



110-0072016-002

Agenda Item **No. 5(a)**
Meeting of August 2, 2016

MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Tiffany Bohee, Executive Director

SUBJECT: Authorizing a Second Amendment to the Memorandum of Understanding for environmental and design review services with the City and County of San Francisco, acting through the San Francisco Planning Department, to extend the term from Fiscal Year 2016 to Fiscal Year 2018 and to increase the budget by an amount not to exceed \$450,000, for a total aggregate amount not to exceed \$1,125,000

EXECUTIVE SUMMARY

In August 2013, the Office of Community Investment and Infrastructure as the Successor Agency to the San Francisco Redevelopment Agency ("OCII") entered into a Memorandum of Understanding with the City and County of San Francisco acting through the San Francisco Planning Department ("Planning Department") for design review and environmental review services ("MOU"). The MOU covered Fiscal Years 2014 and 2015 for an amount not to exceed \$225,000 per year, and a total amount of \$450,000. In September 2014, the Commission on Community Investment and Infrastructure ("Commission") authorized an Amended and Restated Memorandum of Understanding ("Amended MOU") to extend the term of the MOU through Fiscal Year 2016, for an amount not to exceed \$225,000, resulting in a total amount of \$675,000. The Amended MOU also expanded the MOU's scope of services to include design and environmental review services for the Golden State Warriors event center, office and retail uses project ("GSW Pavilion Project") in the amount of \$480,326 paid directly to the Planning Department by the Golden State Warriors ("GSW"). The Amended MOU expired on June 30, 2016.

OCII and the Planning Department seek to enter into a Second Amendment to the MOU ("Second Amendment") to extend the term of the MOU through Fiscal Years 2017 and 2018.

Edwin M. Lee
MAYOR

Tiffany Bohee
EXECUTIVE DIRECTOR

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The Second Amendment will allow the Planning Department to continue to provide OCII with as-needed environmental and design review services, and with assistance in mitigation monitoring and reporting for the GSW Pavilion Project. The Planning Department and GSW will continue their direct payment arrangement through which GSW reimburses the Planning Department for environmental review services for the GSW Pavilion Project without an OCII pass-through. The Second Amendment includes a budget of \$225,000 per fiscal year to fund continued non-GSW services during Fiscal Years 2017 and 2018, for an amount of \$450,000, and a total amount not to exceed \$1,125,000.

Staff recommends that the Commission authorize the Executive Director to enter into a Second Amendment to the Memorandum of Understanding with the San Francisco Planning Department.

DISCUSSION

Prior to its dissolution, the Redevelopment Agency of the City and County of San Francisco ("Redevelopment Agency") implemented numerous redevelopment plans approved by the Board of Supervisors and authorized under California Community Redevelopment Law. Under state authority, the redevelopment plans established land use controls in project areas and did not generally rely on the San Francisco Planning Code or other local land use regulation, including Article 31 of the Administrative Code, unless a particular redevelopment plan required it.

As successor to the Redevelopment Agency, OCII retains the obligation to implement the redevelopment plans in the Major Approved Development Projects (the Hunters Point Shipyard – Candlestick Point Project, Transbay Transit Center Project, and the Mission Bay Project) pursuant to master development agreements. The implementation of these projects includes exercising land use authority under these enforceable obligations. In addition, OCII is required to enforce the land use controls under other redevelopment plans and related development controls where OCII has not delegated its land use functions and authority to the City, such as the Rincon Point-South Beach Redevelopment Plan and the Bayview Industrial Triangle Redevelopment Plan.

Redevelopment Dissolution Law provides, among other things, that OCII may enter into contracts as part of its implementation of its enforceable obligations. OCII has a continuing need to review and approve development projects, including design and environmental review. To this end, OCII negotiated a memorandum of understanding with the City, through its Planning Department, to assist in performing design review and environmental services for a term of two years, commencing on July 1, 2013, for an annual amount of \$225,000, and a total amount of \$450,000.

