department and shall require an amendment to this Agreement.

D. Transportation-Related Amenities

The Scope of Work for this Agreement for Transportation-Related Amenities ("TRA Work") shall consist of the following:

Construction of one canopy structure over a Civic Center BART/MUNI Station entrance (Canopy 21) to protect the escalator and stairs on Market Street near Hyde Street.

The Recipient is responsible for and shall ensure the completion of the TRA Work in accordance with the criteria set forth above and in the Project Report. The Department reserves the right to review and approve all TRA Work to be performed by the Recipient in relation to this Agreement. Any revision to the TRA Work shall be submitted in writing for review and approval by the Department and shall require an amendment to this Agreement.

4. Criteria Applicability

Based on the points awarded to its Application, Recipient assures the Department of the existence of the following criteria of Section 107:

Guideline Reference		Affordable Developments and Housing-Related Infrastructure	Sustainable Transportation Infrastructure	Transportation-Related Amenities	Active Transportation Programs	Transit Ridership Programs	Criteria Air Pollutant Reduction Program
		Capital Projects			Program Costs		
a	Estimated GHG Reductions based on GHG Quantification Methodology	x	x			x	
b	Extent to which Project incorporates Active Transportation Improvements	x	x			x	
c	Extent to which the Project incorporates Green Buildings and Renewable Energy	x	x				

EXHIBIT A

Guideline Reference		Affordable Developments and Housing-Related Infrastructure	Sustainable Transportation Infrastructure	Transportation-Related Amenities	Active Transportation Programs	Transit Ridership Programs	Criteria Air Pollutant Reduction Program
		Capital Projects			Program Costs		
d	Extent to which Project incorporates Housing and Transportation Collaboration	x	x			x	
e	Extent to which Project incorporates Location Efficiency and Access to Destinations	x	x			x	
f	Extent to which Project Leverages non-AHSC Funds	x					
g & h	Anti-Displacement and Local Workforce Development & Hiring Practices	x					
i	Extent to which the Affordable Housing Development Serves Extremely Low Income Households	x					
j	Extent to which Project incorporates Programs	x					
k	Extent to which the Project incorporates Urban Greening	x	x				

A. GHG Emissions Reductions Estimate

Based on the inputs in the Application, the estimated total MTCO₂e over the life of the project is 39,023. This information can be found on the Strategic Growth Council's website in a document called AHSC Round 4 Data for Public Release.

5. Performance Milestones

Recipient shall ensure the completion of the PERFORMANCE MILESTONES set forth below by the designated dates. When Recipient misses or anticipates missing a Performance Milestone deadline, Recipient shall notify the Department in writing as soon as is reasonably practicable. In this notification, Recipient shall explain why the deadline has been or will likely be missed; provide a status update relative to the other Performance Milestone deadlines; and provide assurances

EXHIBIT A

that it will meet the remaining Performance Milestone deadlines. Recipient's failure to provide a timely written notification shall be considered a default under this Agreement.

PGM PERFORMANCE MILESTONE	DATE
Identification and commitment of program operator and partners	6/30/23
Completion of a business or a work plan	6/30/23
Program funds fully disbursed	12/31/24

STI PERFORMANCE MILESTONE	DATE
Executed binding agreement between the Recipient and developer of the proposed development detailing the terms and conditions of the Project development.	6/30/23
Site Control of STI site(s) by proposed developer.	6/30/23
Completion of all necessary environmental clearances, including those required under CEQA and NEPA.	6/30/23
Obtaining all necessary and discretionary public land use approvals.	6/30/23
Submission of Final Construction Drawings and Specifications to the appropriate local permitting authority.	6/30/23
Commencement of construction of STI.	6/30/23
Construction completion of STI and closeout.	6/30/24
Program funds fully disbursed.	12/31/24

EXHIBIT A

TRA PERFORMANCE MILESTONE	DATE
Executed binding agreement between the Recipient and developer of the proposed development detailing the terms and conditions of the Project development.	6/30/23
Site Control of TRA site(s) by proposed developer.	6/30/23
Completion of all necessary environmental clearances, including those required under CEQA and NEPA.	6/30/23
Obtaining all necessary and discretionary public land use approvals.	6/30/23
Submission of Final Construction Drawings and Specifications to the appropriate local permitting authority.	6/30/23
Commencement of construction of TRA.	6/30/23
Construction completion of TRA and closeout.	6/30/24
Program funds fully disbursed.	12/31/24

6. HCD Contract Coordinator

The HCD Contract Coordinator of this Agreement for the Department is the Division of Financial Assistance Loan Closing AHSC Program Manager, or the Manager's designee. Unless otherwise informed, any notice, report, or other communication required by this Agreement shall be mailed by first class to the HCD Contract Coordinator at the following address:

Loan Closing AHSC Program Manager
Division of Financial Assistance - Loan Closing Section
Department of Housing and Community Development
P.O. Box 952054
Sacramento, California 94252-2054

EXHIBIT A

7. Recipient Contact Coordinator

The Recipient's Contract Coordinator for this Agreement is listed below. Unless otherwise informed, any notice, report, or other communication required by this Agreement shall be mailed by first class to the contact at the following address:

Recipient:	Tenderloin Neighborhood Development Corporation
Name:	Jacob Goldstein
Address:	201 Eddy Street, San Francisco CA 94102
Phone No.:	(415) 358-3927
Email:	jgoldstein@tndc.org

Recipient:	City and County of San Francisco
Name:	Joan McNamara
Address:	1 S. Van Ness Avenue, San Francisco CA 94103
Phone No.:	(415) 701-5532
Email:	joan.mcnamara@sfgov.org

EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Project Sources and Uses

The preliminary projected sources and uses ("Sources and Uses") set forth in this Exhibit B contains the cost items for the design, development and construction of the approved HRI, STI, TRA Project(s) (collectively, "Infrastructure Project"), and for PGM, as applicable. Recipient agrees that any cost overruns or increases resulting in a total cost for Infrastructure Project exceeding that set forth therein shall be the responsibility of Recipient.

2. Contract Amount

A. For the purposes of performing the Work, the Department agrees to provide the aggregate amount identified on page 1, number 3 of this Agreement (STD 213) in the form of a grant ("Grant") for the uses identified in the Sources and Uses. In no instance shall the Department be liable for any costs for the Work in excess of this Grant amount, or for any unauthorized or ineligible costs.

- 1) For the purposes of performing the Work related to the HRI, as set forth in Exhibit A, the Department agrees to provide \$0 in the form of a grant for the uses identified in the Sources and Uses. In no instance shall the Department be liable for any costs for the Work in excess of this amount, or for any unauthorized or ineligible costs.
- 2) For the purposes of performing the Work related to the PGM, as set forth in Exhibit A, the Department agrees to provide \$300,000 in the form of a grant for the uses identified in the Sources and Uses. In no instance shall the Department be liable for any costs for the Work in excess of this amount, or for any unauthorized or ineligible costs.
- 3) For the purposes of performing the Work related to the STI, as set forth in Exhibit A, the Department agrees to provide \$5,000,000 in the form of a grant for the uses identified in the Sources and Uses. In no instance shall the Department be liable for any costs for the Work in excess of this amount, or for any unauthorized or ineligible costs.
- 4) For the purposes of performing the Work related to the TRA, as set forth in Exhibit A, the Department agrees to provide \$1,000,000 in the form of a grant for the uses identified in the Sources and Uses. In no instance shall the Department be liable for any costs for the Work in excess of this amount, or for any unauthorized or ineligible costs.

B. The Department may approve a request from the Recipient to reallocate funds between authorized activities and itemized amounts stated in the budget for the designated grant

EXHIBIT B

Work. Changes in aggregate of ten percent or less, of the total grant amount between activity categories during the term of this Agreement, and expenditures pursuant thereto, may be made only after the Department's express written approval, but do not require a written amendment to this Agreement.

3. Other Funding Sources

Where the Sources and Uses set forth in this Exhibit B identify funds other than Program funds, those funds shall be expended and applied to Project costs as provided therein. Recipient agrees that it will make best efforts to ensure that the other funds specified in the Sources and Uses are available for disbursement as provided in this Exhibit, and approved for the use specified in the Sources and Uses, except to the extent the Sources and Uses may be updated and modified by the Disbursement Agreement described below. The Recipient shall provide evidence and assurance of the commitment and availability of such other sources of funding identified in the Sources and Uses as provided in the Disbursement Agreement. The terms and conditions of all construction financing to be used in conjunction with the Program funds shall be subject to the Department's review and approval.

4. Completion Dates

- A. Program funds must be disbursed no later than December 31, 2024.
- B. All un-disbursed funds remaining as of December 31, 2024, shall be disencumbered.
- C. All invoices for payment must be submitted to the Department no later than July 30, 2024.
- D. This Agreement shall expire on June 30, 2039.

5. Method of Payment

- A. Payment shall be made as reimbursed progress payments as set forth in the Disbursement Agreement. Recipient shall request payment for work completed on forms provided by the Department and subject to such documentation as the Department may require.
- B. The Department shall not authorize payments unless it determines that the Program funds shall be expended and disbursed in compliance with the terms and provisions of the Guidelines, the NOFA, this Agreement and the Disbursement Agreement.

6. Disbursement Agreement

- A. The Recipient, the Department and such other parties as may be reasonably required by the Department, shall enter into a Disbursement Agreement in a form provided by the Department. The Disbursement Agreement shall contain a specific description of the Work and an updated Sources and Uses therefore, including an updated table of Sources and

EXHIBIT B

Uses, and the specific terms and conditions for the disbursement of Program funds. In the event of a conflict between this Agreement and the Disbursement Agreement, as determined by the Department, the terms of the Disbursement Agreement, being the later and more specific document, shall govern; provided however, that no resolution of any such conflict shall be contrary to, or result in a waiver or violation of, the Guidelines or the NOFA.

- B. The requirement for a Disbursement Agreement set forth in this paragraph may be waived by the Department where, at its sole discretion, it determines that:
- 1) Satisfactory completion of the Work has occurred,
 - 2) Proper disbursement and use of Program funds have occurred,
 - 3) Performance of, and compliance with, all the obligations, terms and conditions of this Agreement have occurred, and,
 - 4) Compliance with all applicable statutes, laws, guidelines, and regulations, all have been or will be achieved without the execution of a Disbursement Agreement. The Department may require the submittal by the Recipient of such information, records, documents, certificates and other material, as it deems necessary to make this determination.
- C. Payee record information is required for payment(s) to be made. All payee(s) receiving grant funds shall be listed below:

<u>Payee Name:</u>	<u>Activity:</u>	<u>Award Amount:</u>
City and County of San Francisco	STI, TRA, PGM	\$6,300,000

EXHIBIT B

SOURCES AND USES - HRI
PROJECT BUDGET

INFRASTRUCTURE DEVELOPMENT BUDGET AND SOURCES					
500 TURK STREET			TNDC and CITY AND COUNTY OF SF		
ESTIMATED HRI CAPITAL IMPROVEMENT PROJECT COSTS			DEVELOPMENT COSTS BY FUNDING SOURCE		
DEVELOPMENT COSTS					
COST CATEGORY		TOTAL AMOUNT	AHSC Grant Program		
PROJECT ACTIVITY (Hard Costs)					
Total Project Activity Costs		N/A	\$	\$	\$
SOFT COSTS AND OTHER PROJECT RELATED COSTS					
Total Soft Cost and Other Project Related Costs		N/A	\$	\$	\$
TOTAL PROJECT COSTS		N/A	\$	\$	\$

EXHIBIT B

SOURCES AND USES – PROGRAM COSTS
PROJECT BUDGET

BUDGET AND SOURCES					
500 TURK STREET			TNDC and CITY AND COUNTY OF SF		
ESTIMATED PROGRAM COSTS			DEVELOPMENT COSTS BY FUNDING SOURCE		
DEVELOPMENT COSTS					
COST CATEGORY		TOTAL AMOUNT	AHSC Grant Program		
SOFT COST AND OTHER PROJECT RELATED COSTS					
Total Soft Cost and Other Project Related Costs		\$300,000	\$300,000	\$	\$
TOTAL PROGRAM COSTS		\$300,000	\$300,000	\$	\$

EXHIBIT B

SOURCES AND USES - STI
PROJECT BUDGET

INFRASTRUCTURE DEVELOPMENT BUDGET AND SOURCES					
500 TURK STREET			TNDC and CITY AND COUNTY OF SF		
ESTIMATED STI CAPITAL IMPROVEMENT PROJECT COSTS			DEVELOPMENT COSTS BY FUNDING SOURCE		
DEVELOPMENT COSTS					
COST CATEGORY		TOTAL AMOUNT	AHSC Grant Program	Others	
PROJECT ACTIVITY (Hard Costs)					
Total Project Activity Costs		\$30,573,400	\$5,000,000	\$25,573,400	\$
SOFT COSTS AND OTHER PROJECT RELATED COSTS					
Total Soft Cost and Other Project Related Costs		\$8,114,910	\$0	\$8,114,910	\$
TOTAL PROJECT COSTS		\$38,688,310	\$5,000,000	\$33,688,310	\$

EXHIBIT B

SOURCES AND USES – TRA
PROJECT BUDGET

INFRASTRUCTURE DEVELOPMENT BUDGET AND SOURCES					
500 TURK STREET			TNDC and CITY AND COUNTY OF SF		
ESTIMATED TRA CAPITAL IMPROVEMENT PROJECT COSTS			DEVELOPMENT COSTS BY FUNDING SOURCE		
DEVELOPMENT COSTS					
COST CATEGORY		TOTAL AMOUNT	AHSC Grant Program	Others	
PROJECT ACTIVITY (Hard Costs)					
Total Project Activity Costs		\$4,030,000	\$1,000,000	\$3,030,000	\$
SOFT COSTS AND OTHER PROJECT RELATED COSTS					
Total Soft Cost and Other Project Related Costs		\$188,000	\$0	\$188,000	\$
TOTAL PROJECT COSTS		\$4,218,000	\$1,000,000	\$3,218,000	\$

EXHIBIT D

AHSC PROGRAM TERMS AND CONDITIONS

GENERAL

1. Effective Date, Commencement of Work and Completion Dates

- A. This Agreement is effective upon approval by all parties and the Department, which is evidenced by the date signed by the Department on page one, Standard Agreement, STD 213 (the "Effective Date"). The Recipient agrees that neither the construction of the Housing Development nor the Work has commenced as of the deadline for submittal of applications set forth in the Notice of Funding Availability. The Recipient agrees that the Work shall be completed as specified in this Agreement, and as set forth in the Project Report, hereby incorporated in this Agreement by this reference subject to the Agreement expiration date specified on page 1, number 2, of this Agreement (STD 213), and in Exhibit B, unless a written request for an extension is submitted and written approval by the Department is provided within 90 days prior to the expiration date of the Agreement. Any extension to the expiration date shall require an amendment to this Agreement.
- B. Pursuant to §111(a) and (b) of the Guidelines, construction of the Affordable Housing Development and the housing designated in the Application, must commence within two years of the Program award date and be completed (including completion of all phases identified in the Application and accounting for the total number of units on which the Grant award is based) within five years of the Program award date.

2. Termination

Notwithstanding any other provision of this Agreement, the Department may terminate this Agreement at any time for cause by giving at least 14 days' notice in writing to the Recipient. Cause shall consist of violations by Recipient of any General or Special Terms and Conditions of this Agreement, to include but not limited to Paragraph 43 of this Exhibit. Upon termination of this Agreement, unless otherwise approved in writing by the Department, any unexpended funds received by the Recipient shall be returned to the Department within 14 days of the Notice of Termination. In the event of withdrawal of the Department's expenditure authority, all obligations of the Department to continue funding any amounts, whether for the benefit of Recipient or any other persons, shall fully and immediately cease and terminate, and the Department shall thereafter have no duty or obligation to undertake or perform any act that it is not legally or practically able to. Department makes no representation or warranty, express or implied, to Recipient or any other persons that all or any portion of the Program Grant Documents will be enforceable after the withdrawal of the Department's funding authority.

EXHIBIT D

3. Affordable Housing and Sustainable Communities Grant Documents

In addition to this Agreement, the Recipient shall execute and enter into a Disbursement Agreement which shall govern the terms, disbursement and use of the Program funds, the Covenant described below, and other additional agreements and documents, as the Department may deem reasonable and necessary to meet the requirements of the Program and the terms and conditions of this Agreement. The Department may request, and if requested, the Recipient shall agree to and record a performance deed of trust ensuring the completion of the Work. Said performance deed of trust shall be recorded against the entire legal parcel underlying the object which it ensures is being constructed.

4. Covenant Regarding the Affordable Housing Development

Prior to the disbursement of Program funds, the Recipient shall enter into a written Covenant Regarding the Affordable Housing Development ("Covenant") with the Department, and including such other parties as the Department may reasonably require, which shall require the development and construction of the Affordable Housing Development with, the number of units and the number of bedrooms per unit, the extent and depth of affordability, as set forth in the Project Report and Exhibit A, and other uses and amenities for which points were granted to the Application. The Covenant shall be recorded against the parcel or parcels of real property on which the Affordable Housing Development is to be located and shall be binding on all successors, transferees, and assignees acquiring an interest in the Affordable Housing Development as follows:

- A. For rental housing developments, the Covenant shall require the continuation of the affordability of the Affordable Housing Development for a period of not less than 55 years from the date of the filing of a notice of completion for Affordable Housing Development.
- B. For homeownership housing developments, the Covenant shall require the continuation of the affordability for a period of not less than 30 years from the date of a filing of a Notice of Completion for the Affordable Housing Development. The affordability will be ensured through a resale restriction or equity sharing upon resale.
- C. The Department may waive this requirement for the Covenant upon the Department's determination that sufficient protections are in place to ensure the development and continued operation and occupancy of the Affordable Housing Development in accordance with this Agreement.
- D. In addition to the Covenant, the Department may request, and if requested, the Recipient shall agree to and record a performance deed of trust ensuring the completion of the Work. Said performance deed of trust shall be recorded against the entire legal parcel underlying the object which it ensures is being constructed. Alternatively, the Department may require that the Covenant contain a power of sale clause, which may be exercised in the

EXHIBIT D

event that the Work is not timely completed, or in the event of an uncured breach of this Agreement.

5. Site Control

The Recipient shall ensure that site control of the real property associated with the Work is sufficient to meet the requirements of the Program. This shall include, but not be limited to, ensuring the timely commencement of the Work as determined by the Department. Site control of the Work may be evidenced by one of the following:

- A. Fee title;
- B. A leasehold interest on the property with provisions that enable the lessee to make improvements on and encumber the property provided that the terms and conditions of any proposed lease shall permit, prior to grant funding, compliance with all program requirements;
- C. An enforceable option to purchase or lease which shall extend through the anticipated date of the Program award as specified in the NOFA;
- D. An executed disposition and development agreement, right of way, or irrevocable offer of dedication to a Public Agency;
- E. An executed encroachment permit for construction of improvements or facilities within the public right of way or on public land;
- F. An executed agreement with a public agency that gives the applicant exclusive rights to negotiate with the agency for the acquisition of the site; provided that the major terms of the acquisition have been agreed to by all parties;
- G. A land sales contract or enforceable agreement for acquisition of the property; or
- H. Other forms of site control that give the Department equivalent assurance that the applicant or developer will be able to complete the Work and all housing designated in the Application in a timely manner and in accordance with all the requirements of the Program.

The Recipient shall also obtain all licenses, easements and rights-of-way or other interests required for completion of the Work, and provide evidence of such instruments prior to the first disbursement of Program funds.

6. Appraisals

Recipient shall, at the request of the Department, provide an appraisal of the real property to be acquired as part of the Work, prepared in a form, and by a qualified appraiser, acceptable to the Department.

EXHIBIT D

7. Relocation Plan

If there is or will be any residential or commercial displacement directly or indirectly caused by the Work, as defined in state law, the Recipient shall provide a relocation plan conforming to the requirements of state law and the regulations adopted by the Department in California Code of Regulations, Title 25, section 6000 et seq. The project and/or the development budget shall contain sufficient funds to pay all costs of relocation benefits and assistance as set forth in the relocation plan accepted by the Department. Should a relocation plan not be required, Recipient must provide documentation for Department approval that there are no relocation requirements.

8. Article XXXIV

The Recipient shall deliver to the Department satisfactory evidence that the requirements of Article XXXIV of the California Constitution are inapplicable or have been satisfied.

9. Environmental Conditions

The Recipient shall provide to the Department the following:

- A. All Environmental Site Assessment ("ESA") Reports (to include Phase I, II, III, supplemental or update assessments and reports) for the Work, in conformance with ASTM Standard Practice E 1527, evaluating whether the Work is affected by any recognized environmental conditions.
- B. Documentation and/or a certification satisfactory to the Department that all ESA Report recommendations including remediation and/or mitigation work have been completed.
- C. Mitigation requirements required as a result of the Final Environmental Impact Report ("EIR") or Mitigated Negative Declaration if applicable and evidence satisfactory to the Department that all mitigation requirements have been satisfied.

10. Compliance with State and Federal Laws, Rules, Guidelines and Regulations

The Recipient agrees to comply with all State and Federal laws, rules and regulations that pertain to construction, health and safety, labor, fair employment practices, equal opportunity, and all other matters applicable to the Work, the Recipient, its Contractors or Subcontractors, and any grant activity.

EXHIBIT D

11. Litigation

- A. If any provision of this Agreement, or an underlying obligation, is held invalid by a court of competent jurisdiction, such invalidity, at the sole discretion of the Department, shall not affect any other provisions of this Agreement and the remainder of this Agreement shall remain in full force and effect. Therefore, the provisions of this Agreement are, and shall be, deemed severable.
- B. The Recipient shall notify the Department immediately of any claim or action undertaken by or against it, which affects or may affect this Agreement or the Department, and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement and the interests of the Department.

12. Milestones

Recipient shall ensure the completion of the PERFORMANCE MILESTONES set forth in the Project Report and Exhibit A of this Agreement, and as further set forth in the Disbursement Agreement by the designated dates. Recipient shall timely inform the Department when a milestone is missed or at risk of being missed, provide an update of these timelines and provide assurances from the Recipient for timely completion of the remaining Milestones. Failure to timely notify the Department shall be considered a default under this Agreement.

13. Insurance

The Recipient shall have and maintain in full force and effect forms of insurance, at such levels and for such periods, in accordance with the Disbursement Agreement.

14. Change of Conditions

Notwithstanding the Department's obligations to provide payments pursuant to Exhibit B hereof, the Department reserves the right to evaluate the Recipient's need for Program funds based on new information or funding sources associated with the Work. If the Department determines that the Program funds, or a portion thereof, are no longer necessary to complete the Work, the Department may reduce the amount of the Grant accordingly. In the event the Department determines the Work is no longer financially feasible, any Grant commitment issued by the Department and this Agreement may be terminated.

15. Obligations of Recipient with Respect to Certain Third Party Relationships

The Recipient shall remain fully obligated under the provisions of this Agreement, notwithstanding its designation of any third party or parties for the undertaking of all or any part of the Work with respect to which assistance is being provided under this Agreement. The Recipient shall comply with all lawful requirements of the Department necessary to ensure the completion, occupancy and use of the Work in accordance with this Agreement.

EXHIBIT D

16. Waivers

No waiver of any breach of this Agreement shall be held to be a waiver of any prior or subsequent breach. The failure of the Department to enforce at any time the provisions of this Agreement or to require at any time performance by the Recipient of these provisions shall in no way be construed to be a waiver of such provisions nor to affect the validity of this Agreement or the right of the Department to enforce these provisions.

17. Identity of Interests

As a condition of disbursement, Recipient shall execute a Certificate of Identity of Interest ("Certificate") listing all relationships constituting an identity of interest with entities providing goods or services in connection with Recipient's performance of the Work. The Certificate shall be in a form provided by the Department. At the Department's request, Recipient shall submit contracts, instruments, documents, correspondence or other writings relating to Recipient's relationship with entities listed in the Certificate. The existence and nature of such relationships shall be subject to the review and approval of the Department to the extent necessary to ensure compliance with Program requirements and this Agreement.

DESIGN REQUIREMENTS

18. Architect

The Recipient shall utilize the services an architect and/or an engineer to provide professional design and engineering services for the Work. The contract shall require an architect and/or an engineer to supervise the construction work, conduct periodic site visits, prepare periodic inspection reports, verify the validity of the construction contractor's payment requests, prepare or review change orders, and, upon completion of construction, provide the certification described in paragraph 33 of these AHSC Program Terms and Conditions. At the request of the Department, Recipient shall submit any and all contracts for these services to the Department for its review and approval.

19. Plans and Specifications and Project Cost Estimates

At the request of the Department, the Recipient shall submit plans and specifications and project cost estimates for the Work to the Department for its review and approval. The Work shall be constructed in substantial compliance with the plans and specifications, subject to any change order(s) accepted by the Department where such acceptance is required.

20. Reasonable Development Costs

At the request of the Department, the Recipient shall provide evidence acceptable to the Department that the total costs of the Work are reasonable and necessary for the proposed

EXHIBIT D

improvements. To verify cost reasonableness, the Department may require qualified third party verification of cost, evidence of the competitive bidding of major cost components and appraisals.

21. Adaptability and Accessibility

The Work shall comply with all applicable federal, state and local laws regarding adaptability and accessibility for persons with disabilities in the design, construction and rehabilitation of projects.

22. Acoustics Report

Upon request, the Recipient shall provide the Department with an acoustics report for the Affordable Housing Development in form acceptable to the Department.

23. Approval by Public Works Department

Where approval by a local public works department, or its equivalent, is required for the Work, the Recipient must submit, prior to the disbursement of Grant funds, a statement from that department, or other documentation acceptable to the Department, indicating that the Work has been approved by that department.

CONSTRUCTION REQUIREMENTS

24. Construction Contract

Except for work performed by its own employees, the Recipient shall enter into a written construction contract or contracts ("Construction Contract(s)") with a duly licensed contractor or contractors ("Contractor(s)") for the construction activities of the Work. The Construction Contract(s) shall require, where applicable, prevailing wages be paid in conformance with Labor Code section 1720 et seq. and applicable provisions of this Agreement. The Construction Contract(s) and any amendments thereto shall be subject to the prior approval of the Department.

25. Contractor's Assurance of Completion

The Contractor(s) shall provide security to assure completion of the Work by furnishing the Recipient with Performance and Payment Bonds, or a Letter of Credit, which shall remain in effect during the entire term of the Construction Contract(s), and which shall be in a form and from an issuer which is acceptable to the Department. The Performance Bond shall be in an amount at least equal to 100 percent of the approved construction costs included in the Construction Contract(s) to provide security for the faithful performance of the Construction Contract(s) including a warranty period of at least 12 months after completion. The Payment Bond shall be in an amount at least equal to 100 percent of the approved construction costs included in the Construction Contract(s) to provide security for the payment of all persons performing labor on the Work and furnishing materials in connection with the Construction Contract. A Letter of Credit shall be in an amount equal to at least 20 percent of the approved construction costs included in

EXHIBIT D

the Construction Contract(s), in the form of an unconditional irrevocable, stand-by letter of credit. The Department shall be named as an additional obligee in the Bonds or an additional beneficiary under the Letter of Credit.

26. Prevailing Wages

Pursuant to Section 113 of the Guidelines, for the purposes of the State Prevailing Wage Law (Labor Code Sections 1720-1781), a grant under the Program shall be considered public funding for the construction, rehabilitation, demolition, relocation, preservation, or other physical improvement of the Work subject to the provisions of the State Prevailing Wage Law. Program funding of the Work shall not necessarily, in and of itself, be considered public funding of a Housing Development unless such funding is otherwise considered public funding under the State Prevailing Wage Law. It is not the intent of the Department to subject Housing Developments to the State Prevailing Wage Law by reason of Program funding of the Work in those circumstances where such public funding would not otherwise make the Housing Developments subject to the State Prevailing Wage Law. Although the use of Program funds does not require compliance with federal Davis-Bacon wages, other funding sources may require compliance with federal Davis-Bacon wages. The Recipient shall prepare a plan for compliance with this section, which plan shall be subject to the review and approval of the Department.

