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118-2052020-002

Agenda Item **No. 5(a)**
Meeting of April 7, 2020

MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Nadia Sesay, Executive Director

SUBJECT: Authorizing an Exclusive Negotiations Agreement and a Predevelopment Loan Agreement in an amount not to exceed $3,500,000, with 350 China Basin Partners, LLC, a California limited liability company, for the development of approximately 140 affordable for-sale housing units at Mission Bay South 9a, providing notice that this approval is within the scope of the Mission Bay Redevelopment Project approved under the Mission Bay Final Subsequent Environmental Impact Report, a program EIR, and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area

EXECUTIVE SUMMARY

Curtis Development ("CD"), Michael Simmons Property Development, Inc. ("MSPDI"), and Young Community Developers ("YCD"), co-developers of a planned 140-unit affordable for-sale housing project (the "Project") on Mission Bay South Block 9a (the "Site" or "Block 9a"), are requesting approval for an Exclusive Negotiations Agreement and a Predevelopment Loan of up to $3,500,000. The Project will be priced to be affordable to households earning 80-110% of area median income ("AMI") as defined by the San Francisco Mayor's Office of Housing and Community Development ("MOHCD"). The requested funding amount is included in the approved Recognized Obligations Payment Schedule for the fiscal year beginning July 1, 2019 and ending June 30, 2020 as item #419, which was approved by the California Department of Finance. The Project is located on one of the "Agency Affordable Housing Parcels" as defined in the Mission Bay South Owner Participation Agreement.

As discussed in Informational Memorandum dated October 15, 2019, OCII issued a Request for Proposals (the "RFP") on May 23, 2019 to develop and market approximately

135 units of affordable for-sale housing at the Site. OCII staff made extensive outreach efforts to attract RFP submittals by the July 22, 2019 deadline, and ultimately received one proposal from MSPDI, CD, and YCD (the “Sponsors”) that met the minimum threshold submission requirements of the RFP. The RFP set forth specific qualifications including previous development experience, developer staff capacity, architectural design, building constructability, and financial feasibility.

After staff completed review of the submittal, a five member evaluation panel comprised of one representative from MOHCD, one member from the Mission Bay Citizens Advisory Committee (the “CAC”), and three OCII staff interviewed the developer team. The evaluation panel determined that the submittal was responsive to the RFP criteria, and that the team demonstrated strong prior experience with affordable homeownership projects, and marketing and sales to first-time homebuyers. Based on the selection criteria set forth in the RFP, the evaluation panel recommended entering into an agreement with Sponsors for exclusive negotiating rights to develop affordable for-sale family housing at the Site. The Sponsors have established 350 China Basin Partners, LLC as the development entity for the Project.

The Sponsors are seeking to enter into an Exclusive Negotiations Agreement (Attachment 3) and a Predevelopment Loan Agreement (Attachment 4) for Block 9a. The loan request was approved by the Citywide Affordable Housing Loan Committee on January 17, 2020, subject to certain terms and conditions contained in the attached loan evaluation (Attachment 2).

Staff recommends that the Commission authorize an Exclusive Negotiations Agreement and a Predevelopment Loan Agreement, and adopt environmental findings pursuant to the 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, FOCIL-MB, LLC, the successor in interest to Catellus Development Corporation. Since the initial approval of the South OPA, the document has been amended four times to modify the development plan on several parcels.

The enforcement of the North and South OPA’s as amended will result in 6,514 residential units, with approximately 29% or 1,916 units set aside and allowed as affordable. The affordable units are comprised of inclusionary affordable units and units developed by nonprofit housing developers on Agency Affordable Housing Parcels.

Mission Bay North residential development is complete with a total of 698 affordable rental and for-sale homes constructed. In Mission Bay South (“MBS”), the recent completion of 350 for-sale condominiums at 110 Channel Street (MBS Block 1) completes all market-rate residential development, totaling 2,332 units. To date, 493 units have been constructed in stand-alone affordable housing projects in MBS; 725 affordable units remain to be completed in MBS, including the OCII-sponsored affordable developments currently in development at MBS Block 6W and MBS Block 9.

# of Affordable Units	Mission Bay North	Mission Bay South	Mission Bay North and South
Built	698	493	1,191
Under Construction or Planned	0	725*	725*
TOTAL	**698**	**1,218**	**1,916**

** The MBS OPA requires OCII to construct a base number of 1,108 affordable housing units. In addition, Section 3.6 of the MBS Housing Program (Attachment 3 to the MBS OPA) allows for OCII to construct an additional 110 affordable housing units, pending assessment of the development impacts and any necessary approvals. The total obligation and allowed number of units is 1,218 affordable housing units.*

In total and as shown in the table above, 1,191 affordable units have been completed and 725 units (including the additional 110 allowable affordable units) remain to be completed in the Mission Bay Project Areas.

RFP Summary

On May 23, 2019, OCII released an RFP offering one Agency Affordable Housing Parcel, Mission Bay South Block 9a, for development (one of the OCII stand-alone 100% affordable sites). Block 9a is an approximately 29,939 square-foot rectangular site bounded by Mission Rock Street to the north, the future Bridgeview Way (a publicly accessible private right-of-way) to be constructed to the west, China Basin Street to the south, and a future public green space fronting ("P19") on to Terry A. Francois Boulevard to the east. The Site dimensions are approximately 275 feet along Bridgeview Way and P19, approximately 108.87 feet along China Basin and Mission Rock Streets.

The RFP was publicized to community groups, developers, contractors (including Small Business Enterprises and minority- and woman-owned contractors), other community stakeholders, the MOHCD RFP/RFQ interest email list, and newspaper advertising. The RFP was also posted on OCII's website.

OCII sought submittals from qualified teams comprised of a non-profit organization or, as described below, a for-profit entity in partnership with a non-profit organization, an architect, and a Workforce and Contracting Action Plan ("WCAP") consultant (if an outside consultant is proposed) to develop, market, and sell affordable homeownership units for below-market-rate individuals/households. The Mission Bay Affordable Housing Policy requires that a qualified housing developer consisting of a for-profit entity in partnership with a non-profit organization must establish that the activities and purpose of the partnership are primarily to construct and develop affordable housing units in furtherance of the non-profit organization's purposes and only incidentally to further the for-profit purposes of the for-profit entity.

Following the review of the submittal, the evaluation panel recommended the team led by the Sponsors to develop Block 9a. This selection was presented to the Mission Bay Citizens Advisory Committee ("CAC") on October 10, 2019 and was met with support.

Upon completion of this Project, OCII's assets related to the Site will be transferred to MOHCD, which is the designated Housing Successor Agency under Dissolution Law. MOHCD reviewed the RFP, participated in the evaluation of the development team, and will also review and comment on the Project's financial underwriting and funding and disposition documents in order to ensure a smooth transition to MOHCD at project completion.

DISCUSSION

Block 9a Development Program

The Block 9a proposed development program is outlined below:

Block 9a Proposed Development Program	
Number of units	140
Population	Households earning between 80-110% AMI as defined by MOHCD
Unit sizes	• 25% 1 bds: ranging from 500-550 net useable sf • 50% 2 bds: ranging from 800-850 net useable sf • 25% 3 bds: ranging from 1,000-1,100 net useable sf
Parking	33 spaces for vehicles; 0.24:1 ratio per unit 140 spaces for bikes
Amenities/community spaces	• Community room • Outdoor courtyard and roof deck • Offices for sales and property management staff • In-unit washer & dryers • Refrigerator and dishwasher

Concept Design

The proposed massing takes advantage of the site's location at the edge of San Francisco Bay. The U-shaped eight-story building form wraps a podium level outdoor space with views across the water toward the East Bay forming an open space for residents to enjoy outdoor amenities and the adjacent community room. A large rooftop deck will offer 360-degree views of the City and the Bay. An iconic Bridgeview Way entry will provide private access to the building lobby for residents as well as a "front porch" where residents can interact informally.

The most public, east-facing façade includes articulation with subtle references in its massing to the heritage of the busy port activities. Along the west side the building steps up in massing to create a scale and rhythm that relates to both the lower 4-5 story neighboring buildings and the taller forms proposed to the north at Mission Rock. The projecting roof line tilts up toward the main building entrance to the south, creating an iconic entry.

Resiliency is a primary driver of the design. The entire ground floor raised up to protect the residents' and city's investment from the effects of future sea level rise. Residences at the lowest level are raised +4' by raised stoops and planters along Bridgeview. The main entrance and lobby are designed as a raised, but fully accessible, front porch.

Over 12,000 square feet of open space is provided on a second level courtyard and a roof deck. Community spaces are located adjacent to the podium level open space to maximize opportunities for resident interaction and community building. Open spaces have been carefully programmed to allow for various activities to take place at the same time. Estimated area square footages are as follows:

Average Unit SF by type:	Average unit net square footage: • 1B 500-550 sq ft • 2B 800-850 sq ft • 3B 1,000-1,100 sq ft
Residential SF:	136,165
Circulation SF:	25,161
Parking Garage & Service SF:	11,934
Common Area SF:	4,267
Maintenance/Back of House SF:	9,249
Building Total SF:	186,776

Proposed Construction Type

The building is currently proposed to be Type I construction set on steel piles. Significant cost containment strategies will be pursued during the predevelopment period, and construction methodology is subject to change. Two elevators and two sets of stairs will reach all levels and the roof deck. Exterior materials will include stucco, metal, and cement board panels with accents of wood used for screens. High-quality aluminum windows and doors will be used. A high-performance building envelope will be developed for energy efficiency and the roof will have a large area available for photovoltaic panels.

Neighborhood Amenities, Transit Access, and Site Parking

Mission Bay is rich in transit, open space, retail and entertainment amenities. The neighborhood is well-served by public transit, including the existing Muni T line, which stops a block away from the Site and connects to the City's financial district and to BART, and Caltrain which stops approximately 7 blocks away from the Site and runs south down the peninsula. In addition, the Muni 55-16th Street bus line stops approximately 3 blocks from the Site and connects to the Mission and BART.

The Project's currently proposed designs includes 33 vehicular parking spaces, representing a 0.24:1 ratio per unit and 140 bicycle parking, representing a 1:1 ratio per unit.

There are numerous neighborhood serving retail and food destinations within walking distance of Block 9a or reachable by a short bike ride or a few stops on the T Line, including a Safeway supermarket located at 4th and King Streets.

Marketing and Leasing Preferences

All units will be restricted and affordable to households earning no more than 110% AMI as defined by MOHCD. As of April 19, 2019, the OCII Commission has authorized staff to apply the preferences in City Affordable Housing Programs, as amended from time to time, to affordable housing approved by OCII, to the extent that those preferences are consistent with redevelopment plans, enforceable obligations, and applicable law. The preferences applicable for the Project are:

1. Certificate of Preference holders
2. Displaced Tenant Preference Program
3. Neighborhood Resident Housing Preference for 40% of the lottery units if project does not include State funding sources, and 25% of the lottery units if project does include State funding sources (if such preference does not conflict with other financing sources)
4. San Francisco Residents or Workers
5. Members of the General Public

Predevelopment Loan

On January 17, 2020, the Citywide Affordable Housing Loan Committee approved a $3,500,000 Predevelopment Loan request to commence predevelopment activities. This loan will allow the Sponsors to work with Mithun Architects and other consultants to develop the design through to full construction drawings and permits, and will fund survey and engineering work, legal costs, due diligence studies, and a developer fee.

The loan bears 3% simple interest and will convert to a permanent forgivable loan at the close of construction financing, subject to future Commission approval. A more thorough evaluation of the predevelopment funding request can be found in the attached Citywide Loan Committee Loan Evaluation (the "Loan Evaluation"; Attachment 2). In particular, the Loan Evaluation includes several loan conditions to assist the Developer in achieving its due diligence during the ENA period. The Predevelopment Loan Agreement includes the following terms and conditions:

1. During the basic concept design process and prior to the completion of the schematic designs, Sponsors will work with OCII and MOHCD to conduct a design and cost estimating exercise to identify strategies, which may include alternative construction methodologies/construction types, exploration of innovative materials (such as cross-laminated timber), and/or increasing or decreasing unit density, to meet OCII's target of reducing the projected per unit hard costs by a minimum of 15%, or to a level acceptable to OCII. No more than $500,000 in Loan proceeds, of which a no more than $165,000 in Developer Fee, may be disbursed until this has been completed and Sponsors and OCII staff agree on a design direction.

2. Sponsors will work with the architect to establish an acceptable fee, subject to OCII approval, in keeping with the MOHCD Fee Proposal Guidelines for Architect and Engineering Basic Services.

3. Sponsors will issue an RFQ for a general contractor in accordance with OCII's Contract Compliance specifications, will obtain cost estimates from the selected contractor, and will work with their architectural team to ensure that the site's development costs are managed to OCII's approval. Sponsors will cooperate with OCII and competitively solicit a general contractor with the intent of creating a joint venture or similar partnership opportunity, to the extent practicable and economically feasible, between a general contractor and an OCII-recognized SBE contractor. Furthermore, Sponsors will cooperate and require the general contractor to exercise good faith efforts to select subcontractors who either are SBEs or, if they are not SBEs, are willing to create joint ventures or similar partnership opportunities with SBEs.

4. Sponsors will issue an RFQ for an owner's representative in accordance with OCII's Contract Compliance specifications, and will submit bids and draft contracts for OCII staff review and approval prior to selecting or entering into a contract with an owner's representative.

5. Sponsors must evaluate the likelihood of securing CalHome, IIG, Federal Home Loan Bank of San Francisco's AHEAD, and any public or private downpayment assistance program funds for the Project and will work with OCII staff to determine the most appropriate financial plan with the goal of adding alternative permanent subsidy sources and minimizing OCII subsidy. Sponsors will provide an analysis of potential sources and strategies and provide a revised financing plan by June 1, 2020.

6. Sponsors will commission, with OCII review and approval of the scope of work, a market study for this Project and will adjust the assumed absorption rate and sales period as appropriate. The market study firm will be directed to provide drafts of the marketing study contemporaneously to the Sponsors and OCII for review and finalization.

7. Sponsors will solicit, with OCII review and approval of the scope of work, a marketing & sales team, that may include non-commercial brokers, for OCII review and approval prior to soliciting bids for the same.

8. Sponsors will provide all responses to the RFQ/P for a marketing & sales team for OCII review and approval prior to selection of the same.

9. Sponsors will work with staff at OCII and MOHCD to review the marketing & sales budget, including the sales fee assumptions, and will adjust, as appropriate, based on data from the market study and marketing & sales team bids.

10. Sponsors will provide drafts of the RFQ/P for a HOA budgeting and reserve consultant(s) for OCII review and approval prior to soliciting bids for the same.

11. Sponsors will provide responses to the RFQ/P for a HOA budgeting and reserve consultant(s) for OCII review and approval prior to selection of the same.

12. Sponsors will work with staff at OCII and MOHCD to review HOA fees and reserve assumptions and will adjust, as appropriate, based on data from existing affordable homeownership housing sites.

13. Sponsors will conduct ongoing outreach to the Mission Bay community to solicit input, address concerns, and educate community members on various aspects of the Project.

The Project's current estimated hard costs of $761,497 per unit are relatively high on a per unit basis compared to recent MOHCD and OCII projects due to the proposed Type I construction and poor soil conditions at Mission Bay. A somewhat higher per unit cost may be warranted for this Project as Type I construction allows the design to go to 8-stories and maximize the site density per the stated goals of the RFP. The Developer will work with OCII during the predevelopment process to ensure the most efficient building design and costs. As such, condition #1, above, will be closely adhered to during the predevelopment stage and OCII staff will work closely with the Developer team to continue to refine the design of the project and contain costs. See Attachment 4 for the Predevelopment Loan Agreement.

Establishing appropriate HOA fees and reserves early on will be critical to the success of this Project, as the risks of unforeseen capital or operating expenses will have a direct impact on HOA dues and in turn, will impact the long-term affordability of these units for future homeowners. As such condition #12, above, will also be closely adhered to during the predevelopment stage. Given the risks associated with below market rate homeownership, such as both HOA increases and special assessments, HOA dues and reserves sufficient to mitigate these risks will be subject to approval with the OCII permanent loan approval.

Exclusive Negotiations Agreement ("ENA")

The ENA enables the Sponsors to pursue predevelopment activities leading to the execution of a disposition and development agreement ("DDA") for MBS 9a. As this is a homeownership development, there will be no ground lease; instead the transfer of land from OCII to the development entity will be governed by the DDA. Per the ENA, the Sponsors have paid a cash sum of $1,000 to OCII as an earnest money deposit. An additional $9,000 will be due to OCII at the time of the execution of the ENA. The total $10,000 is considered the Performance Deposit, which will be held by OCII until construction completion.

The term of the ENA is through October 7, 2021, unless modified by any extension or early termination. The ENA allows for extension up to a maximum of 12 months to be approved by the Executive Director in the event the project incurs unexpected delays.

The ENA further defines a series of milestones that will result in the execution of a DDA for the Site between OCII and the development entity, subject to Commission approval. The ENA Milestones include:

- Submission of a revised preliminary financing plan acceptable to OCII.
- Submission of 50% schematic design drawings acceptable to OCII. The submission shall include the items specified in Attachment 3.
- Identification of a general contractor and obtain a cost estimate based on the schematic design acceptable to OCII.
- Submission of a market study on absorption rates and projected sales period acceptable to OCII.
- Submission of design development documents and cost estimates acceptable to OCII.
- Procurement of a marketing/sales entity/team and submittal of a marketing and sales budget acceptable to OCII.
- Execution of DDA Agreement.

Equal Opportunity Program and Compliance with OCII Policies

The Sponsors are required to comply with OCII's Nondiscrimination in Contracts, Minimum Compensation and Health Care Accountability policies, and will work closely with contract compliance staff to comply with the Small Business Enterprise (SBE) Program on this Project.

During the construction phase, the Sponsors will strive to meet OCII's requirements and goals which include the 50% SBE construction subcontracting participation goal, payment of prevailing wages, and the 50% local construction workforce hiring goal. In its competitive selection of a general contractor, the Sponsors will evaluate the possibility, to the extent practicable and economically feasible, of requiring a joint venture or similar partnership opportunity between the general contractor and an OCII-recognized SBE contractor looking to building capacity.

Community Outreach

Staff presented the RFP to the CAC in April 2019 prior to Commission approval and issuance of the RFP. A member of the CAC participated in the interview and evaluation panel for the RFP developer selection. Staff presented an update on the selection process and the recommended developer to the CAC on October 10, 2019. At each meeting, the CAC members were supportive of this development.

As Sponsors work with OCII staff to advance the concept designs, they will also engage with interested CAC member(s) to discuss key aspects of the design and obtain feedback prior to returning to the CAC to present a complete schematic design.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

Authorizing the Predevelopment Loan Agreement and the ENA to facilitate the development of Mission Bay South Block 9a 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"), certified by the former San Francisco Redevelopment Agency Commission on September 17, 1998 by Resolution No. 182-98. This authorization requires no further environmental review beyond the FSEIR pursuant to the State CEQA Guidelines Section 15180, 15162 and 15163 since it does not involve new significant environmental effects or a substantial increase in the severity of previously identified significant impacts, no substantial changes have occurred with respect to the circumstances under which the Mission Bay Project analyzed in the FSEIR will be undertaken that would require major revisions to the FSEIR due to the involvement of new significant environmental effects, or a substantial increase in the severity of effects identified in the FSEIR, and no new information of substantial importance relating to the Mission Bay Project analyzed in the FSEIR has become available that would require further environmental review.

Project Schedule and Next Steps

Per the ENA milestone schedule, a preliminary recommended financing plan will be submitted to OCII by August 2020. Going forward, a general contractor will be selected and 50% schematic designs and a cost estimate will be submitted by August 2020. Staff will return to the OCII Commission for schematic design approval in late 2020 and will return to seek approval for a permanent gap loan and long-term ground lease in early 2022. Construction start is currently estimated for Spring 2022 and completion in Spring 2024.

(Originated by Annie Wong, Development Specialist)

Nadia Sesay
Executive Director

Attachment 1: OCII Commission Mission Bay Block 9a Developer Recommendation Memo – October 15, 2019
Attachment 2: Loan Evaluation – January 17, 2020
Attachment 3: Exclusive Negotiations Agreement
Attachment 4: Predevelopment Loan Agreement
Attachment 5: Location Map

Attachment 1

OCII
office of
COMMUNITY INVESTMENT
and INFRASTRUCTURE

118-0362019-002

Meeting of October 15, 2019

INFORMATIONAL MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Nadia Sesay, Executive Director

SUBJECT: Results of evaluation of the Request for Proposals to develop approximately 135 units of for-sale affordable family housing on MBS Block 9a in the Mission Bay South Redevelopment Project Area

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EXECUTIVE SUMMARY

On May 23, 2019, the Office of Community Investment and Infrastructure ("OCII") released a Request for Proposals ("RFP") for the development of approximately 135 units of affordable for-sale housing for low- to moderate-income families (the "Project") at Mission Bay South Block 9a ("MBS 9a" or the "Site").

OCII staff made extensive outreach efforts to attract RFP submittals by the July 22, 2019 deadline, and ultimately received one proposal (the "Proposal") from Michael Simmons Property Development ("MSPDI"), Curtis Development ("CD"), and Young Community Developers ("YCD") ("MSPDI, CD, & YCD" or the "Applicant").

The Proposal was reviewed by staff to ensure that it met the minimum threshold submission requirements of the RFP. After interviewing the Applicant team, the five member evaluation panel comprised of one representative from the Mayor's Office of Housing and Community Development ("MOHCD"), one member from the Mission Bay Citizens Advisory Committee (the "CAC"), and three OCII staff (collectively the "Evaluation Panel") recommends that the MSPDI, CD, & YCD team be selected to develop the Project. The recommendation resulted from points scoring of the Proposal based on the criteria provided in the RFP.

Staff will present this recommendation to the CAC at their October 10, 2019 meeting, and seek their comment and support. After additional coordination with MSPDI, CD, & YCD, staff will request authorization from the OCII Commission for an exclusive negotiations agreement ("ENA") and predevelopment loan agreement in January 2020.

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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, FOCIL-MB, LLC, the successor in interest to Catellus Development Corporation. Since the initial approval of the South OPA, the document has been amended four times to modify the development plan on several parcels.

The enforcement of the North and South OPA's as amended will result in 6,514 residential units, with approximately 29% or 1,916 units set aside and allowed as affordable. The affordable units are comprised of inclusionary affordable units and units developed by nonprofit housing developers on OCII Affordable Housing Parcels.

Mission Bay North residential development is complete with a total of 698 affordable rental and for-sale homes constructed.

In Mission Bay South ("MBS"), the recent completion of 350 for-sale condominiums at 1000 Channel Street (MBS Block 1) completes all market-rate residential development, totaling 2,332 units. To date, 493 units have been constructed in stand-alone affordable housing projects in MBS; 725 affordable units remain to be completed in MBS, including the OCII-sponsored affordable developments currently in development at MBS Block 6W and MBS 9.

# of Affordable Units	Mission Bay North	Mission Bay South	Mission Bay North and South
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TOTAL	**698**	**1,218**	**1,916**

** The MBS OPA requires OCII to construct a base number of 1,108 affordable housing units. In addition, Section 3.6 of the MBS Housing Program (Attachment 3 to the MBS OPA) allows for OCII to construct an additional 110 affordable housing units, pending assessment of the development impacts and any necessary approvals. The total obligation and allowed number of units is 1,218 affordable housing units.*

In total and as shown in the table above, 1,191 affordable units have been completed and 725 units (including the additional 110 allowable affordable units) remain to be completed in the Mission Bay Project Areas.

DISCUSSION

MBS 9a Request for Proposals Process

On May 23, 2019, OCII issued an RFP to develop and sell a maximum number of units of affordable for-sale housing units on MBS 9a, included as Attachment A to this memorandum. The RFP was publicized to community groups, developers, contractors (including Small Business Enterprises and minority- and woman-owned contractors), other community stakeholders, the MOHCD RFP/RFQ interest email list, and newspaper advertising. The RFP was also posted on OCII's website.

OCII sought submittals from qualified teams comprised of a non-profit organization or, as described below, a for-profit entity in partnership with a non-profit organization, an architect, and a Workforce and Contracting Action Plan ("WCAP") consultant (if an outside consultant is proposed) to develop, market, and sell affordable homeownership units for below-market-rate individuals/households. The Mission Bay Affordable Housing Policy requires that a qualified housing developer consisting of a for-profit entity in partnership with a non-profit organization must establish that the activities and purpose of the partnership are primarily to construct and develop affordable housing units in furtherance of the non-profit organization's purposes and only incidentally to further the for-profit purposes of the for-profit entity.

Upon completion of this Project, OCII's assets related to the Site will be transferred to MOHCD, which is the designated Housing Successor Agency under Dissolution Law. MOHCD reviewed the RFP, participated in the evaluation of the development team, and will also review and comment on the Project's financial underwriting and funding and disposition documents in order to ensure a smooth transition to MOHCD at project completion.

Development Program

The RFP sought submittals that:

- Provide for the development of for-sale housing affordable to low to moderate income individuals or households while minimizing local financial subsidy according to the following program requirements:

MBS Block 9a Development Program Guidelines	
Number and Type of units	Approximately 135 family units comprised of: • 25% 1 bds: ranging from 500-550 net useable sf • 50% 2 bds: ranging from 800-850 net useable sf • 25% 3 bds: ranging from 1,000-1,100 net useable sf Long corridors serving the units shall have adequate access to daylighting, which can be primarily achieved by exterior windows.
Area median income (AMI) and sale price restrictions	• OCII will restrict sale prices to rates affordable to households ranging from 80-110% of AMI as defined annually by MOHCD. • Project must average 95% of AMI overall.
Target population	Low to moderate income individuals and families.
Parking	• Resident parking at a ratio of up to 0.25 cars per unit • Parking will be unbundled.

- Provide a plan for marketing and outreach to low and moderate-income families, particularly those receiving preference (Certificate Holders, Displaced Tenants, Neighborhood Residents, and San Francisco workers or residents) and proposed staffing model to support potential homebuyers through the application and closing process;

- Demonstrates experience with HOA documentation and budget creation, including obtaining approvals from the California Bureau of Real Estate;
- Meet design standards pursuant to the Mission Bay Design for Development as amended; and
- Provide a program that incorporates excellent, visually interesting design and financial feasibility.

Evaluation Process and Criteria

The proposal was reviewed by the Evaluation Panel. After the review was completed, the team was interviewed by the Evaluation Panel. The team made a 20-minute presentation and spent 40 minutes answering questions and providing supplemental information to help the Evaluation Panel complete its review.

The Proposal was evaluated using the selection criteria set forth in the RFP: (1) a total of up to 60 points were awarded for the proposed development concept and (2) up to 40 points for developer team experience and capacity, for an overall total of up to 100 points. A detailed breakdown of the RFP proposal criteria is provided below:

Maximum Points	Criteria
60	**Proposed Development Concept**
25	Proposed Massing Concept: strength and cost efficiency of proposed massing concept, number of units, conformance with the Redevelopment Plan and the Design for Development, design precedents and inspirations provided for the massing concept, and philosophy of design specific to Project.
25	Proposed Funding and Program Concept; including financial feasibility, level of OCII subsidy, and unique program elements
10	Proposed Homeownership Outreach and Marketing Plan
40	**Team Experience and Capacity**
10	Developer experience in developing and marketing for-sale affordable housing *comparable* to the housing proposed in this RFP and in accordance and in good standing with current OCII/MOHCD standards related to marketing and homebuyer selection; experience with HOA documentation and budget creation, including obtaining approvals from the California Bureau of Real Estate; experience with OCII/MOHCD marketing policies and conducting lotteries through MOHCD's electronic DAHLIA portal. Developer Workload Capacity
10	Developer experience with government assisted affordable housing programs and homeownership financing sources. Developer experience delivering affordable housing on budget (defined as maintaining or reducing a project's per unit cost between RFP response, approval of a predevelopment loan/schematic design approval and construction loan closing).
10	Workforce and Contracting Action Plan
10	Architect experience & capacity; Architect experience delivering affordable housing on budget (defined as maintaining or reducing a project's per unit cost between RFP response, approval of a predevelopment loan/schematic design approval and construction loan closing).
100	**Maximum Total Points**

The RFP also stated that the selected development team would be required to comply with all of OCII's policies, including the Certificate of Preference Program, Small Business Enterprise ("SBE") Program, Minimum Compensation Policy, Health Care Accountability Policy, Construction Workforce Agreement Permanent Workforce Agreement and Prevailing Wage Policy.

Applicant Team

The Applicant team consists of Michael Simmons of MSPDI, who has developed four projects through the former San Francisco Redevelopment Agency's ("SFRA") Limited Equity Homeownership Program; Charmaine Curtis of CD, who has developed market rate condominium projects in San Francisco and the East Bay, including the City's first loft condominiums; and YCD, who has and continues to work on two OCII projects. Together, this team brings considerable experience in affordable homeownership and OCII policies through their work with the former SFRA's Limited Equity Homeownership Program; homebuyer outreach, marketing and preparation; HOA creation, project and buyer financing; San Francisco public approvals; and OCII workforce and contracting policies.

Relevant examples of projects this team have worked on include:

- Fillmore Park (1345 Turk Street, Fillmore)
- Bay Oaks (4800 Third Street, Bayview)
- Bell Mews (Divisidero & Ellis Street, Western Addition)
- Garnett Terrace (Hudson Avenue & Whitney Young Circle, Bayview)
- Pacific Pointe (350 Friedell Street, Bayview Hunters Point Shipyard); and
- Candlestick Point North Block 10a (625 Gilman Ave, Candlestick Point).

In addition to MSPDI, CD, & YCD, the Applicant team includes Mithun as project architect, Monica Wilson as the WCAP consultant, and Lisa Fitts as a first-time homebuyer consultant.

Highlights of the MSPDI/CD/YCD proposal include:

- Maximizes unit count at 140, and includes a mix of one-, two-, and three-bedrooms;
- 34 vehicular parking spaces, 140 bicycle parking, and approx. 12,000 sf of open space on second level courtyard
- Strong developer experience with affordable homeownership projects, and marketing and sales to first-time homebuyers.
- However, development costs are very high at $950k/unit. Development team will need to work to bring costs down.

Results of the Evaluation Process

Upon receipt, OCII staff verified the completeness of the submittal. After determining that the Proposal met the minimum threshold requirements of the RFP, staff invited the Applicant team to interview. The Evaluation Panel comprised of a MOHCD representative, a member from the Mission Bay CAC, and three OCII staff thoroughly reviewed the submittals by the team. The Evaluation Panel that reviewed the Applicant's submittal also interviewed the team on September 12, 2019. After the interview, the Evaluation Panel scored the Applicant based upon the selection criteria and point allocation described in the RFP.

The Evaluation Panel determined that the proposal by MSPDI, CD, & YCD was responsive to the RFP criteria and recommends their selection. Their proposal impressed the Evaluation Panel because of their strong developer experience with affordable homeownership projects, and marketing and sales to first-time homebuyers; a design that maximizes housing units and open space while thoughtfully addressing sea level rise on the ground floor; an architecture team with relevant experience and compelling precedent projects; and a strong workforce and contract compliance team.

Based on evaluation of the proposal as well as the interview with the development team, the Evaluation Panel scored the proposal as detailed in the table below.

Applicant Team	Average Score	Total Score
MSPDI, CD, & YCD	90.6	453

NEXT STEPS

OCII staff will continue to work with the team led by MSPDI, CD, & YCD and will request the Commission's authorization to enter into an ENA and predevelopment loan agreement with the team in January 2020.

(Originated by Annie Wong, Development Specialist)

Nadia Sesay
Executive Director

Attachment A: MBS 9a Request for Proposals
Attachment B: MSPDI/CD/YCD Conceptual Design for MBS 9a

Citywide Affordable Housing Loan Committee

San Francisco Mayor's Office of Housing and Community Development
Department of Homelessness and Supportive Housing
Office of Community Investment and Infrastructure

Mission Bay South Block 9a
$3,500,000
Predevelopment Loan

Evaluation of Request for:	Predevelopment Loan
Loan Committee Date:	January 17, 2020
Prepared By:	Annie Wong
Source of Funds Recommended:	Bond Proceeds
NOFA/PROGRAM/RFP:	OCII RFP issued May 23, 2019
FY 19/20 ROPS Line:	419
Total Previous City Funds Committed:	None
Applicant/Sponsor Name:	Michael Simmons Property Development (MSPDI), Curtis Development (CD), Young Community Developers (YCD)

EXECUTIVE SUMMARY

Sponsor Information:

Project Name:	Mission Bay South Block 9a	Sponsor(s):	MSPDI, CD, & YCD
Project Address (w/ cross St):	China Basin Street (bordered by Mission Rock Street to the north, Terry A Francois Blvd to the east, and the future extension of Bridgeview Way to the west)	Ultimate Borrower Entity:	350 China Basin Partners, LLC

Project Summary:

Michael Simmons Property Development ("MSPDI"), Curtis Development ("CD"), Young Community Developers ("YCD"), are requesting $3,500,000 in predevelopment financing for Mission Bay South Block 9a ("Block 9a"). Block 9a will be a 140-unit affordable for-sale housing development for low- to moderate-income households earning between 80-110% of area median income as defined by the San Francisco Mayor's Office of Housing and Community Development(the "Project"). The Project will be comprised of 35 one-bedrooms, 70 two-bedrooms, and 35 three-bedrooms. To ensure the units remain permanently affordable, these units will be sold as part of the OCII's Limited Equity Program, as further explained in Section 4.8. Proposed Unit Mix and Affordability Table and Narrative.

Anticipated permanent sources for the Project include: a forgivable OCII loan, unit sales proceeds, and a CalHome loan. Construction is anticipated to start in first quarter of 2022 and be completed by the end of 2023.

Project Description:

Construction Type:	Type I	Project Type:	New Construction
Number of Stories:	8	Lot Size (acres and sf):	0.69 acres / 29,939 sf
Number of Units:	140	Architect:	Mithun
Total Residential Area:	136,165 sf	General Contractor:	TBD
Total Commercial Area:	N/A	Property Manager:	TBD/HOA
Total Building Area:	186,776 sf	Supervisor and District:	Sup. Haney - District 6
Land Owner:	FOCIL-MB, LLC (will transfer to Developer through OCII)		
Total Development Cost (TDC):	$127,297,590	Total Acquisition Cost:	N/A
TDC/unit:	$909,269	TDC less land cost/unit:	$909,269
Loan Amount Requested:	$3,500,000	Request Amount / unit:	$25,000
HOME Funds?	No		

PRINCIPAL DEVELOPMENT ISSUES

1. High Construction Cost and Total Development Cost – At this stage of development, cost estimates are very preliminary as they are based on a massing study per the requirements of the RFP. As proposed, the total development costs are very high at $909,269 per unit, driven by high hard costs of approximately $761,497 per unit, which are well above average for other comparable MOHCD/OCII new construction projects of a similar building type. Sponsors are requesting predevelopment funds to advance the designs to basic concept level in order to attain more accurate cost estimates and develop a comprehensive cost reduction strategy. As a condition to this loan, OCII requires that the Sponsors explore all cost containment strategies available to lower per unit costs by at least 15% of TDC, or to a level acceptable to OCII; no more than $500,000 in loan proceeds may be disbursed until this cost containment exercise is completed to the satisfaction of OCII. See Section 4.4 Construction Supervisor/Construction Specialist's evaluation and Section 11.2 Recommended predevelopment disbursement conditions/schedule.
2. High Per Unit OCII Subsidy – Due to limited sources available for affordable homeownership development, the projected OCII subsidy of $526,000 per unit is significantly higher than for rental housing. As part of a larger affordable housing ladder, affordable homeownership offers low and moderate income San Franciscans the benefits of owning a home. In Mission Bay affordable housing includes rental housing for formerly homeless households, very low income seniors and families, and low to moderate income homeownership housing. In 2005, the San Francisco Redevelopment Agency funded the 131 unit Mission Walk homeownership project; Mission Walk is the only affordable homeownership project to date in Mission Bay. MBS 9a offers the only opportunity for affordable homeownership development in Mission Bay South. See Section 6.5.1. Permanent Sources Evaluation Narrative and Section 11.3 Recommended conditions prior to financing gap for further information.
3. Marketing & Sales Team and Budget – The current development budget reflects a total marketing and sales budget capped at $7,500 per unit ($1.05M total), which includes a projected flat fee for a seller's agent or broker to help with sales and closings of the units. A percentage sales commission for a seller's agent is not considered applicable due to minimal sales/marketing risks for units priced well below market prices. As a condition to this loan, Sponsors will conduct a market study to analyze the sales risk and solicit bids from prospective marketing firms; the Developer will work with OCII to define the scope of work and revise the development budget as necessary. See Section 7.2 Marketing & Sales Budget and Section 11.3 Recommended conditions prior to financing gap for further information.
4. Developer Capacity – Sponsors YCD, CD and MSPDI are all SBEs and may have difficulty providing the guarantees that banks typically require for a construction loan. Sponsors will need to assess the feasibility of securing a commercial construction loan during the predevelopment period, the terms and conditions of which will be subject to OCII review and approval. See Section 6.5.1. Permanent Sources Evaluation Narrative – Construction Loan and Section 11.3 Recommended conditions prior to financing gap for further information.

SOURCES AND USES SUMMARY

Predevelopment Sources	**Amount**	**Terms**	**Status**
Acquisition	N/A		
OCII	$3,500,000	The Repayment Term will begin on the date of execution of the loan and end at either (1) the close of construction financing for the Project or, (2) the Developer and OCII execute a construction/permanent loan agreement that incorporates the predevelopment and permanent loan amounts. @3%	This Request
Total	**$3,500,000**		

Predevelopment Uses	**Amount**	**Per Unit**	**Per SF**
Architecture & Engineering	$2,251,818	$16,084	$0.09
Soft Costs	$698,182	$4,987	$0.03
Developer Fee	$550,000	$3,929	$0.02
Total	**$3,500,000**	**$25,000**	**$0.13**

Permanent Sources	**Amount**	**Terms**	**Status**
Sales Proceeds	$52,208,238		Not Committed
OCII Loan	$73,689,352	36 months, forgiven upon issuance of Project Certificate of Completion @ 0-3%	Not Committed
CalHome Loan	$1,400,000	Up to 3% forgivable/ deferred payment	Not Committed
Total	**$127,297,590**		

Permanent Uses	**Amount**	**Per Unit**	**Per SF**
Acquisition	$0	N/A	N/A
Hard Costs	$106,609,600	$761,497	$571
Soft Costs	$18,087,990	$129,200	$97
Developer Fee	$2,600,000	$18,571	$14
Total	**$127,297,590**	**$909,269**	**$975**

1. BACKGROUND

1.1. Project History Leading to This Request.

Housing Production in the Mission Bay Project Area

Block 9a is part of the 303-acre Mission Bay redevelopment district that was administered by the former San Francisco Redevelopment Agency ("SFRA" or "Agency"). Pursuant to state law redevelopment agencies throughout the State of California were eliminated on February 1, 2012 under California Health and Safety Code §§34161 et seq (the "Redevelopment Dissolution Law"). OCII is the Successor Agency to 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 South OPA and tax allocation pledge agreement are enforceable obligations under AB 26 and AB 1484. FOCIL-MB, LLC ("FOCIL") is the Master Developer of the Mission Bay redevelopment district.

The Project will be the seventh Agency Affordable Housing Parcel in the Mission Bay South Redevelopment Project Area, and the eleventh affordable housing development in the overall Mission Bay Project Area. The Project will be the first and only affordable homeownership project in Mission Bay South, and the second overall in Mission Bay after Mission Walk in Mission Bay North:

Location	Site	Project Name	# of Units	Housing Type	Year Completed
Mission Bay North	Block N2-2	Rich Sorro Commons	100	Family rental	2002
	Block N3A-1	Mission Creek Senior Community	140	Senior rental (including 49 units for homeless seniors)	2006
	Block N5	Crescent Cove	36[1]	Family rental	2007
	Blocks N4-A,N4-A2	Mission Walk	131	Family for-sale	2009
Mission Bay South	Block 13 East	1180 4th Street	150	Family rental (including 50 units for homeless families)	2014
	Block 7 West	Five 88	200	Family rental	2017
	Block 6 East	626 Mission Bay Boulevard North	143	Family rental (including 29 units for homeless families)	2018
	Block 3 East	1150 Third Street	119	Homeless Veterans (62 units) and Family rental (57 units)	2019 (Under construction)

[1] 36 units out of total 234 restricted units built at the Crescent Cove development were OCII-sponsored. The remaining 198 restricted units are Master Developer inclusionary units.

	Block 6 West	691 China Basin Street	152	Family rental (including 38 units for HOPE SF)	2021 (Under construction)
	Block 9	410 China Basin Street	141	Homeless adult rental units	2021 (Predevelopment)
	Block 9a	**MBS 9a**	**140**	**Family for-sale**	**2024 (Subject property)**
Total			**1,452**		

The Mission Bay North and South project area includes the development of 6,514 housing units, with 1,916 units (29%) set aside as affordable. To date, 1,191 of those affordable units have been completed, leaving approximately 725 affordable units to be developed. The development of the OCII-sponsored units will be subsidized through a minimum of 20% tax increment affordable housing set-aside generated by Mission Bay North and South, along with excess tax increment not needed for public infrastructure development, as required by the Mission Bay South Owner Participation Agreement ("OPA"). The majority of the 1,916 affordable units will be developed on OCII Affordable Housing Parcels contributed by the Master Developer to OCII pursuant to the Mission Bay OPA. The project site is part of this land contribution.

1.2. Borrower/Grantee Profile. (See Attachment B for Borrower Org Chart; See Attachment C for Developer Resume and Attachment D for Asset Management Analysis)

The Borrower entity, 350 China Basin Partners LLC, will be a limited liability company, formed by Mission Bay 9a LLC, whose sole member is Curtis Development ("CD"), Michael Simmons Property Development ("MSPDI"), and Young Community Developers ("YCD") to develop, own and sell the Project. Mission Bay 9A LLC and MSPDI will be co-managing members while YCD will be a member of the Borrower entity.

