



118-0152016-002

Agenda Item No. **5(c)**
Meeting of May 17, 2016

MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Tiffany Bohee, Executive Director

SUBJECT: Authorizing an Option to Ground Lease Agreement, with 1300 4th Street Associates, L.P., a California Limited Partnership, for the construction of a 143 unit (including one manager's unit) low-income affordable family rental housing development at Mission Bay South, Block 6 East (626 Mission Bay Boulevard North), and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area

EXECUTIVE SUMMARY

On December 2, 2014, the Commission on Community Investment and Infrastructure ("Commission") approved an Exclusive Negotiations Agreement and a Predevelopment Loan Agreement of \$2.5 million for a 143-unit affordable rental housing project at 626 Mission Bay Boulevard North (Mission Bay South Block 6 East), formerly known as 1300 Fourth Street, (the "Project"). The Project is located on one of the "Agency Affordable Housing Parcels" as defined in the Mission Bay South Owner Participation Agreement. The development team consists of Tenderloin Neighborhood Corporation ("TNDC"), Mithun Architects with Studio VARA Architects, TNDC Property Management and Social Services, and 826 Valencia. The Project will include 28 units (or twenty percent) for formerly homeless households which will be referred by the City and County of San Francisco's Human Services Agency ("HSA"). The Project will also include onsite supportive services and associated services space, and will comply with all applicable green building standards.

On August 4, 2015, the Commission conditionally approved a schematic design that includes a 65' building with ground floor retail space along 4th Street, and townhomes and flats facing a pedestrian mews. The Project also includes 41 parking spaces, 136 bicycle parking spaces, and various open courtyards.

Currently, 1300 Fourth Street, L.P. (the "Sponsor") desires to enter into an Option to Ground Lease Agreement ("Option Agreement") to demonstrate site control in order to comply with the California Debt Limit Allocation Committee ("CDLAC") and Tax Credit Allocation Committee ("TCAC") regulations. Both CDLAC and TCAC are significant funding sources for the Project and

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both require that the Sponsor demonstrate site control to secure bond financing and tax credits. In the past CDLAC and TCAC have accepted OCII's recorded Memorandum of Option for each Agency Affordable Housing Parcel in Mission Bay as evidence of site control, but the current leadership at CDLAC and TCAC have revised their interpretation of site control such that the Option to Ground Lease Agreement is required to apply for bond financing and tax credits.

The Option Agreement sets forth the terms and conditions for the ground lease; while the Option Agreement sets forth these terms, the ground lease itself is yet to be negotiated. The terms in the Option Agreement include: a 75 year term with one 24-year option to extend; description of the Project use; annual ground rent consisting of a must-pay base rent of \$15,000 and a residual rent if any, which is the surplus amount remaining after all required operational costs have been paid; maintenance and operation of the Project; allowed encumbrances; and assignment provisions.

Staff recommends authorizing an Option to Ground Lease Agreement and adopting environmental findings pursuant to California Environmental Quality Act.

BACKGROUND

Mission Bay Affordable Housing Development

On September 17, 1998, the SFRA Commission approved the Mission Bay North and South Redevelopment Plans and Owner Participation Agreements ("OPAs") with the Mission Bay Master Developer. Since the initial approval of the South OPA, the document has been amended four times to modify the development plan on several parcels.

The OPAs, as amended, require that approximately no fewer than 1,700 of the 6,350 housing units in Mission Bay overall be affordable to low- and moderate-income households. The Mission Bay Master Developer is obligated to create approximately 255 affordable units as part of its development plans in Mission Bay North. The remaining 1,445 units will be developed by nonprofit housing developers selected by OCII on approximately 15 acres of land that the Master Developer is required to contribute to OCII in Mission Bay North and South. These 15 acres are known as "Agency Affordable Housing Parcels."

To date 821 affordable (counting inclusionary) units have been constructed in the Mission Bay North and South Project Areas. Of those 821 total affordable units, 672 units are in Mission Bay North and 149 units are in Mission Bay South. With the exception of 26 developer-sponsored inclusionary units that are under construction at Mission Bay North N4P3 (Eviva at 360 Berry Street), all of the required affordable units in Mission Bay North have been completed. Meanwhile, affordable development continues in Mission Bay South, and 200 OCII-sponsored affordable units are currently under construction there (to be completed this Fall). Another 244 units are in predevelopment in Mission Bay South. Beyond what's already been built in Mission Bay South, an additional 514 affordable units will be developed under upcoming RFPs. Please see Table 1 for more detail.

