



118-0252016-002

Agenda Item **Nos. 5 (a) & 5 (b)**
Meeting of October 18, 2016

MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Tiffany Bohee, Executive Director

SUBJECT: Conditionally approving a combined Basic Concept and Schematic Design for a new 119-unit (including one manager's unit) low-income rental housing development serving formerly homeless veterans and low-income families at Mission Bay South Block 3 East (1150 3rd Street) that is within the scope of and is adequately described in the Mission Bay Redevelopment Project approved under the Mission Bay Final Subsequent Environmental Impact Report ("FSEIR"), a program EIR, and adopting environmental review findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area; and

Authorizing an Option to Ground Lease Agreement with MB3E, L.P., a California limited partnership and an affiliate of Chinatown Community Development Center and Swords To Plowshares for the construction of a 119-unit (including one manager's unit) low-income affordable rental housing development for formerly homeless veterans and families at Mission Bay South Block 3 East (1150 3rd Street) that is within the scope of and is adequately described in the Mission Bay Redevelopment Project approved under the Mission Bay Final Subsequent Environmental Impact Report ("FSEIR"), a program EIR, and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area

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MAYOR

Tiffany Bohee
EXECUTIVE DIRECTOR

Mara Rosales
CHAIR

Miguel Bustos
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COMMISSIONERS

EXECUTIVE SUMMARY

In accordance with the Owner Participation Agreement ("OPA") for Mission Bay South, MB3E L.P., an affiliate of Chinatown Community Development Center and Swords to Plowshares, (collectively the "Developer") has submitted a combined Basic Concept and Schematic Design ("Schematic Design") application for a residential project on Block 3 East in Mission Bay South (the "Project"). Block 3 East, also known as "1150 3rd Street," is a 1.08-acre parcel bounded by 3rd Street, Mission

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Rock Street, Lot A private street, and the Venue market-rate residential development on the Block 3 West parcel. Consistent with the development approval protocols contained in the OPA, the project at 1150 3rd Street was part of the “Major Phase” development program for Blocks 2-7 and 13 approved by the San Francisco Redevelopment Agency Commission (“Former Commission”) on November 1, 2005 (Resolution No.178-2005), as amended.

The Project co-sponsors are the Chinatown Community Development Center (“CCDC”) and Swords to Plowshares (“STP”) (collectively, “the Sponsor”). The Project will contain 119 units (including 1 manager’s unit), approximately half (62 units) of which are reserved for formerly homeless veterans and the other half (57 units) for low-income households earning up to 60% Area Median Income (“AMI”), in a 5-story, “U”-shaped building fronting 3rd Street that surrounds a two-level central open space. The Project includes 24 off-street parking spaces and 72 bicycle parking spaces. The “U”-shaped design consists of the three wings: the 3rd Street wing is the development’s civic face as 3rd Street is exposed to arterial car traffic and public transit lines, while the Mission Rock and Lot A wings are secondary streets with limited traffic and a more pedestrian scale. The Mission Bay Citizens Advisory Committee (“CAC”) reviewed the schematic design on July 14, 2016. The CAC was complementary and supportive of the thoughtfulness of the design by the architectural design firm Leddy Maytum Stacy Architects (“LMS”). The Schematic Design complies with the Major Phases Blocks 2-7 and 13, as amended.

As part of its actions on September 17, 1998, establishing the Mission Bay North and South Redevelopment Project Areas, the Former Commission certified the Final Subsequent Environmental Impact Report (“FSEIR”) (Resolution No. 182-98) and adopted findings under the California Environmental Quality Act (“CEQA”) (Resolution No. 183-98). This FSEIR includes by reference a number of addenda. Staff of the Office of Community Investment and Infrastructure (“OCII” or the “Agency”), successor to the San Francisco Redevelopment Agency, has reviewed the Schematic Design submitted by the Developer and finds it to be within the scope of the Projects analyzed in the FSEIR and addenda and no additional environmental review is needed. As required by CEQA, the Commission must adopt environmental findings when approving the Schematic Design.

In addition to seeking the Commission on Community Investment and Infrastructure’s (the “Commission”) approval of the Project’s Schematic Design, the Sponsor desires to enter into an Option to Ground Lease Agreement (“Option Agreement”) to demonstrate site control in order to comply with the California Debt Limit Allocation Committee (“CDLAC”) and Tax Credit Allocation Committee (“TCAC”) regulations. Both CDLAC and TCAC are significant funding sources for the Project and both require that the Sponsor demonstrates site control to secure bond financing and tax credits. In the past CDLAC and TCAC have accepted OCII’s recorded Memorandum of Option for each Agency Affordable Housing Parcel in Mission Bay as evidence of site control, but the current leadership at CDLAC and TCAC have revised their interpretation of site control such that the Option to Ground Lease Agreement is required to apply for bond financing and tax credits.

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

Staff recommends conditionally approving the Combined Basic Concept and Schematic Design for a residential project on Block 3 East in Mission Bay South and adopting environmental findings pursuant to the California Environmental Quality Act; and,

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

BACKGROUND

Mission Bay Affordable Housing Development

On September 17, 1998, the SFRA Commission approved the Mission Bay North and South Redevelopment Plans and Owner Participation Agreements (“OPAs”) with the Mission Bay master developer, 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 in up to 6,514 residential units, with 1,916 units, or approximately 29% of the total, set aside as affordable.* The affordable units are comprised of inclusionary affordable units and units developed by nonprofit housing developers on OCII Affordable Housing parcels. OCII Affordable Housing parcels comprise 15 acres of land that the Master Developer in Mission Bay North and South is required to contribute to OCII. The Mission Bay South Redevelopment Plan (the “Plan”) assigns the Mission Bay South Block 3 East (1150 3rd Street) site a residential land use designation. Pursuant to the OPA and as each Affordable Housing Parcel is ready for development; the parcel will transfer to OCII for the development of affordable housing.

In Mission Bay North, 672 inclusionary and OCII-sponsored units have been completed and the remaining 26 developer-sponsored inclusionary units are under construction at 360 Berry Street (“N4P3” or “Eviva”), for a total of 698 affordable units.

In Mission Bay South, 150 affordable units have been completed at 1180 4th Street project housing 100 low-income households and 50 formerly homeless families. 958 affordable units remain to be completed and leased in Mission Bay South, including OCII-sponsored low-income developments currently under construction: Block 7 West or 588 Mission Bay Boulevard North (198 affordable units, plus two manager's units) and Block 6 East or 626 Mission Bay Boulevard North (143 units of affordable rental housing for low-income and formerly homeless families plus one manager's unit).

Mission Bay Affordable Housing Development			
# of Affordable Units	Mission Bay North	Mission Bay South	Mission Bay North and South
<i>BUILT</i>	<i>672</i>	<i>150</i>	<i>822</i>

UNDER CONSTRUCTION OR PLANNED	<u>26</u>	<u>1,068</u>	<u>1,094</u>
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, for a maximum total of 1,218 affordable housing units.

In total and as shown in the table above, 822 affordable units have been completed and 1,094 units (including the additional 110 allowable affordable units) remain to be completed in the Mission Bay Project Area.

The Mission Bay Affordable Housing Policy ("Housing Policy") establishes that rental projects are affordable, on average, to households earning up to 60% of Area Median Income ("AMI"). As an example and based on 2016 figures, income for a family of four at 60% of AMI as published by the Mayor's Office of Housing and Community Development ("MOHCD") would be \$64,600 per year with a monthly rent restricted to no more than \$1,615 for a three-bedroom unit.

Pursuant to the OPA, FOCIL is required to submit its overall plans for development in "Major Phases" of one or more land use blocks, with each Major Phase consisting of the private development projects and related public infrastructure and open space improvements on these blocks. A Major Phase serves as the next step in the entitlement process for individual development sites in Mission Bay. It describes the program uses and architectural massing for each site, identifies affordable housing parcels in the area, and confirms other site details such as circulation, access and associated open space. The Former Commission approved a Major Phase application for Blocks 2-7 and 13 in Mission Bay South on November 1, 2005. The Major Phase was amended twice by the former Redevelopment Commission. The first amendment, dated on September 18, 2007 (Resolution No. 101-2007), and the second amendment, dated June 7, 2011 (Resolution No. 77-2011), adjusted the maximum unit count for the private residential parcels. These amendments to the Major Phase were also approved by the Oversight Board on June 11, 2012 (Resolution No. 7-2012) and the OCII Commission on January 1, 2014 (Resolution No. 6-2014) to adjust the maximum unit count for the private residential parcels. Schematic designs for individual building projects can be submitted following the Major Phase approval and must be generally consistent with the Major Phase. The Major Phase confirms 1150 3rd Street as an affordable housing site. As allowed by the Redevelopment Plan, plan documents, and Major Phase process, OCII will allow the proposed 119 residential units (including 1 manager's unit) on the Site.

Project History, Team Qualifications, and Development Program

In the spring of 2015, OCII staff released a Request for Proposals ("RFP") for the development of the fourth OCII Affordable Housing Parcel in the Mission Bay South Redevelopment Project Area. Three teams responded to the RFP and the evaluation panel, comprised of three OCII staff, a representative from MOHCD, a representative from the former San Francisco Human Services Agency ("HSA"; now part of the Department of Homelessness and Supportive Housing), one member from the Mission Bay Citizens Advisory Committee ("CAC"), and a representative from Corporation for Supportive Housing ("CSH") (collectively "the Evaluation Panel") thoroughly reviewed the

submittals and determined that the team of CCDC, STP, and LMS was most responsive to the RFP criteria and recommended its selection. This past February, the Commission approved that OCII enter into an Exclusive Negotiations Agreement (“ENA”) and a \$2.5 million predevelopment loan (the “Predevelopment Loan”) to provide funding for design work and other related due diligence work.

CCDC was founded approximately 40 years ago. Its mission is to build community and enhance the quality of life for San Francisco residents. CCDC is a community development corporation serving the Chinatown neighborhood and other areas including North Beach, Tenderloin, and Mission Bay. In addition to housing development the organization engages in neighborhood advocacy, planning, and property management. To date, CCDC has developed over 1,900 units of affordable housing with another 250 units currently in its pipeline. STP, a San Francisco-based nonprofit organization with over 30 years of experience is a leader in providing veterans’ services in the city. STP has had key roles in developing local, state, and national policies around veterans’ issues, and operates a growing portfolio of supportive housing for veterans, including the Veterans Academy (108 units) in the Presidio, Transitional Housing for Veterans (up to 70 served at a time) on Treasure Island, DeMontfort Street Transitional Housing providing housing and supportive services for 22 veterans, and 250 Kearny serving 130 homeless veterans. The finished Project will be owned by a limited partnership and operated by CCDC Property Management.

The project architect is Leddy Maytum Stacy Architects. LMS is an architectural firm with a history of supportive housing design, and has designed four multifamily buildings in the Mission Bay Redevelopment Area, as well as the acclaimed Plaza Apartments and Rene Cazenave Apartments which were sponsored by OCII. LMS’ experience also includes the Ed Roberts Campus in Berkeley, a first-of-its-kind center for the independent living movement. They have built on that experience by applying universal design principals to all subsequent projects including senior housing. LMS excels at creating high quality architecture within modest budgets.

The Project includes 119 rental units (including 1 manager’s unit), 24 parking spaces, which complies with the Mission Bay South Design for Development (“D4D”) Standards of a maximum of one space per dwelling unit with no required minimum, 72 bicycle parking spaces, and a central open space. The residential component of the Project includes 12 studios and 50 one-bedroom units for formerly homeless veterans earning no more than 30% of the Area Median Income (“AMI”), and 5 one-bedroom, 31 two-bedroom (including one manager’s unit), and 21 three-bedroom units all of which will be affordable to families earning no more than 60% AMI.

Currently, the Sponsor is underwriting the project anticipating operating subsidy funding from the City’s Local Operating Subsidy Program (“LOSP”) to support the formerly homeless households, however the Sponsor has applied for vouchers from the U.S. Department of Housing and Urban Development (“HUD”) through its Veterans Affairs Supportive Housing (“VASH”) program. If awarded, the VASH vouchers would supplant LOSP as the mechanism covering any of the veteran units’ operating deficits for up to 90% of the veterans’ units. LOSP would still be required for 10% of the veteran’s units, according to HUD VASH regulations. In addition to VASH or LOSP, the Project’s proposed financing sources also include equity raised from the sale of 4% Low-Income Housing Tax Credits; Affordable Housing Program (“AHP”) funds; State Affordable Housing and Sustainable Communities (“AHSC”) funding; State Veterans Housing and Homelessness Prevention (“VHHP”) Program funds; and tax-exempt bond financing in the form of mortgage revenue bonds to be issued by the City. The Project’s complete financing structure will be finalized during the predevelopment period.

As stated above, the OCII Commission approved both the Exclusive Negotiations Agreement and predevelopment funding for the Block 3 East development on February 16, 2016. The predevelopment loan was comprised of \$2.5 million out of approximately 4.5 million in total funds donated to the Project by the Hamilton Family Center, a long-standing San Francisco non-profit partner that aims to end homelessness for families and individuals by providing a safe, stable environment that promotes the dignity of each person ("Hamilton"). The source of Hamilton's funds was the San Francisco Citizen's Initiative of Technology and Innovation ("sf.citi"), an organization committed to engaging the tech sector, its leaders and workforce to tackle San Francisco's challenges. The total donation is the sum of individual donations from the Conway Family, Marc and Lynne Benioff, Peter Thiel, Sean Parker, Andrew Mason, Drew Houston, Alfred and Rebecca Lin and the Golden State Warriors along with two anonymous donors. Sf.citi raised these funds for the intended purpose of accelerating the development of 1150 3rd Street, which will provide 62 desperately needed homes for formerly homeless veterans. The initial \$2.5 million dollars capitalizing OCII's predevelopment loan to the Developer is being used to finance architectural design and due diligence consultant studies required to advance the Project. In addition to accelerating the development of 1150 3rd Street, the donation also frees up other OCII funds such that they can be dedicated to other supportive housing projects. Therefore, the donation is being leveraged to both to advance the development of 1150 3rd Street and spearheading the development of additional affordable projects.

The Developer intends to return to the Commission to request OCII gap funding between the spring and summer of 2017. The remaining \$2 million of sf.citi's contribution to the Project will be rolled into the OCII's gap loan, reducing the amount it needs to contribute to the deal. Those funds will be used to pay for various costs related to the veterans' units including but not limited to furnishings for the formerly homeless veterans, equipment costs of the veterans' counseling office, specialized medical equipment to serve the disabled veterans, vocational equipment for veterans engaged in job training programs, and some non-tax credit eligible costs for the Project. Again, the donated funds are both accelerating the development of 1150 3rd Street, but they are also being leveraged so that OCII can subsidize other affordable projects in its pipeline that might have started later if it were not for this generous donation. OCII's portion of the gap funding will cover general construction costs. At the time the Developer returns to the Commission to request the gap funding, the Commission will also have the opportunity to review the specifics of a robust early outreach, and marketing and tenant selection plans that are requirements of OCII's permanent gap loans to its projects. Subsequent to receiving all of its financing commitments, the Developer anticipates starting construction in late summer or early fall of 2017, with project completion in fall of 2019. The project will be Green Point Rated for sustainability and meets the requirements of the RFP. The Green Point Rating is a system that provides measurement of sustainable building features incorporated into a project's design. Pages 0.13 and 1.1 of Exhibit A depict the location of the project and its site plan, respectively.

DISCUSSION

Action 1: Combined Basic Concept and Schematic Design

The previously approved Major Phase application for Blocks 2-7 and 13 allows the Developer to submit a Schematic Design for Block 3 East to the OCII Commission for consideration. The five-story building is designed as 4 stories of wood-framed, Type V construction over a concrete podium. The roughly 124,000 square foot, "U"-shaped residential building is comprised of three wings providing studio and one-bedroom units for formerly homeless

veterans and one-, two- and three-bedroom units for low-income families. As such, the ground floor of the Project features program spaces to service the development's mixed population. The spaces include the building's main entry, a large central community room and kitchen located along 3rd Street, an adjacent computer lab, teen gathering space, a multipurpose room, a young kids' play room, a resident services office, a counseling office to serve the veterans, property management offices, mailboxes, bike parking room, and two laundry rooms. At the center of the three building wings is a large, two-level open space with areas for gathering and children's play, and separate areas for respite and relaxation.

The Project is located on 3rd Street diagonally across from the new San Francisco Public Safety Building. Each of the Project's three wings fronts a street: the Lot A wing faces north, the 3rd Street wing faces east, and the Mission Rock Street wing faces south. In addition to the communal spaces located at the building's ground floor, that level also features a handful of residential units - 3 family units in the Lot A wing and 2 veterans' units in the Mission Rock wing. The three family units at the ground floor of the Lot A wing each feature secondary entrances and porches that connect to the street. The purpose of this design is to match the character of the adjacent building to the west. The layout of the residential upper floors generally follows the unit organization of the ground floor. The veterans' units are primarily stacked in the Mission Rock Street wing and, two veterans' studios face the courtyard on each floor (8 total) of the 3rd Street residential wing. On floors 2 – 5 two-bedroom family units are located in the 3rd Street wing while the three-bedroom and one-bedroom units are located in the Lot A wing. Therefore, the veterans and family units each form "L"-shaped clusters that interlock in the 3rd Street wing to give the Project its "U"-shape. Those communal building spaces that primarily serve the veterans units are located in the veterans (Mission Rock) building wing, whereas the spaces that serve the family units are located in the family (3rd Street and Lot A) wings. The building layouts are shown on pages 2.1 through 2.5 of Exhibit A.

The Schematic Design features a façade that appropriately reflects the changing conditions as one moves around the building. Certain characteristics tie the three wings together including a modulated perimeter that features recessed areas. These recesses provide many benefits including: the modulation of the façade creates a visual rhythm; the living spaces have windows on two sides that improve daylight penetration and balance the light in the units; and the window locations ensure that the living spaces can be cross ventilated which reduces energy consumption and will improve building comfort.

Although the building design centers around these unifying elements, each of the wings does maintain an individual character that is responsive to the varied street conditions that the three wings experience at the ground floor. For instance, the 3rd Street façade engages a major automotive and public transportation thoroughfare. The high level of activity along 3rd is indicative of a dynamic environment, and consequently, the design team believed that the main face of 1150 3rd Street should reflect that dynamism. To achieve this the architect has placed the building's key community spaces in the 3rd Street wing to echo the activity along that street. Additionally, the 3rd Street wing features two vestibules that create visual corridors into the building, creating a connection between the activity inside 1150 3rd Street and the action occurring on the street. The design and materials of this façade also mirror the energy of 3rd Street. The key design feature here is the saw cut articulation of the 3rd Street exterior. The face of the building includes bay windows that jut toward the street in a repetitive, angled pattern. This plane of the façade is clad with premium blue colored panels in 3 varying shades. As passersby move from north to south past the development the multi-shade blue panels will make the building face look as if it's moving. The portions of the

bay windows that return to the main building face plane are clad in white colored panels. So, as passersby move from south to north past the Project it will look as if the building's façade shifts from white to blue, creating a separate experience from moving past the development in the opposite direction on 3rd Street. Lastly, the 3rd Street wing features a dramatic design element that is both aesthetically interesting and functional – a solar canopy that sits suspended above the roof line of this wing and then wraps down the Mission Rock Street side of the front façade.

The Lot A wing engages the more pedestrian scale of this street. Here the design team has incorporated ground floor apartments with residential stoops, and a convenient secondary entrance for the families whose units are in this wing. Similarly, The Mission Rock wing exemplifies the character of the street, which is a secondary street off a major thoroughfare. Like Lot A, Mission Rock Street is more pedestrian friendly but it is not as quiet as Lot A. The ground floor of the Mission Rock wing is setback to match the character of the existing adjacent development on parcel 3 West. The setback is landscaped, shielding some of the building's service functions like the utility rooms and parking entrances for cars and bikes. The street wall on Mission Rock is also modulated by a series of planted recesses that creates an effect where each veteran's unit in that wing will feel like a corner unit with substantial light and ventilation. In the same way that the 3rd Street façade materials are representative of the character of that street, the façade materials of the Lot A and Mission Rock wings also respond to the character of those streets. To create a more pedestrian, engaging scale, the design team has selected materials that soften those facades including cement plaster, fiber cement panels, façade tiles, and a smaller application of the premium panels used on the 3rd Street façade which tie the three wings together. The building design is shown on pages 0.2, 0.3, and 1.1 through 2.5 of Exhibit A. The building's elevations, sections, and exterior materials are shown on pages 3.1 through 3.8 of the same exhibit.

The building is designed to facilitate a connection to community that many homeless veterans are lacking. Through clustering the veterans and family units in separate wings of the building that wrap around joint community spaces and a large central courtyard, there are numerous opportunities for interactions and friendships amongst veterans and families. At the same time, there are also opportunities for privacy, even within the communal spaces. Clustering the 62 veterans' units in the Mission Rock and 3rd Street wings enables the design team to incorporate universal design principles in these sections of the building. The Sponsor has learned through its experience working with San Francisco's chronically homeless veterans that this population can be of poor health or disabled. Incorporating universal design principles in the veterans' areas ensures that residents there can age in place. The conceptual site plan, building elevations, and floor plans are included in Exhibit A.

Services

Both CCDC and STP will provide services to the residents at 1150 3rd Street. CCDC will provide youth and family services and STP will administer wrap-around services for the veterans. This combination of services ensures that the Project will deliver culturally competent resident services to all of the building's residents. The co-sponsors are known for using a dual resident-centered and community-centered approach to providing individualized services and group activities for residents. They use a harm reduction approach, and also encourage residents to access services and advocate for constructive changes they would like to see in their community. The services plan for 1150 3rd Street is intended to produce the following outcomes:

- Residents develop the skills they need to become resilient in life and are linked to supportive services that enable them to live independently and with dignity;
- Residents continue to retain housing, understand rights, and maintain responsibilities as residents;
- Residents develop and maintain positive relationships with other residents;
- Residents are actively engaged to create a healthy and vibrant community; and
- The youth are academically and socially prepared for the next educational milestone and demonstrate leadership in a diverse environment

Open Space

The three residential wings are organized around a two-level central courtyard. The lower and upper courtyards are connected by a staircase, an accompanying accessible ramp, and a landscaped berm. The ramp achieves the grade change by zig-zagging up the elevation. The lower courtyard, which is adjacent to the common areas and program spaces, is geared towards large community activities and provides play spaces for children. The lower courtyard also includes a communal table and outdoor cooking area to promote large group gatherings. There are benches near the courtyard entries and some of the ramp landings to provide areas for informal small gathering spaces. The upper courtyard is smaller than the lower courtyard; subsequently it focuses on smaller group activities. It is directly accessible from the second floor of the building and will feature a community garden and covered seating. The Project's landscape site plan is shown on page L.1 of Exhibit A.

Parking and Transit

The Mission Bay South D4D allows a maximum of one parking space for each residential unit and requires a minimum of one bicycle parking space for every 20 vehicular parking spaces. Consistent with the D4D, the Project provides a parking lot with controlled access parking for 24 vehicles, including 1 ADA accessible space. The Project also includes parking for 72 bicycles in a protected bike parking room located in the ground floor of the Project. Cars will enter and exit the garage from Mission Rock Street. Based on other affordable housing for formerly homeless individuals, parking demand from the 62 formerly homeless veterans' units is expected to be minimal. Paratransit will be available for those residents that need it. Also, the U.S. Dept. of Veterans Affairs San Francisco Health Care System operates a shuttle between its downtown clinic at 401 3rd Street, only a half mile from the Project, and the hospital at Fort Miley. Swords to Plowshares experience is that most of the residents they serve utilize public transit to get around. Combined with the Project's transit-rich location and existing car sharing in the neighborhood, the 24 parking spaces in the garage provide an additional transportation option for the remaining 57 family units. The parking ratio for the family units is 0.42 parking spaces for every 1 unit. The limited parking is in line with San Francisco's transit first policy which encourages residents to utilize public transit, car sharing, and bicycling, as well as recognizes the transit rich location of the site. A T-3rd Street Muni light rail stop is located directly in front of the site on 3rd Street and the future central subway line will connect to the existing 3rd Street lines.