The development team has over sixty years of combined development experience developing affordable and market rate housing in SF including both homeownership and rental. Michael Simmons of MSPDI developed four of the City's subsidized homeownership projects and Charmaine Curtis of CD has developed market rate condominium projects in San Francisco and the East Bay, including the City's first loft condominiums. Charmaine and Michael are long time colleagues having worked together on several projects. They bring deep experience in affordable homeownership through the City's Limited Equity Program; buyer outreach, preparation and marketing; HOA creation, project and buyer financing; and San Francisco public approvals.

Implementation of the Developer's Workforce and Contracting Action Plan will be led by YCD which has a proven track record of successfully providing employment preparation and placement for young people, getting unemployed San Franciscans back to work, and fostering economic development in the communities it serves. YCD will partner with Construction Industry Workforce Initiative (CIWI) to expand and enhance opportunities and resources to disadvantaged communities.

Mithun has designed over 2,000 affordable homes in San Francisco, many of them in mid-rise buildings. The firm has worked throughout the City and has designed two completed buildings in Mission Bay, providing them with a first-hand education in the unique challenges of building in Mission Bay. Mithun has designed several condominium projects and has worked with OCII as well as other City agencies including the Department of Building Inspection, the Planning Department, and the Mayor's Office of Disability.

Roles and Responsibilities

CD, MSPDI, and YCD have executed a Memorandum of Understanding (MOU) dated September 9, 2019 that outlines their respective roles and responsibilities in the planning, development and sale of the Project. MSPDI and CD will have primary responsibility for developing and entitling the Project with MSPDI responsible for day-to-day project management, marketing and sales, and CD overseeing scheduling, budgeting, and financing, among other things. YCD will provide assistance and meaningful input on all key decisions and activities throughout the development process and will assign a Project Manager who will gain additional experience by assisting MSPDI and CD. YCD will also oversee the Workforce and Contracting Action Plan (WCAP), resident and local hiring, and employment preparation and training for youth. The developer fee will be split 40%/40%/20% between CD, MSPDI, and YCD respectively.

Please see Attachment C Developer Resumes for more details on the team's project management experience. See Attachment K for a copy of the MOU between MSPDI, CD, and YCD.

2. SITE (See Attachment E for Site map with amenities)

Site Description	
Zoning:	Zoning for the site is form-based and is governed by the Redevelopment Plan for the Mission Bay South Redevelopment Project and the Design for Development (D4D) for the Mission Bay South Project Area. Height limits are calculated as averaged by block (not parcel) and are as follows: the maximum building height for buildings facing China Basin and Bridgeview Way shall be 90' and a mid-rise height of up to 90' is allowed. 100% lot coverage is allowed up to a maximum height of 40'; above 40', 75% lot coverage is allowed. MSPDI, CD, and YCD will work with OCII staff to pursue a D4D amendment to allow a height of 90' across the entire site.
Maximum units allowed by current zoning (N/A if rehab):	The maximum number of units on the site is based on form-based zoning, so while there is no set number, the amount of units are limited by what can fit within the site's height and bulk restrictions per the D4D.
Number of units added or removed (rehab only, if applicable):	N/A
Seismic (if applicable):	Seismic Zone 4.
Soil type:	According to the Mission Bay Subsequent Environmental Impact Report ("SEIR"), Block 9a was submerged in shallow water in Mission Bay before it was filled.

	Existing data in the vicinity indicate there is about 15 to 36 feet of fill. The fill is underlain by weak compressible clay known as Bay Mud with thicknesses of 80 to 120 feet. The development team will assemble a consultant team and will perform a geotechnical analysis during predevelopment.
Environmental Review:	As part of its actions on September 17, 1998 establishing the Mission Bay Redevelopment Project Areas, the Redevelopment and Planning Commissions certified the Final Subsequent Environmental Impact Report ("FSEIR"), adopted findings under the California Environmental Quality Act ("CEQA"), adopted a series of mitigation measures, and established a comprehensive system for mitigation monitoring. The Board of Supervisors and other City departments adopted similar findings and mitigation monitoring plans. MSPDI, CD, and YCD will work with OCII staff to ensure that the mitigation monitoring measures for Block 9a are appropriately documented and implemented. Also, the Sponsors will order a Phase 1 analysis for the property and a Phase II analysis, if necessary.
Adjacent uses (North):	Currently a surface parking lot, planned for a multi-story housing or office development serving the Mission Rock development.
Adjacent uses (South):	Block 10a (to the south of the Site) is a 99-unit mid-rise condominium building known as "Radiance" that was completed in 2008. Block 10 (to the southwest of the Site) is a 329-unit mid-rise condominium building known as "Madrone" that was completed in 2012.
Adjacent uses (East):	P19 bioswale area immediately adjacent to the Site and bordered by Terry Francois Boulevard.
Adjacent uses (West):	Mission Bay South Block 9, a vacant site designated as an OCII Affordable Housing Parcel; the site will be temporarily used for a site office by the Mission Bay master developer. The Block 9 project will provide 141 units of affordable rental housing with supportive services for formerly homeless adults.
Neighborhood Amenities within 0.5 mile:	Supermarkets: There is a Safeway supermarket located at 4th and King Streets, 0.6 mile from the site. The second closest supermarket is located at 4th and Harrison Streets, 1 mile away from the site. Pharmacy: 2 Pharmacies are located just over half mile from the site – one Walgreens at 4th and Townsend Streets and Safeway at 4th and King Streets. Library: The Mission Bay Public Library is located 0.5 mile from the site. Parks: Mission Creek Park is 1 block from the site; Mission Creek Park is 2 blocks from the site; and Bay Front Park is 2 blocks away (the San Francisco Bay Trail can be accessed from this park).
Public Transportation within 0.5 mile:	The site is located 1.5 blocks from the Muni Third Street Mission Rock Light Rail station and approximately 0.5 mile from the San Francisco Caltrain station on 4th Street

	between King and Townsend streets. A stop for the Muni 55-16th street bus line is located 2.5 blocks from the site.
Article 34:	Exempt. Project is homeownership.
Article 38:	Exempt. Project is new construction and is outside the exposure zone map area.
Accessibility:	Sponsors will confirm and comply with the California Department of Real Estate's accessibility requirements for condominium projects.
Green Building:	Per the RFP, the building must either achieve a Green Point Rating of 125 or above, or LEED Gold rating. The OCII design team will work with the Sponsors to ensure the Project meets one of these two thresholds.
Recycled Water:	Not exempt. The project does fall within the boundaries of the designated recycled water use area, and therefore it will be required to comply with the City's Recycled Water Ordinance. As such, the Sponsors will be required to install purple pipe to recycle grey water within the project.
Storm Water Management:	Developments that disturb 5,000 square feet or more of the ground surface must comply with the Storm Water Design Guidelines and submit a Storm Water Control Plan to the SFPUC for review. The development team will meet with SFPUC during the predevelopment period.

2.1. Zoning.

Land use restrictions and design guidelines in Mission Bay South are defined in the Mission Bay South Design for Development. The Design for Development ("D4D") document supersedes the San Francisco Planning Code in its entirety, and the Sponsor is developing within the guidelines, with the exception that the current zoning only allows for a maximum height of 90'for a portion of the site.

MSPDI, CD, and YCD will work with OCII staff to pursue a D4D amendment to allow a height of 90' across the entire site. The D4D amendment process will be wrapped into the review of schematic designs and approval, if granted, will happen concurrently with Commission approval of the schematic designs.

2.2. Local/Federal Environmental Review.

CEQA clearance was obtained through the Mission Bay EIR. It is not currently anticipated that NEPA clearance will be necessary because no federal funds are anticipated.

2.3. Environmental Issues.

- Phase I/II Site Assessment Status and Results.

  Once consultants have been sourced, the Sponsor will be responsible for conducting a Phase I study and Phase II study, if necessary.

- Potential/Known Hazards.

  Soil contaminants currently exist in the Project Area and are assumed to exist at the Site. The principal chemicals that have been detected in the Project Area are petroleum hydrocarbons and inorganic compounds (e.g. heavy metals). Additionally, asbestos was detected in the soil primarily from serpentine rock, which was imported to fill Mission Bay. No significant concentrations of Volatile Organic Compounds were detected in soil or groundwater. Limited concentrations of select volatiles such as benzene were found around the former petroleum storage facilities in the Mission Bay South Redevelopment Project Area, but are not expected to affect the Site. None of the chemicals were detected at concentrations that would pose a threat to human health following the completion of the planned development in the Project Area.

2.4. Adjacent uses and neighborhood amenities. See table above.

2.5. Green Building. See table above.

3. OTHER ENTITLEMENTS ISSUES

3.1. Community Support.

The Mission Bay Citizens Advisory Committee ("CAC") of the San Francisco Redevelopment Agency is comprised of 15 members who represent neighboring residents, property owners, and Citywide interests. The CAC is charged with providing advice to OCII on all matters pertaining to the planning and implementation of the Mission Bay North and South Redevelopment Project Areas.

Staff presented the RFP to the CAC in April 2019 prior to Commission approval and issuance of the RFP. A member of the CAC participated in the interview and evaluation panel for the RFP developer selection. Staff presented an update on the selection process and the selected developer to the CAC on October 10, 2019 in advance of the anticipated January 2020 OCII Commission action on the Predevelopment Loan and Exclusive Negotiations Agreement. At each meeting, the CAC members were supportive of this development.

As Sponsors work with OCII staff to advance the concept designs, they will also engage with interested CAC member(s) to discuss key aspects of the design and obtain feedback prior to returning to the CAC to present a complete schematic design.

4. DEVELOPMENT PLAN

4.1.1. Site Control.

FOCIL-MB, LLC ("FOCIL"), the master developer of Mission Bay South, currently owns the site. Pursuant to the Mission Bay Owner's Participation Agreement ("OPA"), the site will be transferred at no cost to OCII for the development of affordable housing. The OPA requires a 100-day notice to FOCIL to express OCII's intent to exercise a Memorandum of Option transferring ownership of the site to OCII.

4.1.2. Proposed Property Ownership Structure

After FOCIL transfers the site to OCII (typically concurrently with the close of construction financing), OCII will immediately transfer the land to 350 China Basin Partners, LLC. As this is a homeownership development, there will be no ground lease, but the land transfer will be governed by a disposition and development agreement ("DDA") by and between OCII and the development entity. After construction is complete, individual units will be transferred to homebuyers pursuant to the Limited Equity Program and OCII's assets related to the site, including any surviving provisions of the DDA and unit deed restrictions, will be transferred to MOHCD, which is the designated Housing Successor under Redevelopment Dissolution Law.

4.2. Proposed Design.

The proposed massing takes advantage of the site's location at the edge of San Francisco Bay. The U-shaped eight-story building form wraps a podium level outdoor space with views across the water toward the East Bay forming an open space for residents to enjoy outdoor amenities and the adjacent community room. A large rooftop deck will offer 360-degree views of the City and the Bay. An iconic Bridgeview Way entry will provide private access to the building lobby for residents as well as a "front porch" where residents can interact informally.

The most public, east-facing façade includes articulation with subtle references in its massing to the heritage of the busy port activities. Along the west side the building steps up in massing to create a scale and rhythm that relates to both the lower 4-5 story neighboring buildings and the taller forms proposed to the north at Mission Rock. The projecting roof line tilts up toward the main building entrance to the south, creating an iconic entry.

Resiliency is a primary driver of the design. The entire ground floor raised up to protect the residents' and city's investment from the effects of future sea level rise. Residences at the lowest level are raised +4' by raised stoops and planters along Bridgeview. The main entrance and lobby are designed as a raised, but fully accessible, front porch.

Over 12,000 square feet of open space is provided on a second level courtyard and a roof deck. Community spaces are located adjacent to the podium level open space to maximize opportunities for resident interaction and community building. Open spaces have been carefully programmed to allow for various activities to take place at the same time. Estimated area square footages are as follows:

Average Unit SF by type:	Average unit net square footage: • 1B 500-550 sq ft • 2B 800-850 sq ft • 3B 1,000-1,100 sq ft
Residential SF:	136,165
Circulation SF:	25,161
Parking Garage & Service SF:	11,934
Common Area SF:	4,267
Maintenance/Back of House SF:	9,249
Building Total SF:	186,776

The building is currently proposed to be Type I construction set on steel piles. Significant cost containment strategies will be pursued during the predevelopment period, and construction methodology is subject to change. Two elevators and two sets of stairs will reach all levels and the roof deck. Exterior materials will include stucco, metal, and cement board panels with accents of wood used for screens. High-quality aluminum windows and doors will be used. A high-performance building envelope will be developed for energy efficiency and the roof will have a large area available for photovoltaic panels.

4.3. Proposed Rehab Scope. N/A

4.4. Construction Supervisor/Construction Specialist's Evaluation

Mission Bay Block 9A's massing study proposes an eight story, Type-1 concrete building. The 140-unit development is scheduled to break ground in early 2022. Mithun, the architect of record, and the Sponsor worked with two contractors who have built in the neighborhood to provide preliminary estimates for the Response to Request for Proposals dated July 22, 2019.

Given that at this early stage of development the estimates provided are highly speculative, the designs will need to be further advanced in order for Sponsors to obtain more meaningful pricing. Sponsor and their architects must work closely with OCII construction management staff to evaluate all strategies to reduce overall costs to the project, including alternative construction types, increasing or decreasing the number of units and methods to shorten the construction timeline, amongst others.

The projected hard costs of $761,497 per unit is high relative to projects in the city's pipeline and does not include any escalation, though it does include 20% of bid, design, plan check, and hard cost contingencies in accordance with MOHCD underwriting guidelines. Backing out this 20%, the per unit cost is closer to $641,926 per unit. Costs are driven in large part by the required Type I construction for an 8-story building; the current valuation of the structural concrete and steel for this structure represents a significant percentage of the total hard cost and is subject to a volatile raw material market. At eight-stories, Type I construction is necessary because the typical wood-frame over concrete construction that is used for mid-rise residential buildings is limited to 7 stories (i.e. a maximum of 5 stories of Type III-A over 2 stories of Type-I podium). In order to maximize the site density per the stated goals of the RFP, Mithun has designed up to the 90' height limit on a slim parcel and fit 140 units of housing within eight-stories. The eighth story pushes the construction type from Type III-A to Type-I throughout the upper stories of the building.

Furthermore, due to the Site's soil conditions, topography, and the proposed building height and type, the foundation will include 200-foot below ground surface piles for the unconsolidated soil in Mission Bay. The site's Bayfront location also necessitates a design that will accommodate sea level rise, and thus portions of the ground floor will be raised 4-5 ft above grade, which further adds to costs. The Project costs include the cost of building a parking garage for about 35 spaces as well as additional FF&E, such as in-unit washer and dryer and dishwasher, than would be typical in a rental project.

The team expects to further revise downward the cost of this project as the design evolves and the pricing can be further refined through subcontractor bids. Mithun has designed two other projects in Mission Bay, 1180 Fourth Street and 626 Mission Bay Boulevard North, and understands the special challenges presented by site conditions in this neighborhood.

A condition of this loan is that the development team must engage in a significant value-engineering or cost reduction exercise early in the design process, including exploring the use of a different construction type (such as cross-laminated timber), reducing the building's size, using the Pueblo Structural System, and using prefabricated technologies, before further funds will be disbursed by OCII.

4.5. Commercial Space.

N/A

4.6. Service Space.

N/A

4.7. Target Population

Low to moderate income households earning between 80-110% AMI as defined by MOHCD, averaging Project affordability of 100% AMI.

4.8. Proposed Unit Mix and Affordability Table and Narrative. (See Attachment J for the Unit Sales Analysis)

The 140 units include 35 one-bedroom (25%), 70 two-bedroom (50%), and 35 three-bedroom (25%) condominiums. The unit mix, affordability levels, and sales prices (assuming household sizes as shown below) were established in the RFQ based on OCII goals established for this Site.

The units will be sold pursuant to OCII's Limited Equity Program ("LEP"), see Attachment M for the LEP Disclosure Book, in order to ensure the units will be permanently affordable. According to this homeownership model, purchase prices (at initial sale and future resale) are set according to a formula based on area median income rather than market values. At resale, the price will be set at the same affordability level that established the original purchase price, regardless of the current market value. When the homeowner sells, their equity will be based on change in AMI over time, plus any capital improvements made by the homeowner.

For this Project, units will be affordable to households at four income tiers: 80%, 90%, 100%, and 110% of AMI, and average 100% AMI overall. In order to create bands of affordability for these income tiers, the units will be priced at 75%, 85%, 95%, and 105% of AMI respectively. Units for this Project will have average sales prices affordable to households earning 95% AMI.

Unit Type	Net Sq. Ft.	Quantity	% Median Income	Example Sales Prices[2]
1 Bedroom, 1 Ba	500-550	5	75%	231,197
1 Bedroom, 1 Ba	500-550	8	85%	272,470
1 Bedroom, 1 Ba	500-550	10	95%	313,743
1 Bedroom, 1 Ba	500-550	12	105%	355,016
Subtotal 1 Bdrms		***35***		
2 Bedroom, 2 Ba	800-850	5	75%	277,059
2 Bedroom, 2 Ba	800-850	8	85%	330,135
2 Bedroom, 2 Ba	800-850	28	95%	383,210
2 Bedroom, 2 Ba	800-850	29	105%	436,286
Subtotal 2 Bdrms		***70***		
3 Bedroom, 2 Ba	1,000-1,100	5	75%	289,019
3 Bedroom, 2 Ba	1,000-1,100	8	85%	347,983
3 Bedroom, 2 Ba	1,000-1,100	7	95%	406,948
3 Bedroom, 2 Ba	1,000-1,100	15	105%	465,913
Subtotal 3 Bdrms		***35***		
TOTAL		140	95%	$52,208,238

[2] Based on 2019 AMI's published by MOHCD. Actual sales prices will be updated to reflect then current AMIs as published by MOHCD.

The unit sales prices were calculated based upon mortgage payments and related housing expenses (i.e. HOA dues, taxes, and insurance) which do not exceed 33% of income assuming a 5% down payment and 30 year fixed rate financing. See Attachment J for the Unit Sales Analysis.

4.9. Marketing & Occupancy Preferences

As of April 19, 2019, the OCII Commission has authorized staff to apply the preferences in City Affordable Housing Programs, as amended from time to time, to affordable housing approved by OCII, to the extent that those preferences are consistent with redevelopment plans, enforceable obligations, and applicable law. The preferences applicable for the Project are:

1. Certificate of Preference holders
2. Displaced Tenant Preference Program
3. Neighborhood Resident Housing Preference for 40% of the lottery units if project does not include State funding sources, and 25% of the lottery units if project does include State funding sources (if such preference does not conflict with other financing sources)
4. San Francisco Residents or Workers
5. Members of the General Public

These preference referrals must meet the Developer's established screening requirements for the project, and final selection will lie with the Developer. Any authorized preference shall be permitted only to the extent that such preference: (a) does not have the purpose or effect of delaying or otherwise denying access to a housing development or unit based on race, color, ethnic origin, gender, religion, disability, age, sexual orientation, or other protected characteristic of any member of an applicant household; and (b) is not based on how long an applicant has resided or worked in the area. OCII will work with the selected developer teams to resolve potential occupancy conflicts and determine additional occupancy preferences and marketing requirements and to ensure adherence to OCII occupancy preferences and marketing requirements.

4.10. Relocation.

N/A.

5. DEVELOPMENT TEAM

Development Team			
Consultant Type	**Name**	**SBE/LBE**	**Outstanding Procurement Issues**
Project Executive	Charmaine Curtis, CD	Y	N
Project Manager	Michael Simmons, MSPDI	Y	N
Project Manager	Divali Magnus, YCD	Y	N
Architect	Mithun Architects	N	N
Landscape Architect	TBD	TBD	TBD
JV/other Architect	TBD	TBD	TBD
General Contractor	TBD	TBD	TBD
Owner's Rep/Construction Manager	TBD	TBD	TBD
WCAP Consultant	Monica Wilson	Y	N
Other Consultant	TBD	TBD	TBD
Legal	TBD	TBD	TBD

1st Time Homebuyer Consultant	Lisa Fitts	Y	N

5.1. Outstanding Procurement Issues.

There are no outstanding procurement issues. Sponsors are working with OCII's Contract Compliance team to issue an RFQ/P for the above mentioned consultants.

6. FINANCING PLAN (See Attachment G for Cost Comparison of City Investment in Other Housing Developments; See Attachment H and I for Sources and Uses)

6.1. Prior MOHCD/OCII Funding (this project and historical for the project):

There is no prior OCII funding. This predevelopment loan request will be the first sum of money extended to the project.

6.2. Disbursement Status.

The Proposed Predevelopment Loan is the only predevelopment source for the Project. No sums of money have yet been disbursed. Staff recommends that the Loan Committee approve payment of costs dating back to October 15, 2019, the date of the informational memorandum staff provided to the Commission on Community Investment and Infrastructure on the Developer selection recommendation, so long as these previously incurred costs are deemed acceptable and correspond to the predevelopment budget attached herein.

6.3. Fulfillment of Loan Conditions.

N/A.

6.4. Proposed Predevelopment Financing

6.4.1. Predevelopment Sources Evaluation Narrative

The Proposed Predevelopment Loan is the only predevelopment source for the Project.

6.4.2. Predevelopment Uses Evaluation

The Sponsors are seeking a predevelopment loan of $3,500,000. The budget includes costs related to design through construction documents, survey and engineering sites studies, permit fees, legal fees, and a portion of the developer fee.

6.4.3.

Predevelopment Budget		
Underwriting Standard	**Meets Standard? (Y/N)**	**Notes**
Acquisition Cost is based on appraisal	N/A	Not applicable.
Architecture and Engineering Fees are within standards	N	A&E fee (inclusive of reimbursables & additional services) is $3,738,060, which is 4.2% of hard costs (excluding contingencies) and higher than standard. Developer to work with Mithun to further refine this number.

Bid Contingency is at least 5% of total hard costs	Y	
Escalation amount is commensurate with time period until expected construction start, not to exceed 15%	N	Construction cost does not include escalation and reflects current construction costs. Sponsor anticipates that the required MOHCD 20% in total contingencies will be sufficient based on an anticipated Jan 2022 construction start date. Given that the construction estimates Sponsor have received to date are highly preliminary, staff is comfortable waiving this requirement for now until the estimates become more fully refined during the predevelopment period.
Construction Management Fees are within standards	Y	
Developer Fee is within standards	Y	See discussion on Developer Fee below.
Soft Cost Contingency is 10% per standards	Y	
Financing Costs are reasonable	Y	

6.5. Potential Proposed Permanent Financing

Permanent financing is being presented to demonstrate the project's overall feasibility but not intended to be presented for Loan Committee approval at this time.

6.5.1. Permanent Sources Evaluation Narrative:

- OCII Loan: The current budget assumes an OCII subsidy of approximately $73.7M or $526,353 a unit and represents approximately 58% of total development costs. This amount of OCII subsidy, while high, is typical of a homeownership project where the availability of alternative funding sources is very limited. The Sponsors will need to demonstrate how to reduce and/or minimize this number. The OCII subsidy will be used during predevelopment and construction and will be structured as a loan with 3% interest; upon the completion of sales of all the units and OCII's issuance of a certificate of completion under the DDA, the loan will be forgiven.
- Sales Proceeds: Sales prices are calculated per OCII guidelines with average affordability at 95% AMI and sales prices calculated based on the unadjusted 2019 AMIs published by MOHCD and applying the maximum 33% housing costs to income. The assumed mortgage interest rate of 4.2% represents the ten-year rolling average for a 30-year fixed-rate mortgage, per RFP guidelines. HOA dues were estimated based on those charged at 1400 Mission Street, the most recently completed 100% BMR project in the City. Sales proceeds may increase depending on the AMIs published at the time of unit sales, however, they may also be negatively impacted if the interest rates increase from what are assumed now. This source may also be

increased if additional down payment assistance sources are identified and committed to the Project. Sponsors are required as a condition of this loan to pursue such funds and lower OCII subsidy as a result.

- CalHome: Sponsors have assumed a loan of $1.4M from CalHome which would be transferred to the individual buyers at closing and distributed evenly among the 140 units. Sponsors assumed a $10,000 per unit award based on award amounts made in previous rounds. While these funds have been primarily targeted to disaster relief for the past couple of years, HCD has recently published a new CalHome NOFA, which includes homeownership development projects as an eligible activity.
- Construction Loan: The Sponsors are projecting a construction loan based on net sales proceeds of $52.2M with a 30-month term and an assumed interest rate of 6% (Prime plus .5%) based on the current lending market and information provided by a financing broker and a prospective lender.

  Sponsors are unlikely to be able to provide the guarantees that commercial banks typically require for a construction loan. However, based on Sponsor's preliminary discussions with prospective lenders, a commercial bank has indicated that they are willing to provide a construction loan without the guarantees if OCII agrees to subordinate its interests relative to the bank during construction. Since OCII/MOHCD typically subordinates its interests to the construction lender on rental projects, OCII may be willing to do so here so long as the terms and conditions of said loan are subject to OCII review and approval.

  As a condition to this loan, the development team will be required to submit draft RFQ/Ps for a construction lender to OCII for review and approval prior to soliciting bids. They will also be required to submit all responses and letters of interests for review and approval prior to construction lender selection.

6.5.2. Permanent Uses Evaluation:

Development Budget		
Underwriting Standard	**Meets Standard? (Y/N)**	**Notes**
Hard Cost per unit are within standards	N	Hard costs are $761,497 / unit (includes contingencies). At this cost, the project is not financially feasible; development team will need to work with OCII to substantially reduce costs during the predevelopment period.
Construction Hard Cost Contingency is at least 5% (new construction) or 15% (rehab)	Y	Hard cost contingency is 5%. Design, Bid, and plan check contingencies total 15%.
Architecture and Engineering Fees are within standards	N	A&E fee (inclusive of reimbursables & additional services) is $3,738,060, which is 4.2% of hard costs (excluding contingencies) and higher than standard.

		Developer to work with Mithun to further refine this number.
Construction Management Fees are within standards	Y	The construction management fee of $150K is within the maximum allowable per MOHCD's underwriting guidelines for a large project.
Developer Fee is within standards, see also disbursement chart below	Y	Total Dev Fee is $2,600,000 ($2.2 million as the base fee + $400,000 as compensation for a large development), per OCII Homeownership Developer Fee. (See further details below.) Total At-Risk Dev Fee is $1,500,000.
Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is at 10% (not including construction loan interest).
Capitalized Operating Reserves are a minimum of 3 months	N/A	Budget includes capitalized HOA reserves at $1.1M to cover $815k in HOA fees that need to be paid until all units are sold plus $250k for sidewalk maintenance reserve. Sponsors will work with OCII and MOHCD to establish whether this amount is adequate.
Capitalized Replacement Reserves are a minimum of $1,000 per unit (Rehab only)	N/A	N/A

Developer Fee Discussion:

As the Project is an affordable for-sale development and therefore not tax credit eligible, MOHCD's Tax Credit Developer Fee Policy does not apply. Instead Sponsor was directed to follow OCII's Homeownership Developer Fee Policy (March 2019) that was included as an attachment to the RFP and reads largely as follows:

Consistent with MOHCD's developer fee policy (most recently updated July 20, 2018) for affordable, tax credit rental projects receiving soft loans from the City, the OCII homeownership developer fee will be subject to the same maximum as a tax credit rental project funded by MOHCD. Risks associated with the development of an affordable rental and homeownership project are assumed to be roughly equivalent.

The maximum developer fee for a homeownership development shall be $2,200,000 ("Base Fee") plus $10,000 per unit over 100 units, up to a maximum of $4,000,000. For homeownership projects of 20 units or less, the developer fee shall be up to $500,000. In this case, Sponsor is requesting the Base Fee plus $400,000 for the 40 units over 100, for a grand total of $2.6M in developer fee, which is in line with this policy.

The maximum developer fee shall be comprised of a Project Management Fee and an At-Risk Fee. The Project Management Fee shall be one-half (50%) of the Base Fee (i.e. $1,100,000) and shall be distributed according to achievement of certain development milestones set out below. The At-Risk Fee shall consist of the remaining half of the Base Fee plus the $10,000 per unit over 100 units, and shall cover any cost overruns that exceed the available contingency funds in the final project budget approved by OCII at construction loan closing. In the event of any cost overruns after OCII's construction funding commitment, the Developer will contribute up to half of the total maximum fee (e.g. $2,200,000 * 50% = $1,100,000) to cover the overruns. Cost overruns beyond that amount can only be requested from OCII's Commission if no other funding sources are available and the availability of OCII funds are not guaranteed. The At-Risk fee shall be distributed according to milestones as set forth below.

Fee Category	Fee Policy	Calculation
Project Management Fee	One-half of Base Fee ($2,200,000)	$2,200,000 x 0.5 = $1,100,000
At-Risk Fee	One-half of Base Fee plus $10,000 per unit over 100 units	$1,100,000 + (10,000 x # of units over 100)
Maximum Fee	Project Management Fee plus At-Risk Fee; $2,200,000 plus $10,000 per unit over 100 units	$2,200,000 + (10,000 x # of units over 100) not to exceed $4,000,000

In accordance with the policy, the fee disbursement milestones are outlined below:

Milestone	PM Fee Distribution	Total PM Fee: $1,100,000
Predevelopment loan closing	15%	$165,000
Upon approval by OCII of Schematic Design & cost estimate.	20%	$220,000
Upon approval by OCII of 50% Construction Documents and cost estimate. With no more than 50% of the total Project Management Fee to be disbursed prior to construction closing	15%	$165,000
At Construction Loan Closing	30%	$330,000
Project Close-Out: upon close of escrow/sale of all units	20%	$220,000
TOTAL PM FEE	**100%**	**$1,100,000**
Milestone	**At Risk Fee Distribution**	**Total At Risk Fee: $1,500,000**
At 50% of construction completion	30%	$450,000
Issuance by BRE of Final Subdivision Report Condominium	20%	$300,000
At receipt of Temporary Certificate of Completion	30%	$450,000
Project Close-Out: upon close of escrow/sale of final unit	20%	$300,000
TOTAL AT-RISK FEE		**$1,500,000**
MAXIMUM DEVELOPER FEE		**$2,600,000**

6.6. <u>This Request/Phasing Narrative</u>

N/A

7. PROJECT MARKETING AND OPERATIONS (See Attachment J for Unit Sales Analysis)

7.1. Marketing Plan & Sales Schedule

Sponsor plans to offer a concierge program to Certificate of Preference Holders as well as provide hands-on support for other Occupancy Preference groups. They plan to hold monthly information workshops and make presentations at neighborhood and employment groups in order to encourage potential buyers to start early working with a homeownership readiness group. Several months prior to the lottery, Sponsor will work with potential buyers to complete applications, explain the DAHLIA system and Limited Equity Program and the lottery in order to achieve a goal of at least 420 lottery participants. Post lottery, their sales, buyer interface, counseling and move in team will work with lottery winners to guide them through the purchase, closing and move-in process.

Sales Schedule
Unit sales will commence 6 months before construction completion with a lottery. Based on very high demand from homebuyers at recent BMR projects, the lottery is expected to result in reservations for all the units. The results of the lottery will also create a substantial applicant list to replace buyers who fall-out. Unit sales closings and occupancy will begin with 20 units in the first month after completion, and continue at 7 units per month over the following 17 months, and 1 units in the 18 month.

7.2. Marketing & Sales Budget

In accordance with the OCII Homeownership Developer Fee Policy (Attachment L), the current development budget reflects a total marketing and sales budget capped at $7,500 per unit ($1.05M total). This budget assumes a projected flat fee for any sales work associated with marketing and selling the units and is less than the customary market-rate standard of 2.5% sales commission to a seller's agent. Staff believes this is appropriate given that these are 100% below market rate units located in Mission Bay, and will garner significant interest even without a traditional sales team. Sponsors nonetheless project that that they will require a higher marketing & sales budget to provide a 2.5% sales commission for an outside sales agent in order to successfully sell the units within the projected 18 month absorption period.

The marketing & sales budget also assumes $350,000 ($2,500 per unit) to a first-time homebuyer liaison, Lisa Fitts, to help shepherd COP holders and lottery applicants through the homebuying process. This role is envisioned as a warm hand-off service that provides COP holders and prospective buyers with the support they need to navigate the often confusing and layered process to home-buying. Sponsors represent that Ms. Fitt's involvement will ensure a smooth sales process and enable the team to meet their projected absorption period. In addition, the marketing & sales budget assumes $200,000 for branding, advertisements, collateral material, website and social media.

As a condition to this loan, Sponsors will commission a market study that analyzes the absorption rate and sales risk of this Project and will also solicit bids from prospective marketing & sales representatives/teams, including non-commercial brokers. Should the findings of the market study and bids/negotiations demonstrate to OCII's satisfaction that additional funds are needed, OCII may allow Sponsors to revise the development budget as needed.

7.3. Homeowners Association, Fees, and Reserves

Sponsor will set up an HOA for the development. Sponsor or Sponsor-affiliated development entity will control the Board of Directors until 50% of the units are sold, at which time, control is transferred to the homeowners via their elected Board members. The HOA is responsible for the operation and management of the property, typically carried out through a property management agent. Included in operation and management of the common areas of the property, the HOA will manage the parking structure, and parking is unbundled from the units. OCII will review and approve the creation of an HOA by the Sponsors. Budgeted HOA fees are $420, $660, and $840 per month for the 1-, 2- and 3-bedrooms respectively and are based on those at 1400 Mission Street, the most recently completed and occupied 100% BMR project in SF.

HOA Fees will be calculated by a professional budget preparer per DRE guidelines. The reserve study will also be prepared by a professional reserve study firm per DRE guidelines. The selected property manager will work with the developer and OCII to confirm the appropriateness of the budget and reserves.

7.4. Parking

Parking will be unbundled and rented to homebuyers; Sponsors intend to offer parking to larger units first, but details will be worked out during the predevelopment period once parking and unit counts are finalized.. The parking fees are used to reduce the total HOA budget prior to assessing fees on a per unit basis.

7.5. Capital Needs Assessment & Replacement Reserve Analysis

N/A

8. SUPPORT SERVICES

8.1. Services Plan.

N/A.

8.2. Service Budget.

N/A.

8.3. DPH/HSA Assessment of Service Plan and Budget.

N/A.

9. THRESHOLD ELIGIBILITY REQUIREMENTS

RFP and Developer Selection Process

On May 23, 2019 OCII staff released the RFP for Mission Bay South Block 9a. The RFP established the following program requirements:

Number of Units	Approximately 135 units of high quality livable design, subject to a future amendment to the Design for Development to allow a height of 90' across the entire sire.
Unit types	Family Units with a target mix of: • 25% 1 Bedrooms • 50% 2 Bedrooms

	• 25% 3 Bedrooms
Area median income (AMI) and sale price restrictions	• OCII will restrict sale prices to rates affordable to households ranging from 80-110% of AMI as defined annually by the Mayor's Office of Housing and Community Development (MOHCD). • Project must average 95% of AMI overall
Target population	Low and moderate income individuals and families meeting the AMI eligibility criteria listed above.
Parking	• Resident parking at a ratio of up to 0.25 cars per unit • Parking will be unbundled

The deadline for submitting proposals was July 22, 2019 and by that date OCII received one proposal from Michael Simmons Property Development (MSPDI), Curtis Development (CD), and Young Community Developers (YCD) with Mithun as architects, Monica Wilson as WCAP consultant, and Lisa Fitts as a homebuyer counselor consultant.

10. RANKING CRITERIA

An evaluation panel interviewed the team and scored the proposal. The panel consisted of representatives from MOHCD, OCII (design, project area management, and housing), as well as a member of the Mission Bay Community Advisory Committee. The panel used the following scoring criteria:

Maximum Points	Criteria
60	**Proposed Development Concept**
25	Proposed Massing Concept: strength and cost efficiency of proposed massing concept, number of units, conformance with the Redevelopment Plan and the Design for Development, design precedents and inspirations provided for the massing concept, and philosophy of design specific to Project.
25	Proposed Funding and Program Concept; including financial feasibility, level of OCII subsidy, and unique program elements
10	Proposed Homeownership Outreach and Marketing Plan
40	**Team Experience and Capacity**
10	Developer experience in developing and marketing for-sale affordable housing *comparable* to the housing proposed in this RFP and in accordance and in good standing with current OCII/MOHCD standards related to marketing and homebuyer selection; experience with HOA documentation and budget creation, including obtaining approvals from the California Bureau of Real Estate; experience with OCII/MOHCD marketing policies and conducting lotteries through MOHCD's electronic DAHLIA portal. Developer Workload Capacity

10	Developer experience with government assisted affordable housing programs and homeownership financing sources. Developer experience delivering affordable housing on budget (defined as maintaining or reducing a project's per unit cost between RFP response, approval of a predevelopment loan/schematic design approval and construction loan closing).
10	Workforce and Contracting Action Plan
10	Architect experience & capacity; Architect experience delivering affordable housing on budget (defined as maintaining or reducing a project's per unit cost between RFP response, approval of a predevelopment loan/schematic design approval and construction loan closing).
100	**Maximum Total Points**

The proposal from MSPDI, CD, and YCD received an average score of 90.6 out of 100 possible points. The proposal scored particularly well in the massing, developer experience, and workforce and contracting categories.

Based on the scoring results, the evaluation panel recommended that MSPDI, CD and YCD be selected to develop the Project. OCII presented the results on the evaluation panel to the Mission Bay Citizens Advisory Committee at their monthly meeting on October 10, 2019. Since that time, the development team have met with OCII staff to discuss the development timeline, process, conceptual design and construction for the site, as well as financial feasibility of the Project. The team will soon begin the process of procuring a full consultant team, and will need predevelopment financing to do so. The next step in the developer selection process is for OCII staff to request Commission approval to enter into an Exclusive Negotiation Agreement and predevelopment loan agreement with the developer team in January 2020.

11. STAFF RECOMMENDATIONS

11.1. Proposed Loan/Grant Terms

Financial Description of Proposed Loan	
Loan Amount:	$3,500,000
Loan Term:	The Repayment Term will begin on the date of execution of the loan and end at either (1) the close of construction financing for the Project or, (2) the Developer and OCII execute a construction/permanent loan agreement that incorporates the predevelopment and permanent loan amounts. The permanent loan will be forgivable upon completion of the project in compliance w/OCII terms and therefore, so will the predevelopment loan.
Loan Maturity Date:	3 years from date of execution of the loan agreement.

Loan Repayment Type:	Construction/permanent loan proceeds
Loan Interest Rate:	3%

11.2. Recommended predevelopment disbursement conditions/schedule

a) During the basic concept design process and prior to the completion of the schematic designs, Sponsor will work with OCII and MOHCD to conduct a design and cost estimating exercise to identify strategies, which may include alternative construction methodologies/construction types, exploration of innovative materials (such as cross-laminated timber), and/or increasing or decreasing unit density, to meet OCII's target of reducing the projected per unit hard costs by a minimum of 15%, or to a level acceptable to OCII. No more than $500,000 in Loan proceeds, of which a no more than $165,000 in Developer Fee, may be disbursed until this has been completed and Sponsor and OCII staff agree on a design direction.

11.3. Recommended conditions prior to gap financing

b) Sponsor will work with the architect to establish an acceptable fee, subject to OCII approval, in keeping with the MOHCD Fee Proposal Guidelines for Architect and Engineering Basic Services.

c) Sponsor will issue an RFQ for a general contractor in accordance with OCII's Contract Compliance specifications, will obtain cost estimates from the selected contractor, and will work with their architectural team to ensure that the site's development costs are managed to OCII's approval. Sponsors will cooperate with OCII and competitively solicit a general contractor with the intent of creating a joint venture or similar partnership opportunity, to the extent practicable and economically feasible, between a general contractor and an OCII-recognized SBE contractor. Furthermore, Sponsors will cooperate and require the general contractor to exercise good faith efforts to select subcontractors who either are SBEs or, if they are not SBEs, are willing to create joint ventures or similar partnership opportunities with SBEs.

d) Sponsor will issue an RFQ for an owner's representative in accordance with OCII's Contract Compliance specifications, and will submit bids and draft contracts for OCII staff review and approval prior to selecting or entering into a contract with an owner's representative.

e) Sponsor must evaluate the likelihood of securing CalHome, IIG, Federal Home Loan Bank of San Francisco's AHEAD, and any public or private downpayment assistance program funds for the Project and will work with OCII staff to determine the most appropriate financial plan with the goal of adding alternative permanent subsidy sources and minimizing OCII subsidy. Sponsor will provide an analysis of potential sources and strategies and provide a revised financing plan by June 1, 2020.

f) Sponsor will commission, with OCII review and approval of the scope of work, a market study for this Project and will adjust the assumed absorption rate and sales period as appropriate. The market study firm will be directed to provide drafts of the marketing study contemporaneously to the Sponsor and OCII for review and finalization.

g) Sponsor will solicit, with OCII review and approval of the scope of work, a marketing & sales team, that may include non-commercial brokers, for OCII review and approval prior to soliciting bids for the same.

h) Sponsor will provide all responses to the RFQ/P for a marketing & sales team for OCII review and approval prior to selection of the same.

i) Sponsor will work with staff at OCII and MOHCD to review the marketing & sales budget, including the sales fee assumptions, and will adjust, as appropriate, based on data from the market study and marketing & sales team bids.

j) Sponsor will provide drafts of the RFQ/P for a HOA budgeting and reserve consultant(s) for OCII review and approval prior to soliciting bids for the same.

k) Sponsor will provide responses to the RFQ/P for a HOA budgeting and reserve consultant(s) for OCII review and approval prior to selection of the same.

l) Sponsor will work with staff at OCII and MOHCD to review HOA fees and reserve assumptions and will adjust, as appropriate, based on data from existing affordable homeownership housing sites.

m) Sponsor will conduct ongoing outreach to the Mission Bay community to solicit input, address concerns, and educate community members on various aspects of the Project.

12. LOAN COMMITTEE MODIFICATIONS

LOAN COMMITTEE RECOMMENDATION

Approval indicates approval with modifications, when so determined by the Committee.

[X] APPROVE. [ ] DISAPPROVE. [ ] TAKE NO ACTION.

Dan Adams, Acting Director
Mayor's Office of Housing

Date: 1/17/20

[X] APPROVE. [ ] DISAPPROVE. [ ] TAKE NO ACTION.