The Mission Bay Affordable Housing Policy ("Housing Policy") establishes that rental projects are affordable on average to households earning up to 60% of Area Median Income ("AMI"). As an example and based on 2016

figures, income for a family of four at 50% of AMI as published by the Mayor's Office of Housing and Community Development would be \$53,850 per year with a monthly rent restricted to no more than \$1,346 for a three-bedroom unit.

Mission Bay South Block 6 East (626 Mission Bay Boulevard North) Background

626 Mission Bay Boulevard North, formerly known as 1300 4th Street, is part of a 303-acre redevelopment district that was administered by the former SFRA. Pursuant to State Assembly Bill 26 ("AB 26") and Assembly Bill 1484 ("AB 1484") (together, "Dissolution Law"), redevelopment agencies throughout the State of California were eliminated on February 1, 2012. OCII is the Successor Agency to the San Francisco Redevelopment Agency (SFRA) and is responsible for implementing SFRA's enforceable obligations. On January 24, 2014, the California Department of Finance ("DOF") determined "finally and conclusively" that the Mission Bay OPAs and tax allocation pledge agreements are enforceable obligations under AB 26 and AB 1484.

The Project will be the third Agency Affordable Housing Parcel in the Mission Bay South Redevelopment Project Area, and the seventh affordable housing development in the overall Mission Bay Project Area:

Table 1: Completed and Active Mission Bay Affordable Housing Projects

Location	Project Name	# of Units	Housing Type	Date Completed
Mission Bay North	Rich Sorro Commons	100	Family rental	2002
Mission Bay North	Mission Creek Senior Community	140	Senior rental (including 49 units for homeless seniors)	2006
Mission Bay North	Crescent Cove	234	Family rental	2007
Mission Bay North	Mission Walk	131	Family for-sale	2009
Mission Bay South	1180 4th Street	150	Family rental (including 50 units for homeless families)	2014
Mission Bay South	588 Mission Bay Boulevard North	200	Family rental	2016
Mission Bay South	*626 Mission Bay Boulevard North	143	Family rental (including 29 units for homeless families)	2018 (Projected)
Total to Date		1,098		

*Subject project

The RFP process was completed in the Spring of 2014, and resulted in an Exclusive Negotiations Agreement and Predevelopment Loan Agreement with the selected developer, Tenderloin Neighborhood Corporation ("TNDC").

Upon completion of the project, OCII's assets related to the site will be transferred to the Mayor's Office of Housing and Community Development ("MOHCD"), which is the designated Housing Successor Agency under Dissolution Law.

Mission Bay South Block 6 East (626 Mission Bay Boulevard North) Project

626 Mission Bay Boulevard North is a 1.45 acre parcel bounded by China Basin Street, 4th Street, Mission Bay Boulevard North and Block 6 West (see Attachment 1 - site/amenities map). The Project will contain 142 units (plus 1 manager's unit), affordable to households earning between 20-50% of Area Median Income ("AMI"), and comprised of 53 one-bedroom, 47 two-bedroom, and 43 three-bedroom units. Ground floor retail will face 4th Street, 41 off-street parking spaces, 136 bicycle parking spaces, and various open courtyards. Architecturally, 626 Mission Bay Boulevard North includes two distinct components, a 65 foot main building with ground floor retail space along 4th Street featuring a rounded corner element to serve as a focal point and 12 townhouses and 10 flats along the pedestrian mews side of the development.

Project financing will include equity raised from the sale of 4% Low-Income Housing Tax Credits; Affordable Housing Program ("AHP") funds; private loan funds; State Affordable Housing for Sustainable Communities funding; and, tax-exempt bond financing in the form of mortgage revenue bonds to be issued by the City. Local Operating Subsidy Program ("LOSP") funds from the City will be available to augment the operating costs associated with the formerly homeless units.

Additionally a robust early outreach, and marketing and tenant selection plan will be required, the specifics of which will be detailed in the upcoming construction loan agreement, which will be before the Commission in the Summer 2016.