Citizens Advisory Committee

As previously mentioned, a member of the Mission Bay Citizens Advisory Committee (MB CAC) was included in the submittal review and interview process. Additionally, on July 14, 2016, CCDC, STP, and LMS presented the

Project's Basic Concept and Schematic Design to the MB CAC. The MB CAC supports the design and unanimously voted in favor of the Project.

Action 2: Option to Ground Lease

Pursuant to Article 3 – Minimum Requirements, Section 5190 of the CDLAC regulations, the Sponsor is required to demonstrate proof of site control at the time of application for a tax exempt bond allocation. For past submissions project sponsors and staff have submitted the Mission Bay South OPA, the Memorandum of Option (which allows OCII to acquire the land when the Sponsor is ready to begin construction) plus an executed Exclusive Negotiations Agreement as sufficient evidence of site control. Under new CDLAC leadership, all sponsor teams are now required to submit an Option to Ground Lease Agreement ("Option") as proof of site control for the specific project. The Option will provide the Sponsor adequate proof demonstrating site control to state funding agencies. If approved by the Commission, the term of the Option will begin on the date of such approval, and will expire on or before October 18, 2017, unless, per Section 2a. of the Option of Ground Lease, the term is extended by the OCII Executive Director for a maximum six-month extension due to unforeseen Project delays. While the Option will suffice for evidence of site control for CDLAC, the ground lease itself is yet to be negotiated with the Sponsor and the final ground lease is subject to Commission authorization anticipated to be spring or summer 2017.

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

- A term of 75 years (from the date of construction completion of the Project) with one 24-year option;
- The tenant will be responsible for the payment of any and all property taxes and assessments (against the leasehold estate);
- The site will only be used for affordable housing with income levels set no higher than 60% area median income ("AMI") and approved ancillary uses;
- The tenant annual rent to be set in the amount of ten percent (10%) of the land value of the Property (as determined by a MAI appraiser). Annual rent consists of:
 - o a base rent of \$15,000
 - o a residual rent amount which is only paid to the extent that there is surplus cash after the Project pays all of its operating expenses (this amount will not accrue)
- The tenant will be responsible for the operation and maintenance of the Project during the ground lease term;
- The tenant will be allowed to encumber the leasehold interest to secure necessary loans, as approved by OCII, and
- The tenant may only sell, assign, convey, sublease or transfer any part of its interest in the ground lease, to an affiliate of the Sponsor with prior notice to OCII.

Staff will present the Ground Lease Agreement to the Commission for its consideration in spring or summer 2017. The Option is included with this memorandum as Exhibit B.

EQUAL OPPORTUNITY PROGRAM AND COMPLIANCE WITH OCII POLICIES

The Developer shall comply with the OCII's Nondiscrimination in Contracts, Minimum Compensation and Health Care Accountability policies and has worked closely with contract compliance staff to comply with the Small Business Enterprise ("SBE") Program on this development. To date, the Developer has met OCII's 50% SBE goal and has achieved 51.8% SBE (32.6% SF-SBE, 16.2% MBE and 14.4% WBE) for professional services consultants. A full list of consultants is included as Exhibit C and SBE consultant biographies for the five largest SBE contracts are included as Exhibit D.

During the construction phase of this project, the Developer is committed to meeting the OCII requirements and goals which include the 50% SBE construction subcontracting participation goal, payment of prevailing wages and the 50% local construction workforce hiring goal. As part of their predevelopment work, the Developer selected Nibbi Brothers General Contractors ("Nibbi") as their general contractor for predevelopment activities including preliminary pricing of early Schematic Design drafts and constructability analysis of the building. The Developer also intends to contract Nibbi to serve as the general contractor for the construction of the project pending agreement on the fixed limit of construction costs expected next year. In an effort to stimulate greater small business, minority and women contractor participation in the development and construction of OCII's projects, staff has pursued opportunities with the Developer and Nibbi to encourage joint venture relationships between the general contractor, potential subcontractors, and small businesses both at a prime and subcontract level. With a firm understanding of OCII's SBE Program objectives of fostering SBE capacity building, the Developer and Nibbi have agreed and are cooperating with OCII to explore breaking out scopes of work for potential joint venture opportunities with local SBEs. Potential scopes include certain construction work, such as concrete, and overall project management. Discussions between staff, the Developer and Nibbi are continuing as construction bids are not anticipated to be solicited until mid-2017 and construction is not expected to commence until the third quarter of 2017.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

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

1. the Implementing Actions are consistent with the Project analyzed in the FSEIR and do not require major revisions to the FSEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant impacts; and,
2. 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,
3. no new information of substantial importance relating to the development of affordable housing on Block 3 East has become available, which would indicate that (i) the Block 3 East Affordable

Housing Project will have significant effects not discussed in the FSEIR; (ii) significant environmental effects will be substantially more severe; (iii) mitigation measures or alternatives found not feasible, which would reduce one or more significant effects, have become feasible; or (iv) mitigation measures or alternatives, which are considerably different from those in the FSEIR, will substantially reduce one or more significant effects on the environment that would change the conclusions set forth in the FSEIR.

STAFF RECOMMENDATION

Staff reviewed multiple iterations of the proposed Basic Concept and Schematic Design for Block 3 East, providing feedback to ensure the design is consistent with both the overall design goals for Mission Bay and the specific development standards contained in the Mission Bay South D4D. Based on the review process described above, staff finds the proposed Combined Basic Concept and Schematic Design for the residential building on Block 3 East in Mission Bay South is consistent with the Redevelopment Plan, the D4D and other plan documents. The proposed design will be an attractive addition to Mission Bay South.

As is typical, there remain a number of detailed design issues that must be resolved in subsequent design stages. Therefore, staff recommends the following conditions of approval, which require further review and approval by the Executive Director, or her designee:

1. Developer shall submit a Building Signage Master Plan.
2. Developer shall further study the proportions and distance from finish floor of the windows of the residential units; consider a minimum distance of minimum distance of 2'6" from finish floor to facilitate a flexible arrangement of furniture within the units and a wider dimension for the bedrooms of units 1BR-A, 1BR+, second bedrooms of units 2BR-E and 2BR-F and the small bedrooms of units 3BR-A.
3. Prior to the submittal of construction documents, Developer shall submit a materials and color board; the materials and color board shall include all the different materials, colors and elements indicated in elevations.
4. Developer shall further study the design of the stairs and the handicapped accessible ramps between the ground floor and second floor courtyards so as to ensure the viability of the proposed arrangement.
5. Developer and its general contractor shall, prior to the start of any construction, meet with OCII staff to discuss noise regulations and hours of construction operation to ensure that they understand the existing regulations and do not work outside the allowed hours of operations. During construction, the Developer shall designate a single point of contact to address all construction related concerns from OCII, the City, residents of Mission Bay, and other stakeholders.
6. Developer shall comply with all applicable mitigation measures in the adopted Mitigation Monitoring and Reporting Program ("MMRP") as provided by the schedule in the MMRP.
7. Prior to its Design Development plans submittal to OCII for review, Developer shall provide the Block 3E Project's unit plans for review and approval of their livability.

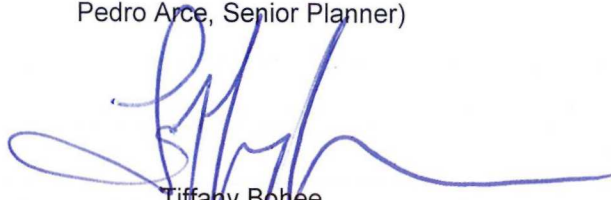
8. Upon opening of the Project, Developer shall make the large community room and kitchen available for public use by Mission Bay residents. The Developer must include exterior signage indicating that the community room is available for public use. The Developer may charge members of the public for use of this space but any such fee will not exceed the fee charged to any resident seeking to secure the space for timed use. Access and use of the community room by the public will be detailed in the eventual gap loan agreement and ground lease.
9. Developer shall further study the types and patterns for paving in the interior courtyards and setback areas along 3rd Street, Lot A Vara, and Mission Rock Street.
10. Developer shall further study the elimination of recesses in the northeastern and southeastern interior units and common rooms (counseling, kid's rooms), to allow for more space in constrained dwelling units, and increase the width of interior corridors to augment the area and usability of interior spaces.
11. Developer shall further study the design of garage door grille, both to allow ventilation and to screen direct view of the interior of the garage from the street.
12. Developer shall further study additional architectural and sculptural play features for the interior courtyard.
13. Developer shall further study how to ensure that the treatment of the facades, both street and courtyard, shall retain the exterior expression of the interior described in the Schematic Design Documents.

Staff recommends the approval of the Combined Basic Concept and Schematic Design for the residential project on Block 3 East subject to the conditions listed above. Additionally, staff recommends authorizing an Option to Ground Lease Agreement and adopting environmental findings pursuant to the California Environmental Quality Act.

NEXT STEPS

Staff will return to the OCII Commission in spring or summer 2017 to request approval of the permanent gap loan and a long term ground lease, with construction anticipated to commence in the fall 2017. As part of the preparation of the permanent gap loan and ground lease documents staff will refine the marketing preferences and protocols to best support Certificate of Preference ("COP") holders to access housing opportunities at 1150 3rd Street. Furthermore, OCII staff and the Developer are exploring whether a certain number of the family units can be tiered at AMI levels consistent with the income levels of Certificate of Preference holders. Targeting units at the appropriate bedroom size and AMI levels best suited to serve COP holders ensures that OCII is tailoring our new developments to best serve their housing needs.

(Originated by, Benjamin Brandin, Development Specialist, Michelle De Guzman, Development Specialist, and Pedro Arce, Senior Planner)



Tiffany Bohee
Executive Director

Exhibit A: 1150 3rd Street 100% Schematic Design submission

Exhibit B: Option to Ground Lease

Exhibit C: SBE Consultant List

Exhibit D: SBE Consultant Biographies

MISSION BAY: BLOCK 3 EAST 1150 THIRD STREET



1150 THIRD STREET · 100% SCHEMATIC DESIGN

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Development Center

0.0

CONCEPT DESIGN NARRATIVE

DESIGN CONCEPT

The Architectural Design Concept for the site planning, building design and supportive programs addresses three key goals for the families and veterans that will live at Mission Bay Block 3 East.

- 1. **A Spectrum of Community Connection** a range of spaces are provided for individuals, small groups and families for the entire community to interact
- 2. **Healthy Living and the Sanctuary of Home** a safe home where individuals feel protected, free of danger and dangerous materials, and where the natural environment is incorporated into the planning and promotes healing and health
- 3. **Intergenerational Integration and Civic Re-Integration** an integrated building that encourages community at the building scale, while the architecture and programming foster connections to the neighbors and city beyond

SITE PLAN

The site plan strategy organizes three building wings (Third St., Lot “A”, Mission Rock St.) around a Central Courtyard. Breaking down the overall building masses into three building wings reduces the overall block massing into unique building forms, each with individual character.

The central wing on Third St. is further modulated into three smaller masses where the central mass is connected to the elevator cores by glass enclosed bridges. This strategy opens the central courtyard and the entire mid-block of Block 3 to daylight and views from Third St.

COMMON APPROACH TO THE THREE WINGS

In plan the building perimeter is modulated with a series of building recesses. The building recesses provide a number of simultaneous benefits:

- Building modulation provides vertical scale and proportions with depth and shadow and a row house visual rhythm
- Living spaces have windows on two sides effectively making them a corner unit, improving daylight penetration and balanced light
- Living spaces take advantage of cross ventilation for building comfort and low energy design

THIRD STREET WING

- The Third St. elevation is the public face of the building; it is a larger scale, more civic, exposed to arterial traffic and public transportation lines. The main shared entrance and lobby for families and veterans is at the corner of Third St. and Mission Rock St. Secondary entrances on Third St. allow access on certain occasions for the public directly into the center of the building or into the Community Room for public events and shared meals.
- With the support programs primarily located along Third St., the raised ground floor provides privacy for the occupants inside from the street while activating

- the public realm.
- The center of the Third St. Elevation features the community room with flanking vestibules for community entrance. Glass walls and doors encourage the connection between indoors and out and allows the residents and larger community to engage in the public life of the building.
- Two-bedroom family units subdivided into three building forms stack above the support program spaces on Third St. The separation of the three forms creates special recesses that provide a visual connection from the courtyard, but also allow for every two bedroom unit to have a corner aspect living/dining room.
- A rooftop solar canopy will unify the three building masses along Third Street. This continuous element will reinforce the sustainable goals of this project with the community.

LOT “A” WING

- Lot “A” is primarily a private street, pedestrian scaled, with minimized traffic, and residential stoops. This fine grain nature and quiet neighborhood feel is reinforced on Block 3 East with ground floor apartments with raised stoops in the setback and a small convenience secondary entry for the families located near Third St.

MISSION ROCK STREET

- Mission Rock St. is primarily characterized as a secondary street at a pedestrian scale. In keeping with the character at street level established by the building at Block 3 West, a ground floor setback is provided along Mission Rock St. The setback is landscaped, providing relief to the service components of the building: utility rooms, the parking entrance, bike parking, and veteran apartments.
- The main entrance is on Mission Rock near the corner of Third St. On Mission Rock, the entrance allows for convenient access to the Muni stop and allows for taxi and other drop off vehicles to serve the building.
- The upper four floors over the podium contain stacking one-bedroom veteran apartments. The street wall mass is modulated by a series of recesses that create smaller scale façade elements whereby each veteran’s unit is a corner unit with generous light and ventilation.
- The rooftop solar canopy will continue down the face of the southeast corner at Mission Rock and Third Street; this will highlight this corner as a primary element and major entryway into the building.

CENTRAL COURTYARD

- The Central Courtyard, aligning with the neighboring courtyard on the adjacent lot, is made up of two levels: an upper and lower courtyard.
- Connecting the upper and lower courtyards is a sculptural stair/ramp and landscaped berm. Providing multiple ways to circulate and move up and down from the two courtyards will be an amenity for children and adults.
- The upper courtyard is of podium construction with the building’s parking tucked underneath. Furthest from the common areas and shared programs, the upper courtyard is focused on smaller group activities.

- Intimate sheltered seating areas provide sanctuary for the residents.
- A community garden with garden boxes for both the families and veterans is located on the upper courtyard. This unique location allows for direct access from the second floor, provides level access for families and veterans and sheltered protection from the prevailing winds.
- The lower courtyard, adjacent to common areas and programs, is focused on large community activities and providing generous play spaces for kids. A communal table and cooking facility promotes large group events.
- Rather than a traditional play structure, architectural and sculptural play features will be scattered throughout the Central Courtyard inviting creative, unstructured activities for all ages.

CONSTRUCTION TYPE & BUILDING MATERIALS

- The construction of Mission Bay Block 3 East is 4 stories of wood framed Type V construction over a concrete podium.
- Materials considered for the exterior of the building along Third Street, Mission Rock and Lot A include: board-form concrete, fiber cement rain screen panels, painted fiber cement panels, cement plaster, aluminum windows and storefront.
- The materials of the building façade will combine economical cladding with strategically located accent materials to give the buildings diversity, visual texture, color and highlights.
- A rooftop solar canopy on the east facade will be supported by a structural steel frame.

GREEN BUILDING STRATEGIES

- Construction materials and systems will be selected for both durability and sustainability with an emphasis on healthy living environments and energy and water conservation.
- Storm water infiltration and treatment planters connect water conservation efforts with the daily human circulation through the courtyards and streetscape.
- The Central Courtyard features garden boxes, communal cooking and eating facilities and nature play areas for children: support infrastructure for self-reliance, fitness and interdependence among residents.
- The building mass configuration offers optimal solar access for photovoltaic and solar thermal systems on the roofs.
- We expect to certify the project through LEED or Green Point Rated Multifamily.

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PERSPECTIVE VIEW

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PROJECT DIRECTORY

CLIENT
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Whitney Jones *Director of Housing Development*
Kim Piechota *Project Manager*

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415. 252. 4788

Leon Winston *Chief Operating Officer & Housing Director*
Tina Dirienzo *Director of Property & Asset Management*
Tramecia Garner *Director of Residential Programs*

ARCHITECT
Leddy Maytum Stacy Architects
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San Francisco, CA 94107
415. 495. 1700

Richard Stacy *Principal in Charge*
Gregg Novicoff *Project Manager*

PROJECT DATA

PARCEL Mission Bay Block 3 East; 1150 Third Street
HEIGHT ZONE HZ-3
LAND USE Mission Bay Residential
LOT SIZE 200.75’ @ Mission Rock/Lot A x 233’ @ Third Street = 47,140 SF (1.08 acres)
BUILDING TYPE Type I (concrete structure) @ 1st Floor
Type V (wood structure) @ 2nd - 5th Floors

SUMMARY
PROJECT DATA

Floor Level	# Units	Residential (GSF)	Community (GSF)	Parking & Support (GSF)	Circulation (NSF)	Total GSF	Open Space
1	5	4,324	7,824	12,433	3,148	27,729	13,875 SF (Lower Courtyard)
2	29	19,408	-	364	3,880	23,632	4,959 SF (Upper Courtyard)
3	29	19,802	-	364	3,785	23,951	-
4	28	19,802	-	364	3,785	23,951	-
5	28	19,802	-	364	3,785	23,951	-
Roof	0	-	-	-	-	-	-
Total	119	83,138	7,824	13,889	18,333	123,701 SF	18,834 SF

UNIT
BREAKDOWN

Floor Level	Studio Veteran	1 BR Veteran	1 BR Family	2 BR Family	3 BR Family	Total Units
1	0	2	0	0	3	5
2	3	12	3	7	4	29
3	3	12	2	8	4	29
4	3	12	0	8	5	28
5	3	12	0	8	5	28
Total	12	50	5	31	21	119
Average Size (SF)	422-458 GSF 371-412 NSF	522 GSF 465 NSF	566-617 GSF 510-564 NSF	770-886 GSF 713-824 NSF	1,110-1,132 GSF 1,038-1,051 NSF	

ZONING REQUIREMENTS

	DESIGN FOR DEVELOPMENT STANDARDS	PROPOSED DESIGN			ACTION		DESIGN FOR DEVELOPMENT STANDARDS	PROPOSED DESIGN	ACTION
LOT COVERAGE	100% up to 40', 75% up to 65' [PAGE 28]	60% at ground floor, 50% at 40' & above			Complies	STREET WALL	Min. Length =70% of block length frontage along primary streets (applies to Third Street) Min. Height =15' [PAGE 28]	See Sheets 3.1 for elevations showing over 70% block length frontage at Third Street and a minimum height of 15'-0" <u>204'-0" frontage at 15' minimum proposed</u> 233'-0" total block length = 87.6% block length frontage	Complies
PARKING	Residential - Max. 1 space per dwelling unit = 119 max. spaces [PAGE 43]	Space Type	Spaces Provided	Space Size	Complies				
		Standard	5	144 SF		STREET WALL VARIATION	10 foot deep variation allowed within 70% minimum street wall (applies to Third Street) [PAGE 28, 32]	Set back areas are under 10 feet deep and count towards the 70% minimum calculation	Complies
		Compact	19	112.5 SF					
		ADA	1	162 SF					
		Total	25						
		76% Compact, 14% Standard 21% Dwelling Unit-to-Parking Ratio							
BICYCLE PARKING	1 (Class 1) space per 20 vehicle spaces = 2 required spaces [PAGE 42]	72 Class 1 spaces provided. Spaces are secured and stacked, with lift-assist access to the upper stack. Spaces comply with SF Planning Code Sec. 155.1(c)(1).			Complies	CORNER ZONE	15' min. street wall at all intersections along primary streets for a distance of 50'. Corner entries are exempted. [PAGE 28]	Corner entries are provided @ Mission Rock and Lot "A" Streets. Corner entries are exempted.	Complies
OFF STREET LOADING	0 space between 0 to 100,000 sf [PAGE 44]	Residential (83,138 sf) plus community facilities (7,824 sf) = 90,962 sf. No off-street loading required.			Complies	PROJECTION	Bay windows, balconies, decks and similar features can project up to 3 feet over streets. No maximum width requirement. [PAGE 28]	Proposed design includes bays and projecting sunshades along Mission Rock and Lot "A" Streets. These will not extend beyond 3'-6" into setback area. See Sheet 0.6 for these elements.	Complies
BUILDING HEIGHT	65'-0" allowed per HZ-3 (excludes rooftop mechanical structures, parapets, solar panels, and stairs and elevators) 55'-0" average maximum height to a depth of 20'-0" on both Lot "A" and Mission Rock St. as they are neighborhood streets per Map 7 [PAGE 23, 30]	55'-0" to T.O. structure at low point of roof See Sheet 0.6 for calculations and diagrams showing compliance with 55'-0" average height along both streets. For walls not included in the calculations, see Sheet 2.5 for 10'-0" depth.			Complies	OPEN SPACE	70 SF per dwelling unit req'd x 119 dwelling units = 8,330 total SF open space minimum required [PAGE 34]	13,875 SF (Lower Courtyard) 4,959 SF (Upper Courtyard) 18,834 SF Total	Complies
STEP BACKS	Required stepback of 20' from property line at or below 65' in height for HZ-3 buildings along P5 and P6 [PAGE 28, 21]	Block 3E is not along P5 or P6 per Map 3			N/A	ROOFTOP RECREATION	Total area of rooftop recreation/ community structures is limited to 25% of the roof area [PAGE 23]	0% of rooftop area used for recreation or community structures	N/A
SETBACKS	5' setback required on West side of Third St. per Map 5 [PAGE 27]	See Sheet 3.1 for elevation or Sheet 1.1 for site plan showing 5' setback.			Complies	NOTES	1. Wind and shadow studies are not required. The building is less than 100' high and the project does not seek any variance from design standards. 2. A signage submittal will be developed during Design Development phase of the project		

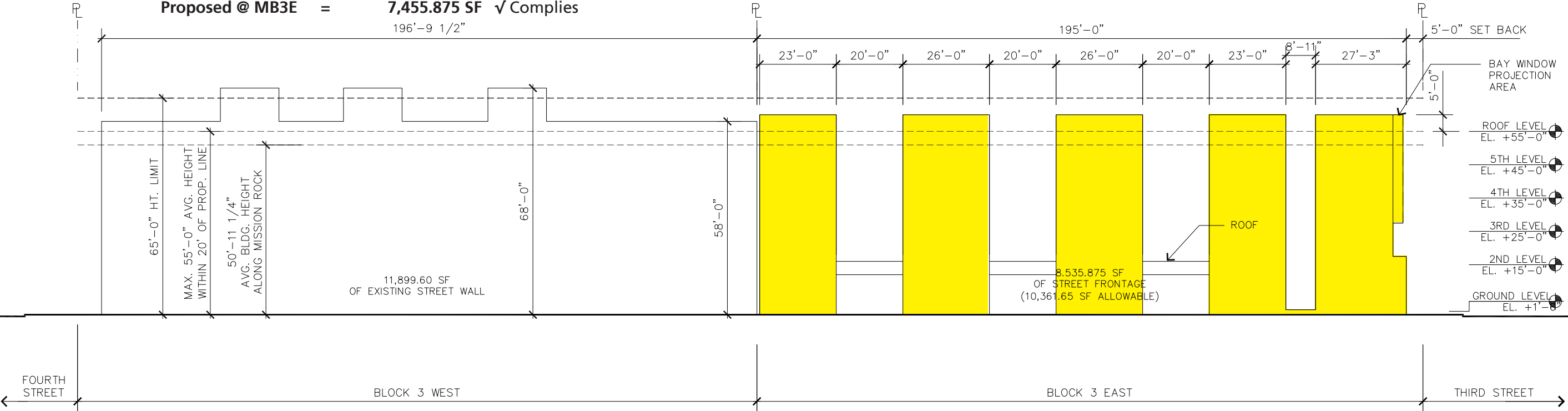
CALCULATIONS

55'-0" average height allowed x 404.75'-0" total block length = 22,261.25 SF allowed
frontage at block

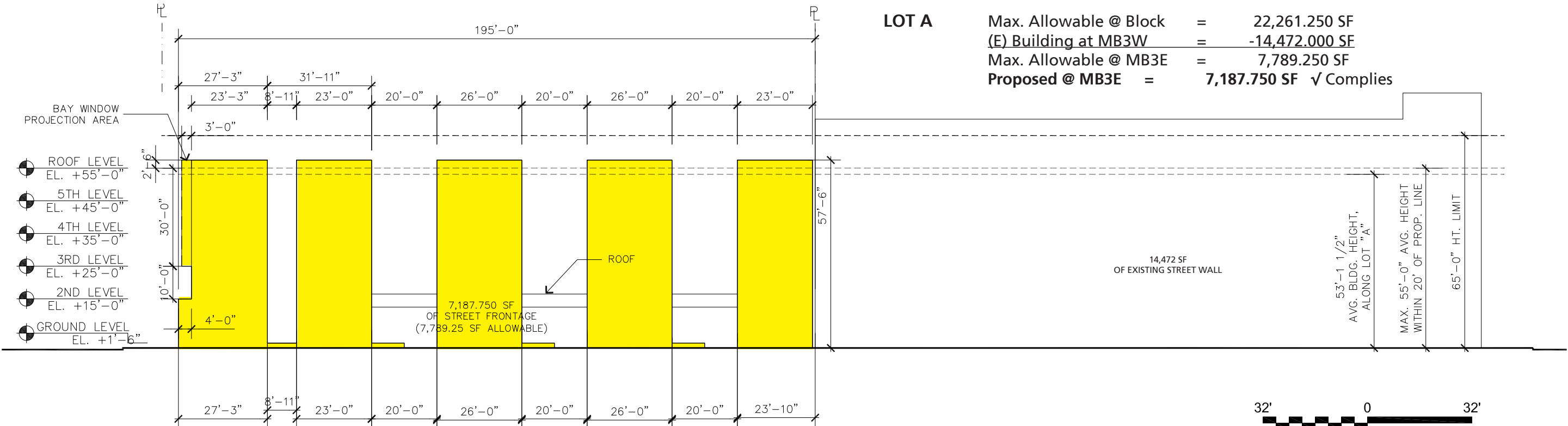
MISSION ROCK

Max. Allowable @ Block	=	22,261.250 SF
(E) Building @ MB3W	=	-11,899.600 SF
Max. Allowable @ MB3E	=	10,361.650 SF
Proposed @ MB3E	=	7,455.875 SF ✓ Complies

Area within 10'-0" of Property Line.
Refer to Sheets 2.1, 2.2, 2.3, 2.4, and 2.5.