Salvador Menjivar, Director of Housing Services
Department of Homelessness and Supportive Housing

Date: 1/17/20

[✓] APPROVE. [ ] DISAPPROVE. [ ] TAKE NO ACTION.

for Nadia Sesay, Executive Director
Office of Community Investment and Infrastructure

Date: 1/17/20

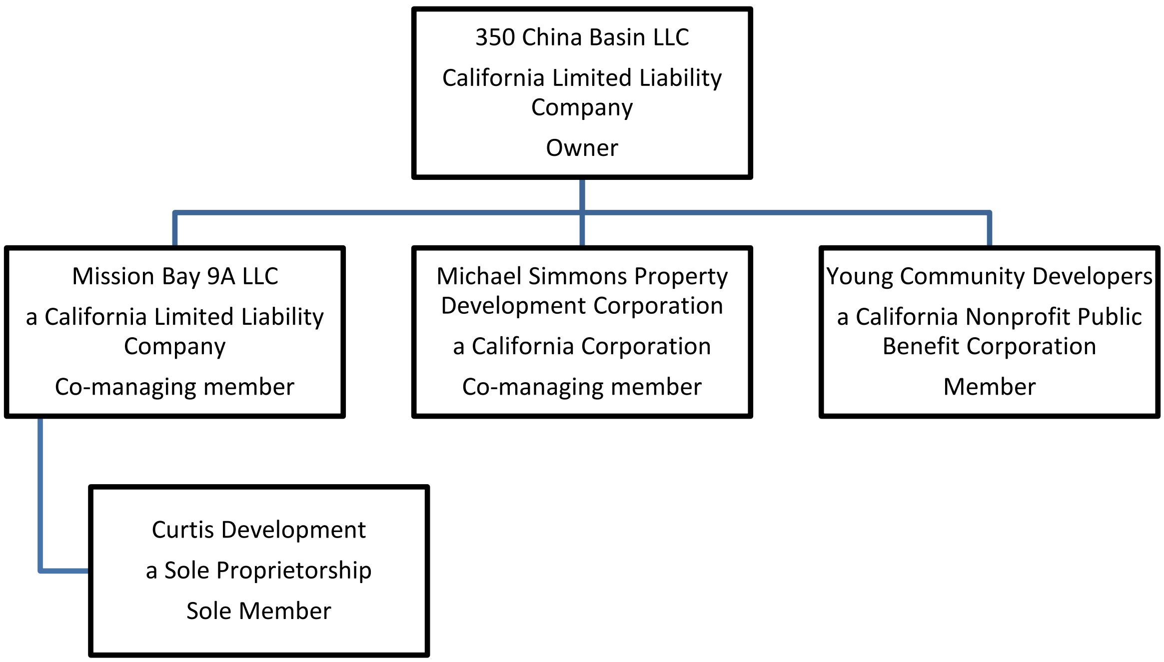
Attachments:
A. Project Milestones/Schedule
B. Borrower Org Chart
C. Developer Resumes
D. Asset Management Analysis of Sponsor
E. Site Map with amenities
F. Elevations and Floor Plans, if available
G. Comparison of City Investment in Other Housing Developments
H. Predevelopment Sources and Uses
I. Permanent Sources and Uses
J. Unit Sales Analysis
K. CD, MSPDI, YCD Memorandum of Understanding
L. OCII Homeownership Developer Fee Policy
M. Limited Equity Homeownership Program Disclosure Book

Attachment A: Project Milestones and Schedule

No.	Performance Milestone	Estimated or Actual Date	Contractual Deadline
A.	Prop I Noticing (if applicable)		
1	Acquisition/Predev Financing Commitment	2/2020	
2.	Site Acquisition	2/2022	1/2022
3.	Development Team Selection		
a.	Associate Architect	2/2020	
b.	General Contractor	2/2020	
c.	Owner's Representative	2/2020	
d.	Property Manager	3/2023	
e.	Service Provider	n/a	
4.	Design		
a.	Submittal of Basic Concept/50% SD & Cost Estimate	6/2020	
b.	Submittal of Schematic Design & Cost Estimate	9/2020	10/2020
c.	Submittal of Design Development & Cost Estimate	1/2021	
d.	Submittal of 50% CD Set & Cost Estimate	5/2021	
e.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	7/2021	
5.	Environ Review/Land-Use Entitlements/Mapping		
a.	Phase I/Phase II and Negative Declaration under CEQA	5/2020	
b.	Maher Ordinance Compliance completed	1/2021	
c.	Geotechnical Investigations Complete	5/2020	
d.	Tentative Map application to DPW	7/2021	
e.	Preliminary Public Report Application to DRE	7/2021	
6.	Permits		
a.	Building / Site Permit Application Submitted	12/2020	1/2021
b.	Addendum #1 Submitted	7/2021	
c.	Addendum #2 Submitted	9/2021	
d.	Addendum #3 Submitted		
7.	Request for Bids Issued	9/2021	

9.	City Financing		
a.	Predevelopment Financing Committed	2/2020	
b.	Gap Financing Application	9/2021	
10.	Other Financing		
a.	Bank Construction Financing RFP	7/2021	
b.	CalHOME Financing Application	6/2021	
c.	IIG Application	6/2021	
d.	Bank Construction Loan Close	3/2022	
e.	CalHOME Loan/Grant Close	3/2022	
f.	IIG Committed	7/2021	
g.	Other Financing Application	_____	
h.	Other Financing Close	_____	
11.	Closing		
a.	Construction Closing	3/2022	
b.	Permanent Financing Closing	4/2025	
12.	Construction		
a.	Notice to Proceed	4/2022	6/2022
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	2/2024	7/2024
13.	Marketing/Rent-up		
a.	Early Outreach Plan Submission	10/2021	11/2021
b.	Marketing Plan Submission	11/2021	
c.	Commence Marketing	6/2022	
d.	Preliminary Public Report Issued by DRE (pink)	8/2021	
e.	Final Public Report Received from DRE (white)	12/2023	
f.	95% Sale & Occupancy	5/2025	10/2025
15.	Close Out MOH/OCII Loan(s)	7/2025	

Attachment B: Borrower Org Chart



Attachment C: Developer Resumes

CHARMAINE D. CURTIS

415-609-4996 | charmaine@curtis-development.com

1/09 – Current
San Francisco, CA

PRINCIPAL, Curtis Development
Curtis Development develops strategic urban infill multi-family and mixed-use projects, provides comprehensive development consulting services to profit motivated, non-profit and government clients. Highlighted work:

- Co-developed recently completed, fully leased 162-unit market rate rental project in Oakland, CA.
- Crafting a feasible plan to develop a 432-unit mixed-income high-rise in San Francisco's South of Market with local non-profit developer.
- Developing 68 units of privately financed homeless housing in Oakland.
- Obtained first SB 35 approval in San Francisco.
- Oversaw master planning and entitlements for the redevelopment of 600-unit Potrero Terrace & Annex public housing into an approximately 1,700 unit mixed-income development.

1/04 – 12/08
San Francisco, CA

PRESIDENT, Curtis + Partners Development, LLC
Founder of company that developed high quality, infill residential and mixed-use projects in emerging neighborhoods in the San Francisco Bay Area. Completed two condominium projects in the East Bay and assembled, entitled and sold a high-profile development site in Seattle, WA.

9/97 – 12/03
San Francisco, CA

PRESIDENT, A. F. Evans Development, Inc.
Oversaw multi-family development activities throughout California and Washington for mid-sized development company supervising a staff of 9 project managers and 2 assistant project managers in San Francisco and Seattle. Projects included mixed-use infill housing both for rent and for sale, garden style apartments, and acquisition and rehabilitation of affordable and market rate income properties. Oversaw the development of about 4,000 units in multi-family and mixed-use projects throughout California and Washington with a value of nearly $300 Million.

5/95 - 9/97
San Francisco, CA

PRINCIPAL, Charmaine Curtis Housing Development Consulting
Provided project management services primarily to non-profit housing developers and social service agencies. Identified development opportunities and performed due diligence activities for property acquisition. Assessed project feasibility including land use and building analysis.

8/91 - 5/95
San Francisco, CA

DIRECTOR OF HOUSING DEVELOPMENT, Mercy Housing California
Coordinated and oversaw affordable housing development projects throughout California including identifying new development opportunities, assessing project feasibility, and supervising seven project managers in four cities. Set annual housing production goals and assessed available financial and staff resources.

1/88 - 5/91
San Francisco, CA

PROJECT MANAGER, McKenzie, Rose & Holliday Development, Inc.
Instrumental in start-up of real estate development company. Managed several projects including pioneering live/work loft condominium projects in San Francisco's South of Market neighborhood.

EDUCATION University of California, Berkeley; Master of City Planning, May 1985
Dartmouth College; Bachelor of Arts, Major - Government/Economics, June 1981

AFFILIATIONS Lambda Alpha
Board of Directors, SPUR (Executive Board and Co-Chair, Project Review Committee)
Board of Directors, Homeless Prenatal Program

MICHAEL SIMMONS

2370 Market Street #458 • San Francisco, CA 94114
425-845-5527 • 415-358-8842 fax   MichaelS@mspdi.com

MANAGEMENT EXPERIENCE

MICHAEL SIMMONS PROPERTY DEVELOPMENT, San Francisco, CA
Real Estate Consulting and Development (1997 - Present)

Real Estate Developer, Project Manager and Development consulting firm with a focus on affordable housing and community facilities. Projects include new construction and renovation including homeownership for first time homebuyers and rental apartments for families, seniors and individuals.

Project management experience includes initial project planning and programming, site and team selection, entitlements, design management, community outreach and approvals, HOA creation and DRE approvals, budgeting and financing, permitting, construction management and project close out and sales.

SAN FRANCISCO HOUSING DEVELOPMENT CORP., San Francisco, CA
Executive Director. Nonprofit real estate development and homeownership counseling organization. Responsible for all aspects or organization leadership including program oversight, planning and strategy, personnel management, fundraising, budgeting, and Board interaction(1993 - 1997)

RELATED BOARD MEMBER ACTIVITIES

Market Octavia Citizens Advisory Committee – (2011 – 2013)
Tides Real Estate Committee – (2007 – 2011)
Global Citizen Center –. (2006 – 2008)
Episcopal Community Services – (1999 - 2001)
Mission Bay Citizen's Advisory Committee (1996 - 1997)
The NAMES Project Foundation - (1993 - 1995)

THE SUN REPORTER & THE NEW BAYVIEW - Wrote articles on housing issues.
KPOO Radio - Guest commentator on housing issues. (1994 – 1997)

EDUCATION

UNIVERSITY OF CALIFORNIA AT BERKELEY • MBA
BOSTON UNIVERSITY • B.S.

HOMEOWNERSHIP PROJECT MANAGEMENT EXPERIENCE

Fillmore Park Condominiums –	Developer - 32 unit family condominium project for first time homebuyers. Won an award to develop through the former SF Redevelopment Agency Limited Equity program. Developed project from initial site acquisition through design, construction and sales. Completed 2012
Bay Oaks Condominiums –	Project Management Consultant – 18-unit family condominium project for first time homebuyers with retail component. Developed through former SF Redevelopment Agency Limited Equity Program. Responsible for all aspect of development from initial site acquisition through design, construction and sales and retail build out. Completed 2009

Bell Mews –	Executive Director of Nonprofit Housing Developer and Project Executive – 10 unit affordable condominium through SF Redevelopment Agency Limited Equity program. Responsible for all aspects of development from building acquisition through design, construction and sales. Completed 1997
Garnett Terrace –	Executive Director of Nonprofit Housing Developer and Project Executive – 28 unit affordable condominium through SF Redevelopment Agency Limited Equity program. Responsible for all aspects of development from building acquisition through design, construction and sales. Completed 1995

OTHER KEY PROJECT EXPERIENCE

Kapor Center for Social Investment-	Project Management Consultant. Managed the development of a 40,000 square foot mixed use building with offices, meeting center and retail restaurant. Worked with principals to guide them through the development process including programming, entitlements, design, financing and construction. Received LEED Gold (2012 - 2016)
Bayview Hill Gardens-	Project Management Consultant. Managed the development of 73 units of housing for homeless families. Responsible for site and team selection through design, entitlements, construction and close out. Financed using 9% low income housing tax credits, bank loan and State MHP funds. Completed 2013
College Track –	Project Management Consultant. Managed the development of a 13,500 square foot conversion of an unreinforced masonry warehouse into a college preparatory center for underprivileged high school students. Worked with key staff and Board members to guide them through the development process including programming, entitlements, community outreach, design, financing and construction. (2009 - 2012)

DIVALI MAGNUS

HOUSING AND COMMUNITY DEVELOPMENT SPECIALIST

AFFORDABLE HOUSING ● PROJECT MANAGEMENT ● COMMUNITY DEVELOPMENT

EDUCATION

MASTERS OF CITY AND REGIONAL PLANNING, COMMUNITY DEVELOPMENT
THESIS: BALANCE OF CULTURAL IDENTITY IN THE FACE OF REDEVELOPMENT
UNIVERSITY OF CALIFORNIA, BERKELEY ● 2008

BACHELOR OF ARTS
MAJOR IN POLITICAL SCIENCE, CONCENTRATION IN POLITICAL THEORY
MINOR IN PUBLIC POLICY, CONCENTRATION IN URBAN PLANNING
UNIVERSITY OF CALIFORNIA, LOS ANGELES ● 2006

PROFESSIONAL EXPERIENCE

DIRECTOR OF HOUSING DEVELOPMENT AND ANTI-DISPLACEMENT POLICY – YOUNG COMMUNITY DEVELOPERS ● San Francisco, CA ● San Mateo, CA● 2016 - Current

- Develop and oversee the strategic plan for capacity building of the affordable housing team
- Build partnerships to support the development and preservation of affordable housing in District 10
- Collaborate with various entities throughout San Francisco to propose strategies and policies to advance the work
- Assist in the project management of pipeline projects

HOUSING SPECIALIST - SAN MATEO COUNTY, DEPARTMENT OF HOUSING ● San Mateo, CA● 2014-2016

- Program lead/underwriter of county's first time homebuyers and down payment assistance programs
- Program and contract administration and monitoring of CDBG, HOME and county funded affordable housing and community development projects and programs
- Design and implement asset management system for departments portfolio
- Conduct a LEAN review among colleagues to streamline the workflow and create a set of internal policy and procedures
- Collaborating on county specific housing policy needs to create work plans, determine resources and developing manageable schedules for project completion for various housing policy directives

INTERN - SAN MATEO COUNTY, DEPARTMENT OF HOUSING ● San Mateo, CA● Summer 2014

- Created a work plan for the development of an asset management system
- Lead application for the San Mateo County Saves grant resulting in a $250,000 award
- Developed a draft policy and procedures manual based on HOME and CDBG federal requirements

INTERN - GREENMARKET, COUNCIL ON THE ENVIRONMENT OF NYC ● New York, NY ● Summer 2009

- Evaluated Healthbucks and EBT project at farmers markets across the five boroughs
- Developed surveys and analyzed final report with the NYC Department of Health and Mental Hygiene

INTERN - DUMBO IMPROVEMENT DISTRICT ● Brooklyn, NY ● Summer 2007

- Calculated statistics to quantify the changing dynamics of the neighborhood from residential rezoning and becoming a Business Improvement District
- Developed information packets in line with PlaNYC encouraging stakeholders to initiate greener practices

INTERN - NATIONAL LOW INCOME HOUSING COALITION ● Washington, DC ● Winter 2006

- Facilitated grassroots efforts for the National Housing Trust Fund Campaign
- Created database to track local advocates of campaign and wrote field articles for weekly memos to members

SKILLS

GIS Arch, Excel, PowerPoint, Microsoft Outlook

Dion-Jay L. Brookter, MBA

http://www.linkedin.com/in/djbrookter 415.471.0105 C
1 Crescent Way #1207, San Francisco, CA 94134 dionjaybrookter@gmail.com

OBJECTIVE:
To obtain an innovative position with a multifaceted organization like Young Community Developers whose values are built upon the blocks of authenticity, trust, and to make a meaningful difference within today's society, where I will be allowed to utilize my strong interpersonal skills, organizational abilities, professional experience, computer knowledge and leadership ability to strengthen and support growth to its existing and prospective constituents.

QUALIFICATIONS:
Excellent communication and leadership skills as well as the ability to relate well in multicultural environments
Highly organized with the ability to multi-task effectively while efficiently managing time and resources
Quick learner who is able to take direction very well
Computer literate in Mac & PC Platforms, Microsoft Office Suite capable, MS Project
Enthusiastic, strong interpersonal skills and highly self motivated

EDUCATION:
Utah State University, Logan, UT 84341
B.S. Speech Communications with an emphasis in Business, May – 2006
University of Phoenix, Fresno CA 93722
M.B.A. Emphasis in Business Management, October – 2009

ACHIEVEMENTS & SPECIAL INTERESTS:
Eastern Neighborhoods Democratic Club – Eboard Member - Current
OurWiseMen – Alliance Member – 2016
Citizens' General Obligation Bond Oversight Committee – BOS Appointee, 2015
Black Young Democrats of San Francisco – VP of External Affairs, 2015
Omega Psi Phi Fraternity, Inc., 2013- Current Vice Basileus
Jeffery Gittomer "Yes Attitude" Certified, 2010
Fresno's Leading Young Professionals (Board Member), 2009
Full Athletic Scholarship, Utah State University football team, 2001-2005

EXPERIENCE:
Deputy Director
Young Community Developers Inc., San Francisco CA
01/18-Present
Working alongside our Controller and leadership team, I am responsible for managing and overseeing our financial and business planning activities, including: review and analyzing our financial reports, support and advise our Executive Director in decision making, lead and support organizational budgeting. I am also responsible for managing and overseeing the human resource function of our agency including: recruitment, hiring, compensation benefits, administration and oversight. Responsible for staff developmental, training, including new employee orientation, retention strategies, regulatory oversight and legal compliance, ensuring that the human resource function is properly resourced and represented within the senior management team. In charge of risk management and legal activities: letters of agreement, contracts, leases, and other legal documents and agreements. Information technology -

working as the manager of information technology, ensure the ongoing maintenance and updating of information systems and infrastructure, including hardware, software. Organizational reporting and monitoring: provide guidance and leadership through management of our agency metrics and measurement reporting process. Office management: oversee administrative functions for the entire agency, ensuring smooth daily operations.

Executive Director of the Southeast Community Facility Commission
SF Public Utilities Commission, San Francisco CA
05/16-01/18
As the SECF Executive Director I was responsible for all day-to-day support of the Southeast Community Facility Commission as well as programming, activities and revitalization efforts of the Southeast Community Facility and Greenhouses. These responsibilities included but are not limited to: planning, developing and implementing the vision and activities of the Southeast Community Facility Commission in order to fulfill its legislative mandate; managing all day-to-day activities of the SECF and Greenhouses not delegated to tenant partners; developing and implementing a long-range strategic plan for the SECF and greenhouse mitigation requirements; ensuring the Community Center and Greenhouse programs function as thriving community efforts and have measurable, positive impact on residents; in partnership with the SFPUC Real Estate Division, ensuring Commission-approved performance metrics are included in future lease agreements; leveraging outside partnerships to support programming; identifying and managing relationships with an outside fiscal sponsor; operating with a high level of emotional intelligence and cultural competency; building bridges across diverse communities for the greater good of Southeast residents; advancing diplomacy and tact with all community relationships; managing all commission-requested projects including research and analytical requests, writing, event planning, documentation, data management and evaluation; managing assigned staff; developing and managing budget and contracts-related matters for the SECF Commission.

Deputy Director
Young Community Developers Inc., San Francisco CA
12/10-05/16
Working alongside out Controller, I was responsible for managing and overseeing our financial and business planning activities, including: review and analyzing our financial reports, support and advise our Executive Director in decision making, lead and support organizational budgeting. I was also responsible for managing and overseeing the human resource function of our agency including: recruitment, hiring, compensation benefits, administration and oversight. Responsible for staff developmental, training, including new employee orientation, retention strategies, regulatory oversight and legal compliance, ensuring that the human resource function is properly resourced and represented within the senior management team. In charge of risk management and legal activities: letters of agreement, contracts, leases, and other legal documents and agreements. Information technology – working as the manager of information technology, ensure the ongoing maintenance and updating of information systems and infrastructure, including hardware, software. Organizational reporting and monitoring: provide guidance and leadership through management of our agency metrics and measurement reporting process. Office management: oversee administrative functions for the entire agency, ensuring smooth daily operations.

REFERENCES:
Program Manager, Derek L. Toliver, 415.373.2923 – Felton Institute - Senior Community Service Employment Program & Economic Security Initiative Center, 1500 Franklin St, San Francisco, CA 94109
Executive Director/Commissioner, Shamann Walton, MPA, 707.332.3225 - Young Community Developers Inc., 1715 Yosemite Ave. – San Francisco, Ca. 94124
Former Associate Dean of Instruction, Dr. Carolyn C. Drake, 559.273.5991, Fresno City College - 1101 East University Avenue, Fresno, Ca. 93741

Attachment D: Asset Management Evaluation of Project Sponsor

YCD

YCD currently has 3 projects, 1 completed (Pacific Point) and 2 in the pipeline (CP 10A and MB 9A).

YCD currently has no asset management staff.

The asset management of YCD's projects is currently taken on by their development partners.

MSPDI

As a development consultant and developer of affordable ownership housing, MSPDI does not hold projects after completion. Therefore, it does not serve an asset management function.

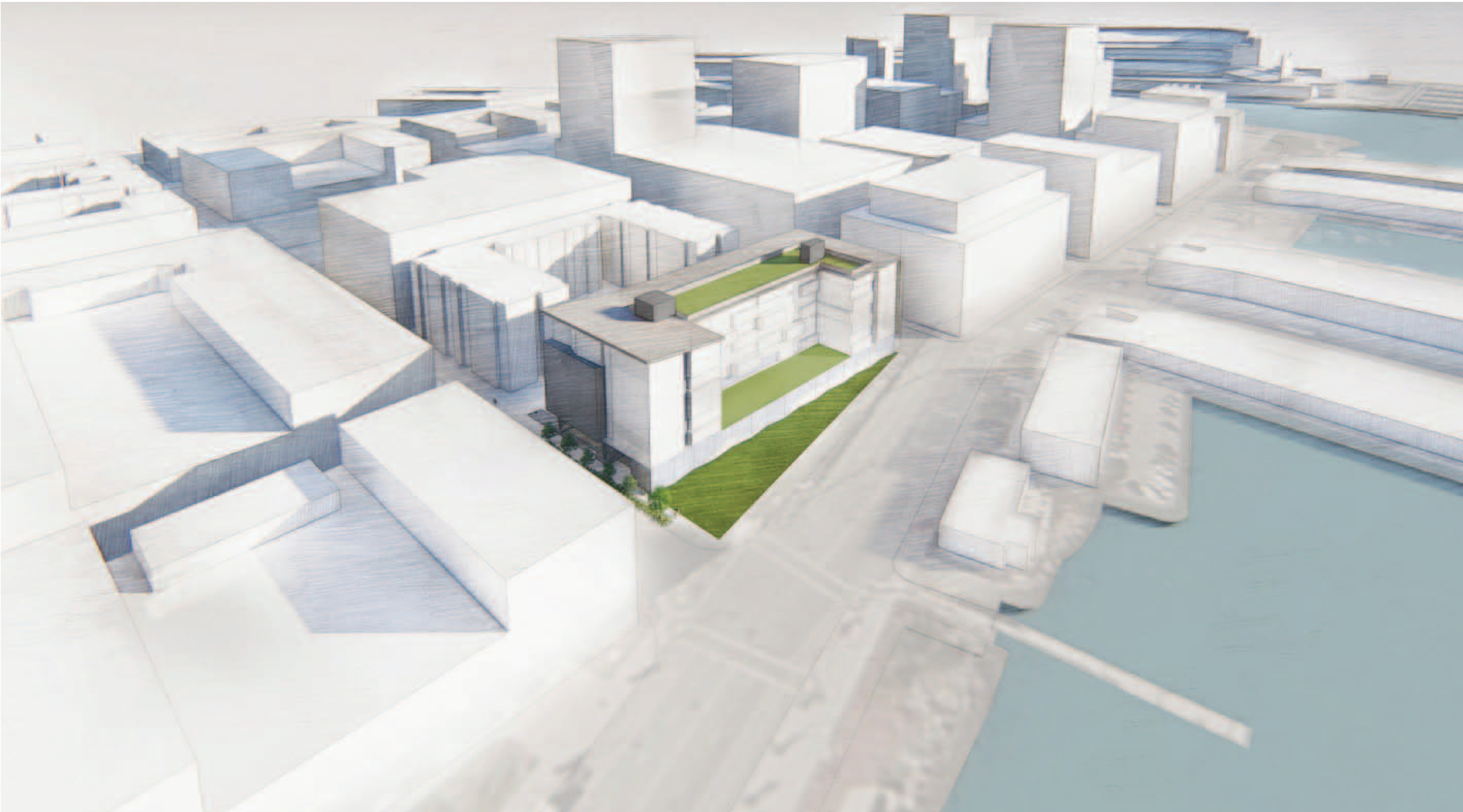
CD

As a development consultant and developer of affordable ownership housing, MSPDI does not hold projects after completion. Therefore, it does not serve an asset management function.

Attachment E: Site Map with amenities

Attachment F: Elevations and Floor Plans

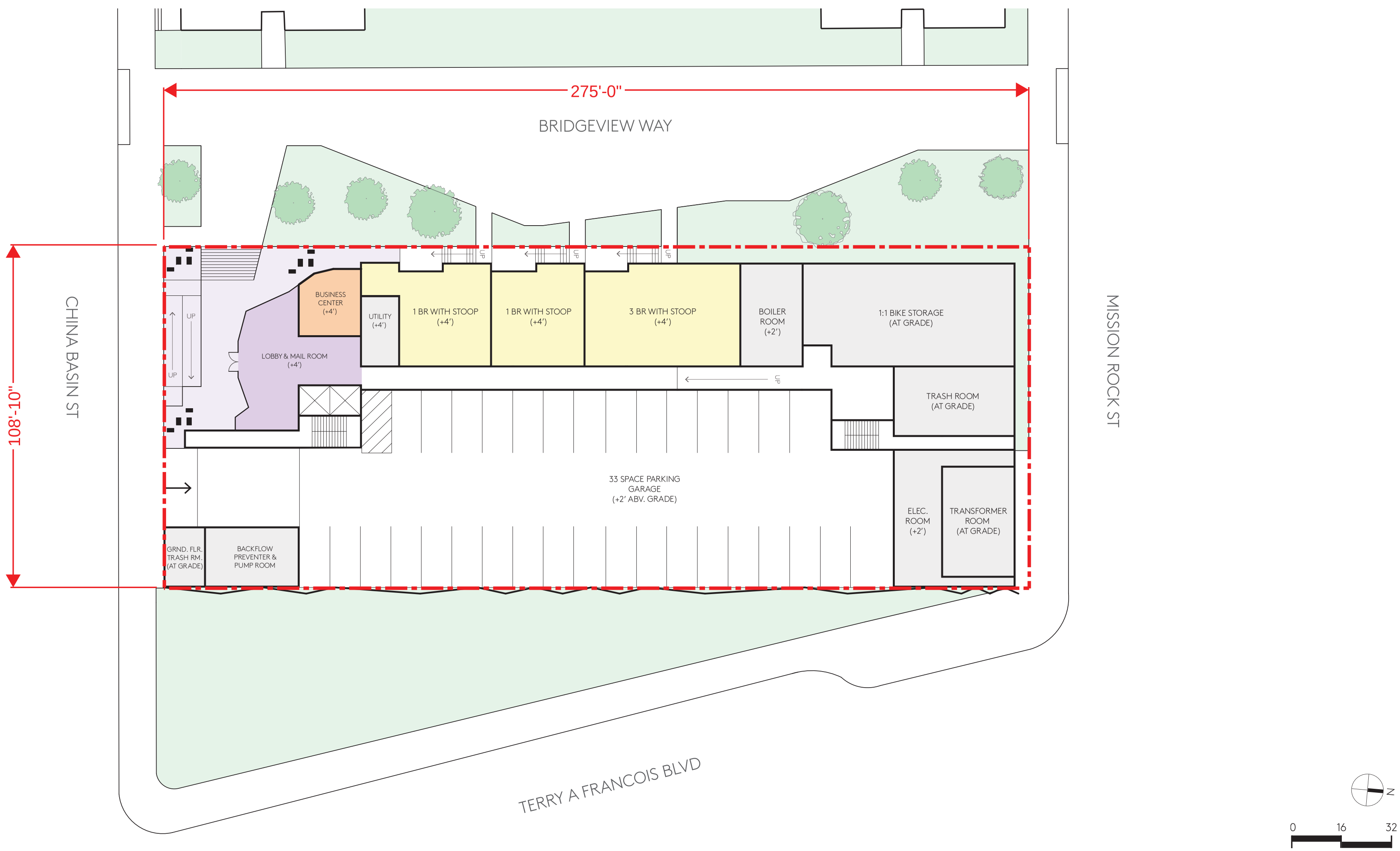
3D MASSING DIAGRAM



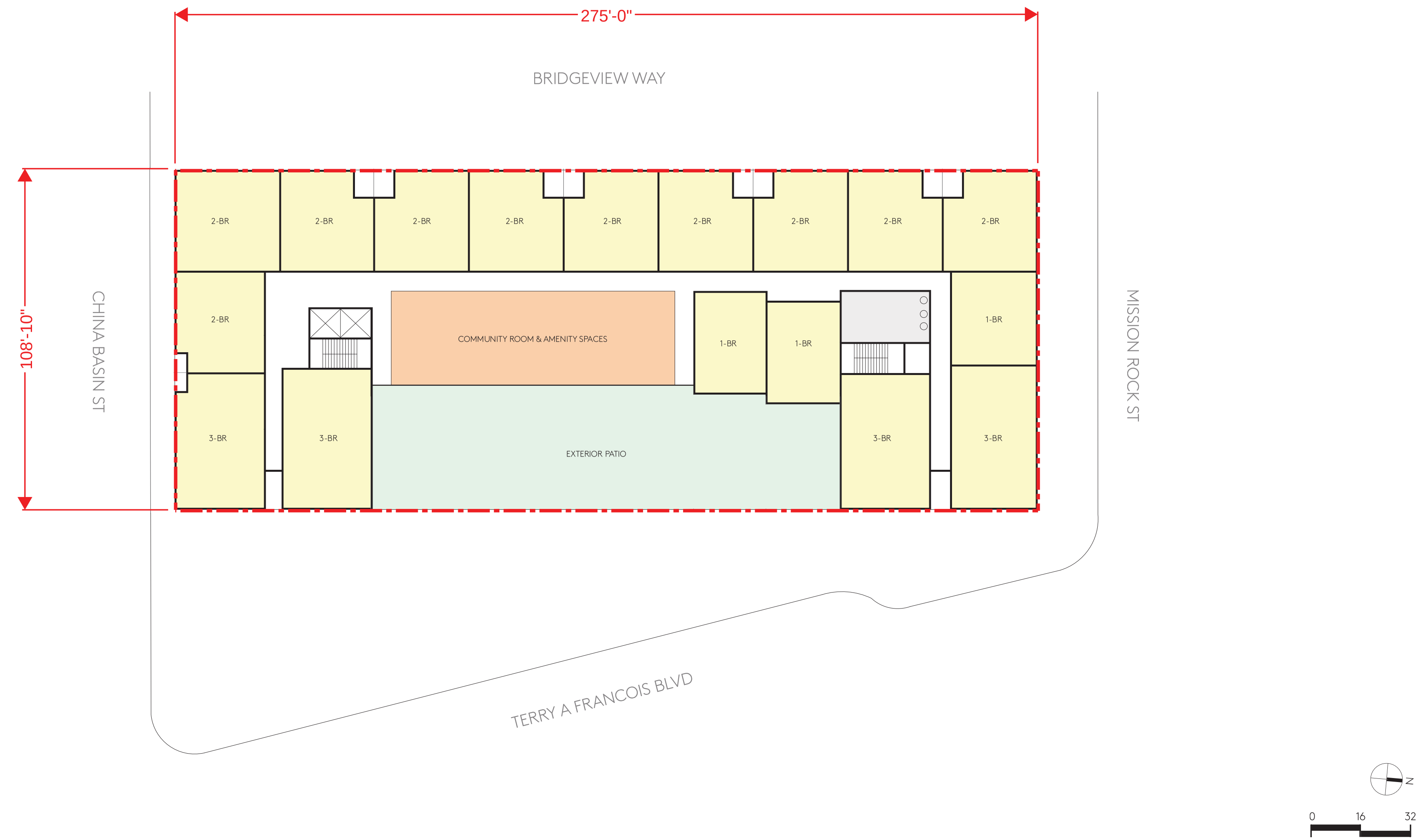
3D MASSING DIAGRAM

LONGITUDINAL SECTION

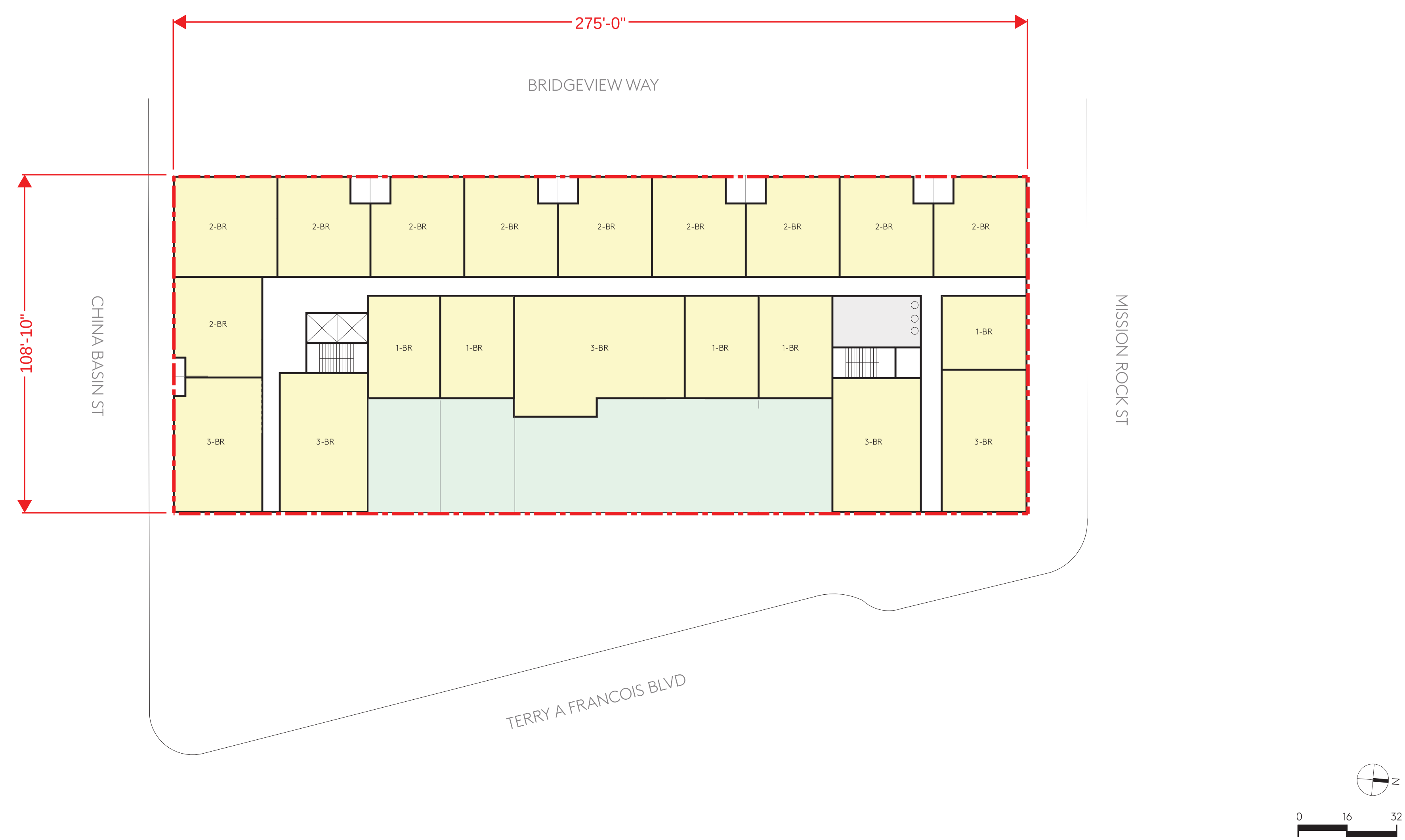
TRANSVERSE SECTION


275'-0"
BRIDGEVIEW WAY
108'-10"
CHINA BASIN ST
MISSION ROCK ST
BUSINESS CENTER (+4')
UTILITY (+4')
1 BR WITH STOOP (+4')
1 BR WITH STOOP (+4')
3 BR WITH STOOP (+4')
BOILER ROOM (+2')
1:1 BIKE STORAGE (AT GRADE)
LOBBY & MAIL ROOM (+4')
TRASH ROOM (AT GRADE)
33 SPACE PARKING GARAGE (+2' ABV. GRADE)
ELEC. ROOM (+2')
TRANSFORMER ROOM (AT GRADE)
GRND. FLR. TRASH RM. (AT GRADE)
BACKFLOW PREVENTER & PUMP ROOM
UP
TERRY A FRANCOIS BLVD
N
0 16 32

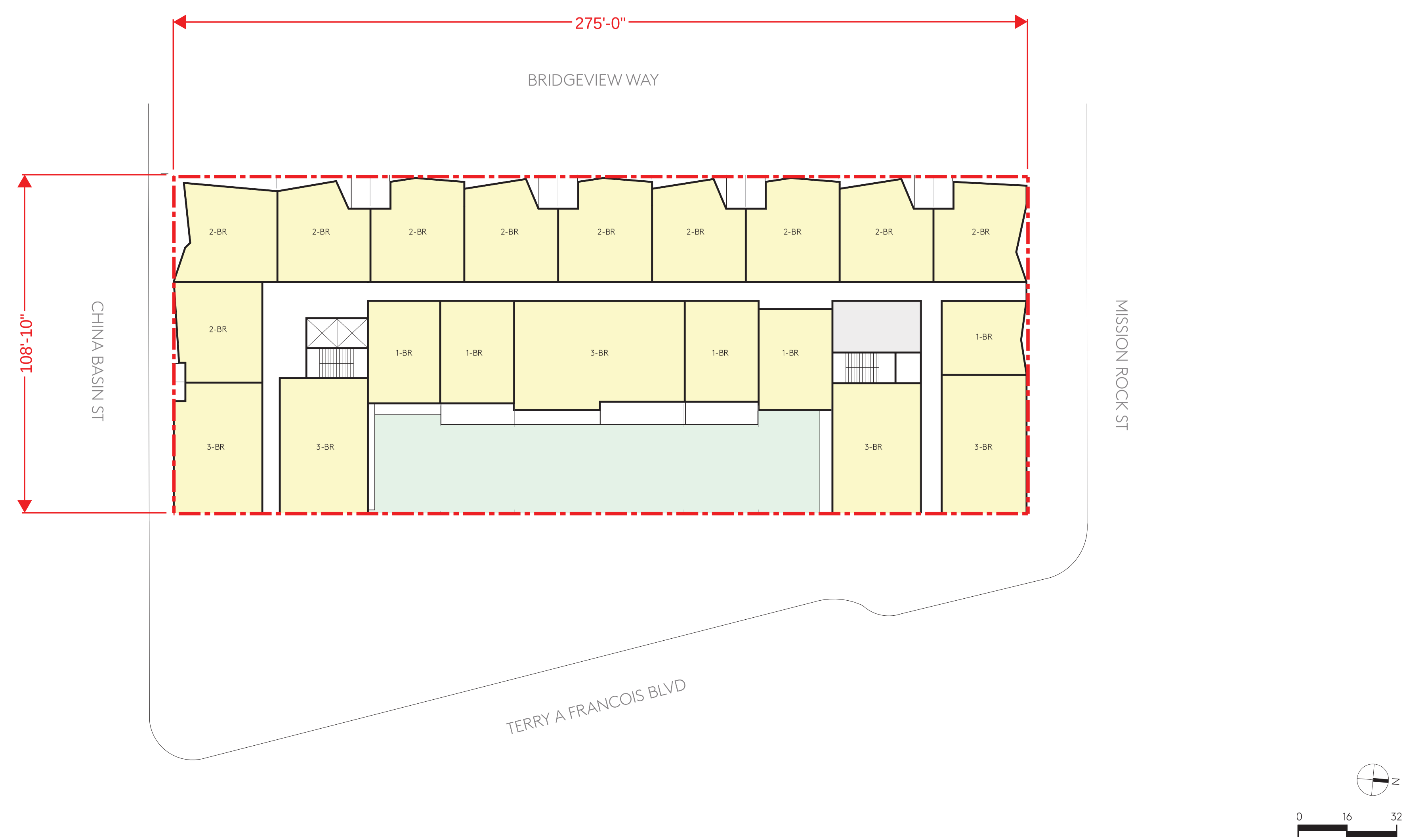
SITE PLAN


275'-0"
BRIDGEVIEW WAY
108'-10"
CHINA BASIN ST
MISSION ROCK ST
TERRY A FRANCOIS BLVD
2-BR
1-BR
3-BR
COMMUNITY ROOM & AMENITY SPACES
EXTERIOR PATIO
N
0
16
32