Through the terms of the original MOU, the Planning Department has provided design review and environmental review services to OCII on Major Approved Development Projects (the Hunters Point Shipyard – Candlestick Point Project, Transbay Redevelopment Project, and the Mission Bay Project) and in redevelopment plan areas in which OCII has not delegated its authority over land use functions to the City, such as within the Rincon Point-South Beach Redevelopment Plan and the Bayview Industrial Triangle Redevelopment Plan areas.

GSW Pavilion Project and Amended MOU

On September 12, 2014, the Commission authorized an Amended MOU that extended the term by one fiscal year and expanded the Planning Department's scope of work to provide environmental and design review services for the GSW Pavilion Project, also known as the Event Center and Mixed-Use Development at Mission Bay Blocks 29-32. Under the Amended MOU, the Planning Department budgeted design and environmental review services for the project at approximately \$480,326. At that time, the Planning Department and GSW entered into a payment arrangement through which GSW directly reimburses the Planning Department for staff review of the GSW Pavilion Project.

At the same time, the Amended MOU included a budget of \$225,000 to fund continued non-GSW design and environmental review services on various OCII projects during Fiscal Year 2016. The original MOU and the Amended MOU covered three fiscal years (Fiscal Year 2014, Fiscal Year 2015 and Fiscal Year 2016) for an amount not to exceed \$225,000 per year, and a total amount of \$675,000. The annual amount of \$225,000 included \$150,000 for environmental review services and \$75,000 (or approximately 0.5 FTE) for design review services. The Amended MOU expired on June 30, 2016.

In the latter portion of 2015, the City and OCII approved the GSW Pavilion Project. During the forthcoming construction and implementation phases of the project, and pursuant to the Event Center and Mixed-Use Development at Mission Bay Blocks 29-32 Subsequent Environmental Impact Report and the California Environmental Quality Act ("CEQA"), GSW will be required to comply with the Event Center and Mixed-Use Development at Mission Bay Blocks 29-32 Mitigation Monitoring and Reporting Program ("MMRP"). Under a proposed Second Amendment to the MOU, Planning Department staff, under the supervision of OCII, will track and review GSW's compliance with the MMRP.

Second Amendment to the MOU

The following describes the proposed Second Amendment to the MOU:

Prioritization Policies

The Second Amendment clarifies that, pursuant to several agreements, such as the Planning Cooperation Agreement (Candlestick Point and Phase 2 of the Hunters Point Shipyard), the Hunters Point-Interagency Cooperation Letter Agreement, the Mission Bay North and the Mission Bay South Interagency Cooperation Agreements, and the Delegation Agreement for the Transbay Redevelopment Project Area, the Major Approved Development Projects are priority projects that shall be treated with expeditious processing. While certain individual projects, such as affordable housing projects, located in the Rincon Point-South Beach and the Bayview Industrial Triangle redevelopment project areas may qualify for Planning Department priority status, these two redevelopment plan areas generally would not receive expeditious processing from the Planning Department.

Fiscal Years 2017 and 2018

Staff has found the Planning Department's services to be beneficial to OCII projects and is recommending a Second Amendment to the MOU extending non-GSW design and environmental review services for two additional

fiscal years at the annual amount of \$225,000. The Second Amendment, covering Fiscal Years 2017 and 2018, will consist of an amount not to exceed \$450,000, resulting in a total aggregate amount of \$1,125,000.

GSW Pavilion Project

Under the Second Amendment, the Planning Department will provide on-going monitoring of mitigation requirements for the GSW Pavilion Project, including the review of technical reports and progress reports during the project's construction phase. The Planning Department anticipates this will require 0.15 annual FTE of staffing during the duration of the Second Amendment. Under the oversight of OCII, the Planning Department will review the work of GSW's contractors and consultants, and will assist in developing an appropriate scope of work for the mitigation monitoring and reporting process as well as for any required technical studies. The Planning Department and GSW will continue a direct payment arrangement whereby the GSW will reimburse the Planning Department for services provided in furtherance of the GSW Pavilion Project. These charges are not administered through the MOU. The Planning Department estimates these environmental review services will be billed at the equivalent staff time of 0.15 FTE on an annual basis during the two years' duration of the Second Amendment.