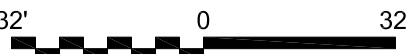
MISSION ROCK ST. ELEVATION



LOT "A" ELEVATION

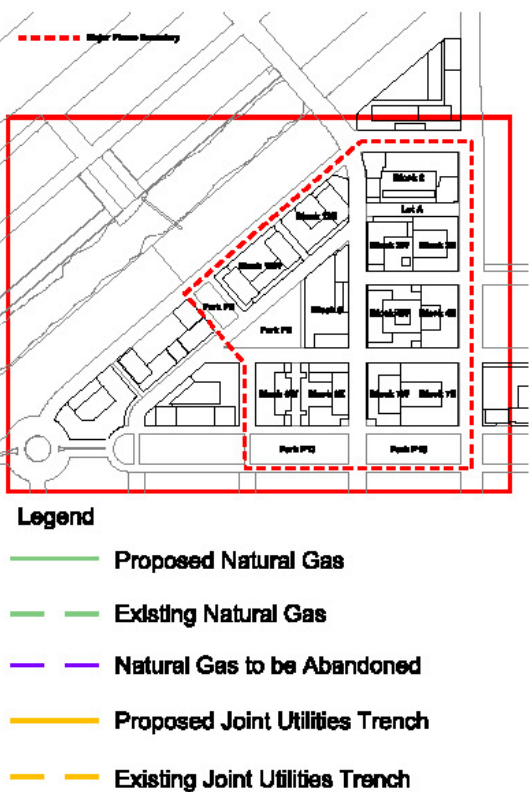
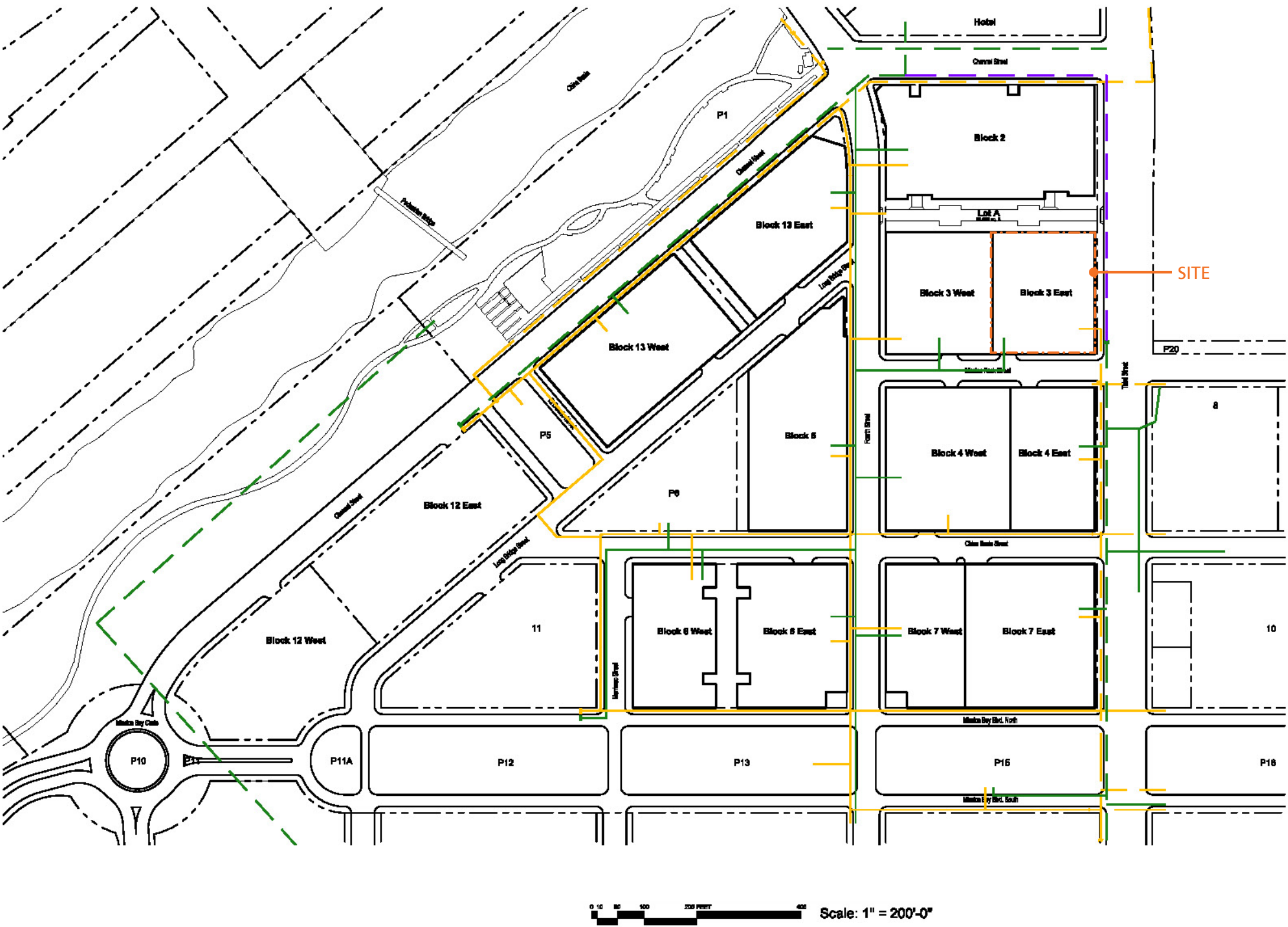
LOT A

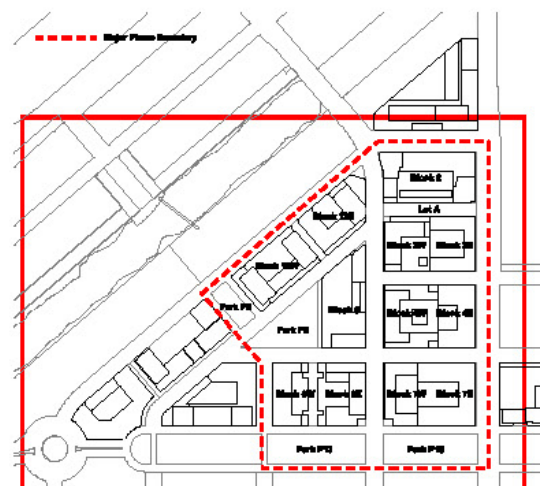
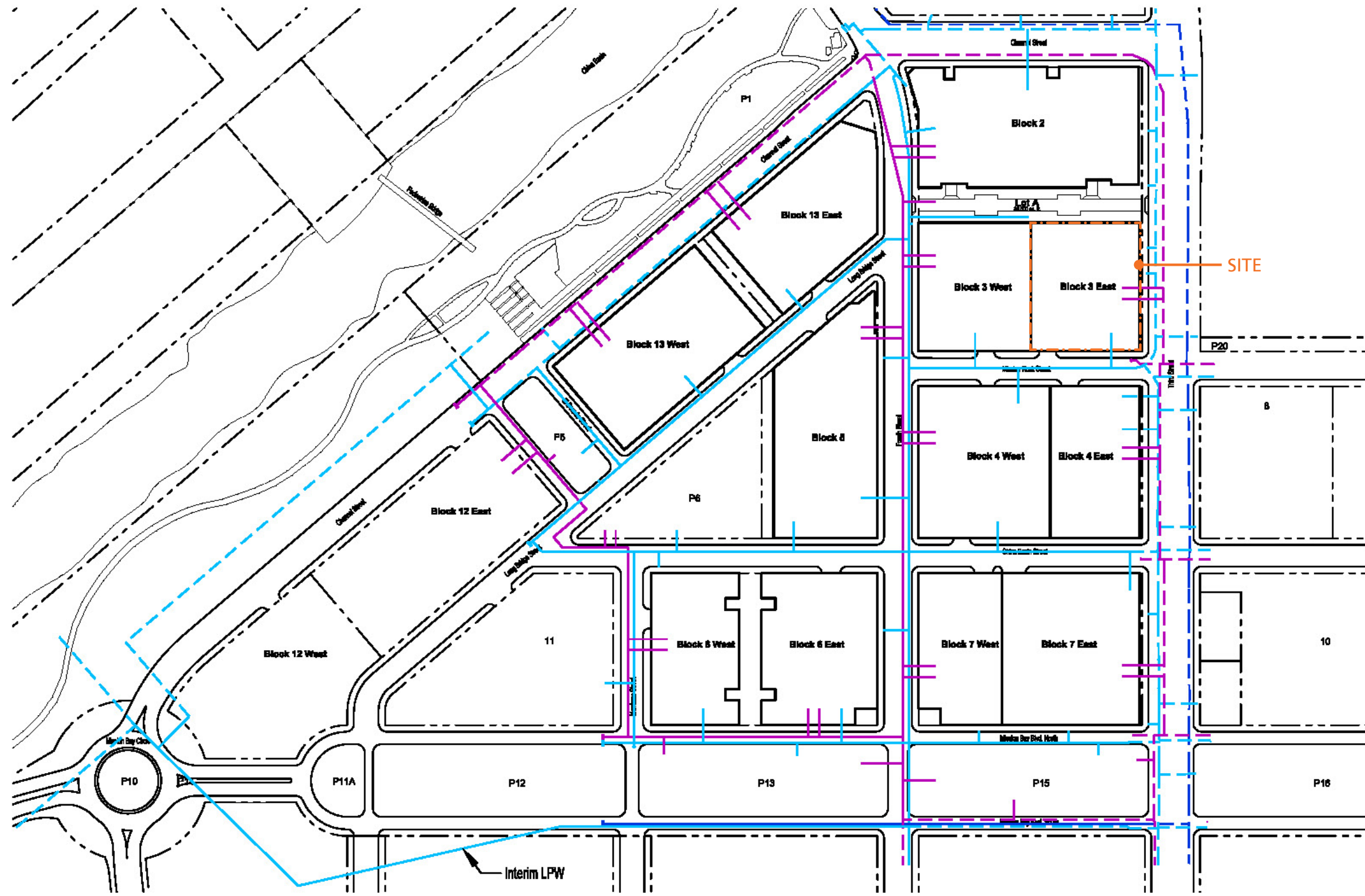
Max. Allowable @ Block	=	22,261.250 SF
(E) Building at MB3W	=	-14,472.000 SF
Max. Allowable @ MB3E	=	7,789.250 SF
Proposed @ MB3E	=	7,187.750 SF ✓ Complies



VICINITY PLAN - UTILITIES JOINT TRENCH & GAS
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- Legend**
- Proposed Low Pressure Water
 - Proposed Reclaimed Water
 - Proposed High Pressure Water
 - Existing* Low Pressure Water
 - Existing Reclaimed Water
 - Existing High Pressure Water
- * or planned in adjacent project

Note: Each residential parcel is provided two (2) RW service lines; one for site landscape and one for internal building plumbing (i.e. lavatories, water closets, etc.)

0 10 20 40 60 80 100 200 400 FEET Scale: 1" = 200'-0"



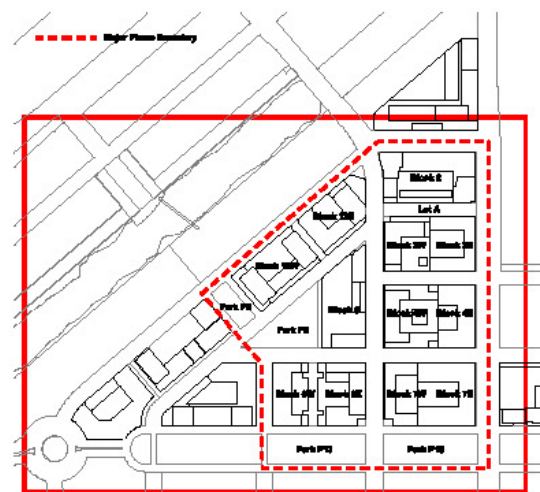
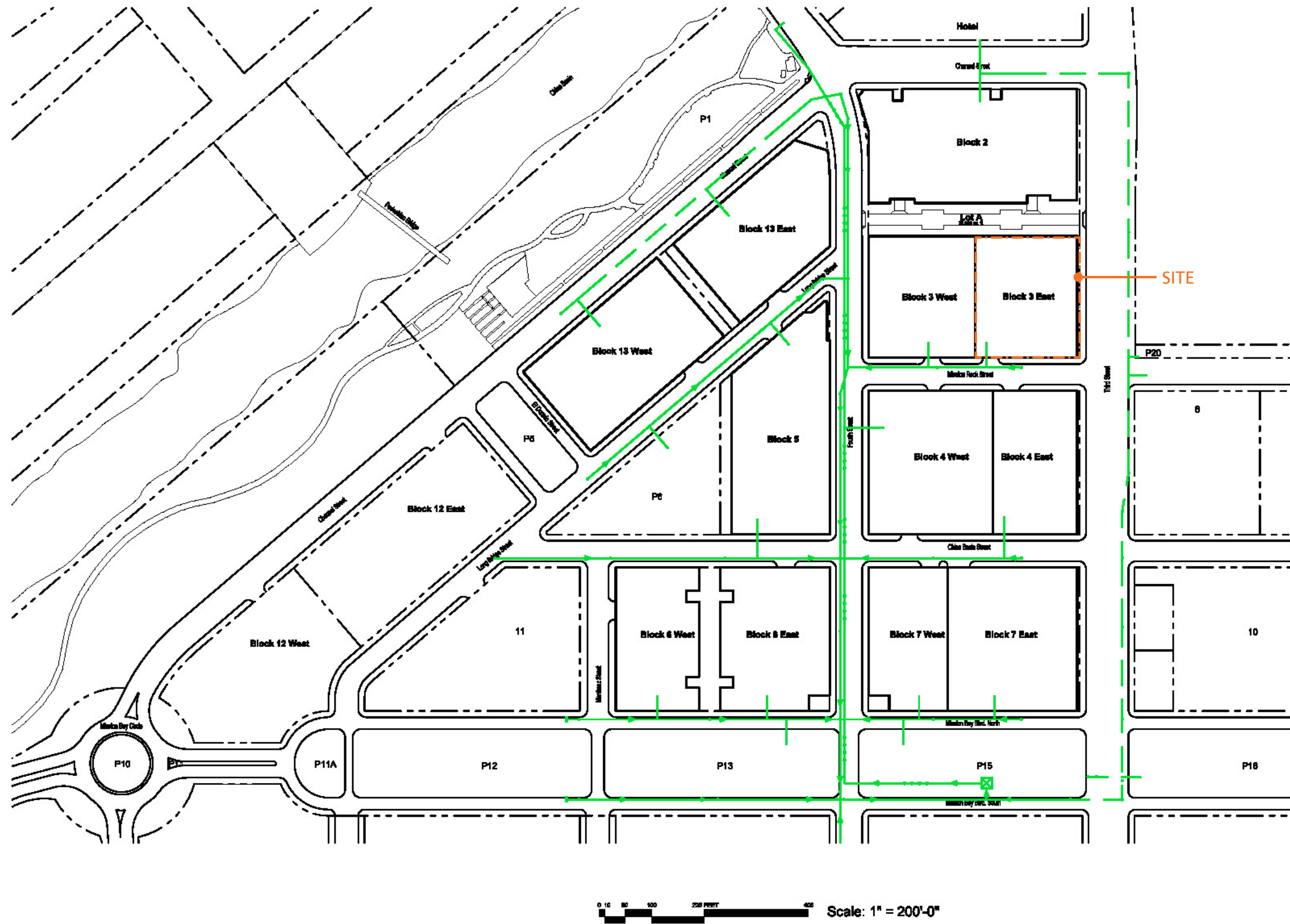
VICINITY PLAN - UTILITIES WATER

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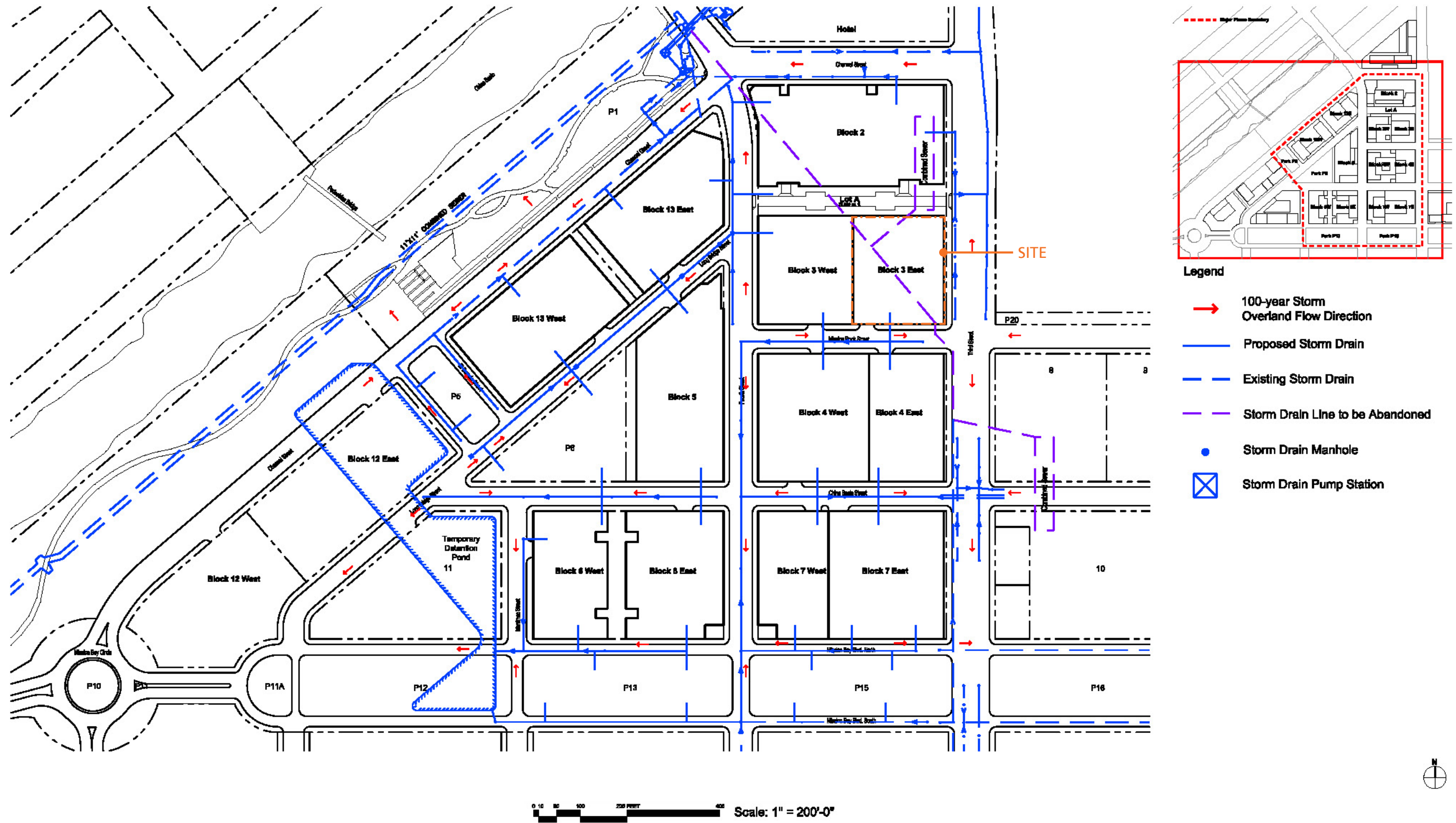
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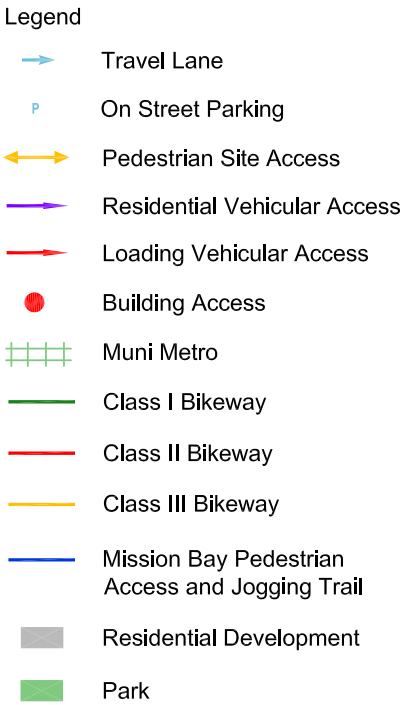
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1150 THIRD STREET · 100% SCHEMATIC DESIGN