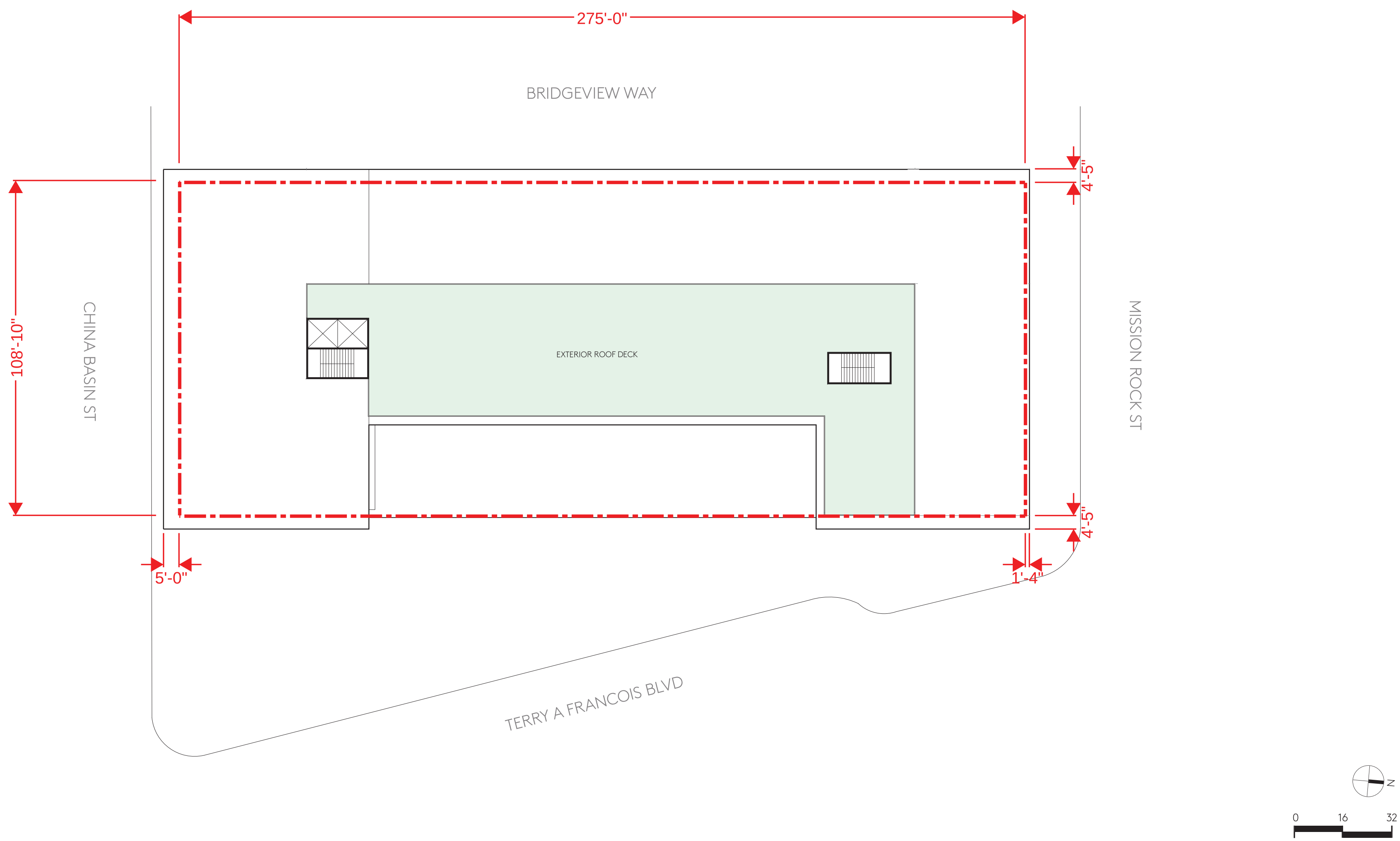
LEVEL 2 PLAN



LEVEL 3-6 PLAN



LEVEL 7-8 PLAN


275'-0"
BRIDGEVIEW WAY
108'-10"
CHINA BASIN ST
EXTERIOR ROOF DECK
MISSION ROCK ST
4'-5"
4'-5"
5'-0"
1'-4"
TERRY A FRANCOIS BLVD
N
0
16
32

ROOF PLAN

Attachment G: Comparison of City Investment in Other Housing Developments

Affordable Multifamily Housing New Construction Cost Comparison

Updated 11/25/2019

PROJECTS COMPLETED						Building Square Footage			Total Project Costs							
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR[1]	Res.[2]	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/land	Local Subsidy5	Total Dev. Cost w/o land	Notes on Financing	Comments
Mission Family Housing	1036 Mission	15,200	Oct-18	88	134	92,462	6,955	99,417	$ 5,551,029	$ 39,847,691	$ 6,583,453	$ 51,982,173	$ 17,704,400	$ 46,431,144	2 HCD Loans (MHP & TOD)	Type IB - 9 story
Potrero Block X (Vertical)	25th and Connecticut	30,000	Sep-19	72	139	86,569	28,952	115,521	$ 20,700	$ 58,474,070	$ 12,766,230	$ 71,261,000	$ 17,693,093	$ 71,240,300		Type IIIA & V over Type I Podium (4-6 stories) stepped w/ topography. No infrast. Cost
Mission Bay Bl 6 East	626 Mission Bay Blvd. North	63,250	Nov-18	143	276	162,080	9,719	171,799	$ 148,125	$ 74,944,052	$ 15,222,907	$ 90,315,084	$ 35,750,000	$ 90,166,959	HCD AHSC Loan	Type IIIA & V over Type I podium, 41 pkg spaces, Mission Bay soils and infrastructure
Completed Projects:	***Average:***	***36,150***		***101***	***183***	***113,704***	***15,209***	***128,912***	***1,906,618***	***57,755,271***	***11,524,197***	***71,186,086***	***23,715,831***	***69,279,468***		

PROJECTS UNDER CONSTRUCTION						Building Square Footage			Total Project Costs							
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR[1]	Res.[2]	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/land	Local Subsidy5	Total Dev. Cost w/o land	Notes on Financing	Comments
1950 Mission Street	1950 Mission Street	36,590	Nov-20	157	262	113,432	48,142	161,574	$ 9,775,000	$ 85,644,853	$ 15,171,496	$ 110,591,349	$ 44,945,740	$ 100,816,349	HCD AHSC Loan	Type IA - 9 stories with significant (30% of sf) art and PDR spaces and Paseo Des Artes
1990 Folsom Street	1990 Folsom	29,047	Dec-20	143	226	138,824	15,063	153,887	$ 8,407,380	$ 73,760,332	$ 25,616,512	$ 107,784,224	$ 46,711,496	$ 99,376,844		Mixed type - Type VA (townhomes) and 8 story Type I over Podium
735 Davis Senior Housing	735 Davis	10,165	Nov-20	53	54	46,143	1,257	47,400	$ -	$ 29,049,657	$ 11,846,397	$ 40,896,054	$ 18,525,949	$ 40,896,054		Type IIIA & V over Type I Podium (5-6 stories) - Senior
88 Broadway - Family Housing	88 Broadway	38,182	Mar-21	125	221	140,279	8,700	148,979	$ 14,900,000	$ 69,461,936	$ 27,758,226	$ 112,120,162	$ 27,908,676	$ 97,220,162		Type IIIA & V over Type I Podium (5-6 stories) - family
490 South Van Ness	490 S. Van Ness Avenue	14,250	Apr-20	81	121	51,639	28,985	80,624	$ 18,500,000	$ 43,647,993	$ 13,393,811	$ 75,541,804	$ 28,892,030	$ 57,041,804		Type IA - 7 stories over partial basement
691 China Basin (MB South 6W)	691 China Basin St	49,437	Mar-21	152	294	178,050	7,098	185,148	$ -	$ 97,322,472	$ 27,507,082	$ 124,829,554	$ 47,361,690	$ 124,829,554	HCD IIG Grant	Type III/podium and Type V/podium on mews wing, incl. 28 parking spaces, 4,640 sf child care spa
Under Construction:	***Average:***	***29,612***		***119***	***196***	***111,395***	***18,208***	***129,602***	***12,895,595***	***66,481,207***	***20,215,587***	***95,293,858***	***35,724,264***	***86,696,795***		

PROJECTS IN PREDEVELOPMENT						Building Square Footage			Total Project Costs							
Project Name	Address	Lot sq.ft	Start Date (anticipated)	# of Units	# of BR[1]	Res.[2]	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/land	Local Subsidy5	Total Dev. Cost w/o land	Notes on Financing	Comments
4840 Mission	4840 Mission	63,127	Jan-22	114	182	119,569	8,300	127,869	$ 12,000,000	$ 76,707,054	$ 13,329,476	$ 102,036,530	$ 27,786,294	$ 90,036,530	HCD MHP Loan	NO CURRENT COSTING DATA -Mixed type - Type VA (townhomes) and Type IIIA over Type I Po
681 Florida	681 Florida Street	19,000	Sep-20	130	199	89,770	58,530	148,300	$ -	$ 74,425,394	$ 24,032,716	$ 98,458,110	$ 36,923,181	$ 98,458,110	HCD MHP Loan	Type I mid rise, Large PDR presence
4th and Folsom	266 4th Street	8,400	Dec-21	70	99	58,663	1,580	60,500	$ 133,100	$ 42,600,330	$ 17,001,667	$ 59,468,897	$ 9,393,118	$ 59,601,997		Type I , 8 stories over MUNI substation tunnel, structurally complex, small footprint
Sunnydale Block 6	TBD	73,000	Jan-22	168	327	187,000	30,000	217,000	$ -	$ 136,444,929	$ 30,647,593	$ 167,092,522	$ 33,542,584	$ 167,092,522	4% Credits; HCD IIG & AHSC	Type I mid rise, 30k sq ft of commercial; includes infrastructure costs
Potrero Block B	TBD	70,132	Jan-21	157	331	160,000	-	160,000	$ -	$ 126,588,392	$ 24,990,228	$ 151,578,620	$ 15,688,292	$ 151,578,620	4% Credits; HCD IIG & AHSC	Type 1 Midrise, includes infrastructure costs
Balboa Park Upper Yard	2430 San Jose Ave	30,750	Jan-21	131	214	175,335	10,741	174,618	$ -	$ 94,039,151	$ 23,355,411	$ 117,394,562	$ 30,493,722	$ 117,394,562	4% Credits; HCD IIG & AHSC	Type I Mid Rise on small very tight site, over BART. Does not include MOHCD purchase of land
In Predevelopment	***Average:***	***44,068***		***128***	***225***	***131,723***	***18,192***	***148,048***	***4,044,367***	***91,800,875***	***22,226,182***	***116,004,873***	***25,637,865***	***114,027,057***		
ALL PROJECTS	***Average:***	***36,610***		***116***	***202***	***118,940***	***17,203***	***135,521***	***$ 6,282,193***	***$ 72,012,451***	***$ 17,988,655***	***$ 94,161,606***	***$ 28,359,320***	***$ 90,001,106***		
Subject Project	**MBS-9A**	**29,939**	**Feb-22**	**140**	**280**	**136,165**	**50,611**	**186,776**	**$ -**	**$ 106,609,600**	**$ 20,687,990**	**$ 127,297,590**	**$ 73,689,352**		Not LIHTC eligible; Home ownership sales proceeds	**Type I Midrise on small site, incl 35 parking spaces, 200+ ft st**

PROJECTS COMPLETED		Acquisition by Unit/Bed/SF			Construction by Unit/Bed/SF			Soft Costs By Unit/Bed/SF			Total Development Cost (Incl. Land)			Subsidy	
Project Name	Compl. Date	Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/sq.ft[6]	Soft/unit	Soft/BR	Soft/sq.ft6	Gross TDC/unit	Gross TDC/BR	Gross TDC/sq.ft6	Subsidy / unit	Leveraging [7]
Mission Family Housing	Oct-18	63,080	41,426	365	452,815	297,371	401	74,812	$ 49,130	$ 66	$ 590,707	$ 387,927	$ 523	$ 201,186.36	65.9%
Potrero Block X (Vertical)	Sep-19	288	149	1	812,140	420,677	506	177,309	$ 91,843	$ 111	$ 989,736	$ 512,669	$ 617	$ 245,737.40	75.2%
Mission Bay S6E	Nov-18	1,036	537	2	524,084	271,536	436	106,454	$ 55,155	$ 89	$ 631,574	$ 327,229	$ 526	$ 250,000	60.4%
Completed Projects:	***Average:***	***21,468***	***14,037***	***123***	***596,346***	***329,861***	***448***	***119,525***	***65,376***	***88***	***737,339***	***409,275***	***555***	***232,308***	***67%***

109391

PROJECTS UNDER CONSTRUCTION		Acquisition			Construction			Soft Costs			Total Development Cost (Incl. Land)			Subsidy	
Project Name	Compl. Date	Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/sq.ft[6]	Soft/unit	Soft/BR	Soft/sq.ft6	Gross TDC/unit	Gross TDC/BR	Gross TDC/sq.ft6	Subsidy / unit	Leveraging [7]
1950 Mission Street	Nov-20	62,261	37,309	267	545,509	326,889	530	96,634	$ 57,906	$ 94	$ 704,403	$ 422,104	$ 684	$ 286,279	59.4%
1990 Folsom Street	Dec-20	58,793	37,201	289	515,807	326,373	479	179,136	$ 113,347	$ 166	$ 753,736	$ 476,921	$ 700	$ 326,654	56.7%
735 Davis	Nov-20	-	-	-	548,107	537,957	613	223,517	$ 219,378	$ 250	$ 771,624	$ 757,334	$ 863	$ 349,546	54.7%
88 Broadway - Family Housing	Mar-21	119,200	67,421	390	555,695	314,307	466	222,066	$ 125,603	$ 186	$ 896,961	$ 507,331	$ 753	$ 223,269	75.1%
490 South Van Ness	Apr-20	228,395	152,893	1,298	538,864	360,727	541	165,356	$ 110,693	$ 166	$ 932,615	$ 624,312	$ 937	$ 356,692	61.8%
691 China Basin MBS 6W	Mar-21	-	-	-	640,279	331,029	526	180,968	$ 93,562	$ 149	$ 821,247	$ 424,590	$ 674	$ 311,590	62.1%
Under Construction:	***Average:***	***117,162***	***73,706***	***561***	***557,377***	***366,214***	***526***	***177,946***	***120,081***	***169***	***813,431***	***535,432***	***769***	***309,005***	***62%***

PROJECTS IN PREDEVELOPMENT		Acquisition			Construction			Soft Costs			Total Development Cost (Incl. Land)			Subsidy	
Project Name	Start Date (anticipated)	Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/sq.ft[6]	Soft/unit	Soft/BR	Soft/sq.ft6	Gross TDC/unit	Gross TDC/BR	Gross TDC/sq.ft6	Subsidy / unit	Leveraging [7]
4840 Mission	Jan-22	105,263	65,934	190	672,869	421,467	600	116,925	$ 73,239	$ 104	$ 895,057	$ 560,640	$ 798	$ 243,739	72.8%
681 Florida	Sep-20	-	-	-	572,503	373,997	502	184,867	$ 120,767	$ 162	$ 757,370	$ 494,764	$ 664	$ 284,024	62.5%
4th and Folsom	Dec-21	1,901	1,344	16	608,576	430,306	704	242,881	$ 171,734	$ 281	$ 849,556	$ 600,696	$ 983	$ 134,187	84.2%
Sunnydale Block 6	Jan-22	-	-	-	812,172	417,263	629	182,426	$ 93,724	$ 141	$ 994,598	$ 510,986	$ 770	$ 199,658	79.9%
Potrero Block B	Jan-21	-	-	-	806,295	382,442	791	159,173	$ 75,499	$ 156	$ 965,469	$ 457,941	$ 947	$ 99,925	89.7%
Balboa Park Upper Yard	Jan-21	-	-	-	717,856	439,435	539	178,286	$ 109,137	$ 134	$ 896,142	$ 548,573	$ 672	$ 232,777	74.0%
In Predevelopment	***Average:***	***35,722***	***22,426***	***69***	***698,379***	***410,818***	***627***	***177,426***	***107,350***	***163***	***893,032***	***528,934***	***806***	***$ 199,052***	***77%***
All Projects:	***AVERAGE***	***58,117***	***36,723***	***251***	***617,367***	***368,964***	***534***	***158,299***	***$ 97,603***	***$ 140***	***$ 814,601***	***$ 491,214***	***$ 710***	***$ 246,788***	***68.7%***
MBS-9A	**Feb-22**	**-**	**-**	**-**	**761,497**	**380,749**	**571**	**147,771**	**$ 73,886**	**$ 111**	**$ 909,269**	**$ 454,634**	**$ 682**	**$ 526,353**	**42.1%**

Attachment H: Predevelopment Sources and Uses

Application Date:	7/17/2019	**# Units:**	**140**
Project Name:	Mission Bay Block 9A	***# Bedrooms:***	
Project Address:	China Basin N/A Street	***# Beds:***	
Project Sponsor:	Curtis Development, Michael Simmons Property Development, Young Community		

Don't forget to fill in D135:D138!

							Total Sources	**Comments**
SOURCES	**3,500,000**	-	-	-	-	-	**3,500,000**	
Name of Sources:	MOHCD/OCII							
USES								
ACQUISITION								
Acquisition cost or value							0	
Legal / Closing costs / Broker's Fee							0	
Holding Costs							0	
Transfer Tax							0	
TOTAL ACQUISITION	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
CONSTRUCTION (HARD COSTS)								
Unit Construction/Rehab							0	Include FF&E
Commercial Shell Construction							0	
Demolition							0	
Environmental Remediation							0	
Onsight Improvements/Landscaping							0	
Offsite Improvements							0	
Infrastructure Improvements							0	HOPE SF/OCII costs for streets etc.
Parking							0	
GC Bond Premium/GC Insurance/GC Taxes							0	
GC Overhead & Profit							0	
CG General Conditions							0	
Sub-total Construction Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*	
Design Contingency (remove at DD)							0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+
Bid Contingency (remove at bid)							0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+
Plan Check Contingency (remove/reduce during Plan Review)							0	4% up to $30MM HC, 3% $30-$45MM, 2% $45MM+
Hard Cost Construction Contingency							0	5% new construction / 15% rehab
Sub-total Construction Contingencies	*0*	*0*	*0*	*0*	*0*	*0*	*0*	
TOTAL CONSTRUCTION COSTS	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
SOFT COSTS								
Architecture & Design								
Architect design fees	1,270,000						1,270,000	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)	700,000						700,000	
Architect Construction Admin	0						0	
Reimbursables	50,000						50,000	
Additional Services	20,000						20,000	
Sub-total Architect Contract	*2,040,000*	*0*	*0*	*0*	*0*	*0*	*2,040,000*	
Other Third Party design consultants (not included under Architect contract)	30,000						30,000	Green Point consultant
Total Architecture & Design	**2,070,000**	**0**	**0**	**0**	**0**	**0**	**2,070,000**	
Engineering & Environmental Studies								
Survey	15,000						15,000	
Geotechnical studies	65,000						65,000	
Phase I & II Reports	50,000						50,000	
CEQA / Environmental Review consultants	0						0	
NEPA / 106 Review	0						0	
CNA/PNA (rehab only)							0	
Other environmental consultants	51,818						51,818	Consultant for toxic off-haul and/or remediation
Total Engineering & Environmental Studies	**181,818**	**0**	**0**	**0**	**0**	**0**	**181,818**	
Financing Costs								
Construction Financing Costs								
Construction Loan Origination Fee							0	
Construction Loan Interest							0	
Title & Recording							0	
CDLAC & CDIAC fees							0	
Bond Issuer Fees							0	
Other Bond Cost of Issuance							0	
Other Lender Costs (specify)							0	
Sub-total Const. Financing Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*	
Permanent Financing Costs								
Permanent Loan Origination Fee							0	
Credit Enhance. & Appl. Fee							0	
Title & Recording							0	
Sub-total Perm. Financing Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*	
Total Financing Costs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
Legal Costs								
Borrower Legal fees	35,000						35,000	predev and construction loan closings
Land Use / CEQA Attorney fees							0	
Tax Credit Counsel							0	
Bond Counsel							0	
Construction Lender Counsel							0	
Permanent Lender Counsel							0	
Other Legal (specify)							0	
Total Legal Costs	**35,000**	**0**	**0**	**0**	**0**	**0**	**35,000**	
Other Development Costs								
Appraisal	10,000						10,000	
Market Study	10,000						10,000	
Insurance	0						0	
Property Taxes	0						0	
Accounting / Audit	0						0	
Organizational Costs	20,000						20,000	
Entitlement / Permit Fees	100,000						100,000	
Marketing / Rent-up	20,000						20,000	initial work on marketing plan
Furnishings							0	$2,000/unit; See MOHCD U/W Guidelines: http://sfmohcd.org/documents-reports-and-forms
PGE / Utility Fees	75,000						75,000	
TCAC App / Alloc / Monitor Fees							0	
Financial Consultant fees							0	
Construction Management fees / Owner's Rep	50,000						50,000	
Security during Construction							0	
Relocation							0	
Buyer Liaison + Buyer Prep	20,000						20,000	
Condo mapping/CC&R's, Bureau of Real Estate Costs	50,000						50,000	
WCAP Consultant	40,000						40,000	
Total Other Development Costs	**395,000**	**0**	**0**	**0**	**0**	**0**	**395,000**	
Soft Cost Contingency								
Contingency (Arch, Eng, Fin, Legal & Other Dev)	268,182	0	0	0	0	0	268,182	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	**2,950,000**	**0**	**0**	**0**	**0**	**0**	**2,950,000**	
RESERVES								
Operating Reserves							0	
Replacement Reserves							0	
Tenant Improvements Reserves							0	
HOA Reserve							0	
Sales Commissions							0	
Unit Closing Costs							0	
TOTAL RESERVES	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
DEVELOPER COSTS								
Developer Fee - Cash-out Paid at Milestones	550,000						550,000	
Developer Fee - Cash-out At Risk							0	
Developer Fee - GP Equity (also show as source)								
Developer Fee - Deferred (also show as source)							0	
Development Consultant Fees							0	Need MOHCD approval for this cost, N/A for most projects
Other (specify)							0	
TOTAL DEVELOPER COSTS	**550,000**	**0**	**0**	**0**	**0**	**0**	**550,000**	
TOTAL DEVELOPMENT COST	**3,500,000**	**0**	**0**	**0**	**0**	**0**	**3,500,000**	
Development Cost/Unit by Source	25,000	0	0	0	0	0	25,000	
Development Cost/Unit as % of TDC by Source	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
Acquisition Cost/Unit by Source	0	0	0	0	0	0	0	
Construction Cost (inc Const Contingency)/Unit By Source	0	0	0	0	0	0	0	
Construction Cost (inc Const Contingency)/SF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
City Subsidy/Unit	25,000							

Construction line item costs as a % of hard costs

Total Soft Cost Contingency as % of Total Soft Costs **10.0%**

Tax Credit Equity Pricing:		**Fill in with value or 'N/A' if not applicable.**
Construction Bond Amount:		**Fill in with value or 'N/A' if not applicable.**
Construction Loan Term (in months):		**Fill in with value or 'N/A' if not applicable.**
Construction Loan Interest Rate (as %):		**Fill in with value or 'N/A' if not applicable.**

Attachment I: Permanent Development Budget

Application Date:	7/17/2019	**# Units:**	**140**
Project Name:	Mission Bay Block 9A	***# Bedrooms:***	
Project Address:	China Basin N/A Street	**# Beds:**	
Project Sponsor:	Curtis Development, Michael Simmons Property Development, Young Community De		

Don't forget to fill in D135:D138!

	MOHCD/OCII	Sales Proceeds	CalHome				Total Sources	Comments	
SOURCES	**73,689,352**	**52,208,238**	**1,400,000**	**-**	**-**	**-**	**127,297,590**		
Name of Sources:	MOHCD/OCII	Sales Proceeds	CalHome						
USES									
ACQUISITION									
Acquisition cost or value							0		
Legal / Closing costs / Broker's Fee							0	Miscellaneous costs related to OCII loan	
Holding Costs							0		
Transfer Tax							0	*assumed to be $0*	
TOTAL ACQUISITION	**0**	**0**	**0**	**0**	**0**	**0**	**0**		
CONSTRUCTION (HARD COSTS)									
Unit Construction/Rehab	41,024,327	36,675,673	1,400,000				79,100,000	Include FF&E	
Commercial Shell Construction	0						0		
Demolition	0						0		
Environmental Remediation	450,000						450,000	Includes BOE Toxic Generator Fee	
Onsight Improvements/Landscaping	1,460,000	1,000,000					2,460,000		Construction line item costs as a % of hard costs
Offsite Improvements	100,000						100,000		
Infrastructure Improvements	600,000						600,000	HOPE SF/OCII costs for streets etc.	
Parking	990,000						990,000		
GC Bond Premium/GC Insurance/GC Taxes	900,000	500,000					1,400,000		**1.7%**
GC Overhead & Profit	1,787,100	597,700					2,384,800	reduced to 2.8% per OCII	**2.8%**
CG General Conditions	1,787,100	597,700					2,384,800	reduced to 2.8% per OCII	**2.8%**
Sub-total Construction Costs	*49,098,527*	*39,371,073*	*1,400,000*	*0*	*0*	*0*	*89,869,600*		
Design Contingency (remove at DD)	4,185,000						4,185,000	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	**5.0%**
Bid Contingency (remove at bid)	4,185,000						4,185,000	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	**5.0%**
Plan Check Contingency (remove/reduce during Plan Revi	4,185,000						4,185,000	4% up to $30MM HC, 3% $30-$45MM, 2% $45MM+	**5.0%**
Hard Cost Construction Contingency	2,092,500	2,092,500					4,185,000	5% new construction / 15% rehab	**5.0%**
Sub-total Construction Contingencies	*14,647,500*	*2,092,500*	*0*	*0*	*0*	*0*	*16,740,000*		
TOTAL CONSTRUCTION COSTS	**63,746,027**	**41,463,573**	**1,400,000**	**0**	**0**	**0**	**106,609,600**		
SOFT COSTS									
Architecture & Design									
Architect design fees	1,324,800	400,000					1,724,800	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms	
Design Subconsultants to the Architect (incl. Fees)	968,460	300,000					1,268,460		
Architect Construction Admin	294,800	275,000					569,800		
Reimbursables	100,000						100,000		
Additional Services	75,000						75,000		
Sub-total Architect Contract	*2,763,060*	*975,000*	*0*	*0*	*0*	*0*	*3,738,060*		
Other Third Party design consultants (not included under Architect contract)							0		
Total Architecture & Design	**2,763,060**	**975,000**	**0**	**0**	**0**	**0**	**3,738,060**		
Engineering & Environmental Studies									
Survey	15,000						15,000		
Geotechnical studies	100,000						100,000	Includes geotech during construction	
Phase I & II Reports	50,000						50,000		
CEQA / Environmental Review consultants	0						0		
NEPA / 106 Review	0						0		
CNA/PNA (rehab only)							0		
Other environmental consultants	305,000	100,000					405,000	Consultant for toxic off-haul and/or remediation+ construction testing and inspection. Green Point Consultant = $30K	
Total Engineering & Environmental Studies	**470,000**	**100,000**	**0**	**0**	**0**	**0**	**570,000**		
Financing Costs									
Construction Financing Costs									
Construction Loan Origination Fee		500,000					500,000		
Construction Loan Interest		3,100,000					3,100,000		
Title & Recording		50,000					50,000		
CDLAC & CDIAC fees							0		
Bond Issuer Fees							0		
Other Bond Cost of Issuance							0		
Other Lender Costs (specify)							0	included in origination fee	
Sub-total Const. Financing Costs	*0*	*3,650,000*	*0*	*0*	*0*	*0*	*3,650,000*		
Permanent Financing Costs									
Permanent Loan Origination Fee							0		
Credit Enhance. & Appl. Fee							0		
Title & Recording							0		
Sub-total Perm. Financing Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*		
Total Financing Costs	**0**	**3,650,000**	**0**	**0**	**0**	**0**	**3,650,000**		
Legal Costs									
Borrower Legal fees	75,000	25,000					100,000	predev and construction loan closings	
Land Use / CEQA Attorney fees							0		
Tax Credit Counsel							0		
Bond Counsel							0		
Construction Lender Counsel							0	included in lender fee	
Permanent Lender Counsel							0		
Other Legal (specify): Predev Loan Interest	25,000						25,000		
Total Legal Costs	**100,000**	**25,000**	**0**	**0**	**0**	**0**	**125,000**		
Other Development Costs									
Appraisal	10,000						10,000		
Market Study	10,000						10,000		
Insurance	1,200,000	1,200,000					2,400,000	includes the 10 year WRAP and builders risk	
Property Taxes	300,000	325,000					625,000	will have to pay property taxes during construction as well as on the units once the property is subdivided and until they are sold.	
Accounting / Audit	25,000						25,000		
Organizational Costs	20,000						20,000		
Entitlement / Permit Fees	1,000,000	370,000					1,370,000		
Marketing / Rent-up	500,000	550,000					1,050,000	$7500/unit incl. Buyer Liaison/commissions/marketing	
Furnishings		200,000					200,000	$2,000/unit; See MOHCD U/W Guidelines on: http://sfmohcd.org/documents-reports-and-forms	
PGE / Utility Fees	525,000						525,000	This number will be refined as MEP and civil drawings are developed and we engage with PG&E and PUC to determine the necessary sizing of service	
TCAC App / Alloc / Monitor Fees							0		
Financial Consultant fees							0		
Construction Management fees / Owner's Rep	150,000						150,000		
Security during Construction							0	included in contractor estimate	
Relocation							0		
Condo mapping/CC&R's, Bureau of Real Estate Costs	175,000	25,000					200,000		
WCAP Consultant	50,000						50,000		Total Soft Cost Contingency as % of Total Soft Costs
Total Other Development Costs	**3,965,000**	**2,670,000**	**0**	**0**	**0**	**0**	**6,635,000**		
Soft Cost Contingency									
Contingency (Arch, Eng, Fin, Legal & Other Dev)	729,806	742,000	0	0	0	0	1,471,806	Should be either 10% or 5% of total soft costs.	**10.0%**
TOTAL SOFT COSTS	**8,027,866**	**8,162,000**	**0**	**0**	**0**	**0**	**16,189,866**		
RESERVES									
Operating Reserves							0		
Replacement Reserves							0		
Tenant Improvements Reserves							0		
HOA Reserve	705,459	409,541					1,115,000	$815k in HOA fees paid until all units are sold plus $250k OCII recommended sidewalk reserve	
Sales Commissions							0		
Unit Closing Costs		783,124					783,124	transfer tax, escrow, buyer warranties	
TOTAL RESERVES	**705,459**	**1,192,665**	**0**	**0**	**0**	**0**	**1,898,124**		
DEVELOPER COSTS									
Developer Fee - Cash-out Paid at Milestones	1,210,000						1,210,000		
Developer Fee - Cash-out At Risk		1,390,000					1,390,000		
Developer Fee - GP Equity (also show as source)							0		
Developer Fee - Deferred (also show as source)									
Development Consultant Fees							0	Need MOHCD approval for this cost, N/A for most projects	
Other (specify)							0		
TOTAL DEVELOPER COSTS	**1,210,000**	**1,390,000**	**0**	**0**	**0**	**0**	**2,600,000**		
TOTAL DEVELOPMENT COST	**73,689,352**	**52,208,238**	**1,400,000**	**0**	**0**	**0**	**127,297,590**		
Development Cost/Unit by Source	526,353	372,916	10,000	0	0	0	909,269		
Development Cost/Unit as % of TDC by Source	57.9%	41.0%	1.1%	0.0%	0.0%	0.0%	100.0%		
Acquisition Cost/Unit by Source	0	0	0	0	0	0	0		
Construction Cost (inc Const Contingency)/Unit By Source	455,329	296,168	10,000	0	0	0	761,497		
Construction Cost (inc Const Contingency)/SF	321.95	209.41	7.07	0.00	0.00	0.00	538.43		
City Subsidy/Unit	526,353								

Tax Credit Equity Pricing:		**Fill in with value or 'N/A' if not applicable.**
Construction Bond Amount:		**Fill in with value or 'N/A' if not applicable.**
Construction Loan Term (in months):		**Fill in with value or 'N/A' if not applicable.**
Construction Loan Interest Rate (as %):		**Fill in with value or 'N/A' if not applicable.**

Attachment J: Unit Sales Analysis

350 CHINA BASIN STREET
UNIT SALES PROCEEDS

							Average Affordability	95%	
Housing Cost	33.00%	Number of Units		A	B	C	D		Total Units
				75% AMI	85% AMI	95% AMI	105% AMI		
Mortgage Interest	4.20%	One	35	5	8	10	12	10,733,383	35
Property Tax Rate	1.20%	Two	70	5	8	28	29	27,408,560	70
Downpayment	3.00%	Three	35	5	8	7	15	14,066,295	35
		TOTAL	140	15	24	45	56		

		One Bedroom				Two Bedroom				Three Bedroom			
		A	B	C	D	A	B	C	D	A	B	C	D
Percentage AMI		75%	85%	95%	105%	75%	85%	95%	105%	75%	85%	95%	105%
Number of Units		5	8	10	12	5	8	28	29	5	8	7	15
INCOME													
AMI 100% (MOH 2019)		86,200	86,200	86,200	86,200	110,850	110,850	110,850	110,850	123,150	123,150	123,150	123,150
Pricing AMI		64,650	73,270	81,890	90,510	83,138	94,223	105,308	116,393	92,363	104,678	116,993	129,308
Percentage AMI													
Allowable Housing Exp		21,335	24,179	27,024	29,868	27,435	31,093	34,751	38,410	30,480	34,544	38,608	42,671
MONTHLY EXPENSES													
Monthly Housing Expense		1,778	2,015	2,252	2,489	2,286	2,591	2,896	3,201	2,540	2,879	3,217	3,556
Taxes		231	272	314	355	277	330	383	436	289	348	407	466
Insurance		30	30	30	30	35	35	35	35	40	40	40	40
HOA Dues		420	420	420	420	660	660	660	660	840	840	840	840
Mortgage Payment		1,097	1,292	1,488	1,684	1,314	1,566	1,818	2,070	1,371	1,651	1,930	2,210
Mortgage Amount		224,262	264,296	304,331	344,366	268,748	320,231	371,714	423,197	280,348	337,544	394,740	451,936
Down Payment (3%)		6,936	8,174	9,412	10,650	8,312	9,904	11,496	13,089	8,671	10,440	12,208	13,977
Purchase Price		231,197	272,470	313,743	355,016	277,059	330,135	383,210	436,286	289,019	347,983	406,948	465,913
Sales Proceeds		1,155,987	2,179,764	3,137,434	4,260,197	1,385,297	2,641,079	10,729,892	12,652,292	1,445,093	2,783,868	2,848,638	6,988,696
TOTAL SALES PROCEEDS	52,208,238				10,733,383				27,408,560				14,066,295
NET SALES PROCEEDS	52,208,238												

Attachment K: CD, MSPDI, YCD Memorandum of Understanding

MEMORANDUM OF UNDERSTANDING
Between CD, MSPDI, and YCD
For the Development of Mission Bay Block 9A

This Memorandum of Understanding ("MOU") is entered into as of September 9, 2019 , by and between Young Community Developers ("YCD") Michael Simmons Property Development, Inc. ("MSPDI"), and Curtis Development (CD).

RECITALS

A. In June 2019, the Office of Community Investment and Infrastructure ("OCII") issued a Request for Proposals ("RFP") to develop an OCII-controlled parcel as affordable family ownership housing (the "Project"). Parcel 8719-5 is located at 350 China Basin Street and will be developed with up to 140 units of low- to moderate-income family ownership housing on what is commonly referred to as Mission Bay Block 9A ("MB9A"). The Parties to this MOU submitted a proposal in response to the RFP on or before July 22, 2019.

B. Per the RFP, sales prices shall be restricted to households earning up to 105% of area median income, as defined by MOHCD and units shall be sold subject to San Francisco's Limited Equity Program.

C. Respondents to the RFP can be a partnership between a for-profit entity and a nonprofit organization. Members of the Respondent will be evaluated according to their experience with comparable projects, capacity, and the ability to deliver an excellent Project. The Parties acknowledge that YCD has special knowledge of OCII's workforce programs and requirements, experience providing employment preparation and placement for young people age 14-24, getting unemployed San Franciscans back to work, and fostering economic development in the communities it serves. YCD has demonstrated the ability to connect developers and general contractors with local workers trained in the building and construction trades. The Parties acknowledge that MSPDI and CD have special knowledge of developing and managing affordable multi-family housing, including affordable homeownership.

D. The Project will be funded in part by funds administered by the Office of Community Investment and Infrastructure ("OCII".)

E. The Parties intend to form a Limited Liability Company to develop the Project (the "Company"). CD and MSPDI will serve as Co-Managing Members ("Managers") with an 80% interest and YCD to serve as an additional Member with a 20% interest.

F. The Parties wish to enter into this MOU outlining their respective rights and obligations for the development of the Project. In the event that the Parties are successful in obtaining development rights, this MOU will be superseded by an Operating Agreement.

AGREEMENT

1. PARTIES.

The Parties to this MOU are YCD, CD, and MSPDI. The Co-Managing Members will manage the business of the Company. Only the signature of the Managers shall be required to bind the Company. The Managers shall have the right, power, authority and obligation to do (or cause to be done) any and all things necessary, proper, or advisable to implement the Project, including expending Company funds, subject to the limitations of the Operating Agreement (including receipt of any necessary approvals).

2. ROLES IN THE DEVELOPMENT PROCESS

The Parties' roles and responsibilities are outlined in the attached detailed matrix. MSPDI and CD will have primary responsibility for developing the Project with MSPDI responsible for day-to-day project management, marketing and sales, and CD overseeing scheduling, budgeting, and financing, among other things. YCD will provide assistance and meaningful input on all key decisions and activities throughout the development process and will assign a Project Manager who will gain additional experience by assisting MSPDI and CD. YCD will also oversee the Workforce and Contracting Action Plan (WCAP), resident and local hiring, and employment preparation and training for youth.

The Parties shall strive for consensus on all key decisions, with the Managers having final decision making authority on any areas where consensus is not reached. After a request for approval from another party, the Parties shall have five (5) business days to provide a response, or to request up to five (5) additional business days in which to respond. If either party does not respond to a request for approval within this time frame, or should there be a disagreement on a decision that is not resolved within this time frame, and the delay would have a material adverse effect on the Project time frame, the Parties agree that the Managers, as the financial obligors for the Project, shall have the authority to make final decisions in order to maintain the Project schedule and/or Project budget. Either party may not request that the other provide its approval within a time frame shorter than five (5) business days unless such approval is required within a shorter time frame in order to avoid a material delay in the Project schedule or an adverse effect on the Project budget. The Managers shall inform YCD and discuss with it any final decisions made in the absence of consensus or response and will work with YCD, at YCD's request, to identify and mitigate concerns that arise as a result of such decisions.

3. REPRESENTATIONS

Each organization will represent that they have no past or current defaults, bankruptcy or foreclosures, and will provide the other with current financial statements.

4. INDEMNIFICATIONS

A. *Indemnification*. Each party agrees to indemnify, defend, and hold harmless the other from and against any and all claims, demands, losses, liabilities, actions, lawsuits and other proceedings, judgments and awards, and costs and expenses (including reasonable attorney's fees), arising directly or indirectly, in whole or in part, out of the gross negligence or any willful misconduct of the indemnifying party in connection with this MOU and services or work provided hereunder, except to the extent caused by the negligence or misconduct of the indemnified party. The provisions of this paragraph shall survive termination of this MOU.

B. *Notice of Claim and Demand*. A party with notice of any claim or demand made of the other party with respect to any matter covered by this MOU shall immediately communicate details of the claim or demand to the other party by certified or express mail.

5. AUTHORIZED REPRESENTATIVES, NO EMPLOYEES

The Partnership shall not have any employees of its own. The Parties shall each supply the services of their respective staffs to the Company as needed for the Company to be able to carry on its activities and as described in this MOU.

6. SUCCESSORS, ASSIGNMENT

None of the Parties may assign its rights or obligations under this Agreement without the prior written consent of all other Parties, which consent may be given or withheld in the other Parties' sole discretion.

7. APPROVAL

Except as otherwise specifically provided in this MOU, wherever the consent or approval of a party is required under this MOU, such consent or approval shall not be unreasonably withheld or delayed.

8. AUTHORITY

Each of the Parties has the right, power and authority to enter into this MOU and perform its respective obligations hereunder. Without the prior written consent of the other Parties, which the other Parties may give or withhold in its sole discretion, none of the Parties shall have the authority to:

A. Perform any act in contravention of this MOU;
B. Assign their rights under this agreement;
C. Transfer or assign their rights in the MOU;
D. Commingle or permit the commingling of Project funds with the funds of any other person or entity;
E. Terminate this MOU other than pursuant to Section 15 below; and
F. Incur debts or liabilities on behalf of the Parties, except as provided in this MOU.

9. EFFECT OF MOU

This MOU is binding on the Parties and their permitted successors and assigns.

10. TERM

This MOU shall be effective as of the date set forth above, and shall continue thereafter until the occurrence of the earliest of the following events:

A. Mutual agreement of the Parties;

B. Full execution of an Operating Agreement;

C. Upon notice of any of the Parties, if the other Parties shall fail to perform their obligations under this MOU and such failure shall continue for a period of at least thirty (30) days after written notice thereof from the party claiming such default, or such longer period as reasonably necessary to cure such default, provided that the defaulting party is proceeding diligently with such cure; and

D. The Parties are not selected as developer of the Project by OCII.

11. MISCELLANEOUS

A. *Notices*. All notices under this MOU shall be in writing, shall be effective upon delivery by certified or express U.S. Mail or an express delivery service which shall show the location and the delivery date and shall be addressed as follows;

MSPDI:
Michael Simmons Property Development
425 Fell Street
San Francisco, CA
Attn: Michael Simmons 94102

CD:
Curtis Development
440 Molimo Drive
San Francisco, CA 94127
Attn: Charmaine Curtis

YCD:
Young Community Developers, Inc.
1715 Yosemite Avenue
San Francisco, CA 94124
Attn: Executive Director

B. *Binding Effect.* This MOU shall inure to and bind the Parties, their respective representatives, successors and assigns.

C. *Legal Actions*. In the event any legal action is commenced to interpret or enforce the terms of this MOU or to collect damages as a result of any default, the party prevailing in any such action shall be entitled to reasonable attorney's fees and costs incurred in such action against the party not prevailing. Each party shall pay its own fees and costs for mediation proceedings pursuant to this MOU.

D. *Counterparts*. This MOU may be executed in counterparts, all of which taken together shall be deemed one original agreement.

E. *Captions*. Section, titles, or captions in no way define, limit, extend or describe the scope of this MOU to the intent of any of its provisions, and are for convenience of reference only.

F. *Governing Law*. This MOU shall be construed in accordance with and be governed by the provisions of the laws of the State of California.

