

REPORTING AND MONITORING AGREEMENT

ADMINISTRATION AGREEMENT

Rental Unit

904 33rd Street, San Diego, CA

This Administration Agreement ("Agreement") is entered into as of June 1st, 2015, by and among the CITY OF SAN DIEGO, a California municipal corporation (the "City"), the San Diego Housing Commission, a public agency ("Administrator"), and the Black Contractors Association, a California corporation ("Participant"), which shall collectively be referred to as the "Parties", when signed by the Parties and the San Diego City Attorney.

RECITALS

- A. The City is the owner of that certain two-bedroom, one bathroom single family residence located at 904 33rd Street, San Diego, California, also known as APN 545-062-18 (the "Property").
- B. Prior to entering into this Agreement, or simultaneously herewith, Participant will ~~enter into a lease agreement with the City to lease the Property ("City Lease").~~ During the City Lease term, including any extensions thereto, the City will own all improvements on the Property.
- C. The Property is to be subleased as one rental housing unit to a veteran or resident, which veteran or resident has an income at or below sixty percent (60%) of area median income for the San Diego-Carlsbad-San Marcos Metropolitan Statistical Area as published by US Department of Housing and Urban Development ("HUD") (which renter shall hereinafter be referred to as the "Qualified Renter"); Participant is obligated by the City Lease to charge rent to the Qualified Renter per the current San Diego Housing Commission Income and Rent Calculation schedule (hereinafter, collectively referred to as the "Affordable Housing Requirements").
- D. The City desires to use the staff, skills, and facilities of the Administrator to provide monitoring and reporting requirements on the Property to ensure Participant is complying with the Affordable Housing Requirements.
- E. The Parties represent that they have the capacity and the legal right to enter into this Agreement.
- F. ~~The Parties desire to enter into this Agreement to, among other things, provide that~~ (i) Participant shall pay a fee to the Administrator as consideration for monitoring the Property for compliance with the Affordable Housing Requirements; and (ii) the Administrator shall administer and perform all monitoring and reporting requirements on the Property and provide the reports set forth in Section VII of this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

I. Purpose of Agreement

The purpose of this Agreement is to provide for the administration of Participant's Affordable Housing Requirements under the City Lease.

II. Scope of Work

A. Services. In addition to the reporting requirements set forth in Section VII below, the Administrator shall monitor that Participant is in compliance with the Affordable Housing Requirements of the City Lease, including, without limitation: (i) establishing the eligibility criteria for Qualifying Renters in accordance with the income levels published by HUD for the San Diego-Carlsbad-San Marcos Metropolitan Statistical Area; and (ii) monitoring ongoing compliance with Affordable Housing Requirements of the City Lease, as applicable, including an annual certification that the Property remains occupied by a Qualified Renter. The City will notify the Administrator of any amendments to the City Lease that would affect the Affordable Housing Requirements of the City Lease.

B. Administrator and City Approval of Rents. The maximum amount which Participant may charge as rent for the Property is set forth in the San Diego Housing Commission Income and Rent Calculation schedule, a current copy of which is attached hereto as Exhibit A, and incorporated herein by this reference.

C. City Rights and Obligations. All rights, obligations, and/or duties of the City under the City Lease, not otherwise the subject of this Agreement, shall remain the rights, obligations, and/or duties of the City.

III. Parties to Agreement

The Parties to this Agreement are the City, the Administrator, and Participant.

IV. Representatives of the Parties

The representatives of the respective Parties who are authorized to administer this Agreement and to whom formal notices, demands and communications shall be given are as follows:

A. The representative of the Administrator shall be:

Rick Gentry, President and Chief Executive Officer

San Diego Housing Commission
1122 Broadway, Suite 300
San Diego, California 92101

- B. The representative of Participant shall be:

Abdur-Rahim Hameed
President - National Black Contractors Association
6125 Imperial Avenue
San Diego, Ca 92114
(619) 865-9057 f. (619) 263-6865

- C. The representative of City shall be:

Director, Real Estate Assets
City of San Diego
1200 Third Ave, Suite 1700
San Diego, California 92101

Any Party may designate another representative by providing written notice to the other Parties.

V. Time of Performance

Services pursuant to this Agreement shall commence as of the date of the execution of this Agreement by all of the Parties and the San Diego City Attorney and shall terminate upon the earlier of: (i) expiration or termination of the City Lease; or (ii) termination of this Agreement pursuant to Sections XII or XV below.

VI. Monitoring of the Administrator by the City

The City may monitor the Administrator's performance of its duties under this Agreement. The Administrator shall reasonably cooperate with the City in connection with such monitoring.