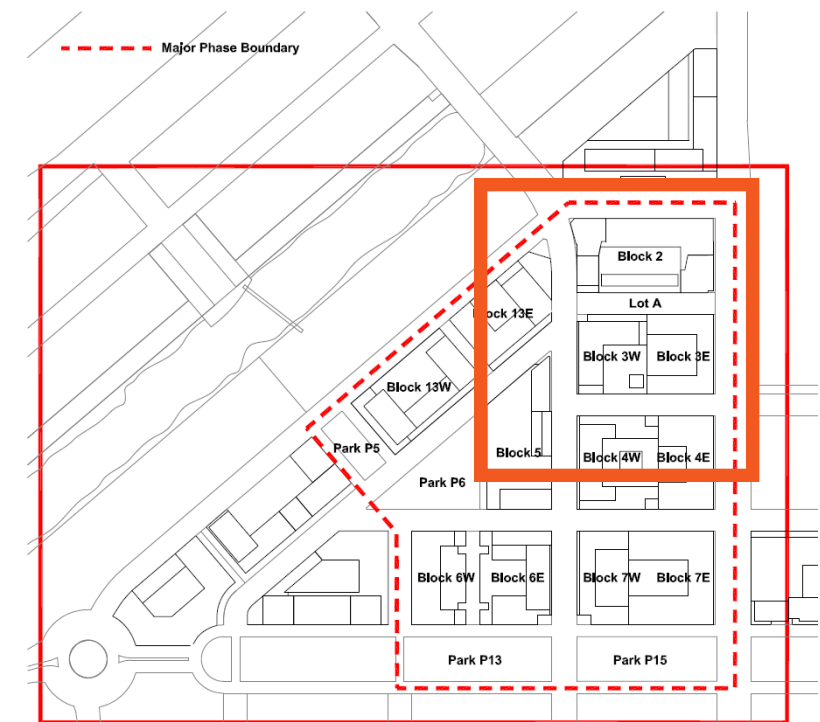
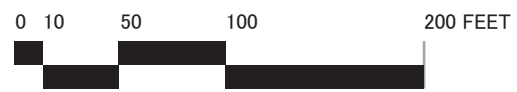
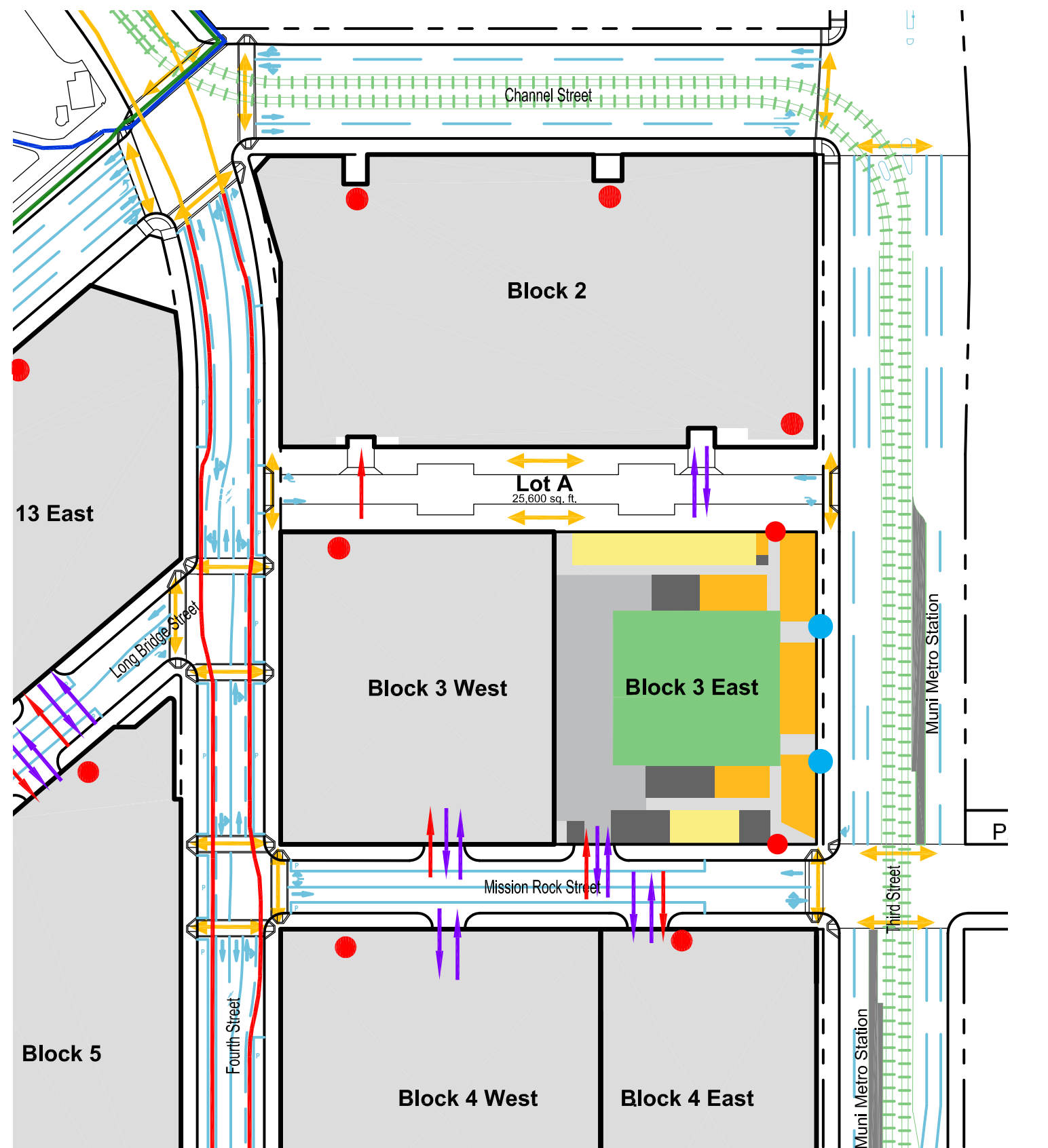
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- Legend
- Proposed Sanitary Sewer
 - Existing Sanitary Sewer
 - Sanitary Sewer Manhole
 - Sanitary Sewer Pump Station
 - Force Main







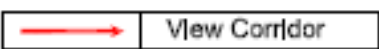
Legend

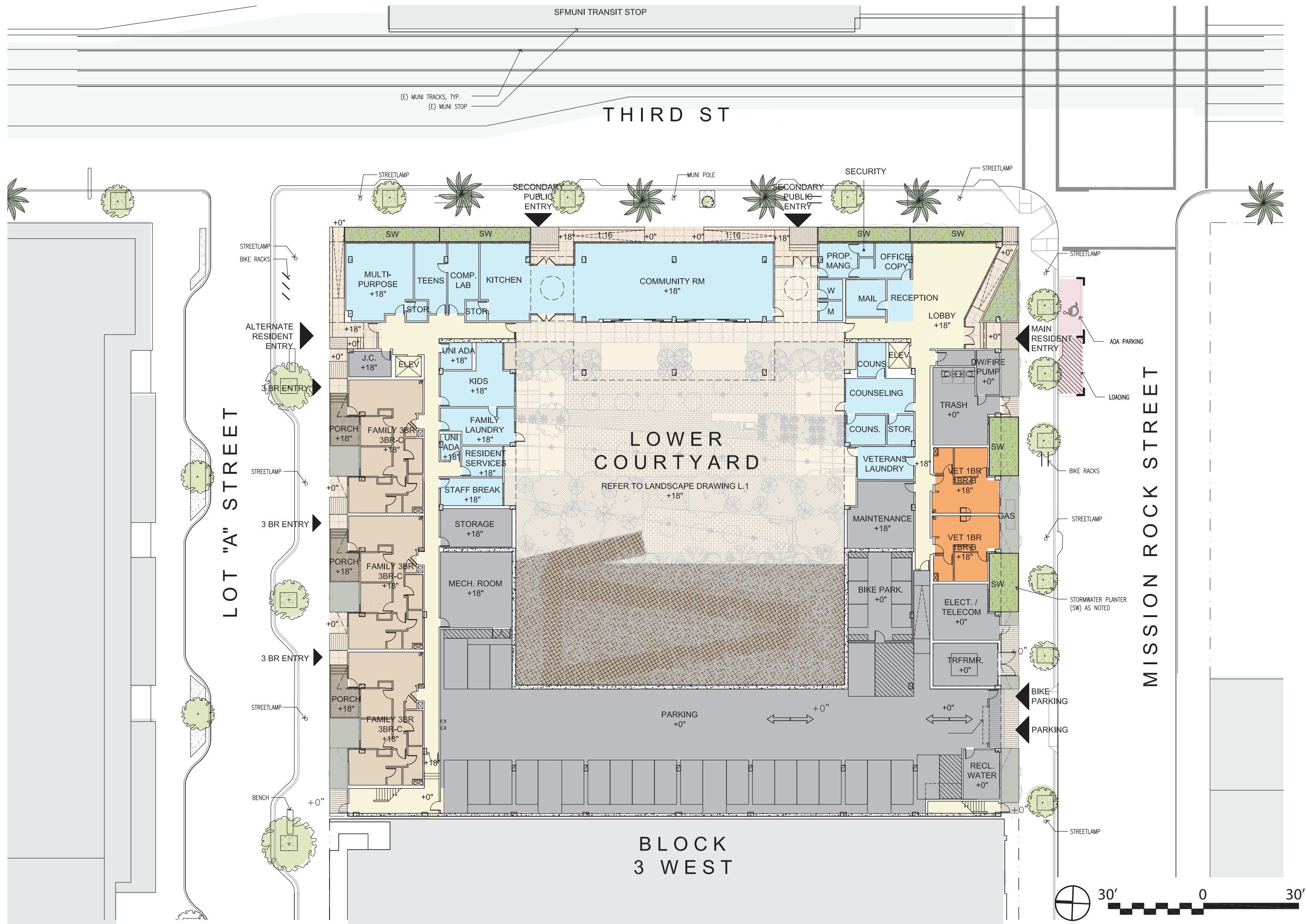
-  Travel Lane
-  On Street Parking
-  Pedestrian Site Access
-  Residential Vehicular Access
-  Loading Vehicular Access
-  Building Access
-  Muni Metro
-  Class I Bikeway
-  Class II Bikeway
-  Class III Bikeway
-  Mission Bay Pedestrian Access and Jogging Trail
-  Residential Development
-  Open Space
-  Ground floor office / common space
-  Utilities / storage
-  Parking
-  Circulation
-  Secondary Building Access

Major Phase Vicinity Plans
Land Use Diagram



View Corridor Diagram

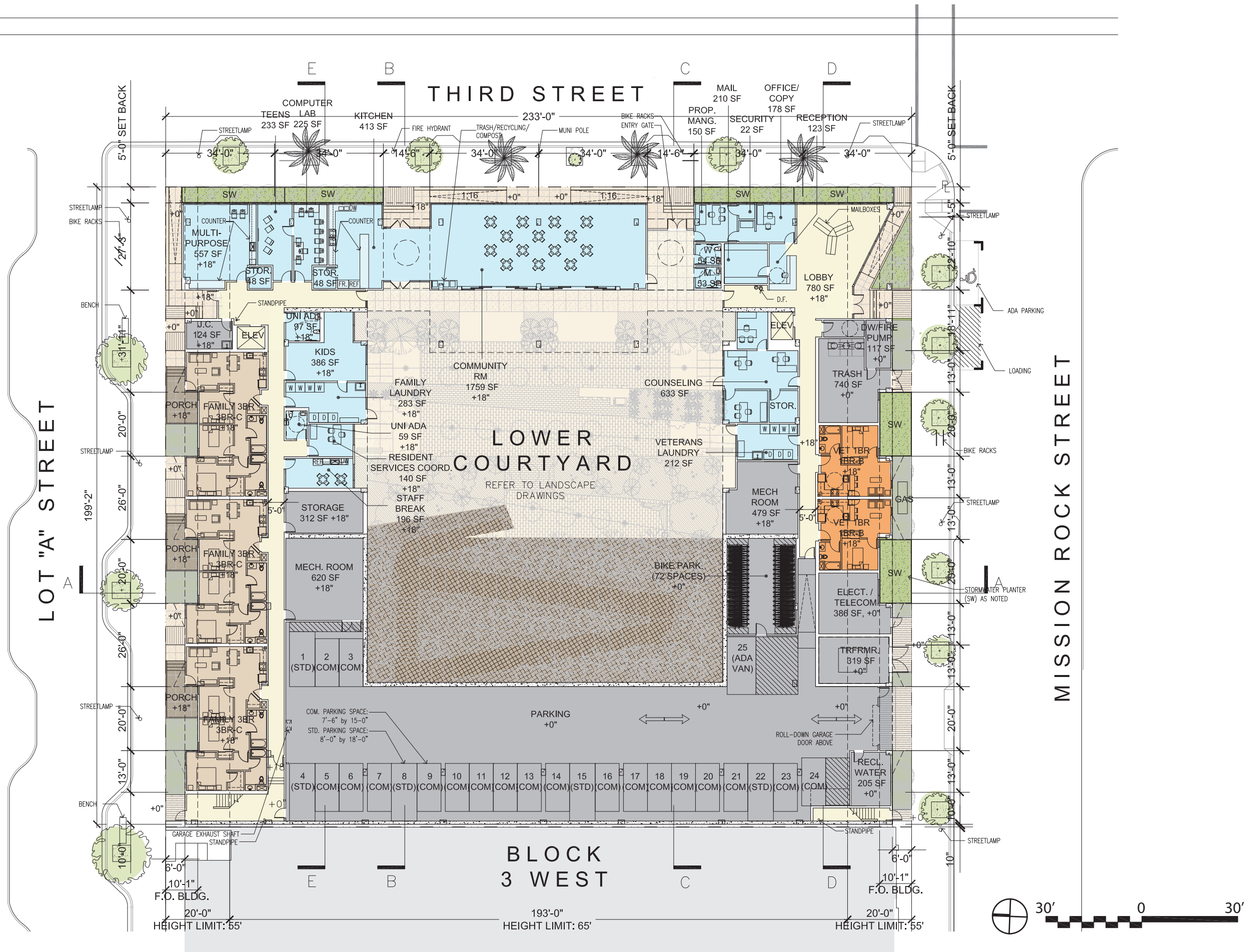


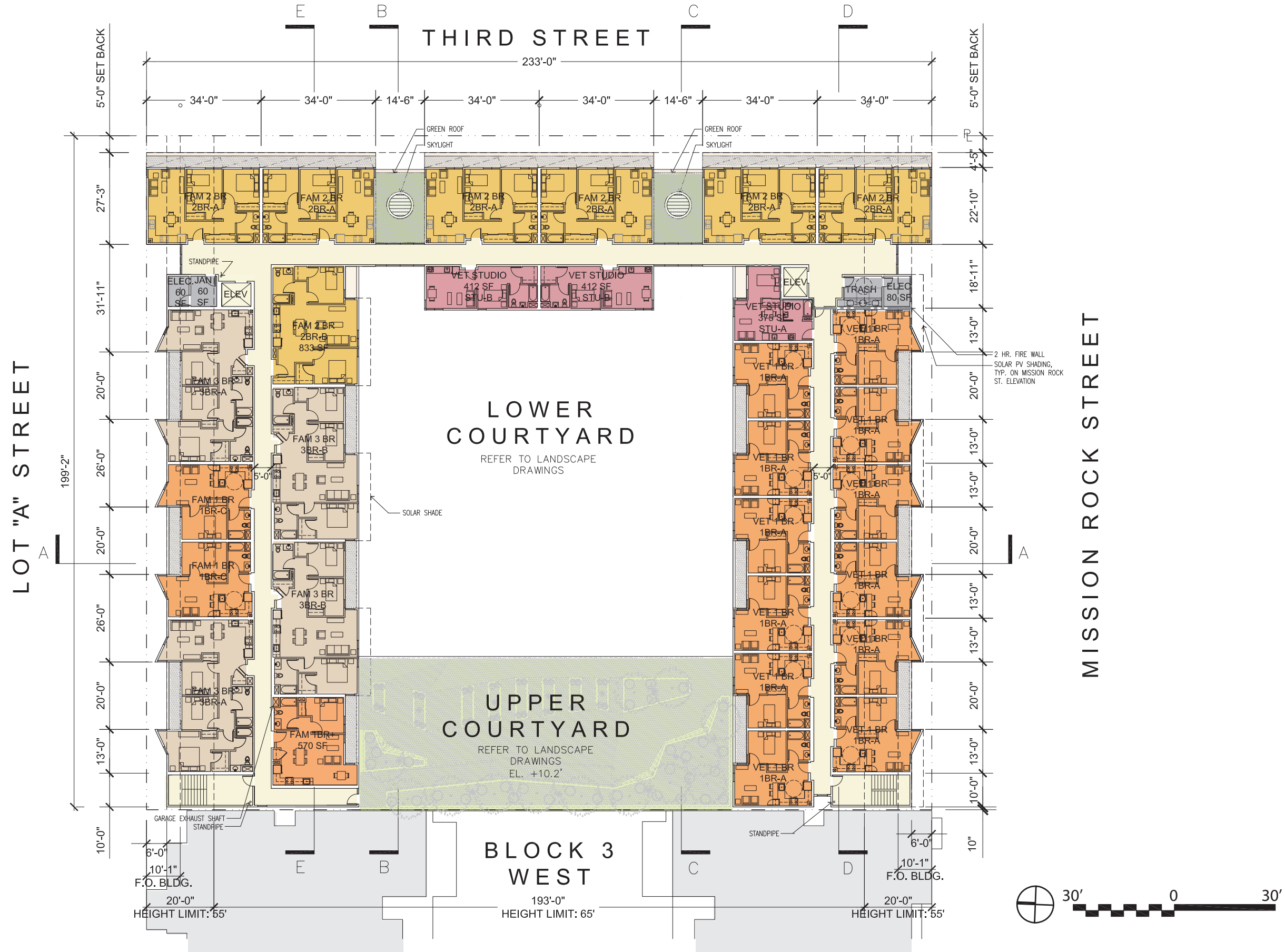


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SITE PLAN
1150 THIRD STREET · 100% SCHEMATIC DESIGN

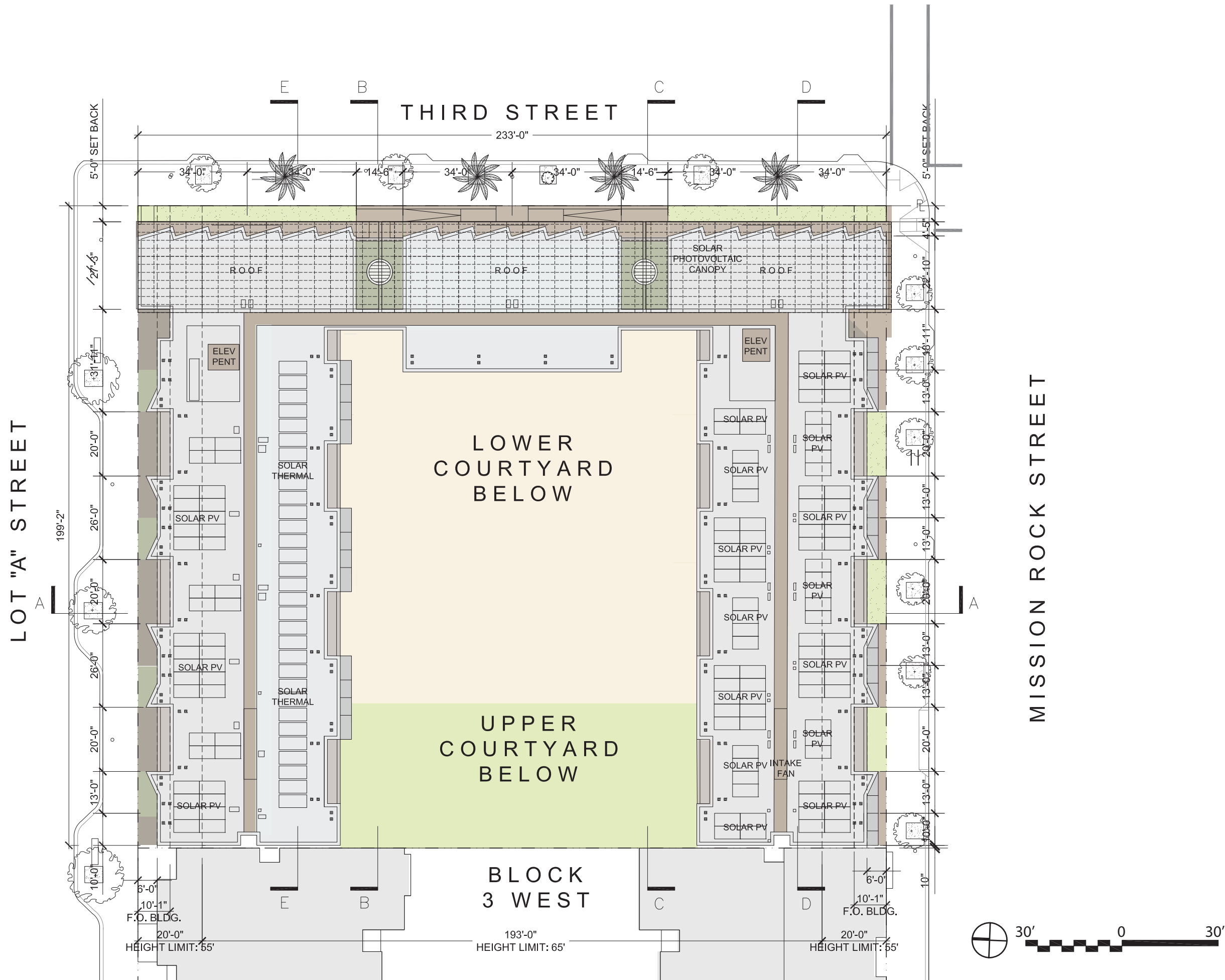
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1. INTEGRAL COLOR FIBER CEMENT RAINSCREEN PANEL
2. PAINTED CEMENT PLASTER
3. PAINTED FIBER CEMENT PANEL
4. BOARD FORMED CONCRETE WALL
5. CONCRETE COLUMN
6. CORTEN STEEL STORMWATER PLANTER
7. CONCRETE RAMP
8. CERAMIC TILE

9. ALUMINUM WINDOW WITH LOW-E GLAZING
10. ALUMINUM STOREFRONT WITH LOW-E GLAZING
11. METAL DOOR
12. STEEL FRAMED SUNSHADE WITH P.V. INFILL
13. P.V. AND STEEL CANOPY STRUCTURE
14. SKYLIGHT
15. ORNAMENTAL METAL GATE

16. ENTRY CANOPY & STEEL STRUCTURE
17. FIBER CEMENT BLIND WALL PANEL
18. GARAGE DOOR / GRILLE
19. ELEVATOR PENTHOUSE
20. PAINTED METAL LOUVERS
21. STEEL FRAMED SUNSHADE
22. CONCRETE MASONRY BLOCK



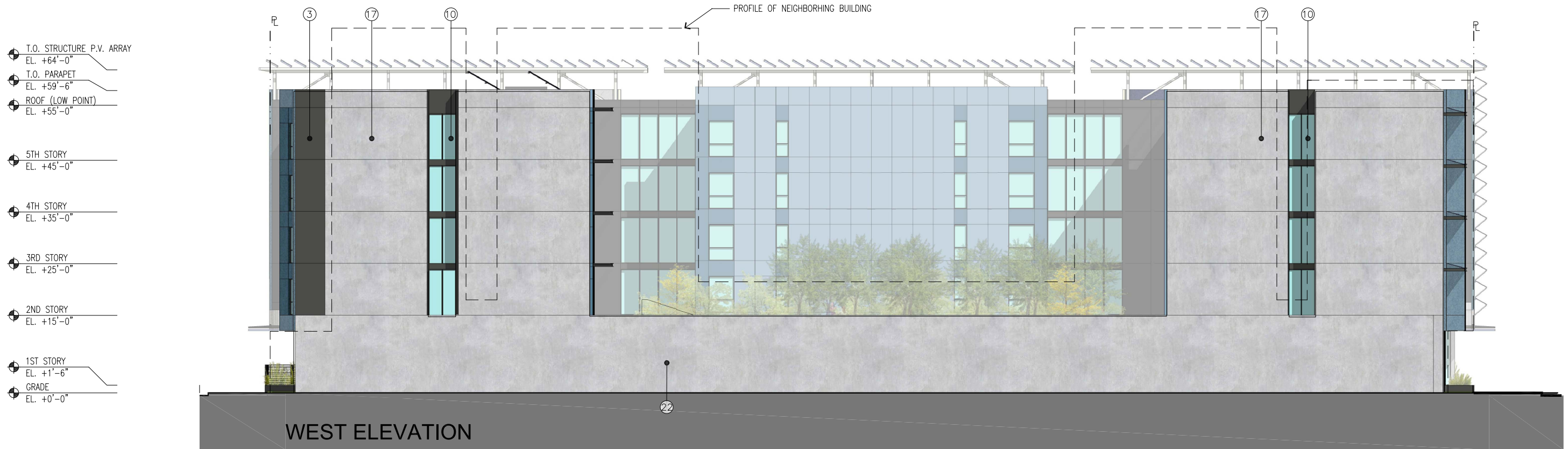


1. INTEGRAL COLOR FIBER CEMENT RAINSCREEN PANEL
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6. CORTEN STEEL STORMWATER PLANTER
7. CONCRETE RAMP
8. CERAMIC TILE