Option to Ground Lease Agreement

Pursuant to Article 3 – Minimum Requirements, Section 5190 of the CDLAC regulations, the Sponsor is required to demonstrate proof of site control at the time of application for a tax exempt bond allocation. For past submissions Project Sponsors and staff have submitted the Mission Bay South OPA, the Memo of Option (which allows OCII to acquire the land when the Sponsor is ready to begin construction) plus an executed Exclusive Negotiations Agreement as sufficient evidence of site control. Under new CDLAC leadership, all Sponsor teams are now required to submit an Option to Ground Lease Agreement ("Option") as proof of site control for the specific project. The Option will provide the Sponsor adequate proof demonstrating site control to State funding agencies. If approved by the Commission, the term of the Option will begin on the date of such approval, and will expire on or before December 31, 2016, unless, per Section 2a. of the Option of Ground Lease, the term is extended by the OCII Executive Director for a maximum six-month extension due to unforeseen Project delays. While the Option will suffice for evidence of site control for CDLAC, the ground lease itself is yet to be negotiated with the Sponsor and the final ground lease is subject to Commission authorization anticipated to be Summer 2016.

The term of the Option Agreement will allow staff to negotiate all of the terms and conditions for the ground lease of the Property, which includes but is not limited to:

- A term of 75 years (from the date of construction completion of the Project) with one 24-year option;

- The tenant will be responsible for the payment of any and all property taxes and assessments (against the leasehold estate;
- The site will only be used for affordable housing with income levels set no higher than 50% area median income ("AMI") and approved ancillary uses;
- The tenant annual rent to be set in the amount of ten percent (10%) of the land value of the Property (as determined by a MAI appraiser). Annual rent consists of:
 - a base rent of \$15,000
 - a residual rent amount which is only paid to the extent that there is surplus cash after the Project pays all of its operating expenses (this amount will not accrue)
- The tenant will be responsible for the operation and maintenance of the Project during the ground lease term;
- The tenant will be allowed to encumber the leasehold interest to secure necessary loans, as approved by OCII, and
- The tenant may only sell, assign, convey, sublease or transfer any part of its interest in the ground lease, to an affiliate of the Sponsor with prior notice to OCII.

Staff will present the Ground Lease Agreement to the Commission for its consideration in Summer 2016. The Option is included with this memorandum as Attachment 2.

Equal Opportunity Program and Compliance with OCII Policies

The Developer shall comply with OCII's Nondiscrimination policies in Contracts, Minimum Compensation and Health Care Accountability and has worked closely with contract compliance staff to comply with the Small Business Enterprise ("SBE") Program on this development. To date, the Developer has exceeded the OCII's 50% SBE goal and has achieved 54.0% SBE (39.0% SF-SBE, 8.4% MBE and 11.1% WBE) for professional services consultants. A full list of consultants is included as Attachment 3.

During the construction phase of this project, the Developer is committed to meeting the OCII requirements and goals which includes the 50% SBE construction subcontracting participation goal, payment of prevailing wages and the 50% local construction workforce hiring goal.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

The Option to Ground Lease document facilitates the development of the Project, which is an Implementing Action within the scope of the Mission Bay Project analyzed in the Final Subsequent Environmental Impact Report for Mission Bay North and South ("FSEIR") and requires no further environmental review beyond the FSEIR pursuant to the State CEQA Guidelines Section 15180, 15162 and 15163 for the following reasons:

(1) implementation of the Project does not require major revisions to the FSEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant impacts; and,

feasible, which would reduce one or more significant effects, have become feasible; or (iv) mitigation measures or alternatives, which are considerably different from those in the FSEIR, will substantially reduce one or more significant effects on the environment that would change the conclusions set forth in the FSEIR

NEXT STEPS

Staff will return to the OCII Commission in Summer 2016 for permanent gap financing and long-term ground lease approvals. Construction will commence in late Summer 2016.