Budget

The budget for the Second Amendment is an amount not to exceed \$450,000, as detailed below:

MOU Budget				Second Amendment		
TASK (Non-GSW)	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	TOTAL
Environmental Review	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$750,000
Design Review	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$375,000
TOTAL/ Fiscal Year	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$1,125,000

As mentioned above, the total amount does not include the GSW budget, which will be paid directly to the Planning Department by the GSW.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

Authorization of this proposed Second Amendment to the MOU with the Planning Department is an administrative activity that will not directly cause any physical change in the environment and is not a project pursuant to CEQA as defined under CEQA Guidelines Section 15378(b)(5). In addition, authorization of the Second Amendment does not have the potential for independently causing a significant effect on the environment and therefore is not subject to the California Environmental Quality Act pursuant to State CEQA Guidelines Section 15061 (b)(3).

STAFF RECOMMENDATION

Staff recommends the Commission authorize the Second Amendment to the MOU between OCII and the Planning Department to extend its term by two years, including the current Fiscal Year 2017 through Fiscal Year 2018, to increase the budget by an amount not to exceed \$450,000, for a total aggregate amount not to exceed \$1,125,000, and to expand the scope of work to provide further environmental review services for the Golden State Warriors project.

(Originated by José Campos, Manager of Planning and Design Review)



Tiffany Bohee
Executive Director

Attachment 1: Second Amendment to the Memorandum of Understanding between the Successor Agency to the San Francisco Redevelopment Agency and the San Francisco Planning Department

August 2, 2016

SECOND AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, COMMONLY REFERRED TO AS THE OFFICE OF COMMUNITY INVESTMENT AND INFRASTRUCTURE (THE “SUCCESSOR AGENCY” OR “OCII”), AND THE CITY AND COUNTY OF SAN FRANCISCO (“CITY”) ACTING THROUGH THE SAN FRANCISCO PLANNING DEPARTMENT FOR DESIGN REVIEW AND ENVIRONMENTAL SERVICES FISCAL YEARS 2016/2017 AND 2017/2018

This Second Amendment to the Memorandum of Understanding (“MOU”) (“Second Amendment”) is entered into between OCII and the City, acting through the San Francisco Planning Department (“Planning Department”) (collectively, the “Parties”) to extend the MOU for the period of two fiscal years commencing July 1, 2016 and terminating June 30, 2018 unless earlier terminated or extended in accordance with the provisions herein.

WHEREAS, prior to its dissolution, the Redevelopment Agency of the City and County of San Francisco (“Former Agency”) implemented numerous redevelopment plans approved by the Board of Supervisors and authorized under the California Community Redevelopment Law, Cal. Health & Safety Code §§ 33000 *et seq.* Under this state authority, the redevelopment plans established land use controls in project areas and did not generally rely on the San Francisco Planning Code or other local land use regulation, including Chapter 31 of the Administrative Code, unless a particular redevelopment plan required it; and

WHEREAS, State law dissolved the Former Agency on February 1, 2012, Cal. Health and Safety Code §§ 34161 *et seq.* (“Redevelopment Dissolution Law”), and in accordance with San Francisco Ordinance No. 215-12 (Oct. 4, 2012) and the Redevelopment Dissolution Law, the Successor Agency assumed the rights and obligations of the Former Agency, including fulfillment of enforceable obligations entered into by the Former Agency prior to June 28, 2011 (“Enforceable Obligations”); and,