9. ALUMINUM WINDOW WITH LOW-E GLAZING
10. ALUMINUM STOREFRONT WITH LOW-E GLAZING
11. METAL DOOR
12. STEEL FRAMED SUNSHADE WITH P.V. INFILL
13. P.V. AND STEEL CANOPY STRUCTURE
14. SKYLIGHT
15. ORNAMENTAL METAL GATE

16. ENTRY CANOPY & STEEL STRUCTURE
17. FIBER CEMENT BLIND WALL PANEL
18. GARAGE DOOR / GRILLE
19. ELEVATOR PENTHOUSE
20. PAINTED METAL LOUVERS
21. STEEL FRAMED SUNSHADE
22. CONCRETE MASONRY BLOCK

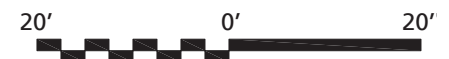




1. INTEGRAL COLOR FIBER CEMENT RAINSCREEN PANEL
2. PAINTED CEMENT PLASTER
3. PAINTED FIBER CEMENT PANEL
4. BOARD FORMED CONCRETE WALL
5. CONCRETE COLUMN
6. CORTEN STEEL STORMWATER PLANTER
7. CONCRETE RAMP
8. CERAMIC TILE

9. ALUMINUM WINDOW WITH LOW-E GLAZING
10. ALUMINUM STOREFRONT WITH LOW-E GLAZING
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13. P.V. AND STEEL CANOPY STRUCTURE
14. SKYLIGHT
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20. PAINTED METAL LOUVERS
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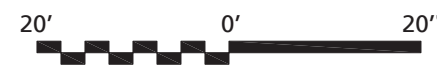
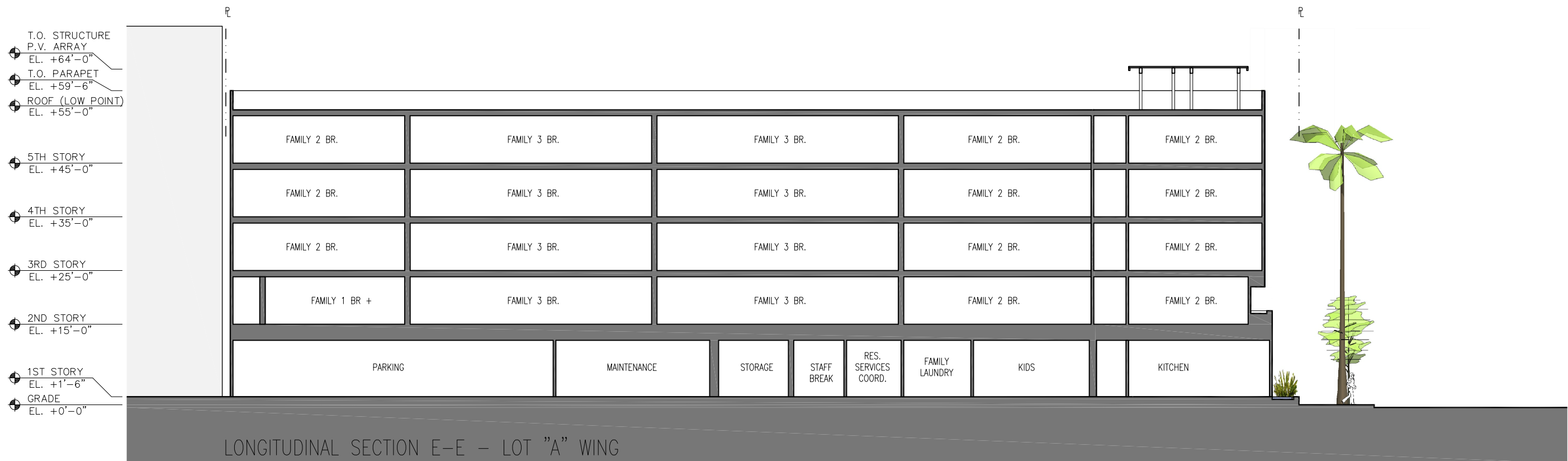
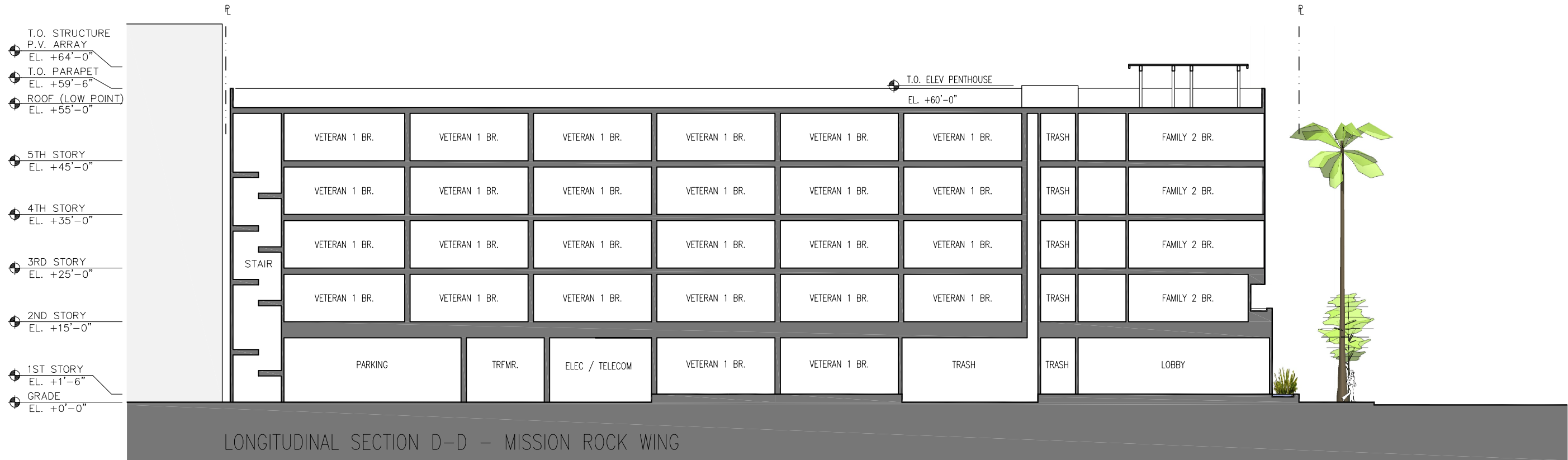


1. INTEGRAL COLOR FIBER CEMENT RAINSCREEN PANEL
2. PAINTED CEMENT PLASTER
3. PAINTED FIBER CEMENT PANEL
4. BOARD FORMED CONCRETE WALL
5. CONCRETE COLUMN
6. CORTEN STEEL STORMWATER PLANTER
7. CONCRETE RAMP
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9. ALUMINUM WINDOW WITH LOW-E GLAZING
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12. STEEL FRAMED SUNSHADE WITH P.V. INFILL
13. P.V. AND STEEL CANOPY STRUCTURE
14. SKYLIGHT
15. ORNAMENTAL METAL GATE

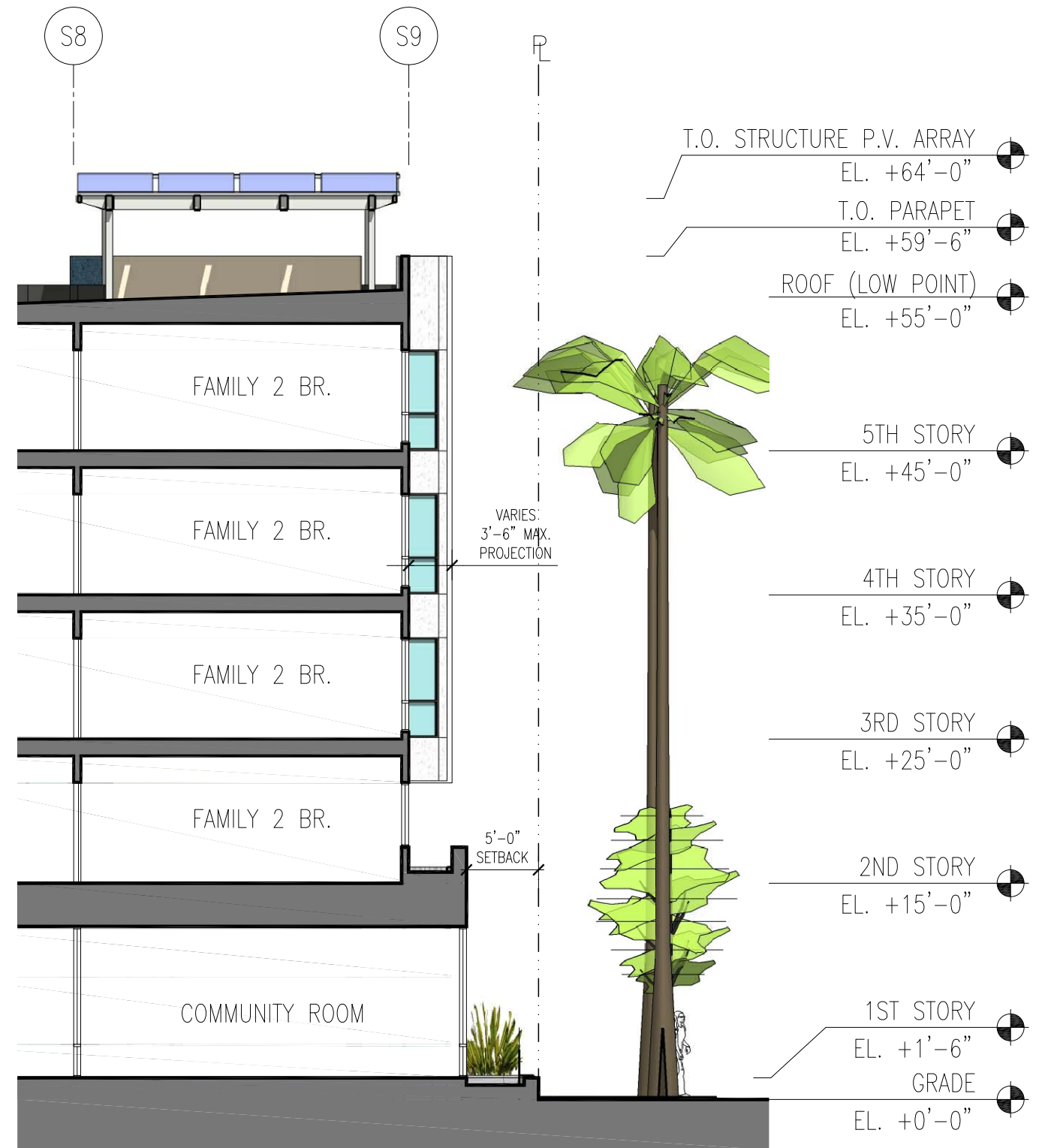
16. ENTRY CANOPY & STEEL STRUCTURE
17. FIBER CEMENT BLIND WALL PANEL
18. GARAGE DOOR / GRILLE
19. ELEVATOR PENTHOUSE
20. PAINTED METAL LOUVERS
21. STEEL FRAMED SUNSHADE
22. CONCRETE MASONRY BLOCK

20' 0' 20'