27. Construction Phase Information

If requested by the Department, the Recipient shall provide the Department:

- A. Information during the construction period, including but not limited to all change orders and modifications to the construction documents, and all inspection reports of the Work. Upon written notice to Recipient, the Department may require its advance written approval of all future change orders and modifications. Deviations from the plans and specifications which have the effect of reducing the quality, life or utility of a specified item or system must receive the prior written approval of the Department. Should change orders be submitted to the Department for its approval, they shall be deemed accepted if not rejected in writing within 10 business days of receipt by the Department. Recipient shall not authorize or approve any change orders rejected by the Department where the Department's approval is required.
- B. Information during the construction period including but not limited to all change orders and modifications to the construction documents, all inspection reports prepared by the Housing Development architect and other consultants, and information relative to the Housing Development income, expenses, occupancy, relocation benefits and expenses, contracts, operations and conditions of the Housing Development. Upon written notice to Recipient, the Department may require its advance written approval of all future change orders and modifications. Deviations from the plans and specifications which have the effect of reducing the quality, life or utility of a specified item or system must receive the prior written approval of the Department. Should change orders be submitted to the Department for its approval, they shall be deemed accepted if not rejected in writing within

EXHIBIT D

10 business days of receipt by the Department. Recipient shall not authorize or approve any change orders rejected by the Department where the Department's approval is required.

28. Signage

- A. Recipient shall place signs on the construction site for the Work stating that the Department is providing financing through the Program in an appropriate location(s), typeface and size containing the following message:

500 TURK STREET, TOD PARTNERSHIP

**THIS PROJECT HAS BEEN MADE POSSIBLE
BY FINANCING FROM**

**CALIFORNIA CLIMATE INVESTMENTS
(Funded through the GREENHOUSE GAS REDUCTION FUND)
AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM
THROUGH THE
STRATEGIC GROWTH COUNCIL AND
THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**

- B. The sign shall be maintained in a prominent location visible and legible to the public through construction completion. If the job sign includes the acknowledgment and/or logo of one or more other public lenders or grantors, the acknowledgement and logos required by this Paragraph 28 shall also be displayed in a similar size and layout. Copies of the Department, SGC and California Climate Investments ("CCI") logos can be obtained by contacting the HCD Contract Coordinator.
- C. Upon installation of the sign, the Recipient shall submit a digital photograph thereof to the Department. The Recipient will also provide the Department, upon its request, with copies of any photographs that may be taken of the Work by or on behalf of the Recipient or its architect. The Recipient will provide an acceptable written consent and release agreement authorizing use of said photographs, all at no expense to the Department.

INSPECTION OF GRANT ACTIVITIES

29. Site Inspection

The Department reserves the right, upon reasonable notice, to inspect the Work site and any structures or other improvements thereon to determine whether the Work site meets the requirements of Program and this Agreement. If the Department reasonably determines that the site is not acceptable for the proposed Work in accordance with the Guidelines, the Department reserves the right to cancel its funding commitment and this Agreement.

EXHIBIT D

30. Work Inspection

- A. The Department and any authorized representative of the Department shall have the right, during construction and thereafter, to enter upon and inspect the construction of the Work to ensure that the construction is being and has been performed in accordance with the applicable Federal, State, and /or local requirements, the Guidelines and the terms of this Agreement. Such right to inspect shall include, but shall not be limited to, the right to inspect all work done, all materials and equipment used or to be used, and all books and records, including payroll records, maintained in connection with the construction work. Such right of inspection shall be exercised in a reasonable manner.
- B. The Recipient shall be required to correct all circumstances found by such inspections not to conform to the applicable Program requirements, and to withhold payment to the Contractor and/or Subcontractor(s) until action(s) to correct the non-conforming circumstances is/are corrected by the Recipient and approved by the Department.
- C. The Department reserves the right to withhold payment for any costs found not to conform to applicable Program requirements until such actions have been taken to correct the non-conforming circumstances and such corrective actions have been approved by the Department.
- D. The Department shall have no affirmative duty to inspect the Work and shall incur no liability for failing to do so. Once having undertaken any inspection, neither the Department, nor any representative of the Department shall incur any liability for failing to make any such inspection properly, or for failing to complete any such inspection. The fact that such inspection may or may not have occurred shall not relieve the Recipient, the contractor, the construction lender, the architect, the structural engineer, the locality or anyone else of any obligation to inspect the Work.

31. Audit/Retention and Inspection

- A. The Department, its representatives or employees, or its delegatee shall have the right to review, obtain, and copy all records pertaining to performance of the Agreement. Recipient shall provide the Department or its delegatee with any relevant information requested and shall permit the Department or its delegatee access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material. Recipient further agrees to maintain such records for a minimum period of four years after final payment under the Agreement, unless a longer period of records retention is stipulated.
- B. Payment for any cost which is not authorized by this Agreement or which cannot be adequately documented shall be disallowed and must be reimbursed to the Department or its designee by the Recipient.

EXHIBIT D

- C. At any time during the term of this Agreement, the Department may perform or cause to be performed a financial audit of any and all phases of the Work. At the Department's request, the Recipient shall provide, at its own expense, a financial audit prepared by a certified public accountant.
- D. The audit shall be performed by a qualified State, Department, local or independent auditor. The Agreement for audit shall include a clause which permits access by the Department to the independent auditor's working papers.
- E. If there are audit findings, the Recipient shall submit a detailed response to the Department for each audit finding. The Department will review the response and, if it agrees with the response, the audit process ends and the Department will notify the Recipient in writing. If the Department is not in agreement, the Recipient will be contacted in writing and will be informed as to the corrective actions required to cure any audit deficiencies. This action could include the repayment of disallowed costs or other remediation.
- F. If so directed by the Department upon termination of this Agreement, the Recipient shall cause all records, accounts, documentation and all other materials relevant to this Agreement to be delivered to the Department as depository.

COMPLETION OF CONSTRUCTION

32. Relocation Plan Implementation Report

The Recipient shall provide a report, in a form acceptable to the Department, summarizing the actions taken and identifying all recipients of relocation assistance and benefits, and the amounts paid, and benefits provided, to or on behalf of each recipient.

33. Architect Certification

Where required by the Department, the Recipient shall cause the Work architect(s) or other appropriate professional to certify to the Department, in form acceptable to the Department, that all construction is completed in accordance with the "as-built" Plans and Specifications and in compliance with all applicable federal, state and local laws relating to disabled accessibility.

34. Cost Certification

At the request of the Department, the Recipient shall submit a Work cost certification that shall have been audited by an independent certified public accountant in accordance with the requirements of the Department and the California Tax Credit Allocation Committee, if applicable. The Recipient (and the developer or builder if there is an identity of interest with the Recipient) shall keep and maintain records of all construction costs not representing work done under the construction contract and to make such records available for review by the Department.

EXHIBIT D

35. Recorded Notice of Completion

The Recipient shall provide to the Department a certified copy of any Notice of Completion for the Housing Development recorded in the county in which the Housing Development is located.

36. "As-Built" Plans and Specifications

Upon completion, at the request of the Department, the Recipient shall submit "as-built" plans and specifications for the Work and Housing Development acceptable to the Department.

AFFORDABLE HOUSING DEVELOPMENT REQUIREMENTS

37. Confirmation of Permitted Housing Units

Conditions precedent to the first disbursement of Program funds shall include receipt of all required public agency entitlements and all required funding commitments for the Affordable Housing Development. The housing units to be developed in the Affordable Housing Development must be completed, as evidenced by receipt of a certificate of occupancy, within the time period established in this Agreement.

REPORTING REQUIREMENTS

38. Reports on California Climate Investments

Upon Department's request, Recipient shall provide to the Department any and all necessary data that it is legally and factually able to provide that is required to be reported pursuant to the most recently adopted Funding Guidelines for California Climate Investments by the California Air Resources Board.

39. Reports on Work

Recipient shall submit, upon request of the Department, a periodic performance report regarding the construction or implementation of the Work. The reports will be filed on forms provided by the Department.

40. Reports on Affordable Housing Development

Recipient shall submit to the Department periodic reports, as required by the Department, but not less than annually, describing the development, construction and occupancy of the Affordable Housing Development and the housing designated in the Application. The report shall include, but not limited to, information regarding unit affordability and occupancy, construction and permanent financing evidenced by commitment letters, and a construction and completion

EXHIBIT D

schedule demonstrating compliance with this Agreement and the Guidelines. The reports will be filed on forms provided by the Department.

41. Updated Information

Recipient shall provide the Department updated documentation for any substantial change in the information previously provided relating to the Work and the conditions described above.

42. Monitoring Requirements

The Program may perform program and/or fiscal monitoring of the Grant. The Recipient agrees to cooperate with any such monitoring and provide reasonable access to all Work files, records, documents and other information to employees or representatives of the Department. The Recipient shall resolve any monitoring findings to the Program's satisfaction by the deadlines set by the Department.

REPAYMENT OF GRANT FUNDS

43. Breach of this Agreement

In the event of a breach or violation by the Recipient of any of the provisions of this Agreement, including without limitation, the times for commencement and completion of the construction of the Affordable Housing Development and the housing designated in the Application as set forth in Paragraph 1.B. of this Exhibit D, the Department may give written notice to the Recipient to cure the breach or violation within a period of not less than 30 days. If the breach or violation is not cured to the satisfaction of the Department within the specified time period, the Department, at its option, may declare a default of the Agreement and may seek remedies for the default, including the following:

- A. The Department may terminate this Agreement and demand repayment of the Program funds to the extent that work for costs to be paid by Program funds as provided in Exhibit B remains unperformed or uncompleted. Recipient shall be liable for all costs to complete all such uncompleted or unperformed work.
- B. The Department may seek, in a court of competent jurisdiction, an order for specific performance of the defaulted obligation or the appointment of a receiver to complete the Work in accordance with Program requirements.
- C. The Department may seek such other remedies as may be available under this Agreement or any law.
- D. This Agreement may be canceled by the Department under any of the following conditions:
 - 1) An uncured breach or violation by Recipient of this Agreement or the Disbursement Agreement;

EXHIBIT D

- 2) The objectives and requirements of the Program cannot be met by continuing the commitment or this Standard Agreement;
- 3) Construction of the Work or Housing Development cannot proceed in a timely fashion in accordance with the Performance Milestones in Exhibit A of this Agreement; and,
- 4) Funding or disbursement conditions have not been or cannot be fulfilled within required time periods.

44. Cross-Default Provision

This award was based on the total points awarded the Recipient's Application, during a highly competitive process. The Application proposed an integrated combination of some or all of the following Project components:

Affordable Housing Development (AHD);
Housing-Related Infrastructure (HRI);
Sustainable Transportation Infrastructure (STI);
Transportation-Related Amenities (TRA); and
Program (PGM)

The Application's point score was based, in part, on the Project's total projected reduction of greenhouse gas (GHG) emissions. The Project components (AHD, HRI, STI, TRA, and PGM) that were proposed in the Application and approved by the Department must be completed in order to achieve this projected reduction of GHG emissions. By executing this Standard Agreement, the Recipient acknowledges and agrees, that in the event the AHD component is not timely completed pursuant to Program requirements, that the Recipient will no longer qualify for the Grant award. In that event, all disbursements of Grant funds would cease and the Recipients would be responsible for repayment of all disbursed Grant funds.

EXHIBIT E

SPECIAL CONDITIONS

The following Special Conditions are applicable to this Standard Agreement:

1. Applicable law, including the Department's and the AHSC Program's statutes, regulations and Guidelines (the "AHSC Requirements") shall apply and be enforced in the event any conflict between the AHSC Requirements and the project documentation becomes apparent to the Department at any time, notwithstanding the Department's prior review of project documentation prior to or at the time of construction loan closing.
2. Other Departmental Funding. In the event the Development is or has been awarded any other Departmental grant or loan funding in addition to the AHSC Loan and AHSC Grant contemplated by the Award Letter dated July 8, 2019 from the Department to Recipient (each such funding, including the AHSC Loan and AHSC Grant referenced in the Award Letter, being a "Departmental Funding"), then each Departmental Funding will be cross-defaulted to the other Departmental Fundings so that:
 - (i) the compliance by the obligated party(ies) under the Department's documentation relating to one Departmental Funding shall be a condition precedent to the funding and disbursement of the funds to be provided under all of the other Departmental Fundings; and
 - (ii) a default under one Departmental Funding shall constitute a default under all of the other Departmental Fundings.

The loan and grant documentation for each Departmental Funding shall reflect the cross-defaulted nature of all such fundings.

File Number: _____
(Provided by Clerk of Board of Supervisors)

Grant Resolution Information Form
(Effective July 2011)

Purpose: Accompanies proposed Board of Supervisors resolutions authorizing a Department to accept and expend grant funds.

The following describes the grant referred to in the accompanying resolution:

1. Grant Title: **AHSC Program FY 2017-18 – 500 Turk**
2. Department: **Mayor's Office of Housing and Community Development**
3. Contact Person: **Benjamin McCloskey** Telephone: **(415) 701-5575**
4. Grant Approval Status (check one):
☒ [X] Approved by funding agency ☐ [] Not yet approved
5. Amount of Grant Funding Approved or Applied for: **\$6,300,000.00**
6. a. Matching Funds Required: **N/A**
b. Source(s) of matching funds (if applicable): **N/A**
7. a. Grant Source Agency: **California Department of Housing and Community Development**
b. Grant Pass-Through Agency (if applicable): **N/A**
8. Proposed Grant Project Summary: **Program Costs, Sustainable Transportation Infrastructure, and Transportation-Related Amenities for Affordable Housing Development at 500 Turk**
9. Grant Project Schedule, as allowed in approval documents, or as proposed:
Start-Date: **TBD, depending on executing of Standard Agreement**
End-Date: **June 30, 2039**
10. a. Amount budgeted for contractual services: **\$0**
b. Will contractual services be put out to bid? **N/A**
c. If so, will contract services help to further the goals of the Department's Local Business Enterprise (LBE) requirements? **N/A**
d. Is this likely to be a one-time or ongoing request for contracting out? **N/A**
11. a. Does the budget include indirect costs?
☐ [] Yes ☒ [X] No
b. 1. If yes, how much? **N/A**
b. 2. How was the amount calculated? **N/A**
c. 1. If no, why are indirect costs not included? **N/A**
☒ [X] Not allowed by granting agency ☐ [] To maximize use of grant funds on direct services
☐ [] Other (please explain):
c. 2. If no indirect costs are included, what would have been the indirect costs? **None.**
12. Any other significant grant requirements or comments: **None.**

****Disability Access Checklist***(Department must forward a copy of all completed Grant Information Forms to the Mayor's Office of Disability)**

13. This Grant is intended for activities at (check all that apply):

<input checked="" type="checkbox"/> Existing Site(s)	<input type="checkbox"/> Existing Structure(s)	<input checked="" type="checkbox"/> Existing Program(s) or Service(s)
<input type="checkbox"/> Rehabilitated Site(s)	<input type="checkbox"/> Rehabilitated Structure(s)	<input type="checkbox"/> New Program(s) or Service(s)
<input type="checkbox"/> New Site(s)	<input checked="" type="checkbox"/> New Structure(s)	

14. The Departmental ADA Coordinator or the Mayor's Office on Disability have reviewed the proposal and concluded that the project as proposed will be in compliance with the Americans with Disabilities Act and all other Federal, State and local disability rights laws and regulations and will allow the full inclusion of persons with disabilities. These requirements include, but are not limited to:

1. Having staff trained in how to provide reasonable modifications in policies, practices and procedures;
2. Having auxiliary aids and services available in a timely manner in order to ensure communication access;
3. Ensuring that any service areas and related facilities open to the public are architecturally accessible and have been inspected and approved by the DPW Access Compliance Officer or the Mayor's Office on Disability Compliance Officers.

If such access would be technically infeasible, this is described in the comments section below:

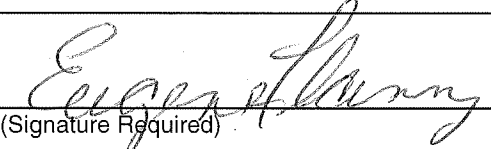
Comments:

Departmental ADA Coordinator or Mayor's Office of Disability Reviewer:

Eugene Flannery
(Name)

Environmental Compliance Manager
(Title)

Date Reviewed: 1-14-20

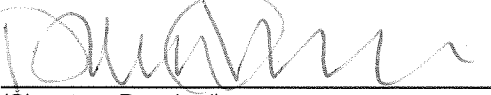

(Signature Required)

Department Head or Designee Approval of Grant Information Form:

Dan Adams
(Name)

Acting Director
(Title)

Date Reviewed: 1/14/20


(Signature Required)

500 Turk
AHSC Program Grant Funds

TRANSIT	
SOURCES OF FUNDS	AMOUNT
HCD AHSC Sustainable Transportation Infrastructure ("STI")	\$ 5,000,000
Transportation Related Amenity ("TRA")	\$ 1,000,000
TOD Partnership Program ("PGM")	\$ 300,000
TOTAL SOURCES	\$ 6,300,000
USES OF FUNDS	AMOUNT
HCD AHSC Sustainable Transportation Infrastructure ("STI") - SFMTA	
Geary Rapid Project Market-Van Ness Segment	\$ 4,400,000
6th Street Pedestrian Safety Project	
5th Street Improvement Project	\$ 600,000
Transportation Related Amenity ("TRA") - BART	
Civic Center Market Street Entry Canopy	\$ 1,000,000
TOD Partnership Program ("PGM") - TLCBD & TNDC	
Program: Safe Passage	
Operator: Tenderloin Community Benefit District	\$ 100,000
Program Transit Passes	
Operator: TNDC Property Management	\$ 200,000
TOTAL USES	\$ 6,300,000

AHSC Program Loan Funds	
HOUSING	
SOURCES OF FUNDS	AMOUNT
HCD AHSC Loan for Housing	\$ 13,700,000
USES OF FUNDS	AMOUNT
Unit Construction	\$ 13,700,000

TOTAL AHSC FUNDS \$ 20,000,000

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE**

2020 W. El Camino Avenue, Suite 500, 95833
P. O. Box 952054
Sacramento, CA 94252-2054
(916) 263-2771 / FAX (916) 263-2763
www.hcd.ca.gov



July 8, 2019

Donald S. Falk, Chief Executive Officer
Tenderloin Neighborhood Development
Corporation
201 Eddy Street
San Francisco, CA 94102

Mara Blitzer, Director of Housing
Development
City and County of San Francisco
1 South Van Ness Avenue
San Francisco, CA 94103

Dear Donald S. Falk and Mara Blitzer:

**RE: Award Announcement - AHSC Program FY 2017-18 NOFA, Round 4
PIN 43742 – 500 Turk Street, TOD Partnership**

The Department of Housing and Community Development (Department) and the Strategic Growth Council (SGC) are pleased to announce Tenderloin Neighborhood Development Corporation and the City and County of San Francisco have been awarded an Affordable Housing and Sustainable Communities (AHSC) program award in the amount of \$20,000,000. This letter constitutes notice of the award as approved by SGC on June 21, 2019 of the following AHSC Program funds:

AHSC Program <i>Loan</i> Funds		AHSC Program <i>Grant</i> Funds	
Amount Awarded	\$13,700,000	Amount Awarded	\$6,300,000
Contract Number	19-AHSC-12711	Contract Number	19-AHSC-12755

Tenderloin Neighborhood Development Corporation and the City and County of San Francisco will be able to draw down funds when the Standard Agreement is fully executed, and any general and special conditions have been cleared in writing by the Department. In addition, grant expenditures may not be incurred prior to the execution of the Standard Agreement.

Please be advised that this award is subject to the terms and conditions of the Standard Agreement, which must be fully executed within ninety days of the date of this award letter. Failure by Tenderloin Neighborhood Development Corporation and the City and County of San Francisco to sign and return the Standard Agreement upon receipt from the Department within this timeframe may result in award cancellation.

Congratulations on your successful application. For further information, please contact Craig Morrow, Section Chief, at (916) 263-6547 or Craig.Morrow@hcd.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Stivers".

Mark Stivers
Deputy Director

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (this "MOU"), dated as of February 1, 2019 (the "Effective Date"), is between the San Francisco Municipal Transportation Agency (SFMTA) and the Mayor's Office of Housing and Community Development (MOHCD).

RECITALS

A. The City and County of San Francisco (the City), through MOHCD, owns real property located at 2340 San Jose Avenue, as more particularly described in the attached Exhibit A (the 2340 San Jose Property). The City also has made a loan, for predevelopment costs and the construction of affordable housing, to the owner of real property located at 500 Turk Street, as more particularly described in the attached Exhibit B (the 500 Turk Property).

B. On October 11, 2018, by Notice of Final Approval of an SB 35 Project, the Planning Department, in case No. 2017-012151PRJ, determined that the development of the mixed-use, 130-unit affordable residential building project (with proposed ground floor retail, community facility, child care facility with outdoor activity area, and lot line adjustment) at the 2340 San Jose Property (Block 6973 / Lot 039), met all the standards of the Planning Code and would be eligible for ministerial approval under California Government Code Section 65913.4 (Senate Bills 35 and 765), California Public Resources Code Section 21080(b)(1), and Sections 15002(i)(1), 15268, and 15369 of the California Environmental Quality Act (CEQA) Guidelines, and would therefore not be subject to CEQA.

C. On January 9, 2017, Tenderloin Neighborhood Development Corporation, the developer of the 500 Turk Property, filed an Environmental Evaluation Application with the Planning Department for new construction of an eight-story, mixed-use development for use as a 100-percent affordable housing project, with 107 affordable dwelling units, one manager's unit, ground floor retail, and residential common spaces that include residential services and common usable space. On March 29, 2018, under Motion No. 20148, the Planning Commission certified a Final Environmental Impact Report, pursuant to CEQA Guidelines 15183.3 and California Public Resources Code Section 21094.5.

D. MOHCD issued a Request for Qualification (RFQ) on April 11, 2016, for the development of new affordable housing on the vacant property at the 2340 San Jose Property (west of the intersection of San Jose and Geneva Avenue, known as Balboa Park Upper Yard) (the Upper Yard Project). MOHCD selected the joint development team of the Related Companies and Mission Housing Development Corporation (MHDC) as the developer for the 100% affordable family housing project with ground floor commercial space.

E. MOHCD issued a Notice of Funding Availability (NOFA) on April 18, 2016, for the acquisition and predevelopment funding of development of affordable multifamily rental housing in San Francisco. MOHCD selected Tenderloin Neighborhood Development Corporation (TNDC) as the developer for the 108-unit, 100% affordable family housing project with ground floor commercial space at the 500 Turk Property (the Turk Street Project).

F. On November 1, 2018, the State of California's Strategic Growth Council and the Department of Housing and Community Development issued a Notice of Funding Availability, under the Affordable Housing and Sustainable Communities (AHSC) Program established under

Public Resources Code Sections 75200, et seq. The AHSC Program provides grants and loans to applicants identified through a competitive process for the development of projects that, under the Program Guidelines, will achieve greenhouse gas reductions and benefit disadvantaged communities through increased accessibility to affordable housing, employment centers and key destinations via low-carbon transportation.

G. MOHCD identified both the Upper Yard Project and the Turk Street Project as strong candidates for AHSC Program funding.

H. The SFMTA has identified several qualifying transit, bicycle and pedestrian improvements to complement the Upper Yard Project. These include improvements to the pedestrian and bicycle facilities on Mission Street and Geneva Avenue, improvements to bicycle facilities on Monterey Street, and improvements to bicycle facilities on Ocean Avenue (the Upper Yard Transportation Improvements). Similarly, improvements to the pedestrian facilities on 6th Street, improvements to the bicycle facilities on 5th Street, and improvements to the bus lanes and transit stops on Geary and O'Farrell Streets (the Turk Street Transportation Improvements) will complement the Turk Street Project. The Upper Yard Transportation Improvements and the Turk Street Transportation Improvements are collectively referred to throughout this document as the "Transportation Improvements."

I. The City, through MOHCD, intends to jointly submit an AHSC application for the Upper Yard Project with Balboa Park Housing Partners, L.P., which included the Upper Yard Project and the Upper Yard Transportation Improvements. MOHCD requested up to \$13,500,000 for the Upper Yard Project and up to \$6,500,000 for Upper Yard Transportation Improvements in the AHSC application.

J. The City, through MOHCD, jointly submitted an AHSC application for the Turk Street Project with 500 Turk, L.P., to include the Turk Street Project and the Turk Street Transportation Improvements. MOHCD requested up to \$13,700,000 for the Turk Street Project and up to \$6,300,000 for the Turk Street Transportation Improvements in the AHSC application.

K. Should the State approve both of the respective application and award both grants, including the funds for the Upper Yard Transportation Improvements and the Turk Street Transportation Improvements (together, the Transportation Improvements), such grant funds will be delivered to the SFMTA, on a reimbursement basis, for the SFMTA's work on the Transportation Improvements.

NOW, THEREFORE, the parties agree as follows:

AGREEMENT

1. Award Amounts. For the Upper Yard Project, MOHCD will receive up to \$13,500,000 of the award for the Upper Yard Project and the SFMTA will receive up to \$6,500,000 for the Upper Yard Transportation Improvements. For the Turk Street Project, MOHCD will receive up to \$13,700,000 of the award for the Turk Street Project and the SFMTA will receive up to \$6,300,000 for the Turk Street Transportation Improvements. Each of the respective City agencies will be required to comply with State regulations and guidance governing the disbursement of the AHSC funds.

2. Project Collaboration. In order for the Upper Yard Project to successfully utilize the Upper Yard Transportation Improvements and for the Turk Street Project to successfully utilize the Turk Street Transportation Improvements, it is vitally important that MOHCD and the SFMTA collaborate effectively, and that both agencies have authority to review applications for

funding related to the GHG reduction goals of the AHSC program. In furtherance of such goals, MOHCD and the SFMTA will each designate a single Project Manager for the Upper Yard Project, who will serve as the points of contact for communications relating to the Upper Yard Project and will be primarily responsible for coordinating the review, comments and approvals processes of their respective agencies relating to the matters described in this MOU. Also in furtherance of such goals, MOHCD and the SFMTA will each designate a single Project Manager for the Turk Street Project, who will serve as the points of contact for communications relating to the Turk Street Project and will be primarily responsible for coordinating the review, comments and approvals processes of their respective agencies relating to the matters described in this MOU. While MOHCD will have overall responsibility for all aspects of the development of the Upper Yard Project, the SFMTA will retain control of the Upper Yard Transportation Improvements and the Turk Street Transportation Improvements.

a. Community Engagement. MOHCD will be solely responsible for community engagement and building community support related to the Upper Yard Project and the Turk Street Project. MOHCD will notify the SFMTA in advance of any public meeting regarding the Upper Yard Project and the Turk Street Project, and MOHCD and the SFMTA will collaborate to provide timely information to the public. The SFMTA will be solely responsible for community engagement and building community support related to the Transportation Improvements. The SFMTA will notify MOHCD in advance of any public meeting regarding the Transportation Improvements, and MOHCD and the SFMTA will collaborate to provide timely information to the public.

b. Affordable Housing Development Plan. MOHCD will be primarily responsible for coordinating the development plans with Related/MHDC and TND.

c. Transportation Improvements. Subject to completion of environmental review of the Transportation Improvements and selection of any or all of such Upper Yard Transportation Improvements and/or Turk Street Transportation Improvements for implementation, the SFMTA will be responsible for implementing the projects, and coordinating any such implementation with the developers of the respective development projects.

d. Project Costs. MOHCD will assume all development costs associated with the Upper Yard Project and Turk Street Project. The SFMTA will not be responsible for any development costs of the Upper Yard Project and Turk Street Project other than its own staff time, and will be responsible for all costs directly associated with the consultation, advice, review, and possible implementation of the Transportation Improvements (the "Transportation Improvement Costs" or "Costs").

e. Joint and Several Liability. The City, acting through MOHCD, shall assume any joint and several liability (with the respective developers) for completion of the Transportation Improvements required by the terms of any grant awarded under the AHSC Program. MOHCD shall assume any joint and several liability for completion of the Upper Yard Project and Turk Street Project required by the terms of the grants awarded under the AHSC Program.

f. Transportation Improvement Costs Reimbursement. MOHCD will submit work authorization(s) to the SFMTA for all incurred Transportation Improvement Costs. The SFMTA will directly charge MOHCD's FSP chartfields on a monthly basis, and provide appropriate backup documentation (e.g., invoices from contractors). The SFMTA will be responsible for any costs that may be disallowed by the AHSC Program.

3. Term. The term of this MOU shall commence on the Effective Date and terminate upon completion of the AHSC requirements for the Transportation Improvements, should they

be implemented. In addition, MOHCD and the SFMTA agree that if both the Upper Yard Project and Turk Street Projects are infeasible for any reason at any time prior to execution of the commitment from AHSC (the Standard Agreement), then either party may terminate this MOU upon written notice to the other.