WHEREAS, OCII has the continuing authority and obligation: (1) to exercise land use controls required under Enforceable Obligations (including without limitation, the Mission Bay North Owner Participation Agreement (“OPA”) and the Mission Bay North Design Review and Document Approval Procedure, *available at* <http://www.sfocii.org/index.aspx?page=243>, the Mission Bay South OPA and the Mission Bay South Design Review and Document Approval Procedure *available at* <http://www.sfocii.org/index.aspx?page=244>, the Disposition and Development Agreement (“DDA”) for Hunters Point Shipyard (“HPS”) Phase 1 and the HPS Phase 1 Vertical Design Review and Document Approval Procedure, *available at* <http://www.sfocii.org/index.aspx?page=160>, the DDA for Candlestick Point-HPS Phase 2 and the Candlestick Point HPS Phase 2 Design Review and Document Approval Procedure, *available at* <http://www.sfocii.org/index.aspx?page=186>, the Transbay Implementation Agreement, *available at* <http://www.sfocii.org/index.aspx?page=54>), and (2) to enforce the land use controls under redevelopment plans and related development controls where the City has not requested the transfer of land use functions to the City. (These redevelopment plans include Zone 1 of the Transbay Redevelopment Plan, Zone 1 of the Bayview Hunters Point Redevelopment Plan, the HPS Redevelopment Plan, the Mission Bay North and South Redevelopment Plans, the Rincon

Point-South Beach Redevelopment Plan, and the Bayview Industrial Triangle Redevelopment Plan. These redevelopment plans and related documents are generally available at <http://www.sfocii.org/index.aspx?page=3>); and,

WHEREAS, The Planning Department and the Former Agency executed several agreements providing that projects subject to the Enforceable Obligations receive expeditious review and approval because they are priority projects for the City. These agreements include the Planning Cooperation Agreement (Candlestick Point and Phase 2 of the Hunters Point Shipyard) at page 4 (June 3, 2010) (finding that there is a “compelling public policy basis to expedite the review and permitting process for Project Applications”), the Hunters Point-Interagency Cooperation Letter Agreement at page 2 (Feb. 2, 2005) (providing that the Former Agency and the City “will diligently and expeditiously process all submissions and applications . . . for permits, approvals, agreements and other entitlements for the project”), and the Mission Bay South and Mission Bay North Interagency Cooperation Agreements (Nov. 16, 1998) (providing that City Agencies will treat redevelopment as a “priority project . . . with a need for expeditious processing of Major Phase and other plan reviews, design and construction document reviews [and] permit applications (together, these agreements are referred to as the “Expeditious Processing Agreements”). In addition, the Planning Department and Former Agency entered into the Delegation Agreement for the Transbay Redevelopment Project Area to establish a working group to communicate on an ongoing basis to ensure the timely, collaborative, and competent review of all projects in Zone 1 and Zone 2 of the Transbay Redevelopment Project Area; and,

WHEREAS, OCII has a continuing need to review and approve development projects, including design and environmental review, pursuant to the implementation of its Enforceable Obligations, and is seeking to continue to engage the services of the Planning Department for this purpose; and,

WHEREAS, OCII has provided (and will continue to provide) for the expenditures anticipated under this Second Amendment in its Recognized Obligation Payment Schedules (“ROPS”) that is required to be submitted annually to the Oversight Board and the California Department of Finance (“DOF”) and in its annual budget that is approved by the Board of Supervisors; and,

WHEREAS, OCII and the Planning Department entered into a MOU dated July 20, 2013 for design and environmental review services, as approved by the Commission on Community Investment and Infrastructure (“Commission”) August 20, 2013 (Resolution No. 41-2013) (“MOU”), and an amended and restated MOU, as approved by the Commission on September 12, 2014 (Resolution No. 78-2014) (“Amended MOU”); and,

WHEREAS, Pursuant to applications submitted by the Golden State Warriors (“GSW”), the Commission approved GSW’s proposed development of Blocks 29 to 32 in the Mission Bay South Redevelopment Project Area with approximately 1 million square feet of arena, office and retail uses (“GSW Pavilion Project”), and together therewith certified a Supplemental Environmental Impact Report for the GSW Pavilion Project, made findings of consistency, including findings of overriding considerations, and adopted a mitigation monitoring and reporting program (“MMRP”) in accordance with the requirements of the California Environmental Quality Act (“CEQA”). The MMRP for the GSW Pavilion Project requires mitigation monitoring and reporting activities that will exceed the scope of work and budget of the MOU and the Amended MOU; and,

