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

London N. Breed
Mayor

Daniel Adams
Acting Director

April 2, 2020

Notice of Availability of 2019 Annual Monitoring Report Form
(plus reminders of Marketing Procedure and Serious Incident Protocol)

MOHCD is pleased to announce the availability of the Annual Monitoring Report (AMR) forms for Reporting Year 2019 (RY2019). The forms are now available to be downloaded from the Asset Management page of the MOHCD web site. A training on how to complete the AMR will be held on May 13, 2020, from 9-11:45 a.m. See below for more information.

IMPORTANT INFORMATION RELATED TO COVID-19
MOHCD recognizes the impact that the COVID-19 crisis is having on the organizations that we support, especially those providing essential services. It is vitally important to take measures to protect your staff, residents and clients from contracting and spreading COVID-19. We urge all affordable housing owners and managers to follow the guidelines, recommendations and orders from the U.S. Centers for Disease Control, the State of California and the San Francisco Department of Public Health. MOHCD is also taking action to address the needs of the projects under our purview:

- The City issued a 30-day moratorium on evictions related to the COVID-19 pandemic to avoid displacement during this crisis.
- MOHCD published a memo clarifying MOHCD's current Operating Reserves requirements.

- • MOHCD extended the 2019 AMR due date by one month (see below for detailed info).

MOHCD is also seeking approval to allow project sponsors to retain a larger share of 2019 surplus cash/residual receipts than is allowed under their financing agreements with MOHCD. We will provide updates as soon as possible.

If this crisis is preventing you from responding thoroughly and quickly to any request from MOHCD, please do whatever you can to let us know of your limitations and to propose alternatives. Thank you for everything that you are doing on behalf of the people served by your organization and for all of the people of San Francisco.

AMR Deadline: In response to the COVID-19 public health emergency and associated impacts on the affordable housing industry, MOHCD has extended the 2019 AMR deadline by one month to give project sponsors additional time to conclude their audits and prepare the reports. For projects whose business year ended December 31, 2019, the report will be due on June 30, 2020 for the period 1/1/19-12/31/19, unless stated otherwise in a separate, project-specific notice sent by MOHCD. For any projects whose 2019 business year occurred on different dates than those above, the report will be due 6 months from the last date of that business year.

Completion and Submission Instructions

The Annual Monitoring Report consists of the following four parts:

I. AMR_RY2019 – project name.xlsx – This is a Microsoft Excel spreadsheet that is comprised of the following worksheets:

Instructions	3C. Demographic Summary
1A. Property & Residents	4. Narrative
1B. Transitional Programs	5. Project Financing
1C. Eviction Data with Demographics	6. Services Funding
2. Fiscal Activity	7. Supplementary Audit Information Required by MOHCD
3A. Occupancy & Rent Info	Completeness Tracker

3B. Demographic Information

Provide all applicable information that is requested in worksheets 1-7. Use the Instructions to help you complete each form and the Completeness Tracker to help you to determine when each worksheet is complete.

Use Question #1 on the Narrative worksheet to explain any data that you provide that may be unclear or better understood with additional information. In addition, certain questions in this report prompt you to supply an explanation for your answers on the Narrative worksheet. <u>Failure to supply the required explanation will render your submission incomplete</u>.

Submit this report as an Excel file only; do not convert it to pdf or another file type. Changing the format of "AMR_RY2019 – project name.xlsx" without MOHCD's prior approval is not allowed. Do not overwrite any validations for any of the cells, alter any formulas or add or delete any rows or columns. If you need to revise the form in order to successfully complete the report, submit a request to <u>moh.amr@sfgov.org</u>.

II. Owner Compliance Certification Form and Documentation of Insurance The certification form is a Microsoft Word document that must be completed, signed and dated by the Executive Director (or other authorized officer) of the entity that owns the project. Scan the form along with documentation of insurance and email it to MOHCD as a single document. For each project, you must provide certificates of liability insurance <u>and</u> property insurance that are <u>current as of the date of submittal</u> of the AMR.