4. Notices. All notices, demands, consents or approvals that are or may be required to be given by either party to the other under this MOU shall be in writing and shall be deemed to have been fully given when delivered in person, and addressed as follows:

If to the SFMTA:

Municipal Transportation Agency
1 South Van Ness Avenue, 7th Floor
San Francisco, CA 94103
Attn: Kansai Uchida
kansai.uchida@sfmta.com

If to MOHCD:

Mayor's Office of Housing and Community Development
1 South Van Ness Avenue, 5th Floor
San Francisco, California 94103
Attn: Kate Hartley, Director

or such other address that a party may from time to time designate by notice to the other parties given pursuant to the provisions of this Section.

5. Authority. All matters requiring MOHCD's approval shall be approved by the Director of MOHCD or his or her designee. All matters requiring the SFMTA's approval shall be approved by the SFMTA's Director of Transportation or his or her designee.


6. Cooperation. The SFMTA and MOHCD acknowledge and agree that the Upper Yard Project, the Turk Street Project, and the Transportation Improvements are in the predevelopment phase, and that some of the Transportation Improvements have not undergone environmental review. Should the Transportation Improvements be selected for implementation, the SFMTA and MOHCD shall use reasonable efforts to do, or cause to be done, all things reasonably necessary or advisable to complete the Transportation Improvements according to the terms of the State's Standard Agreement. Notwithstanding anything to the contrary in this MOU, no party is in any way limiting its discretion or the discretion of any department, board or commission with jurisdiction over the actions described in this MOU, including, without limitation, the discretion to eliminate or substitute all or any portion of the Transportation Improvements.

7. Miscellaneous. (a) This MOU may be amended or modified only by a document signed by the SFMTA's Director of Transportation, or his or her designee, and the Director of MOHCD, or his or her designee. (b) No waiver by any party of any of the provisions of this MOU shall be effective unless in writing and signed by the party's authorized representative, and only to the extent expressly provided in such written waiver. (c) This MOU (including all exhibits) contains the entire understanding between the parties as of the date of this MOU, and all prior written or oral negotiations, discussions, understandings and agreements are merged herein.

IN WITNESS WHEREOF, the parties have caused this MOU to be executed as of the date first written above.

SFMTA:

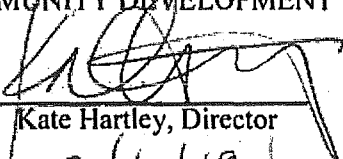
SAN FRANCISCO MUNICIPAL
TRANSPORTATION AGENCY

By: 
Edward D. Reiskin
Director of Transportation

Date: February 4, 2019

MOHCD:

MAYOR'S OFFICE OF HOUSING AND
COMMUNITY DEVELOPMENT

By: 
Kate Hartley, Director

Date: 2/6/19

Exhibit A
The 2340 San Jose Property

THAT PORTION OF THE FOLLOWING DESCRIBED PROPERTY LYING
SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF GENEVA AVENUE;

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHERLY LINE OF
OCEAN AVENUE AND THE WESTERLY LINE OF SAN JOSE AVENUE; RUNNING
THEN SOUTHERLY, SOUTHWESTERLY ALONG THE WESTERLY LINE OF SAN JOSE
AVENUE 1,412,488 FEET TO THE NORTHERLY LINE OF NIAGARA AVENUE 95.63
FEET TO THE EASTERLY LINE OF THE SOUTHERN PACIFIC RAILROAD COMPANY'S
RIGHT OF WAY; THENCE NORTHERLY ALONG SAID EASTERLY LINE OF SAID
RIGHT OF WAY TO A POINT ON THE EASTERLY LINE OF TARA STREET 1.13 FEET
TO THE SAID SOUTHERLY LINE OF OCEAN AVENUE; THENCE EASTERLY ALONG
SAID SOUTHERLY LINE OF OCEAN AVENUE 723.86 FEET TO THE POINT OF
BEGINNING.

EXCEPTING THEREFROM THAT PORTION CONDEMNED UNTO SAN FRANCISCO
BAY AREA RAPID TRANSIT DISTRICT, A PUBLIC BODY, CORPORATE AND POLITIC,
DESCRIBED AS PARCEL O-M395 THEREIN, RECORDED OCTOBER 2, 1974, AS
INSTRUMENT NO. X-21281 BOOK B395, PAGE 417 OF OFFICIAL RECORDS.
APN: LOT 038, BLOCK 6973, LOT 039, BLOCK 6973

Exhibit B
The 500 Turk Property

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SAN FRANCISCO, IN THE COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

COMMENCING at the point of intersection of the Northerly line of Turk Street and the Westerly line of Larkin Street, running thence Westerly and along said Northerly line of Turk Street one hundred thirty-seven (137) feet six (6) inches, thence at a right angle Northerly one hundred thirty-seven (137) feet six (6) inches, thence at a right angle Easterly one hundred thirty-seven (137) feet six (6) inches to the Westerly line of Larkin Street, thence at a right angle Southerly along said Westerly line of Larkin Street one hundred thirty-seven (137) feet six (6) inches to the Northerly line of Turk Street and the point of commencement.

BEING part of Western Addition Block No. 7.

APN: Lot 002, Block 0741

AHSC IMPLEMENTATION AND COOPERATION AGREEMENT

THIS AHSC IMPLEMENTATION AND COOPERATION AGREEMENT (the "Agreement") is made and entered into as of 02/08/2019, between the San Francisco Bay Area Rapid Transit District ("District"), City and County of San Francisco, a municipal corporation, acting by and through the Mayor's Office of Housing and Community Development ("City") and Tenderloin Neighborhood Development Corporation ("Developer", and collectively with the District and City, the "Parties", or individually, a "Party), upon the basis of the following facts, understanding and intentions of the parties:

A. The State of California, the Strategic Growth Council ("SGC") and the Department of Housing and Community Development ("HCD") issued a Notice of Funding Availability dated November 1, 2018 (the "AHSC NOFA"), under the Affordable Housing and Sustainable Communities ("AHSC") Program established under Division 44, Part 1 of the Public Resources Code, commencing with Section 75200.

B. Developer and City, as co-applicants are applying for AHSC Funds in response to the AHSC NOFA to provide funding for (A) construction of the affordable housing project located at 500 Turk Street in the City of San Francisco (the "Housing Project"); (B) the construction of certain transportation-related improvements to be constructed by the District (the "Transportation Project"); and (C) the construction of certain transportation-related improvements to be constructed by other parties ("Non-BART Transportation Projects"). These improvements are described in more detail in the Final Application to be submitted by February 11, 2019 (collectively, the "AHSC Application"). The District is not a co-applicant, but controls the property on which the Transportation Project will take place (the "Transportation Property").

C. The AHSC Application seeks an award to the Developer in an aggregate amount of \$20,000,000 in AHSC Funds consisting of: (A) \$13,700,000 of AHSC loan Funds for a permanent loan ("AHSC Loan") which will be disbursed to the limited partnership to be formed for the development and operation of the Housing Project; (B) \$1,000,000 of the AHSC grant funds for the purpose of reimbursing the cost of the Transportation Project; and (C) \$5,300,000 of AHSC grant funds for the purpose of reimbursing the cost of Non-BART Transportation Projects. The AHSC grants shall be referred to collectively as the "AHSC Grants". The AHSC Loan and the AHSC Grants are collectively referred to herein as the "AHSC Financing."

D. The District, City and Developer are required to enter into this Agreement in order to comply with the specific AHSC Program Threshold Requirements, including, without limitation, the requirement that the Developer and City establish "site control" over the land on which the Transportation Project will be constructed, and the requirement that grant recipients demonstrate prior experience with similar transportation projects.

E. As set forth herein, the District affirms its control of the Transportation Property.

F. The guidelines dictate that applicants must demonstrate prior experience by providing evidence of at least two prior projects that are similar to the proposed AHSC project in scope and size, which have been completed by the applicant, or joint applicant, during the ten (10) years preceding the application due date. The guidelines also state that applicants may

demonstrate this requisite experience by using the past experience of work completed of a non-applicant so long as the applicants can provide an executed agreement with that specific non-applicant for the completion of the related work in the AHSC Application for which funding is sought. The District is a non-applicant, but, as set forth herein, will have obligations to complete the following Transportation Project:

1. Canopy covering entrance to Civic Center BART Station at Market Street and Hyde Street

G. The District can demonstrate prior experience and provide evidence of at least two prior projects that are similar in scope and size which have been completed during the ten (10) years preceding February 11, 2019. Below is a list of these projects:

1. Phase I Market Street Canopies covering entrances at Powell Street (Market Street and Ellis Street) and Civic Center (Market Street and 7th Street) BART Stations (Completed November 2018)
2. Downtown Berkeley BART Plaza and Station entrance canopies (Completed November 2018)

H. The District shall be responsible for developing and constructing the Transportation Project, and for all costs and expenses related thereto, Developer shall be responsible for developing and constructing the Housing Project (together, the "Developer Obligations"), and for all costs and expenses related thereto, and other parties shall be responsible for developing and constructing Non-BART Transportation Projects. In connection with the AHSC Grants and AHSC Loan, Developer and City are required to enter into standard agreements, disbursement agreements, and regulatory agreements with HCD where Developer and City will be liable for the full and timely performance by the parties to complete the obligations set forth therein, including completion of the Housing Project and completion of the Transportation Project and Non-BART Transportation Projects, as described in the AHSC Application. The AHSC Application and all standard agreements, disbursement agreements, regulatory agreements and any other agreements required by HCD in connection with the AHSC Financing shall be collectively referred to herein as the "AHSC Documents".

I. The District and Developer each acknowledge and agree that the inability or failure by either party to fully and timely complete each party's respective improvements required by the AHSC Documents may affect the timing and right of the other party to receive disbursement of AHSC funds due the other party notwithstanding the other party's full and timely performance of its obligations.

NOW, THEREFORE, in consideration of the recitals, covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

AGREEMENT

1. Obligations. The District shall, in its sole responsibility, complete the Transportation Project in accordance with the terms of the AHSC Documents and the approved

design and construction documents and in accordance with the terms of this Agreement. The Developer shall, in its sole responsibility, complete the Housing Project in accordance with the terms of the AHSC Documents and the approved design and construction documents. Each Party will provide the other Party with copies of all requisitions for work related to their respective work, the notice of completion, and other documents related to their respective work that another party may reasonably request.

2. Schedule of Performance; Progress Reports. Developer and District shall comply with the schedule of performance to be mutually agreed upon, as shall be set forth in the AHSC Documents (the "Schedule of Performance"), provided, however, the District shall not be obligated to comply with any changes to the Schedule of Performance included within the AHSC Documents unless the District has consented to such changes. The District and Developer agree to give the other party a written quarterly status report on the progress toward the milestones listed in the Schedule of Performance, i.e., the Developer will report on the Developer's progress on the Developer Obligations and the District will report on the District's progress on the Transportation Obligations. If any Party anticipates not meeting the targeted construction and grant disbursement milestones as established in the AHSC Documents, that Party will promptly notify the other parties in writing and will meet with the other Party to discuss the reasons why the milestone dates may not be met and what actions the delayed party intends to take to meet the milestones or otherwise rectify the work schedule in order to maintain good standing with the terms and conditions established in the AHSC Documents.

3. Site Control. The District hereby represents and warrants that it has the required control of Transportation Property shown in Exhibit 1 to complete the Transportation Project, the evidence of which is contained in Exhibit 2. The City will issue the District a construction permit for any encroachment on the City sidewalk during the Transportation Project construction period.

4. Delegation. Notwithstanding the obligations of each party under this Agreement, each party shall be entitled to enter into sub-agreements with each other or with other parties to provide any assistance or services needed for each party to perform its obligations under this Agreement and the AHSC Documents.

5. Cost Overruns. Developer shall be responsible for paying all costs required to complete the Housing Project, irrespective of whether such costs exceed the AHSC Loan. District shall be responsible for paying all costs required for the Transportation Project, irrespective of whether such costs exceed the portion of the AHSC Grant designated for the Transportation Project. Neither party is responsible for cost overruns on the Non-BART Transportation Projects, which are the subject of separate agreements.

6. Disbursement of AHSC Grant Funds. The Parties agree that the AHSC Grants for the Transportation Project shall be reimbursed to District from the City. The Parties further agree that all of the AHSC Loan funds shall be disbursed directly to the Partnership. The District shall submit to the City all draw requests for AHSC Grant funds for the costs associated with the Transportation Project and the City shall reimburse the District for such costs. District shall apply any such proceeds received to pay the expenses submitted in connection with the draw request.

7. Implementation Agreements. The District, City and the Developer recognize that each party may need additional assurances from the other party regarding the AHSC Grant and AHSC Loan before commencement of construction of the Housing Project and the Transportation Project, including assurances for lenders and investors. The parties agree to cooperate with each other to reach mutual agreement on amendments to this Agreement, Implementation Agreements or estoppel certificates necessary to provide reasonable assurances and indemnifications. The Developer recognizes that any such amendments to this Agreement, Implementation Agreements or estoppel certificates may require District Board approval.

8. Notices. Formal notices, demands, and communications between the parties shall be sufficiently given if, and shall not be deemed given unless, dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered by express delivery service, return receipt requested, or delivered personally, to the principal office of the parties as follows:

District: Shirley Ng, Group Manager, Station Modernization
300 Lakeside Drive, 21st Floor
Oakland, CA 94612
sng@bart.gov
510-287-4927

To Developer: Donald S Falk
Tenderloin Neighborhood Development Corporation,
201 Eddy Street,
San Francisco, CA 94102
dfalk@tndc.org
415-358-3923

To City: Mayor's Office of Housing and Community Development
City and County of San Francisco
Attn: Project Manager
RE: 500 Turk Street
1 South Van Ness, 5th Floor
San Francisco, California 94103
Main (415) 701-5500

9. Events of Default. The occurrence of any of the following events shall constitute an Event of Default under this Agreement:

(a) A Party fails to perform any of its obligations under this Agreement, and does not cure such failure within 30 days after written notice of such failure has been delivered to the defaulting party in accordance with Section 2 above; or

(b) A Party purports to revoke this Agreement or this Agreement becomes ineffective for any reason.

10. Termination. This Agreement shall terminate upon the earlier of: (i) completion of the all obligations under the AHSC Documents related to the Transportation Project; or (ii) mutual agreement of the parties hereto.

11. Third Party Beneficiary. The Partnership shall be a third party beneficiary of this Agreement and shall be entitled to the rights and benefits hereunder and may enforce the provisions hereof as if it were a party to this Agreement.

12. Assignment. District hereby acknowledges and approves the assignment by Developer and the Partnership to the Housing Project's senior lender ("Construction Lender") of all of their respective right, title and interest in, to and under the Agreement (the "Collateral") as collateral security for the Partnership's obligations to Construction Lender under, and in connection with Construction Lender's loan to the Partnership. In the event Construction Lender forecloses upon the Collateral, District hereby agrees that Construction Lender shall have all of Developer's rights and interests under the Agreement. Construction Lender is hereby made an express third party beneficiary of this Section 10, and the parties hereto shall not amend, modify or terminate the Agreement without Construction Lender's express written consent.

13. Miscellaneous.

(a) Nothing in this Agreement shall be construed to limit any claim or right which any Party may otherwise have at any time against an Indemnitor or any other person arising from any source other than this Agreement, including any claim for fraud, misrepresentation, waste, or breach of contract other than this Agreement, and any rights of contribution or indemnity under any federal or state environmental law or any other applicable law, regulation, or ordinance.

(b) If any Party delays in exercising or fails to exercise any right or remedy against a Party, that alone shall not be construed as a waiver of such right or remedy. All remedies of any Party against the other Party are cumulative.

(c) This Agreement shall be binding upon and inure to the benefit of each of the Parties hereto and their respective representatives, heirs, executor, administrators, successors, and assigns. This Agreement may not be amended except by a written instrument executed by the Parties hereto.

(d) This Agreement shall be deemed to have been delivered and accepted in the State of California and governed exclusively by the internal substantive laws of the State of California as the same may exist at the date hereof. The Parties hereto hereby agree that any action hereon between the parties hereto and their successors in interest may be maintained in a court of competent jurisdiction located in the State of California, and consent to the jurisdiction of any such California court for the purposes connected herewith.

(e) Each Party hereto intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any person other than the Parties hereto.

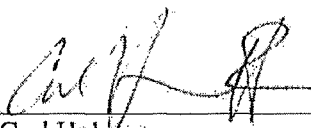
(f) This Agreement may be executed in multiple counterpart copies, any one of which when duly executed, with all formalities hereof, shall be fully binding and effective as the original of this Agreement.

(g) This Agreement shall be effective as of the date first written above, provided however that in the event that the parties do not receive an award of the AHSC Financing, this Agreement shall automatically terminate and be of no further force or effect.

[Signatures on following page]

Each of the undersigned hereby executes this Agreement in the spaces provided below to evidence their respective agreement to the terms of this Agreement.

District:

By: 
Name: Carl Holmes
Its: Assistant General Manager, Planning, Development & Construction

Developer:

By: _____
Name: Donald S Falk
Its: Chief Executive Officer

City:

City and County of San Francisco, a municipal corporation
acting through the Mayor's Office of Housing and Community
Development

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

Each of the undersigned hereby executes this Agreement in the spaces provided below to evidence their respective agreement to the terms of this Agreement.

District:

By: _____

Name: Carl Holmes

Its: Assistant General Manager, Planning, Development & Construction

Developer:

By: Donald S. Falk

Name: Donald S Falk

Its: Chief Executive Officer

City:

City and County of San Francisco, a municipal corporation
acting through the Mayor's Office of Housing and Community
Development

By: _____

Name: Kate Hartley

Its: Director, Mayor's Office of Housing and Community Development

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By: _____
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Its: Assistant General Manager, Planning, Development & Construction

Developer:

By: _____
Name: Donald S Falk
Its: Chief Executive Officer

City:

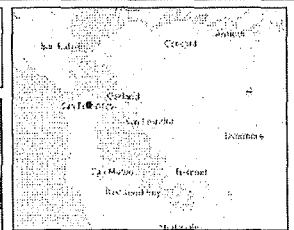
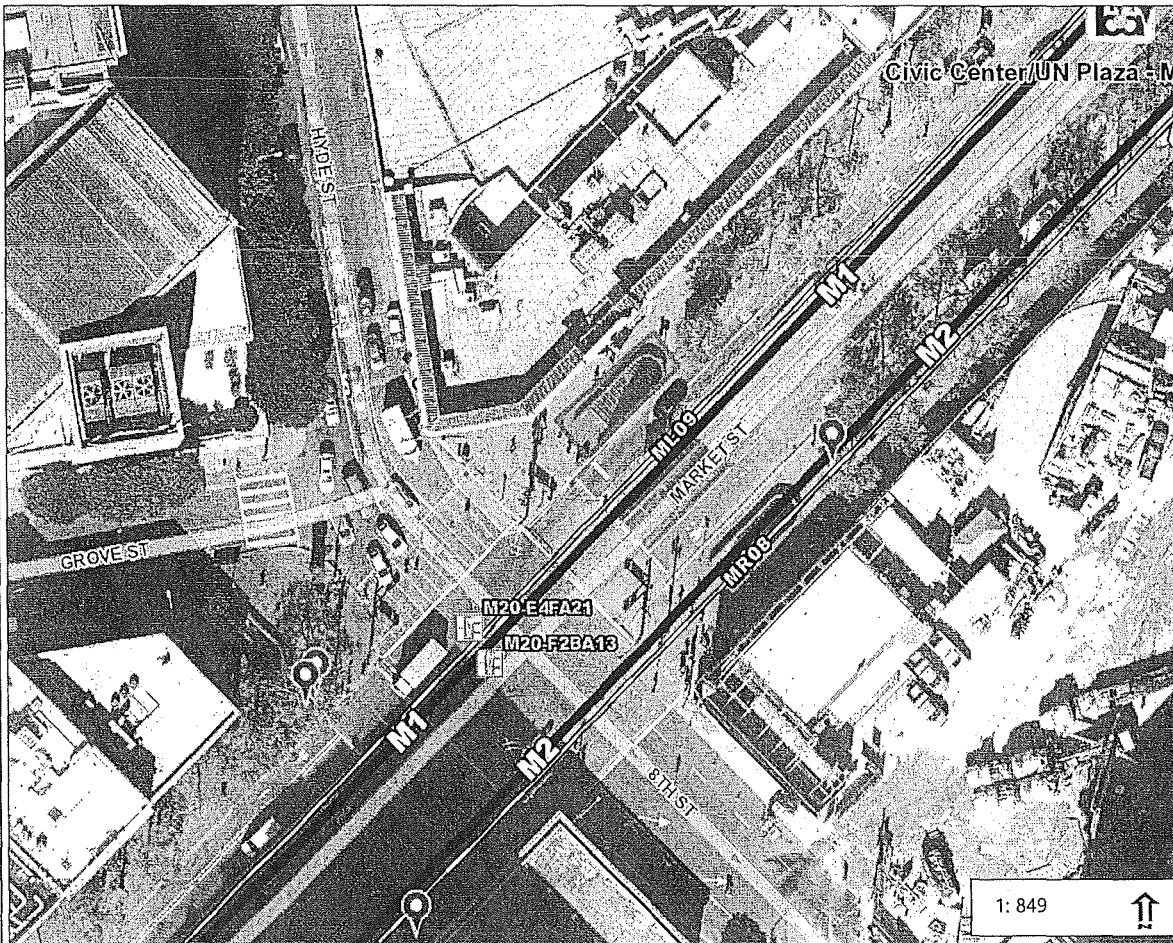
City and County of San Francisco, a municipal corporation
acting through the Mayor's Office of Housing and Community
Development

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

EXHIBIT 1: Transportation Property

EXHIBIT 2: Evidence of Site Control

Exhibit 1 - Location of TRA - 500 TURK



Legend

- Shops & Yards
- BART Station
- Switching Station
- BART Track Center Line**
 - A Line
 - C Line
 - H Line
 - K Line
 - L Line
 - M Line
 - R Line
 - S Line
 - W Line
 - Y Line
- Track Extension Station
- Track Extension Line
- eBART Phase II & III
- Warm Springs to Berryessa
- Berryessa
- Gate
- Interlocking
- Multiplexer (Mux)
- Switch Track
- Third Rail
- Train Control Room
- Streets

Notes

All Data-Displayed is provided by BART
OCIO - EGIS Department

141.6 0 70.78 141.6 Feet

WGS_1984_Web_Mercator_Auxiliary_Sphere

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.
THIS MAP IS NOT TO BE USED FOR NAVIGATION



SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

300 Lakeside Drive, P.O. Box 12688
Oakland, CA 94604-2688
(510) 464-6000

2019

February 4, 2019

Bevan Duffy
PRESIDENT

Rebecca Saltzman
VICE PRESIDENT

Grace Crumigan
GENERAL MANAGER

Louise Bedsworth, Executive Director
Strategic Growth Council
1400 Tenth Street
Sacramento, CA 95814

RE: 500 Turk – Canopy 21 Confirmation of Site Control and Local Approvals

DIRECTORS

Debora Allen
1st DISTRICT

Mark Foley
2nd DISTRICT

Rebecca Saltzman
3rd DISTRICT

Robert Raburn, Ph.D.
4th DISTRICT

John McParland
5th DISTRICT

Elizabeth Ames
6th DISTRICT

Laleelah Simon
7th DISTRICT

Janice Li
8th DISTRICT

Bevan Duffy
9th DISTRICT

Dear Ms. Bedsworth:

The proposed project from the San Francisco Bay Area Rapid Transit District ("BART") that is the subject of BART's AHSC funding request application, is for the construction of a canopy (Canopy 21) that will protect the Civic Center BART/MUNI Station entrance located on the north side of Market Street east of the intersection with Grove and Hyde Streets in San Francisco. A new escalator is being installed at that location as part of a separate Contract and the canopy is required by Code to protect the escalator and adjacent stairs from weather.

Per this letter, and the side agreement between BART, the City of San Francisco, and Tenderloin Neighborhood Development Corporation, BART confirms it has the necessary site control for the construction of the project, via a subsurface easement with the City and County of San Francisco, as originally recorded on May 2, 1972. The location of this easement is shown in the attachment to this letter.

Furthermore, the project is consistent with local rules, regulations, codes, policies and plans enforced or implemented by BART. Under CA Government Code sections 53090 and 53091, BART is exempt from local building and zoning ordinances for projects of this nature.

If you have any questions, please contact Tim Chan, Stations Planning Group Manager at tchan1@bart.gov.

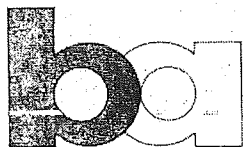
Sincerely,

A handwritten signature in cursive script that reads "Sean Brooks".

Sean Brooks
Department Manager
BART Real Estate & Property Development

Encl.

Exhibit 2: Evidence of Site Control



BAY AREA RAPID TRANSIT DISTRICT

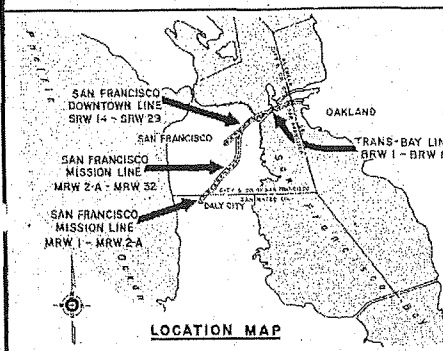
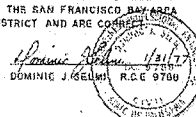
RECORD MAPS OF RIGHT OF WAY BAY AREA RAPID TRANSIT DISTRICT CITY & COUNTY OF SAN FRANCISCO

COVER SHEET

RECORDED AT REQUEST OF
COLEMAN ASSOCIATES
AT 15, 16th FLOOR
FEB 24 1977
City & County of San Francisco, C.A.L.
RECORDERS

914556
7073337

Not Returnable




SHEET INDEX

PORTION OF MRW 2-A thru MRW 32
SAN MATEO AVE. TO COLTON ST.

SRW 14 thru SRW 29
WEST PORTAL STATION AND
DIAMOND ST TO 2ND ST.

BRW 1 thru BRW 8
2ND ST. TO S.F. - ALAMEDA COUNTY LINE

NOTE

These RECORD MAPS OF RIGHT OF WAY are for the purpose of delineating only those parcels designated by the letter 'A', 'B' or 'C' contained within an ellipse (shown thus: ) and approval of said maps is limited thereto.

By Jeffrey Lee
Title City Engineer

These Record Maps of Right of Way have been prepared at the request of the San Francisco Bay Area Rapid Transit District.

Their purpose is to represent the acquisition data for, and the delineation of, the right of way for the San Francisco Bay Area Rapid Transit District.

These Record Maps of Right of Way are based on the California Geodetic System, Zone II. The coordinates as shown on these maps were determined from points of known coordinates through use of the "Bay Area Rapid Transit District, Primary Control Scheme, City and County of San Francisco" on file in the office of the County Recorder of the City and County of San Francisco.

The maps are numbered in series for specific reaches. General location of the serial numbers are indicated on this sheet.

Each sheet is certified by the registered civil engineer or licensed land surveyor responsible for preparing the original plat indicating the right of way configuration for San Francisco Bay Area Rapid Transit District, streets and facilities relating thereto. Certain of these maps have been revised in order to reflect subsequent modifications of the right of way. These revisions were delineated by Coleman Associates, Civil Engineers, at the request of San Francisco Bay Area Rapid Transit District.