G. *Waiver*. No waiver of any right under this MOU shall be deemed effective unless contained in writing signed by the party charged with the waiver. No waiver of any breach or any failure to perform shall be deemed to be a waiver of any future breach or failure to perform or of any other right arising under this MOU.

H. *Entire Agreement*. This MOU sets forth the entire agreement of the Parties. This MOU may not be modified except in writing signed by authorized signatories of each of the Parties.

I. *Mediation*. In the event of a conflict between the Parties, they shall use their best efforts to resolve the conflict in a manner that is in the best interests of the Project. In the event such conflict cannot be resolved in a timely manner, the Parties shall try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures before resorting to some other dispute resolution procedure. Either party may request mediation by giving notice to the other party and by filing its applicable submission or request for mediation as required by the American Arbitration Association under its Commercial Mediation Procedures within thirty (30) days of the date of such notice.

J. *Other Activities*. None of the Parties shall be bound to devote all of its business time to the development of the Project and the Parties acknowledge that each are and will continue to be engaged in other activities, some of which may be connected with business investments and other enterprises which may be in competition with the Project, including but not limited to other projects which may be located in the same geographic area as the Project.

In witness whereof, the Parties have executed this MOU as of the date first written above.

Curtis Development

By: Charmaine Curtis
Its: Principal

Young Community Developers, Inc.

By: Dion-Jay Brookter
Its: Executive Director

Michael Simmons Property Development

By: Michael Simmons
Its: President

PROJECT RESPONSIBILITY MATRIX

	CD	MSPD	YCD
PROJECT MANAGEMENT			
Executive Oversight	lead		
Lead Project Management		lead	
Project Management/Assist			lead
OCII Development			
OCII Development Agreement	lead	assist	P&A
PROCUREMENT			
OCII LEAD		lead	assist
Consultant and contractor selection	P&A	lead	assist
DUE DILIGENCE			
Consultant management		lead	
Due diligence management		lead	
DEVELOPMENT PROGRAMMING			
Development program design	assist	lead	P&A
Development program management	P&A	lead	P&A
ENTITLEMENTS - D4D			
OCII Lead	lead		
Consultant selection	lead		
Entitlement management	lead		
DESIGN			
Architect and consultant contract negotiations	lead	P&A	
Design review (incl.managing OCII review)	P&A	lead	P&A
Design process management		lead	assist
Design team management		lead	
Design approval	P&A	lead	P&A
PERMITTING			
Expediter management (if any)	lead	assist	
BUDGETING			
Predevelopment	lead	assist	
Development	lead	assist	
FINANCING			
Pro Forma	lead	assist	
Financing structuring	lead	assist	
Securing financing	lead	assist	
Predevelopment (OCII)	lead	assist	
Construction Loan	lead	assist	assist
CAL Home State Subsidy	assist	assist	lead

OUTREACH			
Community outreach		assist	lead
Mission Bay Advisory Committee		assist	lead
General community		assist	lead
Political outreach		assist	lead
HOA ORGANIZATION			
HOA Formation	lead		
HOA Budgeting and Association Dues	lead	assist	
DRE Public Report	lead		
CC&Rs	lead	assist	
MARKETING/SALES			
Project Branding	assist	lead	P&A
Broker Selection and Oversight	P&A	lead	assist
Market Planning		lead	assist
Buyer Outreach/ Application Preparation		lead	assist
Lottery Management with MOH		lead	assist
Mortgage Lender selection and Relationship management		lead	assist
Buyer Mortgages/Packaging/Oversight		lead	assist
Buyer Closing		lead	assist
Buyer Move In		lead	assist
HOA Board President		lead	assist
CONSTRUCTION			
Construction manager selection		lead	
General contractor selection	P&A	lead	P&A
Preconstruction services management		lead	
Value engineering management	assist	lead	
Construction contract negotiations	lead	assist	
Bidding management		lead	
Construction oversight + management	assist	lead	
Attend Draw Meetings	assist	lead	P&A
Change Order Sign off	P&A	lead	P&A
MISCELLANOUS			
Project accounting	assist	lead	

P&A = participate and approve

freeze

Attachment L: OCII Homeownership Developer Fee Policy

OCII Homeownership Developer Fee

November 2019

Consistent with the San Francisco Mayor's Office of Housing and Community Development's developer fee policy (most recently updated July 20, 2018) for affordable, tax credit rental projects receiving soft loans from the City, the homeownership developer fee will be subject to the same maximum as a tax credit rental project funded by MOHCD. Risks associated with the development of an affordable rental and homeownership project are assumed to be roughly equivalent.

The maximum developer fee for a homeownership development shall be $2,200,000 ("Base Fee") plus $10,000 per unit over 100 units, up to a maximum of $4,000,000. For homeownership projects of 20 units or less, the developer fee shall be up to $500,000.

The maximum developer fee shall be comprised of a Project Management Fee and an At-Risk Fee. The Project Management Fee shall be one-half (50%) of the Base Fee (i.e. $1,100,000) and shall be distributed according to achievement of certain development milestones set out below. The At-Risk Fee shall consist of the remaining half of the Base Fee plus the $10,000 per unit over 100 units, and shall cover any cost overruns that exceed the available contingency funds in the final project budget approved by OCII at construction loan closing. In the event of any cost overruns after OCII's construction funding commitment, the Developer will contribute up to half of the total maximum fee (e.g. $2,200,000 * 50% = $1,100,000) to cover the overruns. Cost overruns beyond that amount must be requested from OCII's Commission. The At-Risk fee shall be distributed according to milestones as set forth below.

The maximum allowable marketing & sales fee per unit is $7,500 per unit and will not be based on a percentage of sales price. Additional commission payments to outside real estate brokers are not allowed. The marketing and sales fee is in addition to the Project Management Fee and At-Risk Fee.

Fee Category	Fee Policy	Calculation
Project Management Fee	One-half of Base Fee ($2,200,000)	$2,200,000 x 0.5 = $1,100,000
At-Risk Fee	One-half of Base Fee plus $10,000 per unit over 100 units	$1,100,000 + (10,000 x # of units over 100)
Maximum Fee	Project Management Fee plus At-Risk Fee; $2,200,000 plus $10,000 per unit over 100 units	$2,200,000 + (10,000 x # of units over 100) not to exceed $4,000,000

Milestone	PM Fee Distribution	Total PM Fee: $1,100,000
Predevelopment loan closing	15%	$165,000
Upon approval by OCII of Schematic Design. With no more than 50% of the total Project Management Fee to be disbursed prior to construction closing	35%	$385,000
At Construction Loan Closing	30%	$330,000
Project Close-Out: upon close of escrow/sale of all units	20%	$220,000
TOTAL PM FEE	**100%**	**$1,100,000**

Milestone	At Risk Fee Distribution	Total At Risk Fee: $1,100,000
At 50% of construction completion	30%	$330,000
Issuance by BRE of Final Subdivision Report Condominium	20%	$220,000
At receipt of Temporary Certificate of Completion	30%	$330,000
Project Close-Out: upon close of escrow/sale of final unit	20%	$220,000 (plus amount if project over 100 units)
TOTAL AT-RISK FEE		**$1,100,000 plus $10,000/unit over 100 units (if applicable)**
MAXIMUM DEVELOPER FEE		**$2,200,000 + $10,000/unit over 100 Units**

Attachment M: Limited Equity Homeownership Program Disclosure Book

MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT AS HOUSING SUCCESSOR TO THE REDEVELOPMENT AGENCY OF THE CITY & COUNTY OF SAN FRANCISCO

LIMITED EQUITY HOMEOWNERSHIP PROGRAM

Loan Disclosure Information

With Statement of Acceptance

May 2019

I M P O R T A N T
NOTE TO THE READER

In 2012, the San Francisco Redevelopment Agency ("SFRA") was dissolved pursuant to California state law. The San Francisco Office of Community Investment and Infrastructure ("OCII") then became responsible for completing certain affordable housing development obligations that had been the responsibility of the SFRA. Once these certain housing assets are completed, OCII transfers the assets to the San Francisco Mayor's Office of Housing and Community Development ("MOHCD") as the Housing Successor to the SFRA. MOHCD also provides services to OCII, such as marketing, lease up and sales of affordable housing units. Units developed are sold to buyers using OCII's Limited Equity Program. Upon sale, as Housing Successor, those units become part of MOHCD's portfolio of affordable homeownership assets.

The purpose of this document (the "Program Summary") is to explain the Limited Equity Homeownership Program ("Program"). Homes sold through this Program are subject to price controls at resale, as well as other terms and restrictions that affect your rights as a homeowner. Some of the terms and provisions are complex, and require that you thoroughly understand them prior to your purchase of a home. **IF YOU DESIRE TO PARTICIPATE IN THE PROGRAM AND PURCHASE A HOME, YOU MUST ATTEST TO YOUR FULL UNDERSTANDING OF AND AGREEMENT TO ALL THE PROGRAM'S TERMS AND CONDITIONS BY SIGNING BELOW PRIOR TO CLOSING ESCROW.**

This Program Summary has been provided to a prospective homeowner under the Program as a convenience only, but does not override any of the City Documents (defined below) associated with the Program. If any information in this this Program Summary conflicts in any way with any of the City Documents, the information in the City Documents override this Program Summary.

I, the undersigned, hereby acknowledge and accept all the terms and conditions contained in the Declaration of Restrictions for For-Sale Affordable Housing Units and Option to Purchase Agreement, the Promissory Note Secured by a Deed of Trust, the Deed of Trust and Assignment of Rents, and the Acknowledgment of the Declaration, Notice of Affordability Restrictions, and the City and County of San Francisco Inclusionary Affordable Housing Program Monitoring and Procedures Manual effective October 11, 2018, as it may be updated and amended from time to time (the "Procedures Manual"), all of which ("City Documents") I have agreed to comply with in return for purchasing my home at a below-market-rate price. I acknowledge that a staff member of the Mayor's Office of Housing and Community Development ("MOHCD") of the City and County of San Francisco ("City") explained the terms and provisions of the City Documents to me, and that I have had a chance to review this Limited Equity Homeownership Program

Loan Disclosure Information document and the Procedures Manual, which further explain the City Documents. I have also been provided enough time to seek an independent legal opinion about the City Documents and my purchase of the home, if I so chose.

I understand that by my execution of the City Documents, I agree that the resale price of my home will be restricted to a price that is affordable to a household of a predetermined size, earning a pre-determined percentage of Area Median Income ("AMI"), based on figures published by MOHCD, based on data published by the U.S. Department of Housing and Urban Development (or any government agency subsequently assuming this responsibility). I understand that MOHCD will determine the resale affordable price applicable to my home when I notify the City of my intent to sell. I understand that fair market value will not determine the resale affordable price of my home.

I further understand that the MOHCD's calculation of the resale affordable purchase price for my home will consider, in addition to the current income for a pre-determined AMI level, an interest rate which is the 10-year rolling average of 30 years of interest rates as calculated by the MOHCD (or its successor) and based on data provided by Freddie Mac, as well as other current housing costs, such as insurance, HOA dues, and taxes. I know that any proceeds I receive from the sale of my home will be affected by the value of these factors, since they will be used to calculate the resale affordable purchase price of my home.

I understand that the MOHCD imposes resale restrictions on homes that it subsidizes so that it can provide homeownership opportunities to future generations of low- and moderate-income families over time and that the equity I will be able to build in my home will be limited so that the Program is available to the next purchaser of my home. I understand that my ability to purchase my home at an affordable price is contingent upon my agreement to comply with the resale controls and Program restrictions.

BMR Lien# LEPBMR191000

PROPERTY ADDRESS: 123 Sample Street, Unit 2, San Francisco, CA 94102

BUYER(S):

Mary Sample	**John Sample**
Ellen Sample	**Jack Sample**

PROGRAM SUMMARY

- The purpose of the City's Limited Equity Homeownership Program ("Program") is to provide homeownership opportunities to low- and moderate-income households ("Eligible Buyers") who otherwise would not be able to purchase a home in San Francisco.
- To make homes affordable to Eligible Buyers, the City may sell land to developers at below-market-rate prices and/or provide construction funding. In return for this assistance, developers agree to sell the homes to Eligible Buyers. Eligible Buyers, in turn, purchase their homes at affordable prices and agree to comply with Program requirements.
- The City is able to offer the benefits of homeownership to many generations of Eligible Buyers through restrictions on resale prices, which limit the amount of equity that an Eligible Buyer is able to build. By limiting Eligible Buyers' equity, a given home can be resold at affordable prices again and again. Market fluctuations, which often result in prices beyond the affordability of low- and moderate-income households, do not affect limited equity resale prices.

PROGRAM ELEMENTS

#1: *Eligibility*

To qualify as an Eligible Buyer, households must meet the following criteria:

- Household income (including income calculated from assets) within the AMI "target range" of low-to moderate-income buyers.
- Ability to qualify for a 30-year fixed mortgage, such as, sufficient income, manageable debt, sufficient savings to cover the minimum down payment, closing costs, and required reserves.
- A minimum of 3% down payment (the entire 3% may be gift funds).
- A minimum of 3 months of housing payments (principal, interest, property taxes, hazard insurance, HOA dues and other related costs).
- First-time homebuyer status.
- Commitment to use the property as the buyer's primary residence.
- Any other requirements as set forth in the Procedures Manual.

MOHCD publishes AMI levels for San Francisco annually, based on data published by the U.S. Department of Housing and Urban Development. The AMI target ranges that determine a household's eligibility to purchase will vary from development to development, based on the amount of subsidy provided by the City to the developer. MOHCD will qualify all first-time homebuyers for both initial sales and resales. Program qualification documentation is required and detailed in the Procedures Manual.

#2: Affordable Purchase Prices

When developers set affordable purchase prices for units they sell, they use very specific information, as described below:

- AMI level: Developers in contract with the City are obligated to sell their units at prices affordable to households within a certain AMI "target range." For example, a developer in 2016 may be obligated to sell his/her units to households making between 80% and 100% of AMI. For a household of 3, this translates to incomes between $77,550 and $96,950.
- Household size: For the pricing calculation, the City assumes a household size is one person larger than the total number of bedrooms (except studio units which assume a one-person household; and SRO units which are calculated at ¾ of the price of a studio). For example, a household of one person is assumed for a studio, three people for a two-bedroom, four people for a three-bedroom, and so on. For occupancy, the City requires a minimum of one person per bedroom. For example, a single person can apply for a studio or one-bedroom unit only. A two-person household could apply for a studio, one-bedroom, or two-bedroom unit.
- 33% "PITI": Principal, interest, taxes, homeowners' insurance, homeowner's association dues and any other related costs – total housing costs – are assumed to be 33% of a household's gross monthly income.
- First mortgage interest rate: The City's calculation assumes a fixed mortgage interest rate based on the 10-year rolling average of 30 years of interest rates as calculated by MOHCD (or its successor) based on data provided by Freddie Mac. The City will not permit a variable rate mortgage or an interest-only mortgage, as such financing instruments are contrary to the objectives of long-term affordability and stability of the first time homebuyer program.

- Owner down payment: The City assumes (and requires at a minimum) that the household will make a cash down payment of 3% of the affordable purchase price; and the entire 3% may be gift funds.

Once MOHCD determines, for each unit, the applicable AMI level, the household size, the cost of taxes and insurance, and the interest rate, MOHCD can set the affordable purchase price. For example, a two-bedroom unit (which assumes a household of three) and the developer's obligation calls for pricing at an AMI level of 95% (with income eligibility up to a maximum of 100% of AMI), the three-person household's income would be $92,103 in 2016. 33% of that income level is $30,394, or $2,533 per month. This figure, $2,533, is the target total monthly payment for housing costs for all households buying at this income level. If the household's HOA dues were $600 per month, taxes were $350 per month, and property insurance was $50 per month, the total monthly income available to pay the first mortgage would be $1,533 per month (i.e., $2,533 - $600 - $350 - $50 = $1,533). Using a 5% interest rate on a 30-year, fixed-rate first mortgage, the supportable mortgage would be $285,539. Assuming a 5% down payment (since the first mortgage would cover 95% of the purchase price), the affordable purchase price would be $300,567.

#3: Resale Affordable Purchase Prices

When a household decides to sell its home, it notifies the City, and the City calculates the resale affordable purchase price, using the same AMI percentage and household size that were used to calculate the seller's affordable purchase price. To follow the example given above, the family of 3 earning 95% of AMI that bought its home for $300,567 in 2016 might decide to sell the home five years later. The City will determine the resale price by taking the income for a 3-person household at 95% of AMI in 2021 and limiting payments for PITI to 33% of gross monthly income. The calculation will use the then current 10-year rolling average of rates, and the then-current HOA, tax, and insurance costs, and it will assume a 5% down payment by the new Eligible Buyer. So, for example, if the ten-year average interest rate increased 0.5% between 2016 and 2021, AMI increased 15%, and taxes and insurance increased 5%, the resale affordable purchase price would be $367,606. After subtracting the cost of necessary repairs (if any) and closing costs, the seller would be entitled to the difference between the old affordable price and the new affordable price. The example is shown numerically below:

95% AMI, 3-person HH income, 2016 (2021 + 15%):	$105,918
33% of gross income:	$34,953
Per month:	$2,913
Monthly HOA dues, taxes & insurance, 2016 (2021 + 5%)	($1,050)
Monthly income available for 1st mortgage:	$1,863
Mortgage (assuming 5.5% interest, 30-yr fixed)	$328,072
5% Down payment:	$17,267
Resale Affordable Base Price:	$345,339
MLS Realtor Commission (up to 5% of Base Price):	$17,267
Eligible Capital Improvements:	$5,000
Resale Affordable Purchase Price:	**$367,606**
Resale Affordable Purchase Price:	$367,606
Closing costs (6% of Purchase Price)	($22,056)
Repayment of full 1st mortgage + down payment:	($300,567)
Owner's new equity:	$44,983
Plus principal paid on the mortgage:	$23,332
Plus return of owner's down payment:	$15,028
Net Return to Owner:	**$83,343**

By transferring this property from one 95% AMI household to another under the Program, the home remains affordable, the benefits of homeownership are passed along, and all owners have a chance to earn limited equity!

#4: Capital Improvements; Maintenance

As shown above, AMI levels and current housing costs such as interest rates, HOA dues, property taxes and insurance costs determine affordable prices. Eligible Capital Improvements credit and Multiple Listing Service listing realtor commission fees (up to 5% of the resale base price) may be added to the resale affordable price as provided in Section 6.3 of the Declaration.

Owners may begin claiming capital improvements in their resale price that are made ten (10) years after the initial sale of the property. Owner must follow the Capital Improvements policies and procedures as set forth in the Procedures Manual.

#5: Minimum Resale Value

As described above, the resale affordable purchase price is subject to factors that fluctuate over time, such as mortgage interest rates, taxes, and insurance costs. Because of the variability of these factors,

owners assume some risk when they purchase their homes! For example, if the interest rate used in the pricing calculation increases from the time of initial purchase to time of resale, and increases in AMI over that same time do not compensate for the interest rate increase, a resale affordable purchase price could actually be lower than the original price an owner paid. The MOHCD's use of the 10-year rolling average of interest rates is intended to minimize the interest rate risk at resale, but there is no guarantee that the 10-year average will not increase over time.

<u>Owners are solely responsible for:</u>

- <u>Home Maintenance</u>. Owner may not destroy or damage the property, allow the property to deteriorate, or otherwise commit waste on the property. Owner must maintain the property in compliance with all applicable laws, ordinances, and regulations and in a good and clean condition and all appliances and fixtures must be in good working order. Any damage by abnormal or excessive wear and tear or because of neglect, abuse, or insufficient maintenance, must be repaired as provided in Section 7.5 of the Declaration.

- <u>Inspection and Repairs upon Resale</u>. Owner shall follow the MOHCD's Property Inspection and Repairs Policy as it exists at the time of the proposed resale as set forth in Section 7.5 of the Declaration, and as further detailed at https://sfmohcd.org/property-inspection.

- <u>First Mortgage Balance</u>. If the resale affordable purchase price is insufficient to pay off the first mortgage, the owner is solely responsible for his/her mortgage debt beyond that adjusted resale affordable purchase price. Please note that the first mortgage lender will not release its lien unless the mortgage is repaid in full. If the first lender does not release its lien because the owner has not or cannot fully repay it, then the sale will be cancelled or the owner will be in default.

<u>#6: Owner Refinancing</u>

To protect its investment and to preserve the intent of the Program, the City must approve all refinancing agreements.

Owners must obtain MOHCD's prior written approval of any refinancing of a loan and the addition of any lien on the property regardless of lien position. At all times, the City's lien position must be maintained and will only be subordinated as specifically provided in the MOHCD Subordination Policy. Owners must follow the MOHCD Subordination Policy at https://sfmohcd.org/subordination-refinance.

#7: Permissible Transfers & Resales

Owners may transfer the property only to an Eligible Buyer under the Transfer Procedures in Section 7 of the Declaration.

#8: City Purchase Option

While the City may purchase the home as an Eligible Buyer (in a standard sale transaction), it retains an option to purchase the home in the event of owner default under either the City Documents or the first mortgage.

#9: Owner Default and City Remedies

An owner is in default of the City Documents if any of the following occur:

- A transfer of the property in violation of the Declaration of Restrictions for For-Sale Affordable Housing Units and Option to Purchase Agreement;
- Use of the property other than as owner's primary residence (owners must certify annually that they occupy the home at least 10 months out of every 12);
- Renting or subleasing any part of the property is not permitted without the prior written approval from the City. No part of a property can be rented or subleased as a short-term renal or listed on short-term rental or vacation rental sites at any time. Renting of a parking space or any other space purchased with the property is also prohibited.
- Failure to pay required housing costs, such as taxes, homeowners association dues, assessments, or insurance;
- Placement of any mortgages, liens, or encumbrances on the property that the City has not approved;
- Any other violation of the City Documents; or
- A default on the first mortgage.

If an owner is in default and doesn't or can't cure the default within the times specified in the City Documents or first mortgage documents, the City can exercise its purchase option, commence an action for specific performance or an injunction to prevent an impermissible sale, foreclose on its deed of trust, and/or exercise any other remedy permitted by law.

#10: City Promissory Note and Deed of Trust

To protect its investment, the City requires that all owners execute a promissory note and deed of trust when they purchase their homes. Its purpose is to protect the City's investment if an owner defaults on the first mortgage or City obligations. An owner default "triggers" the promissory note and City deed of trust, which secures the promissory note against the property and is recorded to provide public notice of the owner's obligations under the Program. In the case of default, the promissory note states that the owner must pay the City the entire principal balance and the Appreciation of the Note, together with all accrued and unpaid interest thereon, if any. The Appreciation is calculated as the amount equal to the difference between (i) Unrestricted Price, and (ii) the appraised fair market value of the property at the time of resale without regard to the Property Restrictions.

Financing for the 3-person, 95% AMI household can again illustrate the issue. This household had an affordable purchase price of $300,567 with a BMR Note of $499,433 (calculated based on the fair market value at the time of purchase $800,000). If they defaulted on their loan, and fair market value was, for example, $1,000,000, they would owe the City $699,433 (plus default-related costs) under the City's promissory note.

If an owner transfers his/her property according to the Program requirements and complies with all other City and first mortgage obligations, the City will simply terminate the promissory note and deed of trust at resale.

#11: Transfer by Marriage, Domestic Partnership, and Inheritance

If an owner marries or enters a domestic partnership, the spouse or partner can become a co-owner but no sooner than 12 months after the original purchase. If Owners enter into a dissolution of marriage or

Domestic Partnership after purchasing the property, an Owner may be removed from the title of the property on Owners' mutual agreement but subject to the City's prior written consent.

Upon the death of a property owner or owners, the home can be transferred by inheritance, will, or any other function of law to the Owner's child, spouse, or Domestic Partner provided that transferee is an Eligible Buyer. See the Transfer requirements and procedures as set forth in the Procedures Manual for details.

#12: Term

The term of the City Documents –the period of time that resale restrictions and all other City obligations--apply for the life of the Project. Notwithstanding the foregoing, the Declaration will terminate on: (i) a Transfer of the property in compliance with the terms of the Declaration, and (ii) execution and recordation of a declaration with the same form and substance as the Declaration by the Eligible Buyer.

<u>EXCLUSIVE NEGOTIATIONS AGREEMENT</u>
Mission Bay South– Block 9a
Mission Bay South Redevelopment Project Area

THIS EXCLUSIVE NEGOTIATIONS AGREEMENT (hereinafter "**ENA**" or "**Agreement**") dated as of April 7, 2020, is made by and between the 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**" or "**Successor Agency**") and 350 China Basin Partners LLC, a California limited liability company (the "**Developer**"), whose co-managing members are Mission Bay 9A LLC, a California limited liability company whose sole member is Curtis Development ("CD"), and Michael Simmons Property Development, Inc. ("MSPDI"), a California corporation, a California sole proprietorship, and whose member is Young Community Developers, Inc.("YCD"), a California nonprofit public benefit corporation, and their authorized successors and assigns.

THIS AGREEMENT IS MADE WITH REFERENCE TO THE FOLLOWING FACTS AND CIRCUMSTANCES:

1. In accordance with the California Community Redevelopment Law (Health and Safety Code, section 33000 *et seq*.), the City and County of San Francisco ("**City**"), acting through its Board of Supervisors, approved a Redevelopment Plan for the Mission Bay South Redevelopment Project Area (the "Project Area") by Ordinance No. 335-98 adopted on November 2, 1998. The Redevelopment Plan is referred to as the "Mission Bay South Redevelopment Plan." In cooperation with the City, the Successor Agency was responsible for implementing the Mission Bay South Redevelopment Plan.

2. Pursuant to California Health and Safety Code §§ 34170 *et seq*. (the "**Redevelopment Dissolution Law**") and San Francisco Ordinance No. 215-12 (Oct. 4, 2012) (establishing the Successor Agency Commission ("**Commission**") and delegating to it state authority under the Redevelopment Dissolution Law), the Successor Agency is responsible for implementing the Redevelopment Plan and fulfilling the enforceable obligations under the Mission Bay South Owner Participation Agreement (the "OPA") between the Agency and FOCIL-MB, LLC (the "Master Developer") (Nov. 16, 1998).

3. Under the OPA and its Mission Bay South Housing Program, the Master Developer is obligated to transfer to the Successor Agency approximately 12.2 acres of "building ready" land that has been remediated, graded and served by infrastructure so that the Successor Agency may develop affordable housing. The OPA identifies, in Exhibit F to the Mission Bay South Housing Program, the specific parcels that the Successor Agency is required to develop with affordable housing.

4. On May 23, 2019, OCII issued a Request for Proposals (the "RFP") to develop, market, and sell affordable for-sale housing units for low- to moderate-income households on Mission Bay South Block 9a, on parcels identified as Block 8719, Lot 005 of that certain map entitled "Final Map Planned Development Mission Bay (9-9A and 10-10A)", recorded on May 31, 2005 and filed on pages 6-10 in Book BB of the County's Survey Maps (the "**Site**"). The OPA

identifies the Site as an affordable housing parcel. The development will result in approximately 140 units of for-sale housing priced to be affordable to households earning 80-110% of area median income ("AMI") as defined by the San Francisco Mayor's Office of Housing and Community Development ("MOHCD") (the "**Project**").

5. One proposal was received and deemed to meet the minimum threshold requirements defined in the RFP. Based on evaluation of the written proposal, as well as an interview with the team, the proposal from Developer was recommended by a selection panel comprised of OCII staff, City staff, and a community representative to develop the Project. On October 15, 2019, OCII staff provided the Commission an informational memorandum on the selection panel's recommendation. Developer submitted an application that was responsive to the RFP and included, among other things, income targeting that ranged from 80-110% of AMI. OCII and Developer intend to execute, subject to approval by the Commission, a predevelopment loan agreement substantially concurrently herewith. In recommending the Developer, the selection panel relied on, among other things, the Developers' agreement to comply with the OPA, its definition of Qualified Housing Developer (Section 1.32 of the Mission Bay South Housing Program), and all of OCII's policies, including but not limited to insurance and indemnification requirements found in the RFP.

6. At its meeting on April 7, 2020, the Commission authorized the OCII Executive Director to execute this ENA with the Developer to enable the Developer to pursue predevelopment activities for the construction and management of the Project. The ENA will further define a series of milestones that may result in the execution of a disposition and development agreement ("**DDA**") between OCII and the Developer after public hearing and consideration by the Commission.

ACCORDINGLY, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, OCII and the Developer agree as follows:

1. <u>Exclusive Right</u>

For the Exclusive Negotiations Period set forth in <u>Section 2</u> below, and subject to the terms and conditions of this Agreement, OCII and the Developer, acknowledging that time is of the essence, agree to negotiate diligently and in good faith with each other to enter into the DDA and any necessary financing agreements leading to the conveyance, redevelopment and management of the Site (collectively, the "**OCII Agreements**"). OCII grants to the Developer the exclusive right to negotiate the DDA (the "**Exclusive Right**") during the Exclusive Negotiations Period. OCII agrees not to solicit any other proposals or negotiate with any other developer with respect to the subject of the negotiations set forth herein.

The Developer and OCII acknowledge and agree that, under this Agreement, OCII is not committing itself or agreeing to: (a) enter into the DDA or undertake any exchange or transfer of real property, any disposition of any real property interests to the Developer, (b) approve any land use entitlements, or (c) undertake any other acts or activities relating to the subsequent independent exercise of discretion by the Commission, OCII or any agency, commission or department of the City. This Agreement does not constitute the disposition of property or the transfer of OCII's or the City's exercise of control over the Site.

2. Term.

(a) The term of the Agreement shall be from April 7, 2020 until October 7, 2021 ("**Initial Term**"), unless extended or earlier terminated pursuant to the provisions herein (the Initial Term, as modified by any extension or early termination, is the "**Exclusive Negotiations Period**").

(b) If not otherwise terminated in accordance with its terms, this ENA shall terminate upon OCII's execution of any DDA approved by the Commission.

3. Negotiation Deposits; OCII/City Costs.

3.1 Negotiation Deposits.

(a) In response to the RFP, the Developer has paid to OCII the cash sum of One Thousand Dollars ($1,000) as an earnest money deposit (the "**Deposit**"). The Developer will pay to OCII an additional sum of Nine Thousand Dollars ($9,000) in cash (the "**Additional Deposit**") at the time it executes the ENA. The Additional Deposit shall be combined with the Deposit to form the performance deposit ("**Performance Deposit**"). Except as provided in Sections 3.1(b) and 3.1(c), the Performance Deposit shall be held by OCII until completion of construction of the Project.

(b) Subject to Section 3.1(b) below, if the parties fail to reach agreement on the DDA despite the Developer's good faith negotiations or if the DDA is not approved by the Commission, executed and delivered as contemplated hereby for any reason outside of the Developer's control, and, in either instance, the Developer is not in default under this Agreement, then upon termination of this Agreement, OCII shall within 30 days return the Performance Deposit (together with interest actually accrued thereon) to the Developer.

(c) OCII shall retain the Performance Deposit, together with any and all accrued interest, if any of the following events occurs: (i) the Developer is in default under the terms of the ENA, and has not cured such default within the period allowed and OCII, in its sole discretion, has not expressly waived such default in writing, and the ENA is terminated; or (ii) the parties fail to reach agreement because in OCII's reasonable judgment the Developer is not making a good faith effort to negotiate and fulfill its obligations under this ENA, or if the DDA is not approved, executed and delivered as contemplated hereby for a reason reasonably determined by OCII to be within the Developer's control.

4. Extension of Exclusive Negotiations Period.

OCII's Executive Director may extend, in her sole discretion, the Exclusive Negotiations Period for any period up to a total of an additional 12 months beyond the initial term to permit the completion of the negotiations or milestones under the Schedule of Performance (defined below), to comply with statutory public notice requirements or to extend for any delays due to challenges, appeals, litigation or actions opposing Developer's project.

5. Obligations of the Developer.

5.1 Schedule of Performance; Scope of Development.

The Developer agrees that it shall diligently and in good faith negotiate with OCII the DDA and related actions under this Agreement based on the development opportunity described in the RFP, the Schedule of Performance attached as Attachment 2 hereto, and the Scope of Development attached as Attachment 3 hereto. The Developer shall diligently pursue completion of milestones under the Schedule of Performance and additional benchmarks, if any, under this ENA in a timely fashion. The Schedule of Performance may be modified at the request of the Developer, subject to the approval of OCII in its sole discretion, so long as the modification does not exceed the Exclusive Negotiations Period, as may be extended under Section 4 above.

5.2 Other Obligations of Developer.

(a) The Developer shall be required under this ENA to comply with applicable law and policies, including the requirements of all applicable City and OCII ordinances, resolutions, regulations or other regulatory approvals with respect to the planning, design, and approvals necessary for developing the Site. These requirements include, without limitation, OCII's Small Business Enterprise Program (including, but not limited to, the selection of consultants during the pre-development period), Labor Standards and Prevailing Wages Provisions, Minimum Compensation Policy, and Health Care Accountability Policy.

(b) In addition, the Developer shall comply with the terms of the Plan Documents (as defined in the Mission Bay South Redevelopment Plan), including but not limited to the OPA, Design for Development, and the Design Review and Document Approval Procedures and any amendments thereto. At the request of OCII and/or the City and at the Developer's sole expense, which funds may come from the Predevelopment Loan Agreement, the Developer shall prepare (or cause expert consultants approved by OCII to prepare) and submit all reports, studies or other information reasonably necessary to obtain regulatory approvals.

(c) The Developer shall commit sufficient financial and personnel resources required to undertake and complete the development of the Project at the Site as a priority project and to fulfill the Developer's obligations under this Agreement in an expeditious fashion.

(d) In making any entry onto the Site, neither the Developer nor any of its agents, contractors or representatives shall interfere with or obstruct the permitted, lawful use of the Site by its tenants or occupants, if any, or the conduct of their business operations thereon, except as otherwise provided in the Predevelopment Loan Agreement.

5.3 Indemnity.

5.3.1 To the fullest extent permitted by law, and except as otherwise provided in the Predevelopment Loan Agreement, the Developer shall hold harmless, defend at its own expense, and indemnify OCII and the Commission, the City, and their respective commissioners, officers, agents and employees (individually or collectively, an "**Indemnified Party**") against any and all losses, of every kind, nature and description directly or indirectly arising out of, or connected with Developer's obligations under this ENA, except to the extent caused by the willful misconduct or the gross negligence of the Indemnified Party. For purposes of this

Section, losses will include, but not be limited to: (a) any default by the Developer in the observance or performance of any of the Developer's obligations under the ENA (including, without limitation, those obligations set forth in Section 5.2 above), (b) any failure of any representation by the Developer to be correct in all material respects when made, (c) injury or death to persons or damage to property or other loss occurring on or in connection with the Developer's activities pursuant to this ENA, whether caused by the negligence or any other act or omission of the Developer and its officers, agents and employees, (d) any claim, demand or cause of action, or any action or other proceeding, whether meritorious or not, brought or asserted against any Indemnified Party that relates to or arises out of the Developer's performance under the ENA or the development of the Site by the Developer, or any transaction contemplated by, or the relationship between the Developer and OCII under the ENA, (e) any failure of the Developer or its agents or contractors to comply with all applicable environmental requirements relating to the development of the Site, or (f) any claim, demand or cause of action, or any investigation, inquiry, order, hearing, action or other proceeding by or before any governmental agency, whether meritorious or not, which directly or indirectly relates to, arises from or is based on the occurrence or allegation of any of the matters described in clauses (a) through (e) above, with the exception of any environmental contamination or violations of any applicable environmental requirements occurring prior to the date of this Agreement, provided that no Indemnified Party shall be entitled to indemnification under this Section for matters caused solely by such Indemnified Party's gross negligence or willful misconduct. In the event any action or proceeding is brought against an Indemnified Party by reason of a claim arising out of any loss for which the Developer has indemnified the Indemnified Party, and upon written notice from such Indemnified Party, the Developer shall at its sole expense answer and otherwise defend such action or proceeding using counsel approved in writing by the Indemnified Party. The Indemnified Party shall have the right, exercised in its sole discretion, but without being required to do so, to defend, adjust, settle or compromise any claim, obligation, debt, demand, suit or judgment against the Indemnified Party in connection with the matters covered by this Agreement.

5.3.2 The Developer shall further indemnify the Indemnified Party against any losses resulting from release, spill or escape of Hazardous Materials (as defined below) on or about the Site caused by the Developer or its agents, contractors or representatives from and after the date of this Agreement; except for losses resulting from the gross negligence or willful misconduct of any of the Indemnified Parties. For purposes hereof, "Hazardous Material" means any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended, (42 U.S.C. Sections 9601 et seq.) or under Section 25281 or 25316 of the California Health & Safety Code; any "hazardous waste" as defined in Section 25117 or listed under Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of any existing improvements on the Site, or are naturally occurring substances on, in or about the Site; and petroleum, including crude oil or any fraction, and natural gas or natural gas liquids. OCII and Developer acknowledge and agree that prior to the Agreement Date, Developer has not caused or permitted any Environmental Activity on the Project or the Site.

5.3.3 The indemnity shall include, without limitation, the Developer's obligation to pay reasonable Attorney's Fees and Costs (as defined in Section 11.7) and fees of consultants and experts, laboratory costs, and related costs, as well as the Indemnified Party's costs of investigating any loss. The provisions of this Section 5.3 shall survive the termination of this Agreement.

5.4 Insurance.

(a) Developers' Insurance. Subject to reasonable approval by OCII of the insurers and policy forms, Developer must obtain and maintain, or cause to be obtained and maintained, insurance and bonds as set forth in Attachment 4 throughout the term of this Agreement at no expense to OCII.

5.5 Force Majeure

The occurrence of any of the following events shall excuse performance of such obligations of Developer as are rendered impossible to perform while such event continues: acts of god; strikes; lockouts; labor disputes; inability to obtain labor, materials or reasonable substitutes therefor; governmental restrictions (including changes in law), regulations or controls; judicial orders; enemy or hostile governmental actions; civil commotions; fire or other casualty; and other causes beyond the control of the Developer. The occurrence of such events shall excuse performance only in the event that the Developer has provided written notice to OCII within thirty (30) days after the occurrence or commencement of the event of force majeure and such excuse shall terminate thirty (30) days after the termination of the event giving rise to the delay. However, under no circumstances shall this force majeure provision apply to Developer's indemnification and defense obligations under Section 5.3 and/or Developer's insurance obligations under Section 5.4 above.

6. Obligations of OCII.

Subject to the provisions of Section 8, OCII agrees as follows:

(a) Subject to environmental review under the California Environmental Quality Act ("CEQA") and the National Environmental Protection Act ("NEPA"), as applicable, the public review process and all required governmental approvals, as further provided in this Agreement, OCII shall use good faith efforts to diligently negotiate, prepare and submit for approval the DDA.

(b) OCII shall make available all studies and other documents in its possession as necessary to perform the Developer's due diligence investigations of the Site, provided that OCII makes no representations or warranties whatsoever regarding the completeness or accuracy of such information and the Developer must perform its own independent analysis.

(c) OCII shall reasonably cooperate with the Developer in obtaining access to the Site from the Master Developer for the purpose of performing tests, surveys and inspections, and obtaining data necessary or appropriate to negotiate the DDA provided, however, the Developer shall give prior written notice to OCII of any such entry. OCII shall provide the Developer with the same rights of access to the Site that OCII may have from time to time during the Exclusive Negotiations Period, subject to all applicable laws and regulations.

(d) OCII shall reasonably cooperate with the Developer in the provision of information necessary for and assistance in the filing, processing and obtaining of land use entitlements and regulatory approvals, and, to the extent required by law, join with the Developer as a co-applicant in the filing for such approvals, but neither OCII nor the City shall be required to satisfy any conditions for any approval, except as may be specifically agreed to by OCII, or the City, as applicable.

7. Non-Assignment.

OCII and the Developer acknowledge and agree that OCII is entering into this Agreement and granting the Exclusive Right to the Developer on the basis of the particular experience, financial capacity, skills and capabilities of the Developer and its members. The Exclusive Right is personal to the Developer, is not assignable and the Developer shall not assign or transfer this Agreement except by the prior written consent of OCII, which may be given, withheld or conditioned in OCII's sole and absolute discretion. For purposes of this Section, an assignment shall also include any dissolution, merger, consolidation or other reorganization, or any issuance, sale, assignment, hypothecation or other transfer of legal or beneficial interests in the Developer. Any transfer or assignment, without OCII's prior written consent, will be voidable and, at OCII's election, constitute an Event of Default under this Agreement. OCII's consent to any specific assignment or transfer will not constitute its consent to any subsequent transfer or a waiver of any of OCII's rights under this Agreement.

8. Default and Remedies.

8.1 Events of Default by the Developer.

The occurrence of any of the following shall constitute an event of default on the part of the Developer after OCII gives notice of the default specifying in reasonable detail the basis for the determination of the default:

(a) Failure to pay any sums due under this or any other agreement entered into with OCII within thirty (30) days after written notice by OCII.

(b) Failure to perform or abide by any material provision of this Agreement, including a performance milestone contained in the ENA Schedule of Performance, as it may be extended.

(c) Any material breach of any representation and warranty made by the Developer under Section 9 or any other provision of this Agreement.

(d) Any assignment or attempted assignment in violation of Article 7, which shall be, at OCII's election, an immediate Event of Default.

(e) Any filing of a petition to have the Developer, MSPDI, CD, or YCD adjudicated insolvent and unable to pay its debts as they mature or a petition for reorganization liquidation or arrangement under any bankruptcy or insolvency law, or any assignment for the benefit of creditors, or seeking appointment of a trustee, receiver, liquidator of the Developer or any substantial part of the Developer's assets.

(f) The debarment or prohibition of the Developer from doing business with any federal, state or local governmental agency, or any debarment or prohibition of any affiliate of the Developer from doing business with any federal, state or local governmental agency to the extent such debarment or prohibition of the affiliate could affect the redevelopment of the Site as contemplated hereby.

(g) Failure to procure or maintain any of the insurance coverage required hereunder so that there is a lapse in required coverage and such breach is not cured within two (2) days.

(h) The occurrence of an event of default and the continuation thereof beyond any and all applicable notice and cure periods under the terms of the Predevelopment Loan Agreement.