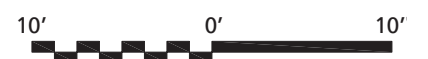


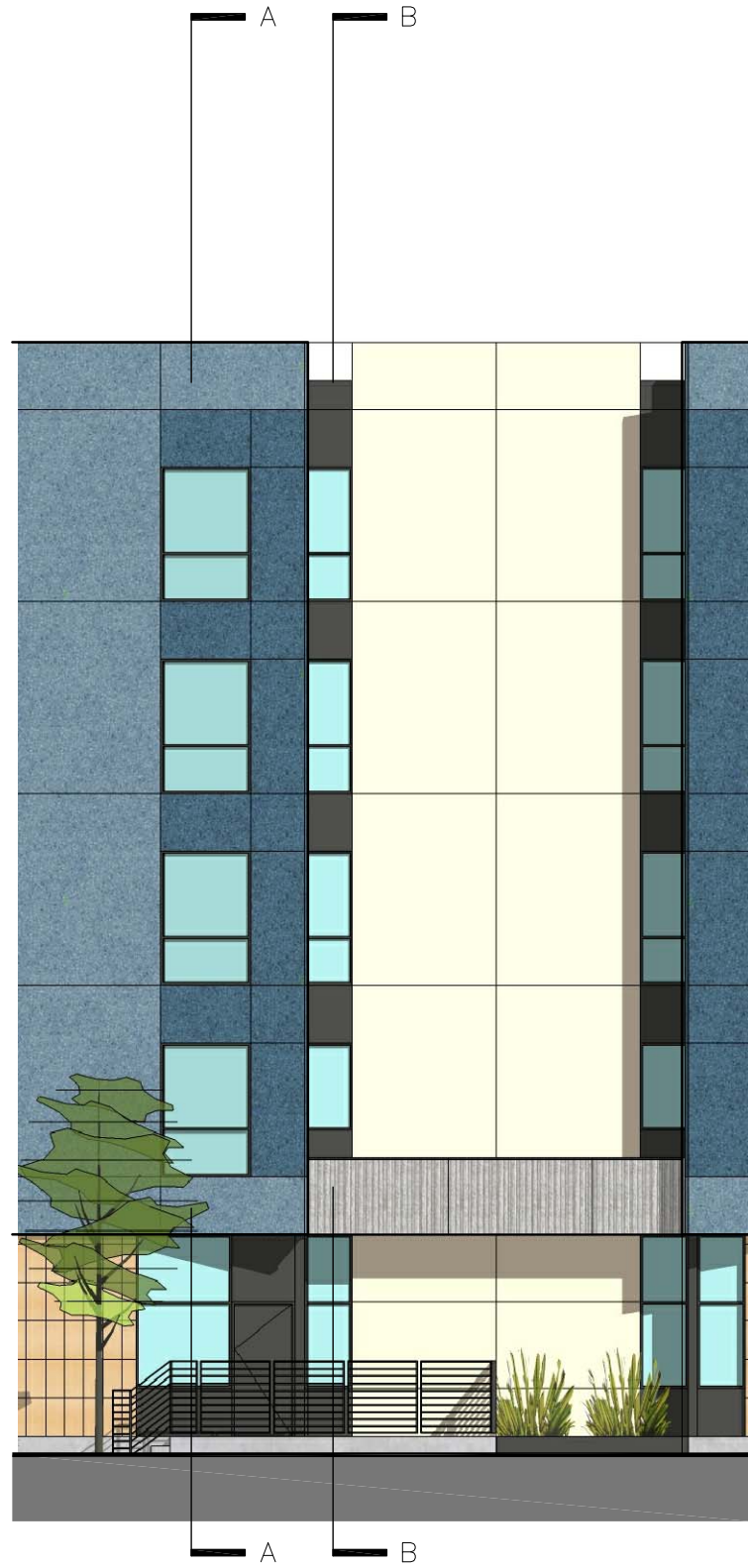


EAST ELEVATION ENLARGED – 3RD STREET

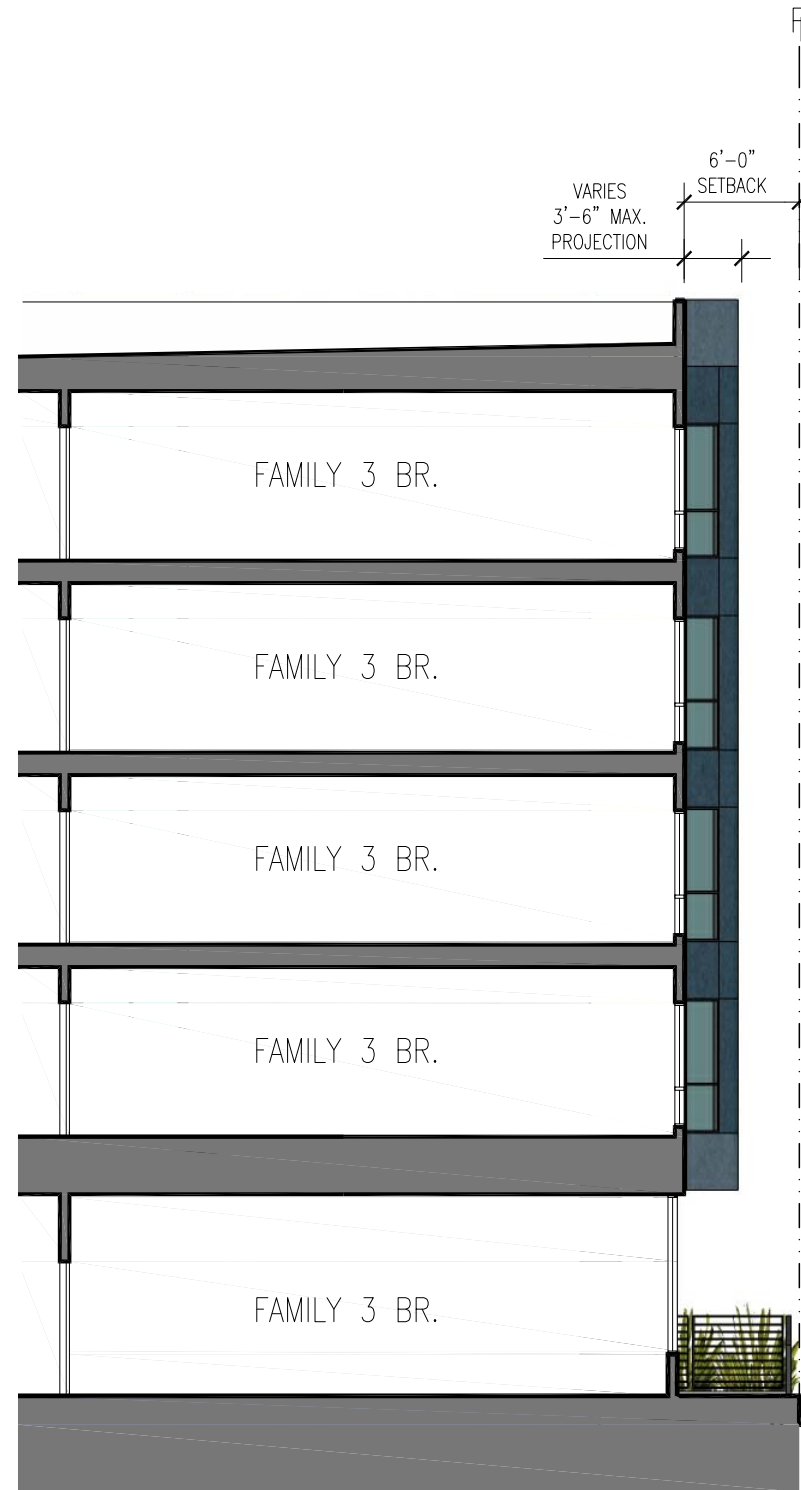


WALL SECTION THROUGH 3RD STREET ELEVATION

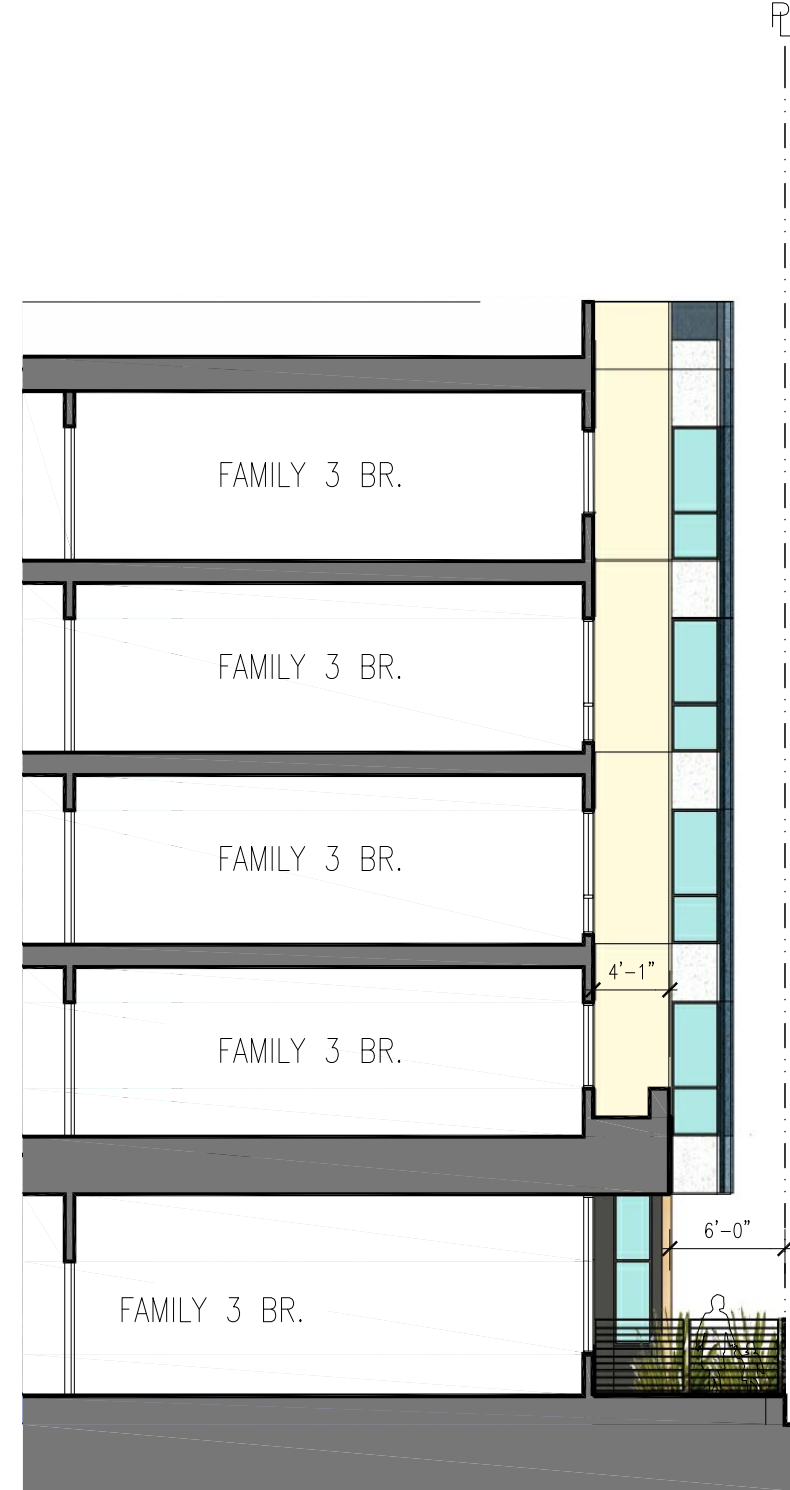




NORTH ELEVATION ENLARGED LOT
"A" STREET



WALL SECTION A-A THROUGH
LOT "A" STREET ELEVATION

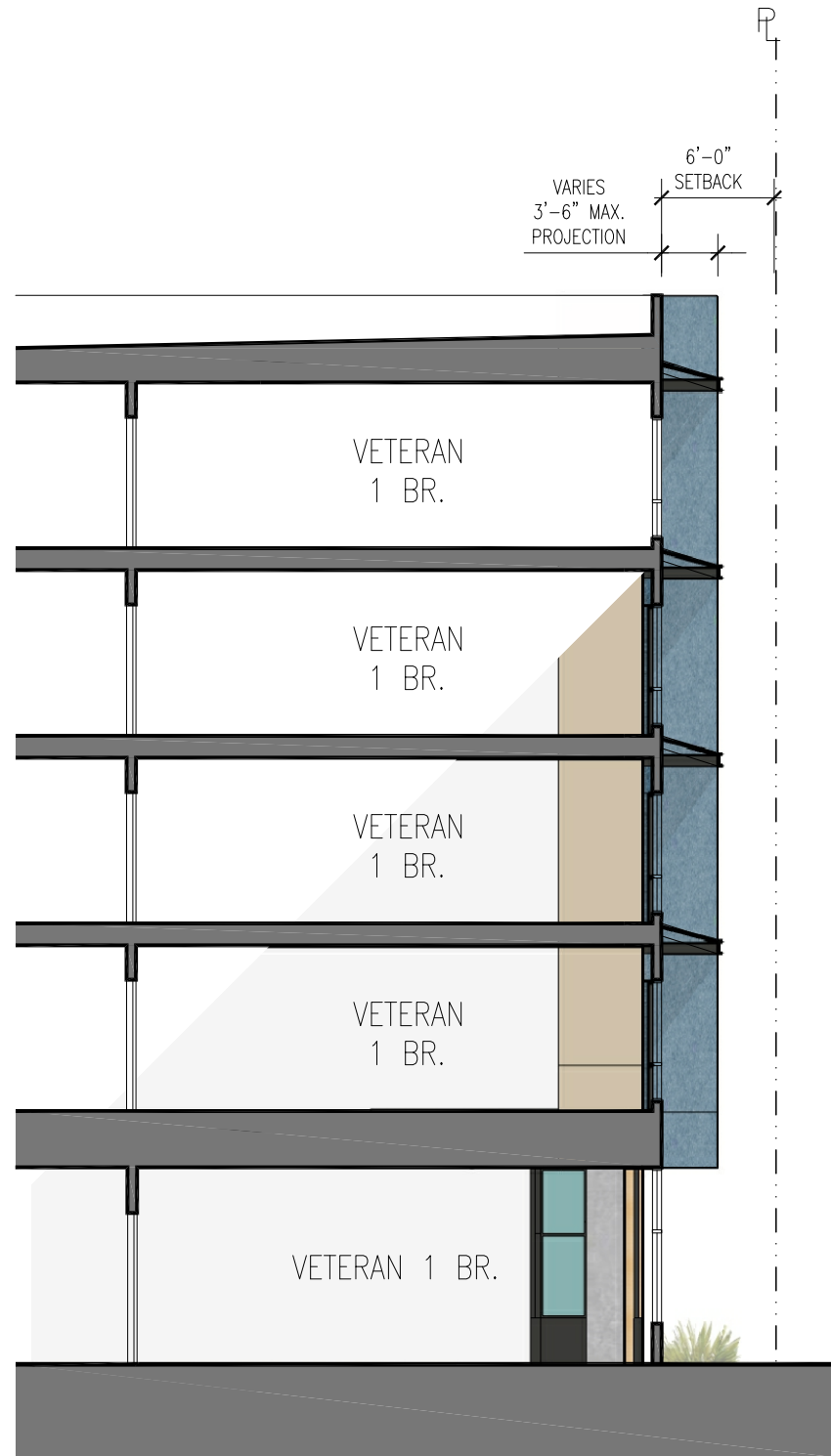


WALL SECTION B-B THROUGH
LOT "A" STREET ELEVATION

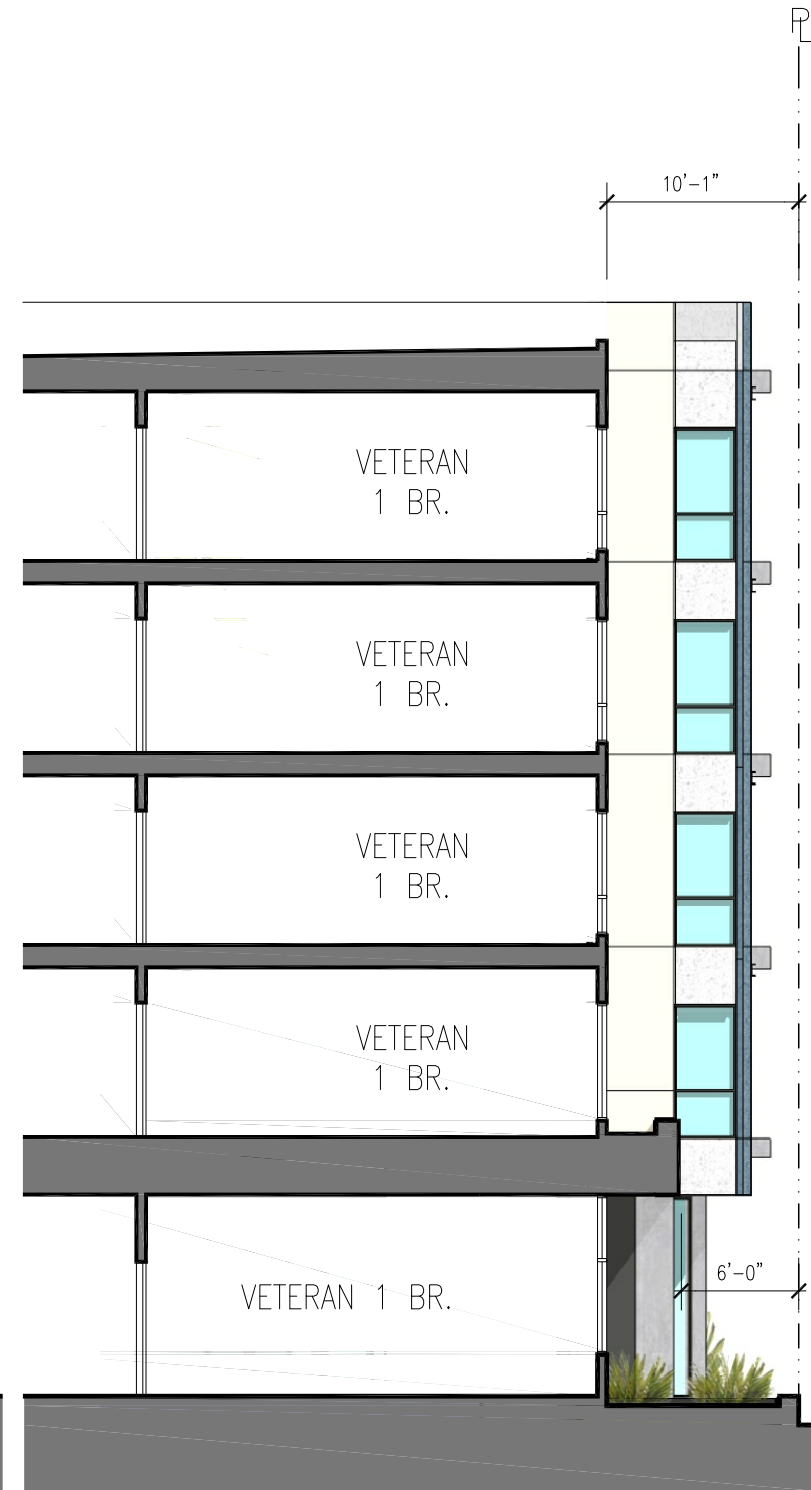




SOUTH ELEVATION ENLARGED
MISSION ROCK STREET

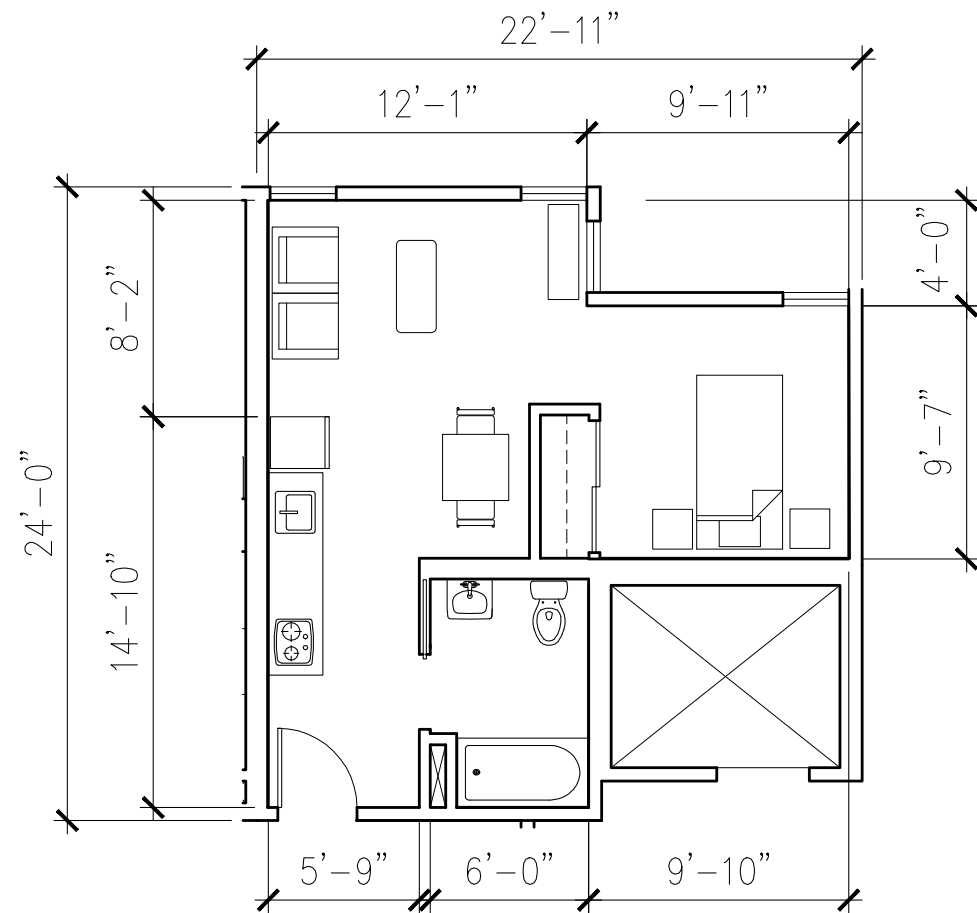


WALL SECTION C-C THROUGH
MISSION ROCK STREET ELEVATION



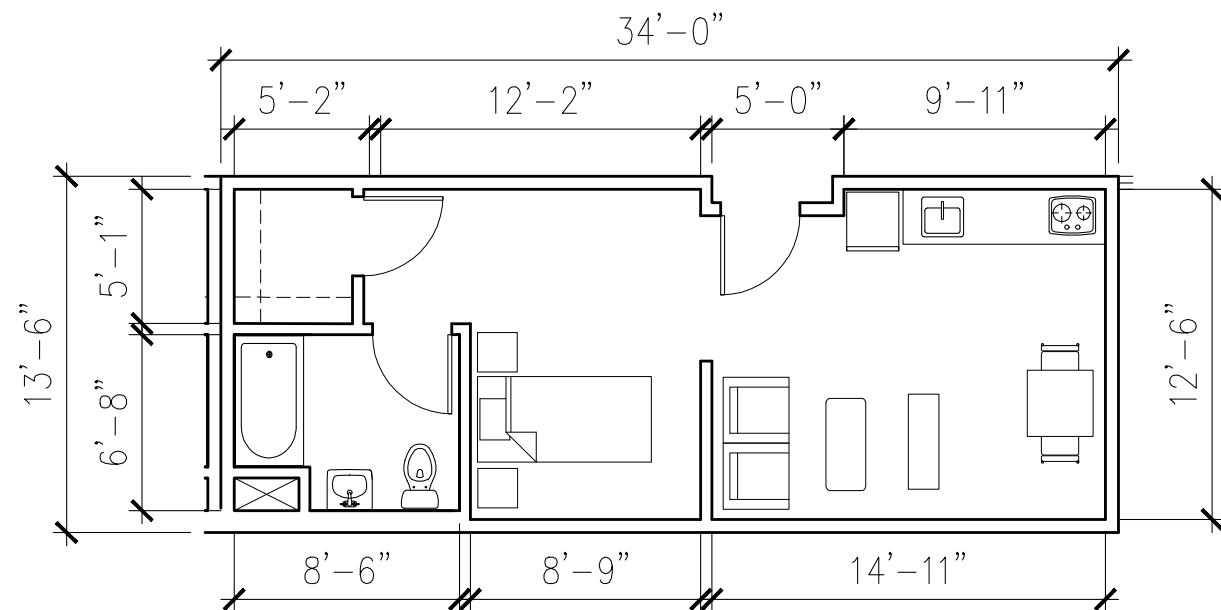
WALL SECTION D-D THROUGH
MISSION ROCK STREET ELEVATION





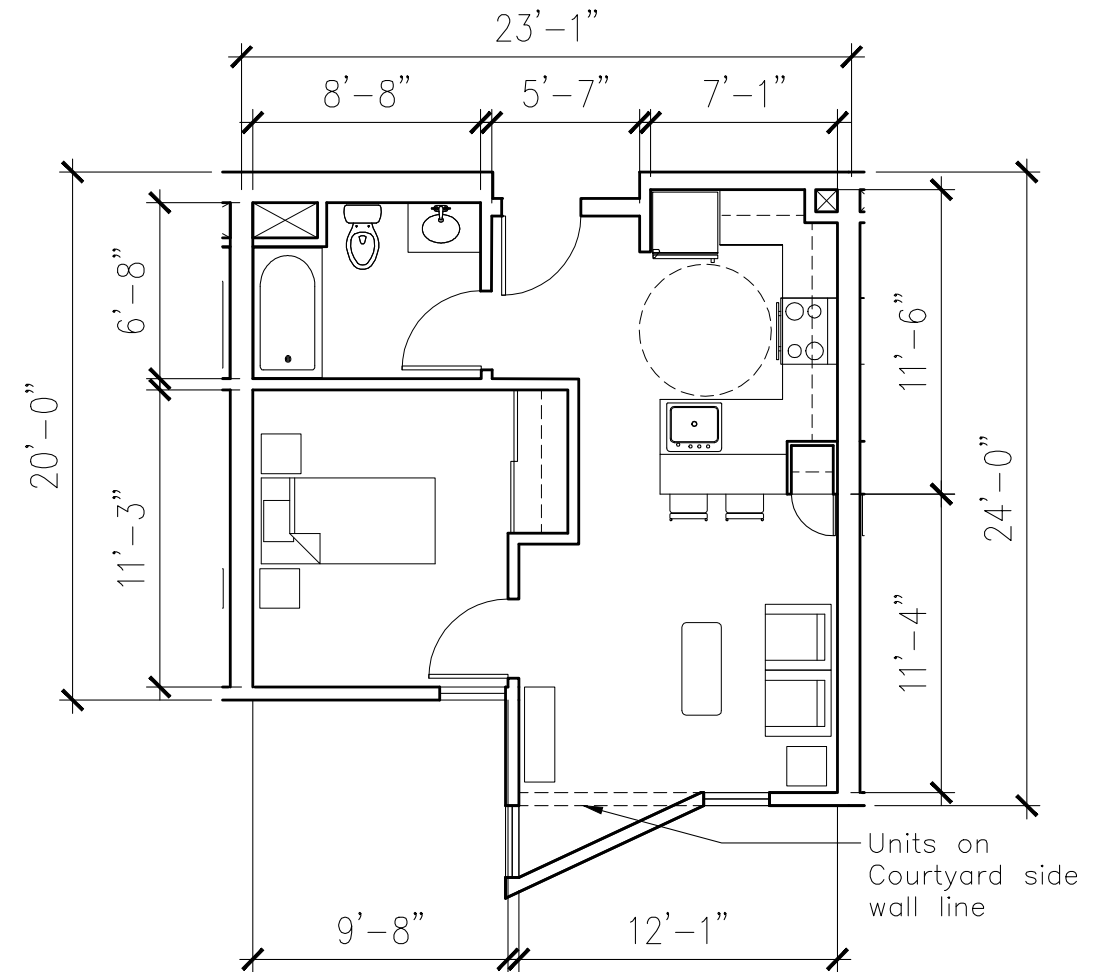
VET STUDIO (STU-A)

GSF: 422 S.F.
NSF: 371 S.F.



VET STUDIO (STU-B)

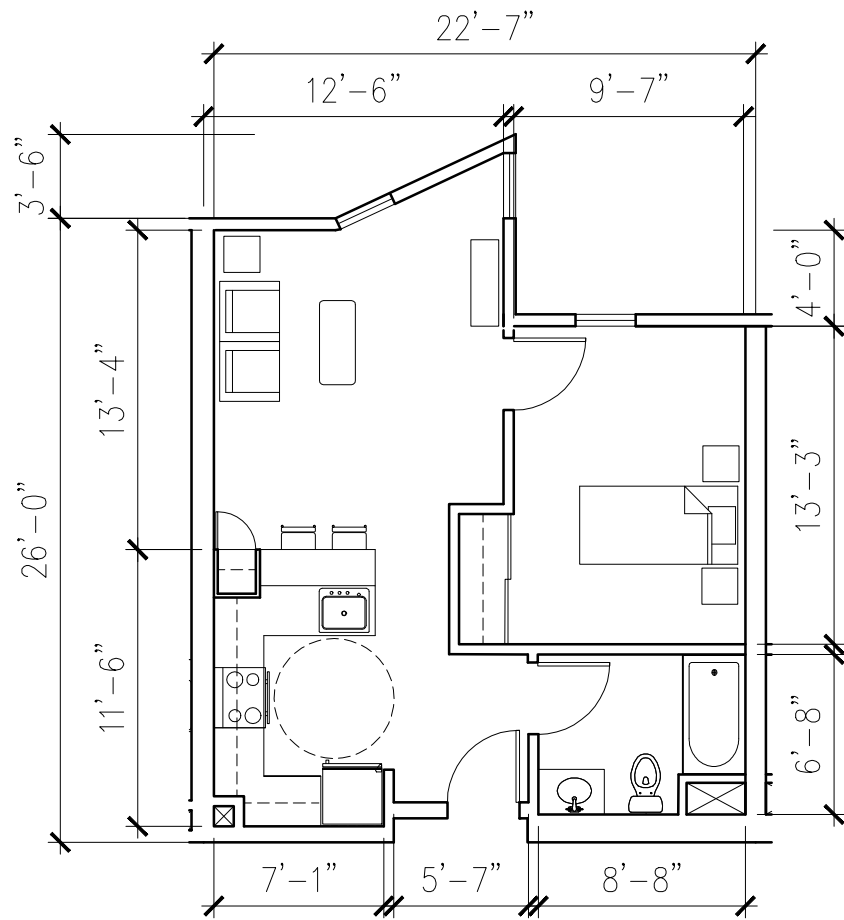
GSF: 454 S.F.
NSF: 406 S.F.



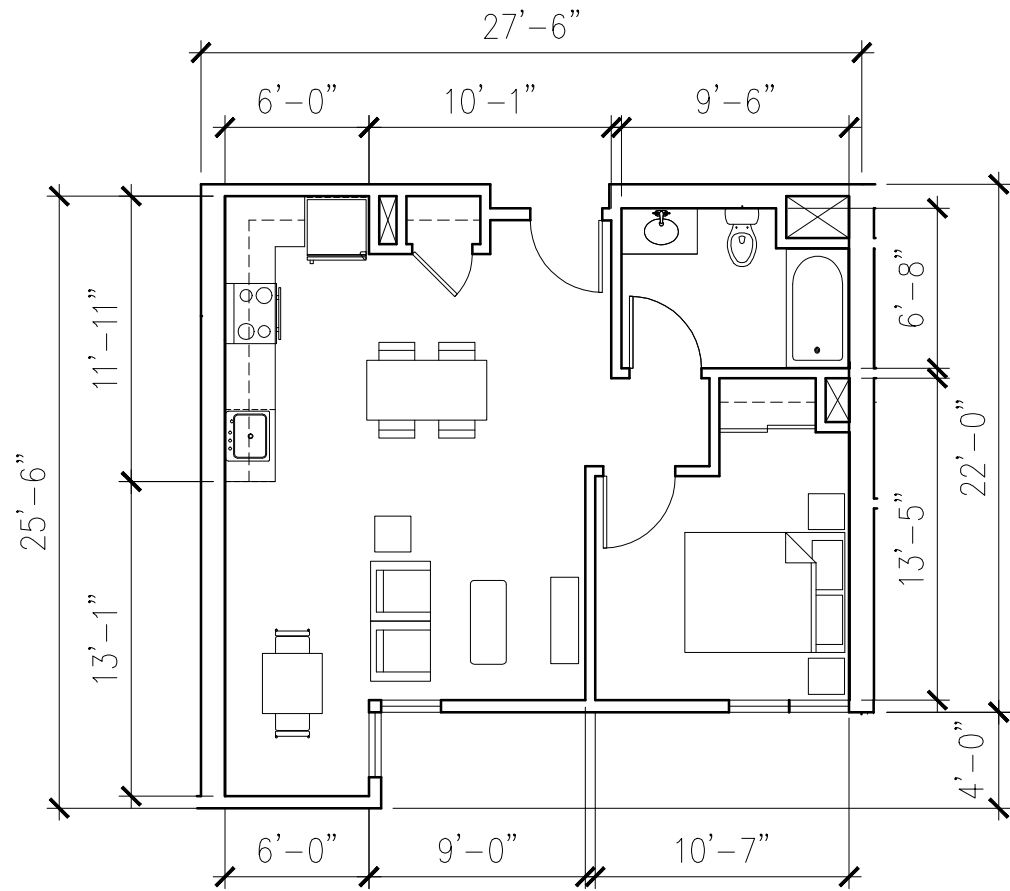
VET ONE BEDROOM (1BR-A)

<u>STREET SIDE UNITS</u>	<u>COURTYARD SIDE UNITS</u>
GSF: 522 S.F.	GSF: 501 S.F.
NSF: 465 S.F.	NSF: 454 S.F.

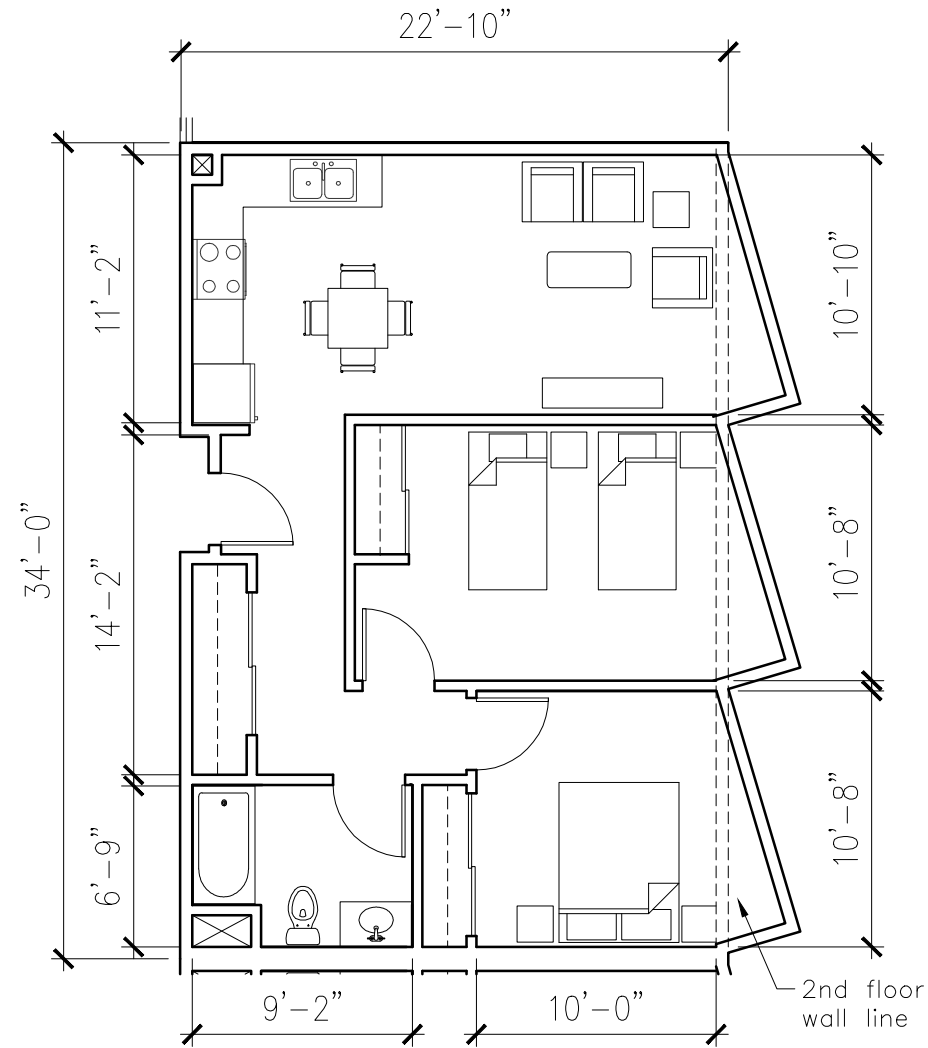
SCALE
1/8" = 1'-0"



FAM ONE BEDROOM (1BR-C)
 GSF: 566 S.F.
 NSF: 510 S.F.