By Charles R. Coleman
Title Manager of Real Estate

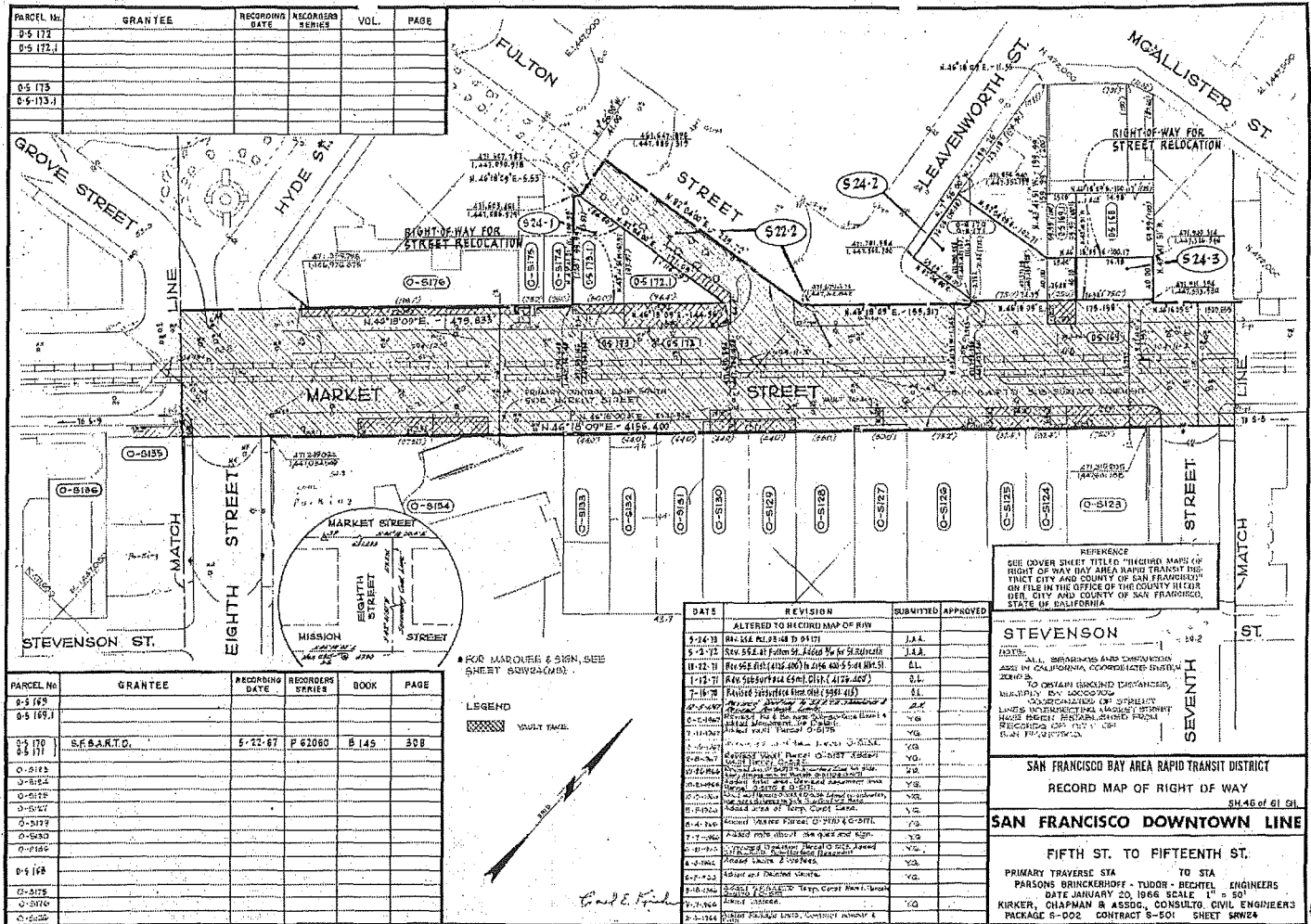
I HEREBY STATE THAT ANY REVISIONS MADE BY COLEMAN ASSOCIATES ON THESE MAPS WERE AT THE REQUEST OF THE SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT AND ARE CORRECT.

FILED FOR RECORD THIS 24 DAY
OF February 1977, AT SAN FRANCISCO, IN PARCEL MAP BOOK
7073337 AT PAGE 26 AT THE REQUEST OF THE SAN
FRANCISCO BAY AREA RAPID TRANSIT DISTRICT.

THOMAS KEARNEY
RECORDER IN AND FOR THE
CITY AND COUNTY OF SAN FRANCISCO
STATE OF CALIFORNIA

By Jeffrey Lee
DEPUTY COUNTY RECORDER
SHEET 1 OF 61 SHEETS

Exhibit 2: Evidence of Site Control





SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Motion No. 20148

HEARING DATE: MARCH 29, 2018

Case No.: 2016-010340ENV
Project Address: 500 Turk Street
Zoning: RC-4 (Residential-Commercial-Combined, High Density)
Block/Lot: Block 0741, Lot: 002
Project Sponsor: Tenderloin Neighborhood Development Corporation
201 Eddy Street
San Francisco, CA 94102
Staff Contact: Jeanie Poling – (415) 575-9072
jeanie.poling@sfgov.org

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

ADOPTING FINDINGS RELATED TO THE CERTIFICATION OF A FINAL ENVIRONMENTAL IMPACT REPORT FOR A PROPOSED PROJECT THAT INCLUDES DEMOLITION OF A ONE- TO TWO-STORY TIRE AND AUTOMOBILE SERVICE BUILDING AND ASSOCIATED PARKING LOT, AND CONSTRUCTION OF AN EIGHT-STORY BUILDING CONTAINING APPROXIMATELY 107 AFFORDABLE HOUSING UNITS, ONE MANAGER'S RESIDENTIAL UNIT, AND APPROXIMATELY 2,600 SQUARE FEET OF GROUND FLOOR RETAIL SPACE.

MOVED, that the San Francisco Planning Commission (hereinafter "Commission") hereby CERTIFIES the final environmental impact report identified as Case No. 22016-010340ENV, the "500 Turk Street Project" at 500 Turk Street (hereinafter "the Project"), based upon the following findings:

1. The City and County of San Francisco, acting through the Planning Department (hereinafter "the Department") fulfilled all procedural requirements of the California Environmental Quality Act (Cal. Pub. Res. Code Section 21000 *et seq.*, hereinafter "CEQA"), the State CEQA Guidelines (Cal. Admin. Code Title 14, Section 15000 *et seq.*, (hereinafter "CEQA Guidelines") and Chapter 31 of the San Francisco Administrative Code (hereinafter "Chapter 31").
 - A. The Department determined that an environmental impact report (hereinafter "EIR") was required and provided public notice of that determination by publication in a newspaper of general circulation on October 11, 2017.
 - B. The Department published the draft environmental impact report (hereinafter "DEIR") on November 22, 2017, and provided public notice in a newspaper of general circulation of the availability of the DEIR for public review and comment and of the date and time of the Planning Commission public hearing on the DEIR; this notice was mailed to the Department's list of persons requesting such notice and to property owners and occupants within a 300-foot radius of the site on November 22, 2017.
 - C. Notices of availability of the DEIR and of the date and time of the public hearing were posted on and near the Project site by the Project sponsor on November 22, 2017.


- D. Copies of the DEIR were mailed or otherwise delivered to a list of persons requesting it, to those noted on the distribution list in the DEIR, to adjacent property owners, and to government agencies, the latter both directly and through the State Clearinghouse, on November 22, 2017.
- E. A Notice of Completion was filed with the State Secretary of Resources via the State Clearinghouse on November 22, 2017.
2. The Commission held a duly advertised public hearing on said DEIR on January 11, 2018, at which opportunity for public comment was given, and public comment was received on the DEIR. The period for acceptance of written comments ended on January 16, 2018.
 3. The Department prepared responses to comments on environmental issues received at the public hearing and in writing during the 55-day public review period for the DEIR, prepared revisions to the text of the DEIR in response to comments received or based on additional information that became available during the public review period, and corrected errors in the DEIR. This material was presented in a responses to comments document published on March 12, 2018, distributed to the Commission and all parties who commented on the DEIR on March 13, 2018, and made available to others upon request at the Department.
 4. A final environmental impact report (hereinafter "FEIR") has been prepared by the Department, consisting of the DEIR, any consultations and comments received during the review process, any additional information that became available, and the responses to comments document, all as required by law.
 5. Project EIR files have been made available for review by the Commission and the public. These files are available for public review at the Department at 1650 Mission Street, Suite 400, and are part of the record before the Commission.
 6. On March 29, 2018, the Commission reviewed and considered the information contained in the FEIR and hereby does find that the contents of said report and the procedures through which the FEIR was prepared, publicized, and reviewed comply with the provisions of CEQA, the CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code.
 7. The Planning Commission hereby does find that the FEIR concerning File No. 2016-010340ENV reflects the independent judgment and analysis of the City and County of San Francisco, is adequate, accurate and objective, and that the responses to comments document contains no significant revisions to the DEIR, and hereby does CERTIFY THE COMPLETION of said FEIR in compliance with CEQA and the CEQA Guidelines.
 8. The Commission, in certifying the completion of said FEIR, hereby does find that the Project described in the EIR would have the following significant unavoidable environmental impacts, which cannot be mitigated to a level of insignificance:
 - A. The Project would have significant, project-specific environmental impact on historic architectural resources; and

Motion No. 20148
March 29, 2018

CASE NO. 2016-010340ENV
500 Turk Street

- B. The Project would have significant cumulative environmental impact on historic architectural resources.
9. The Planning Commission reviewed and considered the information contained in the EIR prior to certifying the completion of the FEIR for the Project.

I hereby certify that the foregoing Motion was ADOPTED by the Planning Commission at its regular meeting of March 29, 2018.



Jonas P. Ionin
Commission Secretary

AYES: Hillis, Fong, Johnson, Koppel, and Richards
NOES: None
ABSENT: Melgar and Moore
ADOPTED: March 29, 2018

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
OFFICE OF THE DIRECTOR**

2020 W. El Camino Avenue, Suite 500, 95833
Sacramento, CA 95833
(916) 263-7400 / (FAX) 263-7417
www.hcd.ca.gov



November 1, 2018

MEMORANDUM FOR: All Potential Applicants

FROM: Lisa Bates, Deputy Director
Division of Financial Assistance

SUBJECT: Notice of Funding Availability
Affordable Housing and Sustainable
Communities Program

The California Department of Housing and Community Development (Department) is pleased to announce the availability of approximately \$395 million in funding for the Affordable Housing and Sustainable Communities (AHSC) Program. The AHSC Program furthers the purposes of AB 32 (Chapter 488, Statutes of 2006) and SB 375 (Chapter 728, Statutes of 2008). The purpose of the AHSC Program is to reduce greenhouse gas (GHG) emissions through projects implementing land-use, housing, transportation, and agricultural land preservation practices to support infill and compact development, and supporting related and coordinated public policy objectives. Funding for the AHSC Program is provided from the Greenhouse Gas Reduction Fund (GGRF), an account established to receive Cap-and-Trade auction proceeds.

The AHSC Program is part of California Climate Investments (CCI), a statewide program funded through the GGRF that puts billions of Cap-and-Trade dollars to work reducing GHG emissions, strengthening the economy, and improving public health and the environment – particularly in disadvantaged communities.

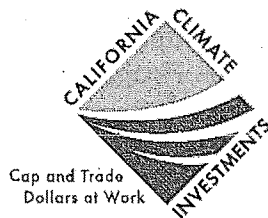
The AHSC Program application forms, workshop details, and related program information is available at <http://www.hcd.ca.gov/grants-funding/active-funding/ahsc.shtml>. To receive information on workshops and other updates, please subscribe to the Department's listserv for the AHSC Program. Questions may be directed to the AHSC Program at ahsc@hcd.ca.gov

Attachment

AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM

**Round 4
FY 2017-2018 Notice of Funding Availability**

November 1, 2018



**CALIFORNIA STRATEGIC
GROWTH COUNCIL**



**Edmund G. Brown Jr., Governor
State of California**

**Alexis Podesta, Secretary
Business, Consumer Services and Housing Agency**

**Ben Metcalf, Director
Department of Housing and Community Development**

2020 West El Camino Avenue, Suite 500, Sacramento, CA 95833
Phone: (916) 263-2771

Website: <http://www.hcd.ca.gov/grants-funding/active-funding/ahsc.shtml>

E-mail address: ahsc@hcd.ca.gov

Table of Contents

I. Overview	1
A. Notice of Funding Availability	1
B. Timeline	1
C. What's new in this NOFA	1
D. Authorizing Legislation	1
II. Program Requirements	2
A. Eligible Applicants	2
B. Eligible Projects	2
C. Eligible Costs	2
D. Program Threshold Requirements	2
E. Program Funding Amounts and Terms	2
F. Application Scoring	3
III. Application, Review, Workshops, and Appeals	3
A. Financial Assistance Application Submittal Tool (FAAST) Application Components	3
B. Hardcopy Application Packaging and Submittal	4
C. Application Review	4
D. Disclosure of Application	6
E. Application Workshops	6
F. Appeals	5
IV. Award Announcements and Contracts	6
A. Award Announcements	6
B. Contracts	6
V. Other State Requirements	6
A. Article XXXIV	6
B. Pet Friendly Housing Act of 2017	7
C. State Prevailing Wages	7
VI. Other Terms and Conditions	7
A. Right to Modify or Suspend	7
B. Conflicts	7

I. Overview

A. Notice of Funding Availability

The Strategic Growth Council (SGC) and California Department of Housing and Community Development (Department) hereby announce the availability of approximately \$395 million in funding for the Affordable Housing and Sustainable Communities (AHSC) Program. The AHSC Program is administered by SGC and implemented by the Department. The California Air Resources Board (CARB) provides the quantification methodology for determining the greenhouse gas (GHG) emissions reductions for the AHSC Program.

These AHSC Program funds will be used for loans or grants, or a combination thereof, to projects that will achieve GHG emissions reductions to benefit all California communities, particularly through increasing accessibility to affordable housing, and key destinations via low-carbon transportation resulting in fewer vehicle miles traveled (VMT) through shortened or reduced trip length or mode shift from Single Occupancy Vehicle (SOV) use to transit, bicycling or walking.

B. Timeline

NOFA Release	November 1, 2018
Application Due Date	February 11, 2019
Award Announcements	Summer 2019

C. What's New

- 1) Appeals Process – the Department has modified the NOFA appeals process as described in Section III D.

D. Authorizing Legislation

The AHSC Program furthers the purposes of AB 32 (Chapter 488, Statutes of 2006) and SB 375 (Chapter 728, Statutes of 2008). Available funds are subject to the AHSC Program Guidelines issued by SGC dated October 29, 2018, or as amended (Guidelines). The Guidelines include detailed information on eligibility requirements, application selection criteria, established terms, conditions, and procedures for funds awarded under AHSC. The Guidelines are available at <http://www.sgc.ca.gov/programs/ahsc/resources/>.

Applicants are responsible for complying with the AHSC Program requirements set forth in the Guidelines. Applicants are urged to carefully review the Guidelines and information contained in this NOFA before submitting applications.

II. Program Requirements

The following is provided as a summary and is not to be considered a complete representation of the entirety of the eligibility, threshold, or other requirements or terms and conditions of the AHSC Program. Please note that capitalized words may be defined terms and can be found in the program Guidelines. Please refer to the Guidelines for complete information.

A. Eligible Applicants

Applicants must be eligible pursuant to Guidelines Section 105, Eligible Applicants.

Please note: A special purpose entity which is formed and controlled by the Developer, and which will serve as the ultimate borrower of AHSC loan funds, is not an Eligible Applicant, but may be named in the portion of the application that requests the name of the ultimate borrower.

B. Eligible Projects

Proposed projects must be eligible pursuant to Guidelines Section 102, Eligible Projects. Eligible Projects must fall into one of the following three eligible Project Area types:

- Transit Oriented Development Project Area type (TOD)
- Integrated Connectivity Project Area type (ICP), or
- Rural Innovation Project Area type (RIPA).

C. Eligible Costs

The AHSC Program funds Capital Projects and eligible Program Costs within TOD, ICP and RIPA Project Areas. For a detailed list of all eligible costs please refer to Guidelines Section 103, Eligible Cost.

D. Program Threshold Requirements

In addition to meeting the requirements of the Guidelines as described in paragraphs A, B, and C above, applicants and projects are also required to meet the Program threshold requirements found in Section 106 of the Guidelines.

E. Program Funding Amounts and Terms

1. **AHSC Program Funding Award Maximum:** The maximum AHSC Program loan or grant award, or combination thereof is \$20 million with a minimum award of at least \$1 million for each of the three Project Area types.
2. **AHSC Program Funding Developer Maximum:** A single Developer may receive no more than \$40 million per NOFA funding cycle. This limitation may be waived by SGC if necessary to meet statutorily requirements referenced in Guidelines Section 108(d)(6).

3. **Terms of Assistance:** Assistance terms and limits are set forth in Guidelines Section 104, Assistance Terms and Limits. Loans for rental Affordable Housing Developments are subject to requirements set forth in Guidelines Section 104(b). Grants are subject to the terms and requirements set forth in Guidelines Section 104(c).

F. Application Scoring

Applications will be scored according to Guidelines Section 107, Scoring Criteria. AHSC Program funds will be allocated through a competitive process, based on the merits of the application.

III. Application, Review, Workshops, and Appeals

Applications must meet eligibility requirements upon submission. Modification of the application forms by the applicant is prohibited. It is the applicant's responsibility to ensure the application is clear, complete and accurate. After the application deadline, Department staff may request clarifying information, provided such information does not affect the competitive rating of the application. No information, whether written or oral, will be solicited or accepted if this information would result in a competitive advantage to an applicant or a disadvantage to other applicants. No applicant may appeal the evaluation of another applicant's application.

The AHSC Program application forms, workshop details, and related Program information is available at <http://www.hcd.ca.gov/grants-funding/nofas.shtml>. To receive information on workshops and other updates, please subscribe to the Department's listserv for the AHSC Program. Questions may be directed to the AHSC Program at ahsc@hcd.ca.gov

A. Financial Assistance Application Submittal Tool (FAAST) Application Components

Complete applications must include the following components:

1. AHSC Application Workbook

All applicants must complete the AHSC Application Workbook.

2. Universal Application Workbook (UA)

The UA must be completed for projects seeking funds for Affordable Housing Development (AHD) or Housing Related Infrastructure (HRI).

3. Electronic FAAST Submission

Requirements for uploading the Application Workbook, UA workbook and required supporting documentation, including naming conventions, are described in the application instructions available on the Department's AHSC webpage at <http://www.hcd.ca.gov/grants-funding/nofas.shtml>. Applicants must upload all application materials to the FAAST system no later than **11:59 p.m. Pacific Standard Time on February 11, 2019.**

B. Hardcopy Application Submittal

Applicants must submit hardcopies of the application workbooks (Excel files only) with original signatures through a mail carrier service such as U.S. Postal Service, UPS, FedEx or other carrier services that provide date stamp verification confirming delivery. These documents must be received by no later than **5:00 p.m. Pacific Standard Time on February 12, 2019** to the address below:

AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM

Department of Housing and Community Development
Division of Financial Assistance, NOFA Section
2020 W. El Camino Avenue, Suite 650
Sacramento, CA 95833

Personal deliveries will not be accepted. No late applications, incomplete applications, facsimiles, walk-ins or application revisions will be accepted. The hardcopy must match the application workbooks submitted via the FFAST system. In the event of discrepancies between hardcopies and electronically submitted workbooks, the electronic FFAST submission will prevail.

C. Application Review

1. Phase One

Application completeness and satisfaction of threshold criteria described in the Guidelines will be confirmed. Please note, the threshold review for financial feasibility criteria in this phase consists of only verification of documentation completeness, not an evaluation of the material facts. That review will take place in Phase Three. Phase One is a pass/fail stage and applicants will receive notification of their status upon completion of threshold reviews with a five-day opportunity to appeal the findings of the reviews.

2. Phase Two

Quantitative policy criteria and greenhouse gas quantification methodology (GHG QM) will be evaluated for proposals which have met the requirements of Phase One. An initial score letter will be provided to applicants with a five-day opportunity to appeal the findings of the reviews. AHSC staff will review appeal responses and revise scores where appropriate. Applicants who score less than 50 percent of the total quantitative policy criteria and GHG QM points will not be eligible to move forward. The final score letter will include notification of application status.

3. Phase Three

An interagency team will review the narrative section of applications which have scored 50 percent or higher in Phase Two. During Phase Three, an in-depth evaluation of the project's financial feasibility will be performed.

D. Appeals

1. Basis of Appeals

- (a) Upon receipt of the Department's notice that an application has been determined to be incomplete, ineligible, fail threshold or have a reduction to the initial point score, applicants under this NOFA may appeal such decision(s) to the Department pursuant to this section.
- (b) No applicant shall have the right to appeal a decision of the Department relating to another applicant's eligibility, point score, award, denial of award, or any other matter related thereto.
- (c) The appeal process provided herein applies solely to decisions of the Department made in this program NOFA and does not apply to any decisions made with respect to any previously issued NOFAs or decisions to be made pursuant to future program NOFAs.

2. Appeal Process and Deadlines

- (a) To lodge an appeal, applicants must submit to the Department by the deadline set forth in subsection (b) below, a written appeal which states all relevant facts, arguments, and evidence upon which the appeal is based. Furthermore, the applicant must provide a detailed reference to the area or areas of the application that provide clarification and substantiation for the basis of the appeal. No new or additional information will be considered if this information would result in a competitive advantage to an applicant. Once the written appeal is submitted to the Department, no further information or materials will be accepted or considered thereafter.

Appeals are to be submitted to the Department at ahsc@hcd.ca.gov according to the deadline set forth in Department review letters.

- (b) Appeals must be received by the Department no later than (5) five business days from the date of the Department's threshold review or initial score letters representing the Department's decision made in response to the application.

3. Decision

Any request to amend the Department's decision shall be reviewed for compliance with the Guidelines and this NOFA. All decisions rendered shall be final, binding, and conclusive and shall constitute the final action of the Department.

E. Disclosure of Application

Information provided in the application will become a public record available for review by the public, pursuant to the California Public Records Act (Chapter 1473, Statutes of 1968). As such, any materials provided will be disclosable to any person making a request under this Act. The Department cautions applicants to use discretion in providing information not specifically requested, including but not limited to, bank account numbers, personal phone numbers and home addresses. By providing this information to the Department, the applicant is waiving any claim of confidentiality and consents to the disclosure of submitted material upon request.

F. Application Workshops

The Department, SGC and CARB will conduct application workshops and pre-application consultations for the Round 4 application submission. AHSC workshop details and related program information will be posted on the SGC [website](#). Appointments are required for pre-application consultations. Appointment requests and workshop questions should be directed to ahsc@sgc.ca.gov.

IV. Award Announcements and Contracts

A. Award Announcements

Awards will be announced in Summer 2019. Award recommendations will be posted at <http://sgc.ca.gov/programs/ahsc/resources>, ten days prior to the Strategic Growth Council public meeting.

B. Contracts

Successful Applicants (Awardee(s)) will enter into Standard Agreements with the Department. The Standard Agreement contains relevant terms and conditions for the funding of the award.

The Standard Agreement must be executed by the Awardee(s) within 90 days (contracting period) of the Awardees' receipt of the Standard Agreement(s). The Awardee(s) shall remain a party to the Standard Agreement for the entire term of the Standard Agreement; removal of the Awardee(s) shall be prohibited.

V. Other State Requirements

A. Article XXXIV

All projects shall comply with Article XXXIV, Section 1 of the California Constitution as clarified by the Public Housing Election Implementation Law (Health and Safety Code § 37000 - 37002). Article XXXIV documentation for loans underwritten by HCD shall be subject to review and approval by HCD prior to the announcement of award recommendations.

B. Pet Friendly Housing Act of 2017

Housing funded through the AHSC Program is subject to the Pet Friendly Housing Act of 2017 (Health & Safety Code §50466). Each Awardee is required to submit a signed and dated certification that residents of the AHSC funded housing development will be authorized to own or otherwise maintain one or more common household pets.

C. State Prevailing Wages

AHSC Program funds awarded under this NOFA are subject to State prevailing wage law, as set forth in Labor Code Section 1720 et seq., and require the payment of prevailing wages unless the project meets one of the exceptions of Labor Code 1720 (c) as determined by the Department of Industrial Relations (DIR). The DIR can be contacted via its website at <https://www.dir.ca.gov/oprl/DPreWageDetermination.htm>. Applicants are urged to seek professional advice as to how to comply with State prevailing wage law.

VI. Other Terms and Conditions

A. Right to Modify or Suspend

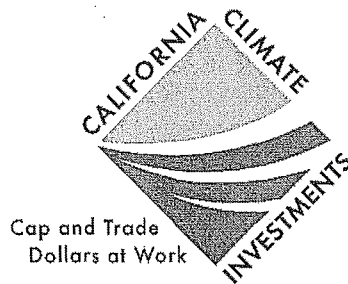
The Department reserves the right, at its sole discretion, to suspend, amend, or modify the provisions of this NOFA at any time, including without limitation, the amount of funds available hereunder. If such an action occurs, the Department will notify all interested parties and will post the revisions to the Department's website. Subscriptions to the Department's email list are available at: http://www.hcd.ca.gov/HCD_SSI/subscribe-form.html.

B. Conflicts

In the event of any conflict between the terms of this NOFA and either applicable state or federal law or regulation, the terms of the applicable state or federal law or regulation shall control. Applicants are deemed to have fully read and understand all applicable state and federal laws, regulations and guidelines pertaining to the AHSC Program, and understand and agree that HCD shall not be responsible for any errors or omissions in the preparation of this NOFA.

AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM

**ROUND 4
FY 2017-2018 PROGRAM GUIDELINES**



**CALIFORNIA STRATEGIC
GROWTH COUNCIL**



**October 29, 2018
Technical Amendment: 2/19/19**

TABLE OF CONTENTS

ARTICLE I. AHSC General Overview	PAGE
Section 100 Purpose and Scope	3
101 AHSC Program Overview	4
ARTICLE II. AHSC Program Requirements and Procedures	
Section 102 Eligible Projects	6
103 Eligible Costs	9
104 Assistance Terms and Limits	17
105 Eligible Applicants	19
106 Program Threshold Requirements	20
107 Scoring Criteria	25
108 Application Process	37
ARTICLE III. AHSC Legal and Reporting Requirements	
Section 109 Legal Documents	40
110 Reporting Requirements	44
111 Performance Requirements	46
112 Default and Cancellations	47
113 Prevailing Wages	48
Figures	
Figure 1 AHSC Program Summary	6
Figure 2 Eligible Capital Projects and Program Costs	9
Figure 3 Eligible Cost Examples	9
Figure 4 Minimum Net Density Requirements	12
Figure 5 Scoring Elements	25
Figure 6 Application Review Process	39
APPENDIX A Definitions	49
APPENDIX B Federally Recognized Indian Tribe Eligibility Requirements	59

Note: Defined terms are bolded throughout the document. Refer to Appendix A for complete definitions.

Article I. AHSC General Overview

Section 100. Purpose and Scope

- (a) The purpose of these Program Guidelines is to implement Division 44, Part 1 of the Public Resources Code (PRC) (commencing with Section 75200), which establishes the Affordable Housing and Sustainable Communities (AHSC) Program, hereinafter referred to as the **AHSC Program**.
- (b) The purpose of the **AHSC Program** is to reduce greenhouse gas (GHG) emissions through projects that implement land-use, housing, transportation, and agricultural land preservation practices to support infill and compact development, and that support related and coordinated public policy objectives, including the following:
 - (1) reducing air pollution;
 - (2) improving conditions in disadvantaged communities;
 - (3) supporting or improving public health and other co-benefits as defined in Section 39712 of the Health and Safety Code;
 - (4) improving connectivity and accessibility to jobs, housing, and services;
 - (5) increasing options for mobility, including the implementation of the Active Transportation Program established pursuant to Section 2380 of the Streets and Highway Code;
 - (6) increasing transit ridership;
 - (7) preserving and developing affordable housing for lower income households, as defined in Section 50079.5 of the Health and Safety Code; and
 - (8) protecting agricultural lands to support infill development.

Section 101. AHSC Program Overview

The **AHSC Program** furthers the purposes of AB 32 (Chapter 488, Statutes 2006) and SB 375 (Chapter 728, Statutes, 2008) by investing in projects that reduce GHG emissions by supporting more compact, infill development patterns, encouraging active transportation and transit usage, and protecting agricultural land from sprawl development. Funding for the **AHSC Program** is provided from the Greenhouse Gas Reduction Fund (GGRF), an account established to receive Cap-and-Trade auction proceeds. The Cap-and-Trade Program, a key strategy for achieving the GHG emission reduction goals of AB 32, issues a limited number of GHG emissions permits (called allowances) each year. A portion of these allowances can be purchased from the State at quarterly auctions, thereby generating auction proceeds. These State auction proceeds are then deposited in the GGRF, where they become available for appropriation by the Legislature to further the purposes of AB 32.

The **AHSC Program** is administered by the **Strategic Growth Council (Council)**. The **Department of Housing and Community Development (Department)** will implement the transportation, housing and infrastructure components of the **AHSC Program**. The **Council** staff will coordinate efforts with **Department** staff, working with the **California Air Resources Board (CARB)** and the **Council** to administer the broader **AHSC Program**, including developing program guidelines, evaluating applications, preparing agreements, monitoring agreement implementation, and program reporting.