(Originated by Pamela Sims, Development Specialist)



Tiffany Bohee
Executive Director

- Attachments:
1. Site/Amenities Map
 2. Option to Ground Lease Agreement
 3. SBE Consultants

OPTION TO GROUND LEASE AGREEMENT

This Option to Ground Lease Agreement (this “**Agreement**”) is entered into as of this _____ day of _____ 2016, by and between SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, hereafter referred to as the Office of Community Investment and Infrastructure, a public body organized and existing under the laws of the State of California (“**OCII**”), and 1300 FOURTH STREET ASSOCIATES, L.P., a California Limited Partnership, whose general partner is 1300 Fourth Street GP LLC, an affiliate of Tenderloin Neighborhood Development Center, and its permitted successors and assigns hereunder (the “**Optionee**”), with reference to the following facts:

RECITALS

A. The former Redevelopment Agency and FOCIL-MB, LLC, a Delaware limited liability company (“**FOCIL**” or “**Owner**”) are the parties to that certain Mission Bay South Owner Participation Agreement dated November 16, 1998 (the “**South OPA**”) recorded on December 3, 1998 in the Official Records of the City and County of San Francisco as Document 98-G477258. The South OPA provides for the redevelopment of certain real property owned by FOCIL which is located in the South Plan Area, which is bounded by Seventh Street, Mariposa Street, relocated Terry Francois Boulevard and China Basin Channel and containing approximately two hundred thirty-eight (238) acres of land (as more particularly described in the South OPA).

B. Pursuant to Attachment C – Mission Bay South Housing Program of the South OPA (the “**Housing Program**”) approximately twenty-eight (28) acres in the South Plan Area are designated for development of up to three thousand (3,000) Residential Units (the “**Total Units**”). OCII anticipates development by Qualified Housing Developers of up to eleven hundred (1,100) affordable units (the “**Affordable Housing Units**”) on up to 12.2 acres (forty-two percent (42%) of the total housing acreage in the South Plan Area) which land is to be contributed to OCII by FOCIL. FOCIL may develop up to nineteen hundred (1,900) Market Rate Residential Units as the remainder of the Total Units allowed to be developed in the South Plan Area.

C. FOCIL is the fee owner of that certain property located at 626 Mission Bay Boulevard North, San Francisco (the “**Property**”).

D. Pursuant to the South OPA, including the Housing Program, the Owner is required from time to time to designate certain property as Agency Affordable Housing Parcels, and to grant to OCII an option, on specified terms and conditions, to acquire such Agency Affordable Housing Parcels for the development and construction of Affordable Housing Units.

E. Pursuant to the Memorandum of Option dated June 22, 2007 recorded on July 5, 2007 in the Official Records of the City and County of San Francisco as Document 2007-1413536-00, FOCIL designated real property located at 626 Mission Bay Boulevard North, San Francisco and more particularly described in Exhibit A attached hereto as an Agency Affordable Housing parcel, and FOCIL granted to OCII an option to

acquire fee title to such property upon the terms and conditions contained in the Housing Program.

F. The OPA requires affordable housing and market rate housing to be developed concurrently pursuant to calculations described in Section 2.6 of the Housing Program and more particularly described in Exhibit B attached hereto.

G. Optionee desires to develop the Property with up to 143 one, two, and three-bedroom units for low-income families (the “**Project**”). In order to develop the Project, Optionee desires to enter into a ground lease with OCII in which OCII will lease to Optionee the Property subject to certain conditions as provided herein.

H. Optionee intends to develop the Project with tax except bond financing and 4% Low Income Housing Tax Credits and other sources, as necessary.

I. In order to apply for Project financing, Optionee desires to obtain from OCII, and OCII desires to grant to Optionee, upon the specific terms and conditions set forth in this Agreement, the exclusive right and option to lease the Property.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED IN THIS AGREEMENT, THE PARTIES AGREE AS FOLLOWS:

AGREEMENT

Section 1. Grant of Option. OCII grants to Optionee the option to ground lease the Property and develop improvements thereon for the consideration and under the terms and conditions set forth in this Agreement (the “**Option**”).

Section 2. Term of Option: Exercise.

a. Term and Extension of Term. The term of the Option (the “**Term**”) shall be for a period commencing on the date of this Agreement and ending on or before December 31, 2016, (the “**Initial Term**”) unless extended. So long as the Optionee is not then in default under this agreement or any other agreements with OCII, Optionee may request an extension of the Term for an additional six (6) months (the “**Extended Term**”) by giving written notice to OCII between the date that is thirty (30) days prior to the expiration of the Initial Term and at any time before the expiration of the Initial Term. The extension is subject to the approval of the OCII Executive Director. The Extended Term shall commence on 12:01 A.M. on the day immediately following the expiration of the Initial Term and shall end on June 30, 2017. All references in this Agreement to the Term shall mean the Initial Term, and if extended as set forth above, the Extended Term. During the Term, Optionee and OCII staff agree to negotiate in good faith to complete all of the terms and conditions of the ground lease of the Property from OCII to Optionee consistent with this Agreement (upon completion of such negotiations, the “**Ground Lease**”). The final terms of the Ground Lease must be agreed to by Optionee, and OCII and approved by the OCII Commission, before Optionee’s exercise of the Option. The Term shall end on the dates set forth above or, if earlier, on the effective date of the Ground Lease.