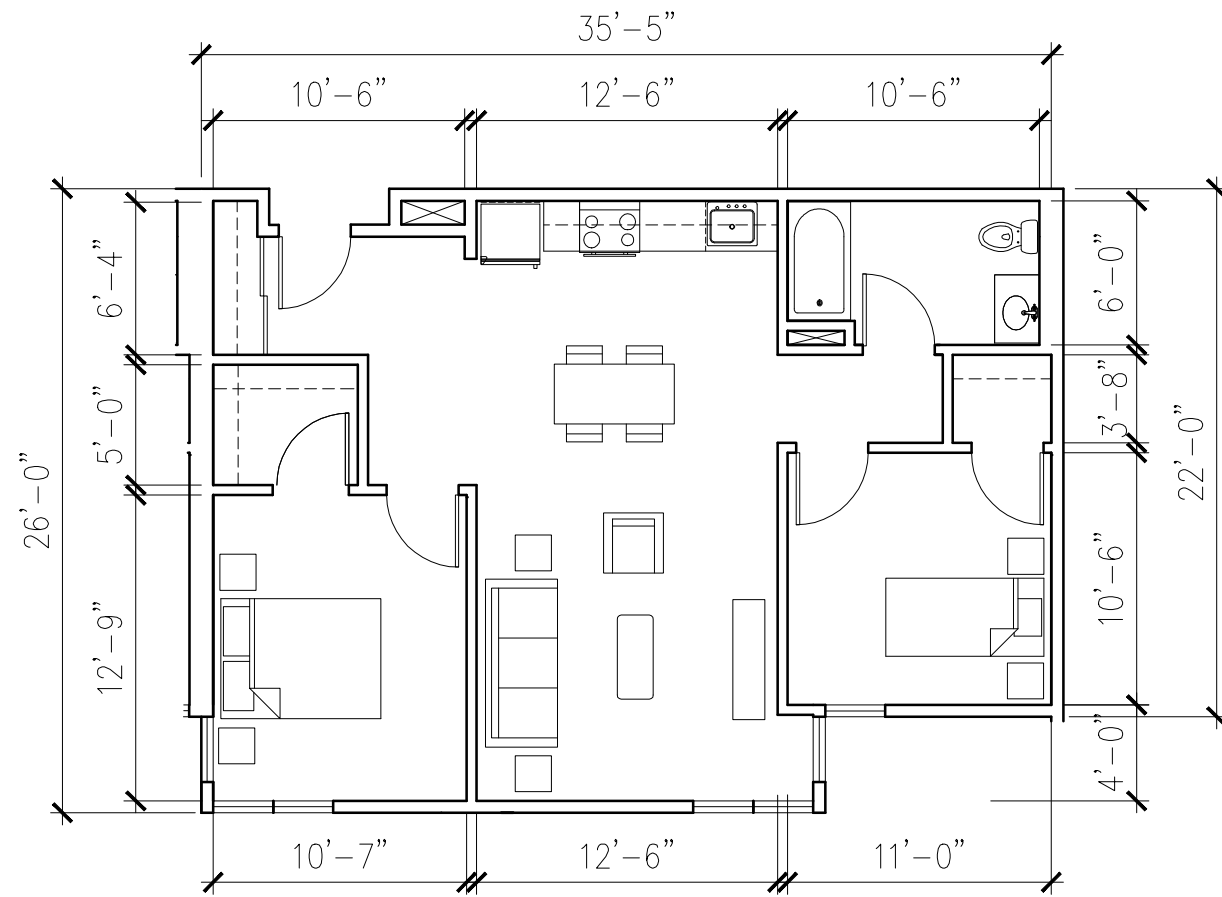


FAM ONE BEDROOM (1BR+)
 GSF: 617 S.F.
 NSF: 564 S.F.



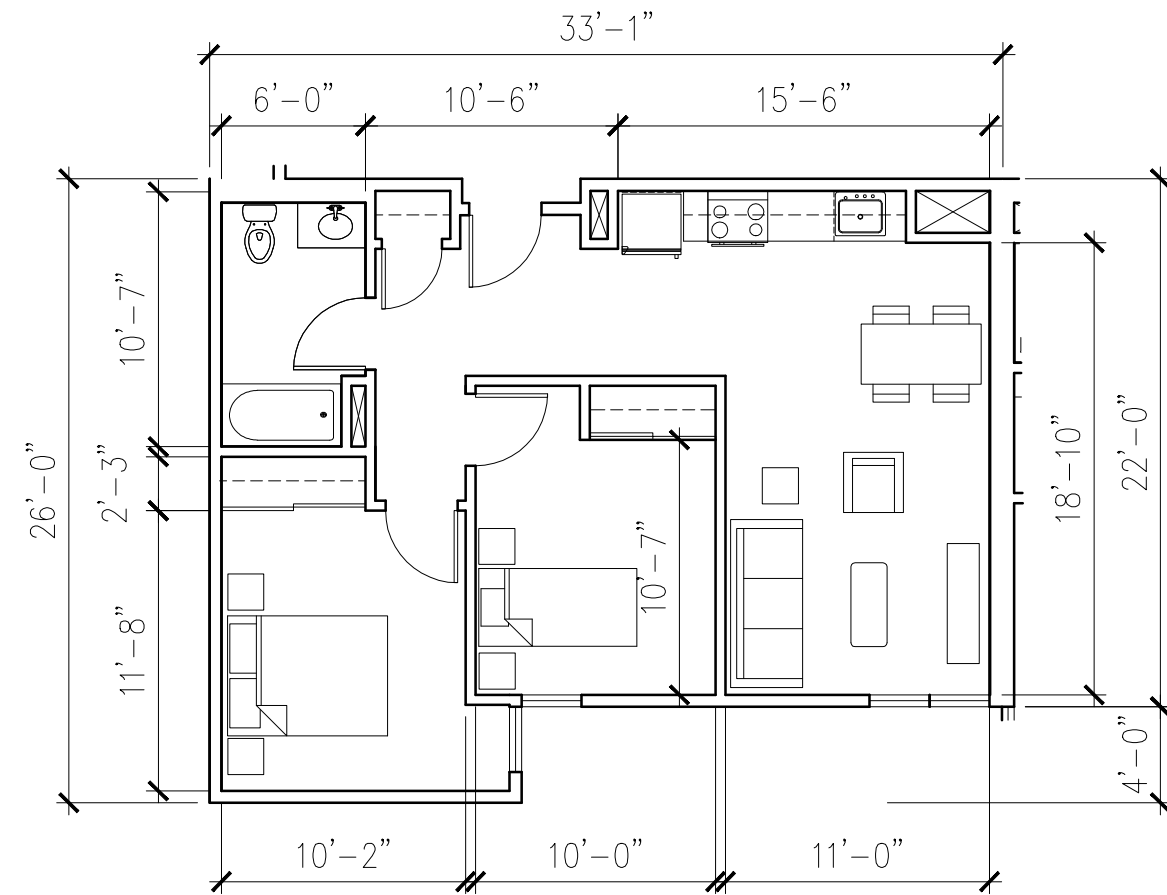
FAM TWO BEDROOM (2BR-A)
 LEVEL 2
 GSF: 770 S.F.
 NSF: 713 S.F.
 LEVEL 3 - 5
 GSF: 820 S.F.
 NSF: 759 S.F.

SCALE
 1/8" = 1'-0"



FAM TWO BEDROOM (2BR-B)

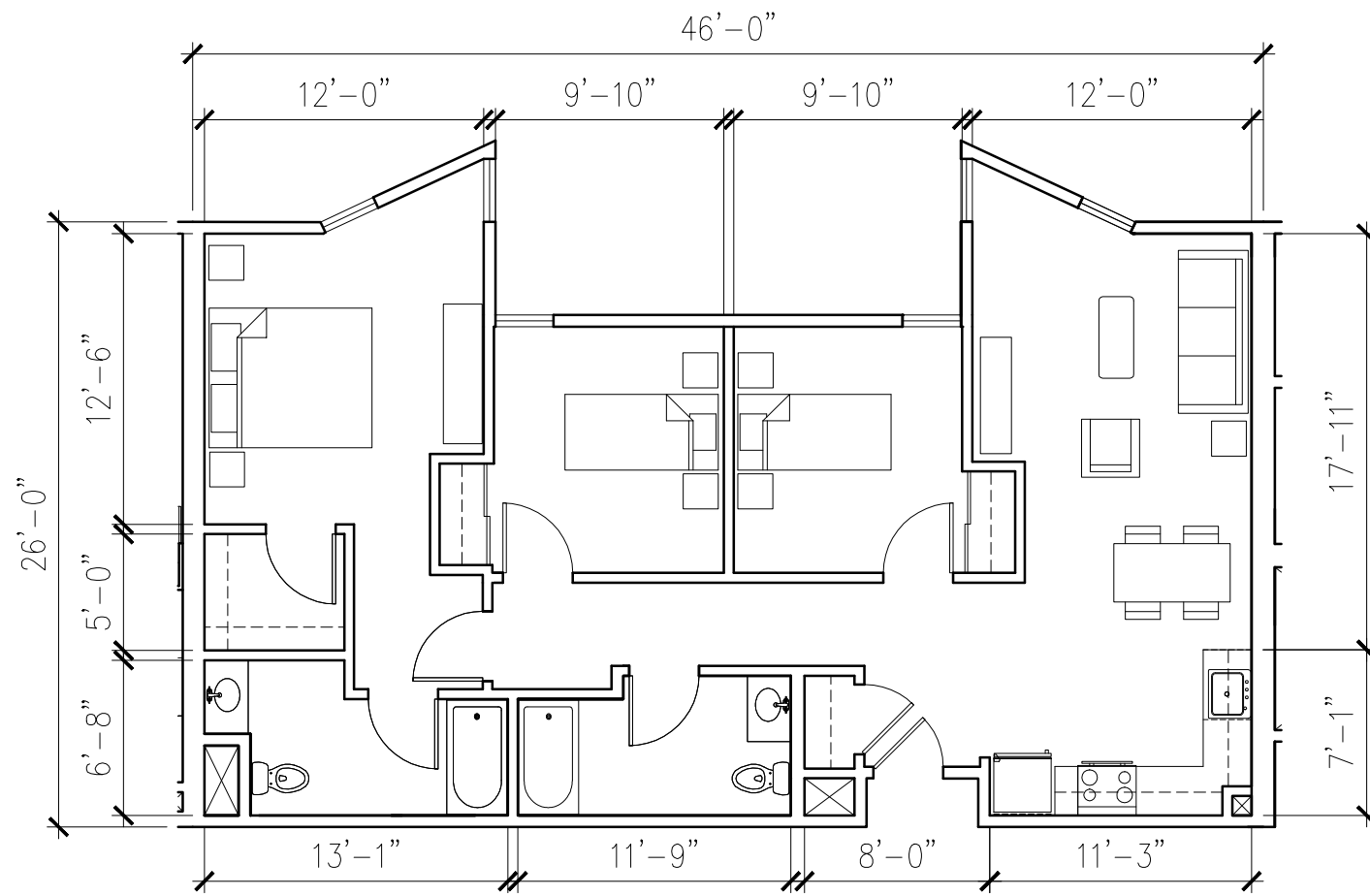
GSF: 886 S.F.
NSF: 824 S.F.



FAM TWO BEDROOM (2BR-C)

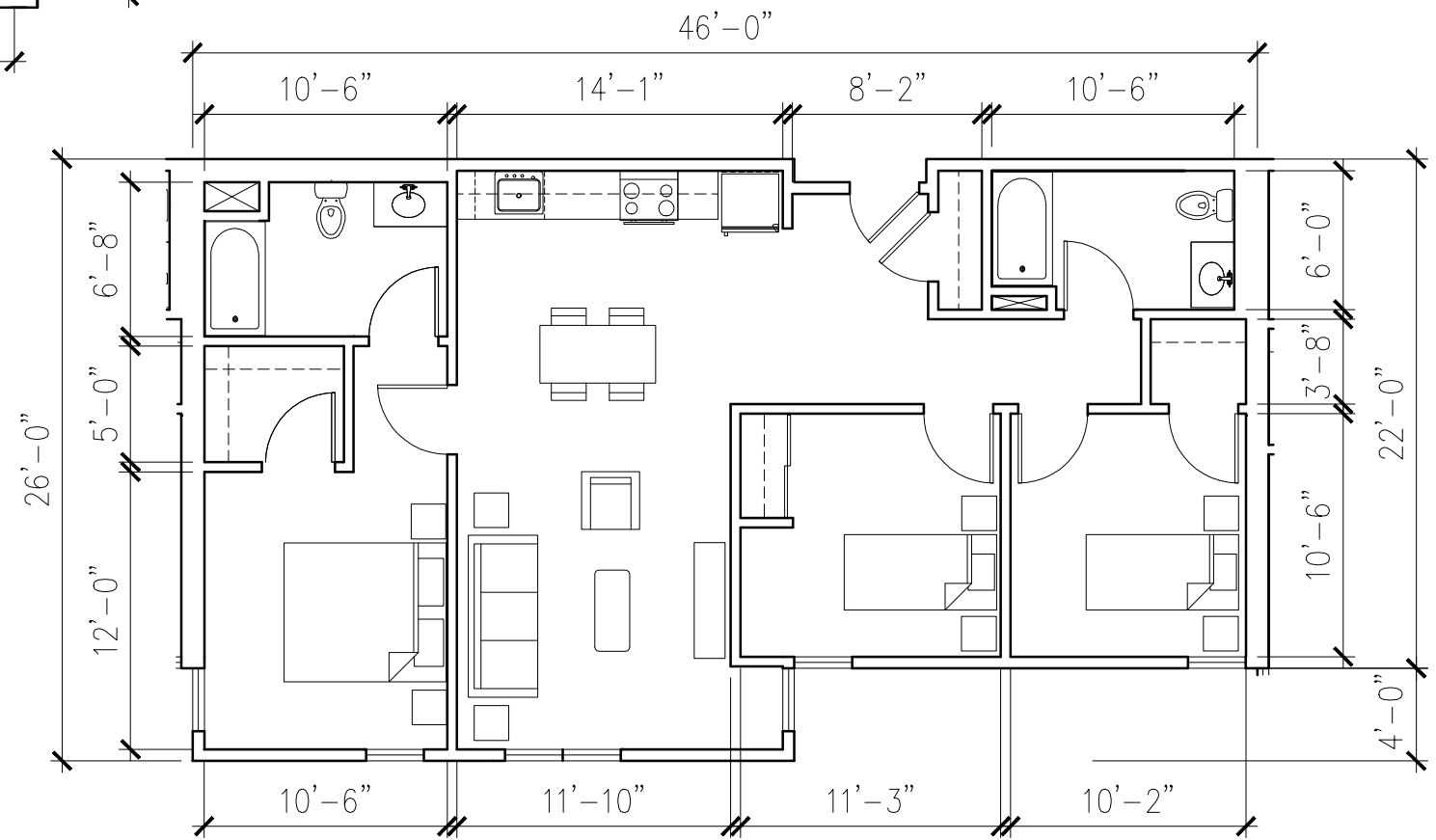
GSF: 773 S.F.
NSF: 714 S.F.

SCALE
1/8" = 1'-0"



FAM THREE BEDROOM (3BR-A)

GSF: 1,132 S.F.
NSF: 1,051 S.F.

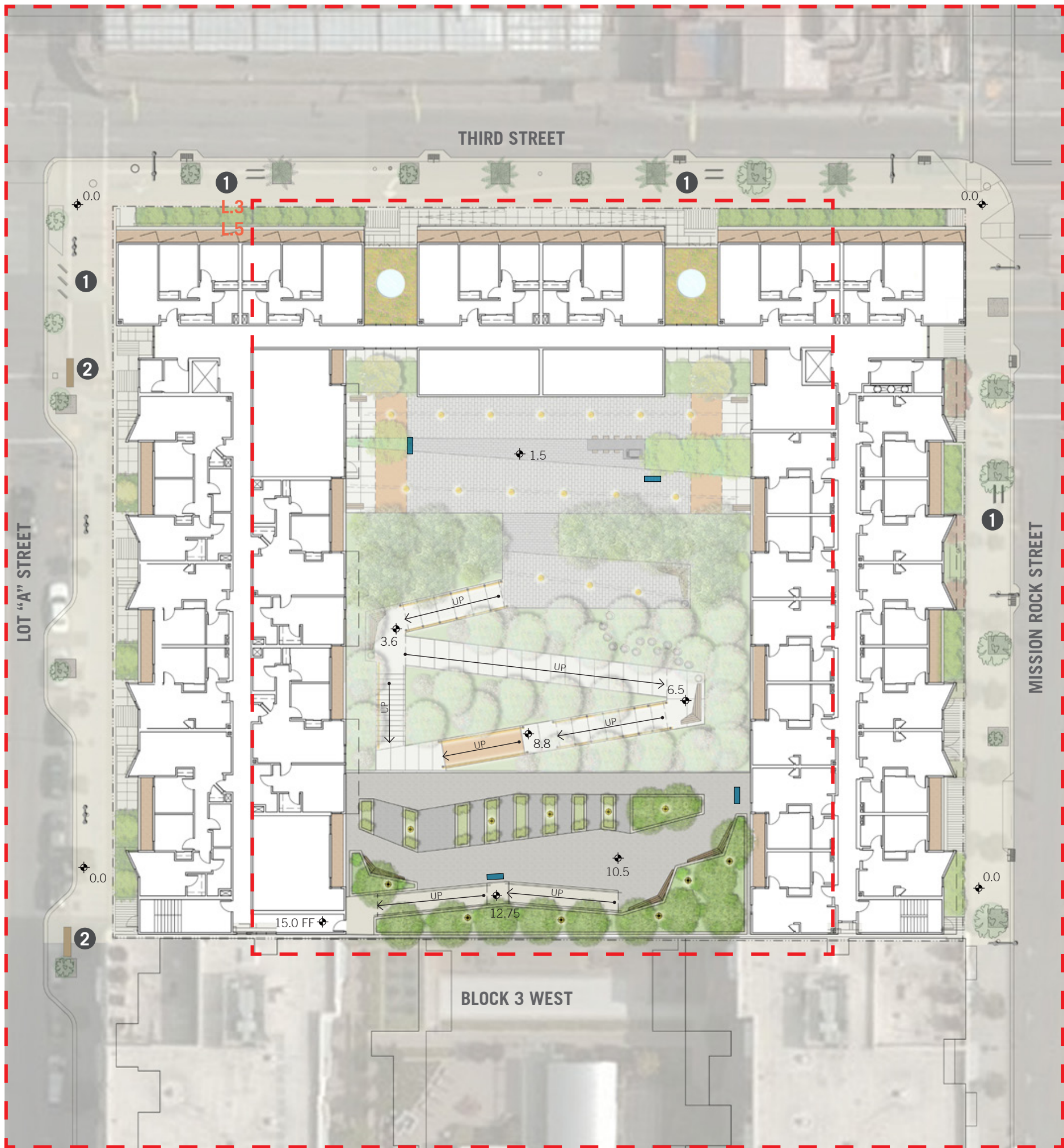


FAM THREE BEDROOM (3BR-B)

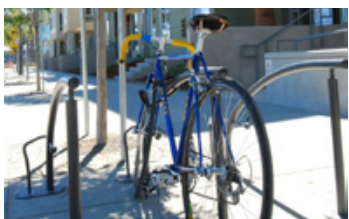
GSF: 1,110 S.F.
NSF: 1,038 S.F.