The **Council** will coordinate with **CARB** to develop and incorporate consistent guidance in the following areas, which will apply to all GGRF programs, including the **AHSC Program**:

- Expenditure records to ensure investments further the goals of AB 32.
- SB 535 (Chapter 830, Statutes 2012) and AB 1550 requirements to maximize benefits to **Disadvantaged Communities, Low-Income Communities, and Low-Income Households**.
- Consistent methodologies for quantifying GHG reductions and other economic, environmental and public health co-benefits.
- Project tracking and reporting.

The **AHSC Program** will provide grants and/or loans to projects that achieve GHG reductions and benefit **Disadvantaged Communities, Low-Income Communities, and Low-Income Households** through increasing accessibility of affordable housing, employment centers and **Key Destinations** via low-carbon transportation resulting in fewer vehicle miles traveled (VMT) through shortened or reduced vehicle trip length or mode shift to transit, bicycling or walking. Three **Project Area** types have been identified to implement this strategy: 1) Transit Oriented Development (TOD) Project Areas, or 2) Integrated Connectivity Project (ICP) Project Areas, or 3) Rural Innovation Project Areas (RIPA).

Funds will be allocated through a competitive process, based on the merits of applications submitted and the proposed use of funds within the identified **Project Area**. The threshold requirements and application selection criteria focus on the extent to which developments realize the **AHSC Program's** objectives of reducing GHG emissions, benefiting **Disadvantaged Communities, Low-Income Communities, and Low-Income**

Households, providing affordable housing, demonstrating project readiness, and meeting other policy considerations.

Disadvantaged Community Benefits

In June 2018, using the updated results from CalEnviroScreen 3.0, the California Environmental Protection Agency (CalEPA) identified **Disadvantaged Communities** to include census tracts that fall within the top 25 percent of CalEnviroScreen 3.0, plus an additional 22 census tracts that score in the highest 5 percent of CalEnviroScreen's Pollution Burden but do not have an overall CalEnviroScreen score because of unreliable socioeconomic or health data. AB 1550 has also created investment requirements for **Low-Income Communities** and **Low-Income Households**. In July 2018, CARB approved the *Funding Guidelines for Agencies Administering California Climate Investments* that will provide criteria to evaluate whether a project provides a benefit to a **Disadvantaged Community, Low-Income Community, or Low-Income Household**. These guidelines can be found here: www.arb.ca.gov/ccifundingguidelines.

A **Project** that is located in and provides benefits to a **Disadvantaged Community, Low-Income Community, or Low-Income Households** may receive priority for funding in order to meet the AHSC Program **Disadvantaged Community and Low-Income Community** funding requirements. All applicants must evaluate the criteria for demonstrating a benefit to **Priority Populations** as part of the application, and, if applicable, demonstrate in the application how the **Capital Project or Program Costs** within the **Project** meets one of the criteria.

Article II. Program Requirements and Procedures

Figure 1 AHSC Program Summary			
Project Area Types	Transit Oriented Development (TOD) Project Area	Integrated Connectivity Project (ICP) Project Area	Rural Innovation Project Area (RIPA)
Transit Requirements (All Project Areas) §102	<ul style="list-style-type: none">▪ <u>MUST</u> include Qualifying Transit▪ Qualifying Transit includes various forms of Rail Service, Bus Service and Flexible Transit Service.▪ All Project Areas <u>MUST</u> also include a Transit Station/Stop, served by at least one Qualifying Transit line departing two or more times during Peak Hours (unless it is Flexible Transit Service). <p><i>Note: ICP/RIPA projects that propose addition of High Quality Transit will remain eligible as an ICP/RIPA.</i></p>		
Project Area Specific Transit Requirements §102	<ul style="list-style-type: none">▪ <u>MUST</u> be served by High Quality Transit▪ Headway frequency of 15 minutes or less during Peak Hours▪ Must operate on a railway or be a Bus Rapid Transit (BRT) service that either fully or partially operates on a dedicated bus-only lanes	<ul style="list-style-type: none">▪ <u>CANNOT</u> be served by High Quality Transit	<ul style="list-style-type: none">▪ <u>CANNOT</u> be served by High Quality Transit▪ <u>MUST</u> be located within a Rural Area
Required AHSC Funded Components §102	AHSC Program funds <u>MUST</u> be used for Affordable Housing (which <u>includes</u> Affordable Housing Developments or Housing Related Infrastructure) <u>AND</u> at least one other type of Eligible Capital Project or Program Cost	AHSC Program funds <u>MUST</u> be used for Sustainable Transportation Infrastructure <u>AND</u> at least one other type of Eligible Capital Project or Program Cost	
Eligible Capital Projects or Program Costs §103	<ul style="list-style-type: none">▪ Affordable Housing Developments (AHD)▪ Housing Related Infrastructure (HRI)▪ Sustainable Transportation Infrastructure (STI)▪ Transportation-Related Amenities (TRA)▪ Programs (PGM)		
Affordable Housing Development Requirements §103	Affordable Housing Developments may be: <ul style="list-style-type: none">▪ New construction▪ Acquisition and Substantial Rehabilitation including preservation of affordable housing at-risk▪ Conversion of one or more nonresidential structures to residential dwelling units		
Funds Available §108	Target 35 percent of available funds to TOD Project Areas	Target 35 percent of available funds to ICP Project Areas	Target 10 percent of available funds to RIPAs
Project Awards §104	All Project Area Types are subject to the following minimum and maximum award amounts: Maximum: \$20 Million Minimum: \$1 Million		
Statutory Funding Set-asides §108	<ul style="list-style-type: none">▪ 50 percent of the AHSC Program expenditures shall be for Affordable Housing (Health & Safety Code § 39719(a)(1)(C))▪ 50 percent of AHSC Program expenditures shall be for projects benefitting Disadvantaged Communities (Public Resources Code § 75214) <p><i>Note: A single project can address both set-asides above, and are not mutually exclusive.</i></p>		

Section 102. Eligible Projects

The **AHSC Program** is designed to implement GHG emissions reductions through a reduction of vehicle miles travelled (VMT), or fewer and shorter auto-trips. The **AHSC Program** will fund integrated land use and transportation projects supporting low-carbon transportation options. Promoting mode shift to low-carbon transportation will require strategies that link residential areas, major employment centers and other **Key Destinations** to accessible, reliable, affordable, safe and comfortable transit and active transportation options.

- (a) All applicants will be required to define a **Project Area**. The **Project Area** is the area which encompasses transit, housing and destinations and is the area in which **AHSC Program** funds will be invested. Each **Project Area** must:
 - (1) Be a contiguous area included within a distinct planning area in a local or regional planning document(s) or transit service area;
 - (2) Include at least one **Transit Station/Stop** consistent with the requirements set forth in (c) or (d) below; and
 - (3) Be of a defined size consistent with one of the following:
 - (A) For **Project Areas** with fixed transit routes, the defined **Project Area** may not exceed a one (1) mile radius from the identified **Transit Station/Stop**.
 - (B) For **Project Areas** with **Flexible Transit Service** routes, the defined **Project Area** must be defined based on the identified service area of the transit line.
 - (C) For **Project Areas** which include a **Transit Corridor** or bicycle network or both, the defined **Project Area** must be identified in a plan, i.e. general plan, bicycle master plan or transit corridor implementation plan.
- (b) The **AHSC Program** includes three eligible **Project Area** types as defined below:
 - (1) Transit Oriented Development (TOD) **Project Areas**,
 - (2) Integrated Connectivity Project (ICP) **Project Areas**, and
 - (3) Rural Innovation Project Areas (RIPA).

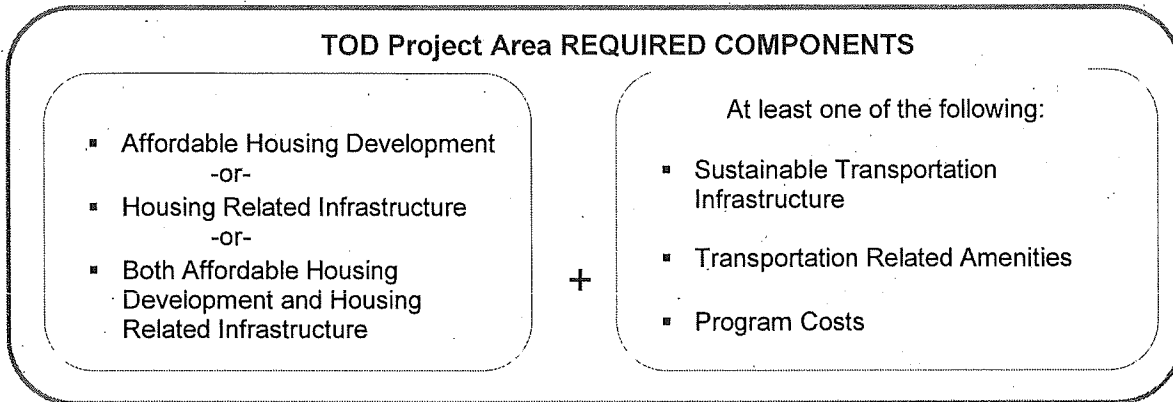
All projects regardless of **Project Area** type must demonstrate VMT reduction through fewer or shorter vehicle trips or incentivize mode shift to transit use, bicycling or walking within transit areas, with an emphasis on integration of or development of affordable housing, and with an emphasis on providing **Disadvantaged Community** or **Low-Income Community** benefits. There are several differentiating requirements between each **Project Area** type, as described below.

- (c) **TOD Project Areas** must demonstrate ALL of the following:
 - (1) Include at least one (1) **Transit Station/Stop** served by **High Quality Transit** at the time of application submittal;

- (2) Include an **Affordable Housing Development** located no farther than one-half mile from a **Transit Station/Stop** served by High Quality Transit. While the TOD Project Area must include an **Affordable Housing Development**, it may be funded from sources other than the AHSC Program but must meet the requirements of Section 103 (a)(1)(A) through (C);

AND

- (3) Include **Capital Projects** or **Program Costs** as follows:



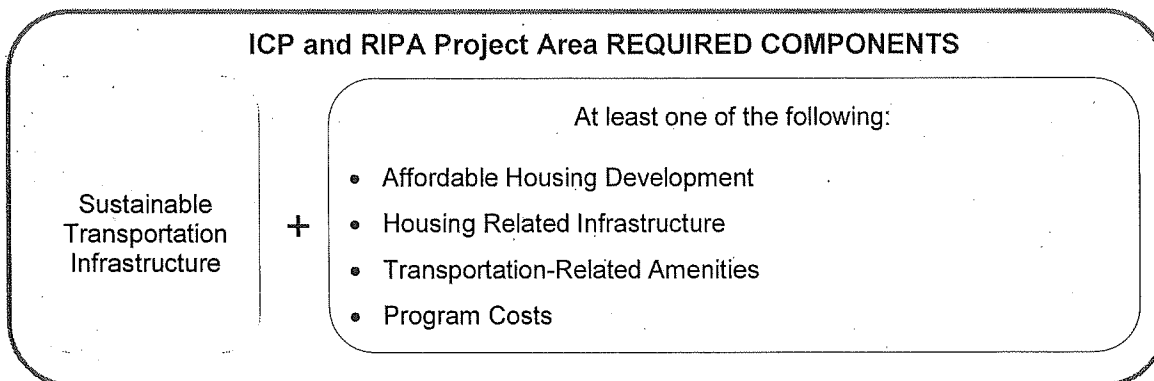
- (d) **ICP Project Areas** must meet all of the following:

- (1) Include at least one (1) **Transit Station/Stop**;

- (2) Be served by at least one (1) mode of **Qualifying Transit** that does not meet the requirements of **High Quality Transit** at the time of application submittal;

AND

- (3) Include **Capital Projects** or **Program Costs** as follows:



If the **ICP Project Area** application proposes to fund an **Affordable Housing Development** with AHSC Program funds, that housing must be located within one-half mile of a **Transit Station/Stop** by the time a certificate of occupancy is provided.

- (e) **RIPAs** must meet all the requirements detailed in Section 102(d) above for an **ICP Project Area** and must be located within a **Rural Area**.

Section 103. Eligible Costs

The **AHSC Program** funds **Capital Projects** and eligible **Program Costs** within TOD, ICP and RIPA **Project Areas** consistent with requirements of Section 102(c),(d) and (e) as follows:

Figure 2 Eligible Capital Projects and Program Costs	
Eligible Capital Projects	
<ul style="list-style-type: none"> ▪ Affordable Housing Development (AHD) ▪ Housing-Related Infrastructure (HRI) ▪ Sustainable Transportation Infrastructure (STI) ▪ Transportation-Related Amenities (TRA) 	
Eligible Program Costs (PGM)	
<ul style="list-style-type: none"> ▪ Active Transportation Programs ▪ Transit Ridership Programs ▪ Criteria Air Pollutant Programs ▪ Workforce Development Programs 	

Note: Each Capital Project or Program Cost must be unique to a single application and cannot be split over multiple applications.

Examples of **Eligible Costs** within each category of eligible **Capital Projects** and **Program Costs** are identified in Figure 3 below:

Figure 3: Eligible Cost Examples	AHD/ HRI	STI	TRA	PGM
Construction or Substantial Rehabilitation of affordable housing	X			
Installation of new or improved walkways that improve mobility and access of pedestrians		X		
Installation of new or improved bikeways that improve mobility and access of cyclists		X		
Installation of new or improved pedestrian crossings or over-crossings		X		
Non-capacity increasing streetscape improvements, including, but not limited to the installation of lighting, signage, or other related amenities for pedestrians, cyclists and transit riders			X	
Street crossing enhancements including installation of accessible pedestrian signals		X		
Traffic calming projects including development of curb extensions, roundabouts, median islands, "road diets," lane narrowing projects		X		
Signage and way-finding markers			X	
Installation of traffic control devices to improve safety of pedestrians and bicyclists		X		
Street furniture (e.g. benches, shade structures, etc.)			X	

Figure 3 (continued): Eligible Cost Examples	AHD/ HRI	STI	TRA	PGM
Bicycle repair kiosks			X	
Publicly accessible bicycle parking			X	
Bike sharing infrastructure and fleet		X		
Bicycle carrying structures on public transit			X	
Development of a dedicated bus lanes as part of a BRT project		X		
Development and/or improvement of transit facilities or stations		X	X	
Transit related equipment to increase service or reliability		X		
Transit Signal Priority technology systems		X		
Real-time arrival/departure information systems			X	
Installation of at-grade boarding infrastructure		X		
Development or improvement of shelters or waiting areas at transit station/stops			X	
Transit ticket machine purchase or improvements			X	
Transit passenger amenities - e.g. Wi-Fi access			X	
Transit Vehicle Procurement for service expansion		X		
Station area signage			X	
Energy Efficiency and Renewable Energy	X	X	X	
Water Efficiency	X	X	X	
Urban Greening	X	X	X	
Pedestrian and bicycle safety education programs				X
Development and publishing of community walking and biking maps, including school route/travel plans				X
Development and implementation of "walking school bus" or "bike train" programs				X
School crossing guard training programs				X
Bicycle clinics				X
Public outreach efforts to increase awareness and understand the needs of active transportation users				X
Bike sharing program operations				X
Ride and/or car share programs				X
Transit subsidy programs				X
Education and marketing of transit subsidy programs				X
Transportation Demand Management (TDM) programs				X
Air pollution exposure reduction program				X

(a) Capital Projects

(1) Affordable Housing Development Capital Projects

(A) Affordable Housing Development Capital Projects must:

(i) Consist of one or more of the following:

- a. New construction
- b. Acquisition and **Substantial Rehabilitation** (including preservation of affordable housing at-risk of conversion to market rate). The acquisition must be made through a bona fide sale or transfer from the existing ownership entity to the new ownership entity comprised of a completely disparate ownership structure, which contains no common entity interest at any level of the organizational structure.
- c. Conversion of one or more nonresidential structures to residential dwelling units;

Note: Re-syndication of an Affordable Housing Development is not an eligible capital project.

(ii) Be located within one-half (½) mile from a **Transit Station/Stop** that meets the **Project Area** transit requirements as defined in Section 102(c) or (d). The one-half (½) mile is to be measured from the nearest boarding point of the **Transit Station/Stop** to the entrance of the residential structure in the **Affordable Housing Development** furthest from the **Transit Station/Stop** along a walkable route. The walkable route, after completion of the proposed **Project**, shall be free of negative environmental conditions that deter pedestrian circulation such as barriers, stretches without sidewalks or walking paths, noisy vehicular tunnels, streets, arterials or highways without regulated crossings that facilitate pedestrian movement, minimize stretches without shade or cover, or stretches without lighted streets;

(iii) Rental **Affordable Housing Developments** must include at least 20 percent of the total residential units as **Affordable Units** with an overall **Project** average affordability of all **Restricted Units** within the **Project** no greater than 50 percent represented by **Area Median Income (AMI)**. Average affordability means the total number of **Restricted Units** multiplied by each restricted affordability level divided by the total **Restricted Units**. For example, for a 30 unit project with 10 units restricted to 40 percent and 10 units restricted to 60 percent AMI the calculation of the average affordability would be as follows:

10 units @ 40% AMI → 10 x 40 = 400

10 units @ 60% AMI → 10 x 60 = 600

400 + 600 = 1000

1000/ 20 total restricted units = average affordability of 50%

Homeownership **Affordable Housing Developments** must include at least 20 percent of the total residential units as **Affordable Units** with an overall **Project** average affordability of all **Restricted Units** within the

Project no greater than 80 percent represented by **Area Median Income (AMI)**.

and;

- (iv) Have a minimum **Net Density**, upon completion of the **Affordable Housing Development**, not less than that shown on the following table:

Figure 4: Minimum Net Density Requirements		
Project Area Type	Residential only Projects	Mixed-Use Projects (Floor Area Ratio)
TOD	30 units per acre	>2.0
ICP	20 units per acre	>1.5
RIPA	15 units per acre	>0.75

- a. Mixed-use **Affordable Housing Developments** may demonstrate consistency with the **Net Density** requirements through either the unit per acre or **Floor Area Ratio** requirements detailed in Figure 4.
- b. Acquisition and **Substantial Rehabilitation** (including preservation of affordable housing at-risk of conversion to market rate housing) are exempt from the above minimum density requirements but shall not result in fewer units or lower percentage of total affordability than currently exists except where reductions in unit count are required to meet building code requirements.
- (v) Must supply at least one (1) **Secure Overnight Bicycle Parking** spot for every two residential units that is not publicly accessible and is completely enclosed. Bicycle parking at the **Affordable Housing Development** will be considered an eligible cost but may not be used to meet required **Project Area** components as outlined in Section 102.
- (B) **Affordable Housing Development Capital Projects** may:
- (i) Include residential units that are rental or owner-occupied, or a combination of both;
- (ii) Consist of scattered sites with different ownership entities, within the boundaries of a discrete **Project Area**, as long as the sites are developed together as part of a common development scheme adopted, approved or required by a **Public Agency**; or
- (iii) Include nonresidential uses that are compatible under local zoning.
- (C) Eligible costs for **Affordable Housing Development Capital Projects** are limited to:

- (i) Costs for a **Housing Development**, as specified in 25 CCR Section 7304 (a) and (b).
- (ii) Soft costs such as those incidentally but directly related to construction or other pre-development components including, but not limited to, planning, engineering, construction management, architectural, and other design work, required mitigation expenses, appraisals, legal expenses, and necessary easements. Soft costs shall not exceed 10 percent of total **AHSC Program** award.
- (iii) Each AHSC application may budget up to 2 percent of their total funding request for **Employment Benefits and Outcomes Reporting**. This amount will scale with the size of the Applicant's funding request. Applicants should consider the size of their loan and grant funded project components when allocating this item into capital cost budgets. **Employment Benefits and Outcomes Reporting** costs are not included within the soft costs cap.

(2) **Housing-Related Infrastructure Capital Projects**

- (A) Eligible costs for **Housing-Related Infrastructure Capital Projects** are limited to:
 - (i) Capital improvements required by a **Locality**, transit agency, or special district as a condition to the approval of the **Affordable Housing Development**.
 - (ii) Soft costs such as those incidentally but directly related to construction or other pre-development components including, but not limited to, planning, engineering, construction management, architectural, and other design work, required mitigation expenses, appraisals, legal expenses, and necessary easements. Soft costs shall not exceed 10 percent of total **AHSC Program** award.
 - (iii) Each AHSC application may budget up to 2 percent of their total funding request for **Employment Benefits and Outcomes Reporting**. This amount will scale with the size of the Applicant's funding request. Applicants should consider the size of their loan and grant funded project components when allocating this item into capital cost budgets. **Employment Benefits and Outcomes Reporting** costs are not included within the soft costs cap.
 - (iv) Required environmental remediation necessary for the **Capital Project** where the cost of the remediation does not exceed 50 percent of **AHSC Program** grant funds.
 - (v) Real property acquisition of the **Housing-Related Infrastructure** project site and associated fees and costs (not to exceed 10 percent of the total

AHSC Program award). Real estate commissions for purchase or acquisition are not an eligible expenditure.

- (vi) Impact fees required by local ordinance are eligible for funding only if used for the identified eligible **Capital Project** not to exceed 15 percent of the **AHSC Program** award up to \$300,000.

(3) **Sustainable Transportation Infrastructure Capital Projects** (including **Active Transportation** and transit infrastructure)

(A) Eligible costs for **Sustainable Transportation Infrastructure Capital Projects** are limited to:

- (i) Capital improvements that result in the improvement or addition of infrastructure that encourages mode-shift by enhancing: 1) public transit access; 2) pedestrian network; or 3) bicycle network (includes public bike-share infrastructure and fleet) within the defined **Project Area** meeting the transit requirements detailed in Section 102 (c) or (d).
- (ii) Soft costs such as those incidentally but directly related to construction or project plans, specifications and estimates including, but not limited to, planning, engineering, construction management, architectural, and other design work, environmental impact reports and assessments, appraisals, legal expenses, and necessary easements. Soft costs shall not exceed 30 percent of total **AHSC Program** award.
- (iii) Each AHSC application may budget up to 2 percent of their total funding request for **Employment Benefits and Outcomes Reporting**. This amount will scale with the size of the Applicant's funding request. Applicants should consider the size of their loan and grant funded project components when allocating this item into capital cost budgets. **Employment Benefits and Outcomes Reporting** are not included within the soft costs cap.
- (iv) **Activity Delivery Costs** that are associated with the implementation of the **Capital Project** not to exceed 10 percent of the costs associated with the **Capital Project**.
- (v) Other **Capital Project** costs required as a condition of local approval for the **Capital Project**, as approved by the **Department**.

(4) **Transportation-Related Amenities Capital Projects**

- (A) **Transportation-Related Amenities** must be publicly accessible.
- (B) Eligible costs for **Transportation-Related Amenities Capital Projects** are limited to:

- (i) Capital improvements that are publicly accessible and provide supportive amenities to cyclists, pedestrians, and transit riders (i.e. bike parking, bus shelter, benches, street trees, etc.) within the defined **Project Area** meeting the transit requirements detailed in Section 102 (c) or (d).
- (ii) Soft costs such as those incidentally but directly related to construction project plans, specifications and estimates including, but not limited to, planning, engineering, construction management, architectural, and other design work, environmental impact reports and assessments, appraisals, legal expenses, and necessary easements. Soft costs shall not exceed 10 percent of total **AHSC Program** award.
- (iii) Each AHSC application may budget up to 2 percent of their total funding request for **Employment Benefits and Outcomes Reporting**. This amount will scale with the size of the Applicant's funding request. Applicants should consider the size of their loan and grant funded project components when allocating this item into capital cost budgets. **Employment Benefits and Outcomes Reporting** costs are not included within the soft costs cap.
- (iv) **Activity Delivery Costs** that are associated with the implementation of the **Capital Project** not to exceed 10 percent of the costs associated with the **Capital Project**.
- (v) Other **Capital Project** costs required as a condition of local approval for the **Capital Project**, as approved by the **Department**.

(b) **Program Costs**

- (1) **Program Costs** include those costs typically associated with 1) program creation, or 2) expansion of existing programs to serve new populations or offer new program service and implementation. Eligible costs may include operational costs for programs for the term of the grant (3 years). Programs include education, outreach and training programs for **Active Transportation** or transit ridership, air pollution exposure reduction, and workforce development partnerships.
- (2) The total grant amount for **Program Costs** within a **Project Area** shall not exceed 30 percent of the funding request for the overall **Project** up to \$500,000. Costs incurred for required transit passes or cards described in Section 106 (4) will not contribute to this cap.
- (3) Ineligible costs include all of the following:
 - (A) Costs are not eligible for funding if there is another feasible, available source of committed funding for the **Project** portion thereof to be funded by the **AHSC Program** or if the cost is incurred prior to **AHSC Program** award;

- (B) Routine maintenance or operations of transportation infrastructure (including transit fleet);
- (C) In lieu fees for local inclusionary housing programs;
- (D) Ongoing operational costs beyond the term of the grant (three years) for **Program Costs**; and
- (E) Costs associated with automobile or motorcycle parking (excluding electric vehicle charging infrastructure).

Section 104. Assistance Terms and Limits

- (a) The maximum **AHSC Program** loan or grant award, or combination thereof, for a TOD, ICP and RIPA **Project Area** is \$20 million with a minimum award of \$1 million.
- (b) Loans for rental **Affordable Housing Developments**, or the rental portions of a **Affordable Housing Development**, are subject to the following terms:
 - (1) **AHSC Program** funds will be provided as a loan for permanent financing by the **Department** to the owner of the **Affordable Housing Development**, with the same terms as the **Department's** Multifamily Housing (MHP) Program financing as set forth in 25 CCR 7308.
 - (2) The maximum loan amount shall be calculated pursuant to 25 CCR 7307 based on the number of **Restricted Units** in the **Affordable Housing Development**, affordability, unit sizes, location, and on the base amount for loan calculation as specified in the **AHSC Program NOFA**. For **Affordable Housing Developments** not receiving 9 percent low-income housing tax credits, \$80,000 per **Restricted Unit** may be added to the base amount for loan limit calculation purposes.
 - (3) Unless contradictory to any other provision expressly set forth herein, the currently adopted and applicable Uniform Multifamily Regulations ("UMRs") as may be amended from time to time, all as set forth in the California Code of Regulations, Title 25, are hereby incorporated by reference in their totality into these Guidelines.
- (c) Grants shall be subject to the following terms:
 - (1) The applicant must demonstrate that the grant will not result in a profit that exceeds the commercially reasonable range for other developments of similar size and level of risk.
 - (2) **AHSC Program** grant funds will be disbursed as reimbursed progress payments for eligible costs incurred after the execution of the Standard Agreement in the amount not to exceed the **AHSC Program** award of funds. Costs incurred prior to execution of the Standard Agreement are not eligible for reimbursement.
 - (3) If the **Capital Project** grant includes multiple phases or developments, all entitlements and construction funding commitments for the first phase must be received prior to the initial disbursement of AHSC funds.
 - (4) For **Housing-Related Infrastructure Capital Project** grants:
 - (A) The total **Housing-Related Infrastructure Capital Project** grant amount is \$35,000 per residential unit in the proposed **Affordable Housing Development**, or \$50,000 per **Restricted Unit**.
 - (B) Conditions precedent to the first disbursement of **AHSC Program** funds shall include receipt of all required public agency entitlements and all construction

funding commitments for the **Affordable Housing Development** supported by the **Housing-Related Infrastructure Capital Project**.

- (C) Rental **Affordable Housing Developments** supported by the **Housing-Related Infrastructure Capital Project** shall be subject to a recorded covenant ensuring affordability for duration of at least 55 years, recorded on the fee interest of the real property on which the rental **Affordable Housing Development** is to be located.
- (D) Homeownership **Affordable Housing Developments** supported by the **Housing-Related Infrastructure Capital Project** shall be subject to a recorded covenant with a duration of at least 30 years that includes either a resale restriction or equity sharing upon resale, recorded on the fee interest of the real property on which the homeownership **Affordable Housing Development** is to be located.
- (E) For homeownership **Affordable Housing Developments**, AHSC Program assistance will be provided in the form of a grant from the **Department** to a **Locality** or **Developer**. It will be disbursed as reimbursed progress payments for **Eligible Costs** incurred for the construction of **Housing Related Infrastructure** required as a condition of approval of the homeownership **Affordable Housing Development**, made available for sale to qualified first-time homebuyers. The total first-time homebuyer grant amount is \$50,000 per **Restricted Unit**. Prior to any disbursement, an affordability covenant will be recorded against the fee interest in the property of the **Affordable Housing Development**. At the time of sale of the **Restricted Unit** to a qualified first-time homebuyer, either the affordability covenant or a resale restriction will be recorded against the **Restricted Unit** for a period of not less than 30 years from the date of recordation.