WHEREAS, In accordance with the foregoing, the Parties are proposing a Second Amendment to the MOU to extend the term through Fiscal Year 2018 and provide an additional budget amount not to exceed \$450,000 to continue to provide the scope of work in the MOU and the Amended MOU for two additional fiscal years, for total aggregate amount of \$1,125,000, and would include additional scope for the Planning Department to perform oversight of mitigation and monitoring activities under the MMRP; provided, however, that OCII will retain its oversight and responsibility as lead agency for purposes of compliance with CEQA; provided, however, that OCII will retain its oversight and responsibility as lead agency for purposes of compliance with CEQA and,

WHEREAS, The Planning Department and GSW currently have a direct payment arrangement whereby GSW directly reimburses the Planning Department for environmental review for the GSW Pavilion Project, which the Planning Department and GSW intend to amend to reflect this Second Amendment (regarding direct reimbursement for performance of mitigation monitoring and reporting activities under the MMRP); and,

Now, THEREFORE, OCII and the Planning Department agree as follows:

1. SERVICES TO BE PROVIDED.

- a. Environmental Review. Upon the request of OCII, the Planning Department will conduct environmental evaluations for OCII projects under the California Environmental Quality Act ("CEQA") and the CEQA Guidelines (Cal. Code Regs., title 14, §§ 15000 et seq.). The scope of environmental services would include, but not be limited to, determinations as to what level of CEQA analysis is appropriate, preparation of exemptions and mitigated negative declarations, review of environmental impact reports, mitigation monitoring and reporting, and review of technical background studies. If an environmental impact report is necessary, it will be prepared by a CEQA consultant. If a mitigated negative declaration, addendum or letter to file is necessary, it could be prepared by either a CEQA consultant or Planning Department staff, at the discretion of the OCII, subject to the availability of Planning Department staff. For environmental review services, projects subject to the Expeditious Processing Agreements shall receive Planning Department staffing priority.
- b. At the request of the Executive Director of OCII, or her or his designee, prior to the commencement of work, the Parties shall describe in writing the scope of service and an estimated budget for the particular matter for which the Executive Director (or designee) has requested environmental review services from the Planning Department. The Parties understand and agree that any such budget presented by the Planning Department reflects the Department's belief that the estimated budget is realistic based on current information. The Parties further understand and agree that due to the uncertainties and complexities involved in the particular project, those estimates are necessarily only an approximation of potential costs, and that they do not constitute a minimum or a maximum fee quotation. In particular, a change in the anticipated scope of work could result in an adjustment of costs. The Planning Department will attempt to identify any critical assumptions in the scope of services

and will apprise the OCII of any significant changes in its budget as environmental review progresses.

- i. The environmental review services for projects within the Major Approved Development Projects areas (Mission Bay, Hunters Point Shipyard and Candlestick Point Shipyard, and Zone 1 of Transbay) will be provided in accordance with § 21000-21189.3 of the Public Resources Code and Title 14, Chapter 3, § 150000-15387 of the California Code of Regulations (*CEQA Guidelines*). While the Planning Department will be providing the environmental review services for these projects, OCII will be Lead Agency as defined in CEQA, and the author and signatory of the environmental review documents.
 - aa. GSW Pavilion Project. The Planning Department will provide staff to perform on-going review and tracking of the fulfillment of mitigation requirements set out in the GSW Pavilion Project MMRP (which the Parties anticipate to include coordination with OCII staff and GSW/consultant staff who are responsible for carrying out mitigation requirements; the review and tracking of technical and progress submittals prepared per the MMRP; and confirming the completion of said mitigation requirements). The Planning Department anticipates this will require 0.15 FTE of staffing.
- ii. The environmental review services for projects outside the Major Approved Development Projects areas will be provided in accordance with existing Planning Department policies and practices and consistent with the *Environmental Review Guidelines*, under the direction of the City's Environmental Review Officer.
- iii. In order to facilitate execution of the environmental review services in a timely and organized fashion, OCII commits to seeking early consultation from the Planning Department with respect to CEQA requirements and updating the City's Environmental Review Officer on a quarterly basis, or more frequently if needed, as to what services may be required over the course of the next six months. OCII will provide a list of priorities for processing to the Planning Department if OCII requests environmental review services from the Planning Department for more than one project at any given time.
- c. Design Review. Upon the request of OCII, the Planning Department will provide professional architectural and urban design review of development proposals, assist in the development and interpretation of architectural and urban design guidelines, provide technical knowledge of building codes and building material and construction methodology and costs, participate in public presentations, and perform related tasks. For architectural and design review services, projects subject to the Expedient Processing Agreements shall receive Planning Department staffing priority. Design Review effort dedicated to OCII properties is anticipated not to exceed one thousand (1,000) hours on an annual basis. Should efforts result in substantially greater Planning Department staff time, provided by the Design Review