b. Exercise of Option. At any time following approval of the Ground Lease by the OCII Commission and before the expiration of the Term, so long as the Optionee is not then in default under this agreement or any other agreements with OCII Optionee may exercise the Option by giving written notice to OCII (the “**Option Notice**”).

c. Expiration. The Option shall expire at midnight on the last day of the Term. If the expiration of the Term falls on a Saturday, Sunday or legal holiday in the State of California, then the Option may be exercised on the next following business day. Upon termination of the Option and a written request by OCII, Optionee shall sign and deliver a quitclaim deed or such other document as may be reasonably required by OCII to evidence the termination of the Option.

Section 3. Option Consideration. The Option is granted in consideration of Optionee’s obligation to negotiate in good faith for the Ground Lease and for advancement of the Project. The Option consideration is related to the Option only and in no way relates to Ground Lease payments that will be owed to OCII.

Section 4. Ground Lease of the Property. OCII staff shall prepare the initial form of ground lease substantially in the form used by OCII for projects in which OCII is the fee owner of property that will be developed for affordable housing. The Ground Lease shall be in accordance with the following:

a. Term of Ground Lease. The Ground Lease shall become effective immediately following the full execution by the parties and shall end seventy-five (75) years from the date of construction completion of the Project, provided that the tenant shall have an option to extend the term for an additional twenty-four (24) years for no additional consideration (but rent shall continue during any extended term as set forth below).

b. Taxes and Assessments. The tenant shall be responsible for the payment of any and all property taxes and assessments levied against the leasehold estate and the Property during the term of the Ground Lease subject to any abatement available therefrom.

c. Project Use. The Property shall be used during the term of the Ground Lease only for affordable housing, with maximum rent and income levels set at no greater than 50% area median income, and approved ancillary uses.

d. Rent. The tenant shall pay the landlord annual rent in the amount of ten percent (10%) of the land value of the Property (as determined by a MAI appraiser selected by, and at the sole cost of, the tenant, and set in the Ground Lease), consisting of \$15,000 in base rent and the remainder in residual rent. The residual rent shall be payable only to the extent proceeds are available from the Project. The annual rent shall be adjusted on the fifteenth (15th) anniversary of the expiration of the first full calendar lease year and every fifteen (15) years thereafter, and shall be equal to ten percent (10%) of then appraised value of the land as determined by a MAI appraiser

selected by, and at the sole cost of, the tenant. Any such adjustment shall be made to the residual rent and not the base rent.

e. Construction and Operation of the Project. The tenant shall be responsible, at its sole cost, for construction, operation, and maintenance of the Project during the Ground Lease term.

f. Title to Property. The Ground Lease shall provide that OCII will own fee title to the land, and the Optionee will own fee title to all improvements constructed or otherwise located on the land, during the Ground Lease term.

g. Disposition of Improvements at End of Lease. At the end of the Ground Lease term, fee title to all the improvements shall vest in OCII without further action of any party, without any obligation by OCII to pay any compensation therefor to the tenant and without the necessity of a deed from the tenant to OCII.

h. Mortgagee Protections. The Ground Lease shall include standard mortgagee protection provisions.

i. Defaults; Right to Cure. OCII will provide any notice of any defaults under the Ground Lease to the tenant's limited partners and lenders, and allow any such parties the right to cure a default by the tenant under the Ground Lease. Pursuant to the terms of the Ground Lease, OCII shall not be entitled to terminate the Ground Lease following any uncured default by the tenant during the fifteen (15) year tax credit compliance period for the Project, except if such default is failure to pay rent.

j. Encumbrances. The Ground Lease will permit the tenant to encumber its leasehold interest in the Property to secure any loans deemed necessary by the tenant, as approved by OCII. Any funds from a loan secured by the Property must be used in or on the Property.