Section 105. Eligible Applicants

(a) Eligible Applicants

- (1) Eligible applicant entities shall include any of the following:
 - (A) A **Locality**, public housing authority, redevelopment successor agency, transit agency or transit operator, Regional Transportation Planning Agency (RTPA), local Transportation Commission, Congestion Management Agency, Joint Powers Authority (JPA), school district, facilities district, University or Community College District.
 - (B) A **Developer** or **Program Operator**.
 - (C) A **Federally Recognized Indian Tribe** whose **Project** meets requirements listed in detail in Appendix B.
- (2) A special purpose entity formed and controlled by the **Developer**, and which will serve as the ultimate borrower of AHSC loan funds, is not an **Eligible Applicant**. A special purpose entity ultimate borrower may be listed on the AHSC Program application in the appropriate, designated fields for listing such a borrower entity.
- (3) Where a **Public Agency** has a real property interest in the proposed **Project**, the application will be required to include the **Public Agency** as a joint applicant or otherwise include a commitment to enter into a contractual agreement to develop the **Project**, if it is awarded.
- (4) Joint applicants for the **Project** will be held jointly and severally liable for the completion of the **Project**.
 - (A) A **Recipient** of **Department** funds must remain liable for performing all requirements of the award of funds as set forth in the Standard Agreement. Where there are multiple **Recipients**, all such **Recipients** must remain jointly and severally liable to the **Department** for that performance. Notwithstanding the foregoing, **Recipients** may indemnify each other by entering into agreements with one another as to particular portions of the award. In no event will any such agreement alter, amend, or revoke each individual **Recipient's** obligations to the Department, including the joint and several liability.

Section 106. Program Threshold Requirements

(a) Application Threshold Requirements

In addition to requirements detailed in Sections 102 through 105, to be eligible for **AHSC Program** funding, an application shall demonstrate to the **Department** all of the following:

- (1) The proposed **Project** will achieve a reduction in GHG emissions through fewer vehicle miles travelled (VMT), pursuant to the most recent **AHSC Program** Quantification Methodology, located on the California Air Resources Board's CCI Quantification, Benefits and Reporting Materials webpage (www.arb.ca.gov/cc-resources). This must be evidenced by completed quantification methodology tools described in the AHSC Application for each Project component.
- (2) The proposed **Project** supports implementation of the applicable Sustainable Community Strategy (SCS), as confirmed by the Metropolitan Planning Organization (MPO), or similar sustainable planning document in non-MPO regions, as allowed by SB 862 (Chapter 36, Statutes of 2014). The application must be consistent with activities or strategies identified in the regional SCS, or similar planning document that demonstrate a per capita reduction in VMT and GHG.
- (3) The proposed **Project** must be consistent with the State Planning Priorities established pursuant to Section 65041.1 of the Government Code.
- (4) All proposed **Affordable Housing Developments** must provide free transit passes, reloadable transit cards, or discounted passes priced at no more than half of retail cost. At least one (1) pass or card shall be made available for each Restricted Unit for at least 3 years. The card or pass should have a minimum value of 40 average commute length rides a month as determined by the transit agency. These passes or cards may be paid for with AHSC funding.
- (5) Applicants of all proposed **Affordable Housing Developments** must certify that the development will be smoke free and demonstrate compliance by submitting a **Smoke Free Housing** lease addendum prior to construction loan closing.
- (6) The AHSC funded components of the **Project** must:
 - (A) Incorporate more than one **Urban Greening** feature with dedicated maintenance for at least two years.
 - (B) Include adequate lighting in accordance with local, state, and federal design standards and requirements for all publicly accessible components of the **Project** including active transportation routes and transit stations or stops.

- (7) The **Project** must demonstrate a level of committed funding at time of application that is 0.90 or greater calculated by the following equation:

$$\frac{\text{AHSC funds requested} + \text{Enforceable Funding Commitments (EFCs)} - \text{Deferred Costs}}{\text{Total Development Cost} - \text{Deferred Costs}}$$

*Note: HRI grant requests for Homeownership **Affordable Housing Developments** will not be counted as part of this equation, and therefore are exempt from this EFC threshold.*

- (8) Completion and approval or adoption of all necessary environmental clearances including those required under the California Environmental Quality Act (CEQA) and if applicable, the National Environmental Policy Act. All applicable time periods for filing appeals or lawsuits have lapsed within 30 days of the application due date with lawsuits or appeals filed.
- (A) **STI** or **TRA** components of a **Project** are not required to certify completion and demonstration of approval of environmental clearances (NEPA or CEQA) as stated in (8) above until prior to the initial disbursement of grant funds.
- (B) Completion and approval of environmental clearances under the National Environmental Policy Act (NEPA), if applicable, are required within 60 days of the application due date. All applicable time periods for filing appeals or lawsuits have lapsed within 90 days of the application due date with lawsuits or appeals filed.
- i. Applications must demonstrate that their Notice of Intent to Request Release of Funds was posted prior to the AHSC application deadline.
- (9) Applications must demonstrate that all necessary discretionary local land use approvals, excluding design review, have been granted.
- (10) The application must be sufficiently complete to assess the feasibility of the proposed project and its compliance with **AHSC Program** and application requirements. For example, the applicant must demonstrate that the **Project** is financially feasible as evidenced by documentation including, but not limited to, a market study, project pro-forma, sources and uses statement, proposed operating budget, multi-year pro-forma, or other feasibility documentation that is standard industry practice for the type of proposed **Affordable Housing Development**. A market study that meets the requirements specified in the California Tax Credit Allocation Committee (TCAC) Regulations Section 10322(h)(10) will be accepted by the **Department**.
- (11) The applicant or **Developer** of the **Project** must demonstrate **Site Control** sufficient to ensure the timely commencement of the **Project** as determined by the **Department**.
- (12) Applicants must demonstrate experience by providing evidence of at least two projects that are similar to the proposed AHSC **Project** in scope and size, which

have been completed by the applicant, or joint applicant, during the ten years preceding the application due date.

- (A) For **STI** or **TRA** components only, an applicant may demonstrate the requisite experience (as detailed above) by using the past experience of work completed of a Locality or Transportation Agency non-applicant so long as the applicant can provide an executed agreement with that specific **Locality** or transportation agency non-applicant for the completion of the **STI** or **TRA** components of the AHSC Project for which funding is sought.
- (13) As of the date of application, the applicant(s), the **Project**, or the real property on which the **Project** is proposed may not be party to or the subject of any claim or action in the state or federal courts that affects or potentially affects the feasibility of the project. Further, the applicant(s) shall disclose and describe any claim or action undertaken by or against the applicant(s), the **Project** or the Property which affects or potentially affects the feasibility of the **Project**.
- (14) Construction of the **Project** has not commenced as of the application deadline set forth in the **NOFA**.
- (15) **Qualifying Transit** must be completed and offering service to the **Transit Station/Stop** of the **Project Area** by the time set forth in the Standard Agreement, but in no case later than the issuance of the certificate of occupancy for the **Affordable Housing Development**.
- (16) Demonstrate consistency with State Relocation Assistance Law (CA Gov Code Sec. 7260-7277).
- (17) The Housing Element for the jurisdiction in which the **Project** is located must have been adopted by the jurisdiction's governing body and subsequently determined to be in substantial compliance with State housing element law pursuant to Government Code Section 65585 by the date of the award recommendation. A jurisdiction's current housing element compliance status can be obtained by referencing the **Department's** website at www.hcd.ca.gov/.
- (18) Applications must integrate applicable climate adaptation measures as described in Section 107(n).
- (19) The applicant must demonstrate that costs for any **Project** or component thereof will not result in loss or conversion of agricultural or other working lands or natural resource lands for other uses. The **Project** site must not be designated as agricultural land according to the State Department of Conservation's Farmland Mapping and Monitoring Program (FMMP) Tool. An exemption to the FMMP designation may be allowed for applications that submit documentation that substantiates a description of an **Infill Site**.
- (20) Applications requesting **AHSC Program** funding for **Affordable Housing Developments** and **Housing-Related Infrastructure Capital Projects** must also

demonstrate to the satisfaction of the **Department** all the following:

- (A) **Rental Affordable Housing Developments** must meet the underwriting standards in the Uniform Multifamily Regulations, 25 CCR 8300 and the Multifamily Housing Program Regulations, 25 CCR 7312.
 - (B) The **Affordable Housing Development** and/or **Housing-Related Infrastructure Capital Project(s)** are infeasible without **AHSC Program** funds, and other committed funds are not and will not be supplanted by **AHSC Program** funds.
 - (C) Proposed **Projects** involving new construction or **Substantial Rehabilitation** and requiring the demolition of existing residential units are eligible only if the number of bedrooms in the new **Project** is at least equal to the number of bedrooms in the demolished structures, with equal or greater affordability. The new affordable units may exist on separate parcels provided all parcels are part of the same **Project** meeting the requirements of the Uniform Multifamily Regulations Section 8303 (b).
 - (i) The Department may approve Projects involving new construction or Substantial Rehabilitation and requiring the demolition of existing residential units that result in a number of bedrooms less than the number in the demolished structures where it determines that such approvals will substantially improve the livability of the remaining units, or serve some other compelling public policy objective, as long as the reduction does not result in more than 25 percent fewer units upon Project completion.
 - (D) Applicants must demonstrate the proposed **Affordable Housing Development** is consistent with State and Federal Fair Housing requirements including duties to affirmatively further fair housing.
 - (E) Where approval by a local public works department, or other responsible local agency, is required for the **Housing-Related Infrastructure Capital Project**, the application must include a statement from that department indicating that the **Housing-Related Infrastructure Capital Project** is consistent with all applicable local rules, regulations, codes, policies and plans enforced or implemented by that **Department**.
- (21) Applications requesting AHSC Program funding for **Sustainable Transportation Infrastructure** and/or **Transportation-Related Amenities Capital Projects** must satisfy all the following:
- (A) Where approval by a local public works department, or other responsible local agency, is required for the **Project**, the application must include a statement from that entity indicating that the **Sustainable Transportation Infrastructure** and/or **Transportation-Related Amenities Capital Project(s)** is consistent with all applicable local rules, regulations, codes, policies and plans enforced or implemented by that entity.

- (B) If the **Sustainable Transportation Infrastructure** and/or **Transportation-Related Amenities Capital Project(s)** involves the demolition existing units affordable to lower-income households, the application must demonstrate the replacement of demolished units, comparable in size, of equal or greater affordability and equal to or greater than the number of the demolished affordable units located within comparable access to transit and include first right of return to displaced residents.
 - (i) The no net loss requirements contained in section 106(a)(20)(C) of these Guidelines apply to **Sustainable Transportation Infrastructure or Transportation-Related Amenities Capital Projects** occurring on a property which includes a parcel, or any portion of a parcel, on which (1) residential dwelling units affordable to lower income households currently exist, or (2) there have been dwelling units restricted to lower-income households that have been vacated or demolished within the five year period preceding the application.
- (22) Applications requesting AHSC Program funding for **Program Costs** must also demonstrate to the satisfaction of the Department all the following:
 - (C) The **Program Costs** are infeasible without AHSC Program funds, and other committed funds are not being supplanted by AHSC Program funds
- (23) All proposed AHSC **Project** components are subject to all applicable codes, including the California Building Standards Code (California Code of Regulations, Title 24). The 2019 edition of this code, effective January 1, 2020, requires mechanical ventilation systems with high efficiency filtration of Minimum Efficiency Rating Value (MERV) 13.
- (24) Outreach and education on reducing potential health impacts of air pollution must be provided to residents of **Affordable Housing Developments**.

Section 107. Scoring Criteria

AHSC Program funds will be allocated through a competitive process, based on the merits of the application to support sustainable development that expands and improves transit, walking and bicycling infrastructure and provides opportunities to reduce VMT by supporting connectivity between housing and destinations to bring about reduction of GHG emissions.

The scoring criteria is divided by three categories, for a total of 100 points:

1. GHG Quantification Methodology Scoring (30 points)
2. Quantitative Policy Scoring (55 points)
3. Narrative-Based Policy Scoring (15 points)

Applications meeting threshold requirements as detailed in Section 106 will be reviewed and scored based upon the detailed criteria as described in Figure 5 below. The narrative-based policy scoring section of the application will be scored only for projects that obtain over 50 percent of the total points available (at least 43 of the 85 other available Quantitative and GHG-related points). All of the scoring criteria will be applied to all **Projects**, regardless of the project components present in each specific **Project**.

To receive points related to a specific **Project** component, the component must be at least partially funded through AHSC (e.g. an applicant can only receive points related to an **Affordable Housing Development** when requesting **AHD** or **HRI** funds).

Figure 5	
AHSC Scoring Elements and Criteria	
Criteria	Points
GHG Quantification Methodology Scoring	
GHG Efficiency	15
GHG Total	15
Quantitative Policy Scoring	
Active Transportation Improvements	10
Green Buildings and Renewable Energy	8
Housing and Transportation Collaboration	10
Location Efficiency and Access to Destinations	6
Funds Leveraged	5
Anti-Displacement Strategies	5
Local Workforce Development and Hiring Practices	2
Housing Affordability	5
Programs	2
Urban Greening	2
Narrative-Based Policy Scoring	
Collaboration & Planning	4
Community Benefit & Engagement	6
Community Climate Resiliency	3
Community Air Pollution Exposure Mitigation	2
Total Scoring	100

GHG Quantification Methodology – 30 Points

(a) Estimated GHG Emissions Reductions – 30 Points Maximum

For this section, applications will be scored based on the quantified GHG emission reductions based on: 1) the total **Project** GHG Reduction Score; AND 2) cost efficiency of estimated GHG reductions per AHSC dollar. Each of these scoring methods will represent a maximum of 15 points of the total combined 30 points available under this criterion.

Applications will be awarded points for Project GHG Emissions Reductions according to the following process:

- (1) For each **Project**, applicants will calculate the estimated GHG reductions using the most recent AHSC Benefits Calculator Tool and AHSC Quantification Methodology, located on the California Air Resources Board's CCI Quantification, Benefits, and Reporting Materials webpage (www.arb.ca.gov/cc-resources).
 - (A) Total **Project** GHG Reduction score will represent the total GHG reduction calculated through the AHSC Benefits Calculator Tool, and
 - (B) Cost efficiency of estimated GHG reductions will be calculated by the following formula:

$$\frac{\text{Total Project GHG Reductions}}{\text{AHSC \$ Request}}$$

Note: For phased projects, only the current phase (the phase seeking AHSC funding) of a project will be quantified.

- (2) All applications will be ranked from highest to lowest within each **Project Area** type for both the total **Project** GHG Reduction score and the Efficiency of Reductions score.
- (3) Each application will be assigned to one of five bins representing one fifth of the total number of applications in ranked order with each bin receiving an assigned point score, up to a maximum of 15 points for both (1) total **Project** GHG reduction score and (2) cost efficiency of estimated GHG reductions, as follows:

Bin 1 = 15 points
Bin 2 = 12 points
Bin 3 = 9 points
Bin 4 = 6 points
Bin 5 = 3 points

- (4) Bin scores for (1) total **Project GHG Reduction** score and (2) cost efficiency of estimated **GHG Reductions**, will be combined to determine final **GHG Reduction** criteria score as follows:

Total Project GHG Reductions
Bin 1 = 15 points
Bin 2 = 12 points
Bin 3 = 9 points
Bin 4 = 6 points
Bin 5 = 3 points

+

Efficiency of Reductions
Bin 1 = 15 points
Bin 2 = 12 points
Bin 3 = 9 points
Bin 4 = 6 points
Bin 5 = 3 points

Note: For the purposes of calculating the points used to determine the GHG quantification score for the TOD, ICP, and RIPA targets, projects will be binned within their Project Area Type, and therefore will only compete within their project area type for the first 80 percent of appropriated funding per Section 108.

Quantitative Policy Scoring – 55 Points

(b) Active Transportation Improvements – 10 Points Maximum

- (1) Up to 3 points for the total length (in linear miles) of AHSC funded **Context Sensitive Bikeways** as follows:
 - 3 points for over two miles
 - 2 points for over half a mile but less than two miles
 - 1 point for less than half a mile
- (2) 1 point for the identification of **Key Destinations** within the **Project Area** that will be linked to the **Affordable Housing Development** or any **Qualifying Transit Station or Stop** by bikeways funded by AHSC. The bikeway must have an entry point within one quarter mile of either the **Affordable Housing Development** or a **Qualifying Transit Station or Stop** and an exit point within one quarter mile of the **Key Destination** as detailed on the **Project Area** map.
- (3) 1 point for projects that provide a key bicycle network gap closure. Documentation must be provided to certify that the **Project** will do at least one of the following in an attempt to increase bicycle safety and access: reduce vehicular speed or volume near bicycle users, improve sight distance and visibility, eliminate potential conflict points, improve compliance with traffic laws, or address any other barriers to cyclists that may have existed on the route.
- (4) Up to 3 points for the length of AHSC funded **Safe and Accessible Walkways** as follows:
 - 3 points for >3,000 feet
 - 2 points for 2,000 to 2,999 feet
 - 1 point for 1,000 to 1,999 feet

Indicate the measured length (in feet) of new or replaced sidewalk. Do not include existing sidewalk sections that are not improved as part of the project.

Improvements or construction of multiple sections of sidewalk may be assembled for a total length as long as that calculation does not include unimproved sections.

- (5) 1 point for the identification of **Key Destinations** within the **Project Area** that will be linked to the **Affordable Housing Development** or any **Qualifying Transit Station or Stop** by walkways funded by AHSC. The walkway must have an entry point within one quarter mile of either the **Affordable Housing Development** or a **Qualifying Transit Station or Stop** and an exit point within one quarter mile of the **Key Destination** as detailed on the Project Area Map.
- (6) 1 point for projects that provide a key pedestrian network gap closure. Documentation must be provided to certify that the **Project** will do at least one of the following in an attempt to increase pedestrian safety and access: reduce vehicular speed or volume near pedestrians, improve sight distance and visibility, eliminate potential conflict points, improve compliance with traffic laws, or address any other barriers to pedestrians that may have existed on the route.

(c) **Green Buildings and Renewable Energy - 8 Points Maximum**

- (1) 3 points will be awarded for **Projects** that achieve green building status beyond State mandatory green building requirements. Applicants may select from the following green building certification programs:

Residential Construction	
Program	Tier
CalGreen	Tier 2
LEED	Gold
Green Point Rated	New Construction: Gold Rehabilitation: Whole Building
ENERGY STAR	Certified Home

Non-residential Construction	
Program	Tier
CalGreen	Tier 2
LEED	Gold

- (2) Up to 5 points will be awarded for **Projects** that achieve energy grid use reductions based on the following:

Level	Points
Energy Producer	2 points
Zero Net Energy	5 points

- Energy Producer: At least one-third (or 33 percent) of the building energy is produced by on site renewable sources.
- Zero Net Energy: A development that produces as much energy as it consumes over the course of a year, when accounted for at the energy generation source.

(d) **Housing and Transportation Collaboration - 10 Points Maximum**

- (1) Up to 6 points for applications with an AHSC funds request of at least \$1,000,000 for **Affordable Housing Developments** AND an AHSC funds request for **Sustainable Transportation Infrastructure** that comprises at least a certain percentage of the total AHSC funds request as detailed below:

STI Funds Request as percentage of Total AHSC Request	Points
10%	2 points
15%	4 points
25%	6 points

- (2) 2 points for applications which invest at least 5 percent of total AHSC funds on **Transportation Related Amenities** at a **Transit Station or Stop** within the **Project Area**. One point will be given to projects that invest at least 5 percent of total AHSC funds on **Transportation Related Amenities**, but not at a **Transit Station or Stop**.
- (3) 1 point for **Projects** which have received funding from other Greenhouse Gas Reduction Fund (GGRF) programs which directly benefit or contribute to the development of the proposed **Project**.
- (4) 1 point for **Projects** within environmentally cleared California high speed rail station planning areas.

(e) **Location Efficiency and Access to Destinations - 6 Points Maximum**

- (1) Up to 3 points will be given for the Location Efficiency of the **Project** site as determined by the US EPA Walkability Index using the address of the **Project** site. If the **Project** is a corridor and does not have a specific address, use the center most point of the **Project** for the calculation. The methodology for the Walkability Index can be found at www.epa.gov/smartgrowth/smart-location-mapping#walkability

Points will be given on the following scale:

- 3 points: Most Walkable (Dark Green; 15.25-20)
 - 2 points: Above Average Walkable (Light Green; 10.51-15.25)
 - 1 point: Below Average Walkable (Yellow; 5.76-10.5)
 - 0 points: Least Walkable (Orange; 1-5.75)
- (2) Up to 3 points will be given for projects that provide a map highlighting the location of existing **Key Destinations** within the Project Area. Each type of **Key Destination** is worth one half point and may only be counted once:
- Grocery store which meets the CalFresh Program requirements
 - Medical clinic that accepts Medi-Cal payments
 - Public elementary, middle or high school

- Licensed child care facility
- Pharmacy
- Park accessible to the general public
- Public library

(f) **Funds Leveraged - 5 Points Maximum**

A maximum of 5 points will be awarded for applications demonstrating **Enforceable Funding Commitments** to leverage AHSC funded **Capital Projects** and **Program** activities. Applications will be scored based on the amount of **Enforceable Funding Commitments** (as defined in Appendix A) from sources other than the **AHSC Program**, as a percentage of the requested amount of **AHSC Program** funds as follows:

Enforceable Funding Commitments as percentage of Total AHSC Request	Points
25% to 49%	1 point
50% to 99%	2 points
100% to 149%	3 points
150% to 199%	4 points
>200%	5 points

(g) **Anti-Displacement Strategies - 5 Points Maximum**

- (1) Up to 3 points (1 point per strategy) for **Projects** that either implement strategies or programs, or are located in jurisdictions with policies, strategies or programs that currently exist to prevent the displacement of local community residents from the area surrounding the **Project**. Strategies should be selected from this following list: *

Implemented by Applicants or Local Jurisdiction:

- Just cause eviction or tenant anti-harassment policies
- Source of income non-discrimination policies
- Affirmative marketing strategies or plans targeting a **Disadvantaged Community or Low-Income Community**
- Residency Preference Plan prioritizing occupancy for **Disadvantaged Community or Low-Income Community residents**
- Providing the sale of discounted transit passes available for low-income individuals who live in the **Project Area** (not restricted to residents of the AHD).
- Required and/or incentives for contributions to local community land trusts
- Multi-lingual tenant legal counseling program

Implemented by Local Jurisdiction: *

- Inclusionary zoning ordinances
- Density bonus ordinances that expand on state requirements
- Job-housing linkage fee or affordable housing linkage fee
- First right of return ordinance

- Policies to preserve Single Room Occupancy (SRO) housing or mobile home parks
- Condominium Conversion Restrictions
- Land banking programs
- Community benefit zoning and/or other land value recapture strategy
- Rent review board and/or mediation
- Foreclosure assistance

* Strategies under “Implemented by Local Jurisdiction” will only be awarded points if these policies are implemented by the local jurisdiction.

- (2) Up to 2 points (1 point per strategy) for **Projects** demonstrating policies, strategies or programs that either currently exist or will be implemented through this **Project** to prevent the displacement of locally-owned businesses from the area surrounding the **Project**. One point will be given for a policy, strategy, or program that either currently exists or is newly implemented through this **Project**. Two points will be given for two policies, strategies, or programs, either as one currently existing and one newly implemented through this **Project**, or both newly implemented through this **Project**. Strategies should be selected from this following list:

- Implementation of an overlay zone to protect and assist small businesses;
- Establishment of a small business advocate office and single point of contact for every small business owner;
- Creation and maintenance of a small business alliance;
- Increased visibility of the jurisdiction’s small business assistance programs;
- Formal program to ensure that some fraction of a jurisdiction’s purchases of goods and services come from local businesses;
- Prioritization of Minority and Women Business Enterprises (MWBE) for public contracting.

(h) **Local Workforce Development & Hiring Practices - 2 Points Maximum**

- (1) Up to 2 points for **Projects** that implement at least one workforce development strategy. Examples of workforce development strategies include:

- Establishing a partnership with a community-based workforce development and job training entities that have a track record of success serving disadvantaged populations and/or have demonstrated a high job placement rate among trainees from disadvantaged communities;
- Partnerships with pre-apprenticeship programs, state certified community conservation corps programs, “earn-while-you-learn” programs, YouthBuild programs, and/or registered apprenticeship programs that lead to industry recognized credentials, certifications and/or references for long term employment;
- Partnerships with local Workforce Investment Board programs serving disadvantaged populations.

- Projects that have developed project labor, community workforce, or high-road agreements with targeted local hire specifications OR that are located in jurisdictions with local hire ordinances that directly apply to the proposed project

Note: Projects in which every AHSC project component cannot legally implement local hire or workforce development strategies must include an explanation detailing these barriers in order to receive full points.

(i) **Housing Affordability - 5 Points Maximum**

- (1) Up to 5 points will be awarded for applications which restrict a percentage of units in the **Affordable Housing Development** to Extremely Low Income (ELI) households:

Percent of total units restricted to ELI households	Points
5% to 10%	2 points
11% to 15%	3 points
16% to 20%	4 points
>20%	5 points

(j) **Programs – 2 Points Maximum**

- (1) 1 point will be awarded to applicants that propose an AHSC funded **Eligible Program Use** (excludes Transit Pass programs as required in Section 106(a)(4))
- (2) Up to 1 point will be awarded for applicants that provide documentation showing how the Program Operator will sustain the program beyond the term of the AHSC Program grant (three years).

(k) **Urban Greening – 2 Points Maximum**

- (1) 1 point will be awarded to applicants that propose between \$100,000 - \$199,999 in reasonable direct **Urban Greening** costs.
- (2) 2 points will be awarded to applicants that propose \$200,000 or more in reasonable direct **Urban Greening** costs.

Narrative-Based Policy Scoring- 15 Points

The narrative-based policy scoring section of the application will be scored only for projects that obtain over 50 percent of the Quantitative and GHG QM points. For this section, applicants must include a PDF attachment of a write-up that addresses the following questions and prompts. Please include the bolded headers listed below for each section of the write-up; the questions should not be re-stated in the write-up. The total write-up may not exceed four pages, not including required documentation.

(I) **Collaboration & Planning - 4 Points Maximum**

Collaboration between local governments and various housing and transportation providers is critical in creating a project that ensures connectivity and responds to its contexts. Outline how the proposed project brings together the efforts of local government, including housing and transportation agencies. The following prompts must be addressed in the narrative:

- (1) **Local Planning Efforts:** Identify what local planning efforts the project implements, and if applicable, describe what particular components of the project are derived from a local plan. Explain how local government agencies were involved in the process of creating the project.
 - Agencies to consider in your answer may include, but are not limited to: local public works department, transit agencies, planning and community development departments, housing departments, local health department, schools/school districts, emergency services, law enforcement, etc.
 - Examples of planning efforts to discuss may include, but are not limited to: General Plan (e.g., circulation element or housing element); Specific Plan; Community Plan; Climate Action Plan; Redevelopment Plan; Bicycle Master Plan; Disadvantaged Community Assessment (Government Code Section 65302); Pedestrian Master Plan; Local Coastal Plan; Transit Plan; Transit Corridor Plan; Station Area Plan; Corridor System Management Plan; Transportation Demand Management (TDM) Strategy or Plan.

Required Documentation: Applicable section or elements of local planning document.

- (2) **Housing and Transportation Collaboration:** Describe the relationship between the joint-applicants or partners that worked together to create the proposed AHSC **Project**. Explain the process involved in coming together to create a larger vision for the **Project Area**. Describe the integration of housing, transportation, and urban greening infrastructure components in creating a cohesive **Project**.

Required Documentation: Site Plan and project area map (or context plan).

(m) **Community Benefits & Engagement - 6 Points Maximum**

Community involvement and leadership are crucial to ensuring that both the principle objectives and co-benefits of the project respond to the true needs of local residents. Explain how local residents and community-based organizations were meaningfully engaged in developing the **Project**, especially those from **Disadvantaged** and **Low-income Communities**, and how the project addresses community-identified needs. Please address the prompts below in your narrative.

- (1) **Community Engagement and Leadership:** Describe how community-based organizations and local residents have been meaningfully involved in the visioning and development of this project. Explain in which stage(s) of the process community members and CBOs have been and will be engaged. Describe efforts to involve **Disadvantaged** and/or **Low-Income Community** residents, including how meetings were advertised and made accessible.
- (2) **Addressing Community Needs:** Demonstrate how the proposed AHSC project meets one or more identified community needs, articulating how these needs were identified (e.g. through the community engagement process, a local needs assessment, as part of a local health department plan or other city/county plan, etc.). Address community needs beyond the provisions of housing and transportation. For projects located in a **Disadvantaged Community** or **Low-Income Community**, applicants are also encouraged to cite top burdens from their CalEnviroScreen 3.0 score as community needs that their projects will address.