planners (0.5 FTE of which is being supported by this MOU), terms of this MOU associated with this position support may require modification.

The designated design review staff will be supervised within the Planning Department. However, the shared purpose will benefit both agencies, and may require physical accommodation and regular hours at OCII. Such arrangements will be defined by agreement at a later time. Until such time, the position will be located in the Planning Department and supervised from there accordingly.

2. BUDGET AMOUNT:

As the Planning Department will be paid directly by the GSW for design and MMRP activities, as described in Section 5(b) below, no budget is included in this section for the GSW Pavilion Project.

a. Non-GSW Budget Components on annual basis.

MOU Budget			Second Amendment			
TASK (Non-GSW)	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	TOTAL
Environmental Review	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$750,000
Design Review	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$375,000
TOTAL/ Fiscal Year	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$1,125,000

- b. Changes in Budget. Unless OCII and the Planning Department agree by written amendment to this MOU, the budget for services to be provided under this Second Amendment shall not exceed \$450,000.
- c. Unbudgeted Expenditures. The Planning Department must obtain written approval from OCII for any unbudgeted expenditures and services. OCII will not reimburse the Planning Department for unbudgeted expenditures and services incurred without prior written approval.
- d. Budget Shortfalls. The Planning Department will notify OCII as soon as possible if the amounts budgeted in this MOU are insufficient to provide the agreed-upon services.
- e. ROPS: Under the Dissolution Law, the Successor Agency's ability to pay invoices is subject to the DOF's authorization of such payment on the Successor Agency's Recognized Obligation Payment Schedule ("ROPS"). The ROPS is a schedule of obligations that is approved by the Oversight Board to the OCII. ROPS are currently submitted annually to DOF for approval in February. Thus, any invoices that fall

outside of a pre-approved ROPS are subject to DOF's authorization and may be subject to a delay of up ten months before consideration and payment or rejection in accordance with the Dissolution Law. DOF has approved the expenditures under this MOU on the ROPS for July 2016 through June 2017 (ROPS 2016-17, line 411). OCII will continue to include the expenditures for this MOU on all future ROPS necessary to provide expenditure authority for the term of the MOU.

3. **ASSIGNED STAFF TO OCII.** The Planning Department will assign staff equivalent to 0.5 FTE to work on Design Review services described in Section 1.b, will assign staff on an as-needed basis to provide Environmental Review services described in Section 1.a, and will assign staff for the GSW Pavilion Project per this Second Amendment. The Planning Department staff assigned to Design Review and Environmental Review services will work at the following location: San Francisco Planning Department Offices at 1650 Mission Street.
4. **DOCUMENTATION VERIFYING ACTUAL COSTS OF DIRECT SERVICES.**
 - a. The Planning Department will document its personnel costs for services provided under this MOU in the following way:
 - i. Hourly rate = salary (as defined in Section 5.a.iv and 5.b.iii) + mandatory fringe benefits. Actual labor charges submitted as part of the Performing Department's billing must be supported by a City LDR or similar payroll report to verify the actual cost of employee salary and fringe benefits. Labor charges submitted must not be based on estimated FTE, a budgeted amount, or a percentage allocation that is not reviewed and approved in advance by the OCII as part of a Citywide cost allocation plan.
 - ii. Hours worked on OCII tasks.
 - iii. Classification number of position and title.
 - iv. Identify tasks and projects related to each task.
 - v. Location of staff.