Section 5. Closing.

a. Expenses. All expenses, fees or costs (except attorneys' fees and costs) incurred in connection with the Ground Lease of the Property, including but not limited to city and county documentary transfer tax, conveyance taxes, recording charges (if any), and costs of title insurance shall be borne by the Optionee. Each party shall bear its own attorneys' fees and costs incurred in connection with negotiation and execution of this Agreement and the Ground Lease.

b. Proration of Taxes. Real property taxes on the Property shall be prorated as of the date of closing of the Ground Lease.

c. Title Insurance. The closing of the Ground Lease shall be conditioned on the issuance to the tenant of an ALTA leasehold policy of title insurance, from a title company chosen by the tenant, insuring the tenant's leasehold interest in the Property subject only to reasonable exceptions approved by the tenant.

Section 6. Notices. All notices or other communications made pursuant to this Agreement shall be in writing and shall be deemed properly delivered, given or served to the parties at the following addresses when (i) mailed by certified mail, postage prepaid, return receipt requested; (ii) sent by express delivery service, charges prepaid with a delivery receipt; or (iii) personally delivered when a delivery receipt is obtained:

City: Office of Community Investment and Infrastructure
1 South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
Attn: Executive Director

Optionee: 1300 Fourth Street Associates
c/o Tenderloin Neighborhood Development Corporation
201 Eddy Street
San Francisco, CA 94102
Attn: Chief Executive Officer

All notices so delivered, mailed or sent shall be deemed received as of the date shown on the delivery receipt as the date of delivery, the date delivery was refused or the date the notice was returned as undeliverable. Either party may change its address for the purposes of this paragraph by giving prior written notice of the change to the other party in the manner provided in this Section 6. Any notice required under this Agreement that is sent by a Party shall be sent to, or contemporaneously copied to, all of the other Parties.

Section 7. Assignment of Option. Without the prior written consent of OCII, Optionee may assign its rights and obligations under this Agreement to any limited liability company in which 1300 Fourth Street Associates L.P., or its corporate affiliate is the managing member or partner, or a limited partnership in which 1300 Fourth Street Associates, L.P. or its corporate affiliate is a general partner. All other transfers by Optionee shall require the prior written consent of OCII.

Section 8. Binding Effect. This Agreement and its terms and conditions shall bind upon and inure to the benefit of the parties to this Agreement and their respective successors and permitted assigns.

Section 9. Time. Time is of the essence of this Agreement.

Section 10. Further Documents. Upon the reasonable request of the other party, each party will execute, acknowledge and deliver or cause to be executed, acknowledged and delivered, such further instruments and documents as may be reasonably necessary in order to carry out the intent and purpose of this Agreement, including escrow instructions.

Section 11. Commission. Each party to this Agreement represents to the other party that it has not engaged or used the services of any person, firm or corporation that may claim a broker's commission or finder's fee upon execution of this Agreement or the Ground Lease, and each party to this Agreement agrees to hold the other party harmless

from any loss, damage, expense or liability, including attorney's fees, resulting from any claim by any person, firm or corporation based upon its having acted as broker or finder on behalf of said indemnifying party.

Section 12. Captions. The captions of the paragraphs of this Agreement are for convenience and reference only, and the words contained in the captions shall in no way be held to explain, modify, amplify or aid in the interpretations, constructions or meaning of the provisions of this Agreement.

Section 13. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same Agreement.

Section 14. Entire Agreement; Signatures. This Agreement contains the entire agreement between the parties respecting the matters set forth, and supersedes all prior agreements between the parties respecting the matters set forth.

Section 15. Attorneys' Fees. In any action between Optionee and OCII to enforce or interpret any of the terms of this Agreement, the prevailing party shall be entitled to recover costs of suit and expenses including, without limitation, reasonable attorneys' fees.

Section 16. Effective Date. Notwithstanding anything to the contrary contained herein, this Agreement shall not be effective until the date on which the OCII Commission enacts a resolution approving and authorizing this Agreement and the transactions contemplated hereby, following execution of this Agreement by both parties.

[Signatures appear on following page]

IN WITNESS WHEREOF, Optionee and OCII have executed this Agreement as of the date first written above.