(i) Failure to notify OCII of any material adverse change in the financial condition of the Developer that affects the Developer's ability to complete the Project.

(j) Developer is in default of its obligations under any other agreement entered into with OCII or the City, including but not limited to the ENA, and the default remains uncured following the expiration of any applicable cure periods

8.2 Remedies of OCII.

(a) In the event of a default by the Developer, except as otherwise provided in this ENA, the Developer shall have thirty (30) days from the receipt of written notice from OCII to cure such default, or, if such default cannot reasonably be cured within such 30-day period, the Developer shall commence action to cure such failure within such 30-day period and diligently and continuously prosecute such action to completion, but in any event no longer than 90 days from the receipt of written notice from OCII to cure such default.

(b) If, after the time provided in Section 8.2(a) above, Developer has not cured the default, OCII may exercise any or all of the following exclusive remedies available to it under this Agreement: (i) terminating the ENA, (ii) retaining the Performance Deposit; and/or (iii) exercising its rights under the Work Product security described below in Section 8.2 (c). If OCII chooses to terminate the ENA, OCII shall provide written notice to Developer of such termination, the ENA shall be terminated as of the date of the notice, and neither party shall have any rights against or liability to the other, except those provisions that are specified to survive such termination shall remain in full force and effect.

(c) Plans, Specifications, Reports and Studies. If OCII terminates this ENA, , the Developer shall deliver to OCII copies of any and all drawings, plans, specifications, studies, reports, memoranda, computation sheets, the contents of electronic files, or other documents or publications prepared by or on behalf of Developer in connection with this Agreement, (the Developer's "**Work Product**"). The Developer shall deliver its Work Product within ten (10) days after written demand from OCII, which obligation shall survive the termination of this Agreement. OCII may use the Work Product for any purpose relating to the Site. The Developer and OCII acknowledge that the Work Product also serves as security pursuant to the Predevelopment Loan Agreement and that the provisions of Sections 3.1 and 24.21 of the Predevelopment Loan Agreement shall govern the assignment of the Work Product to OCII.

8.3 Termination and Developer's Risk.

The Developer acknowledges and agrees that, except as otherwise provided under the Predevelopment Loan Agreement, it is proceeding at its own risk and expense until such time as the DDA is approved and without any assurance that the DDA will be approved.

8.4 Damages.

The parties have agreed that OCII's actual damages in the event of a failure to approve, execute and deliver the DDA due to a default by the Developer would be extremely difficult or impracticable to determine. After negotiation, the parties have agreed that, considering all the circumstances existing on the date of this ENA, the amount of the Performance Deposit together with all accrued interest thereon, as herein provided, is a reasonable estimate of the damages that OCII would incur in such event.

IF THE PARTIES DO NOT REACH AGREEMENT ON THE DDA OR THE DDA IS NOT APPROVED, EXECUTED AND DELIVERED AS CONTEMPLATED HEREBY DUE, IN EITHER INSTANCE, TO ANY DEFAULT BY THE DEVELOPER UNDER THIS ENA, THEN, WITHOUT LIMITING ANY OF ITS OTHER REMEDIES HEREUNDER, AT LAW OR IN EQUITY, OCII SHALL BE ENTITLED TO RETAIN THE PERFORMANCE DEPOSIT, TOGETHER WITH ALL ACCRUED INTEREST THEREON, AS HEREIN PROVIDED, AS LIQUIDATED DAMAGES. BY PLACING THEIR RESPECTIVE INITIALS BELOW, EACH PARTY SPECIFICALLY CONFIRMS THE ACCURACY OF THE STATEMENTS MADE ABOVE AND THE FACT THAT EACH PARTY WAS REPRESENTED BY COUNSEL WHO EXPLAINED, AT THE TIME THIS ENA WAS MADE, THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION.

INITIALS: OCII _____ Developer ______ _______ ______

9. Representations and Warranties of the Developer.

9.1 Representations and Warranties.

The Developer represents, warrants and covenants as follows:

(a) Valid Existence; Good Standing. Developer is a California Limited Liability Company duly organized and validly existing under the laws of the State of California. The Developer has all requisite power and authority to own its property and conduct its business as presently conducted. The Developer has made all filings and is in good standing in the jurisdiction of the State of California.

(b) The Developer complies with the requirements of a Qualified Housing Developer under Section 1.32 of the Mission Bay South Housing Program, Attachment C to the OPA, by ensuring that it is a limited liability company of which one of the members is a non-profit organization and the limited liability company's governing documents provide that the activities and purposes of the company are primarily to construct and develop Affordable Housing Units substantially in furtherance of the non-profit member organization's purposes and only incidentally to further the for-profit purposes of the for-profit members, including providing for a reasonable rate of return.

(c) Authority. The Developer has all requisite power and authority to execute and deliver this Agreement and the agreements contemplated by this Agreement and to carry out and perform all of the terms and covenants of this Agreement.

(d) No Limitation on Ability to Perform. Neither the Developer's operating agreement nor any other agreement or law in any way prohibit, limit or otherwise affect the right or power of the Developer to enter into and perform all of the terms and covenants of this Agreement. The Developer is not a party to or bound by any contract, agreement, indenture, trust agreement, note, obligation or other instrument, which could prohibit, limit or otherwise affect the same. No consent, authorization or approval of, or other action by, and no notice to or filing with, any governmental authority, regulatory body or any other person or entity is required for the due execution, delivery and performance by the Developer of this Agreement or any of the terms and covenants contained in this Agreement. There are no pending or threatened suits or proceedings or undischarged judgments affecting the Developer before any court, governmental agency, or arbitrator which might materially adversely affect the enforceability of this Agreement, the ability of the Developer to perform the transactions contemplated by this Agreement or the business, operations, assets or condition of the Developer.

(e) Valid Execution. The execution and delivery of this Agreement and the agreements contemplated hereby by the Developer have been duly and validly authorized by all necessary actions. This Agreement will be a legal, valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms. The Developer will provide to OCII a written resolution of the Developer authorizing the execution of this Agreement and the agreements contemplated by this Agreement.

(f) Defaults. The execution, delivery and performance of this Agreement do not and will not violate or result in a violation of, contravene or conflict with, or constitute a default under (A) any agreement, document or instrument to which the Developer may be bound or affected, (B) any law, statute, ordinance, regulation, or (C) the partnership agreement of the Developer.

(g) Meeting Financial Obligations; Material Adverse Change. The Developer is meeting its current liabilities as they mature; no federal or state tax liens have been filed against it; and the Developer is not in default or claimed default under any agreement for borrowed money. The Developer shall immediately notify OCII of any material adverse change in the financial condition of the Developer that affect the Developer's ability to complete the Project and such material adverse change shall constitute a default under this Agreement, subject to the cure and remedy provisions of Section 8.

(h) Conflicts of Interest. The Developer is familiar with conflict of interest requirements and contribution limits, including (i) Section 87100 *et seq*. of the California Government Code, which provides that no member, official or employee of OCII, may have any personal interest, direct or indirect, in this Agreement nor shall any such member, official or employee participate in any decision relating to this Agreement which affects her or his personal interest or the interests of any corporation, partnership or association in which she or he is interested directly or indirectly and (ii) OCII's Personnel Policy, which prohibits former OCII employees and consultants from working on behalf of another party on a matter in which they have participated personally and substantially as an OCII employee or consultant unless OCII consents to such scope of work; and (iii) section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with OCII for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) the Mayor or members of the Board of Supervisors, (2) a candidate for Mayor or Board of Supervisors, or (3) a committee controlled by such office holder or candidate, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Developer acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of $50,000 or more. Developer further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Developer's board of directors; Developer's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Developer; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Developer. Additionally, Developer acknowledges that Developer must inform each of the persons described in the preceding sentence of the prohibitions contained in section 1.126. As to the provisions referred to in clauses (i) and (iii), the Developer does not know of any facts that constitute a violation of such provisions. As to the policy in clause (ii), the Developer has disclosed to OCII in writing any and all personnel or consultants covered by such policy as of the date of this Agreement, and concurrently herewith the Commission has elected to waive or not to waive the conflict as to such specific personnel or consultants.

(i) Skill and Capacity. The Developer has the skill, resources and financial capacity to acquire, manage and fully redevelop the Site consistent with the development opportunity described in the RFP.

(j) Consultants. As of the date of this Agreement, the Developer has retained the following consultant in connection with the proposed redevelopment of the Site: Mithun Architects (planning and architecture). The Developer shall promptly notify OCII of the termination of any consultant previously approved by OCII, and the Developer shall, to the extent required to fulfill its obligations under this Agreement, replace such consultant with a new consultant reasonably approved by OCII. In addition, the Developer shall promptly notify OCII of the addition of any new consultant associated with the Project. Nothing herein shall limit the provisions of subsection (g) above regarding conflicts of interest.

(k) Not Prohibited from Doing Business. Neither the Developer nor any affiliates of any of the foregoing have been debarred or otherwise prohibited from doing business with any local, state or federal governmental agency.

(l) Business Licenses. The Developer has obtained all licenses required to conduct its business in the City and is not in default of any fees or taxes due to the City.

(m) No Claims. The Developer does not have any claim, and shall not make any claim, against OCII and the City, or either of them, or against the Site, or any present or future interest of OCII or the City therein, directly or indirectly, by reason of: any aspect of the

RFP or the developer selection process; any statements, representations, acts or omissions made by OCII's and/or City's respective officers, commissioners, employees or agents with regard to any aspect of the negotiations under this Agreement; and OCII's exercise of discretion, decision and judgment in conformance with this Agreement.

9.2 Continued Accuracy.

If at any time during the Exclusive Negotiations Period any event or circumstance occurs that would render materially inaccurate or misleading any of the foregoing representations or warranties, the Developer shall immediately notify OCII thereof. It will be an event of default without the requirement of OCII notice specified in Section 8.1, above, if the Developer does not cure such inaccuracy within ten (10) days from the date on which the Developer was obligated to notify OCII and OCII shall have the rights and remedies provided in this Agreement, at equity and in law.

9.3 Survival.

The representations and warranties in this Section 9 shall survive any termination of this Agreement.

10. Notices.

A notice or communication under this Agreement by either party to the other shall be sufficiently given or delivered if dispatched by hand or by registered or certified mail, postage prepaid, addressed as follows:

(i) In the case of a notice or communication to OCII:

Office of Community Investment and Infrastructure
Successor Agency to the San Francisco Redevelopment Agency
1 South Van Ness, 5th Floor
San Francisco, CA 94103
Attn: Executive Director

OCII General Counsel:
Office of Community Investment and Infrastructure
1 South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
Attn: James B. Morales
james.morales@sfgov.org

(ii) And in the case of a notice or communication sent to the Developer:

Michael Simmons Property Development Inc.
2370 Market Street #458
San Francisco, CA 94114

Attn: Michael Simmons
415-845-5527
michaels@mspdi.com

Curtis Development
440 Molimo Drive
San Francisco, CA 94127
Attn: Charmaine Curtis
415-609-4996
charmaine@curtis-development.com

Young Community Developers
715 Yosemite Ave,
San Francisco, CA 94124
Attn: Dion-Jay Brookter
(415) 822-3491
dbrookter@ycdjobs.org

With a copy to:

Gubb& Barshay
505 14th St #450,
Oakland, CA 94612
Attn: Evan Gross
(415) 781-6600
egross@gubbandbarshay.com

For the convenience of the parties, copies of notice may also be given by email.

Every notice given to a party hereto, pursuant to the terms of this Agreement, must state (or must be accompanied by a cover letter that states) substantially the following:

(a) the Section of this Agreement pursuant to which the notice is given and the action or response required, if any;

(b) if applicable, the period of time within which the recipient of the notice must respond thereto;

(c) if approval is being requested, shall be clearly marked "Request for Approval under the Mission Bay South Redevelopment Project Area, Mission Bay South Block 9a, Exclusive Negotiations Agreement;" and

(d) if a notice of disapproval or an objection, which requires reasonableness, shall specify with particularity the reasons therefor.

Any mailing address or email address may be changed at any time by giving written notice of such change in the manner provided above at least ten (10) days prior to the effective date of the change. All notices under this Agreement shall be deemed given, received, made or communicated on the date personal receipt actually occurs or, if mailed, on the delivery date or attempted delivery date shown on the return receipt.

11. General Provisions.

11.1 Amendments.

This Agreement may be amended or modified only by a written instrument executed by OCII and the Developer.

11.2 Severability.

If any provision of this Agreement, or its application to any person or circumstance, is held invalid by any court, the invalidity or inapplicability of such provision shall not affect any other provision of this Agreement or the application of such provision to any other person or circumstance, and the remaining portions of this Agreement shall continue in full force and effect, unless enforcement of this Agreement as so modified by and in response to such invalidation would be unreasonable or grossly inequitable under all of the circumstances or would frustrate the fundamental purposes of this Agreement. Without limiting the foregoing, in the event that any applicable federal or state law prevents or precludes compliance with any material term of this Agreement, the parties shall promptly modify, amend or suspend this Agreement, or any portion of this Agreement, to the extent necessary to comply with such provisions in a manner which preserves to the greatest extent possible the benefits to each of the parties to this Agreement and to the Developer before such conflict with federal or state law. However, if such amendment, modification or suspension would deprive OCII or the Developer of the substantial benefits derived from this Agreement or make performance unreasonably difficult or expensive, then the affected party may terminate this Agreement upon written notice to the other party. In the event of such termination, neither party shall have any further rights nor obligations under this Agreement except as otherwise provided herein.

11.3 Non-Waiver.

No waiver made by either party with respect to the performance, or manner or time of performance, or any obligation of the other party or any condition to its own obligation under this Agreement will be considered a waiver with respect to the particular obligation of the other party or condition to its own obligation beyond those expressly waived to the extent of such waiver, or a waiver in any respect in regard to any other rights of the party making the waiver or any other obligations of the other party.

11.4 Non-Liability.

No member, official, agent or employee of OCII or the City will be personally liable to the Developer, or any successor in interest (if and to the extent permitted under this Agreement), in an event of default by OCII or for any amount that may become due to the Developer or successor or on any obligations under the terms of this Agreement. No director, officer, agent or employee or affiliate of the Developer or Developer’s affiliates will be personally liable to OCII in an event of default by the Developer or for any amount that may become due to OCII or on any obligations under the terms of this Agreement.

11.5 Successors and Assigns; Third Party Beneficiary.

This Agreement shall inure to the benefit of and bind the respective successors and assigns of OCII and the Developer, subject to the limitations on assignment by the Developer set forth in Section 7 above. This Agreement is for the exclusive benefit of the parties hereto and not for the benefit of any other person and shall not be deemed to have conferred any rights, express or implied, upon any other person.

11.6 Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of California. As part of the consideration for OCII's entering into this Agreement, the Developer agrees that all actions or proceedings arising directly or indirectly under this Agreement may, at OCII's sole option, be litigated in courts located within the County of San Francisco, State of California, and the Developer expressly consents to the jurisdiction of any such local, state or federal court, and consents that any service of process in such action or proceeding may be made by personal service upon the Developer wherever the Developer may then be located, or by certified or registered mail directed to the Developer at the address set forth in this Agreement.

11.7 Attorneys' Fees and Costs.

If either party fails to perform any of its respective obligations under this Agreement or if any dispute arises between the parties hereto concerning the meaning or interpretation of any provision of this Agreement, then the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party on account of such default or in enforcing or establishing its rights under this Agreement, including, without limitation, court costs and reasonable Attorneys' Fees and Costs (as defined below). Any such Attorneys' Fees and Costs incurred by either party in enforcing a judgment in its favor under this Agreement shall be recoverable separately from and in addition to any other amount included in such judgment, and such Attorneys' Fees and Costs obligation is intended to be several from the other provisions of this Agreement and to survive and not be merged into any such judgment. For purposes of this Agreement, the reasonable fees of attorneys of OCII counsel shall be based on the fees regularly charged by private attorneys who have the equivalent number of years of experience in the relevant subject matter and who practice in law firms in the City.

"**Attorneys' Fees and Costs**" means any and all attorneys' fees, costs, expenses and disbursements, including, but not limited to, expert witness fees and costs, travel time and associated costs, transcript preparation fees and costs, document copying, attachment preparation, courier, postage, facsimile, long-distance and communications expenses, court costs and the costs and fees associated with any other legal, administrative or alternative dispute resolution proceeding, fees and costs associated with execution upon any judgment or order, and costs on appeal.

11.8 Interpretation of Agreement.

(a) Attachments. Whenever an "Attachment" is referenced, it means an attachment to this Agreement unless otherwise specifically identified. All such Attachments are incorporated herein by reference.

(b) Captions. Whenever a section, article or paragraph is referenced, it refers to this Agreement unless otherwise specifically identified. The captions preceding the articles and sections of this Agreement have been inserted for convenience of reference only. Such captions shall not define or limit the scope or intent of any provision of this Agreement.

(c) Words of Inclusion. The use of the term “including,” “such as” or words of similar import when following any general term, statement or matter shall not be construed to limit such term, statement or matter to the specific items or matters, whether or not language of non-limitation is used with reference thereto. Rather, such terms shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such statement, term or matter.

(d) References. Wherever reference is made to any provision, term or matter “in this Agreement,” “herein” or “hereof” or words of similar import, the reference shall be deemed to refer to any and all provisions of this Agreement reasonably related thereto in the context of such reference, unless such reference refers solely to a specific numbered or lettered, section or paragraph of this Agreement or any specific subdivision thereof.

(e) Recitals. In the event of any conflict or inconsistency between the recitals and any of the remaining provisions of this Agreement, the remaining provisions of this Agreement shall prevail.

(f) No Presumption Against Drafter. This Agreement has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein. In addition, each party has been represented by experienced and knowledgeable legal counsel. Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to affect the purposes of the parties and this Agreement.

11.9 Entire Agreement.

This Agreement, including the Attachments, contains all the representations and the entire agreement between the parties with respect to the subject matter of this Agreement. Any prior correspondence, memoranda, agreements, warranties or representations relating to such subject matter are superseded in total by this Agreement. No prior drafts of this Agreement or changes from those drafts to the executed version of this Agreement shall be introduced as evidence in any litigation or other dispute resolution proceeding by either party or any other person and no court or other body shall consider those drafts in interpreting this Agreement.

11.10 Time for Performance.

(a) Expiration. All performance dates, including cure dates, expire at 5:00 p.m., San Francisco, California time, on the performance or cure date.

(b) Weekends and Holidays. A performance date, which falls on a Saturday, Sunday, or City holiday is deemed extended to the next working day.

(c) Days for Performance. All periods for performance specified in this Agreement in terms of days shall be calendar days, and not business days, unless otherwise expressly provided in this Agreement.

(d) Time of the Essence. Time is of the essence with respect to each provision of this Agreement, including, without limitation, each milestone set forth in the attached Schedule of Performance.

11.11 Counterparts.

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

11.12 Approvals and Consents.

Unless this Agreement otherwise expressly provides, all actions, approvals, consents or determinations to be made by or on behalf of (i) OCII under this Agreement shall be made by the OCII's Executive Director or her designee and (ii) the Developer under this Agreement shall be made by both co-managing members (the "**Developer Representative**") or such other employee or agent of the Developer as the Developer may designate or as may be authorized to act as the Developer Representative for a particular matter. Unless otherwise herein provided, whenever approval, consent or satisfaction is required of a party pursuant to this Agreement, it shall not be unreasonably withheld or delayed. The reasons for disapproval shall be stated in reasonable detail in writing. Approval by the Developer or OCII to or of any act or request by the other shall not be deemed to waive or render unnecessary approval to or of any similar or subsequent acts or requests.

11.13 Real Estate Commissions.

The Developer and OCII each represents to the other that it engaged no broker, agent or finder in connection with this Agreement or the transactions contemplated hereby. In the event any broker, agent or finder makes a claim, the party through whom such claim is made agrees to indemnify the other party from any Losses arising out of such claim.

11.14 Survival.

Following expiration of the Exclusive Negotiations Period, this Agreement shall be deemed terminated and of no further force and effect except for any provision which, by its express terms, survives the expiration or termination of this Agreement. Upon termination of this Agreement (other than a termination due to a default by OCII), the Developer shall furnish copies of all Work Product to OCII as provided in Section 8.2(c).

11.15 Nondiscrimination and Small Business Enterprise Policy.

(a) There shall be no discrimination against or segregation of any person, or group of persons, on account of race, color, religion, creed, national origin or ancestry, sex, gender identity, age, marital or domestic partner status, sexual orientation or disability (including HIV or AIDS status) in the performance of this Agreement. The Developer will ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, creed, national origin or ancestry, sex, gender identity, age, marital or domestic partner status, sexual orientation or disability (including HIV or AIDS status). Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; selection for training, including apprenticeship; and provision of any services or accommodations to clients or the general public.

(b) The Developer will, in all solicitations or advertisements for employees placed by it or on its behalf, state it is an equal opportunity employer.

(c) The Developer will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement so that such provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

(d). If the Developer intends to utilize subcontractors in the provision of services under this Agreement, it must consult with OCII's Contract Compliance Division and comply with OCII's Small Business Enterprise Policy.

(e). The Developer agrees not to discriminate in the provision of benefits between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, and shall comply fully with all provisions of the OCII's Nondiscrimination in Contracts Policy, adopted by Resolution No. 175-97, as such Policy may be amended from time to time.

(f) The Developer shall provide all services to the public under this Contract in facilities that are accessible to persons with disabilities as required by state and federal law.

11.16 <u>Compliance With Minimum Compensation Policy And Health Care Accountability Policy.</u>

The Developer agrees, as of the date of this Agreement and during the term of this Agreement, to comply with the provisions of OCII's Minimum Compensation Policy and Health Care Accountability Policy (the "**Policies**"), adopted by Resolution 168-2001, as such policies may be amended from time to time. Such compliance includes providing all "Covered Employees," as defined under Section 2.7 of the Policies, a minimum level of compensation and offering health plan benefits to such employees or to make payments to the City and County of San Francisco's Department of Public Health, or to participate in a health benefits program developed by the City and County of San Francisco's Director of Health.

11.17 <u>Relationship of the Parties</u>.

The subject of this Agreement is a private development with neither party acting as the agent of the other party in any respect. None of the provisions in this Agreement shall be deemed to render OCII a partner in the Developer's business, or joint venturer or member in any joint enterprise with the Developer.

11.18 <u>Cooperation</u>.

In connection with this Agreement, the Developer and OCII shall reasonably cooperate with one another to achieve the objectives and purposes of this Agreement. In so doing, the Developer and OCII shall each refrain from doing anything that would render its performance under this Agreement impossible and each shall do everything that this Agreement contemplates that the Party shall do to accomplish the objectives and purposes of this Agreement.

(signatures begin on following page)

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

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: ___________________________________

Nadia Sesay
Executive Director

APPROVED AS TO FORM:

James B. Morales
Agency General Counsel

By: ___________________________________
Aaron J. Foxworthy, Deputy General Counsel

DEVELOPER:

350 China Basin Partners, LLC,
a California limited liability company

By: Mission Bay 9A LLC,
a California limited liability company,
Its co-managing member:

By: Curtis Development
a sole proprietorship

By: __________________________
Name: Charmaine Curtis
Title: Sole Member

By: Michael Simmons Property Development, Inc.,
a California corporation, its co-managing member:

By: __________________________
Name: Michael Simmons
Title: President

Authorized by OCII Resolution No. ___-2020, adopted April __, 2020.

EXCLUSIVE NEGOTIATIONS AGREEMENT

LIST OF ATTACHMENTS

ATTACHMENT 1	Site Description
ATTACHMENT 2	ENA Schedule of Performance
ATTACHMENT 3	ENA Scope of Development
ATTACHMENT 4	Insurance Requirements

ATTACHMENT 1

Site Description

The Site is composed of a single parcel of land on Mission Bay South Block 9a, identified as Block 8719, Lot 005 of that certain map entitled “Final Map Planned Development Mission Bay (9-9A and 10-10A)”, recorded on May 31, 2005 and filed on pages 6-10 in Book BB of the County’s Survey Maps.

ATTACHMENT 2

ENA Schedule of Performance

No.	**Task**	**Deadline**	**Completed**
1.	Submit a revised preliminary financing plan acceptable to OCII.	8/1/2020	
2.	Submit 50% schematic design drawings acceptable to OCII. The submission shall include the items specified in Attachment 3.	8/1/2020	
3.	Identify a general contractor and obtain a cost estimate based on the schematic design acceptable to OCII.	8/1/2020	
4.	Submit a market study on absorption rates and projected sales period acceptable to OCII.	2/28/2021	
5.	Submit design development documents and cost estimates acceptable to OCII. The submission shall include the items specified in Attachment 3 unless otherwise amended.	3/31/2021	
6.	Procurement of a marketing/sales entity/team and submittal of a marketing and sales budget acceptable to OCII.	10/2021	
7.	Execution of DDA Agreement.	4/1/2022	

ATTACHMENT 3

ENA Scope of Development

The development will include construction of approximately 140 units of affordable for-sale housing. Units will be affordable to households earning 80-110% of area median income (“AMI”) as defined by the San Francisco Mayor’s Office of Housing and Community Development (“MOHCD”), up to an average of 95% of area median income (as defined by MOHCD). Units will be comprised of approximately one fourth one bedroom units, one half two bedroom units and one fourth 3 bedroom units. Unit sizes will be approximately:

- 500 to 550 square feet for one-bedroom/one-bathroom units
- 800 to 900 square feet for two-bedroom/one-bathroom units
- 1,000 to 1,100 square feet for three bedroom/one and a half- or two-bathroom units

ATTACHMENT 4

INSURANCE REQUIREMENTS

Subject to approval by the OCII Risk Manager of the insurers and policy forms, Developer must obtain and maintain, or caused to be maintained, insurance as set forth in this Exhibit F throughout the Compliance Term of this Agreement, or in accordance with the timeframes stated herein, at no expense to OCII. If and when the Developer and OCII enter into a gap loan agreement or other agreements authorizing or funding the construction of the Project, OCII will adjust these insurance requirements to reflect the risks associated with construction-related activities.

A. Overview of Coverage Requirements. The following table summarizes required insurance policies and documentation. Please see Section B of this Exhibit F for more detailed descriptions of policy requirements.

Insurance Type	Coverage Amount (Minimum)	Applicable Parties	Endorsement or Certificate Required
Commercial General Liability (see Section B.1)	$1,000,000 per occurrence/ $2,000,000 aggregate	Developer and Developer's contractors	Additional insured (see Section G)
Automobile Liability (see Section B.2)	$1,000,000 per occurrence	Developer and Developer's contractors	Additional insured (see Section G)
Worker's Compensation and Employer's Liability (see Section B.3)	As per statute for Workers Comp; $1,000,000 per accident; $1,000,000 per employee; and in aggregate for bodily injury by disease as respects Employers Liability	Developer and Developer's contractors	Waiver of subrogation
Professional Liability (see Section B.4)	$2,000,000 per claim/ $2,000,000 aggregate	Developer if engaged in any eligible design-related activities; and Developer's design and professional contractors	None
Crime/Dishonesty (see Section B.5)	$1,000,000 per loss	Developer	Loss payee endorsement

B. Minimum Scope and Limits of Insurance. Developer and/or Developer's Contractors must maintain insurance with limits no less than:

1) Commercial General Liability coverage, under Insurance Services Office occurrence form CG 00 01 or other form approved by OCII, with additional insured endorsement (see Section G). Before the start of demolition/construction if the Site is unoccupied, Developer and Developer's Contractors will maintain coverage of not less than One

Million Dollars ($1,000,000) combined single limit per occurrence and Two Million Dollars ($2,000,000) annual aggregate limit. Umbrella or Excess Liability Policy may be used to meet the terms of this section. Developer should note that the General Liability coverage described herein is applicable only during the predevelopment phase and that OCII will require increased coverage for the Developer and construction contractors during the construction period.

2) Automobile Liability coverage for all owned, non-owned, scheduled, and hired automobiles under Insurance Services Office form number CA 00 01 or other form approved by OCII, with additional insured endorsement (see Section G). If Developer does not own any automobiles, Developer must provide OCII a written statement confirming that no automobiles are owned, and OCII will accept an Automobile Insurance policy providing coverage for Symbol 8 (hired autos) and Symbol 9 (non-owned autos), with additional insured endorsement. One Million Dollars ($1,000,000) per accident for bodily injury and property damage, combined single limit.

3) Worker's Compensation and Employer's Liability as required by the State of California. A waiver of subrogation naming OCII is required (also known as "transfer of rights of recovery against others to us"). Employer's Liability coverage must provide limits of One Million Dollars ($1,000,000) for bodily injury each accident; and not less than One Million Dollars ($1,000,000) per employee; and One Million Dollars ($1,000,000) in the annual aggregate for bodily injury by disease. If the Developer does not have any employees, then evidence of Workers' Compensation and Employers Liability coverage required herein must be provided by either the Project Sponsor(s) or the General Partner of the Partnership, in lieu of such coverage being provided by the Developer. Additionally, the Developer must provide a written statement confirming that the Developer does not have employees.

4) Professional Liability (Errors and Omissions) insurance, applicable to the Developer's licensed design and professional contractors (architects, engineers, surveyors and other eligible consultants) and to the Developer only if the Developer or Sponsor has any employees providing design or engineering services. Two Million Dollars ($2,000,000) for each claim and in the annual aggregate limit covering negligent acts, errors or omissions in connection with professional services to be provided in connection with the Project. If the Professional Liability insurance is "claims made" coverage, these minimum limits shall be maintained for no less than five (5) years beyond completion of the scope of services performed. Any deductible over One Hundred Thousand Dollars ($100,000) each claim must be reviewed by OCII Risk Management.

   Design professionals who utilize the services of subcontractors or consultants to complete work in connection with this project are required to assess the risks associated with such contractors and, with the authorization of the Developer, determine and verify the appropriate level of coverage provided by the subcontractor or consultant. The design professional and the Developer shall assume costs and expenses that may be incurred in fulfilling any indemnity obligations as to itself or any subcontractors or consultants for whom the design professional and/or the Developer are legally liable in the absence of adequate subcontractor or consultant coverage.

5) Crime Policy or Fidelity Bond covering Developer and Developer's officers and employees against dishonesty with respect to the Funding Amount. One Million Dollars ($1,000,000) each loss, with any deductible not to exceed Ten Thousand Dollars ($10,000). Developer must provide an endorsement naming OCII as an additional obligee or loss payee.

C. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions in excess of those required for policies stated herein must be declared to and approved by OCII. At the option of OCII, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects to OCII, the City and County of San Francisco and their respective commissioners, members, officers, agents and employees; or Developer shall provide a financial guarantee satisfactory to OCII guaranteeing payment of losses and related investigations, claim administration and defense expenses.

D. Umbrella or Excess Liability Policies. An Umbrella and/or Excess Liability policy(ies) may be used to reach the Commercial General Liability, Workers' Compensation, and/or Automobile Liability coverage limits required herein. The Umbrella/Excess Liability/OCIP policy(ies) must appropriately schedule any such underlying policy(ies).

E. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of no less than A:VII, unless otherwise approved by OCII's Risk Manager.

F. General Requirements.

1) If the Developer maintains additional coverages and/or higher limits than the minimums shown in this Exhibit F, OCII requires and shall be entitled to the additional coverage and/or the higher limits maintained by the Developer.

2) The policies required herein, with the exception of Professional Liability and Workers Compensation, shall be primary insurance and non-contributory as respects to OCII, the City and County of San Francisco and their respective commissioners, members, officers, agents, and employees. Any insurance or self-insurance maintained by OCII, the City and County of San Francisco and their respective commissioners, members, officers, agents or employees shall be in excess of Developer's insurance and shall not contribute with it.

3) Each insurance policy required herein must be endorsed (if endorsement is available) to state that coverage will not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice by mail has been given to OCII. Should the insurance carrier not be able to provide such notice, then the responsibility to provide the notice to OCII shall be borne by the policyholder.

4) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to OCII, the City and County of San Francisco and their respective commissioners, members, officers, agents or employees.

5) Approval of Developer's insurance by OCII will not relieve or decrease the liability of Developer under this Agreement.

6) OCII and its officers, agents and employees will not be liable for any required premium under any policy maintained by Developer.

7) All claims based on acts, omissions, injury or damage occurring or arising in whole or in part during the policy period must be covered. If any required insurance is provided under a claims-made policy, coverage must be maintained continuously for a period ending no less than five (5) years after the Compliance Term for general liability insurance.

G. Verification of Coverage. Developer must furnish OCII with certificates of insurance and original endorsements evidencing coverage required by this clause. The certificates and applicable endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be received and approved by OCII before work commences. OCII reserves the right to require complete, certified copies of all required insurance policies, including endorsements demonstrating the coverage required by these specifications at any time. Developer shall require and verify that its contractors and consultants maintain the required policies as stated herein. Developer must furnish OCII with copies of certificates and endorsements upon request. All certificates shall include the following:

1) Identify the following as the certificate holder:

Successor Agency to the Redevelopment Agency of the City and County of San Francisco
Office of Community Investment and Infrastructure
One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103

2) Identify the name of the insurance policy holder (Developer, Developer, or Contractor), the Project name, and the Project address.

3) For policies in which OCII is required to be named as an additional insured, loss payee, dual obligee, or named on a waiver of subrogation, the policy shall name "Office of Community Investment and Infrastructure/Successor Agency to the Redevelopment Agency of the City and County of San Francisco, the City and County of San Francisco and their respective commissioners, members, officers, agents and employees" on the certificate and on the attached endorsement or certificate.

H. Review. OCII reserves the right to modify the insurance coverage under this Section, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstances consistent with OCII's Risk Management Policy. The insurance coverage required under this Section shall be evaluated by OCII for adequacy from time to time. OCII may require Developer to increase the insurance limits and/or forms of coverage in its reasonable discretion provided that such limits and/or coverage is generally available at commercially reasonable rates.

LOAN AGREEMENT

By and Between

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO,
a public body, corporate and politic

and

350 China Basin Partners, LLC, a California Limited Liability Company

for

Mission Bay South Block 9a
$3,500,000

Dated as of April 7, 2020

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EXHIBITS

<u>LOAN AGREEMENT</u>
Mission Bay South Block 9a
Mission Bay South Redevelopment Project Area

THIS LOAN AGREEMENT ("**Agreement**" or "Loan")) is entered into as ofApril 7, 2020 by and between the **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, corporate and politic ("Successor Agency" or "OCII"), and 350 China Basin Partners LLC, a California limited liability company (the "**Borrower**" and "**Developer**"), whose co-managing members are Mission Bay 9A LLC, a California limited liability company whose sole member is Curtis Development, a California sole proprietorship, and Michael Simmons Property Development, Inc., a California corporation, and whose member is Young Community Developers, Inc., a California nonprofit public benefit corporation, and their authorized successors and assigns.

RECITALS

A. In accordance with the California Community Redevelopment Law (Health and Safety Code, section 33000 et seq.) ("**CRL**"), the City and County of San Francisco ("City"), acting through its Board of Supervisors, approved a Redevelopment Plan for the Mission Bay South Redevelopment Project Area (the "**Project Area**") by Ordinance No. 335-98 adopted on November 2, 1998. The Redevelopment Plan is referred to as the "Mission Bay South Redevelopment Plan." In cooperation with the City, the Successor Agency was responsible for implementing the Mission Bay South Redevelopment Plan.

B. Pursuant to California Health and Safety Code §§ 34170 et seq. (the "Redevelopment Dissolution Law") and San Francisco Ordinance No. 215-12 (October 4, 2012) (establishing the Successor Agency Commission ("Commission") and delegating to it state authority under the Redevelopment Dissolution Law), the Successor Agency is responsible for implementing the Redevelopment Plan and fulfilling the enforceable obligations under the Mission Bay South Owner Participation Agreement (the "OPA") between the Agency and FOCIL-MB, LLC (the "Master Developer") (November 16, 1998).

C. Under the OPA and its Mission Bay South Housing Program, the Master Developer is obligated to transfer to the Successor Agency approximately 12.2 acres of "building ready" land that has been remediated, graded and served by infrastructure so that the Successor Agency may develop affordable housing. The OPA identifies, at Exhibit F to the Mission Bay South Housing Program, the specific parcels that the Successor Agency is required to develop with affordable housing.

D. On May 23, 2019, OCII issued a Request for Proposals (the "RFP") to develop market, and sell affordable for-sale housing units for low- to moderate-income households on Mission Bay South Block 9a, on parcels identified as Block 8719, Lot 005 of that certain map entitled "Final Map Planned Development Mission Bay (9-9A and 10-10A)", recorded on May 31, 2005 and filed on pages 6-10 in Book BB of the County's Survey Maps (the "**Site**"). The OPA identifies the Site as an affordable housing parcel. The development will result in approximately 140 units of for-sale housing priced to be affordable to households earning 80-

110% of area median income ("AMI") as defined by the San Francisco Mayor's Office of Housing and Community Development ("MOHCD") (the "**Project**").

E. One proposal was received and deemed to meet the minimum threshold requirements defined in the RFP. Based on evaluation of the written proposal, as well as an interview with the team, the proposal from Curtis Development ("CD"), Michael Simmons Property Development, Inc. ("MSPDI"), and Young Community Developers, Inc. ("YCD") was recommended by a selection panel comprised of OCII staff, City staff, and a community representative to develop the Project. MSPDI, CD, & YCD submitted an application that was responsive to the RFP and included, among other things, income targeting that ranged from 80-110% AMI. MSPDI, CD, and YCD have formed a single-purpose entity, Borrower, to undertake construction of the Project, including engaging financing therefore. OCII and Borrower intend to execute an exclusive negotiations agreement (the "ENA") substantially concurrently herewith, subject to approval of the ENA by the Commission. In selecting the Developer, OCII relied on, among other things, the Developers' agreement to comply with all of OCII's policies, including but not limited to insurance and indemnification requirements found in the RFP.

F. On January 17, 2020, the Citywide Affordable Housing Loan Committee (the "**Loan Committee**") reviewed OCII staff's evaluation of the request for funding and recommended that OCII provide Borrower with a predevelopment loan of funds (the "**Funds**") subject to certain terms and conditions that are included in this Agreement.

G. OCII has approved, by Resolution No. ___-2020, an Exclusive Negotiations Agreement with Borrower and approved, by Resolution No. ____-2020, a loan to the Borrower in an initial amount of Three Million Five Hundred Thousand Dollars ($3,500,000.00) (the "**Funding Amount**" or "Loan Amount") under this Agreement to fund certain costs related to the Project. The Oversight Board of the City and County of San Francisco and the California Department of Finance have approved, under Redevelopment Dissolution Law, this expenditure in the Recognized Obligation Payment Schedule for July 1, 2019 to June 30, 2020 ("ROPS 19–20") (Oversight Board Resolution No. 1-2019 (January 28, 2019).

H. Under Redevelopment Dissolution Law, OCII must transfer completed affordable housing assets to MOHCD, as the Housing Successor designated under Board of Supervisors Resolution No. 11-12 (January 26, 2012) and Section 34176 of the California Health and Safety Code. If and when Borrower completes the Project, OCII intends to transfer the construction/permanent loan agreement, asset, and disposition and development agreement ("DDA") to MOHCD.

I. Borrower shall use the Funding Amount to pay for Predevelopment Activities associated with development of the Project.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth in this Agreement, the parties agree as follows:

ARTICLE 1 DEFINITIONS.

1.1 Defined Terms. As used in this Agreement, the following words and phrases have the following meanings:

"**Accounts**" means all depository accounts, including reserve and trust accounts, required or authorized under this Agreement or otherwise by the OCII in writing. All Accounts must be maintained in accordance with Section 2.3.

"**Agreement**" has the meaning given in the first paragraph hereof.

"**Agreement Date**" means the date written in the first paragraph hereof.

"**Authorizing Resolutions**" means: (a) in the case of a corporation, a certified copy of resolutions adopted by its board of directors; (b) in the case of a partnership (whether general or limited), a certificate signed by all of its general partners; and (c) in the case of a limited liability company, a certified copy of resolutions adopted by its board of directors or members, satisfactory to OCII and evidencing Borrower's authority to execute, deliver and perform the obligations under the OCII Documents to which Borrower is a party or by which it is bound.

"**Borrower**" means 350 China Basin Partners LLC, and their authorized successors and assigns.

"**CFR**" means the Code of Federal Regulations.

"**Charter Documents**" means: (a) in the case of a corporation, its articles of incorporation and bylaws; (b) in the case of a partnership, its partnership agreement and any certificate or statement of partnership; and (c) in the case of a limited liability company, its operating agreement and any LLC certificate or statement. The Charter Documents must be delivered to OCII in their original form and as amended from time to time and be accompanied by a certificate of good standing for Borrower issued by the California Secretary of State and, if Borrower is organized under the laws of a state other than California, a certificate of good standing issued by the Secretary of State of the state of organization, issued no more than ninety (90) days before the Agreement Date.

"**City**" means the City and County of San Francisco, a municipal corporation, represented by the Mayor, acting by and through MOHCD. Whenever this Agreement provides for a submission to the City or an approval or action by the City, this Agreement refers to submission to or approval or action by MOHCD unless otherwise indicated.

“Commission” has the meaning set forth in Recital B**.**

“**CRL**” has the meaning set forth in Recital A.

"**Developer**" has the meaning set forth in Recital E.

"**Developer Fees**" has the meaning set forth in Section 15.1.

"**Disbursement**" means the disbursement of all or a portion of the Funding Amount by OCII as described in Article 4.

“**ENA**” has the meaning set forth in Recital E.

"**Environmental Activity**" means any actual, proposed or threatened spill, leak, pumping, discharge, leaching, storage, existence, release, generation, abatement, removal, disposal, handling or transportation of any Hazardous Substance from, under, into or on the Site.