SCALE
1/8" = 1'-0"

L.2
L.4



1

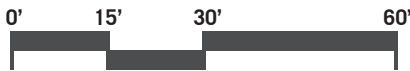


EXISTING MISSION BAY BIKE RACKS

2



EXISTING MISSION BAY BENCH



OCT 3 2016

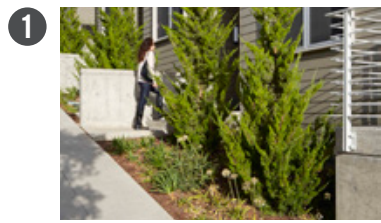
LANDSCAPE SITE PLAN

1150 THIRD STREET · 100% SCHEMATIC DESIGN

LMS^A

Swords to Plowshares
Chinatown Community
Development Center

L.1



AT-GRADE PLANTING AREA



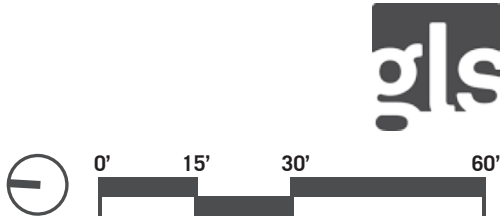
RAISED STEEL FLOW-THROUGH STORM WATER



ENTRY GATE + FENCE

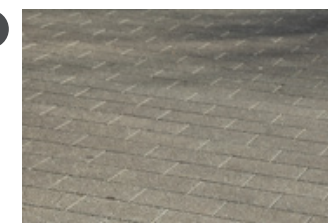


BOULDERS FOR PLAY



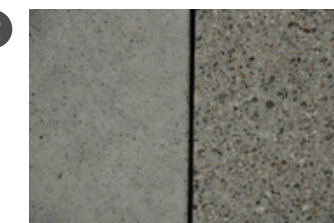


1



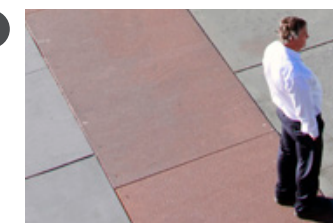
CONCRETE UNIT PAVERS WITH GROUND FACE FINISH + THROUGH COLOR

2



CONCRETE PAVING WITH SANDBLAST FINISH, SAWCUT SCORE JOINTS + INTEGRAL COLOR

3



STEEL PLATE 'HINGE' PAVING OR CONCRETE 'HINGE' SLAB

4



WOOD + STEEL BENCHES WITH RECESSED LIGHTING STRIP

5



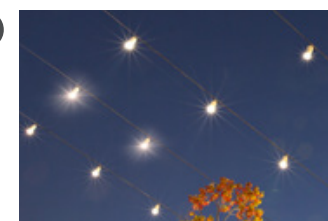
BBQ WITH TIMER, AUTOMATIC SHUT OFF VALVE + ACCESS DOOR ON SOLID SURFACE COUNTER WITH SEATING

6



STEEL HANDRAILS

7



DOWNLIGHTS ON CABLES

8



TRASH RECEPTACLE

OCT 3 2016

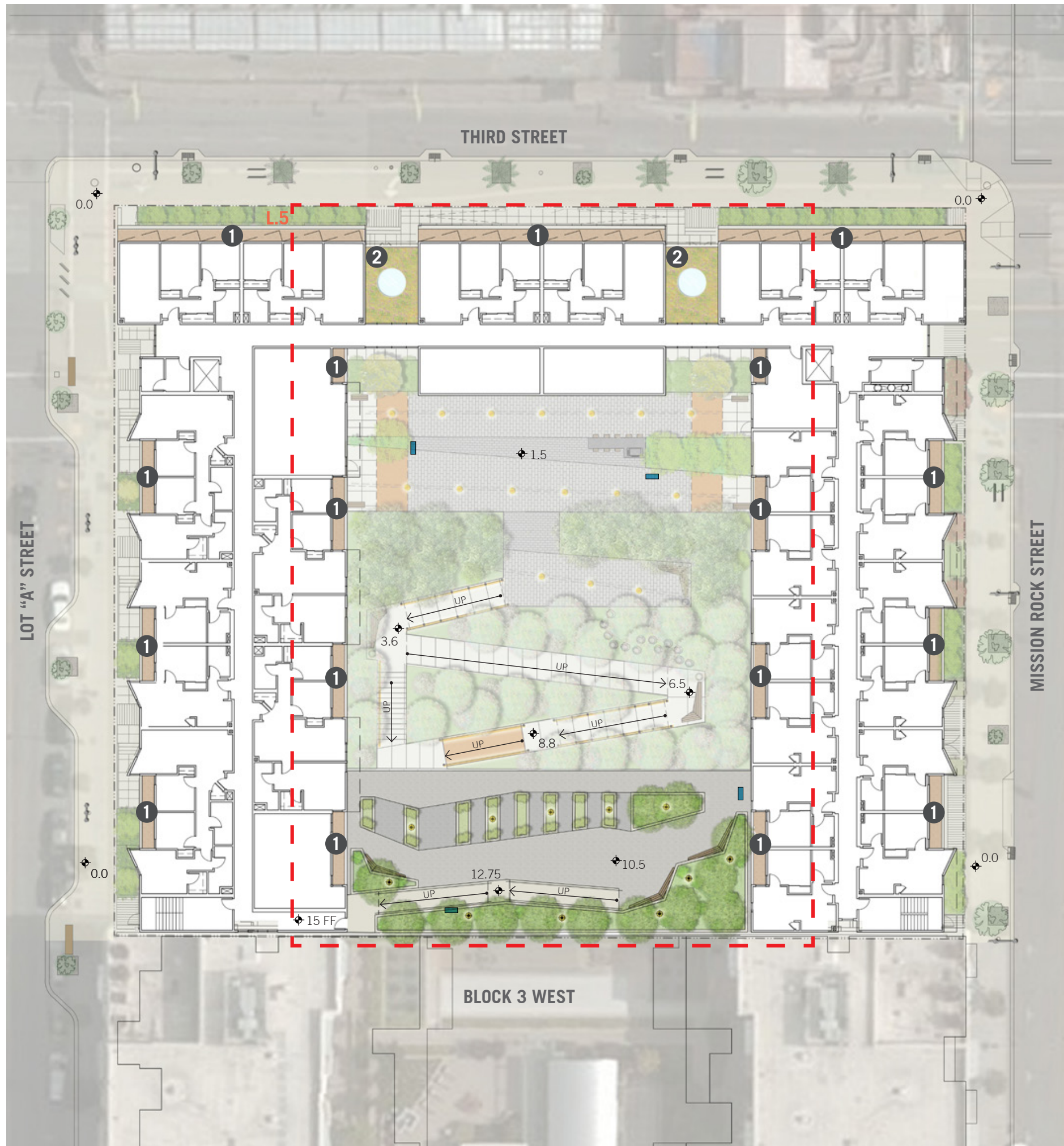
GROUND FLOOR COURTYARD PLAN
1150 THIRD STREET · 100% SCHEMATIC DESIGN

LMS^A

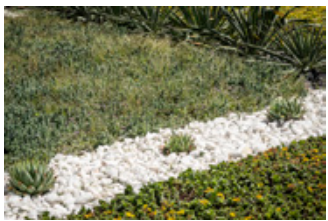
Swords to Plowshares
Chinatown Community
Development Center

L.3



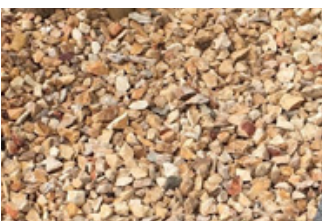


2



GREEN ROOF PLANTER

1



GRAVEL MULCH ON ROOF



OCT 3 2016

SECOND FLOOR LANDSCAPE PLAN

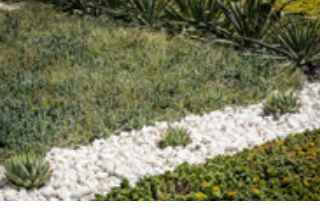
1150 THIRD STREET · 100% SCHEMATIC DESIGN

LMS^A

Swords to Plowshares
Chinatown Community
Development Center

L.4



- 1  30" HIGH FLOW-THROUGH PLANTER
- 2  24" HIGH MASONRY PLANTER WALL
- 3  CONCRETE UNIT PAVERS WITH GROUND FACE FINISH + THROUGH COLOR
- 4  GRAVEL MULCH ON ROOF
- 5  WOOD + STEEL BENCH
- 6  GUARDRAIL
- 7  STEEL RAILS
- 8  LIGHTING POLES
- 9  TRASH RECEPTACLES
- 10  GREEN ROOF PLANTER



OCT 3 2016

SECOND FLOOR COURTYARD PLAN

1150 THIRD STREET · 100% SCHEMATIC DESIGN

LMS^A
Swords to Plowshares
Chinatown Community
Development Center

L.5



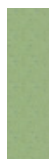
VIEW 1 - ENTERING COURTYARD FROM MAIN BUILDING ENTRANCE



VIEW 2 - DESCENDING STAIRS INTO SECOND LEVEL COURTYARD TERRACE



PLANT PALETTE BY TYPE

REPLACEMENT STREET TREES (IF NEEDED)			DIANELLA CAERULEA 'Casitas Springs' – Paroo Lily
	WASHINGTONIA FILIFERA – California Fan Palm		ARCTOSTAPHYLOS 'PACIFIC MIST' - Manzanita
	ARBUTUS 'MARINA' – Strawberry Tree	RAISED PODIUM PLANTERS	
	PITTOSPORUM UNDULATUM – Victorian Box		TRISTANIA LAURINA 'Elegans' – Water Gum
FLOW-THROUGH PLANTERS			AGAVE ATTENUATA – Foxtail Agave
	MAGNOLIA SOULANGIANA – Saucer Magnolia		ROSEMARINUS OFFICINALIS 'IRENE' – Trailing Rosemary
	CHONDROPETALUM ELEPHANTINUM – Cape Rush	RAISED PODIUM FLOW-THROUGH PLANTERS	
	DIANELLA CAERULEA VARIEGATA – Flax Lily		TRISTANIA LAURINA 'Elegans' – Water Gum
	OPHIOPHOGON JAPONICA – Mondo Grass		CHONDROPETALUM ELEPHANTINUM – Cape Rush
AT-GRADE PLANTERS			DIANELLA CAERULEA VARIEGATA – Flax Lily
	JUNIPERUS 'TORULOSA' – Hollywood Juniper		OPHIOPHOGON JAPONICA – Mondo Grass
	GARRYA ELIPTICA 'James Roof' – Silk Tassel Bush	GREEN ROOFS	
	ALOE ARBORESCENS – Torch Aloe		SEDUM HISPANICUM 'Purple Form'
	AGAPANTHUS INAPERTUS 'Storm Cloud' – Agapanthus		SEDUM TETRACTINUM 'Coral Reef'
	DYMONDIA MARGARETAE – Silver Carpet		SEDUM SPATHULIFOLIUM 'Cape Blanco'
COURTYARD PLANTINGS			YUCCA FILAMENTOSA – Adam's Needle
	OLEA EUROPAEA – Fruitless Olive Tree		
	GINKGO BILOBA – Maidenhair Tree		
	MYRICA CALIFORNICA – Pacific Wax Myrtle		
	HETEROMELES ARBUTIFOLIA – Toyon		

gls



OPTION TO GROUND LEASE AGREEMENT

This Option to Ground Lease Agreement (the "**Agreement**") is entered into as of this _____ day of _____, 2016, by and between SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, hereafter referred to as the Office of Community Investment and Infrastructure, a public body, organized and existing under the laws of the State of California ("**OCII**") and **MB3E, L.P.**, a California Limited Partnership, and its permitted assignees hereunder (the "**Optionee**"), with reference to the following facts:

RECITALS

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

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

C. FOCIL is the fee owner of that certain property (Assessor's Parcel Number 8711-026), located at 1150 Third Street, San Francisco (the "**Property**").

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

E. Pursuant to the Memorandum of Option dated June 22, 2007 recorded on July 5, 2007 in the Official Records of the City and County of San Francisco as Document 2007-1413537-00, FOCIL has designated OCII and OCII has accepted the designation of the real property located at 1150 Third Street, San Francisco and more particularly described in Exhibit A attached hereto as an Agency Affordable Housing parcel, and FOCIL granted to OCII an option to acquire fee title to such property upon the terms and conditions contained in the Housing Program.

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

G. The Optionee, is a limited partnership comprised of CCDC-MB3E LLC, which Chinatown Community Development Center (“**CCDC**”) is the sole managing member, and Swords-MB3E LLC, of which Swords to Plowshares (“**STP**”) is the sole managing member. The partnership’s managing general partner is CCDC-MB3E LLC. The Optionee desires to develop the Property with one hundred nineteen (119) multifamily units (including one manager’s unit) for formerly homeless veterans and low income families and certain ancillary uses (the “**Project**”) on a portion of that certain real property located at 1150 Third Street, in the City and County of San Francisco, California.

H. The Optionee intends to develop the Project with 4% Low Income Housing Tax Credits and tax-exempt bonds, local funds, and other sources, as necessary.

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

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

AGREEMENT

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

SECTION 2. Term of Option: Exercise.

a. Term and Extension of Term. The term of the Option (the “**Term**”) shall be for a period commencing on the date of this Agreement and ending on or before October 18, 2017, (the “**Initial Term**”) unless extended. So long as the Optionee is not then in default under this agreement or any other agreements with OCII, Optionee may request an extension of the Term for an additional six (6) months (the “**Extended Term**”) by giving written notice, accompanied by payment of One Dollar (\$1.00) (the “**Extension Payment**”), to OCII, at any time prior to the expiration of the Initial Term. The extension is subject to the approval of the OCII Executive Director. The Extended Term shall commence on 12:01 A.M. on the day immediately following the expiration of the Initial Term and shall end on February 16, 2018. All references in this Agreement to the Term shall mean the Initial Term, and if extended as set forth above, the Extended Term. During the Term, Optionee and OCII staff agree to negotiate in good faith to complete all of the terms and conditions of the ground lease of

the Property from OCII to Optionee consistent with this Agreement (upon completion of such negotiations, the “**Ground Lease**”). The final terms of the Ground Lease must be agreed to by Optionee and OCII, and approved by the OCII Commission, before Optionee’s exercise of the Option. The Term shall end on the dates set forth above or, if earlier, on the effective date of the Ground Lease.

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

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

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

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

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

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

c. Project Use. The Property shall be used during the term of the Ground Lease only for affordable housing, specifically the development of one hundred nineteen (119) multifamily units (including one manager’s unit) for formerly homeless veterans and low income families and certain ancillary uses. The maximum rent and income levels shall be set at no greater than 60% of area median income, defined as the area median income as determined by HUD for the San Francisco area, adjusted solely for household size, but not high housing cost area. If required by the Project’s tax credit investor based on the Project’s residual

analysis test, and if approved by the OCII Director in his or her reasonable discretion, the Ground Lease may permit increases in the maximum rent and income levels after the 55th year of the Ground Lease term, but such increases shall be limited only to the extent necessary to satisfy the tax credit investor's residual analysis test.

d. Rent. The tenant shall pay the landlord annual rent in the amount of ten percent (10%) of the land value of the Property (as determined by a MAI appraiser selected by, and at the sole cost of, the tenant, and set in the Ground Lease), consisting of \$15,000 in base rent and the remainder in residual rent. The residual rent shall be payable only to the extent proceeds are available from the Project. The annual rent shall be adjusted on the fifteenth (15th) anniversary of the expiration of the first full calendar lease year and every fifteen (15) years thereafter, and shall be equal to ten percent (10%) of then appraised value of the land as determined by a MAI appraiser selected by, and at the sole cost of, the tenant. Any such adjustment shall be made to the residual rent and not the base rent. If required by the Project's tax credit investor based on the Project's residual analysis test, and if approved by the MOHCD Director in his or her reasonable discretion, residual rent shall only be payable after full repayment of any residual receipts loan agreement provided to the Project by OCII.

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

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

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

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

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

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

SECTION 5. Closing.

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

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

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

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

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

Optionee: MB3E, L.P.
 c/o Chinatown Community Development Center, Inc.
 Housing Development
 1515 Vallejo Street, 4th Floor
 San Francisco CA 94109
 Attn: Executive Director

With a copy to:
Swords –MB3E LLC
c/o Swords to Plowshares
1060 Howard Street
San Francisco CA 94103
Attn: Executive Director

All notices so delivered, mailed or sent shall be deemed received as of the date shown on the delivery receipt as the date of delivery, the date delivery was refused or the date the notice was returned as undeliverable. Either party may change its address for the purposes of this paragraph by giving prior written notice of the change to the other party in the manner provided in this

Section 6. Any notice required under this Agreement that is sent by a Party shall be sent to, or contemporaneously copied to, all of the other Parties.

SECTION 7. Assignment of Option. Without the prior written consent of OCII, Optionee may assign its rights and obligations under this Agreement to any limited liability company in which MB3E, L.P. or its corporate affiliate is the managing general partner, or a limited partnership in which MB3E, L.P. or its corporate affiliate is a general partner. All other transfers by Optionee shall require the prior written consent of OCII.

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

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

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

SECTION 11. Commission. Each party to this Agreement represents to the other party that it has not engaged or used the services of any person, firm or corporation that may claim a broker's commission or finder's fee upon execution of this Agreement or the Ground Lease, and each party to this Agreement agrees to hold the other party harmless from any loss, damage, expense or liability, including attorney's fees, resulting from any claim by any person, firm or corporation based upon its having acted as broker or finder on behalf of said indemnifying party.

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

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

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

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

SECTION 16. Effective Date. Notwithstanding anything to the contrary contained herein, this Agreement shall not be effective until the date on which the OCII

Commission enacts a resolution approving and authorizing this Agreement and the transactions contemplated hereby, following execution of this Agreement by both parties.

(signatures begin on following page)

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

OCII:

Office of Community Investment
And Infrastructure, Successor Agency
to the Redevelopment Agency of the
City and County of San Francisco,
a public body, organized and existing
under the laws of the State of
California

By: _____
Tiffany Bohee
Executive Director

APPROVED AS TO FORM:

By: _____
James Morales
General Counsel

OPTIONEE:

MB3E, L.P.

By: CCDC-MB3E LLC, a California limited
liability company,
its managing general partner

By: Chinatown Community
Development Center, Inc., a California
nonprofit public benefit corporation, its
sole member/manger

By: _____
Norman Fong, Executive
Director

By: Swords-MB3E LLC, a California limited
liability company,
its administrative general partner

By: Swords to Plowshares: Veterans
Rights Organization, a California
nonprofit public benefit corporation, its
sole member/manger

By _____
Michael Blecker, Executive
Director

EXHIBIT A

Property Description

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

The Site is located at 1150 Third Street (APN 8711-026), and is a flat, rectangular 47,140 square foot lot. The parcel's frontage is as follows: 233 feet along Third Street and the western property boundary, and 200 feet along Mission Rock Street and the private street on the north. The Site is currently vacant.

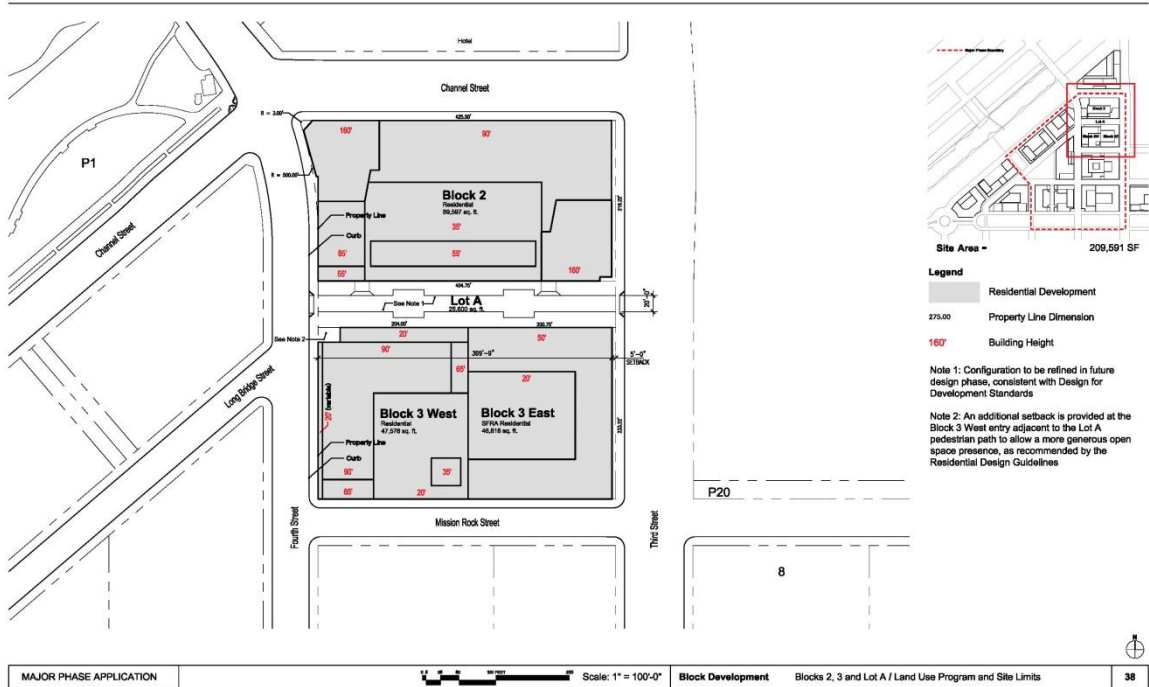
EXHIBIT B -1

Context Map



EXHIBIT B -2

Site Plan



Professional Services Consultant Summary- ESTIMATED

Figures as of October 11, 2016

Discipline	Consultant Names	Fee	SBE Goal Credit *	SBE Participation	SBE-SF	For Information Purposes Only			
						MBE	Ethnicity**	WBE	MBE/WBE
Architect	LMS Architects	\$ 1,404,523							
Associated Architect	Saida Sullivan	\$ 316,430	\$ 316,430	\$ 316,430	\$ 316,430			\$ 316,430	
Structural Engineer	KPFF/Rivera	\$ 271,000	\$ 271,000	\$ 94,850	\$ 94,850	\$ 94,850	Latino		
MP/FP Engineer	Tommy Sui	\$ 117,680	\$ 117,680	\$ 117,680	\$ 117,680	\$ 117,680	Asian Amer		
Electrical/ Low Volt Engineer	EdesignC	\$ 159,528	\$ 159,528	\$ 159,528	\$ 159,528		Latino	\$ 159,528	\$ 159,528
Civil Engineering	Luk and Assoc.	\$ 53,000	\$ 53,000	\$ 53,000		\$ 53,000	Asian Amer		
Landscape Architecture + Irrigation	GLS	\$ 103,500	\$ 103,500	\$ 103,500	\$ 103,500				
Lighting Design Consultant	Architecture Lighting Design (ALD)	\$ 51,000	\$ 51,000	\$ 51,000	\$ 51,000				
Acoustical Consulting	Papadimos	\$ 30,400	\$ 30,400	\$ 30,400	\$ 30,400				
Waterproofing/Roofing Consultant	Gale Associates	\$ 26,960							
Owner's Representative/ CM	Gonzalo Castro	\$ 104,000	\$ 104,000	\$ 104,000	\$ 104,000	\$ 104,000	Latino		
Surveyor	Luk and Assoc.	\$ 7,500	\$ 7,500	\$ 7,500		\$ 7,500	Asian Amer		
Geotechnical Engineering	Langan/ Divis	\$ 156,000	\$ 156,000	\$ 54,600	\$ 54,600				
Market Study	Newport Realty Advisors	\$ 7,500							
Financial/Syndication consultants	CHPC	\$ 55,000							
NEPA Phasel ESA Study	ESA	\$ 25,955							
Environmental Consultant	Langan/ Albion	\$ 130,600	\$ 130,600	\$ 45,710	\$ 45,710				
Building Maintenance/ OSHA	Access Systems and Solutions/SITCO	\$ 20,000	\$ 20,000	\$ 20,000					
Greenpoints Administrator	Association for Energy Affordability (AEA)***	\$ 28,735							
Corrosion Consultant ****	TBD	\$ 25,000	\$ 25,000						
Reproduction Services ****	TBD	\$ 25,000	\$ 25,000						
Legal	TBD	\$ 65,000							
Appraisal	TBD	\$ 10,000							
Special Inspections & Testing ****	TBD	\$ 140,000	\$ 140,000						
TOTALS		\$ 3,334,311	\$ 1,710,638	\$ 1,158,198	\$ 1,077,698	\$ 377,030		\$ 475,958	\$ 159,528
Percent of Total Fees			51.8%	35.0%	32.6%	11.4%		14.4%	4.8%

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

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

***AEA is a not-for-profit association and its fees are not included in SBE calculations

****Items are ESTIMATED at this time and pending contracts with SBE proposers

Exhibit D: SBE Consultant Biographies

The following provides brief biographies for SBE consultants holding the five largest professional services contracts. Please see Exhibit C for dollar value of contracts.

GLS

GLS Landscape / Architecture was established in San Francisco in 1993, specializing in the integration of landscape with architecture, urban design and infrastructure. With 12 employees, located in the heart of the Mission District, GLS holds a certificate with the City as an SBE. Past projects with OCII include Hunters View Redevelopment Phases 1 and 2, Broadway-Sansome Affordable Housing, Renee Cazenave Apartments at Transbay Block 11A, Transbay Block 9, Mission Bay Block 7, and 1110-1190 4th Street (in Mission Bay).

Rivera (w/ KPFF)

The Rivera Consulting Group, Inc. (RCG) was formed in San Francisco in 1998 as a structural engineering design firm. RCG holds a business license from the City and County of San Francisco, CA (Certificate No. 324447), is a certified LBE/DBE with the City of San Francisco (Certification No. HRC120614544) and is a certified Small Business Enterprise, State of California. Past projects include residential communities at Hunters View Blocks 7, 10 & 11 and Mission Bay Blocks 5 & 11.

Tommy Sui & Associates

Tommy Siu and Associates has been in business since 1989. We are a mechanical engineering consulting firm and we hold a Minority-Owned Local Business Enterprise (LBE) certificate issued by San Francisco City Administrator Office, Contract Monitoring Division. Projects include mixed- use and multi-family residential complex. Recent projects include Mission Bay Blk7W, Alice Griffith Blocks 2 & 4, and 121 Golden Gate.

Saida + Sullivan Design Partners Inc.

Saida + Sullivan Design Partners Inc. (SSDP) was incorporated in San Francisco in 1999 as a full service architecture and interior design firm. SSDP is woman-owned and holds a Local Business Enterprise (LBE) certification from the San Francisco Human Rights Commission. SSDP's past projects include affordable residential communities at Transbay Block 6/7, Mission Bay Block 11, and 474 Natoma.

EdesignC Inc.

Incorporated in San Francisco in 2008, EdesignC Inc. is a minority-woman owned electrical engineering firm that specializes in energy and building system designs. Collectively, the firms team members bring over 50 years of architectural and engineering experience. With a focus on sustainability, EdesignC Inc. prides itself on balancing project priorities with efficiency and environmental concerns. The firm is also committed to community involvement and actively supports non-profits including Girls Inc. and Abilities United.