VII. Monitoring and Reporting Requirements

Administrator Requirements.

- A. The Administrator shall determine whether proposed applicants are income eligible to qualify as tenants for the Property, i.e., Qualified Renters.
- B. The Administrator shall monitor the following, pursuant to Exhibit A attached hereto:

- (1) Occupancy by Qualified Renters (i.e., income at or below sixty percent (60%) of area median income for the San Diego-Carlsbad-San Marcos Metropolitan Statistical Area as published by HUD); and
 - (2) That the rent charged by Participant is in accordance with the current San Diego Housing Commission Income and Rent Calculation schedule, Exhibit A.
- C. The Administrator shall submit to the City annual reports of its monitoring activities pursuant to this Agreement.
 - D. The Administrator shall re-certify household income annually. If a household's income increases to above 140% of the applicable income limitation, the household will be required to move out. Participant shall be solely responsible for any eviction of tenants; the Administrator shall have no obligation to evict any persons.
 - E. Annually, the Administrator shall provide the City with an updated rent chart based upon the San Diego-Carlsbad-San Marcos Metropolitan Statistical Area.

Participant Requirements.

- A. Participant shall provide complete and accurate information required by the Administrator with regard to the Affordable Housing Requirements of the City Lease, immediately upon request.
- B. Participant shall timely pay all fees to the Administrator as required by this Agreement.

VIII. Books and Records

A. Complete Books. The Administrator shall maintain or cause to be maintained complete and accurate books, reports, files, and records necessary to carry out its monitoring and reporting obligations under this Agreement. Participant shall maintain or cause to be maintained complete and accurate books, reports, files, and records necessary to carry out its monitoring and reporting obligations under this Agreement.

B. Availability. All records prepared in accordance with this Agreement shall be made available to the City for copying and inspection at any time without notice during normal business hours.

IX. Access to Records

A. The City shall have full and free access to all books, papers, documents, and records of the Administrator and/or Participant that are pertinent to the obligations of all Parties under this Agreement.

B. Excluding those records that may be privileged or otherwise exempt from disclosure under the law, the Administrator shall have full and free access to all books, papers, documents and records of the City and/or Participant that are pertinent to the Administrator's obligations under this Agreement.

X. Ownership, Use and Distribution of Documents

A. All records, reports, books, papers, documents, computer discs or other information prepared or developed by the Administrator or Participant on behalf of the City in connection with services rendered under this Agreement, are, and shall remain the exclusive property of the City.

C. Upon expiration of this Agreement or in the event of termination of this Agreement by the City or the Administrator as provided in Sections XII or XV below, the Administrator agrees to provide to the City and Participant copies of all records, reports, books, papers, documents, computer discs or other information prepared as a result of this Agreement not previously provided to the City or Participant.

XI. Payment of Compensation

A. Amount. In consideration for the services provided by the Administrator with respect to the Property as referenced in this Agreement, the Administrator may establish and collect a fee annually ("Annual Monitoring Fee") from Participant for services rendered pursuant to this Agreement to monitor and enforce the Affordable Housing Requirements of the Property contained in the City Lease. The amount of the Annual Monitoring Fee charged shall be based upon the current San Diego Housing Commission Annual Occupancy Monitoring Fee Schedule, Exhibit B, attached hereto, which Exhibit is subject to revision annually, based on the Commission's costs for monitoring functions. In no event shall the monitoring fee decrease.

B. Time of Payment. Concurrently with Participant's execution and delivery of this Agreement, Participant shall pay to the Administrator a monitoring fee as referenced in Exhibit B. The Administrator's right to the Annual Monitoring Fee referenced in Exhibit B shall commence concurrent with activities referenced in Section VII above. Participant shall pay to the Administrator the Annual Monitoring Fee in accordance with Exhibit B, and as calculated by, Section XI.A above. Participant shall pay such other fees set forth in Exhibit B as required hereunder. Participant's failure to timely pay the Annual Monitoring Fee or any other fees required hereunder shall constitute a material default under this Agreement. Such breach shall entitle the Administrator, in addition to all other rights that it has at law, equity and under the terms of this Agreement, to terminate this Agreement in accordance with Section XII above or Section XV below.