"**Environmental Laws**" means all present and future federal, state, local and administrative laws, ordinances, statutes, rules and regulations, orders, judgments, decrees, agreements, authorizations, consents, licenses, permits and other governmental restrictions and requirements relating to health and safety, industrial hygiene or the environment or to any Hazardous Substance or Environmental Activity, including the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (commonly known as the "Superfund" law) (42 U.S.C. §§ 9601 *et seq*.), the Resource Conservation and Recovery Act of 1976, as amended by the Solid Waste and Disposal Act of 1984 (42 U.S.C. §§ 6901 *et seq*.); the National Environmental Policy Act of 1969 (“NEPA”) (24 CFR §§ 92 and 24 CFR §§ 58); the California Hazardous Substance Account Act (also known as the Carpenter-Presley-Tanner Hazardous Substance Account Law and commonly known as the "California Superfund" law) (Cal. Health & Safety Code §§ 25300 *et seq*.); and the Safe Drinking Water and Toxic Enforcement Act of 1986 (commonly known as "Proposition 65") (Cal. Health & Safety Code §§ 25249.2 *et seq*.); and Sections 25117 and 25140 of the California Health & Safety Code.

"**Event of Default**" has the meaning set forth in Section 19.1.

"**Expenditure Request**" means a written request by Borrower for a Disbursement from the Funding Amount, which must certify that the Project costs covered by the Expenditure Request have been paid or incurred by Borrower.

"**Funding Amount**" has the meaning set forth in Recital G.

"**GAAP**" means generally accepted accounting principles in effect on the date of this Agreement and at the time of any required performance.

"**Governmental Agency**" means: (a) any government or municipality or political subdivision of any government or municipality; (b) any assessment, improvement, community facility or other special taxing district; (c) any governmental or quasi-governmental agency, authority, board, bureau, commission, corporation, department, instrumentality or public body; or (d) any court, administrative tribunal, arbitrator, public utility or regulatory body.

"**Hazardous Substance**" means any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any Governmental Agency to pose a present or potential hazard to human health or safety or to the environment. Hazardous Substance includes any material or substance listed, defined or otherwise identified as a "hazardous substance," "hazardous waste," "hazardous material," "pollutant," "contaminant," "pesticide" or is listed as a chemical known to cause cancer or reproductive toxicity or is otherwise identified as "hazardous" or "toxic" under any Environmental Law, as well as any asbestos, radioactive materials, polychlorinated biphenyls and any materials containing any of them, and petroleum, including crude oil or any fraction, and natural gas or natural gas liquids. Materials of a type and quantity normally used in the construction, operation or maintenance of developments similar to the Project will not be deemed "Hazardous Substances" for the purposes of this Agreement if used in compliance with applicable Environmental Laws.

"**HUD**" means the United States Department of Housing and Urban Development acting by and through the Secretary of Housing and Urban Development and any authorized agents.

"**Indemnity"** shall have the meaning set forth in Article 23.

"**Laws**" means all statutes, laws, ordinances, regulations, orders, writs, judgments, injunctions, decrees or awards of the United States or any state, county, municipality or Governmental Agency, including the CRL.

"**Loan**" has the meaning given in introductory paragraph hereof.

"**Loan Closing**" means the date on which all conditions to closing of the loan under Section 4.3 have been met and Borrower.

"**Loan Committee**" has the meaning set forth in Recital F.

"**Loss**" or "**Losses**" includes any loss, liability, claims, damages, costs, expenses or charges, including reasonable attorneys' fees and costs, arising from all acts or omissions of Borrower or its officers, agents, or employees in rendering services under this Agreement.

"**Maturity Date**" has the meaning set forth in Section 3.1.

"**Median Income**" means area median income as determined by HUD for the San Francisco area, adjusted solely for household size, but not high housing cost area.

"**MOHCD**" means the Mayor's Office of Housing and Community Development or its successor.

"**Note**" means the promissory note executed by Borrower in favor of OCII in the original principal amount of the Funding Amount.

“**OCII**” means the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, commonly known as the Office of Community Investment and Infrastructure.

"**OCII Documents**" means this Agreement, the Note, and any other documents executed or, delivered in connection with this Agreement.

“**OCII Monthly Project Update**” has the meaning set forth in Section 10.2.

"**Opinion**" means an opinion of Borrower's California legal counsel, satisfactory to OCII and its legal counsel, that Borrower is a duly formed, validly existing California limited liability company in good standing under the laws of the State of California, has the power and authority to enter into the OCII Documents and will be bound by their terms when executed and delivered, and that addresses any other matters OCII reasonably requests.

"**Permitted Exceptions**" means liens in favor of OCII, real property taxes and assessments that are not delinquent, and any other liens and encumbrances OCII expressly approves in writing in its escrow instructions.

"**Project**" means the development described in Recital D. If indicated by the context, "Project" means the Site and the improvements developed on the Site.

“**Public Benefit Purposes**” means activities or programs that primarily benefit low-income persons, are implemented by one or more nonprofit 501(c)3 public benefit organizations, or have been identified by OCII, a City agency or a community planning process as a priority need in the neighborhood in which the Project is located.

"**Publication**" means any report, article, educational material, handbook, brochure, pamphlet, press release, public service announcement, webpage, audio or visual material or other communication for public dissemination, which relates to all or any portion of the Project or is paid for in whole or in part using the Funding Amount.

“Qualifying Buyer” means a household whose initial income does not exceed One Hundred Ten percent (110%) of Median Income, based on actual household size.

“Schedule of Performance” means the schedule attached hereto as Exhibit L that sets forth Project tasks and milestones and the dates by which they will be completed.

"**Table**” or “**Table of Sources and Uses**" means a table of sources and uses of funds attached hereto as Exhibit B-1, including a line item budget for the use of the Funding Amount, which table may not be adjusted without OCII’s prior written approval.

"**Unit**" means a residential for-sale unit within the Project.

"**Work Product**" has the meaning set forth in Section 24.21.

1.2 Interpretation. The following rules of construction will apply to this Agreement and the other OCII Documents.

(a) The masculine, feminine or neutral gender and the singular and plural forms include the others whenever the context requires. The word "include(s)" means "include(s) without limitation" and "include(s) but not limited to," and the word "including" means "including without limitation" and "including but not limited to" as the case may be. No listing of specific instances, items or examples in any way limits the scope or generality of any language in this Agreement. References to days, months and years mean calendar days, months and years unless otherwise specified. References to a party mean the named party and its successors and assigns.

(b) Headings are for convenience only and do not define or limit any terms. References to a specific OCII Document or other document or exhibit mean the document, together with all exhibits and schedules, as supplemented, modified, amended or extended from time to time in accordance with this Agreement. References to Articles, Sections and Exhibits refer to this Agreement unless otherwise stated.

(c) Accounting terms and financial covenants will be determined, and financial information must be prepared, in compliance with GAAP as in effect on the date of performance. References to any Law, specifically or generally, will mean the Law as amended, supplemented or superseded from time to time.

(d) The terms and conditions of this Agreement and the other OCII Documents are the result of arms'-length negotiations between and among sophisticated parties who were represented by counsel, and the rule of construction to the effect that any ambiguities are to be resolved against the drafting party will not apply to the construction and interpretation of the OCII Documents. The language of this Agreement must be construed as a whole according to its fair meaning.

ARTICLE 2 FUNDING.

2.1 Funding Amount. OCII agrees to lend to Borrower a maximum principal amount of Three Million Five Hundred Thousand Dollars ($3,500,000.00) (the "**Funding Amount**" or "Loan Amount") in order to finance predevelopment costs associated with the Project and described in Exhibit B-1 ("**Predevelopment Activities**"). The Funding Amount will be disbursed according to the terms and subject to the conditions set forth in this Agreement.

2.2 Use of Funds. Borrower acknowledges that OCII's agreement to make the Loan is based in part on Borrower's agreement to use the Funds solely to finance Predevelopment Activities and agrees to use the Funds solely for that purpose in accordance with the approved Table of Sources and Uses. Predevelopment expenses incurred by Borrower beginning October 15, 2019 that are consistent with Exhibit B-1 are reimbursable to Borrower. Such expenses are subject to all conditions of a Expenditure Request, including review and approval by OCII in accordance with the terms of this Agreement. Borrower shall use the OCII contract compliance requirements for procurement activities, as further set forth in Exhibit E of this Agreement.

2.3 Accounts; Interest. Each Account to be maintained by Borrower under this Agreement must be held in a bank or savings and loan institution acceptable to OCII as a segregated account that is insured by the Federal Deposit Insurance Corporation or other comparable federal insurance program. With the exception of tenant security deposit trust accounts, any interest earned on funds in any Account must be used for the benefit of the Project.

2.4 Records. Borrower must maintain and provide to OCII upon request records that accurately and fully show the date, amount, purpose and payee of all expenditures from each Account authorized under this Agreement or by OCII in writing and keep all estimates, invoices, receipts and other documents related to expenditures from each Account. In addition, Borrower must provide to OCII promptly following Borrower's receipt, complete copies of all monthly bank statements, together with a reconciliation, for each Account until all funds (including accrued interest) in each Account have been disbursed for eligible uses.

2.5 Conditions to Additional Financing. The OCII may grant or deny any application by Borrower for additional financing for the Project in its sole discretion.

ARTICLE 3 TERMS.

Borrower's repayment obligations with respect to the Funding Amount will be evidenced and governed by the Note, which will govern in the event of any conflicting provision in this Agreement.

3.1 Maturity Date. Borrower must repay all amounts owing under the OCII Documents on the date that is the earliest to occur of: (i) the close of construction financing for the Project, or (ii) the date the Borrower and OCII execute a construction/permanent loan agreement that incorporates the Loan Amount and all accrued interest, or (iii) three (3) years from the Agreement Date (the "**Maturity Date**"). Notwithstanding the foregoing, if Borrower's failure to close the construction financing by the Maturity Date is not caused by Borrower's acts or omissions, whether direct or indirect, and if Borrower has acted in good faith and no event has occurred and is continuing that constitutes or with the passage of time would constitute, an Event of Default under any of the OCII Documents, then in such an event, Borrower shall deliver to OCII all of the Work Product, the Note shall be deemed satisfied in full and Borrower shall be deemed to be released from all obligation or liability with respect to this Agreement and the Loan.

3.2 Intentionally Omitted.

3.3 Interest. The outstanding principal balance of the Loan will bear simple interest at a rate of three percent (3%) per annum, as provided in the Note. If a construction/permanent loan for the Project from OCII is subsequently approved by the Commission, the parties acknowledge that the Borrower may request and OCII may approve a reduced interest rate in order to maintain Project feasibility.

3.4 Default Interest Rate. Upon the occurrence of an Event of Default under any OCII Document, the principal balance of the Loan will bear interest at the default interest compounded annual rate equal to the lesser of: (a) ten percent (10%); or (b) the maximum lawful rate of interest, with such default interest rate commencing as of the date an Event of Default occurs and continuing until such Event of Default is fully cured. In addition, the default interest rate will apply to any amounts to be reimbursed to the OCII under any OCII Document if not paid when due or as otherwise provided in any OCII Document.

3.5 Repayment of Principal and Interest. Subject to Section 3.1 above, the outstanding principal balance of the Loan will be due and payable on the Maturity Date according to the terms set forth in full in the Note.

3.6 Changes In Funding Streams. OCII's agreement to make the Loan on the terms set forth in this Agreement and the Note is based in part on Borrower's projected sources and uses of all activities associated with the Project, as set forth in the Table of Sources and Uses. Borrower covenants to give written notice to the OCII within thirty (30) days of any significant changes in budgeted funding or income set forth in documents previously provided to the OCII. OCII reserves the right to modify the terms of this Agreement based upon any new information so provided in its reasonable discretion..

3.7 Additional OCII Approvals. Borrower understands and agrees that neither entry by OCII into this Agreement nor any approvals given by OCII under this Agreement shall be deemed to imply that Borrower will be granted any required approvals from the Commission, or City departments, boards or commissions which have jurisdiction over the Property. By entering into this Agreement, OCII is in no way modifying or limiting the obligations of Borrower to develop the Property in accordance with all local laws. Borrower understands that any development of the Property shall require approvals, authorizations and permits from governmental agencies with jurisdiction over the Property. Notwithstanding anything to the contrary in this Agreement, no party is in any way limiting its discretion or the discretion of any department, board or commission with jurisdiction over the Project, including but not limited to a party hereto, from exercising any discretion available to such department, board or commission with respect thereto, including but not limited to the discretion to (i) make such modifications deemed necessary to mitigate significant environmental impacts, (ii) select other feasible alternatives to avoid such impacts, including the "No Project" alternative; (iii) balance the benefits against unavoidable significant impacts prior to taking final action if such significant impacts cannot otherwise be avoided, or (iv) determine not to proceed with the proposed Project.

3.8 Additional Borrower Covenants. There are no borrower covenants in addition to those specified in 4.5 Disbursements.

ARTICLE 4 CLOSING; DISBURSEMENTS.

4.1 Generally. Subject to the terms of this Agreement, OCII will make Disbursements in an aggregate sum not to exceed the Funding Amount to or for the account of Borrower in accordance with this Agreement and the approved line item budget contained in the Table of Sources and Uses. The disbursement schedule may be revised at the request of the Borrower, subject to the written approval of the OCII Executive Director prior to the Loan Closing if needed to ensure the repayment of the Loan complies with applicable financing requirements.

4.2 Closing. In the event Borrower does not satisfy all of the conditions to closing the Loan within a reasonable time, as determined by the OCII in its sole discretion, OCII may declare this Agreement to be null and void.

4.3 Conditions Precedent to Closing. OCII will authorize the close of the Loan upon satisfaction of the conditions in this Section.

(a) Borrower must have delivered to OCII fully executed (and for documents to be recorded, acknowledged) originals of the following documents, in form and substance satisfactory to the OCII: (i) the Note; (ii) this Agreement (in triplicate); (iii) the Opinion; (iv) the Authorizing Resolutions; and (v) any other OCII Documents reasonably requested by OCII.

(b) Borrower must have delivered to OCII Borrower's Charter Documents.

(c) Borrower must have delivered to OCII insurance certificates prior to closing and endorsements within 90 days post closing andbefore starting work, in addition to, if requested by OCII, copies of policies for all insurance required under Exhibit F of this Agreement.

4.4 Intentionally Omitted.

4.5 Disbursements. OCII's obligation to approve any expenditure of Funds after Loan Closing is subject to Borrower’s satisfaction of the following conditions precedent.

(a) Borrower must have delivered to OCII an Expenditure Request in form and substance satisfactory to OCII, together with: (i) copies of invoices, contracts or other documents covering all amounts requested; (ii) a line item breakdown of costs to be covered by the Expenditure Request; and (iii) copies of checks issued to pay expenses covered in the previous Expenditure Request. Any request from Borrower to reallocate Funds between the line items or to change the budget limits for a line item from what is shown in the Table of Sources and Uses must be approved as follows: (1) except for funds moved from the contingency line item to another line item, a requested reallocation of Funds in an amount up to ten percent (10%) of the Loan Amount in the aggregate may be made with the express written approval of OCII’s Housing Manager; and (2) except for funds moved from the contingency line item to another line item, a requested reallocation of Funds in an amount that exceed ten percent (10%) of the Loan

Amount may be made only with the express written approval of the OCII Executive Director. Reallocations of Funds from contingency line items to other line items shall not require the consent of OCII.

(b) No Event of Default, or event that with notice or the passage of time or both could constitute an Event of Default, may have occurred that remains uncured as of the date of the Expenditure Request.

(c) With respect to any Expenditure Request that covers rehabilitation or construction costs, Borrower must have certified to OCII that the Project complies with the labor standards set forth in Exhibit E, Section 1, if applicable.

4.6 Schedule of Performance. Borrower must perform in accordance with the Schedule of Performance (Exhibit L). The Schedule of Performance may be modified at the request of the Borrower; however, any modification to the Schedule of Performance shall be at the reasonable discretion of the OCII Executive Director and shall require amendment thereto. The OCII Executive Director may amend the Schedule of Performance (in his/her sole discretion) to allow the time of performance to be extended for up to six (6) months from the contractual date set forth in the Schedule of Performance. Any amendments to the Schedule of Performance allowing for extensions of performance beyond said six (6) month period will require approval of the Agency Commission.

4.7 Additional Terms and Conditions. During the predevelopment period and as described below, Borrower shall comply with the following loan conditions based on OCII's requirements and the Loan Committee's recommendations in reviewing and approving the Project's Loan Evaluation on January 17, 2020.

(i) During the basic concept design process and prior to the completion of the schematic designs, Borrower will work with OCII and MOHCD to conduct a design and cost estimating exercise to identify strategies, which may include alternative construction methodologies/construction types, exploration of innovative materials (such as cross-laminated timber), and/or increasing or decreasing unit density, to meet OCII's target of reducing the projected per unit hard costs by a minimum of 15%, or to a level acceptable to OCII. No more than $500,000 in Loan proceeds, of which a no more than $165,000 in Developer Fee, may be disbursed until this has been completed and Borrower and OCII staff agree on a design direction.

(ii) Borrower will work with the architect to establish an acceptable fee, subject to OCII approval, in keeping with the MOHCD Fee Proposal Guidelines for Architect and Engineering Basic Services.

(iii) Borrower will issue an RFQ for a general contractor in accordance with OCII's Contract Compliance specifications, will obtain cost estimates from the selected contractor, and will work with their architectural team to ensure that the site's development costs are managed to OCII's approval. Borrower will cooperate with OCII and competitively solicit a general contractor with the intent of creating a joint venture or similar partnership opportunity, to the extent practicable and economically feasible, between a general contractor and an OCII-recognized SBE contractor. Furthermore, Borrower will cooperate and require the general contractor to exercise good faith efforts to select subcontractors who either are SBEs or, if they are not SBEs, are willing to create joint ventures or similar partnership opportunities with SBEs.

(iv) Borrower will issue an RFQ for an owner's representative in accordance with OCII's Contract Compliance specifications, and will submit bids and draft contracts for OCII staff review and approval prior to selecting or entering into a contract with an owner's representative.

(v) Borrower must evaluate the likelihood of securing CalHome, IIG, Federal Home Loan Bank of San Francisco's AHEAD, and any public or private downpayment assistance program funds for the Project and will work with OCII staff to determine the most appropriate financial plan with the goal of adding alternative permanent subsidy sources and minimizing OCII subsidy. Borrower will provide an analysis of potential sources and strategies and provide a revised financing plan by June 1, 2020.

(vi) Borrower will commission, with OCII review and approval of the scope of work, a market study for this Project and will adjust the assumed absorption rate and sales period as appropriate. The market study firm will be directed to provide drafts of the marketing study contemporaneously to the Borrower and OCII for review and finalization.

(vii) Borrower will solicit, with OCII review and approval of the scope of work, a marketing & sales team, that may include non-commercial brokers, for OCII review and approval prior to soliciting bids for the same.

(viii) Borrower will provide all responses to the RFQ/P for a marketing & sales team for OCII review and approval prior to selection of the same.

(ix) Borrower will work with staff at OCII and MOHCD to review the marketing & sales budget, including the sales fee assumptions, and will adjust, as appropriate, based on data from the market study and marketing & sales team bids.

(x) Borrower will provide drafts of the RFQ/P for a HOA budgeting and reserve consultant(s) for OCII review and approval prior to soliciting bids for the same.

(xi) Borrower will provide responses to the RFQ/P for a HOA budgeting and reserve consultant(s) for OCII review and approval prior to selection of the same.

(xii) Borrower will work with staff at OCII and MOHCD to review HOA fees and reserve assumptions and will adjust, as appropriate, based on data from existing affordable homeownership housing sites.

(xiii) Borrower will conduct ongoing outreach to the Mission Bay community to solicit input, address concerns, and educate community members on various aspects of the Project.

4.8 Limitations on Approved Expenditures. OCII may refuse to approve any expenditure: (a) during any period in which an event that, with notice or the passage of time or both, would constitute an Event of Default remains uncured; or (b) for disapproved, unauthorized or improperly documented expenses. OCII is not obligated to approve expenditure of the full Funding Amount unless approved Expenditure Requests support disbursement of the full Funding Amount, and in no event may the aggregate amount of all Funds disbursed to Borrower under this Agreement exceed the Funding Amount.

ARTICLE 5 INTENTIONALLY OMITTED

ARTICLE 6 INTENTIONALLY OMITTED

ARTICLE 7 INTENTIONALLY OMITTED

ARTICLE 8 INTENTIONALLY OMITTED

ARTICLE 9 GOVERNMENTAL REQUIREMENTS.

9.1 Borrower Compliance. Borrower must comply, and where applicable, require its contractors to comply, with all applicable Laws governing the use of Funds for the design, construction, rehabilitation and/or operation of the Project, including without limitation the requirements of the CRL, Redevelopment Dissolution Law, Redevelopment Plan, OCII Policies, and those Laws set forth in Exhibit E. Borrower acknowledges that its failure to comply with any of these requirements will constitute an Event of Default under this Agreement.

ARTICLE 10 PROJECT MONITORING, REPORTS, BOOKS AND RECORDS.

10.1 Generally.

(a) Borrower understands and agrees that it will be monitored by OCII from time to time to ensure that Borrower complies with all terms and conditions in this Agreement and all Laws. Borrower must cooperate with the monitoring by OCII and ensure full access to the Project (following Borrower's acquisition of a fee title interest in the Project) and all information related to the Project as reasonably required by OCII.

(b) Borrower must keep and maintain books, records and other documents relating to the receipt and use of all Funds. Borrower must maintain records of all income, expenditures, assets, liabilities, contracts, operations, tenant eligibility and condition of the Project. All financial reports must be prepared and maintained in accordance with GAAP as in effect at the time of performance.

10.2 Monthly Reporting. Borrower must submit monthly reports (the "**OCII Monthly Project Update**") describing progress toward developing the Project with respect to obtaining necessary approvals from other City departments, procuring architects, consultants and contractors, changes in scope, cost or schedule and significant milestones achieved in the past month and expected to be achieved in the coming month. The OCII Monthly Project Update must be submitted by email in substantially the form attached hereto as Exhibit M until the Project has finalized its Form 8609.

10.3 Response to Inquiries. At the request of OCII, its agents, employees or attorneys, Borrower must respond promptly and specifically to questions relating to the income, expenditures, assets, liabilities, contracts, operations and condition of the Project, the status of any mortgage encumbering the Project and any other requested information with respect to Borrower or the Project.

10.4 Delivery of Records. At the request of OCII, made through its agents, employees, officers or attorneys, Borrower must provide OCII within a reasonable period of time of no less than sixty (60) days from request therefor with copies of each of the following documents, certified in writing by Borrower to be complete and accurate:

(a) all tax returns filed with the United States Internal Revenue Service, the California Franchise Tax Board and/or the California State Board of Equalization on behalf of Borrower and any general partner or manager of Borrower;

(b) all certified financial statements of Borrower and, if applicable, its general partner or manager, the accuracy of which must be certified by an auditor satisfactory to OCII; and

(c) any other records related to Borrower's ownership structure and the use and occupancy of the Site.

10.5 Access to Other Project Books and Records. In addition to Borrower's obligations under Sections 2.4, 10.1, 10.2, and 10.3, any other obligations to provide reports or maintain records in any OCII Document, Borrower agrees that duly authorized representatives of OCII (which shall include MOHCD staff) will have access to and the right to inspect, copy, audit and examine all books, records and other documents Borrower is required to keep at all reasonable times, following reasonable notice, for the retention period required under Section 10.6.

10.6 Records Retention. Borrower must retain all records required for the periods required under applicable Laws.

ARTICLE 11 INTENTIONALLY OMITTED.

ARTICLE 12 INTENTIONALLY OMITTED.

ARTICLE 13 INTENTIONALLY OMITTED.

ARTICLE 14 INTENTIONALLY OMITTED.

ARTICLE 15 DEVELOPER FEES.

15.1 Amount. OCII has approved the payment of developer fees in an amount not to exceed Two Million Six Hundred Thousand and No/100 Dollars ($2,600,000.00), to be distributed to Developer for the development activities of the Project ("**Developer Fees**"). If approved by Loan Committee and Commission, this Developer Fee may be adjusted at the time of the execution of a construction loan or grant agreement for the Project to be consistent with the OCII Homeownership Developer Fee attached at Exhibit R and to maximize leveraged sources for the Project. The developer fee amount available for the predevelopment period shall not exceed Five Hundred Thousand and No/100 Dollars ($550,000.00). All Developer Fees will be paid in accordance with the Developer Fee Schedule attached hereto as Exhibit N. The parties acknowledge that the fee amounts may be updated in connection with any gap financing provided by OCII.

ARTICLE 16 TRANSFERS.

16.1 Non-Assignment. Borrower shall not assign or transfer this Agreement, without OCII's prior written consent, which may be given, withheld or conditioned in OCII's sole and absolute discretion. For purposes of this Section, an assignment shall also include any dissolution, merger, consolidation or other reorganization, or any issuance, sale, assignment, hypothecation or other transfer of legal or beneficial interests in the Borrower. Any transfer or assignment without OCII's prior written consent will be voidable and, at OCII's election, constitute an Event of Default under this Agreement. OCII's consent to any specific assignment or transfer will not constitute its consent to any subsequent transfer or a waiver of any of OCII's rights under this Agreement.

ARTICLE 17 INSURANCE AND BONDS.

17.1 Borrower's Insurance. Subject to approval by OCII's Deputy Director for Finance and Administration of the insurers and policy forms, Borrower must obtain and maintain, or cause to be obtained and maintained, insurance and bonds as set forth in Exhibit F throughout the term of this Agreement at no expense to OCII.

ARTICLE 18 GOVERNMENTAL APPROVALS.

18.1 Compliance. Borrower covenants that it will obtain in a timely manner and comply with all federal, state and local governmental approvals required by Law to be obtained for the Project.

ARTICLE 19 DEFAULT.

19.1 Event of Default. Any material breach by Borrower of any covenant, agreement, provision or warranty contained in this Agreement or in any of the OCII Documents that remains uncured upon the expiration of any applicable notice and cure periods contained in any OCII Document will constitute an "**Event of Default**," including the following:

(a) Borrower fails to make any payment required under this Agreement within fifteen (15) days after the date when due; or

(b) intentionally omitted; or

(c) Borrower fails to perform or observe any other term, covenant or agreement contained in any OCII Document, and the default remains uncured following the expiration of any applicable cure periods; or

(d) Any representation or warranty made by Borrower in any OCII Document proves to have been incorrect in any material respect when made; or

(e) Borrower is in default of its obligations with respect to the DDA, once executed, or any funding obligation (other than the Loan) for the Project, and the default remains uncured following the expiration of any applicable cure periods; or

(f) Borrower ceases to be in good standing and duly qualified under the laws of the jurisdiction of formation and California for any period of more than ten (10) days; or

(g) Borrower, as a limited liability company, ceases to exist in its present form (unless otherwise approved pursuant to Article 16), which shall be, at OCII's election, an immediate Event of Default; or

(h) Without OCII's prior written consent as required under the terms of this Agreement, Borrower assigns or attempts to assign any rights or interest in violation of Article 16, which shall be, at OCII's election, an immediate Event of Default; or

(i) Without OCII's prior written consent, Borrower transfers, or authorizes the transfer of, funds in any Account required or authorized under this Agreement, except as permitted under this Agreement for the benefit of the Project; or

(j) intentionally omitted; or

(k) Borrower is subject to an order for relief by the bankruptcy court, or is unable or admits in writing its inability to pay its debts as they mature or makes an assignment for the benefit of creditors; or Borrower applies for or consents to the appointment of any receiver, trustee or similar official for Borrower or for all or any part of its property (or an appointment is made without its consent); or Borrower institutes or consents to any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, custodianship, conservatorship, liquidation, rehabilitation or similar proceeding relating to Borrower or to all or any part of its property under the laws of any jurisdiction (or a proceeding is instituted without its consent); or any judgment, writ, warrant of attachment or execution or similar process is issued or levied against the Site, the improvements or any other property of Borrower; or

(l) Any material adverse change occurs in the financial condition or operations of Borrower, that has a material adverse impact on the Project; or

(m) intentionally omitted; or

(n) intentionally omitted; or

(o) Borrower is in default of its obligations with respect to any funding obligation (other than the Loan) for the Project, and the default remains uncured following the expiration of any applicable cure periods; or

(p) Borrower is in default of its obligations under any other agreement entered into with OCII or the City, including but not limited to the ENA, and the default remains uncured following the expiration of any applicable cure periods.

19.2 Remedies. In the event of a default by the Borrower, except as otherwise provided in this Agreement, the Borrower shall have thirty (30) days from the receipt of written notice from OCII to cure such default, or, if such default cannot reasonably be cured within such 30-day period, the Borrower shall commence action to cure such failure within such 30-day period and diligently and continuously prosecute such action to completion, but in any event no longer than 90 days from the receipt of written notice from OCII to cure such default. During the pendency of an uncured Event of Default, OCII may exercise, in its sole discretion, any right or remedy available under this Agreement or any other OCII Document or at law or in equity. All of OCII’s rights and remedies following an Event of Default are cumulative, including the following:

(a) OCII may declare the unpaid principal balance of the Note, together with default interest as provided in the Note and any other charges due under the Note and the other OCII Documents, immediately due and payable without protest, presentment, notice of dishonor, demand or further notice of any kind, all of which Borrower expressly waives.

(b) OCII may terminate all commitments to make Disbursements, or, without waiving the Event of Default, OCII may determine to make further Disbursements upon terms and conditions satisfactory to OCII in its sole discretion.

(c) OCII may perform any of Borrower's obligations in any manner, in OCII's reasonable discretion.

(d) OCII may terminate this Agreement.

(e) OCII may apply to any court of competent jurisdiction for specific performance, or an injunction against any violation, of this Agreement or for any other remedies or actions necessary or desirable to correct Borrower's noncompliance with this Agreement.

(f) Upon the occurrence of an Event of Default described in Section 19.1(k), the unpaid principal balance of the Note, together with default interest as provided in the Note and any other charges due under the Note and the other OCII Documents, will become due and payable automatically.

(g) All costs, expenses, charges and advances of OCII in exercising its remedies or to protect the Project will be deemed to constitute a portion of the principal balance of the Note, even if it causes the principal balance to exceed the face amount of the Note, unless Borrower reimburses OCII within ten (10) days of OCII’s demand for reimbursement.

(h) OCII may acquire any Work Product as described in Section 24.21 of this Agreement.

19.3 Force Majeure. The occurrence of any of the following events shall excuse performance of any obligations of OCII or Borrower to the extent that the events cause enforced delays in the performance of a party’s obligations under this Agreement: strikes; lockouts; labor disputes; acts of God; inability to obtain labor, materials or reasonable substitutes for either; governmental restrictions, regulations or controls; judicial orders; enemy or hostile governmental actions; civil commotion; fire or other casualty and other causes beyond the control of the party obligated to perform. The occurrence of a force majeure event will excuse Borrower's performance only in the event that Borrower has provided notice to OCII within thirty (30) days after the occurrence or commencement of the event or events, and Borrower's performance will be excused for a period ending thirty (30) days after the termination of the event giving rise to the delay.

ARTICLE 20 REPRESENTATIONS AND WARRANTIES.

20.1 Borrower Representations and Warranties. As a further inducement for OCII to enter into this Agreement, Borrower represents and warrants as follows:

(a) The execution, delivery and performance of the OCII Documents will not contravene or constitute a default under or result in a lien upon assets of Borrower under any applicable Law, any Charter Document of Borrower or any instrument binding upon or affecting Borrower, or any contract, agreement, judgment, order, decree or other instrument binding upon or affecting Borrower.

(b) When duly executed, the OCII Documents will constitute the legal, valid and binding obligations of Borrower. Borrower hereby waives any defense to the enforcement of the OCII Documents related to alleged invalidity of the OCII Documents.

(c) No action, suit or proceeding is pending or, to the best of the Borrower's knowledge, threatened that might affect Borrower or the Project adversely in any material respect.

(d) Borrower is not in default under any agreement to which it is a party, including any lease of real property.

(e) No Borrower, nor any of Borrower's principals or Borrower's contractors have been suspended or debarred by the Department of Industrial Relations or any Governmental Agency, nor has Borrower, any of its principals or its contractors been suspended, disciplined or prohibited from contracting with any Governmental Agency.

(f) All statements and representations made by Borrower in connection with the Loan remain true and correct as of the date of this Agreement.

(g) Borrower agrees to provide notice to OCII in accordance with Section 21.1 of the occurrence of any change or circumstance that: (a) will have a material adverse effect on the physical condition or intended use of the Project; (b) causes the Loan to be out of balance; or (c) will have an adverse effect on Borrower's operation of the Property or ability to repay the Loan.

ARTICLE 21 NOTICES.

21.1 Written Notice. All notices required by this Agreement must be made in writing and may be communicated by personal delivery, facsimile (if followed within one (1) business day by first class mail), by nationally recognized courier that obtains receipts, or by United States certified mail, postage prepaid, return receipt requested. Any notice sent by email will be accompanied by a written notice and email notices will not be effective unless accompanied by a written notice. Delivery will be deemed complete as of the earlier of actual receipt (or refusal to accept proper delivery) or five (5) days after mailing, *provided that* any notice that is received after 5 p.m. on any day or on any weekend or holiday will be deemed to have been received on the next succeeding business day. Notices must be addressed as follows:

To OCII:	Office of Community Investment and Infrastructure Successor Agency to the San Francisco Redevelopment Agency 1 South Van Ness, 5th Floor San Francisco, CA 94103 Attn: Executive Director
To OCII General Counsel:	Office of Community Investment and Infrastructure 1 South Van Ness Avenue, 5th Floor San Francisco, CA 94103 Attn: Agency General Counsel Email: james.morales@sfgov.org

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

To City Attorney's Office: Deputy City Attorney
San Francisco City Attorney's Office
City Hall, Rm. 234
1 Dr. Carlton B. Goodlett Pl.
San Francisco, CA 94102-4682
Attn: Heidi J. Gewertz

To Borrower: Michael Simmons Property Development Inc.
2370 Market Street #458
San Francisco, CA 94114
Attn: Michael Simmons
415-845-5527
michaels@mspdi.com

Curtis Development
440 Molimo Drive
San Francisco, CA 94127
Attn: Charmaine Curtis
415-609-4996
charmaine@curtis-development.com

Young Community Developers
715 Yosemite Ave,
San Francisco, CA 94124
Attn: Dion-Jay Brookter
(415) 822-3491
dbrookter@ycdjobs.org

With a copy to:

Gubb& Barshay
505 14th St #450,
Oakland, CA 94612
Attn: Evan Gross
(415) 781-6600
egross@gubbandbarshay.com

or any other address a party designates from time to time by written notice sent to the other party in manner set forth in this Section.

ARTICLE 22 HAZARDOUS SUBSTANCES

22.1 Borrower's Representations. Intentionally omitted.

22.2 Covenant. Unless OCII otherwise consents in writing, at all times from and after the date of this Agreement, at its sole expense, Borrower must: (a) comply with all applicable Environmental Laws relating to the Site and the Project, and not engage in or otherwise permit the occurrence of any Environmental Activity in violation of any applicable Environmental Laws or that is not customary and incidental to the intended use of the Site, *provided that* nothing contained in this Section will prevent Borrower from contesting, in good faith and by appropriate proceedings, any interpretation or application of Environmental Laws; and (b) deliver to OCII, promptly following the occurrence of any such event, notice of the discovery by Borrower of any event rendering any representation contained in this Section incorrect in any respect if made at the time of such discovery.

ARTICLE 23 INDEMNITY.

23.1 Borrower's Obligations. To the fullest extent permitted by law, Borrower shall hold harmless, defend at its own expense, and indemnify OCII, the City, and their respective commissioners, officers, agents and employees (individually or collectively, an "**Indemnitee**") against any and all Losses, of every kind, nature and description directly or indirectly arising out of, or connected with Borrower's obligations under this Agreement, except to the extent caused by the willful misconduct or the gross negligence of the Indemnitee. For purposes of this Article, Losses will include, but not be limited to: (a) any default by Borrower in the observance or performance of any of Borrower's obligations under the OCII Documents (including those covenants set forth in Article 22 above); (b) any failure of any representation by Borrower to be correct in all respects when made; (c) injury or death to persons or damage to property or other Losses occurring on or in connection with Borrower's activities pursuant to this Agreement, whether caused by the negligence or any other act or omission of Borrower; (d) any claim, demand or cause of action, or any action or other proceeding, whether meritorious or not, brought or asserted against any Indemnitee that relates to or arises out of the OCII Documents, the Loan, the Predevelopment Activities or any transaction contemplated by, or the relationship between Borrower and OCII or Borrower and the City or any action or inaction by OCII or the City under, the OCII Documents; (e) the occurrence of any Environmental Activity or any failure of the Borrower to comply with all applicable Environmental Laws relating to the Project or the Site; (f) the occurrence, after the termination of this Agreement, of any Environmental Activity resulting directly or indirectly from any Environmental Activity occurring before the termination of this Agreement; (g) any liability of any nature arising from Borrower's contest of or relating to the application of any Law, including any contest permitted under Sections 9.1, 18.1 and 22.2; or (h) any claim, demand or cause of action, or any investigation, inquiry, order, hearing, action or other proceeding by or before any Governmental Agency, whether meritorious or not, that directly or indirectly relates to, arises from or is based on the occurrence or allegation of any of the matters described in clauses (a) through (h) above. In the event any action or proceeding is brought against an Indemnitee by reason of a claim arising out of any Loss for which Borrower has indemnified the Indemnitees, and upon written notice from Indemnitee, Borrower shall at its sole expense answer and otherwise defend the action or proceeding using counsel approved in writing by the Indemnitee. Each Indemnitee shall have the right, exercised in its sole discretion, but without being required to do so, to defend, adjust, settle or compromise any claim, obligation, debt, demand, suit or judgment against the Indemnitee in connection with the matters covered by this Agreement. The provisions of this Section will survive the repayment of the Loan and/or termination of this Agreement. For purposes of this Section, "Borrower" shall include Borrower, its officers, employees, agents, contractors and/or subcontractors.

23.2 No Limitation. Borrower's obligations under Section 23.1 are not limited by the insurance requirements under this Agreement.

ARTICLE 24 GENERAL PROVISIONS.

24.1 Intentionally Omitted

24.2 No Third Party Beneficiaries other than City. Nothing contained in this Agreement, nor any act of OCII, may be interpreted or construed as creating the relationship of third party beneficiary, limited or general partnership, joint venture, employer and employee, or principal and agent between OCII and Borrower or Borrower's agents, employees or contractors. Notwithstanding the forgoing, OCII and Borrower hereby acknowledge and agree that as the intended assignee of OCII's rights under the OCII Documents, the City is a third party beneficiary under the OCII Documents.

24.3 No Claims by Third Parties. Nothing contained in this Agreement creates or justifies any claim against OCII by any person or entity with respect to the purchase of materials, supplies or equipment, or the furnishing or the performance of any work or services with respect to the Project. Borrower must include this requirement as a provision in any contracts for the development of the Project.

24.4 Entire Agreement. This Agreement and its Exhibits incorporate the terms of all agreements made by OCII and Borrower with regard to the subject matter of this Agreement. No alteration or variation of the terms of this Agreement will be valid unless made in writing and signed by the parties hereto. No oral understandings or agreements not incorporated herein will be binding on OCII or Borrower.

24.5 OCII Obligations. OCII's sole obligation under this Agreement is limited to providing the Funds as described in this Agreement, up to the Funding Amount. Under no circumstances, including breach of this Agreement, will OCII be liable to Borrower for any special or consequential damages arising out of actions or failure to act by OCII in connection with any of the OCII Documents.

24.6 Borrower Solely Responsible. Borrower is an independent contractor with the right to exercise full control of employment, direction, compensation and discharge of all persons assisting in the performance contemplated under this Agreement. Borrower is solely responsible for: (a) its own acts and those of its agents, employees and contractors and all matters relating to their performance, including compliance with Social Security, withholding and all other Laws governing these matters and requiring that contractors include in each contract that they will be solely responsible for similar matters relating to their employees; (b) any losses or damages incurred by Borrower, any of its contractors or subcontractors and OCII and its officers, representatives, agents and employees on account of any act, error or omission of Borrower in the performance of this Agreement or any other OCII Document and the development and operation of the Project; and (c) all costs and expenses relating to Borrower's performance of obligations under the OCII Documents, the delivery to OCII of documents, information or items under or in connection with any of the OCII Documents and taxes, fees, costs or other charges payable in connection with the execution, delivery, filing and/or recording of any OCII Document or document required under any OCII Document.

24.7 No Inconsistent Agreements. Borrower warrants that it has not executed and will not execute any other agreement(s) with provisions materially contradictory or in opposition to the provisions of this Agreement.

24.8 Inconsistencies in OCII Documents. In the event of any conflict between the terms of this Agreement and any other OCII Document, the terms of this Agreement control unless otherwise stated; *provided, however*, that any provision in this Agreement in conflict with any Law will be interpreted subject to that Law.

24.9 Governing Law. This Agreement is governed by California law without regard to its choice of law rules.

24.10 Joint and Several Liability. If Borrower consists of more than one person or entity, each is jointly and severally liable to OCII for the faithful performance of this Agreement.

24.11 Successors. Except as otherwise limited herein, the provisions of this Agreement bind and inure to the benefit of the undersigned parties and their heirs, executors, administrators, legal representatives, successors and assigns. This provision does not relieve Borrower of its obligation under the OCII Documents to obtain OCII's prior written consent to any assignment or other transfer of Borrower's interests in the Loan, the Site or the ownership interests in Borrower.

24.12 Attorneys' Fees. If any legal action is commenced to enforce any of the terms of this Agreement or rights arising from any party's actions in connection with this Agreement, the prevailing party will have the right to recover its reasonable attorneys' fees (including allocated fees of the City Attorney's Office) and costs of suit from the other party, whether incurred in a judicial, arbitration, mediation or bankruptcy proceeding or on appeal. For the purposes of this Agreement and to the extent that the City Attorney’s Office represents OCII or the City as the successor to this Agreement, the reasonable fees of attorneys in the City Attorney's office will be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter of law for which the City Attorney's services were rendered, who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the City Attorney's Office. An award of attorneys' fees and costs will bear interest at the default rate under the Note from the date of the award until paid.

24.13 Severability. The invalidity or unenforceability of any one or more provisions of this Agreement will in no way affect any other provision.

24.14 Time. Time is of the essence in this Agreement. Whenever the date on which an action must be performed falls on a Saturday, Sunday or federal holiday, the date for performance will be deemed to be the next succeeding business day.

24.15 Further Assurances. Borrower agrees to: (a) pursue in an effective and continuous manner; (b) use best efforts to achieve; and (c) take all actions reasonably required by OCII from time to time to confirm or otherwise carry out the purpose of this Agreement.