III. Audited Financial Statements
Provide financial statements for the project for Reporting Year 2019. They must be prepared by a certified public accountant in accordance with generally accepted accounting principles, applicable regulations and laws and with the City's "<u>Audit Requirements for MOHCD-Funded Projects</u>" a copy of which is posted on <u>MOHCD's Asset Management web page</u>. If the project is owned by a single asset entity, provide separate financial statements just for the project, otherwise provide audited statements for the parent corporation. Also include copies of any Management Letters and special notes from the auditor that pertain to the property and the financial statements.

IMPORTANT NOTE: MOHCD's audit requirements call for the preparation of a supplemental section to the financial statements that includes the following:

- schedule of operating revenues,
- schedule of operating expenses,
- computation of cash flow/surplus cash
- summary of project reserve activity

The supplemental section is <u>required</u> whether a project is owned by a single asset entity or is wholly owned by the sponsoring parent corporation. It may be prepared by using worksheet #7 of the AMR or a form generated by the accounting system of the project owner or the auditor.

IV. Waiting List
Submit a copy of the project's waiting list that is current as of the date of submittal. The waiting list must include the following information for each person or household who has applied to live at the project and is still waiting to be considered for an available unit:
- name of head-of-household
- contact information
- date of application,
- number of people in the household,
- stated household income and
- desired unit size.

This requirement is not applicable to transitional housing projects, residential treatment programs, shelters, group homes or permanent supportive housing for homeless people that is leased through a closed referral system.

Completed AMRs must be submitted electronically, via <u>one email message per project</u> to <u>moh.amr@sfgov.org</u>. If the documents that comprise the report are too large to attach to a single email, compress the files into a zip file

and attach it to the email.

AMR Training – May 13, 9-11:45 a.m.

To facilitate completion of the AMR by project sponsors, MOHCD will conduct a virtual training from 9 to 11:45 a.m. on Wednesday, 5/13, via "Microsoft Teams." We strongly encourage the primary staff person who is responsible for completion of the report to attend, especially new staff persons who have not previously worked on an AMR. Please RSVP to Ricky Lam at ricky.lam@sfgov.org or 415-701-5542. Once your attendance is confirmed, Ricky will provide you with the link to the training. Please also note that two portions of the training are pre-recorded and available for use at any time:
Video Training for Worksheet 1A (Property and Residents) and Worksheet 6 (Services)
Video Training for Worksheet 2 (Fiscal)

Marketing Procedure for Available Units and Waiting List Openings

Before advertising the availability of units for lease in a project or opening the waiting list, owners and property managers must notify MOHCD of this action by completing a Marketing Plan Template and submitting it to the assigned staff person on MOHCD's asset management and compliance monitoring team. The template is available on the Asset Management page of our web site, under "Marketing Requirements for MOHCD-Financed Multifamily Rental Projects." Once the marketing plan is approved, MOHCD will post information about the available units or opening of the waiting list on DAHLIA – the City's internet portal where members of the public may get information and apply for affordable housing. General information for people seeking affordable housing in San Francisco can also be found on our web site at this location.

Serious Incident Protocol

To ensure that MOHCD is kept informed of serious incidents that occur at projects financed by this office, we have established the following protocol for reporting serious, negative events such as accidents, criminal activity or equipment failure. The report should be filed only after emergency procedures have been followed and the situation has been stabilized.

The Mayor's Office of Housing and Community Development requests that owners of projects financed by this office notify us immediately if a serious incident occurs at their properties and meets one or more of the following parameters:

- Involves serious injury or death
- Is a serious, violent crime that involves a major police action (e.g. shooting)
- Causes the building or a significant number of units to be off-line
- Requires a resident to move out of a unit one month or longer
- Damage to the building is significant enough to require the use of reserves

The owner should notify the MOHCD asset manager assigned to the project and provide the following information:

- The date of the incident
- A description of the incident
- A description of what has been and is being done in response
- The name, phone and email of the staff that should be contacted if there are questions
- Confirmation that 1) the property insurance is current and 2) the insurance company has been contacted; a brief summary of their response, if available
- Statement of whether or not the organization plans to use the project's reserves to pay for corrective action

Asset Management and Compliance Monitoring Team - MOHCD
During the COVID-19 emergency and the City's public health order that requires residents to shelter in place, MOHCD's office will be closed. Please contact us by email or voice mail.
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