

**Memorandum of Understanding
Mission Bay South Block 12 West**

October 6, 2026



Requested Commission Action

Authorize Memorandum of Understanding (“MOU”)

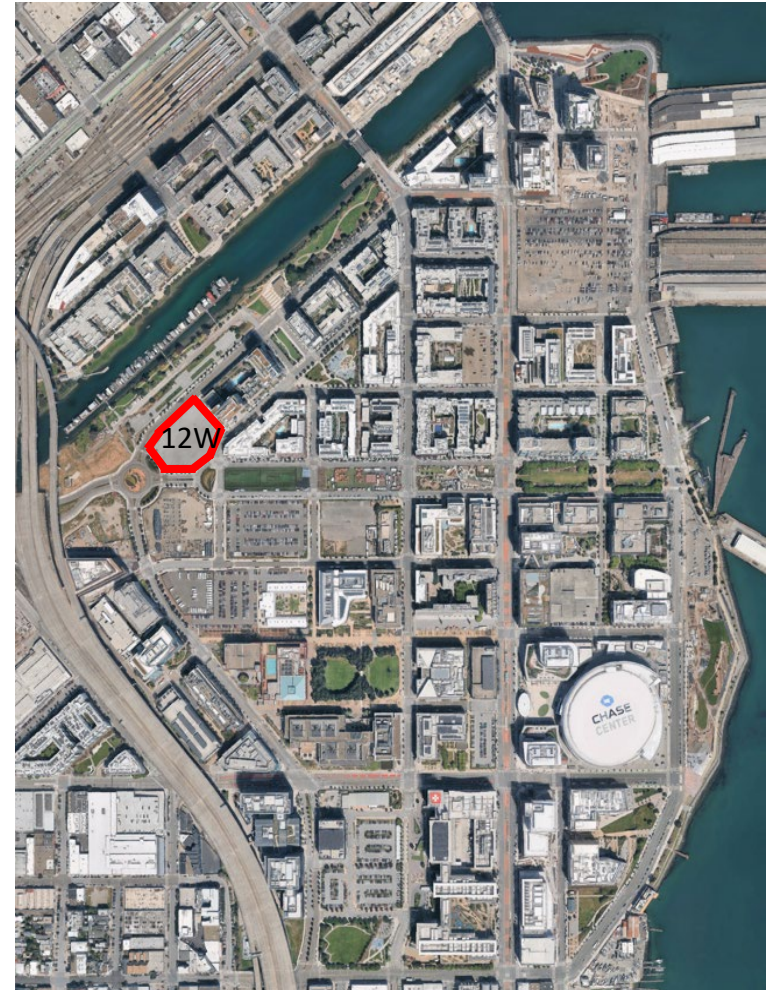
- MOU authorizes discussions about development concept with Mission Bay Master Developer (FOCIL)
 - Mission Bay South Block 12 West Concept:
 - Mixed income and affordable
 - Approx. 265-unit affordable
 - Approx. 270-unit mixed income (inclusionary)