C. Administrator Entitled to All Fees. Participant also agrees to pay additional fees as necessary to reasonably compensate the Administrator in the event the Administrator's monitoring results in a need to take additional steps to enforce the covenants and conditions contained in the City Lease (see Exhibit B attached hereto). Participant further agrees that failure to pay all such

fees within fifteen (15) business days after receipt of a billing statement for such fees shall constitute a material breach of the covenants and conditions of this Agreement. Such breach shall entitle the Administrator, in addition to all other rights that it has at law, equity and under the terms of this Agreement, to terminate this Agreement in accordance with Section XII above or Section XV below. In the event that the City directs the Administrator to take legal steps, including the initiation of litigation, to enforce the City Lease, or both, then the Administrator shall be entitled to the legal costs and fees and other court costs associated with such enforcement actions, in addition to the fees set forth herein. The City shall compensate the Administrator for such fees and costs as incurred, and the Administrator shall seek reimbursement of such fees and costs in any litigation against the Participant. The City may, in lieu of requesting the Administrator to enforce the terms of the City Lease, enforce the obligations itself.

XII. Default

In the event of any breach or default hereunder, which the defaulting or breaching Party fails to satisfactorily cure within ten (10) calendar days of receiving written notice from a non-defaulting Party specifying the nature of the default or breach, the non-defaulting Party may immediately cancel and/or terminate this Agreement upon written notice to all other Parties and/or maintain any and all legally permissible actions at law or in equity against the defaulting Party to enforce the correction of any such default or breach or to enjoin any such default or breach.

XIII. No Partnership

The Parties hereto are entering into this Agreement independently from one another and shall not be deemed officers, officials, agents, partners or employees of one another.

XIV. Amendment or Assignment of Agreement

All amendments to this Agreement must be in writing and executed with mutual consent of the Administrator, the City and Participant. This Agreement may not be assigned by any Party without the written approval of the remaining Parties, and such approval shall not be unreasonably withheld.

XV. Termination

This Agreement may be terminated with or without cause by the City or the Administrator upon thirty (30) calendar days' written prior notice to all other Parties.

XVI. Complete Agreement

This Agreement contains the full and complete agreement between the parties concerning the matters contained herein. No verbal agreements or conversation with any officer, official, agent or employee of any Party shall affect or modify any of the terms and conditions of this Agreement.

XVII. Limitations on Agreement

The Parties agree that this Agreement is not in any way intended to, and does not, revise, amend or otherwise affect any of the terms, conditions or priority of the City Lease, nor the enforcement thereof, except as specifically set forth herein. The Parties hereby agree that, except as expressly provided herein, the provisions of the City Lease shall be and remain unmodified and in full force and effect.

XVIII. Counterparts

This Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute one and the same instrument. The signature pages of one or more counterpart copies may be removed from such counterpart copies and all attached to the same copy of this Agreement, which, with all attached signature pages, shall be deemed to be an original Agreement.

XIX. Time of Essence

Time is expressly declared to be of the essence in this Agreement, and of each and every provision in which time is an element.

XX. Captions

Section or paragraph titles and captions contained in this Agreement are inserted as a matter of convenience and for reference, and are not a substantive part of this Agreement.

XXI. Additional Documents

The Parties each agree to sign any additional documents, which are reasonably necessary to carry out this Agreement or to accomplish its intent.

XXII. Benefit and Burden

This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, representatives, successors and assigns. This Agreement is not intended to benefit any person other than the Parties hereto.

XXIII. Governing Law

This Agreement has been entered into in the State of California and shall be interpreted and enforced under California law.

XXIV. Venue

Any action that may be filed to enforce or interpret the terms of this Agreement shall be filed in a court located within the City of San Diego, California.

XXVI. Waiver

No breach of any provision hereof may be waived unless in writing by all Parties. Waiver of any one breach of any provision hereof shall not be deemed to be a waiver of any other breach of the same or any other provision hereof.

XXVII. Number of Pages and Exhibits

This Agreement includes twelve (12) pages and two (2) Exhibits.

XXVIII. Signing Authority

The representative signing on behalf of each Party to this Agreement represents that authority has been obtained to sign on behalf of such Party.

XXIX. Exhibits and Recitals Incorporated

All exhibits referred to in this Agreement are hereby incorporated in this Agreement by this reference, regardless of whether or not the exhibits are actually attached to this Agreement. The recitals to this Agreement are hereby incorporated in this Agreement by this reference.

XXX. Severability of Provisions

If any term or provision of this Agreement, the deletion of which would not adversely affect the receipt of any material benefit by any party hereunder, shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby and each other term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

XXXI. Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, legal and personal representatives, successors, and assigns.

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[signatures on following page]

IN WITNESS WHEREOF, the Parties have signed this Agreement as of the dates set opposite their signatures.