OCII:

OCII, as Successor Agency to the
Redevelopment Agency of the City and
County of San Francisco, a public body,
organized and existing under the laws of
the State of California:

By: _____
Tiffany Bohee
Executive Director

OPTIONEE:

1300 Fourth Street Associates, A
California Limited Partnership

By: 1300 Fourth Street GP LLC, a
California limited liability
company, its general partner

By: Turk Street, Inc., a
California nonprofit public benefit
corporation, its sole
member/manager

Its: _____

APPROVED AS TO FORM:
DENNIS J. HERRERA
City Attorney

By: _____
Heidi J. Gewertz
Deputy City Attorney

Authorized by OCII Resolution No. ____-2016, adopted _____, 2016

EXHIBIT A

Property Description

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

Assessor's Block 8711 Lot 21, as shown on that certain map entitled "Final Map – Tract No. 3936 for Residential and Commercial Condominium Purposes, Mission Bay (2-7 and 13)", recorded on February 22, 2006 in Book BB of Maps at Pages 54 to 58 in the Office of the Recorder of the City and County of San Francisco, State of California.

TNDC

Attachment 3

MB Block 6E (1300 Fourth Street)

Professional Services Consultant Summary (May 2nd, 2016)

Discipline	Consultant Names	Fees	SBE Goal	SBE	SBE - SF	For Informational Purposes Only		
			Credit*	Participation		MBE	Ethnicity**	WBE
Architect	Mithun/Solomon	\$ 1,639,450						
Associate Architect	Studio VARA	\$ 504,000	\$ 504,000	504,000	504,000		Latina (50/50% partnership)	252,000
SBE Outreach: Professional Services	Monica Wilson	\$ 25,000	\$ 25,000	25,000	25,000		Latina	25,000
Greenpoint Rater	Bright Green Strategies	\$ 25,405	\$ 25,405	25,405			Asian/PI	25,405
HERS Rater	Bright Green Strategies	\$ 12,250	\$ 12,250	12,250			Asian/PI	12,250
TCAC Consultant	Bright Green Strategies	\$ 5,000	\$ 5,000	5,000			Asian/PI	5,000
Structural Engineer	KPFF/Rivera	\$ 237,150	\$ 225,000	78,750	78,750	78,750	Latino	
Mechanical	E350	\$ 187,450	\$ 187,450	187,450	187,450			
Electrical	E350	\$ 133,310	\$ 133,310	133,310	133,310			
Plumbing	E350	\$ 77,070	\$ 77,070	77,070	77,070			
Owner's Rep/Construction Manager	Regent	\$ 118,210	\$ 118,210	118,210	118,210	118,210	Latino	
Civil Engineer	UDCE	\$ 59,000	\$ 59,000	59,000	59,000	59,000	Asian/PI	
Landscape and Irrigation	Surface Design	\$ 103,000	\$ 103,000	103,000	103,000			
Surveyor	TBD (SBE)	\$ 17,600	\$ 17,600	17,600				
Environmental Consultant	AEW	\$ 62,150	\$ 62,150	62,150	62,150	62,150	Asian/PI	
Geotech Engineer	Rockridge	\$ 153,950	\$ 153,950	153,950				
Accoustical Engineer	Papadimos Group	\$ 25,000	\$ 25,000	25,000	25,000			
Waterproofing	Gale Associates	\$ 42,600						
OSHA design	Scaffold Testing & Inspection	\$ 12,000	\$ 12,000	12,000				
Cathodic Protection	JDH	\$ 12,000	\$ 12,000	12,000				
Reproduction	Omni Digital	\$ 100,000	\$ 100,000	100,000	100,000		SE Indian	100,000
Archaeological Monitoring	William Self Associates	\$ 27,292	\$ 27,292	27,292				
Security Design	Teletek	\$ 2,259						
Lighting Design	Weller Design	\$ 96,915	\$ 96,915	96,915				
Methane Mitigation Design	Langan Treadwell Rollo	\$ 40,500						
Commissioning	Sherrill Engineering	\$ 55,200	\$ 55,200	55,200				
OPOS consultant (same as OSHA above)	Scaffold Testing & Inspection	\$ 5,000	\$ 5,000	5,000				
Totals		3,778,761	2,041,802	1,895,552	1,472,940	318,110		419,655
Percent of Total Fees			54.0%	50.2%	39.0%	8.4%		11.1%

* Full SBE credit is granted to joint ventures and associations where the SBE partner performs at least 35% of the joint venture or association agreement.

** Please note: ethnicity and/or gender data were gathered from third-party sources and presented for informational purposes only. Such data have not been verified.