Background – Development Plan Evolution

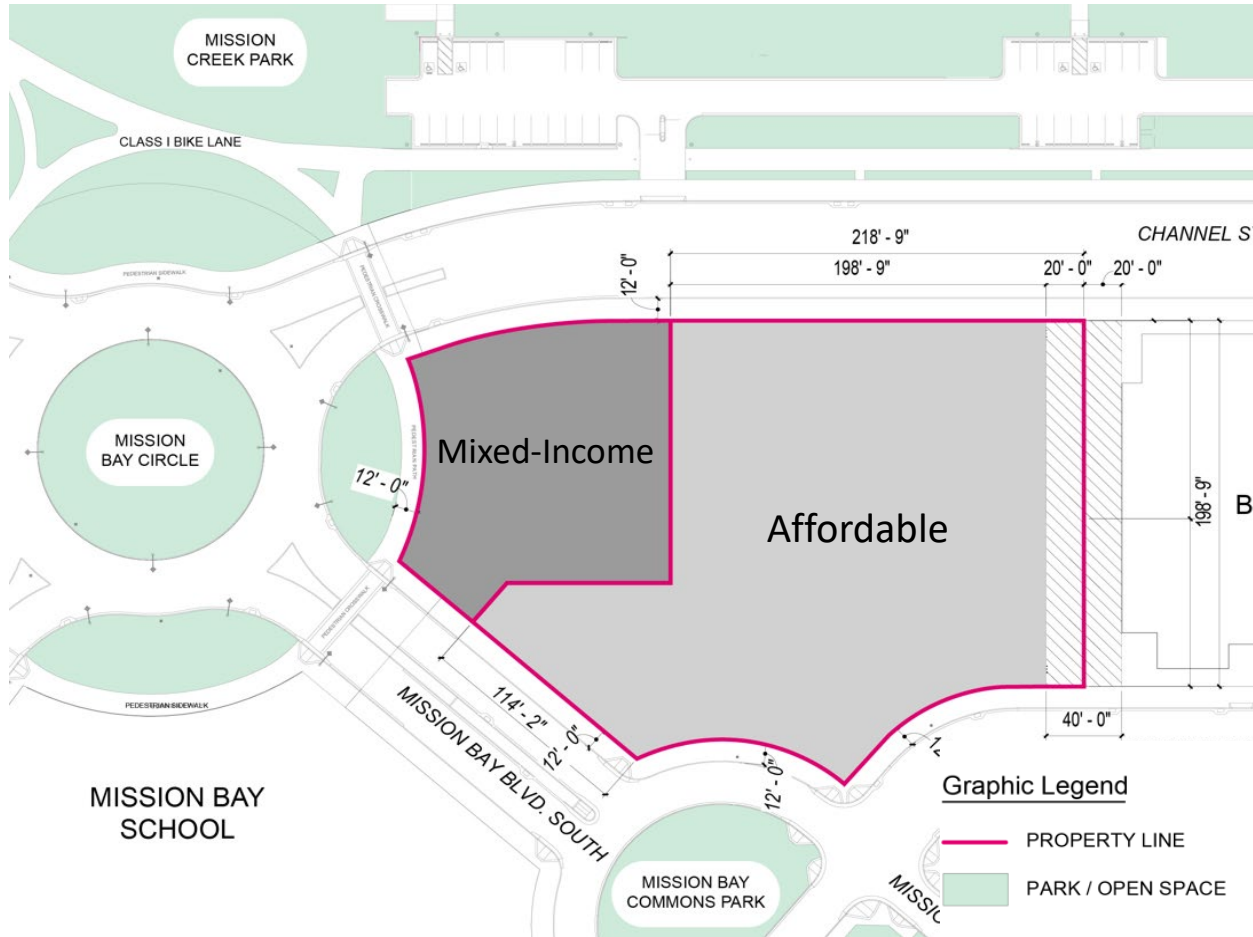
- Mission Bay governed by development agreement (Owner Participation Agreement, “OPA”)
- Maximized Development on OCII Sites for Denser Development
- 2012 Dissolution Limited Amendments and Tax Increment Financing
 - Not to exceed OPA Housing Program, 1,218 units
 - Other sources necessary for additional affordable housing
- SB 593 additional limited affordable housing financing
- Limited affordable housing financing applied to MB Block 4 East
 - Approved November 2025
 - Added 250 units

Housing Development Status

- Affordable housing units authorized
 - 1,451 units
 - 1,218 pre-dissolution obligation
 - 233 additional units on Block 4E
- No remaining residential entitlements are available for Block 12 West (designated affordable housing site)
- Amendments are required to facilitate development on Block 12W



Subdivision & Entitlement Concept



Approach*

Affordable:

- 1.16 acres
- Approx. 265 Units
- Up to 90' ft

Mixed-Income:

- 0.43 acres
- Approx. 270 Units (inclusionary)
- Up to 250' ft

Block 12 West: 1.6 Acres

*subject to change

MOU Summary

Non-Binding Agreement

- **Parties:** OCII/FOCIL
- **Term:** Earlier of two years or completion of entitlements
- **Subdivision:** one affordable and one market-rate parcel
- **Entitlements:** Increase residential units by 535 units and corresponding design controls
 - Amendments to Plan Area Documents: Redevelopment Plan, OPA, Design for Development, Major Phase
- **Environmental Review:** Complete environmental review
- **Coordination:** Coordinate planning and approvals
- **Cost Sharing:** Proportional OCII/FOCIL cost sharing, by units

CAC/CEQA

Mission Bay Citizens Advisory Committee (“CAC”)

- August 13, 2026: Mission Bay CAC unanimously recommended the proposed MOU

Environmental Review

- Proposed MOU is statutorily exempt from environmental review pursuant to CEQA Guidelines Section 15262 because it does not have a legally binding effect on later activities and it only involves feasibility and planning activities

Next Steps

Next Steps

- Request for Proposals for a developer for the affordable parcel
- Project Area Document amendments to facilitate development of 12 West in early 2027

Office of Community Investment and Infrastructure

Thank you