CITY:

CITY OF SAN DIEGO,
a California municipal corporation

Date: 3/26/15

By: [Signature]
Cyrille Thompson
Director, Real Estate Assets

APPROVED AS TO FORM:
JAN I. GOLDSMITH
City Attorney

By: [Signature] 4/3/2015
Alexis Jodkowski
Deputy City Attorney

ADMINISTRATOR:

SAN DIEGO HOUSING COMMISSION

Date: _____

By: [Signature]
Richard C. Gentry
President and Chief Executive Officer

APPROVED AS TO FORM:
CHRISTENSEN & SPATH LLP

By: [Signature]
Walter F. Spath, III
General Counsel
San Diego Housing Commission

PARTICIPANT:

BLACK CONTRACTORS ASSOCIATION, a California corporation

Date: 3/25/2015

By: [Signature]
Abdur-Rahim Hameed, President

EXHIBIT A

QUALIFIED RENTER AND RENT SCHEDULE

A "Qualified Renter" shall be a veteran or resident, which veteran or resident is with income at or below sixty percent (60%) of area median income for the San Diego-Carlsbad-San Marcos Metropolitan Statistical Area as published by US Department of Housing and Urban Development ("HUD") ("Affordable Housing Requirements"). See next page for current San Diego Housing Commission Income and Rent calculations.

SAN DIEGO HOUSING COMMISSION INCOME AND RENT CALCULATIONS

U.S. Department of Housing and Urban Development 2014 SAN DIEGO MEDIAN INCOME:

\$72,700

Note: The table contains income limits for 2014 extremely low, very low and low income, as adjusted for family size and other factors adopted and amended from time to time by the U.S. Department of Housing and Urban Development (HUD). HUD adjusted San Diego Very Low Income limits for a "high housing cost area" factor.

Family Size	Unit Size	Extremely Low Income 30% AMI (Adjusted by HUD)			35% AMI (Adjusted by HUD)			40% AMI (Adjusted by HUD)		
		ANNUAL INCOME ¹	GROSS RENT ²	TCAC ³	ANNUAL INCOME ¹	GROSS RENT ²	TCAC ³	ANNUAL INCOME ¹	GROSS RENT ²	TCAC ³
ONE	STUDIO	\$16,600	\$415	\$414	\$19,300	\$483	\$483	\$22,100	\$553	\$553
TWO	1-BR	\$18,950	\$474	\$444	\$22,100	\$553	\$518	\$25,250	\$631	\$592
THREE	2-BR	\$21,300	\$533	\$533	\$24,850	\$621	\$622	\$28,400	\$710	\$711
FOUR	3-BR	\$23,650	\$591	\$615	\$27,600	\$690	\$718	\$31,650	\$789	\$821
FIVE	4-BR	\$25,550	\$639	\$687	\$29,800	\$745	\$801	\$34,050	\$851	\$916
SIX	5-BR	\$27,450	\$686	\$757	\$32,000	\$800	\$884	\$36,600	\$915	\$1,010
SEVEN	6-BR	\$29,350	\$734		\$34,200	\$855		\$39,100	\$978	
EIGHT		\$31,250			\$36,450			\$41,850		

Family Size	Unit Size	Very Low Income 50% AMI (Adjusted by HUD)				60% AMI (Adjusted by HUD)			65% AMI (Adjusted by HUD)		
		ANNUAL INCOME ¹	GROSS RENT ²	TCAC ³	"Low HOME" ⁴	ANNUAL INCOME ¹	GROSS RENT ²	TCAC ³	ANNUAL INCOME ¹	GROSS RENT ²	"High HOME" ⁴
ONE	STUDIO	\$27,650	\$691	\$691	\$708	\$33,180	\$830	\$830	\$35,900	\$898	\$900
TWO	1-BR	\$31,600	\$790	\$740	\$756	\$37,920	\$948	\$888	\$41,050	\$1,026	\$967
THREE	2-BR	\$35,550	\$889	\$888	\$908	\$42,660	\$1,067	\$1,066	\$46,150	\$1,154	\$1,167
FOUR	3-BR	\$39,450	\$986	\$1,026	\$1,053	\$47,340	\$1,184	\$1,231	\$51,300	\$1,283	\$1,340
FIVE	4-BR	\$42,650	\$1,068	\$1,145	\$1,177	\$51,180	\$1,280	\$1,374	\$55,400	\$1,385	\$1,475
SIX	5-BR	\$45,800	\$1,145	\$1,263	\$1,300	\$54,960	\$1,374	\$1,515	\$59,500	\$1,488	\$1,609
SEVEN	6-BR	\$48,950	\$1,224		\$1,421	\$58,740	\$1,469		\$63,600	\$1,590	\$1,743
EIGHT		\$52,100				\$62,520			\$67,700		