Required Documentation:

1. *Letter of support from local community-based, grassroots organization describing the community engagement process and how feedback from local residents was incorporated into the project.*
2. *Community Engagement Tracker: Provide additional information on events where community participation occurred in the Community Engagement Tracker template.*

(n) **Community Climate Resiliency - 3 Points Maximum**

Communities will continue to experience effects of climate change in various ways, including increased likelihood of droughts, sea level rise, flooding, wildfires, heatwaves and severe weather. Due to these effects, climate resiliency is a key part of planning and project implementation decisions.

- (1) **Climate Adaptation:** Consider if the surrounding community is experiencing specific climate vulnerabilities and how this **Project** aims to address specific concerns. List projected climate impacts surrounding temperature and extreme heat, precipitation, sea level rise and inundation, and wildfires. Describe how potential climate impacts are taken into consideration in the design of the proposed **Project**, such as the incorporation of **Natural Infrastructure**, and, if applicable, how the project conforms with the local implementation of SB 379, Government Code section 65302(g)(4), where cities and counties are required to

address climate adaptation and resiliency strategies in the Safety Element of their General Plan.

Note: For tools to help assess general climate impacts, please visit <http://cal-adapt.org/>. To assess sea level rise, please visit https://walrus.wr.usgs.gov/coastal_processes/cosmos/.

(o) **Community Air Pollution Exposure Mitigation – 2 Points Maximum**

- (1) **Air Pollution Exposure Mitigation Strategies:** Identify pollutants of concern and/or known sources of pollution affecting the Project Area. Report the PM2.5, Diesel PM, Toxic Releases to Air, and Traffic Density percentiles as described in CalEnviroScreen 3.0 for the census tract in which the project will be sited.* Describe how air pollution mitigation strategies are utilized in the design of the Project.

Example Strategies:
Speed reduction mechanisms, including roundabouts
Traffic signal management
Design that promotes air flow and pollutant dispersion along street corridors
Solid barriers, such as sound walls
Vegetation for pollutant dispersion
MERV 13 or higher air filtration system

Note: These strategies are limited by the many factors that may influence their effectiveness, ranging from local meteorology and topography to human use, maintenance, etc.

Note: For additional suggested strategies to mitigate air pollution exposure see the following resources:

- Bay Area Air Quality Management District, "Planning Healthy Places": http://www.baaqmd.gov/~media/files/planning-and-research/planning-healthy-places/php_may20_2016-pdf.pdf?la=en
- California Air Resources Board, "Strategies to Reduce Air Pollution Exposure near High Volume Roadways: Technical Advisory" https://www.arb.ca.gov/ch/rd_technical_advisory_final.PDF
- U.S. Environmental Protection Agency, "Best Practices for Reducing Near-Road Air Pollution Exposure at Schools" <https://www.epa.gov/schools/basic-information-about-best-practices-reducing-near-road-pollution-exposure-schools>
- Los Angeles County Department of Regional Planning, Healthy Design Ordinance: <http://planning.lacounty.gov/hdo>
- California Governor's Office of Planning and Research, "General Plan Guidelines". Chapter 6- Healthy Communities: http://opr.ca.gov/docs/OPR_COMPLETE_7.31.17.pdf

Note: A geographic area's percentile for a given indicator simply tells the percentage of areas with lower values of that indicator. A percentile does not describe the magnitude of the difference between two or more areas. For example, an area ranked in the 30th percentile is not necessarily three times more impacted than an area ranked in the 10th percentile.

** A spreadsheet showing raw data and calculated percentiles for individual indicators for individual census tracts can be downloaded at:*

<https://oehha.ca.gov/media/downloads/calenviroscreen/document/ces3results.xlsx>

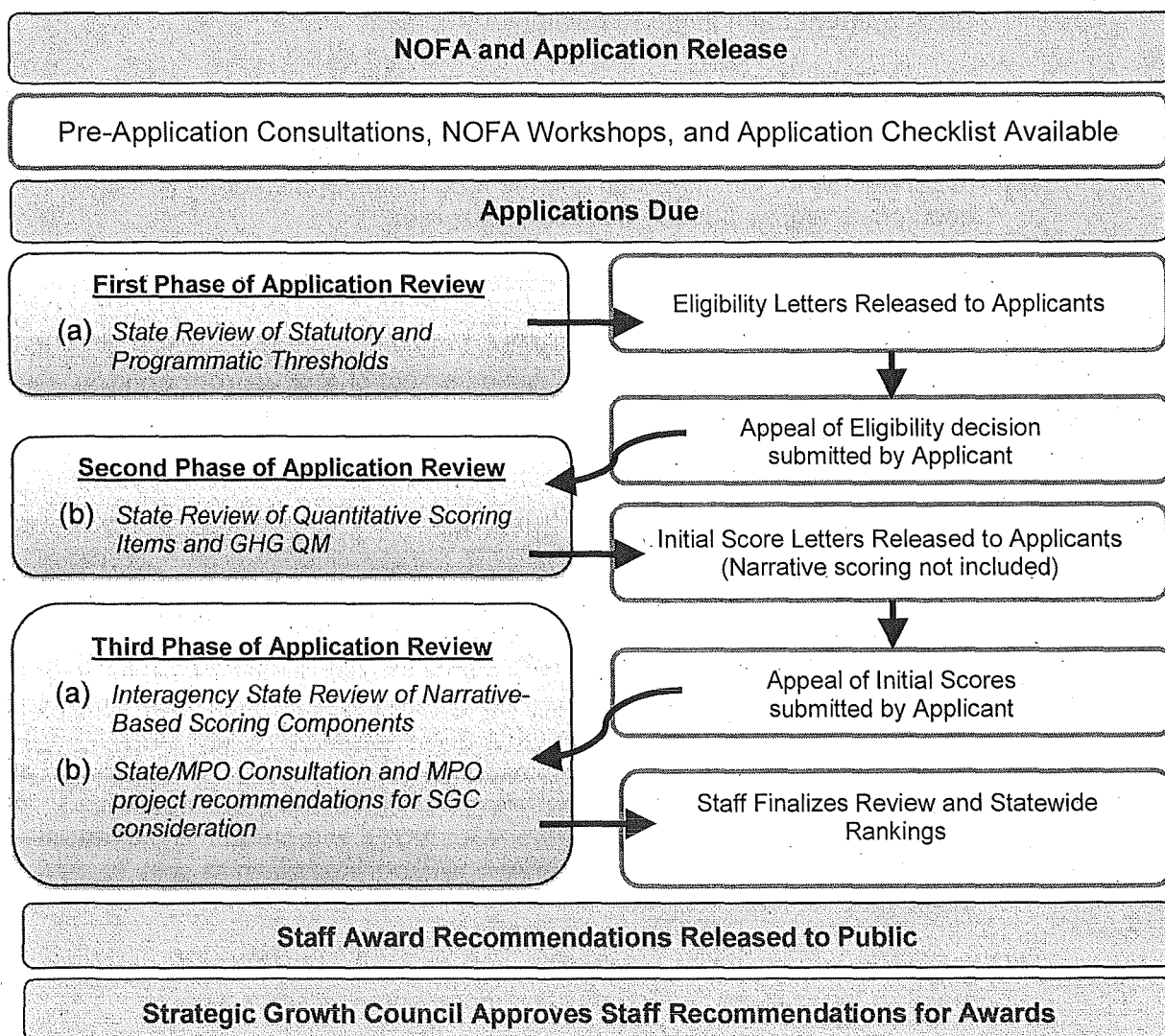
Section 108. Application Process

- (a) Pursuant to direction of the **Council**, the **Department** shall offer funds through a **NOFA** and applications will be reviewed based on the steps detailed below and illustrated in Figure 6.
- (b) The **Department** will offer optional pre-application consultations as detailed in the **NOFA** in order to provide assistance to applicants regarding minimum threshold eligibility and other program requirements.
- (c) Applications will be made available through the **Department**, and complete applications must be submitted to the **Department** by the deadline detailed in the **NOFA**.
- (d) The highest scoring applications that meet all threshold requirements as determined by the **Department**, based on criteria set forth in these guidelines, shall be recommended to the **Council** for funding as specified in the **NOFA**. The **Council** may make adjustments in this procedure to meet the following objectives:
 - (1) At least fifty (50) percent of **AHSC Program** expenditure for **Projects** benefitting and located in **Disadvantaged Communities**.
 - (2) At least fifty (50) percent of the annual proceeds appropriated for the **AHSC Program** shall be expended for affordable housing. For the purposes of this set-aside, expenditures related to **Affordable Housing Development** and **Housing-Related Infrastructure Capital Projects** shall count toward this requirement.
 - (3) **Project Area** type targets are as follows:
 - (A) Target thirty five (35) percent of funds available as designated in the **NOFA** to **TOD Project Area** applications.
 - (B) Target thirty five (35) percent of funds available as designated in the **NOFA** to **ICP Project Area** applications.
 - (C) Target ten (10) percent of funds available as designated in the **NOFA** to **RIPA** applications.
 - (D) Remaining twenty (20) percent of available funds may be awarded to any eligible project area type.
 - (E) To the extent applications received are not sufficient to meet **TOD Project Area**, **ICP Project Area** or **RIPA** targets detailed in (i), (ii) and (iii) above, the **Council** reserves the right to waive these requirements and recommend funding a greater percentage of applications in either of the three identified **Project Area** types.
 - (4) **Project Area** type targets and statutory set-asides detailed in (3) above will be subject to the following process:

- (A) Applications for TOD, ICP and RIPA Project Areas will be ranked based on the result of the Estimated GHG Emissions Reductions as stated in Section 107(a) and binned separately by respective **Project Area** types.
 - (B) For each application, the resulting score from this initial binning will be added to scores from the quantitative and narrative-based scoring criteria to determine an applicant's total score.
 - (C) Total application scores will be ranked within each **Project Area** type (TOD, ICP and RIPA). Applications will be recommended to the Council for award based on the amount of funding targeted in each **Project Area** type, as detailed in Section 108(d)(3).
 - (D) Applications not recommended for funding based on the application of **Project Area** type set-asides will be re-binned based on the Estimated GHG Emissions Reductions using the same methodology outlined in section 107(a) without regard to **Project Area** types.
 - (E) Each application's resulting **GHG Emissions Reductions** score will be added to previously determined scores for other project criteria to determine a revised total application score. This revised total application score will be used to allocate the remaining 20 percent of funds available under the NOFA, with specific consideration given to ensure statutory set-asides for **Affordable Housing** and **Disadvantaged Communities** are met.
- (5) Though there are no statutory requirements or specific targets for regional allocation of awards, the **Council** is committed to striving for an equitable distribution of resources. Since it is in the interest of the State to fund a variety of project types and scales in a variety of locations to demonstrate the many ways GHG emissions may be reduced, adjustments may be made in the recommendation and award of funds.
 - (6) A single **Developer** may receive no more than \$40 million per **NOFA** funding cycle, however this limitation may be waived if necessary to meet AHSC statutory funding set-asides.
 - (7) As station area plans for High Speed Rail are implemented, the **Council** may prioritize investments in these areas.
 - (8) The **Department** may elect to not evaluate compliance with some or all threshold requirements for applications that are not within a fundable range.
 - (9) In the event of two or more applications having the same scores, the Council has the discretion to make the final selection regarding these projects to ensure alignment with the objectives set out in these **AHSC Program Guidelines**.

- (10) Applications recommended for funding and approved by the **Council** are subject to conditions specified by the **Department**. Applicants will receive an official letter of award after funding recommendations are approved by the **Council**.
- (11) Applications will be treated in accordance with Public Records Act. Certain information, in accordance with the Public Records Act, may be publicly disclosed.
- (e) Metropolitan Planning Agency Role in Application Review
- (1) To support implementation of an applicable SCS and consistency with activities or strategies identified in a regional SCS, or similar planning document that demonstrate a per capita reduction in VMT and GHG, as allowed by SB 862 (Chapter 36, Statutes of 2014), an MPO/region may develop its own process prior to the application due date to identify and recommend applications that have the highest regional priorities based on criteria established by the MPO/region.

Figure 6: AHSC Program Application Review Process



Article III. Legal and Reporting Requirements

Section 109. Legal Documents

- (a) **Rental Affordable Housing Developments:** Upon the award of **AHSC Program** funds to assist a rental **Affordable Housing Development**, the **Department** shall enter into one or more agreements with the applicant, which may be in the form a State of California Standard Agreement (Standard Agreement), which shall commit funds from the **AHSC Program** in an amount sufficient to fund the approved **AHSC Program** loan amount. The agreement or agreements shall contain the following:
- (1) a description of the approved **Affordable Housing Development** and the permitted uses of **AHSC Program** funds;
 - (2) the amount and terms of the **AHSC Program** loan;
 - (3) the regulatory restrictions to be applied to the **Affordable Housing Development** through the Regulatory Agreement;
 - (4) special conditions imposed as part of the **Department's** approval of the **Affordable Housing Development**;
 - (5) requirements for the execution and the recordation of the agreements and documents required under the **AHSC Program**;
 - (6) terms and conditions required by federal and state law;
 - (7) requirements regarding the establishment of escrow accounts for the deposit of documents and the deposit and disbursement of **AHSC Program** loan proceeds;
 - (8) the approved schedule of the **Affordable Housing Development**, including land acquisition if any, commencement and completion of construction or rehabilitation work, and occupancy by eligible households;
 - (9) terms and conditions for the inspection and monitoring of the **Project** in order to verify compliance with the requirements of the **AHSC Program**;
 - (10) provisions regarding tenant relocation in accordance with State law;
 - (11) provisions relating to the placement of a sign on or in the vicinity of, the **Affordable Housing Development** site indicating that the **Council** has provided financing for the **Affordable Housing Development**. The **Council** may also arrange for publicity of the **AHSC Program** loan in its sole discretion;
 - (12) provisions to ensure that the eligible costs and use of **AHSC Program** funds maintain the required GHG Reduction represented in the application.

- (13) other provisions necessary to ensure compliance with the requirements of the **AHSC Program**.
 - (14) Description of the conditions constituting breach of the agreement(s) and remedies available to the parties thereto; and
 - (15) Any of the **Department's** standard contractual terms that may be applicable.
- (b) For rental **Affordable Housing Developments** the **Department** shall enter into a Regulatory Agreement with the applicant for not less than the original term of the loan that shall be recorded against the property of the **Affordable Housing Development** prior to the disbursement of funds. The Regulatory Agreement shall include, but not be limited to, the following:
- (1) The number, type and income level of **Restricted Units**;
 - (2) Standards for tenant selection pursuant to 25 CCR 8305;
 - (3) Provisions regulating the terms of the rental agreement pursuant to 25 CCR 8307;
 - (4) Provisions related to a Rent Schedule, including initial rent levels for **Restricted Units** and non-Restricted Units pursuant to subsections (a) and (b) of 25 CCR 7312;
 - (5) Conditions and procedures for permitting rent increases pursuant to 25 CCR 7312;
 - (6) Provisions for limitations on Distributions pursuant to 25 CCR 8314 and on developer fees pursuant to 25 CCR 8312;
 - (7) Provisions regarding the deposit and withdrawal of funds to and from reserve accounts in accordance with 25 CCR 8308 and 8309;
 - (8) Assurances that the **Affordable Housing Development** will be maintained in a safe and sanitary condition in compliance with state and local housing codes and the management plan, pursuant to 25 CCR 7324;
 - (9) Description of the conditions constituting breach of the Regulatory Agreement and remedies available to the parties thereto;
 - (10) Provisions governing use and operation of non-Restricted Units and common areas to the extent necessary to ensure compliance with AHSC Program requirements;
 - (11) Special conditions of loan approval imposed by the **Department**;
 - (12) Article 4, Subchapter 4, Chapter 7, Division 1 of Title 25, "Program Operations," Sections 25 CCR 7321 through 7326, shall apply to rental **Affordable Housing Developments** assisted by the **AHSC Program**; and

- (13) Other provisions necessary to assure compliance with the requirements of the **AHSC Program**.
- (c) All **AHSC Program** loans for assistance to rental **Affordable Housing Developments** shall be evidenced by a promissory note payable to the **Department** in the principal amount of the loan and stating the terms of the loan consistent with the requirements of the **AHSC Program**. The note shall be secured by a deed of trust on the **Affordable Housing Development** property naming the **Department** as beneficiary or by other security acceptable to the **Department**; this deed of trust or other security shall be recorded junior only to such liens, encumbrances and other matters of record approved by the **Department** and shall secure the **Department's** financial interest in the **Affordable Housing Development** and the performance of applicant's **AHSC Program** obligations.
- (d) Grants shall be governed by a Standard Agreement or other agreement with the **Recipient** in a form prescribed by the **Department**. The agreement shall ensure that the provisions of these Guidelines are applicable to the **Project** covered by the agreement and enforceable by the **Department**. The agreement will contain such other provisions as the **Department** determines are necessary to meet the requirements and goals of the **AHSC Program**, including but not limited to the following:
- (1) A description and sources and uses of the approved **Project** and the permitted uses of **AHSC Program** funds;
 - (2) Provisions governing the amount, terms and conditions of the **AHSC Program** grant;
 - (3) Provisions governing the construction work and, as applicable, the acquisition and preparation of the site of the **Capital Project**, and the manner, timing and conditions of the disbursement of grant funds;
 - (4) A schedule for completion of the **Project** and a series of milestones for progress toward **Project** completion together with the remedies available to the **Department** in the event of the failure to meet such milestones;
 - (5) Provisions for the payment of prevailing wages if and as required by state or federal law;
 - (6) Requirements for periodic reports from the **Recipient** on the construction and use of the **Project** and provisions for monitoring of the **Project** by the **Department**;
 - (7) The **Recipient's** responsibilities for the development of the approved **Project**, including, but not limited to, construction management, maintaining of files, accounts and other records, and report requirements;
 - (8) Provisions relating to the development, construction, affordability and occupancy of the **Affordable Housing Development** supported by the **Housing-Related Infrastructure Capital Project**, if applicable;

- (9) Provisions relating to the placement on, or in the vicinity of, the **Project** site, a sign indicating that the **Council** has provided financing for the **Project**. The **Council** may also arrange for publicity of the grant in its sole discretion;
- (10) Remedies available to the **Department** in the event of a violation, breach or default of the Standard Agreement;
- (11) Requirements that the **Recipient** permit the **Department** or its designated agents and employees the right to inspect the **Project** and all books, records and documents maintained by the **Recipient** in connection with the **AHSC Program** grant or loan or both;
- (12) Special conditions imposed as part of **Department** approval of the project;
- (13) Terms and conditions required by federal or state law;
- (14) Provisions to ensure that the **Project** maintains the required **GHG Reduction** as represented in the application; and
- (15) Other provisions necessary to ensure compliance with the requirements of the **AHSC Program**.

Section 110. Reporting Requirements

- (a) During the term of the Standard Agreement and according to the annual deadline identified in the Standard Agreement, the **Recipient** shall submit, upon request of the **Department** and the **Council**, an annual performance report that demonstrates satisfaction of all reporting requirements pursuant to the **AHSC Program** reporting requirements identified in the Standard Agreement. Recipient shall also submit the reports required by 25 CCR Section 7325 and 7326 and any additional reporting requirements developed by the **Department**, the **Council** or **ARB**. The reports will be filed on forms provided by the **Department**.
- (b) **Recipient** is responsible for meeting the applicable project reporting requirements of CARB's *Funding Guidelines for Agencies that Administer California Climate Investments* as well as CARB's AHSC Program Quantification Methodology and Calculator Tool. These may include, but are not limited to: **Project** metrics; the duration over which the **Recipient** will track **Project** metrics; frequency of reporting; the format **Recipient** will use to report; **Project** profile information; **Project** benefit information; and information related to **Priority Population** benefits.
- (1) Award recipients are required to submit estimates of jobs supported by their projects using CARB's Jobs Co-benefit Assessment Methodology within 90 days of award. This methodology will estimate the number of jobs supported by the AHSC investment based upon the **Project's** budget.
- (2) Consistent with the *2018 Funding Guidelines for Agencies that Administer California Climate Investments*, AHSC funding recipients must track and report the employment outcomes of their projects. Given that the AHSC Round 4 guidelines were developed concurrently with the *2018 California Climate Investments Funding Guidelines*, only a sample of Round 4 AHSC award recipients will be required to complete job reporting as a transitional measure. Any AHSC award recipient already collecting employment outcome information (e.g., as a condition for federal funding) will be subject to job reporting requirements in Round 4. SGC staff may also require additional award recipients to report on **Employment Benefits and Outcomes Reporting**. Award recipients sampled for job tracking in Round 4 will be required to report on employment benefits and outcomes created supported by the AHSC investment and all leveraged funding, while accommodating provisions for data privacy. Once funds are disbursed, reporting may occur as frequently as an annual basis. AHSC Program staff will work with applicants to clarify what the jobs reporting process may look like.

The following items must be reported according to each job classification or trade:

- Job Training Credentials including Credentials from Apprenticeship and Workforce Development Programs
- Number of Jobs Provided
- Total Project Work Hours
- Average Hourly Wage
- Total Number of Workers who Completed Job Training
- Description of Job Quality and Benefits Provided (insurance, annual leave, overtime, etc.)

Number of jobs, project work hours, and average hourly wage for **Priority Populations** must also be indicated. A complete list of required tracking indicators will be provided to awardees and included in their Standard Agreements.

The following references are available for additional guidance in determining employment and other co-benefit reporting requirements:

- Funding Guidelines: <https://ww2.arb.ca.gov/resources/documents/cci-funding-guidelines-administering-agencies>
- Benefit Assessment: <https://ww2.arb.ca.gov/resources/documents/cci-quantification-benefits-and-reporting-materials>
- Co-benefit Assessment Methodologies: <https://ww2.arb.ca.gov/resources/documents/cci-methodologies>

All projects awarded in future rounds will be subject to **Employment Benefits and Outcomes Reporting** requirements.

- (c) At any time during the term of the Standard Agreement, the **Department** may perform or cause to be performed a financial audit of any and all phases of the **Recipient's Project**. At the **Department's** request, the **Recipient** shall provide, at its own expense, a financial audit prepared by a certified public accountant. The State of California has the right to review project documents and conduct audits during project implementation and over the project life.

Section 111. Performance Requirements

- (a) **Recipients** shall begin construction of the housing units to be developed in the **Affordable Housing Development** that is a **Capital Project** and the housing designated in the application within the time set forth in the Standard Agreement but not later than July 30, 2021.
 - (1) **Recipients** may request extensions of the performance requirement in Section 111(a) by addressing a letter to SGC's Executive Director explaining the circumstances for why an extension is needed and detailing a plan for meeting the extended performance requirement deadline. At the discretion of SGC's Executive Director, an extension of up to two (2) years may be granted.
- (b) The housing units developed in the **Affordable Housing Development** that is a **Capital Project** and the housing designated in the application must be completed, as evidenced by receipt of a certificate of occupancy, within the period of time set forth in the Standard Agreement, but not later than July 30, 2024.
 - (1) **Recipients** may request extensions of the performance requirement in Section 111(b) by addressing a letter to SGC's Executive Director explaining the circumstances for why an extension is needed and detailing a plan for meeting the extended performance requirement deadline. At the discretion of SGC's Executive Director, an extension of up to two (2) years may be granted.
- (c) **AHSC Program** funds must be disbursed in accordance with deadlines specified in the Standard Agreement, and in no event later than the disbursement deadlines outlined in the **NOFA**.
- (d) **Recipients** may only reapply for **AHSC Program** funds in a subsequent **NOFA** for the same **Project** if the **Recipient** has disbursed at least fifty (50) percent of the funds allocated from prior awards.
- (e) Negative points will be assessed against the Developer on subsequent AHSC applications if the Project does not comply with the dates set in the Standard Agreement for the performance requirements described in Section 111(a) or Section 111(b).

Section 112. Defaults and Cancellations

- (a) In the event of a breach or violation by the **Recipient** of any of the provisions of the Standard Agreement, the **Department** may give written notice to the **Recipient** to cure the breach or violation within a period of not less than 15 days. If the breach or violation is not cured to the satisfaction of the **Department** within the specified time period, the **Department**, at its option, may declare a default under the Standard Agreement and may seek legal remedies for the default including the following:
 - (1) The **Department** may seek, in a court of competent jurisdiction, an order for specific performance of the defaulted obligation or the appointment of a receiver to complete the **Project** in accordance with **AHSC Program** requirements.
 - (2) The **Department** may seek such other remedies as may be available under the relevant agreement or any law.
- (b) The **Department** may cancel funding commitments and Standard Agreements under any of the following conditions:
 - (1) The objectives and requirements of the **AHSC Program** cannot be met by continuing the commitment or Standard Agreement;
 - (2) Construction of the **Capital Project** or implementation of **Program Costs** cannot proceed in a timely fashion in accordance with the timeframes established in the Standard Agreement; or
 - (3) Funding conditions have not been or cannot be fulfilled within required time periods.
- (c) Upon receipt of a notice of intent to cancel the grant from the **Department**, the **Recipient** shall have the right to appeal to the Director of the **Department**.

Section 113. Prevailing Wages

For the purposes of the State Prevailing Wage Law (Labor Code Sections 1720 – 1781), a grant or loan under the **AHSC Program** shall be considered public funding for the construction, rehabilitation, demolition, relocation, preservation, or other physical improvement of the **Capital Project** subject to the provisions of the State Prevailing Wage Law. AHSC Program funding of the **Project** shall not necessarily, in and of itself, be considered public funding of a **Project** unless such funding is considered public funding under the State Prevailing Wage Law. It is not the intent of the **Department** in these regulations to subject **Projects** to the State Prevailing Wage Law by reason of **AHSC Program** funding of the **Project** in those circumstances where such public funding would not otherwise make the **Project** subject to the State Prevailing Wage Law. Although the use of **AHSC Program** funds does not require compliance with federal Davis Bacon wages, other funding sources may require compliance with federal Davis Bacon wages.

Appendix A. Definitions

- (a) "Active Transportation" means infrastructure and non-infrastructure projects that encourage increased use of active modes of transportation, but does not include funding program operations. The project types include but are not limited to:
 - (1) Infrastructure Projects: capital improvements (construction) that will encourage increased use of active modes of transportation, such as biking and walking
 - (2) Non-infrastructure Projects: education, encouragement and planning activities must encourage increased use of active modes of transportation, such as biking and walking.
- (b) "Active Transportation Program" means non-infrastructure related programs which instill safe pedestrian, bicyclist and motorist behaviors to make safe active transportation possible. Non-infrastructure activities can stand-alone or be conducted with infrastructure projects (fixed facilities or permanent structural changes) to increase effectiveness.
- (c) "Activity Delivery Costs" means staff costs incurred by the Public Agency that are directly related to implementing specific Capital Project and Program Costs. They may include costs such as project document preparation, project underwriting, construction management, inspections, or reporting to the Department.
- (d) "Affordable Housing Development" means a Capital Project that is a Housing Development in which at least 20 percent of the total units are Affordable Units.
- (e) "Affordable Unit" means a housing unit that satisfies all the following criteria:
 - (1) The unit must satisfy one of the following affordability criteria:
 - (A) It is available at an "affordable rent" as that term is used and defined in Section 50053 of the Health & Safety Code;
 - (B) It is offered at an "affordable housing cost", as that term is used and defined in Section 50052.5 of the Health & Safety Code; or
 - (C) It is available at an "affordable rent" or an "affordable housing cost" according to the alternative percentages of income for agency-assisted rental and cooperative housing developments pursuant to Department regulations adopted under Health and Safety Code section 50462(f).
 - (2) For "Affordable Units" that are rental units, they must be subject to a recorded Program covenant ensuring affordability for a duration of at least 55 years.
 - (3) For "Affordable Units" that are ownership units, they must be sold to and occupied by an income-qualified household, and subject to a recorded covenant with a duration of at least 30 years that includes either a resale restriction or equity sharing upon resale.
 - (4) For the purposes of this definition, the terms "persons and families of low income" and "area median income" shall have the same meanings as set forth in Health and Safety Code section 50093 and 50093(c).
 - (5) The unit must be occupied by a "lower income household" as defined by Health and Safety Code section 50079.5, which includes "very low income households"

as defined by Health and Safety Code section 50105 and also includes "extremely low income households" as defined by Health and Safety Code section 50106.