24.16 Binding Covenants. Following the recordation of the DDA, the provisions of the OCII Documents constitute covenants running with the land and will be binding upon Borrower and Borrower's successors and assigns, and all parties having or acquiring any right, title or interest in whatever form in or to any part of the Property, except that the same will terminate and become void automatically at the expiration of the term of this Agreement. Any attempt to transfer any right, title or interest in the Property in violation of these covenants will be void.

24.17 Consent. Except as expressly provided otherwise, whenever consent or approval of a party is required in any OCII Document, that party agrees not to withhold or delay its consent or approval unreasonably.

24.18 Counterparts. This Agreement may be executed in any number of counterparts, all of which will constitute but one agreement.

24.19 Borrower’s Personnel. The Project shall be implemented only by competent personnel under the direction and supervision of Borrower. Borrower must provide written notice of the replacement of: the manager, executive director, director of housing development, director of property management and/or any equivalent position of either member of the general partner or the manager of the general partner, within thirty (30) days after the effective date of such replacement.

24.20 Borrower’s Organizational Status. Borrower shall comply with the definition of Qualified Housing Developer under Section 1.32 of the Mission Bay South Housing Program, Attachment C to the OPA by ensuring that it is a limited liability company of which one of the members is a non-profit organization and the limited liability company's governing documents provide that the activities and purposes of the company are primarily to construct and develop Affordable Housing Units substantially in furtherance of the non-profit member organization's purposes and only incidentally to further the for-profit purposes of the for-profit members, including providing for a reasonable rate of return. Borrower’s non-profit member shall at all times be governed by a legally constituted and fiscally responsible board of directors. Such board of directors shall meet regularly and maintain appropriate membership, as established in its bylaws and other governing documents, and shall adhere to applicable provisions of federal, state and local laws governing nonprofit corporations. Said board of directors shall exercise such oversight responsibility with regard to this Agreement as is necessary to ensure full and prompt performance by Borrower of its obligations under this Agreement.

24.21 Ownership of Results. Any interest of Borrower or any sub-borrower, in drawings, plans, specifications, studies, reports, memoranda, computation sheets, the contents of electronic files, or other documents or publications prepared by or on behalf of Borrower or any sub-borrower in connection with this Agreement, the implementation of the Project, the services to be performed under this Agreement, or acquired through the use of any Loan proceeds ("**Work Product**"), is hereby pledged to OCII as security for Borrower's obligations under this Agreement and the Note, and upon an Event of Default, subject to all applicable notice and cure periods, shall become the property of and be promptly transmitted by Borrower to OCII. Notwithstanding the foregoing, Borrower may retain and use copies for reference and as documentation of its experience and capabilities. Borrower shall ensure that its architects and engineers execute an assignment of work product generally in the form attached hereto as Exhibit P, prior to or concurrent with execution of this Agreement.

This Agreement constitutes a security agreement under the California Uniform Commercial Code, as it may be amended from time to time, and Borrower authorizes OCII to file any financing statements OCII elects and deems necessary to perfect its security interest in the Work Product.

24.22 Works for Hire. If, in connection with this Agreement or the implementation of the Project, Borrower or any sub-borrower creates artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, source codes or any other original works of authorship or publications, such creations shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such creations shall be the property of OCII. If it is ever determined that any such creations are not works for hire under applicable law, Borrower hereby assigns all copyrights thereto to OCII, and agrees to provide any material, execute such documents and take such other actions as may be necessary or desirable to effect such assignment. With the prior written approval of OCII, Borrower may retain and use copies of such creations for reference and as documentation of its experience and capabilities. Borrower shall use commercially reasonable efforts to obtain all releases, assignments or other agreements from sub-borrowers or other persons or entities implementing the Project to ensure that OCII obtains the rights set forth in this Section.

24.23 Recourse. OCII's recourse against Borrower following an Event of Default is limited as set forth more specifically in the Note.

24.24 Assignment. OCII and Borrower hereby acknowledge and agree that, effective upon the completion of the Project, as determined by OCII and MOHCD, all of OCII's rights, interests and obligations under this Agreement shall be assigned to MOHCD. OCII and Borrower hereby agree to execute such further instruments and to take such further actions as may be reasonably required to carry out the intent of this Section 24.24. Upon assignment to MOHCD, all references herein to OCII shall be deemed references to MOHCD.

24.25 Exhibits. The following exhibits are attached to this Agreement and incorporated by reference:

EXHIBITS

A	Site Description
B-1	Table of Sources and Uses of Funds
B-2	Intentionally Omitted
B-3	Intentionally Omitted
C	Intentionally Omitted
D	Intentionally Omitted
E	Contract Compliance Policies
F	Insurance Requirements
G	Lobbying/Debarment Certification Form
H	Intentionally Omitted
I	Intentionally Omitted
J	Intentionally Omitted
K	Intentionally Omitted
L	Schedule of Performance
M	OCII Monthly Project Update Form
N	Developer Fee Schedule
O	Assignment of Work Product
P	Consent to Assignment of Work Product
Q	Promissory Note
R	OCII Homeownership Developer Fee

[Remainder of page intentionally left blank; signature page to follow.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement at San Francisco, California as of the date first written above.

OCII:
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: ____________________________
Nadia Sesay
Executive Director

APPROVED AS TO FORM:
James B. Morales
OCII General Counsel

By: ____________________________
Aaron J. Foxworthy
Deputy General Counsel

BORROWER:
350 China Basin Partners, LLC,
a California limited liability company

By: Mission Bay 9A LLC,
a California limited liability company,
Its co-managing member:

By: Curtis Development
a sole proprietorship

By: ________________________
Name: Charmaine Curtis
Title: Sole Member

By: Michael Simmons Property Development, Inc.,
a California corporation, its co-managing member:

By: ________________________
Name: Michael Simmons
Title: President

EXHIBIT A
Site Description

Real property in the City and County of San Francisco, State of California, described as follows:

Block 8719, Lot 005 of that certain map entitled “Final Map Planned Development Mission Bay (9-9A and 10-10A)”, recorded on May 31, 2005 and filed on pages 6-10 in Book BB of the County’s Survey Maps.

EXHIBIT B-1

Table of Sources and Uses of Funds

EXHIBIT B-2

Intentionally Omitted

EXHIBIT B-3

Intentionally Omitted

EXHIBIT C

Intentionally Omitted.

EXHIBIT D

Intentionally Omitted.

EXHIBIT E

1. Equal Opportunity Policies. Borrower shall comply with OCII's Equal Opportunity Policies:

(i) Small Business Enterprise (SBE) Policy (adopted by Resolution No. 43-2015, July 7, 2015);

(ii) Construction Workforce Agreement;

(iii) Prevailing Wage Policy (adopted by Resolution No. 327-1985 Nov. 12, 1985);

(iv) Nondiscrimination in Contracts and Benefits (adopted by Resolution No. 175-1997);

(v) Health Care Accountability Policy (adopted by Resolution No. 168-2001); and

(vi) Minimum Compensation Policy (adopted by Resolution No. 168-2001).

Copies of the aforementioned policies are available on the OCII website at http://sfocii.org/policies-and-procedures

2. Environmental Review. The Project must meet the requirements of the California Environmental Quality Act (Cal. Pub. Res. Code §§ 2100 *et seq.*) and implementing regulations. and any other environmental reviews as required by any federal funding sources obtained, including the National Environmental Policy Act ("NEPA").

3. Conflict of Interest.

(a) Except for approved eligible administrative or personnel costs, no employee, agent, consultant, officer or official of Borrower or OCII who exercises or has exercised any function or responsibilities with respect to activities assisted by Funds, in whole or in part, or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in or benefit from the activities assisted under this Agreement, or have an interest, direct or indirect, in any contract, subcontract or agreement with respect thereto, or in the proceeds thereunder either for himself/herself or for those with whom he/she has family or business ties, during his/her tenure and for one year thereafter. In order to carry out the purpose of this Section, Borrower must incorporate, or cause to be incorporated, in all contracts, subcontracts and agreements relating to activities assisted under the Agreement, a provision similar to that of this Section. Borrower will be responsible for obtaining compliance with conflict of interest provisions by the parties with whom it contracts and, in the event of a breach, Borrower must take prompt and diligent action to cause the breach to be remedied and compliance to be restored.

(b) Borrower represents that it is familiar with the provisions of Sections 1090 through 1097 and 87100 *et seq*. of the California Government Code, all of which relate to prohibited conflicts of interest in connection with government contracts. Borrower certifies that it knows of no facts that constitute a violation of any of these provisions and agrees to notify OCII immediately if Borrower at any time obtains knowledge of facts constituting a violation.

(c) In the event of any violation of the conflict of interest prohibitions, Borrower agrees that OCII may refuse to consider any future application for funding from Borrower or any entity related to Borrower until the violation has been corrected to OCII's satisfaction, in OCII's sole discretion.

4. Disability Access. Borrower must comply with all applicable disability access Laws, including the Americans with Disabilities Act (42 U.S.C. §§ 1201 *et seq.*), Section 504 of the Rehabilitation Act (29 U.S.C. § 794) and the Fair Housing Amendments Act (42 U.S.C. §§ 3601 *et seq.*). Borrower is responsible for determining which disability access Laws apply to the Project, including those applicable due to the use of Funds. In addition, before occupancy of the Project, Borrower must provide to OCII a written reasonable accommodations policy that indicates how Borrower will respond to requests by disabled individuals for accommodations in Units and common areas of the Project.

5. Lead-Based Paint. Borrower must satisfy the requirements of Chapter 36 of the San Francisco Building Code ("Work Practices for Exterior Lead-Based Paint") and the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4821 *et seq*.) and implementing regulations at 24 CFR part 35. Borrower must also comply with the provisions contained in 17 CCR 350000 *et seq.*, and 8 CCR 1532.1 and all other applicable Laws governing lead-based hazards.

6. Relocation. Borrower must meet any applicable requirements of the California Relocation Assistance Act (Cal. Gov. Code §§ 7260 *et seq*.) and implementing regulations in Title 25, Chapter 6 of the California Administrative Code and similar Laws.

7. Non-Discrimination in OCII Contracts and Benefits Policy.

(a) Borrower May Not Discriminate. In the performance of this Agreement, Borrower agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, height, weight, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with Borrower, in any of Borrower's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services or membership in all business, social or other establishments or organizations operated by Borrower.

(b) Non-Discrimination in Benefits. Borrower does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco or where the work is being performed for OCII or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a Governmental Agency under state or local law authorizing such registration, subject to the conditions set forth in the Agency's Nondiscrimination in Contracts Policy, adopted by Agency Resolution 175-97, as amended from time to time.

8. Public Disclosure.

(a) Borrower understands and agrees that under the State Public Records Law (Cal. Gov. Code §§ 6250 *et seq.*) and the Agency Public Records Policy, this Agreement and any and all records, information and materials submitted to OCII or the City hereunder are public records subject to public disclosure. Borrower hereby authorizes OCII and the City to disclose any records, information and materials submitted to OCII or the City in connection with this Agreement as required by Law.

9. Limitations on Contributions. Through execution of this Agreement, Borrower acknowledges that it is familiar with section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the Agency for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) the Mayor or members of the Board of Supervisors, (2) a candidate for Mayor or Board of Supervisors, or (3) a committee controlled by such office holder or candidate, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Borrower acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of $50,000 or more. Borrower further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Borrower's board of directors; Borrower's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Borrower; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Borrower. Additionally, Borrower acknowledges that Borrower must inform each of the persons described in the preceding sentence of the prohibitions contained in section 1.126.

Finally, Borrower agrees to provide to OCII the names of each member of Borrower's general partners' (or, if applicable, general partners' managing members) board of directors; Borrower's general partners' (or, if applicable, general partners' managing members) chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Borrower's general partners (or, if applicable, general partners' managing members); any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Borrower.

EXHIBIT F
Insurance Requirements

Subject to approval by the OCII Risk Manager of the insurers and policy forms, Borrower must obtain and maintain, or caused to be maintained, insurance as set forth in this Exhibit F throughout the Compliance Term of this Agreement, or in accordance with the timeframes stated herein, at no expense to OCII. If and when the Borrower and OCII enter into a gap loan agreement or other agreements authorizing or funding the construction of the Project, OCII will adjust these insurance requirements to reflect the risks associated with construction-related activities.

A. Overview of Coverage Requirements. The following table summarizes required insurance policies and documentation. Please see Section B of this Exhibit F for more detailed descriptions of policy requirements.

Insurance Type	**Coverage Amount (Minimum)**	**Applicable Parties**	**Endorsement or Certificate Required**
Commercial General Liability (see Section B.1)	$1,000,000 per occurrence/ $2,000,000 aggregate	Borrower and Borrower's contractors	Additional insured (see Section G)
Automobile Liability (see Section B.2)	$1,000,000 per occurrence	Borrower and Borrower's contractors	Additional insured (see Section G)
Worker's Compensation and Employer's Liability (see Section B.3)	As per statute for Workers Comp; $1,000,000 per accident; $1,000,000 per employee; and in aggregate for bodily injury by disease as respects Employers Liability	Borrower and Borrower's contractors	Waiver of subrogation
Professional Liability (see Section B.4)	$2,000,000 per claim/ $2,000,000 aggregate	Borrower if engaged in any eligible design-related activities; and Borrower's design and professional contractors	None
Crime/Dishonesty (see Section B.5)	$1,000,000 per loss	Borrower	Loss payee endorsement

B. Minimum Scope and Limits of Insurance. Borrower and/or Borrower's Contractors must maintain insurance with limits no less than:

1) Commercial General Liability coverage, under Insurance Services Office occurrence form CG 00 01 or other form approved by OCII, with additional insured endorsement

(see Section G). Before the start of demolition/construction if the Site is unoccupied, Borrower and Borrower's Contractors will maintain coverage of not less than One Million Dollars ($1,000,000) combined single limit per occurrence and Two Million Dollars ($2,000,000) annual aggregate limit. Umbrella or Excess Liability Policy may be used to meet the terms of this section. Borrower should note that the General Liability coverage described herein is applicable only during the predevelopment phase and that OCII will require increased coverage for the Borrower and construction contractors during the construction period.

2) Automobile Liability coverage for all owned, non-owned, scheduled, and hired automobiles under Insurance Services Office form number CA 00 01 or other form approved by OCII, with additional insured endorsement (see Section G). If Borrower does not own any automobiles, Borrower must provide OCII a written statement confirming that no automobiles are owned, and OCII will accept an Automobile Insurance policy providing coverage for Symbol 8 (hired autos) and Symbol 9 (non-owned autos), with additional insured endorsement. One Million Dollars ($1,000,000) per accident for bodily injury and property damage, combined single limit.

3) Worker's Compensation and Employer's Liability as required by the State of California. A waiver of subrogation naming OCII is required (also known as "transfer of rights of recovery against others to us"). Employer's Liability coverage must provide limits of One Million Dollars ($1,000,000) for bodily injury each accident; and not less than One Million Dollars ($1,000,000) per employee; and One Million Dollars ($1,000,000) in the annual aggregate for bodily injury by disease. If the Borrower does not have any employees, then evidence of Workers' Compensation and Employers Liability coverage required herein must be provided by either the Project Sponsor(s) or the General Partner of the Partnership, in lieu of such coverage being provided by the Borrower. Additionally, the Borrower must provide a written statement confirming that the Borrower does not have employees.

4) Professional Liability (Errors and Omissions) insurance, applicable to the Borrower's licensed design and professional contractors (architects, engineers, surveyors and other eligible consultants) and to the Borrower only if the Borrower or Sponsor has any employees providing design or engineering services. Two Million Dollars ($2,000,000) for each claim and in the annual aggregate limit covering negligent acts, errors or omissions in connection with professional services to be provided in connection with the Project. If the Professional Liability insurance is "claims made" coverage, these minimum limits shall be maintained for no less than five (5) years beyond completion of the scope of services performed. Any deductible over One Hundred Thousand Dollars ($100,000) each claim must be reviewed by OCII Risk Management.

   Design professionals who utilize the services of subcontractors or consultants to complete work in connection with this project are required to assess the risks associated with such contractors and, with the authorization of the Borrower, determine and verify the appropriate level of coverage provided by the subcontractor or consultant. The design professional and the Borrower shall assume costs and expenses that may be incurred in fulfilling any indemnity obligations as to itself or any subcontractors or consultants for whom the design professional and/or the Borrower are legally liable in the absence of adequate subcontractor or consultant coverage.

5) Crime Policy or Fidelity Bond covering Borrower and Developer's officers and employees against dishonesty with respect to the Funding Amount. One Million Dollars ($1,000,000) each loss, with any deductible not to exceed Ten Thousand Dollars ($10,000). Borrower must provide an endorsement naming OCII as an additional obligee or loss payee.

C. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions in excess of those required for policies stated herein must be declared to and approved by OCII. At the option of OCII, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects to OCII, the City and County of San Francisco and their respective commissioners, members, officers, agents and employees; or Borrower shall provide a financial guarantee satisfactory to OCII guaranteeing payment of losses and related investigations, claim administration and defense expenses.

D. Umbrella or Excess Liability Policies. An Umbrella and/or Excess Liability policy(ies) may be used to reach the Commercial General Liability, Workers' Compensation, and/or Automobile Liability coverage limits required herein. The Umbrella/Excess Liability/OCIP policy(ies) must appropriately schedule any such underlying policy(ies).

E. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of no less than A:VII, unless otherwise approved by OCII's Risk Manager.

F. General Requirements.

1) If the Borrower maintains additional coverages and/or higher limits than the minimums shown in this Exhibit F, OCII requires and shall be entitled to the additional coverage and/or the higher limits maintained by the Borrower.

2) The policies required herein, with the exception of Professional Liability and Workers Compensation, shall be primary insurance and non-contributory as respects to OCII, the City and County of San Francisco and their respective commissioners, members, officers, agents, and employees. Any insurance or self-insurance maintained by OCII, the City and County of San Francisco and their respective commissioners, members, officers, agents or employees shall be in excess of Borrower's insurance and shall not contribute with it.

3) Each insurance policy required herein must be endorsed (if endorsement is available) to state that coverage will not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice by mail has been given to OCII. Should the insurance carrier not be able to provide such notice, then the responsibility to provide the notice to OCII shall be borne by the policyholder.

4) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to OCII, the City and County of San Francisco and their respective commissioners, members, officers, agents or employees.

5) Approval of Borrower's insurance by OCII will not relieve or decrease the liability of Borrower under this Agreement.

6) OCII and its officers, agents and employees will not be liable for any required premium under any policy maintained by Borrower.

7) All claims based on acts, omissions, injury or damage occurring or arising in whole or in part during the policy period must be covered. If any required insurance is provided under a claims-made policy, coverage must be maintained continuously for a period ending no less than five (5) years after the Compliance Term for general liability insurance.

G. Verification of Coverage. Borrower must furnish OCII with certificates of insurance and original endorsements evidencing coverage required by this clause. The certificates and applicable endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be received and approved by OCII before work commences. OCII reserves the right to require complete, certified copies of all required insurance policies, including endorsements demonstrating the coverage required by these specifications at any time. Borrower shall require and verify that its contractors and consultants maintain the required policies as stated herein. Borrower must furnish OCII with copies of certificates and endorsements upon request. All certificates shall include the following:

1) Identify the following as the certificate holder:
Successor Agency to the Redevelopment Agency of the City and County of San Francisco
Office of Community Investment and Infrastructure
One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103

2) Identify the name of the insurance policy holder (Borrower, Developer, or Contractor), the Project name, and the Project address.

3) For policies in which OCII is required to be named as an additional insured, loss payee, dual obligee, or named on a waiver of subrogation, the policy shall name "Office of Community Investment and Infrastructure/Successor Agency to the Redevelopment Agency of the City and County of San Francisco, the City and County of San Francisco and their respective commissioners, members, officers, agents and employees" on the certificate and on the attached endorsement or certificate.

H. Review. OCII reserves the right to modify the insurance coverage under this Section, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstances consistent with OCII's Risk Management Policy. The insurance coverage required under this Section shall be evaluated by OCII for adequacy from time to time. OCII may require Borrower to increase the insurance limits and/or forms of coverage in its reasonable discretion provided that such limits and/or coverage is generally available at commercially reasonable rates.

EXHIBIT G

Lobbying/Debarment Certification Form

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or cooperative agreement.

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress or an employee of a member of Congress in connection with this federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

This lobbying certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed under Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for such failure.

3. Neither the undersigned nor its principals is listed by the General Services Administration as debarred, suspended, ineligible or voluntarily excluded from receiving the Funds on the Agreement Date. The undersigned will review the list to ensure that any contractor or subcontractor who bids for a contract in excess of $100,000 is not debarred, suspended, ineligible or voluntarily excluded from participating in federal programs and activities and will obtain the certification of each contractor or subcontractor whose bid is accepted that such contractor or subcontractor is not debarred, suspended, ineligible or voluntarily excluded from participating in federal programs and activities.

By:

By:

By: ______________________________

EXHIBIT H

Intentionally Omitted.

EXHIBIT I

Intentionally Omitted

EXHIBIT J
Intentionally Omitted

EXHIBIT K

Intentionally Omitted

EXHIBIT L
Schedule of Performance

	B. Performance Milestone	Estimated or Actual Date	Contractual Deadline
A.	Prop I Noticing (if applicable)		
	Acquisition/Predev Financing Commitment	4/2020	
2.	Site Acquisition	3/2022	1/2022
3.	Development Team Selection		
a.	Associate Architect	4/2020	
b.	General Contractor	4/2020	
c.	Owner’s Representative	4/2020	
d.	Property Manager	3/2023	
e.	Service Provider	n/a	
4.	Design		
a.	Submittal of Basic Concept/50% SD & Cost Estimate	8/2020	
b.	Submittal of Schematic Design & Cost Estimate	11/2020	10/2020
c.	Submittal of Design Development & Cost Estimate	3/2021	
d.	Submittal of 50% CD Set & Cost Estimate	7/2021	
e.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	9/2021	
5.	Environ Review/Land-Use Entitlements/Mapping		
a.	Phase I/Phase II and Negative Declaration under CEQA	8/2020	
b.	Maher Ordinance Compliance completed	2/2021	
c.	Geotechnical Investigations Complete	8/2020	
d.	Tentative Map application to DPW	8/2021	
e.	Preliminary Public Report Application to State of CaliforniaDRE	8/2021	
6.	Permits		
a.	Building / Site Permit Application Submitted	2/2021	3/2021
b.	Addendum #1 Submitted	8/2021	
c.	Addendum #2 Submitted	10/2021	
d.	Addendum #3 Submitted		

7.	Request for Bids Issued	10/2021	
9.	City Financing		
a.	Predevelopment Financing Committed	10/2020	
b.	Gap Financing Application	10/2021	
10.	Other Financing		
a.	Bank Construction Financing RFP	8/2021	
b.	CalHOME Financing Application	7/2021	
c.	IIG Application	7/2021	
d.	Bank Construction Loan Close	4/2022	
e.	CalHOME Loan/Grant Close	4/2022	
f.	IIG Committed	8/2021	
g.	Other Financing Application	_____	
h.	Other Financing Close	_____	
11.	Closing		
a.	Construction Closing	4/2022	
b.	Permanent Financing Closing	5/2025	
12.	Construction		
a.	Notice to Proceed	5/2022	7/2022
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	3/2024	8/2024
13.	Marketing/Rent-up		
a.	Procurement of Marketing Entity	7/2021	
b.	Early Outreach Plan Submission	11/2021	12/2021
c.	Marketing Plan Submission	12/2021	
d.	Commence Marketing	7/2022	
e.	Preliminary Public Report Issued by DRE (pink)	9/2021	
f.	Final Public Report Received from DRE (white)	1/2024	
g.	95% Sale & Occupancy	6/2025	11/2025
15.	Close Out MOH/OCII Loan(s)	8/2025	

EXHIBIT M

OCII Monthly Project Update Form

OCII MONTHLY PROJECT UPDATE FORM

Please complete this Monthly Project Update and email the Word document to the Project Manager, with a copy to Elizabeth Colomello (elizabeth.colomello@sfgov.org), by the first of each month. Please focus on the relevant sections of project progress, and anticipate approvals that will be needed over the next 2 – 3 months from other departments. Use as much space as you need.

I. THE PURPOSE OF THESE UPDATES IS TO TRACK PROJECT PROGRESS

1. *During the pre-construction*
2. *On non-construction issues during construction, and*
3. *After regular monthly construction meetings have ended*

Project Summary Information

Project:	
Sponsor:	
# Units:	
Target Population:	

1. Monthly Update

Month Covered:	Date of Report:
Completed by:	
Estimated Construction Start Date (if changed from previous update, please explain):	
Estimated Total Development Cost (if changed from previous update, please explain):	
Project's OCII gap commitment (excluding OCII funding committed to date): Expected date when OCII gap funding needed: Month: Year:	
Procurement and bidding (architect, consultants and contractors):	
Entitlements, permits and utilities (Planning /dept., DBI, SFFD, DPW, SFWD, MOD, PG&E and DRE)	
Any changes in the scope, cost, schedule or financing plan? (Attach updated budget and/or schedule, if any, that have occurred since prior month.)	

Significant milestones reached during the past month, and any planned to be reached during the coming month. Also include any projected milestones not reached during the last month and the reasons why. (Depending on the phase of the project, please cover efforts to obtain additional financing, relocation, planning, service planning, marketing and rent-up, etc., as applicable for the project.)
FOR OCII STAFF ONLY
Major issues, delays, etc.:
Items for discussion with Director:

EXHIBIT N

Developer Fee Schedule

Milestone	PM Fee Distribution	Total PM Fee: $1,100,000
Predevelopment loan closing	15%	$165,000
Upon approval by OCII of Schematic Design & cost estimate.	20%	$220,000
Upon approval by OCII of 50% Construction Documents and cost estimate. With no more than 50% of the total Project Management Fee to be disbursed prior to construction closing	15%	$165,000
At Construction Loan Closing	30%	$330,000
Project Close-Out: upon close of escrow/sale of all units	20%	$220,000
TOTAL PM FEE	**100%**	**$1,100,000**
Milestone	**At Risk Fee Distribution**	**Total At Risk Fee: $1,500,000**
At 50% of construction completion	30%	$450,000
Issuance by BRE of Final Subdivision Report Condominium	20%	$300,000
At receipt of Temporary Certificate of Completion	30%	$450,000
Project Close-Out: upon close of escrow/sale of final unit	20%	$300,000
TOTAL AT-RISK FEE		**$1,500,000**
MAXIMUM DEVELOPER FEE		**$2,600,000**

* Per OCII's Homeownership Developer Fee Policy, the total Project Management fee will be $1,100,000 and the total at risk fee will be $1,500,000 (including the additional cash out allowed due to the project's larger size). The At Risk Fee will be held back from distribution in order to cover any cost overruns that exceed the contingency amounts held in the Borrower's budget, per OCII's Homeownership Developer Fee Policy.

EXHIBIT O
ASSIGNMENT OF WORK PRODUCT

Assignment of Architects and Engineers Agreement Plans and Specifications

FOR VALUE RECEIVED, **350 China Basin Partners, LLC**, a California limited liability company ("Borrower") does hereby sell, assign, pledge, transfer and set over to the 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, ("Agency") all of its rights, title and interest in and to that certain architect's agreement ("Agreement") entered into by and between Borrower and Mithun and any other contracts entered into between Borrower and any licensed design profession or engineer ("Architect" or "Engineer"), and those certain Plans and Specifications and all amendments, modifications, supplements, general conditions and addenda thereto ("Plans") prepared by the Architects and Engineers for the account of Borrower in connection with the development of approximately 140 units of affordable for-sale housing at Mission Bay South Block 9a ("Project"). The Agreement and the Plans are assigned as collateral security for certain indebtedness of Borrower to Agency evidenced by that certain Promissory Note of even date herewith in the principal amount of $3,500,000.00.

Borrower and Architect or Engineer, by executing the Consent to this assignment, agree that Agency does not assume any of Borrower's obligations or duties concerning the Agreement and the Plans, including, but not limited to, the obligation to pay for the preparation of the Agreement and the Plans, until and unless Agency shall exercise its right hereunder.

Borrower hereby irrevocably constitutes and appoints Agency as its attorney-in-fact to demand, receive, and enforce Borrower's rights with respect to the Agreement and the Plans, to give appropriate receipts, releases and satisfactions for and on behalf of Borrower and to do any and all acts in the name of Borrower or in the name of Agency with the same force and effect as Borrower could do if this Assignment had not been made.

Borrower hereby represents and warrants to Agency that no previous assignment of its interest in the Agreement and the Plans has been made, and Borrower agrees not to assign, sell, pledge, transfer, mortgage or otherwise encumber its interest in the Agreement and the Plans so long as this Assignment is in effect.

This Assignment shall be binding upon and inure to the benefit of the heirs, legal representatives, assigns, or successors in interest of the Borrower and Agency.

IN WITNESS WHEREOF, Borrower has caused this Assignment to be executed on ____________, 2020.

BORROWER:

By: ______________________________

EXHIBIT P
CONSENT TO ASSIGNMENT OF WORK PRODUCT
Consent to Assignment

FOR VALUE RECEIVED, **350 China Basin Partners, LLC**, a California limited liability company, ("Borrower") does hereby sell, assign, pledge, transfer and set over to the Successor Agency to the 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, ("Agency") all of its rights, title and interest in and to that certain architect's agreement ("Agreement") entered into by and between Borrower and Mithun ("Architect") and any other contracts entered into between Borrower and any licensed design professional or engineer ("Architect" or Engineer"), and those certain Plans and Specifications and all amendments, modifications, supplements, general conditions and addenda thereto ("Plans") prepared by the Architect(s), Engineer(s) and others for the account of Borrower in connection with the development of approximately 140 units of affordable for-sale housing at Mission Bay South Block 9a ("Project"). The Agreement and the Plans are assigned as collateral security for certain indebtedness of Borrower to Agency evidenced by that certain Promissory Note of even date herewith in the principal amounts of $3,500,000.00.

The undersigned has prepared the Plans, hereby consents to the above Assignment hereby waives his/her lien rights, if any, for services rendered to date with respect to the Plans. The undersigned also agrees that in the event of a breach by Borrower of any of the terms and conditions of the Agreement or any other agreement entered into with the undersigned in connection with the Plans, that so long as Borrower's interest in the Plans is assigned to Agency, it will give written notice to Agency of such breach. Agency shall have sixty (60) days from the receipt of such notice of default to remedy or cure said default; however, nothing herein shall require the Agency to cure said default, but only gives it the option to do so.

The undersigned also agrees that in the event of default by Borrower under any of the documents or instruments entered into in connection with said Note, the undersigned, at Agency's request, shall continue performance under the Agreement in accordance with the terms hereof, provided that the undersigned shall be reimbursed in accordance with the Agreement for all services rendered on Agency's behalf including all services rendered on Borrower's behalf.

Dated: _________________, 2020

ARCHITECT:

Mithun

By: _______________________________

Name: _____________________________

Title: ______________________________

(*signatures continue on following page*)

ENGINEER:

By: ______________________________

Name: ____________________________

Title: _____________________________

EXHIBIT Q

Promissory Note

PROMISSORY NOTE

Principal Amount: $3,500,000 San Francisco, CA

Date: April 7, 2020

FOR VALUE RECEIVED, the undersigned, **350 China Basin Partners, LLC**, a California limited liability company**,** ("Maker"), hereby promises to pay to the order of the 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", including any successors or assigns), or holder (as the case may be, "Holder"), the principal sum of Three Million Five Hundred Thousand and No/100 Dollars ($3,500,000.00) (the "Funding Amount"), or so much of the Funding Amount as may be disbursed from time to time pursuant to the Agreement described in **Section 1** below, together with interest thereon, as provided in this Note.

1. Agreement. This Secured Promissory Note ("Note") is given under the terms of a Loan Agreement by and between Maker and Holder (the "Agreement") dated as of the date set forth above, which Agreement is incorporated herein by reference. Definitions and rules of interpretation set forth in the Agreement apply to this Note. In the event of any inconsistency between the Agreement and this Note, this Note will control.

2. Interest. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of three percent (3%) per annum, simple interest, from the date of disbursement of funds by Holder through the date of full payment of all amounts owing under the OCII Documents. If a construction/permanent loan for the Project from OCII is subsequently approved by the Commission, the parties acknowledge that the Borrower may request and OCII may approve a reduced interest rate in order to maintain Project feasibility.

3. Default Interest Rate. Upon the occurrence of an Event of Default under any OCII Document, interest will be deemed to have accrued on the outstanding principal balance of the Loan at a compounded annual rate equal to the lesser of: (a) ten percent (10%); or (b) the maximum lawful rate of interest, commencing on the date on which Maker receives written notice from Holder of the Event of Default through the earlier of: (x) the date on which the Event of Default is cured; or (y) the date on which all amounts due under the OCII Documents are paid to Holder. Maker acknowledges and agrees that the default interest that must be paid in the event of an Event of Default pursuant to this Section represents a reasonable sum considering all the circumstances existing on the date of this Note and represents a fair and reasonable estimate of the costs that will be sustained by Holder if Maker defaults. Maker further agrees that proof of actual damages would be costly and inconvenient and that default interest will be paid without prejudice to Holder's right to collect any other amounts to be paid or to exercise any of its other rights or remedies under any OCII Document.

4. Repayment of Funding Amount. Maker must repay all amounts owing under the OCII Documents in accordance with and subject to Section 3.1 of the Agreement. All Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; (b) accrued and unpaid interest; and (c) reduction of the principal balance of the Loan. The unpaid principal balance of the Loan, together with all accrued and unpaid interest and unpaid costs and fees incurred, will be due and payable on the Maturity Date, as such term is defined in the Agreement. Any Payment Date, including the Maturity Date, that falls on a weekend or holiday will be deemed to fall on the next succeeding business day.

If this Note becomes due and payable, and provided no Event of Default under any of the OCII Documents is then continuing, the Maker may satisfy this Note in full by either (i) making payment in full; or (ii) delivering to the Holder all of the following: (x) the Work Product, as such term is defined in the Agreement, (y) an absolute and unconditional assignment to the Holder of all of Maker's right, title and interest in and to said Work Product (which assignment shall be in the substantial form of the Assignment of Work Product attached as Exhibit O to the Agreement); and (z) the written consent to such assignment of any architect, engineer or other person or firm that has any right, title or interest in or to the Work Product (which consent shall be in the substantial form of the Consent to Assignment of Work Product attached as Exhibit P to the Agreement).

5. Security. Maker's obligations under this Note are secured by, the pledge of Work Product given in the Assignment of Work Product and the Loan is non-recourse to such Maker, its partner and their members.

6. Terms of Payment.

6.1 All Payments must be made in currency of the United States of America then lawful for payment of public and private debts.

6.2 All Payments must be made payable to Holder and mailed or delivered in person to Holder's office at One South Van Ness Avenue, 5th Floor, San Francisco, CA 94103, or to any other place Holder from time to time designates.

6.3 In no event will Maker be obligated under the terms of this Note to pay interest exceeding the lawful rate. Accordingly, if the payment of any sum by Maker pursuant to the terms of this Note would result in the payment of interest exceeding the amount that Holder may charge legally under applicable state and/or federal law, the amount by which the payment exceeds the amount payable at the lawful interest rate will be deducted automatically from the principal balance owing under this Note.

6.4 Maker waives the right to designate how Payments will be applied pursuant to California Civil Code Sections 1479 and 2822. Holder will have the right in its sole discretion to determine the order and method of application of Payments to obligations under this Note.

6.5 Subject to this Section, Holder will not seek or obtain judgment against Maker for the payment of any amounts due under this Note following a judicial or nonjudicial foreclosure of the Deed of Trust, or exercise of Holder's rights under the Assignment of Work

Product, and Holder's sole recourse against Maker for any default under this Note will be limited to the collateral for the Loan, *provided, however,* that this Section will be deemed void and of no effect if Maker challenges Holder's right to foreclose following an Event of Default in any legal proceeding on the grounds that the OCII Documents are not valid and enforceable under California law. This provision does not limit in any way Holder's right to recover from Maker sums incurred by Holder as a result of Maker's fraud, willful misrepresentation, misapplication of funds, waste or negligent or intentional damage to the collateral for the Loan.

6.6 This Note may be prepaid in whole or in part at any time, and from time to time, without penalty provided that notice is given to Holder no later than ninety (90) days prior to prepayment.

7. Default.

7.1 Any of the following will constitute an Event of Default under this Note:

(a) Maker fails to make any Payment required under this Note within ten (10) days of the date it is due; or

(b) the occurrence of any other Event of Default under the Agreement or other instrument securing the obligations of Maker under this Note or under any other agreement between Maker and Holder with respect to the Loan subject to all applicable notice and cure rights.

7.2 Upon the occurrence of any Event of Default, without notice to or demand upon Maker, which are expressly waived by Maker (except for notices or demands otherwise required by applicable laws to the extent not effectively waived by Maker and any notices or demands specified in the OCII Documents), Holder may exercise all rights and remedies available under this Note, the Agreement or otherwise available to Holder at law or in equity. Maker acknowledges and agrees that Holder's remedies include the right to accelerate the Maturity Date by declaring the outstanding principal balance of the Loan, together with all accrued and unpaid interest and unpaid fees and costs incurred, due and payable immediately, in which case, the Maturity Date will be superseded and replaced by the date established by Holder.

8. Waivers.

8.1 Maker expressly agrees that the term of this Note or the date of any payment due hereunder may be extended from time to time with Holder's consent, and that Holder may accept further security or release any security for this Note, all without in any way affecting the liability of Maker.

8.2 No extension of time for any Payment made by agreement by Holder with any person now or hereafter liable for the payment of this Note will operate to release, discharge, modify, change or affect the original liability of Maker under this Note, either in whole or in part.

8.3 The obligations of Maker under this Note are absolute, and Maker waives any and all rights to offset, deduct or withhold any Payments or charges due under this Note for any reason whatsoever.

9. Miscellaneous Provisions.

9.1 All notices to Holder or Maker must be given in the manner and at the addresses set forth in the Agreement, or to the addresses Holder and/or Maker hereafter designate in accordance with the Agreement.

9.2 In the event of any legal proceedings arising from the enforcement of or a default under this Note or in any bankruptcy proceeding of Maker, the non-prevailing party promises to pay all reasonable costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the proceeding, as provided in the Agreement.

9.3 This Note may be amended only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

9.4 This Note is governed by and must be construed in accordance with the laws of the State of California, without regard to the choice of law rules of the State.

9.5 Time is of the essence in the performance of any obligations hereunder.

"MAKER"
350 China Basin Partners, LLC,
a California limited liability company

By: Mission Bay 9A LLC,
a California limited liability company,
Its co-managing member:

By: Curtis Development
a sole proprietorship

By: ___________________________
Name: Charmaine Curtis
Title: Sole Member

By: Michael Simmons Property Development, Inc.,
a California corporation, its co-managing member:

By: ___________________________
Name: Michael Simmons
Title: President

EXHIBIT R

OCII Homeownership Developer Fee Policy

EXHIBIT R

OCII Homeownership Developer Fee Policy

OCII Homeownership Developer Fee

November 2019

Consistent with the San Francisco Mayor's Office of Housing and Community Development's developer fee policy (most recently updated July 20, 2018) for affordable, tax credit rental projects receiving soft loans from the City, the homeownership developer fee will be subject to the same maximum as a tax credit rental project funded by MOHCD. Risks associated with the development of an affordable rental and homeownership project are assumed to be roughly equivalent.

The maximum developer fee for a homeownership development shall be $2,200,000 ("Base Fee") plus $10,000 per unit over 100 units, up to a maximum of $4,000,000. For homeownership projects of 20 units or less, the developer fee shall be up to $500,000.

The maximum developer fee shall be comprised of a Project Management Fee and an At-Risk Fee. The Project Management Fee shall be one-half (50%) of the Base Fee (i.e. $1,100,000) and shall be distributed according to achievement of certain development milestones set out below. The At-Risk Fee shall consist of the remaining half of the Base Fee plus the $10,000 per unit over 100 units, and shall cover any cost overruns that exceed the available contingency funds in the final project budget approved by OCII at construction loan closing. In the event of any cost overruns after OCII's construction funding commitment, the Developer will contribute up to half of the total maximum fee (e.g. $2,200,000 * 50% = $1,100,000) to cover the overruns. Cost overruns beyond that amount must be requested from OCII's Commission. The At-Risk fee shall be distributed according to milestones as set forth below.

The maximum allowable marketing & sales fee per unit is $7,500 per unit and will not be based on a percentage of sales price. Additional commission payments to outside real estate brokers are not allowed. The marketing and sales fee is in addition to the Project Management Fee and At-Risk Fee.

Fee Category	Fee Policy	Calculation
Project Management Fee	One-half of Base Fee ($2,200,000)	$2,200,000 x 0.5 = $1,100,000
At-Risk Fee	One-half of Base Fee plus $10,000 per unit over 100 units	$1,100,000 + (10,000 x # of units over 100)
Maximum Fee	Project Management Fee plus At-Risk Fee; $2,200,000 plus $10,000 per unit over 100 units	$2,200,000 + (10,000 x # of units over 100) not to exceed $4,000,000

Milestone	PM Fee Distribution	Total PM Fee: $1,100,000
Predevelopment loan closing	15%	$165,000
Upon approval by OCII of Schematic Design. With no more than 50% of the total Project Management Fee to be disbursed prior to construction closing	35%	$385,000
At Construction Loan Closing	30%	$330,000
Project Close-Out: upon close of escrow/sale of all units	20%	$220,000
TOTAL PM FEE	**100%**	**$1,100,000**

Milestone	At Risk Fee Distribution	Total At Risk Fee: $1,100,000
At 50% of construction completion	30%	$330,000
Issuance by BRE of Final Subdivision Report Condominium	20%	$220,000
At receipt of Temporary Certificate of Completion	30%	$330,000
Project Close-Out: upon close of escrow/sale of final unit	20%	$220,000 (plus amount if project over 100 units)
TOTAL AT-RISK FEE		**$1,100,000 plus $10,000/unit over 100 units (if applicable)**
MAXIMUM DEVELOPER FEE		**$2,200,000 + $10,000/unit over 100 Units**

Attachment 5: Location Map