Family Size	Unit Size	70% AMI (Adjusted by HUD)		80% AMI (Adjusted by HUD)		100% Area Median Income (No HUD adjustment)		120% AMI (No HUD adjustment)	
		ANNUAL INCOME ¹	GROSS RENT ²	ANNUAL INCOME ¹	GROSS RENT ²	ANNUAL INCOME ¹	GROSS RENT ²	ANNUAL INCOME ¹	GROSS RENT ²
ONE	STUDIO	\$38,700	\$968	\$44,200	\$1,105	\$50,900	\$1,273	\$61,100	\$1,528
TWO	1-BR	\$44,200	\$1,105	\$50,500	\$1,263	\$58,150	\$1,454	\$69,800	\$1,745
THREE	2-BR	\$49,750	\$1,244	\$56,800	\$1,420	\$65,450	\$1,636	\$78,550	\$1,964
FOUR	3-BR	\$55,250	\$1,381	\$63,100	\$1,578	\$72,700	\$1,818	\$87,250	\$2,181
FIVE	4-BR	\$59,650	\$1,491	\$68,150	\$1,704	\$78,500	\$1,963	\$94,250	\$2,356
SIX	5-BR	\$64,100	\$1,603	\$73,200	\$1,830	\$84,350	\$2,109	\$101,200	\$2,530
SEVEN	6-BR	\$68,500	\$1,713	\$78,250	\$1,956	\$90,150	\$2,254	\$108,200	\$2,705
EIGHT		\$72,950		\$83,300		\$95,950		\$115,150	

* TCAC = Tax Credit Allocation Committee

1. Annual income = Gross annual income adjusted by family size for Area Median Income (AMI) level. May contain additional adjustments as determined annually by HUD.
2. Gross rent minus utility allowance = maximum cash rent. See the "San Diego Housing Commission Utility Allowance Schedule" to calculate the utility allowance based on the project's actual utility mix.
3. For projects with multiple funding sources, use the lowest rents applicable and/or apply HUD's MTSP "Hold Harmless" policy. "Low HOME" and "High HOME" rents effective May 1, 2014.

Note: Due to the Housing and Economic Recovery Act of 2008 the data presented in this chart may not be applicable to projects financed with Section 42 Low Income Housing Tax Credits (LIHTC) or section 142 tax exempt private equity bonds (MTSP). If you believe your affordable housing project is affected by this change and have questions regarding the 2014 Rent & Income limits, please contact Irma Betancourt at irmab@sdhc.org.

This general income and rental rate information is derived from the U.S. Department of Housing and Urban Development very low income figures published December 18, 2013. HOME Rents effective May 1, 2014.

EXHIBIT B

OCCUPANCY MONITORING FEE SCHEDULE – Rental Units

The monitoring fee is an annual charge to cover costs of monitoring compliance with the affordability requirements of a development. Compliance monitoring includes developing a compliance monitoring plan, computer database program and reporting system for the project, 1-2 trainings per year and technical assistance provided by Commission staff to property owner/manager and/or representatives.

Annual Monitoring Fee

The monitoring fee is \$150 per monitored unit. The number of monitored units is equal to the total number of units being monitored under the developer agreement(s) with the Commission.

"In the event that the Property utilizes a high volume of monitoring (for example, due to repeated trainings and/or frequent contact to address inaccurate or incomplete reports) the Commission, in its sole discretion, may elect to charge an additional fee based on an hourly rate of \$100.

Adjustment of Annual Fee

The Commission reserves the right to revise the Monitoring Fee annually based on the Commission's costs for monitoring functions. In no event shall the monitoring fee decrease.

A fee will not be charged for any of the HOME units unless allowed by HUD per HOME program guidelines.

Maximum Annual Fee

Pursuant to this Agreement and the AARP, the maximum **initial** Annual Monitoring Fee charged by the Administrator shall not exceed **\$150**. This maximum Annual Monitoring Fee amount may be adjusted for changes in the Commission's costs for monitoring functions.

Enforcement Fees

In the event the Administrator, in monitoring compliance, determines that Participant is not in compliance with the covenants and conditions in the Agreement or the AARP, Participant shall pay the Administrator's additional reasonable costs of enforcement. Such costs shall be equal to the Administrator's total documented costs for employee and attorney time expended in securing compliance.

Billing and Payment of Fees

The Administrator shall bill/invoice Participant for the Annual Monitoring Fee at the address of record on an annual basis. Participant shall pay fees to the Administrator within fifteen (15) calendar days of the date of each annual invoice.