5. BILLING PROCEDURES.

a. Non-GSW Billing

- i. The Planning Department shall submit an invoice to OCII on a quarterly basis within 30 days of the end of the quarter (e.g., October 30, 2016 for Q1, January 30, 2017 for Q2, April 30, 2017 for Q3, July 30, 2017 for Q4, etc.) not to exceed the budgeted amount for the fiscal year. The invoice shall describe the services provided and include sufficient information to determine the methodology used to determine the costs.
- ii. For any given 12-month period, OCII can only pay amounts approved by its Oversight Board and DOF on a ROPS for that fiscal period. OCII shall endeavor to budget and obtain DOF approval for amounts sufficient to pay the Planning Department in full within a timely fashion after the services are rendered and billed. To the extent OCII has insufficient authorization to pay a bill in full, OCII will endeavor to place any amount still owed on a future ROPS and to pay that amount when budget authority is available.
- iii. The OCII will pay invoices or notify the Planning Department of any questions regarding the invoice within 30 days of receipt.
- iv. The Planning Department hourly rates billed to OCII for services provided for non-GSW billing will be based on salary + mandatory fringe benefits. Actual labor charges submitted as part of the Planning Department's billing must be supported by a City LDR or similar payroll report to verify the actual cost of employee salary and fringe benefits. Labor charges submitted must not be based on estimated FTE, a budgeted amount, or a percentage allocation that is not reviewed and approved in advance by the OCII as part of a Citywide cost allocation plan.

b. GSW Billing

- i. The Planning Department has executed a direct payment arrangement with GSW whereby GSW will directly reimburse, subject to OCII review, the Planning Department for OCII's environmental and design review for the GSW Pavilion Project, for an estimated amount of \$480,326. This amount does not take into account work for mitigation monitoring under Section 1.b.i.aa. of this Second Amendment, which the Parties anticipate will require 0.15 FTE of staffing by the Planning Department (and which costs the Planning Department may address through an amendment to the payment arrangement with GSW). OCII will assist in outreaching to the GSW for any past due invoices, but will not be responsible for any outstanding amounts due to the Planning Department. The Planning Department shall reserve the right to withhold any certifications of completeness of mitigation requirements due to late or non-payment by GSW.
- ii. The Planning Department shall provide a quarterly time and materials invoice to GSW. The invoice shall request payment in full within 30 business days. If

payment is not received by the Planning Department within 30 business days from the date of the invoice, the Planning Department will send a notice to GSW and may initiate its standard Collections process to seek payment. The Planning Department may halt any further work on the project until payment of any outstanding balance is received in full.

- iii. The Planning Department hourly rates billed to GSW for services provided for GSW billing will be based on salary + mandatory fringe benefits + standard overhead.
- 6. AMENDMENTS OR TERMINATION. This MOU may be amended by written mutual agreement of both parties. This MOU may be terminated by either party with 30 days' written notice, subject to OCII payment of applicable costs incurred through the termination date.
- 7. DISPUTE RESOLUTION PROCEDURES. If the Planning Department has a billing dispute with OCII, the Planning Department must attempt to resolve the dispute with the responsible OCII Project Manager. If the parties are unable to reach agreement, the dispute will be resolved with OCII's Deputy Director of Finance and Administration. If an agreement still cannot be reached, the Planning Department and the Deputy Director of Finance and Administration will meet with the Deputy Controller to finally resolve the matter. The Planning Department and OCII shall comply with this internal dispute resolution procedure prior to filing any claim or commencing litigation to resolve any billing dispute.

This MOU has been entered into on the date(s) below.

Office of Community Investment and Infrastructure
Tiffany Bohee, Executive Director

Date

Approved as to form:

By: _____
James B. Morales
General Counsel and Deputy Director

John Rahaim
Planning Director

Date

Approved as to form:
DENNIS J. HERRERA
CITY ATTORNEY

By: _____
Kate Stacy
Deputy City Attorney