- (f) "AHSC Program" means the program as outlined by these Program Guidelines.
- (g) "Area Median Income" means the most recent applicable county median family income published by the California Tax Credit Allocation Committee.
- (h) "Bus Rapid Transit" (BRT) means a rubber-tired form of rapid transit in an integrated system of facilities, equipment, services, and amenities that exceed the speed and reliability of regular bus service. BRT usually includes use of dedicated right-of way, including busways, exclusive lanes, and bypass/queue jumping lanes for buses at congested intersections to reduce vehicle running time and typically includes a combination of the following additional features: (1) center of road alignment, mixed-traffic prohibitive intersection treatments; (2) use of more limited-stop service including express service and skip-stopping; (3) application of Intelligent Transportation Systems (ITS) technology such as signal priority, automatic vehicle location systems, system security, and customer information; (4) platform level boarding and (5) off-board fare collection.
- (i) "Bus Service" means regularly scheduled public transit service operating with limited stops using a fixed route.
- (j) "Capital Project" means a project consisting of the construction, rehabilitation, demolition, relocation, preservation, acquisition, or other physical improvement that is an integral part of, or is necessary for completion of a Project.
- (k) "CCR" means the California Code of Regulations.
- (l) "Context Sensitive Bikeway" means on-street infrastructure for bicycle riding that is appropriately applied based on the traffic volumes and speeds on a specific street, as recommended in the California Highway Design Manual as follows:
 - (1) For off street applications, install a Class I bicycle facility (Bicycle Path).
 - (2) For streets with speed limits of less than or equal to 25 MPH and vehicular average daily trips (ADT) of over 2,000, install Class II bicycle facility (Bike Lanes).
 - (3) For streets with speed limits of less than or equal to 25MPH and vehicular average daily trips (ADT) of under 2,000, install Class III bicycle facility (Bicycle Route) that functions as a "Bicycle Boulevard", that is, a route which includes both sharrow markings and traffic control devices aimed at lowering vehicle speed, and which prioritize bicycle through trips for bicycles over vehicles. Some example traffic control devices include bicycle right of ways, chicanes, traffic diverters, and mini roundabouts.
 - (4) For streets with a speed limit greater than 25MPH, install a Class IV bicycle facility (Protected Bike Lanes, or also known as Cycletracks).

- (m) "Council" means the California Strategic Growth Council, established pursuant to Public Resources Code Section 75121.
- (n) "Currently Developed" means that the land in question is altered by paving, construction, and/or land use that would typically have required regulatory permitting to have been initiated.
- (o) "Deferred Costs" means costs deferred at construction loan closing, including but not limited to: capitalized reserves, loan fees, syndication costs, legal, accounting, audit, consultant fees, and developer fees paid from operating cashflow.
- (p) "Department" means the Department of Housing and Community Development of the State of California.
- (q) "Developer" means the entity that the Department and the Council rely upon for experience, site control, and capacity, and which controls either (1) the Affordable Housing Development during development and through occupancy, (2) the Housing-Related Infrastructure during development and through completion, or (3) the Sustainable Transportation Infrastructure and Transit-Related Amenities during development and through operation.
- (r) "Disadvantaged Community" means a census tract with a score in the top 25 percent or one of the 22 additional census tracts that score in the highest 5 percent of Pollution Burden as identified in California Environmental Protection Agency's CalEnviroScreen 3.0 tool.
- (s) "Employment Benefit and Outcome Reporting" means submission of data about the jobs and related benefits created by the AHSC Investment as required by the *Funding Guidelines for Agencies Administering California Climate Investments*:
https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/2018-funding-guidelines.pdf?_ga=2.179788646.35143471.1539904702-756150235.1517359615
- (t) "Enforceable Funding Commitment" means permanent commitments, including but not limited to the following:
 - (1) Low-income housing tax credit equity contributions (without the necessity of a tax credit reservation letter) and tax-exempt bonds in connection with four (4) percent low-income housing tax credits, AHSC Program funds, will be considered committed in this calculation.
 - (2) Funds conditionally reserved under the following programs shall be accepted as funding commitments: the Department of Housing and Urban Development's (HUD) Supportive Housing Program (SHP), HOME Investment Partnerships Program (HOME), Community Development Block Grant Program (CDBG), and the California Department of Mental Health's Mental Health Services Act (MHSA) Program.
 - (3) A land donation in fee for no other consideration that is supported by an appraisal or purchase/sale agreement ("Land Donation") or a local fee waiver

resulting in quantifiable cost savings for the Project where those fees are not otherwise required by federal or state law ("Local Fee Waiver") may be considered a funding commitment. The value of the Land Donation will be the greater of either the original purchase price or the current appraised value as supported by an independent third party appraisal prepared by a MAI-qualified appraiser within one year of the application deadline. A funding commitment in the form of a Local Fee Waiver must be supported by written documentation from the local Public Agency.

- (4) Owner equity contributions or developer funds. Such contributions or funds shall not be subsequently substituted with a different funding source or forgone if committed in the application, except that a substitution may be made for up to 50 percent of deferred developer fee. The Department may require the applicant to evidence the availability of the proposed amount of owner equity or developer funds.
 - (5) Funds for transportation projects which are programmed for allocation and expenditure in the applicable capital improvement plan consistent with the terms and timeframes of the Standard Agreement.
-
- (u) "Energy Efficiency" means managing and restraining the growth in energy consumption.
 - (v) "Federally Recognized Indian Tribe" means Indian native tribe, band, nation, pueblo, village or community that the Secretary of the Interior acknowledges to exist as an Indian tribe, pursuant to the Federally Recognized Indian Tribe List Act of 1994, 25 U.S.C. 479a.
 - (w) "Flexible Transit Service" means a form of transit for the public characterized by flexible routing and scheduling of small/medium vehicles operating in shared-ride mode (with at least two passengers) between pick-up and drop-off locations according to passenger needs. Flexible Transit Service includes vanpool, shuttle and feeder bus systems that reduce vehicle miles travelled.
 - (x) "Floor Area Ratio" (FAR) means the square footage of the floor area of a building divided by the site square footage, excluding therefrom dedicated streets, sidewalks, parks and open space. The floor area of a building is the sum of the gross area of each floor of the building, excluding mechanical space, cellar space, floor space in open balconies, enclosed parking and elevators or stair bulkheads. Multiplying the FAR by the area of the site produces the minimum amount of floor area required in a building on the lot. For example, on a 10,000 square-foot site in a district with a minimum FAR of 1.5, the floor area of a building must be at least 15,000 square feet.
 - (y) "Greenhouse Gas Reduction" (GHG Reduction) means actions designed to reduce emissions of one or all of the following gases: carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.
 - (z) "Green Streets" means a sustainable stormwater strategy that meets regulatory compliance and resource protection goals by using a natural systems approach to

manage stormwater, reduce flows, improve water quality and enhance watershed health.

- (aa) "High Quality Transit" means a Qualifying Transit line with high frequencies AND permanent infrastructure as follows:
 - (1) Frequency: High Quality Transit must have Peak Period headway frequency of every 15 minutes or less and service seven days a week.
 - (2) Permanent Infrastructure: High Quality Transit must operate on a railway or be transit service with Bus Rapid Transit features that either fully or partially operate on a dedicated bus-only lane, or uses High Occupancy Vehicle (HOV) or High Occupancy Toll (HOT) lanes.
- (bb) "Housing Development" means a residential development or the residential portion of a mixed-use development.
- (cc) "Housing-Related Infrastructure" means a capital infrastructure improvement required as a condition of approval of an affordable housing development by a Locality, transit agency or special district such as sewer, water or utility system upgrades, streets, drainage basins, etc.
- (dd) "Infill Site" means a site for which at least three sides of the perimeter of the site adjoins parcels that are **Currently Developed** qualified **Urban Uses**. In counting this, perimeters bordering navigable bodies of water and improved parks shall not be included. In order to qualify as an infill site, the site must also be located in an urbanized area meaning that it fulfills one of the following requirements:
 - (1) located within an incorporated city according to an official City or County map, OR
 - (2) located within an urbanized area or urban cluster as defined by the U.S. Census Bureau at <http://www.census.gov/2010census/>, OR
 - (3) for unincorporated areas outside an urbanized area or urban cluster, the area shall be within a designated urban service area that is designated in the local general plan for urban development and is served by public sewer and water.
- (ee) "Integrated Connectivity Project (ICP) Project Area" means a Project Area which includes at least one (1) Transit Station/Stop with a combination of two or more eligible costs as defined in Section 103.
- (ff) "Intelligent Transportation Systems" means electronics, communications, or information technology, used singly or in combination, to improve the efficiency, accessibility or safety of the surface transportation system.
- (gg) "Key Destinations" means vital community amenities and resources including medical centers, schools, grocery stores, child care centers, pharmacies, public parks, or public libraries. This definition differs from "Activity Centers" as used in the AHSC Benefits Calculator Tool.

- (hh) "Locality" means a California city, unincorporated area within a county or a city and county.
- (ii) "Lower Income" has the meaning set forth in Health and Safety Code Section 50079.5.
- (jj) "Low-Income Community" means a census tract with either 1) median household incomes at or below 80 percent of the statewide median income, or 2) median household income at or below the threshold designated as low-income by Department of Housing and Community Development's State Income Limits pursuant to the Health and Safety Code Section 50093.
- (kk) "Low-Income Households" mean individual households with either 1) household incomes at or below 80 percent of the statewide median income, or 2) household incomes at or below the threshold designated as low-income by Department of Housing and Community Development's State Income Limits adopted pursuant to Health and Safety Code Section 50093.
- (ll) "Mixed Use Development" means a building, combination of buildings, or building complex, designed to functionally and physically integrate non-residential uses such as retail, commercial, institutional, recreational, or community uses with residential uses, in a complementary manner.
- (mm) "Moderate Income" has the meaning set forth in Health and Safety Code Section 50093.
- (nn) "MHP" shall mean the Multifamily Housing Program authorized and governed by Sections 50675 through 50675.14 of the Health and Safety Code and the regulations promulgated there under in 25 CCR 7300, *et seq.*
- (oo) "Natural Infrastructure" means the preservation and/or restoration of ecological systems, or utilization of engineered systems that use ecological processes, to increase resiliency to climate change and/or manage other environmental problems. Some examples relative to AHSC could include street trees and greenspace for water catchment, infiltration and surface cooling; water treatment facilities that utilize ecologically functioning wetlands; flood mitigation systems that utilize the natural floodplain and stable shorelines used in tandem with constructed flood barriers.
- (pp) "Net Density" means the total number of dwelling units per acre of land to be developed for residential or mixed use, excluding allowed deductible areas. Allowed deductible areas are public dedications of land which are for public streets, public sidewalks, public open space, public drainage facilities. Non-allowed deductible areas include utility easements, setbacks, private drives and walkways, general landscaping, common areas and facilities, off street parking, and traditional drainage facilities exclusive to a development project. Mitigations required for development will not be included in the allowed deductible areas.
- (qq) "NOFA" means a Notice of Funding Availability issued by the Department.

- (rr) "Peak Hours" or "Peak Period" means the period with the highest ridership during the entire transit service day as determined by the transit operator. Must include at least one hour during the morning commute hours and one during evening commute hours, Monday through Friday. Each Peak Period cannot be longer than three hours.
- (ss) "Performance measures" means indicators of transit regarding data indicators such as accessibility, mobility choices and ridership.
- (tt) "Priority Population" means residents of: (1) census tracts identified as disadvantaged by California Environmental Protection Agency per SB 535; (2) census tracts identified as low-income per AB 1550; or (3) a low-income household per AB 1550. Please see the following for more information:
<https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/communityinvestments.htm>
- (uu) "Program Cost" means the cost(s) associated with 1) program creation, or 2) expansion of existing programs to serve new populations or offer new program service and implementation.
- (vv) "Program Operator" means the entity that administers the day-to-day operational responsibilities for the program for which the AHSC Program funding is sought.
- (ww) "Project" means the proposed use of funds representing a combination of Capital Projects or Program Costs which are proposed by the applicant to be funded the AHSC Program.
- (xx) "Project Area" means the area encompassing the Transit Station/Stop, housing and Key Destinations.
- (yy) "Public Agency" means a Locality, transit agency, public housing authority or redevelopment successor agency.
- (zz) "Qualifying Transit" means a transit line serving the public that is operated by the following: (1) Directly operated by a public entity; (2) Operated by a public entity via a contract for purchased transportation service with a private or non-profit provider; or (3) Operated by a private or non-profit entity as a grant Recipient or sub-recipient from a public entity. Qualifying Transit for the purpose of the Program includes various forms of fixed transit service (Rail Service and Bus Service) and Flexible Transit Service. A Qualifying Transit line requires service that departs two (2) or more times during Peak Hours as defined by the transit operator. Flexible Transit service is exempt from these Peak Hours frequency requirements.
- (aaa) "Rail Service" means regularly scheduled public transit service running on rails or railways.
- (bbb) "Recipient" means the eligible applicant receiving a commitment of Program funds.
- (ccc) "Restricted Units" mean residential units restricted by an enforceable covenant or agreement with the Department or other public agency to occupancy by low- or very low-income households, with affordable rents pursuant to 25 CCR 7312 of the MHP

regulations or affordable housing costs pursuant to the BEGIN Program for at least 55 years. Restricted Units must be substantially equivalent in size and number of bedrooms to the balance of units in the Housing Development. Restricted Units may consist of units designated for any housing tenure, rental or owner-occupied, within the Housing Development.

- (ddd) "Rural Area" means the definition in Health and Safety Code Section 50199.21
- (eee) "Rural Innovation Project Area (RIPA)" means a Project Area located within a Rural Area which includes at least one (1) Transit Station/Stop with a combination of two or more eligible costs as defined in Section 103.
- (fff) "Safe and Accessible Walkway" means a pedestrian corridor that has the following:
 - (1) Continuously-paved, ADA-compliant sidewalks Marked pedestrian crossings at all arterial intersections
 - (2) Attributes which contribute to comfort and safety including, but not limited to, adequate lighting or shade canopy
- (ggg) "Secure Overnight Bicycle Parking" means bicycle parking that is not accessible to the general public, is completely enclosed and protects the bicycle from inclement weather, and allows for the bicycle frame to be secured to the bicycle rack at two points. Examples of Secure Overnight Bicycle Parking include bicycle rooms, bicycle lockers, and bicycle cages.
- (hhh) "Site Control" means the applicant or Developer has control of property through one or more of the following:
 - (1) Fee title;
 - (2) A leasehold interest on the property with provisions that enable the lessee to make improvements on and encumber the property provided that the terms and conditions of any proposed lease shall permit, prior to grant funding, compliance with all program requirements;
 - (3) An enforceable option to purchase or lease which shall extend through the anticipated date of the Program award as specified in the NOFA;
 - (4) An executed disposition and development agreement, right of way, or irrevocable offer of dedication to a Public Agency;
 - (5) An executed encroachment permit for construction of improvements or facilities within the public right of way or on public land;
 - (6) An executed agreement with a public agency that gives the applicant exclusive rights to negotiate with the agency for the acquisition of the site; provided that the major terms of the acquisition have been agreed to by all parties;
 - (7) A land sales contract or enforceable agreement for acquisition of the property; or
 - (8) Other forms of site control that give the Department assurance (equivalent to 1-7 above) that the applicant or Developer will be able to complete the Project

and all housing designated in the application in a timely manner and in accordance with all the requirements of the Program.

- (iii) "Smoke Free Housing" means an Affordable Housing Development that implements a policy banning the ignition and burning of tobacco products (including, but not limited to, cigarettes, cigars, pipes, and water pipes or hookahs) in all living units, indoor common areas, and all other interior spaces. The smoke-free policy must also extend to all outdoor areas within 25 feet of occupied buildings on the **AHD** property.
- (jjj) "Substantial Rehabilitation" means a Housing Development with reasonable direct rehabilitation construction contract costs of at least \$35,000 per residential unit. Rehabilitation shall include energy efficiency upgrades per residential units. Rehabilitation projects must fully and efficiently address all of the physical needs of the Project for the term of the project loan and therefore merely meeting the minimum threshold cost amount of \$35,000 per residential unit may not, in and of itself, be sufficient to be considered Substantial Rehabilitation for purposes of the project loan.
- (kkk) "Sustainable Transportation Infrastructure" means capital project(s) that result in the improvement or addition of infrastructure that encourages mode-shift from single occupancy vehicles by enhancing: 1) public transit service, 2) pedestrian networks, or 3) bicycle networks (includes public bike-share programs) within the defined Project Area meeting the transit requirements detailed in Section 102 (c) or (d).
- (III) "TCAC" means the California Tax Credit Allocation Committee.
- (mmm) "Transit Corridor" means a transportation corridor which meets one of the following criteria: 1) A corridor served by Qualifying Transit; or 2) A corridor served by High Quality Transit that has been the subject of analysis, planning and environmental mitigation, and has been designated for investment within the regional transportation plan of a MPO, RTPA, or within a long range transportation plan of a transit agency.
- (nnn) "Transit Signal Priority (TSP)" means an operational strategy that facilitates the movement of transit vehicles through traffic-signal controlled intersections. Objectives of TSP include meeting on time schedule performance and improved transit travel time efficiency while minimizing impacts to normal traffic operations. TSP is made up of four components: (1) a detection system that lets the TSP system where the vehicle requesting signal priority is located. The detection system communicates with a (2) priority request generator that alerts the traffic control system that the vehicle would like to receive priority. (3) Priority control strategies; and 4) System management software collecting data and generating reports.
- (ooo) "Transit Station/Stop" means a designated location at which the various Qualifying Transit service(s) drop-off and pick-up riders.
- (ppp) "Transportation Demand Management" (TDM) means strategies that increase transportation system efficiency by encouraging shifting from single-occupant vehicle (SOV) trips to non-SOV transportation modes, or shifting SOV trips off peak travel periods. Effective TDM strategies result in reduction of vehicle miles traveled (VMT) by increasing travel options, providing incentives and information to incentivize individuals

and employers to modify their travel behavior to support these objectives, and/or by reducing the need to travel or reducing travel distance via location efficient development patterns. TDM strategies encourage travel by transit, bike, walking or in shared vehicles.

- (qqq) "Transportation-Related Amenities" means capital improvements that are publicly accessible and provide supportive amenities to pedestrians, cyclists and transit riders (i.e. bike parking, bus shelter, benches, street trees, etc.) within the defined Project Area meeting the transit requirements detailed in Section 102 (c) or (d).
- (rrr) "Urban Forestry" means the cultivation and management of native or introduced trees and related vegetation in urban areas for their present and potential contribution to the economic, physiological, sociological, and ecological well-being of urban society.
- (sss) "Urban forest" means those native or introduced trees and related vegetation in the urban and near-urban areas, including, but not limited to urban watersheds, soils and related habitats, street trees, park trees, residential trees, natural riparian habitats, and trees on other private and public properties.
- (ttt) "Urban Greening" means the incorporation of greenscaped pedestrian and bicycle trail systems, urban street canopy, green alleys, drought tolerant and native species landscaping and landscape restoration, green roofing, community gardens, natural infrastructure and stormwater features into public open spaces.
- (uuu) "Urban Uses" means any residential, commercial, industrial, transit, transportation passenger facility, or retail use, or any combination of those uses. Urban uses do not include lands used for agricultural uses or parcels in excess of 15,000 square feet in size and containing only one single-family residence.
- (vvv) "Very-Low Income" has the meaning set forth in Health and Safety Code Section 50105.
- (www) "Water Efficiency" means controlling water at the source through design—both rainfall and storm water runoff through a decentralized system that distributes storm water across a project site in order to replenish groundwater supplies.

Appendix B. Federally Recognized Indian Tribe Eligibility

Federally Recognized Indian Tribes may qualify for AHSC funds if their **Project** meets the following requirements:

- (a) Projects are located on one of the following lands:
 - (1) Tribal Trust Lands. Real property that is held in trust by the United States Government for the benefit of a **Federally Recognized Indian Tribe**;
 - (2) Individual Trust Lands. Real property that is held in trust by the United States Government for the benefit of an individual member of a **Federally Recognized Indian Tribe**;
 - (3) Tribal Fee Restricted Lands. Fee lands that are owned by or under the control of a **Federally Recognized Indian Tribe** that are subject to a United States Government restriction that the land continue to be owned by or remain under the control of a **Federally Recognized Indian Tribe** or member or members thereof;
 - (4) Individual Fee Restricted Lands. Fee lands that were conveyed by the United States Government as individual allotments to member or members of a **Federally Recognized Indian Tribe**, regardless as to whether the property is now under common ownership among several members of that same **Federally Recognized Indian Tribe**;
 - (5) Tribally-Owned Unrestricted Lands. Fee lands that are owned by or under the control of a **Federally Recognized Indian Tribe** that are not subject to a United States Government restriction that the land continue to be owned by or remain under the control of a **Federally Recognized Indian Tribe** or member or members thereof;

AND;

- (b) The applicant meets the following requirement as a condition of award funding as set forth in a Standard Agreement, but not as a condition to engage in the competitive award process:
 - (1) BIA Consent. Applicants shall obtain Bureau of Indian Affairs consent to applicant's execution and recordation (as applicable) of all Department-required documents that are subject to 25 CFR sec. 152.34 or 25 CFR sec. 162.12, all prior to award disbursement. This requirement shall not apply to projects that are within subdivision (i)(5) of this Section.
 - (2) Personal Jurisdiction for Tribal Applicants. For applicants that are **Federally Recognized Indian Tribes** or Tribal controlled entities, all such applicants shall provide and execute a limited waiver of sovereign immunity agreeing to the personal jurisdictions of state court.

- (3) **Subject Matter Jurisdiction for Restricted Tribal Lands.** For applicants proposing projects that are to be within property described in sub-divisions (i)(1), (i)(2), (i)(3), and (i)(4), all such applicants shall cause the subject Indian Tribe to provide and execute a limited waiver of sovereign immunity satisfactory to the Department, agreeing to the subject matter jurisdiction of state court.
- (4) **Title Insurance Requirements.** Applicants shall provide title insurance for the property underlying the **Project** satisfactory to the Department. Notwithstanding the foregoing sentence, upon a showing of good cause, for Applicants unable to provide a conventional title insurance policy satisfactory to the Department, all such Applicants shall demonstrate to the satisfaction of the Department that they hold title to the property pursuant to a title condition report issued by the BIA Land Title and Records Office, and pursuant to a title opinion letter issued for the benefit of the Department but paid for by the Applicant.
- (5) **Recordation Requirements.** Where recordation of instruments are required by the Department, the subject instrument shall be deemed sufficiently recorded if recorded with the Land Titles and Records Office at the BIA or if the subject instruments are recorded in the County recording system having jurisdiction over the property.
- (6) **Fee Security Required.** For all Projects, except those falling within subdivision (i)(1) and (ii)(2), fee security shall be required, unless the terms allowing leasehold security are satisfied as set forth in Title 25 CCR 8316. If a Department loan/grant is recorded on fee land then there must be a restriction preventing that land being put into trust until the Department loan/grant term is complete.
- (7) **Minimum Requirements for Sovereign Immunity Waivers.** Sovereign immunity waiver language shall be included in the Department Standard Agreement, and all Department regulatory and loan or grant agreements, all of which may be accomplished by incorporating by reference a separately executed sovereign immunity waiver instrument. The Applicant shall also provide or obtain a separate limited waiver of sovereign immunity instruments for both personal and subject matter jurisdictions which shall require, at a minimum, compliance with State construction standards and regulations.

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



London N. Breed
Mayor

Dan Adams
Acting Director

TO: Angela Calvillo, Clerk of the Board of Supervisors

FROM: Benjamin McCloskey, Deputy Director Mayor's Office of Housing and Community Development

DATE: January 14, 2020

SUBJECT: Accept and Expend Resolution for California Department of Housing and Community Development AHSC Grant – 500 Turk

GRANT TITLE: Affordable Housing and Sustainable Communities – 500 Turk

Attached please find the original and 2 copies of each of the following:

- ☒ Proposed resolution; original signed by Department, Mayor, Controller
- ☒ Grant information form
- ☒ Grant award letter from funding agency
- ☒ Grant budget
- ☒ HCD standard agreements
- ☐ Other (Explain):

Departmental representative to receive a copy of the adopted resolution:

Name: Benjamin McCloskey

Phone: 701-5575

Interoffice Mail Address: Benjamin.McCloskey@sfgov.org

Certified copy required Yes ☐ No ☒

(Note: certified copies have the seal of the City/County affixed and are occasionally required by funding agencies. In most cases ordinary copies without the seal are sufficient).

OFFICE OF THE MAYOR
SAN FRANCISCO



LONDON N. BREED
MAYOR
BOARD OF SUPERVISORS
SAN FRANCISCO

2020 JAN 28 PM 4:19

[Handwritten signature]

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Sophia Kittler
RE: Accept and Expend Grant - California Department of Housing and
Community Development Affordable Housing and Sustainable
Communities Program - 500 Turk Street Project - \$20,000,000
DATE: Tuesday, January 28, 2020

Resolution authorizing the Mayor's Office of Housing and Community Development ("MOHCD") to execute the Standard Agreements with California Department of Housing and Community Development ("HCD") under the Affordable Housing and Sustainable Communities Program for a total award of \$20,000,000, including \$13,700,000 disbursed by HCD as a loan to the Turk 500 Associates L.P. of a 100% affordable housing project at 500 Turk Street and \$6,300,000 to be disbursed as a grant to the City public transportation improvements near 500 Turk Street, for the period starting on the execution date of the Standard Agreements to June 30, 2039; authorizing MOHCD to accept and expend the grant of \$6,300,000 for transportation, bicycle and pedestrian improvements and other transit oriented programming and improvement approved by HCD.

Should you have any questions, please contact Sophia Kittler at 415-554-6153.



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 . www.sfethics.org

Received On:

File #:

200094

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

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

2. CITY ELECTIVE OFFICE OR BOARD

OFFICE OR BOARD	NAME OF CITY ELECTIVE OFFICER
Board of Supervisors	Members

3. FILER'S CONTACT

NAME OF FILER'S CONTACT	TELEPHONE NUMBER
Angela calvillo	415-554-5184
FULL DEPARTMENT NAME	EMAIL
office of the Clerk of the Board	Board.of.Supervisors@sfgov.org

4. CONTRACTING DEPARTMENT CONTACT

NAME OF DEPARTMENTAL CONTACT	DEPARTMENT CONTACT TELEPHONE NUMBER
Joyce Slen	415-701-5577
FULL DEPARTMENT NAME	DEPARTMENT CONTACT EMAIL
MYR MOHCD	joyce.slen@sfgov.org

5. CONTRACTOR	
NAME OF CONTRACTOR Turk 500 Associates, L.P.	TELEPHONE NUMBER 415-930-8330
STREET ADDRESS (including City, State and Zip Code) 201 Eddy Street, San Francisco, CA 94102	EMAIL

6. CONTRACT		
DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)	ORIGINAL BID/RFP NUMBER	FILE NUMBER (If applicable) 200094
DESCRIPTION OF AMOUNT OF CONTRACT \$20,000,000		
NATURE OF THE CONTRACT (Please describe) Resolution authorizing MOHCD to accept and expend an award of \$20 million under the HCD Affordable Housing and Sustainable Communities Program (AHSC) as a joint applicant with Turk 500 Associates, L.P., a California limited partnership for 500 Turk Street for the development of the project and related transit improvements.		

7. COMMENTS

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	Falk	Don	CEO
2	Carney	Paul	CFO
3	Orlin	Elizabeth	COO
4	Blakely	Lisa	Board of Directors
5	Wang	Kristy	Board of Directors
6	Edwards	Tracey	Board of Directors
7	Gouig	Chris	Board of Directors
8	Barahona	Luis	Board of Directors
9	Bohee	Tiffany	Board of Directors
10	Cervantes	Jim	Board of Directors
11	Cloutier	Mark	Board of Directors
12	Martin	Freddie	Board of Directors
13	McClean	Jme	Board of Directors
14	Pujals	Fernando	Board of Directors
15	Rao	Geeta	Board of Directors
16	Sanborn	Loren	Board of Directors
17	Skurdenis	Birute	Board of Directors
18	Tharpe	Amy	Board of Directors
19	Rock	Kathy	Board of Directors

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#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
20	vilkin	Greg	Board of Directors
21	wolfe	Kathy	Board of Directors
22	Wong	Cynthia	Board of Directors
23	Young	Cheryl	Board of Directors
24			
25			
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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	